Comprehensive Housing Analysis

Alleghany Highlands, Virginia

Prepared for:
Matt Garten, Chairman
Alleghany County Board of Supervisors

June 2025

S. PATZ & ASSOCIATES, INC
REAL ESTATE CONSULTANTS

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June 2, 2025

Matt Garten
Chairman
Alleghany County Board of Supervisors
9212 Winterberry Avenue
Covington, VA 24426

Dear Mr. Garten,

This report presents a comprehensive housing analysis for the Alleghany Highlands, serving as an update to the study completed in April 2019. It examines current housing market conditions with a specific focus on economic trends, demographic shifts, and the availability of properties suitable for residential development. Additionally, the analysis outlines changes in the housing market since the 2019 report and proposes actionable strategies to address the region's current housing needs.

A primary conclusion from this analysis is that housing demand in the Alleghany Highlands remains strong. However, supply constraints continue to limit the market. Several factors support this finding, including modest employment growth, demographic changes, and turnover among existing employers. In addition, the housing stock is aging and lacks the diversity of home types and quality that today's buyers and renters expect.

The successful lease-up of the 96-unit River Retreat Apartments demonstrates that the market can absorb new rental housing. Still, the slow pace of new residential development remains a challenge. The shortage of quality housing has made it difficult for local employers to recruit and retain staff. These housing challenges are closely tied to broader economic development goals. Without increased housing availability, efforts to support workforce growth and regional economic expansion may be constrained.

While demand for rental housing is strong, there is also significant pent-up demand for for-sale homes designed for seniors and families at modest price points. Patio homes and townhomes are especially well-suited to meet the needs of downsizing seniors and first-time homebuyers.

The study identifies several viable development sites and existing buildings that can accommodate various housing types. Some publicly owned properties may be offered at below-market prices, helping to reduce development costs and improve project feasibility. In addition, several vacant buildings qualify for historic tax credits, which can further support the financial viability of adaptive reuse. For example, Edgemont School, Clifton Forge High School, and

Clifton Forge Armory are strong candidates for redevelopment into market-rate or affordable housing, including senior rental units.

The attached report provides additional findings, along with estimates of potential new housing demand. We appreciate the collaboration and support of local and regional officials throughout the course of this study. Their involvement and expertise will be crucial in implementing the study's recommendations and advancing housing development in the Alleghany Highlands.

We remain available to support future planning efforts and hope the strategies outlined in this report will help address the region's housing challenges and promote long-term, sustainable growth.

Sincerely,

Ariel Goldring

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

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Introduction

Public officials and employers across the Alleghany Highlands, including Alleghany County, the City of Covington, the Town of Clifton Forge, and the Town of Iron Gate, have long acknowledged challenges related to housing availability and the limited range of housing types. In response, a regional initiative was launched in 2019 to assess unmet housing needs, identify suitable sites for development and redevelopment, and develop strategies to encourage new residential construction. As part of this effort, S. Patz & Associates conducted a housing study, providing a detailed analysis of market conditions and initial recommendations for addressing the region's housing challenges.

Since the publication of the 2019 report, some progress has been made. Most notably, the completion of the 96-unit River Retreat Apartments in Low Moor marked a significant milestone, as it was the first market-rate apartment community built in the region in more than forty years. While this development has addressed some unmet demand, the region continues to face a housing shortage. The current supply remains inadequate for key groups, including seniors, first-time homebuyers, and members of the workforce.

The Alleghany Highlands offers multiple opportunities for new housing development, including low-cost sites, centrally located parcels, and vacant or underused historic buildings that could be adapted for residential use. New hires at Smurfit Westrock and other local employers often enter the region with incomes that could support higher-quality rental housing, but supply remains limited. Company officials also report that many long-term employees would prefer to retire locally but are constrained by a lack of suitable options.

As a result, the shortage of quality housing undermines efforts to attract and retain workers. New employees often struggle to find housing that meets their needs, while others leave the region in search of better housing options. The result is reduced workforce stability and diminished competitiveness in attracting investment and skilled labor.

This study identifies near-term opportunities to expand both rental and for-sale housing, with particular emphasis on publicly owned land and buildings, which offer greater feasibility due to their affordability, availability, and suitability for residential development.

The report is organized into seven primary sections, each addressing a distinct component of the region's housing conditions and development potential.

- **Section I: Regional Setting and Connectivity:** This section provides an overview of the Alleghany Highlands, including its geographic context, transportation infrastructure, and regional linkages. It also examines the area's commuting patterns and economic connections to the Roanoke Valley.

- **Section II: Economic Overview of the Alleghany Highlands:** This section presents an economic profile of the region. It examines current job trends, labor force dynamics, and active economic development efforts. The section includes an analysis of Smurfit Westrock, one of the region's largest employers, and evaluates regional employment growth that could support future housing demand.

- **Section III: Demographic Analysis of the Alleghany Highlands:** This section offers a comprehensive demographic profile of the Alleghany Highlands, including data on population, household tenure, income distribution, and senior population trends. It also assesses the number of rent-overburdened households and those living in substandard conditions, two indicators that support the need for affordable housing development. Additional analyses include housing unit development trends, the age of occupied structures, and tenure patterns based on when residents moved into their homes. These indicators help quantify pent-up demand for various housing types.

- **Section IV: Alleghany Highlands Rental Housing Market:** This section focuses on the rental housing market, with an emphasis on workforce and market-rate apartment developments. It provides data on professionally managed rental communities, including construction periods, income restrictions, rent levels, and occupancy rates. An overview of proposed and planned apartment developments is also included.

- **Section V: Alleghany Highlands For-Sale Housing Market:** This section analyzes the for-sale housing market, presenting data on home sales activity, trends in median sales prices, housing inventory levels, and subdivisions with available lots for residential development. At present, there is no designated senior-focused for-sale housing market in the Alleghany Highlands. Given the area's growing older adult population, the feasibility of developing such housing is explored in this section.

- **Section VI: Available Residential Development and Redevelopment Sites:** This section identifies vacant parcels and existing buildings suitable for new development or redevelopment. These sites represent significant opportunities for both rental and for-sale housing.

- **Section VII: Conclusions and Recommendations:** The final section summarizes key findings and presents recommendations. It outlines a development strategy that considers site selection, price points, rental rates, housing types and sizes, and target markets. These recommendations serve as a framework to guide future residential development in the region.

Section I: Regional Setting and Connectivity

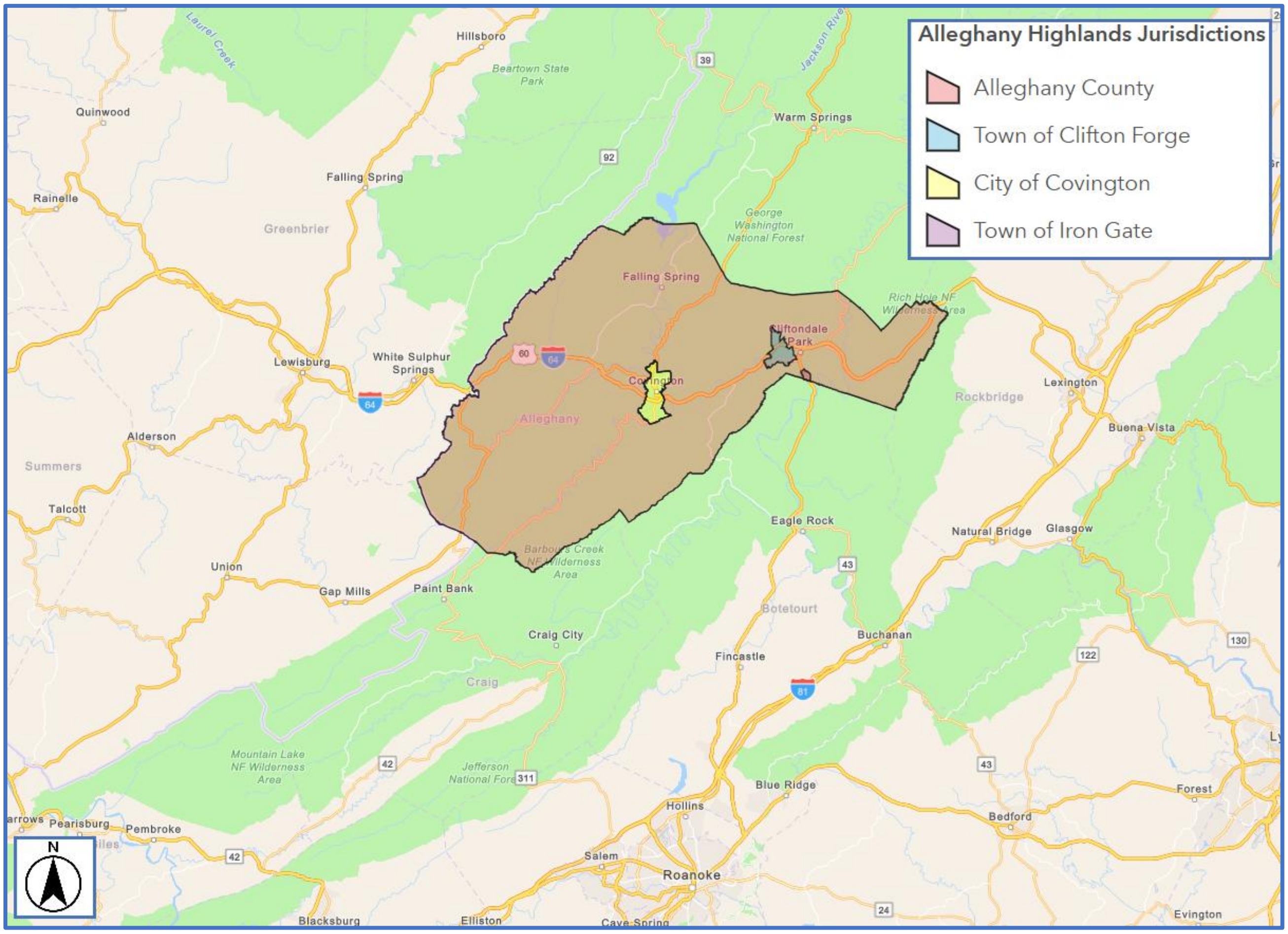
The Alleghany Highlands is situated in a mountainous region of western Virginia, with a substantial portion of its land area encompassed by the Jefferson National Forest. The forest covers large parts of Alleghany County, especially in the western and northern sections, and extends into Botetourt, Rockbridge, and Bath counties, as well as Greenbrier County and other jurisdictions in West Virginia. This geography defines the region's rural and forested character, imposing natural constraints on large-scale urban development.

Development in the Alleghany Highlands is concentrated in two urban centers: the City of Covington and the Town of Clifton Forge. These municipalities serve as the region's primary population and service hubs. Smaller pockets of development exist in Low Moor, Iron Gate, and near key interchanges along Interstate 64. The surrounding terrain remains predominantly low-density and largely undeveloped.

Map A shows that a well-established highway network connects the Alleghany Highlands internally and externally. Interstate 64 is the primary east–west corridor, connecting the Alleghany Highlands from the I-64/I-81 interchange near Lexington to County Route 32 in West Virginia. U.S. Route 60 runs parallel to I-64 for much of its route through the county. Two major north–south corridors provide additional connectivity: U.S. Route 220, which links Clifton Forge with Daleville in Botetourt County to the south and Bath County to the north, and Route 311, which connects Covington with rural areas near the West Virginia border.

Lexington, located approximately 45 minutes to the east, functions as an important transportation node at the I-64/I-81 interchange. While it is easily accessible via I-64 and U.S. Route 60, Lexington plays a limited role in daily commuting patterns for Alleghany Highlands residents. Its primary contributions to the region are academic and cultural, supported by institutions such as Washington and Lee University and the Virginia Military Institute, rather than employment opportunities for local commuters.

To the west, Greenbrier County, West Virginia, contributes to the broader regional landscape with a tourism-based economy and a limited range of healthcare and educational services. The Lewisburg area, which includes the Greenbrier Valley Medical Center and the West Virginia School of Osteopathic Medicine, represents the primary connection point between the two regions. However, commuter flows between the Alleghany Highlands and Greenbrier County remain low, and economic growth in that area has been modest in recent years.



Map A – Alleghany Highlands Regional Setting

Despite its rural setting and topographic barriers, the Alleghany Highlands maintains strong commuting and economic ties to the Roanoke region. Roanoke, Salem, Botetourt County, and Roanoke County are among the top destinations for outbound commuters, illustrating the region's southern labor market orientation. U.S. Route 220 plays a critical role in this linkage, providing direct access from Clifton Forge to growing employment centers in Botetourt County and the Roanoke Valley. In contrast, Covington lacks a direct southern route and is therefore less connected to this economic corridor.

Commuting within the Alleghany Highlands is also significant. A notable share of Covington's workforce travels to Alleghany County for employment, and vice versa, highlighting the integrated nature of the local labor market. While Covington hosts major employers such as Smurfit Westrock, many residents commute to nearby counties for work. In turn, both Covington and Alleghany County receive inbound commuters from neighboring rural jurisdictions, including Bath, Rockbridge, Botetourt, and Craig counties.

The region is part of the Roanoke Valley–Alleghany Regional Commission, a multi-jurisdictional planning organization that supports collaboration on transportation, housing, and economic development. This affiliation reflects the Alleghany Highlands' strategic alignment with the Roanoke Valley, especially along key infrastructure corridors such as U.S. Route 220 and Interstate 64.

Section II: Economic Overview of the Alleghany Highlands

The following section provides an economic overview of the Alleghany Highlands region. Its purpose is to illustrate the extent and nature of job growth and the potential for future job expansions. The rationale for this regional focus is that the area's economic and demographic stability is closely tied to broader patterns of employment growth and investment.

The analysis focuses on three primary components: in-place employment trends, overall labor force and employment dynamics, and current economic development initiatives with the potential to stimulate additional job growth. The section also includes a review of WARN (Worker Adjustment and Retraining Notification) notices to capture recent layoff activity. Together, these factors offer insight into the region's economic health and its capacity to support new investment, particularly in housing.

A central premise of this analysis is that employment growth supports population gains and household formation, both of which directly influence housing demand. Evaluating the region's job market is therefore critical to understanding the scope of its future residential needs.

In the Alleghany Highlands, much of the immediate housing demand is driven by existing unmet needs, particularly among employees of Smurfit Westrock. These needs span a variety of housing types, including rental units and for-sale homes suited to the local workforce. While existing demand forms the foundation, additional residential pressure may result from job growth in nearby communities, especially in Daleville in Botetourt County, which continues to expand as an employment center.

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

At-place employment refers to the number of jobs physically located within the Alleghany Highlands, which includes Alleghany County (along with the towns of Clifton Forge and Iron Gate) and the City of Covington. As of year-end 2019, before the onset of the COVID-19 pandemic, the region supported approximately 7,710 jobs. This figure represents a decline of roughly 620 jobs compared to the pre-recession peak in 2008.

According to data in **Table 1**, the region lost approximately 350 jobs during the recession in 2009. Between 2010 and 2012, there was modest recovery, with a net gain of around 120 jobs. Job losses resumed in 2013 and 2014, totaling approximately 340 layoffs. A brief improvement occurred in 2015 with the addition of about 140 jobs, but employment declined in each of the following years. The region lost around 40 jobs in 2016, 30 in 2017, 70 in 2018, and 60 in 2019. Much of this pre-pandemic decline is attributed to losses in the retail trade sector.

Employment data for the region are affected by disclosure limitations imposed by the U.S. Bureau of Labor Statistics (BLS). To protect the confidentiality of individual businesses, the BLS may suppress or aggregate certain employment figures, particularly in smaller or rural areas where few employers dominate the labor market. As a result, the available data may not fully capture employer-specific details, reducing the level of precision in assessing local employment conditions.

Manufacturing remains the dominant sector in the Alleghany Highlands, led by its largest employer, Smurfit Westrock. The company operates a major facility in Covington that has been in operation since 1899, along with a smaller converting plant in Low Moor, built in the 1980s. Together, these sites employ 1,073 workers, including 867 hourly wage employees.

The regional economy is closely tied to Smurfit Westrock's continued operations. Several other sectors, including construction and hospitality, are directly influenced by the company. Much of the local construction workforce is involved in facility upgrades and maintenance projects related to the mill. Similarly, the hospitality industry benefits from the presence of visiting contractors and vendors associated with the company's ongoing activities.

Healthcare is another significant source of employment in the region. Most healthcare jobs are tied to LewisGale Hospital Alleghany in Low Moor, operated by HCA Healthcare. The hospital opened in 1979 with a capacity of 204 beds and underwent a 43,330-square-foot expansion in 1993. It currently employs approximately 230 staff members. Healthcare employment has remained stable in recent years and is not expected to increase significantly in the near or mid-term.

Education also contributes meaningfully to the regional job base. Mountain Gateway Community College (MGCC), located between Clifton Forge and Low Moor, is part of the Virginia Community College System. Established in 1962, MGCC serves residents of Alleghany, Bath, northern Botetourt, and Rockbridge counties, as well as the cities of Covington, Buena Vista, and Lexington.

In January 2024, MGCC opened a new Career Services Center in Warren Hall. The center offers résumé assistance, mock interviews, professionalism training, social media awareness, and job search support. It also maintains a community jobs board to connect students and local employers. In March 2024, the Virginia Board of Education approved the development of MG-TEC, a new lab school on campus. This program is a partnership between MGCC and several local school divisions, providing high school students with access to IT training and industry certifications in cloud computing, cybersecurity, and technical support. MG-TEC is expected to serve approximately 70 students annually once fully operational. As of Fall 2024, MGCC enrolls 989 students.

College officials are also exploring the development of on-campus dormitories. While still in the early planning stages, this initiative would support enrollment growth, create a more attractive campus environment, and lead to additional employment opportunities over time.

The retail trade sector accounted for more than 10 percent of total employment in 2019 but has experienced a notable decline. Since 2008, the sector has lost nearly 320 jobs. Most retail activity is concentrated in four shopping centers located in and around Covington: the 122,285-square-foot Alleghany Square, the 98,898-square-foot Highland Centre, the 32,161-square-foot Riverbend Shopping Center, and the 28,047-square-foot Kroger Shopping Center.

The performance of the retail sector reflects broader economic challenges facing the region. Without sustained job creation and measurable population growth, expansion in the commercial real estate market is expected to remain limited.

Much of the remaining employment in the Alleghany Highlands is concentrated within four regional industrial and business parks. These employment centers, located along the I-64 corridor, have experienced limited development activity in recent years.

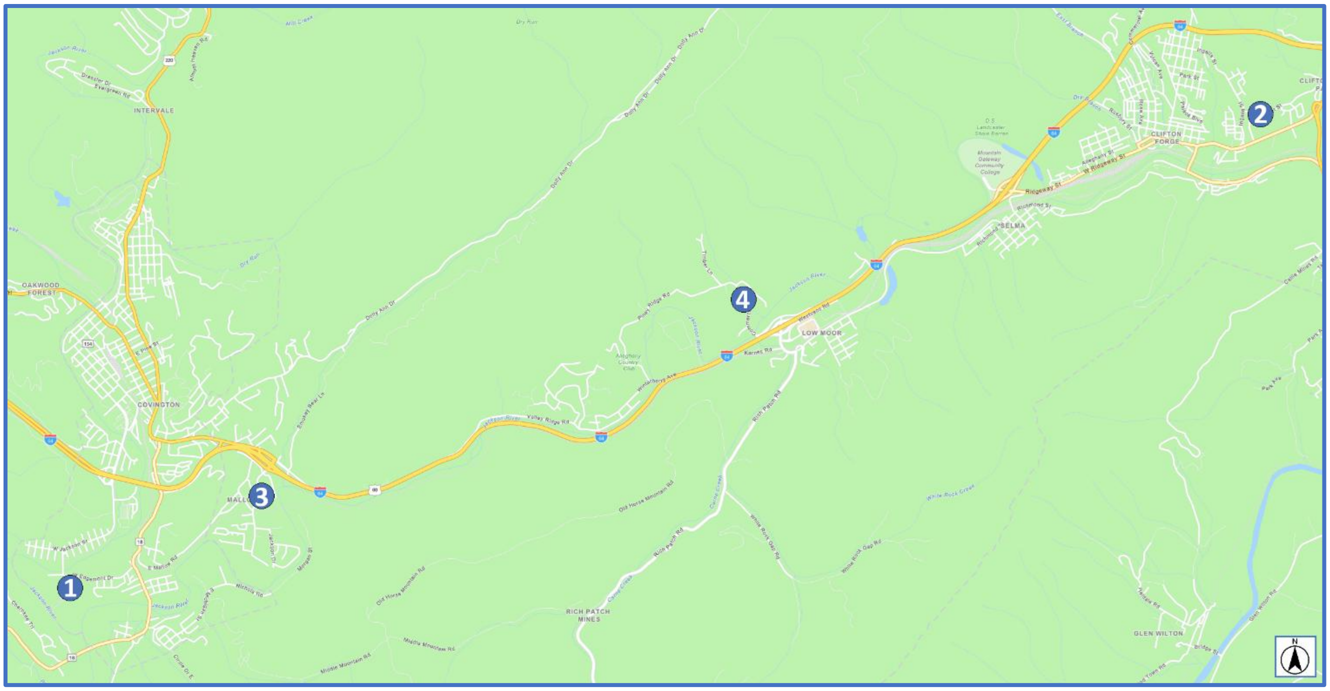
- **Rail Over River Industrial Park *(Note 1)***: This 102-acre industrial park is located at the western end of W. Edgemont Drive on the southern edge of Covington. It includes two vacant industrial buildings, constructed in 1928, totaling approximately 381,940 and 82,000 square feet. Applied Extrusion Technologies vacated the park in 2008, resulting in 126 layoffs, primarily among production and maintenance staff. The decision to vacate was attributed to high infrastructure costs following a significant corporate restructuring in 1998, which eliminated about 200 full-time positions.

