

8. Local Profiles

The following local profiles describe housing and households in each jurisdiction of the NRV as well as challenges and opportunities presented for each submarket using the overarching regional dynamics or the internal conditions of the jurisdiction.

Montgomery County

Montgomery County plays a critical housing role in the region. The county is home to the region's two largest towns which are the focus of the most intense housing demand in the region. The Town of Blacksburg in Montgomery County is the largest jobs center of the NRV. Blacksburg has become both the employment and amenities center of the NRV owing to employee and student populations associated with Virginia Tech. Blacksburg's housing stock is the most location-efficient in the region because of its proximity to jobs and a relatively comprehensive public transit system that includes road networks, bus routes, trails, and sidewalks. Given these characteristics, Blacksburg is the highest-price submarket of the NRV and is subject to the greatest market pressures. Concurrently, Blacksburg is the most location-efficient place for low-wage employees who work in the town.

The neighboring town of Christiansburg is another employment and amenities center in the NRV, and it is conveniently located for households that work in Blacksburg. Christiansburg is an efficient location for households with a member commuting to Blacksburg while others commute to other places in the NRV or beyond. Christiansburg offers more accessible housing prices and newer stock than nearly any other jurisdiction, and it has both urban and suburban neighborhoods to suit a more diverse set of housing preferences.

Montgomery County identifies growth in areas around both towns and in their six Village areas (Belview, Prices Fork, Shawsville, Elliston/Lafayette, Plum Creek, and Riner) where infrastructure is available to support it. Two large residential projects that respond to demand for new housing close to Blacksburg recently received zoning approval with a variety of housing types in the Prices Fork Village. These Planned Unit Developments (PUD) offer densities and housing types unique to this area and not widely seen in the more rural portions of the county. Montgomery County's growth management strategies identify the Villages and Urban Development Areas for projects such as these in order to preserve the rural nature of the remainder of the county, known for agriculture, forestry, and low-density housing.

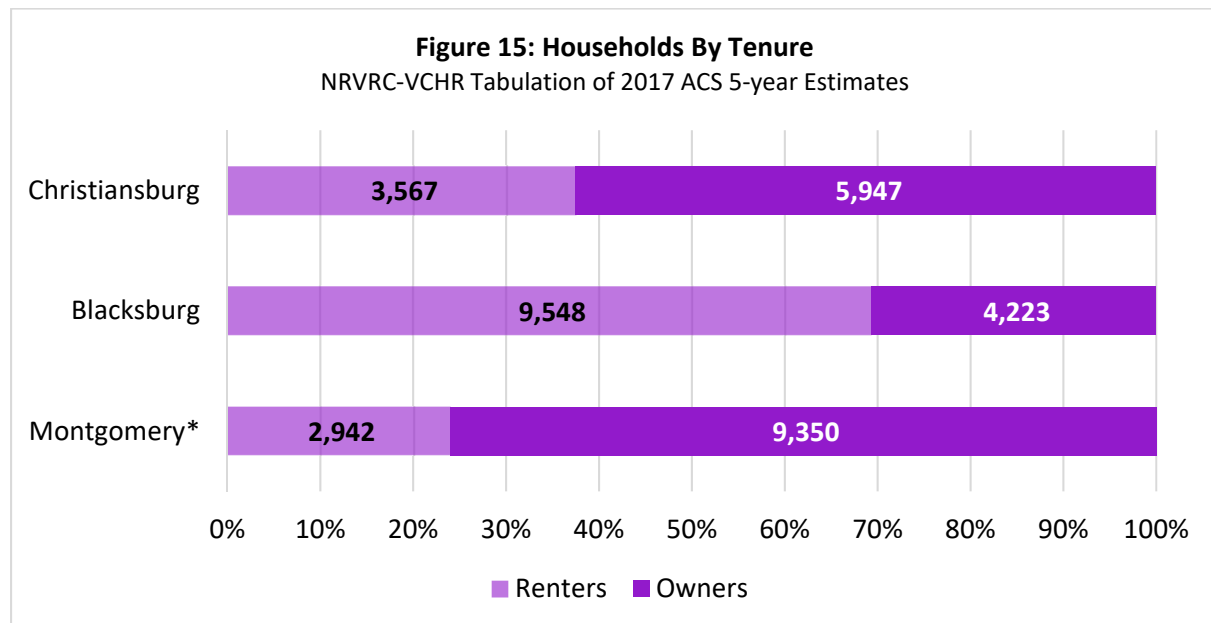
Household Profile

Montgomery County comprises 35,577 households, 65 percent of which live in Blacksburg and Christiansburg. The countywide median household income is \$56,462. Because 30 percent of the county population is students who generally report low incomes, reporting median family income is also useful. Family households are households comprising two or more related individuals, largely excluding student

households. The median family income of \$83,630 better indicates the relatively high incomes of Montgomery County residents compared to the rest of the region.

