Comprehensive Housing Analysis

Russell County, Virginia

Prepared for:

Mayana Rice
Appalachian Highlands Housing Partners

November 2025

S. PATZ & ASSOCIATES, INC
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November 24, 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 analysis for Russell County, prepared for Appalachian Highlands Housing Partners. The study evaluates existing housing conditions, documents current and emerging demand, and outlines actionable strategies to support feasible residential development.

The analysis finds that housing supply has not kept pace with local needs. New speculative construction is not occurring, higher-density ownership formats such as townhomes and patio homes are largely absent, and only a small number of rental units have been added in recent years. The affordable rental supply for families and seniors also falls well short of local demand, which contributes to long waitlists and limited choice for income-constrained households.

The housing market is shaped by an aging population, smaller household sizes, and a renter base that relies heavily on scattered single-family and manufactured homes rather than professionally managed apartment communities. In a market where households are becoming smaller, reliance on single-family homes as the core source of rentals does not align with current needs. Vacancy rates are consistently low, price points are misaligned with moderate-income households, and senior-friendly options are scarce. Together, these conditions demonstrate a clear need for additional modern rental housing, attainable entry-level homes, and low-maintenance options for older adults.

The report also documents economic factors that will influence future housing demand. While total at-place employment declined over the past decade, multiple major projects, including Tate Data Center, Simmons Equipment Company, and the proposed Pure Salmon facility, are expected to generate more than 800 new jobs within the County. These developments, combined with a relatively small number of unemployed residents, highlight the need to expand housing options that support workforce retention, recruitment, and long-term economic growth in Russell County.

The recommendations focus on targeted housing development that aligns with documented demand and realistic absorption potential. Priority opportunities include workforce-oriented for-sale products at attainable price points, compact and accessible homes suitable for downsizing, and well-located rentals with efficient layouts. The study identifies specific sites with development potential and outlines tools to improve feasibility, including state and federal programs.

We appreciate the opportunity to support AHHP and local partners on this work. We are available to walk through the findings, discuss near-term priorities, and coordinate next steps toward implementation.

Sincerely,

Ariel Goldring

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

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Introduction

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

One key finding is the limited housing supply available to the local workforce. New speculative home construction is essentially nonexistent in Russell County across nearly all price points. The existing housing stock consists primarily of single-family homes and older manufactured housing, with very few higher-density options such as townhomes. Patio home developments are nearly absent. These missing housing types could serve households with moderate incomes and those interested in downsizing to more attainable and lower-maintenance options.

The study also finds a rapidly aging population, driven mainly by older adults aging in place rather than new in-migration of seniors. Although the County's total population has declined by more than 3,900 residents since 2010, the senior population has increased by over 1,500 during that same period. Seniors accounted for 20.4 percent of the population in 2010 and now comprise 29.8 percent of the population. They represent nearly half of all homeowners in the County, up from 36.6 percent in 2010. Seniors also account for 37.0 percent of renters, compared with fewer than 20 percent in 2010.

Despite this growth, few new housing options have been built to accommodate older adults, including those who would benefit from first-floor bedrooms, single-level layouts, and accessible bathrooms. Seniors have limited opportunities to downsize or relocate locally. As a result, many remain in their current homes for extended periods, reducing turnover and limiting the supply available to younger households.

The rental market is similarly constrained. Only 13 professionally-managed rental units have been built in the County over the past decade, and most existing market-rate properties are more than 20 years old. The affordable housing stock is also limited, with just over 100 affordable rental units serving the workforce population and only 216 units with deep rent subsidies.

Altogether, the professionally managed rental properties in Russell County account for fewer than 20 percent of the County's 2,400 renter households. Most renters occupy scattered single-family homes or manufactured homes, many of which lack modern features, energy efficiency, or layouts suitable for smaller households and seniors. Census data show that approximately 570 renter-occupied mobile homes exist in Russell County, representing nearly one-quarter of all renter households.

Persistently low rental vacancy rates, rising affordability pressures, and demographic shifts point to unmet demand for modern rental housing, attainable entry-level homes, and senior-friendly options. The current supply falls short across all of these categories.

Although Russell County and the wider region experienced job losses in past decades, the current wave of economic development activity is expected to generate new job growth. This growth will support additional housing demand if new housing is built. In the absence of new construction, employers may find it difficult to recruit and retain workers, and many employees may be forced to commute.

Within Russell County, recent and planned projects are projected to create approximately 830 new jobs, with about 250 already filled. In addition, neighboring counties across Southwest Virginia are collectively expected to add more than 2,100 jobs through new industrial, manufacturing, and service-sector investments. Many of these positions, particularly those associated with the Hard Rock Hotel & Casino in Bristol, have already been filled, underscoring the need for new housing to accommodate workforce growth elsewhere in the region.

Addressing these challenges will require strategies that reduce development costs and enable the delivery of housing affordable to the local workforce and seniors. State and federal resources, including Low-Income Housing Tax Credits (LIHTC) and programs offered by

Virginia Housing and the Virginia Department of Housing and Community Development, can help make new construction financially viable.

Despite these challenges, Russell County retains several developable parcels suitable for a range of new housing types. This study identifies opportunities and outlines practical strategies grounded in documented needs, demographic trends, and market conditions.

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

- **<u>Section I: Russell County Setting:</u>** This section provides an overview of Russell County, describing its geographic characteristics, transportation infrastructure, and regional linkages. These elements are essential for understanding the County's physical context and accessibility, both of which shape the potential for future housing development.

- **<u>Section II: Economic Overview:</u>** This section offers an economic overview of Russell County. Its purpose is to illustrate recent and emerging job growth patterns in the region and evaluate the potential for continued employment expansion. The analysis includes data on at-place employment trends, labor force characteristics, current economic development initiatives, and regional employment growth that may influence future housing demand.

- **<u>Section III: Demographic Analysis:</u>** This section presents a comprehensive demographic profile of Russell County. It includes an evaluation of population trends, household composition by tenure and income, and demographic shifts among older adults. The analysis also examines the share of rent-overburdened households and the extent of substandard housing conditions, both key indicators of local housing need. Additionally, it reviews the pace of housing unit development, the age of occupied housing, and tenure patterns based on the year households moved into their homes. Together, these factors quantify the level of pent-up demand for different types of new housing.

- **<u>Section IV: Housing Market Overview:</u>** This section analyzes both the for-sale and rental housing markets in Russell County, with emphasis on workforce housing and market-rate apartment development. It presents data on professionally managed rental communities, including construction periods, income restrictions, rent levels, and occupancy rates, as well as an overview of apartment developments currently in the pipeline. The for-sale market analysis includes data on home sales activity, median sales price trends, available inventory, and subdivisions with lots ready for residential development. Notably, no senior-oriented for-sale housing currently exists in Russell

County. However, the feasibility of developing such housing is evaluated in this section, given a sizable and well-established senior population.

- **Section V: Development Incentives and Program-Eligible Areas:** This section evaluates federal and state programs that can support new housing development in Russell County. These programs often designate specific geographic areas as eligible for incentives such as tax credits, reduced-interest financing, direct subsidies, or flexible underwriting standards. Such tools are designed to encourage residential investment in communities with economic challenges or limited access to capital.

- **Section VI: Project BAUD: A Model for Blight Mitigation and Redevelopment:** This section assesses the Town of Marion's Project BAUD (Blighted, Abandoned, Underutilized, and Derelict) initiative as a potential model for Russell County. The analysis considers its adaptability and implementation potential within the County and its towns. It also presents the program as a strategy to repurpose underperforming or neglected properties and return them to active residential use.

- **Section VII: Development and Redevelopment Properties:** This section identifies existing buildings and vacant parcels throughout Russell County that are suitable for new residential development or redevelopment.

- **Section VIII: Conclusions and Recommendations:** This final section presents the study's conclusions and outlines strategic recommendations to guide residential development across Russell County. The recommendations address site selection, target price and rent ranges, appropriate housing sizes and types, and the intended target markets for new units.

Section I: Russell County Setting

Russell County is a predominantly rural locality in southwestern Virginia. Its landscape consists of alternating valleys and ridges, forested hillsides, and river corridors that have shaped settlement and infrastructure patterns over time.

Forests and farms dominate land use in Russell County. Approximately 55 percent of the County's total land area, or about 170,000 acres, is forested, forming the largest share of land use. Agricultural land accounts for roughly 32 percent, or approximately 97,000 acres, while residential development accounts for about five percent of the total acreage. Together, forestry and agriculture shape the County's landscape and support employment in resource-based industries.

Although portions of the County contain parcels that could support new housing, the overall supply of suitable land remains limited. Much of the unincorporated area lacks access to public water and sewer, and extending utilities to remote or topographically challenging sites can be prohibitively expensive. Flood-prone areas along river corridors, limited sewer capacity in specific locations, and persistent broadband gaps in rural zones further narrow the range of feasible development sites. These constraints make it difficult to create buildable lots outside the towns without significant infrastructure investment.

A sizable portion of the County's northern area is constrained for future development due to active and permitted coal and natural gas operations, particularly north of the Clinch River. These activities have historically shaped the County's economy and continue to influence land ownership, environmental conditions, and infrastructure investment decisions.

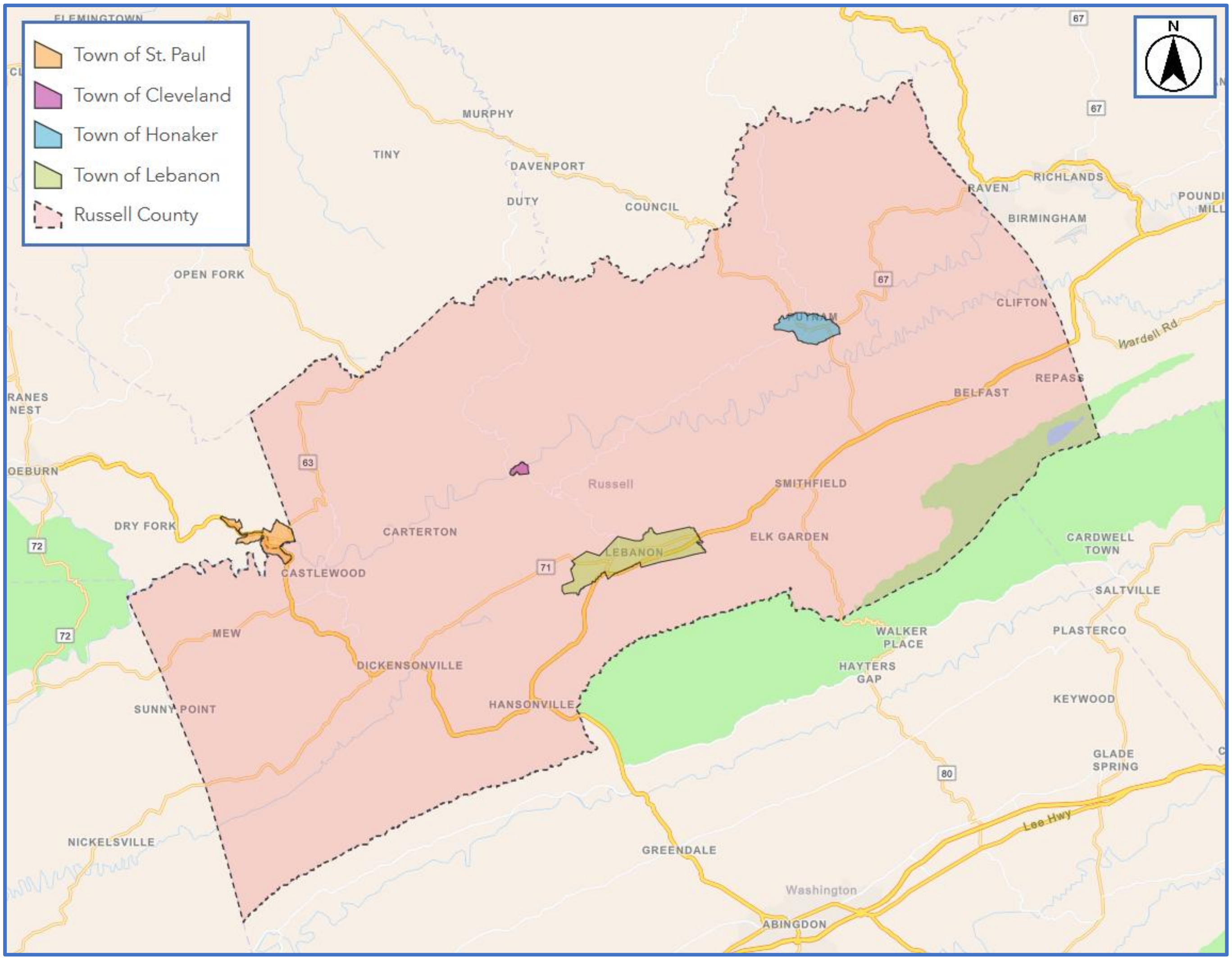
Russell County is bisected east to west by U.S. Route 19 and southwest to northwest by U.S. Alternate Route 58, which together form the County's primary transportation spine. Both routes are fully four-laned, providing access to surrounding localities and regional markets.

Because the County lacks interstate highways, State Primary Routes serve a critical role in linking communities with employment centers and neighboring counties. Corridors such as State

Route 80, which connects Rosedale and Honaker, and other major routes, including State Routes 63, 65, 67, 71, and 82, support regional travel and the movement of goods. The County also maintains approximately 615 miles of Secondary Routes, which extend into rural and agricultural areas.

This regional context shapes local housing and development patterns. Russell County comprises four incorporated towns: Lebanon, the county seat and administrative center; Honaker, a historic town with a traditional main street; Cleveland, a small riverfront community in the northern part of the County; and St. Paul, which spans the Russell and Wise County line and has experienced recent investment tied to outdoor recreation and downtown revitalization.

Map A shows the location of Russell County.



Map A – Russell County, Virginia

Map B shows the regional context of Russell County and its position within Southwest Virginia. The County lies just north of the Tennessee border and within driving distance of several regional employment centers, including Bristol and Abingdon. Although Russell County lacks direct interstate access, several nearby corridors provide regional and interstate connectivity, supporting travel, freight movement, and commuting.

Interstate 81, located approximately 20 miles south of the County, runs from near Knoxville, Tennessee, to the Canadian border in upstate New York. It serves as the principal north-south corridor through western Virginia, linking regional population and employment centers such as Bristol, Abingdon, Wytheville, and Roanoke. County residents and businesses access I-81 through Washington County or Tazewell County, providing links to larger labor markets and logistics routes. To the west, U.S. Route 23 connects Gate City, Norton, and Wise County to I-26 in Kingsport, Tennessee, extending south toward the Tri-Cities metropolitan area. These highway connections enable Russell County residents to access regional employers, higher education institutions, and healthcare centers in the Bristol and Kingsport areas within a reasonable commuting distance.

To the north and east, Interstate 77 serves as another regional corridor, linking Wytheville and Bland County to Beckley and Charleston, West Virginia. The overlap of I-81 and I-77 in Wytheville serves as a vital transportation hub for freight movement and regional travel throughout Southwest Virginia. Together, these interstates and major U.S. highways form a connected regional network that links Russell County to major labor markets and employment centers despite the absence of an interstate within its borders.

Russell County is bordered by Buchanan County to the north, Dickenson County to the northwest, Tazewell County to the east, Smyth County to the southeast, Washington County to the south, Scott County to the southwest, and Wise County to the west. These neighboring counties share similar characteristics, including resource-based economies and mountainous terrain that limit large-scale development.

Buchanan County remains largely rural, relying on mining, agriculture, and small-scale manufacturing. Tazewell and Smyth Counties feature agriculture and light industry along key corridors. Washington County and Bristol anchor the I-81 corridor with industrial parks, logistics, and healthcare employment. Scott and Wise Counties are diversifying through manufacturing, outdoor recreation, and education partnerships, while Dickenson County remains constrained by topography, with most development concentrated along narrow valleys.

Within Russell County, U.S. Route 19 and U.S. Alternate Route 58 serve as the primary regional connectors, linking Lebanon, Castlewood, and St. Paul to neighboring counties. State Routes 63, 65, 67, 71, 80, and 82 extend this network into smaller towns and rural areas, while the County's secondary routes provide access to farms, forestland, and energy-related industries.

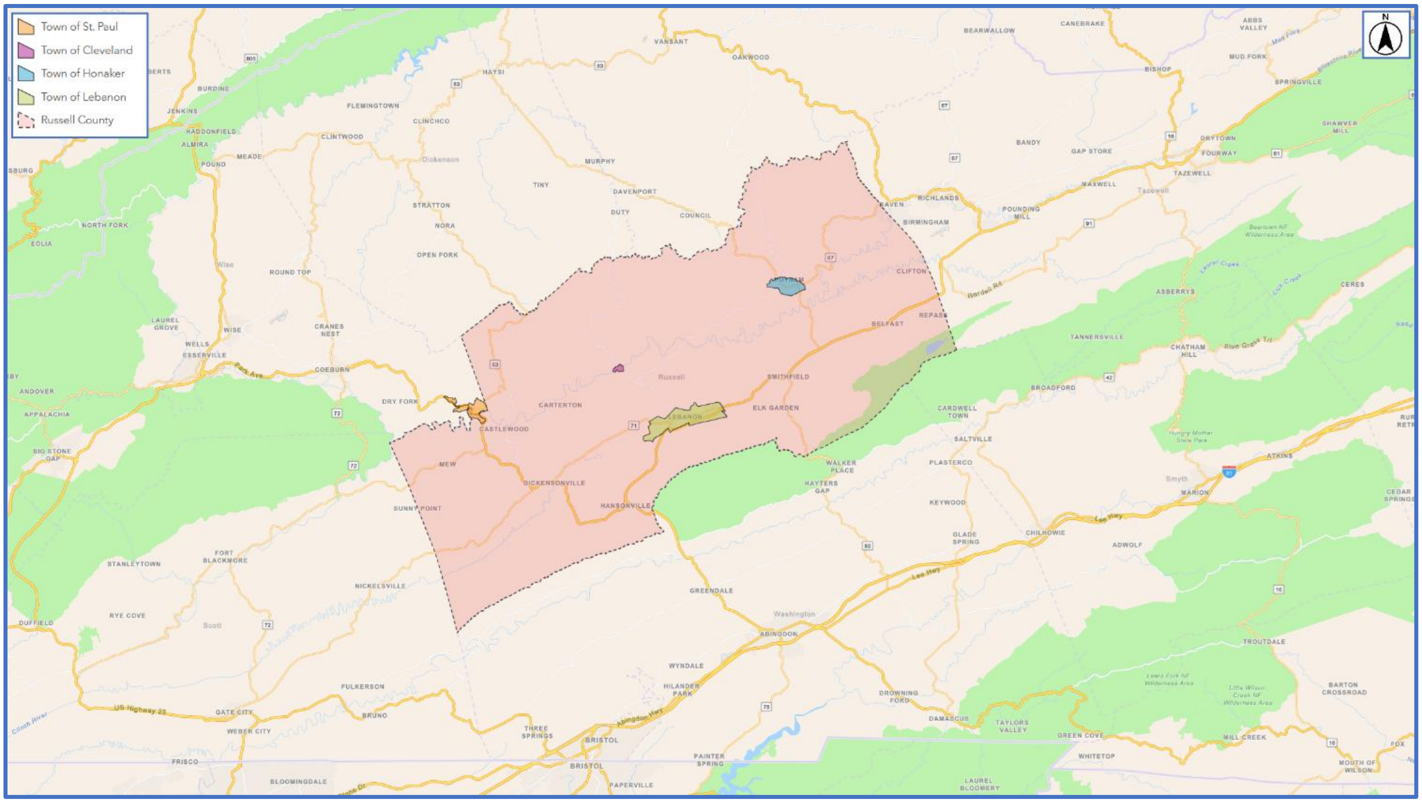
These corridors facilitate commuting to employment centers in Washington, Wise, and Tazewell counties, as well as to Bristol and Abingdon, where major employers and regional services are located.

According to U.S. Census LEHD Origin Destination Employment Statistics data, 44.7 percent of individuals employed within Russell County also live in the County. Another 10.6 percent live in Washington County, 7.3 percent in Tazewell County, 4.0 percent in Buchanan County, and 3.8 percent in Wise County. These data show that Russell County employers draw labor from multiple neighboring localities, which reflects the interconnected nature of the regional workforce.

Conversely, the LEHD data show that only 30.7 percent of Russell County residents both live and work within the County. About 13.2 percent commute to Washington County, 12.0 percent to Tazewell County, 5.9 percent to Wise County, 4.3 percent to Buchanan County, and 3.7 percent to the City of Bristol. These commuting patterns highlight the County's integration within the broader regional labor market. Access to these routes is essential for maintaining labor flexibility and ensuring the efficient movement of agricultural and industrial goods.

These commuting dynamics have direct implications for local housing demand, as a substantial share of the workforce resides outside the County but remains dependent on Russell County's employment base and transportation network.

Overall, Russell County's transportation network provides effective regional connectivity despite the absence of an interstate. This system enables residents and workers to participate in the broader regional economy, supporting efforts to expand local employment opportunities, housing options, and reinvestment activities.



Map B – Russell County Regional Setting

Section II: Economic Overview

This section provides an overview of the economy in Russell County, incorporating regional data and trends from nearby jurisdictions. It examines the County's employment base, labor force characteristics, and recent economic development activity to assess the potential for future job growth and investment. The analysis recognizes that economic and demographic trends are closely connected to employment opportunities, workforce participation, and levels of public and private investment.

Although Russell County is the primary focus, regional data are also included because the County operates within a broader, interconnected market. Many residents commute to neighboring communities for employment, shopping, and services, and employers in those areas rely on Russell County's labor force. Shared transportation corridors, infrastructure systems, and coordinated development initiatives underscore this regional interdependence. Evaluating these linkages provides a clearer picture of the County's economic position and its role within the Southwest Virginia labor market.

This analysis focuses on four primary indicators: (1) employment trends, (2) labor force participation, (3) active or planned development projects that could create jobs, and (4) Worker Adjustment and Retraining Notification (WARN) notices that document layoffs or closures. Together, these data describe the County's economic trajectory, resilience, and capacity to support continued investment, including future housing development.

A key premise is that employment growth drives population stability and housing demand. As job opportunities expand, they can encourage residents to remain in the County while attracting new workers from surrounding areas. In Russell County, housing demand will be shaped by a combination of local job creation, regional employment expansion, and the County's proximity to larger job centers. Many of these communities are experiencing housing shortages, suggesting that Russell County's relatively lower housing costs could position it to capture some of the regional growth and accommodate workers employed elsewhere in Southwest Virginia.

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

At-place employment reflects the number of jobs physically located within Russell County, regardless of where employees reside. As shown in **Table 1**, the County supported an estimated 6,743 jobs in 2019, a decline of 280 positions since 2015. These data represent pre-pandemic employment conditions, before the economic disruptions that began in 2020. Updated information capturing pandemic and post-pandemic employment trends will be presented later in this report.

At-place employment in Russell County is concentrated among a few key sectors, and some industry data are not disclosed for confidentiality reasons. Even with these limitations, the data show a modest contraction in the local economy, which remained anchored by government, health care, manufacturing, and service-related industries.

Public sector employment remains the foundation of the County's economy. Local government employed 1,130 people in 2019, accounting for approximately 17 percent of total employment, a slight increase from 1,103 in 2015. The Russell County School Board remains the largest single employer, and most public positions are tied to education and local services. State government employment totaled 260 jobs in 2019, a modest decline from 271 in 2015, while federal employment rose slightly from 62 to 63 positions.

Health care accounted for 934 jobs in 2019, representing roughly 14 percent of total employment. Most positions are associated with Russell County Hospital, a 78-bed facility located at 58 Carroll Street in Lebanon, which is operated by Ballad Health. The hospital serves as the County's primary health-care provider and a consistent source of local employment.

Retail trade supported 820 jobs in 2019, or approximately 12 percent of total employment, a decline of 49 positions since 2015 when the sector employed 869 workers. Retail activity is concentrated in the Town of Lebanon, where many employees work at Walmart Supercenter, Food City, and other nearby retail and service businesses. Although employment data for accommodations and food services are not disclosed, local sources report a modest hospitality presence that primarily serves residents and travelers along U.S. Route 19.

Manufacturing and construction remain central to the County's employment base. Manufacturing employment increased from 423 jobs in 2015 to 551 in 2019, representing a gain of 128 positions, the most significant increase among the reported sectors. Construction employment increased slightly, from 500 to 511 jobs. Combined, these industries accounted for roughly 16 percent of total employment and continue to provide steady, middle-income opportunities for County residents.

Several private service industries experienced employment losses between 2015 and 2019. Professional and technical services declined from 645 to 559 jobs, a decrease of 86 positions. Transportation and warehousing declined from 205 to 138 jobs, a roughly one-third reduction. Finance and insurance decreased from 229 to 194, and administrative and waste services declined from 370 to 346. Mining employment fell from 305 to 264, reflecting continued weakness in coal-related activity across Southwest Virginia. Smaller sectors such as agriculture and other services experienced modest gains, while real estate and information services declined slightly. Management of companies remained stable at 21 jobs.

Overall, Russell County's employment base contracted between 2015 and 2019. Gains in manufacturing, construction, local government, and smaller sectors such as agriculture and other services were offset by losses in professional services, transportation, mining, and other private industries, resulting in a net decline of 280 jobs. By the end of the period, the County's economy was characterized by a steady public sector and healthcare presence, consistent goods-producing activity, and a gradual erosion in several private service and resource-based sectors.

Table 1: At-Place Employment by Industry — Russell County, VA (2015–2019)						
Industry	**2015**	**2016**	**2017**	**2018**	**2019**	**Net Change**
Agriculture	43	62	81	70	58	15
Mining	305	281	280	253	264	-41
Utilities	ND	ND	ND	ND	ND	--
Construction	500	559	547	554	511	11
Manufacturing	423	404	441	483	551	128
Wholesale Trade	ND	ND	ND	ND	ND	--
Retail Trade	869	848	835	868	820	-49
Transportation/Warehousing	205	198	194	174	138	-67
Information	52	49	46	33	37	-15
Finance/Insurance	229	218	220	216	194	-35
Real Estate	25	21	18	17	16	-9
Professional/Technical	645	587	577	564	559	-86
Management of Companies	20	20	21	20	21	1
Administrative/Waste	370	410	332	258	346	-24
Education	ND	16	15	12	26	--
Health Care	ND	1033	951	922	934	--
Arts/Entertainment/Recreation	16	ND	ND	ND	ND	--
Accommodations/Food	527	ND	ND	ND	ND	--
Other Services	166	162	208	228	196	30
Local Government	1,103	1,120	1,151	1,143	1,130	27
State Government	271	261	254	246	260	-11
Federal Government	62	65	61	62	63	1
Total	**7,023**	**6,992**	**6,876**	**6,748**	**6,743**	**-280**

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 Russell County between 2019 and 2024, capturing conditions during the pandemic and the subsequent recovery pace. During this period, total employment declined from 6,743 to 6,150 jobs, a net loss of 593 positions, which is consistent with regional employment patterns during and after the pandemic period.

Employment contraction was broad-based, with most industries either losing jobs or remaining flat. Goods-producing industries weakened following modest gains during the prior period. Manufacturing employment declined sharply, falling from 551 to 451 jobs, a loss of 100 positions, marking the largest decline among all sectors. Construction employment fluctuated throughout the period but ultimately increased slightly, rising from 511 to 516 jobs by 2024. Mining continued its long-term decline, decreasing from 264 to 230 jobs.

Service-related industries also showed widespread declines. Professional and technical services declined from 559 to 404 jobs, representing a loss of 155 positions, which aligns with broader regional declines in this sector during the same period. Finance and insurance employment declined from 194 to 170 jobs, and retail trade, one of the County's largest sectors, decreased from 820 to 736, a loss of 84 positions since its pre-pandemic peak. Transportation and warehousing remained comparatively stable, with employment rising slightly from 138 to 147 jobs, though levels continued to fluctuate year to year.

Health care, which provided 934 jobs in 2019, declined to 899 in 2020 and remained below pre-pandemic levels thereafter, mirroring workforce shortages and staffing constraints seen across the region. Education employment also displayed volatility, with limited data suggesting modest changes tied to public school operations and enrollment trends.

Government employment remained relatively stable but showed a slight downward trend overall. Local government employment decreased from 1,130 to 1,125 jobs, while state government employment declined from 260 to 224. Federal government employment remained steady at 63 jobs. Public sector stability helped soften deeper private-sector losses during this period.

Smaller industries such as agriculture and other services also contracted modestly. Agricultural employment declined from 58 to 40 jobs, resulting in a loss of 18 positions, and other services fell from 196 to 170, representing a decrease of 26 jobs. Real estate was one of the few sectors to record growth, increasing from 16 to 19 jobs between 2019 and 2024.

Overall, Russell County's post-pandemic employment profile reflects a slow and uneven recovery. The data show continued contraction in manufacturing, mining, and professional services, with limited growth in smaller sectors, including real estate and construction. Public sector employment provided stability amid the weakness of the private sector. The net loss of 593 jobs since 2019 highlights a slow recovery and an employment base that is increasingly concentrated in government and a smaller set of service industries, based on the sectors with disclosed data.

