

Market Analysis
Citywide Demographic and Housing Analysis
Harrisonburg, Virginia

Prepared for:

Mr. Michael Wong
Executive Director
Harrisonburg Housing and Redevelopment Authority

November, 2015

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■ REAL ESTATE CONSULTANTS ■

December 22, 2015

Mr. Michael Wong
Executive Director
Harrisonburg Redevelopment & Housing Authority
286 Kelley Street
Harrisonburg, Virginia 22803

Dear Mr. Wong:

Attached is our updated Citywide Demographic and Housing Analysis for the City of Harrisonburg and the adjacent Rockingham County. This represents the fourth study of this type that we have completed for the HRHA. In each instance, the market and economic issues were different.

The current study has the following salient market and development trends to study, along with an overall economic and demographic study of the Region:

1. Documentation of market support for affordable for-sale housing for clients of HRHA who are able to afford such housing.
 - Market support clearly exists and is a recommended use for one of HRHA's two available sites.
2. Determine if market support exists for new affordable age-restricted housing.
 - There is a pent-up demand for this type of housing and one of HRHA's available sites would represent an ideal setting for age-restricted housing.
3. Evaluate the student off-campus apartment market in terms of supply/demand and the condition of older properties.
 - We calculated a five percent apartment unit vacancy and a 7+ percent bed occupancy. While this is higher than in the past, it is not defined as an overbuilt market, with the one caveat that some non-students are occupying apartment units/beds at these complexes.

Mr. Michael Wong
December 22, 2015

- Some of the older off-campus apartment properties for students have been renovated. The City does have several properties that are in need of upgrades, but these are not necessarily student housing.
 - The City has limited land readily available for new apartment unit development. While that may change, any current oversupply of apartment units or beds will likely be occupied during the next few years with current trends in enrollment.
4. Is workforce housing readily available.
- We found no evidence that a need for workforce housing exists, but the affordable apartment market is fully occupied, with no new proposals in the City. The limited supply of modest-rent housing should generate a need for new workforce housing, even though the responses were negative.
5. While not an identified issue for the scope of work, we did find an expanding market for new, non-student apartment units (but limited land is available in the City for new multifamily housing).
- We also studied the for-sale housing market and found the market for this type of housing to still be well below pre-recession levels.
 - The market rent age-restricted housing market appears to be strong, but without available communities to serve this market.
 - The downtown adaptive reuse market is an attractive evolving trend for both student and non-student housing.
 - Market area demographic trends show steady growth.
 - Job and employment growth is modest.

The market data and analyses that support these findings and conclusions, among others, are fully documented in the attached market report. Please call if additional data or explanation are needed. We remain available to assist you as you proceed with new development for affordable housing and assist City officials of new strategies for various types of housing.

Mr. Michael Wong
December 22, 2015

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart M. Patz". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Stuart M. Patz
President

SMP/mes

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Introduction

This will set forth our Citywide market study for Harrisonburg, Virginia that analyzes a broad range of issues related to the City's housing market. The study includes Rockingham County within the defined market area, although some of the salient questions related to affordable housing and student housing are more relevant for officials of Harrisonburg, so the market study is more detailed for the City on these issues.

Officials of the Harrisonburg Housing and Redevelopment Authority (HHRA) have identified a number of current issues to study, including:

- An evaluation of the need for affordable, for-sale housing and the ability to provide such housing.
- Related to the issue on affordable housing is the determination of the need for workforce housing; this issue connotes rental housing.
- Analysis of housing needs for older adults, including assisted living (AL), independent living (IL) and affordable housing.
- Evaluation of the need to upgrade some of the City's older housing stock.

These represent some of the prime issues for the market study. However, the analysis of these issues contribute to other area housing factors, such as whether the City is: (1) getting its "share" of higher priced for sale homes; (2) keeping pace with housing unit demand by type, i.e., is housing unit supply consistent with demand; and (3) how the off-site student apartment market affects housing trends Citywide.

To answer these questions, we have undertaken a detailed demographic analysis of the market area and separated households by tenure, size and income. All income data are presented in constant 2015 dollars. We have also provided a detailed economic overview analysis of the market area that emphasizes job and employment trends and growth and the type of new employment that is being realized in the Harrisonburg Region. Trend data are current to year-end 2014. Forecast data are based on current development activity.

The third major effort for this research assignment is the study of the current new for-sale home market and rental apartment market, which is separated by the non-student apartment market and the off-campus student apartment market. A key part of this analysis is the enrollment trends and projections at James Madison University (JMU).