- **Clifton Forge Business Park *(Note 2)***: This 20.5-acre business park, located at the intersection of Hickory and Main Streets in Clifton Forge, contains five lots, only one of which has been developed. It houses the E-ZPass Customer Service Center, which opened in 2006 in the former 15,490-square-foot Ntelos building. The center employs approximately 60 individuals, including customer service representatives and IT professionals. The remaining acreage is still undeveloped. The park also houses the recently built Clifton Forge Rescue Squad and a space occupied by the Rockbridge Farmers Cooperative.

- **Jamison Commerce Center *(Note 3)*:** Located at the southeastern intersection of I-64 and S. Durant Road along Thacker Avenue in Covington, this business park includes three industrial buildings constructed in the 1980s, totaling approximately 146,000 square feet. Kemper Properties occupies these buildings to store and distribute Smurfit Westrock paper products. The park also includes 2.6 acres of vacant land.

- **Alleghany Regional Commerce Center *(Note 4)***: This 300-acre business park is located along Commerce Center Drive in Low Moor. Balchem Corporation, a manufacturer of encapsulated ingredients used in animal food and health products, moved into a 68,170-square-foot facility in 2012, employing 55 people. One of the more recent additions to the park is the 37,000-square-foot Alleghany Highlands YMCA, which opened in 2007. The park's largest tenant is Green Thumb Industries. Also located within the park is a 19,400-square-foot facility, constructed in 1997 and occupied by Williams Fabrication, a metal fabricator. Smaller tenants include the Virginia State Police – BFO Division 6, which occupies a 2,360-square-foot facility constructed in 2005.

Map B shows the locations of each park, all of which are situated along the I-64 corridor: two in the Covington area, one in Low Moor, and one in the Clifton Forge area.



Map B - Alleghany Highlands Business/Industrial Parks

Unlike many rural counties in Virginia, Alleghany County does not rely heavily on agriculture as an economic driver. In contrast, forestry holds a more prominent role, with approximately 84 percent of the county's land classified as forested. Roughly half of this forested area is privately owned; the remainder is managed as part of the George Washington and Jefferson National Forests.

Due to the region's mountainous topography, the Alleghany Highlands remain largely rural. Development is primarily concentrated along the I-64 corridor, with the most significant activity occurring within the Towns of Clifton Forge and Covington.

Table 1: At-Place Employment by Industry — Alleghany Highlands, VA (2008–2019)
(Includes City of Covington and Alleghany County)

Industry	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Change
Agriculture	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Construction	484	365	397	430	393	463	423	480	491	503	505	614	130
Manufacturing	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Wholesale Trade	92	98	91	ND	ND	ND	126	ND	ND	114	ND	ND	--
Retail Trade	1,109	1,073	1,050	969	968	951	966	950	896	874	836	795	-314
Transportation/ Warehousing	204	176	162	153	189	ND	ND	234	252	ND	ND	210	6
Information	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Finance/Insurance	155	148	143	142	ND	132	136	136	ND	ND	120	ND	--
Real Estate	ND	ND	ND	ND	ND	ND	ND	40	ND	ND	ND	ND	--
Professional/Technical Services	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Management of Companies	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Administrative/Waste Services	ND	125	ND	ND	ND	138	120	143	163	196	202	214	--
Education	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Arts/Entertainment/Recreation	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Accommodation/Food Services	607	604	584	586	ND	569	591	674	ND	ND	ND	ND	--
Other Services	269	368	329	298	317	280	307	315	307	309	357	266	-3
Local Government	1,387	1,364	1,345	1,298	1,283	1,241	1,206	1,172	1,189	1,191	1,205	1,211	-176
State Government	243	240	252	286	298	305	307	299	289	300	301	289	46
Federal Government	80	81	82	75	72	66	65	66	71	64	61	62	-18
Total	**8,326**	**7,974**	**7,988**	**7,979**	**8,096**	**7,874**	**7,757**	**7,900**	**7,856**	**7,830**	**7,762**	**7,705**	**-621**

ND = Data do not meet BLS or State agency disclosure standards.

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

Table 2 presents employment changes since 2019, a period notably affected by the COVID-19 pandemic. Data are shown only for sectors not restricted by disclosure limitations. Overall, the region experienced a net loss of nearly 530 jobs during this time.

Although job losses were widespread, apartment occupancy across the region's rental properties remained stable. Home sales increased over the same period. While at-place employment rose by 43 positions in 2022, it showed no meaningful change in 2023.

Table 2: At-Place Employment by Industry — Alleghany Highlands, VA (2019–2023)
(Includes City of Covington and Alleghany County)

Industry	2019	2020	2021	2022	2023	Net Change
Construction	614	466	446	451	431	-183
Retail Trade	795	790	825	827	831	36
Administrative/ Waste Services	214	208	187	156	ND	--
Other Services	266	214	229	224	234	-32
Local Government	1,211	1,133	1,131	1,142	1,175	-36
State Government	289	281	272	261	237	-52
Federal Government	62	66	62	60	67	5
Total	**7,705**	**7,182**	**7,135**	**7,178**	**7,177**	**-528**

Source: United States Department of Labor

At-place employment data for 2024 are not yet available. The Bureau of Labor Statistics is expected to release these figures in the summer of 2025. Finalized local employment data, especially for rural areas like Alleghany County, typically follow national releases and are generally published between June and August of the subsequent year.

II.2: Employment and Labor Force

Employment and at-place employment are distinct metrics that provide different perspectives on a region's workforce dynamics. Employment refers to the number of employed residents living within a city or county, regardless of where they work. In contrast, at-place employment measures the number of jobs physically located within the region. The fact that total employment exceeds at-place employment suggests a net outflow of workers commuting to neighboring counties and cities, particularly the Roanoke region.

Between 2018 and 2019, prior to the COVID-19 pandemic, the Alleghany Highlands experienced a net increase of 60 jobs, as shown in **Table 3**. This growth lowered the region's unemployment rate to 3.8 percent, down from 4.2 percent in 2018. These relatively low rates reflect a tight labor market and imply that future job growth may depend on attracting new residents to the area.

With the onset of the pandemic, total employment fell by nearly 570 jobs in 2020, pushing the unemployment rate to 8.1 percent. This was the highest level recorded since the Great Recession. Recovery began in 2021, with an increase of approximately 10 jobs, followed by a gain of nearly 150 jobs in 2022. In 2023, there was a modest decline of 12 jobs, followed by an additional loss of 143 jobs in 2024. As of 2024, total employment remains more than 500 jobs below the pre-pandemic peak. Despite these losses, the unemployment rate stands at a relatively low 4.0 percent. This low rate is due in part to a shrinking labor force, which has declined by over 550 workers since 2018.

The contraction of the labor force in the Alleghany Highlands is largely driven by demographic and structural factors. An aging population, combined with limited in-migration of younger workers and families, has reduced the region's labor pool. Additionally, some working-age residents have exited the labor force due to retirement, health limitations, or discouragement following prior job losses. Without targeted efforts to retain and attract younger residents, particularly through housing investments, the region may continue to face workforce limitations that constrain economic development and business expansion.

Table 3: Labor Force, Employment, and Unemployment Trends — Alleghany Highlands, VA (2018–2024)
(Includes City of Covington and Alleghany County)

Year	Labor Force	Employment	Unemployment	Percent Unemployed
2018	8,804	8,430	374	4.2%
2019	8,823	8,490	333	3.8%
2020	8,626	7,925	701	8.1%
2021	8,332	7,934	398	4.8%
2022	8,373	8,079	294	3.5%
2023	8,366	8,067	299	3.6%
2024	8,250	7,924	326	4.0%
Net Change	**-554**	**-506**	**-48**	**-0.2%**

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

II.3: Economic Development Initiatives

The Alleghany Highlands region has experienced a modest increase in both public and private investment over the past few years, reflecting a renewed commitment to economic revitalization and community development. A wide range of projects, including business openings, redevelopment initiatives, and infrastructure improvements, contribute to the region's growth and stability.

The following is a summary of key developments, highlighting new employers, commercial activity, and ongoing initiatives that support job creation, tourism, and quality of life.

- **Green Thumb Industries (GTI)**: This national cannabis consumer packaged goods company announced in summer 2022 that it had purchased the former Bacova Building in the Alleghany Regional Commerce Center. At least 40 employees have been hired to date, earning wages generally between $40,000 and $50,000. GTI plans to expand employment by an additional 200 employees, pending the approval of legislation related to marijuana retail sales.

- **Mountain Rush**: Construction is nearing completion on this 31,000-square-foot indoor gaming facility at 410 W. Main Street in Covington. The facility will open in phases and be designed to serve a wide age range, particularly individuals aged 5 to 25. The initial phase includes arcade games and high-energy activities, with future phases adding a second-floor roller-skating area, more arcade games, and flexible event spaces.

- **Garcia's Bistro**: This restaurant, based in Salem, Virginia, is converting the former Applebee's location at 415 Thacker Avenue in Covington into its second location. The 3,720-square-foot building, constructed in 2006, will offer traditional Mexican and American cuisine.

- **Yamato Steakhouse & Sushi**: A new Japanese restaurant is proposed for the former Wendy's building at 1310 S. Craig Avenue in Covington. The 2,909-square-foot space was vacated when Wendy's relocated to a more modern facility across the street.

- **Inkazteca Tienda Latina**: This Latin restaurant and convenience store opened in March 2025 in a long-vacant storefront at 103 N. Maple Avenue in Covington.

- **ConnectionPlus Healthcare + Hospice**: This nonprofit healthcare organization opened an office at 328B Jefferson Avenue in Clifton Forge in November 2024. The organization provides palliative care, hospice services, and grief counseling for individuals with advanced illnesses.

- **MenNefer**: This event and wedding venue opened in November 2024 at 108 MenNefer Lane in Low Moor. Located on an 18-acre estate originally built in 1875 for the Low Moor Iron Company, the venue also offers on-site accommodations.

- **The Opal House**: Completed in December 2024, this boutique hotel at 109 Old Church Street in Low Moor involved the renovation of a blighted multifamily building. The hotel includes eight guest rooms.

- **Quick Pick Exxon**: This new convenience store and gas station opened in December 2024 at 800 E. Madison Street in Covington. The location was formerly an auto repair shop.

- **YMCA Central Early Learning Center**: The first phase of renovations at this early childhood education facility, located in the former Central Elementary School, was completed in September 2024. Five classrooms were updated for preschool programming.

- **Hillside Sheds of Covington**: This business, which sells sheds, garages, greenhouses, chicken coops, and other structures, opened in September 2024 at 714 W. Hawthorne Street in Covington.

- **Ray's Sweet Shoppe & Poutinerie**: This Canadian-themed restaurant opened in June 2024 at 352 W. Main Street in Covington.

- **FJBF Bike Rentals**: This is a bike rental and repair shop that opened in August 2024 at 201 W. Locust Street in Covington.

- **The Friendly Fork**: This American restaurant and catering business opened in July 2024 at 279 W. Main Street in Covington.

- **K. McConnell Legal, PLLC**: This law firm, which specializes in assisting veterans with disability claims and appeals, opened in 2024 at 316 Commercial Avenue in downtown Clifton Forge. Various other small businesses also opened in the building.

- **Inn at Firmstone Manor**: This Airbnb-style inn opened in May 2024 in a historic home located at 6209 Longdale Furnace Road in Clifton Forge. It features three guest suites.

- **Innovation Park**: AECOM recently completed a preliminary engineering report assessing utility needs for this 170-acre site off Highway 42, owned by Alleghany County. Hurt & Proffitt also completed a conceptual site rendering. While there are no job announcements at this time, the site is positioned for future economic development.

- **Wells Fargo Conversion**: In June 2023, Alleghany County entered into a contract to purchase the former Wells Fargo bank building in downtown Covington. The building, now acquired, will help alleviate space constraints at the current courthouse and jail facilities.

- **Alleghany Regional Commerce Center Pad Site**: In January 2023, the Covington-Alleghany Industrial Development Authority secured $3.29 million from the Virginia Business Ready Sites Program to fund infrastructure improvements. Along with approximately $6 million in bonds and loans from Covington and Alleghany County, this investment enabled the completion of grading and site preparation for a 104-acre pad site within the Alleghany Regional Commerce Center. Situated between Covington and Clifton Forge, just off Interstate 64, the site is designed to accommodate a building of up to 750,000 square feet. The pad site is now fully prepared and actively marketed to potential tenants, primarily in the pharmaceutical and advanced manufacturing industries.

  The Alleghany Highlands Economic Development Corporation is leading a vigorous marketing campaign for the property, targeting sectors with high potential interest.

Analysis indicates that the site is better suited for supply chain and chemical manufacturing to support the pharmaceutical industry rather than end-product pharmaceutical manufacturing. The site's location also makes it particularly attractive for the distribution and logistics sector.

Using JobsEQ modeling software and data from two comparable projects announced in Virginia in 2021, projections estimate that the site could support between approximately 120 and 580 direct jobs, with an additional 110 to 140 indirect and induced jobs, depending on the type of end user.

It is important to note that the job announcements detailed above likely underestimate actual employment growth, as they are based solely on publicly available information and do not account for organic job increases not tracked by local, regional, or state economic development agencies.

In addition to the projects listed above, the City of Covington is actively pursuing the acquisition of properties formerly identified as Lear 1, 2, and 3, located on Thacker Avenue near Exit 14 of I-64, adjacent to Walmart and a nearby retail center. If acquired, the City intends to repurpose the three warehouse-style buildings for commercial use. Separately, a pad site in the Edgemont area of Covington is also being considered for acquisition. However, the timeline remains uncertain as the process is ongoing.

These properties represent significant opportunities for business attraction, with potential end uses including light industrial, flex office, retail, or service-based commercial tenants that align with the City's broader economic development goals.

II.4: Smurfit Westrock

Smurfit Westrock, the largest employer in the Alleghany Highlands and a strong driver of local housing demand, operates two paper plants employing 1,073 individuals. Approximately 902 employees work at the East Riverside Street facility near downtown Covington, while another 171 are based at the Low Moor Converting Plant. Of the total workforce, 206 are salaried employees, while the remainder are hourly-wage workers.

Starting hourly wages are $20.50 (approximately $43,000 annually), with experienced workers earning up to $46.03 per hour (nearly $96,000 annually). Company representatives report that employment levels have remained stable and are expected to continue in the near and mid-term, with new hiring primarily focused on replacing approximately 70 annual retirements and other voluntary turnover. A significant share of the workforce earns annual wages exceeding $50,000.

Interviews conducted by S. Patz & Associates with Smurfit Westrock staff identified several challenges related to workforce retention and attraction, primarily linked to housing availability. Company officials report that while several employees have moved into the new River Retreat Apartments, the region's first market-rate apartment development in several decades, these units typically maintain full occupancy, resulting in waiting periods of several months. Many younger employees, in particular, prefer apartment living but struggle to find quality options locally.

Additionally, many employees prefer to rent during their initial years with the company before transitioning into homeownership. However, desirable rental properties remain scarce in the Alleghany Highlands. As employees' families grow, the lack of suitable housing often prompts workers to leave the area altogether or undertake long commutes.

Commuting difficulties are also a persistent issue. Due to limited local housing inventory, many employees commute from the Lexington area, the Roanoke region, and Lewisburg, West Virginia, covering distances that significantly contribute to turnover. Long commutes, coupled with higher rental housing costs in areas like the Roanoke region, create additional financial and personal burdens for employees.

Currently, at least 30 percent of Smurfit Westrock's workforce is estimated to commute from outside the Alleghany Highlands. The company reports that some employees, particularly those recruited for salaried positions, decline job offers after touring available local housing, finding it does not meet expectations aligned with their potential earnings. Company staff describe this housing shortage as a significant barrier to attracting and retaining skilled workers.

Housing availability issues also impact the company's ability to retain retirees locally. Many retired employees relocate to the Roanoke area, citing the Alleghany Highlands' shortage of high-quality housing options. Additionally, company officials offer housing assistance packages to certain salaried employees to improve recruitment outcomes.

Despite these initiatives, Smurfit Westrock staff acknowledge that limited housing availability remains a significant constraint on workforce stability and growth, especially as the company seeks to backfill ongoing retirements and manage turnover.

II.5: WARN (Layoff) Notices

WARN Notices (Worker Adjustment and Retraining Notification notices) are a federally mandated requirement for employers in Virginia. Under the WARN Act, employers must provide advance notice of qualifying plant closures or mass layoffs. This proactive measure is designed to help affected employees prepare for and manage significant employment transitions.

An analysis of WARN Notices indicates that no filings were made in 2024 or 2025 within the Alleghany Highlands.

II.6: Regional Employment Growth

In addition to the modest job growth within the Alleghany Highlands region, more significant employment expansion is occurring in neighboring communities, many of which are also experiencing housing shortages. Notably, areas like Botetourt County have few housing options available for moderate-income households.

These regional employment and housing trends present an opportunity for the Alleghany Highlands to attract new employees by offering more affordable housing and a lower cost of living, provided that new residential developments are built to meet the demand.

II.6.a: Botetourt County

Botetourt County, located immediately south of the Alleghany Highlands along the I-81 corridor, is experiencing significant economic expansion. Recent industrial, commercial, and residential development announcements are expected to create substantial employment opportunities, further contributing to regional housing pressures. Most of these jobs will offer wages that support renter rather than homeowner households. Key announcements include:

- **Munters**: This company, which manufactures climate control systems for industries including pharmaceuticals, data centers, and agriculture, announced in March 2025 plans to build a new 200,000-square-foot facility on 30 acres adjacent to its current location at 158 Shooting Star Way in Daleville, within the Botetourt Center at Greenfield. The project is expected to create 270 new jobs.

  Munters previously relocated from Buena Vista to Botetourt County in 2022, constructing a 365,000-square-foot manufacturing facility that was projected to bring 200 jobs. The new facility will continue producing HVAC equipment for data centers and a newly acquired line of chillers designed to prevent server room overheating.

- **Universal Logistics Holdings**: This holding company, which owns subsidiaries specializing in customized transportation and logistics solutions, announced in January 2024 plans to expand with a new industrial building in Botetourt County, which will create 45 new jobs. The company will upgrade a 254,000-square-foot facility located at 1796 Lee Highway to meet growing demands from the heavy truck industry, with operations set to begin in 2025.

- **Altec Industries**: This manufacturer, which produces truck bodies, cranes, digger derricks, and other equipment for electric utilities, telecommunications companies, and tree care businesses, announced in May 2023 an expansion of its facility at the Botetourt Center at Greenfield in Daleville. The company plans to hire 150 additional employees. Altec has been operating at the Botetourt Center at Greenfield since 2011. Nearly 120 of these positions have already been filled.

- **Daleville Town Center Hampton Inn:** Plans were submitted in summer 2023 to construct a four-story, 79-room Hampton Inn at Daleville Town Center. Construction is currently in progress.

- **The Glebe**: This large retirement community in Daleville began construction in July 2024 on an expansion project that will add 22 new independent living cottages. The first set of cottages is nearing completion. The homes feature open floor plans of up to 2,500 square feet, expansive living and dining areas, full kitchens, and two-car garages offering front-row mountain views. All of the new cottages have already been reserved. The expansion is partially located on the Ikenberry House property, purchased in 2013.

II.6.b: City of Lexington and Rockbridge County

The City of Lexington and Rockbridge County are experiencing modest job growth that may increase regional demand for housing. Employment growth in these communities is driven by expansions in both the manufacturing and education sectors, each offering competitive wages that could attract workers seeking quality housing options. Major announcements are summarized below:

- **Modine Manufacturing**: This company, which produces cooling equipment for data centers, announced in July 2024 that it will expand its Rockbridge County facility by adding 211 new employees over the next five years. The facility, located on Collierstown Road outside Lexington, manufactures critical infrastructure for data centers that support services such as email, online shopping, and video streaming.

  Modine currently employs about 75 people at this site, which opened in November 2022 after converting a former warehouse into a production facility. The newly created positions will primarily include assembly technicians, leads, and production supervisors working across multiple shifts, with an average annual salary of approximately $47,700.

