# Comprehensive Housing Analysis

## Grayson County, Virginia

**Prepared for:**

**Mayana Rice**
**Appalachian Highlands Housing Partners**

**October 2025**

S. PATZ & ASSOCIATES, INC
REAL ESTATE CONSULTANTS

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October 8, 2025

Mayana Rice
Director
Appalachian Highlands Housing Partners
851 French Moore Jr. Blvd., Suite 110-Box 25
Abingdon, Virginia 24210

Dear Ms. Rice,

Enclosed is our comprehensive housing study for Grayson County, prepared for Appalachian Highlands Housing Partners. The report offers a detailed assessment of current housing conditions and provides practical guidance for future residential investment. It is designed to support data-driven decision-making and includes analyses of demographic and economic trends, market performance indicators, recommended housing products, and steps to encourage feasible residential development.

The analysis shows that Grayson County's housing market is constrained by an aging housing stock, a lack of modern for-sale and rental options at attainable price points, and limited new construction. Demand remains evident despite long-term population decline, supported by smaller household sizes, ongoing household formation, workforce retention needs, and unmet demand among seniors seeking accessible homes.

Rental opportunities in Grayson County are scarce and primarily limited to deeply subsidized properties or older, scattered single-family and manufactured homes. Most of the region's rental options are concentrated outside Grayson County in Galax and Carroll County, where supply is also limited but somewhat greater. As a result, many prospective renters in Grayson County must search for housing outside the County or settle for older, less desirable units locally, often with design features that do not meet their needs. This affects those seeking both affordable and market-rate rental options. Market-rate apartments and higher-density ownership choices, such as townhomes and patio homes, remain largely unavailable within the County.

The for-sale market is similarly constrained. New home construction has been minimal for years, with nearly all activity tied to individual lot purchases rather than speculative building. As a result, working households and moderate-income buyers have few attainable ownership options locally. They often must look to neighboring counties or purchase older homes that may not fully meet their expectations. Rising home prices in surrounding areas further intensify the pressure on first-time buyers and families.

Housing for seniors is also in short supply. Many seniors remain in homes that no longer meet their needs because there are few single-level, accessible, or low-maintenance options available in Grayson County. Without alternatives, turnover in the existing housing stock is limited, further reducing opportunities for other buyers and constraining the market's ability to adapt to demographic change.

The study finds that the County can support new housing across a range of types and price points. Recommended priorities include attainable workforce-oriented homes, modestly priced entry-level options, and housing suitable for seniors looking to downsize. The analysis identifies multiple sites and buildings with redevelopment potential and outlines strategies to reduce development costs, including the use of state and federal incentives such as Low-Income Housing Tax Credits (LIHTC) and various Virginia Housing programs.

Through targeted public-private collaboration, updated land-use policies, and access to financing tools, Grayson County can expand housing choices, stabilize its population base, and enhance its regional role in the Twin County economy. These efforts can help retain residents, attract new households, and support local employers who depend on a stable and nearby workforce.

We appreciate the opportunity to assist Appalachian Highlands Housing Partners in this work and thank local leaders and stakeholders for their input throughout the study process. We remain available to support any next steps as you move these recommendations toward implementation.

Sincerely,

Ariel Goldring

Ariel Goldring, President
S. Patz & Associates, Inc.

## Table of Contents

## Introduction

This comprehensive housing study evaluates current housing conditions and identifies opportunities for new residential development in Grayson County and its incorporated towns. The analysis considers workforce retention pressures, an aging population, and a limited mix of housing types and price points, all of which contribute to the region's housing challenges.

Many seniors continue to live in homes that no longer meet their needs. Few new homes are being built in Grayson County to serve these households, particularly those needing features such as first-floor bedrooms, single-level layouts, and accessible bathrooms. Seniors have limited local options for downsizing or relocating. As a result, they often remain in their current homes longer, which constrains turnover and reduces the supply of available housing for other households. While some speculative building occurs in the broader region, nearly all new homes are constructed east of Grayson County, particularly in Galax and Carroll County.

Housing for the workforce population is also limited. Few speculative homes for working households are being built, and those under construction are primarily located east of Grayson County, especially in Carroll County. None provide higher-density options, such as townhomes or patio homes. Expanding these housing types within the County could create more attainable ownership opportunities and serve a broader range of residents.

The rental market is similarly constrained. In Grayson County, the existing multifamily rental developments rely on deep rent subsidies, and there are no market-rate multifamily properties. Most area market-rate rental units are in Galax and Carroll County, so prospective renters in Grayson County often must seek suitable options outside the County. Likewise, all affordable rental units without deep rent subsidies are located outside Grayson County, primarily in Galax and Carroll County.

Within the County, non-subsidized rentals consist mainly of scattered single-family homes and manufactured homes. Most of these units are older, and their rents are often comparable to those of affordable properties in nearby localities, reflecting limited quality and age. This shortage of both for-sale and rental housing constrains population growth, weakens workforce retention, and slows economic development.

Market data support these concerns. Persistently low rental vacancy rates, affordability measures, and demographic trends show unmet demand for modern rental housing, attainable entry-level homes, and senior-friendly options, and highlight the need for a broader range of designs and price points. Yet the current supply falls short across all these categories. Better-quality housing is more available outside Grayson County, but even there, demand exceeds supply.

Addressing these challenges will require strategies to reduce development costs and deliver homes affordable to the workforce and to seniors with moderate incomes. State and federal resources, including Low-Income Housing Tax Credits (LIHTC), programs from Virginia Housing and the Virginia Department of Housing and Community Development, can help make new construction financially feasible.

Despite current barriers, Grayson County has land and existing buildings suitable for redevelopment into a range of housing types. This study highlights those opportunities and outlines practical strategies based on documented needs and current market conditions.

The report is organized into eight sections, each providing a framework for understanding existing conditions and guiding practical, evidence-based housing development efforts.

- **Section I: Grayson County Setting:** This section provides an overview of Grayson County, describing its geographic setting, transportation infrastructure, and regional linkages. These elements are essential for understanding the County's physical context and accessibility, both of which influence the potential for housing development.

- **Section II: Economic Overview:** This section offers an economic overview of Grayson County. Its purpose is to illustrate the level and type of job growth occurring in the region, as well as the potential for future employment expansion. The analysis includes data on at-place employment trends, employment, and labor force changes, current economic development initiatives, and regional employment growth that could drive future housing demand.

- **<u>Section III: Demographic Analysis:</u>** This section presents a comprehensive demographic analysis of Grayson County. It includes an evaluation of the regional population, household composition by tenure and income, and demographic shifts among seniors. The analysis also examines the number of rent-overburdened households and the extent of substandard housing, two key indicators supporting the case for affordable housing development. Additionally, it examines trends in housing unit development, the age of currently occupied housing, and tenure patterns based on the year households moved into their homes. Together, these factors help to quantify the level of pent-up demand for various types of new housing.

- **<u>Section IV: Housing Market Overview:</u>** This section analyzes both the for-sale and rental housing markets in Grayson County, with a focus on workforce housing and market-rate apartment development. It presents data on professionally managed rental communities in the area, including information on construction periods, income restrictions, rent levels, and occupancy rates. It also examines apartment developments currently in the pipeline. The for-sale market analysis includes data on home sales rates, trends in median sales prices, the availability of housing inventory, and subdivisions with lots ready for residential development. Notably, there is no identified senior-oriented for-sale housing market in Grayson County. However, the feasibility of establishing such a market is evaluated in this section, as demographic data show a sizable and well-established senior population.

- **<u>Section V: Development Incentives and Program-Eligible Areas:</u>** This section evaluates federal and state programs that can help support new housing development in Grayson County. These programs often designate specific geographic areas as eligible for targeted incentives, such as tax credits, reduced-interest financing, direct subsidies, or flexible underwriting. These tools are intended to facilitate residential investment in communities facing economic challenges or historically limited access to capital.

- **<u>Section VI: Project BAUD: A Model for Blight Mitigation and Redevelopment:</u>** This section of the study assesses the Town of Marion's Project BAUD (Blighted, Abandoned, Underutilized, and Derelict) model. The analysis considers the project's potential for adaptation and implementation in Grayson County and its towns. The model is presented as a possible strategy for repurposing underperforming or neglected properties and reintegrating them into the local housing supply.

- **<u>Section VII: Development and Redevelopment Properties:</u>** This section identifies existing buildings and vacant parcels in Grayson County that are suitable for new residential development or redevelopment.

- **<u>Section VIII: Conclusions and Recommendations:</u>** This final section presents the study's conclusions and outlines a series of strategic recommendations to support residential development across Grayson County. These recommendations address optimal site locations, target sales prices and rental rates, appropriate housing sizes and types, and the intended target markets for new units.

## Section I: Grayson County Setting

Grayson County is a predominantly rural locality in southwestern Virginia on the North Carolina border. Its landscape consists of working farms, extensive woodlands, forested ridges, and river valleys. Agriculture and forestry are the County's predominant land uses, and together they anchor the local economy.

More than half of the County's land, about 155,557 acres, is classified as timberland, with 124,287 acres in private ownership. According to the U.S. Department of Agriculture, more than 124,000 acres of farmland remain in operation. These lands form the foundation of the County's agricultural and forestry industries.

These farms and forests sustain local employment and generate revenue from outside the County, since most goods are sold elsewhere. Real estate taxes on privately owned agricultural and forested lands represent the County's most significant single revenue stream, underscoring their fiscal importance.

Much of the County's public land is dedicated to recreation and tourism. The Mount Rogers National Recreation Area, the Appalachian Trail, and several state parks provide outdoor access and contribute to the County's scenic appeal. These assets attract visitors, support local businesses, and reinforce the County's rural identity.

Historically, settlements developed along transportation routes, at crossroads, near creeks, and along the New River, where churches, schools, general stores, and post offices often clustered. Water-powered mills supported farms, households, and businesses, and communities formed around these centers, allowing residents to make same-day trips. With the rise of the automobile, proximity to goods and services became less important.

Today, only a small number of the County's original communities continue to provide goods and services. Development is concentrated in and around the County's incorporated towns and in areas closest to the independent City of Galax. Activity centers in Carroll County and

Galax influence housing choices, commuting patterns, and service use across jurisdictional boundaries.

In addition to agriculture and forestry, the County has invested in industrial development through publicly sponsored parks. The Blue Ridge Crossroads Commerce Park, located on the boundary of Grayson County and Galax, is a partnership supported by the Blue Ridge Crossroads Economic Development Authority. The Grayson County Industrial Park, near Independence along U.S. Route 58 and within 23 miles of I-77, offers another employment center.

Wildwood Commerce Park, at Exit 19 off I-77, is one of seven designated "mega sites" in Southwest Virginia. Purchased in 2011 for joint development by Carroll County, Grayson County, and the City of Galax, it reflects a collaborative regional strategy. These initiatives complement the agricultural and forestry base, reinforcing the County's role within the broader Twin County economy.

While this study focuses on Grayson County, it accounts for the County's close functional ties with the independent City of Galax and adjacent Carroll County. Together, these three jurisdictions, known as the Twin County Region, operate as an integrated housing market shaped by commuting patterns and economic interdependence.

Data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics show strong employment connections among the jurisdictions. Of all jobs located in Grayson County, Grayson County residents hold 40.4 percent, Carroll County residents hold 9.9 percent, and Galax residents hold 5.2 percent. These represent the largest single shares.

In Carroll County, 6.2 percent of jobs are held by residents of Grayson County, which is the second-largest share after Galax residents. For Galax residents, 19.1 percent work within the city, 16.2 percent work in Grayson County, and 6.2 percent work in Carroll County. Collectively, these flows show cross-jurisdiction employment ties and help explain why housing demand, both for-sale and rental, operates at a regional scale.

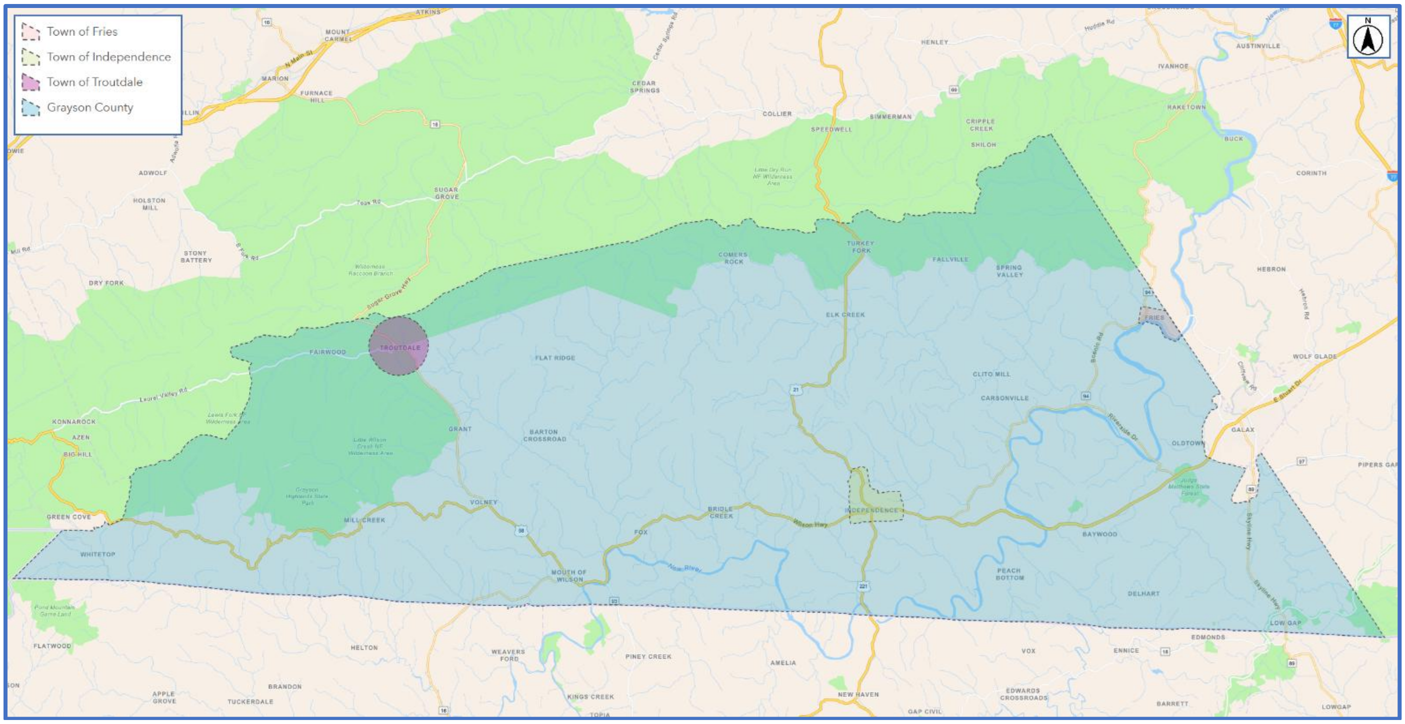
This regional context frames local housing conditions. Grayson County comprises three incorporated towns:

- **<u>Independence</u>**: Independence, the county seat, functions as the primary governmental and service center. The town contains a mix of civic uses, small-scale retail, health and professional services, and established residential neighborhoods. Housing in and around Independence consists primarily of older single-family homes. Retail and service activities along U.S. Route 58 and U.S. Route 21 cater to the daily needs of residents from a broad rural catchment area. U.S. Route 58 runs east to west across the County, and U.S. Route 21 runs north to south through the town toward the North Carolina line. These routes connect Independence to Galax and to employment and shopping opportunities in neighboring counties, which reinforces its role as an accessible residential location within the Twin County Region.

- **<u>Fries:</u>** Fries is a small town on a bend of the New River. Historically a mill town, Fries retains a compact street pattern and traditional village character. Housing in Fries and its adjacent areas is generally older and situated on smaller lots near the town center, featuring a mix of single-family homes, cottages, and some small multifamily buildings. Proximity to the New River and the New River Trail State Park attracts recreational visitors, supporting a modest service economy that contributes to local housing demand. Fries is accessed by Virginia Route 94 from the south and by local connectors to U.S. Route 58 and the City of Galax, which provide direct connections to jobs and services in Galax and eastern Grayson County, as well as visitor access to the river corridor.

- **<u>Troutdale</u>**: Troutdale is a small mountain town that serves communities near public lands in the western portion of the County. Residential areas consist primarily of older homes. Its location near the Mount Rogers high country and trail networks allows Troutdale to serve as a gateway for outdoor recreation and as a quieter residential alternative within the County. The town is connected to the region by Virginia Route 16 and by local roads that lead to U.S. Route 58. Residents frequently travel to Independence, Marion, and nearby towns in Smyth and Wythe counties for employment, shopping, and services.

**Map A** shows the location of Grayson County.




**Map A – Grayson County, Virginia**

**Map B** shows the regional context of Grayson County and the wider Twin County Region. Interstate 81 lies just north of the area. This major corridor runs from near Knoxville, Tennessee, where it connects with I-40, to the Canadian border in upstate New York. It provides a link to areas experiencing employment growth, including the greater Bristol area and the Wytheville region.

In Virginia, Interstate 81 extends for 325 miles from the Tennessee border near Bristol to the West Virginia line near Winchester. Interstate 77 runs for nearly 70 miles from the North Carolina border in Carroll County to the West Virginia line in Bland County. The two interstates overlap for eight miles in Wytheville, creating a significant highway junction in Southwest Virginia. County residents can access I-81 at Exit 45 in Marion, I-77 at Exit 14 about eight miles east of Galax, and the I-77 and I-81 overlap at Exits 73 and 80 in Wytheville.

To the north, Smyth County, Wythe County, and Pulaski County are bisected by I-81. Each has reported net employment growth, which will be detailed later in this report, although all three face constrained housing supply and challenges in scaling production. To the east, Floyd and Patrick Counties remain largely rural and sparsely populated, with limited employment growth compared to I-81 corridor counties.

To the west, the City of Bristol and Washington County have experienced pockets of employment growth, mostly in central and western areas that are geographically distant from population centers in Independence, Galax, and Hillsville. To the south, Ashe, Alleghany, and Surry Counties in North Carolina provide additional housing and employment options. Interviews with property managers and realtors suggest that limited local availability has prompted prospective renters and buyers to move into nearby North Carolina communities, such as Sparta, Elkin, and Mount Airy.

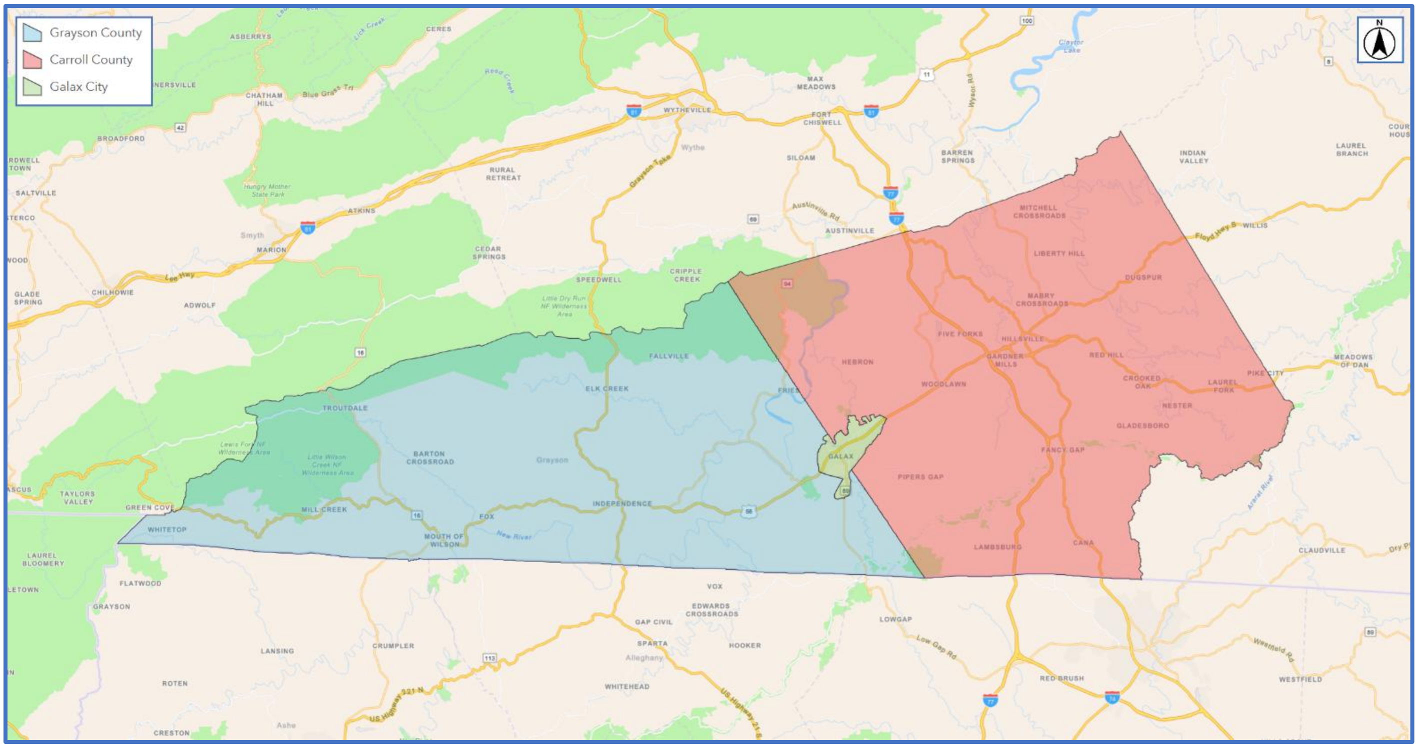
Within the Twin County Region, the road system provides access between towns and to neighboring counties. The Virginia Department of Transportation (VDOT) maintains and manages this system, which combines interstate, primary, and secondary roads. Road classifications and locations influence development and economic activity.

U.S. Route 58 is the primary east-to-west corridor linking Independence, Galax, and Hillsville to surrounding counties. U.S. Route 21 runs north to south through Independence, connecting the region to the I-81 corridor to the north and to North Carolina to the south. U.S. Route 221 provides another north-to-south link. Other state highways, including VA 16, 89, 93, 94, 97, and 274, provide additional access within the County and to neighboring jurisdictions.

The County also contains approximately 338 miles of rural secondary roads that generally have two lanes and collect traffic from local roads to the primary network. Together, the network connects rural settlements to Independence, Galax, and Hillsville, ultimately linking them to the interstate system. This access is crucial for connecting residents to services and employment opportunities, both within and outside the region.

Interstate 77 passes through Carroll County just east of Galax. It provides direct access north to Wythe County and the I-81 corridor, and south to the Piedmont Triad region of North

Carolina. Wytheville, located at the junction of I-81 and I-77, is approximately 45 minutes north of Galax by highway and serves as a regional and long-distance traffic hub.




**Map B – Twin County Region Setting**

For residents of the Twin County Region, the interstate network provides connections to employment centers along I-81, including Wytheville, Marion, and Pulaski. It also links southward to expanding job markets in the greater Charlotte and Winston-Salem areas via I-77. These transportation connections make the interstate system central to commuting and regional economic activity.

For non-drivers, options are limited. Mountain Lynx provides regional transit across Grayson County and neighboring jurisdictions, including Abingdon, Galax, Marion, and Wytheville, as well as Bland, Carroll, Smyth, Washington, and Wythe counties. The service includes shopping routes and transportation to congregate nutrition sites.

## Section II: Economic Overview

This section provides an overview of the economy in Grayson County, incorporating an analysis of the City of Galax and Carroll County. It examines the region's employment base and evaluates its potential for future job growth. The discussion is based on the premise that economic and demographic conditions are closely linked to employment patterns, labor force participation, and levels of public and private investment.

Although Grayson County is the primary focus, data from Galax and Carroll County are also included, as the three jurisdictions function as a single, interconnected market. They share commuting patterns, workforce resources, and service activity, demonstrating a high level of economic integration. This regional perspective offers a more accurate picture of housing market dynamics and development potential.

Residents of Grayson County frequently commute to Galax or Carroll County for employment, shopping, and services, and residents of those localities also work or conduct business in Grayson County. The jurisdictions share infrastructure such as transportation corridors and utility systems, and they regularly collaborate on development initiatives. Evaluating these areas together captures their interdependence and provides a more comprehensive view of regional market conditions.

This analysis focuses on three primary indicators: (1) employment trends, (2) labor force participation, and (3) active or planned development projects that could create jobs. It also considers Worker Adjustment and Retraining Notification (WARN) notices, which document recent or anticipated layoffs. Combined, these data provide insight into the region's economic resilience and its capacity to support future investment, including residential development.

A key premise is that sustained employment growth drives population increases and household formation, which in turn fuel demand for additional housing. Evaluating the strength of the economy is therefore essential to understanding the region's capacity to support long-term residential development.

In Grayson County, housing demand will be influenced by pent-up demand among current residents, job creation within the region, and an aging population. Economic growth in Galax and Carroll County will also shape housing needs in Grayson County, as investments in those jurisdictions expand the regional job base.

Although Galax and Carroll County face housing shortages, their economic expansion could generate spillover housing demand in Grayson County. The County's proximity to regional job centers and availability of developable land position it to capture some of this growth.

## II.1: Employment by Place of Work (At-Place Employment)

At-place employment refers to the total number of jobs physically located within the City of Galax, Carroll County, and Grayson County, regardless of where employees reside. At the end of 2019, there were 15,247 jobs in the region, before job losses in 2020 and 2021 associated with the COVID-19 pandemic. Between 2015 and 2019, the region gained only 145 net jobs, reflecting a period of slow growth.

Because the region relies on a limited number of large employers, sector-level data are often suppressed for confidentiality, limiting visibility in some industries. This pattern is common in rural, sparsely populated communities where a few employers dominate the labor market.

Manufacturing is the region's largest employment sector, accounting for 2,977 jobs in 2019, or about 19.5 percent of total employment. The sector lost 97 jobs between 2015 and 2019; however, interviews with local officials and planned projects suggest modest future growth. Manufacturing activity is concentrated in two industrial parks located near Hillsville, specifically around the intersection of Carrollton Pike and Interstate 77.

Public sector employment is another significant component of the workforce, with 3,153 jobs, or roughly 20.7 percent of total employment, across local, state, and federal agencies. Most positions are in local government, particularly school systems, making education a cornerstone of public employment in the region.

The retail trade sector comprises 930 jobs, accounting for approximately 6.1 percent of total employment. Retail activity is concentrated along U.S. Route 58 and in commercial hubs in Galax, Hillsville, and Independence. Major employers include Walmart Supercenter and Lowe's Home Improvement, as well as several multi-tenant shopping centers.

- **Galax Plaza**: This 109,680-square-foot shopping center is anchored by Roses, which occupies 50,250 square feet, and Grant's IGA Supermarket, which occupies 29,960 square feet. The center also contains the Carilion Clinic Family & Internal Medicine, which opened in February 2020 in an 18,000-square-foot space. The clinic employs 16 physicians and over 30 staff members, and features 40 exam rooms, three specialty service areas, on-site X-rays, and laboratory services.

- **Food City Shopping Center**: This center is located at 955 East Stuart Drive. It is anchored by Food City, Schewels Home, and Harbor Freight Tools, with Dollar General as a smaller tenant.

- **Twin County Plaza**: This 164,720-square-foot shopping center is located at 1043–1091 East Stuart Drive. It is anchored by Hobby Lobby, occupying 52,830 square feet, Big Lots, occupying 37,800 square feet, and Tractor Supply Co., occupying 32,000 square feet.

- **Cherry Hill Plaza**: This 71,700-square-foot shopping center is located at 1126–1138 East Stuart Drive. It is anchored by Dollar Tree, which occupies 11,000 square feet.

Although **Table 1** suppresses data for the health care sector, this industry is a major driver of local employment. Nearly one-quarter of all jobs in Galax are tied to Twin County Regional Healthcare, a 141-bed hospital that opened in 1973 and remains the region's only full-service hospital. The facility employs approximately 350 staff, including around 100 physicians, making it one of the area's largest private employers.

Overall, the regional economy is anchored by manufacturing and public sector employment, with retail and health care providing essential services and a stable job base. Employment patterns in the years leading up to the COVID-19 pandemic reflected a mature, slow-growth economy, with only 145 jobs added between 2015 and 2019. However, targeted investments in health care and advanced manufacturing suggest selective opportunities for future growth. Employment concentrations along major corridors such as U.S. Route 58 and I-77 reinforce the region's role as a hub for surrounding rural areas and point to incremental housing demand near these job centers.

**Table 1: At-Place Employment by Industry — Twin County Region, VA (2015–2019)**
*(Includes Grayson County, Carroll County, and the City of Galax)*

| Industry | 2015 | 2016 | 2017 | 2018 | 2019 | Net Change |
|---|---|---|---|---|---|---|
| Agriculture | ND | ND | ND | ND | ND | -- |
| Mining | ND | ND | ND | ND | ND | -- |
| Utilities | ND | ND | ND | ND | ND | -- |
| Construction | ND | ND | ND | ND | ND | -- |
| Manufacturing | 3,074 | 2,983 | 2,979 | 2,978 | 2,977 | -97 |
| Wholesale Trade | 200 | ND | 282 | ND | ND | -- |
| Retail Trade | ND | ND | ND | 986 | 930 | -- |
| Transportation/Warehousing | ND | 1,344 | ND | ND | ND | -- |
| Information | ND | ND | ND | ND | ND | -- |
| Finance/Insurance | 294 | 296 | 296 | 294 | 294 | 0 |
| Real Estate | 101 | 94 | 82 | 86 | 85 | -16 |
| Professional/Technical | ND | ND | ND | ND | ND | -- |
| Management of Companies | ND | ND | ND | ND | ND | -- |
| Administrative/Waste | 610 | 595 | ND | ND | ND | -- |
| Education | ND | ND | ND | ND | ND | -- |
| Health Care | ND | ND | ND | ND | ND | -- |
| Arts/Entertainment/Recreation | ND | ND | ND | ND | ND | -- |
| Accommodations/Food | ND | ND | ND | ND | ND | -- |
| Other Services | 237 | 266 | 339 | ND | 269 | 32 |
| Local Government | 2,427 | 2,408 | 2,393 | 2,394 | 2,401 | -26 |
| State Government | 954 | 914 | 857 | 790 | 632 | -322 |
| Federal Government | 122 | 119 | 114 | 117 | 120 | -2 |
| **Total** | **15,102** | **15,404** | **15,463** | **15,243** | **15,247** | **145** |

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

**Table 2** shows employment changes in the Twin County Region between 2019 and 2024, capturing both the pandemic's impact and the pace of recovery. At-place employment declined from 15,247 jobs in 2019 to 14,344 in 2020, representing a 903-job decrease (5.9 percent). Recovery began in 2021 with a gain of 57 jobs, followed by increases of 243 in 2022, 213 in 2023, and 155 in 2024. By year-end 2024, total employment was 15,012, representing a recovery of 668 of the 903 jobs lost in 2020 (approximately 74 percent).

Between 2020 and 2024, the employment base expanded by 668 jobs, averaging approximately 167 jobs per year, or roughly 1.2 percent annually. To return to its pre-pandemic level of 15,247 jobs, the region must add another 235 positions. At the current growth rate, full recovery appears achievable within two years, assuming typical year-to-year economic variation.

Manufacturing experienced the steepest contraction, declining from 2,977 jobs in 2019 to 2,261 in 2024, a loss of 716 jobs, or 24 percent. This decline has slowed overall recovery because manufacturing remains a core regional sector. Other sectors provided stability: local government added 28 jobs, the other services sector grew by 30, and real estate employment decreased by seven.

Although not shown in **Table 2** due to disclosure restrictions, growth in health care and logistics appears to have supported recovery, as reported by local officials and industry sources. State government employment declined by 49 jobs, and federal government employment fell by 17; however, these losses had a minimal impact given their smaller size.

**Table 2: At-Place Employment by Industry — Twin County Region, VA (2019–2024)** [1]
*(Includes Grayson County, Carroll County, and the City of Galax)*

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Net Change |
|---|---|---|---|---|---|---|---|
| Manufacturing | 2,977 | 2,577 | 2,623 | 2,643 | 2,487 | 2,261 | -716 |
| Finance/Insurance | 294 | 276 | 271 | 263 | 260 | 260 | -34 |
| Real Estate | 85 | 87 | 87 | 86 | 92 | 78 | -7 |
| Other Services | 269 | 259 | 275 | 287 | 278 | 299 | 30 |
| Local Government | 2,401 | 2,209 | 2,209 | 2,266 | 2,314 | 2,429 | 28 |
| State Government | 632 | 606 | 578 | 560 | 584 | 583 | -49 |
| Federal Government | 120 | 118 | 104 | 97 | 104 | 103 | -17 |
| **Total** | **15,247** | **14,344** | **14,401** | **14,644** | **14,857** | **15,012** | **-235** |

[1] Table only shows industries where data are available

Source: U.S. Department of Labor

## II.2: Labor Force Characteristics

Employment and at-place employment measure different aspects of the workforce. Employment reflects the number of residents with jobs, regardless of where those jobs are located, while at-place employment measures jobs physically located within the region. In 2024, there were 21,700 employed residents and 15,012 local jobs, a difference of nearly 6,700 positions. These data show that many residents commute outside the Twin County Region for work, primarily to Smyth and Wythe counties along the I-81 corridor, as well as to Alleghany County and Surry County in North Carolina. Reliance on jobs in neighboring areas directly influences housing demand in the region, tying it closely to trends across the broader labor market.

**Table 3** shows labor force, employment, and unemployment trends in Grayson County, Carroll County, and the City of Galax from 2019 to 2024, covering both the impact of the COVID-

19 pandemic and the subsequent recovery. In 2020, total resident employment fell by 1,341 jobs, or 6.3 percent, compared to 2019, and the regional unemployment rate increased from 3.5 percent to 8.3 percent. Unemployment peaked at 9.0 percent in Grayson County, 7.0 percent in Carroll County, and 8.3 percent in the City of Galax.

Recovery began in 2021, and by 2022, unemployment had fallen to 3.2 percent across the three jurisdictions. In 2024, the combined unemployment rate stabilized at 3.5 percent, matching the pre-pandemic level. Rates in 2024 were 3.7 percent in Grayson County, 3.1 percent in Carroll County, and 3.5 percent in Galax, reflecting a tight labor market in which most residents seeking work were able to find jobs.

Between 2019 and 2024, the regional labor force increased from 22,193 to 22,486 residents, a rise of 293 people, or 1.3 percent. Employment grew by 288 jobs, while the number of unemployed individuals rose by only five. These figures indicate that nearly all new entrants to the labor force were absorbed into employment, resulting in a very tight labor market.

For employers, these data demonstrate a highly competitive labor market and reliance on commuting flows. With more employed residents than local job opportunities, the region relies on both inbound and outbound commuting to sustain its workforce. These dynamics underscore the need for housing and workforce development strategies that enable employers to attract and retain staff, while acknowledging that employment activity in surrounding counties will continue to influence local housing demand.