This report is an update to a similar analyses prepared for HHRA in Fall, 2011, and prior to that in 2005. In 2011, the local and national economy was just starting to recover from the recession of the late-2000's. The for-sale housing market was stagnant, the townhome market, which was active prior to 2008, was not expanding and the current addition of large, new privately-built student apartment complexes had become a major part of the City's housing market..

The for-sale housing market is still well below the pre-recession trends for development and sales. Considerable new student housing has been built and the City's first upscale apartment complex for professionals opened. Following is a more expansive list of market area changes since Fall, 2011:

Since the Fall, 2011 report, numerous changes have occurred in the market area:

1. The for-sale housing market has improved only slightly;
2. There has been a considerable amount of new, privately-owned student apartment unit development which is larger than enrollment growth;
3. The new regional hospital (Sentara RMH Medical Center), has relocated and expanded and a new 88-unit ALF (Bellaire at Stone Port) is under construction near the hospital;
4. The region's first truly amenitized apartment complex (Reserve at Stone Port) opened;
5. Officials at JMU opened a new 507-bed residence hall for Fall, 2015 occupancy and will demolish the former Howard Johnson's motel that was converted to a dorm. JMU officials will be in need of a new use for this site;

6. Enrollment at JMU continues to increase. At current growth levels, additional off-camps housing is needed;
7. Within the City, few zoned, developable sites remain available for new multifamily development;
8. There is increased vacancy at some of the older, privately-owned student-oriented apartment properties and at some of the mature apartment complexes that attract students;
9. By the end of 2015 or early-2016, the City's first housing complex for the homeless (Commerce Village) will open;
10. The new Southeast Connector opened in Fall, 2015.

The Fall, 2011 market study showed market support for new apartments for homeless individuals. This apartment complex is under construction. There has been significant upgrading to mature student housing properties, so the issue of increased blighting properties is no longer as relevant. There has been increased redevelopment in downtown Harrisonburg particularly for adaptive reuse of older commercial buildings for upscale apartment units. This trend is likely to continue.

However, issues of affordable housing, age-restricted housing and off-campus student housing are still salient points that continue to be concerns within the City.

Section I Market Area Economic Overview

The introductory section of the market report describes the setting of the City of Harrisonburg and the market area defined for the market study. This is followed by an analysis of market area jobs and employment growth, and then by new area developments that are expected to generate new jobs and employment. Because JMU is the prime “economic engine” for the City, and the key to much of the area’s economic development, we included university enrollment trends, employment trends and new on-campus development as part of the economic overview.

The market area for the study includes the City of Harrisonburg and the surrounding Rockingham County. Most of the market area development is within the City and close-by locations in the County. However, the U.S. Route 33 corridor to the east, and within the County, has attracted new development, including the 660-unit mixed-use development, Preston Lake, located just east of the City at the location of the eastern terminus of the new Southeast Connector, shown with a “star” on Map A. The Southeast Connector recently opened and is planned as a bypass road south of central Harrisonburg and running west to Route 42 near Dayton.

There are also small development nodes in the County along CR 42 at the communities of Timberville, Broadway, Dayton, and Bridgewater and in Elkton along U.S. Route 33 and U.S. 340 on the far east side of the County and in Grottoes, also along 340 at the southeast corner of the County. These are mature areas with some low and modest rent apartment communities. They are largely built out.

Massanutten Ski and Golf Resort is located off of Route 33 east at the south end of the George Washington National Forest and in subdivisions that surround the forest. Massanutten continues to be an economic development node in the County.

Map A shows that I-81 runs throughout the County and has three interchanges in Harrisonburg. I-81 runs south into Augusta County and past Staunton. However,

Augusta County and Staunton are defined as separate market areas, although the recently built LIHTC apartment community in Augusta County, The Landings at Weyers Cave, does attract apartment unit demand from Harrisonburg, as Harrisonburg has limited attractive affordable housing comparable to The Landings at Weyers Cave.

On the north side of Rockingham County is Shenandoah County, which is a very rural community close to Winchester and Front Royal. There are no economic ties between Rockingham and Shenandoah counties other than the two mountain ranges that run north-south and parallel to I-81 and the Blue Ridge Parkway.

Greene County to the east is separated by the George Washington National Park and mountain range. There are no major economic developments in Greene County.