Fifty-five percent of households living in Montgomery County—35,577—own their home. A disproportionately large share of owners live outside of the Town of Blacksburg: 30 percent of owners live in the Town of Christiansburg and another 48 percent live in the unincorporated areas of the county. Although 49 percent of county households live in Blacksburg, just 22 percent of owners live there.

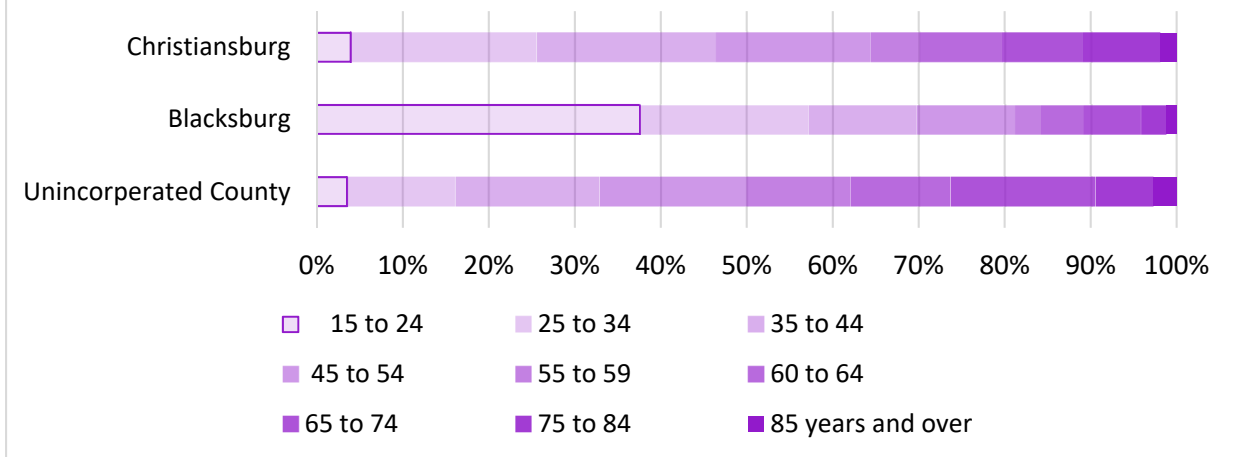
More than 16,000 households rent in Montgomery County, 60 percent of whom are in Blacksburg. Because 88 percent of students living in Montgomery County live in Blacksburg and nearly all student-headed households are renters, most renters living in Blacksburg are students. In addition, 2,940 households rent in the unincorporated areas of Montgomery County and nearly 3,570 rent in Christiansburg.



*Unincorporated areas

By age, Montgomery County is the youngest county in the NRV, owing primarily to the young student population of the Town of Blacksburg. An individual younger than 24 heads about 38 percent of Blacksburg’s households. The unincorporated parts of Montgomery County are only slightly younger than the full population of householders in Floyd, Pulaski, and Giles Counties. Individuals younger than 55 head about 50 percent of the households in the unincorporated area of Montgomery County. Furthermore, 2,070 households are headed by someone 65 or older (more on senior households in the housing needs section). Lastly, Christiansburg has the highest proportion of households headed by those aged 35–54.

Figure 16: Proportion of Households by Age of Householder
 VCHR Tabulation of 2017 ACS 5-year Estimates