**Table 3: Labor Force, Employment, and Unemployment Trends — Twin County Region, VA (2019–2024)**
*(Includes Grayson County, Carroll County, and the City of Galax)*

| | Labor Force | Employment | Unemployment | Percent Unemployed |
|---|---|---|---|---|
| **Grayson County** | | | | |
| 2019 | 12,509 | 12,052 | 457 | 3.7% |
| 2020 | 12,330 | 11,223 | 1,107 | 9.0% |
| 2021 | 11,968 | 11,457 | 511 | 4.3% |
| 2022 | 12,135 | 11,717 | 418 | 3.4% |
| 2023 | 12,323 | 11,882 | 441 | 3.6% |
| 2024 | 12,384 | 11,920 | 464 | 3.7% |
| *(Net Change)* | *(-125)* | *(-132)* | *(7)* | *(0.0%)* |
| **Carroll County** | | | | |
| 2019 | 6,794 | 6,567 | 227 | 3.3% |
| 2020 | 6,735 | 6,263 | 472 | 7.0% |
| 2021 | 6,504 | 6,246 | 258 | 4.0% |
| 2022 | 6,747 | 6,551 | 196 | 2.9% |
| 2023 | 7,007 | 6,798 | 209 | 3.0% |
| 2024 | 7,125 | 6,906 | 219 | 3.1% |
| *(Net Change)* | *(331)* | *(339)* | *(-8)* | *(-0.1%)* |
| **City of Galax** | | | | |
| 2019 | 2,890 | 2,793 | 97 | 3.4% |
| 2020 | 2,818 | 2,585 | 233 | 8.3% |
| 2021 | 2,757 | 2,640 | 117 | 4.2% |
| 2022 | 2,856 | 2,770 | 86 | 3.0% |
| 2023 | 2,967 | 2,858 | 109 | 3.7% |
| 2024 | 2,977 | 2,874 | 103 | 3.5% |
| *(Net Change)* | *(87)* | *(81)* | *(6)* | *(0.1%)* |
| **Twin County Region** | | | | |
| 2019 | 22,193 | 21,412 | 781 | 3.5% |
| 2020 | 21,883 | 20,071 | 1,812 | 8.3% |
| 2021 | 21,229 | 20,343 | 886 | 4.2% |
| 2022 | 21,738 | 21,038 | 700 | 3.2% |
| 2023 | 22,297 | 21,538 | 759 | 3.4% |
| 2024 | 22,486 | 21,700 | 786 | 3.5% |
| **Net Change** | **293** | **288** | **5** | **0.0%** |

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

## II.3: Local Economic Development Activity

Several job-generating development projects are underway in the Twin County Region that are expected to strengthen the local economy and expand employment opportunities. These initiatives include agricultural operations, health care and wellness investments, restaurant and retail growth, and transportation infrastructure upgrades. Collectively, they represent significant reinvestment in the region's workforce and business environment.

Based on available data and conservative estimates, these projects are expected to create approximately 320 new direct jobs upon full implementation. Oasthouse Ventures alone could add about 265 positions, while expansions in health care , retail, wellness, and services account for the remainder. These investments demonstrate efforts to diversify the region's economic base and promote local development.

The following paragraphs provide a detailed description of each project, summarizing its scope and anticipated contributions to the local economy.

- **Oasthouse Ventures**: Oasthouse Ventures, a U.K.-based agricultural technology firm, announced plans in February 2025 to build its first U.S. controlled-environment agriculture facility in Carroll County. The project will initially create 118 jobs, with total employment expected to reach 265 full-time and part-time positions. The company plans to produce over 45 million pounds of tomatoes annually and source 31,000 tons of Virginia-grown hardwood residuals to heat its greenhouses. Phase One includes a 65-acre greenhouse, a packaging facility, and an on-site daycare center for employees. Tomato production is expected to begin in 2026.

- **Tri-Area Community Health Urgent Care & Pharmacy**: A new health care facility is planned to restore medical services in Independence, where the local hospital closed several years ago. Tri-Area Community Health, a regional Federally Qualified Health Center (FQHC), will open an urgent care clinic and full-service pharmacy in the former Grayson County Hospital building. The project involves renovating the building to include an express care clinic for walk-in visits, a pharmacy with a drive-thru, and telehealth services. In late 2024, the Grayson County Economic Development Authority (EDA) approved a $130,000 package, comprising an equal mix of grant and loan funding, to support the project. Once operational, the facility will employ a pharmacist, pharmacy technicians, and nursing staff.

- **Pizza Plus Building**: In January 2025, the Grayson County EDA approved a $75,000 grant and a $75,000 loan at three percent interest over 5.5 years to remodel the former Pizza Plus building into a family-style restaurant. The financing includes six months of interest-only payments followed by principal and interest, secured with a lien on equipment and fixtures. This investment supports the creation of service-sector jobs and business activity in downtown Independence.

- **Twin County Airport**: In summer 2025, the U.S. Department of Transportation Federal Aviation Administration (FAA) awarded the Twin County Airport Commission two grants totaling $2,939,800. The funding will support the construction of new aircraft storage hangars and the upgrade of an existing taxiway. Twin County Airport is among the few airports in the region without a 5,000-foot runway, which limits its ability to serve business jet traffic.

- **Carroll Wellness Center**: Plans announced in summer 2025 call for a 12,000-square-foot addition to the Carroll Wellness Center at 164 Carter Pines Lane in Hillsville. The two-story expansion will enable the center to provide comprehensive diabetes care, including physical therapy, mental health services, and a nurse practitioner. A new kitchen will support healthy cooking classes and nutrition programs.

- **Tractor Supply**: Construction began in May 2025 on a new Tractor Supply location on U.S. 58 in Hillsville, at the former Bowman Flea Market site adjacent to West Stuart Dental Arts. Plans show the development may also include a second, smaller business at the same location.

### II.4: Regional Employment Growth (Mount Rogers Planning District)

Recent job creation across the Mount Rogers Planning District demonstrates the importance of regional economic activity in sustaining the workforce and housing demand in Grayson County and neighboring areas. As noted earlier, the number of employed residents in the Twin County Region significantly exceeds the number of jobs physically located in the area, resulting in substantial commuting to employment hubs in nearby jurisdictions.

Projects underway in Wythe, Bland, and Washington Counties, as well as in the City of Bristol, are expected to create more than 2,000 new jobs over the next several years. By mid-2025, at least 60 percent of these positions had already been filled, despite minimal expansion of the regional housing supply. These announcements range from large-scale developments, such as the Hard Rock Hotel & Casino Bristol, to smaller investments in logistics, manufacturing, health care, hospitality, financial services, and community facilities.

Many of the communities experiencing job growth have limited new or workforce-oriented housing, creating opportunities for Grayson County to attract new residents, particularly commuters, by developing housing within driving distance of expanding job centers. Strategic housing investment could enable Grayson County to capture a share of the regional labor market, expand its tax base, and strengthen its economy by relying on regional job growth rather than relying solely on local employment.

The following paragraphs provide additional detail on these projects, summarizing their scope, location, and anticipated impact on the regional economy.

- **Southeast Utility Trailer**: This company, which provides new and used trailers, service, and aftermarket parts from a variety of manufacturers, is currently constructing a new location on approximately 15 acres at 331 Lee Highway in Chilhowie. The facility is expected to employ between 15 and 30 people.

- **Hitachi Energy**: This firm, which manufactures electronic transformers for the power grid and specialized industries, announced in April 2025 that it would hire an additional 40 employees at its new site in Atkins. This is in addition to 80 planned hires at its Bland County facility. The 77,000-square-foot Atkins warehouse was previously occupied by ZF TRW Automotive, which closed in 2022. The Atkins facility will be used as a warehouse and for core cutting, a process that involves shaping steel sheets and other materials used in a transformer's core. The core enables energy transfer, allowing for voltage adjustments. Recruiting is underway, and the expansion is expected to be completed by the end of 2026. The new positions are projected to offer an average annual wage of approximately $44,000.

- **Camrett Logistics**: This third-party logistics firm announced in August 2024 that it would upgrade a recently acquired 162,000-square-foot warehouse on Industry Road in Wytheville and employ ten people. Camrett Logistics, based in Wytheville, now operates 11 facilities across Virginia, including locations in Pulaski County, Roanoke, and the Town of Bluefield. The company provides warehousing and distribution services to clients, including the Volvo Trucks North America plant in Dublin.

- **UVA Health**: Construction was completed in March 2025 on a new kidney, liver, and lung transplant clinic in Wytheville, developed in partnership with Wythe County Community Hospital. The clinic, located at 590 West Ridge Road, Suite F, is staffed by a rotating team of specialists from UVA, including experts in transplant hepatology, nephrology, and pulmonology. Transplant nurse coordinators and a financial coordinator also support patient care.

- **Duchess Dairy**: This dairy producer announced in December 2024 that it would expand its Wythe County processing operations to include a new churned butter production line. The expansion is expected to create three to five new jobs over three years.

- **Hard Rock Hotel & Casino Bristol**: Construction began in January 2023 on a new 300,000-square-foot casino in the City of Bristol, which opened in fall 2024. The facility features a 303-room luxury hotel, a spa, indoor and outdoor pools, and gaming areas equipped with over 1,500 slot machines and 75 table games. Additional features include the Hard Rock Sportsbook, multiple dining venues, retail space, and the Hard Rock Live entertainment venue, which seats 2,000. The casino currently employs approximately 1,300 people, with annual wages ranging from $38,000 to $75,000, and around half of the jobs pay more than $50,000.

- **Home2Suites and Tru by Hilton**: Construction was completed in the spring of 2025 on two new hotels at The Village at Exit 7 in the City of Bristol. The six-story structure includes a 90-room Home2Suites for extended stays and a 70-room Tru by Hilton boutique hotel.

- **Skyline National Bank**: The bank plans to open a new location in the historic Mary Bickley Hurt House at 201 W. Main Street in Abingdon. The office will offer financial and mortgage services and will share space with Callebs Realty, which currently occupies part of the building.

- **Workforce and Child Development Hub**: Completed in August 2024, this 25,000-square-foot facility is in the former Kmart building near Exit 17 in Abingdon. Operated by Ballad Health System, the childcare center serves children aged one to four and employs 70 staff. The site also includes a catering kitchen and mini-grocery store for training purposes. An additional 60,000 square feet of space is used for office suites, including those of the United Way of Southwest Virginia.

- **Bristol Humane Society**: In summer 2025, plans were submitted to expand the existing 6,077-square-foot facility at 16222 Lee Highway in Washington County. The project includes a 9,301-square-foot addition to accommodate expanded services. The facility currently employs 25 people and anticipates adding at least five more staff members upon completion.

- **SPIG Industry**: This manufacturer of highway guardrails and end terminals announced in November 2020 that it would expand operations at the Bristol-Washington Industrial Park in Washington County. The company has committed to hiring 113 employees and has added 26 positions to date.

- **JST Power Equipment**: In March 2025, JST Power Equipment announced it would open a new 45,000-square-foot padmount transformer factory in Wytheville. The site will support engineering, production, and R&D efforts in North America, serving as a customer experience and service center. The facility plans to initially hire 25 to 30 manufacturing workers and 10 to 20 office professionals.

- **Gatorade Blue Ridge**: This beverage distributor is currently expanding its Wythe County facility to support a new product line and warehouse reconfiguration. The expansion is expected to create at least ten new jobs.

## II.5: WARN Notices (Layoffs and Closures)

Worker Adjustment and Retraining Notification (WARN) notices are federally mandated under the WARN Act and apply to qualifying employers in Virginia. The Act requires employers to provide advance notice of plant closures or mass layoffs, allowing employees time to prepare for the transitions.

In October 2023, Parkdale Mills, a major manufacturer of spun yarns, announced the closure of three of its four manufacturing plants at 1 Advance Technology Drive in Hillsville, resulting in 326 layoffs. The company initially kept its newest facility at the site in operation, which featured updated machinery and employed just over 100 local workers. The three shuttered plants primarily relied on older equipment.

In September 2025, Parkdale Mills announced that the remaining 68 positions at the Hillsville facility would also be eliminated by October 2025. This decision effectively ends the company's manufacturing presence in Carroll County. Parkdale Mills has long been a significant regional employer, operating in Virginia as part of a company founded in Gastonia, North Carolina, in 1916.

The 326 layoffs from 2023 are reflected in the 2023 and 2024 employment data in **Table 2**. Despite that reduction, the region recorded a net gain of 155 jobs between 2023 and 2024 as expansions and hiring by other employers offset much of the impact. The 2025 closure, which eliminates the remaining jobs, will be reflected in future employment data. Aside from Parkdale Mills, no other large-scale layoffs or closures have occurred in Carroll County, Galax, or Grayson County during this period, indicating relative stability in regional employment.

## II.6: Economic Overview Summary

Grayson County's economy is closely connected to the City of Galax and Carroll County, together forming a single labor market where residents commute extensively for employment. This interdependence means that job creation, industry trends, and economic development in neighboring areas have a direct influence on Grayson County's workforce and housing demand.

As shown in **Table 2**, the Twin County Region added 145 at-place jobs between 2015 and 2019, reflecting slow pre-pandemic growth. In 2020, the region lost 903 jobs (5.9 percent of total employment), followed by incremental recovery beginning in 2021. By 2024, 668 of those jobs had been regained (about 74 percent of the loss). Public sector employment remained stable, and growth in health care, logistics, and select service industries helped offset declines in manufacturing.

The manufacturing sector, however, has faced notable setbacks. Parkdale Mills, long one of the region's largest employers, eliminated 326 positions in Carroll County in 2023. These losses are reflected in the 2023 and 2024 employment data. Despite the reductions, the region still posted a net gain of 155 jobs between 2023 and 2024, as other employers expanded their operations. In September 2025, Parkdale Mills announced that it would close its remaining Hillsville facility, resulting in the loss of the last 68 jobs.

Labor force data in **Table 3** underscore the commuter-based nature of the local economy. In 2024, there were 21,700 employed residents across the three jurisdictions, but only 15,012 local jobs, resulting in a gap of approximately 6,700 positions. Grayson County's unemployment rate was 3.7 percent in 2024, close to pre-pandemic levels. Employment gains of 288 jobs closely matched labor force growth of 293 people (1.3 percent) since 2019. These figures reflect a tight labor market where small shifts in jobs or population can influence housing demand and commuting patterns.

Economic development initiatives in Grayson County and the surrounding region reflect gradual diversification. Projects such as Oasthouse Ventures' planned agricultural facility, the redevelopment of the former hospital, and local investments in health care and recreational facilities highlight targeted reinvestment. Larger regional job-generating developments are expected to add more than 2,000 jobs across the Mount Rogers Planning District, with many of these positions already filled.

Overall, Grayson County's economy is characterized by modest local job growth, strong regional integration, and reliance on commuting to neighboring jurisdictions. The recent and forthcoming layoffs at Parkdale Mills illustrate the vulnerability of traditional manufacturing. However, other industries and regional projects are helping to sustain employment. These dynamics highlight the need for housing strategies that support both residents and commuting workers, positioning the County to benefit from regional economic growth.

## Section III: Demographic Analysis

This section provides an overview of demographic conditions in Grayson County, including population and household characteristics, income distribution, housing tenure, rent burden, and the number of households living in substandard housing. It also analyzes the overall housing supply, the age of occupied units, and tenure patterns based on household length of residence.

Preparing demographic forecasts in a market like Grayson County, where growth has been limited or negative, is challenging. Projections typically rely on past trends, but historical data reflect a constrained housing supply and slow employment growth, both of which have shaped population change. Because new housing development could alter these patterns, trend-based projections are not suitable for this study, so no population or household forecasts are included.

Instead, the focus is on current demographic and housing conditions, which provide a more reliable foundation for strategies to address limited supply, strengthen demand, and stabilize or reverse long-term demographic decline.

### III.1: Population and Household Trends

**Table 4** presents population and household trends in Grayson County between 2000 and 2024. Over the past 24 years, the County's population has declined from 17,917 residents in 2000 to an estimated 15,206 in 2024, representing a net loss of approximately 15 percent. Most of this decline occurred between 2000 and 2010, when the population fell by roughly 13 percent. The pace of decline slowed thereafter, with smaller decreases between 2010 and 2020, and again between 2020 and 2024.

Several structural demographic forces likely explain these trends. Grayson County has an aging population, continued outmigration of younger adults, and limited in-migration to offset losses. Additionally, part of the decline reflects changes to the Census Bureau methodology in counting institutional populations, particularly prisoners. Beginning in 2020, prisoners are counted at their last permanent residence rather than their place of incarceration. This change reduced the official population count for Grayson County and will be discussed further in the section on Group Quarters.

Population change has not been uniform across the County's towns. Since 2010, the Town of Independence has experienced modest growth, rising from 947 residents to 1,011 in 2020, an increase of approximately seven percent. In contrast, the Town of Fries declined from 484 residents in 2010 to 450 in 2020, representing a loss of approximately seven percent, and the Town of Troutdale decreased from 178 to 145 residents, a decline of approximately 18.5 percent. Unincorporated portions of Grayson County decreased from 13,924 residents in 2010 to 13,748 in 2020, representing a decline of 176 residents, or approximately 1.3 percent. This distribution shows that most population decline occurred in unincorporated areas, while Independence stands out as a pocket of stability and modest growth.

Other key points from **Table 4** include the following:

- **<u>Group Quarters Population</u>:** The group quarters population includes individuals living in correctional facilities, nursing homes, and other institutional settings. In 2000, the U.S. Census Bureau reported 1,163 group quarters residents, but this figure was partly overstated due to the misclassification of more than 1,000 state prisoners as Troutdale residents. By 2010, the count had dropped to 178, which more accurately reflected local conditions.

  The River North Correctional Center, which opened in 2013 east of Independence, employs approximately 350 staff members and houses around 910 inmates. Despite its size, the facility has had a minimal impact on the County's reported population, as prisoners are now counted at their last permanent residence rather than their place of incarceration, beginning in 2020. About 180 of the inmates at River North were included in the 2020 Census count. The group quarters population was reported to be 229 in 2020 and is estimated to be 230 in 2024, indicating minimal change.

  This shows that, although the River North Correctional Center is a significant employer, institutional populations have a minimal impact on the County's household base, which is the foundation for housing demand.

- **<u>Households</u>**: The number of households in Grayson County declined from 7,259 in 2000 to 6,846 in 2010, then again to 6,512 in 2020. By 2024, the number of households had increased slightly to 6,562. This modest recovery in household counts occurred despite the County's total population continuing to decline, underscoring the importance of household size and composition in shaping overall housing demand.

The average household size decreased from 2.31 in 2000 to 2.24 in 2010, consistent with national trends toward smaller households. This decline reflects several demographic pressures, including the aging of the baby boom generation into smaller households, an increase in single-person households, and delays in family formation among younger cohorts. Between 2010 and 2020, average household size rose slightly to 2.32, suggesting a shift toward larger households, potentially due to multi-generational living, adult children remaining with parents, or economic conditions encouraging household consolidation. By 2024, household size declined again to 2.28 persons per household, reinforcing the longer-term trend toward smaller household structures.

These fluctuations highlight the sensitivity of household formation to both demographic and economic forces. Even small shifts in household size can produce meaningful changes in the number of households, which in turn affect housing demand. For example, the decline of 0.04 persons per household between 2020 and 2024 is enough to offset some of the population loss by generating new household formation. This pattern illustrates why stable or even rising housing demand can occur despite an overall shrinking population base.

- **Housing Tenure: Renters and Owners**: Housing tenure patterns in Grayson County remain predominantly owner-occupied, though the renter share has grown gradually over the past two decades. In 2000, renters accounted for 18.6 percent of households. By 2010, this share had risen to 21.8 percent, and by 2020, it had reached 22.5 percent, a level it maintained in 2024.

  The number of renter households grew modestly over the period, while the number of owner households declined more substantially, especially between 2000 and 2020. This suggests that most of the County's household losses occurred in the ownership market, while rental housing remained relatively stable. Between 2020 and 2024, both renter and owner households increased slightly despite the overall population decline, suggesting that household formation pressures were distributed across both tenure types and that neither sector contracted further.

  By 2024, owners represent 77.5 percent of households, while renters account for 22.5 percent, a shift of about four percentage points toward rental housing since 2000. Although ownership remains the dominant tenure form, this gradual rebalancing points to important structural dynamics. The growing share of renters may reflect affordability constraints for first-time buyers, tighter mortgage lending standards following the Great Recession, lifestyle preferences among younger households, and older residents seeking rental options with fewer maintenance responsibilities.

  From a housing market perspective, the stability of the renter share since 2020 suggests that rental housing has become a durable, established component of the County's housing stock rather than a marginal one. Even small shifts in tenure patterns, when combined with declining household size, suggest that demand for rental units is unlikely to diminish and may even grow as the County's population continues to age and diversify in household composition.

To summarize, Grayson County's demographic and housing conditions are shaped by population decline and changes in how institutional residents are counted. As shown in **Table 4**, smaller household sizes, modest increases in renter share, and the limited role of group quarters populations all influence housing demand. The analysis also shows that population losses since 2010 have been concentrated in unincorporated areas, while the Town of Independence is a notable exception, experiencing modest growth.

**Table 4: Population and Household Trends — Grayson County, VA (2000-2024)**

| | 2000 | 2010 | 2020 | 2024 |
|---|---|---|---|---|
| Grayson County Population | 17,917 | 15,533 | 15,333 | 15,206 |
| Town of Fries | 614 | 484 | 450 | -- |
| Town of Independence | 971 | 947 | 1,011 | -- |
| Town of Troutdale [1] | 1,230 | 178 | 145 | -- |
| | | | | |
| Group Quarters Population [2] | 1,163 | 178 | 229 | 230 |
| Household Population | 16,754 | 15,355 | 15,104 | 14,976 |
| Persons per Household | 2.31 | 2.24 | 2.32 | 2.28 |
| Total Households | 7,259 | 6,846 | 6,512 | 6,562 |
| | | | | |
| Renter Households | 1,347 | 1,493 | 1,463 | 1,474 |
| Percent Renter Households | 18.6% | 21.8% | 22.5% | 22.5% |
| Owner Households | 5,912 | 5,353 | 5,049 | 5,088 |
| Percent Owner Households | 81.4% | 78.2% | 77.5% | 77.5% |

[1] The apparent drop in Troutdale's population between 2000 and 2010 reflects a Census 2000 tabulation error. More than 1,000 state prisoners housed in Wise County were mistakenly counted as residents of Troutdale, inflating the 2000 population to 1,230. The Census Bureau later corrected Troutdale's 2000 count to 194. Using this corrected base, the town's population declined modestly to 178 by 2010 (about 8 percent).

[2] The River North Correctional Center, opened in 2013 east of Independence, employs about 350 staff and houses roughly 900 inmates. Due to a change in census rules requiring prisoners to be counted at their last residence, only about 180 of the 910 inmates were included in Grayson County's 2020 Census population.

Source: U.S. Census Bureau; Ribbon Demographics; Easy Analytic Software, Inc. (EASI); Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

## III.2: Owner Households by Income and Size

**Table 5** presents a profile of owner-occupied households in Grayson County, categorized by household size and income. The results show a homeowner base characterized by smaller households and a wide range of financial capacities.

Two-person households represent the largest segment, comprising 2,203 of the 5,088 owners (approximately 43.3 percent). One-person households account for 1,400 owners (27.5 percent). Together, these smaller households account for 70.8 percent of the County's ownership stock. This concentration may reflect an aging homeowner population, as many one-person households are likely seniors living alone, and many two-person households are older couples whose children have already left home. Larger families are less common, with households comprising four or more people totaling 774, or approximately 15.2 percent. The ownership structure, therefore, leans toward older residents rather than younger families with children, which has implications for housing demand and the long-term upkeep of the housing stock.

Examining income, a sizable share of owners have relatively limited financial resources. Roughly 1,287 households (25.3 percent) have annual incomes below $30,000. More than half of these are single-person households, suggesting that many consist of older residents or individuals on fixed incomes. These households may face affordability challenges related to home maintenance, utilities, and property taxes.

Middle-income households form a distinct portion of the ownership base. Approximately 1,171 households (23 percent) earn between $60,000 and $100,000 per year. Within this group, households with three to four people are better represented, indicating that these income levels often support working families. The $75,000 to $100,000 range includes 675 households (13.3 percent of all owners), a key bracket for moderate-income, family-oriented homeowners.

At the upper end of the spectrum, 1,170 households (23 percent) earn more than $100,000 annually. While these households are spread across all sizes, the $100,000 to $150,000 category contains the most significant number, with both smaller and larger families represented. The highest-income categories ($150,000 and above) comprise 357 households (7 percent), including dual-income families and professionals with greater financial capacity to purchase or maintain homes.

In summary, ownership in Grayson County is concentrated among smaller households, with significant shares at both the lower and upper ends of the income scale. The prevalence of lower-income owners, particularly among older single-person households, highlights potential risks associated with housing affordability and long-term housing quality. At the same time, the presence of middle- and higher-income owners indicates a parallel segment of the market with greater financial stability, suggesting a dual structure in the County's ownership profile.

**Table 5: Owner Households by Income and Size — Grayson County, VA (2024)**

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5-Person Household | Total |
|---|---|---|---|---|---|---|
| $0-$10,000 | 114 | 38 | 0 | 4 | 4 | 160 |
| $10,000-$20,000 | 325 | 106 | 6 | 13 | 6 | 456 |
| $20,000-$30,000 | 287 | 304 | 24 | 27 | 29 | 671 |
| $30,000-$40,000 | 144 | 237 | 42 | 30 | 27 | 480 |
| $40,000-$50,000 | 104 | 325 | 29 | 20 | 20 | 498 |
| $50,000-$60,000 | 91 | 176 | 160 | 27 | 28 | 482 |
| $60,000-$75,000 | 74 | 205 | 155 | 46 | 16 | 496 |
| $75,000-$100,000 | 20 | 271 | 139 | 150 | 95 | 675 |
| $100,000-$125,000 | 123 | 230 | 43 | 91 | 35 | 522 |
| $125,000-$150,000 | 56 | 165 | 46 | 6 | 18 | 291 |
| $150,000-$200,000 | 37 | 79 | 49 | 34 | 6 | 205 |
| $200,000+ | 25 | 67 | 18 | 38 | 4 | 152 |
| **Total** | **1,400** | **2,203** | **711** | **486** | **288** | **5,088** |

Source: Ribbon Demographics

## III.3: Renter Households by Income and Size

**Table 6** provides an overview of renter households in Grayson County, categorized by household size and income level. The data show a rental market that is heavily composed of small households and concentrated in lower-income brackets, with relatively few higher-income renters or large renter households.

One-person households are the dominant group, accounting for 768 of the County's 1,474 renter households, or about 52.1 percent. Two-person households are next, with 377 households (25.6 percent). Together, these smaller households represent 77.7 percent of the rental market. Larger renter households, including those with four or more members, account for 169 units (11.5 percent), underscoring the limited presence of larger families in rental housing.

Income distribution reflects a strong concentration at the lower end of the scale. A total of 624 renter households (42.3 percent) earn under $30,000 annually, with the $10,000 to $20,000 range slightly exceeding other low-income brackets at 233 households. The next largest group, those earning $30,000 to $40,000, includes 223 households. These lower-income groups are predominantly one- and two-person households.

The middle-income tier, which earns between $40,000 and $75,000 per year, comprises 348 households (23.6 percent). While this group includes a mix of household sizes, it remains weighted toward smaller units. These renters are more likely to be financially stable but could face affordability issues depending on the availability of appropriately priced options.

High-income renters, those earning more than $75,000 annually, total 279 households (18.9 percent). Although most households are smaller, a modest number of larger families are represented in this range, particularly between $75,000 and $100,000 (96 households). These households may have the capacity to purchase homes but remain in the rental market, potentially due to limited housing inventory or other preferences.

Overall, the data highlight a Grayson County rental market dominated by one-person, lower-income households, with a limited presence of larger families. While a notable portion of renters have moderate or high incomes, the prevalence of low-income single-person households indicates a strong and ongoing demand for affordable, accessible rental housing, particularly for seniors, single adults, and residents with fixed incomes.

| Table 6: Renter Households by Income and Size — Grayson County, VA (2024) | | | | | | |
|---|---|---|---|---|---|---|
| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5-Person Household | Total |
| $0-$10,000 | 113 | 27 | 17 | 4 | 0 | 161 |
| $10,000-$20,000 | 174 | 34 | 1 | 22 | 2 | 233 |
| $20,000-$30,000 | 119 | 49 | 23 | 12 | 27 | 230 |
| $30,000-$40,000 | 131 | 55 | 24 | 13 | 0 | 223 |
| $40,000-$50,000 | 33 | 70 | 22 | 0 | 19 | 144 |
| $50,000-$60,000 | 22 | 32 | 32 | 0 | 4 | 90 |
| $60,000-$75,000 | 43 | 43 | 27 | 0 | 1 | 114 |
| $75,000-$100,000 | 9 | 26 | 4 | 30 | 27 | 96 |
| $100,000-$125,000 | 31 | 6 | 4 | 1 | 1 | 43 |
| $125,000-$150,000 | 35 | 27 | 4 | 2 | 1 | 69 |
| $150,000-$200,000 | 43 | 4 | 2 | 2 | 0 | 51 |
| $200,000+ | 15 | 4 | 0 | 1 | 0 | 20 |
| **Total** | **768** | **377** | **160** | **87** | **82** | **1,474** |
| Source: Ribbon Demographics | | | | | | |

## III.4: Rent-Overburdened Households

Renter households are considered rent-overburdened if they spend more than 35 percent of their gross income (or 40 percent for seniors) on housing costs, including rent and utilities. This threshold is widely used to measure housing affordability and identifies households that may be financially strained or at risk of housing instability. While rent burden is most common among lower-income households, it can also affect moderate-income renters, particularly in areas with limited affordable housing options.

This measure highlights the extent of affordable rental housing needs in the region. As shown in **Table 7**, 415 renter households in Grayson County, or 37.0 percent of all renter households, are rent-overburdened. More than one in three renters pay over 35 percent of their income toward housing costs, showing affordability challenges even in a relatively low-cost market.

Rent burden is heavily concentrated among renters earning less than $35,000 per year. Among those earning under $10,000 annually, 96 of 134 households (71.6 percent) are rent-overburdened. In the $10,000 to $19,999 range, 154 of 303 households (50.8 percent) face the same challenge. Combined, these two brackets account for 250 rent-overburdened households, or about 60.2 percent of all rent-overburdened households in the County.

An additional 142 rent-overburdened households earn between $20,000 and $34,999, bringing the total number of cost-burdened renters earning under $35,000 to 392 households (94.5 percent of all rent-overburdened households). This confirms that rent burden is overwhelmingly concentrated among the lowest-income renters.

The data show that rent burden declines sharply at higher income levels. Only 20 households in the $35,000 to $49,999 income range are rent-overburdened, representing 12.4 percent of that group. There are just three rent-overburdened households in the $50,000 to $74,999 range, and none among those earning $75,000 or more. This pattern reflects that rental costs in Grayson County are relatively affordable for households at the upper end of the income scale.

Overall, **Table 7** demonstrates that rent burden in Grayson County is a highly concentrated issue among low-income households, particularly those with incomes of less than $35,000 per year. The County's overall rent-overburden rate of 37.0 percent underscores a significant need for affordable rental housing options specifically targeted at the lowest-income residents.

| Table 7: Rent-Overburdened Households by Income — Grayson County, VA | | |
|---|---|---|
| | **Total Households** | **Share of Total** |
| Less Than $10,000 | 134 | 11.9% |
| Less than 35.0 Percent | 0 | 0.0% |
| More than 35.0 Percent | 96 | 8.6% |
| Not Computed | 38 | 3.4% |
| $10,000 To $19,999 | 303 | 27.0% |
| Less than 35.0 Percent | 79 | 7.0% |
| More than 35.0 Percent | 154 | 13.7% |
| Not Computed | 70 | 6.2% |
| $20,000 To $34,999 | 266 | 23.7% |
| Less than 35.0 Percent | 84 | 7.5% |
| More than 35.0 Percent | 142 | 12.7% |
| Not Computed | 40 | 3.6% |
| $35,000 To $49,999 | 161 | 14.3% |
| Less than 35.0 Percent | 95 | 8.5% |
| More than 35.0 Percent | 20 | 1.8% |
| Not Computed | 46 | 4.1% |
| $50,000 To $74,999 | 121 | 10.8% |
| Less than 35.0 Percent | 93 | 8.3% |
| More than 35.0 Percent | 3 | 0.3% |
| Not Computed | 25 | 2.2% |
| $75,000 To $99,999 | 55 | 4.9% |
| Less than 35.0 Percent | 55 | 4.9% |
| More than 35.0 Percent | 0 | 0.0% |
| Not Computed | 0 | 0.0% |
| $100,000 Or More | 82 | 7.3% |
| Less than 35.0 Percent | 77 | 6.9% |
| More than 35.0 Percent | 0 | 0.0% |
| Not Computed | 5 | 0.4% |
| Total | 1,122 | 100.0% |
| **More than 35.0 Percent** | **415** | **37.0%** |
| Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates) | | |

## III.5: Households in Substandard Housing

**Table 8** provides an overview of households in Grayson County living in substandard housing, based on two criteria: whether a home has complete plumbing facilities and whether it is overcrowded. Occupancy is categorized using HUD guidelines: 1.00 or fewer occupants per room, 1.01 to 1.50 occupants per room, and more than 1.50 occupants per room.

For this analysis, substandard housing refers to any household that lacks complete plumbing or is overcrowded. Overcrowding is defined as having more than 1.00 occupants per room. According to **Table 8**, 92 households in Grayson County meet one or both criteria, representing 1.5 percent of the County's 6,202 occupied households.

Of these 92 substandard households, 25 are renter-occupied, which accounts for 2.2 percent of all renter households. These renter households are more likely to face issues related to both plumbing and crowding. Specifically, five renter households lack complete plumbing facilities, and 20 renter households are overcrowded, all within the 1.01 to 1.50 occupants per room range.

The remaining 67 substandard households are owner-occupied, accounting for 1.3 percent of all owner-occupied households. Among these, 18 households lack complete plumbing, and 49 households are overcrowded. Of the overcrowded owner households, 48 fall within the 1.01 to 1.50 occupants per room category, and one household exceeds 1.50 occupants per room. This shows that while substandard conditions are relatively uncommon, some homeowners still face space constraints or limited housing options.

Overall, most households in Grayson County meet minimum standards for plumbing and occupancy. However, renters remain more likely to live in substandard conditions, reflecting factors such as an older rental housing stock, maintenance challenges, and limited availability of appropriately sized rental units.

| Table 8: Households in Substandard Housing — Grayson County, VA | | |
|---|---|---|
| | Total Households | Share of Total |
| **Owner Occupied** | | |
| Complete Plumbing Facilities: | 5,062 | 81.6% |
| 1.00 Or Less Occupants Per Room | 5,013 | 80.8% |
| 1.01 To 1.50 Occupants Per Room | 48 | 0.8% |
| 1.51 Or More Occupants Per Room | 1 | 0.0% |
| Lacking Complete Plumbing Facilities: | 18 | 0.3% |
| 1.00 Or Less Occupants Per Room | 18 | 0.3% |
| 1.01 To 1.50 Occupants Per Room | 0 | 0.0% |
| 1.51 Or More Occupants Per Room | 0 | 0.0% |
| *(Subtotal)* | *(5,080)* | *(81.9%)* |
| **Renter Occupied** | | |
| Complete Plumbing Facilities: | 1,117 | 18.0% |
| 1.00 Or Less Occupants Per Room | 1,097 | 17.7% |
| 1.01 To 1.50 Occupants Per Room | 20 | 0.3% |
| 1.51 Or More Occupants Per Room | 0 | 0.0% |
| Lacking Complete Plumbing Facilities: | 5 | 0.1% |
| 1.00 Or Less Occupants Per Room | 5 | 0.1% |
| 1.01 To 1.50 Occupants Per Room | 0 | 0.0% |
| 1.51 Or More Occupants Per Room | 0 | 0.0% |
| *(Subtotal)* | *(1,122)* | *(18.1%)* |
| **Total** | **6,202** | **100.0%** |
| Lacking Complete Plumbing | 23 | 0.4% |
| With Plumbing but Overcrowded | 69 | 1.1% |
| **Total Substandard Housing** | **92** | **1.5%** |
| **Owner Substandard Housing** | **67** | **1.3%** |
| **Rental Substandard Housing** | **25** | **2.2%** |

Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)

## III.6: Senior Population and Household Trends

**Table 9** presents trends in the senior population and senior-headed households in Grayson County, distinguishing between renter and owner households.

Grayson County's total population declined from 17,917 in 2000 to 15,206 in 2024, a loss of 2,711 residents (15.1 percent). Over the same period, total households fell from 7,259 to 6,562, a decrease of 697 households (9.6 percent). These declines occurred alongside a significant demographic shift toward an older population.

The senior population, defined here as residents aged 62 and older, increased from 3,634 in 2000 to 5,116 in 2024, a gain of 1,482 individuals (40.8 percent). Seniors made up 20.3 percent of the total population in 2000, rising to 33.6 percent in 2024, underscoring the growing prominence of seniors in the County's demographic profile.