- **Virginia Military Institute**: This historic military college in Lexington plans to construct a new Center for Advancement. The facility, to be located between VMI Parade, Letcher Avenue, and Maiden Lane, will be a three-level, 50,000-square-foot building designed to serve the broader VMI community and host various events. Construction is scheduled to begin in winter 2025, with completion anticipated by the end of 2027.

II.7: Economic Overview Summary

It is clear that the Alleghany Highlands faces geographical and infrastructural challenges, as national forest land surrounds Alleghany County, and the regional highway system is limited. These structural factors are inherently challenging to overcome.

However, several positive factors are positioning the area for growth. These include modest local job expansion, substantial pent-up demand for quality housing, and relatively low land costs for new residential development. Together, these factors create a strong foundation for housing investment.

One significant advantage is the limited level of regional competition. Botetourt County to the south is the only nearby community currently experiencing notable new housing construction. While it remains the closest market with ongoing for-sale and rental housing development, other neighboring areas have seen only minimal growth.

Notably, most homes currently being built in Botetourt County are priced and rented significantly higher than those in the Alleghany Highlands. These costs, including prices for new homes and apartments, exceed achievable levels for many Alleghany Highlands employees and residents, even those willing to commute. This pricing disparity positions the Alleghany Highlands as a more affordable alternative within this portion of the I-81/I-64 corridor. Moreover, relatively low land acquisition costs further strengthen the cost advantage for new development. Collectively, these conditions offer a practical and cost-effective opportunity to establish a growing housing market in the Alleghany Highlands.

Section III: Demographic Analysis of the Alleghany Highlands

This subsection offers a demographic overview of the Alleghany Highlands, presenting data on population and household trends, income levels, housing tenure, rent-burdened households, and those living in substandard conditions. The analysis also includes trends in housing units, occupied housing units by the year they were built, and data on tenure based on when households moved into their units.

Conducting demographic studies in a declining growth market like the Alleghany Highlands presents challenges, particularly when making projections. Forecasts are difficult to establish because trend data consistently indicate population declines. The key objective is to identify strategies to reverse these recent trends.

III.1: General Population Trends

The data in **Table 4** outline population and household trends in the Alleghany Highlands between 2000 and 2024. The region experienced a steady population decline across all jurisdictions during this period.

From 2000 to 2010, the total population of the region decreased by 1,307 residents, falling from 23,518 to 22,211. This decline was primarily driven by a series of major layoffs, including 86 jobs lost at TransCore in 2010, 145 at Parker Hannifin Corp. in 2007, 270 at Lear Corp. in 2007, and 127 at Applied Extrusion Technologies in 2008. Additionally, WestRock underwent multiple rounds of layoffs between 2002 and 2005, resulting in the loss of nearly 290 jobs.

Population decline continued throughout the 2010s, with the region losing an additional 1,251 residents by 2020, bringing the total population to 20,960. Unlike the previous decade, this decline occurred without major layoff events. This suggests that other structural or demographic factors, such as outmigration or an aging population, may have contributed.

As of 2024, the regional population is 20,509, based on the most recent estimates from the Weldon Cooper Center for Public Service. This reflects a loss of approximately 451 people since

2020, or an average annual decline of about 113 residents. By comparison, the region lost an average of 125 residents annually between 2010 and 2020. These figures underscore a persistent trend of population contraction over the past two decades, with only modest variation in the rate of decline.

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

- **<u>Group Quarters Population:</u>** The Group Quarters population is not part of the traditional housing market, as it includes individuals living in institutions such as hospitals, nursing homes, jails, group homes, and dormitories. The Alleghany Highlands has a small Group Quarters population, estimated at approximately 350 individuals in 2020 and 2024, accounting for fewer than two percent of the total population.

  This population is nearly evenly split among seniors residing in area nursing homes (such as Alleghany Health & Rehab and the Brian Center Rehab & Nursing), residents at the Woodlands retirement community in Clifton Forge, and inmates in the Alleghany County Jail. Despite a growing senior population, the Group Quarters population has remained flat, likely due to retirees leaving the area.

  While this population has a minimal impact on total population figures, it is excluded from household-based analyses and therefore does not factor into traditional housing demand calculations.

- **<u>Households</u>**: The number of households (occupied housing units) in the Alleghany Highlands has declined steadily since 2000, reflecting broader regional population losses. Total households dropped from 9,825 in 2000 to 9,523 in 2010, a decrease of approximately 302 households. This trend continued through the 2010s, with a further reduction of nearly 250 households, followed by another drop of more than 200 households between 2020 and 2024.

  Across all periods, this decline is predominantly attributed to the loss of owner households. At the same time, the region's average household size decreased from 2.35 in 2000 to 2.29 in 2010, and to 2.22 in both 2020 and 2024. This trend mirrors national patterns and is likely driven by an aging population, smaller household formations, and a rise in renter households.

  The sustained decline in the number of households, particularly homeowners, is a significant factor contributing to the near absence of new home construction in the region.

- **<u>Housing Tenure: Renters vs. Owners</u>**: As of 2024, 73.4 percent of households in the Alleghany Highlands are owner-occupied, a rate significantly higher than both state and national averages. This high homeownership rate is likely the result of an aging population aging in place, coupled with minimal new rental housing development over the past two decades.

Since 2000, the percentage of owner households has declined modestly from 76.3 percent to 73.4 percent, reflecting the broader reduction in owner households. There were 7,499 owner households in 2000, compared to 6,652 in 2024, a net loss of 847 households.

In contrast, the number of renter households has slightly increased over the same period, rising from 2,326 in 2000 to 2,411 in 2024, a modest gain of 85 households. Despite this incremental increase, very few professionally managed rental units have been added to the market.

The River Retreat Apartments and Cedar Forest Apartments, both discussed in greater detail below, are the only multifamily developments constructed during this period. As a result, most new renters are likely occupying scattered-site rental units rather than purpose-built, professionally managed apartment communities.

To summarize, the data in **Table 4** show a persistent and steady decline in population, household formation, and owner-occupied housing in the Alleghany Highlands between 2000 and 2024. Although the rate of population loss has slowed slightly in recent years, the overall trend remains negative across all jurisdictions.

Household decline has closely mirrored the trend of population loss, with a reduction of over 750 households since 2000. Most of this loss has occurred among owner-occupied households, while renter households have seen a slight increase. This shift, coupled with decreasing average household size, reflects demographic changes including an aging population and smaller family units.

Despite the modest increase in renter households, there has been minimal growth in professionally managed rental housing. Only two new apartment complexes, River Retreat Apartments and Cedar Forest Apartments, have been developed in the past two decades. Most new renters are occupying scattered-site rental units rather than purpose-built multifamily housing.

These trends highlight a mismatch between evolving housing demand and the existing supply. Despite the rise in renter households, the lack of purpose-built rental properties underscores the need for targeted residential development to better accommodate shifting demographics and housing preferences.

Table 4: Population and Household Trends — Alleghany Highlands, VA (2000-2024)				
	2000	2010	2020	2024
Alleghany Highlands Population	23,518	22,211	20,960	20,509
City of Covington	6,303	5,961	5,737	--
Town of Clifton Forge [1]	4,289	3,884	3,555	--
Town of Iron Gate	404	388	324	--
Unincorporated Alleghany County	12,522	11,978	11,344	--
Group Quarters Population	466	368	350	350
Household Population	23,052	21,843	20,610	20,159
Persons per Household	2.35	2.29	2.22	2.22
Total Households	9,825	9,523	9,275	9,063
Renter Households	2,326	2,356	2,360	2,411
Percent Renter Households	23.7%	24.7%	25.4%	26.6%
Owner Households	7,499	7,167	6,915	6,652
Percent Owner Households	76.3%	75.3%	74.6%	73.4%

[1] Clifton Forge reverted from a city to a town in 2001.

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

III.2: Owner Households by Income and Size

Table 5 provides a detailed breakdown of owner-occupied households in the Alleghany Highlands by income level and household size. The data show the region's homeowner composition and the relationship between income distribution and household size.

There are 6,652 owner-occupied households in the Alleghany Highlands. The largest share, approximately 39 percent, consists of two-person households, reflecting a population composed of older adults or couples without children at home. This amounts to around 2,594 households. Single-person owner households also represent a significant portion, totaling 1,903 households (28.6 percent). In contrast, larger households are less common. Three-person households total 1,018 (15.3 percent), four-person households number 718 (10.8 percent), and five-person households account for 426 (6.4 percent).

In terms of income, the owner population is more evenly distributed across income brackets compared to renters. However, a notable portion still falls into lower-income ranges. Approximately 22 percent of homeowners (1,463 households) earn less than $30,000 annually. This group includes 366 earning under $10,000, 520 earning between $10,000 and $20,000, and 577 earning between $20,000 and $30,000. These lower-income homeowners are found across all household sizes, but they are most concentrated in one- and two-person households.

At the upper end of the income spectrum, 2,750 homeowners (approximately 41 percent) earn $75,000 or more annually, reflecting relatively strong income levels among a sizable portion of the homeowner base. These households are more likely to be larger. For example, among households earning $100,000 to $125,000, a significant number have three or more members (114 three-person, 140 four-person, and 79 five-person households). This pattern suggests that higher-income owner households are more likely to be families with children or multigenerational households.

One noteworthy income group comprises 946 households (14.2 percent) earning between $75,000 and $100,000. This is the largest single income bracket among homeowners. These households are relatively evenly distributed across different household sizes but are particularly prominent among two- and three-person configurations.

Overall, **Table 5** shows that the owner household base in the Alleghany Highlands is diverse in both income and size. However, it is skewed toward smaller, likely older, households with modest incomes. While many homeowners have the financial means to maintain stable housing, a significant subset, particularly those in lower income brackets, may face challenges related to home upkeep, property taxes, and energy costs, especially given the region's aging housing stock.

Table 5: Owner Households by Income and Size — Alleghany Highlands, VA (2024)						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	250	65	7	37	7	366
$10,000-$20,000	353	114	41	33	4	545
$20,000-$30,000	307	187	41	17	25	577
$30,000-$40,000	196	320	81	27	20	644
$40,000-$50,000	261	217	40	54	20	592
$50,000-$60,000	126	265	59	14	12	476
$60,000-$75,000	101	366	158	54	28	707
$75,000-$100,000	69	373	255	156	93	946
$100,000-$125,000	115	297	114	140	79	745
$125,000-$150,000	46	185	95	127	32	485
$150,000-$200,000	34	118	56	29	82	319
$200,000+	45	80	71	30	24	250
Total	**1,903**	**2,587**	**1,018**	**718**	**426**	**6,652**
Source: Ribbon Demographics						

III.3: Renter Households by Income and Size

Table 6 presents an overview of renter households in the Alleghany Highlands, categorized by income level and household size. The data provide insights into the composition of the region's renter population and highlight income distribution patterns across different household sizes.

As of 2024, there are 2,411 renter households in the Alleghany Highlands. Single-person households comprise the largest segment, accounting for 1,304 households, or roughly 54 percent of all renters. Two-person households comprise an additional 24.2 percent (584 households), while the remaining 21.7 percent (523 households) consist of three-person or larger households. This distribution indicates a substantial demand for smaller, one- or two-bedroom rental units, particularly among lower-income renters.

The data also show a significant concentration of lower-income renters. Approximately 46 percent of all renter households (1,115 households) earn less than $30,000 annually. This group includes 335 households earning under $10,000, 408 earning between $10,000 and $20,000, and 372 earning between $20,000 and $30,000. These lower-income households span various sizes but are most commonly one- and two-person households.

Income levels increase moderately beyond the $30,000 threshold, but the number of renter households declines steadily as income rises. For instance, only 251 households, just over 10 percent of the total, earn more than $75,000 per year. Very few large households (four or more persons) fall into higher income brackets, underscoring the limited presence of high-income renters in the region.

Another noteworthy pattern is the presence of larger, lower-income renter households. For example, 49 five-person households earn less than $20,000 annually, and an additional 23 five-person households earn between $20,000 and $30,000. These households are likely experiencing housing cost burdens, overcrowding, or both, reflecting a mismatch between unit size, affordability, and household needs.

Table 6: Renter Households by Income and Size — Alleghany Highlands, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	172	67	25	66	5	335
$10,000-$20,000	260	85	6	8	49	408
$20,000-$30,000	194	110	37	8	23	372
$30,000-$40,000	177	72	46	17	13	325
$40,000-$50,000	114	51	24	8	16	213
$50,000-$60,000	127	50	8	0	4	189
$60,000-$75,000	28	58	21	2	11	120
$75,000-$100,000	62	15	23	3	27	130
$100,000-$125,000	49	27	7	3	4	90
$125,000-$150,000	42	15	9	2	8	76
$150,000-$200,000	53	16	13	5	5	92
$200,000+	26	18	8	2	7	61
Total	**1,304**	**584**	**227**	**124**	**172**	**2,411**

Source: Ribbon Demographics

III.4: Rent-Overburdened Households

Renter households are classified as rent-overburdened if they spend more than 35 percent of their gross income, or 40 percent for seniors, on gross rent, which includes both rent and utility costs. This threshold reflects a widely accepted standard for housing affordability and indicates that a household may lack sufficient income to afford rental housing comfortably. While rent-overburdened households are most prevalent among those with low or modest incomes, they can also be found in private, market-rate housing.

This metric is a key indicator of the need for affordable rental housing within the region. As shown in **Table 7**, 29.1 percent of renter households in the Alleghany Highlands, totaling 562 households, are classified as rent-overburdened. Most of these households fall within lower income brackets, highlighting the affordability challenges residents face with limited earnings.

The burden is most acute among households earning less than $35,000 per year. Specifically, 108 households earning under $10,000 and 235 households earning between $10,000 and $19,999 are rent-overburdened. Combined, these two groups account for 343 households, representing over 60 percent of all rent-overburdened households. An additional 199 rent-overburdened households earn between $20,000 and $34,999, further reinforcing that most rent-burdened renters are concentrated in the lowest income tiers.

Households earning between $35,000 and $49,999 exhibit a modest incidence of rent burden, with 20 households paying more than 35 percent of their income on rent. At income levels above $50,000, rent-overburden virtually disappears. Households earning $50,000 or more show no recorded instances of exceeding the affordability threshold, suggesting that rent burden is essentially not an issue for middle- and upper-income renters in the region. This pattern partially reflects the region's older housing stock, which generates low rents.

Although the Alleghany Highlands has a lower share of rent-overburdened households compared to more urbanized or high-cost markets in Virginia, the 29.1 percent rate remains significant. When considered alongside the area's aging housing stock and relatively modest rent levels, this persistent rent burden among low-income households signals an ongoing affordability gap.

As will be discussed in **Section IV.5**, a proposal for a 48-unit affordable rental community (Rivermont School Apartments) aims to address some of these challenges.

Table 7: Rent-Overburdened Households by Income — Alleghany Highlands, VA		
	Total Households	**Share of Total**
Less Than $10,000	202	10.4%
Less than 35.0 Percent	0	0.0%
More than 35.0 Percent	108	5.6%
Not Computed	94	4.9%
$10,000 To $19,999	350	18.1%
Less than 35.0 Percent	94	4.9%
More than 35.0 Percent	235	12.2%
Not Computed	21	1.1%
$20,000 To $34,999	601	31.1%
Less than 35.0 Percent	265	13.7%
More than 35.0 Percent	199	10.3%
Not Computed	137	7.1%
$35,000 To $49,999	267	13.8%
Less than 35.0 Percent	222	11.5%
More than 35.0 Percent	20	1.0%
Not Computed	25	1.3%
$50,000 To $74,999	279	14.4%
Less than 35.0 Percent	259	13.4%
More than 35.0 Percent	0	0.0%
Not Computed	20	1.0%
$75,000 To $99,999	106	5.5%
Less than 35.0 Percent	87	4.5%
More than 35.0 Percent	0	0.0%
Not Computed	19	1.0%
$100,000 Or More	129	6.7%
Less than 35.0 Percent	71	3.7%
More than 35.0 Percent	0	0.0%
Not Computed	58	3.0%
Total	1,934	100.0%
More than 35.0 Percent	**562**	**29.1%**
Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)		

III.5: Households in Substandard Housing

Table 8 presents an overview of households in the Alleghany Highlands living in substandard housing, focusing on two key factors: plumbing facility availability and occupancy density. Households are categorized based on whether they have complete plumbing facilities and by occupancy density, classified as 1.00 or fewer occupants per room, 1.01 to 1.50 occupants per room, and more than 1.50 occupants per room.

For the purposes of this analysis, substandard housing is defined as households lacking complete plumbing facilities or experiencing overcrowding. Overcrowding is defined as more than 1.01 occupants per room, consistent with HUD guidelines. According to **Table 8**, 52 households in the Alleghany Highlands meet one or both substandard housing criteria, accounting for 0.6 percent of the region's total households.

Of these 52 substandard households, 22 are renter-occupied, representing 1.1 percent of all renter households. These renter households are classified as substandard entirely due to the lack of complete plumbing facilities, as none are categorized as overcrowded.

The remaining 30 substandard households are owner-occupied, representing 0.4 percent of all households. Among owner-occupied units, 20 households lack complete plumbing, while 10 are classified as overcrowded. Of these overcrowded households, nine have 1.01 to 1.50 occupants per room, and one has more than 1.50 occupants per room, placing them in the substandard category.

Overall, the vast majority of both owner and renter households in the region meet minimum housing standards in terms of plumbing and occupancy.

Table 8: Households in Substandard Housing — Alleghany Highlands, VA		
	Total Households	**Share of Total**
Owner Occupied		
Complete Plumbing Facilities:	6,831	77.8%
1.00 Or Less Occupants Per Room	6,821	77.6%
1.01 To 1.50 Occupants Per Room	9	0.1%
1.51 Or More Occupants Per Room	1	0.0%
Lacking Complete Plumbing Facilities:	20	0.2%
1.00 Or Less Occupants Per Room	20	0.2%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
(Subtotal)	*(6,851)*	*(78.0%)*
Renter Occupied		
Complete Plumbing Facilities:	1,912	21.8%
1.00 Or Less Occupants Per Room	1,912	21.8%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
Lacking Complete Plumbing Facilities:	22	0.3%
1.00 Or Less Occupants Per Room	22	0.3%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
(Subtotal)	*(1,934)*	*(22.0%)*
Total	**8,785**	**100.0**
Lacking Complete Plumbing	42	0.5%
With Plumbing but Overcrowded	10	0.1%
Total Substandard Housing	**52**	**0.6%**
Owner Substandard Housing	**30**	**0.4%**
Rental Substandard Housing	**22**	**1.1%**
Source: U.S. Census Bureau, ACS 2023 (5-Year Estimates)		

III.6: Senior Population and Household Trends

Table 9 outlines trends in the senior population and senior-headed households within the Alleghany Highlands, distinguishing between renter and owner households.

Between 2000 and 2024, the Alleghany Highlands experienced a notable demographic shift, particularly within its senior population. During these 24 years, the region's total population declined from 23,518 to 20,509, an overall decrease of 3,009 people, or approximately 12.8 percent. Similarly, the total number of households fell from 9,825 to 9,063, a decline of 762 households, or 7.8 percent. These figures represent average annual losses of about 125 people and 32 households per year.

In contrast to these broader declines, the senior population (defined as those aged 62 and older) showed consistent growth in both absolute numbers and as a share of the total population. The number of seniors increased from 5,024 in 2000 to 6,429 in 2024, an increase of 1,405 people, or nearly 28 percent, averaging about 59 additional seniors per year. By 2024, seniors accounted for 31.4 percent of the population, up from 21.4 percent in 2000, indicating a marked demographic shift toward an older population.

An even more significant change occurred in senior-headed households. The number of households led by seniors rose from 3,330 in 2000 to 4,296 in 2024, an increase of 966 households, or roughly 29 percent. As a share of all households, senior-headed households grew from 33.9 percent to 47.4 percent over the same period. This shift, reflecting an average annual growth of about 40 senior households, signals a substantial transformation in the region's housing landscape.

This change is primarily the result of seniors aging in place rather than an influx of older residents moving into the region. Despite the declining overall population and household totals, the steady rise in both senior owner and renter households supports this conclusion. Senior owner households increased from 2,750 in 2000 to 3,340 in 2024, an increase of 590 households, or about 21 percent, averaging 25 additional senior owner households per year. By 2024, seniors comprised 50.2 percent of all homeowners, up from 36.7 percent in 2000. In other words, over half of all homeowners in the Alleghany Highlands are now seniors.

Similar growth occurred among senior renter households. While the total number of renter households has increased modestly, the number of senior renter households rose from 580 in 2000 to 956 in 2024, a nearly 65 percent rise. Over the same period, the share of renters who were seniors grew from 24.9 percent to 39.7 percent. Seniors now represent nearly 40 percent of the region's rental households, up from just one-quarter at the start of the period.

Overall, the data show that as the Alleghany Highlands' population has declined and aged, housing must increasingly adapt to the needs of older residents. The primary driver of this trend is aging in place, which continues to reshape the region's demographic and housing profile.