Housing Stock Profile

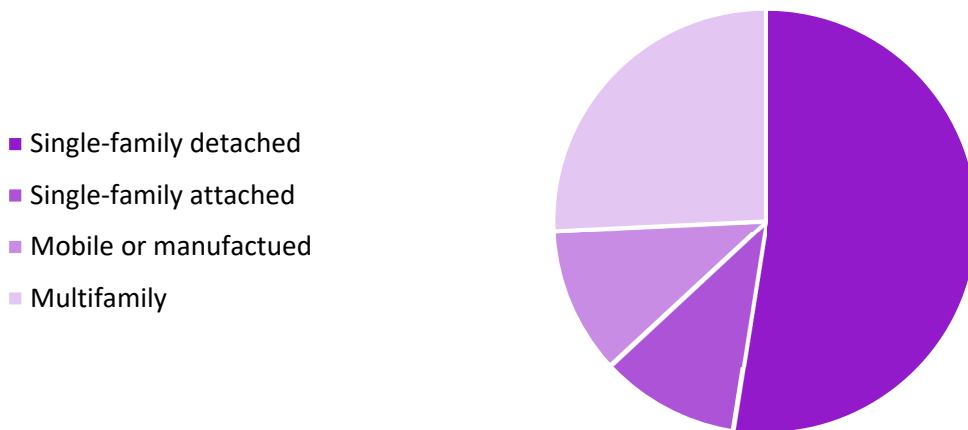
A jurisdiction’s housing “stock” is comprised of all housing units in the jurisdiction and can be described by age, size, accessibility, and price among other characteristics. Montgomery County’s stock, including those units in Blacksburg and Christiansburg is about half single-family detached units and half single-family attached or multifamily units. Most units were built in the four decades from 1970 to 2009.

Housing Unit Types

Approximately half of the county’s housing stock is stick-built, single-family detached housing. Nearly 11 percent of homes are mobile or manufactured homes¹⁰. One quarter of housing units are in multifamily buildings with three or more units. Most (93 percent) multifamily housing is in Blacksburg (79 percent) or Christiansburg (14 percent), and approximately 14 percent of units are attached units of either townhomes or duplexes.

¹⁰ Manufactured housing is an affordable practical, and viable housing option for many residents, but pre-1976 mobile homes are substandard stock and should be replaced to provide safe, healthy housing for residents. There are nearly 2,000 pre-1976 mobile homes throughout the region.

Figure 17: Montgomery County Housing Units by Type
 VCHR-NRVRC Tabulation of 2017 ACS 5-year Estimates



Blacksburg’s housing stock is 50 percent multifamily and 50 percent single-family units. The single-family stock is mostly detached (68 percent), whereas approximately 23 percent of single-family units are attached, townhome-style units and nearly 10 percent of are duplexes. Christiansburg’s housing stock is 14 percent multifamily and 86 percent single family, including at least 485 mobile or manufactured housing units. Of these, 55 percent are stick-built, single-family detached units and 18 percent are townhomes. Christiansburg’s stock also includes at least 370 duplexes.

Age of Housing

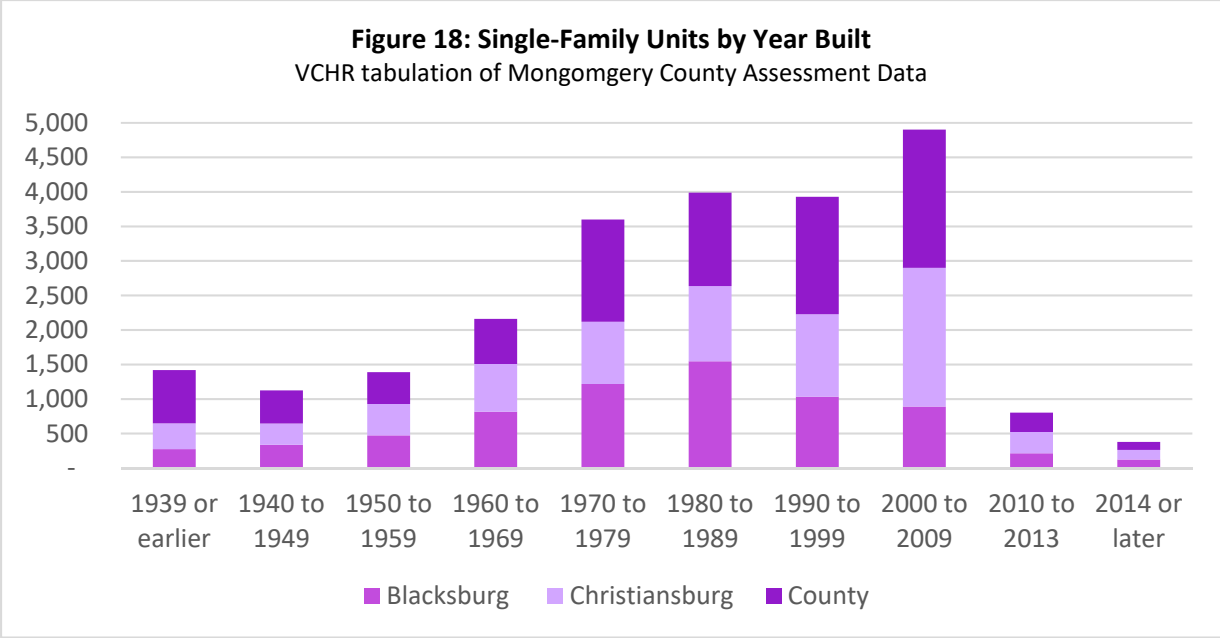
The median build year of all units in Montgomery County (including Blacksburg and Christiansburg) is 1985¹¹, and 70 percent of Montgomery County’s housing units were built over four decades (1970–2009). Christiansburg has the youngest stock of single-family homes, with more than one quarter of single-family homes (27 percent) built during 2000–2009. Single-family development in Blacksburg was concentrated in the 1970s and 1980s, when 40 percent of existing homes in the town were built. The unincorporated portion of the county has the largest proportion of units built before 1950.