Senior-headed households also increased substantially. Between 2000 and 2024, the number of senior households increased from 2,437 to 3,335, representing a gain of 898 households (36.8 percent). Over the same period, the share of all households headed by seniors increased from 33.6 percent to 50.8 percent, meaning that just over half of all households are now led by individuals aged 62 or older. This growth, combined with a decline in the total number of households, indicates that seniors are accounting for an increasingly larger proportion of all households.

Among owners, senior households increased from 2,134 in 2000 to 2,643 in 2024, a gain of 509 households (23.9 percent). The senior share of owner households rose from 36.1 percent to 52.0 percent. The total number of owner households declined from 5,912 to 5,088 (13.9 percent), which magnified the rise in the senior share and reflects the aging-in-place trend among existing homeowners.

Growth among senior renters was particularly pronounced. Senior renter households increased from 303 in 2000 to 692 in 2024, a gain of 389 households (128.4 percent). The share of senior renter households rose from 22.5 percent to 47.0 percent. Total renter households increased from 1,347 to 1,474 (9.4 percent), meaning that the growth in senior renters more than accounts for the net gain in renter households, while non-senior renters declined.

As the senior share of both the population and households continues to rise, Grayson County will face growing demand for age-appropriate housing options, including accessible rental units, one-level homes, and developments with nearby services. Addressing these needs will help seniors remain in the County as they age.

**Table 9: Senior Population and Household Trends — Grayson County, VA (2000–2024)**

| | 2000 | 2010 | 2020 | 2024 |
|---|---|---|---|---|
| **Grayson County** | | | | |
| Total Population | 17,917 | 15,533 | 15,333 | 15,206 |
| Total Households | 7,259 | 6,846 | 6,512 | 6,562 |
| Total Owner Households | 5,912 | 5,353 | 5,049 | 5,088 |
| Total Renter Households | 1,347 | 1,493 | 1,463 | 1,474 |
| | | | | |
| **Senior Demographics** (62+) | | | | |
| Senior Population | 3,634 | 3,995 | 4,716 | 5,116 |
| Share of Total Population | 20.3% | 25.7% | 30.8% | 33.6% |
| Senior Households | 2,437 | 2,612 | 3,074 | 3,335 |
| Share of Total Households | 33.6% | 38.2% | 47.2% | 50.8% |
| Senior Owner Households | 2,134 | 2,239 | 2,479 | 2,643 |
| Share of Owner Households | 36.1% | 41.8% | 49.1% | 52.0% |
| Senior Renter Households | 303 | 373 | 595 | 692 |
| Share of Renter Households | 22.5% | 25.0% | 40.7% | 47.0% |

Source: U.S. Census Bureau; Ribbon Demographics; Easy Analytic Software, Inc. (EASI); Weldon Cooper Center for Public Service; S. Patz & Associates, Inc.

## III.7: Senior Households by Income and Size

**Table 10** presents the distribution of senior renter households in Grayson County, defined as those headed by individuals aged 62 and over, by income level and household size. In 2024, there are 692 senior renter households, representing a significant share of the County's rental market. The data reflect both an aging population and the role of rental housing as a key option for seniors.

Senior renter households in Grayson County are predominantly small. One-person households total 489 (70.7 percent), and two-person households account for 122 (17.6 percent). Together, these two household types account for 88.3 percent of senior renter households, indicating that most seniors live alone or with one other person, rather than in multigenerational households.

Larger senior renter households are less common. There are 57 three-person households, no four-person households, and 24 five-person households. These larger households account for 11.7 percent of the total and likely represent seniors living with extended family members or caregivers.

Income data indicate that most senior renter households in Grayson County have limited financial resources. A total of 274 households (39.6 percent) have annual incomes below $30,000, including 42 households earning under $10,000, 136 earning between $10,000 and $20,000, and 96 earning between $20,000 and $30,000.

Another 151 households (21.8 percent) earn between $30,000 and $50,000, and 59 households earn between $50,000 and $60,000. At the higher end, 108 households (15.6 percent) report incomes of $100,000 or more, underscoring that high-income senior renters are a minority and, like lower-income households, are concentrated in one- and two-person households.

Overall, **Table 10** highlights that senior renters in Grayson County are predominantly low-income and reside in smaller households. As this segment of the population grows, there will likely be increased demand for affordable, accessible housing designed for one- and two-person households. Planning efforts should prioritize affordability, universal design, and supportive services to help seniors age in place.

**Table 10: Senior Renter Households by Income and Size — Grayson County, VA (2024)**

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5-Person Household | Total |
|---|---|---|---|---|---|---|
| $0-$10,000 | 41 | 1 | 0 | 0 | 0 | 42 |
| $10,000-$20,000 | 132 | 4 | 0 | 0 | 0 | 136 |
| $20,000-$30,000 | 73 | 23 | 0 | 0 | 0 | 96 |
| $30,000-$40,000 | 73 | 11 | 0 | 0 | 0 | 84 |
| $40,000-$50,000 | 22 | 45 | 0 | 0 | 0 | 67 |
| $50,000-$60,000 | 22 | 6 | 31 | 0 | 0 | 59 |
| $60,000-$75,000 | 33 | 11 | 24 | 0 | 0 | 68 |
| $75,000-$100,000 | 4 | 3 | 1 | 0 | 24 | 32 |
| $100,000-$125,000 | 27 | 5 | 0 | 0 | 0 | 32 |
| $125,000-$150,000 | 10 | 10 | 0 | 0 | 0 | 20 |
| $150,000-$200,000 | 41 | 1 | 1 | 0 | 0 | 43 |
| $200,000+ | 11 | 2 | 0 | 0 | 0 | 13 |
| **Total** | **489** | **122** | **57** | **0** | **24** | **692** |

Source: Ribbon Demographics

**Table 11** presents data on senior owner households in Grayson County, defined as households headed by individuals aged 62 and older, segmented by income level and household size. In 2024, there are 2,643 senior owner households, underscoring the significant role seniors play in the County's homeowner base.

As with senior renters, most senior homeowners live in small households. One-person households total 962 (36.4 percent), and two-person households total 1,251 (47.3 percent). Combined, these two groups comprise 83.7 percent of all senior owner households, reflecting a common pattern in which seniors remain in their homes after their children have moved out or a spouse has passed away.

Larger senior owner households are less common but still notable. There are 306 three-person households (11.6 percent), 68 four-person households (2.6 percent), and 56 five-person households (2.1 percent). These larger households may represent multigenerational living arrangements, seniors supporting adult children, or those providing care for other relatives.

Income levels among Grayson County's senior homeowners vary widely. A total of 976 households (36.9 percent) earn less than $30,000 per year. This group comprises 97 households with incomes under $10,000, 349 households with incomes between $10,000 and $20,000, and 530 households with incomes between $20,000 and $30,000. These lower-income homeowners may face challenges with property taxes, maintenance costs, and health care expenses.

A substantial share of senior owners falls within middle-income ranges. There are 258 households earning between $30,000 and $40,000, 328 earning between $40,000 and $50,000, and 263 earning between $50,000 and $60,000, totaling 849 households (32.1 percent). While these households may be more financially stable, they remain susceptible to inflation, significant repairs, and the costs associated with aging in place.

At the upper end of the income spectrum, 502 senior owner households (19.0 percent) report annual incomes above $75,000. This group comprises 135 households earning between $75,000 and $100,000, 148 households earning between $100,000 and $125,000, 69 households earning between $125,000 and $150,000, 91 households earning between $150,000 and $200,000, and 59 households earning over $200,000. Higher-income senior owners are more evenly distributed across household sizes, although the majority are still concentrated in one- and two-person households.

In summary, **Table 11** shows that senior owner households in Grayson County are predominantly small, with a wide range of incomes. While many owners are financially secure, a significant share live on modest incomes and may face financial strain as they age in place.

| Table 11: Senior Owner Households by Income and Size — Grayson County, VA (2024) | | | | | | |
|---|---|---|---|---|---|---|
| | **1-Person Household** | **2-Person Household** | **3-Person Household** | **4-Person Household** | **5-Person Household** | **Total** |
| $0-$10,000 | 83 | 8 | 0 | 2 | 4 | 97 |
| $10,000-$20,000 | 280 | 65 | 0 | 2 | 2 | 349 |
| $20,000-$30,000 | 232 | 254 | 22 | 19 | 3 | 530 |
| $30,000-$40,000 | 67 | 150 | 13 | 26 | 2 | 258 |
| $40,000-$50,000 | 75 | 228 | 17 | 3 | 5 | 328 |
| $50,000-$60,000 | 63 | 95 | 97 | 3 | 5 | 263 |
| $60,000-$75,000 | 56 | 142 | 110 | 2 | 6 | 316 |
| $75,000-$100,000 | 9 | 91 | 13 | 4 | 18 | 135 |
| $100,000-$125,000 | 35 | 97 | 12 | 1 | 3 | 148 |
| $125,000-$150,000 | 19 | 41 | 3 | 2 | 4 | 69 |
| $150,000-$200,000 | 23 | 44 | 18 | 4 | 2 | 91 |
| $200,000+ | 20 | 36 | 1 | 0 | 2 | 59 |
| **Total** | **962** | **1,251** | **306** | **68** | **56** | **2,643** |
| Source: Ribbon Demographics | | | | | | |

**Tables 10** and **11** show that senior owners outnumber senior renters in Grayson County by a large margin (2,643 versus 692 households). Both groups are predominantly comprised of one- and two-person households; however, renters have a higher share of low-income households, with nearly 40 percent earning under $30,000, compared to 36.9 percent of owners. Senior owners are more evenly distributed across income levels, with a larger share having incomes over $75,000, while senior renters are concentrated in lower income brackets.

## III.8: Rent-Overburdened Senior Households

As previously noted, renter households are considered rent-overburdened if they spend more than 35 percent of their gross income, or 40 percent for seniors, on gross rent, including utilities. Households exceeding this threshold are financially stretched and may require additional income or housing assistance to remain stably housed.

Data in **Table 12** show that 57 senior renter households in Grayson County (19.6 percent) spend more than 35 percent of their income on rent and utilities. Within this group, 48 households (16.7 percent) spend over 40 percent of their income on housing costs. These figures indicate a significant level of housing cost burden among older renters, many of whom are likely to live on fixed incomes.

A smaller share of senior renters experiences relatively low housing costs. About 19.3 percent spend less than 20 percent of their income on housing, while 42.0 percent fall into the moderately burdened range of 20.0 to 34.9 percent. This includes 12.0 percent paying 20.0 to 24.9 percent, 25.2 percent paying 25.0 to 29.9 percent, and 4.8 percent paying 30.0 to 34.9 percent. Although these households are not classified as severely burdened, they may still face tight budgets, particularly if they incur significant health-related expenses or transportation costs.

Additionally, 19.1 percent of senior renter households fall into the "Not Computed" category, where gross rent as a share of income could not be calculated. Many of these cases likely involve renters with very low or irregular income, meaning that actual rent burden levels are likely understated.

These findings underscore that a substantial portion of Grayson County's senior renters face affordability challenges. The data support the need for deeply affordable, accessible housing options, particularly one- and two-person units with features that enable seniors to age in place while maintaining predictable housing costs.

**Table 12: Senior Households by Gross Rent as a Share of Income — Grayson County, VA**

| | Total Households | Share of Total |
|---|---|---|
| Householder 62 Years and Over: | 288 | 100.0% |
| Less Than 20.0 Percent | 56 | 19.3% |
| 20.0 To 24.9 Percent | 35 | 12.0% |
| 25.0 To 29.9 Percent | 72 | 25.2% |
| 30.0 To 34.9 Percent | 14 | 4.8% |
| 35.0 Percent Or More | 57 | 19.6% |
| Not Computed | 55 | 19.1% |
| **40.0 Percent or More** | **48** | **16.7%** |

Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates); S. Patz & Associates

## III.9: Housing Unit Trends

**Table 13** compares net changes in housing units between 2010 and 2020 for Grayson County and other jurisdictions within the Mount Rogers Planning District. The data are consistent with a regional trend of limited new construction and declining unit counts, driven by stagnant population growth, economic pressures, and an aging housing stock.

Between 2010 and 2020, Grayson County lost 234 housing units, a 2.6 percent decline in total inventory. This reduction suggests modest construction activity combined with the removal of older, uninhabitable homes. By percentage, Grayson's decline was the second steepest among the listed jurisdictions, and by count, its 234-unit loss was the third largest.

Nearly every jurisdiction in the Planning District experienced a net decrease in housing units over the decade. Smyth County had the most significant numerical loss, with 329 units removed (2.1 percent). Galax City posted the steepest percentage decline, losing 96 units (3.0 percent). Washington County lost 213 units (0.8 percent), Bristol City lost 125 units (1.4 percent), Bland County lost 65 units (2.0 percent), and Wythe County lost 89 units (0.6 percent). Carroll County was the only locality to experience growth, adding 10 units (0.1 percent).

At the regional level, the Mount Rogers Planning District recorded a net loss of 1,141 housing units, equal to a 1.2 percent decline. These figures indicate that housing removals and obsolescence outpaced additions in most of the region.

Overall, Grayson County's housing market reflects broader regional patterns of net housing losses, limited construction activity, and an aging stock. These conditions highlight the importance of preservation, rehabilitation, and targeted new development to expand housing options and maintain community stability.

**Table 13: Net Change in Housing Units — Grayson County, VA and Neighboring Jurisdictions (2010-2020)**

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

Source: U.S. Census Bureau

## III.10: Occupied Housing Units by Year Structure Built

**Table 14** presents the age distribution of Grayson County's occupied housing stock, highlighting long-standing patterns of limited recent residential development.

According to the most recent American Community Survey estimates, Grayson County has 6,202 occupied housing units. A significant share, 3,280 homes (52.9 percent), were built before 1980. This total includes 820 homes built in 1939 or earlier (13.2 percent), 251 built from 1940 to 1949 (4.1 percent), and 645 built from 1950 to 1959 (10.4 percent).

Construction activity was relatively robust through the 1960s and 1970s, which together account for 1,564 homes (25.2 percent of today's occupied stock): 699 from the 1960s (11.3 percent) and 865 from the 1970s (14.0 percent). Development remained active into the 1980s and 1990s, adding 940 homes (15.2 percent) and 979 homes (15.8 percent) respectively, with the 1990s representing the largest single decade in the dataset.

Since 2000, new construction has slowed considerably. Homes built between 2000 and 2009 total 697 (11.2 percent), those built between 2010 and 2019 number 281 (4.5 percent), and units built in 2020 or later total only 25 (0.4 percent). In total, just 16.2 percent of occupied homes were built since 2000.

These figures indicate an aging housing stock and limited recent additions. With more than half of occupied units built before 1980, many homes are likely to face increasing maintenance needs and energy inefficiency. The small number of newer housing units places additional pressure on the existing inventory as the County works to meet the needs of an aging population and changing household dynamics.

**Table 14: Occupied Housing Units by Year Structure Built — Grayson County, VA**

| | Homes | Share of Total |
|---|---|---|
| Built 2020 or Later | 25 | 0.4% |
| Built 2010 to 2019 | 281 | 4.5% |
| Built 2000 to 2009 | 697 | 11.2% |
| Built 1990 to 1999 | 979 | 15.8% |
| Built 1980 to 1989 | 940 | 15.2% |
| Built 1970 to 1979 | 865 | 14.0% |
| Built 1960 to 1969 | 699 | 11.3% |
| Built 1950 to 1959 | 645 | 10.4% |
| Built 1940 to 1949 | 251 | 4.1% |
| Built 1939 or Earlier | 820 | 13.2% |
| **Total** | **6,202** | **100.0%** |

Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)

## III.11: Tenure by Year Household Moved Into Unit

**Table 15** shows when householders in Grayson County moved into their current homes, providing insight into residential turnover and tenure stability among both owners and renters. The data highlight a stable owner-occupied market and a more mobile renter population.

Among owner households, most residents have lived in their homes for many years. A total of 1,302 owner households (21.0 percent) moved in before 1990, 914 (14.7 percent) moved in during the 1990s, and 1,127 (18.2 percent) between 2000 and 2009. More recently, 887 owner households (14.3 percent) moved in between 2010 and 2017, and 655 (10.6 percent) relocated between 2018 and 2020. Only 195 owner households (3.1 percent) have moved in since 2021.

Renters show greater mobility. A total of 313 renter households (5.1 percent) moved in between 2018 and 2020, and 178 (2.9 percent) moved in since 2021. Combined, 8.0 percent of renter households have relocated within the past five years. Another 394 renter households (6.4 percent) moved in between 2010 and 2017, 123 (2.0 percent) between 2000 and 2009, and 74 (1.2 percent) during the 1990s. Only 40 renter households (0.6 percent) have remained in the same home since before 1990, illustrating the shorter tenure typical of rental housing.

These patterns lead to a stable owner-occupied housing market in Grayson County. The large share of households that moved in before 2000 reflects an aging homeowner population and a strong tendency for long-term residence, showing that turnover among owners is relatively low. This stability limits opportunities for existing homes to return to the market, constraining supply for prospective buyers.

In contrast, the rental sector is characterized by greater mobility, with most renter households having moved within the past 15 years and a significant portion relocating within the last five years. This turnover demonstrates that rental housing plays a key role in meeting short-term and transitional housing needs, reflecting economic conditions, lifestyle preferences, and limited affordable ownership options.

**Table 15: Tenure By Year Householder Moved Into Unit — Grayson County, VA**

| | Number | Share of Total |
|---|---|---|
| **Owner Occupied** | | |
| Moved In 2021 Or Later | 195 | 3.1% |
| Moved In 2018 To 2020 | 655 | 10.6% |
| Moved In 2010 To 2017 | 887 | 14.3% |
| Moved In 2000 To 2009 | 1,127 | 18.2% |
| Moved In 1990 To 1999 | 914 | 14.7% |
| Moved In 1989 Or Earlier | 1,302 | 21.0% |
| *(Subtotal)* | *(5,080)* | *(81.9%)* |
| **Renter Occupied** | | |
| Moved In 2021 Or Later | 178 | 2.9% |
| Moved In 2018 To 2020 | 313 | 5.1% |
| Moved In 2010 To 2017 | 394 | 6.4% |
| Moved In 2000 To 2009 | 123 | 2.0% |
| Moved In 1990 To 1999 | 74 | 1.2% |
| Moved In 1989 Or Earlier | 40 | 0.6% |
| *(Subtotal)* | *(1,122)* | *(18.1%)* |
| **Total** | **6,202** | **100.0%** |

Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)

## III.12: Demographic Analysis Summary

Grayson County is undergoing a long-term demographic shift marked by population loss, an aging population, and smaller household sizes. Between 2000 and 2024, the population fell from 17,917 to an estimated 15,206 (15.1 percent decline), while total households decreased from 7,259 to 6,562 (9.6 percent decline). A reduction in average household size, from 2.31 to 2.28, has partially offset population loss. These changes also reflect adjustments to Census methodology, such as excluding incarcerated individuals from local counts starting in 2020.

The senior population is the County's fastest-growing demographic group. The number of residents aged 62 and older has increased by 40.8 percent since 2000, now accounting for 33.6 percent of the total population, compared to 20.3 percent in 2000. More than half of all households (50.8 percent) are now headed by seniors, illustrating the widespread trend of aging in place. Senior ownership remains dominant, with over 2,600 senior-owned households, but the number of senior renters has more than doubled since 2000. Seniors now account for 47.0 percent of all renter households, underscoring the demand for accessible, low-maintenance housing.

Affordability challenges are concentrated among lower-income renters, particularly seniors. Nearly 20 percent of senior renters spend more than 35 percent of their income on rent and utilities, and 16.7 percent exceed the 40 percent rent burden threshold. An additional 19.1 percent of senior renter households fall into the "Not Computed" category, which often reflects very low or irregular incomes. These figures suggest that cost burdens are likely understated. Lower-income seniors also comprise a significant share of homeowners, with 36.9 percent of senior owners earning less than $30,000 annually.

The County's housing stock is aging, with 52.9 percent of occupied homes built before 1980 and only 16.2 percent built since 2000. Between 2010 and 2020, Grayson County experienced a net loss of 234 housing units, reflecting both the removal of existing housing and limited new construction. These figures indicate that an aging stock and limited development are putting pressure on the existing supply, raising concerns about deferred maintenance, energy inefficiency, and suitability for an older population.

Ownership patterns illustrate stability and the tendency to age in place. More than half of owner households moved into their current homes before 2010, and over one in five have remained in place since before 1990. Limited turnover among owners constrains opportunities for prospective buyers and reduces market flexibility. In contrast, the rental market is more dynamic, with 8.0 percent of renters relocating within the past five years and most moving within the last 15 years. This mobility underscores the importance of rental housing in meeting transitional and short-term needs, which may also reflect economic conditions and limited affordable ownership options.

These demographic and housing trends highlight the need for targeted strategies to address affordability challenges, aging housing conditions, and shifting household composition. Future planning efforts should focus on senior-friendly development, rehabilitation of existing homes, and an expanded mix of rental and ownership options. Investments in accessible one-level homes, affordable rental units, and small-scale infill development would support the needs of an aging population, stabilize the housing market, and maintain community vitality.

## Section IV: Housing Market Overview

This section analyzes the primary components of the regional housing market. The for-sale segment is examined by housing type, including single-family homes, townhomes, patio homes, and factory-built homes.

Data show that resale homes comprise the majority of the for-sale housing market. Only a limited number of speculative homes have been constructed and sold over the past year, primarily in Carroll County and, to a lesser degree, in the City of Galax. Speculative home construction has been minimal across the region since the Great Recession and has been virtually nonexistent in Grayson County. For clarity, speculative homes are defined in this report as homes built by a developer without a confirmed buyer.

Households seeking newly constructed homes often look outside the region or choose to purchase land and commission a custom build. This process is not financially feasible for many households, given current construction costs and lending requirements. In recent years, most new residential construction in Grayson County has consisted of single-family homes built individually on purchased vacant lots or through the placement of manufactured homes.

Across the Twin County Region, nearly all recently constructed homes are single-family homes, a trend shaped by zoning regulations and local preferences. Few townhomes are available, and there are no subdivisions offering single-level patio home designs specifically for seniors. The region also has no age-restricted subdivisions.

This section also analyzes the rental housing market, including both affordable and market-rate segments. Most market-rate apartment properties in the region are more than 20 years old, are modest in size, and lack amenities. These characteristics limit their ability to meet the current needs of renters.

Over the past three years, a small number of duplexes and single-family homes have been constructed on scattered sites for rental purposes; however, these units have not met overall demand. The affordable housing stock is similarly aging but generally remains well-maintained.

One notable addition is Woodlawn School Apartments, an affordable community that opened in 2022 and has remained fully occupied with a waitlist since stabilization.

Most affordable apartment units target low-income households but often fail to address the needs of the broader workforce. All affordable properties in the region are at or near full occupancy, with many maintaining extensive waitlists. A limited number of age-restricted affordable communities exist, but these primarily offer deep rent subsidies and serve households with very low incomes rather than those earning between 40% and 80% of the Area Median Income (AMI).

This section also incorporates an analysis of the housing impacts of Hurricane Helene, which affected the region as a post-tropical cyclone in September 2024.

## IV.1: Overview of the For-Sale Housing Market

This section focuses on Grayson County's for-sale housing market, with analysis of annual home sales, changes in sale prices, and the status of existing subdivisions with available lots. It draws on data from Grayson County, neighboring Carroll County, and the City of Galax, which together function as a connected housing market due to their geographic proximity and economic ties.

The section also reviews residential building permit activity, analyzes speculative home sales, and discusses manufactured, modular, and mobile homes. It evaluates the current for-sale housing inventory, including active and pending listings, and summarizes the housing pipeline, with a focus on subdivisions under construction or in the planning stage.

### IV.1.a: Annual Home Sales Trends

**Table 16** shows annual home sales for Grayson County, Carroll County, and the City of Galax from 2016 through July 2025. Grayson County is the primary focus of this analysis, with Galax and Carroll County included for context, as they are integrated within the same housing market. These figures establish a baseline for evaluating housing activity over time and highlight cyclical patterns and broader economic influences, including the COVID-19 pandemic, rising interest rates, and regional economic shifts.

Between 2016 and 2019, the annual number of home sales in Grayson County averaged just over 100 transactions per year, with relatively stable year-to-year variation. Sales rose sharply in 2020, increasing by 62.6 percent to 161 transactions, the highest level during the period analyzed. This surge coincided with the onset of the COVID-19 pandemic, when historically low interest rates, increased demand for rural housing, and lifestyle changes drove higher activity across Southwest Virginia.

Sales in Grayson County declined steadily after reaching a peak in 2020. Activity fell by 6.2 percent in 2021, followed by a 28.5 percent decrease in 2022. Sales then rebounded modestly in 2023, rising 3.7 percent to 112 transactions, before falling again by 32.1 percent in 2024, resulting in a reduction in annual sales to 76 transactions. Year-to-date data for 2025 indicate 59 closings through July, representing a 59.5 percent increase compared with the same period in 2024 and a 3.5 percent increase compared with 2023. While this rebound is notable, year-to-date comparisons should be interpreted cautiously, as market conditions in the second half of the year may influence final totals.

Galax and Carroll County experienced similar trends, although Carroll County's larger housing market size tempered annual fluctuations. Both areas recorded sharp increases in 2020, with sales peaking in 2021 at 446 in Carroll County and 128 in Galax. Across the Twin County Region as a whole, total sales fell from a high of 725 in 2021 to 526 in 2024, with 269 closings recorded through July 2025.

Overall, the data illustrate a pandemic-driven surge in housing activity followed by a market correction shaped by rising interest rates, affordability constraints, and limited inventory. While 2020 and 2021 reflected extraordinary demand fueled by the adoption of remote work and in-migration, subsequent declines suggest that the market has shifted toward slower, more sustainable activity levels. These trends show that the regional housing market is stabilizing, with activity levels returning to pre-pandemic norms rather than the unusually high volumes recorded in 2020 and 2021.

| **Table 16: Annual Home Sales Trends — Twin County Region, VA (2016-2025 Year-to-Date)** *(Includes Grayson County, Carroll County, and the City of Galax)* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Grayson County** | | **Carroll County** | | **City of Galax** | | **Twin County Region** | |
| | **Home Sales** | **Percent Change** | **Home Sales** | **Percent Change** | **Home Sales** | **Percent Change** | **Home Sales** | **Percent Change** |
| 2016 | 102 | -- | 283 | -- | 90 | -- | 475 | -- |
| 2017 | 103 | 1.0% | 345 | 21.9% | 96 | 6.7% | 544 | 14.5% |
| 2018 | 115 | 11.7% | 337 | -2.3% | 108 | 12.5% | 560 | 2.9% |
| 2019 | 99 | -13.9% | 341 | 1.2% | 100 | -7.4% | 540 | -3.6% |
| 2020 | 161 | 62.6% | 430 | 26.1% | 125 | 25.0% | 716 | 32.6% |
| 2021 | 151 | -6.2% | 446 | 3.7% | 128 | 2.4% | 725 | 1.3% |
| 2022 | 108 | -28.5% | 358 | -19.7% | 124 | -3.1% | 590 | -18.6% |
| 2023 | 112 | 3.7% | 330 | -7.8% | 106 | -14.5% | 548 | -7.1% |
| 2024 | 76 | -32.1% | 356 | 7.9% | 94 | -11.3% | 526 | -4.0% |
| 2025 YTD [1] | 59 | -- | 164 | -- | 46 | -- | 269 | -- |

[1] January – July 2025

Source: Virginia REALTORS

### IV.1.b: Home Sale Price Trends

**Table 17** illustrates monthly median home sale price trends for Grayson County, Carroll County, and the City of Galax from January 2019 through December 2024. These data complement the sales volume trends shown in **Table 16** and illustrate how buyer demand, inventory, and broader economic conditions have shaped pricing patterns in the Twin County housing market.

In Grayson County, the annual average of monthly median prices was $110,358 in 2019, declining by 2.5 percent to $107,613 in 2020. This drop reflects early pandemic uncertainty and a shift toward lower-priced home sales, supported by low interest rates that increased accessibility in the entry-level market. Prices rebounded in 2021, rising 15.4 percent to $124,136, driven by limited inventory, historically low mortgage rates, and heightened demand for rural housing.

Prices edged down by 0.4 percent in 2022 to $123,638, a modest adjustment influenced by rising mortgage rates and ongoing variation in the sales mix. Values then rose 11.1 percent in

2023 to $137,395 and surged 25.0 percent in 2024 to $171,763, marking the most significant annual gain in the period analyzed.

Price trends in Galax and Carroll County mirror these dynamics. Carroll County's annual median increased from $109,804 in 2019 to $179,925 in 2024, a 63.9 percent gain, while Galax rose from $103,797 to $148,229, a 42.8 percent increase. Both markets' small size makes their medians highly sensitive to changes in sales composition. This volatility, combined with consistent upward price movement across all three markets, underscores a regionwide trend of constrained inventory and persistent demand.

Together with **Table 16**, these findings demonstrate that prices have continued to climb even as sales volumes slowed after the pandemic-driven surge. This pattern reflects a housing market where demand has consistently outpaced inventory, higher mortgage rates have intensified affordability challenges, and small sample sizes have amplified year-to-year price volatility.

The overall 55.6 percent increase in Grayson County's annual average sale price between 2019 and 2024 reflects sustained demand and constrained supply, not market weakness. This rate of appreciation has far outpaced local household income growth, deepening affordability challenges and reinforcing the need for additional housing development.

**Table 17: Monthly Median Home Sale Prices — Twin Counties Region, VA (2019-2024)**
*(Includes Grayson County, Carroll County, and the City of Galax)*

| | Median Sales Price – Grayson County | Median Sales Price – Carroll County | Median Sales Price – City of Galax |
|---|---|---|---|
| 2019 - Jan | $116,000 | $90,000 | $105,000 |
| 2019 - Feb | $119,000 | $54,500 | $71,200 |
| 2019 - Mar | $125,000 | $116,000 | $152,500 |
| 2019 - Apr | $160,000 | $149,000 | $93,000 |
| 2019 - May | $87,150 | $118,400 | $103,665 |
| 2019 - Jun | $89,000 | $122,000 | $77,000 |
| 2019 - Jul | $84,900 | $134,000 | $115,000 |
| 2019 - Aug | $111,250 | $127,000 | $116,200 |
| 2019 - Sep | $128,000 | $95,500 | $111,000 |
| 2019 - Oct | $63,000 | $117,500 | $95,500 |
| 2019 - Nov | $108,250 | $102,500 | $118,000 |
| 2019 - Dec | $132,750 | $91,250 | $87,500 |
| **2019 Average** | **$110,358** | **$109,804** | **$103,797** |
| 2020 - Jan | $79,000 | $93,300 | $85,000 |
| 2020 - Feb | $150,000 | $105,000 | $95,000 |
| 2020 - Mar | $165,000 | $85,200 | $93,950 |
| 2020 - Apr | $92,000 | $87,500 | $81,000 |
| 2020 - May | $115,000 | $100,000 | $95,250 |
| 2020 - Jun | $147,450 | $120,000 | $133,850 |
| 2020 - Jul | $65,750 | $114,500 | $95,000 |
| 2020 - Aug | $87,250 | $88,000 | $112,500 |
| 2020 - Sep | $91,250 | $112,000 | $98,000 |
| 2020 - Oct | $85,500 | $104,400 | $64,000 |
| 2020 - Nov | $111,750 | $117,500 | $152,000 |
| 2020 - Dec | $101,400 | $98,000 | $155,000 |
| **2020 Average** | **$107,613** | **$102,117** | **$105,046** |
| 2021 - Jan | $124,500 | $95,250 | $167,450 |
| 2021-Feb | $78,250 | $140,000 | $136,500 |
| 2021-Mar | $124,000 | $123,000 | $81,000 |
| 2021 - Apr | $105,000 | $117,500 | $84,000 |
| 2021 - May | $100,750 | $130,000 | $95,000 |
| 2021 - Jun | $147,500 | $135,000 | $91,500 |
| 2021 - Jul | $120,000 | $162,000 | $136,250 |
| 2021 - Aug | $140,000 | $126,500 | $179,500 |
| 2021 - Sep | $105,000 | $130,000 | $187,500 |
| 2021 - Oct | $150,000 | $113,000 | $107,092 |
| 2021 - Nov | $185,000 | $108,000 | $138,000 |
| 2021 - Dec | $110,000 | $145,000 | $169,900 |
| **2021 Average** | **$124,136** | **$130,000** | **$127,840** |
| 2022 - Jan | $107,150 | $126,000 | $194,450 |
| 2022 - Feb | $145,000 | $116,000 | $115,000 |
| 2022 - Mar | $115,000 | $109,900 | $97,750 |
| 2022 - Apr | $103,000 | $142,500 | $123,500 |
| 2022 - May | $180,000 | $103,000 | $205,000 |
| 2022- Jun | $150,000 | $120,000 | $128,000 |
| 2022 - Jul | $116,500 | $135,000 | $100,000 |
| 2022 - Aug | $114,000 | $143,000 | $182,500 |
| 2022- Sep | $102,000 | $128,500 | $112,100 |
| 2022- Oct | $112,000 | $149,500 | $103,500 |
| 2022- Nov | $114,000 | $142,500 | $140,000 |
| 2022- Dec | $125,000 | $129,900 | $89,700 |
| **2022 Average** | **$123,638** | **$128,817** | **$132,625** |
| 2023- Jan | $121,000 | $113,750 | $124,000 |
| 2023- Feb | $138,000 | $138,250 | $129,450 |
| 2023- Mar | $104,500 | $128,000 | $119,700 |
| 2023- Apr | $110,000 | $110,000 | $102,250 |
| 2023- May | $151,500 | $162,850 | $131,450 |
| 2023- Jun | $112,500 | $165,000 | $148,950 |
| 2023- Jul | $115,500 | $149,000 | $106,500 |
| 2023- Aug | $157,500 | $156,000 | $147,500 |
| 2023- Sep | $134,750 | $139,500 | $186,000 |
| 2023- Oct | $184,990 | $170,000 | $129,900 |
| 2023- Nov | $149,000 | $141,250 | $169,400 |
| 2023- Dec | $169,500 | $142,450 | $111,250 |
| **2023 Average** | **$137,395** | **$143,004** | **$133,863** |
| 2024- Jan | $122,500 | $190,500 | $125,250 |
| 2024- Feb | $127,000 | $154,000 | $115,750 |
| 2024- Mar | $137,000 | $118,000 | $110,000 |
| 2024- Apr | $122,500 | $187,700 | $159,900 |
| 2024- May | $129,900 | $174,900 | $130,200 |
| 2024- June | $220,000 | $196,500 | $159,950 |
| 2024- July | $225,000 | $186,500 | $112,000 |
| 2024- Aug | $140,500 | $180,000 | $176,400 |
| 2024- Sep | $202,450 | $165,000 | $182,500 |
| 2024- Oct | $259,900 | $205,000 | $142,000 |
| 2024- Nov | $149,900 | $201,000 | $139,900 |
| 2024- Dec | $224,500 | $200,000 | $224,900 |
| **2024 Average** | **$171,763** | **$179,925** | **$148,229** |

Source: Virginia REALTORS

## IV.1.c: Residential Building Permit Trends

**Table 18** summarizes residential building permit activity in Grayson County from 2019 through 2024. The data are categorized by housing type, including single-family homes, manufactured homes, and duplex or townhome units.

A total of 169 residential building permits were issued between 2022 and 2024, marking a period of relatively strong construction activity following low permit volumes in 2020 and 2021. Of these, 15 new homes were built within the County's existing subdivisions, representing approximately nine percent of all new homes. More than 90 percent of residential development occurred on scattered, privately owned parcels rather than in platted subdivisions.

Single-family homes consistently accounted for the majority of permits. Annual totals peaked at 51 in 2022, then stabilized at 43 in both 2023 and 2024. Manufactured home permits, though fewer overall, showed a modest upward trend, rising from zero recorded permits in 2020 and 2021 to 12 in 2022 and 13 in 2024. No duplex or townhome permits were issued during this period, reflecting a lack of variety in attached housing options and limited investment in higher-density residential formats.