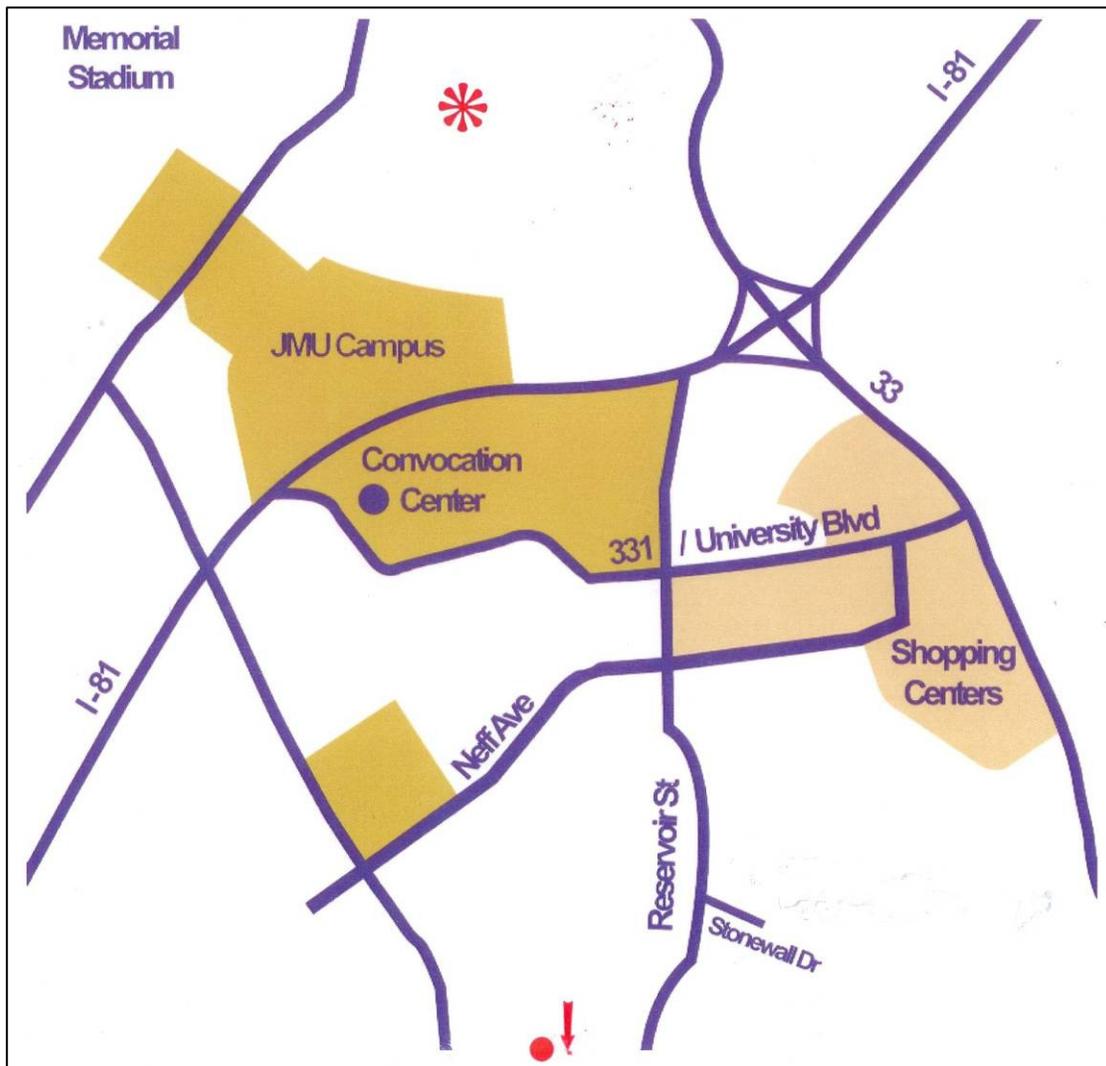
On the west, the Shenandoah Mountains cover about a quarter of the land area in Rockingham County and separates the Harrisonburg area from rural areas in West Virginia.

In Mt. Jackson on the north in Shenandoah County, Andros Foods is planning to create 160 new jobs over three years at their food manufacturing plant. There is insufficient housing in that County for new growth, so some impact may occur in the Harrisonburg area.

This analysis shows Harrisonburg to be a separate market area with a competitive market only from adjacent areas in Rockingham County. However, any major growth along the I-81 corridor could have some affect on the Harrisonburg economy, as Harrisonburg, along with Winchester, are the largest economies in the north part of this corridor.

located along Route 33 east and along University Boulevard and Neff Avenue. This is the location of the area's big box stores, shopping centers, hotels, office space and an array of other commercial businesses. The new hospital is located south on Reservoir Street, near Port Republic Road (see "dot").