Table 2: At-Place Employment by Industry — Russell County, VA (2019–2024)							
Industry	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Net Change**
Agriculture	58	53	32	25	41	40	-18
Mining	264	253	256	267	266	230	-34
Utilities	ND	ND	ND	ND	ND	ND	--
Construction	511	422	418	457	592	516	5
Manufacturing	551	499	502	527	493	451	-100
Wholesale Trade	ND	ND	ND	ND	ND	ND	--
Retail Trade	820	835	851	834	788	736	-84
Transportation/Warehousing	138	140	131	136	135	147	9
Information	37	34	31	28	20	ND	--
Finance/Insurance	194	173	162	162	173	170	-24
Real Estate	16	16	16	22	17	19	3
Professional/Technical	559	520	495	466	461	404	-155
Management of Companies	21	18	17	18	17	ND	--
Administrative/Waste	346	395	272	247	185	ND	--
Education	26	33	33	ND	ND	ND	--
Health Care	934	899	882	ND	ND	ND	--
Arts/Entertainment/Recreation	ND	ND	ND	ND	ND	ND	--
Accommodations/Food	ND	ND	ND	ND	ND	ND	--
Other Services	196	147	162	169	170	170	-26
Local Government	1,130	1,115	1,124	1,138	1,155	1,125	-5
State Government	260	270	252	223	222	224	-36
Federal Government	63	69	59	60	60	63	0
Total	**6,743**	**6,458**	**6,309**	**6,430**	**6,377**	**6,150**	**-593**
Notes: ND = Data do not meet BLS or state agency disclosure standards.							
Source: United States Department of Labor, Bureau of Labor Statistics							

Between 2015 and 2024, Russell County experienced a cumulative job loss of 873 positions, resulting in a decline from 7,023 to 6,150. The data from **Tables 1** and **2** show that while manufacturing and construction strengthened prior to 2019, both sectors weakened in the years that followed, with manufacturing alone losing 100 jobs between 2019 and 2024. Professional and technical services, which had declined steadily throughout the period, lost 241 jobs overall, representing one of the largest long-term reductions. Mining also continued its structural decline, and retail trade shed more than 130 jobs since 2015.

By contrast, local government employment remained relatively stable, and health care maintained a large share of the job base despite pandemic-era pressures. Overall, the County’s employment structure shifted toward a smaller but more public-sector-dependent economy, with limited private-sector recovery and continued weakness in goods-producing and professional industries.

II.1.a: Regional Trends in At-Place Employment

Table 3 presents at-place employment data for Buchanan, Dickenson, and Tazewell Counties within the Cumberland Plateau Planning District, as well as Wise County, which lies immediately west of the district. This comparison highlights broader employment patterns across nearby jurisdictions in Southwest Virginia, providing context for understanding regional recovery trends following the COVID-19 pandemic.

Between 2019 and 2024, total employment across these counties declined by a combined 313 jobs, reflecting persistent weakness in the region's employment base. Buchanan County lost 395 jobs, falling from 6,451 to 6,056, while Dickenson County declined by 26 jobs, suggesting relative stability. Tazewell County recorded the most significant decrease, losing 732 jobs as employment fell from 14,445 to 13,713. Wise County also experienced substantial losses, declining by 708 jobs from 11,677 to 10,969.

All four counties experienced sharp job losses in 2020 as the pandemic disrupted local labor markets. Buchanan and Dickenson Counties showed gradual improvement through 2023 and 2024, while Tazewell and Wise Counties remained below pre-pandemic levels despite a modest recovery in recent years. The data suggest that manufacturing, energy extraction, and local services, which form a large share of these economies, have been slow to regain pre-pandemic employment levels.

When viewed alongside **Table 2**, which showed that Russell County lost 593 jobs during the same period, these results demonstrate that employment contraction and uneven recovery were regional rather than isolated conditions. The Cumberland Plateau counties and Wise County collectively reflect Southwest Virginia's post-pandemic trajectory, characterized by initial job losses, partial recovery, and continued reliance on government and service employment to sustain local economic activity.

Table 3: At-Place Employment by Industry — Cumberland Plateau Planning District and Wise County (2019–2024)
(Excludes Russell County)

	Buchanan County	Dickenson County	Tazwell County	Wise County	Regional Total
2019	6,451	3,416	14,445	11,677	5,226
2020	5,680	3,318	13,671	11,026	5,346
2021	5,611	3,407	13,576	10,993	5,382
2022	5,872	3,224	13,861	11,153	5,281
2023	6,032	3,336	13,752	10,911	4,879
2024	6,056	3,390	13,713	10,969	4,913
Net Change	**-395**	**-26**	**-732**	**-708**	**-313**

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

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 the number of jobs physically located within the County. Comparing these measures provides insight into commuting patterns, labor force participation, and the balance between local job opportunities and the availability of workers.

Table 4 presents labor force, employment, and unemployment trends in Russell County from 2019 through 2024, capturing both the effects of the COVID-19 pandemic and the subsequent recovery period. In 2020, total resident employment declined from 9,292 to 8,906, a loss of 386 positions, or 4.2 percent, while the unemployment rate rose sharply from 4.7 percent to 7.8 percent.

Recovery began in 2021, when employment increased to 8,850 and the unemployment rate declined to 4.9 percent. Continued job growth in 2022 and 2023 resulted in employment levels of 9,153 and 9,323, respectively, with unemployment rates stabilizing at around 3.7 percent to 3.8 percent. By 2024, the labor force consisted of 9,447 residents, of whom 9,076 were employed, resulting in an unemployment rate of 3.9 percent. These figures reflect a return to pre-pandemic labor market conditions, suggesting a largely recovered employment base.

When compared with **Table 2**, which shows 6,150 at-place jobs in 2024, these data confirm that Russell County has significantly more employed residents than local jobs. With about 9,100 employed residents and 6,150 jobs in the County, the roughly 3,000 position gap indicates that many residents commute elsewhere for work. According to the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) data, approximately 40 percent of employed Russell County residents work within the county. Beyond Russell County, Washington County accounts for 12.1 percent of outbound commuters, followed by Tazewell County at 7.5 percent and Buchanan County at 4.1 percent.

Between 2019 and 2024, the County's labor force declined by 299 individuals, employment decreased by 216, and the number of unemployed residents fell by 83. The unemployment rate dropped by 0.8 percentage points during this period. These data reflect a modest contraction in the overall labor force but a stable employment base, with consistently low unemployment.

For employers, these trends reflect a relatively tight labor market with limited available labor, consistent with conditions across nearby Southwest Virginia counties. The unemployment rate remains low, with only 371 residents unemployed in 2024, even as several employers are expected to add jobs in the near term. These forthcoming additions will be discussed in the next section.

Table 4: Labor Force, Employment, and Unemployment Trends — Russell County, VA (2019–2024)

	Labor Force	Employment	Unemployment	Percent Unemployed
2019	9,746	9,292	454	4.7%
2020	9,663	8,906	757	7.8%
2021	9,302	8,850	452	4.9%
2022	9,505	9,153	352	3.7%
2023	9,689	9,323	366	3.8%
2024	9,447	9,076	371	3.9%
Net Change	**-299**	**-216**	**-83**	**-0.8%**

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

II.3: Local Economic Development Activity

While Russell County's employment and labor force contracted modestly between 2019 and 2024, the most recent data show that conditions have begun to stabilize, laying the foundation for renewed growth. Employment levels have nearly returned to pre-pandemic figures, unemployment remains low, and several employers have announced or are planning projects that will expand local job opportunities. These forthcoming additions are expected to offset recent declines, marking a shift from gradual contraction toward renewed employment growth and a stronger local job base.

The paragraphs below summarize recent and proposed developments expected to generate new employment opportunities in Russell County. Together, these projects are projected to create about 830 jobs over the next several years, of which approximately 250 have already been filled, according to interviews with local economic development staff. The initiatives include major industrial investments, expansions of existing operations, and ongoing efforts by the Russell County Industrial Development Authority to attract new employers.

Together, these initiatives reflect an improving local economy characterized by the reuse of long-vacant industrial sites, diversification of the employment base, and continued private-sector investment that will strengthen the County’s job market in both the near and long term.

- **Tate Data Center Components Plant**: In November 2023, Tate, a Maryland-based manufacturer of raised-access flooring and data center components, announced a $14.9 million investment to establish a 284,000-square-foot production facility at the former Bush Furniture factory site at 16360 Bush Place in St. Paul. The project is expected to create 170 jobs over a four-year period. The long-vacant plant was refurbished and reopened by January 2024, and most positions have already been filled. The facility specializes in manufacturing data center components and containment products, serving customers in Virginia and other data center markets. Before Tate’s investment, the site had been vacant for about 15 years.

- **Simmons Equipment Co.**: In July 2024, Simmons Equipment Co., a manufacturer of specialty mining equipment, announced plans to invest $8.5 million to expand operations into two existing buildings in Lebanon, one 76,000 square foot facility and one 50,000 square foot facility. The expansion is projected to create 75 new jobs, most of which have already been filled. Simmons produces soft rock mining equipment, including scoops, haulers, and longwall support vehicles. The new locations are 219 Joe Gillespie Drive (formerly the Polycap facility) and 122 Harber Drive (formerly the Russell Place building). The average annual wage for the new positions is $55,667.

- **Bates Family Farm:** In December 2023, Bates Family Farm, a local producer of goat’s milk skincare products, announced plans to relocate its manufacturing operations from a 4,000 square foot on-farm building to a 40,000 square foot county-owned facility at the former Acme grocery building in Lebanon. The move is expected to create 12 new jobs and allow expansion of its dairy production and product line.

- **Russell County Hospital**: The 78-bed Russell County Hospital, located at 58 Carroll Street in Lebanon, is planned for expansion with 16 additional psychiatric beds. The project is expected to be completed by November 2026.

- **Pure Salmon**: A proposed aquaculture facility by 8F Asset Management, a Singapore-based private equity firm, is planned for construction on a 200-acre site along U.S. Route 19 near Southwest Virginia Community College, along the Russell and Tazewell County border. The project is anticipated to be operational by late 2028 or 2029 and is expected to generate more than 200 jobs. Russell County will construct an access road to the site to facilitate delivery of 20 miles of underground water piping, while Tazewell County will undertake water and wastewater improvements. The facility will be a vertically integrated land-based trout aquaculture operation, including hatchery, nursery, smolt, and post-smolt grow-out systems to produce market-ready fish. These positions are expected to pay between $15 and $16 an hour.

- **Appalachian Highlands Housing Partners**: The nonprofit organization announced in October 2025 plans to establish a modular housing production facility in the former 92,000-square-foot Buster Brown Building at the Russell County Industrial Park in Lebanon. The facility is projected to employ approximately 89 workers by 2030 and will initially produce about 260 modular housing units per year, with capacity expected to increase to between 300 and 400 units annually as the workforce expands.

- **Undisclosed Employers:** In addition to the projects listed above, the Russell County Industrial Development Authority is supporting several active, confidential projects expected to create new employment opportunities in the County. Non-disclosure agreements (NDAs) have been signed with the companies involved, and their names have not been made public. Two confirmed firms are expected to add approximately 180 manufacturing jobs within the next two years, including positions in fabrication, welding, carpentry, electrical, and plumbing, with average annual wages ranging from $58,000 to $62,000. Two additional projects are advancing that could create approximately 100 new jobs, including 70 advanced manufacturing positions with average annual wages of $65,000 and 30 information technology positions averaging $100,000 per year. Existing employers are also exploring potential expansion plans in the coming year.

Taken together, these projects signal a shift from recovery to measurable expansion in Russell County's employment base. The scale and timing of current and proposed investments suggest that job creation will outpace recent employment losses over the next few years. Much of this growth is concentrated in advanced manufacturing and industrial production, but smaller projects in health care, aquaculture, and consumer products also contribute to a more varied local economy.

Given the County's limited labor supply, with only 371 unemployed residents, many of the new positions will likely be filled by workers commuting from surrounding areas. This dynamic presents opportunities for additional housing development to accommodate future employees, reduce commuting pressures, and support continued economic growth within Russell County.

II.4: Regional Employment Growth

Significant new investment is underway across Southwest Virginia, including the City of Norton, Wise County, Buchanan County, Dickenson County, Tazewell County, Washington County, the City of Bristol, Smyth County, Scott County, and Lee County. Recent and ongoing projects collectively are expected to create over 2,100 new jobs over the next several years, based on verified announcements and conservative projections. This activity spans the industrial, manufacturing, healthcare, hospitality, and clean energy sectors, strengthening regional employment centers and broadening economic opportunities throughout the labor market.

Table 5 summarizes the major recent and announced projects that contribute to regional job growth in Southwest Virginia.

Table 5: Regional Job Announcements

Employer	Location	Sector	Jobs Created
Wrap Technology	Wise County	Technology/Manufacturing	125-130
West River Conveyer	Buchanan County	Manufacturing	25
Bird Dog Distributors	Dickenson County	Industrial/Medical Plastics	43
CNX Resources HQ	Tazewell County	Clean Energy	8
Lawrence Brothers	Tazewell County	Metal Fabrication	3
Hard Rock Hotel & Casino Bristol	Bristol/Washington County	Hospitality	1,300
Home2 Suites & Tru by Hilton	Bristol/Washington County	Hospitality	70 [1]
Skyline National Bank	Bristol/Washington County	Finance	10 [1]
Bristol Humane Society	Bristol/Washington County	Non-Profit	5
SPIG Industry	Bristol/Washington County	Manufacturing	113
Workforce & Child Development Hub	Bristol/Washington County	Health Care/Education	70
Appalachian Highlands Community Dental Center	Bristol/Washington County	Health Care	10 [1]
State of Franklin Primary Care	Bristol/Washington County	Health Care	10 [1]
HMG Urgent Care at Abingdon	Bristol/Washington County	Health Care	40 [1]
Southeast Utility Trailer	Smyth County	Manufacturing	15-30
Hitachi Energy	Smyth County	Manufacturing	40
Clean Footprint	Smyth County	Solar Energy	10 [1]
VFP	Scott County	Manufacturing	200
White Rock Truss & Components	Lee County	Manufacturing	27
Total			**2,124-2,144**

[1] Estimate

Source: Company press releases; Virginia Economic Development Partnership; Cardinal News; Virginia Tobacco Region Revitalization Commission; Virginia Coalfield Economic Development Authority; Bristol Herald Courier; SWVA Today; Virginia Business; Smyth County Economic Development; City of Bristol Department of Economic Development; Washington County Department of Economic and Community Development; Bluefield Daily Telegraph; Tazewell County Department of Economic Development

Because a substantial share of Russell County residents commute to neighboring localities for employment, ongoing job creation in those areas is likely to influence housing demand in Russell County. As these employment centers continue to expand, the County's location, developable land availability, and comparatively lower housing costs position it to attract workers seeking attainable housing within a practical commuting distance. Moreover, many surrounding counties and cities face their own housing shortages, suggesting that Russell County could capture a share of future housing demand driven by these regional economic investments.

II.4.a: Wise County

- **Wrap Technologies**: In November 2024, this firm announced plans to relocate its manufacturing and distribution facility to the Intersection Business and Industry Park (formerly known as Project Intersection) in Wise County. The company will occupy a 20,000-square-foot facility that will eventually employ approximately 125 to 130 workers. The expansion supports the development of next-generation technology products, including AI and VR training platforms, integrated body camera systems, and advanced drone technologies designed to enhance law enforcement safety and efficiency.

II.4.b: Buchanan County

- **West River Conveyors**: In August 2025, West River Conveyors, a designer and manufacturer of conveyor systems and related equipment, announced plans to relocate and expand operations to the Southern Gap Industrial Park in Southern Gap. The company will construct a 65,000-square-foot manufacturing facility on property acquired from the Buchanan County Industrial Development Authority. The expansion is projected to create approximately 25 new full-time jobs over the next 15 years, with 10 positions expected within the first five years, another 10 within ten years, and the final five within fifteen years.

  West River produces belt drives, discharge and transfer stations, tail sections, take-up units, power packs, starters, belt storage units, winches, and structural components built to customer specifications. The company also offers new and used conveyor parts, as well as complete conveyor packages. The project represents a long-term investment in Buchanan County's industrial base, demonstrating sustained demand for manufacturing and equipment fabrication within the regional mining and logistics sectors.

II.4.c: Dickenson County

- **Bird Dog Distributors**: In September 2024, Bird Dog Distributors, a medical and industrial plastics manufacturer, announced plans to expand its existing facility on Little Six Lane in Clintwood. The project will add 43 new jobs to the company's current 12 positions, bringing total employment to approximately 55 workers. The facility occupies a redeveloped former coal mining site, and the expansion represents one of the more notable examples of industrial reuse and economic diversification in Dickenson County. Production will focus on specialized plastic components for medical and industrial clients, supporting both regional job creation and the reuse of previously underutilized land.

II.4.d: Tazewell County

- **CNX Resources**: In September 2024, CNX Resources completed construction of its regional headquarters in Tazewell County, which supports the company's operations extracting clean natural gas from waste methane in coal seams across Southwest Virginia. The new facility will house approximately 75 employees, create eight additional positions, and expand the building's footprint by about 85 percent. The investment strengthens the region's growing clean energy sector and reinforces the company's long-term presence in Tazewell County.

- **Lawrence Brothers**: This Bluefield-based firm announced in April 2025 that it will purchase new equipment to support an expansion of its operations. The company was founded in 1974 as a welding business and now specializes in heavy metal fabrication and custom metal applications serving multiple industries. The investment is expected to create 37 new jobs, with an average hourly wage of approximately $19.

II.4.e: City of Bristol and Washington County

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

- **Home2Suites and Tru by Hilton**: In spring 2025, construction was completed on two new hotels at The Village at Exit 7 in the City of Bristol. The six-story structure includes a 90-room Home2 Suites for extended stays and a 70-room Tru by Hilton hotel. Both hotels are expected to support the area's hospitality sector and the growing visitor demand generated by the new Hard Rock Casino.

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

- **Workforce and Child Development Hub**: Completed in August 2024, this 25,000 square foot facility occupies the former Kmart building near Exit 17 in Abingdon. Operated by Ballad Health System, the center provides childcare services for children aged one to four and employs approximately 70 staff members. The site also includes a training kitchen and mini-grocery store, as well as an additional 60,000 square feet of office suites occupied by organizations such as 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 expects to add at least five additional staff members following completion.

- **SPIG Industry**: In November 2020, SPIG Industry, a manufacturer of highway guardrails and end terminals, announced plans to 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.

- **Appalachian Highlands Community Dental Center**: This 2,400 square foot dental laboratory at 616 Campus Drive in Abingdon opened in April 2025. The facility produces crowns, bridges, and dentures for patients throughout Southwest Virginia.

- **State of Franklin Primary Care**: Construction was completed in April 2024 on this primary care facility located at 117 Cook Street in Abingdon.

- **HMG Urgent Care at Abingdon**: In November 2024, Holston Medical Group completed a new urgent care facility at 631 Campus Drive in Abingdon, located on the site of its former primary care office. The former space was replaced with a 22,000 square foot medical building, now occupied by HMG Primary Care at Abingdon, which relocated across the parking lot.

II.4.f: Smyth County

- **Southeast Utility Trailer**: Southeast Utility Trailer, a company providing new and used trailers, service, and aftermarket parts, is constructing a new facility on approximately 15 acres at 331 Lee Highway in Chilhowie. The project is expected to employ between 15 and 30 workers once operations begin. The investment will strengthen local transportation-related manufacturing and service capacity along the Interstate 81 corridor.

- **Hitachi Energy**: In April 2025, Hitachi Energy, a global manufacturer of electronic transformers for power grids and specialized industries, announced plans to hire an additional 40 employees at its new site in Atkins. The 77,000 square foot warehouse, previously occupied by ZF TRW Automotive, will be used for core cutting, the process of shaping steel sheets and other materials used in transformer cores. The expansion complements 80 planned hires at the company's Bland County facility. Recruiting is underway, and completion is expected by the end of 2026. The new positions are projected to offer an average annual wage of approximately $44,000.

- **Clean Footprint**: Clean Footprint, a solar energy company, has acquired approximately 150 acres at 1345 Cedar Branch Road in Saltville, where it plans to construct a 10 MW AC ground-mounted photovoltaic solar facility. Each megawatt will include roughly 2,200 solar panels mounted on a steel and aluminum racking structure, averaging about seven feet above grade. The site will be continuously monitored through a computer-based data acquisition system, allowing technicians to be dispatched as needed. Qualified solar operations and maintenance crews will perform biannual inspections of the panels, support structures, and fencing.

II.4.g: Scott County

- **VFP**: This producer of custom-designed protective enclosures announced in October 2025 that it will expand its Duffield manufacturing campus in Scott County, a project expected to create approximately 200 new jobs and effectively double production capacity.

II.4.h: Lee County

- **White Rock Truss & Components, LLC**: Construction was completed in September 2025 on the expansion of the company's factory in Rose Hill, which will enable the addition of 27 new jobs. Established in Lee County in 2005, White Rock Truss & Components manufactures building materials, including trusses and engineered lumber, supplied to residential construction firms and home improvement retailers. The expansion was undertaken to meet growing demand for its products.

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 affected employees time to prepare for job transitions. A review of WARN notices shows no filings in Russell County since June 2011, when Clinch Mountain Hardwood Flooring announced the closure of its Russell County facility, resulting in the loss of 25 jobs. Accordingly, the decline in at-place employment shown in **Table 2** cannot be attributed to any recent mass layoffs.

II.6: Economic Overview Summary

Russell County's employment base has experienced a steady long-term decline, both before and since the COVID-19 pandemic. Total at-place employment declined from 7,023 jobs in 2015 to 6,743 in 2019, and then further to 6,150 jobs in 2024, representing an overall loss of 873 positions over nine years. These reductions reflect contraction across key sectors, such as manufacturing, professional and technical services, and mining, partially offset by smaller gains in construction, healthcare, and local government.

Resident employment has been more stable over the same period, suggesting that many Russell County residents continue to find work in surrounding areas even as local job opportunities have declined. Between 2019 and 2024, the number of employed residents decreased by only 216 people, from 9,292 to 9,076, while the labor force fell by 299 individuals. In 2024, Russell County had approximately 9,100 employed residents, but only 6,150 local jobs, resulting in a difference of nearly 3,000 positions. This imbalance reflects the County's strong regional ties, as a large share of residents commute to nearby jurisdictions, notably Washington, Tazewell, Buchanan, and Wise Counties, for employment.

Looking ahead, ongoing and planned economic development projects are expected to offset most of the job losses experienced over the past decade. Within Russell County, recently announced and active projects, including the Tate Data Center Components Plant, Simmons Equipment Company's expansion, Bates Family Farm's relocation, and the proposed Pure

Salmon aquaculture facility, are projected to create approximately 830 new jobs, with about 250 positions already filled.

In addition, neighboring counties across Southwest Virginia are collectively expected to generate over 2,100 additional jobs through new industrial, manufacturing, and service-sector investments. However, many of these positions, particularly those associated with the Hard Rock Hotel & Casino in Bristol, have been filled, reflecting near-term job absorption within the regional labor market.

Together, these developments point to a shift from gradual contraction toward regional employment expansion. The scale and timing of current and planned projects suggest that Russell County's job base may strengthen in the coming years, supported by renewed private investment, industrial growth, and the County's proximity to multiple expanding employment centers.

Section III: Demographic Analysis

This section provides an overview of demographic and housing conditions in Russell County, including population and household characteristics, income distribution, housing tenure, rent burden, and the number of households living in substandard housing. It also examines the composition and age of the County's housing stock, as well as tenure patterns by household length of residence.

Preparing demographic forecasts in a locality where population growth has been stagnant or negative is inherently difficult. Projections that rely on past trends can misrepresent future conditions, especially when historical data reflect the effects of housing loss, limited construction, and long-term economic restructuring. Because future development or policy changes could influence these patterns, the study does not include population or household forecasts.

Instead, the analysis focuses on current demographic and housing conditions, which provide a more accurate foundation for planning and policy. These data illustrate the scale and nature of population decline, aging households, and housing attrition, offering a basis for strategies to stabilize the County's population, address affordability challenges, and guide reinvestment in the existing housing stock.

III.1: Population and Household Trends

Table 6 presents population and household trends in Russell County between 2000 and 2024. Over this 24-year period, the County's population declined from 30,308 residents in 2000 to an estimated 24,965 in 2024, representing a net loss of approximately 17.6 percent. The steepest decline occurred between 2010 and 2020, during which the population decreased by 10.8 percent, following a smaller decline of 4.7 percent between 2000 and 2010. Since 2020, the rate of decline has moderated, with the population estimated to have fallen by another 3.2 percent by 2024.

Several structural and economic factors underlie these trends. The early 2000s were marked by continued contraction in the manufacturing sector, which had long served as a cornerstone of Russell County's economy. Major job losses included the closure of Teleflex in

February 2005, resulting in 224 job losses, a reduction of 68 jobs at Lear Corporation in April 2006, and three rounds of layoffs at Alcoa Wheel Products between June 2006 and January 2010 that eliminated 143 jobs. The closure of the International Automotive Components Group facility in December 2010 resulted in the loss of another 113 jobs. The cumulative loss of more than 500 manufacturing positions over the decade contributed to outmigration, declining labor force participation, and a shrinking household population.

Part of the population loss during the 2000s also reflects changes in the group quarters population, which fell from 1,490 residents in 2000 to 434 in 2010, primarily due to a decline in the County's correctional institution population. This reduction accounted for roughly 70 percent of the total decline in group quarters and contributed to the County's overall population decrease during that period. However, the broader downward trend in household population reflects that changes in correctional facilities were only one component of a wider demographic contraction.

Population change has not been uniform across the County's incorporated towns. Between 2000 and 2010, the Towns of Cleveland, Honaker, and Lebanon experienced modest growth, while St. Paul recorded a slight decline. Since 2010, however, all four towns have experienced population loss. Cleveland's population declined from 202 residents in 2010 to 134 in 2024, representing a 33.7 percent decrease. Honaker decreased from 1,449 to 1,192, representing a 17.7 percent decline. Lebanon's population fell from 3,424 to 3,093, a reduction of 9.7 percent, and St. Paul's population declined from 970 to 835, a decrease of 13.9 percent. These trends indicate that population loss has been widespread, affecting both incorporated and unincorporated areas, with limited evidence of localized recovery or stabilization

Other key points from **Table 6** include the following:

- **Group Quarters Population:** The group quarters population includes individuals living in correctional facilities, nursing homes, and other institutional settings. In Russell County, this population declined sharply between 2000 and 2010, falling from 1,490 residents to 434, a decrease of more than 70 percent. This reduction was driven primarily by the relocation of inmates following the establishment of the Southwest Virginia Regional Jail Authority (SWVRJA).

By the mid-2000s, Russell County began housing its inmates in regional facilities operated by the SWVRJA, which serves several jurisdictions across Southwest Virginia. The Authority opened its Abingdon facility in 2005, followed by additional sites in Duffield in Scott County, Haysi in Dickenson County, and Tazewell County. Once these regional jails became operational, individuals sentenced in Russell County were transferred to those facilities.

Because the U.S. Census Bureau counts incarcerated individuals at the location of their correctional facility on Census Day, these inmates were enumerated in the counties where the new jails were located, including Washington, Scott, and Dickenson Counties, rather than in Russell County. As a result, Russell County's correctional group quarters count fell sharply between 2000 and 2010, even though the total number of incarcerated individuals across the region remained relatively stable.

At the same time, the Appalachian Detention and Diversion Center, located near Honaker, serves as the only state-operated correctional site within the County, functioning as a Community Corrections Alternative Program facility with a capacity of approximately 100 to 106 participants. This program-based center replaced the large-scale inmate housing that had previously inflated the County's 2000 correctional population.

By the 2020 Census, Russell County's group quarters population had stabilized at 408 residents, with an estimated 410 in 2024. This stability reflects a balance among smaller institutional settings such as the CCAP facility, nursing homes, and assisted living residences. It also indicates that large fluctuations tied to correctional facilities are no longer a major demographic factor.

The 2010 Census incorporated improved group quarters classification methods that reduced miscounts and more accurately assigned individuals to their proper facility locations. These methodological refinements, combined with the regionalization of jail operations, account for the sharp decline in Russell County's reported institutional population between 2000 and 2010.

Overall, the data show that the steep decline in Russell County's total population during the 2000s was partly due to administrative rather than demographic factors. Much of the reduction stemmed from changes in where inmates were counted rather than from community outmigration. Today, the influence of institutional populations on the County's demographic and housing base is minimal.

- **Households**: The number of households in Russell County has remained relatively stable over the past two decades despite population decline. Between 2000 and 2010, the total number of households increased slightly, from 11,789 to 11,943, representing a gain of approximately 1.3 percent. This modest growth occurred even as the County's population declined by 4.7 percent, reflecting smaller household sizes and continued household formation among older adults and single-person households.

Between 2010 and 2020, the number of households decreased to 11,063, representing a 7.4 percent reduction. By 2024, household counts are estimated to be 10,869, representing a total decline of approximately 7.8 percent since 2000. The pace of household loss has been slower than the overall population decline, suggesting that reductions in average household size partially offset total population loss through ongoing, although limited, household formation.

The average household size declined from 2.44 persons in 2000 to 2.38 in 2010, 2.29 in 2020, and is projected to be 2.26 in 2024. These consistent decreases mirror national patterns toward smaller household structures. The trend reflects an aging population, an increase in single-person and older-adult households, and delayed household formation among younger residents due to financial and lifestyle factors.

Although Russell County's total population continues to decline, the gradual decrease in household size indicates that housing demand does not increase in direct proportion to population growth. Even modest decreases in household size can sustain the total number of households and, by extension, maintain the need for housing units. This relationship helps explain why local housing demand may remain relatively stable despite long-term population decline.