This construction pattern demonstrates continued reliance on owner-driven, rural homebuilding rather than coordinated subdivision development. The limited role of platted subdivisions may constrain efforts to increase housing production or introduce new housing types, particularly those that meet the demand for entry-level or moderately priced homes. Minimal infill activity in incorporated towns further reinforces the County's low-density development pattern.

**Table 18: Residential Building Permit Trends — Grayson County, VA (2019-2024)**

| | Single-Family Homes | Manufactured | Duplex/ Townhomes | Total |
|---|---|---|---|---|
| 2019 | 25 | 3 | 0 | 28 |
| 2020 | 14 | 0 | 0 | 14 |
| 2021 | 18 | 0 | 0 | 18 |
| 2022 | 51 | 12 | 0 | 63 |
| 2023 | 43 | 7 | 0 | 50 |
| 2024 | 43 | 13 | 0 | 56 |

Source: Grayson County, VA Department of Planning & Community Development

## IV.1.d: Characteristics of Existing Subdivisions

The for-sale housing market in the Twin County Region largely consists of resales, with very few homes built speculatively for sale. There are no active subdivisions with new home construction within the City of Galax, and the last approved residential subdivision dates back to the 1990s. Carroll County has no active subdivisions with new home sales, except for two designed primarily for seasonal or vacation use. Most new homes are built on scattered lots rather than within platted subdivisions.

Grayson County has seven subdivisions with ten or more approved lots, as shown in **Table 19**. These subdivisions collectively comprise 264 approved lots, with 72 homes already built and 192 lots remaining available for construction. Activity is concentrated near Independence, which accounts for more than 70 percent of all approved lots and 85 percent of all homes built. Hidden Valley Estates and Point Lookout contain 53 of the 72 completed homes, underscoring that most development has occurred in only two subdivisions. Four other subdivisions, River Meadows, Pine Mountain Estates, Peaks Mountain Estates, and Bluff Mountain, have experienced minimal construction activity over the past decade, indicating long-term stagnation.

Most subdivisions were approved between the 1980s and early 2000s and lack connections to public water or sewer systems. They offer no amenities, such as sidewalks, pools, or clubhouses, and none are located within incorporated towns, which limits access to services and infrastructure. Combined factors, including large lot sizes, minimal marketing, and infrastructure constraints, have discouraged speculative building. Recent development has been entirely driven by individual buyers constructing homes on privately purchased lots.

Since 2022, only 15 homes have been built in these subdivisions, 12 of them in Point Lookout. No newly constructed homes are currently listed for sale in any subdivision. Sales and listing data suggest that pricing is generally above affordability levels for first-time and moderate-income buyers, further slowing absorption. At the current pace of about two homes per year over the last decade, the 192 available lots represent substantial long-term capacity within the subdivision pipeline.

The following paragraphs provide a brief description of each subdivision.

- **<u>River Meadows</u>**: Located on the Virginia–North Carolina state line along the New River, this is the newest subdivision in the group, yet it has recorded only one new home since 2022 and four homes in total since its 2008 approval for 50 lots. In July 2018, 42 lots were listed for sale, and the property was purchased later that year by a North Carolina-based buyer for $2.9 million. Individual lots range in size from approximately one to seven acres, totaling 76.53 acres, with an additional 26.44 acres of common area providing access to the New River.

  Most lots have been listed or sold at approximately $50,000 per acre, and several are currently available at this price point. A three-bedroom, 1,738-square-foot home built in 2024 is listed for $657,400; as of this report, it has been on the market for 250 days and has undergone a $42,500 price reduction. The home is located on a 1.01-acre lot that sold for $40,000 in November 2022.

- **<u>Pine Mountain Estates</u>**: This subdivision is located along Park Place Drive, north of the Town of Independence and off Peach Bottom Road. Sales began in 2007, but no new construction has been recorded in the past three years. Although small in scale, the subdivision features a gated entryway, and a $500 annual fee funds road maintenance. Four homes have been built within the 14-lot subdivision, only one of which has been built since 2012, and none were built speculatively.

  There are no active listings for vacant lots or homes in Pine Mountain Estates. The most recent sales include a 7.16-acre lot that sold for $45,000 in April 2023 and an 8.27-acre lot that sold for $35,000 in August 2023.

- **<u>Hidden Valley Estates</u>**: This subdivision is located along Hidden Valley Lane, off the east side of U.S. Route 21, northwest of the Town of Independence. It was approved in multiple phases between the late 1980s and early 1990s. The subdivision contains 58 lots, with 29 homes built to date, including three since 2012 and one since 2022.

  There are two active listings in Hidden Valley Estates: a two-bedroom, 1,110-square-foot home built in 2015, listed for $390,000, and a four-bedroom, 1,950-square-foot home built in 1994, listed for $316,500. Homeowners pay an annual HOA fee of $200. Two recent sales include a two-bedroom, 1,322-square-foot home built in 2014, which sold for $385,000 in October 2024, and a three-bedroom, 2,240-square-foot home built in 2005, which sold for $435,000 in November 2022. No lots are currently listed for sale on the Multiple Listing Service (MLS).

- **<u>Point Lookout</u>**: This gated subdivision was approved in two phases, in 1987 and 2000, for a total of 67 lots. To date, 24 lots have been sold and developed, including 12 since 2022, making Point Lookout the most active subdivision in Grayson County. It is located along Point Lookout Lane, Running Bear Court, and May Apple Circle, with access from U.S. Route 21 north of the Town of Independence.

No homes are currently listed for sale; however, two lots are available on the MLS: an 11.15-acre lot priced at $235,000 and a 6.06-acre lot priced at $39,900. One recent home sale includes a three-bedroom, 1,600-square-foot home built in 2014 that sold for $455,000 in August 2024.

- **Mountain Top Meadows**: Approved in two phases in 2001 and 2005, this subdivision includes 32 lots along Mountain Meadow Lane, north of Independence in the Elk Creek area of Grayson County. One new custom home has been built in recent years. No homes are currently for sale, no lots are listed on the MLS, and no home sales have been recorded since 2022. This subdivision includes Plantation Place, which is part of Mountain Top Meadows.

- **Peaks Mountain Estates**: Located along the Grayson County–Carroll County border south of Galax, this subdivision was approved in 2010 with 18 lots. Only two lots have been developed, and no homes have been built since 2022. There is no active marketing for the remaining lots.

- **Bluff Mountain**: Approved in 2002, this 25-lot subdivision is located along Holiday Lane, off Whitetop Mountain Road, just north of U.S. Route 48 in the Whitetop area of western Grayson County. Only three homes were built, all of which were more than a decade ago. Several lots are listed for sale on the MLS, ranging from approximately five to ten acres and priced between $55,000 and $75,000. None of the homes has been resold in recent years.

Overall, subdivision development in Grayson County has remained slow, with most activity driven by individual lot sales rather than speculative construction. Development has been concentrated in only one community, while many approved subdivisions have seen little or no recent building activity. Aging approvals, limited infrastructure, large-lot configurations, and pricing that exceeds entry-level affordability present significant barriers to absorption. Without shifts in development strategy or broader market conditions, the current inventory of lots is unlikely to generate substantial near-term construction.

**Table 19: Characteristics of Subdivisions with Unbuilt Lots — Grayson County, VA (2019-2025)** [1]

| | Map C Key | Year Started | Lots Approved | Homes Built to Date | Homes Built Since 2012 | Homes Built Since 2022 |
|---|---|---|---|---|---|---|
| **Independence Address** | | | | | | |
| River Meadows | 1 | 2008 | 50 | 4 | 3 | 1 |
| Pine Mountain Estates | 2 | 2007 | 14 | 4 | 1 | 0 |
| Hidden Valley Estates | 3 | 1989/1991 [3] | 58 | 29 | 3 | 1 |
| Point Lookout | 4 | 1987/2000 [3] | 67 | 24 | 14 | 12 |
| *(Subtotal)* | | | *(189)* | *(61)* | *(21)* | *(14)* |
| **Elk Creek Address** | | | | | | |
| Mountain Top Meadows [2] | 5 | 2001/2005 [3] | 32 | 6 | 5 | 1 |
| **Galax Address** | | | | | | |
| Peaks Mountain Estates | 6 | 2010 | 18 | 2 | 1 | 0 |
| **Whitetop Address** | | | | | | |
| Bluff Mountain | 7 | 2002 | 25 | 3 | 0 | 0 |
| **Total** | | | **264** | **72** | **27** | **15** |

[1] Only subdivisions with ten or more lots.

[2] Includes Plantation Place, which is part of Mountain Top Meadows.

[3] Multiple development phases.

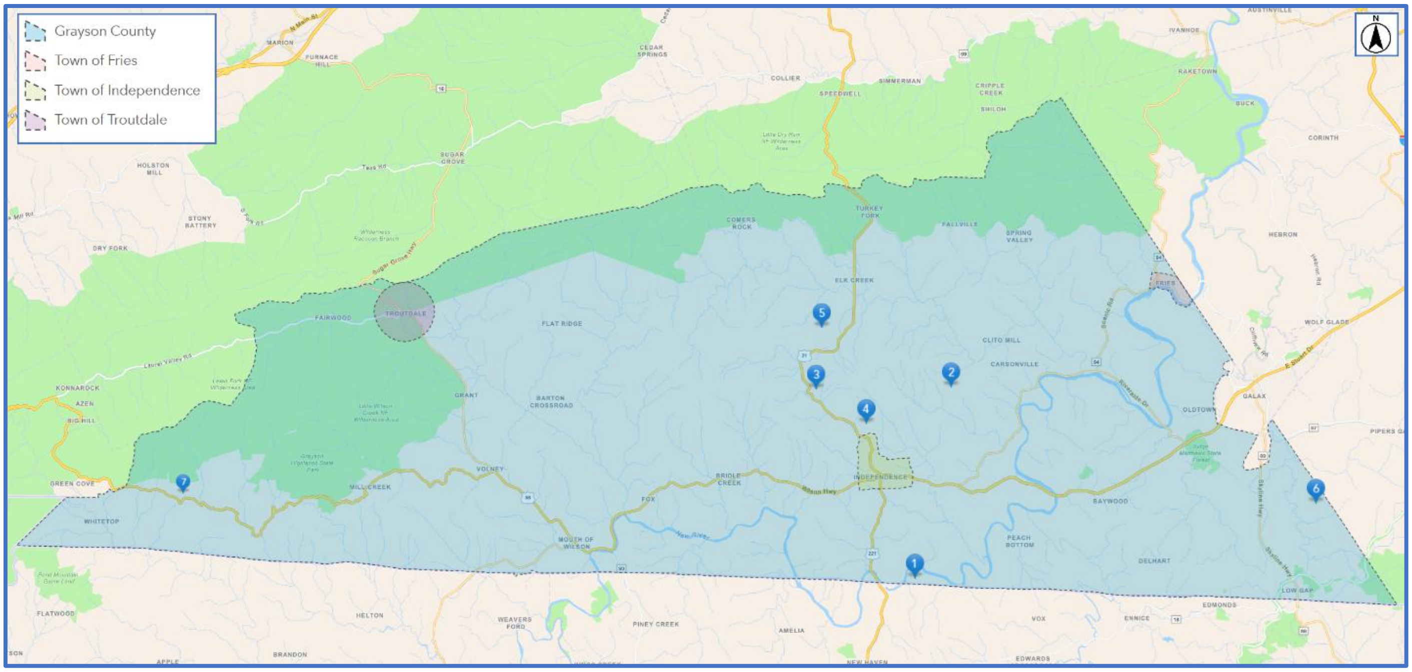
Source: Grayson County Director of Planning and Zoning

The following images illustrate typical homes within these subdivisions. All are single-family residences, most of which are situated on large lots. None of the subdivisions have access to public water or sewer service, and all homes were individually constructed rather than built speculatively.

**River Meadows** **Point Lookout**

**Hidden Valley Estates** **Mountain Top Meadows**

**Map C** shows the locations of the seven subdivisions discussed above. All are in rural settings outside the County's towns and are located at a distance from population and employment centers. Four subdivisions are situated north of Independence, generally along U.S. Route 21, while Pine Mountain Estates is farther from this corridor. The remaining three subdivisions are near the North Carolina border.




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

## IV.1.e: Lot Sales Activity

**Tables 18** and **19** show that new home construction in Grayson County is primarily driven by private lot purchases rather than speculative construction. This trend is typical of rural localities and reflects perceived risks and financing challenges for developers, historically slow absorption rates, and limited access to public utilities.

Large lot requirements and the absence of public water and sewer service in all existing subdivisions limit their suitability for speculative construction. As a result, subdivision activity has primarily involved developers or landowners creating subdivisions and selling individual lots, many of which have remained unsold for more than a decade, as discussed in the preceding section.

This development model has contributed to a shortage of housing options affordable to first-time buyers and households with modest incomes. Building a home through individual lot purchases and custom construction is both expensive and complex. In addition to high upfront costs, buyers must navigate design decisions, permitting requirements, and lengthy construction timelines, all of which create barriers for households with limited financial resources.

In contrast, speculative homes offer several advantages for entry-level buyers. They are typically move-in ready, removing the burden of managing the construction process, and provide greater predictability in terms of quality and delivery timelines. However, without improvements to infrastructure access and subdivision design, speculative construction is likely to remain limited in these communities, as builders are less inclined to invest in areas with high development costs and slow absorption rates.

In summary, Grayson County's subdivision market is characterized by stagnant absorption, minimal speculative activity, and a large inventory of approved but undeveloped lots. This model primarily serves higher-income buyers and does not meet the needs of lower- and moderate-income households. Speculative homes would provide a more accessible path to homeownership for many buyers, but such opportunities remain scarce in the County.

### IV.1.f: Speculative Homebuilding and Sales

Speculative homes refer to units built by a developer or builder without a confirmed buyer, and they are offered for sale at or near completion. This contrasts with custom construction, where buyers purchase lots and directly contract with builders. Speculative development is an essential source of move-in-ready housing, particularly for buyers who may lack the financial flexibility or interest in managing the construction process themselves.

**Table 20** summarizes speculative home sales in Grayson County, Carroll County, and the City of Galax from 2022 through mid-2025. Sales have been minimal, with only 27 speculative homes sold across the region during this period, primarily in Carroll County. This scarcity reflects a market dominated by custom, owner-initiated construction rather than homes built for immediate sale, aligning with the broader subdivision trends discussed earlier.

In Grayson County, only three speculative homes have sold since 2022, with an average size of 889 square feet and an average sale price of $212,993, or $291 per square foot. Two of these homes were under 800 square feet, indicating that speculative activity has focused primarily on compact units rather than family-sized housing. The only larger home, a 1,500-square-foot property that sold for $315,000 in 2023, was listed for less than two months, illustrating that demand exists even at price points above what many first-time buyers can afford.

The City of Galax recorded five speculative home sales during the same period, averaging 1,882 square feet and $329,180 per home, or $180 per square foot. These sales show that speculative building is feasible in select areas, although the small number of transactions highlights its rarity across the Twin County Region.

Carroll County accounted for 19 speculative home sales, averaging 1,535 square feet and $258,066 per home, or $175 per square foot. Most were modular units, with higher-priced stick-built homes representing a smaller share of activity. Even with this comparatively higher number of sales, speculative homebuilding in Carroll County remains dispersed, limiting opportunities for concentrated development and economies of scale.

Building permit data reinforce these dynamics. Since 2022, Grayson County has issued 169 residential permits, with annual totals ranging from 50 to 63 units per year. Despite this permitting activity, only three new speculative homes were built during this period, confirming that most residential development occurs on scattered lots through custom construction rather than subdivision-based speculative building.

The limited availability of speculative homes has significant implications for housing access. Buyers seeking new construction often must commission custom homes, a process that involves high upfront costs, long timelines, and significant project management responsibilities. As an alternative, many buyers rely on older resale properties. Carroll County's comparatively stronger market indicates that modular construction can help expand supply; however, this approach has not been widely replicated in the region.

When viewed alongside annual sales data and subdivision activity, these findings confirm that speculative homebuilding represents only a small share of total new construction in the Twin County Region, consistent with trends identified in earlier analyses of permitting and subdivision activity.

**Table 20: Speculative Home Sales— Twin County Region, VA (2022-2025 Year-to-Date)** [1]
*(Includes Grayson County, Carroll County, and the City of Galax)*

| | Floorplan | Square Footage | Initial Price | Sale Price | Price/ Square Foot | Listing Date | Sales Date |
|---|---|---|---|---|---|---|---|
| **Grayson County** | | | | | | | |
| 701 Top St (Fries) [2] | 1BR/1BA | 399 | $229,900 | $200,000 | $501 | 02-2024 | 02-2025 |
| 414 Tabernacle Rd (Fries) | 2BR/1BA | 768 | $139,900 | $123,980 | $161 | 10-2023 | 04-2024 |
| 60 Stones Chapel Rd (Elk Creek) | 3BR/2BA | 1,500 | $315,000 | $315,000 | $210 | 05-2023 | 07-2023 |
| *(Average)* | | *(889)* | *($228,267)* | *($212,993)* | *($291)* | | |
| **City of Galax** | | | | | | | |
| 313 Fox Run Dr | 4BR/3BA | 2,000 | $489,000 | $450,000 | $225 | 05-2025 | 07-2025 |
| Heritage Ln | 5BR/2BA | 2,912 | $419,900 | $375,000 | $129 | 05-2024 | 04-2025 |
| 234 Waugh Dr | 3BR/2BA | 1,540 | $299,000 | $299,000 | $194 | 08-2023 | 10-2023 |
| 22 Water Wheel Rd | 3BR/2BA | 1,530 | $259,900 | $266,000 | $174 | 04-2023 | 05-2023 |
| 44 Water Wheel Rd | 3BR/2BA | 1,428 | $249,900 | $255,900 | $179 | 04-2023 | 05-2023 |
| *(Average)* | | *(1,882)* | *($343,540)* | *($329,180)* | *($180)* | | |
| **Carroll County** | | | | | | | |
| 482 Gambetta Rd (Galax) | 3BR/2BA | 1,485 | $242,000 | $241,000 | $162 | 05-2025 | 08-2025 |
| 1174 Buck Woods Rd (Woodlawn) | 3BR/2BA | 1,568 | $249,000 | $249,000 | $159 | 04-2025 | 08-2025 |
| 154 Davis Ave (Hillsville) | 2BR/2BA | 1,616 | $335,000 | $305,000 | $189 | 04-2025 | 08-2025 |
| 45 Fox Squirrel Ln (Woodlawn) | 2BR/2BA | 1,560 | $339,000 | $300,000 | $192 | 02-2025 | 07-2025 |
| 220 Wood Ln (Hillsville) [3] | 3BR/2BA | 1,475 | $229,900 | $208,000 | $141 | 10-2024 | 04-2025 |
| 1891 Sandy Level Rd (Woodlawn) | 3BR/3BA | 1,539 | $239,900 | $242,000 | $157 | 01-2025 | 04-2025 |
| 272 Wood Ln (Hillsville) | 3BR/2BA | 1,680 | $254,500 | $235,000 | $140 | 09-2024 | 03-2025 |
| 225 Matterhorn Dr. (Fancy Gap) | 3BR/2BA | 1,700 | $364,999 | $325,000 | $191 | 10-2024 | 02-2025 |
| 782 Timberline Dr (Galax) | 3BR/2BA | 1,700 | $374,900 | $358,000 | $211 | 07-2024 | 12-2024 |
| 166 Lonesome Dove (Woodlawn) | 3BR/3BA | 1,723 | $284,900 | $284,900 | $165 | 04-2024 | 06-2024 |
| 115 Weddle St (Hillsville) | 4BR/2BA | 1,791 | $199,900 | $190,000 | $106 | 02-2024 | 05-2024 |
| 192 Lonesome Dove Dr (Woodlawn) | 3BR/2BA | 1,332 | $269,900 | $269,900 | $203 | 11-2023 | 05-2024 |
| 652 Carrollwood Dr (Woodlawn) [4] | 3BR/2BA | 1,150 | $149,000 | $125,000 | $109 | 08-2023 | 02-2024 |
| 134 Lonesome Dove (Galax) | 3BR/3BA | 1,772 | $319,900 | $285,000 | $161 | 11-2023 | 01-2024 |
| 240 Hawk Landing Dr (Woodlawn) | 3BR/2BA | 1,900 | $399,900 | $390,000 | $205 | 07-2023 | 10-2023 |
| 72 Rhododendron Ln (Fancy Gap) | 3BR/2BA | 1,512 | $325,000 | $307,500 | $203 | 09-2023 | 10-2023 |
| 1147 Carrollview Rd (Hillsville) [2] | 1BR/1BA | 499 | $182,900 | $170,250 | $341 | 10-2022 | 05-2023 |
| 177 Knob Hl (Woodlawn) | 4BR/2BA | 1,791 | $194,800 | $194,800 | $109 | 03-2023 | 04-2023 |
| 42 Maplewood Dr (Galax) | 3BR2BA | 1,380 | $219,000 | $240,000 | $174 | 10-2022 | 01-2023 |
| *(Average)* | | *(1,535)* | *($272,337)* | *($258,966)* | *($175)* | | |
| **Average** | | **1,528** | **$280,626** | **$266,860** | **$189** | | |

[1] January – July 2025. Excludes homes marketed solely as vacation properties (for example, log cabins). Only homes listed on MLS are shown.

[2] Tiny home

[3] Sale fell through in January 2025; the property was relisted.

[4] Sale fell through in October 2023; the property was relisted.

Source: National Association of REALTORS

The homes pictured below depict examples of speculative construction in Grayson County, Carroll County, and the City of Galax. They show a range of home sizes and styles, from smaller modular units to larger stick-built homes and provide visual context for the data in **Table 20**.

These examples illustrate that most speculative construction in the region is modest in scale and design, with few higher-priced homes being built. This reinforces that speculative construction currently plays a limited role in addressing the region's housing shortages and affordability challenges.

**414 Tabernacle Rd (Fries)**

**60 Stones Chapel Rd (Elk Creek)**

**701 Top St (Fries)**

**22 Water Wheel Rd (Galax)**

**44 Water Wheel Rd (Galax)**

**234 Waugh Dr (Galax)**

**Heritage Ln (Galax)**

**313 Fox Run Dr (Galax)**

**482 Gambetta Rd (Galax)**

**1174 Buck Woods Rd (Woodlawn)**

**177 Knob Hl (Woodlawn)**

**154 Davis Ave (Hillsville)**

**45 Fox Squirrel Ln (Woodlawn)**

**72 Rhododendron Ln (Fancy Gap)**

**220 Wood Ln (Hillsville)**

**1891 Sandy Level Rd (Woodlawn)**

**272 Wood Ln (Hillsville)**

**225 Matterhorn Dr. (Fancy Gap)**

**782 Timberline Dr (Galax)**

**166 Lonesome Dove (Woodlawn)**

**115 Weddle St (Hillsville)**

**192 Lonesome Dove Dr (Woodlawn)**

**652 Carrollwood Dr (Woodlawn)**

**134 Lonesome Dove (Galax)**

**240 Hawk Landing Dr (Woodlawn)**

**42 Maplewood Dr (Galax)**

### IV.1.g: Townhome Market Conditions

Expanding housing options beyond large-lot single-family homes could help address affordability challenges in Grayson County, and townhomes represent one of the most practical and underrepresented housing types in the area.

There are very few for-sale townhomes in the Twin County Region because nearly all attached units are renter-occupied. None of the subdivisions listed in **Table 19** include attached homes, a reflection of both their rural locations and zoning regulations in Grayson County that limit higher-density development.

The near absence of townhomes contributes to limited housing diversity, especially for first-time buyers and middle-income households, as large-lot single-family homes dominate the ownership market. Supporting townhome development would expand housing choices and improve affordability, particularly given the County's high share of renter households and the limited inventory of modestly priced for-sale homes.

Townhomes currently being developed in the Roanoke Region provide a relevant model for Grayson County. These units are built by R. Fralin Homes, a regional builder specializing in moderately priced housing. In Roanoke, new townhomes typically start in the upper-$200,000s to the low-$300,000s, feature two levels, and include brick or vinyl exteriors, as well as single-car garages. Comparable homes could likely be delivered at lower price points in Grayson County, where land costs are lower and infill opportunities are more readily available.

These examples illustrate a practical approach to expanding homeownership opportunities for working households. Moderately priced townhomes would help meet demand for starter homes, create a pathway to ownership for middle-income buyers, and diversify the County's predominantly single-family housing stock.

**Village Green (Roanoke County)**

**Orchards (Roanoke County)**

## IV.1.h: Patio Home Market Conditions

**Table 9** showed that Grayson County's senior population is steadily increasing, with growth among senior homeowners especially pronounced. The number of residents aged 62 and older has increased from 3,634 in 2000 to an estimated 5,116 in 2024, representing 33.9 percent of the County's population. Over half of all owner-occupied households are now headed by seniors, up from 36 percent in 2000 to a projected 52 percent in 2024.

This shift underscores the County's aging homeowner base and highlights the need for owner-occupied housing that supports aging in place. While many older residents have significant home equity and retirement savings, most of the housing stock consists of large single-family homes on sizable lots. These homes often lack first-floor bedrooms and bathrooms and require exterior maintenance that has become increasingly burdensome for older homeowners.

Feedback from local realtors and employers confirms this trend, with reports indicating that retirees are actively seeking opportunities to downsize while remaining in their community. Many current property listings involve older homeowners seeking smaller, low-maintenance housing, yet few local options meet these needs. As a result, some seniors are relocating outside Grayson County to find more suitable housing. This unmet demand suggests that a broader range of downsizing options would encourage older residents to list their existing homes and remain in the region.

There is growing interest in patio homes across Virginia and nationally. These homes are single-story, attached residences with garages, typically ranging in size from 1,250 to 1,800 square feet. They are built on flat sites with front widths of 30 to 40 feet and are designed for low maintenance, making them particularly appealing to seniors. Smaller-scale patio homes could also be developed as senior-oriented rental units, expanding housing choices for older residents while also serving empty-nesters and individuals with mobility needs.

No patio home communities are currently being developed or actively marketed in Grayson County, and the absence of this housing type presents a significant opportunity. Introducing patio homes would help meet growing demand, retain retirees, and improve housing turnover by enabling seniors to downsize within their community.

Together with the need for moderately priced townhomes discussed in the previous section, patio homes represent a complementary strategy to diversify the County's housing supply, support aging in place, and create more attainable pathways to homeownership.

Images of recently built patio homes in Roanoke County are included below and may serve as prototypes for similar development in Grayson County.


**Village Green Patio Homes (Roanoke County)**

## IV.1.i: Manufactured, Modular, and Mobile Home Market

Manufactured, modular, and mobile homes make up a substantial share of Grayson County's housing stock and serve as a critical source of affordable housing for lower- and moderate-income households, particularly in rural areas where development alternatives are limited.

Manufactured homes are factory-built units constructed after June 15, 1976, in compliance with a national building code administered by the U.S. Department of Housing and Urban Development (HUD). They are delivered in one or more sections on a steel chassis and may be installed on either temporary or permanent foundations. Mobile homes are units built prior to this code's implementation, although the term "mobile home" is often used broadly in census data to describe both pre- and post-1976 homes.

Modular homes are also factory-built in sections, but they are constructed to local or state building codes that apply to site-built single-family housing. Once placed on permanent foundations, they are classified as conventional housing by the U.S. Census Bureau. Interest in modular construction is increasing because these homes meet code requirements, qualify for conventional mortgage financing, and are often priced below comparable site-built homes. Despite these advantages, modular homes account for only a small share of the market, likely due to limited consumer familiarity and production capacity.

Most manufactured homes in Grayson County are located in unincorporated areas, where lower land costs and fewer zoning restrictions have supported their placement on private parcels. Some are in small, manufactured home communities, while many are stand-alone units on family-owned land. Census data indicate that there are no mobile homes in the Town of Fries, 36 in Independence, and ten in Troutdale. Most manufactured homes are owner-occupied, although some are likely rented through informal arrangements.

**Table 21** summarizes the distribution and tenure of mobile homes in Grayson County, Carroll County, and the City of Galax. Grayson County has 1,662 mobile homes, which make up 18.6 percent of its total housing stock. Carroll County has 3,452 mobile homes (20.7 percent), while Galax has 255 (7.9 percent). Across the region, 5,370 mobile homes account for 18.6 percent of all housing units, a figure significantly higher than the national average of 5.7 percent and Virginia's statewide rate of 4.4 percent. Grayson County's proportion is lower than Carroll County's but far higher than Galax's, reflecting its predominantly rural development pattern.

These figures demonstrate that mobile homes are disproportionately represented in Grayson County, accounting for 18.6 percent of all housing units, more than four times Virginia's statewide rate of 4.4 percent and over three times the national average of 5.7 percent. This concentration underscores their importance as a core component of the County's housing stock and reflects its rural character, lower land costs, and the limited availability of other affordable housing options.

Among occupied units, Grayson County has 12.9 percent owner-occupied and 3.6 percent renter-occupied mobile homes. Carroll County exceeds Grayson with 14.5 percent owner-occupied and 6.0 percent renter-occupied units, while Galax is far lower at 6.3 percent owner-occupied and 3.0 percent renter-occupied. These figures indicate that Grayson's tenure patterns fall between Carroll County's higher reliance on mobile homes and Galax's much lower levels, underscoring their role as an essential affordable housing resource in the County.

**Table 21: Mobile Homes by Tenure — Twin County Region, VA** [1]
*(Includes Grayson County, Carroll County, and the City of Galax)*

| | Total Mobile Homes | Percent of All Homes | Owner-Occupied Mobile Homes | Percent of Occupied Homes | Renter-Occupied Mobile Homes | Percent of Occupied Homes |
|---|---|---|---|---|---|---|
| Grayson County | 1,662 | 18.6% | 799 | 12.9% | 225 | 3.6% |
| Carroll County | 3,452 | 20.7% | 1,816 | 14.5% | 754 | 6.0% |
| City of Galax | 255 | 7.9% | 173 | 6.3% | 82 | 3.0% |
| **Regional Total** | **5,370** | **18.6%** | **2,788** | **13.0%** | **1,061** | **5.0%** |

[1] The ACS "Mobile Home" category includes both pre-1976 mobile homes and post-1976 manufactured homes built to the HUD Code. Modular homes placed on permanent foundations are classified as single-family homes and are therefore excluded from this category.

Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)

The region's high reliance on manufactured and mobile homes reflects longstanding patterns of rural development. While these homes remain an important affordable housing resource, many are aging, lack modern energy-efficient or safety features, and often require significant maintenance. Informal rental arrangements further contribute to housing instability for some households.

Given Grayson County's affordability challenges and aging housing inventory, manufactured and modular homes present opportunities to expand housing options when thoughtfully planned and strategically located. Encouraging investment in modern manufactured home models and incorporating modular homes into subdivision and infill development could diversify the housing stock, provide higher-quality affordable options, and advance long-term affordability goals.

## IV.1.j: Current For-Sale Housing Inventory

**Table 22** shows the distribution of 91 active and pending home listings in Grayson County as of mid-2025, organized by the decade in which the homes were built. The data illustrate the predominance of older housing stock and the limited availability of recently constructed homes. Nearly all listings are single-family residences, with eight manufactured homes and one high-value condominium in Fries listed at $650,000.

Of the 91 total listings, 66 are active and 25 are pending or contingent. Only three homes were built since 2020, all priced between $254,900 and $899,000. This limited supply highlights both the scarcity of recent construction and a trend toward higher price points for newer inventory. Five homes built in the 2010s are also listed, with an average price of nearly $480,000, further reinforcing that newer housing in Grayson County is both limited and expensive.

Homes built between 1990 and 2009 account for 19 listings, with early-2000s homes averaging about $400,000 and 1990s homes averaging over $550,000. Many of these are custom-built properties located in Elk Creek, Mouth of Wilson, and Ivanhoe. Older homes dominate the market, with more than half of all listings built before 1980, including nine constructed before 1940. While many of these older properties are listed below $300,000, some historic homes are priced significantly higher.

The countywide average listing price is approximately $339,365, with prices ranging from $19,900 to $1.29 million. Pending and contingent listings indicate stronger demand for newer homes, with four of the eight homes built since 2010 currently under contract. Older homes, particularly those built before 1970, are far less likely to be pending or contingent, illustrating a clear preference for newer housing.

Location trends further illustrate market segmentation. The Independence and Galax areas account for nearly half of all listings, offering a mix of modest homes and higher-value custom residences. Elk Creek, Mouth of Wilson, and Ivanhoe feature many of the highest-priced properties. Fries and Troutdale contain a mix of historic and mid-range homes, while Whitetop's listings are largely modest or manufactured units. More affordable options are concentrated in the Fries, Galax, and Troutdale areas, whereas high-value homes are clustered in Elk Creek and Mouth of Wilson.

Grayson County's housing market is dominated by older homes, has limited new construction, and exhibits significant price variation based on location and property type. The scarcity of affordable new homes, combined with the concentration of high-value properties in rural areas, underscores the challenges in expanding housing availability and affordability. These patterns align with earlier findings on subdivision stagnation and limited speculative building activity.

**Table 22: Active Home Listings — Grayson County, VA (September 2025)** [1]

| Year Built | Active Listings | Pending/ Contingent | Price Range | Average Listing Price |
|---|---|---|---|---|
| 2020+ | 3 | 1 | $254,900 – $899,000 | $543,450 |
| 2010-2019 | 5 | 1 | $145,000 – $699,000 | $479,567 |
| 2000-2009 | 7 | 5 | $175,000 – $590,000 | $398,625 |
| 1990-1999 | 5 | 2 | $170,000 – $1,290,000 | $552,771 |
| 1980-1989 | 8 | 0 | $140,000 – $995,000 | $442,462 |
| 1970-1979 | 8 | 4 | $159,900 – $429,000 | $273,817 |
| 1960-1969 | 9 | 7 | $19,900 – $579,000 | $230,525 |
| 1950-1959 | 7 | 3 | $90,000 – $299,000 | $172,220 |
| 1940-1949 | 5 | 0 | $149,900 – $247,040 | $207,348 |
| Pre-1940 | 9 | 2 | $125,000 – $899,000 | $355,027 |
| **Total/ Average** | **66** | **25** | **$19,900 – $1,290,000** | **$339,365** |

[1] Excludes renter-occupied tri-plex listed for sale. Each unit features two bedrooms and one bathroom.
Source: National Association of REALTORS

## IV.1.k: Planned For-Sale Housing Pipeline

No new subdivisions are currently approved or in active planning in Grayson County or its towns, but several small-scale infill projects and one subdivision in nearby Carroll County are underway. Most of these initiatives are supported by the Mount Rogers Planning District Commission Housing Unit Development Loan Program, which provides $100,000 per home in revolving loan funds for qualifying projects. Collectively, these efforts represent more than 60 planned homes, including both site-built and manufactured housing, and demonstrate targeted efforts to increase supply despite limited large-scale development.

The following proposals illustrate the current for-sale housing pipeline in the region:

- **BCW Properties** is constructing 22 single-family homes on scattered lots throughout Grayson County, Carroll County, and the City of Galax. The largest concentration of activity is along Cranberry Road and Timberline Road in Carroll County, near the city limits of Galax. MRPDC provided $400,000 in loan funding to support four homes, with the option to reapply the loan to additional homes as sales are completed. Fourteen of the planned homes are complete, and three are under construction. All homes are priced for buyers earning up to 150% of AMI.

- **R & K Land Development LLC** is completing a five-home infill project in Carroll County. The company has built two homes on Colson Church Road near Galax and one home in the Deer Ridge area of Hillsville. MRPDC provided a $100,000 loan for the initial home, which may be reapplied to additional homes as they are sold. Three of the five homes are now complete and listed for sale, and all are priced for buyers earning up to 150% of AMI.