Table 9: Senior Population and Household Trends — Alleghany Highlands, VA (2000–2024)

	2000	2010	2020	2024
Alleghany Highlands				
Total Population	23,518	22,211	20,960	20,509
Total Households	9,825	9,523	9,275	9,063
Total Owner Households	7,499	7,167	6,915	6,652
Total Renter Households	2,326	2,356	2,360	2,411
Senior Demographics (62+)				
Senior Population	5,024	5,424	6,142	6,429
Share of Total Population	21.4%	24.4%	29.3%	31.4%
Senior Households	3,330	3,624	4,104	4,296
Share of Total Households	33.9%	38.1%	44.3%	47.4%
Senior Owner Households	2,750	3,004	3,244	3,340
Share of Owner Households	36.7%	41.9%	46.9%	50.2%
Senior Renter Households	580	620	860	956
Share of Renter Households	24.9%	26.3%	36.4%	39.7%

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

III.7: Senior Households by Income and Size

Table 10 provides an overview of senior owner households (age 62 and over) in the Alleghany Highlands by income level and household size. The table documents 3,340 households headed by individuals aged 62 or older, who make up more than half of all owner households in the region. These data highlight the predominance of smaller, lower-income households among the region's senior homeowners.

Most senior homeowners consist of either one or two persons, accounting for 1,310 (39.2 percent) and 1,477 (44.2 percent) households, respectively. Combined, these two groups represent approximately 83 percent of the senior homeowner population. This reflects an older demographic likely composed of individuals aging in place, widowed residents, and retired couples.

Households with three or more members are relatively uncommon among seniors. Only 354 households consist of three persons, 73 consist of four, and 126 have five or more members, together accounting for just 16 percent of the total. These larger senior households may indicate multigenerational living arrangements or households with dependent adult children.

In terms of income, senior homeowners are spread across various income brackets, but a substantial portion live on modest or limited incomes. Over 30 percent (1,033 households) earn less than $30,000 annually. This group includes 248 households earning under $10,000, 395 earning between $10,000 and $20,000, and 390 in the $20,000 to $30,000 range. These lower-income households are predominantly one- and two-person homes, underscoring the financial vulnerability of many older residents, particularly those living alone.

The largest single income group among senior owner households earns between $30,000 and $40,000, totaling 459 households (13.7 percent). Incomes above this range are more evenly distributed. Notably, over one-third of senior owners (1,285 households, or 38.5 percent) earn more than $60,000 annually, indicating a degree of financial stability among a sizable share of the senior population.

However, even among higher-income brackets, household sizes remain predominantly small. For instance, among those earning more than $100,000, nearly all households consist of one or two people, reinforcing the conclusion that the senior homeowner population is primarily aging in place rather than transitioning to multigenerational arrangements.

Overall, **Table 10** highlights the aging and income-constrained nature of the Alleghany Highlands' homeowner base. The predominance of smaller, lower-income senior households raises potential challenges related to home maintenance, accessibility, and affordability, especially as housing ages and incomes remain fixed.

However, it is also important to note that a sizable share of homeowners, nearly 30 percent, earn annual incomes above $75,000. These households are likely to have sufficient financial capacity to afford new homes that are better designed for their needs, if such housing were available.

Table 10: Senior Owner Households by Income and Size — Alleghany Highlands, VA (2024)						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	190	48	4	3	3	248
$10,000-$20,000	269	81	20	23	2	395
$20,000-$30,000	220	152	8	3	7	390
$30,000-$40,000	144	255	47	11	2	459
$40,000-$50,000	182	105	32	5	4	328
$50,000-$60,000	72	129	24	0	10	235
$60,000-$75,000	30	268	61	1	3	363
$75,000-$100,000	53	193	76	1	38	361
$100,000-$125,000	65	110	41	14	2	232
$125,000-$150,000	31	81	22	5	13	152
$150,000-$200,000	18	28	10	4	37	97
$200,000+	36	27	9	3	5	80
Total	**1,310**	**1,477**	**354**	**73**	**126**	**3,340**
Source: Ribbon Demographics						

Table 11 presents data on senior renter households (age 62 and over) in the Alleghany Highlands by income level and household. The table identifies a total of 956 senior renter households, highlighting the small but significant subset of the region's older population that rents rather than owns their home.

Like the senior homeowner population, most senior renter households consist of one or two people. Specifically, 672 households (70.3 percent) are single-person households, while 183 households (19.1 percent) consist of two people. This composition reflects the prevalence of smaller living arrangements among older adults, often due to widowhood, divorce, or the desire to maintain an independent lifestyle.

Larger senior renter households are relatively uncommon. Only 43 households have three members, 10 have four, and 48 have five or more members, together accounting for just over 10 percent of senior renter households. These larger households may represent multigenerational living arrangements or situations where older adults serve as caretakers for adult children or grandchildren.

In terms of income, senior renters are significantly more financially constrained than their owner counterparts. More than 56 percent (537 households) earn less than $30,000 annually, including 93 households earning under $10,000, 254 earning between $10,000 and $20,000, and

190 earning $20,000 to $30,000. These lower-income households are predominantly single-person households, underscoring the financial vulnerability of older adults living alone on fixed or limited incomes.

Only 263 households (27.5 percent) have incomes exceeding $60,000, with very few reporting incomes over $100,000. Specifically, just 54 senior renter households (5.6 percent) earn more than $150,000, and 50 households earn between $100,000 and $125,000. This data reinforces that senior renters in the region are primarily low- to moderate-income households with limited financial flexibility.

This trend is partly due to the lack of rental units specifically designed for seniors in the region. If more rental options were available, it is likely that some higher-income senior homeowners would choose to become renters to downsize, reduce maintenance responsibilities, or access more age-friendly living environments.

Table 11: Senior Renter Households by Income and Size — Alleghany Highlands, VA (2024)

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	Total
$0-$10,000	86	5	0	1	1	93
$10,000-$20,000	198	51	1	0	4	254
$20,000-$30,000	121	42	6	0	21	190
$30,000-$40,000	73	3	5	3	3	87
$40,000-$50,000	48	6	7	1	7	69
$50,000-$60,000	28	22	4	0	3	57
$60,000-$75,000	6	6	6	1	4	23
$75,000-$100,000	18	12	4	0	0	34
$100,000-$125,000	31	12	3	1	3	50
$125,000-$150,000	27	13	2	2	1	45
$150,000-$200,000	22	7	4	1	1	35
$200,000+	14	4	1	0	0	19
Total	**672**	**183**	**43**	**10**	**48**	**956**

Source: Ribbon Demographics

III.8: Rent-Overburdened Senior Households

As previously noted, renter households are considered rent-overburdened if they spend more than 35 percent of their gross income, or 40 percent for seniors, on gross rent, including both rent and utility costs. Exceeding this threshold indicates that a household requires additional income to comfortably afford housing.

Data in **Table 12** show that 34.5 percent of renter households aged 62 and older in the Alleghany Highlands allocate more than 35 percent of their income toward gross rent. Based on American Community Survey (ACS) data, S. Patz & Associates estimates that 29.4 percent of senior renter households, approximately 163 households, spend more than 40 percent of their income on housing costs.

This level of cost burden places a significant share of the region's senior renters at risk of housing insecurity, particularly given the fixed or limited incomes common among this population segment.

Table 12: Senior Households by Gross Rent as a Share of Income — Alleghany Highlands, VA

	Total Households	Share of Total
Householder 62 Years and Over:	554	100.0%
Less Than 20.0 Percent	71	12.8%
20.0 To 24.9 Percent	109	19.7%
25.0 To 29.9 Percent	20	3.6%
30.0 To 34.9 Percent	49	8.8%
35.0 Percent Or More	191	34.5%
Not Computed	114	20.6%
40.0 Percent or More	**163**	**29.4%**

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

III.9: Housing Unit Trends

Table 13 presents data on the net change in housing units between 2010 and 2020 for the Alleghany Highlands and surrounding counties in Virginia and West Virginia. The data show that both Alleghany County and the City of Covington experienced a net loss in housing units over the decade, reflecting broader patterns of population decline in the region.

Between 2010 and 2020, Alleghany County lost 141 housing units, while the City of Covington saw a decline of 15 units. Combined, this represents a net regional loss of 156 housing units.

In contrast, several neighboring counties experienced modest to moderate housing growth. Botetourt County led the region with a net gain of 326 units, followed by Rockbridge

County with 105 units and Craig County with 52 units. These areas are generally more proximate to employment centers and may be experiencing spillover growth from nearby metropolitan areas such as Roanoke or Lexington.

Meanwhile, some adjacent areas also saw declines in housing stock, most notably in West Virginia. Greenbrier County experienced a net decline of 1,173 units, while Monroe County lost 1,382 units. These decreases likely reflect persistent population loss, aging housing conditions, or the demolition of substandard units without replacement.

The negative housing growth in Alleghany County and Covington, combined with limited new construction and ongoing population decline, points to a stagnant housing market. This lack of new housing investment may further constrain economic development and limit housing options for both new and existing residents.

Table 13: Net Change in Housing Units — Alleghany Highlands, VA and Neighboring Jurisdictions (2010-2020)

	2010	2020	Net Change
Alleghany County	8,075	7,934	-141
City of Covington	3,067	3,052	-15
Botetourt County	14,562	14,888	326
Bath County	3,270	3,239	-31
Craig County	2,802	2,854	52
Rockbridge County	11,156	11,261	105
Greenbrier County (WV)	18,980	17,807	-1,173
Monroe County (WV)	7,601	6,219	-1,382

Source: U.S. Census Bureau

III.10: Occupied Housing Units by Year Structure Built

The data in **Table 14** show the age distribution of the occupied housing stock in the Alleghany Highlands, highlighting the prevalence of older structures and the limited volume of recent construction activity. Of the region's 8,785 occupied housing units, 22.9 percent (2,009 units) were built in 1939 or earlier, making pre-World War II housing the single largest segment of the existing housing stock. An additional 14.6 percent (1,286 units) were built between 1980 and 1989, while only 0.1 percent (nine units) have been constructed since 2020.

It is important to note that these data do not include the River Retreat Apartments, which was built after the reference period for the table. As a result, the figures may slightly underrepresent the presence of newer housing units in the region.

Taken together, these figures reflect a predominantly aging housing inventory, with over half (51.5 percent) of all occupied units built prior to 1970. This includes significant shares of homes built during the 1940s (8.6 percent), 1950s (12.2 percent), and 1960s (14.1 percent). In contrast, only 7.1 percent of homes were built between 2000 and 2009, and fewer than one percent have been added since 2010, totaling just 69 units across the entire region.

These patterns highlight widespread aging and potential obsolescence within the region's housing stock. The continued absence of meaningful new construction, particularly since 2020, and the reliance on homes built more than 50 to 80 years ago suggest increasing risks related to housing quality, safety, energy efficiency, and long-term habitability.

Table 14: Occupied Housing Units by Year Structure Built — Alleghany Highlands, VA

	Alleghany County		City of Covington		Alleghany Highlands	
	Homes	Share of Total	Homes	Share of Total	Homes	Share of Total
Built 2020 or Later	9	0.1%	0	0.0%	9	0.1%
Built 2010 to 2019	49	0.8%	11	0.4%	60	0.7%
Built 2000 to 2009	539	8.6%	87	3.5%	626	7.1%
Built 1990 to 1999	565	9.0%	130	5.2%	695	7.9%
Built 1980 to 1989	1,114	17.7%	172	6.9%	1,286	14.6%
Built 1970 to 1979	836	13.3%	208	8.3%	1,044	11.9%
Built 1960 to 1969	939	14.9%	296	11.9%	1,235	14.1%
Built 1950 to 1959	627	10.0%	440	17.7%	1,067	12.2%
Built 1940 to 1949	434	6.9%	320	12.8%	754	8.6%
Built 1939 or Earlier	1,180	18.8%	829	33.3%	2,009	22.9%
Total	**6,292**	**100.0%**	**2,493**	**100.0%**	**8,785**	**100.0%**

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

III.11: Tenure by Year Household Moved Into Unit

Table 15 presents data on the housing tenure patterns of residents in the Alleghany Highlands, specifically examining the year in which householders moved into their current units. This data reflects both housing stability and turnover rates, offering a clearer picture of long-term residency, neighborhood cohesion, and the dynamics of local housing mobility.

The data show that a substantial majority of households in the Alleghany Highlands, 66.6 percent of owner-occupied units (5,846 households), are occupied by residents who have lived in their homes since before 2018. This trend indicates a high level of housing stability among homeowners. Nearly 21 percent of all owners moved in prior to 1990, and an additional 16.1 percent moved in during the 1990s. As a result, over one-third of the region's homeowners have remained in the same home for at least 25 years. These figures reflect a strong trend of aging in place, particularly among older residents who are less likely to move frequently or enter new housing markets.

In contrast, renter households exhibit a markedly different pattern, with significantly higher turnover. Of the 1,934 renter households, over 40 percent (828 households) moved into their current homes since 2018, compared to just 18 percent of homeowners during the same period. Specifically, 3.2 percent of renters moved in during 2021 or later, and 6.2 percent moved in between 2018 and 2020.

While it is typical for renters to move more frequently than homeowners, these data also reflect the broader housing dynamics in the Alleghany Highlands: a stable, aging owner population and a smaller, more transient renter population.

Table 15: Tenure By Year Householder Moved Into Unit— Alleghany Highlands, VA

	Alleghany County		City of Covington		Alleghany Highlands	
	Number	Share of Total	Homes	Share of Total	Number	Share of Total
Owner Occupied						
Moved In 2021 Or Later	81	1.3%	65	2.6%	146	1.7%
Moved In 2018 To 2020	571	9.1%	288	11.6%	859	9.8%
Moved In 2010 To 2017	786	12.5%	410	16.5%	1,196	13.6%
Moved In 2000 To 2009	1,093	17.4%	352	14.1%	1,445	16.5%
Moved In 1990 To 1999	1,137	18.1%	274	11.0%	1,411	16.1%
Moved In 1989 Or Earlier	1,402	22.3%	392	15.7%	1,794	20.4%
(Subtotal)	*(5,070)*	*(80.6%)*	*(1,781)*	*(71.4%)*	*(6,851)*	*(78.0%)*
Renter Occupied						
Moved In 2021 Or Later	149	2.4%	136	5.5%	285	3.2%
Moved In 2018 To 2020	338	5.4%	207	8.3%	545	6.2%
Moved In 2010 To 2017	494	7.9%	274	11.0%	768	8.7%
Moved In 2000 To 2009	132	2.1%	63	2.5%	195	2.2%
Moved In 1990 To 1999	49	0.8%	32	1.3%	81	0.9%
Moved In 1989 Or Earlier	60	1.0%	0	0.0%	60	0.7%
(Subtotal)	*(1,222)*	*(19.4%)*	*(712)*	*(28.6%)*	*(1,934)*	*(22.0%)*
Total	**6,292**	**100.0%**	**2,493**	**100.0%**	**8,785**	**100.0%**

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

III.12: Demographic Analysis Summary

The demographic analysis of the Alleghany Highlands highlights a region marked by population decline, an aging population, and shifting housing dynamics. Between 2000 and 2024, the region's population decreased by approximately 12.8 percent, with the total number of households dropping by 7.8 percent. Despite this overall decline, the senior population (age 62 and older) grew significantly, increasing by nearly 28 percent. This demographic shift is primarily attributed to aging in place rather than an influx of older residents. As a result, senior-headed households now make up over 47 percent of all households, with seniors comprising more than half of the owner-occupied households and nearly 40 percent of renter households.

The region's housing tenure data show a stark contrast between homeowners and renters. Owner-occupied units exhibit high stability, with over two-thirds of households residing in the same home since before 2018. In contrast, renters demonstrate much higher mobility, with more than 40 percent of renter households moving in since 2018. This pattern reflects the aging, stable nature of the homeowner population compared to the more transient nature of renters. Additionally, the housing stock is predominantly older, with over half of all occupied units built before 1970 and minimal new construction since 2010.

Section IV: Alleghany Highlands Rental Housing Market

The following analysis examines the modest and mature rental housing market in the Alleghany Highlands, characterized by the presence of only one recently built, professionally managed rental community, River Retreat Apartments. All other market-rate rental properties in the area are at least four decades old, and the most recent affordable apartment development was completed over 20 years ago.

Despite state and national trends favoring increased apartment construction, no new rental properties were built in the Alleghany Highlands region between 2002 and 2023. Several factors influenced the development of the new rental community, including the completion of the 2019 housing study and the active role that public officials played in attracting a developer to a property that had previously been publicly owned.

Historically, one of the primary challenges has been a mismatch between the development community's focus on building affordable housing and local officials' preference for attracting higher-income renter households. This disconnect has limited the introduction of new rental options that appeal to a broader demographic.

Apartment properties with deep rent subsidies, where tenants pay 30 percent of their income toward rent, are excluded from this analysis, as they primarily serve lower-income households and are not the focus of this study.

IV.1: Characteristics of the Rental Housing Market

Table 16 presents data on the existing general-occupancy apartment properties in the Alleghany Highlands region, including both market-rate and affordable (LIHTC) rental communities.

The data show only 165 professionally managed apartment units across five small rental communities. The newest addition to the region is River Retreat Apartments, developed by Roanoke-based R.P. Fralin and located adjacent to the Alleghany Highlands YMCA in Low Moor.

This rental complex comprises 96 apartment units in five, three-level garden apartment buildings, of which all but one are currently occupied. Within this total is a mix of 28 one-bedroom and 68 two-bedroom floor plans.

24 units were completed in August 2023, 12 units in July 2023, 12 units in October 2023, and a 24-unit building was completed in July 2024. An additional 12-unit building opened in September 2024. Notably, more than half of the units were pre-leased before the final building was delivered, demonstrating strong initial demand.

The River Retreat development marks the first new market-rate apartment construction in the Alleghany Highlands region in nearly four decades. Most tenants at River Retreat Apartments are reported to be locals rather than newcomers relocating for employment opportunities. Management notes that fewer than five units have been leased to MGCC students, likely due to a combination of rental rates, the unfurnished nature of the apartments, the predominance of 12-month lease agreements, and the timing of unit availability. Additionally, management reports having 11 prospects for future tenancy, though actual leasing will depend on unit turnover.

Of note is that River Retreat Apartments reportedly attract a more senior demographic compared to R.P. Fralin's other Virginia properties, including several in the Roanoke Region. This trend reflects both local demographics and the lack of low-or no-maintenance rental properties in the region.

Apart from River Retreat Apartments, the region's rental housing market remains modest and mature. The four older market-rate apartment properties, constructed between the 1960s and 1980s, are all at least 40 years old. Combined, they offer just 69 rental units, all of which are currently occupied. This low vacancy rate has persisted for several years, indicating a consistent demand despite the aging nature of the rental stock.

Key findings from **Table 16**, specific to the market-rate apartment segment, include:

- The Alleghany Highlands has fewer than 200 professionally managed apartment units, with 96 units (approximately 58 percent) constructed since 2023 at River Retreat Apartments. Regarding rental rates and curb appeal, none of the existing properties compare to River Retreat Apartments, which leased up quickly and rarely experiences vacancy.

- Essentially all market-rate apartment units in the region are occupied. Vacancies are limited to routine turnover, reflecting consistently high demand despite limited supply.

- Most existing rental properties are notably mature, with some units having received modest upgrades to maintain functionality and appeal.

- The region is characterized by a chronic lack of vacancies, forcing many renters to remain in properties that do not fully meet their needs due to the absence of alternative local options. As a result, some renters commute long distances to Lexington, Roanoke, and Lewisburg in search of housing. These commutes are often lengthy and involve renting properties with significantly higher rents than those available locally, particularly in the greater Daleville and Roanoke areas. This has impacted the ability of local employers to maintain a stable workforce.

In addition to the small number of market-rate, professionally managed rental units, the Alleghany Highlands region is served by only two apartment communities developed under the Low-Income Housing Tax Credit (LIHTC) program. This federal initiative provides tax incentives to private and non-profit developers to create or preserve affordable rental housing to low- and moderate-income households. In exchange for these credits, property owners agree to maintain below-market rents and restrict occupancy based on income limits for a specified compliance period.

It is important to note that this inventory excludes rental properties supported by deep-rent subsidies, such as Project-Based Section 8, which offer more substantial assistance tied to individual units. These two LIHTC communities represent the entirety of the region's professionally managed general-occupancy affordable rental housing stock, underscoring the limited availability of rental options for income-qualified renters.

The three-story Alleghany Building is an adaptive reuse of a historic structure originally constructed in 1925 and renovated in 1998 with LIHTC financing. The building contains 20 income-restricted units: five at 40% of AMI, five at 50% of AMI, and ten at 60% of AMI. It is the only elevator-served and mixed-use building in the region. Currently, there are no vacancies, and the property reportedly attracts a large share of senior tenants.