- **<u>Housing Tenure: Renters and Owners</u>**: Housing tenure patterns in Russell County remain predominantly owner-occupied, though the renter share has increased gradually over the past two decades. In 2000, renters accounted for 18.9 percent of all households. By 2010, the renter share had risen to 21.0 percent, and by 2020, it reached 21.8 percent. The renter proportion is projected at 22.1 percent in 2024.

  The number of renter households increased from 2,232 in 2000 to 2,512 in 2010, representing a 12.6 percent gain. Since then, renter counts have remained relatively stable, declining slightly to 2,410 in 2020 and 2,402 in 2024. In contrast, the number of owner households fell from 9,557 in 2000 to 9,431 in 2010, 8,653 in 2020, and an estimated 8,467 in 2024. This represents a total decline of 11.4 percent in owner households since 2000.

  These trends indicate that most household losses in Russell County have occurred among owner-occupied units, while the rental sector has remained comparatively stable. The gradual increase in the renter share reflects both demographic and economic influences, including an aging population transitioning out of homeownership, limited income growth relative to housing costs, and affordability constraints facing first-time buyers.

  By 2024, owners are projected to represent 77.9 percent of all households, while renters account for 22.1 percent. This shift of roughly four percentage points toward rental housing since 2000 signals a slow but steady rebalancing of tenure composition. Although homeownership continues to dominate the local housing market, the relative stability of the rental sector suggests it has become an enduring and essential part of the County's housing stock.

In summary, Russell County's demographic and housing conditions reflect a long-term pattern of population decline shaped by both economic restructuring and administrative changes in how institutional residents are counted. As shown in **Table 6**, the County's total population has decreased steadily since 2000, while household counts have declined more gradually due to smaller average household sizes and continued household formation among older adults.

The renter share has risen modestly over time, signaling a gradual shift toward rental housing, while the group quarters population has stabilized at a small share of the total. Population losses have been broad-based across the County, including in each of its incorporated towns, which is consistent with a regional pattern of gradual population decline rather than localized or temporary fluctuation.

Together, these indicators suggest a maturing, aging housing market characterized by slow population contraction, smaller households, and steady, though limited, rental demand.

Table 6: Population and Household Trends — Russell County, VA (2000-2024)

	2000	2010	2020	2024
Russell County Population	30,308	28,897	25,781	24,965
Town of Cleveland	148	202	136	134
Town of Honaker	945	1,449	1,217	1,192
Town of Lebanon	3,273	3,424	3,159	3,093
Town of St. Paul [1]	1,000	970	866	835
Group Quarters Population [2]	1,490	434	408	410
Household Population	28,818	28,463	25,373	24,555
Persons per Household	2.44	2.38	2.29	2.26
Total Households	11,789	11,943	11,063	10,869
Renter Households	2,232	2,512	2,410	2,402
Percent Renter Households	18.9%	21.0%	21.8%	22.1%
Owner Households	9,557	9,431	8,653	8,467
Percent Owner Households	81.1%	79.0%	78.2%	77.9%

[1] Partially in Wise County.

[2] Reflects a decline in the population of correctional institutions from 1,217 in 2000 to170 in 2010.

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 7 presents a profile of owner-occupied households in Russell County categorized by household size and income. The data show a concentration of homeowners among smaller households and a broad range of income levels.

Two-person households represent the largest ownership group, with 3,453 of the County's 8,467 owner households, or about 41 percent of the total. One-person households account for 2,192, or roughly 26 percent. Combined, one- and two-person households make up 67 percent of all owner households, highlighting the prominence of older couples and individuals living alone. Larger families are less common. Three-person households total 1,432, or 17 percent, while households with four or more people number 1,390, or about 16 percent. This distribution indicates that homeownership in Russell County is concentrated among smaller, and likely older, households rather than younger families with children.

In terms of income, about 3,289 owner households, or 39 percent, earn less than $40,000 per year. Most of these households consist of one or two persons, suggesting that many are occupied by older residents or individuals on fixed incomes. These lower-income owners may face ongoing challenges related to housing affordability, property maintenance, and long-term upkeep.

Middle-income households, earning between $60,000 and $100,000 per year, total 1,857, or approximately 22 percent of all owners. Within this group, households with three or four persons are more prevalent, reflecting income levels typical of working families and dual-earner households. The $75,000 to $100,000 income band alone includes 1,115 households, or 13 percent of all owners, representing a key segment of moderate-income, financially stable homeowners.

At the upper end of the income spectrum, approximately 1,835 households, or 22 percent, report annual incomes above $100,000. This group comprises 585 households earning between $100,000 and $124,999, 487 earning between $125,000 and $149,999, 428 earning between $150,000 and $199,999, and 335 earning $200,000 or more. These higher-income owners comprise both smaller professional households and larger families with greater financial capacity to purchase, maintain, and upgrade homes.

In summary, homeownership in Russell County is predominantly characterized by smaller households, many of which are composed of older adults or retirees. This relationship between household size and the County's aging population underscores the link between demographic change and housing market conditions. The prevalence of lower-income, single-person owners highlights ongoing concerns about affordability and housing quality, particularly among seniors on fixed incomes.

At the same time, the presence of higher-income households demonstrates a financially secure segment that provides stability within the ownership market. Together, these dynamics suggest a bifurcated ownership landscape characterized by both economic vulnerability and long-term resilience.

Table 7: Owner Households by Income and Size — Russell County, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	241	61	16	55	2	375
$10,000-$20,000	566	242	25	5	1	839
$20,000-$30,000	310	434	117	32	41	934
$30,000-$40,000	348	494	171	20	108	1,141
$40,000-$50,000	159	447	93	39	7	745
$50,000-$60,000	103	501	101	35	1	741
$60,000-$75,000	117	206	203	155	61	742
$75,000-$100,000	60	444	264	243	104	1,115
$100,000-$125,000	89	235	106	87	68	585
$125,000-$150,000	74	78	57	255	23	487
$150,000-$200,000	24	141	249	9	5	428
$200,000+	101	170	30	11	23	335
Total	**2,192**	**3,453**	**1,432**	**946**	**444**	**8,467**

Source: Ribbon Demographics

III.3: Renter Households by Income and Size

Table 6 provides an overview of renter households in Russell County, categorized by household size and income level. The data show a rental market dominated by smaller households and concentrated in lower-income brackets, with relatively few higher-income renters or large renter households.

One-person households account for the largest share of all renters, totaling 1,069 of the County's 2,402 renter households, or 44.5 percent. Two-person households follow with 621 households, or 25.9 percent. Combined, one- and two-person households make up 70.4 percent of all renters, illustrating that most of the County's rental housing serves single adults and couples rather than families. Larger renter households are less common. Three-person households total 299, or 12.4 percent, while four- and five-person households together account for 413, or 17.2 percent. The limited presence of larger renter households reflects an aging population, smaller household structures, and a limited stock of larger rental units suitable for families.

In terms of income, the data show a strong concentration of renters at the lower end of the income scale. Approximately 1,180 renter households, or 49 percent, earn less than $30,000 per year. The largest single income group is the $10,000 to $20,000 range with 496 households, or 20.6 percent, followed by 477 households, or 19.9 percent, earning less than $10,000. These lower-income renters are predominantly one-person households, suggesting that many are older adults, individuals on fixed incomes, or workers employed in low-wage service occupations.

The middle-income range, defined here as households earning between $40,000 and $75,000 annually, includes 493 renter households, or 20.5 percent. Within this tier, household sizes are more varied, including three- and four-person households that are more likely to represent working families or dual-earner households. These renters may struggle with affordability challenges depending on the cost and availability of appropriately priced units.

Higher-income renters, defined as those earning above $75,000 annually, represent a relatively small share of the total, with 483 households, or 20.1 percent. Most of these households earn between $75,000 and $125,000, totaling 387 households, while 96 households earn more than $125,000. These higher-income renters are primarily smaller households who may have the financial capacity to purchase homes but remain in the rental market due to lifestyle preferences, limited for-sale housing inventory, or transitional life circumstances.

Overall, Russell County's rental market is characterized by a predominance of small, lower-income households and a limited number of larger family renters. The strong presence of single-person and low-income renters indicates persistent demand for affordable and accessible rental housing, particularly for seniors, single adults, and residents with modest or fixed incomes. At the same time, the consistent share of middle- and higher-income renters points to a modest but stable demand for quality rental housing options that serve a broader range of incomes.

Table 8: Renter Households by Income and Size — Russell County, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	302	143	13	12	7	477
$10,000-$20,000	292	90	65	6	43	496
$20,000-$30,000	106	48	3	23	27	207
$30,000-$40,000	52	119	36	5	34	246
$40,000-$50,000	92	52	44	32	4	224
$50,000-$60,000	20	21	23	9	55	128
$60,000-$75,000	16	83	14	14	14	141
$75,000-$100,000	34	12	23	39	7	115
$100,000-$125,000	29	12	41	13	36	131
$125,000-$150,000	52	11	9	3	7	82
$150,000-$200,000	44	20	14	12	3	93
$200,000+	30	10	14	4	4	62
Total	**1,069**	**621**	**299**	**172**	**241**	**2,402**

Source: Ribbon Demographics

III.4: Rent-Overburdened Households

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

As shown in **Table 9**, an estimated 577 renter households in Russell County, or 22.8 percent of all renters, are rent-overburdened. In other words, nearly one in four renters spend more than 35 percent of their income on housing. Although this share is lower than in many higher-cost localities, it nonetheless represents a meaningful level of housing stress for a portion of the County's renter population.

Rent burden in Russell County is heavily concentrated among households earning less than $35,000 per year. Among the lowest-income renters, 82 households earn less than $10,000, 310 households earn between $10,000 and $19,999, and 172 households earn between $20,000 and $34,999. Combined, these groups account for 564 of the County's 577 rent-overburdened households, or nearly 98 percent of all cost-burdened renters. Only 13 households earning between $35,000 and $49,999 are classified as rent-overburdened, and no rent-overburdened households are reported among those earning $50,000 or more.

The table also identifies a substantial number of renter households categorized as "Not Computed," totaling 693, or roughly 27 percent of all renter households. These include cases where either income or housing cost data were insufficient to determine affordability status. Many are concentrated at lower income levels, suggesting that the true extent of rent burden may be somewhat higher than reported.

Overall, the data show that the rent burden in Russell County is primarily a low-income issue. Nearly all rent-overburdened households earn less than $35,000 per year, underscoring the limited availability of affordable housing for lower-income residents. While the County's overall rent-overburden rate of 22.8 percent appears moderate, the concentration of housing cost pressures among the lowest-income renters highlights the ongoing need for affordable and accessible housing options for seniors, single adults, and households living on fixed or modest incomes.

Table 9: Rent-Overburdened Households by Income — Russell County, VA		
	Total Households	Share of Total
Less Than $10,000	234	9.2%
Less than 35.0 Percent	0	0.0%
More than 35.0 Percent	82	3.2%
Not Computed	150	5.9%
$10,000 To $19,999	701	27.7%
Less than 35.0 Percent	236	9.3%
More than 35.0 Percent	310	12.2%
Not Computed	155	6.1%
$20,000 To $34,999	543	21.4%
Less than 35.0 Percent	250	9.9%
More than 35.0 Percent	172	6.8%
Not Computed	121	4.8%
$35,000 To $49,999	312	12.3%
Less than 35.0 Percent	182	7.2%
More than 35.0 Percent	13	0.5%
Not Computed	117	4.6%
$50,000 To $74,999	346	13.7%
Less than 35.0 Percent	303	12.0%
More than 35.0 Percent	0	0.0%
Not Computed	43	1.7%
$75,000 To $99,999	175	6.9%
Less than 35.0 Percent	132	5.2%
More than 35.0 Percent	0	0.0%
Not Computed	43	1.7%
$100,000 Or More	223	8.8%
Less than 35.0 Percent	159	6.3%
More than 35.0 Percent	0	0.0%
Not Computed	64	2.5%
Total	2,534	100.0%
More than 35.0 Percent	**577**	**22.8%**
Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)		

III.5: Households in Substandard Housing

Table 10 provides an overview of households in Russell County living in substandard housing, based on two primary criteria: the presence of complete plumbing facilities and the degree of household crowding. Occupancy levels follow HUD guidelines, which categorize households as having 1.00 or fewer occupants per room, 1.01 to 1.50 occupants per room, or more than 1.50 occupants per room.

For this analysis, substandard housing includes any household lacking complete plumbing facilities or classified as overcrowded, defined as having more than 1.00 occupants per room. According to **Table 10**, 63 households in Russell County meet one or both of these conditions, representing 0.6 percent of the County's 10,470 occupied households. This finding indicates that nearly all housing units in the County meet minimum adequacy standards for plumbing and living space.

Of the 63 substandard households, 47 are owner-occupied and 16 are renter-occupied, with each tenure type accounting for approximately 0.6 percent of its respective household total. Nearly all substandard conditions stem from overcrowding rather than a lack of plumbing facilities. The County reports only one household without complete plumbing, while 62 households live in dwellings that meet the definition of overcrowded.

Among owner-occupied units, 36 households have between 1.01 and 1.50 occupants per room, and 10 households have more than 1.50 occupants per room, indicating mild to moderate overcrowding in a small portion of the owner housing stock. Among renter households, 16 households are slightly overcrowded, falling within the range of 1.01 to 1.50 occupants per room.

Overall, substandard housing in Russell County is rare, affecting only a small fraction of both owner and renter households. The data suggest that housing adequacy is generally high, reflecting modernized housing conditions, stable occupancy patterns, and broad access to basic utilities. However, the limited number of overcrowded owner households may indicate localized shortages of larger, affordable homes or the presence of multigenerational households occupying older properties in certain areas of the County.

Table 10: Households in Substandard Housing — Russell County, VA		
	Total Households	**Share of Total**
Owner Occupied		
Complete Plumbing Facilities:	7,935	75.8%
1.00 Or Less Occupants Per Room	7,889	75.4%
1.01 To 1.50 Occupants Per Room	36	0.3%
1.51 Or More Occupants Per Room	10	0.1%
Lacking Complete Plumbing Facilities:	1	0.0%
1.00 Or Less Occupants Per Room	1	0.0%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
(Subtotal)	*(7,936)*	*(75.8%)*
Renter Occupied		
Complete Plumbing Facilities:	2,534	24.2%
1.00 Or Less Occupants Per Room	2,518	24.1%
1.01 To 1.50 Occupants Per Room	16	0.2%
1.51 Or More Occupants Per Room	0	0.0%
Lacking Complete Plumbing Facilities:	0	0.0%
1.00 Or Less Occupants Per Room	0	0.0%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
(Subtotal)	*(2,534)*	*(24.2%)*
Total	**10,470**	**100.0%**
Lacking Complete Plumbing	1	0.0%
With Plumbing but Overcrowded	62	0.6%
Total Substandard Housing	**63**	**0.6%**
Owner Substandard Housing	**47**	**0.6%**
Rental Substandard Housing	**16**	**0.6%**
Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)		

III.6: Senior Population and Household Trends

Table 11 presents trends in the senior population and senior-headed households in Russell County, distinguishing between renter and owner households.

Russell County's total population declined steadily from 30,308 in 2000 to an estimated 24,965 in 2024, a net loss of 5,343 residents, or 17.6 percent. Over the same period, the total number of households increased slightly from 11,789 in 2000 to 11,943 in 2010, then declined to 10,869 by 2024, a net decrease of 920 households, or 7.8 percent. These declines in population and households occurred alongside a substantial demographic shift toward an older population.

The senior population, defined as residents aged 62 and older, increased from 4,894 in 2000 to 7,427 in 2024, a rise of 2,533 individuals, or 51.8 percent. Seniors accounted for 16.2 percent of the County's population in 2000, rising to 29.8 percent in 2024, meaning that nearly one in three residents is now a senior. This growth occurred even as the overall population declined, underscoring the County's rapidly aging demographic profile.

The number of senior-headed households followed a similar pattern, rising from 3,281 in 2000 to 4,923 in 2024, a gain of 1,642 households, or approximately 50 percent. The senior share of all households increased from 27.8 percent to 45.3 percent, indicating that nearly half of all households in the County are now led by individuals aged 62 or older. This shift reflects the aging of long-term residents and the limited influx of younger households, both of which contribute to an older overall household base.

Among homeowners, the number of senior-headed owner households increased from 2,841 in 2000 to 4,035 in 2024, a rise of 1,194 households, or 42 percent. The senior share of all household owners increased from 29.7 percent to 47.7 percent, while the total number of household owners declined slightly during the same period. This pattern demonstrates the extent to which aging in place among existing homeowners has shaped the County's ownership profile.

Senior renter households also increased, although at a smaller absolute scale. Between 2000 and 2024, the number of senior renter households doubled from 440 to 888, an increase of 448 households, or 101.8 percent. The senior share of renter households rose from 19.7 percent to 37.0 percent, meaning that more than one in three renter households are now senior-led. This growth reflects both demographic aging and an increasing tendency among seniors to downsize or transition to rental housing as they age.

Overall, the data show that Russell County's population is aging rapidly, with seniors representing a growing share of both residents and households. As the County continues to lose younger residents and experience slower household formation, housing demand will increasingly shift toward smaller, accessible, and low-maintenance units suited to older adults. Addressing these evolving needs will be crucial to supporting Russell County's aging population and enabling long-term residents to remain in their communities as they age.

Table 11: Senior Population and Household Trends — Russell County, VA (2000–2024)				
	2000	**2010**	**2020**	**2024**
Russell County				
Total Population	30,308	28,897	25,781	24,965
Total Households	11,789	11,943	11,063	10,869
Total Owner Households	9,557	9,431	8,653	8,467
Total Renter Households	2,232	2,512	2,410	2,402
Senior Demographics (62+)				
Senior Population	4,894	5,908	7,086	7,427
Share of Total Population	16.2%	20.4%	27.5%	29.8%
Senior Households	3,281	3,954	4,646	4,923
Share of Total Households	27.8%	33.1%	42.0%	45.3%
Senior Owner Households	2,841	3,455	3,869	4,035
Share of Owner Households	29.7%	36.6%	44.7%	47.7%
Senior Renter Households	440	499	777	888
Share of Renter Households	19.7%	19.9%	32.2%	37.0%

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 12 presents the distribution of senior renter households in Russell County, defined as those headed by individuals aged 62 and older, by income level and household size. In 2024, there were 888 senior renter households, reflecting the County's aging population and the increasing importance of rental housing as a housing option for older residents.

Senior renter households in Russell County are primarily small. One-person households total 521, or 58.7 percent, while two-person households account for 242, or 27.3 percent. Together, these two groups represent 86 percent of all senior renter households, demonstrating that most older renters live alone or with one other person. Larger senior renter households are relatively uncommon, comprising 47 three-person households, 9 four-person households, and 69 five-person households, which together account for 14 percent of senior renters. These larger households likely consist of seniors living with adult children, other relatives, or caregivers.

Income data show that most senior renter households in Russell County have limited financial resources. Nearly three-quarters, or 73.1 percent, earn less than $40,000 per year. This includes 211 households, or 23.8 percent, with incomes below $10,000; 221 households, or 24.9

percent, earning between $10,000 and $20,000; 99 households, or 11.1 percent, earning between $20,000 and $30,000; and 118 households, or 13.3 percent, earning between $30,000 and $40,000. An additional 33 households, or 3.7 percent, earn $40,000 to $50,000, and 48 households, or 5.4 percent, fall within the $50,000 to $60,000 range.

At higher income levels, the number of senior renter households declines sharply. Only 26 households, or 2.9 percent, earn between $60,000 and $75,000; 24 households, or 2.7 percent, earn $75,000 to $100,000; and 108 households, or 12.2 percent, earn more than $100,000. These higher-income renters are predominantly one- or two-person households, suggesting that most seniors with greater financial means prefer smaller, independent living arrangements rather than larger family settings.

Overall, the data show that senior renter households in Russell County are concentrated in smaller household sizes and lower income ranges. The prevalence of low- to moderate-income seniors underscores the continuing need for affordable, accessible rental housing designed for one- and two-person households. As the senior population continues to expand, local planning efforts should prioritize affordability, accessibility, and supportive services that enable older adults to remain safely and independently housed within their communities.

Table 12: Senior Renter Households by Income and Size — Russell County, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	171	27	6	2	5	211
$10,000-$20,000	187	25	3	0	6	221
$20,000-$30,000	50	41	1	0	7	99
$30,000-$40,000	23	77	8	1	9	118
$40,000-$50,000	14	14	2	0	3	33
$50,000-$60,000	5	21	3	1	18	48
$60,000-$75,000	8	6	3	2	7	26
$75,000-$100,000	9	5	5	1	4	24
$100,000-$125,000	22	8	7	0	6	43
$125,000-$150,000	16	8	2	0	1	27
$150,000-$200,000	9	5	1	2	1	18
$200,000+	7	5	6	0	2	20
Total	**521**	**242**	**47**	**9**	**69**	**888**

Source: Ribbon Demographics

Table 13 presents the distribution of senior owner households in Russell County, defined as those headed by individuals aged 62 and older, by income level and household size. In 2024, there were 4,035 senior owner households, underscoring the central role seniors play in the County's homeowner base.

Senior homeowners are overwhelmingly in smaller households. One-person households total 1,621, or 40.2 percent, and two-person households total 2,042, or 50.6 percent. Combined, these two groups represent 90.8 percent of all senior owner households, consistent with the trend of aging in place after children move out or following the loss of a spouse. Larger senior owner households are less common, including 235 three-person households, 104 four-person households, and 33 five-person households. These larger households likely reflect multigenerational living arrangements or seniors supporting adult family members.

Income levels among Russell County's senior homeowners span a wide range but include a significantly lower-income segment. A total of 1,447 households, or 35.9 percent, earn less than $30,000 per year. This includes 237 households with incomes under $10,000, 634 earning $10,000 to $20,000, and 576 earning $20,000 to $30,000. A substantial middle-income group falls between $30,000 and $60,000, totaling 1,614 households, or 40.0 percent, composed of 721 households earning $30,000 to $40,000, 448 households earning $40,000 to $50,000, and 445 households earning $50,000 to $60,000.

At higher income levels, 292 households, or 7.2 percent, earn between $75,000 and $100,000, while 384 households, or 9.5 percent, earn above $100,000. These upper-income categories are concentrated among one- and two-person households, such as 64 two-person households earning more than $200,000 and 37 earning between $150,000 and $200,000. This distribution reflects a small but financially secure group of older homeowners with greater ability to maintain or upgrade their homes.

Overall, senior owner households in Russell County are predominantly small, with incomes concentrated in the low- to middle-income ranges and a smaller, higher-income segment providing balance within the ownership base. Many lower-income senior homeowners may face increasing challenges related to home maintenance, property taxes, and healthcare costs as they continue to age in place. By contrast, higher-income seniors tend to occupy smaller homes and are better positioned to absorb major repairs, accessibility modifications, or increases in utility costs.

Table 13: Senior Owner Households by Income and Size — Russell County, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	179	53	5	0	0	237
$10,000-$20,000	468	163	3	0	0	634
$20,000-$30,000	239	313	22	0	2	576
$30,000-$40,000	308	331	72	0	10	721
$40,000-$50,000	107	315	20	1	5	448
$50,000-$60,000	70	363	12	0	0	445
$60,000-$75,000	82	135	31	48	2	298
$75,000-$100,000	55	160	13	51	13	292
$100,000-$125,000	30	70	44	1	0	145
$125,000-$150,000	38	38	8	0	0	84
$150,000-$200,000	15	37	3	0	0	55
$200,000+	30	64	2	3	1	100
Total	**1,621**	**2,042**	**235**	**104**	**33**	**4,035**

Source: Ribbon Demographics

Tables 12 and **13** show that senior owners greatly outnumber senior renters in Russell County, with 4,035 owner households compared with 888 renter households. Both groups are predominantly composed of smaller households, particularly those with one or two persons. Among renters, 521 one-person households, or 58.7 percent, and 242 two-person households, or 27.3 percent, together represent 86 percent of senior renter households. Senior owners exhibit a similar but slightly stronger concentration, comprising 1,621 one-person households (40.2 percent) and 2,042 two-person households (50.6 percent), which together account for 90.8 percent of all senior owner households. This pattern highlights the prevalence of older adults living alone or as couples, consistent with aging-in-place and life-cycle household transitions.

Income distributions reveal clear differences in financial capacity between senior renters and owners. Senior renters are more heavily concentrated in lower-income brackets, with nearly 60 percent, or 531 households, earning below $30,000 per year. In contrast, 35.9 percent of senior owners, or 1,447 households, fall within that range. Owners are more evenly distributed across income levels, with substantial representation in middle-income ranges. About 40 percent of owners, or 1,614 households, earn between $30,000 and $60,000, while 17 percent, or 676 households, earn above $75,000. Among renters, only about 15 percent, or 132 households, earn more than $75,000 per year.

These patterns show that, while both groups primarily consist of smaller households, senior renters are significantly more likely to have limited incomes and face affordability challenges. Senior owners, by contrast, are more financially diverse, with a larger share in middle- and upper-income categories, reflecting greater housing stability, home equity, and long-term asset accumulation among older homeowners.

III.8: Rent-Overburdened Senior Households

Renter households are considered rent-overburdened when they spend more than 35 percent of their gross income on rent and utilities. For seniors, housing costs exceeding 40 percent of income are generally classified as a severe rent burden. These thresholds are used to identify households that are financially constrained and at greater risk of housing instability, particularly those with fixed or limited incomes.

According to **Table 14**, there are 702 senior renter households in Russell County. Of these, 214 households, or 30.5 percent, spend more than 35 percent of their income on rent and utilities. Within this group, 182 households, or 26.0 percent, devote more than 40 percent of their income to housing, indicating a high level of cost strain among older renters. Because many senior households rely primarily on Social Security or other fixed income sources, these cost burdens suggest that a substantial share of older renters are financially vulnerable to rent increases or unexpected expenses.

A smaller portion of seniors experience relatively manageable housing costs. About 14.5 percent of senior renters spend less than 20 percent of their income on rent, while 26.5 percent fall within the moderately burdened range of 20.0 to 34.9 percent. This includes 5.6 percent paying between 20.0 and 24.9 percent, 9.4 percent paying between 25.0 and 29.9 percent, and 11.5 percent paying between 30.0 and 34.9 percent. While these households are not considered cost-burdened, many may still face financial pressure from other essential expenses, such as utilities, healthcare, and transportation.

An additional 199 households, or 28.4 percent, fall into the "Not Computed" category, meaning that their gross rent as a share of income could not be determined due to insufficient or irregular income data. Many of these households are likely to have very low or fluctuating income, suggesting that the true extent of rent burden among senior renters may be understated in the available data.

Overall, **Table 14** underscores that a substantial portion of Russell County's senior renters face significant affordability challenges. More than one in four pay over 40 percent of their income toward rent, highlighting the persistent cost pressures faced by seniors living on limited incomes. These findings highlight the need for affordable and accessible housing options specifically designed for older adults, including smaller units with predictable costs that enable residents to age in place with financial stability and a reduced risk of housing insecurity.

Table 14: Senior Households by Gross Rent as a Share of Income — Russell County, VA

	Total Households	Share of Total
Householder 62 Years and Over:	702	100.0%
Less Than 20.0 Percent	102	14.5%
20.0 To 24.9 Percent	40	5.6%
25.0 To 29.9 Percent	66	9.4%
30.0 To 34.9 Percent	81	11.5%
35.0 Percent Or More	214	30.5%
Not Computed	199	28.4%
40.0 Percent or More	**182**	**26.0%**

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

III.9: Housing Unit Trends

Table 15 compares net changes in housing units between 2010 and 2020 for Russell County and nearby jurisdictions within the Cumberland Plateau Planning District. The data show a consistent regional pattern of housing unit decline, reflecting limited new construction, the aging of existing homes, and continued population loss across much of Southwest Virginia.

Between 2010 and 2020, Russell County experienced a net loss of 730 housing units, representing a 5.4 percent reduction in its total housing stock. This decline indicates that the removal and demolition of older or vacant homes outpaced new residential construction. The magnitude of loss is consistent with the County's broader demographic and economic conditions, including population decline, modest household growth, and limited private reinvestment in the housing market.

Similar downward trends occurred throughout the region. Buchanan County recorded the steepest loss, both in total units and in percentage terms, with 1,253 fewer homes, a decline of 10.8 percent. Tazewell County lost 1,012 units (4.9 percent), while Dickenson County experienced a smaller decline of 235 units (3.1 percent). Collectively, the Cumberland Plateau Planning District lost 3,230 housing units, or 6.0 percent of its total inventory, underscoring the widespread nature of housing attrition and disinvestment across the region.

Overall, Russell County's housing unit trends mirror regional patterns of slow or negative growth, an aging housing stock, and limited replacement of lost units. These conditions suggest an ongoing need for targeted investment in housing rehabilitation, the replacement of obsolete structures, and incentives to encourage new construction that aligns with local demand and affordability needs. Without reinvestment, the County's housing stock will continue to contract, potentially constraining economic development and limiting options for both current and prospective residents.