- **Carroll Investment Company/Deer Ridge Road Development** is building the Fairhaven Subdivision along Deer Ridge Road in Carroll County, with plans for up to 36 single-family homes. MRPDC has provided $400,000 in loan funding, allocating $100,000 per home, with the ability to reapply the loan to additional homes upon MRPDC approval. Water and sewer infrastructure is already installed throughout the subdivision, and construction of the first home is underway. These homes will be marketed to buyers earning up to 120% of AMI, representing one of the few active subdivision-scale developments in the region.

- **Clayton Homes** is developing a five-lot manufactured home subdivision along Indian Valley Road in Dugspur. Soil work has been completed for two lots, and one building permit has been issued, indicating the project is in its early stages.

### IV.1.l: Summary of the For-Sale Housing Market

Grayson County's for-sale housing market is defined by an aging housing stock, slow development patterns, and minimal speculative construction. Most new homes are built through individual lot purchases and custom construction rather than developer-led subdivisions. This model slows housing delivery and restricts access to move-in-ready homes, particularly for moderate-income buyers and those without the resources to finance and manage custom construction.

The County's seven recorded subdivisions illustrate these challenges. With 264 total lots approved and 192 still unsold, many neighborhoods remain largely undeveloped decades after they were approved. Each subdivision lacks public utilities and features large-lot formats, creating cost and design barriers to speculative development and slowing absorption. Recent subdivision activity has been minimal, and much of the County's new construction continues to occur on scattered sites rather than in planned subdivisions.

Active and pending listings further highlight the market's reliance on older homes. Of the 91 listings recorded in mid-2025, more than half were built before 1980, and nine predate 1940. Only three active listings were built since 2020, all priced between $254,900 and $899,000. Homes from the 2010s are similarly scarce, averaging close to $480,000. The countywide average listing price is approximately $339,365, which exceeds affordability levels for most local buyers. Pending sales indicate strong buyer interest in newer homes; however, availability is limited.

Speculative construction is rare. Only three speculative homes have been built and sold in Grayson County since 2022, compared with five in Galax and 19 in Carroll County. This limited supply of move-in-ready homes constrains buyer choice and restricts mobility for current homeowners who might otherwise sell, reinforcing earlier findings about subdivision stagnation.

Residential building permit data further confirm reliance on scattered, owner-driven construction. Between 2022 and 2024, 169 residential permits were issued, almost entirely for single-family or manufactured homes, with no duplex or townhome units. Manufactured and mobile homes comprise nearly one-fifth of the housing stock, offering a lower-cost entry point; however, many are aging and lack the amenities or proximity to services that many buyers seek.

Grayson County also lacks housing diversity. There are no active patio home or townhome developments, despite regional demand for these formats among seniors, first-time buyers, and working households. The absence of these housing types forces many seniors to remain in larger, maintenance-intensive homes or relocate to find downsizing options. Younger households also face a shortage of attainable starter homes, with few new units priced below $300,000.

The for-sale housing pipeline comprises approximately 60 planned homes, primarily located in Carroll County and supported by the Mount Rogers Planning District Commission's revolving loan program. This limited pipeline highlights Grayson County's reliance on external development activity and its challenges in providing local financing and infrastructure support, offering little near-term relief from supply constraints.

Overall, the findings identify a structurally constrained for-sale housing market. Aging inventory, minimal speculative construction, and a heavy reliance on custom homebuilding have created a persistent gap between the number of available homes and buyer needs, reinforcing affordability challenges for both new and existing households.

## IV.2: Characteristics of the Rental Market

This section provides an overview of the market-rate and affordable rental housing segments within the broader Grayson County market area. It evaluates properties located in Grayson County and those in the nearby communities of Galax and Carroll County, acknowledging that prospective renters often search for housing across jurisdictional boundaries due to employment opportunities, amenities, and limited local housing options.

The analysis focuses on four key components of the regional rental market: (1) market-rate general-occupancy housing, (2) affordable general-occupancy housing, (3) market-rate age-restricted housing, and (4) affordable age-restricted housing. In this context, market-rate housing refers to units priced based on prevailing market conditions, without income restrictions. In contrast, affordable housing includes properties supported by subsidies or tax credits, which typically have income eligibility requirements.

With the exception of rental properties offering deep rent subsidies, all professionally managed apartment communities in the region are in the City of Galax or Carroll County, east of Grayson County. Deep rent subsidies refer to rental assistance programs in which tenants typically pay a fixed percentage of their household income, commonly 30 percent, toward rent, with the remainder covered by a subsidy.

## IV.2.a: Characteristics of the General Apartment Market

**Table 23** summarizes rental properties in the Twin County Region, all of which are located along the U.S. Route 58 corridor between Galax and Hillsville. The inventory comprises ten small market-rate apartment communities with 146 units, 308 scattered-site rental units managed by six local property management companies, and five affordable apartment communities with 195 units, all of which are financed through the LIHTC program. Rents at some affordable properties are comparable to those at older market-rate communities, indicating that much of the region's market-rate stock is outdated and offers limited amenities. There are only six vacancies across all of these units.

Properties with deep rent subsidies, where tenants contribute 30 percent of household income toward rent, are excluded from this analysis. These include Glendale Apartments in Galax (68 units), Westview Terrace in Hillsville (48 units), Penn Court in Independence (48 units), and Laurel Ridge in Hillsville (56 units). These properties are consistently at full occupancy and maintain long waitlists, making them unrepresentative of broader market dynamics. Housing Choice Vouchers managed by Rooftop of Virginia CAP are also excluded. The agency oversees 322 vouchers for households renting scattered units throughout the region and currently maintains a waitlist of 179 low-income households.

Occupancy estimates for some properties are based on prior research by S. Patz & Associates and standard market analysis methods. Properties were assumed to be fully occupied if no advertisements for available units were identified, and management could not be reached. This assumption is common when analyzing smaller communities without onsite management that historically operate at full occupancy.

The following paragraphs provide detailed findings for each of the three rental housing segments identified in this analysis.

- **Market Rate Apartments**: The Twin County Region contains ten small market-rate apartment properties with a total of 146 rental units. None of these communities are in Grayson County, and all are fully occupied, a trend that has persisted for several years. Some properties maintain small waitlists, but most report turning away prospective tenants because vacancies are rare. These communities are modest in scale, ranging from four to 39 units, and none offer on-site amenities. There is only one vacancy at these communities.

The inventory is aging. Aside from the six-unit rehabilitation of the upper-level apartments at 522 N. Main Street in Hillsville, the newest apartment community is Brookstone Court, which was built in 1999. While some properties have undergone minor renovations, these improvements have not resulted in significant rent increases; post-renovation rents are typically about 15 percent higher than those in non-renovated units. Many apartments feature dated layouts and limited curb appeal. For example, every market-rate two-bedroom unit in the region has only one or one-and-a-half bathrooms, a design widely considered outdated. In contrast, nearly all newly constructed two-bedroom market-rate apartments in Virginia include two full bathrooms, aligning with modern renter expectations.

Interviews with local property managers report that approximately 80 percent of these units are occupied by working households. In comparison, roughly 20 percent are occupied by retirees, including some who have relocated back to the area after living elsewhere. Managers consistently report that many renters relocate after a few years, citing limited amenities and older building designs as key reasons.

- **Scattered Market Rate Units**: Six local property management companies oversee 308 scattered-site rental units throughout the region. These are primarily older single-family homes that have been converted for rental use and are nearly fully occupied. The exception is 14 recently built three-bedroom duplex and single-family rental units developed by G.W. Hill Construction and Brewer Properties, primarily in Galax, which are also fully occupied. The Mount Rogers Planning District Commission awarded a Housing Unit Development grant of $150,000 for five units built by Brewer Properties and $240,000 for eight units built by G.W. Hill Construction. These rental units must remain affordable to households earning up to 150% of AMI for a five-year period.

  Vacancies are rare, and management staff frequently report having to turn away prospective tenants due to limited availability or mismatched housing preferences. Most homes have undergone renovation within the past five years, resulting in rent increases of approximately 15 to 20 percent. These increases have not impacted occupancy rates, as rents remain relatively affordable compared to local incomes, and there are few comparable alternatives.

  Property managers report that roughly 20 percent of rental inquiries come from higher-income households seeking higher-quality units. Many of these households cannot be accommodated due to limited housing options and choose to live outside the region, highlighting competitive pressures in the local rental market.

- **Affordable Apartments**: The Twin County Region contains five LIHTC apartment communities, developed between 1973 and 2004. These properties have rents restricted to 40%, 50%, or 60% of AMI and serve a range of low- to moderate-income households. All are at or near full occupancy.

A brief description of each property follows.

- **Woodlawn School Apartments**: Leasing began at Woodlawn School Apartments in spring 2022, making it the newest apartment community in the Twin County Region and the first apartment complex to open in nearly two decades. The development involved the adaptive reuse of a former school building and six acres of land, which were donated by the Carroll County Economic Development Authority and valued at approximately $6.1 million at the time of donation. Funding was provided through Virginia Housing grants and tax credits. The Carroll County Board of Supervisors supported the project by leasing the Woodlawn School Gymnasium's commercial space from the developer for 30 years at a below-market rate of $100 per year, and the county and Public Service Authority waived building permit and water and sewer connection fees.

  The community comprises 51 fully affordable apartment units serving households with incomes between 40% and 60% of AMI. Six units are designated at 40% of AMI, with rents of $476 for one-bedroom units, $559 for two-bedroom units, and $613 for three-bedroom units. Twenty-five units are designated at 50% of AMI, with one-bedroom units renting for $602, two-bedroom units for $695, and three-bedroom units for $780. The remaining 20 units are designated at 60% of AMI, with rents of $645 for one-bedroom units, $714 for two-bedroom units, and $810 for three-bedroom units. Overall, the property includes ten one-bedroom, 26 two-bedroom, and 15 three-bedroom apartments.

  Amenities at Woodlawn School Apartments include a community room, tenant-use computers, a playground, a picnic area, and an exercise area. All units are equipped with washer and dryer hook-ups. The community is typically fully leased with a small waitlist, serving a mix of working families employed in and around Galax, with approximately ten percent of units occupied by senior households.

- **Melton's Run:** This is a 48-unit apartment community that opened in 2004 and is the only LIHTC property developed in the 2000s. The community comprises two-story garden-style apartment buildings and is fully occupied, with management reporting that vacancies are scarce. All units are restricted to households earning 50% or 60% of AMI. The property is designed for families, offering no one-bedroom units and an equal mix of 24 two-bedroom and 24 three-bedroom apartments. The two-bedroom units are evenly split between 50% and 60% of AMI. Among the three-bedroom units, 19 are restricted to 50% of AMI, and five are restricted to 60% of AMI. Amenities include a clubhouse, playground, and laundry facility.

- **Galax Community Apartments**: This is a small apartment community with eight one- and two-bedroom units that opened in 1982. All units are restricted to 60% of AMI, with one-bedroom rents at $683 and two-bedroom rents at $701. The property is routinely at full occupancy, as is currently the case, and has a waitlist of 20 households (14 for one-bedroom units and six for two-bedroom units). The only on-site amenity is an on-site laundry facility.

- **<u>Hillcrest Apartments</u>**: Opened in 1979, this 14-unit community consists of two-story garden apartment buildings. It is fully occupied, and vacancies are rare. The property was originally market-rate but was rehabilitated in 2013 with Low-Income Housing Tax Credits. The community includes two one-bedroom units and ten two-bedroom units, all of which have a single bathroom. Two-bedroom units rent for $640; however, rents are expected to increase to $725. Rents include water, sewer, and trash collection.

- **<u>Northway Apartments:</u>** This is the largest affordable housing community in the study area, with 72 units, and is also the oldest, originally built in 1973. The property includes 12 one-bedroom units, 48 two-bedroom units, and 12 three-bedroom units. In 2022 and 2023, the development underwent a $12.4 million renovation led by CHP Construction and Arnold Design Studio. The work included upgraded kitchens, bathrooms, and flooring, as well as new balconies, improved lighting, and water submetering. Additionally, it featured energy-efficient appliances, HVAC systems, and insulation improvements to meet EarthCraft standards and achieve a HERS score of 80 or below. The renovations were informed by resident input, and the project received $2.32 million in support from the Commonwealth of Virginia.

  Currently, two units are vacant due to recent move-outs. The property maintains a waitlist of 85 households, including 31 seeking one-bedroom units, 39 seeking two-bedroom units, and 15 seeking three-bedroom units. Amenities include a clubhouse, playground, community center, on-site laundry, and energy-efficient fixtures. Rents are $579 for one-bedroom units, $685 to $711 for two-bedroom units, depending on floor plan, and $1,001 for three-bedroom units.

**Table 23** shows that both market-rate and affordable apartment communities in the Twin County Region operate at or near full occupancy, typically with occupancy rates above 95 percent. Several properties maintain waitlists, and many regularly turn away prospective tenants, demonstrating ongoing undersupply.

Amenities are limited and concentrated in a few affordable communities. Most market-rate properties offer only basic services such as on-site laundry. Melton's Run and Northway Apartments include a clubhouse and playground. At the same time, Woodlawn School Apartments provides a broader amenity package, including a community room, computer access, a picnic area, and an exercise space. No new market-rate apartment communities have been built since the 1990s, further constraining rental options.

Undersupply and a lack of housing diversity have prompted many area employees to seek housing along the I-81 corridor or in nearby North Carolina towns, often resulting in higher rents and longer commutes. All existing market-rate apartment properties are older, achieve comparatively low rents, and would not be competitive with a newly built, higher-quality apartment community. None are comparable to recently developed apartments elsewhere in Virginia, including those in rural communities.

The distribution of floor plans further limits choice. Two-bedroom units dominate the market, accounting for nearly 70 percent of market-rate apartments, with only 15 percent one-bedroom and 16 percent three-bedroom units. Affordable apartments display a similar pattern, with 57 percent two-bedroom units, 16 percent one-bedroom units, and 26 percent three-bedroom units. Several communities offer no three-bedroom apartments, and even newly built or renovated developments are primarily composed of two-bedroom units. This concentration leaves few options for households seeking either smaller or larger layouts.

The Twin County Region's rental housing market is characterized by chronic undersupply, aging stock, long waitlists, and limited unit diversity. Even modest renovations achieve full occupancy quickly, signaling strong unmet demand for higher-quality apartments. This shortage constrains options for working households and seniors, contributes to commuting pressures, and demonstrates a potential market for new development. Smaller-scale or mixed-use projects with modern amenities would likely address these gaps and support local workforce stability.

**Table 23: Characteristics of the General Occupancy Apartment Properties — Twin County Region, VA (October 2025)**
*(Twin County Region includes Grayson County, Carroll County, and the City of Galax)*

| | Map D Key | Income Restrictions | Year Built | Total Units | Vacant Units |
|---|---|---|---|---|---|
| **Market Rate Apartments** | | | | | |
| 522 N Main Street [9] | 1 | None | 2024 | 6 | 1 |
| Brookstone Court | 2 | None | 1999/17 | 39 | 0 |
| Chestnut Creek Apartments | 3 | None | 1997 | 30 | 0 |
| Ivywood Apartments | 4 | None | 1988/13 | 10 | 0 |
| Larkspur Apartments [3] | 5 | None | 1987/09/19 | 18 | 0 |
| Walnut Hill Apartments [4] | 6 | None | 1975/07/17 | 10 | 0 |
| Madison Street Apartments | 7 | None | 1971/12 | 12 | 0 |
| Colonial Heights Apartments [5] | 8 | None | 1991/15 | 6 | 0 |
| Courtyard Commons | 9 | None | 1949 | 11 | 0 |
| Stuart Drive Apartments | 10 | None | 1994 | 4 | 0 |
| *(Subtotal)* | | | | *(146)* | *(1)* |
| **Scattered Market Rate Units** | | | | | |
| Rainbow Realty | -- | None | -- | 17 | 2 |
| Property Management Solutions | -- | None | -- | 250 | 1 |
| Kyle Realty, Inc. | -- | None | -- | 6 | 0 |
| Jireh Properties | -- | None | -- | 22 | 0 |
| G.W. Hill Construction [7] | -- | None | -- | 8 | 0 |
| Brewer Properties [8] | -- | None | -- | 5 | 0 |
| *(Subtotal)* | | | | *(308)* | *(3)* |
| **Affordable Apartments** [1] | | | | | |
| Woodlawn School Apartments | 1 | 40%/50%/60% of AMI | 2022 | 51 | 0 |
| Melton's Run | 2 | 50%/60% of AMI | 2004 | 48 | 0 |
| Galax Community Apartments | 3 | 60% of AMI | 1982 | 10 | 0 |
| Hillcrest Apartments [6] | 4 | 50%/60% of AMI | 1979/13 | 14 | 0 |
| Northway Apartments [2] | 5 | 60% of AMI | 1973/04/22 | 72 | 2 |
| *(Subtotal)* | | | | *(195)* | *(2)* |
| **Total** | | | | **649** | **6** |
| **Vacancy Rate** | | | | | **0.9%** |

[1] Excludes properties with all or the majority of voucher holders. Galax Community Apartments maintains a waitlist of 20 households. Northway Apartments maintains a waitlist of 85 households. Woodlawn School Apartments maintains a waitlist of 34 households.

[2] Northway Apartments underwent a $12.4 million renovation between 2022 and 2024 that upgraded interiors, added balconies, improved lighting, and energy systems.

[3] Two-bedroom units built in 1986. Three-bedroom units built in 2009. 3BR units were built in 2009. The two-bedroom units were renovated between 2017 and 2019.

[4] In 2007, new roofs were added along with windows. One unit was renovated in 2016 due to flooding. 2017 renovation includes new metal roofs and a repaved/ stripped parking lot. Three unit interiors renovated in 2017.

[5] New roofs and flooring in most of the townhomes were installed in 2015.

[6] Open Door Community (formerly HOPE) purchased this former market-rate property and rehabbed it in 2013 into LIHTC.

[7] Four duplex structures (eight units) along Poplar Street in the City of Galax.

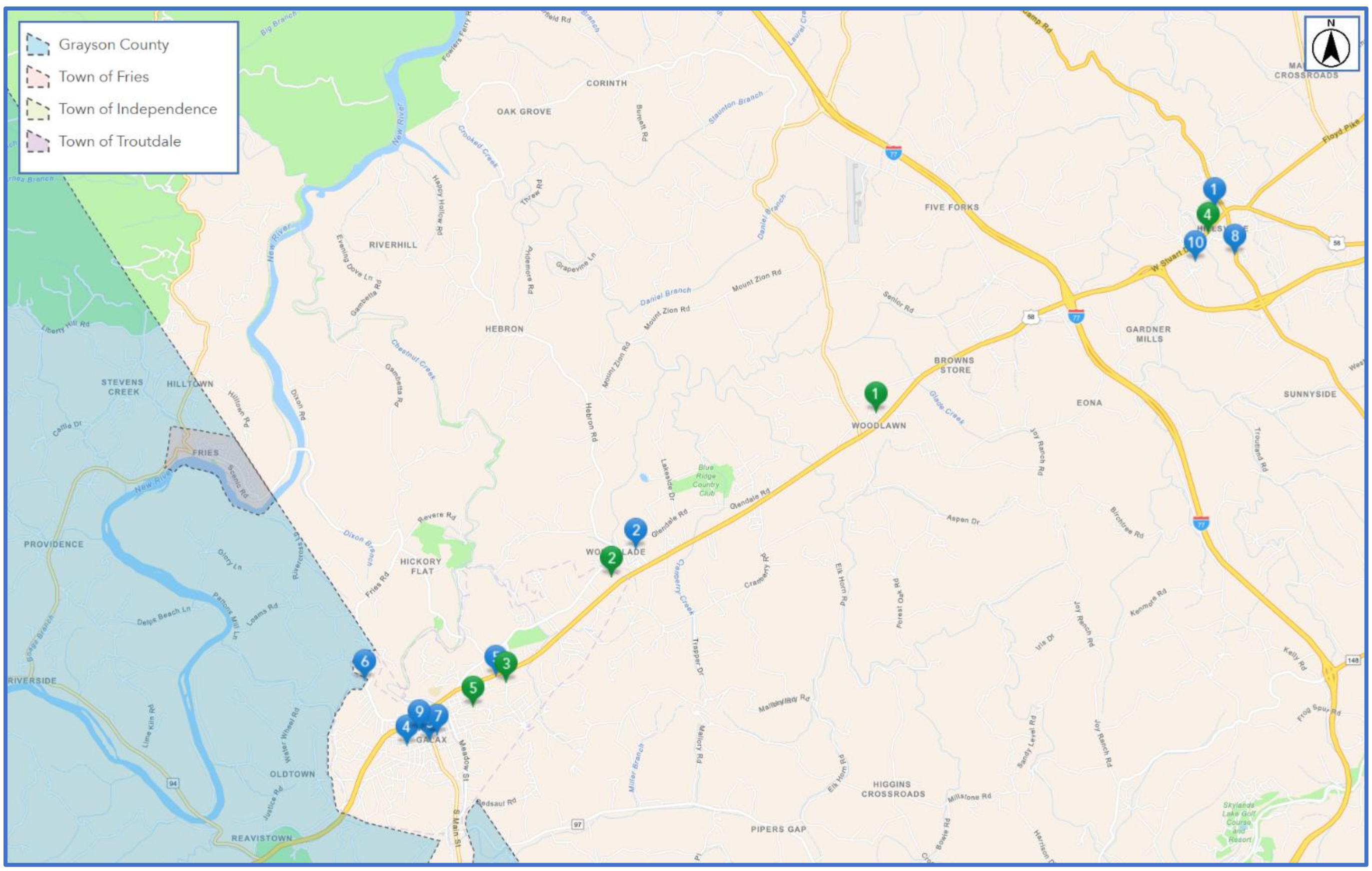
[8] Two duplex units in the City of Galax (119-121 Allen Lane and 648 Glendale Road) and one single-family home in Grayson County.

[9] Four one-bedroom units and two two-bedroom units. The second floor is framed and ready for build-out, offering potential for three two-bedroom units, a one-bedroom unit, and a shared coin laundry room.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

**Map D** shows the locations of the 15 general occupancy apartment communities included in this study, all of which are situated along the U.S. Route 58 corridor. None are in Grayson County, so residents seeking apartment-style housing often live outside the county and commute to work. Within Grayson County, the rental stock consists almost entirely of scattered single-family and manufactured homes, which are managed by private investors or property management firms. The only exceptions are Penn Court, a 48-unit community, and Grayson Manor, a 32-unit community, both of which are Section 8 properties where tenants pay 30 percent of their household income toward rent.

Four apartment communities are in Hillsville, while Woodlawn School Apartments is the sole property in Woodlawn, situated between Galax and Hillsville. The remaining communities are concentrated in the Galax area, with several, including Chestnut Creek Apartments, Madison Street Apartments, and Courtyard Commons, within walking distance of Downtown Galax.




**Map D - Locations of Regional Apartment Communities**

The following photos depict the nine professionally managed, market-rate apartment communities in the region. None of these communities have on-site management. Most feature two-story, townhome-style designs with private entryways. Chestnut Creek Apartments, a three-story structure, is thought to have been originally built as a hotel. Overall, the properties exhibit modest design and limited features, consistent with their age and the period in which they were developed.

**522 N Main Street**

**Brookstone Court**

**Chestnut Creek Apartments**

**Ivywood Apartments**

Larkspur Apartments

Walnut Hill Apartments

Madison Street Apartments

Colonial Heights Apartments

Courtyard Commons

Stuart Drive Apartments

Photos of typical scattered rental units in the region are shown below. The first images feature some of the newer duplex and single-family homes that have been constructed.


Poplar Street (Galax)


Allen Lane (Galax)

Shown below are photos of some of the older scattered rental units in the region, which make up most of the renter-occupied housing in Grayson County and the Twin County Region. Most are single-family homes, although some are older manufactured homes.


Independence


Galax

**Galax**

**Galax**

**Woodlawn**

**Galax**

**Fries**

**Woodlawn**

**Independence** **Fries**

The following photos show the four LIHTC apartment communities. Apart from the small 511 N Main Street Property in Hillsville, Woodlawn School Apartments is the only adaptive reuse property in the region. Northway Apartments and Melton's Run feature garden-style apartment layouts.

**Woodlawn School Apartments**

**Melton's Run**

**Galax Community Apartments**

**Hillcrest Apartments**

**Northway Apartments**

Market rents in the Twin County Region reflect differences in unit age, features, and condition. Collecting accurate rent data is challenging because most small rental properties operate at or near full occupancy, which limits the public advertising of available units.

Field research by S. Patz & Associates shows that newer market-rate rental properties typically charge $700 to $900 for one-bedroom units, $800 to $1,100 for two-bedroom units, and $900 to $1,400 for three-bedroom units. Units at the upper end of these ranges are generally larger single-family homes. Older rental units typically generate lower rents, often comparable to those found in income-restricted affordable housing communities. Most rental units are two-bedroom units, ranging from $650 to $800, reflecting their age. The recently constructed three-bedroom duplex units along Poplar Street in Galax are rented for $1,250.

**Table 24** presents monthly housing costs for renter-occupied units in Grayson County, Carroll County, and the City of Galax, along with regional totals. Data are from the U.S. Census American Community Survey, which defines gross rent as contract rent plus estimated utility and fuel costs if paid by the renter. Gross rent excludes other expenses such as furniture, internet, or cable television. Units occupied rent-free are reported separately under "No Cash Rent."

Regionwide, about 67 percent of renter households pay less than $1,000 per month. Roughly 50.4 percent fall into two ranges: $500 to $799 and $800 to $999. These levels are typical of older market-rate properties and income-restricted affordable housing. Units renting for less than $500 are often subsidized, with tenants typically contributing 30 percent of their household income toward rent.

In Grayson County, the only professionally managed rentals are deeply subsidized, while higher-rent units are primarily scattered single-family homes that were initially built for owner occupancy. Galax and Carroll County have a larger, though still modest, inventory of apartment communities, which provides slightly more choice but does not offset the overall shortage.

Grayson County's rental cost distribution is broadly consistent with the overall region but shows a slightly higher share of households paying $1,000 to $1,249 (7.0 percent, compared with 9.9 percent regionwide). Carroll County has the highest concentration in the $500 to $799 range (33.9 percent), while Galax has 9.4 percent of households paying $700 to $749. These differences reflect variations in housing stock, particularly the availability and age of affordable properties.

Higher-cost rental options remain limited. Across the region, fewer than four percent of renters pay $1,500 or more per month, and only 1.5 percent pay over $2,000. This reflects a constrained supply rather than a lack of ability to pay, as comparable rents are common even in rural submarkets elsewhere in Virginia.

Notably, a substantial share of renters, comprising 933 households or 18.9 percent of the region, pay no cash rent. This includes 19.3 percent of households in Grayson County, 23.8 percent in Carroll County, and 5.6 percent in Galax. These arrangements likely reflect informal living situations, such as residing with family or friends or exchanging services for housing. The prevalence of non-cash-rent households underscores the community's reliance on informal arrangements, particularly in Carroll and Grayson Counties. It highlights the limited capacity of the formal rental market to meet local demand.

Overall, these findings illustrate a rental market dominated by lower-cost and aging housing stock, with extremely limited availability of higher-quality or higher-priced options. Grayson County's rental profile is broadly similar to that of its neighbors, but it has a relatively high share of renters outside the formal cash market. This reliance on informal housing solutions, combined with persistently low vacancy rates, underscores the need for reinvestment in the rental stock and a broader range of housing choices. Addressing these gaps would help meet unmet demand and support the stability of the workforce and community.

**Table 24: Monthly Housing Costs, Renter-Occupied Units — Twin County Region, VA**
*(Twin County Region includes Grayson County, Carroll County, and the City of Galax)*

| | Grayson County | | Carroll County | | City of Galax | | Regionwide | |
|---|---|---|---|---|---|---|---|---|
| | Total | Percent | Total | Percent | Total | Percent | Total | Percent |
| Less Than $100 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| $100 To $149 | 2 | 0.2% | 24 | 0.9% | 42 | 4.0% | 68 | 1.4% |
| $150 To $199 | 7 | 0.6% | 0 | 0.0% | 0 | 0.0% | 7 | 0.1% |
| $200 To $249 | 15 | 1.3% | 0 | 0.0% | 37 | 3.5% | 52 | 1.1% |
| $250 To $299 | 65 | 5.8% | 52 | 1.9% | 27 | 2.6% | 144 | 2.9% |
| $300 To $349 | 19 | 1.7% | 0 | 0.0% | 49 | 4.7% | 68 | 1.4% |
| $350 To $399 | 42 | 3.7% | 104 | 3.8% | 17 | 1.6% | 163 | 3.3% |
| $400 To $449 | 26 | 2.3% | 152 | 5.5% | 17 | 1.6% | 195 | 4.0% |
| $450 To $499 | 30 | 2.7% | 74 | 2.7% | 8 | 0.8% | 112 | 2.3% |
| $500 To $549 | 28 | 2.5% | 176 | 6.4% | 8 | 0.8% | 212 | 4.3% |
| $550 To $599 | 105 | 9.4% | 134 | 4.8% | 115 | 11.0% | 354 | 7.2% |
| $600 To $649 | 49 | 4.4% | 189 | 6.8% | 86 | 8.2% | 324 | 6.6% |
| $650 To $699 | 38 | 3.4% | 203 | 7.3% | 106 | 10.1% | 347 | 7.0% |
| $700 To $749 | 116 | 10.3% | 142 | 5.1% | 98 | 9.4% | 356 | 7.2% |
| $750 To $799 | 116 | 10.3% | 96 | 3.5% | 57 | 5.4% | 269 | 5.5% |
| $800 To $899 | 51 | 4.6% | 271 | 9.8% | 72 | 6.9% | 394 | 8.0% |
| $900 To $999 | 82 | 7.3% | 62 | 2.2% | 90 | 8.6% | 234 | 4.7% |
| $1,000 To $1,249 | 78 | 7.0% | 313 | 11.3% | 99 | 9.5% | 490 | 9.9% |
| $1,250 To $1,499 | 3 | 0.3% | 20 | 0.7% | 14 | 1.3% | 37 | 0.8% |
| $1,500 To $1,999 | 5 | 0.5% | 99 | 3.6% | 0 | 0.0% | 104 | 2.1% |
| $2,000 To $2,499 | 24 | 2.1% | 0 | 0.0% | 0 | 0.0% | 24 | 0.5% |
| $2,500 To $2,999 | 0 | 0.0% | 0 | 0.0% | 28 | 2.7% | 28 | 0.6% |
| $3,000 To $3,499 | 0 | 0.0% | 0 | 0.0% | 9 | 0.9% | 9 | 0.2% |
| $3,500 Or More | 5 | 0.5% | 0 | 0.0% | 9 | 0.9% | 14 | 0.3% |
| No Cash Rent | 216 | 19.3% | 658 | 23.8% | 59 | 5.6% | 933 | 18.9% |
| **Total Occupied Rental Units** | **1,122** | **100.0%** | **2,769** | **100.0%** | **1,047** | **100.0%** | **4,938** | **100.0%** |

Source: U.S. Census Bureau; ACS 2023 (5-Year Estimates)

**Table 25** presents median gross rents by bedroom type for Grayson County, Carroll County, the City of Galax, and the Twin County Region. Data are from the U.S. Census American Community Survey and represent gross rent, which includes contract rent and estimated utilities if paid by the renter.

Regionwide, the median gross rent is $694 per month, with Grayson County at $712, Carroll County at $687, and Galax at $692. These figures reflect modest rents, consistent with the region's older housing stock and limited availability of amenities. Median rents in all three jurisdictions remain significantly lower than those in larger metropolitan areas in Virginia.

Median rents for one-bedroom units range from $497 in Galax to $704 in Grayson County. Two-bedroom units are most expensive in Galax at $687, followed by Grayson County at $670 and Carroll County at $629. For three-bedroom units, Galax again reports the highest median rent at $860, compared with $775 in Grayson County and $720 in Carroll County. Four-bedroom units are reported only in Grayson County, with a median rent of $931. This likely reflects a small sample of single-family homes rented by individual owners, as Galax and Carroll County have too few four-bedroom rentals to meet the Census reporting thresholds.

The scarcity of larger rental units regionwide suggests that most three- and four-bedroom rentals are single-family homes built initially for owner occupancy and now managed by individual owners or small-scale investors. This trend underscores the lack of dedicated, larger rental housing options for families and multi-generational households.

**Table 25: Median Gross Rent by Bedrooms — Twin County Region, VA**
*(Twin County Region includes Grayson County, Carroll County, and the City of Galax)*

| | Grayson County | Carroll County | City of Galax | Regionwide |
|---|---|---|---|---|
| One-Bedroom | $704 | $568 | $497 | $550 |
| Two-Bedroom | $670 | $629 | $687 | $655 |
| Three-Bedroom | $775 | $720 | $860 | $796 |
| Four-Bedroom | $931 | -- | -- | -- |
| **Median Gross Rent** | **$712** | **$687** | **$692** | **$694** |

Source: U.S. Census Bureau; ACS 2023 (5-Year Estimates)

Together, **Tables 24** and **25** illustrate a rental market that is modestly priced yet structurally constrained. **Table 24** shows that about two-thirds of renter households in the Twin County Region pay less than $1,000 per month. In contrast, **Table 25** indicates that median rents for most unit types remain well below levels in larger urban markets. These findings reflect an aging housing stock, limited amenities, and a reliance on small-scale landlords, with few large, professionally managed communities.

In Grayson County, the absence of market-rate apartment complexes means that even modest median rents primarily reflect single-family homes and townhomes that were not purpose-built for rental use.

Comparing rent distribution with median rents highlights affordability challenges that differ by unit size and jurisdiction. While overall rents are low, the scarcity of larger, higher-quality units has driven up prices in some categories. Nearly one in five renters report paying no rent in cash, underscoring the community's reliance on informal housing arrangements.

Taken together, these tables provide evidence of a rental market defined by low average costs, limited choice at higher price points, and a shortage of modern, family-oriented housing options.

### IV.2.b: Characteristics of the Age-Restricted Apartment Market

The Twin County Region comprises four small age-restricted apartment communities developed in the mid-to-late 1980s: Grayson Manor (32 units), Harmony Village (42 units), Harmony House (40 units), and Riverview Apartments (40 units). Riverview Apartments, Harmony Village, and Harmony House are fully occupied and maintain waitlists, while Grayson Manor has one vacant unit and a waitlist of 21 households. Grayson Manor underwent a comprehensive renovation beginning in 2023 without requiring residents to relocate.

All four properties operate with deep rent subsidies. Tenants contribute 30 percent of their household income toward rent, while federal or state rental assistance programs, such as project-based Section 8 contracts, cover the remaining operating costs. This structure ensures affordability but generates revenue insufficient to support new construction or significant reinvestment in age-restricted housing.

Shown below are photos of each of these apartment communities:

Grayson Manor

Harmony Village

Harmony House

Riverview Apartments

No age-restricted properties in Grayson County or the broader Twin County Region charge market rents or provide moderately priced options for households with middle incomes. These communities exclusively serve senior households and individuals with disabilities who have low or very low incomes, underscoring the absence of housing choices for seniors who do not qualify for subsidies.

### IV.2.c: Apartment Pipeline

There are no rental properties currently under construction or in active planning in Grayson County or elsewhere in the Twin County Region. This lack of development activity underscores the area's stagnant apartment pipeline. It suggests that current shortages and housing gaps are likely to persist without targeted investment or incentives for new construction.

### IV.2.d: Rental Market Summary

Apart from a small number of units in Downtown Hillsville and Woodlawn School Apartments, no new apartment communities have been developed in the Twin County Region in over two decades. Additions to the rental inventory during this period have been limited to scattered single-family homes acquired by private investors that were initially built for owner occupancy.

Nearly all apartment units in the region are fully occupied, a condition that has persisted for years. The regional vacancy rate is approximately 0.9 percent, with virtually no vacancies at market-rate properties, underscoring severe housing shortages. Most apartment communities are aging, with dated layouts, limited curb appeal, and minimal amenities. Two-bedroom units dominate the market, accounting for nearly 70 percent of market-rate units and approximately 60 percent of affordable units. In contrast, one- and three-bedroom units remain in short supply, leaving few options for households at either end of the size spectrum.