More recently, Cedar Forest Apartments opened in 2002 with 40 units restricted to 50% of AMI. All units are currently occupied, and management maintains a waitlist estimated to extend between six to 12 months. This townhome-style rental community is designed for families and is the only property offering amenities such as a clubhouse, picnic area, and playground. It rarely has vacancies.

Overall, the Alleghany Highlands contains only 225 professionally managed apartment units that do not offer deep-rent subsidies, of which almost none are vacant. All complexes are small, and apart from River Retreat Apartments, none have more than 40 units or offer a comprehensive set of amenities. Besides the 96-unit River Retreat Apartments and 35-unit Parklin Terrace Apartments, the remaining market-rate complexes each contain fewer than 20 units.

Data in **Table 6** show that the Alleghany Highlands region is home to just over 2,400 renter households. Therefore, the apartment properties listed in **Table 16** house fewer than 10 percent of the area's renter households. This finding suggests that the vast majority of renters live in scattered townhomes, single-family homes, and mobile homes intended initially for homeownership. These units vary significantly in quality and condition, contributing to considerable pent-up demand for new, quality rental housing in desirable settings.

Table 16: Characteristics of Apartment Communities — Alleghany Highlands, VA (May 2025) [1]

	Map C Key	Income Restrictions	Year Built	Total Units	Vacant Units
Market Rate Apartments					
River Retreat Apartments	1	None	2023-2024	96	1
Clearview Townhomes	2	None	1982	10	0
Country Club Apartments	3	None	1963	8	0
Parklin Terrace Apartments	4	None	1964/05	35	0
Valley Ridge	5	None	1963	16	0
(Subtotal)				*(165)*	*(1)*
Affordable Apartments					
Cedar Forest Apartments	6	50% of AMI	2002	40	0 [2]
Alleghany Building	7	50%/60% of AMI	1998	20	3
(Subtotal)				*(60)*	*(3)*
Total				**225**	**4**
Vacancy Rate					**1.8%**

[1] Excludes age-restricted properties and those with deep-rent subsidies, including Dolly Ann Apartments, Mountain View Apartments, Scott Hill Retirement Community, and Clifton Woods Apartments. All of these properties require tenants to pay 30 percent of their income toward rent.

Clifton Woods Apartments and Mountain View Apartments are Rural Development properties. Clifton Woods, built in 1978, has 66 one-bedroom, age-restricted units and is routinely at full occupancy with a waitlist. Mountain View, built in 1979, is family-oriented with 48 two-bedroom and six three-bedroom units, also routinely full with a waitlist.

Scott Hill Retirement Community comprises two HUD-subsidized communities: Briarcliffe (56 one-bedroom units) and Ridgeview (89 one-bedroom and five two-bedroom units). Occupancy is 98.5 percent. Opened in the 1980s, it serves seniors over 62 and individuals with disabilities.

Dolly Ann Apartments, built in 1972 and renovated in 2009, has 108 two- and three-bedroom units. The property is routinely at full occupancy with a waitlist.

[2] Waitlist of between six months to one year, depending on the floor plan.

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

Map C below shows the locations of the apartment communities in the Alleghany Highlands region. Three properties are in the Low Moor area: River Retreat Apartments, Country Club Apartments, and Valley Ridge. Clearview Townhomes is situated just north of Covington, while Parklin Terrace is located within Covington itself. The Alleghany Building is the only rental community in Clifton Forge. Cedar Forest Apartments is positioned just east of the Covington city limits, on the south side of I-64.

Map C – Locations of Rental Communities

The following photos show each of the apartment properties included in this study. Clearview Townhomes, Country Club Apartments, and Valley Ridge feature two-level townhome designs with individual entryways and brick exteriors. Parklin Terrace is a traditional garden-style complex with three-story walk-up buildings. These properties are modest in both design and curb appeal.

River Retreat Apartments consists of three-story garden-style buildings with a mix of brick and vinyl exteriors. The Alleghany Building is a three-story adaptive-reuse development that includes ground-floor commercial space. Cedar Forest Apartments offers single-level units with individual entryways. Except for River Retreat Apartments, these communities are modest in architectural design and curb appeal.

River Retreat Apartments

Clearview Townhomes

Country Club Apartments

Parklin Terrace Apartments

Valley Ridge

Cedar Forest Apartments

Alleghany Building

IV.2: Market-Rate Rent Analysis

Rental rates across the Alleghany Highlands vary significantly depending on the age, condition, and amenities of the apartment communities. River Retreat Apartments generates rents well above other area properties, reflecting its recent construction, contemporary finishes, and comprehensive in-unit amenities. As of this report, one-bedroom units at River Retreat Apartments lease for $999, while two-bedroom units with two full bathrooms lease for $1,124 per month. All units include in-unit washers and dryers, a feature that distinguishes River Retreat Apartments from many other rental options in the region.

Since its opening in 2023, rents at River Retreat have increased modestly, rising from initial rates of $899 for one-bedroom units and $949 for two-bedroom units. Management reports that proximity to the adjacent Alleghany Highlands YMCA, within walking distance, is a highly valued amenity among tenants and significantly enhances the property’s appeal.

In contrast, older market-rate apartment properties in the region have significantly lower rents, primarily due to their age, modest design, and limited amenities. Most of these complexes were constructed between the 1960s and 1980s and have undergone only moderate renovations. Typical monthly rents for one-bedroom units are around $650, while two-bedroom units range from approximately $750 to $850. Three-bedroom rental units are scarce throughout the region, with few professionally managed options available.

Beyond traditional apartment complexes, several local and regional property management firms, such as Burns Property Group and Garten Development, oversee a small inventory of renovated single-family rental homes dispersed throughout the Alleghany Highlands. These homes are generally older but well-maintained. Rents for better-quality two-bedroom homes typically range from $750 to $1,000, excluding utilities. These units are routinely fully occupied with minimal turnover, reflecting the ongoing scarcity of rental housing in the area.

Despite the relatively low rents at older apartment properties, rents have risen by approximately $150 since the previous housing analysis conducted in 2019. This upward trend underscores the pent-up demand for quality rental housing, even among aging and less amenitized property types.

U.S. Census data provide additional context for rent levels in the area. According to the most recent estimates, median gross rent in Alleghany County is $774, with average rents of $653 for one-bedroom units, $818 for two-bedroom units, and $867 for three-bedroom units. In comparison, the City of Covington reports a slightly higher median gross rent of $822, with one-bedroom units averaging $610, two-bedroom units at $816, and three-bedroom units at $747. These figures highlight the region's relative affordability compared to state and national benchmarks. However, they also point to the narrow gap between older market-rate rents and median rents overall. This pattern reinforces the need for updated, higher-quality rental options.

The success of new rental developments in this market will largely depend on attracting employees from larger regional employers, as well as drawing some transfer demand from aging apartment stock and rented single-family homes. The lack of available alternatives indicates a strong case for new, well-located, professionally managed apartment housing at a variety of rent levels.

IV.3: Affordable Rent Analysis

Rents at Cedar Forest, which has rates restricted to households earning up to 50% of the Area Median Income (AMI), are $795 for two-bedroom units and $904 for three-bedroom units. These rents include water, sewer, and trash collection services. At the Alleghany Building, studio units rent for $600 per month, while one-bedroom units rent for $750, with both rates covering utilities, including water, sewer, electricity, and trash collection.

When utility expenses are considered, these costs are generally comparable to rents charged at older market-rate apartment complexes in the region, reflecting the age and quality of the existing market-rate housing stock

IV.4: Neighboring Rental Markets

As with the 2019 housing analysis, the current apartment market in the Alleghany Highlands does not support a traditional net demand analysis due to the region's declining population trends and lack of sustained multifamily investment. Input from area employers indicates that modest employment growth and workforce replacement are generating some demand for rental housing. However, this demand was not effectively captured by area apartment properties until the opening of River Retreat Apartments, which absorbed a significant number of tenants through turnover from existing properties.

S. Patz & Associates also examined the nearby Lewisburg, West Virginia rental market to assess regional rents and occupancy patterns. The Lewisburg area supports a somewhat newer and more vibrant apartment market than the Alleghany Highlands, partly due to its strong base of tourism- and resort-related employment. Many of Lewisburg's apartment communities are newer and achieve comparatively higher rents. However, as with the 2019 study, there is little evidence of active housing demand from West Virginia-based workers relocating to the Alleghany Highlands. Nonetheless, the potential for future cross-border demand exists if attractive, well-located, and competitively priced housing is developed locally.

The rental market in Lexington, Virginia, was also reviewed. Lexington has a larger supply of multifamily housing, although many properties are either Rural Development (RD) or LIHTC-financed communities with income restrictions. The limited number of market-rate rental properties in Lexington typically generate rents well above those in the Alleghany Highlands.

The most competitive neighboring rental market is the greater Daleville area of Botetourt County, which has seen considerable rental development in recent years, making it a noteworthy comparator.

Table 17 presents rental data for Botetourt County, where one-bedroom apartments average nearly $1,405, two-bedroom units average $1,754, and three-bedroom units exceed $2,100 per month. These properties are all newer, professionally managed, and have high occupancy rates, often near full.

Daleville's pricing highlights the contrast with the Alleghany Highlands, where comparable new rental products are limited. This rent disparity suggests an opportunity for the Alleghany Highlands to introduce new rental housing that could appeal to both local renters seeking quality housing and those looking for more affordable alternatives to higher-cost nearby markets. Additionally, this opportunity may extend to employees working in the Alleghany Highlands who commute from Daleville, especially if new developments offer comparable quality at lower rent levels.

Table 17: Rental Rates at Apartment Communities — Botetourt County, VA (May 2025) 1

	Year Built	Units	One-Bedroom	Two-Bedroom	Three-Bedroom
The Overlook at Daleville	2025	240	$1,395-$1,495	$1,745-$1,795	$2,045-$2,095
Fieldstone Place I & II [2]	2023/2024	96	$1,300	$1,475	--
Reserve at Daleville	2020	188	$1,435-$1,675	$1,860-$2,250	$2,220-$2,415
Daleville Town Center I & II [3]	2013/2020	215	$1,220-$1,420	$1,734-$1,934	$1,872-$2,074
Total/Average		**739**	**$1,405**	**$1,754**	**$2,120**

[1] Rents adjusted to exclude utilities.
[2] Phase I opened with 48 units in December 2023. Phase II opened with 48 units in April 2024.
[3] Phase I opened with 120 units in 2013, and Phase II opened with 95 units in February 2020.
Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Below are photos of these communities. The Reserve at Daleville, Daleville Town Center, and The Overlook at Daleville are attractive, well-maintained properties offering extensive amenity packages. Both phases of Daleville Town Center and The Overlook at Daleville feature elevator-served buildings.

Fieldstone Place has a similar design to River Retreat Apartments but offers additional amenities, including an on-site clubhouse, fitness center, and outdoor swimming pool.

The Overlook at Daleville

Reserve at Daleville

(Phase I)

(Phase II)

Daleville Town Center

Fieldstone Place

IV.5: Rental Housing Pipeline

Several residential developments are in various stages of planning that could add over 90 new rental units to the region's housing stock. These developments represent a mix of adaptive-reuse and new construction, leveraging historic tax credits to support financial viability.

One of the most advanced proposals is Rivermont School Apartments, a mixed-income community with 48 planned rental units, which will likely begin construction by the end of 2025. This project is notable for its unique approach, involving converting a historic school into apartments while incorporating a new construction component.

Another project in longer-term planning is Jefferson School Apartments, which could include up to 30 apartment units. Construction is not expected to begin until the summer of 2026, as designs are not yet completed and financing has not been secured.

All three proposals will utilize historic tax credits, which provide financial incentives for preserving and repurposing historic structures. This approach greatly reduces development costs and makes achieving viable rent levels more feasible.

Table 18: Apartment Pipeline — Alleghany Highlands, VA (May 2025)

	Map D Key	Market Rate Units	Affordable Units	Total Units	Likely Start
Rivermont School Apartments	1	0	48	48	2025
Jefferson School Apartments [1]	2	30	0	30	2026
Edgemont School Apartments [2]	3	15	0	15	No Start Date
Total		**45**	**48**	**93**	

[1] Possibly 28 units, pending final designs.
[2] Preliminary estimate. It could include affordable units and a new construction component.

Source: S. Patz & Associates, Inc.

Map D below shows the locations of the three redevelopment properties. The Rivermont School and Edgemont School properties are in Covington, while Jefferson School is in Clifton Forge.

Map D – Locations of Pipeline Apartments

The paragraphs below briefly detail each of these proposals.

- **Rivermont School Apartments**: This proposal by Landmark Property Management Company aims to transform the former Rivermont School property, located at the northeastern intersection of N. Rockbridge Avenue and E. McAllister Street in the City of Covington, into a fully affordable 48-unit apartment community. The project will include 17 adaptive-reuse units within the existing school building and 31 newly constructed units in a separate building. Both buildings will feature elevators.

The development will offer a mix of nine one-bedroom, 28 two-bedroom, and 11 three-bedroom units. All one-bedroom units and eight two-bedroom units will be located in the renovated school building, while the new construction will include 20 two-bedroom and 11 three-bedroom units. Five apartments will be income- and rent-restricted to 40% of the Area Median Income (AMI). Twenty units will have rent restrictions at 50% of AMI and income limits at 60% of AMI. The remaining 23 units will have both rent and income restrictions set at 60% of AMI.

- **Jefferson School Apartments**: This proposed redevelopment of the vacant Jefferson School is being pursued by Cherney Development, located at 1000 A Street in the Town of Clifton Forge. The project plans to convert the building into between 28 and 30 one- and two-bedroom apartment units, with rents likely ranging from $850 to $950 per month. Financing is expected to include historic tax credits, and depending on the final financing structure, some units may be restricted to households earning up to 80% of the Area Median Income (AMI). The project is currently in the preliminary planning stages, with construction anticipated to begin in the summer of 2026 at the earliest.

- **Edgemont School Apartments**: The vacant Edgemont School at 451 W. Park Street in the City of Covington is in the early stages of evaluation for potential apartment development. The Virginia Tech Community Design Assistance Center (CDAC) recently received an EPA Brownfields Assessment Grant to help communities conduct environmental assessments and develop conceptual reuse plans for such properties.

  CDAC is currently in the initial conceptual design phase for Edgemont School, with preliminary estimates suggesting the potential for approximately 15 apartment units based on the number of existing classrooms. Although the building does not currently have historic designation, obtaining it would likely be necessary to make redevelopment financially feasible. Once CDAC completes its final conceptual redevelopment plan, the City intends to begin exploring funding opportunities to move the project forward.

Photos of the existing conditions of each property are shown next. These photos illustrate that development has not yet begun on any of the sites.

Rivermont School

Jefferson School


Edgemont School

In addition to the above, early plans are underway to rehabilitate the upper level of the Northwest Ace Hardware building, located at 432 E Ridgeway Street in Clifton Forge, into fewer than ten apartment units.

There are also conceptual plans to develop student housing on the MGCC campus. S. Patz & Associates completed a feasibility study for the project in July 2024. While the concept is being actively pursued, any student housing would need to be developed by a private entity, as the State Board for Community Colleges is unlikely to permit the college to own or directly manage residential facilities.

Apart from the MGCC property, there is a 3.8-acre parcel located between Evergreen Road and the Jackson River, north of Covington in Alleghany County, which the owner is considering for residential development. However, no engineering or design work has taken place, and no plans have been submitted to county staff.

The owner is considering apartment development but has not yet determined whether to develop the property or partner with a developer. As a result, there is no set timeline for development.

IV.6: Rental Housing Market Summary

There is very little direct competition in the Alleghany Highlands apartment market, and the greater region's better-quality apartments are not located near Alleghany County. The only newer, upscale rental community is River Retreat Apartments, which was developed in multiple phases and consistently achieved top-of-market rents while maintaining near or full occupancy. This success reflects both the property's design and the strong demand for high-quality rental housing in the region.

Despite the success of River Retreat Apartments, the Alleghany Highlands continues to face a significant shortage of modern, professionally managed apartment units. The few existing market-rate properties are older, generally small in scale, and lack the amenities found in more recently developed communities. Additionally, three-bedroom units are extremely limited, leaving larger households with few viable options. This shortage not only limits choices for families but may also deter potential new residents from relocating to the region.

One strategy to address this gap is the adaptive reuse of historic buildings, a promising option given the region's inventory of older structures, many of which could be converted to residential use with the support of historic tax credits. These incentives can significantly reduce development costs, allowing for lower rents while maintaining financial viability. In some cases, these buildings are publicly owned, which could further reduce acquisition and site preparation costs. Similar adaptive-reuse projects have been successful throughout Virginia, and the Alleghany Highlands presents a comparable opportunity. As detailed in **Table 18**, multiple historic buildings in the region are currently being evaluated for potential residential redevelopment, targeting both affordable and market-rate apartment communities.

However, it is important to recognize that adaptive reuse may not appeal to all renter segments, particularly families with children and some seniors. Such properties often consist of smaller unit sizes and may lack the floor plans preferred by these groups. For these households, new construction garden-style apartment communities, like River Retreat Apartments, are likely to be more attractive due to their modern layouts, amenities, ease of parking, and overall scale.

Several vacant properties in the region, including publicly owned parcels, present opportunities for new construction to diversify the rental housing stock. Developing well-located, mid-market rental housing could address the needs of local workers who currently commute from outside the region or live in inadequate housing due to a lack of suitable local options.

To summarize, the Alleghany Highlands rental market is characterized by limited competition and a pronounced need for both modern garden-style apartments and creatively adapted historic properties. Meeting this demand may require leveraging public assets, historic tax credits, and strategic site selection. These are critical components to financing new rental communities at rents that are achievable in this market.

Section V: Alleghany Highlands For-Sale Housing Market

The following subsection of the report examines the for-sale housing market in the Alleghany Highlands.

At present, there are no active subdivisions for new single-family homes or townhomes anywhere in the Alleghany Highlands. For the purposes of this analysis, an "active subdivision" refers to a residential development where homes are being built and offered for sale on a speculative basis, rather than solely by custom order or infill. As with the 2019 housing study, local officials and real estate professionals report that the new home construction market has remained dormant for nearly 20 years, likely since the onset of the Great Recession in 2008. As a result, the for-sale housing market is primarily composed of resale properties, with no townhome or patio home communities available to meet the needs of first-time buyers, modest-income households, or senior downsizers.

Over the past five years, only eight residential building permits for new homes have been issued in the City of Covington. In Alleghany County, 55 residential building permits for new homes have been issued during the same period. Many of these homes are manufactured or modular, and some are likely intended as investments for short-term rental use. Very few were built speculatively to be sold.

One notable consequence of this prolonged stagnation is the near absence of a local homebuilding industry. Area realtors report that most formerly active home builders have retired or relocated, leaving essentially no established builders currently operating in the region. This lack of local builders has hindered the area's ability to address evolving housing demands, particularly as interest in modern, low-maintenance homes continues to grow.

A related challenge, echoed by both local employers and real estate agents, is the difficulty in attracting professional employees to the area. Employers indicate that candidates visiting the region often find the existing housing stock outdated or requiring significant upgrades, making them less inclined to purchase. As a result, many prospective employees either decline job offers or choose to live elsewhere and commute, particularly from the greater Roanoke area. Realtors corroborate this pattern, noting that younger professionals and older downsizers frequently bypass the Alleghany Highlands due to limited inventory and a lack of appealing housing options.

This scarcity of desirable properties has heightened competition for well-maintained, move-in-ready homes. Area realtors report that low inventory levels in recent years have driven up home prices, especially for properties priced between $180,000 and $250,000, which tend to sell quickly. Compounding the issue, the pandemic period saw increased out-of-town interest in the local housing market, partly driven by historically low interest rates from 2020 to 2022. Although this trend has since moderated, it temporarily inflated prices and further constrained the available supply.

A significant share of current listings come from senior homeowners and empty-nesters seeking to downsize into low- or no-maintenance housing. However, virtually no such housing types are available, such as single-level patio homes with attached garages, open floor plans, and minimal yard upkeep. As a result, many potential buyers are seeking housing outside the region, particularly in Botetourt County and Roanoke County. However, new construction in those areas is often priced beyond the means of many local households, creating a barrier for seniors who would otherwise prefer to remain in the region.

Area realtors also emphasize that the limited availability of move-in-ready homes extends across all price points. The lack of new construction, an aging housing stock, and a shortage of diverse housing types continue to restrict choices for incoming professionals and long-term residents looking to downsize. This ongoing shortfall highlights the pressing need for new residential development to support both population retention and regional economic stability.

V.1: Trends in Annual Home Sales

Table 19 tracks monthly home sales in the Alleghany Highlands from 2016 through the first quarter of 2025, offering a snapshot of activity in both Alleghany County and the City of Covington. This data set represents the most recent information available. The figures indicate a generally upward trend in home sales throughout the latter half of the decade, marked by a substantial surge during the COVID-19 pandemic and subsequent shifts in market conditions.