Table 15: Net Change in Housing Units — Russell County, VA and Neighboring Jurisdictions (2010-2020)

	2010	2020	Net Change	Percent Change
Russell County	**13,484**	**12,754**	**-730**	**-5.4%**
Buchanan County	11,576	10,323	-1,253	-10.8%
Dickenson County	7,579	7,344	-235	-3.1%
Tazewell County	20,826	19,814	-1,012	-4.9%
Cumberland Plateau Planning District	**53,465**	**50,235**	**-3,230**	**-6.0%**

Source: U.S. Census Bureau

III.10: Occupied Housing Units by Year Structure Built

Table 16 presents the age distribution of Russell County's occupied housing stock, illustrating the County's long-standing pattern of limited new residential development and an aging inventory.

According to the most recent American Community Survey estimates, Russell County contains 10,470 occupied housing units. A large share of these homes are decades old. A total of 5,089 units, or 48.6 percent, were built before 1980, underscoring the predominance of older housing in the County. This includes 745 homes constructed in 1939 or earlier (7.1 percent), 412 built in the 1940s (3.9 percent), 877 built in the 1950s (8.4 percent), 1,028 built in the 1960s (9.8 percent), and 2,027 built in the 1970s (19.4 percent).

Residential development remained moderately active throughout the 1980s and 1990s, during which 1,591 homes (15.2 percent) were built in the 1980s and 1,842 homes (17.6 percent) in the 1990s. Combined, these two decades account for nearly one-third of the County's occupied housing stock.

Since 2000, new construction activity has slowed substantially. Homes built between 2000 and 2009 total 1,329 units (12.7 percent), while those built between 2010 and 2019 add 604 units (5.8 percent). Only 15 occupied homes (0.1 percent) have been built since 2020. Altogether, just 18.6 percent of Russell County's occupied homes were constructed since 2000, indicating that replacement housing and new development have not kept pace with the aging and obsolescence of existing homes.

These data demonstrate that Russell County's housing stock is both aging and slow to expand. The limited number of newer homes contributes to challenges related to housing quality, energy efficiency, and accessibility. As older homes continue to deteriorate, reinvestment in rehabilitation and selective replacement will be crucial to maintaining safe and livable housing conditions.

Table 16: Occupied Housing Units by Year Structure Built — Russell County, VA		
	Homes	Share of Total
Built 2020 or Later	15	0.1%
Built 2010 to 2019	604	5.8%
Built 2000 to 2009	1,329	12.7%
Built 1990 to 1999	1,842	17.6%
Built 1980 to 1989	1,591	15.2%
Built 1970 to 1979	2,027	19.4%
Built 1960 to 1969	1,028	9.8%
Built 1950 to 1959	877	8.4%
Built 1940 to 1949	412	3.9%
Built 1939 or Earlier	745	7.1%
Total	**10,470**	**100.0%**
Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)		

III.11: Tenure by Year Household Moved Into Unit

Table 17 shows when householders in Russell County moved into their current homes, providing insight into residential stability and mobility patterns among both owners and renters. The data indicate 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 2,250 owner households (21.5 percent) moved into their current homes before 1990, while 1,290 (12.3 percent) moved in during the 1990s. Another 1,720 (16.4 percent) moved in between 2000 and 2009, and 1,749 (16.7 percent) between 2010 and 2017. More recently, 643 owner households (6.1 percent) moved in between 2018 and 2020, and 284 (2.7 percent) have moved in since 2021. In total, 75.8 percent of owner households have lived in their current homes for at least seven years, reflecting the long tenure and low turnover typical of a stable ownership market.

By contrast, renter households are substantially more mobile. A total of 1,306 renter households (51.5 percent of all renters) moved into their current units in 2018 or later, including 916 (8.8 percent) between 2018 and 2020 and 390 (3.7 percent) since 2021. Another 599 renter households (5.7 percent) moved in between 2010 and 2017, 230 (2.2 percent) between 2000 and 2009, and 161 (1.5 percent) during the 1990s. Only 238 renter households (2.3 percent) have lived in the same home since before 1990, underscoring the short tenure typical of the rental market.

Overall, these figures show that Russell County's housing market is characterized by long-term residential stability among homeowners and higher turnover among renters. The extended tenure of owner households reflects both an aging homeowner population and limited availability of for-sale housing. In contrast, the shorter tenure among renters underscores the rental sector's role in meeting transitional and short-term housing needs. These patterns suggest that most housing turnover in Russell County results from internal movement among existing residents rather than from in-migration of new households.

Table 17: Tenure By Year Householder Moved Into Unit — Russell County, VA

	Number	Share of Total
Owner Occupied		
Moved In 2021 Or Later	284	2.7%
Moved In 2018 To 2020	643	6.1%
Moved In 2010 To 2017	1,749	16.7%
Moved In 2000 To 2009	1,720	16.4%
Moved In 1990 To 1999	1,290	12.3%
Moved In 1989 Or Earlier	2,250	21.5%
(Subtotal)	*(7,936)*	*(75.8%)*
Renter Occupied		
Moved In 2021 Or Later	390	3.7%
Moved In 2018 To 2020	916	8.8%
Moved In 2010 To 2017	599	5.7%
Moved In 2000 To 2009	230	2.2%
Moved In 1990 To 1999	161	1.5%
Moved In 1989 Or Earlier	238	2.3%
(Subtotal)	*(2,534)*	*(24.2%)*
Total	**10,470**	**100.0%**

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

III.12: Demographic Analysis Summary

Russell County is experiencing a long-term demographic transition characterized by population decline, an aging population, and smaller household sizes. Between 2000 and 2024, the population decreased from 30,308 to an estimated 24,965, representing a 17.6 percent decline. Over the same period, the number of households decreased from 11,789 to 10,869, representing a 7.8 percent decline. A reduction in average household size, from 2.44 to 2.26, has moderated the overall loss in households. These trends reflect both long-term economic restructuring and changes in Census methodology related to how correctional populations are counted.

Russell County's population decline coincided with the contraction of its manufacturing sector during the 2000s, leading to sustained outmigration and a decline in labor force participation. Population losses have occurred throughout the County, including in the towns of Cleveland, Honaker, Lebanon, and St. Paul. Each has experienced population decline since 2010, reflecting a broader regional pattern of demographic contraction across Southwest Virginia.

The senior population is the fastest-growing segment of the County's residents. Between 2000 and 2024, the number of residents aged 62 and older increased from 4,894 to 7,427, representing a 51.8 percent growth. Seniors now represent 29.8 percent of the total population, compared with 16.2 percent in 2000. Senior-headed households increased from 3,281 to 4,923, a 50.0 percent rise, and now account for 45.3 percent of all households. This growth has been driven by aging in place among long-term residents and limited in-migration of younger households. Among seniors, ownership remains dominant, with 4,035 senior-owned households compared to 888 senior renter households.

Income and tenure data show that senior renters are far more likely to face affordability challenges. Nearly half of senior renter households earn less than $30,000 per year, and 26.0 percent spend more than 40 percent of their income on rent and utilities. In contrast, 35.9 percent of senior owners earn less than $30,000 annually, and many face increasing maintenance, tax, or health-related costs as they age. These conditions highlight a growing need for affordable and accessible rental housing, as well as programs that support older homeowners in maintaining safe and functional homes.

Russell County's housing stock is aging, with 48.6 percent of occupied homes built before 1980 and only 18.6 percent constructed since 2000. Between 2010 and 2020, the County lost 730 housing units, a 5.4 percent decline, indicating that demolitions and attrition have outpaced new construction. The limited addition of newer homes contributes to challenges related to energy efficiency, accessibility, and deferred maintenance, particularly among older and lower-income households.

Housing tenure patterns further underscore the stability of the ownership market and the mobility of the rental market. Approximately 75.8 percent of owner households have resided in their current homes for at least seven years, reflecting limited turnover and a high rate of aging in place. In contrast, 51.5 percent of renters moved into their current units in 2018 or later, illustrating a more fluid rental market that caters to the needs of short-term and transitional housing. These patterns suggest that most local housing demand stems from internal movement among existing residents rather than from in-migration of new households.

Taken together, these demographic and housing trends describe a maturing housing market shaped by population decline, aging households, and limited reinvestment. Addressing these challenges will require a coordinated focus on housing rehabilitation, senior-friendly design, and affordability initiatives. Encouraging accessible one-level homes, supporting energy-efficient upgrades, and promoting modest-scale infill or replacement housing would help stabilize the housing market, meet the needs of an aging population, and sustain community vitality.

Section IV: Housing Market Overview

This section analyzes the key components of the regional housing market. The for-sale segment is evaluated by housing type, including single-family homes, townhomes, patio homes, and factory-built homes. The analysis draws on Multiple Listing Service (MLS) data, local assessor records, and interviews with builders and planning officials to present a clear understanding of recent construction activity, housing availability, and local development patterns.

Data show that resale homes account for nearly all for-sale transactions, as S. Patz & Associates did not identify any speculative homes sold in recent years. For the purposes of this report, speculative homes refer to units built by a developer without a confirmed buyer, typically offered for sale upon completion. The absence of speculative construction reflects limited local builder capacity, modest population growth, and conservative lending conditions that discourage small-scale speculative development.

Households seeking newly constructed homes often look outside the region or purchase land to commission custom construction. However, this approach is often cost-prohibitive, given high material and labor costs, stricter financing requirements, and limited availability of buildable lots served by public water and sewer. As a result, most new home activity in Russell County consists of individually constructed single-family homes on purchased lots or the placement of manufactured homes. These homes are typically owner-occupied and vary in size, quality, and location, depending on site conditions and utility access.

Infrastructure gaps reinforce these limitations. While many communities now have access to public water and fiber broadband, public sewer service remains less common. The absence of sewer infrastructure restricts where higher-density or small-lot housing can be built, and it increases development costs for single-family homes on individual parcels. Outside the towns, builders often rely on private septic systems, which limit potential densities and constrain the range of feasible housing types.

Across Russell County, nearly all recently constructed homes are single-family units, reflecting zoning regulations that favor low-density development. Few townhomes are available, and no active subdivisions currently offer single-level patio homes specifically designed for seniors. The region also lacks age-restricted communities, and no such projects are planned or under construction. This lack of senior-oriented development reduces options for older adults who wish to downsize locally, which in turn slows turnover among larger, aging homes that could otherwise re-enter the market for younger households.

Limited housing diversity and the lack of speculative construction constrain choices for first-time buyers and moderate-income households. Many rely on older resale homes that may require repairs or modernization, or on manufactured housing as a more attainable ownership option. The next section examines these dynamics in greater detail, including recent home sales trends, price points, and inventory characteristics that shape the for-sale housing market in Russell County.

This section also analyzes the rental housing market, including both affordable and market-rate segments. Research identified approximately 150 professionally managed rental units across 16 small properties, most of which are in the Town of Lebanon. Nearly 85 percent of these units were built before 2000, and only 13 units have been constructed within the past decade. The age, condition, and in some cases the layout of these units limit their ability to meet current renter preferences. Vacancy among these units is nearly nonexistent, indicating an extremely tight rental market.

The affordable rental housing stock includes five properties totaling 101 units, which generally serve households earning up to 50% or 60% of AMI. Additionally, five deeply subsidized properties offer 216 units for very low-income households through rental assistance programs. Nearly all of these units are currently occupied, underscoring the shortage of available rental housing at all price points.

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

This section analyzes the Russell County for-sale housing market, including trends in annual home sales, sale prices, and residential building permit activity. It also reviews the characteristics of existing subdivisions, lot sales activity, and speculative homebuilding and sales. Additionally, the section examines market conditions for townhomes, patio homes, and manufactured, modular, and mobile homes, which collectively comprise a significant component of the local ownership market.

Finally, the analysis evaluates the current for-sale housing inventory, including active and pending listings. It outlines the planned for-sale housing pipeline, with a focus on subdivisions under construction or in the planning stage. Together, these elements provide a comprehensive overview of supply conditions and development patterns that shape homeownership opportunities in Russell County, establishing the context for the following subsections.

IV.1.a: Annual Home Sales Trends

Table 18 presents annual home sales in Russell County from 2016 through September 2025. These data establish a baseline for evaluating residential market activity over the past decade and reflect both local and broader economic influences, including the COVID-19 pandemic, historically low mortgage rates, and more recent effects of higher borrowing costs and affordability pressures.

Between 2016 and 2018, annual home sales in Russell County increased steadily, rising from 77 to 101 transactions, representing a 31.2 percent increase over the three-year period. This growth was followed by modest declines in 2019 and 2020, when sales fell to 87 and 89, respectively, as the market adjusted after several years of expansion. In 2021, the County recorded a sharp increase in activity, with 122 sales, up 37.1 percent from the prior year, reflecting pandemic-era demand that fueled elevated homebuying across much of Southwest Virginia.

After reaching a peak in 2021, home sales decreased in 2022 and 2023, falling by 20.5 percent and 25.8 percent, respectively. The combined effects of higher mortgage rates, rising construction costs, and limited for-sale inventory contributed to the decline. However, sales rebounded in 2024, increasing 47.2 percent to 106 transactions, suggesting renewed market momentum following two consecutive years of contraction.

Year-to-date data for 2025 show 88 home sales through September, placing the County on pace to match or slightly exceed 2024 totals by year-end if current conditions continue. This performance suggests that buyer demand has stabilized after several years of volatility, mirroring broader recovery patterns observed across rural and Appalachian markets.

Overall, Russell County's home sales trends show cyclical fluctuations shaped by macroeconomic forces, pandemic-related demand surges, and subsequent adjustments to higher interest rates. The 2024 rebound and the steadier 2025 pace point to a market returning to sustainable long-term levels rather than the elevated activity observed during the 2020 and 2021 housing boom.

Table 18: Annual Home Sales Trends — Russell County, VA (2016-2025 Year-to-Date)

	Home Sales	Percent Change
2016	77	--
2017	86	+11.7%
2018	101	+17.4%
2019	87	-13.9%
2020	89	+2.3%
2021	122	+37.1%
2022	97	-20.5%
2023	72	-25.8%
2024	106	+47.2%
2025 YTD [1]	88	--

[1] January – September 2025

Source: Virginia REALTORS

IV.1.b: Home Sale Price Trends

Table 19 shows monthly median home sale prices in Russell County from January 2019 through December 2024. These data complement the home sales trends in **Table 16** and together illustrate how shifts in demand, inventory, and broader economic conditions have shaped market performance.

In Russell County, the annual average median home sale price was $103,302 in 2019, increasing by 15.6 percent to $119,500 in 2020. This rise coincided with the early stages of the COVID-19 pandemic, when historically low mortgage rates and heightened interest in rural living drove stronger buyer demand. Prices climbed sharply again in 2021, increasing 56.2 percent to $186,853, the highest level recorded during the period analyzed. This reflected intense competition for limited listings, as sales activity documented in **Table 18** also surged to 122 transactions, the highest annual total since at least 2016.

After peaking in 2021, prices declined to $152,939 in 2022, representing an 18.1 percent reduction, as affordability pressures intensified and mortgage rates began to rise. Values then rebounded in 2023, growing 21.9 percent to $186,397, nearly returning to their 2021 peak. In 2024, the annual average declined modestly to $175,200, a 6.0 percent decrease from the prior year, yet remained well above pre-pandemic levels.

Between 2019 and 2024, Russell County's annual average median home price rose by $71,898, an overall gain of 69.6 percent and a compound annual growth rate of approximately 11.2 percent. This rate of appreciation far outpaced local income growth, underscoring the affordability challenges faced by many prospective buyers.

When considered alongside **Table 18**, which documents annual fluctuations in sales volume, the data show that although the number of transactions has varied from year to year, home prices have remained elevated relative to historic norms. The combination of sustained demand and limited for-sale inventory has maintained upward pressure on prices even during periods of slower sales activity. Overall, these trends suggest that the Russell County housing market has shifted from a period of rapid expansion during the pandemic to a more balanced, albeit still supply-constrained, environment.

Table 19: Monthly Median Home Sale Prices — Russell County, VA (2019-2024)	
	Median Sales Price
2019 - Jan	$73,000
2019 - Feb	$100,000
2019 - Mar	$107,500
2019 - Apr	$104,000
2019 - May	$79,000
2019 - Jun	$114,000
2019 - Jul	$130,000
2019 - Aug	$132,000
2019 - Sep	$81,000
2019 - Oct	$130,000
2019 - Nov	$140,000
2019 - Dec	$48,000
2019 Average	**$103,208**
2020 - Jan	$69,900
2020 - Feb	$76,387
2020 - Mar	$116,000
2020 - Apr	$152,500
2020 - May	$119,500
2020 - Jun	$120,000
2020 - Jul	$121,000
2020 - Aug	$141,250
2020 - Sep	$82,000
2020 - Oct	$136,150
2020 - Nov	$147,600
2020 - Dec	$151,950
2020 Average	**$119,520**
2021 - Jan	$110,000
2021 - Feb	$99,900
2021 - Mar	$99,900
2021 - Apr	$180,500
2021 - May	$122,950
2021 - Jun	$155,000
2021 - Jul	$177,500
2021 - Aug	$167,700
2021 - Sep	$223,280
2021 - Oct	$230,000
2021 - Nov	$131,500
2021 - Dec	$184,000
2021 Average	**$156,853**
2022 - Jan	$125,000
2022 - Feb	$127,500
2022 - Mar	$185,000
2022 - Apr	$140,000
2022 - May	$170,200
2022- Jun	$148,100
2022 - Jul	$183,250
2022 - Aug	$152,000
2022- Sep	$137,200
2022- Oct	$202,516
2022- Nov	$117,000
2022- Dec	$147,500
2022 Average	**$152,939**
2023- Jan	$245,000
2023- Feb	$153,000
2023- Mar	$144,000
2023- Apr	$65,500
2023- May	$154,500
2023- Jun	$221,000
2023- Jul	$170,000
2023- Aug	$270,000
2023- Sep	$175,000
2023- Oct	$123,763
2023- Nov	$335,000
2023- Dec	$180,000
2023 Average	**$186,397**
2024- Jan	$240,000
2024- Feb	$131,250
2024- Mar	$137,950
2024- Apr	$147,500
2024- May	$180,000
2024- June	$119,750
2024- July	$210,000
2024- Aug	$234,950
2024- Sep	$170,000
2024- Oct	$176,250
2024- Nov	$190,000
2024- Dec	$164,750
2024 Average	**$175,200**

Source: Virginia REALTORS

IV.1.c: Residential Building Permit Trends

S. Patz & Associates made multiple attempts to obtain residential building permit data directly from the Russell County Building Department but was unable to secure a complete dataset. As a result, the firm relied on the U.S. Census Bureau's Building Permits Survey (BPS). The BPS compiles information reported by local jurisdictions nationwide and provides annual estimates of new housing units authorized by building permits.

However, these data are not always identical to local records. Some jurisdictions do not submit reports to the Census Bureau each year, and in those cases, the Bureau develops estimates using historical patterns or data from comparable areas. The BPS also does not distinguish between factory-built (modular or manufactured) and site-built housing, nor does it account for unpermitted construction or permits issued through alternative administrative processes. For this reason, the data presented below should be interpreted as a general measure of construction activity rather than an exact count of locally issued permits.

Table 20 summarizes residential building permits in Russell County between 2014 and 2023. Over this ten-year period, a total of 179 housing units were reported, including 162 single-family homes, eight units in buildings with three to four units, and nine units in buildings with five or more units. No permits were recorded for two-unit buildings during this time.

Construction levels fluctuated modestly across the decade, with single-family permits peaking at 21 units in both 2014 and 2016 and reaching a low of eight units in 2017. The number of permits issued during 2020 and 2021 suggests that the COVID-19 pandemic had a minimal impact on overall construction activity, as no significant decline or surge was observed. This stability contrasts with trends in many localities where labor and supply disruptions temporarily slowed housing production.

Overall, the data show that residential development in Russell County has remained limited, with a strong emphasis on single-family construction. Higher-density housing forms, such as attached patio homes, townhomes, or small multifamily buildings that could provide more attainable housing options, are largely absent. This pattern restricts housing choices for smaller households, older adults seeking low-maintenance living, and moderate-income buyers who may be priced out of detached homes.

Table 20: Residential Building Permit Trends — Russell County, VA (2014-2023) [1]

	Singl-Family	2-Unit Building	3-4 Unit Building	5+ Unit Building
2014	21	0	0	9
2015	17	0	0	0
2016	21	0	0	0
2017	8	0	8	0
2018	12	0	0	0
2019	17	0	0	0
2020	18	0	0	0
2021	17	0	0	0
2022	11	0	0	0
2023	20	0	0	0
Total	**162**	**0**	**8**	**9**

[1] Data show the number of units, not structures.

Source: U.S. Census Building Permits Survey

IV.1.d: Characteristics of Existing Subdivisions

Understanding the characteristics of existing residential subdivisions provides important context for evaluating current and future housing supply conditions in Russell County. Assessing the degree of neighborhood buildout, the number of remaining undeveloped lots, and patterns of past construction helps identify opportunities for infill development and highlight market or regulatory barriers that may limit new housing production.

Planning staff from both the County and its towns were interviewed to determine whether any residential subdivisions contain unbuilt lots. Staff from the Town of Honaker and Cleveland stated that no subdivisions within the town limits include unbuilt or partially developed sections. These findings suggest that subdivision activity has been limited for many years, and that only modest residential development has occurred, primarily on individual lots rather than through coordinated subdivision buildout.

The for-sale housing market remains dominated by resales, with very few homes constructed speculatively for sale over the past two decades. At present, there are no active subdivisions in Russell County where new homes are being built for speculative sale, underscoring the limited role of traditional subdivision development in meeting local housing demand.

Research conducted by S. Patz & Associates identified one subdivision in Russell County, two in the Town of St. Paul (though one of these is located within the Wise County portion of the town), and three in the Town of Lebanon that contain unbuilt lots. These subdivisions generally represent some of the more upscale neighborhoods in the region, characterized by higher-priced homes and larger lots. As a result, opportunities for infill development within these areas may not be suitable for all housing types, particularly factory-built homes or housing that requires higher densities.

Apart from a small number of townhomes in one subdivision in Lebanon, all of these subdivisions are comprised entirely of single-family homes. The following subsection summarizes these subdivisions, which represent the limited opportunities for new or infill residential construction within the County.

IV.1.d.1: Subdivisions in Unincorporated Portions of Russell County

Green Valley Estates represents the only identifiable subdivision in Russell County with remaining unbuilt lots and somewhat recent development activity. The subdivision is located just south of the Town of Lebanon, primarily along Kennedy Drive off Pittston Road, and is comprised entirely of single-family homes. It was approved for 98 lots and does not include any on-site amenities.

Fewer than ten vacant lots remain, and no homes or lots are currently listed for sale. Since 2023, five homes have sold in the community, with prices ranging from $320,000 to $475,000. At these price points, Green Valley Estates features some of the most expensive homes in the region's established subdivisions. Homes vary in age, generally built between the 1970s and mid-2000s, and the older homes appear well-maintained. Most lots are approximately one-half acre in size. Although the subdivision has public water service, homes rely on individual septic systems. Transaction records suggest that no speculative homes have been built in this subdivision.

Shown next are photos of typical homes in Green Valley Estates.


Green Valley Estates

The following section describes the two major subdivisions within the Town of St. Paul. It illustrates how residential development has evolved within the town limits compared to the unincorporated portions of the County.

IV.1.d.2: Subdivisions in the Town of St. Paul

Although the Town of St. Paul includes areas within both Russell and Wise Counties, most of the Town lies north of the Clinch River, with its central business district and primary residential neighborhoods located along the river's northern bank near U.S. Alternate Route 58. Two major residential subdivisions are located within the town limits: Gray Hill in Wise County and West Hills in Russell County. Each is summarized below.

- **Gray Hill**: The Gray Hill Subdivision is a well-established neighborhood situated on a hillside north of the Clinch River along Longview Drive in the Wise County portion of St. Paul. Development began in the mid-twentieth century, and most homes were built during the 1950s through the 1970s. The neighborhood consists primarily of single-family homes on moderate-sized lots, typically featuring brick or ranch-style architecture and living areas of approximately 1,500 to 2,000 square feet.

  Gray Hill is largely built out, with no active listings at present. Recent home sales have ranged from the upper $100,000s to the upper $200,000s. No new homes have been built in the subdivision for more than fifteen years. The neighborhood benefits from municipal utilities, convenient access to U.S. Alternate Route 58, and proximity to St. Paul's commercial center. Home values in Gray Hill have remained stable relative to the broader St. Paul market.

- **<u>West Hills</u>**: The West Hills Subdivision is located in the Russell County portion of St. Paul and was developed primarily during the 1970s through the 1990s. The neighborhood contains single-family homes on moderate to large lots, primarily located along Warren Drive and nearby streets. Homes typically have brick exteriors, basements, and ranch or split-level designs, with relatively level topography compared with the steeper terrain found in Gray Hill.

  The subdivision's location on the western side of town provides convenient access to U.S. Alternate Route 58 and the town center while maintaining a quiet suburban character. Recent home sales have generally been in the upper $100,000s to low $200,000s. The newest home sold within the town limits since 2023 was built in 2010 and is located in West Hills, underscoring the limited new construction activity in recent years.

  Several homes appear to occupy more than one platted lot, suggesting that some parcels were combined under single ownership or developed without strict adherence to the original subdivision plat. A few small vacant lots remain along Warren Drive, but none are currently being marketed for sale or development.

  Shown next are photos of typical homes at Gray Hill and West Hills.


Gray Hill

West Hills

The next section focuses on subdivisions within the Town of Lebanon, where most of the County's remaining opportunities for new or infill residential construction are located.

IV.1.d.3: Subdivisions in the Town of Lebanon

Three small subdivisions within the Town of Lebanon (Colony Park, The Ridges, and The Homestead) each contain remaining unbuilt lots and help illustrate how subdivision activity and development patterns have influenced the Town's current housing supply. All were planned more than a decade ago and remain only partially built, reflecting slow absorption, limited speculative construction, and a greater reliance on custom homebuilding rather than developer-led projects. Additionally, all three subdivisions feature some of the Town's more expensive and upscale homes. The remaining vacant lots within these neighborhoods represent some of the few opportunities for infill or small-scale new construction within the Town limits.

- **Colony Park**: Colony Park is located adjacent to Lebanon High School and features a mix of townhomes and single-family homes, a combination that is uncommon within the town. To date, eight townhomes and sixteen single-family homes have been built. The subdivision still contains twenty-four vacant townhome lots and twelve vacant single-family lots, along with a 34.5-acre parcel on the western side of the property that could support a future phase of development, although none is currently planned.

  The townhomes consist of two buildings, each with four units, built before the Great Recession in 2007. Each unit includes two levels, a one-car garage, and either two or three bedrooms. Sales have typically ranged from the upper $100,000s to the low $200,000s. In February 2025, a two-bedroom, two-bathroom, 1,508-square-foot unit sold for $190,000.

The home had previously been rented for $850 to $900 per month, and several of the townhome units remain occupied by renters. A three-bedroom, two-bathroom, 1,650-square-foot unit is currently listed for $245,000.

While the townhomes were built speculatively, most single-family homes were custom-built by owners. Recent sales have been in the mid-$300,000s, including a three-bedroom, two-bathroom, 1,721-square-foot home that sold in August 2023 for $330,000 and a three-bedroom, three-bathroom, 1,987-square-foot home that sold in August 2024 for $340,000. Two vacant single-family lots are currently listed for sale, one measuring 0.40 acres and the other 0.25 acres, each priced at $12,500.

- **The Ridges**: The Ridges Subdivision is located along Ridge Drive just north of Price Street on the eastern edge of Lebanon. The subdivision includes sixty-seven platted lots ranging from 0.21 acres to 1.58 acres. To date, six homes have been constructed, all as custom builds completed in 2009, 2015, and 2016. Several vacant lots are currently listed for sale, with asking prices ranging from $12,000 for a 0.24-acre lot to $35,000 for a 1.52-acre lot.

  The neighborhood offers panoramic views of the Clinch and Beartown Mountains and overlooks portions of the Town of Lebanon. Lot characteristics vary widely, with some providing privacy and seclusion, others suitable for walk-out basements, and several that are flat to gently sloping. Manufactured homes are not permitted under the subdivision's restrictive covenants, and there is currently no evidence of speculative construction activity.

- **The Homestead**: This nearly built-out subdivision of single-family homes is situated at the western edge of the Town of Lebanon, along Donald C. Moore Drive and Viers Court. The subdivision contains 30 lots, with 28 homes built primarily between 2006 and 2009. Homes are one- and two-story detached dwellings situated on approximately one-half-acre lots. A three-bedroom, two-bathroom ranch-style home containing 1,901 square feet, built in 2007, is currently listed for sale at $350,000. As of this writing, the home has been on the market for approximately 80 days. None of the vacant lots are actively listed for sale. The Homestead does not have a homeowners' association and has access to public water and sewer service. Four homes have sold in this subdivision since 2023, with prices ranging from $300,000 to $355,000. The Homestead represents one of the more upscale subdivisions within the Town of Lebanon.

Shown next are photos of typical homes at Colony Park, the Ridge, and the Homestead. These are among the newest and most upscale homes in Russell County.

Colony Park (Single-Family Homes)

Colony Park (Townhomes)

The Ridges

The Homestead

IV.1.e: Subdivision Summary

The analysis of existing subdivisions shows that residential development activity in Russell County has remained limited for many years. Most established neighborhoods are either fully built or consist mainly of custom-built homes constructed more than a decade ago. This pattern reflects a housing market characterized by slow absorption, limited speculative building, and a reliance on individual lot development rather than coordinated subdivision buildout.