Higher-quality rental options are largely comprised of scattered single-family homes, managed by local property managers or private investors. However, these homes are not appealing or practical for all prospective renters. They are typically larger than needed, often require tenants to handle maintenance tasks such as lawn care, and include design features not well-suited for older renters, such as stairs or layouts without accessibility considerations. This further limits true housing choice for many residents. The prevalence of informal housing arrangements, with nearly one in five renter households paying no cash rent, demonstrates that the formal rental market is insufficient to meet community needs.

Age-restricted housing is limited to four deeply subsidized communities that exclusively serve seniors and individuals with disabilities with low or very low incomes. No age-restricted communities in the region offer market-rate or unsubsidized affordable options for seniors with middle incomes, leaving many older renters reliant on homes not designed for senior living.

Market-rate apartment communities are not competitive with newly built rental developments in other rural Virginia markets, and there are no projects under construction or in active planning. The region's aging housing stock, minimal development pipeline, and lack of unit diversity point to a clear and ongoing shortage of high-quality rental housing. Without targeted investment and development, these conditions will continue to limit housing access for local workers, families, and older residents.

## IV.3: Hurricane Helene: Regional Damage Assessment and Housing Market Implications

Hurricane Helene affected Virginia between September 25 and October 3, 2024, bringing inland flooding, high winds, and record rainfall to Southwest Virginia, including Grayson County. The storm damaged residential properties, businesses, transportation networks, and community assets. FEMA's preliminary estimates indicated statewide losses in the hundreds of millions of dollars, including about $126 million in agricultural damage across multiple counties, with confirmed localized flooding and property damage in Grayson County. Flooding also damaged roads and bridges, isolating some neighborhoods and delaying emergency response and recovery.

To evaluate Hurricane Helene's physical impacts in Grayson County, S. Patz & Associates reviewed post-disaster damage assessment data collected shortly after the event through the Crisis Track software platform. Crisis Track is used by local governments to document and map storm impacts, enabling field teams to gather property-specific damage information, link it to tax and GIS records, and coordinate findings with emergency operations staff.

According to the Grayson County Emergency Services Coordinator, all initial damage reports and first-phase assessments were entered into Crisis Track and remain the primary local record of Helene-related damage. The County, in coordination with the Virginia Department of Emergency Management (VDEM), is seeking direct access to this dataset and plans to integrate it with an internal Emergency Services database to produce a consolidated list of impacted properties and households.

These combined sources, while valuable, do not include damage reports filed after the federal public assistance threshold was reached and FEMA assumed responsibility for intake. FEMA maintains those later records and has not yet granted local access despite multiple requests and appeals.

As a result, while Crisis Track offers a reliable basis for understanding the scope and distribution of damage, it does not provide a fully comprehensive inventory of affected residents. Even so, the available Crisis Track data and local records are sufficient to support this analysis of storm impacts and to identify neighborhoods where recovery and rebuilding needs remain significant.

**Table 26** summarizes the number of homes reported as damaged or destroyed by Hurricane Helene in Grayson County, based on Crisis Track data. Damage occurred across several communities, with the largest concentrations in Independence and the Mouth of Wilson area.

Of the 21 affected homes, two were destroyed, one near Mouth of Wilson and one in Independence. Nearly all other homes experienced partial damage, most commonly basement flooding or other water intrusion, as well as damage to walls or roofs caused by fallen trees. Few of the damaged units were renter-occupied; the affected housing stock consisted mainly of owner-occupied single-family homes.

**Table 26: Homes Damaged or Destroyed by Hurricane Helene — Grayson County, VA**

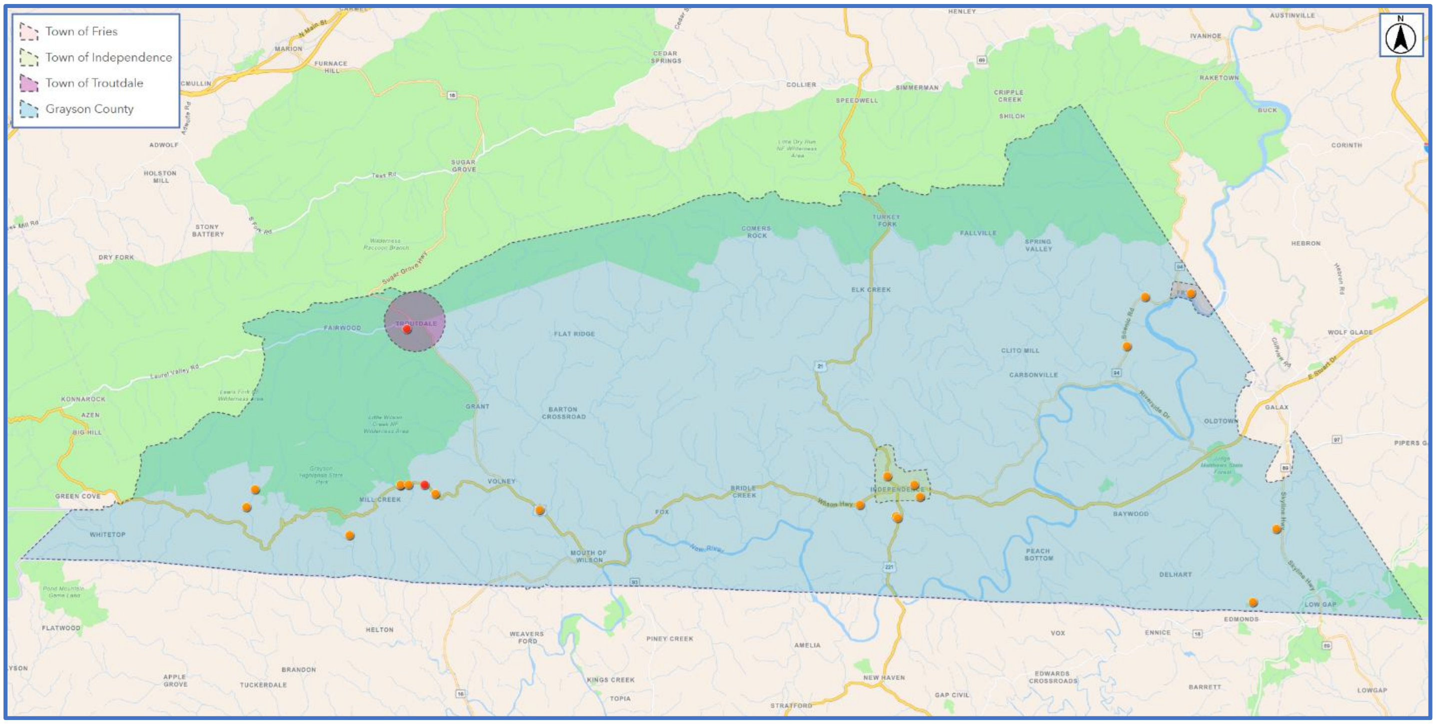
| Community [1] | Total |
|---|---|
| Fries | 3 |
| Galax | 1 |
| Independence | 7 |
| Mouth of Wilson | 6 |
| Troutdale | 2 |
| Whitetop | 2 |
| **Grayson County Total** | **21** |

[1] Community shown is based on mailing address; many homes are in unincorporated areas. Only includes damage to homes, not access.

Source: Crisis Track

**Map E** provides a geographic illustration of this pattern, showing the locations of homes damaged or destroyed by Hurricane Helene across Grayson County. It shows a minor concentration in and around Independence and along U.S. Route 58 in the western portion of the County. This spatial pattern underscores the role of housing characteristics in vulnerability. Many of the affected homes were older structures in rural areas, often featuring basements or other features that were prone to water intrusion.

The age and construction type of these homes likely contributed to their susceptibility. Older housing often lacks modern flood-resistant materials, updated foundations, and reinforced roofing systems, making it more prone to basement flooding, roof failure, and tree-related damage during high winds. In addition, many of these properties are in lower-density areas where infrastructure, such as stormwater management and road access, is limited, increasing both physical vulnerability and the difficulty of post-storm recovery.




**Map E – Locations of Homes Damaged or Destroyed by Hurricane Helene**

## IV.3.a: Market Implications

At the county level, Hurricane Helene did not significantly reduce the housing inventory, resulting in minimal measurable changes in overall housing demand, rental rates, sales pricing, or market stability during the review period. The small number of destroyed units, the relatively low count of major-damage cases, and the absence of multifamily impacts align with a countywide housing market that remained stable once emergency conditions subsided and initial repairs were completed.

Based on these findings, Hurricane Helene created severe hardship for directly affected households; however, the net effect on long-term countywide housing demand, rental and for-sale trends, and overall market stability appears to be limited. Ongoing monitoring of repair timelines, insurance settlements, and replacement activity remains important; however, the available data do not show a shift in long-term demand for any specific housing type.

## Section V: Development Incentives and Program-Eligible Areas

This section evaluates federal and state programs that could support new housing development in Grayson County. Several of these programs target specific geographic areas, offering incentives such as tax benefits, below-market financing, direct subsidies, and other tools that encourage residential investment in economically distressed or underserved communities. When applied strategically, these resources can help mitigate rising construction costs, close funding gaps, and improve the financial viability of projects that might not otherwise proceed under prevailing market conditions.

These programs are particularly relevant for affordable and workforce housing development, including units serving families and seniors, where rent caps and income restrictions limit revenue and increase sensitivity to debt service and operating margins. In rural markets like Grayson County, where development risk is high and returns are modest, access to these programs can be a determining factor in whether a project proceeds. Incorporating available incentives into early-stage planning helps developers and public-sector partners identify feasible sites, assemble realistic funding structures, and design projects that address both financial constraints and long-term housing needs.

Grayson County is eligible for several federal and state housing programs, including designations such as Qualified Census Tracts, Opportunity Zones, and New Markets Tax Credit (NMTC) eligibility. State-level resources include REACH Virginia, the Affordable and Special Needs Housing (ASNH) Program, the LIHTC program, the Mixed-Use/Mixed-Income Financing Program from Virginia Housing, and the Workforce Housing Investment Program. Additional resources are available, but the programs listed here are most relevant given the County's economic and demographic profile.

However, eligibility does not ensure funding. Many programs, including LIHTC, are highly competitive and often require partnerships with experienced financial intermediaries, mission-oriented developers, or public-sector sponsors. Project scale, readiness, and alignment with regional or state housing priorities all influence competitiveness. Early engagement with program administrators and technical experts is important for assessing project feasibility and improving the likelihood of securing support.

The most viable residential projects in Grayson County will likely require layering multiple resources, such as combining tax credit equity with subsidized loans or local gap financing. These tools are most effective when used in combination, serving as complementary components of a broader housing finance strategy. **Table 27** summarizes each relevant designation or funding source, outlines key benefits, and explains how each can support Grayson County's housing development goals.

**Table 27: Summary of Housing Incentives and Program Designations — Grayson County, VA**

| Program / Designation | Administering Agency | Primary Benefit | Applicable | Typical Use Cases |
|---|---|---|---|---|
| Low-Income Housing Tax Credit (LIHTC) | Virginia Housing | Federal tax credits generating equity to reduce debt burden | Yes | Affordable housing targeting families, seniors, and workforce households |
| Mixed-Use/Mixed-Income (MUMI) Financing | Virginia Housing | Long-term, below-market financing for mixed-income and mixed-use developments | Yes | Rental housing with commercial or community space in targeted redevelopment areas |
| Workforce Housing Investment Program (WHIP) | Virginia Housing | Low-interest loans for housing near employment centers | Not Currently | New or preserved rental housing for moderate-income workers, often in partnership with employers |
| Qualified Census Tracts (QCT) | HUD / Virginia Housing | 30% LIHTC basis boost for 9% credit projects | Yes (in select tracts) | LIHTC developments serving low- to moderate-income households |
| Difficult Development Areas (DDA) | HUD | 30% LIHTC basis boost if eligible | Not Currently | Monitor annually; may benefit future LIHTC projects |
| Opportunity Zones (OZ) | U.S. Treasury | Capital gains deferral and exclusion for investors | Yes (in select tracts) | Mixed-use or rental housing with long-term equity investment |
| New Markets Tax Credit (NMTC) | CDFI Fund / CDEs | Equity for mixed-use with community-serving components | Yes | Housing paired with childcare, health care, or workforce training spaces |
| REACH Virginia Program | Virginia Housing | Flexible funds for site work, infrastructure, or predevelopment planning | Yes | Nonprofit and public-sector projects, modular housing, and workforce-oriented developments |
| Affordable and Special Needs Housing (ASNH) Program | Virginia DHCD | Deep subsidy for special needs and extremely low-income households | Yes | Permanent supportive housing, LIHTC gap financing |
| Double Distressed Locality | Virginia Housing | Priority access to WHIP funds and LIHTC scoring advantages | Not Currently | Projects near job centers, using WHIP and REACH Virginia funding |

Source: Virginia Housing; U.S. Department of Housing and Urban Development (HUD); U.S. Department of the Treasury; Community Development Financial Institutions (CDFI) Fund; Virginia Department of Housing and Community Development (DHCD); U.S. Department of Agriculture – Rural Development.

To support future housing initiatives in Grayson County, the following section provides a concise summary of key federal, state, and local housing incentives and program designations described in **Table 27**.

The summaries outline each tool's primary purpose, eligibility requirements, and typical applications, with a focus on how these resources can support affordable, workforce, and mixed-use housing. Strategically leveraging these programs, whether for equity, below-market financing, or site-related development costs, is important for structuring feasible projects and assembling competitive funding packages.

## V.1: Low-Income Housing Tax Credits (LIHTC)

The LIHTC program is among the most important and widely used tools for developing affordable rental housing in Virginia and across the country. In Grayson County, LIHTC serves as a viable and accessible resource, particularly in areas designated as Qualified Census Tracts (QCTs), which enable eligible projects to receive a 30 percent increase in eligible basis. This basis boost can generate additional equity, helping to reduce the debt burden on a development and improve its financial feasibility.

LIHTC projects in Grayson County can accommodate a variety of income levels, typically targeting households earning at or below 60% of AMI. However, recent changes under the income averaging provision enable developments to support a broader mix of tenants, with units aimed at households earning between 20% and 80% of AMI, as long as the overall project average stays at or below 60% of AMI. This flexibility is particularly crucial in rural areas like Grayson County, where market diversity is limited, but housing needs vary among working families, seniors on fixed incomes, and individuals with special needs.

The LIHTC program operates through two distinct mechanisms: the 9% credit and the 4% credit, each with differing funding implications. The 9% credit is highly competitive and allocated by Virginia Housing through an annual application process, providing a higher equity contribution. In contrast, the 4% credit is non-competitive and automatically available to projects in which at least 50% of the aggregate basis is financed with tax-exempt bonds. However, the 4% credit results in a lower equity contribution and generally necessitates larger project scales or additional subsidy sources to ensure financial viability.

In the context of Grayson County, where development costs are lower and deal sizes are modest, 9% credits are likely a more suitable and viable option. However, developers exploring larger or mixed-use sites, especially those that integrate residential and commercial components, may find opportunities to structure 4% projects in collaboration with state bond allocations or gap financing tools.

The LIHTC program has proven effective for both family and senior housing. Projects can be structured as age-restricted communities, general occupancy developments, or mixed-age housing, depending on local demand and developer capacity. In Grayson County, where the population is aging and a significant portion of renters are cost-burdened, senior-targeted LIHTC developments may be especially appropriate.

Successfully applying for and executing a LIHTC development requires technical expertise, long-term asset management capability, and a thorough understanding of Virginia Housing's allocation process. Partnering with an experienced LIHTC developer is essential. These partners bring expertise in application scoring, cost containment, and compliance requirements, all of which are critical to winning tax credits in Virginia's competitive allocation rounds.

## V.2: Mixed-Use/Mixed-Income (MUMI) Financing

Virginia Housing's Mixed-Use/Mixed-Income (MUMI) Financing program is a targeted tool designed to support mixed-income rental developments. While a commercial or retail component is permitted, it is not required. Projects must meet legal and policy criteria that demonstrate a revitalization or economic need. This is especially relevant in rural and economically transitioning communities like Grayson County, where the private housing market may not provide the full range or affordability of units needed to support long-term growth.

To qualify, a development must be in an eligible area or serve a public purpose as defined under Virginia law. Eligible areas include Qualified Census Tracts (QCTs), Targeted Areas (where at least 70 percent of families earn no more than 80 percent of the statewide median income), and designated redevelopment, conservation, or rehabilitation districts.

Projects may also qualify if they are in a revitalization area established by local resolution under §36-55.30:2 of the Virginia Code, a Housing Rehabilitation Zone created by local ordinance, a federally designated Opportunity Zone, or part of a community revitalization plan submitted to Virginia Housing.

Several census tracts in Grayson County already qualify under these guidelines, due to their status as QCTs or Opportunity Zones, including areas in and around the Town of Independence. This allows eligible projects in those areas to move forward without additional local action. For areas not automatically qualified, local governments can pass a revitalization area resolution or provide documentation of an approved plan to establish eligibility. This flexibility allows Grayson County to expand MUMI access based on local priorities and planning goals.

MUMI loans offer long-term, below-market-rate financing, typically amortized over 30 years. The interest rate includes bond issuance costs but does not require bond insurance or external credit enhancement, helping reduce transaction complexity and cost. Projects must include a mix of incomes, with at least 20 percent of residential units reserved for households earning 80% or less of AMI. Remaining units may be unrestricted, allowing developers to create inclusive communities while improving financial viability.

Developers must apply through a Virginia Housing-approved mortgage broker. They should be prepared to demonstrate experience with mixed-income development, multi-source financing, and program compliance.

Local support is crucial to success, particularly in determining project eligibility. Local resolutions or adopted revitalization plans play a key role in qualifying sites that do not already meet the automatic area criteria. Partnership with local governments can strengthen the application and ensure alignment with broader community development goals.

### V.3: Workforce Housing Investment Program (WHIP)

The Workforce Housing Investment Program (WHIP), administered by Virginia Housing, is a state-level initiative designed to increase the supply of rental and ownership housing for middle-income households in areas experiencing recent job growth. The program reflects the growing recognition that quality housing is a prerequisite, not a byproduct, of effective business recruitment and workforce retention. In rural and economically transitioning areas such as Grayson County, WHIP presents a meaningful opportunity to align housing production with economic development strategies.

WHIP supports both rental and homeownership projects serving households earning between 80% and 120% of AMI, with flexibility to reach up to 150% of AMI in rural localities. Funding is available through loan subsidies or grants, depending on the locality's economic classification and project characteristics. Grayson County is currently designated as an economically distressed locality by Virginia Housing, which makes it eligible for enhanced WHIP terms. While it is not classified as "double-distressed," it still qualifies for reduced thresholds and favorable financing conditions.

To be eligible, a project must be located within a 30-minute drive time of a verified job announcement. Qualifying announcements may come from new businesses or expansions of existing employers and must be substantiated through a Governor's press release, a local economic development communication, or a formal employer letter. For transformational projects involving 500 or more full-time jobs, the award cap increases to $5 million. While funds may be distributed across multiple housing developments, the maximum combined WHIP award and local match cannot exceed 20 percent of the total development cost.

WHIP funds may only be used to create new housing units, either through new construction or adaptive reuse. For rental developments, at least 10 new units must be created for every $500,000 awarded, and affordability requirements must be maintained for a minimum of 15 years. For homeownership, awards are capped at $40,000 per unit in distressed areas, with affordability restrictions lasting 10 to 15 years, depending on the size of the award.

Each proposal must include a detailed and feasible development plan. Projects must be completed within a 24-month performance period. Applications must demonstrate zoning approval, infrastructure readiness, and progress toward predevelopment milestones. Required documentation also includes a market study, verification of proximity to job locations, confirmation of other committed funding sources, and proof of local match contributions.

WHIP is not a general-purpose subsidy and cannot be used for infrastructure development, land banking, emergency shelters, or previously committed proffered units. Projects must be new, directly linked to verified workforce demand, and demonstrate a clear financing gap. Depending on the project's structure and locality classification, funds may be awarded either as grants or as loan subsidies, disbursed during construction draws.

## V.4: Qualified Census Tracts (QCT)

HUD defines Qualified Census Tracts as areas in which at least 50 percent of households have incomes below 60% of AMI, or where the poverty rate exceeds 25 percent. These designations are updated annually using American Community Survey data and are used by several federal and state housing programs to prioritize investment in historically underserved areas.

Currently, there are no Qualified Census Tracts in Grayson County. However, this could change in the future as demographic and economic conditions shift. Should a tract in the County become eligible for QCT designation, it could open the door to a range of financing advantages that support affordable housing development.

In Virginia, the most direct benefit of QCT designation is the automatic 30 percent basis boost available for LIHTC projects. This increase allows developers to claim additional tax credit equity without raising qualified development costs, which effectively reduces a project's debt burden. The incentive is especially important in rural areas where lower rent ceilings and higher construction costs often create challenging financial gaps.

Beyond LIHTC, QCTs are also recognized in other programs administered by Virginia Housing. For example, projects located within a QCT may receive revitalization points under the Qualified Allocation Plan (QAP), improving competitiveness during funding rounds. For mixed-income developments applying through programs such as the Mixed-Use/Mixed-Income

Program or the Workforce Housing Investment Program, being in a QCT can simplify eligibility and strengthen alignment with broader state and local revitalization goals.

## V.5: Difficult Development Areas (DDAs)

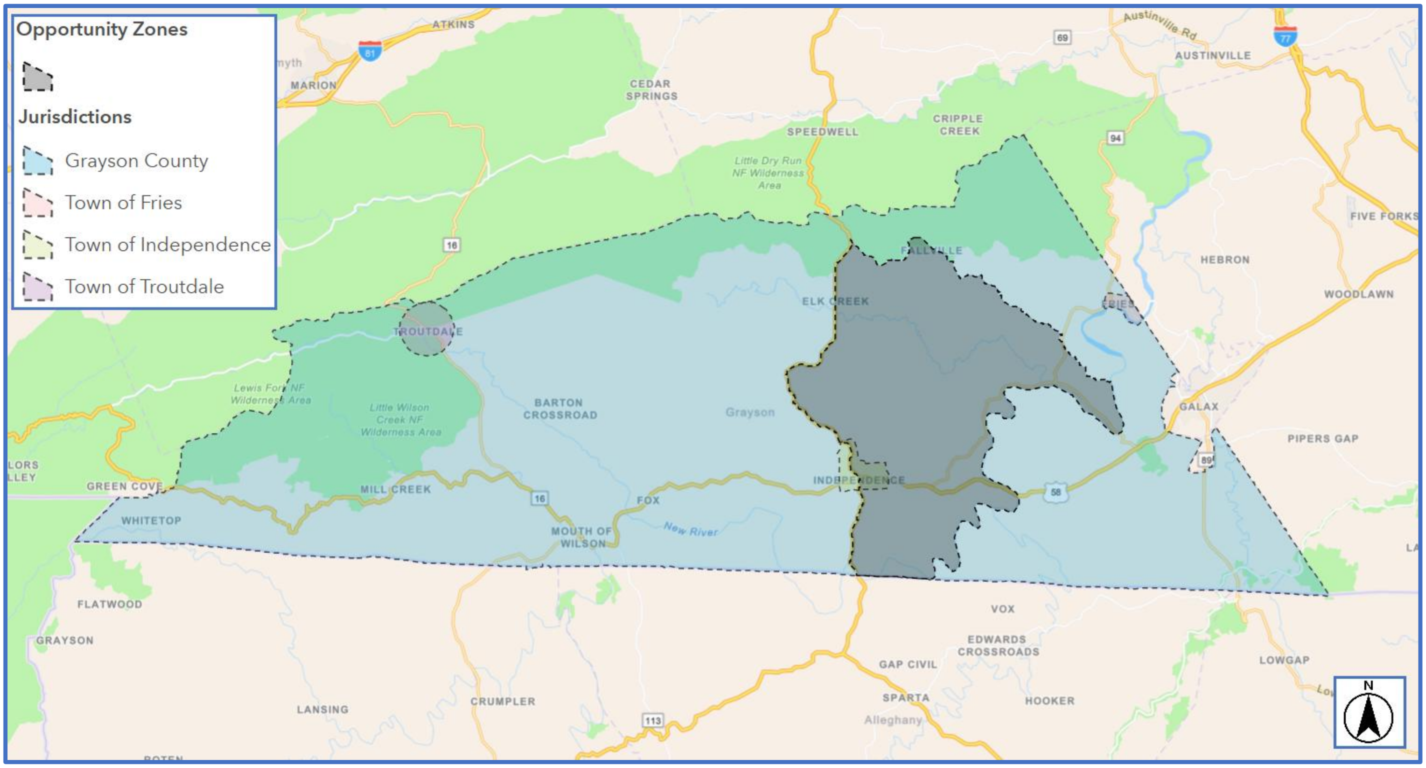
Difficult Development Areas (DDAs) are geographic regions designated annually by HUD based on factors such as elevated construction, land, and utility costs relative to area income levels. Projects located in DDAs are eligible for a 30 percent increase in the eligible basis under the LIHTC program, like the benefit provided in Qualified Census Tracts. This basis boost increases the amount of equity a project can receive through tax credit allocations, helping to close financing gaps in areas with unfavorable cost-to-income ratios.

As of HUD's most recent designations for 2025, no census tracts in Grayson County are designated as DDAs. However, DDA status is reviewed and revised annually by HUD, often in response to updated income and cost data drawn from the American Community Survey. The list is also influenced by broader market trends, which may shift over time as housing and development conditions evolve.

## V.6: Opportunity Zones (OZ)

**Map E** shows that one census tract in Grayson County is designated as an Opportunity Zone (OZ), covering the central portions of the County, including most of the Town of Independence. These federally designated areas were established under the Tax Cuts and Jobs Act of 2017 to spur long-term private investment in low-income and economically distressed communities.

Investors in Opportunity Zones may defer, reduce, or eliminate federal capital gains taxes by reinvesting qualified gains into certified Opportunity Funds that support real estate or business development within these zones.




**Map E – Grayson County Opportunity Zones**

For housing, Opportunity Zones offer a potential equity source for mixed-use, mixed-income, or workforce housing developments, particularly when combined with other funding sources such as Low-Income Housing Tax Credits. While the program does not provide direct grants or below-market financing, its tax benefits can help attract long-term private investment. This may help close financing gaps for projects that align with local revitalization priorities.

While investor activity in Opportunity Zones has been more limited in rural areas compared to metropolitan markets, the designation remains a potentially valuable incentive when paired with other financing tools such as the LIHTC program. Notably, over 93 percent of Opportunity Zone investments have gone to metropolitan areas, highlighting the challenges rural zones face in attracting capital.

In Grayson County, aligning housing efforts with OZ boundaries may increase the appeal of projects to private investors and Opportunity Fund managers. Grayson County has only one designated Opportunity Zone. To maximize impact, local officials should coordinate closely with potential investors and ensure that proposed developments address both community housing needs and the financial requirements of Opportunity Funds.

## V.7: New Markets Tax Credits (NMTC)

The New Markets Tax Credit (NMTC) program is a federal initiative that incentivizes private-sector investment in low-income and underserved areas. Administered by the U.S. Department of the Treasury, the program allocates tax credits to certified Community Development Entities (CDEs), which then invest in qualifying projects that create jobs and expand access to services in economically distressed communities.

To be eligible, a project must be in a census tract that meets specific poverty or income criteria. These include areas with a poverty rate of at least 20 percent or where the median family income is below 80 percent of the area median. In addition, census tracts classified as "Severely Distressed" or located in "Non-Metropolitan" areas are prioritized.

As of the most recent data, all census tracts in Grayson County meet the federal eligibility requirements for NMTC investments, making the entire county eligible.

The program provides tax credit equity equal to 39 percent of the total qualified investment, distributed over a seven-year period. This equity can play a critical role in closing financing gaps, particularly for large-scale or mixed-use projects that combine commercial, institutional, and residential elements. NMTCs are not typically used for stand-alone residential development, but they can support projects that incorporate housing when combined with a community-serving component. For example, affordable apartments built above a workforce training center, childcare facility, or health clinic may qualify.

In rural areas like Grayson County, NMTCs can also support the adaptive reuse of vacant or underutilized buildings, such as former schools, factories, or downtown commercial properties, when such projects contribute to broader revitalization efforts. These types of developments often align well with the program's goals, particularly when they create or retain jobs and provide essential services.

Accessing NMTC financing, however, requires a partnership with a CDE that has a current allocation of credits and a demonstrated interest in investing in rural or small-town markets. Early engagement with NMTC consultants and potential CDE partners is critical. Projects are more likely to attract investment when they demonstrate strong local support, readiness for development, and alignment with regional economic development strategies.

While securing NMTC funding is complex and competitive, it remains one of the most flexible tools available for attracting private capital to high-need communities. In a locality like Grayson County, where infrastructure and market constraints can limit private investment, NMTCs offer a meaningful opportunity to finance catalytic, mixed-use projects that might otherwise be infeasible.

## V.8: REACH Virginia Program

The REACH Virginia Program is a flexible funding initiative administered by Virginia Housing to support the development of affordable housing, particularly in economically distressed or capital-constrained localities. REACH stands for Resources Enabling Affordable Community Housing and provides gap financing, planning assistance, and infrastructure support to both public-sector and nonprofit development partners.

In rural areas such as Grayson County, where development can be financially challenging due to limited economies of scale, infrastructure constraints, and higher per-unit costs, REACH funding can improve the feasibility of projects that might not otherwise move forward. It is particularly useful for small and mid-sized developments that fall outside the scope of more structured programs or where additional support is needed to close financing gaps.

Unlike many competitive housing finance programs, REACH Virginia is designed to be responsive to local needs. It can support a broad range of activities, including property acquisition, predevelopment work, site preparation, off-site infrastructure improvements, and modular or alternative construction methods. The program is especially well-suited to projects that align with local or regional revitalization goals, address urgent housing needs, or contribute to broader economic development strategies.

Virginia Housing allocates REACH funds through several pathways. These include noncompetitive, staff-driven awards to local governments, targeted initiatives for rural or modular housing development, and supplemental support for projects applying through competitive programs such as the LIHTC program. Priority is generally given to localities that demonstrate project readiness, alignment with documented housing needs, and effective use of other financing sources.

Local governments, housing authorities, and mission-driven developers are encouraged to engage early with Virginia Housing staff to discuss potential project eligibility. While REACH does not follow a traditional open-application process, proposals are typically developed in collaboration with Virginia Housing to ensure consistency with internal priorities and funding availability. Because the program operates on a rolling basis and is driven by internal review, early coordination helps determine whether a project aligns with current funding strategies and REACH fund availability. This collaborative approach allows the program to adapt to evolving market conditions and support projects that may not qualify under conventional criteria.

## V.9: Affordable and Special Needs Housing (ASNH) Program

The Affordable and Special Needs Housing (ASNH) Program is a competitive funding initiative administered by the Virginia Department of Housing and Community Development (DHCD). It consolidates several federal and state housing resources into a single application process, providing financial support for rental and homeownership developments that serve low-, very low-, and extremely low-income households across Virginia.

ASNH is funded through four primary sources: the HOME Investment Partnerships Program (HOME), the National Housing Trust Fund (NHTF), the Virginia Housing Trust Fund (VHTF), and Housing Innovations in Energy Efficiency (HIEE) funds. These resources can be combined to support a range of project types, including new construction, substantial rehabilitation, and adaptive reuse. The program emphasizes long-term affordability, with rental developments subject to a minimum 30-year affordability period.

All ASNH awards are competitively scored on a 100-point scale, with evaluation criteria based on housing need, financial feasibility, and developer capacity. A minimum of five residential units is required for both rental and homeownership projects. Each funding source also carries distinct income targeting requirements. For instance, NHTF funds are reserved for households earning at or below 30% of AMI; HOME funds generally target households earning up to 60% of AMI; and VHTF and HIEE funds may support households earning up to 80% of AMI.

For rural localities like Grayson County, ASNH offers a strong opportunity to finance deeply affordable housing that would otherwise be infeasible due to low market rents and high construction costs. Projects located outside of federal HOME entitlement areas, such as Grayson County, receive scoring preferences when applying for HOME funds through ASNH. Additional points are also available to Community Housing Development Organizations (CHDOs) that meet DHCD's certification requirements.

ASNH assistance is typically structured as permanent, interest-only financing for rental projects and as reimbursable construction financing for homeownership developments. All funds are subject to federal and state compliance standards, including environmental review, accessibility regulations, income verification, and long-term monitoring. Funding is capped at $3 million per project across all sources.

In Grayson County, the ASNH program can help address persistent housing gaps, particularly for seniors, individuals with disabilities, and extremely low-income renters. When combined with LIHTC, REACH Virginia resources, or other public and local financing tools, ASNH provides critical capital to support long-term, affordable housing development aligned with community needs.

## V.10: Double Distressed Locality

Under Virginia law, a Double Distressed Locality is defined as a locality with an annual unemployment rate above the statewide average and a poverty rate also exceeding the statewide average.

Grayson County does not currently meet both criteria and is therefore not recognized by the Commonwealth of Virginia as a Double Distressed Locality. As a result, it does not qualify for the expanded benefits available under certain Virginia Housing programs that prioritize double distressed localities.

## Section VI: Project BAUD: A Model for Blight Mitigation and Redevelopment

This section of the study evaluates the Town of Marion's Project BAUD (Blighted, Abandoned, Underutilized, and Derelict) as a potential model for addressing housing deterioration and property reuse throughout Grayson County. Project BAUD is a locally led initiative coordinated by Marion's Economic Development Authority (EDA) that targets both publicly and privately owned properties for rehabilitation, demolition, or conversion. The program's primary objectives are to eliminate blight, expand the supply of safe and adequate housing, and repurpose certain sites, particularly those located within floodplains, as public green spaces.

The following analysis outlines the program's origins, structure, and operational challenges. It also considers whether similar mechanisms exist elsewhere in Grayson County, including its towns and surrounding unincorporated areas. Based on this evaluation, the study concludes with recommendations for scaling or adapting a comparable initiative beyond the town limits of Marion.

Originally conceptualized in 2018 and formally launched in 2021, Project BAUD was designed as a flexible, locally controlled initiative focused on long-term neighborhood stabilization and the replacement of functional housing. It emphasizes sustainable outcomes rather than short-term aesthetic gains. The program directly facilitates the acquisition, demolition, and redevelopment of blighted properties, with an emphasis on reuse that benefits both the housing market and the broader community through the introduction of high-quality infill housing. The program draws inspiration from West Virginia's Blight and Derelict (BAD) initiative but reflects Marion's own legal and administrative framework.

The early intent behind BAUD was to improve housing conditions, expand housing choices, and return idle parcels to productive use, thereby strengthening the local tax base. Previous attempts to address blight, particularly those funded through HUD's Community Development Block Grant (CDBG) program, were limited in scope and geography. These earlier efforts often focused on targeted neighborhoods or corridors and faced cost overruns that made broader application infeasible. By contrast, BAUD adopts a more systematic and site-specific approach, enabling the Town to intervene strategically in response to individual property conditions.

Project BAUD defines success in terms of functional redevelopment rather than program permanence. It positions itself as a transitional tool. Once the supply of derelict properties is reduced to manageable levels, the program anticipates winding down or shifting to maintenance roles. Through this lens, BAUD is both a practical response to current needs and a longer-term investment in community resilience.

## VI.1: Implementation and Operational Structure

The BAUD program is jointly administered by the Economic Development Authority (EDA), the Mount Rogers Planning District Commission (MRPDC), and the Town of Marion. This coordinated structure oversees the entire process, from property identification through acquisition, assessment, redevelopment, and resale. The program's central objective is to eliminate unsafe and substandard housing and to convert blighted properties into safe, sustainable residential or community-serving assets.

Initial property identification relies on a collaborative, community-based process. Input is gathered from code enforcement officers, public works personnel, utility meter readers, police, and fire departments. This integrated approach led to an initial inventory of approximately 250 properties, including severely deteriorated residential structures and underutilized commercial buildings.