The median build year of all Blacksburg units is 1984, whereas that of single-family residential units is 1982¹². In total, 67 percent of single-family units were built between 1960 and 2000. Blacksburg’s multifamily stock was built largely during 1960–1999, with more than 37 percent in the 1980s and 1990s and 26 percent in the 1960s and 1970s.

The median build year of all Christiansburg units is 1987, whereas that of single-family residential units is 1988. Nearly 30 percent of single-family stock in Christiansburg was built during 2000–2009 and an additional 30 percent was built in the 1980s and 1990s.

¹¹ Per the 2017 ACS. Median build year among single-family units included in the real estate assessment data is 1985.

¹² Source: Montgomery County real estate assessment data.



Homes built in the 1960s and 1970s should have had at least one or two renovations to date. However, focus group participants discussed that much of the for-sale stock of the NRV needs reinvestment and upgrades, suggesting that income constraints have led to minimal investments in upgrading properties. Survey respondents noted that they were discouraged that they were in the market for a new home but that few options exist for first-time home buyers within a reasonable price range. Furthermore, those that are within the appropriate price range required substantial repairs or were outdated and needed a large investment in renovation. Others indicated that they could not find housing within their family budget in Montgomery County. That is, affordable houses required significant investment and new homes were too expensive.

Housing Pipeline & Plans

The Town of Blacksburg had nearly 1,500 net new multifamily bedrooms and 7 affordable townhomes under construction at the beginning of 2020. In addition, more than 5,000 multifamily bedrooms and 100 single family lots have been approved for development. The town has emphasized the importance of redevelopment and increasing multifamily density to meet demand while preserving the character of existing neighborhoods and minimizing lifestyle conflicts between undergraduate students and other residents. At the time of writing this report, the town was reviewing plans for the development of more than 1,300 additional bedrooms in 539 units.

Two large developments have received zoning approval in the Prices Fork Village in Montgomery County, west of Blacksburg. One development proposed 416 units of single family attached and detached housing. The other has planned 341 units, including townhomes, duplexes, single family detached and multifamily units. A smaller development on Merrimac Road, between Blacksburg and Christiansburg has proposed 49 units including affordably-priced, income-restricted units.

In addition, continuing phases of large single family detached residential projects in Riner and adjacent to the eastern boundary of the Town of Christiansburg, as well as townhome projects along the boundaries of both Towns are anticipated to be delivered in the near future. Phase 2 of Cloverleaf, Clay Street townhomes, and the next two phases of Walnut Creek are imminent.

The Town of Christiansburg has approved nine residential developments, many of which have mixed housing types such as townhomes and apartments or single-family detached units and townhomes. In total, 906 units have received zoning approval, comprising 187 single-family detached units, 319 townhomes, and 400 apartments.

Housing Need

The NRV struggles with a housing shortage, and competition for housing is greatest in Montgomery County. Finding an appropriate home to buy has been a challenge among all income groups, and affordable rental units are scarce outside of student-oriented developments that rent on a July–June cycle. Intense competition for housing is excluding low- and moderate-income households from some submarkets and may be limiting economic development and business expansion that seeks to recruit national or international talent.

This section highlights the most prominent housing challenges and opportunities, but is not exhaustive. Many challenges discussed in this local profile are not limited to Montgomery County, Blacksburg, and Christiansburg and influence communities throughout the region. As such, many of the opportunities and strategies are addressed by regional and partnership approaches. The Local, Partnership and Regional Strategies (separate document) detail opportunities and actions each jurisdiction can undertake to promote the health of our region’s housing market and submarkets.