The few subdivisions that still contain vacant lots have experienced minimal new home construction in recent years. No large-scale speculative development is underway anywhere in Russell County. These conditions suggest that the constraints on new housing production stem less from a shortage of platted land and more from weak market incentives, limited builder capacity, and the absence of active subdivision infrastructure such as improved streets and utilities.

As a result, Russell County's for-sale housing supply continues to operate primarily through the resale of existing homes rather than new construction. This dynamic restricts inventory growth, limits the range of housing choices available to buyers, and reduces opportunities for household mobility within the local market. Unless new development momentum emerges, supported by local investment or public-private partnerships, the County's for-sale housing inventory is likely to remain tight, with modest increases driven mainly by existing home turnover rather than new production.

IV.1.f: Lot Sales Activity

New home construction in Russell County continues to occur primarily through individual lot purchases rather than speculative building. This pattern is typical of rural markets, where developers face greater financial risk, limited access to public infrastructure, and slower absorption rates. The County's subdivision framework, characterized by large lots and limited public water and sewer service, further reduces the feasibility of speculative development. As a result, most residential activity has involved subdividing land for sale to individual buyers rather than constructing and marketing completed homes. Many of these lots have remained undeveloped for more than a decade, reflecting slow demand growth and limited builder engagement.

This development approach constrains the housing choices available to first-time and moderate-income buyers. Constructing a home on an individual lot is financially demanding and administratively complex, requiring substantial upfront capital, familiarity with permitting and design, and the ability to manage extended construction timelines. These requirements create significant barriers for households with limited savings or access to credit.

Speculative housing, in contrast, typically offers completed homes that can be purchased using conventional mortgage financing and occupied immediately, making them more attainable for a wider range of buyers. In markets such as Russell County, however, where incomes are modest and population growth is gradual, speculative development must be carefully aligned with local affordability thresholds. Homes priced even moderately above prevailing market levels tend to experience slower sales, which discourages participation from small and mid-sized builders.

IV.1.g: Speculative Homebuilding and Sales

As previously noted, speculative homes are units built by a developer or builder without a confirmed buyer and offered for sale at or near completion. This differs from custom construction, in which buyers purchase individual lots and contract directly with builders. Speculative development plays a crucial role in expanding the housing supply by delivering move-in-ready homes that appeal to buyers who may lack the financial flexibility, experience, or time to manage the construction process independently.

S. Patz & Associates reviewed property transfer data for all home sales in Russell County since May 2023 to assess the level of speculative homebuilding and first-time new home sales. During this period, only eight homes sold in the County were constructed since 2015, excluding one tiny home sold in 2024. None of these eight represented a first-time sale, meaning all were resales of previously occupied homes rather than new speculative builds. This finding confirms that speculative development has been virtually absent from the local housing market in recent years.

The small number of newer home sales primarily reflects one-off custom construction rather than developer-led activity. These homes are typically situated on privately owned parcels outside active subdivisions and were constructed for owner-occupancy. The resale of such properties, therefore, reflects turnover within the existing housing stock, not new supply creation through speculative building.

Several factors contribute to the lack of speculative construction in the County. One is infrastructure access. Many potential building sites lack public water and sewer service, requiring on-site systems that raise development costs and reduce feasible density. Another is the limited depth of the homebuyer market at the price levels needed to support new construction. The cost of building new homes often exceeds what many local households can afford, narrowing the pool of potential purchasers and increasing the risk of unsold inventory for builders. Financing challenges further compound these issues, as regional banks often view speculative projects in low-volume rural markets as high-risk.

Under these conditions, most developers build on contract for specific buyers rather than on speculation. This approach minimizes financial exposure but also limits the supply of move-in-ready homes for buyers who wish to relocate quickly or lack the resources to manage custom construction. The absence of active speculative construction, therefore, reinforces the County's reliance on custom homebuilding and resale activity as the primary sources of housing supply.

IV.1.h: Townhome Market Conditions

Expanding housing options beyond large-lot single-family homes would help address affordability challenges in Russell County. Townhomes are among the most practical and underrepresented housing types in the local market.

The only townhomes identified in the County are the eight units within the Colony Park Subdivision, several of which are occupied by renters. Their rarity reflects both the rural development pattern of the County and zoning regulations that limit higher-density residential construction.

This lack of townhome options reduces housing diversity, particularly for first-time buyers and middle-income households, since large-lot single-family homes dominate the for-sale market. Supporting townhome construction would broaden ownership opportunities and enhance affordability, especially given the County's relatively high share of renter households and limited inventory of modestly priced homes.

Recent townhome developments in the Roanoke Region provide a useful point of comparison. R. Fralin Homes, a regional builder specializing in moderately priced housing, has delivered new townhomes that typically start in the upper $200,000s to the low $300,000s. These homes are typically two stories, featuring brick or vinyl exteriors, and single-car garages. Comparable units could likely be developed at lower price points in Russell County due to lower land costs, the availability of suitable infill sites, and reduced development pressures.

These examples highlight a practical approach to expanding accessible homeownership options for working households. Moderately priced townhomes would help meet demand for starter homes, create attainable pathways for middle-income buyers, and introduce greater variety into the County's predominantly single-family housing stock.


Village Green (Roanoke County)


Orchards (Roanoke County)

IV.1.i: Patio Home Market Conditions

Table 11 showed that Russell County's senior population has grown steadily, with robust growth among senior homeowners. The number of residents aged 62 and older increased from 4,894 in 2000 to an estimated 7,427 in 2024, representing 29.8 percent of the County's population. More than 45 percent of all owner-occupied households are now headed by seniors, compared with 27.8 percent in 2000 and 33.1 percent in 2010.

This demographic shift highlights the County's aging homeowner base and the need for housing that supports aging in place. Although many older residents have accumulated home equity and retirement savings, the existing housing stock largely consists of single-family homes on sizable lots. These homes often lack first-floor bedrooms and bathrooms and require ongoing exterior maintenance that can become increasingly difficult for older homeowners.

Feedback from local realtors and employers supports this finding, with many reporting that retirees are actively seeking opportunities to downsize while remaining in their community. A substantial share of current property listings involve older homeowners attempting to sell large, maintenance-intensive homes, yet few local options meet their needs. As a result, some seniors are relocating outside Russell County to find smaller, low-maintenance alternatives. This unmet demand suggests that providing a broader range of downsizing options could encourage older residents to list their existing homes and remain in the region.

Interest in patio homes has grown across Virginia and nationally. Patio homes are single-story, attached residences with garages, typically ranging from 1,250 to 1,800 square feet. They are built on flat sites with frontages of 30 to 40 feet and are designed for low maintenance, making them especially appealing to seniors. Smaller-scale patio home communities could also be developed as senior-oriented rental units, expanding housing options for older residents and serving empty nesters and individuals with mobility limitations.

No patio home communities are currently under development or active marketing in Russell County, and the absence of this housing type presents a clear opportunity. Introducing patio homes would help address 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 attainable pathways to homeownership for older adults.

Photographs of recently built patio homes in Roanoke County are included below and may serve as design references for potential development in Russell County.

Village Green Patio Homes (Roanoke County)

IV.1.j: Manufactured, Modular, and Mobile Home Market Conditions

Manufactured, modular, and mobile homes make up a substantial share of Russell 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 the 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 before this code took effect, although the term 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 has grown because these homes meet code requirements, qualify for conventional mortgage financing, and are often priced below comparable site-built units. Despite these advantages, modular homes represent only a small share of the market, likely due to limited consumer familiarity, small-scale production capacity, and the lack of local builders with modular experience.

Most mobile homes in Russell County are situated in unincorporated areas, where lower land costs and minimal zoning restrictions permit placement on private parcels. Census data show that more than 92 percent of all mobile homes in the County are outside municipal boundaries, and that no occupied rental mobile homes are located within the incorporated towns. Many of these units are located on family-owned land, while others are in small manufactured home communities scattered throughout the County.

Table 21 shows that Russell County contains 2,798 total mobile homes, representing 21.9 percent of all housing units, which is far above the Virginia average of 4.4 percent and the national average of 5.7 percent. Of these, 1,513 units are owner-occupied and 574 are renter-occupied, representing 14.5 percent and 5.5 percent of all occupied homes, respectively. The remaining 711 vacant units result in a mobile home vacancy rate of 25.4 percent, which is unusually high compared with most housing types.

This elevated vacancy rate likely reflects a combination of aging stock, physical deterioration, and abandonment of older pre-1976 units that no longer meet modern standards. It may also stem from informal ownership structures that complicate financing, maintenance, or resale, as well as limited demand for aging units located in remote areas.

Despite these challenges, the large number of occupied units underscores the ongoing importance of mobile homes as a vital component of the County's affordable housing supply, particularly for households seeking low-cost homeownership. However, the high vacancy rate suggests that a portion of the existing stock may be functionally obsolete and unlikely to remain viable without substantial reinvestment or replacement.

Table 21: Mobile Homes by Tenure — Russell County, VA [1]

	Total Mobile Homes	**Percent of All Homes**	**Owner-Occupied Mobile Homes**	**Percent of Occupied Homes**	**Renter-Occupied Mobile Homes**	**Percent of Occupied Homes**
Russell County	2,798	21.9%	1,513	14.5%	574	5.5%

[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 County's high reliance on manufactured and mobile homes reflects long-standing patterns of rural development and limited new housing production. While these homes remain an essential source of affordable housing, a large share of the existing units are aging, lack modern energy-efficient or safety features, and often require substantial maintenance or replacement. The high vacancy rate among mobile homes also suggests that a significant portion of the stock has deteriorated or is no longer suitable for long-term occupancy. Additionally, informal rental arrangements, which are common in rural areas, can create uncertainty for tenants and limit their access to standard lease protections.

Given these conditions, manufactured and modular homes offer practical opportunities to expand the County's housing options when properly planned and located. Reinvestment in modern manufactured home models and the integration of modular housing within subdivisions or infill development could improve housing quality, advance local affordability objectives, and help replace obsolete units with more durable and energy-efficient homes.

IV.1.k: Current For-Sale Housing Inventory

Table 22 presents the distribution of 82 active and pending home listings in Russell County, organized by the decade in which the homes were built. The data highlight the predominance of older housing stock and the limited availability of recently constructed homes. Of the total listings, 60 are active and 22 are pending or contingent, reflecting moderate absorption within the current market.

Only two homes built within the past five years are listed for sale in Russell County, and both are manufactured units. One is a three-bedroom, two-bathroom, 1,920-square-foot double-wide mobile home located at 70 Angel Street in an unincorporated area southeast of the Town of Cleveland. It is listed for $179,900 and has been on the market for over 200 days. The other, a four-bedroom, two-bathroom, 2,304-square-foot home at 982 Glade Hill Drive north of Lebanon, is under contract. These listings illustrate the County's minimal supply of newly-built homes and the absence of new stick-built construction.

Among homes built in the 2010s, all are stick-built, and pricing reflects the higher costs associated with newer construction. One home is listed for nearly $900,000, two are in the low $300,000s, one is listed at $425,000, and one is listed at $199,900. Two of these homes, the units priced at $199,900 and $328,000, are under contingency. This small group of listings demonstrates modest but consistent demand for newer homes in moderate price ranges.

Homes built between 2000 and 2009 show the widest price range in the market, spanning from $165,000 to $3.1 million, with an average listing price of $751,322. Two are formerly renter-occupied townhomes on Riley Street in Lebanon, each listed for $245,000. Three others are high-end homes priced between $750,000 and $3.1 million. Apart from a $165,500 home under contingency, other listings from this decade are priced between $280,000 and $350,000, forming the middle tier of the County's for-sale inventory.

Homes from the 1980s and 1990s together account for 26 active and pending listings, with average prices of approximately $240,867 and $404,327, respectively. These properties typically include a mix of renovated homes and well-maintained suburban residences near Lebanon and Castlewood. By contrast, older homes dominate the overall inventory, comprising nearly half of all listings built before 1980. These properties are generally smaller and less expensive, forming the foundation of the local resale market.

The pre-1940 segment includes several of the County's most distinctive and high-value listings, with prices extending up to $2.5 million and an average of $557,663. While this group represents only a small portion of the total inventory, it underscores the wide variation in property conditions and price points across Russell County. Manufactured homes span several age brackets, ranging from the 1970s to the 2020s, reflecting their ongoing role in meeting local housing demand at more affordable price points.

The overall average listing price across all homes is $345,833, with prices ranging from $29,900 to $3.1 million. Pending and contingent listings are concentrated among newer homes, consistent with market trends that show a stronger preference for newer or updated properties among buyers. Older homes, particularly those built before 1970, tend to remain on the market for longer periods, suggesting slower absorption within this segment.

Russell County's for-sale housing market continues to reflect an aging housing stock, minimal new construction, and wide price variation. The scarcity of affordable new homes, coupled with the prevalence of older, lower-cost listings, underscores the County's broader housing challenges, as discussed in earlier sections. Expanding the supply of moderately priced, move-in-ready homes would help balance the market and better align available inventory with buyer demand.

Table 22: Active Home Listings — Russell County, VA (November 2025) [1]

Year Built	Active Listings	Pending/ Contingent	Price Range	Average Listing Price
2020+ [1]	1	1	$179,900-$234,900	$207,400
2010-2019	3	2	$199,900-$899,985	$435,377
2000-2009 [2]	8	1	$165,000-$3,100,000	$751,322
1990-1999 [3]	7	4	$54,900-$789,000	$404,327
1980-1989 [4]	13	2	$37,500-$825,000	$240,867
1970-1979 [5]	7	3	$39,900-$495,000	$262,370
1960-1969 [5]	8	3	$44,997-$269,000	$164,582
1950-1959	2	4	$29,900-$265,000	$147,450
1940-1949	4	1	$89,000-$550,000	$232,800
Pre-1940	7	1	$48,000-$2,500,000	$557,663
Total/ Average	**60**	**22**	**$29,900-$3,100,000**	**$345,833**

[1] Includes two manufactured homes.
[2] Includes two formerly renter-occupied townhomes (Riley Street, Lebanon).
[3] Includes four manufactured homes. Pending and contingent items apply to stick-built homes.
[4] Includes three manufactured homes. Pending and contingencies for one manufactured home.
[5] Includes one manufactured home. Pending and contingent items apply to stick-built homes.

Source: National Association of REALTORS

IV.1.l: Planned For-Sale Housing Pipeline

Russell County has only one active proposal for new for-sale housing. Local builder Chad Newberry has submitted preliminary plans for a subdivision known as The Highlands, located along Highland Drive in the Town of Lebanon. The project would include six to eight stick-built single-family homes, ranging in size from approximately 1,500 to 1,700 square feet.

The Highlands remains in the early planning phase. The developer is currently coordinating with the Virginia Department of Health and the Virginia Department of Transportation to obtain approvals for water, sewer, and roadway access. If completed, The Highlands would represent one of the first new subdivisions in the County in many years, providing a small addition to the local for-sale housing inventory.

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

Russell County's for-sale housing market is characterized by an aging housing stock, limited new construction, and the absence of speculative homebuilding. Most new homes are constructed through individual lot purchases and custom builds rather than developer-led subdivisions. This pattern slows housing delivery and reduces access to move-in-ready homes, particularly for moderate-income buyers who may not have the financial capacity or experience to manage custom construction.

Realtors report that prospective buyers greatly outnumber available listings, which reinforces competition for homes that are priced appropriately and in good condition. Homes in good condition, offered at modest prices, tend to sell quickly, often within days or weeks. Properties in poor condition, however, can remain listed for sale for several months, particularly in more rural or less desirable settings.

Residential subdivision activity has remained minimal for many years. County and town staff have confirmed that new housing development has occurred almost entirely through scattered site construction. The few subdivisions that retain available lots, such as Colony Park and The Ridges in the Town of Lebanon, have experienced little recent building activity and essentially no speculative development. Within the County, the Lebanon area represents the strongest housing market due to its proximity to area schools, jobs, healthcare, and other services.

Trends in home sales reflect the same pattern of limited supply and fluctuating demand. Between 2016 and 2025, annual home sales ranged from 77 to 122 transactions, exhibiting cyclical fluctuations influenced by the pandemic, low mortgage rates, and subsequent increases in borrowing costs. Sales peaked at 122 homes in 2021, declined during 2022 and 2023, and rebounded to 106 in 2024, suggesting a moderate recovery after two slower years. As of September 2025, 88 homes had sold, placing the County on pace to meet or slightly exceed 2024 levels if current conditions persist. Demand is also supported by spillover from higher cost markets, particularly Washington County to the south, and since the pandemic, by out-of-state buyers seeking more affordable rural living.

Median home prices have risen substantially. The average annual median sale price increased from $103,302 in 2019 to $175,200 in 2024, representing a 69.6 percent cumulative increase and a compound annual growth rate of approximately 11.2 percent. This appreciation far outpaced local income growth, making homeownership less attainable for many households. While prices stabilized somewhat after 2023, they remain well above pre-pandemic levels.

Current demand is strongest for single-story, move-in-ready homes on modestly sized lots, but the supply of this product type is limited. Realtors attribute this shortage partly to the County's growing senior population, which prefers accessible homes that require minimal maintenance.

Active and pending listings confirm the prevalence of older housing. As of late 2025, 82 listings were recorded countywide, including 60 active and 22 pending or contingent. Nearly half were built before 1980, and only two homes, both manufactured, were constructed within the past five years. The average listing price was $345,833, with values ranging from $29,900 to $3.1 million. Pending sales were concentrated among newer or renovated homes, suggesting a stronger preference among buyers for properties that require less immediate investment, while older homes tended to remain on the market for longer periods.

Manufactured and mobile homes account for 2,798 units, or 21.9 percent of the County's total housing stock, which is substantially higher than the state (4.4 percent) and national (5.7 percent) averages. While these homes provide an important source of affordable housing, roughly one-quarter of them are vacant, reflecting aging structures, deferred maintenance, or the abandonment of pre-1976 units that no longer meet modern standards. Modular housing construction remains limited, but it offers potential to expand affordable ownership opportunities if paired with infrastructure investment and accessible financing programs.

The County's for-sale market lacks product diversity. There are no active patio home developments or age-restricted communities, despite increasing demand among older homeowners seeking smaller, low-maintenance residences. Townhomes are similarly scarce, with the only existing units located in the Colony Park subdivision, several of which are renter-occupied. This lack of alternative housing formats limits downsizing options for seniors and restricts attainable opportunities for younger or moderate-income households.

The for-sale housing pipeline is also limited. The Highlands subdivision in the Town of Lebanon, proposed by builder Chad Newberry for between six and eight single-family homes, is the only active plan for new for-sale housing.

Overall, Russell County's for-sale housing market remains structurally constrained. An aging housing base, limited speculative activity, and heavy reliance on custom homebuilding have slowed new production and restricted access to modern, attainable homes. These conditions are likely to persist without expanded builder participation, infrastructure investment, and zoning flexibility to support smaller-lot and attached housing formats. Encouraging the development of moderately priced, move-in-ready homes, such as modular units, townhomes, and patio homes, would improve affordability, facilitate market turnover, and create a more balanced ownership environment across the County.

IV.2: Overview of the Rental Housing Market

Table 23 presents information on professionally managed multi-tenant rental communities in Russell County, including a small number in the Wise County portion of St. Paul that are competitive with those in Russell County. S. Patz & Associates conducted telephone surveys and reviewed online listings to identify vacancies within these properties. No active marketing efforts or available units were identified, except for normal turnover among properties with deep rent subsidies. Multiple follow-up attempts to reach property managers were unsuccessful. In rural markets such as Russell County, where the rental supply is limited, this pattern typically reflects full occupancy. That assumption is considered reasonable for this analysis, though the absence of recent verification should be acknowledged as a limitation.

In total, the survey identified 16 market-rate properties with 147 units, five affordable properties with 101 units, and five deeply subsidized developments with 216 units, for a combined total of 485 units. The affordable properties generally target households earning 50% to 60% of AMI, while the deeply subsidized units are structured so tenants pay approximately 30 percent of their income toward rent. Among all properties, only two have age restrictions: Stonebriar Apartments (23 affordable units) and Copper Creek (36 deeply subsidized units). The paragraphs below describe each of these market segments.

- **Market Rate Properties**: The market-rate inventory consists primarily of small, low-density developments located in and around the Town of Lebanon. Most contain fewer than 15 units and were constructed before 1980, reflecting a long period with limited new rental construction. A few newer properties, such as those on West Main Street and Lorr Street, were completed after 2010 but remain modest in scale.

Many of the older properties feature outdated designs, including two- and three-bedroom floor plans with a single bathroom. These layouts are typical of small, mid-century developments in rural markets and contribute to the limited appeal of the existing stock for modern renter preferences. None of these properties has on-site management, and none offer amenities beyond basic laundry facilities. Some lack shared laundry altogether.

Overall, these communities operate as stable, fully occupied housing for long-term tenants rather than as part of a dynamic or competitive rental market. Their small size, minimal turnover, and lack of modern features constrain the County's rental supply and limit availability for new households.

None of these properties provide higher-end options. The limited supply of upscale rentals in the County consists almost entirely of scattered single-family homes that have been renovated and generally target larger households. Renters seeking more modern or higher-quality housing typically look toward the Abingdon area, although that market also exhibits limited inventory and low vacancy rates.

- **Affordable Properties**: The five affordable properties in Russell County represent an important portion of the local rental supply, serving households with incomes near or below 60% of AMI. Lebanon Square Apartments, with 48 units, and Stonebriar Apartments, with 23 units, are the largest developments. The remaining properties, which include Dante Crossing, Pittston Place, and the age-restricted section of Stonebriar, offer smaller but meaningful affordable options.

  These developments were primarily constructed in the early 1990s and maintain rent restrictions through programs such as the Low-Income Housing Tax Credit. They operate at full occupancy and continue to meet strong demand. Stonebriar Apartments, the only LIHTC age-restricted property in the County, maintains a waitlist of 66 households, which is nearly three times the size of the property's 23-unit inventory. This imbalance highlights the limited availability of affordable senior housing options and the significant unmet need among older adults.

  The continued operation of these properties is essential to meeting the needs of working families, households with fixed incomes, and older residents, although the total number of affordable units remains limited in relation to demonstrated demand.

- **Deep Subsidy Properties**: Five developments operate under deep rent subsidies through public housing and USDA Rural Development programs. Together, they provide 216 units, which form the largest share of the professionally managed rental stock. Tenants typically contribute 30 percent of their income toward rent, and federal subsidies cover the remaining portion. Riverview Terrace, Fox Meadow, Town Square, and Clinchview Apartments serve as public housing developments, while Copper Creek caters to elderly tenants through the USDA program. These properties were constructed between 1979 and 1991.

Across these developments, there are seven current vacancies, which is consistent with regular turnover. Clinchview Apartments accounts for three of the vacant units and maintains a substantial waitlist with 213 households. All properties with vacancies report extensive waitlists, which means these units should be filled quickly. Riverview Terrace, which offers only one-bedroom units, has a waitlist of 19 households. Fox Meadow, which includes 40 one-bedroom, 24 two-bedroom, and 16 three-bedroom units, has waitlists of 47, 30, and 17 households, respectively. Each waitlist exceeds the total number of available units by type. Town Square, which contains only one-bedroom units, maintains a waitlist of 27 households.

These developments provide long-term stability, affordability, and predictable operating conditions, playing a central role in addressing the housing needs of the region's lowest-income households.

In total, Russell County's professionally managed multifamily housing stock includes 470 units across 26 properties. The inventory is small, aging, and largely static, with minimal new construction and no evidence of available units. The predominance of older, small-scale properties with basic amenities reflects a constrained and dated rental market.

As was shown in **Table 8**, the County has more than 2,400 renter households, indicating that most renters reside outside professionally managed communities. Many rent single-family homes or manufactured homes, a significant share of which are older or of substandard quality. This pattern is typical of rural housing markets where purpose-built rental supply is limited.

Nearly 41 percent of renter households in Russell County have incomes sufficient to afford rents of at least $1,000 per month, assuming 30 percent of income is allocated to housing costs. The 30 percent threshold is a nationally accepted affordability benchmark, as households spending more than this share are typically considered cost-burdened. Despite these income levels, very few units in the County are priced at or above $1,000. This implies that higher-income renters are occupying lower-rent units due to the absence of higher-quality alternatives. Consequently, the supply of lower-cost units available to households with modest incomes is reduced, tightening overall market conditions.

Table 23: Characteristics of Professionally Managed Apartment Communities — Russell County, VA

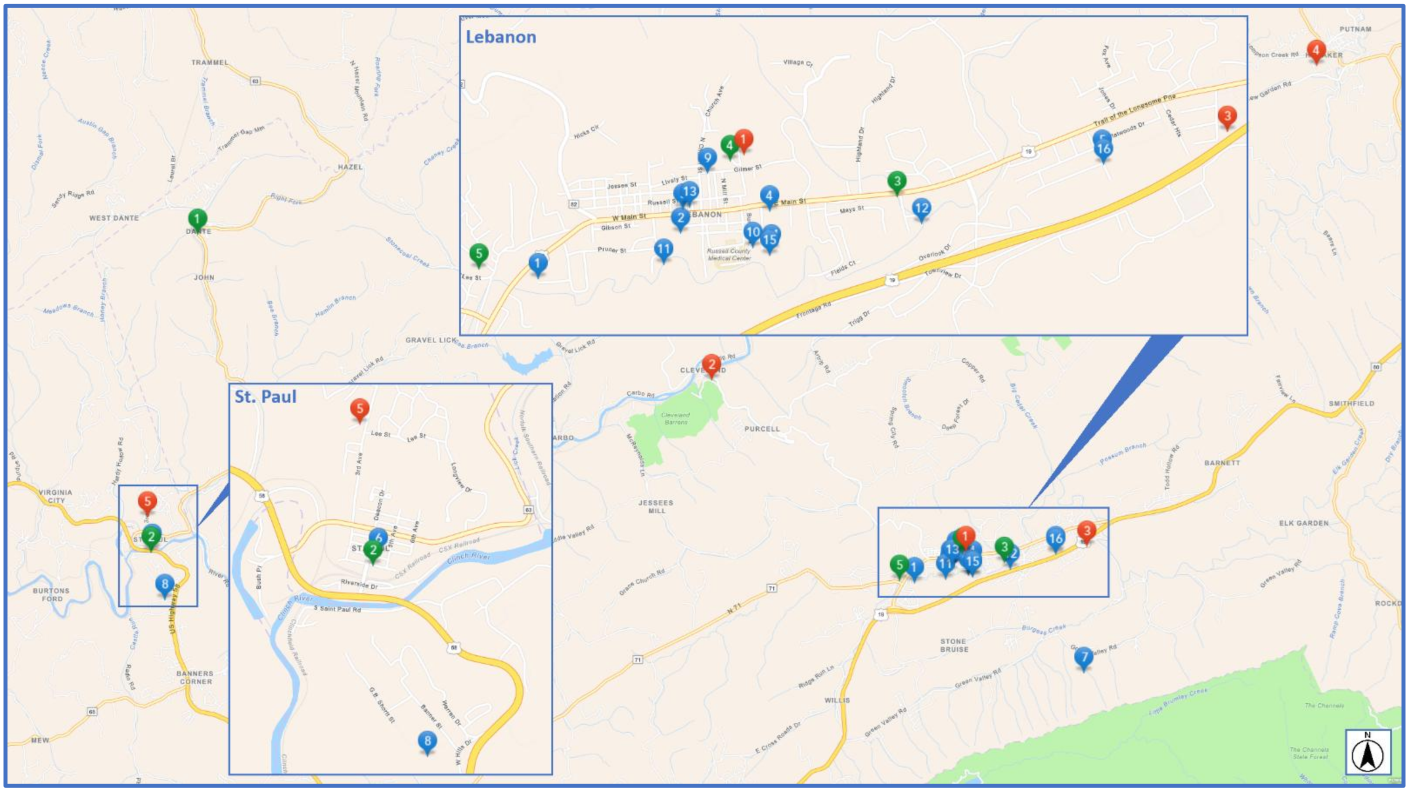
	Map C Key	Income Restrictions	Year Built	Total Units	Vacant Units
Market Rate Apartments					
753 W Main Street	1	None	2017	4	0
61 Lohr Street	2	None	2015	9	0
246-248 Russell St	3	None	2013	4	0
251 E Main Street	4	None	2007	7	0
Pine Grove Apartments	5	None	1996/97	12	0
Richard Brooks Apartments [2]	6	None	1994	10	0
177 S Cedar Acres Townhomes	7	None	1980	4	0
Town and Country Apartments	8	None	1979	16	0
Grand View Village Apartments	9	None	1970 [1]	22	0
Cedar Hill Apartments	10	None	1970	5	0
School House Apartments	11	None	1970 [1]	8	0
71 E Twin Circle Dr	12	None	1970	10	0
234 Russell Street	13	None	1970	12	0
135 Cedar Avenue	14	None	1966	6	0
143 Cedar Avenue	15	None	1966	6	0
101-117 Gilmer Avenue	16	None	1960	12	0
(Subtotal)				*(147)*	*(0)*
Affordable					
Dante Crossing	1	50% of AMI	2008	12	0
Stonebriar Apartments [2 3 8]	2	50%/60% of AMI	1909/96/14	23	0
Pittston Place	3	Fair Market Rents	1993	10	0
Lebanon Square Apartments	4	60% of AMI	1992/07	48	0
Gay Street Apartments	5	50% of AMI	1960	10	0
(Subtotal)				*(101)*	*(0)*
Deep Subsidies					
Copper Creek [3]	1	Income-Based- RD	1991/09	36	0
Riverview Terrace [4]	2	Income-Based- PH	1985	20	1
Fox Meadow [5]	3	Income-Based- PH	1984	80	3
Town Square [6]	4	Income-Based- PH	1981	20	0
Clinchview Apartments [2 7]	5	Income-Based- PH	1979	60	3
(Subtotal)				*(216)*	*(7)*
Total				**464**	**7**

[1] Estimate
[2] Located in the Wise County portion of St. Paul.
[3] Age-restricted property.
[4] Waitlist of 19 households.
[5] Waitlist of 47 for one-bedroom units, 30 for two-bedroom units, and 17 for three-bedroom units.
[6] Waitlist of 27 households.
[7] Waitlist of 213 households.
[8] Waitlist of 66 households.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.; Russel County GIS System; Wise County GIS System

Map C below shows the locations of the apartment communities included in this analysis. Apart from one affordable complex in Dante (Dante Crossing) and two deeply subsidized properties in Cleveland and Honaker (Riverview Terrace and Town Square), all of the properties are in either St. Paul or Lebanon, with the vast majority situated in Lebanon.