Between 2016 and 2019, the Alleghany Highlands averaged just over 137 home sales per year, with steady growth from 89 sales in 2016 to 168 in 2019. Activity rose sharply in 2020 and continued to accelerate through 2021 and 2022, reaching 207 total sales in 2021 and peaking at 344 sales in 2022. This volume was nearly double that of just two years prior. This period of heightened activity was primarily driven by the COVID-19 pandemic, during which local realtors observed a significant increase in interest from out-of-town buyers. Many sought more affordable or rural properties amid the rise of remote work and shifting lifestyle preferences.

The surge in demand likely resulted from a combination of low interest rates, increased interest from urban migration, and the growing appeal of smaller, less densely populated communities. This pattern was consistent across both jurisdictions: home sales in Alleghany County more than doubled between 2019 (116 sales) and 2022 (286 sales), while sales in Covington also rose, from 52 in 2019 to 68 in 2021, before stabilizing at 58 in 2022.

Following the 2022 peak, the market experienced a notable decline in 2023 and 2024, with sales returning to levels more in line with pre-pandemic trends: 195 in 2023 and 225 in 2024 across the Alleghany Highlands. This pullback likely reflects the impact of rising interest rates, inflationary pressures, and a limited housing inventory, especially given the region's aging housing stock and minimal new construction.

As of early 2025, sales activity remains modest, with just 32 homes sold during the first quarter: 20 in Alleghany County and 12 in Covington. While it is too early to predict the full year's outcome, the data indicate that buyer activity remains subdued compared to the pandemic-driven peak, though slightly higher than typical pre-2020 levels.

Overall, the data from **Table 19** demonstrate the significant impact of the pandemic on the Alleghany Highlands' housing market. The pandemic triggered an influx of outside interest and temporarily elevated sales volume, followed by a period of cooling as economic conditions stabilized.

Table 19: Trends in Annual Home Sales Pace — Alleghany Highlands, VA (2016-2025 YTD)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD [1]
Alleghany County	79	86	133	116	130	139	286	139	133	20
City of Covington	10	32	40	52	46	68	58	56	92	12
Alleghany Highlands	**89**	**118**	**173**	**168**	**176**	**207**	**344**	**195**	**225**	**32**

[1] January – March 2025

Source: Virginia REALTORS

V.2: Trends in Home Sales Prices

Table 20 presents monthly and annual median home sale prices in Alleghany County and the City of Covington from 2019 through 2024. The data reflect significant volatility in monthly prices, which is typical of smaller markets with lower sales volume. However, the figures also show clear upward trends in overall home values, particularly during and after the COVID-19 pandemic.

In Alleghany County, the median sale price increased from an annual average of $96,838 in 2019 to $144,821 by 2024, representing a nearly 50 percent rise over five years. Price appreciation was especially pronounced between 2020 and 2022, with the average climbing from $100,883 in 2020 to $129,752 in 2022. This sharp increase was likely driven by heightened buyer demand, historically low interest rates, and pandemic-era migration patterns. Several months in 2022 and 2023 saw prices exceed $150,000, compared to a monthly low of just $67,500 in April 2019.

The City of Covington experienced similar price growth, although with greater month-to-month variability due to its smaller market size. The median price rose from $136,133 in 2019 to $147,433 in 2024. However, an outlier sale in December 2019 temporarily skewed the data upward. Notably, Covington's prices hit record highs in 2022, including a monthly median of $218,500 in April, nearly triple the median from just two years earlier in 2020. This volatility reflects the impact of small sales volumes, where a single high- or low-priced transaction can significantly influence the median.

The rapid rise in home prices during 2021 and 2022 aligns with feedback from local realtors, who noted a surge of out-of-town buyers during the pandemic, particularly those seeking more affordable, rural housing compared to larger metro areas. This influx, combined with limited new construction and a constrained inventory of homes for sale, pushed prices higher despite the region's relatively modest economic growth.

Although prices have slightly moderated in 2024, they remain elevated compared to pre-pandemic levels. Median monthly sale prices in both Alleghany County and Covington consistently exceeded $140,000 throughout most of the year, indicating that the pandemic-driven price increases have largely been sustained.

Table 20: **Monthly Trends in Median Home Sales Prices — Alleghany Highlands, VA (2016-2024)**

	Alleghany County	City of Covington
2019 - Jan	$83,750	$147,500
2019 - Feb	$74,500	N/A
2019 - Mar	$115,750	$151,050
2019 - Apr	$67,500	$90,000
2019 - May	$157,500	$90,000
2019 - Jun	$78,900	$93,000
2019 - Jul	$87,050	$92,350
2019 - Aug	$75,000	$129,250
2019 - Sep	$149,900	$76,111
2019 - Oct	$85,000	$135,250
2019 - Nov	$59,200	$105,950
2019 - Dec	$128,000	$684,000
2019 Average	**$96,838**	**$163,133**
2020 - Jan	$59,950	$118,300
2020 - Feb	$79,800	$37,750
2020 - Mar	$113,500	$77,600
2020 - Apr	$100,000	$95,000
2020 - May	$104,450	N/A
2020 - Jun	$84,900	$97,500
2020 - Jul	$96,500	$159,000
2020 - Aug	$111,000	$69,000
2020 - Sep	$139,000	$89,900
2020 - Oct	$130,250	$73,250
2020 - Nov	$100,250	$100,000
2020 - Dec	$91,000	$135,000
2020 Average	**$100,883**	**$95,664**
2021 - Jan	$179,380	$75,000
2021-Feb	$125,000	$52,000
2021-Mar	$105,000	$200,000
2021 - Apr	$87,000	$133,050
2021 - May	$97,500	$69,500
2021 - Jun	$97,500	$169,900
2021 - Jul	$84,670	$127,050
2021 - Aug	$119,900	$65,000
2021 - Sep	$119,900	$121,000
2021 - Oct	$109,950	$125,000
2021 - Nov	$154,500	$144,700
2021 - Dec	$141,900	$108,500
2021 Average	**$118,517**	**$115,892**
2022 - Jan	$129,000	$24,000
2022 - Feb	$119,725	$111,950
2022 - Mar	$78,000	$67,500
2022 - Apr	$137,100	$218,500
2022 - May	$139,950	$84,000
2022- Jun	$149,900	$154,500
2022 - Jul	$137,500	$123,750
2022 - Aug	$139,900	$194,950
2022- Sep	$92,450	$66,500
2022- Oct	$129,500	$93,000
2022- Nov	$144,500	$193,200
2022- Dec	$159,500	$179,475
2022 Average	**$129,752**	**$125,944**
2023- Jan	$110,000	$187,500
2023- Feb	$121,500	$85,450
2023- Mar	$83,950	$148,500
2023- Apr	$157,000	$214,500
2023- May	$75,000	$192,500
2023- Jun	$165,000	$140,000
2023- Jul	$159,800	$72,000
2023- Aug	$151,200	$143,000
2023- Sep	$81,885	$255,000
2023- Oct	$145,000	$90,047
2023- Nov	$172,000	$148,950
2023- Dec	$124,500	$68,450
2023 Average	**$128,903**	**$145,491**
2024- Jan	$121,750	$126,000
2024- Feb	$147,000	$105,000
2024- Mar	$162,000	$191,500
2024- Apr	$172,000	$156,000
2024- May	$135,000	$175,000
2024- June	$133,900	$137,500
2024- July	$152,750	$119,450
2024- Aug	$150,000	$160,000
2024- Sep	$146,000	$160,000
2024- Oct	$149,000	$160,000
2024- Nov	$106,000	$158,750
2024- Dec	$162,450	$120,000
2024 Average	**$144,821**	**$147,433**

Source: Virginia REALTORS

V.3: Current Available For-Sale Inventory

Table 21 provides an overview of active home listings in the Alleghany Highlands as of May 2025, highlighting a housing market predominantly composed of older homes, many of which predate modern building codes and design standards. Of the 38 homes currently listed for sale, 71.0 percent (27 homes) were built before 1970, with several dating back to the early 20th century or earlier. This includes three homes built before 1900, one home constructed between 1900 and 1909, and another eight built from 1910 to 1929, underscoring the region's aging and historic housing stock.

Notably, there are no active listings for homes built within the past 15 years, and only four homes from the 2000 to 2009 period are currently on the market. This lack of newer inventory aligns with long-term trends in the Alleghany Highlands, where new residential construction has remained virtually nonexistent over the past two decades. With limited speculative home building and no active subdivisions, the for-sale market remains entirely reliant on resales of older homes.

A notable market imbalance is evident in the distribution of listing prices. A few higher-priced properties skew the average upward, such as two listings exceeding $1.7 million, but most available homes are priced significantly below national or state averages. The average listing price is $342,389, but the median is likely much lower due to the concentration of listings between $100,000 and $250,000. Many of these homes require updates or repairs, which may deter potential buyers looking for move-in-ready options.

Several listings fall below $100,000, including homes on Brussels Ave ($59,900) and Ridgeway St ($45,000) in Clifton Forge. While these lower prices reflect the region's relative affordability, they also point to the challenges associated with an aging housing stock and, in some cases, deferred maintenance.

Table 21: Characteristics of Active Home Listings — Alleghany Highlands, VA (May 2025)

Year Built	Active Listings	Pending/ Contingent	Price Range	Average Listing Price
2020+	0	0	N/A	N/A
2010-2019	0	0	N/A	N/A
2000-2009	4	1	$234,950-$1,595,000	$705,950
1990-1999	2	3	$172,000-$2,800,000	$784,300
1980-1989	2	1	$107,995-$299,000	$212,165
1970-1979	3	1	$170,000-$374,000	$248,375
1960-1969	8	2	$39,000-$285,000	$220,045
1950-1959	3	2	$56,500-$399,000	$226,000
1940-1949	2	1	$189,500-$249,000	$212,833
1930-1939	2	1	$24,900-$795,000	$432,967
1920-1929	3	3	$45,000-$169,500	$94,750
1910-1919	5	2	$82,500-$1,795,000	$452,050
1900-1909	1	1	$249,500-$295,000	$272,250
Pre-1900	3	1	$59,900-$685,000	$222,438
Total/ Average	**38**	**19**		**$342,389**

Source: National Association of REALTORS

Of particular note is that 19 homes are already under contract as pending or contingent, indicating moderate buyer demand despite the age of the inventory.

The lack of modern, move-in-ready homes presents a significant challenge in attracting new residents or retaining younger households. Even higher-end listings priced above $500,000 are typically historic homes rather than new builds, highlighting the absence of contemporary housing options at the upper end of the market.

Overall, the current inventory of homes for sale in the Alleghany Highlands is heavily weighted toward older, pre-1970 housing stock, with no newly built homes available and only a few constructed since 2000. While the region remains relatively affordable compared to much of Virginia, this aging supply, combined with the lack of speculative building or new subdivision development, presents significant obstacles to meeting pent-up housing demand.

V.4: Characteristics of Existing Subdivisions

As noted earlier, no active residential subdivisions exist in the Alleghany Highlands where homes are currently being built and sold speculatively. This was also the case during the 2019 housing study, indicating a long-standing absence of speculative residential development in the region.

Similar to the 2019 study, S. Patz & Associates identified only three subdivisions in the area with remaining lots available for new home construction, as detailed in **Table 22**. These include Woodfield, Clearview Estates, and Woodland Hills, which together account for 206 total lots, of which 162 have already been developed. As a result, only 44 lots in these subdivisions are currently available for new construction.

Each of these subdivisions is described below:

- **<u>Woodfield</u>**: This is a small subdivision of 29 lots, located on the east side of Woodfield Drive along E. Michigan Street and White Oak Lane, at the southern edge of the City of Covington. Of the 29 total lots, 19 homes have been built, leaving 10 lots available. Although small, this subdivision has seen some recent construction activity, with several homes built over the past decade. Lot sales began in the mid-1990s, and nearly all homes were constructed through individual lot sales and private construction rather than speculative building. There are currently no active listings in this neighborhood. The most recent sale was a 4,470-square-foot, four-bedroom, four-bathroom home built in 1997, which sold for $429,900 in December 2023

- **<u>Clearview Estates</u>**: This is the largest subdivision in the region with available lots, containing a total of 141 lots, of which 122 have been developed and 19 remain available. The subdivision is located north of Covington in Alleghany County, on the west side of Hot Springs Road. Home sales began in the 1960s, and most existing homes are at least 25 to 30 years old. There is currently one active listing: a 2,160-square-foot, four-bedroom, three-bathroom home built in 1992, listed for $379,900. Over the past three years, seven homes have sold in the subdivision, with prices ranging from $200,000 to $350,000, representing a turnover rate of approximately six percent.

- **<u>Woodland Hills</u>**: This subdivision is located north of Clearview Estates, on the west side of Jackson River Road in the Falling Springs area. It is a small community with 36 lots, of which 21 have been developed and 15 remain available. The only active listing is a 3,200-square-foot, three-bedroom, three-bathroom home built in 1999, currently under contract for $495,000, up from a previous sale price of $374,950 in September 2023. This is the only home sold in the subdivision over the past three years. Most homes in Woodland Hills were constructed in the early 2000s, before the Great Recession.

The limited number of subdivisions with available lots, coupled with the near absence of speculative construction, highlights the region's constrained capacity for residential growth. With no active pipeline of move-in-ready homes and few undeveloped lots, the Alleghany Highlands continues to experience housing supply shortages in the for-sale market. This lack of subdivision activity restricts housing choices for both current and prospective residents, creating a barrier to accommodating even modest levels of population or workforce growth.

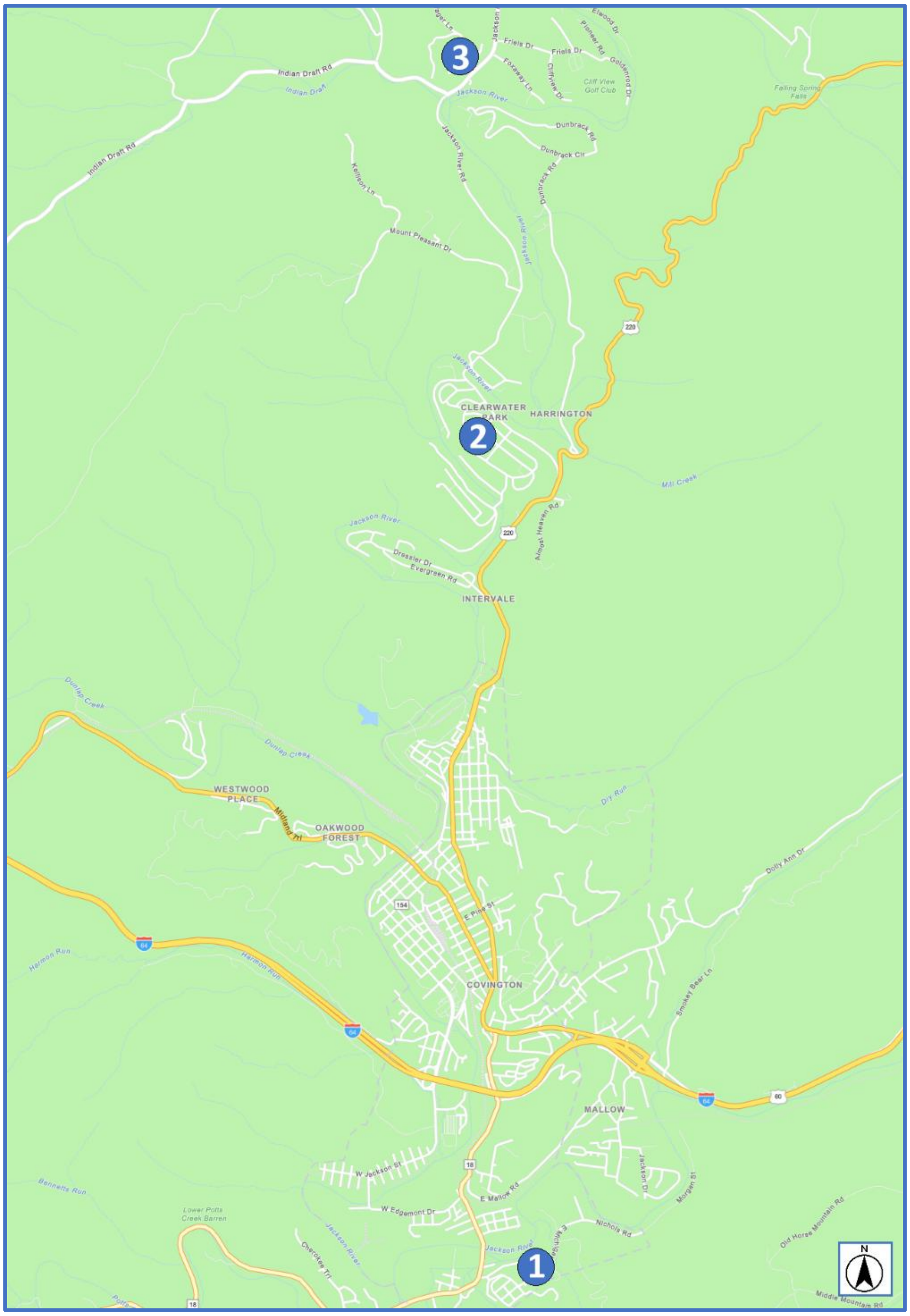
Given current price points, lot sizes, and the diversity of ownership, it is unlikely that an out-of-area developer would purchase the remaining lots. More affordable land is likely available elsewhere, and future development will probably require smaller, more efficient lots to better align with market demand.

Table 22: Subdivisions with Available Lots — Alleghany Highlands, VA (May 2025)

	Map E Key	Total Lots	Homes Built	Remaining Lots
Woodfield	1	29	19	10
Clearview Estates	2	141	122	19
Woodland Hills	3	36	21	15
Total		**206**	**162**	**44**

Source: City of Covington; Alleghany County

Map E shows the locations of the three subdivisions. Woodfield is situated at the southern edge of the City of Covington, while Clearview Estates and Woodland Hills are located to the north, within Alleghany County. Notably, none of these subdivisions are located in or around Low Moor or Clifton Forge, emphasizing the lack of new residential development in those areas.



Map E – Locations of Regional Subdivisions

The following photos show typical homes in each of the three subdivisions. These images feature attractive, well-maintained properties representing some of the higher-quality housing options in the Alleghany Highlands. This quality is reflected in their price points, which consistently exceed the region's median home sales price, as shown in **Table 20**.


Woodfield


Clearview Estates


Woodland Hills

V.5: Townhome Market

As with the 2019 study, this updated analysis has identified no for-sale townhomes in the Alleghany Highlands. The same applies to nearby West Virginia communities and the greater Lexington area. The absence of townhomes from the regional market presents a clear opportunity for development. Townhomes can serve as ideal starter homes for young couples and moderate-income families, offering a more affordable entry point into homeownership.

The nearest townhome cluster to the Alleghany Highlands is located at Daleville Town Center. However, these are upscale units priced in the upper $300,000s and therefore differ from the more modestly priced product recommended for the Alleghany Highlands.

Below are examples of townhomes currently being marketed in the Roanoke Region. R. Fralin Homes, the builder of River Retreat Apartments, developed these units. This homebuilder specializes in more moderately priced housing and has already expressed interest in residential investment in the Alleghany Highlands.

Newer townhomes in the Roanoke Region are currently priced starting in the upper $200,000s. However, similar units could likely be constructed at a lower cost in the Alleghany Highlands, given the area's relatively low land prices. These examples demonstrate the potential to introduce more affordably priced, newly built for-sale homes to the local housing market, addressing an unmet need for quality starter housing.

Photos of newly built townhomes in Roanoke County are shown below.

Village Green

Orchards

V.6: Patio Home Market

Area employers and realtors report a large and growing retirement population, many of whom have retirement savings and a strong desire to remain in the region, provided that suitable housing options are available. This trend is supported by demographic data indicating an expanding senior population.

Local realtors note that a considerable number of homeowners listing their properties for sale are seniors looking to downsize. However, there are virtually no local options to meet their needs. As a result, many seniors have looked outside the Alleghany Highlands for appropriate housing, particularly in Botetourt County and Roanoke County, where this type of housing has already been developed. More seniors would likely make their homes available for sale and relocate locally if suitable housing existed within the region. Real estate agents report that some patio homes in Botetourt and Roanoke counties have already been purchased by residents from the Alleghany Highlands.

There is a growing demand for patio homes across Virginia and nationwide, specifically single-story attached homes with garages. These homes typically range from approximately 1,250 to 1,800 square feet and require flat parcels, often designed with front widths of 30 to 40 feet.

Smaller models could also be developed as rental housing specifically for seniors, offering the most cost-effective approach to providing affordable senior housing within the Alleghany Highlands.

This housing type is strongly recommended, as it can be developed within an age-restricted community or offered for general occupancy. The single-story layout is equally appealing to the empty-nester market, providing flexibility in targeting both senior and non-senior populations.

Patio homes in the Roanoke area typically sell in the upper $200,000s. However, as with new townhomes, similar units could likely be priced lower within the Alleghany County market, given the area's relatively lower land costs.

Photos of newly built patio homes in Roanoke County are shown below.