Challenges

Price increases from the pre-Great Recession peak (2007) to the most recent full year (2019) have been dramatic in both Blacksburg (28 percent) and Christiansburg (18 percent). Price increases are quantitative evidence of demand increasing faster than supply, whereas anecdotes and professional observations qualitatively illustrate the consequences. Realtors and lenders told stories of bidding wars for Blacksburg homes. Lenders described pre-approving multiple loans for the same address in a single day, and realtors explained that those buyers who need financing face disadvantages in a market with regular bidding wars as banks will not finance offers higher than appraised value. One realtor summed up the result of high prices and intense competition for homes, saying that moderate-income households and most first-time homebuyers are effectively shut out of Blacksburg; moreover, those who are hoping to buy in Christiansburg and Montgomery County face a grueling search. Moderate-income buyers must be prepared for a long search, losing out on many homes on which they make an offer.

Demand from students plays an important part in the demand for housing, particularly rental housing, in Montgomery County. Rental units are on a July–June rental cycle, making it hard to find a rental unit at any time other than late Spring (i.e., May or June). Even then, units are scarce, and rents have increased

by 29 percent over the 2010–2017 period. Demand for rental units to meet student need has dominated Blacksburg’s new construction and impacts the sale of existing units because sellers receive competitive cash bids from investors who expect high rental rates. Focus groups participants explained that investor-held rental units in Blacksburg are rarely listed on the MLS and therefore rarely transfer back into owner occupancy. This trend also reduces the stock that may have been affordable to moderate-income and first-time homebuyers.

The prevalence of rental units among condo properties further excludes first-time homebuyers. In high-priced markets, condos often offer a more affordable ownership option for first-time homebuyers, but financing is only advantageous when a property is more than 50 percent owner-occupied. The availability of financing for properties that are dominated by rental units is low and terms are not desirable, making most condo properties in Blacksburg unappealing to first-time homebuyers.

High demand for rental units and a housing shortage also means that absentee landlords have less incentive to compete by maintaining the quality of units. Renters (both students and non-students) worry that if they do not accept an available unit, they may not be able to attain one at all. Low-income households may also accept substandard housing to obtain housing and then be stuck in the substandard unit as they are unable to find a higher-quality unit without accepting cost burden. Focus group participants report few quality housing units available for professionals or Housing Choice Voucher holders, effectively excluding many non-student households in the region.

Opportunities

Housing demand is defined by household needs, limits and preferences which do not fit neatly into any one housing submarket. As such, regional, inter-jurisdictional partnership and coordination, particularly among Montgomery County jurisdictions will be critical for realizing opportunities and addressing challenges throughout the region. Strategies to advance such partnerships are addressed in the Montgomery County-Blacksburg-Christiansburg Partnership Strategies, Regional Strategies, and individual jurisdiction strategies. Montgomery County plays a particularly important leadership role in the County’s and Towns’ Partnership Strategies.

Blacksburg and Christiansburg are employment and amenities centers and have begun developing multimodal transportation networks, an important component of location efficiency that can mitigate consequences of dense housing development. The two towns can thus increase density more than any other places in the NRV and reduce infrastructure and environmental impacts of commuting, especially when additional density is paired with decreased single-passenger car travel. Furthermore, increased density in Blacksburg and Christiansburg mitigates against sprawl that jeopardizes the diversity of setting available in Montgomery County and the region.

Blacksburg and Christiansburg can also provide income-restricted affordable housing where it is most likely to financially benefit occupants. Blacksburg and Christiansburg are among the most location-efficient places to live for very low-income households, and income-restricted housing is most needed

there because of intense demand from all households. More than 14,500 non-undergraduate households¹³ in the NRV pay more than 30 percent of their income for housing. These households may have to make choices between housing and other needs like medical care, transportation, home maintenance and repair, food, or clothing.

Submarkets throughout Montgomery County, including Blacksburg and Christiansburg are connected by development pressures and the infrastructure, regulations and plans that allow the market to respond to demand. Planning for high density and more affordable housing in the two towns will enhance opportunities to develop diverse housing types that are accessible to households at all income levels throughout the suburban or exurban communities planned for Montgomery County's Villages and to preserve rural communities, and thereby the diversity of setting that is a strength of both the County and region.

¹³ VCHR removed undergraduate households from the analysis of households that are cost-burdened because reliable student income data is not available.