Four properties are in St. Paul, including two market-rate developments (Richard Brooks Apartments and Town and Country Apartments). Also located in St. Paul are Stonebriar Apartments, one of the larger LIHTC communities in the area, and Clinchview Apartments, a mature public housing development.



Map C – Locations of Rental Communities

The following photos show each of the apartment properties included in this study. The market rate properties are presented first. Several of the newer properties include townhouse designs.

753 W Main Street

61 Lohr Street

246-248 Russell St

251 E Main Street

Pine Grove Apartments

Richard Brooks Apartments

177 S Cedar Acres Townhomes

Town and Country Apartments

Grand View Village Apartments

Cedar Hill Apartments

School House Apartments

71 E Twin Circle Dr

234 Russell Street

135 Cedar Avenue

143 Cedar Avenue

101-117 Gilmer Avenue

Shown next are photos of the five affordable rental properties without deep rent subsidies. The two newest properties, Dante Crossing and Stonebriar Apartments, are adaptive reuse developments.

Dante Crossing

Stonebriar Apartments

Pittston Place

Lebanon Square Apartments

Gay Street Apartments

The final set of photos shows the rental properties with deep rent subsidies. Despite their age, all are well maintained.

Copper Creek

Riverview Terrace

Fox Meadow

Town Square

Clinchview Apartments

IV.2.a: Market Rate Rent Analysis

Rental rates across Russell County vary by property age, physical condition, and the availability of amenities. Mobile homes, which tend to be older and of varying quality, typically rent for $600 to $850. Based on interviews with local property managers and a review of public listings, the typical rent for one-bedroom units ranges from $400 to $700 per month, for two-bedroom units from $400 to $950, and for three-bedroom units from $500 to $1,200, with larger single-family homes generally renting for between $1,000 and $1,200. Three-bedroom apartments are limited in supply, and few are professionally managed. Higher rent properties in the County are typically larger single-family homes rather than multifamily units. These homes maintain high occupancy rates and experience minimal tenant turnover, which reflects the limited overall supply of rental housing in the area.

The success of future rental development will depend on capturing demand from employees of major regional employers, including new hires at expanding local businesses, and on drawing tenants from older apartments and rented single-family homes seeking more modern housing. Given the scarcity of available options and the stability of existing rental stock, the market presents an opportunity for new, well-located, professionally managed apartments.

IV.2.b: Broader Rental Data Analysis

Table 24 presents monthly housing costs for renter-occupied units in Russell County. Data are from the U.S. Census Bureau's American Community Survey, which defines gross rent as contract rent plus estimated utility and fuel costs paid by the renter. Gross rent does not include other household expenses such as furniture, internet, or cable television. Units occupied without payment of rent are classified as "No Cash Rent."

In Russell County, approximately 73 percent of renter households pay less than $1,000 per month, reflecting the predominance of lower-cost housing. The largest group of renters (9.0 percent) pay between $700 and $749 per month, followed by 8.2 percent paying $600 to $649, and 6.9 percent paying $800 to $899. Another 6.6 percent pay between $350 and $399, and 5.7 percent pay between $650 and $699. These rent levels are consistent with an older, largely small-scale rental stock and the limited presence of newly constructed or professionally managed apartments in the County.

At the midrange, 4.7 percent of renter households pay between $1,000 and $1,249 per month, and 3.4 percent pay between $1,250 and $1,499. Very few units rent for more than $1,500, with fewer than one percent reporting monthly rents of $2,000 or higher. These data show that higher-priced or luxury rentals are essentially absent from the local housing market.

A significant 26.6 percent of renter households report “No Cash Rent.” This unusually high share suggests that many renters occupy housing through informal or non-market arrangements, such as residing in family-owned dwellings or providing in-kind services in exchange for housing, rather than participating in the formal rental market.

Overall, the rental market in Russell County is characterized by low to moderate rent levels, a limited supply of higher-priced units, and a substantial share of informal rental occupancy. These conditions reflect an affordable yet constrained rental environment with few options for households seeking newer or professionally managed apartments.

Table 24: Monthly Housing Costs, Renter-Occupied Units — Russel County, VA

	Total	Percent
Less Than $100	0	0.0%
$100 To $149	3	0.1%
$150 To $199	8	0.3%
$200 To $249	3	0.1%
$250 To $299	12	0.5%
$300 To $349	46	1.8%
$350 To $399	166	6.6%
$400 To $449	73	2.9%
$450 To $499	57	2.3%
$500 To $549	142	5.6%
$550 To $599	121	4.8%
$600 To $649	207	8.2%
$650 To $699	144	5.7%
$700 To $749	228	9.0%
$750 To $799	102	4.0%
$800 To $899	175	6.9%
$900 To $999	139	5.5%
$1,000 To $1,249	119	4.7%
$1,250 To $1,499	85	3.4%
$1,500 To $1,999	0	0.0%
$2,000 To $2,499	8	0.3%
$2,500 To $2,999	21	0.8%
$3,000 To $3,499	0	0.0%
$3,500 Or More	1	0.0%
No Cash Rent	674	26.6%
Total Occupied Rental Units	**2,534**	**100.0%**

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

Table 25 presents median gross rents by bedroom type for Russell County. Data are from the U.S. Census Bureau's American Community Survey and represent gross rent, defined as contract rent plus estimated utility costs paid by the renter.

The countywide median gross rent is $682 per month, reflecting modest pricing consistent with an older, largely small-scale rental housing stock. Median rents remain well below levels found in larger metropolitan areas of Virginia, highlighting the relative affordability of Russell County's rental market.

By bedroom type, median rents range from $543 for one-bedroom units to $943 for four-bedroom units. Two-bedroom units have a median rent of $599, while three-bedroom units average $764. These figures reflect the influence of older housing, limited recent construction, and the small number of professionally managed properties.

The rent distribution shows that most households can access lower-cost one- and two-bedroom units, while rents rise substantially for larger homes, which are primarily single-family properties offered for rent on the private market. The limited number of four-bedroom rentals further constrains housing options for larger families, underscoring the County's reliance on informal and owner-managed units rather than purpose-built multifamily developments.

Table 25: Median Gross Rent by Bedrooms — Russell County, VA

	Median Gross Rent
One-Bedroom	$543
Two-Bedroom	$599
Three-Bedroom	$764
Four-Bedroom	$943
Median Gross Rent	**$682**

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 approximately 64.3 percent of all renter households in Russell County pay less than $1,000 per month. Excluding households reporting "No Cash Rent," about 87.6 percent of rent-paying households fall below this threshold, underscoring the predominance of lower-cost housing. **Table 25** demonstrates that median rents for all unit types remain well below statewide and metropolitan averages, consistent with an older, small-scale rental stock and limited availability of newly constructed or professionally managed apartments.

Comparing rent distribution with median rents highlights affordability patterns that vary by unit size. While overall rents are low, the shortage of larger, higher-quality units has resulted in higher prices for three- and four-bedroom homes, which are primarily single-family properties rented through informal arrangements. Approximately 1.1 percent of renter households report paying $2,000 or more per month, indicating that higher-priced or luxury rentals are scarce in the market. Meanwhile, 26.6 percent of renter households report "No Cash Rent," reflecting widespread reliance on non-market housing such as family-owned dwellings or service-based living arrangements.

Taken together, these data depict a rental market characterized by low average costs, limited options at higher price points, and restricted access to modern, professionally managed housing.

IV.2.c: Apartment Pipeline

The only rental community currently under construction or planned in Russell County is Main Street Villas, proposed by the Southwest Region Housing Development Corporation. The project involves the new construction of 21 age-restricted apartment units at 1312 Main Street in Lebanon, on a site formerly occupied by the Carriage House Motel. As part of the development, the existing motel will be demolished and replaced with several duplex-style buildings.

All apartments will be one-bedroom units ranging from 633 to 771 square feet. Planned on-site amenities include professional property management, a community room, and a gazebo. Three units will have rents restricted to households earning up to 40% of the Area Median Income (AMI); eight units will be restricted to 50% of AMI; and ten units will be restricted to 60% of AMI. Construction is scheduled to begin in early 2026.

The following images show existing site conditions, a rendering of the proposed apartment community, and that construction has not yet begun.

Main Street Villas

Section V: Development Incentives and Program-Eligible Areas

This section evaluates federal and state programs that could support new housing development in Russell 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 Russell 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.

Russell 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 Russell 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 26** summarizes each relevant designation or funding source, outlines key benefits, and explains how each can support Russell County's housing development goals.

Table 26: Summary of Housing Incentives and Program Designations — Russell 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	Yes	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	Yes	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 Russell County, the following section provides a concise summary of key federal, state, and local housing incentives and program designations described in **Table 26.**

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 Russell 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 the 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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. Russell 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.

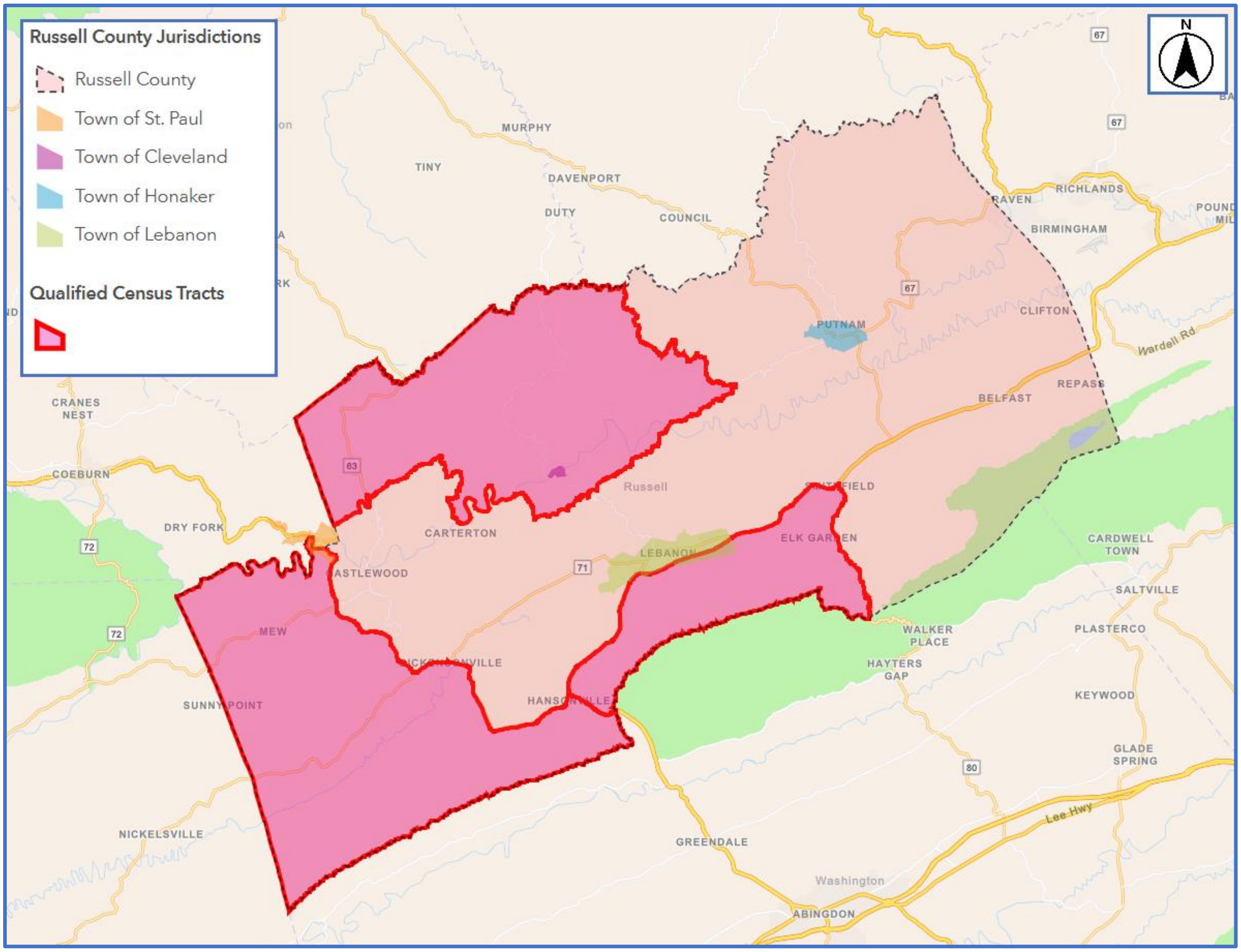
Each proposal must include a detailed and feasible development plan. Projects must be completed within a 24-month performance period. Applications must demonstrate zoning approval, infrastructure readiness, and progress toward predevelopment milestones. Required documentation also includes a market study, 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.

There are three Qualified Census Tracts in Russell County, as shown in **Map D** below. They are located in the northern, southern, and western portions of the County, covering the entirety of the Town of Cleveland, the southern portions of St. Paul, and a small portion of the Town of Lebanon south of U.S. Route 19.



Map D - Qualified Census Tracts in Russell County, Virginia

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)

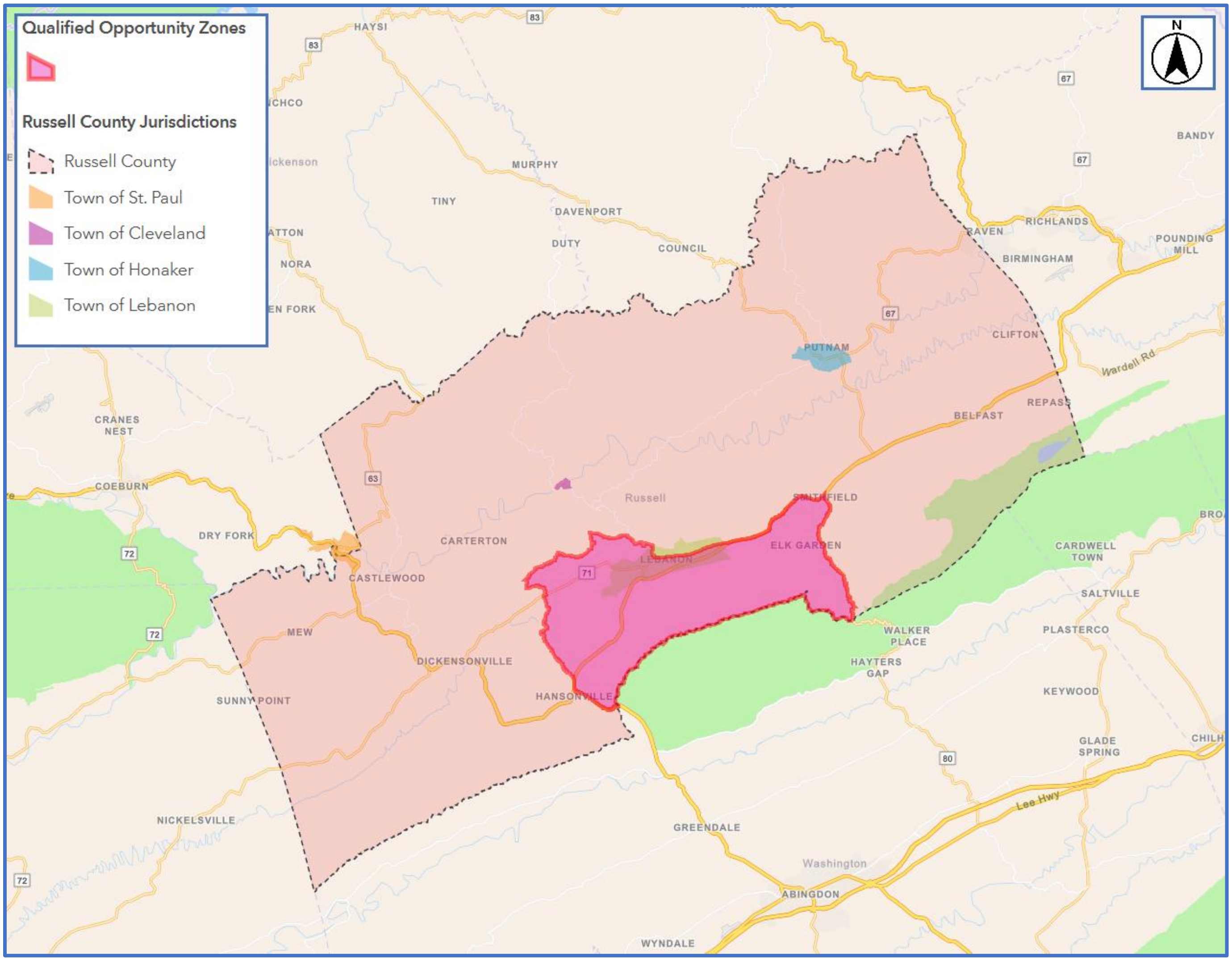
Difficult Development Areas (DDAs) are geographic regions designated annually by HUD based on factors such as elevated construction, land, and utility costs relative to area income levels. Projects located in DDAs are eligible for a 30 percent increase in the eligible basis under the LIHTC program, like 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 Russell 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 there is a single census tract in Russell County designated as an Opportunity Zone (OZ), located in the central portion of the County and covering most of the Town of Lebanon. 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 – Opportunity Zone Census Tracts in Russell County, Virginia

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 Russell County, aligning housing efforts with OZ boundaries may increase the appeal of projects to private investors and Opportunity Fund managers. Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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 Russell 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, based on the most recent calendar year for which data were available as of December 31, 2023. This designation was established under Chapter 599 of the 2024 Acts of Assembly to help identify localities facing overlapping economic challenges.

Russell County meets both criteria and is officially recognized by the Commonwealth of Virginia as a Double Distressed Locality. This status provides expanded eligibility for key state programs administered by Virginia Housing. For example, under the Workforce Housing Investment Program (WHIP), Russell County qualifies for grant funding in addition to low-interest loans. The locality is also subject to a reduced local match requirement, a lower job creation threshold, and a higher funding cap per job announcement.

From a development standpoint, this designation can significantly improve the financial feasibility of affordable and workforce housing in Russell County. By reducing local cost burdens and enabling access to higher subsidy levels, it creates opportunities to advance projects that may not otherwise be viable under standard market or financing conditions.

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 Russell 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. Based on this evaluation, the study concludes with recommendations for adapting a comparable initiative in Russell County.

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 27** below.

Table 27: 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 that have been 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: Current Local Blight Mitigation Approaches in Russell County

Blight mitigation in Russell County and its incorporated towns remains limited, fragmented, and primarily reactive. The County and towns rely on basic property maintenance ordinances, nuisance abatement provisions, and selective revitalization projects rather than a cohesive program to address deteriorated structures or neighborhood decline. While several ordinances authorize the County to repair, remove, or secure unsafe buildings, these actions function independently and lack integration into a broader framework for long-term remediation or redevelopment.

Responses to blight vary across jurisdictions, reflecting differences in administrative capacity, staffing, and available funding. Most enforcement is complaint-based, with limited proactive inspections or formal property condition surveys. Town-level efforts typically focus on aesthetic improvements in downtown areas, pursuing grant funding for façade and infrastructure projects, and resolving individual nuisance cases. Because resources are limited and no countywide program links enforcement, rehabilitation incentives, and redevelopment tools, localities continue to face challenges in systematically identifying and addressing blighted properties.

The following subsections describe the principal blight-related ordinances and enforcement practices in Russell County and its incorporated towns of Lebanon, St. Paul, and Honaker.

VI.6.a: Russell County Blight Mitigation Approaches

Russell County does not operate a clearly defined or publicly documented blight abatement program. A review by S. Patz & Associates of County and municipal ordinances found that the County has adopted an ordinance titled "Repair and or Removal of Buildings – Other Structures", which authorizes the County to require the removal, repair, or securing of any building, wall, or structure that poses a risk to public health or safety. Although this ordinance provides a mechanism to address unsafe or deteriorated properties, it does not establish a coordinated framework for remediation or redevelopment. As a result, property maintenance issues are primarily managed through general code enforcement and complaint-based responses, rather than through a proactive or strategic program.

County staff confirm that Russell County has not adopted Part III of the Virginia Uniform Statewide Building Code (the Virginia Maintenance Code). Instead, property standards are enforced under a Litter Ordinance and a Dilapidated Structure Ordinance. Staff report that the ordinance's language makes it difficult to compel the removal of unsafe structures, limiting its practical effectiveness. Consequently, most enforcement actions occur only after complaints are submitted, and there is no program for regular inspections or systematic monitoring.

At the regulatory level, Russell County may use several state-authorized tools to address blighted or derelict properties. Under Virginia Code §36-49.1:1, localities may implement spot-blight procedures that allow acquisition or repair of dilapidated properties, and under §58.1-3221.6, fiscally stressed localities may create a separate tax class for blighted properties to incentivize redevelopment. Russell County has not adopted these optional provisions, which limit its capacity to intervene directly in cases of prolonged vacancy, neglect, or abandonment.

The County's Comprehensive Development Plan references housing rehabilitation but does not address blight mitigation directly. Two policies are especially relevant: (1) "The County should continue to support efforts by all the towns to rehabilitate substandard homes for those who are income eligible," and (2) "The County should adopt a policy of always having a neighborhood housing rehabilitation project being either implemented or being studied." These statements demonstrate policy intent to preserve and improve existing housing, but stop short of defining an operational framework for identifying or addressing blighted conditions.

The County has not established a revolving demolition fund or a formal system for tracking unsafe structures under its 2013 ordinance. In the absence of a coordinated program linking code enforcement with rehabilitation funding or redevelopment strategies, blight mitigation efforts remain limited in scope and sustainability.

VI.6.b: Town of Lebanon Blight Mitigation Approaches

The Town of Lebanon maintains a limited but functional approach to property maintenance and code enforcement. The Building and Zoning Office primarily responds to complaints involving unsafe or deteriorated structures and coordinates with Russell County on demolition cases when needed. Lebanon does not employ staff dedicated to proactively identifying blight, planning remediation, or managing rehabilitation programs. Consequently, enforcement remains reactive and depends on individual complaints rather than systematic property condition surveys or inspections.

Lebanon's Town Code addresses blight primarily through Article IV, "Nuisances," within Chapter 34 (Offenses and Miscellaneous Provisions). This section defines nuisances broadly to include conditions or activities that threaten health or safety or create unsanitary or unsightly environments. Examples include accumulation of debris, overgrown vegetation, inoperable vehicles, deteriorated signage, and unsafe or unsanitary public or private structures. The ordinance prohibits any property owner, occupant, or agent from allowing such nuisances to persist, and establishes penalties of up to $1,000 per day after notice to abate.

The code authorizes the Town Manager to enforce abatement, allowing the Town to remove or remedy nuisances and recover related costs in the same manner as local taxes. A cross-reference is provided to the Derelict Buildings Ordinance (§10-61 et seq.), which outlines additional procedures for deteriorated structures. Collectively, these ordinances serve as general nuisance and property maintenance tools rather than a comprehensive blight abatement program. Nevertheless, they provide Lebanon with defined mechanisms to address unsafe or neglected properties through enforcement and cost recovery.

Chapter 10 of the Town Code ("Buildings and Building Regulations") reinforces this authority through Article III, "Derelict Buildings." This article defines derelict buildings as vacant and deteriorated structures that are unfit for human habitation and that contribute to neighborhood decline or public safety concerns. It authorizes the Town Manager to inspect suspected derelict properties and issue a formal Notice of Declaration requiring owners to submit a written plan for repair or demolition within a specified timeframe. If the owner fails to comply, the Town may undertake repairs or demolition directly and recover associated costs as a lien against the property. The ordinance also provides civil penalties and related remedies to ensure compliance. Together, these provisions establish a procedural framework that complements the nuisance ordinance by addressing chronic structural deterioration through an enforceable process.

VI.6.c: Town of St. Paul Blight Mitigation Approaches

The Town of St. Paul has implemented some of the region's most active revitalization initiatives. Between 2018 and 2019, the Town completed a Downtown Revitalization Project that included façade improvements, streetscape enhancements, sidewalk reconstruction, and utility upgrades. This project was supported by multiple agencies, including the Community Development Block Grant (CDBG) program, the Virginia Department of Transportation's Revenue Sharing Program, and the Virginia Department of Health. Building on that effort, St. Paul initiated a follow-up project for Riverside Drive, which has received planning grants from the Virginia Department of Housing and Community Development (DHCD), the Department of Forestry, and the Virginia Tech Community Design Assistance Center. The Town is pursuing CDBG funding for implementation to enhance curb appeal and reduce visible blight along one of its primary entryways.

As part of the Riverside Drive planning process, St. Paul developed a working definition of "blight" that may be incorporated into a formal ordinance in the future. The definition describes blight as any structure or improvement that threatens public health, safety, or welfare due to deterioration or violations of minimum standards, or that adversely affects the value of nearby properties. Examples include peeling paint, broken windows, damaged fascia or soffits, roof deterioration, and vegetation within structural elements.

At present, the Town addresses property maintenance and blighted conditions through a complaint-based process. The Town Manager handles most enforcement requests directly, which limits opportunities for proactive inspections due to staffing constraints. While enforcement activity has increased in recent years, particularly for yard maintenance and exterior upkeep, limited capacity prevents systematic monitoring of building conditions. Town officials have noted that additional staffing would be necessary to support more comprehensive enforcement and formal blight-mitigation efforts.

A further challenge involves the financial capacity of property owners. Rising construction costs have made it difficult for owners to complete repairs or façade improvements requested by the Town, reducing compliance even when violations are confirmed. Despite these constraints, St. Paul's revitalization and Riverside Drive initiatives represent proactive attempts to connect visual improvement projects with longer-term strategies for neighborhood reinvestment and stabilization.

VI.6.d: Town of Honaker Blight Mitigation Approaches

The Town of Honaker has pursued several targeted revitalization initiatives, primarily supported through state and federal grant programs. Among these efforts, the Town completed a Downtown Revitalization Project administered by the Virginia Department of Housing and Community Development (DHCD) and the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) program. The project focused on public infrastructure improvements, including streetscape enhancements, lighting, and signage upgrades, which improved the Town's appearance and encouraged limited private reinvestment. While these activities helped reduce visible deterioration in the downtown area, they did not create an ongoing framework for addressing blight or property neglect.

Honaker collaborates with Russell County to enforce property maintenance codes, particularly those concerning unsafe or structurally unsound buildings. This partnership broadens enforcement capacity but remains reactive, with most actions occurring after significant deterioration has taken place. Although coordination has helped address immediate safety hazards, it has not resolved the underlying economic or ownership constraints that lead to long-term property decline. Establishing a sustainable blight mitigation program would require dedicated staffing, reliable funding, and alignment with housing rehabilitation and redevelopment initiatives.

VI.6.e: Blight Mitigation Approach Summary

Blight mitigation efforts across Russell County and its incorporated towns are limited by staffing shortages, reactive enforcement, and the lack of a unified countywide framework. Among localities, the Town of St. Paul demonstrates the most comprehensive approach by linking infrastructure investment with emerging policy development. Honaker's collaboration with the County illustrates a structured model for shared enforcement, while Lebanon's nuisance and derelict-building ordinances provide a legal basis for addressing neglected properties. However, none of these initiatives operate within a broader, coordinated strategy such as the BAUD program, which aims to increase housing supply by combining property rehabilitation, infill development, and incentives for private investment in underutilized areas.

Without dedicated personnel, reliable funding, and a countywide rehabilitation or redevelopment strategy, local initiatives remain fragmented and have a short-term impact. Integrating blight abatement with housing and redevelopment goals, similar to the BAUD model, would strengthen long-term revitalization and expand the local housing supply.

VI.7: Considerations for Replication

Across Russell County and its incorporated towns, the capacity to replicate a program similar to the BAUD model is limited, but it can build upon existing modest efforts. No locality in the County has adopted a formal blight abatement ordinance or developed clear procedures for acquiring and reusing problem properties. Current code enforcement is largely complaintdriven and typically ends once a violation is addressed, leaving many vacant or deteriorated properties without a structured process for rehabilitation or redevelopment.

In contrast, Marion's BAUD model provides a comprehensive approach that spans property identification, acquisition, redevelopment, and resale. This 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 reuse. Importantly, Marion reinvests sales proceeds into a local housing fund, sustaining long-term neighborhood stabilization.

Within Russell County, the institutional framework to support such a process is largely absent. Staffing and budget limitations constrain proactive acquisition and redevelopment efforts. While certain tools exist, such as the County's "Repair and or Removal of Buildings – Other Structures" ordinance, adopted in April 2013, these primarily apply to unsafe structures rather than supporting a comprehensive blight remediation program.