Once identified, properties are evaluated based on external indicators of vacancy or physical distress, such as broken windows, overgrown vegetation, or visible structural deterioration. Town leadership and council members review the evaluations and determine the next course of action. Where feasible, staff engage directly with property owners to explore options for repair, donation, or voluntary sale. Properties are acquired through negotiated purchases, donations, or tax sales. The EDA is responsible for handling all legal transactions, including deed transfers and financial documentation.

The MRPDC manages the redevelopment phase. Site inspections, cost-benefit assessments, and due diligence are conducted to determine whether structures should be rehabilitated or demolished. Each property is cross-checked against the National Register of Historic Places to identify any relevant preservation requirements before work begins.

Environmental safety is a significant concern throughout the process. Many structures contain hazardous materials, such as lead-based paint or asbestos. The Town relies on trained municipal staff and in-house equipment to carry out environmental remediation, which allows for greater quality control and has proven to be more cost-effective. Supplemental grant funding has been used to expand remediation capacity, particularly for properties with complex site conditions.

Once a decision is made to rehabilitate or demolish a property and funding is secured, the Town and MRPDC proceed with the construction or repair. Although these public entities act as developers using grant funding, they also actively work to attract private-sector partners. In recent years, the program has seen increased interest from private developers, particularly in acquiring vacant parcels that have been cleared and prepared for reuse.

The program's redevelopment philosophy goes beyond simply replacing housing units. Each new structure is intended to be resilient and thoughtfully designed, to establish a high standard that contributes to broader neighborhood stabilization. While these individual projects are not always financially viable for private-sector developers, the EDA embraces this role with the understanding that achieving neighborhood revitalization may require accepting minimal returns or absorbing limited losses on a project-by-project basis.

As of September 2024, the BAUD inventory had been reduced to 54 of the original 250 properties, reflecting substantial progress in mitigating blight. To date, 46 projects have been completed, including 11 modular housing units. The current inventory includes 57 actively managed properties, of which 17 have been sold and six are listed for sale.

BAUD's scope also includes non-residential redevelopment. The program currently manages six commercial sites, eight green space parcels, and 14 vacant lots. These efforts contribute to a comprehensive revitalization strategy that addresses housing, preserves open space, and supports future economic growth. Increasing private-sector acquisition of cleared sites further suggests that the program is gradually approaching its long-term objective of rendering itself unnecessary by eliminating the conditions that led to its creation.

## VI.2: Zoning Reforms and Policy Alignment

A key component of BAUD's implementation involved revising Marion's comprehensive plan and zoning ordinance. These changes, completed over two years ending in 2003, were essential to removing regulatory barriers that had previously limited redevelopment potential. Zoning codes were updated to encourage infill and moderate-density development, improving the feasibility of parcels that had once been considered unbuildable under older standards.

For example, minimum lot sizes were reduced from 15,000 to 10,000 square feet in R-1 zones and from 7,500 to 5,000 square feet in R-2 zones. These reductions allowed new construction on smaller lots, many of which had remained vacant due to outdated minimum area requirements.

In addition, the Town eliminated road frontage requirements for developments with three or more housing units. Previously, each unit required at least 50 feet of frontage, a regulation that excluded many narrow or irregularly shaped parcels. Under the revised ordinance, such developments are now allowed if yard setbacks are met, each unit is separately connected to utilities, and residents establish a shared maintenance agreement for internal access streets and stormwater infrastructure. This revision has expanded opportunities for denser, small-scale residential development in neighborhoods already served by public infrastructure.

Another significant reform permitted duplex and triplex units to be sold individually, rather than restricted to rental occupancy. Developers can now subdivide attached units, provided that end units meet the side yard setbacks and each unit complies with the 25-foot front and rear yard requirements. For instance, a duplex built on a 7,500-square-foot lot can now be subdivided into two 3,750-square-foot parcels, with each supporting roughly 1,625 square feet of living space, depending on the design. This approach allows developers to offer more ownership options at moderate price points while using land more efficiently.

The Town also reduced side yard setback requirements from 10 feet to five feet. This change is consistent with state building code allowances for structures within five feet of the side property line. Tighter restrictions apply to structures proposed within five feet of a property boundary.

Further clarification was provided to distinguish modular homes from manufactured homes. Manufactured homes are constructed to the HUD code, have a permanent chassis, and retain mobility features. Modular homes, in contrast, are built off-site to standard building codes and installed as permanent structures. Prior to this clarification, confusion between the two terms led to resident misunderstandings and contributed to skepticism toward the BAUD program. The distinction now supports clearer communication and ensures that development standards are applied appropriately.

These zoning reforms created the regulatory foundation necessary for the success of the BAUD initiative. By eliminating outdated requirements related to lot size, frontage, setbacks, and unit ownership, the Town of Marion established a more flexible planning environment that supports a broader range of housing types. The updated framework enables both public and private developers to make more effective use of underutilized parcels while advancing the Town's goals for affordable and context-sensitive infill housing.

### VI.3: Financing and Incentive Strategy

To support redevelopment and improve project feasibility, the Town of Marion implemented a layered funding strategy that integrates local, state, and federal resources. This approach, often referred to as "stacking," combines funds from the Virginia Department of Housing and Community Development, Virginia Housing, and targeted federal appropriations. The MRPDC coordinates all funding applications on behalf of the Town and conducts return-on-investment analyses to support project selection and budgeting.

An initial $1,000,000 federal grant, secured with assistance from Senators Kaine and Warner, provided early capital for site acquisition and construction. Since then, the Town has drawn from a range of additional sources, as listed in **Table 28** below.

**Table 28: Summary of Housing Program Funding Sources and Terms for BAUD**

| Program Name | Amount and Type |
|---|---|
| Virginia Housing CIG Deconstruction Grants (I & II) | $300,000 grant |
| DHCD Acquire Renovate and Sell Program | $230,000 partial loan |
| Grow Smyth County Housing Unit Development Program | $800,000 0% interest loan |
| Virginia Housing PDC Housing Unit Development Program | $172,000 grant |
| MRPDC's Housing Development Trust Fund | $200,000 0% interest loan |
| Virginia Housing Innovation Grant | $200,000 grant |
| Virginia Housing's Sponsoring Partnerships & Revitalizing Communities | $250,000 in mortgage loan set-aside [1] |

[1] Used to buy down the interest rate by one percentage point.

Source: Mount Rogers Planning District Commission

This combined funding model reduces overall development costs, allowing the Town to implement both supply-side and demand-side incentives to support homeownership. On the demand side, a range of programs have been made available to help qualified buyers access affordable housing in Marion, particularly those purchasing redeveloped BAUD properties.

One of the primary tools is a 20 percent forgivable second mortgage provided through the Town of Marion. This incentive is available to first-time homebuyers, veterans, seniors, and individuals relocating to Marion for employment. The second mortgage is forgiven after 10 years of continuous owner-occupancy and serves as a key affordability mechanism for buyers with limited upfront capital.

In addition to the EDA's program, a number of state and regional initiatives provide further support:

- The Virginia Individual Development Accounts (VIDA) program, offered through Rooftop of Virginia Community Action Program (CAP) and People Inc., helps eligible individuals save for a down payment. Participants receive financial training, matched savings support, and can earn up to $10,000 in match funding at a rate of $10 for every $1 saved. These funds may be used toward down payment and closing costs.

- The Homeownership Down Payment and Closing Cost Assistance Program (DPA), coordinated by Open Door Community, People Inc., and Rooftop of Virginia CIP, offers gap financing for first-time buyers earning at or below 80% of AMI. Assistance is provided as a grant with a mandatory affordability period during which the home must remain the buyer's primary residence.

- MRPDC has secured $2.5 million through the Sponsoring Partnerships & Revitalizing Communities (SPARC) Program, which allocates affordable mortgage financing to buyers in high-need communities. SPARC reduces Virginia Housing's published interest rate for first-time homebuyers by one percentage point, lowering monthly mortgage costs and improving long-term affordability.

- Housing counseling and credit repair services are available through Virginia Housing, Open Door Community, People Inc., and Rooftop of Virginia CIP. These services help prepare prospective buyers by addressing credit challenges and providing training on the responsibilities of homeownership.

Key financing partners also include the Bank of Marion, which offers mortgage products tailored to buyers of BAUD properties. These local and regional partnerships play a crucial role in mitigating financial risk for buyers and enhancing access to stable, long-term homeownership opportunities.

Together, these programs form a comprehensive support system for new homeowners in Marion, particularly those purchasing properties rehabilitated through the BAUD initiative. By combining direct financial assistance with education and credit support, the Town and its partners are working to ensure that newly developed homes remain attainable for a broad range of residents.

## VI.4: Use of Modular Construction

Modular homes have become a core element of the BAUD strategy. The zoning reforms outlined in earlier sections have played a critical role in making this development method more feasible by accommodating smaller lots, reducing setback requirements, and clarifying regulatory definitions. Modular construction, which involves off-site fabrication followed by on-site assembly, offers several advantages over traditional site-built methods. These include lower construction costs, shorter project timelines, and greater quality control, particularly in environments where labor shortages and rising material costs pose challenges to conventional development.

Given current development constraints, modular housing presents one of the most practical approaches to delivering modestly priced, for-sale single-family units. In contrast to stick-built construction, which often exceeds affordability thresholds in rural markets, modular units enable controlled budgets and more predictable scheduling, supporting more consistent redevelopment activity.

The Town of Marion has partnered with manufacturers such as Oakwood and Clayton Homes to place modular units on vacant infill parcels. In many cases, modular homes have been used to replace substandard structures that were demolished through the BAUD program. These placements have been facilitated by ongoing partnerships with manufacturers who understand the program's goals and are willing to work within local design standards.

Currently, six modular homes are listed for sale on redeveloped BAUD lots. Sale prices for these homes typically range between $220,000 and $240,000, depending on size and features. All are built to current building codes and exceed the structural and energy efficiency standards of the homes they replaced.

The use of modular construction has allowed the Town and MRPDC to maintain momentum in areas where traditional development models may not be economically viable. It also provides a replicable method for scaling infill housing production while maintaining affordability and quality. As the program evolves, modular units are expected to continue playing a central role in BAUD's redevelopment efforts.

## VI.5: Program Challenges and Lessons Learned

Despite its measurable successes, the BAUD program has encountered several challenges that have shaped its development and informed its ongoing implementation. During the early stages, public skepticism was widespread. Concerns were raised about the potential for gentrification, the perceived targeting of low-income neighborhoods, and the risk of rising property taxes. These fears were compounded by longstanding political dynamics within the community, which complicated initial outreach efforts and slowed the early momentum of the program.

To address these concerns, local officials emphasized the importance of transparency. Regular updates were provided during public council meetings, and stakeholders were engaged throughout the planning and implementation process. The Town also committed to sharing data that documented both the scope of the problem and the measurable outcomes of the program. This approach helped build credibility, demonstrate progress, and reduce misinformation. Over time, it became clear that maintaining public trust and securing political support were as essential to the program's viability as available funding or land use reforms.

A key takeaway has been the importance of an intentional and sustained public engagement strategy. This includes regular communication with staff, elected officials, and residents, as well as timely updates about project status and outcomes. The Town recognized that clear, consistent messaging was necessary not only to counter early skepticism but also to maintain momentum and support as the program evolved.

Program metrics have been especially effective in demonstrating impact. By tracking completed units, properties sold, funding leveraged, and cost savings achieved through modular construction or in-house remediation, the Town has been able to provide clear evidence of results. These metrics are updated regularly and shared publicly, contributing to a shared understanding of goals and progress. MRPDC staff play an active role in this process by attending town manager meetings and offering updates on specific projects as well as broader housing conditions across the region.

Sustaining the program in the long term will require continued coordination, consistent institutional support, and adaptability in response to changing conditions. Transitions in elected leadership or fluctuations in housing market trends could pose challenges. However, Marion's practice of reinvesting proceeds from home sales into a local housing trust fund has helped mitigate this risk. The fund provides a recurring source of capital that is not dependent on annual appropriations or outside grants, allowing the program to maintain operational flexibility even as external circumstances shift.

This reinvestment model underscores a broader lesson: financial sustainability must be built into program design from the beginning. By creating a mechanism for recycling funds into future projects, the Town has positioned the program to weather changes in leadership or funding availability. As other communities consider adopting similar strategies, this focus on long-term financial resilience may serve as a guiding principle for effective program replication.

## VI.6: Comparative Local Blight Mitigation Approaches in Grayson County

Grayson County does not operate formal programs to manage or mitigate blight or vacant and abandoned properties. County staff report that blight has not been a long-standing policy priority, and that other local needs, particularly broadband expansion and childcare availability, have historically taken precedence over housing initiatives. Neither the County nor its towns employ staff dedicated to proactively identifying, tracking, or remediating blighted or deteriorated properties. Enforcement typically begins after public complaints, and legal action is pursued when conditions deteriorate to a severe level. Limited staffing and constrained budgets further restrict sustained, proactive action.

A review of municipal codes confirms the limited emphasis on blight. Neither the County nor any of its incorporated towns has adopted a formal blight abatement ordinance. For example, the Town of Independence's Code of Ordinances lacks provisions to address or abate blighted properties. It contains no sections establishing spot blight abatement procedures, defining blighted or deteriorated structures, or adopting the Virginia Maintenance Code for property conditions. Land use and zoning regulations concentrate on permitted uses, dimensional standards, and development procedures, and they offer no tools to address vacant, derelict, or unsafe buildings. General regulations and nuisance provisions focus on public safety and basic property maintenance, and they do not establish a specific process for eliminating blight.

Within Grayson County, the Town of Independence pursues informal efforts. Local officials work with realtors, business owners, and private investors to connect potential buyers with older properties that may be candidates for revitalization. The Town does not acquire or redevelop properties itself.

The following points summarize current tools and initiatives.

- Past and current tools are limited in scope. The County has used Virginia Department of Housing and Community Development grants to acquire houses for eventual resale, which may have included properties in need of rehabilitation. The Economic Development Authority operates a real estate land bank intended to assist first-time homebuyers by acquiring properties, clearing title, and reselling them to local buyers. This approach could improve housing conditions and return neglected parcels to productive use. The land bank is in its early stages and has not completed projects.

- Acquire, Renovate, Sell (ARS) was adopted in January 2024. Grayson County adopted DHCD's ARS program to create affordable homeownership opportunities for low- to moderate-income, first-time buyers by acquiring undervalued homes, renovating them with ARS and other leveraged funding, and reselling them at fair market value. The County certified that it will avoid involuntary displacement and provide relocation assistance, if needed, under the Uniform Relocation Assistance and Real Property Acquisition Policies Act.

- Local funding and program parameters are defined. The County committed $200,000 to support ARS acquisitions and renovations. Eligible properties must be occupiable or capable of rehabilitation, and non-occupiable blighted structures that require demolition are excluded. Income from ARS sales will be reinvested in additional affordable housing efforts. The Mount Rogers Planning District Commission administers ARS. As of this writing, the County has not acquired any properties under the program.

- Earlier anti-displacement efforts have receded. Programs that provided acquisition and relocation assistance for low- and moderate-income residents were initially managed locally, then transferred to the Mount Rogers Planning District Commission. Many of these efforts are more than two decades old and are no longer an active focus.

- Rehabilitation assistance is ongoing through the Mount Rogers Planning District Commission. The Indoor Plumbing Rehabilitation Flex program provides forgivable loans to low- and moderate-income owner-occupants of substandard housing that either lack complete indoor plumbing, or have major rehabilitation needs, including failing HVAC, electrical, or roofing systems. Assistance is secured through a deed of trust and is forgiven monthly over as many as 180 months, depending on the loan amount. The program can fund accessibility improvements and address overcrowded living conditions. Projects such as Eagle Bottom, a low-income area near the Town of Fries, have replaced homes with severe deficiencies, including poor plumbing and derelict conditions. Work is coordinated with local officials, participation is by invitation only, and Commission staff conduct property assessments and report results to the County.

- Enforcement posture remains reactive. Enforcement follows public complaints, and legal action is typically pursued when deterioration is severe. Limited staffing and budgets constrain proactive identification, acquisition, demolition, and redevelopment of blighted properties. Across the County and in its towns, there is no adopted blight abatement ordinance, no spot blight abatement procedures, and no definitions of blight or deterioration in code.

To summarize, blight mitigation in Grayson County remains largely reactive and complaint-driven. There is no coordinated, countywide strategy to identify, acquire, demolish, and redevelop blighted properties, and no formal policy framework supports systematic action.

Existing tools, including housing rehabilitation programs, the land bank, and the ARS program, operate independently and at a modest scale. The land bank is in its early stages, with no completed projects. ARS has been newly adopted, accompanied by local funding, but there have been no acquisitions to date. Taken together, these efforts provide building blocks, but they do not yet constitute a comprehensive approach to vacant, derelict, or unsafe properties in Grayson County or its towns.

## VI.7: Considerations for Replication

Across Grayson County and its incorporated towns, the capacity to replicate a program like Project BAUD is limited but can be built on existing, though modest, efforts. No locality in the County has adopted a formal blight abatement ordinance or clear procedures for acquiring and reusing problem properties. Current code enforcement is largely complaint-driven and typically ends once a violation is addressed, leaving many vacant or deteriorated properties with no clear path to rehabilitation or redevelopment.

In contrast, Marion's BAUD model provides a comprehensive approach that spans property identification, acquisition, redevelopment, and resale. The program evaluates property conditions, engages owners, determines whether rehabilitation or demolition is appropriate, addresses environmental hazards, and either redevelops sites directly or prepares them for private-sector use. Importantly, Marion reinvests sales proceeds into a local housing fund, sustaining long-term neighborhood stabilization.

Within Grayson County, the institutional framework to support such a process is largely absent. Staff and budget limitations hinder proactive acquisition and redevelopment. While some tools exist, including the newly adopted ARS program and an early-stage land bank, they are currently limited in scope and not yet integrated into a broader blight mitigation strategy. Towns such as Independence work informally with property owners and realtors to connect buyers with older homes, but lack formal authority or resources to intervene when properties continue to decline.

Communities interested in replicating BAUD should begin by strengthening the legal and administrative framework for redevelopment. Marion's success relied on zoning and policy updates that made infill and small-lot development more feasible, including reduced minimum lot sizes, adjusted frontage requirements, and clarified rules for modular homes. Grayson County and its towns would need similar updates to create viable development options for cleared or rehabilitated parcels.

Enforcement capacity is another prerequisite. Marion benefits from coordinated reporting by code officers, public works staff, utilities, and public safety officials to identify properties early. In Grayson County, where staff resources are limited, a pooled or regional enforcement strategy could provide broader coverage and consistency.

Given these constraints, a regional implementation model may be the most practical approach. Marion's partnership with the MPRDC demonstrates how localities with limited in-house resources can still manage planning, environmental review, grant writing, and redevelopment oversight. A similar arrangement could allow Grayson County and its towns to scale their efforts without establishing new departments.

Financial capacity is also critical. Marion leverages layered funding from state, federal, and local sources, combining supply-side resources for demolition and site preparation with buyer-side affordability tools. Grayson County's $200,000 ARS commitment and land bank could provide an initial foundation; however, scaling would require additional state and federal funds, managed regionally through the MRPDC.

Based on current conditions, replication in Grayson County will require a phased, collaborative approach. Localities should first create a legal pathway for blight abatement and align zoning and land-use policies to support redevelopment. They can then expand capacity for property acquisition and rehabilitation through regional partnerships and sustained funding.

Key steps for replication include:

1. Reviewing and revising zoning ordinances and comprehensive plans to eliminate barriers to small-lot development, modular construction, higher-density housing, and other infill strategies. These updates will help ensure that cleared or rehabilitated parcels can be reused effectively.

2. Establishing or strengthening code enforcement capacity to proactively identify vacant or deteriorating properties. Where staffing is limited, consider shared or regional enforcement services coordinated through MRPDC.

3. Partnering with MRPDC to manage technical functions such as grant writing, environmental review, redevelopment planning, and program coordination. This structure would reduce the administrative burden on small local governments.

4. Creating and maintaining a countywide inventory of vacant, abandoned, and blighted properties to guide resource allocation, track progress, and support data-driven decision-making.

5. Securing a diversified funding strategy that combines local seed money with state and federal resources to support both site preparation and buyer-side affordability tools, such as forgivable second mortgages or down payment assistance.

6. Establishing a reinvestment mechanism or local housing trust fund so that sales proceeds from redeveloped properties can be recycled into future acquisitions and rehabilitation efforts, ensuring financial sustainability over time.

While conditions vary among Grayson County's towns and unincorporated areas, the core principles of the BAUD model, including targeted acquisition, regulatory flexibility, coordinated funding, and regional technical support, can be adapted to build a more proactive and scalable blight mitigation strategy.

## Section VII: Development and Redevelopment Properties

This section of the housing analysis identifies sites recognized by town and county staff as suitable for new residential development. All of these sites have access to public water and sewer services, a crucial factor in making development financially viable. Without utility connections, construction often necessitates the installation of costly private water systems or on-site septic infrastructure. These additional costs can limit the feasibility of projects, especially for larger-scale developments.

One of the vacant properties is publicly owned, though part of it extends into the City of Galax. A former school building, also owned by Grayson County, represents the most viable opportunity for adaptive reuse and residential development within the county.

### VII.1: Characteristics of Properties with Residential Development Potential

**Table 29** lists vacant and underdeveloped properties in Grayson County that town and county staff identified as having strong potential for future residential development or redevelopment.

The survey focused on larger vacant parcels exceeding four acres, which could potentially attract homebuilders from outside the immediate region, as well as existing structures that are likely to qualify for historic designation. Historic eligibility could reduce development costs and improve the feasibility of redevelopment at the rent levels achievable within the Grayson County housing market. Smaller parcels and those with significant development constraints, including topographic limitations, poor access, or flood risk, were excluded from the analysis.

This is not an exhaustive list of all vacant buildings in the region. Instead, it highlights properties most likely to appeal to experienced developers from outside the area who pursue large-scale building conversions. Smaller buildings and those likely to be demolished were not included.

The data show three vacant parcels ranging from approximately four acres to nearly 19 acres. One parcel, the Hampton Heights Property, straddles the City of Galax and Grayson County. The Collins Property, nearly 19 acres, lies primarily within the Town of Independence, with a small portion extending into unincorporated Grayson County. The Walker Gentry Property is approximately four acres in size and located in the Town of Independence.

Two vacant structures were also identified. The Grayson Garment Building is a 61,390-square-foot structure on a 3.16-acre parcel in the Town of Independence. Baywood School, a 23,430-square-foot building, sits on a roughly 9.4-acre parcel in the Baywood area of eastern Grayson County.

**Table 29: Characteristics of Properties with Residential Development Potential — Grayson County, Virginia**

| | Map F Key | Parcel/Tax ID | Acres | Building Size | Zoning |
|---|---|---|---|---|---|
| **Vacant Parcels** [1] | | | | | |
| Hampton Heights Property [2] | 1 | 69-34 | 16.9 | -- | B3 |
| Collins Property | 2 | 73A3-A-21 | 18.7 | -- | Town |
| Walker Gentry Property | 3 | 73A5-A-3 | 4.1 | -- | Town |
| **Vacant Structures** [3] | | | | | |
| Grayson Garment Building | 4 | 73A2-A-57 | 3.2 | 61,387 | Town |
| Baywood School | 5 | 76A-A-12 | 9.4 | 23,432 | Rural Farm |

[1] Excludes parcels smaller than four acres.

[2] Extends into the City of Galax.

[3] Neither structure currently has a historic designation, though they would likely qualify. The Grayson Garment Building was built in 1936. Baywood School was built in 1953.

Source: Grayson County, VA; Town of Independence, VA

**Map F** below shows the locations of the three vacant parcels and the two existing structures with potential for residential development. The Hampton Heights Property is situated along the border of Grayson County and the City of Galax. The Collins Property is located on the eastern edge of the Town of Independence. The Walker Gentry Property is located along South Independence Avenue, just south of West Main Street. The Grayson Garment Building is located on the eastern end of the Town of Independence. The Baywood School building is generally located midway between the Town of Independence and the City of Galax.

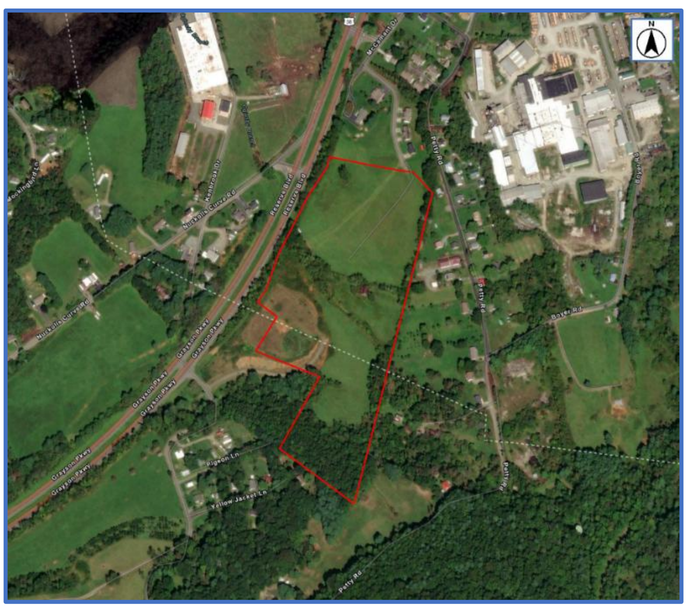

**Map F – Locations of Properties with Residential Development Potential**

The following subsections present aerial images and brief descriptions of each vacant parcel. All properties have convenient access to roadways, and many also offer strong visibility from adjacent routes.

## VII.1.a: Hampton Heights Property

This is a vacant 16.9-acre property located on the south side of the City of Galax and extending southwest into Grayson County. Most of the parcel is within the City of Galax. It is situated immediately south of U.S. Route 58 and is currently accessible from Meadow Creek Road in the Grayson County portion of the parcel. Most of the site is cleared of trees, with the southern portion partially wooded. The property is owned by the Galax Industrial Development Authority and is zoned B3, which would require rezoning before any residential development could occur.

If rezoned, the site could support a variety of home types, including housing types with higher density than single-family homes, such as townhomes and patio homes. The property is in proximity to the Turman Hardwood Flooring manufacturing facility.



**Hampton Heights Property Site Location and Existing Conditions**

## VII.1.b: Collins Property

This is a large, partially improved property situated on the north side of East Main Street, at the eastern edge of the Town of Independence. It is located just north of U.S. Route 58 and is accessible from Nautilus Way. Most of the property is within the Town of Independence, with a small portion extending outside the town limits. The property is located just west of the Grayson County Industrial Park, which is home to tenants such as Kore Balance, Grayson Natural Farms, River Ridge, Darco Southern, and Tritex. A single-family home is located at the southern edge of the property, with the remainder of the land remaining vacant. Most of the property is cleared of trees.

At nearly 19 acres, the site could accommodate multiple housing types, including townhomes, patio homes, or small-lot single-family homes.

**Collins Property Site Location and Existing Conditions**

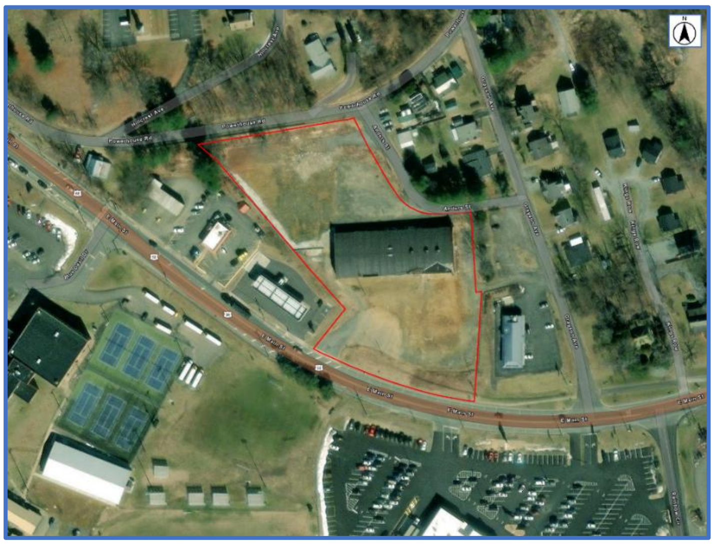
## VII.1.c: Walker Gentry Property

This rectangular-shaped property is located directly north of the Grayson Nursing and Rehabilitation Center on the west side of U.S. Route 21. The 4.1-acre site is entirely vacant and has excellent visibility. It could be a suitable location for new apartments or for-sale homes.


**Walker Gentry Property Site Location and Existing Conditions**

## VII.1.d: Grayson Garment Building

The Grayson Garment Building is an industrial building located on a 3.16-acre site at 116 Grayson Avenue SW, near the northwestern intersection of East Main Street and Grayson Avenue in the Town of Independence. It sits across the street from Independence Middle School, Grayson High School, and a Food City grocery store. The property is improved with a 61,387-square-foot, single-story brick building constructed in 1963. It was initially built as a textile mill and was most recently sold in 2020. Although the building does not have a historic designation, it is located within an Opportunity Zone.



**Grayson Garment Building Site Location and Existing Conditions**

### VII.1.e: Baywood School Building

The Baywood School building, a former school property owned by Grayson County, was shuttered in 2018. The county-owned building, constructed in 1953, is located at 247 Grammar Lane on a large, irregularly shaped parcel on the south side of Old Baywood Road, between the Town of Independence and the City of Galax. It contains a two-story section of 19,064 square feet and a one-story section of 4,368 square feet.

parcel has an agricultural zoning designation and would require rezoning for any residential development to proceed. The school building appears well-suited for affordable housing, with potential to serve seniors or families. There has been preliminary discussion about developing homes on the property, but no formal plans have been advanced. Obtaining historic designation could be crucial to making residential conversion financially viable. The property was previously envisioned for conversion into a multi-use community facility that would include a health clinic, technology programs for local students, culinary arts classrooms, and other shared spaces. This effort ended in May 2022 due to budgetary constraints. The property is currently vacant.


**Baywood School Building Site Location and Existing Conditions**

## Section VIII: Conclusions and Recommendations

This section summarizes the key findings of the market analysis and presents practical, data-driven recommendations to guide future housing development in Grayson County. Together, these conclusions and recommendations form a clear framework for addressing both current and emerging housing needs.

The conclusions identify the primary forces shaping local housing demand, including demographic changes, economic conditions, and housing market performance indicators. They also highlight persistent gaps in the housing supply, particularly for the workforce, senior, and lower-income households. These conclusions are based on demographic and economic trends, local housing market conditions, and stakeholder input documented in earlier sections of this report.

The report's key conclusions are summarized in the following points:

1. **Current housing demand reflects population decline, workforce commuting, and constraints in the existing housing stock.**

    - **Population Loss and Household Stabilization**: Grayson County's population has fallen by about 15 percent since 2000, though the pace of decline has slowed in recent years. The County's population has decreased by 0.8 percent since 2020. Despite this decline, the number of households has stabilized and increased slightly since 2020, primarily due to smaller household sizes and new household formation. Independence is the only town that has experienced population growth over the past two decades, while Fries and Troutdale continue to lose residents.

    - **Commuting Patterns and Labor-Market Mismatch:** While there are only 3,415 jobs located in Grayson County, 11,920 residents are employed. Regionwide, the Twin County Region has 15,012 jobs compared with 21,700 employed residents. This imbalance shows that a substantial share of workers commute elsewhere for employment and that housing demand and labor supply function at a regional scale. Without additional local housing options, employers may continue to face recruitment and retention challenges, and the local economy may lose spending from workers who could otherwise live closer to their jobs.

    - **Tight Labor Market:** Grayson County's unemployment rate was 3.7 percent at the end of 2024, down from 4.3 percent in 2021, alongside a net gain of nearly 460 jobs. Regionwide, the unemployment rate is slightly lower at 3.5 percent, and the Twin

County Region has added 611 jobs since 2021, a 4.2 percent increase. Although total employment remains below the pre-pandemic peak, job growth is trending positively. With unemployment already low, most new hiring may require attracting residents from outside the County or region. Limited housing options increase the likelihood that these workers will live elsewhere and commute, reducing the local economic benefits of job growth.

- **Renter Demand and Occupancy Trends**: Rental housing in the Twin County Region is limited, aging, and highly occupied. The market includes ten small market-rate apartment communities with 146 units, 308 scattered-site rentals managed by local firms, and five LIHTC communities with 195 units, all concentrated along the U.S. Route 58 corridor between Galax and Hillsville. Across this inventory, there are only six reported vacancies, and many properties maintain waitlists. Most market-rate apartments are decades old, lack modern layouts and amenities, and rent at levels comparable to some affordable communities, underscoring the limited quality of the region's stock. Deeply subsidized housing and Housing Choice Vouchers, while not representative of the broader market, also remain fully leased with long waitlists.

  Outside renter-occupied single-family and manufactured homes, Grayson County has few rental options beyond deeply subsidized programs. Because professionally managed apartment communities are concentrated in Galax and Carroll County, and local vacancies are rare, many qualified tenants rent outside the County or accept units that do not fit household needs.

  This combination of near-full occupancy, aging inventory, and minimal new construction indicates significant unmet demand. Households that can afford better-quality housing often have limited local choices, and some higher-income renters leave the area to find suitable options. These conditions create an opportunity for new, modern rental development that could serve both local workers and new residents.

  Although the median gross rent in Grayson County is relatively low at $712, this level corresponds to an annual household income of about $28,480 under standard affordability guidelines, 30 percent of income. About 850 renter households earn above this threshold, representing about 58 percent of all renters, and nearly 43 percent could afford monthly rents of around $1,000. Supply at this price point is limited, so many households remain in older or less suitable units.

- **Senior-Oriented Housing Gaps**: Grayson County's population is aging even as overall population and household counts decline. Seniors now make up 33.6 percent of the County's population, up from 20.3 percent in 2000. Over half of all households (50.8 percent) are headed by adults aged 62 or older, compared with 33.6 percent in 2000. Among owners, the senior share has grown to 52.0 percent, and among renters it has surged to 47.0 percent, more than double the 22.5 percent share in 2000.

  There is a clear shortage of housing suited to seniors, including single-level homes, accessible features, and low-maintenance designs. Very few single-level homes are available for sale, leaving seniors who wish to downsize with limited options as homeowners. Most rental units in the County are older single-family houses built for families rather than aging adults, offering layouts and features that do not meet accessibility needs. The only age-restricted rental options in the region are outside Grayson County, and few are purpose-built with accessibility features, further limiting local choices. Prioritize one-level patio homes and townhomes that feature accessibility options. The County lacks active patio or townhome developments despite demand from seniors and first-time buyers. Expanding these senior-friendly options would help older residents remain in the County and would also free up homes for younger households.

2. **Grayson County has an adequate inventory of vacant parcels and buildings that could support residential development and redevelopment.**

   Several larger vacant parcels, ranging from about four to 19 acres, along with a small number of vacant buildings, could support new housing or adaptive reuse. Some of these structures may be eligible for historic designation, which could reduce redevelopment costs through tax credits or incentives, making projects more feasible at locally achievable rents.

   Several of the larger parcels may need to be subdivided to support a mix of housing types and price points, and most will require rezoning to allow higher-density residential uses. Based on current parcel data, overall land availability does not appear to be a limiting factor for new housing production. However, zoning requirements and infrastructure capacity could affect both the pace and the form of future development.

3. **Rent burdens in Grayson County are concentrated among lower-income households and older renters.**

   Nearly 37 percent of renter households spend more than 35 percent of their income on housing, meeting the standard definition of rent overburden. Households earning less than $35,000 annually account for more than 94 percent of all rent-overburdened households, underscoring the strong connection between low income and housing cost strain.

   Among senior renters, nearly 20 percent spend more than 35 percent of their income on housing, and about 17 percent pay more than 40 percent, meeting the thresholds for severe rent burden. Limited incomes, combined with a shortage of affordable and accessible units, increase the housing vulnerability of this population and the risk of displacement or housing instability.