Village Green Patio Homes

V.7: For-Sale Housing Pipeline

There are currently no residential subdivisions in active planning within the Alleghany Highlands region.

V.8: For-Sale Housing Summary

There is a clear and sustained pent-up demand for new for-sale homes across all housing types, including single-family detached homes, townhomes, and patio homes. A key factor driving this demand is affordability. To be competitive, new homes in the Alleghany Highlands must be priced below those in nearby communities such as Botetourt County. This price sensitivity reflects the region's relatively modest income levels and the need to attract both local buyers and potential newcomers.

Despite this evident demand, the for-sale market in the Alleghany Highlands remains largely untested, as almost no new homes have been built speculatively in two decades. As a result, there is limited data on how well new construction would perform if brought to market. This lack of speculative development is partly due to the absence of a local homebuilding industry. Many builders left the area following the Great Recession and have not returned.

Successfully introducing new housing will require a proactive approach, including targeted marketing efforts and collaboration with major local employers. Employers such as Smurfit Westrock, Mountain Gateway Community College, and LewisGale Hospital Alleghany can play a pivotal role in fostering confidence among potential developers. Their support could involve participating in marketing initiatives, assisting with pre-sales, and actively communicating housing needs to the building community. Encouraging early commitments from potential buyers would significantly strengthen the case for homebuilders to invest in the region, reducing perceived risk and helping secure financing.

The lack of new housing options limits residential growth and poses challenges for local economic development. Employers frequently report difficulties attracting professional employees due to the limited availability of modern, move-in-ready homes. Additionally, many seniors looking to downsize are compelled to seek housing outside the region, particularly in Botetourt and Roanoke counties, where more suitable options exist. Addressing these gaps by offering a variety of new housing types, particularly townhomes and patio homes, could help retain older residents and attract younger professionals.

Addressing the unmet demand for new for-sale housing calls for a multifaceted strategy that includes competitive pricing, targeted marketing, employer engagement, and early buyer commitments. These steps are essential for revitalizing the housing market and positioning the Alleghany Highlands as an attractive option for homeownership.

Section VI: Available Residential Development and Redevelopment Sites

This section of the housing analysis examines sites and buildings identified by area officials as potential locations for residential development. These properties include a mix of publicly and privately owned sites, with some buildings holding historic designations. The identified parcels also vary in zoning classifications. Currently, none of the available sites have formal development proposals, although one building (Edgemont School) is in the early planning stages for potential reuse or redevelopment.

It should be noted that some properties identified in the 2019 report are no longer viable for development. For instance, the property located along Ingalls Street has since been developed with a fire station, and much of the remaining acreage is unlikely to be available for new development due to its steep topography. Additionally, the Nettleton Property, located at S. Lexington Avenue in Covington, had formerly been vacant but has since been demolished, and Wiley's Garden Center now occupies the property. Born Again Custom Woodworks partially occupies the former Coca-Cola plant in Covington.

Other changes include the Rivermont School in Covington, which is now actively planned for redevelopment. The Hotel Collins building in Covington has since been demolished, and the site has been transformed into a public park, envisioned as a central gathering place for residents and visitors. Opened in early 2025, the park hosts public events and represents a key element of the City's broader vision to revitalize the downtown area.

Another property identified in the 2019 report, a nearly 170-acre site near Triangle Way and just north of I-64 in Alleghany County, is now known as Innovation Park. This site is designated for residential development.

The following subsections describe the land and buildings identified as potential residential development sites. The final section of the report will outline development priorities for these properties. The analysis begins by evaluating the available development sites, followed by an assessment of vacant buildings suitable for adaptive reuse.

VI.1: Vacant Parcels with Residential Potential

Table 23 below lists the vacant properties in the Alleghany Highlands that have been identified as having potential for new residential development. The survey focuses on larger properties exceeding five acres, as these are more likely to attract homebuilders from outside the region. Smaller parcels and those with significant development constraints, such as steep topography, limited access, or flood-prone areas, were excluded from the analysis. Apart from one publicly-owned property, all the properties listed in the table have direct or nearby public water and sewer access.

Eight properties were identified as having the most significant potential for new residential development. Among them is the YMCA property, which, despite being improved with an attractive YMCA facility and the River Retreat Apartments on its eastern end, has additional acreage on the west side suitable for further residential development.

The remaining properties vary in size, ranging from nearly ten acres to nearly 170 acres. Most of these sites are not currently zoned for residential use. Additionally, the majority are located outside the City of Covington and the Town of Clifton Forge, within the unincorporated areas of Alleghany County. This is largely because much of the land within Covington and Clifton Forge has already been developed. Clifton Forge has just one sizable available property.

Table 23: Characteristics of Better Vacant Parcels with Residential Potential — Alleghany Highlands, VA [1]	Map F Key	Municipality	Acres	Zoning
YMCA Property [2 3]	1	Alleghany County	26.4	AR
Ingalls Street Property	2	Town of Clifton Forge	11.0	CFR1
Madison Trust Company Property [3]	3	Alleghany County	107.9	R1
Clark Property [3]	4	Alleghany County	19.6	AR/R1
First Dominion Property	5	Alleghany County	60.0	R2/B2
Longdale Station Road Property [3 5]	6	Alleghany County	48.3	AR
Middle Mountain Property	7	City of Covington	160.9	R1
Innovation Park Property [4]	8	Alleghany County	169.7	AR

[1] Excludes vacant portion of parcels developed with Mountain Gateway Community College that could ultimately be developed with student-oriented apartments. Secondary vacant sites include the following Tax Map Numbers: 04400-00-000-0070, 04500-00-000-0320, 06200-00-000-0010, 047A2-01-000-017G, 05700-00-000-0440, 05700-00-000-045A, 057E-09-000-054A, 057E0-09-000-053A, 057E9-09-000-0520, 05700-000-000-0540, and 040A0-01-000-004B.
[2] Partially developed with Alleghany Highlands YMCA and River Retreat Apartments.
[3] Multiple parcels.
[4] Water and sewer are available to the property. Sewer has been engineered but not funded.
[5] Only wells and septic systems in the immediate area.

Source: S. Patz & Associates; Alleghany County; City of Covington; Town of Clifton Forge

Map F shows the locations of the nine identified vacant properties. One property, the Middle Mountain Property, is situated on the south side of Covington. Two properties, the YMCA Property and the Madison Trust Property, are in the Low Moor area, approximately midway between Covington and Clifton Forge. The remaining properties are located either within Clifton Forge or in the eastern unincorporated areas of Alleghany County.

The Clifton Forge-area properties are positioned near the terminus of Route 220, providing direct access to Botetourt County, which, as previously noted, is experiencing employment growth. Additionally, all the identified properties are generally situated along the I-64 corridor, offering convenient access to employment centers within the Alleghany Highlands and surrounding regions.

Map F – Locations of Better Vacant Parcels with Residential Potential

The following subsections present aerial images and brief descriptions of each vacant parcel. All the properties have excellent roadway access, and many also offer good visibility.

VI.1.a: YMCA Property

The YMCA site is located on the north side of I-64 in the Low Moor area of Alleghany County, just south of the GTI facility. The property spans 21.88 acres, with more than half of this area occupied by the YMCA facility at the center of the parcel. The River Retreat Apartments are located on the east side of the property. Notably, the parcel was subdivided, and the apartment property was split off from the original YMCA parcel.

Additional space is available on the western portion of the site, including some areas that could offer river views, though this section is currently wooded. This western area would be ideal for the development of additional apartment units or patio homes. The property is bordered to the south by the Jackson River, and its relatively flat terrain makes it well-suited for a mix of residential types.

Map G – YMCA Property

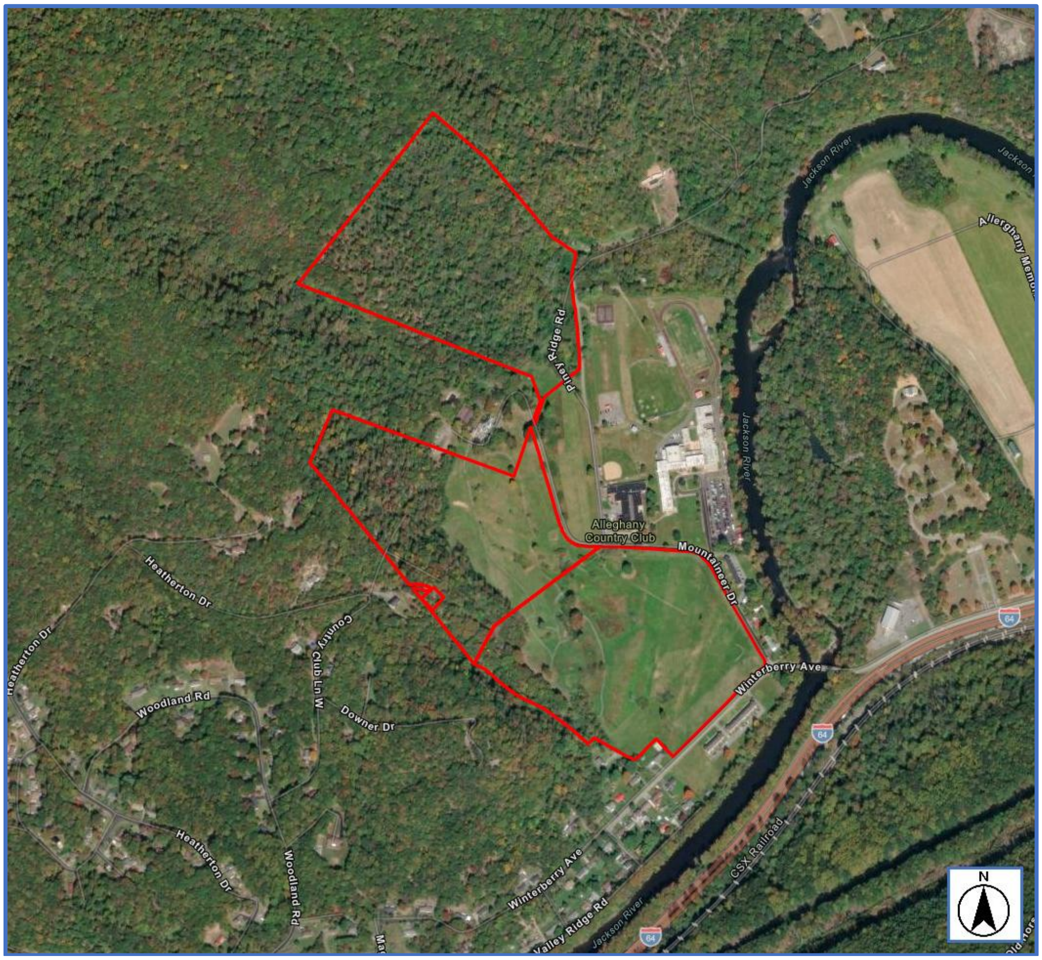
VI.1.b: Ingalls Street Property

This nearly 11-acre, irregularly shaped parcel is located between Ingalls Street to the east and Fairview Avenue to the west. The property is fully wooded and privately owned, making it suitable for both single-family and multi-family development.

Map H – Ingalls Street Property

VI.1.c: Madison Trust Company Property

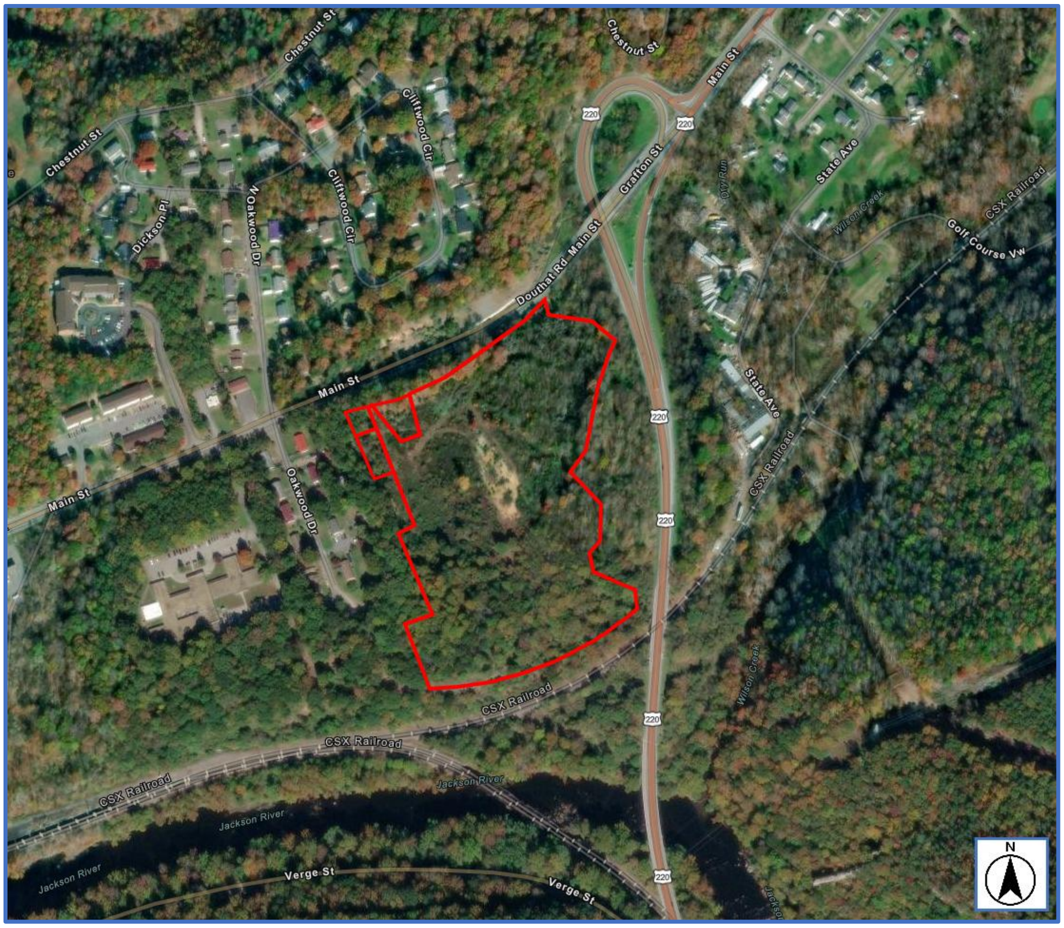
At nearly 108 acres, this is the largest vacant property under study. The privately owned site is located adjacent to the Jackson River Technical Center on the north side of Winterberry Avenue. Most of the property is cleared, making it an attractive location for a broad mix of housing types.



Map I – Madison Trust Company Property

VI.1.d: Clark Property

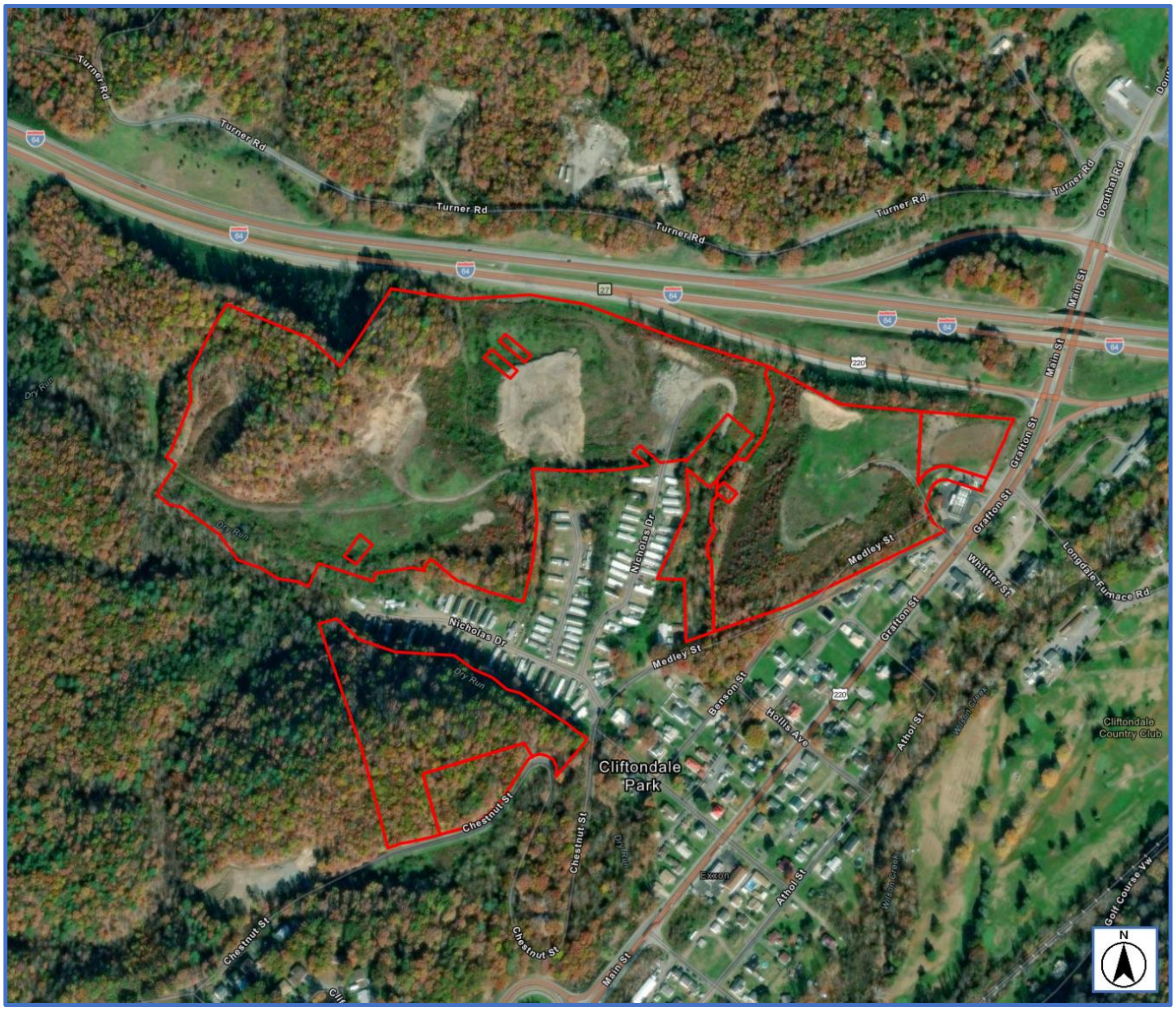
This property consists of multiple parcels totaling over 19 acres, located on the south side of Grafton Road, west of Clifton Forge. It is one of the most attractive properties available for residential development, with for-sale homes being the ideal use.



Map J – Clark Property

VI.1.e: First Dominion Property

This 60-acre property is located on the south side of I-64, west of Grafton Street. It consists of multiple parcels, including one owned by Alleghany County and others that are privately owned. The County is currently considering purchasing the remaining acreage. While the property is large, the County is currently envisioning it primarily for commercial uses. However, it is sizable enough to accommodate some residential development, likely in the form of apartment units.



Map K – First Dominion Property

VI.1.f: Longdale Station Road Property

This property consists of two parcels totaling over 48 acres. Owned by Alleghany County, the site is fully wooded. Currently, there is no access to public water or sewer facilities, as only wells and septic systems exist in the immediate area. However, as a publicly owned property, it may hold long-term potential for future residential development. In the near term, though, other sites with existing infrastructure should be prioritized.

Map L – Longdale Station Road Property

VI.1.g: Middle Mountain Property

This wooded property, totaling over 160 acres, is located on the south side of Covington, along Halloway Drive and fronting the Jackson River. The site is accessible from E. Michigan Street in the west. Its size makes it suitable for a variety of residential uses.

Map M – Middle Mountain Property

VI.1.h: Innovation Park Property

This is a large, wooded property owned by Alleghany County, located north of I-64 and east of Forty Two Road. Much of the southern portion of the site has topographic constraints, but residential development would likely be feasible along the northern areas. While water service is available, sewer infrastructure has been engineered but not yet funded. This is a key constraint.

Map N – Innovation Park Property

VI.2: Vacant Buildings with Residential Redevelopment Potential

Table 24 lists the six vacant buildings in the Alleghany Highlands that have been identified as prime properties for residential redevelopment. Excluded from this list are Rivermont School and Jefferson School, where active development plans are underway. These school properties are listed on the Virginia Landmarks Register and the National Register of Historic Places.

Also of note is that several buildings identified in the 2019 study are no longer included for various reasons. Apart from Rivermont School and Jefferson School, some buildings have already been repurposed, while one (Hotel Collins in Covington) has been demolished.

Although none of these properties are listed on the Virginia Landmarks Register or National Register of Historic Places, several would likely qualify for historic designation. This is a key step in making the redevelopment of these properties viable, as it greatly reduces development costs through historic tax credits, which can cover a significant portion of rehabilitation expenses. Moreover, three properties (Edgemont School, Clifton Forge High School, and Clifton Forge Armory) are publicly owned. Additionally, three buildings, Covington Savings Bank, Clifton Forge High School, and Clifton Forge Armory, are located in historic districts.