For Russell County to implement a BAUD-style program, localities must first strengthen their legal and administrative frameworks for redevelopment. Legal updates could include zoning and policy changes that make infill and small-lot development more feasible, such as reducing minimum lot sizes, adjusting frontage requirements, or clarifying rules for modular and manufactured homes. These revisions would enable the redevelopment and reuse of cleared or rehabilitated parcels.

Expanding enforcement capacity is also essential. A proactive program benefits from coordination among code enforcement, public works, utilities, and public safety departments to identify at-risk properties early. In Russell County, where staff are limited, combining enforcement resources among towns or through a regional partnership could provide broader coverage and greater consistency.

Financial capacity remains a critical element. Effective programs leverage state, federal, and local funds, combining supply-side resources for demolition and site preparation with buyer-side affordability tools, such as forgivable second mortgages or down payment assistance. Russell County's existing ordinance provides a foundation for intervention, but scaling up will require a sustained, regionally managed funding mechanism.

Given current conditions, implementation should proceed in phases, emphasizing cooperation. Localities should first establish a clear legal pathway for blight abatement and align zoning and land use policies to encourage redevelopment. Next, they should expand property acquisition and rehabilitation capacity through shared services or regional partnerships and develop a funding strategy that supports both site preparation and homebuyer assistance.

Recommended steps for replication include:

1. Review and revise zoning ordinances and the comprehensive plan to remove barriers to small-lot development, modular construction, higher-density housing, and other infill strategies, ensuring that cleared or rehabilitated parcels can be reused effectively.

2. Establish or enhance code enforcement capacity to proactively identify vacant or deteriorating properties. Where staffing is limited, consider shared or regional enforcement services that are coordinated across the County's towns.

3. Partner with a regional planning organization to manage technical functions such as grant writing, environmental review, redevelopment planning, and program coordination, reducing administrative burdens on small local governments.

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

5. Secure a diversified funding strategy that combines local seed funds with state and federal resources to support both site preparation and buyer-side affordability programs.

6. Establish a reinvestment mechanism or local housing trust fund so that sales proceeds from redeveloped properties can be reinvested into future acquisitions and rehabilitation efforts, ensuring long-term sustainability.

Although conditions vary among the County's towns and rural areas, the core principles of the BAUD model (targeted acquisition, regulatory flexibility, coordinated funding, and regional technical support) can be adapted to develop a proactive, scalable blight mitigation strategy in Russell County.

Section VII: Development and Redevelopment Properties

This section identifies properties that appear suitable for new residential development or adaptive reuse. S. Patz & Associates conducted interviews with Russell County planning staff, along with representatives from each of the County's incorporated towns, to identify any existing buildings or parcels that may be viable for residential development or redevelopment.

Apart from a few small lots within established subdivisions that have seen minimal recent activity, none of the individuals interviewed identified any specific sites or buildings currently considered candidates for residential use. This lack of identified properties does not mean such opportunities are absent; rather, it reflects limited recent development activity, minimal market turnover, and the absence of formal systems for tracking or inventorying potential development sites at the local level.

To supplement these interviews, S. Patz & Associates reviewed publicly listed properties advertised for sale through platforms such as LoopNet, LandWatch, and Realtor.com. The review focused on identifying parcels with residential zoning or development potential, as well as buildings that possess the structural soundness and location characteristics appropriate for adaptive reuse as housing.

VII.1: Vacant Buildings with Redevelopment Potential

This section identifies vacant buildings in Russell County that present realistic potential for redevelopment into residential uses. S. Patz and Associates evaluated these sites through interviews with County and Town staff, a review of recent media coverage, and an examination of active and historical real estate listings. **Table 28** below summarizes five former elementary schools that are currently vacant and that offer varying levels of potential for adaptive reuse.

These buildings were constructed between the early-1950s and mid-1950s. According to county assessment records, their sizes range from approximately 11,015 square feet at Oak Grove Elementary School to about 18,274 square feet at Givens Elementary School. All five buildings possess historic value, although none currently carry formal historic designation. Ownership varies, with four buildings under public ownership and one, Clinch River Elementary School, under the ownership of a church.

A key constraint for all five properties is that none have access to both public water and public sewer. This limitation has important implications for residential adaptive reuse. Housing redevelopment requires adequate water supply, reliable wastewater capacity, and compliance with modern building and health codes. Sites that lack full utility service often require costly improvements, including extensions of municipal water or sewer lines, upgrades to existing infrastructure, or installation of engineered wastewater systems capable of supporting residential occupancy. These interventions increase development costs, add permitting complexity, and may restrict the scale or density of units that can be supported.

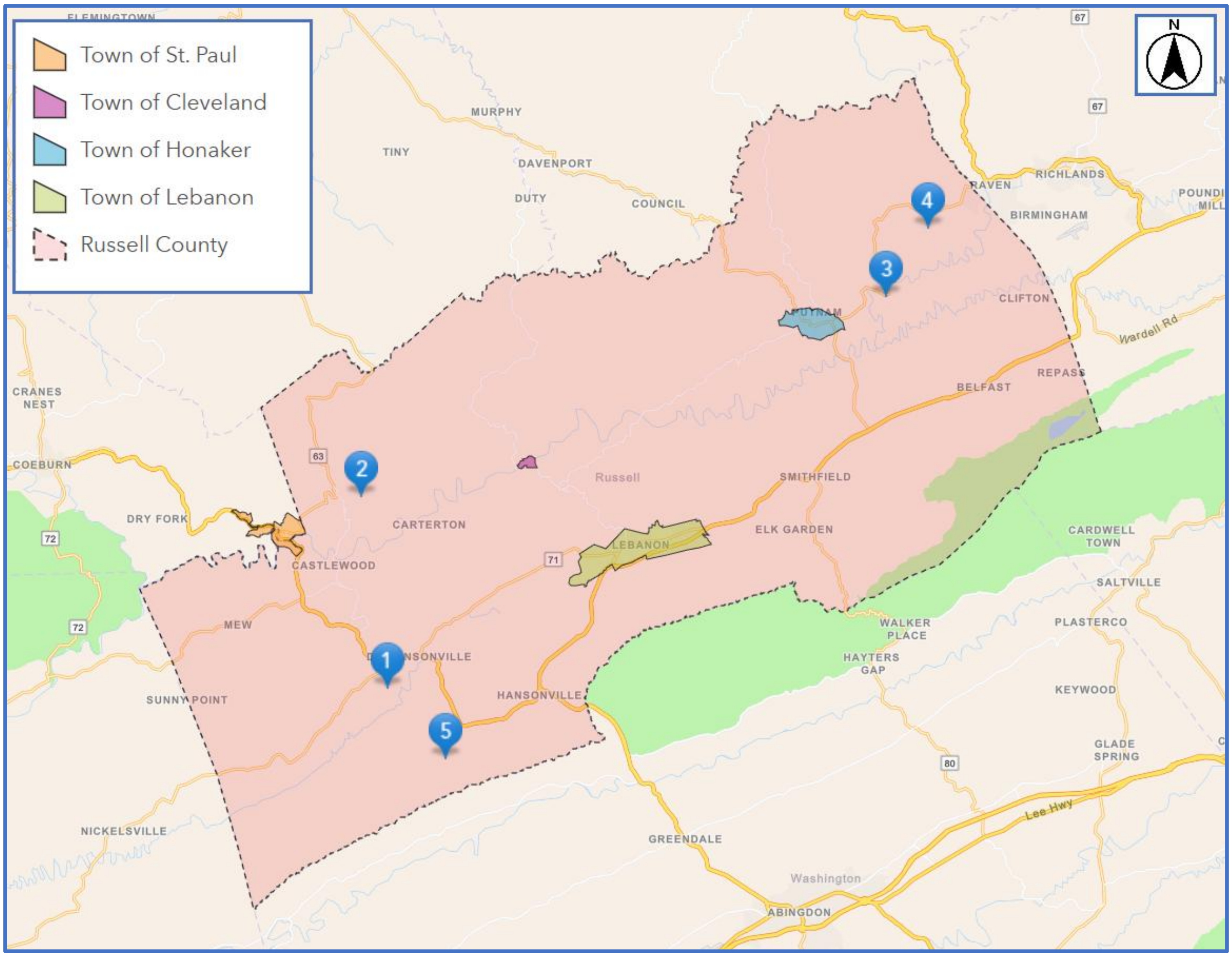
As a result, the absence of full utility access is one of the primary challenges to converting these former schools into housing. Even so, their structural footprints may offer opportunities for reuse if feasible infrastructure solutions can be identified. Further coordination among the County, utility providers, and prospective development partners will be necessary to determine whether these buildings can support viable residential redevelopment.

Table 28: Vacant Buildings with Residential Potential — Russel County, VA

	Map F Key	Year Built	Size (Sq. Ft.) [2]	Historic Designation	Ownership
Copper Creek Elementary School	1	1953	14,996	○	Public
Clinch River Elementary School	2	1950s [1]	11,840	○	Church
Swords Creek Elementary School	3	1954	--	○	Public
Givens Elementary School	4	1950s [1]	18,274	○	Public
Oak Grove Elementary School	5	1954	11,015	○	Public

[1] Estimate. Assessment records do not indicate the year of construction.
[2] Based on county assessment records and not verified.
Source: S. Patz & Associates, Inc.; Russell County VA GIS

Map F shows the locations of each of these properties. Swords Creek Elementary School and Givens Elementary School are located along State Route 67 in the eastern portion of the county, east of the Town of Honaker. Oak Grove Elementary School is situated along Moccasin Valley Road, just south of U.S. Route 58, in the southern portion of the county and lies generally midway between St. Paul and Lebanon. Copper Creek Elementary School is located on the south side of U.S. Route 58 Alternate in the western portion of the county in the Castlewood area, south of St. Paul. Clinch River Elementary School is located at the southwestern corner of Gravel Lick Road and Calvary Baptist Road in the western part of Russell County, northeast of St. Paul. The map illustrates that all five schools are situated in the more rural areas of the County.



Map F – Locations of Vacant Buildings with Redevelopment Potential

The paragraphs below provide brief descriptions of each of these school buildings:

- **<u>Copper Creek Elementary School</u>**: Copper Creek Elementary School is a vacant public school building on a nine-acre parcel at 23894 US Highway 58 in Castlewood. The original structure was completed in 1953, with additions in 1958 and 1963. A significant renovation took place in 2010, which included the installation of new windows, updated heating and cooling units, lowered ceilings, asbestos removal, and new classroom flooring.

  The building does not currently have a historic designation; however, its age and architectural characteristics suggest that it may qualify in the future. Such eligibility would enable the use of federal and state rehabilitation tax credits, which could help offset development costs. The property may also be eligible for additional incentives, including the Low-Income Housing Tax Credit program.

In May 2024, the Russell County School Board voted to close the school due to declining enrollment and budget pressures. Because the property remains under public ownership, the County or School Board may consider a donation or a sale at a below-market rate to support a redevelopment effort.

County assessment records list the building at 14,996 square feet. Based on the age of construction, multiple additions, and the overall building massing, the actual building area may exceed the reported figure, and a measured survey would be required to confirm the final square footage.

- **Clinch River Elementary School**: Clinch River Elementary School is located at the southwestern corner of Gravel Lick Road and Calvary Baptist Road in the Castlewood area of western Russell County. The property is owned by Calvary Baptist Church, which occupies the adjacent parcel. The two-story structure has access to public water service but lacks access to public sewer service.

  Property records do not specify the year of construction. Based on architectural characteristics and overall condition, the building is likely to date to the 1950s. The building does not have a historic designation. However, it may qualify for future listing, which would allow the use of federal and state rehabilitation tax credits in a redevelopment effort. According to county assessment records, the structure contains approximately 11,840 square feet of floor area. This size, combined with the potential for historic eligibility, may support an adaptive reuse strategy, including the possibility of converting to multifamily or senior housing.

- **Swords Creek Elementary School**: Swords Creek Elementary School, located at 3867 Swords Creek Road in Swords Creek, was one of two elementary schools in the Russell County Public Schools system approved for closure at the end of the 2023 to 2024 academic year. The decision was driven by ongoing declines in student enrollment and fiscal challenges that required reallocating funds to support teacher salaries and staff retention. Initially constructed in 1954 and expanded in 1966 to include additional classrooms, a library, and administrative offices, the building contains 11 classrooms, a library, a cafeteria, and a gymnasium, with a total capacity of about 275 students. In 2017, Swords Creek Elementary became the consolidated elementary school for the area following the closure of Givens Elementary, and it then served students in pre-kindergarten through seventh grade.

  Following the 2023 to 2024 school year, students and staff were reassigned to Honaker Elementary School. County property assessment records do not show the building size. As with the other school buildings, potential eligibility for historic designation may support its consideration for adaptive reuse.

County officials have reported that a recent evaluation found asbestos and other remediation needs at Swords Creek that could cost in the low hundreds of thousands of dollars.

- **<u>Givens Elementary School:</u>** Givens Elementary School, located at 8153 Swords Creek Road in Swords Creek, served the younger elementary grades, including pre-kindergarten through second grade, in conjunction with the nearby Swords Creek Elementary School. Due to changing demographics and efforts to consolidate resources, the school was officially closed in 2017. Following its closure, all students and operations were merged into Swords Creek Elementary School.

  County assessment records show the building to be 18,274 square feet. Assessment records do not document the property acreage or the year built, although the architectural style suggests construction in the 1950s or 1960s. As with the other school buildings, the structure may be a suitable candidate for adaptive reuse, depending on future infrastructure and code compliance considerations.

- **<u>Oak Grove Elementary School</u>**: This former elementary school is located at 10244 Moccasin Valley Road. The school was constructed in 1954, and according to assessment records, the building is 11,015 square feet. In 1998, Russell County Public Schools moved to close Oak Grove Elementary. By the late 1990s, the facility had been repurposed as the Oak Grove Community Center, and the building continues to serve the community, providing space for public meetings and serving as a polling place.

The Russell County Board of Supervisors voted at its regular meeting on July 7, 2025, to authorize advertising the sale of Givens Elementary, Swords Creek Elementary, Copper Creek Elementary, and Oak Grove Elementary School.

The supervisors described the action to reduce ongoing maintenance and utility costs associated with vacant buildings, as well as to address significant environmental remediation needs, including the removal of asbestos and other hazardous materials. For at least one of the properties, staff referenced a hypothetical mitigation cost of roughly $700,000, and overall remediation needs were described as being in the low hundreds of thousands of dollars, depending on site conditions. Board members also discussed programs, such as the Virginia Brownfields program, which supports environmental assessments and cleanup when an economic development reuse is proposed. However, they acknowledged that such grants are competitive and may not be awarded.

While the Board has approved advertising the properties and is reviewing potential grant options, the official public notice, bid materials, and specific sales deadlines had not been posted online at the time of this writing.

The photographs below show each building's current condition, the surrounding setting, and the broader context for potential redevelopment. All buildings appear to be in good condition.

Copper Creek Elementary School

Clinch River Elementary School

Swords Creek Elementary School

Givens Elementary School

Oak Grove Elementary School

In addition to these five school properties, several upper-story spaces along West Main Street in the Town of Lebanon may offer smaller-scale opportunities for residential rehabilitation, including loft-style apartments. The Town has not compiled a formal inventory of available upper-story buildings, and the number and condition of viable spaces remain uncertain. Even so, these types of properties could support a modest number of units that strengthen downtown activity, improve walkability, and enhance the overall function of the existing commercial corridor.

Typical Downtown Lebanon Buildings

VII.2: Vacant Parcels with Development Potential

S. Patz & Associates identified several vacant properties across Russell County that appear to have strong potential for future residential development or redevelopment. The survey prioritized larger undeveloped parcels greater than five acres, which could attract regional or state-level homebuilders rather than only local firms. Smaller parcels and those with significant development constraints, such as steep slopes, limited roadway access, or floodplain exposure, were excluded from the analysis. None of the identified properties is currently listed for sale or being actively marketed.

All of the parcels identified through this process are located within the Town of Lebanon. While a few sites in St. Paul may also be suitable for residential development, most of these lie within the Wise County portion of the Town. The Towns of Cleveland and Honaker are primarily built out, and most of their remaining large parcels face physical or infrastructure constraints that limit residential potential.

Table 29 summarizes the six parcels with the strongest development prospects. Parcel sizes range from approximately five acres to nearly 35 acres, offering capacity for a range of housing products, from small subdivisions to larger planned developments, depending on market conditions, zoning, and infrastructure access.

Zoning further shapes the development feasibility of these parcels. The three Cedar Creek Tract properties are zoned R-1, Single-Family, which limits development to single-family detached homes. The Banner Addition Property, as well as the Lark Smith and Lacy Property, is zoned R-2, General Dwelling, which permits multi-family dwelling types. The Dickenson Land Company property is zoned C-1, Commercial, which prohibits residential development altogether. Because several of these sites do not currently allow higher-density housing, most would require rezoning to support townhomes, multi-family units, or other higher-density residential options that align with market demand.

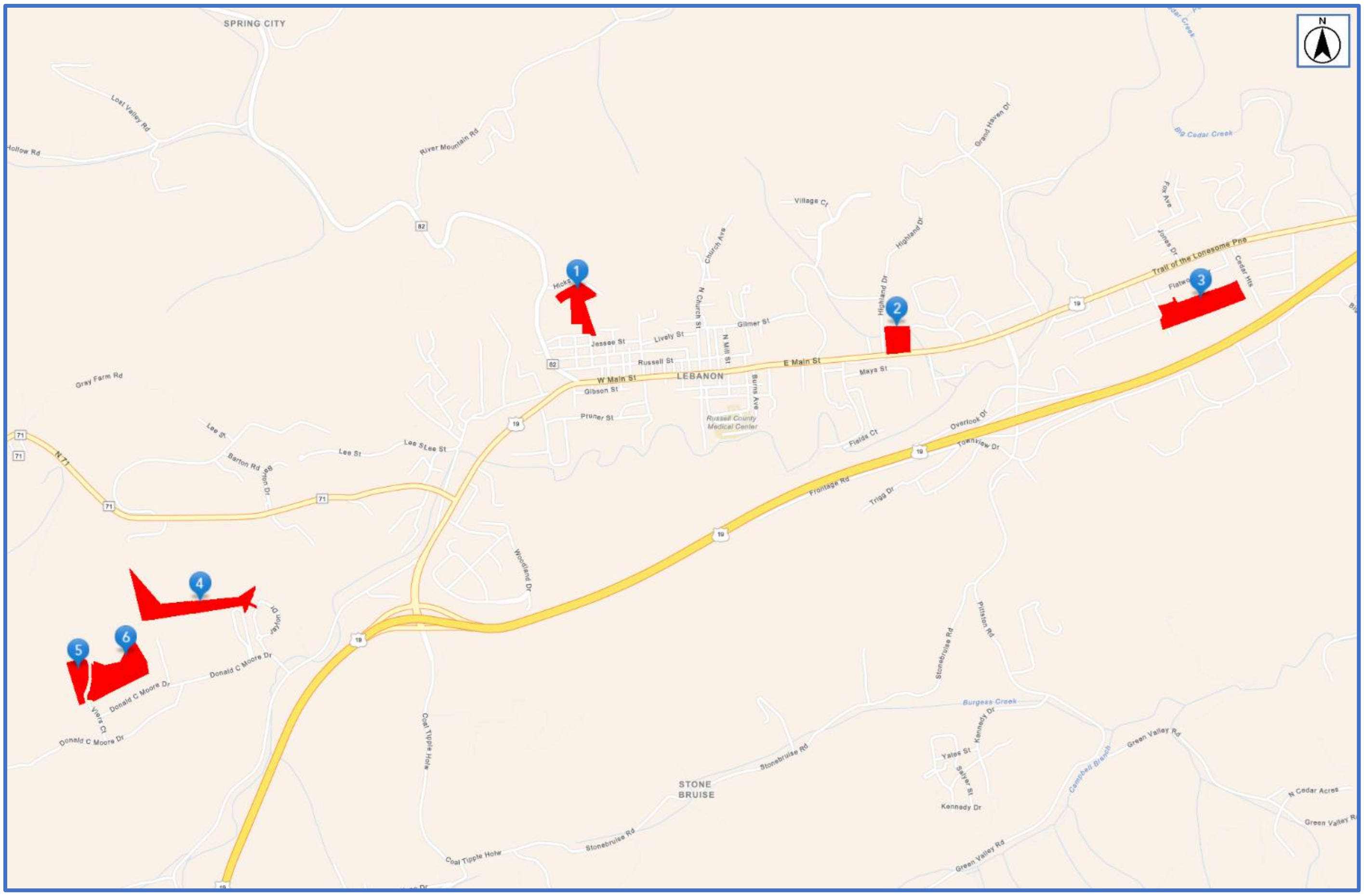
Table 29: Vacant Parcels with Development Potential — Russel County, VA

	Map G Key	Parcel ID	Zoning	Acres
Banner Addition Property	1	104R524	R-2, General Dwelling	8.3
Dickenson Land Company Property	2	104R1018A	C-1, Commercial	5.2
Lark Smith and Lacy Property [1]	3	104R3814F	R-2, General Dwelling	11.8
Cedar Creek Tract 1 Property	4	104L2701A	R-1, Single Family	34.5
Cedar Creek Tract 2 Property	5	104L2697B	R-1, Single Family	6.0
Cedar Creek Tract 3 Property	6	104L2697C	R-1, Single Family	15.2

[1] Partially developed with an apartment building.

Source: Russell County GIS System

Map G shows the locations of the six identified properties within the Town of Lebanon. Three of the properties are located on the eastern edge of the town, just north of Donald C. Moore Drive. One property, the Banner Addition parcel, is situated just north of downtown Lebanon, south of Hicks Circle, and north of Richardson Street. The Dickenson Land Company property is located at the northeastern intersection of Highland Drive and East Main Street. The Lark, Smith, and Lacy property is positioned along the eastern edge of the town, south of Premier Avenue, between U.S. Route 19 and East Main Street. This site is accessible from Gilmer Avenue.



Map G – Locations of Vacant Parcels with Development Potential

Shown next are aerial views and existing photographs of each of these properties.

Banner Addition Property


Dickenson Land Company Property


Lark Smith and Lacy Property


Cedar Creek Tract 1 Property


Cedar Creek Tract 2 Property


Cedar Creek Tract 3 Property

Overall, some properties in Russell County appear suitable for residential development, although neither the County nor its towns maintain a formal inventory or priority list of available sites.

Much of the County lacks access to public utilities, and this constraint limits the feasibility of higher-density housing. It also reduces the likelihood that external developers will pursue projects that add a meaningful number of units, since infrastructure extensions can increase development costs.

Even so, there are parcels within town limits where utility access is available, particularly in Lebanon, which provides more feasible opportunities for future residential development.

Section VIII: Conclusions and Recommendations

This section summarizes the key findings of the market analysis and presents recommendations to guide future housing development in Russell County. These findings establish a practical framework for addressing current and emerging housing needs.

The conclusions outline the main factors influencing local housing demand, including population trends, economic conditions, and recent market performance. They also emphasize ongoing shortages in housing supply, particularly for workforce, senior, and lower-income households. These conclusions are based on demographic and economic data, local housing market assessments, and stakeholder input, as documented in earlier sections of this report.

The report's primary conclusions are summarized below:

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

   - **Population Loss and Household Stabilization**: Russell County's population has declined by 13.6 percent since 2010, averaging a loss of roughly 312 residents per year. The pace of decline has moderated since 2020, with an average annual loss of about 204 residents. Despite the population decline, the number of households has not decreased as sharply, falling by only 1,074 since 2010. This trend reflects smaller household sizes, which declined from 2.38 in 2010 to 2.26 in 2024, consistent with an aging population and a decrease in the number of persons per household.

   - **Commuting Patterns and Labor-Market Mismatch:** While there are approximately 6,150 jobs located in Russell County, 9,076 residents are employed, meaning many commute elsewhere for work. U.S. Census data show that only 30.7 percent of Russell County residents both live and work within the County, with most outbound commuters traveling to Washington, Tazewell, Wise, and Buchanan Counties. Conversely, fewer than half of all jobs in Russell County are filled by County residents, with most in-commuters originating from these neighboring jurisdictions.

     This imbalance suggests an opportunity to expand housing options for employees who work in the County. Many commuters might prefer to live locally if attainable choices were available. Without new development, employers could continue facing recruitment and retention difficulties, and the County could forgo associated local spending.

- **Tight Labor Market:** Russell County's unemployment rate was 3.9 percent at the end of 2024, down from 4.9 percent in 2021. Fewer than 400 residents are unemployed. Despite the low unemployment rate, recent announcements point to more than 800 new positions within Russell County, representing stronger job growth than in past years.

  Filling these new jobs will require expanding the local housing supply at attainable price points. Without new home construction, many of these positions will likely be filled by workers commuting from outside the County.

- **Renter Demand**: Rental housing in Russell County is limited, aging, and fully occupied. The County contains 16 small, market-rate rental communities totaling only 147 units, most of which are located in the Town of Lebanon. Only 13 units have been built in the past decade, and nearly 70 percent were constructed between 1960 and 1980.

  Most market-rate units lack modern layouts and amenities, and rent at levels comparable to those of affordable housing, underscoring the limited quality and range of options in the local market. Deeply subsidized communities account for the majority of professionally managed rental stock, leaving few alternatives for households with modest or higher incomes.

  Professionally managed properties account for fewer than 20 percent of the County's approximately 2,400 renter households. The majority of renters live in single-family homes or manufactured homes scattered across the County, many of which lack energy efficiency, modern features, or accessible layouts for seniors and smaller households. Census data show that approximately 570 renter-occupied mobile homes are located in Russell County, accounting for nearly one-quarter of all renter households.

  This combination of near full occupancy, aging inventory, and minimal new construction highlights significant unmet demand. Households able to afford higher-quality units often have limited local choices and, in some cases, relocate outside the County. These conditions highlight the need for new, modern rental communities that can cater to both local workers and new residents.

  Although the median gross rent of $682 per month is relatively low, this corresponds to an annual household income of about $27,820 under standard affordability guidelines (30 percent of income allocated to rent). Approximately 1,229 renter households earn above this level, representing about 51 percent of all renters, and nearly 41 percent could afford monthly rents of around $1,000. Supply at this price range is limited, forcing many to remain in older or less suitable housing.

- **Senior-Oriented Housing Gaps**: Russell County's population is aging rapidly, even as overall population numbers decline. Seniors now comprise 29.8 percent of the population, up from 16.2 percent in 2000. Nearly half of all households (45.3 percent) are headed by adults aged 62 or older, compared with 27.8 percent in 2000. Among homeowners, the share of seniors has increased to 47.7 percent, and among renters, to 37.0 percent.

There is a shortage of senior-appropriate housing, including single-level homes, accessible layouts, and low-maintenance options. Few are available for sale, limiting opportunities for older residents to downsize. Most rental units are older single-family houses designed for families rather than aging adults, and they lack features that meet accessibility needs.

The only senior-oriented rentals in Russell County are income-restricted, and few are purpose-built for accessibility. The County currently lacks patio home developments, despite a growing senior population, including many with sufficient incomes and equity in their existing homes to afford new ones. Expanding these options would allow older residents to remain in the County while freeing existing homes for younger households.

2. **Russell County has a small inventory of vacant parcels that could support residential development.**

   Although County and Town staff do not currently maintain a formal inventory of sites suitable for residential development, research by S. Patz & Associates identified several parcels and a small group of vacant buildings that appear viable for new housing. Several of these sites are large enough to accommodate multiple housing types.

   While additional opportunities likely exist, the findings do not suggest that land availability alone is the primary barrier to future residential development. Most of the County is not served by public sewer, and extending utilities to rural or unincorporated locations can be prohibitively expensive because of distance from existing infrastructure. None of the identified vacant school buildings have access to both public water and public sewer. This limits their redevelopment potential because residential reuse requires reliable water supply, adequate wastewater capacity, and compliance with modern building codes. Without full utility service, projects may require costly extensions of municipal sewer, upgrades to water infrastructure, or installation of engineered wastewater systems, all of which affect feasibility and may constrain achievable unit counts.

   Even where vacant lots exist within established subdivisions, many of these sites cannot accommodate apartments, townhomes, or other higher-density formats. These neighborhoods were designed for single-family detached homes, with lot sizes, access points, and zoning classifications that do not support multi-unit structures. As a result, realistic opportunities for new residential development, including adaptive reuse projects and housing types that offer greater attainability, are primarily concentrated within the towns, particularly in Lebanon, where public utilities and more adaptable land-use patterns are present.

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

Nearly 23 percent of renter households spend more than 35 percent of their income on housing, which meets the standard definition of being rent overburdened. Households earning less than $35,000 per year account for all of these rent-burdened households, highlighting the close relationship between low income and housing cost strain. This pattern also reflects the generally low rent levels in the County, as moderate- and higher-income renters are not cost-burdened.

Among senior renters, 30.5 percent spend more than 35 percent of their income on housing, and approximately 26 percent spend more than 40 percent, meeting the threshold for severe rent burden. Limited incomes, combined with a shortage of affordable and accessible units, increase the housing vulnerability of this population and heighten the risk of displacement or housing instability.

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

   Rental housing options for lower-income households in Russell County remain extremely limited. The County contains five affordable rental communities totaling 101 units, generally serving households earning between 50% to 60% of AMI. All units are currently occupied, and only 23 are designated for seniors.