4. **Grayson County's affordable rental housing stock is insufficient.**

   Rental housing options for lower-income households in Grayson County are extremely limited. The only income-restricted units within the County are supported by deep rent subsidies, including programs where tenants pay 30 percent of their income toward rent. These properties primarily serve households earning well below 50% of AMI. There are no rental communities in the County designed for moderate-income or workforce households, including teachers, health care workers, and skilled tradespeople earning roughly 60% to 120% of AMI.

Affordable rental options instead cluster in nearby Galax and Carroll County, where five LIHTC communities provide a total of 195 units. Apart from Woodlawn School Apartments, which added 51 units in 2022, these properties are 21 to 54 years old, have aging layouts and features, and remain consistently full, often maintaining waitlists. This limited and aging supply of affordable units does not meet current demand, leaving many cost-burdened households with few viable local options.

5. **Barriers to homeownership continue to limit growth in the for-sale housing market in Grayson County.**

High development costs, infrastructure gaps in certain parts of the County, and zoning regulations that restrict higher-density or smaller-lot housing types make it challenging to deliver moderately priced homes in Grayson County. These barriers reduce the feasibility of building housing that would appeal to first-time buyers and to older residents seeking to downsize into smaller, more manageable properties.

Older single-family homes dominate the existing for-sale market, many of which require updates and modernization. Speculative new construction has been limited since the Great Recession, with nearly all recent activity occurring outside Grayson County, primarily in Galax and especially in Carroll County. As a result, prospective homeowners and current residents seeking to relocate or downsize often look beyond the County for newly built homes with modern layouts, energy-efficient features, and low-maintenance designs.

These conditions constrain entry-level and move-down ownership opportunities, contributing to the outflow of prospective buyers to nearby counties.

6. **Middle-income households have limited choices in Grayson County's for-sale housing market.**

Households earning between 80% and 120% of AMI have limited choices in the local housing market. Most homes within their price range are older properties that often require updates and lack modern features such as open layouts, energy-efficient systems, and accessible design. There is almost no speculative new home construction serving this segment in Grayson County; nearly all recent new homes have involved private lot purchases and custom builds rather than builder-driven production. By contrast, some new homes affordable to middle-income buyers are being built regionally, but this activity is concentrated in Carroll County.

Adding more modest single-family homes, including those constructed using modular methods, as well as duplexes and townhomes, could help meet this demand. These housing types can be built at a lower cost and provide the modern features buyers want while keeping prices within reach. Expanding this segment would give middle-income households a realistic path to homeownership, help retain working-age residents who might otherwise relocate, and support a more balanced and sustainable housing market.

7. **Rental housing continues to represent the strongest segment of housing demand in Grayson County.**

   Current housing market conditions make rental development more feasible than new for-sale construction. Elevated mortgage interest rates, modest local incomes, and high building costs have reduced the pool of buyers able to afford homeownership. However, there is steady demand for modestly priced homes, as indicated by limited for-sale inventory at affordable price points and continued interest from both seniors and families.

8. **Access to housing incentive programs will be critical to advancing new residential development in Grayson County.**

   State and federal programs, such as Qualified Census Tracts, Opportunity Zones, and New Markets Tax Credits, along with state-level tools such as the Low-Income Housing Tax Credit (LIHTC), Workforce Housing Innovation Program (WHIP), and Affordable and Special Needs Housing (ASNH), are essential for closing financing gaps, particularly for projects with affordability requirements. These tools are especially important for developments serving families and seniors, where income restrictions limit potential rental or sales revenue. Without these programs, many developments serving lower- and moderate-income households would face financing gaps too large to bridge with private capital alone.

   Competition for these program awards is high, making early coordination with experienced development teams and careful alignment with program criteria essential to secure funding and advance projects.

9. **Grayson County currently lacks a coordinated and sustained approach to blight mitigation.**

   No formal programs or dedicated staffing resources currently exist to address blighted or underutilized properties. A more structured program could support the development and implementation of consistent, replicable blight mitigation strategies across the County and region. Such an initiative would likely require proactive code enforcement, targeted property rehabilitation or redevelopment, and shared administrative and technical resources to ensure long-term implementation.

In summary, Grayson County's housing market reflects a decline in population, an aging housing stock, and limited new construction. Yet demand for new housing remains evident. It is supported by smaller household sizes, new household formation, an aging population, and unmet needs among current residents who cannot find suitable options locally.

Although developable land exists, new housing will require coordinated action to overcome financial hurdles. Targeted redevelopment of underutilized parcels and vacant buildings, along with supportive local programs to address blight and infrastructure gaps, can expand feasible options. Expanding the supply of new homes at rent and price points that match the strongest areas of demand, particularly those attainable for moderate-income residents, will depend on early collaboration among developers, lenders, and community partners.

Aligning zoning with market needs and leveraging state and federal incentive programs could make a broader range of housing types feasible. Together, these steps would help retain and attract residents, strengthen the local workforce, and support long-term stability in the housing market.

### VIII.1: For-Sale Housing Recommendations

This subsection presents the projected need for new for-sale housing units in Grayson County over the next five years. The analysis focuses on two primary segments: workforce households earning 80% to 120% of AMI, and the broader market-rate segment. Based on this analysis, the following recommendations identify the number and type of new for-sale units that could be developed to meet projected demand and be absorbed by the local market.

Demand estimates draw on the distribution of owner household incomes (**Table 5**) and the most recent 2025 HUD income limits. Interviews with local real estate professionals and a review of recent listing activity show that homes priced above approximately $300,000 tend to sell more slowly, with demand diminishing at higher price points. These findings support a practical price ceiling for most new for-sale homes under current market conditions.

These price thresholds serve as a guide for aligning new housing supply with both affordability objectives and market feasibility. They also support Appalachian Highlands Housing Partners' goals of expanding access to quality workforce housing that matches the income capacity of local households and reflects regional market conditions.

## VIII.1.a: Target Workforce Housing Income Ranges and Household Characteristics

For this analysis, workforce households in Grayson County are defined as those earning 80% to 120% of AMI. This group includes working families, first-time homebuyers, and moderate-income professionals. Based on the most recent 2025 HUD income limits, qualifying household incomes typically range from $43,760 to $101,280 (depending on household size). Approximately 1,990 of the County's 5,088 owner households, about 39 percent, fall within this income range. These households form the core market for new for-sale homes priced to meet workforce housing affordability guidelines.

Although some larger households exist, they represent a relatively small portion of the owner-occupied housing stock. According to **Table 5**, about 96 percent of owner-occupied households in Grayson County consist of one to four individuals.

**Table 30: 2025 HUD Income Limits by Household Size — Grayson County, VA**

| | 80% of AMI | 120% of AMI |
|---|---|---|
| 1 Person | $43,760 | $65,640 |
| 2 Person | $50,000 | $75,000 |
| 3 Person | $56,240 | $84,360 |
| 4 Person | $62,480 | $93,720 |
| 5 Person | $67,520 | $101,280 |

Source: U.S. Department of Housing and Urban Development

## VIII.1.b: Housing Cost Assumptions and Pricing Methodology

This section outlines a consistent methodology for estimating affordability ceilings across target income levels. The calculations adhere to standard lending practices and reflect federal guidelines and market conditions in Grayson County.

Affordability ceilings use a step-by-step approach consistent with HUD guidance and local assumptions. Each scenario assumes a 30-year fixed mortgage at 6.3 percent, based on the 52-week average from Freddie Mac's Primary Mortgage Market Survey as of September 2025. These ceilings are rate-sensitive, so changes in prevailing rates would affect the maximum affordable price. A 20 percent down payment is assumed, consistent with conventional standards

Although the model employs a conservative approach, some buyers, especially first-time purchasers, may be able to access loan products with lower down payment requirements, such as FHA loans. These products could support higher home prices in individual cases; however, they are not incorporated into this model.

Total monthly homeowner costs are capped at 30 percent of gross income, consistent with accepted affordability benchmarks. Before estimating the allowable mortgage payment, fixed monthly expenses are deducted. These include estimated real estate taxes at $0.58 per $100 of assessed value (slightly higher in the towns of Independence, Fries, and Troutdale), homeowners' insurance at 0.40 percent of the purchase price annually, and typical monthly costs for maintenance or homeowners' association (HOA) fees. HOA and maintenance assumptions vary by housing type: $150 per month for patio homes, $100 per month for townhomes, and $50 per month for single-family homes. These values are intended to represent common cost burdens for buyers in Grayson County.

The remaining portion of the housing budget, which is available for principal and interest, is converted into a maximum loan amount using a mortgage factor consistent with a 6.3 percent interest rate. The loan amount is then adjusted to include the 20 percent down payment, resulting in an estimated affordable home price for each household size and income level.

The key assumptions used in this model are summarized in **Table 31**.

**Table 31: Cost Assumptions Used in Pricing Model**

| Cost Component | Assumption | Rationale |
|---|---|---|
| Interest Rate | 6.3% (30-year fixed) | Reflects 52-week average (Freddie Mac PMMS) |
| Down Payment | 20% of Purchase Price | Reflects conventional loan standards |
| Real Estate Tax | $0.58 per $100 of assessed value [1] | Grayson County 2025 real estate tax rate |
| Insurance | 0.40% of purchase price annually | Based on regional insurance estimates |
| HOA / Maintenance | Patio: $150/month<br>Townhome: $100/month<br>Single-family: $50/month | Reflects ongoing maintenance and shared amenities |

[1] Real estate taxes are slightly higher in the towns of Independence, Fries, and Troutdale.

Source: S. Patz & Associates, Inc.; Freddie Mac PMMS; Grayson County, VA

This pricing model aligns each affordability scenario with the purchasing power of target households and the typical cost structure of homeownership. Affordability ceilings are calculated using 2025 HUD income thresholds for Grayson County, a 20 percent down payment, a 6.3 percent 30-year fixed-rate mortgage, and the HOA or maintenance costs summarized in **Table 31**. Taxes are set at $0.58 per $100 of assessed value, insurance is 0.40 percent of the purchase price annually, and monthly HOA or maintenance costs are $150 for patio homes, $100 for townhomes, and $50 for single-family homes. The resulting price ceilings are shown in **Table 32**.

The model includes three types of housing: patio homes, townhomes, and single-family homes. It estimates maximum affordable purchase prices for households earning 80% and 120% of AMI. Affordability ceilings vary by household size and income tier. For example, a two-person household earning 80% of AMI ($50,000) could afford a patio home priced up to about $190,700. In comparison, a four-person household at 120% of AMI ($93,720) could support a single-family purchase of about $397,500.

These figures are general affordability guidelines that assume no more than 30 percent of gross income goes to housing costs, including mortgage, taxes, insurance, and maintenance. Actual affordability may vary depending on down payment capacity, existing debt obligations, and the availability of financing terms.

**Table 32: Affordability Ceilings Based on HUD Income Thresholds — Grayson County, VA**

| Product Type | Household Size | AMI Tier | Income | Price Ceiling [1] |
|---|---|---|---|---|
| Patio Home | 1 | 80% | $43,760 | $163,600 |
| Patio Home | 1 | 120% | $65,640 | $258,500 |
| Patio Home | 2 | 80% | $50,000 | $190,700 |
| Patio Home | 2 | 120% | $75,000 | $299,000 |
| Townhome | 2 | 80% | $50,000 | $199,400 |
| Townhome | 2 | 120% | $75,000 | $307,700 |
| Townhome | 3 | 80% | $56,240 | $226,400 |
| Townhome | 3 | 120% | $84,360 | $348,300 |
| Single-Family Home | 3 | 80% | $56,240 | $235,100 |
| Single-Family Home | 3 | 120% | $84,360 | $356,900 |
| Single-Family Home | 4 | 80% | $62,480 | $262,100 |
| Single-Family Home | 4 | 120% | $93,720 | $397,500 |
| Single-Family Home | 5 | 80% | $67,520 | $284,000 |
| Single-Family Home | 5 | 120% | $101,280 | $430,300 |

[1] Rounded to the nearest $100. Calculations apply a 20 percent down payment, a 6.3 percent 30-year fixed mortgage, a mortgage factor of 0.00619 (about $6.19 per $1,000 borrowed), real estate taxes at $0.58 per $100 of assessed value, insurance at 0.40 percent of purchase price annually, and HOA or maintenance costs of $150 (Patio), $100 (Townhome), or $50 (Single-family) per month, capped at 30 percent of gross income.

Source: U.S. Department of Housing and Urban Development; S. Patz & Associates, Inc.

The affordability ceilings shown in **Table 32** represent the upper limit of home prices that remain attainable under the model's financial assumptions. These figures provide a practical framework for evaluating the feasibility of various housing formats, supporting informed decision-making about lot sizes, construction methods, and amenity levels.

## VIII.1.c: Product Mix, Pricing Bands, and Unit Delivery Targets

To estimate the number of workforce households that might enter the for-sale market each year, the analysis applies a 5.0 percent annual turnover rate to the 1,990 workforce households identified in the previous section. This rate aligns with observed rural and small-town turnover patterns, where mobility is lower due to long-term homeownership and an aging population. At this rate, approximately 100 workforce households are expected to seek housing each year.

Over a five-year period, this methodology yields a projected turnover of approximately 500 workforce households. These households may remain within Grayson County by purchasing an existing home or, if limited inventory is available, by entering the market for new construction.

While not all households experiencing turnover will purchase newly built homes, this group represents a recurring and measurable source of demand.

To reflect market conditions and limit development risk, the model assumes that new construction will capture a modest share of this demand, ranging from 10 to 12 percent over the next five years. This results in a projected demand for 50 to 60 new for-sale units. To remain conservative, a development target of 40 to 50 new units is recommended. These units should include a balanced mix of patio homes, townhomes, and single-family homes, designed to meet the needs of working families, downsizing seniors, and first-time buyers.

This approach is summarized in **Table 33** below:

**Table 33: Estimated Demand from Workforce Household Turnover — Grayson County, VA**

| Metric | Value | Notes |
|---|---|---|
| Total Workforce Households | 1,990 | Households earning between 80% and 120% of AMI |
| Annual Turnover Rate | 5.0% | Based on HUD rural/small-town norms |
| Estimated Annual Turnover | 100 households | 1,990× 5.0% |
| Estimated 5-Year Turnover | 500 households | 100 × 5 years |
| Assumed Capture Rate | 10% – 12% | Reflects modest absorption expectations |
| Estimated Demand (5-Year) | 50 units – 60 units | 500 × 10% to 12% |
| Recommended Development Target | 40 units – 50 units | Conservative planning range |

Source: Ribbon Demographics; U.S. Department of Housing and Urban Development; S. Patz & Associates, Inc.

While the affordability model shown in **Table 32** suggests that some larger households earning up to 120% of AMI could support home prices as high as $430,300, feedback from local real estate professionals shows limited demand for homes priced above $300,000. Larger households of four or five people make up only a small share of the local population, further limiting demand for homes at the highest price points. For this reason, pricing recommendations are intentionally conservative and reflect the current dynamics of the Grayson County housing market.

**Table 34** presents the recommended pricing bands and unit targets by product type. This proposed mix is designed to support a balanced development approach that responds to local household sizes, income distribution, and prevailing economic conditions.

| Table 34: Recommended For-Sale Housing Mix and Target Price Bands — Grayson County, VA | | | | |
|---|---|---|---|---|
| **Product Type** | **Target HH Size** | **80% of AMI Price Range** | **120% of AMI Price Range** | **5-Year Target** |
| Patio Homes | 1 – 2 | \$161,000 – \$191,000 | \$255,000 – \$299,000 | 14 – 17 units |
| Townhomes | 2 – 3 | \$197,000 – \$226,000 | \$260,000 – \$299,000 [1] | 14 – 17 units |
| Single-Family Homes | 3 – 5 | \$233,000 – \$284,000 | \$280,000 – \$325,000 [2] | 12 – 16 units |
| **Total** | | | | **40 – 50 units** |

[1] Starts below the ceiling to widen the pool of eligible buyers and recognize that townhomes compete partly on price with larger patio homes.

[2] Begins below the ceiling to reflect realtor feedback that sales slow above \$300,000.

Source: S. Patz & Associates, Inc.

The following recommendations outline key considerations related to design, pricing, and target buyer segments for each proposed housing product. These strategies are intended to align product offerings with market demand, demographic trends, and affordability benchmarks.

- **Patio Homes**: A substantial share of new for-sale deliveries should be patio homes, given the County's aging population and the ongoing need for low-maintenance, accessible options. To serve seniors, individuals with mobility limitations, and households downsizing, plans should incorporate universal design features such as zero-step entries, one-level living, and wider interior doorways. Compact footprints and simplified finish packages help maintain attainable price points. Although seniors and empty nesters remain the primary target market, these homes can also appeal to small households and single professionals, particularly in areas where inventory is limited. Recommended pricing is \$161,000 to \$191,000 for households at 80% of AMI and \$255,000 to \$299,000 for households at 120% of AMI. The recommended five-year delivery goal is 14 to 17 units.

- **Townhomes**: Townhomes provide an efficient, cost-effective path to ownership that fits younger buyers, smaller households, and moderate-income professionals. The attached format supports higher site efficiency and lower per-unit infrastructure costs. Design should emphasize space-efficient layouts, durable materials, and low-maintenance exteriors. Recommended pricing is \$197,000 to \$226,000 for 80% of AMI and \$260,000 to \$299,000 for 120% of AMI. These price points are intentionally set below maximum affordability thresholds to broaden access and account for overlap with higher-end patio homes. The five-year delivery goal is 14 to 17 units.

- **Single-Family Homes**: Detached single-family homes are aimed at households seeking traditional ownership, private yards, and additional square footage, including growing families, move-up buyers, and residents relocating from more rural areas. To keep prices within reach, especially for lower-income tiers, builders should consider cost-efficient construction approaches, such as modular or panelized systems. Modest lot sizes, streamlined plans, and restrained finishes can help manage total costs while meeting quality standards. Recommended pricing is \$233,000 to \$284,000 for 80% of AMI and \$280,000 to \$325,000 for 120% of AMI. Pricing near the top of this range may be absorbed more slowly, consistent with local feedback showing limited demand above $300,000. The five-year delivery goal is 12 to 16 units.

Achieving these targets, particularly for buyers at or below 80% of AMI, will require careful cost control. Useful tools include smaller or shared lots, modular construction, bulk purchasing of key materials, and coordination with local governments to pursue incentives or infrastructure support. Public-private partnerships, along with early collaboration with builders, can help align development costs with achievable sale prices and support long-term financial feasibility.

The recommended delivery targets are deliberately conservative, recognizing the likelihood of supplementary demand from Galax and Carroll County. However, in a market with essentially no recent development trends to study, a cautious approach to development is warranted.

## VIII.2: Rental Housing Recommendations

The analysis in **Section IV.2** highlights the unmet demand for new rental housing in Grayson County, including both market-rate units and those affordable to a range of income levels.

Research by S. Patz & Associates shows that only a small number of rental units have been added to the market over the past decade, with a negligible share opening in Grayson County. Newer rental units have been delivered in Galax and Carroll County; however, these do not include professionally managed rental communities with amenities. This limited pace of development has not kept up with demand, especially as local employment has remained relatively stable. Vacancy rates among market-rate rental units are exceptionally low, currently less than one percent. Vacancy rates across the broader region have remained low for several years and continue to exert upward pressure on rent levels.

Most existing market-rate rental properties offer only modest features, limited on-site amenities, and dated floor plans. Common layouts include two- or three-bedroom units with only one or one-and-a-half bathrooms, which no longer align with renter preferences or household needs. Essentially, all newer or upgraded units are duplexes or single-family homes that do not appeal to a considerable portion of local renters.

None of the multifamily structures in Grayson County charge market-rate rents. As a result, only a small share of the 308 scattered rental units managed by local property management companies are in the county. In contrast, the data in **Table 7** show that of the more than 1,400 renter households in Grayson County, nearly 630 (42.5 percent) earn above $40,000 annually, enough to afford gross rents of about $1,000 or more per month, based on the standard affordability threshold of 30 percent of income. Additional demand is generated by households in the City of Galax and Carroll County, which local property management firms report also search for suitable rental options in Grayson County.

This discrepancy suggests that a significant proportion of moderate- and higher-income renters reside in scattered-site, individually owned rentals rather than in professionally managed apartment communities. Many of these units were initially built as for-sale homes and are now renter-occupied, often without professional management or consistent maintenance standards.

In addition, many higher-income renter households appear to occupy modestly priced units not because of cost limitations but because of the lack of available, higher-quality alternatives. As a result, these households compete directly with moderate-income renters for limited inventory, tightening the supply for those with fewer housing choices and increasing pressure on lower-income households seeking affordable options. Local property managers report that higher-income renters often inquire about units but cannot find homes that meet their preferences.

Affordable rental units in the region face similar constraints. None of the area's LIHTC communities are in Grayson County, and the only affordable rental units in the county have deep rent subsidies, requiring tenants to pay a percentage of their income toward rent. As shown in **Table 26**, nearly all 195 LIHTC units serving households at 40 to 60 percent of AMI are fully occupied, with just two vacancies reported. Waitlists remain long, and turnover is minimal.

To address this imbalance in Grayson County, the construction of new garden-style apartment communities appears to be the most practical and achievable solution for private developers. There are also two potentially viable options for adaptive reuse: the Grayson Garment Building and Baywood School. The school building could be suitable for age-restricted housing. However, both properties would likely need to secure historic designation before redevelopment could become financially feasible.

New developments could serve both incoming workers and local renters currently living in outdated or undersupplied housing. Most proposed units should focus on two-bedroom layouts with two full bathrooms, as these configurations are well-suited for couples, small families, and roommate households.

Rental housing also offers a relatively low-risk entry point into the Grayson County housing market, particularly for developers focused on the hourly wage workforce. Based on current income data and rent trends, viable rents are estimated at $1,000 for one-bedroom units, $1,125 for two-bedroom units, and $1,250 for three-bedroom units. These estimates are considered conservative and assume modest but functional finishes without luxury-level amenities.

Household income data from **Table 6** show that approximately 630 renter households in Grayson County could afford monthly rents of $1,000, assuming 30 percent of income is allocated to housing. This number would increase by nearly 1,800 when accounting for prospective renters from Galax and Carroll County. This suggests that many regional renters, particularly those with modest and higher incomes, rent in Galax and Carroll County in part because of supply constraints in Grayson County. Yet the number of professionally managed rental units priced at or near these levels remains limited.

This gap points to significant potential for transfer demand, referring to renters currently living in lower-quality units who would likely move to better-quality housing if such options were available.

**Table 35** displays the 2025 HUD maximum gross rents by unit size and income tier. The data show that allowable rents at both 80% and 120% of AMI exceed the achievable rent levels outlined earlier in this section. This suggests that new rental housing priced at the recommended market-rate levels could comfortably serve households earning above 80% and 120% of AMI, even without formal income restrictions.

These units would primarily target the market-rate segment, focusing on moderate-income renters who do not qualify for subsidized housing but have limited access to newer, high-quality rental options. While income limits may not directly affect most new developments under current conditions, they may still apply if public financing tools, tax credits, or other incentive-based programs require units to meet specific affordability criteria.

**Table 35: 2025 HUD Maximum Gross Rents — Grayson County, VA**

| | 30% of AMI | 40% of AMI | 50% of AMI | 60% of AMI | 80% of AMI | 100% of AMI | 120% of AMI |
|---|---|---|---|---|---|---|---|
| Studio | $410 | $547 | $683 | $820 | $1,094 | $1,367 | $1,641 |
| One-Bedroom | $439 | $586 | $732 | $879 | $1,172 | $1,465 | $1,758 |
| Two-Bedroom | $527 | $703 | $878 | $1,054 | $1,406 | $1,757 | $2,109 |
| Three-Bedroom | $609 | $812 | $1,015 | $1,218 | $1,625 | $2,031 | $2,437 |

Source: U.S. Department of Housing and Urban Development

As previously noted, there are no new rental units, either at affordable or market rents, under construction in Grayson County or elsewhere in the Twin County region.

Given the region's employment growth and the substantial pent-up demand from renters currently in substandard housing or commuting from outside the region, there is a clear and immediate need for additional rental supply, particularly at modest rent levels.

Based on current market conditions and inventory constraints, an initial recommendation of 100 new rental units is appropriate. These units could be delivered in two phases, providing a manageable entry point for developers while addressing part of the existing unmet demand. If absorption rates are strong and sustained, a second phase of similar scale should be considered, subject to market response and local development capacity. Even if built in Grayson County, a new, quality rental community is likely to attract current or prospective renters from Galax and Carroll County.

In addition to the need for market-rate units, there is considerable demand for more affordable rental units below 80% of AMI, including homes for both seniors and families. Many of these households either live in older, lower-quality homes that do not meet current housing standards or commute from outside Grayson County.

The viability of new affordable rental projects will depend heavily on the ability of developers to secure Low-Income Housing Tax Credits or comparable public subsidies. Without such tools, these developments are unlikely to be financially feasible under current construction and operating cost conditions.

Given the extent of unmet need, Grayson County is likely to support approximately 50 affordable general-occupancy apartment units and 40 affordable age-restricted rental units. Actual demand exceeds these figures; however, this represents a practical and achievable starting point, assuming development is supported by Low-Income Housing Tax Credits, which remain the most likely funding scenario. The successful delivery of these units will depend on early identification of qualified development partners and access to competitive subsidy programs.

## VIII.3: Phasing and Implementation

Building on the unmet demand and supply gaps documented in earlier sections, near-term housing efforts should focus on expanding the rental inventory through new apartment construction and introducing higher-density for-sale options, including patio homes, townhomes, and single-family homes with smaller footprints. These housing types are a practical starting point because they address identified demand at 80% to 120% of AMI and can be delivered under current market conditions. They also align with the needs of the local workforce.

Although patio homes have traditionally been marketed to seniors, well-priced units with efficient layouts are also likely to attract younger households seeking compact, low-maintenance homes. Patio homes can serve both aging adults and first-time buyers, especially when built in areas appropriate for low- to moderate-density residential formats. Townhomes and smaller single-family homes, which earlier inventory analysis showed are underrepresented, can broaden options for entry-level buyers, including small families and young professionals. Expanding these product types would help diversify the for-sale market and support more balanced housing choices.

These housing types can generally be delivered more quickly than larger, more complex subdivisions and allow flexibility in phasing. Apartment units, in particular, can help relieve the documented rental shortage while supporting phased delivery. Even at market rents, the viable rental levels identified earlier are expected to remain attainable for much of the local workforce.

Affordable, income-restricted apartments remain a priority, but they are generally more complex to finance and develop. These projects often depend on public subsidies and multiple funding sources, which extend delivery timelines and add financial complexity. As a result, affordable rental housing should move forward alongside market-rate efforts, with the understanding that these units will likely take longer to deliver.

This is especially true if the vacant Baywood School building is rehabilitated for rental use, since obtaining historic designation would likely be necessary for financial feasibility. Early engagement with experienced development partners and familiarity with tax credit and subsidy programs will be essential to advance these projects. Close coordination between public and private partners can reduce risk and improve the likelihood of successful delivery.

As noted in **Section VII**, Grayson County has multiple vacant parcels that could support residential development. Some larger tracts may need to be subdivided to accommodate a mix of housing types, and most will require rezoning to achieve higher residential densities. Based on the available land inventory identified earlier, site supply is not expected to be a barrier to near-term development.

## VIII.4: Summary of Recommended Housing Development

Based on the findings of this assessment, Grayson County is positioned to support the development of at least 230 new housing units over the next five years. This figure reflects what the local market could realistically absorb under current economic, demographic, and housing conditions. It is not a full measure of total unmet housing need, but rather a practical estimate of what can be built and occupied over the five-year period.

The recommended supply should include a balanced mix of for-sale and rental housing. For-sale development would emphasize patio homes that appeal to seniors and downsizing owners, along with workforce-oriented townhomes and smaller single-family homes. Rental production should include both market-rate apartments and affordable units targeted to households earning below 80% of AMI. These projections are intended to guide an initial development program and can be revisited if early lease-up and sales activity demonstrate stronger absorption than expected. Attracting some demand from nearby Galax and Carroll County is likely if quality new housing is delivered.

Because the existing housing stock is older and many of these home types are severely undersupplied, early phases should focus on adding apartments, townhomes, smaller single-family homes, and patio homes. These products align with documented demand, can be built in manageable phases, and provide the most direct way to diversify local housing choices. While affordable rental development remains important, successful delivery will depend on securing competitive subsidy allocations, such as Low-Income Housing Tax Credits, and may require longer timelines.

The recommended unit distribution is summarized in **Table 36** below.

| Table 36: Recommended Housing by Type | |
|---|---|
| **Housing Type** | **Unit Count (5-Year)** |
| Patio Homes (For-Sale) | 14 – 17 units |
| Townhomes (For-Sale) | 14 – 17 units |
| Single-Family Homes (For-Sale) | 12 – 16 units |
| Market-Rate Apartments | 100 units [1] |
| Affordable General Occupancy Apartments | 50 units [1] |
| Affordable Senior Apartments | 40 units [1] |

[1] Represents initial phases and assumes longer development timelines for affordable housing. Additional units should be phased in based on market absorption. Scattered-site development is recommended, where feasible.

While these figures provide a helpful reference point for planning new housing, each proposed project should be evaluated on its own merits and in the context of its specific location. This is especially important for larger developments, such as multifamily communities, which may introduce a substantial number of units quickly and must be assessed against local market conditions in Grayson County and the broader competitive housing area.

## Data Sources

S. Patz & Associates utilizes various sources to gather and confirm the data used in this report. These sources include the following:

- Claritas; Ribbon Demographics
- Carroll County
- Crisis Track
- City of Galax
- Community Development Financial Institutions (CDFI) Fund
- Easy Analytic Software, Inc. (EASI)
- Federal Emergency Management Agency (FEMA)
- Freddie Mac's Primary Mortgage Market Survey (PMMS)
- Galax Gazette
- Grayson County
- Internal Revenue Service
- Management of each rental property surveyed
- Mount Rogers Planning District Commission
- National Association of REALTORS
- National Register of Historic Places
- Rooftop of Virginia CAP
- Sponsors of each pipeline apartment proposals
- Town of Fries
- Town of Hillsville
- Town of Independence
- Town of Troutdale
- U.S. Census Bureau
- U.S. Department of Agriculture – Rural Development
- U.S. Department of the Treasury
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor
- U.S. Forest Service
- U.S. Geological Survey
- Virginia Business
- Virginia Department of Housing and Community Development (DHCD)
- Virginia Department of Emergency Management (VDEM)
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing
- Virginia Landmarks Register
- Virginia REALTORS
- Weldon Cooper Center for Public Service

## Market Study Disclaimer and Limiting Conditions

This market study is prepared by S. Patz & Associates, an independent real estate market research firm based in Potomac Falls, Virginia. The analysis, opinions, and conclusions presented herein are derived from data sourced from various entities, believed to be reliable, and are subject to the assumptions and limiting conditions set forth in this document.

1. S. Patz & Associates maintains a neutral position regarding the subject property and any parties involved. We have no financial interest or personal bias concerning the subject matter. Our compensation is neither influenced by nor contingent upon any specific outcome or action resulting from the findings or conclusions of this study.

2. The data and information utilized in this report have been sourced from entities believed to be accurate and trustworthy. While S. Patz & Associates exerts every effort to validate the precision of this data, we cannot provide an absolute guarantee of its accuracy. Consequently, we disclaim any responsibility for errors, omissions, or inaccuracies arising from external sources.

3. The analysis, opinions, and conclusions encapsulated in this report are subject to change and may evolve as new information emerges or as underlying assumptions are re-evaluated. This report is accurate as of its preparation date. Analyses conducted on subsequent dates might yield different outcomes.

4. The conclusions reached in this market study are inherently subjective. They should not be solely relied upon as definitive predictors of future performance. Actual outcomes may diverge due to factors including but not limited to shifts in local or general economic conditions, management performance, regulatory shifts, and other unforeseen events.

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## S. Patz & Associates Company Background

S. Patz & Associates is a Potomac Falls, Virginia-based real estate consulting firm with over two decades of industry experience. The firm provides comprehensive market research and strategic consulting services to a wide range of clients, including lenders, developers, builders, investors, and public agencies.

Known for its rigorous, data-driven approach, S. Patz & Associates applies a consistent analytical framework grounded in demographic, economic, and real estate market data to deliver objective insights and actionable recommendations. Clients rely on the firm to support due diligence, guide investment decisions, and evaluate the feasibility of proposed development projects across a range of asset types.

With a portfolio that includes hundreds of completed studies, S. Patz & Associates has established itself as a trusted advisor to both private- and public-sector clients. The firm's expertise encompasses rental and for-sale housing, senior living, commercial and industrial development, hotels, and mixed-use projects. It also frequently partners with housing finance agencies, planning departments, and economic development organizations to support public policy and both local and regional planning efforts.

S. Patz & Associates combines market intelligence with clear, well-supported conclusions tailored to each client's goals, regulatory requirements, and financial context. Its findings are frequently used in applications for tax credits, zoning approvals, bond financing, and other entitlement processes. In addition, the firm's analysis plays a key role in demonstrating market feasibility for financing and informing project design, scale, and phasing.

Our core services include:

- **Rental Housing Market Studies:** We conduct market studies across the United States for a variety of rental housing types, including general occupancy, student housing, special-needs housing, and mixed-use developments. Our expertise also encompasses senior housing, including assisted living, independent living, and memory care. We provide both preliminary and comprehensive feasibility studies for internal use or for submission to financial institutions and lenders, including HUD, under the Multifamily Accelerated Processing (MAP) guidelines.

- **Affordable Housing Market Studies**: We work with both for-profit and non-profit housing developers to conduct market studies for affordable housing communities. These include Low-Income Housing Tax Credit (LIHTC) properties for families, seniors, and special-needs populations, including individuals with disabilities and veterans. S. Patz & Associates is approved by multiple state housing agencies and serves as a trusted provider for national tax credit syndicators.

- **For-Sale Housing Market Studies**: We conduct housing studies for a wide range of for-sale housing types, including single-family homes, townhomes, condominiums, and specialized markets such as retirement and resort housing. Our expertise also covers feasibility studies for large master-planned communities, smaller subdivisions, infill projects, and active adult communities.

- **Hotel and Resort Market Studies**: We provide comprehensive market research and feasibility analysis for a variety of hotel and resort developments. Recognizing the role of these facilities in supporting tourism and local economic growth, we prepare objective reports that help developers and operators assess the potential of their projects.

- **Commercial and Industrial Market Studies:** We assess the feasibility of commercial developments, including retail, office, self-service storage, and industrial spaces. Our clients include both private developers and public-sector agencies.

- **Area-Wide Housing Studies:** We frequently conduct area-wide studies to assist public agencies in developing effective housing strategies. Our work with state housing agencies, planning departments, and economic development organizations has provided critical insights into local housing markets, guiding the development of informed housing policies and strategies.

- **Fiscal Impact Analyses**: We evaluate the net fiscal impact of proposed development projects for local governments, using detailed models, including those based on U.S. Bureau of Economic Analysis RIMS II data. These analyses assess the economic impact of new development on local communities.

- **Appraisals**: We offer specialized appraisal services for multifamily properties, with expertise in both market-rate and affordable housing, including HUD MAP, Section 8, LIHTC, and USDA programs. The firm has completed hundreds of HUD-compliant appraisals covering Sections 223(f), 221(d)(4), 231, 241, and 220, as well as Rent Comparability Studies (RCS) that meet Section 8 Renewal Guide standards. We also provide appraisals for LIHTC applications across the Mid-Atlantic region, support Fannie Mae and Freddie Mac financing efforts, and conduct USDA portfolio valuations. Additional services include appraisal reviews, such as HUD MAP Quality Control and RCS reviews for state Housing Assistance Payment (HAP) administrators.

- **Proffer Analyses**: Developers and municipalities throughout Virginia engage us to assess and calculate impact fees, which are one-time charges used to fund capital improvements required to support new development. Our reports provide legally sound recommendations for proffer amounts, tailored to each project's characteristics and the needs of the local jurisdiction. These analyses evaluate the impacts of proposed rezonings and identify mitigation strategies to support public services, including schools, police, fire and rescue, and parks.