Although developers have expressed interest in rehabbing several of these buildings over the past few years, particularly Clifton Forge High School, none of these proposals are currently active.

The notes in **Table 24** also identify several smaller properties in downtown Covington and Clifton Forge with vacant upper-level spaces that could be rehabbed into apartment units. These buildings would allow for only a few apartment units, which may be a deterrent for some developers. To generate a feasible development, combining several of these properties as a scattered-site proposal may be necessary.

Table 24: Characteristics of Better Vacant Buildings with Residential Potential — Alleghany Highlands, VA

	Map O Key	Historic Designation	Historic District	Year Built	Building Size (Sq. Ft.)
City of Covington [1]					
Halmode Apparel Building	1	○	○	1960	25,570
Edgemont School	2	○	○	1945	27,454
Covington Savings Bank [2]	3	○	● [3]	1905	Unknown
Town of Clifton Forge [4]					
Clifton Forge High School	4	○	● [5]	1928	53,090
Clifton Forge Armory	5	○	● [5]	1940	20,930
40 W Ridgeway Street	6	○	○	1922	7,296

[1] Excludes multiple smaller buildings that could likely house fewer than 10 units. These include: 101 Maple Ave, 115 Maple Ave, 175 Maple Ave, 379 Main St, 371 Main St, 361 Main St, 325 Main St, 319 Main St, 315 Main St, 239 Main St, 245 Main St, 245 Main St, 386 Main St, 368 Main St, 356 Main St, 352 Main St, 348 Main St, 320 Main St, 310 Main St, 306 Main St, and 204 Main St.
[2] Also known as Peoples Bank.
[3] Located within the Covington Historic District and listed in 1991 with 108 contributing buildings.
[4] Excludes multiple smaller buildings that could accommodate fewer than five units. These include 525 Main St, 426 E Ridgeway St, 418 E Ridgeway St, and 400 E Ridgeway St.
[5] Located within Clifton Forge Residential Historic District and listed in 2012 with 728 contributing buildings.

Source: S. Patz & Associates; Alleghany County; City of Covington; Town of Clifton Forge; Virginia Landmarks Register; National Register of Historic Places

Map O shows the locations of these buildings, three of which are located in Covington and three in Clifton Forge.

Map O – Locations of Better Vacant Buildings with Residential Potential

Shown next are photos of each of the vacant buildings. The photos show that most of the structures are in adequate condition for redevelopment. Apart from the Covington Savings Bank building, all of the properties have ample space for on-site parking. The Covington Savings Bank, which is the tallest structure in the region, was designed to accommodate a ground-level bank and upper-level apartments. The ground-floor bank lobby still retains marble and bronze tellers' cages, along with built-in bank safes.

40 W Ridgeway Street, the Clifton Forge Armory, and both school buildings are multi-level structures with brick exteriors. Clifton Forge High School has a large auditorium within the building. However, this site is reported to be financially challenging to develop.

Halmode Apparel Building

Edgemont School

Covington Savings Bank

Clifton Forge High School

Clifton Forge Armory

40 W Ridgeway Street

Section VII: Conclusions and Recommendations

This section summarizes key conclusions from the market analysis and outlines a series of practical housing recommendations for the Alleghany Highlands. These recommendations reflect the region's current demographic and economic conditions, identify product types with the highest likelihood of success, and highlight how publicly owned sites and adaptive reuse opportunities could play a critical role in moving projects forward.

1. The Alleghany Highlands is generating housing demand locally, with potential market support for a range of housing types. This conclusion is based on several key factors, including employment growth, turnover from existing employers, renter dynamics, and demographic changes.

   - **Employment Growth**: The region is experiencing modest job growth. Although no users have been identified yet for the Alleghany Regional Commerce Center Pad Site, the site is being actively marketed and has potential to attract several hundred new direct and indirect jobs. There are also opportunities to attract employees from neighboring counties such as Greenbrier County to the west and Botetourt County to the south, which also face housing shortages.

   - **Turnover from Existing Local Employers:** Smurfit Westrock reports an annual turnover of about 70 employees, including retirements and voluntary departures. Other major employers also see regular turnover, which presents opportunities for new rental housing occupancy as leases expire. As noted in **Table 15**, renter households in the Alleghany Highlands are more transient than owners, supporting potential lease-up of new developments.

   - **Renters Living in Older Units and Commuters**: There is considerable pent-up demand among renters living in older, inadequate housing units and among commuters who would likely rent in new rental communities if suitable options were available. This is partially evidenced by the successful lease-up of River Retreat Apartments, where management reports that most leases were signed by existing residents of the Alleghany Highlands who relocated from older rental units within the region. Additionally, a large share of the region's rental stock was built before 1980, limiting the availability of modern housing.

     According to the data in **Table 6**, approximately 970 renter households in the region earn more than $40,000 annually. Median rents remain relatively low, at $774 in Alleghany County and $822 in the City of Covington. At this income level, renters could afford monthly rents of approximately $1,000 using a standard affordability threshold of 30 percent of gross income. The only professionally managed rental community in the region with rents near this level is River Retreat Apartments, which serves fewer than ten percent of these higher-income renter households. As a result, many renters remain in older or lower-quality units. This is not due to affordability constraints, but rather to the lack of newer options in the local housing supply.

- **<u>Growing Senior Population</u>**: The senior population in the Alleghany Highlands has grown significantly in recent years, increasing from just over 21 percent of the total population in 2000 to over 31 percent by 2024. This demographic shift is even more pronounced among homeowners, with seniors accounting for over 50 percent of homeowners by 2024, compared to 36.7 percent in 2000. This growth has primarily resulted from seniors aging in place rather than moving to the area.

  Among renters, the share of senior households has also increased rapidly, from nearly a quarter of all renter households in 2000 to nearly 40 percent by 2024. Local realtors report that many senior homeowners are interested in downsizing. Still, they lack local options that meet their needs, such as homes with ground-level master bedrooms and low-maintenance features. No new homes are being marketed toward this population segment, despite their ability to afford smaller, more manageable homes.

2. Apart from River Retreat Apartments, the region's market-rate and affordable rental housing stock is mature. There are no rental units specifically designed for seniors without deep rent subsidies.

   The lack of market-rate units has made it difficult for local employers to recruit and retain employees, as potential hires often struggle to find suitable housing within the region. This issue is particularly relevant for larger employers, such as Smurfit Westrock, that rely on a stable local workforce.

   Additionally, with over 29 percent of renters allocating more than 35 percent of their income toward rent, even in a market with relatively low rents, there is clearly a need to expand the local affordable housing stock. Addressing this gap is essential to reducing housing cost burdens and ensuring that lower-income households can access affordable rental options.

3. The current housing market is stronger for rental housing than for-sale housing due to local wage levels, development costs, and ongoing challenges related to mortgage interest rates. Nevertheless, there is still strong demand for for-sale homes designed for seniors and families at modest price levels. Meeting this demand could support population retention and attract younger families to the region.

4. Resales dominate the for-sale housing market and consist entirely of single-family homes. Few speculative new homes have been built and sold since the Great Recession. Local realtors report that seniors and first-time homebuyers are the primary groups searching for new housing, but they have almost no options among homes built over the past 20 years. First-time homebuyers are particularly price-sensitive. Seniors looking to downsize are resorting to looking outside the region for suitable options. There are no new for-sale subdivisions currently in planning.

5. The Alleghany Highlands has an abundance of vacant buildings and land suitable for residential development. While not all available buildings are likely to attract out-of-town investment, several may qualify for historic designation, which could significantly reduce development costs and increase the likelihood of financial viability. Publicly owned buildings, such as Edgemont School, Clifton Forge High School, and Clifton Forge Armory, offer additional opportunities. Developing these properties using historic tax credits and Low-Income Housing Tax Credits could support workforce and senior housing.

   An example of this strategy is the redevelopment of Rivermont School in Covington, which is utilizing both historic and Low-Income Housing Tax Credits. Additionally, vacant parcels, such as the western portions of the YMCA property that have proven viable through the success of River Retreat Apartments, represent excellent options for additional residential investments.

   However, it is important to acknowledge that available properties could support more housing units than the market can absorb in the near term. Local officials should prioritize one or two sites for immediate development based on factors such as existing utility infrastructure, proximity to major employers, and public ownership. The YMCA parcel and the First Dominion property are likely the strongest near-term candidates, given their location, infrastructure access, and potential for reduced land costs. While the First Dominion site is currently being prioritized for economic development, a portion of the property could be considered for residential use. The site is likely large enough to support a mix of uses, including housing.

   Innovation Park is also a strong candidate for future residential development. However, sewer infrastructure would likely need to be extended to the property to attract developer interest.

Based on the above, the initial and most pressing recommended housing needs for the Alleghany Highlands are as follows. These represent the types of housing that could be realistically absorbed by the market rather than a gap analysis.

	Units
Market Rate General Occupancy Rental Units	60±
Affordable General Occupancy Rental Units	50±
Affordable Age-Restricted Rental Units	40±
Townhomes (For Sale)	30-40
Patio Homes (For Sale)	30-40
Single-Family Homes (For Sale)	30-40

The above recommendations include a substantial number of new homes, totaling over 200 residential units. This figure encompasses for-sale and rental homes, market-rate and affordable housing, as well as both general occupancy and age-restricted units. Not all of these homes will be built simultaneously. There is likely to be demand for future phases, particularly for apartment units and patio homes, but the above figures represent the most feasible initial development needs.

Each of the above recommendations is detailed in the paragraphs below:

- **<u>Market-Rate Apartments</u>**: Garden apartment buildings and the adaptive reuse of historic buildings are likely the easiest to market in terms of attracting new developers to the Alleghany Highlands. Using historic tax credits for historic buildings would make new development at rents achievable in the region more feasible. Given current financing and development costs, constructing new garden apartment units in this market is challenging. However, with the availability of some publicly owned land, these costs could be reduced, making this type of housing more viable.

  Although there are apartment proposals currently in the planning stages, as noted in **Table 18**, only two, Rivermont School Apartments and Jefferson School Apartments, are in advanced stages of planning and appear most likely to move forward. Both projects are expected to offer either income-restricted rents or rents that, while not subject to formal affordability requirements, will be voluntarily set below prevailing market levels to serve the region's workforce population. As a result, while they contribute to the region's rental housing stock, they do not represent true market-rate additions.

  Of the housing types considered, new apartment development is likely the most attractive to prospective developers, given current demand patterns and the opportunity to serve existing hourly wage employees. While project feasibility will still depend on financing, land availability, and development costs, rental housing represents the clearest opportunity for near-term market entry. Depending on unit finishes and community features, one-bedroom rents of approximately $1,000, two-bedroom rents of around $1,125, and three-bedroom rents of about $1,250 appear achievable under current market conditions.

- **<u>Affordable Apartments</u>**: General occupancy and age-restricted affordable apartment developments supported by Low-Income Housing Tax Credits (LIHTC) are recommended. There is significant demand for affordable housing across a range of income levels. At this time, developing affordable apartment units outside of the LIHTC system is unlikely to be feasible in the Alleghany Highlands. However, the combination of LIHTC and historic tax credits, which are available for several vacant buildings in the region, can make these projects financially viable. Our recommendation is to develop approximately 50 general occupancy and 40 age-restricted affordable apartment units. In the near term, these totals are likely to be supportable through the LIHTC program.

- **<u>Townhomes</u>**: Between 30 and 40 new for-sale townhomes are recommended, priced in the low $200,000s. These units would serve as "starter" homes for younger households and first-time buyers, particularly those currently renting but looking to build equity.

Townhomes can offer a more affordable ownership option relative to detached single-family homes, especially in a market with limited new construction and rising resale prices. Local realtors indicate that younger buyers are actively searching for entry-level housing but face very few attractive options under $250,000. The addition of well-located, modestly priced townhomes could support both retention and in-migration of working-age residents.

- **Patio Homes**: Between 30 and 40 for-sale patio homes are recommended, priced in the low- to mid-$200,000 range, primarily to serve empty-nesters and older households seeking to downsize. Realtors report consistent interest in this type of housing, despite limited inventory in recent years, suggesting steady unmet demand among senior homeowners. Some younger families may also find these homes appealing due to their price point and low-maintenance features.

- **Single-Family**: Between 30 and 40 new for-sale townhomes are recommended, priced in the low $200,000s. These units would serve as "starter" homes for younger households and first-time buyers, particularly those currently renting but looking to build equity. Townhomes can offer a more affordable ownership option relative to detached single-family homes, especially in a market with limited new construction and rising resale prices. Local realtors indicate that younger buyers are actively searching for entry-level housing but face very few attractive options under $250,000. The addition of well-located, modestly priced townhomes could support both retention and in-migration of working-age residents.

- **Single-Family Homes**: Between 30 and 40 new for-sale single-family homes are recommended. Demand is strongest in the low- to mid-$200,000s, a price point that is difficult to achieve under current development conditions. However, the use of modular housing could be one option to reduce development costs. Some homes should also offer single-level layouts or ground-level primary bedroom designs to appeal to senior buyers, who represent a sizable portion of the buyer pool.

As noted earlier, the availability of multiple sites for new housing development is a significant advantage for the Alleghany Highlands. Many of these sites are large and may need to be subdivided before residential development can proceed. For new for-sale housing, particularly patio homes, and additional garden apartment units, the western portion of the YMCA property is likely the most attractive location. Its proximity to the YMCA, area highways, and major employers strengthens its appeal. Moreover, its ownership structure could help reduce development costs, as demonstrated in the case of River Retreat Apartments.

The First Dominion property, which Alleghany County partially owns and may purchase in full, stands out as a strong candidate for new residential development. While the site is currently being prioritized for economic development, the property is likely large enough to accommodate a mix of uses, including housing. By offering portions of the land at below-market rates, the County could help reduce upfront costs and improve the financial feasibility of housing projects that might otherwise be difficult to advance. Public ownership also provides greater flexibility in planning and implementation, allowing local officials to respond to evolving housing and economic needs over time.

Innovation Park is another strong option for future residential development. As a publicly owned site, it offers similar advantages in terms of flexibility and potential cost savings. However, it is not currently served by public sewer infrastructure, which will likely need to be addressed to generate interest from private developers. Extending sewer service to the site would significantly enhance its marketability and open the door for a broader range of residential uses.

More broadly, the strategic use of publicly owned properties, whether in the form of land or vacant buildings, could be a determining factor in whether many of these housing recommendations move forward. Offering these properties at reduced cost or with flexible terms can help bridge the financial gap developers face due to high construction and financing costs. This is particularly important in a market like the Alleghany Highlands, where achievable rents and sale prices are modest relative to development costs. In many cases, access to well-located public assets may make the difference between a project that proceeds and one that stalls.

Several vacant buildings, including Edgemont School, Clifton Forge High School, and the Clifton Forge Armory, present strong candidates for adaptive reuse as either market-rate or affordable housing. Their elevator access makes them particularly suitable for senior rentals. These buildings should be actively marketed to developers with experience in historic rehabilitation. The combination of historic and low-income housing tax credits will likely make these projects the most viable.

The Clifton Forge Armory, located adjacent to the high school, could serve as a second phase of development following an initial rehabilitation of the school building.

VII.1: Additional Recommendations

To support the housing recommendations outlined above, local leadership will need to take a proactive approach to site readiness, zoning, and developer outreach. Attracting new housing development will require engaging developers with experience in rural markets, LIHTC projects, and adaptive reuse. These developers typically look for properties that are either shovel-ready or have access to existing utility infrastructure.

Despite the clear demand demonstrated in this report, the most effective way to attract developers is to ensure that sites are ready or easy to develop, particularly in a housing market with price sensitivities. Most of the available properties would require rezoning to accommodate townhomes, patio homes, or apartments. Additionally, many of the available properties are too large and would need to be subdivided to make them more attractive for development. To address these challenges, local leadership should take a proactive approach to site readiness, zoning adjustments, and, in some cases, acquisition.

Local officials should also review and update zoning ordinances to align more closely with current housing needs. This may include allowing a broader range of housing types by right, streamlining approval procedures, and removing outdated regulatory barriers. In a market where development costs are high relative to achievable rents and sale prices, such changes are essential to improving project feasibility and attracting new investment.

In parallel with efforts to support new construction, county, city, and town staff should pursue strategies to revitalize existing housing stock, which includes a significant number of vacant or substandard units. Aging housing stock continues to undermine quality of life and neighborhood stability.

The Virginia Department of Housing and Community Development (DHCD) offers several rehabilitation-focused programs for rural localities, including Community Development Block Grant (CDBG) funding for targeted housing rehabilitation initiatives and the Essential Home and Accessibility Repair Program (EHARP), which funds safety, structural, and accessibility upgrades for low-income homeowners.

In addition to DHCD's offerings, Virginia Housing administers programs focused on vacant and blighted structures. Through its Acquire, Renovate, Sell (ARS) program, localities can receive funding to acquire and rehabilitate dilapidated homes for resale to income-qualified homebuyers.

Other Virginia Housing resources include the Community Impact Grant, which can be used to stabilize or remove derelict structures, and the Planning and Capacity Building grants, which support early-stage activities such as redevelopment planning and predevelopment work. The Alleghany Highlands may also benefit from REACH Virginia (Resources Enabling Affordable Community Housing), an umbrella fund managed by Virginia Housing that supports a wide range of initiatives, including rehabilitation and down payment assistance.

Together, these strategies equip the Alleghany Highlands to address both current housing challenges and long-term community development goals. By combining targeted site development with the strategic use of public resources, local leaders can help foster a more balanced and resilient housing market that supports economic growth, meets the needs of existing and future residents, and improves quality of life across the region.

Data Sources

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

- Alleghany County
- Alleghany Highlands Chamber of Commerce & Tourism
- Alleghany Highlands Economic Development Corporation
- City of Covington
- Claritas; Ribbon Demographics
- Easy Analytic Software, Inc. (EASI)
- Management of each rental property surveyed
- Mountain Gateway Community College (MGCC)
- National Association of REALTORS
- National Register of Historic Places
- Roanoke Valley Association of REALTORS
- Rockbridge Highlands REALTORS
- Sponsors of each pipeline apartment proposals
- State Council for Higher Education for Virginia
- Town of Clifton Forge
- Town of Iron Gate
- U.S. Census Bureau
- U.S. Department of Housing & Urban Development (HUD)
- U.S. Department of Labor
- U.S. Forest Service
- U.S. Geological Survey
- Virginia Business
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing
- Virginia Landmarks Register
- Virginia REALTORS
- Weldon Cooper Center for Public Service

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S. Patz & Associates Company Background

S. Patz & Associates is a real estate consulting firm based in Potomac Falls, Virginia, with over 20 years of industry experience. We provide comprehensive market research and strategic consulting services to a broad range of clients, including lenders, developers, builders, investors, and public agencies.

Renowned for our rigorous, data-driven approach, we deliver high-quality insights and actionable recommendations that drive real estate development success. S. Patz & Associates draws on a wealth of experience, having assisted hundreds of private firms and public entities in making informed, strategic decisions.

Our 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, special needs housing, and mixed-use developments. Our expertise extends to senior housing, such as assisted living, independent living, and memory care. We provide both preliminary and comprehensive feasibility studies for internal purposes or for submission to financial institutions and lenders, including HUD under its Multifamily Accelerated Processing (MAP) guidelines.

- **Affordable Housing Market Studies**: We work closely with both for-profit and non-profit housing developers, routinely conducting market studies for affordable housing communities, including Low-Income Housing Tax Credit (LIHTC) properties for families, seniors, and special needs populations, such as people 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 various for-sale housing types, including single-family homes, townhomes, condominiums, and specialized markets such as retirement and resort housing. Our expertise also extends to feasibility studies for large master-planned communities, smaller subdivisions, infill projects, and active-adult communities.

- **Hotel and Resort Market Studies**: We provide market research and feasibility analysis for hotel and resort developments of all types. Recognizing the vital role these facilities play in promoting tourism and economic growth, we deliver customized reports to help developers and operators succeed in this dynamic sector.

- **Commercial and Industrial Market Studies:** We assess the feasibility of commercial developments, including retail, office, self-storage, and industrial spaces, for both private and public sector clients.

- **Area-Wide Housing Studies:** We frequently conduct area-wide studies to help public agencies develop housing strategies. Our work with state housing agencies, planning departments, and economic development organizations provides data-driven insights into local housing markets, guiding the development of informed housing policies and strategies.

- **Fiscal Impact Analyses**: Our fiscal impact analyses assess the viability of development projects by examining their net fiscal balance for local governments. We evaluate municipal finances using sophisticated models, including those developed by the U.S. Bureau of Economic Analysis' RIMS II data, to assess the economic impacts of projects on local communities, institutions, and businesses.

- **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, 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 regularly engage us to assess and calculate impact fees—one-time charges that fund capital improvements necessary to support new developments. Our detailed reports provide legally sound recommendations for proffer amounts based on project-specific characteristics and the needs of local jurisdictions. We address the potential impacts of rezonings and outline tailored mitigation strategies to support public services such as schools, police, fire and rescue, and parks.