   There are no rental communities targeted to moderate-income or workforce households, including teachers, health care workers, and skilled tradespeople earning 80% to 120% of AMI. The absence of housing at these income levels limits the County's ability to attract and retain workers in essential occupations.

   Most of the income-restricted housing stock consists of aging public housing and older Low-Income Housing Tax Credit (LIHTC) developments built in the 1970s and 1980s that primarily serve households with very low incomes. Many of these properties require modernization to enhance energy efficiency, improve accessibility, and ensure long-term viability.

   Given the full occupancy and age of existing affordable housing, Russell County faces a significant shortage of affordable and workforce housing units. New development serving a broader range of income levels, including both workforce and senior households, would help stabilize the rental market and support local economic growth.

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

   High development costs and site constraints make it difficult to produce moderately priced homes in Russell County. These barriers reduce the feasibility of constructing housing that appeals to first-time buyers and to older residents who wish to downsize into smaller, lower-maintenance homes.

   Older single-family houses dominate the existing for-sale inventory, many of which require substantial updates or modernization. Of all homes currently listed for sale in Russell County, only two were built after 2020. Speculative new construction is virtually nonexistent at any price point. As a result, prospective homeowners and current residents seeking to relocate or downsize often look outside the County for newer homes with modern layouts, energy-efficient systems, and low-maintenance designs.

These conditions constrain both entry-level and move-down ownership opportunities, contributing to the continued outflow of potential buyers to surrounding counties. The limited pipeline of new construction also restricts turnover within the existing housing stock, as older and growing households have few local options that meet accessibility or size preferences.

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

   Households earning between 80% and 120% of AMI face limited choices within the local for-sale market. Most homes available at these price levels are older properties that often require updates and lack modern features such as open layouts, energy-efficient systems, and accessible design. Speculative new home construction serving this segment is nearly absent in Russell County. Recent new homes have primarily resulted from private lot purchases and custom builds rather than builder-led production, and even this activity remains limited.

   Building additional modest single-family homes, duplexes, and townhomes, including those using modular construction methods, could help meet this unmet demand. These housing types can be produced at a lower cost and provide the modern features buyers seek while keeping prices attainable. Expanding this segment would give middle-income households a realistic path to homeownership, help retain working-age residents who might otherwise relocate, and promote a more balanced and sustainable housing market.

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

   Current housing market conditions make rental development more achievable than new for-sale construction. Elevated mortgage rates, modest household incomes, and high building costs have reduced the number of buyers able to afford homeownership. The wages associated with recent local and regional job growth are also more aligned with rental demand rather than ownership, particularly under current financing conditions.

   Despite these factors, a consistent demand for modestly priced for-sale homes remains, supported by limited inventory at attainable price points and continued interest from both senior households and families. This suggests that while rental housing will remain the most feasible short-term development opportunity, an ongoing need exists for entry-level ownership options that can serve residents seeking long-term stability.

8. **Reinvestment in the existing housing stock is essential to preserving affordability and extending the useful life of Russell County's homes.**

Improving the condition of the existing housing stock will remain an essential complement to new construction. Much of Russell County's single-family and manufactured housing is more than 40 years old, with many units requiring modernization, energy-efficiency improvements, and accessibility upgrades. Coordinated reinvestment efforts, such as minor repair or rehabilitation programs, can help preserve affordability, maintain neighborhood stability, and extend the useful life of existing homes while new supply is developed.

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

   State and federal programs such as Qualified Census Tracts, Opportunity Zones, and New Markets Tax Credits, along with state-level tools including the Low-Income Housing Tax Credit (LIHTC), Workforce Housing Innovation Program (WHIP), and Affordable and Special Needs Housing (ASNH) program, are essential for closing financing gaps. These programs are vital for developments that include affordability requirements or serve households with low incomes. They play a central role in supporting projects for families and seniors, where capped rents or sales prices limit potential revenue.

   Without these tools, many developments serving lower- and moderate-income households would face financing gaps too large to close through private investment alone. Because competition for program funding is strong, early coordination with experienced development teams and close alignment with program criteria are critical to securing awards and advancing projects.

10. **Russell County currently lacks a coordinated and sustained approach to blight mitigation.**

    The County currently lacks formal programs or dedicated staff to address blighted or underutilized properties. Establishing a structured and consistent blight mitigation program could support the development of clear strategies that can be replicated across the County and the broader region. An effective initiative would likely combine proactive code enforcement, targeted property rehabilitation or redevelopment, and shared administrative and technical capacity to ensure long-term success.

    These efforts could help return vacant or deteriorated properties to productive use, expanding the potential housing supply while improving neighborhood conditions.

Russell County's housing market is characterized by population decline, limited new construction, and an aging housing stock, yet there are clear opportunities for new development. Smaller household sizes, an aging population, and unmet needs among renters and homeowners who cannot find suitable options locally continue to drive demand for additional housing. Rental housing currently represents the strongest area of demand, while attainable for-sale housing remains a critical long-term need.

The availability of land and future job growth occurring at a faster pace than in previous years suggest that new housing can succeed if supported by coordinated planning and resource alignment. The development of vacant or underutilized properties, coupled with expanded access to housing incentive programs, could help attract investment and fill key market gaps.

Although challenges such as high construction costs and limited financing capacity persist, Russell County can build on its existing assets and market strengths. Coordinated efforts among developers, lenders, and local partners could turn these challenges into opportunities for focused growth. With sustained action, the County can broaden housing choice, retain residents, and support a more balanced and resilient housing market. Continued collaboration among local governments, private developers, regional agencies, and state housing partners will be essential to move these strategies from planning into implementation.

VIII.1: For-Sale Housing Recommendations

This subsection summarizes the projected need for new for-sale housing units in Russell County during the next five years. The analysis focuses on two primary market segments: (1) workforce households with incomes between 80% and 120% of AMI, and (2) the broader market-rate segment. Based on these data, the following recommendations identify the approximate number and types of new for-sale units that could be developed to meet demand and achieve feasible absorption within the local market.

Demand estimates are derived from the distribution of owner-household incomes (**Table 7**) and the most recent 2025 HUD income limits. Discussions with local real estate professionals and a review of recent listing activity suggest that homes priced above approximately $300,000 tend to experience slower sales velocity, with diminishing demand at higher price points. This suggests that the practical price ceiling for most new for-sale homes under current conditions is approximately $300,000.

These pricing thresholds provide a framework for aligning new housing supply with affordability goals and local market capacity. They also align with Appalachian Highlands

Housing Partners' efforts to expand attainable workforce housing that is consistent with household income levels and reflective of regional market conditions.

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

For this analysis, workforce households in Russell County are defined as those earning between 80% and 120% of AMI. This group includes working families, first-time homebuyers, and moderate-income professionals. Based on the 2025 HUD income limits shown in **Table 30**, qualifying household incomes range from $43,760 to $101,280, depending on household size. Approximately 3,093 of the County's 8,467 owner households, or about 36.5 percent, fall within this income band. These households represent the core market for new for-sale homes priced to meet workforce housing affordability targets.

Although some larger households are present, they account for a small share of the owner-occupied housing stock. According to **Table 7**, nearly 95 percent of owner-occupied households in Russell County consist of one to four persons.

Table 30: 2025 HUD Income Limits by Household Size — Russell 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 describes the methodology used to estimate affordability ceilings across target income levels. The calculations follow standard lending practices and incorporate federal guidelines as well as local market conditions in Russell County.

Affordability ceilings are derived using a step-by-step framework consistent with HUD guidance and the assumptions shown in **Table 31**. Each scenario assumes a 30-year fixed-rate mortgage at 6.17 percent, reflecting the 52-week average reported by Freddie Mac's Primary Mortgage Market Survey. Because affordability is rate-sensitive, any change in mortgage interest rates would directly influence the maximum attainable home price. A 20 percent down payment is assumed, consistent with conventional loan standards.

Although the model takes a conservative approach, some buyers, particularly first-time purchasers, may qualify for loan programs with lower down payment requirements, such as FHA products. These products could allow for slightly higher purchase prices on a case-by-case basis, but they are not included in this model to preserve consistency across all affordability estimates.

Total monthly homeowner costs are limited to 30 percent of gross household income, consistent with widely accepted affordability benchmarks. Before estimating the allowable mortgage payment, fixed monthly expenses are subtracted, including real estate taxes of $0.579 per $100 of assessed value (slightly higher in the towns of Lebanon, St. Paul, Cleveland, and Honaker), homeowners' insurance equal to 0.40 percent of the purchase price annually, and typical maintenance or homeowners' association fees. HOA and maintenance costs are assumed at $150 per month for patio homes, $100 per month for townhomes, and $50 per month for single-family homes, reflecting routine upkeep and shared amenity costs typical of the region.

The remaining portion of the housing budget, available for principal and interest payments, is converted into a maximum affordable loan amount using a mortgage factor based on the 6.17 percent interest rate. This loan amount is then adjusted upward to include the 20 percent down payment, producing an estimated affordable home price for each household size and income level.

Table 31 summarizes the key assumptions used in the pricing model.

Table 31: Cost Assumptions Used in Pricing Model

Cost Component	Assumption	Rationale
Interest Rate	6.17% (30-year fixed)	Reflects 52-week average (Freddie Mac PMMS)
Down Payment	20% of Purchase Price	Reflects conventional loan standards
Real Estate Tax	$0.579 per $100 of assessed value [1]	Russell County 2025 real estate tax rate
Insurance	0.40% of purchase price annually	Based on regional insurance estimates
HOA / Maintenance	Patio: $150/month Townhome: $100/month Single-family: $50/month	Reflects ongoing maintenance and shared amenities

[1] Real estate taxes are slightly higher in the towns of Lebanon, St. Paul, Cleveland, and Honaker.

Source: S. Patz & Associates, Inc.; Freddie Mac PMMS; Russell 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 the 2025 HUD income thresholds for Russell County, a 20 percent down payment, and a 6.17 percent 30-year fixed-rate mortgage. HOA and maintenance costs are based on the assumptions summarized in **Table 31**.

Real estate taxes are set at $0.579 per $100 of assessed value, homeowners' insurance is calculated at 0.40 percent of the purchase price annually, and monthly HOA or maintenance costs are assumed at $150 for patio homes, $100 for townhomes, and $50 for single-family homes. The resulting affordability ceilings are presented in **Table 32**.

The model includes three housing types (patio homes, townhomes, and single-family homes) and estimates maximum affordable purchase prices for households earning 80% and 120% of AMI. Affordability ceilings vary by both 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 approximately $192,900. In comparison, a four-person household at 120% of AMI ($93,720) could afford a single-family home priced up to about $402,000.

These figures represent general affordability benchmarks, assuming that no more than 30 percent of gross household income is allocated to total housing costs, including the mortgage payment, property taxes, insurance, and maintenance. Actual affordability may vary depending on available down payment funds, existing debt obligations, and the financing terms offered to each household.

Table 32: Affordability Ceilings Based on 2025 HUD Income Thresholds — Russell County, VA				
Product Type	**Household Size**	**AMI Tier**	**Income**	**Price Ceiling** [1]
Patio Home	1	80%	$43,760	$165,500
Patio Home	1	120%	$65,640	$261,400
Patio Home	2	80%	$50,000	$192,900
Patio Home	2	120%	$75,000	$302,400
Townhome	2	80%	$50,000	$201,600
Townhome	2	120%	$75,000	$311,200
Townhome	3	80%	$56,240	$229,000
Townhome	3	120%	$84,360	$352,200
Single-Family Home	3	80%	$56,240	$237,700
Single-Family Home	3	120%	$84,360	$361,000
Single-Family Home	4	80%	$62,480	$265,100
Single-Family Home	4	120%	$93,720	$402,000
Single-Family Home	5	80%	$67,520	$287,200
Single-Family Home	5	120%	$101,280	$435,100

[1] Rounded to the nearest $100. Calculations apply a 20 percent down payment, a 6.17 percent 30-year fixed mortgage, a mortgage factor of 0.00611 (about $6.11 per $1,000 borrowed), real estate taxes at $0.579 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 attainable under the model's financial assumptions. These figures provide a practical framework for evaluating the feasibility of different housing formats and help guide decisions related to 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 may enter the for-sale market each year, the analysis applies a 5.0 percent annual turnover rate to the 3,093 workforce households identified in the previous section. This assumption reflects HUD norms for rural and small-town markets, where turnover is typically lower due to long-term homeownership and an aging population. At this rate, approximately 155 workforce households are expected to seek new housing opportunities each year.

Over a five-year period, this equates to an estimated total of about 773 workforce households that may enter the market for ownership housing. Some of these households will remain within Russell County by purchasing existing homes, while others may pursue new construction opportunities if the available supply remains limited. Although not all households experiencing turnover will purchase newly built homes, this group represents a recurring and measurable source of demand for new for-sale housing.

To account for market constraints and moderate absorption expectations, the model assumes that new construction will capture 10 to 12 percent of the total five-year turnover. This assumption yields an estimated demand of roughly 77 to 92 new for-sale units within the 80% to 120% of AMI range.

Given local construction and absorption conditions, a conservative development target of 40 to 50 new for-sale units is recommended. This range reflects a cautious planning approach that considers potential limitations related to financing, infrastructure capacity, site availability, and buyer purchasing power.

Countywide housing market data support this conservative stance. Home sales averaged approximately 96 per year between 2019 and 2024 (**Table 18**). Delivering 8 to 10 new homes annually would therefore represent roughly 8 to 10 percent of total yearly transactions. This level of new supply would be significant for a small, rural market such as Russell County.

Median home prices also show moderate fluctuation, falling from $186,397 in 2023 to $175,200 in 2024 (**Table 19**). This trend reflects the sensitivity of buyer demand to interest rates and household income levels. Many existing homes sell for significantly less than new construction costs, creating downward pressure on the achievable pricing for new homes. In addition, the County's older age profile, prevalence of long-term owners, and dispersed development pattern constrain turnover and limit the pace of new home absorption.

These combined factors justify maintaining a delivery target of 40 to 50 units over the next five years. The recommended mix should include a range of patio homes, townhomes, and single-family homes to meet the needs of working families, downsizing seniors, and first-time buyers.

This framework is summarized in **Table 33** below.

Table 33: Estimated Demand from Workforce Household Turnover — Russell County, VA		
Metric	**Value**	**Notes**
Total Workforce Households	3,093	Households earning between 80% and 120% of AMI
Annual Turnover Rate	5.0%	Based on HUD rural/small-town norms
Estimated Annual Turnover	155 households	3,093 × 5.0%
Estimated 5-Year Turnover	773 households	155 × 5 years
Assumed Capture Rate	10% – 12%	Reflects modest absorption expectations
Estimated Demand (5-Year)	77 units – 92 units	773 × 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 afford home prices as high as $435,400, feedback from local real estate professionals shows that demand weakens for homes priced above approximately $300,000. Larger households of four or five people represent a relatively small share of the County's population, further limiting potential demand at the highest price levels. For this reason, pricing recommendations in **Table 34** are intentionally conservative and reflect the current dynamics of the Russell County housing market.

Table 34 presents the recommended price bands and five-year unit targets by product type. This proposed mix supports a balanced development approach that aligns with the distribution of household sizes, income levels, and local economic conditions. Patio homes and townhomes occupy overlapping price segments to accommodate variation in lot size and building configuration, while single-family homes are positioned within the upper price range yet remain below the levels where sales activity typically slows.

Table 34: Recommended For-Sale Housing Mix and Target Price Bands — Russell County, VA				
Product Type	**Target HH Size**	**80% of AMI Price Range**	**120% of AMI Price Range**	**5-Year Target**
Patio Homes	1 – 2	$162,000 – $193,000	$258,000 – $299,000	14 – 17 units
Townhomes	2 – 3	$199,000 – $229,000	$263,000 – $299,000 [1]	14 – 17 units
Single-Family Homes	3 – 5	$235,000 – $287,000	$284,000 – $330,000 [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 recommendations below summarize key considerations for design, pricing, and target buyer groups across the proposed housing products. Each strategy is structured to match local market demand, demographic characteristics, and established affordability thresholds.

- **Patio Homes**: A substantial portion of future for-sale construction should consist of patio homes, reflecting the County's aging population and the continuing demand for low-maintenance living. To meet the needs of older adults, individuals with limited mobility, and those seeking to downsize, plans should incorporate universal design principles such as step-free entries, single-level layouts, and wider interior doorways. Compact building footprints and simplified finishes help sustain attainable pricing levels. While older adults and empty-nesters are the primary audience, these homes can also appeal to smaller households and single professionals in markets where housing supply is limited. Recommended pricing is $162,000 to $193,000 for households at 80% of AMI and $258,000 to $299,000 for households at 120% of AMI. The suggested five-year production goal is 14 to 17 units.

- **Townhomes**: Townhomes offer an efficient and relatively affordable path to ownership that fits younger buyers, small families, and moderate-income professionals. The attached form allows for greater site efficiency and lower infrastructure costs per unit. Designs should emphasize functional layouts, durable finishes, and exterior materials that minimize upkeep. Recommended pricing is $199,000 to $229,000 for households at 80% of AMI and $263,000 to $299,000 for households at 120% of AMI. These prices are positioned slightly 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 homes should target buyers seeking traditional ownership opportunities with private yards and additional living space. Likely buyers include growing families, move-up buyers, and residents relocating from outlying rural areas. To keep homes within reach for workforce buyers, developers should explore cost-saving construction techniques such as modular or panelized systems. Modest lot sizes, standardized plans, and restrained interior packages can help maintain affordability while preserving quality. Recommended pricing ranges from $235,000 to $287,000 for 80%

of AMI households and from $284,000 to $330,000 for 120% of AMI households. Pricing near the top of this range may experience slower absorption, consistent with local evidence that demand declines above $300,000. The recommended five-year goal is 12 to 16 units.

Achieving these production targets, particularly for households earning near or below 80% of AMI, will depend on disciplined cost management. Strategies may include smaller or shared lots, modular construction, bulk material purchasing, and partnerships with local governments to pursue potential infrastructure assistance or land incentives. Early coordination between builders and public partners can help align construction costs with achievable price points, thereby enhancing overall project feasibility.

The recommended unit targets are intentionally conservative, reflecting the limited recent experience with speculative homebuilding in Russell County. Given the absence of consistent development trends, a measured approach is warranted until demand patterns and absorption rates are better established.

VIII.2: Rental Housing Recommendations

Section IV.2 of this report identified an ongoing shortage of rental housing in Russell County, including both market-rate and income-restricted options.

Research by S. Patz & Associates shows that very few new rental units have been built in recent years. Over the past decade, only 13 professionally managed apartments have been added to the market, all located in the Town of Lebanon and all offered at market rates. The lack of new, high-quality rentals is one reason the number of renter households in the County has declined during this period.

This limited pace of construction has not kept up with demand, especially given projected job growth at the local and regional level over the next five years. Vacancy rates in both market-rate and affordable properties are exceptionally low, with nearly all communities fully occupied. Existing market-rate rentals tend to offer few amenities and outdated layouts. Typical floor plans include two- or three-bedroom units with one or one-and-a-half bathrooms, which no longer meet the preferences of many renters. Most newer or renovated rentals are single-family homes, which serve a narrower segment of the market and leave few options for other renters.

As a result, only a small share of renters live in these managed communities. The majority reside in older, scattered single-family or manufactured homes throughout the County. As shown in **Table 8**, nearly 1,000 renter households, or about 41 percent, earn above $40,000 annually, which is sufficient to afford gross rents of about $1,000 per month using the standard affordability guideline of 30 percent of income.

This pattern suggests that many moderate- and higher-income renters occupy individually owned homes rather than professionally managed apartments. Many of these properties were originally built for ownership and are now rented out without professional management or regular maintenance.

Higher-income renters also appear to occupy modestly priced homes not because of financial limitations but because few higher-quality alternatives exist. This shortage leads to competition between higher- and moderate-income renters for the same limited supply, thereby reducing availability for households with fewer housing options. Property managers report that many prospective tenants with higher incomes inquire about available units but cannot find homes that meet their expectations.

Affordable rental housing faces similar challenges. Few affordable communities exist in Russell County, and those that do are older and fully occupied. As shown in **Table 23**, only 103 affordable units in Russell County are not supported by deep rent subsidies, and all of them are currently leased.

Constructing new garden-style apartment communities appears to be the most practical way to address this shortage. This approach is particularly suitable because Russell County has few older buildings that could be adapted for residential use.

New developments could serve local renters who are currently living in outdated housing, incoming workers expected as employment expands, and existing employees who now commute from neighboring counties. Most new apartments should feature two-bedroom layouts with two full bathrooms, as these designs appeal to couples, small families, and households with shared living arrangements.

Rental housing also provides a manageable entry point into the County's housing market for developers. It aligns well with the needs of the workforce and steady demand among renters employed in hourly or moderate-wage jobs. Based on current income and rent data, viable rent levels are estimated to be approximately $1,000 for one-bedroom units, $1,125 for two-bedroom units, and $1,250 for three-bedroom units. These figures are conservative and assume practical but well-maintained finishes rather than luxury features.

Table 35 presents the 2025 HUD maximum gross rents by bedroom type and income level. The data show that maximum allowable rents at both 80% and 120% of AMI exceed the achievable rent levels described above. This means that new, market-rate apartments priced within these ranges could comfortably serve households earning above 80% of AMI, even without income restrictions.

These developments would primarily serve moderate-income renters who are not eligible for subsidized housing but have few choices for newer, higher-quality units. While formal income limits may not apply under most financing conditions, they could be required if projects use public funding, tax credits, or similar incentive programs that carry affordability requirements.

Table 35: 2025 HUD Maximum Gross Rents — Russell 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

Given the region's projected employment growth and the significant pent-up demand from renters living in substandard housing or commuting from outside the area, there is a clear and immediate need for additional rental supply, especially at attainable rent levels.

Based on current market conditions and the limited availability of quality units, an initial goal of 50 new rental units is recommended. These units could be constructed in two phases to provide a manageable entry point for developers while helping to address part of the existing shortfall. This represents a deliberately conservative estimate, recognizing that the local market has not previously absorbed this number of new apartments at one time. If initial leasing activity is strong and sustained, a second phase of comparable scale should be evaluated, depending on absorption performance and development capacity. Even if located within Russell County, a well-designed rental community is likely to draw tenants from both within the County and nearby areas.

In addition to the need for market-rate housing, there is strong demand for affordable rental units serving households below 80% of AMI, including homes for both families and seniors. Many of these households live in older, lower-quality housing that no longer meets modern standards or commute from outside Russell County. The Main Street Villas proposal, scheduled to begin construction in early 2026, will add 21 age-restricted units, with five at 30% of AMI, six at 50%, and ten at 60%. Although this represents a positive step, it will not be sufficient to meet overall demand. Because the County has experienced few recent apartment deliveries, the project will provide an important opportunity to monitor leasing activity and stabilization patterns, which can help inform the timing and scale of future affordable developments, particularly for seniors.

The financial feasibility of new affordable rental projects will depend on access to Low-Income Housing Tax Credits (LIHTC) or comparable public subsidies. Without such tools, construction and operating costs would make these developments difficult to support through private financing alone.

Given the depth of unmet need, the County could realistically support about 50 affordable general-occupancy apartment units and 40 affordable age-restricted units. Any future LIHTC application is likely to occur after Main Street Villas has been completed and reached stabilized occupancy. Actual demand exceeds these numbers, but they represent a practical and achievable starting point under current financing conditions. The successful delivery of these units will rely on early coordination with qualified developers and access to competitive subsidy programs.

VIII.3: Phasing and Implementation

Building on the unmet housing needs documented in earlier sections, near-term priorities in Russell County should center on expanding the rental supply through new apartment development and introducing moderately dense for-sale options such as patio homes, townhomes, and compact single-family homes. These product types are the most practical starting point because they address demand among households earning 80% to 120% of AMI and can be developed at price points feasible under current market conditions. They also align with the needs of the local workforce and aging residents who prefer smaller, lower-maintenance homes.

Although patio homes are often associated with senior buyers, well-designed and reasonably priced units can also attract younger households seeking attainable ownership opportunities. These homes can serve both downsizing adults and first-time buyers, especially when located in areas suitable for low- to moderate-density residential use. Townhomes and smaller single-family homes, which remain limited within the existing inventory, can broaden opportunities for entry-level buyers, small families, and local professionals. Expanding these product types would help balance the for-sale market and support a more diverse mix of housing choices across the County.

These housing types can be phased in more efficiently than large subdivisions, allowing developers to adjust to demand and market absorption over time. New apartments, in particular, would help ease the documented rental shortage while providing a steady pipeline of attainable housing for local workers. The viable rent levels identified in **Section VIII.2**, ranging from about

$1,000 to $1,250 per month, are expected to remain within reach for much of the workforce, even under current construction and financing conditions.

Affordable, income-restricted apartments also remain a critical need but require longer timelines and more complex financing. These developments depend on Low-Income Housing Tax Credits or comparable public subsidies, which often involve multiple funding sources and extended review processes. As such, affordable housing efforts should advance in parallel with market-rate construction, with the understanding that delivery will occur more gradually. The upcoming Main Street Villas development, which will add 21 age-restricted affordable units, will serve as a valuable reference point for measuring absorption and establishing expectations for future affordable projects.

If additional affordable projects are proposed, early coordination with experienced development partners will be essential, particularly those familiar with tax credit programs and subsidy mechanisms. Close collaboration among local government, nonprofit organizations, and private developers can help identify potential sites, mitigate risk, and enhance the likelihood of successful project delivery.

Several suitable parcels have been identified within Russell County, particularly within and around the Town of Lebanon, where existing access, utilities, and infrastructure can support residential use. Some larger sites may need to be subdivided to allow higher-density or mixed housing formats, but overall, land availability is not expected to present a significant barrier to near-term housing development.

VIII.4: Summary of Recommended Housing Development

Based on the findings of this study, Russell County is well-positioned to support the construction of approximately 180 to 190 new housing units over the next five years. This estimate represents what the local market can realistically absorb under current economic and demographic conditions. It does not capture the full extent of unmet housing need but provides a practical near-term target for development that can be refined as projects move forward and market conditions evolve.

The recommended housing mix includes both for-sale and rental products, designed to address the needs of the workforce, seniors, and families. For-sale construction should focus on smaller, more attainable homes, including patio homes, townhomes, and compact single-family houses. These units respond to demand among downsizing owners, first-time buyers, and moderate-income households earning between 80% and 120% of AMI. Rental production should include both market-rate and affordable communities, with affordable development aimed at households earning below 80% of AMI.

Initial for-sale development should emphasize housing types that can be delivered efficiently and phased as the market grows. Recommended production goals include 14 to 17 patio homes, 14 to 17 townhomes, and 12 to 16 single-family homes over the five-year period. Together, these products would expand ownership options for residents who are currently priced out of new construction and diversify the County's limited for-sale inventory.

Rental development should proceed in tandem with for-sale housing, beginning with approximately 50 market-rate apartments that offer modern layouts and modest amenities. These units would provide attainable options for working households and commuters who currently rent older homes within the County or reside outside it due to limited local options.

Affordable rental housing remains a priority, particularly for seniors and low- to moderate-income households. The County could reasonably support about 50 affordable general-occupancy apartments and 40 affordable age-restricted units during the same period. These projects will depend on securing Low-Income Housing Tax Credits or other subsidy programs and will likely follow a longer timeline than market-rate construction.

Together, these recommendations form a balanced and achievable development strategy that addresses pressing housing gaps while allowing flexibility in future phases. Early implementation should focus on parcels within or near the Town of Lebanon, where infrastructure and access conditions are already suitable for residential use. As absorption patterns become clearer, additional phases can be planned to expand supply and respond to demonstrated demand.

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	50 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 estimates provide a useful framework for planning future development, each project should be evaluated individually, taking into account its specific site and surrounding market context. This is particularly important for larger projects, such as new apartment communities, which may introduce a significant number of units at once and should be carefully assessed against current absorption capacity and prevailing conditions in Russell County and nearby markets.

Data Sources

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

- Bluefield Daily Telegraph
- Bristol Herald Courier
- Cardinal News
- Claritas; Ribbon Demographics
- City of Bristol Department of Economic Development
- Community Development Financial Institutions (CDFI) Fund
- Company press releases
- Cumberland Plateau Planning District Commission
- Cumberland Plateau Regional Housing Authority
- Easy Analytic Software, Inc. (EASI)
- Federal Emergency Management Agency (FEMA)
- Freddie Mac's Primary Mortgage Market Survey (PMMS)
- Internal Revenue Service
- Management of each rental property surveyed
- Mount Rogers Planning District Commission
- National Association of REALTORS
- National Register of Historic Places
- Russell County
- Russell County Industrial Development Authority
- Sponsors of each pipeline apartment proposals
- SWVA Today
- Smyth County Economic Development
- Tazewell County Department of Economic Development
- The Lebanon News
- Town of Cleveland
- Town of Honaker
- Town of Lebanon
- Town of St. Paul
- U.S. Census Bureau
- U.S. Department of Agriculture – Rural Development
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor
- U.S. Department of the Treasury
- U.S. Forest Service
- U.S. Geological Survey
- Virginia Business
- Virginia Coalfield Economic Development Authority
- Virginia Department of Emergency Management (VDEM)
- Virginia Department of Housing and Community Development (DHCD)
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing

- Virginia Landmarks Register
- Virginia REALTORS
- Virginia Tobacco Region Revitalization Commission
- Weldon Cooper Center for Public Service
- Wise County
- Wise County Redevelopment and Housing Authority

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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.

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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.