A sizable number of new student apartment properties have been built along Reservoir Street, due to available land and proximity to the JMU Campus. The concentration of commercial development is also in this location.



Map B - Schematic Location of Harrisonburg Development Nodes

Market Area Economic Overview

This part of the market analysis presents an economic overview of the market area in terms of job and employment growth. Three economic factors are presented and analyzed: (1) at-place job growth, (2) employment and labor force trends, and (3) an evaluation of active development plans that are expected to generate new job and employment growth.

The three economic factors under study are analyzed in the paragraphs to follow. Key to this analysis is that job and employment growth support growth in population and households, and therefore, housing unit demand. Thus, the establishment of market area economic stability is a key issue related to the demographic growth of the market area.

Harrisonburg is a “university town,” being the home of JMU. Much of the growth and development within the market area is associated with growth and expansion of the University, including apartment unit occupancy. Thus, part of the economic overview is an analysis of the JMU employment growth and on- and off-campus housing unit demand.

Enrollment growth at JMU will generate university related employment. The larger and more diverse the university, the greater the draw for other related companies to located in Harrisonburg. Thus, the trends at JMU will be paramount to the overall development potential in the market area and for the type of need for new housing.

At-Place Job Growth. As of year-end 2014, the two-jurisdictional market area had just over 60,290 at-place jobs. That total is nearly 2,520 jobs above the 2005 total and 220± above the pre-recession 2008 level. The location of area jobs are nearly evenly split between Harrisonburg and Rockingham County.

Though not shown in Table 1, due to disclosure issues, the largest single employer in the market area is JMU with 990± full-time instructional faculty, 390± part-

time instructional staff and 1,310± full-time staff, for a total of approximately 2,700 employees.

Manufacturing is the largest employment sector in the market area, with 9,940± jobs at year-end 2014, or 16.5% of total employment. Most of these jobs are located in the County. This sector, however, has shed more jobs than any other over the past decade, losing 1,980± jobs since 2005 and 200± jobs in 2014. Major manufacturing layoffs during this period include Pilgrim's Pride Corp. (300± jobs lost in 2005) and Hartz & Company (140± jobs lost in 2006). Most of the other Manufacturing layoffs have been smaller reductions and closings with a large cumulative effect.

The second largest employment sector is Accommodations/Food, with 7,030± jobs in 2014. This has been the fastest growing sector in the market area, having added 1,770± jobs since 2005 and 260± jobs in 2014. The numerous hotels that have opened over the past decade have contributed to this growth. These include the 83-room Candlewood Suites that opened in 2006, the 35-room Valley Suites that opened in 2006, the 64-room Country Inn & Suites that opened in 2006, the 90-room Hampton Inn that opened in 2008, the 108-room Residence Inn that opened in 2009, the 100-room Fairfield Inn & Suites that opened in 2010 and the 57-room Microtel Inn & Suites that opened in 2011.

Retail Trade is also a large employment sector, accounting for 6,760± jobs at year-end 2014. The Health Care sector, largely associated with the Sentara RMH Medical Center (Formerly Rockingham Memorial Hospital), is also a major employer with 6,880± employees at year-end 2014. This is one of the fastest growing sectors in the market area, adding 1,340± jobs since 2005.

Excluding the tremendous growth in the Accommodations/Food and Health Care sectors, industries that have recorded employment growth over the past decade include: Educational Services (210± new jobs), Professional/Tech. Services (100± new jobs), Management of Companies (90± new jobs), Arts/Enter./Recreation (60± new jobs), and Finance/Insurance (30± new jobs).

Excluding the Manufacturing sector, industries that have shrunk over the past decade include: Retail Trade (490± jobs lost), Information (120± jobs lost), Admin./Waste Services (100± jobs lost), Real Estate (70± jobs lost) and Other Services (60 jobs lost).

Industry	2005	2008	2009	2010	2011	2012	2013	2014	Net Change
Construction	ND	4,350	3,778	3,450	3,280	3,024	3,037	3,193	--
Manufacturing	11,917	10,864	10,519	10,567	10,509	10,525	10,140	9,941	-1,976
Wholesale Trade	ND	ND	2,361	2,260	2,180	2,163	2,179	ND	--
Retail Trade	7,252	8,002	7,467	7,320	7,286	7,395	6,743	6,759	-493
Transport. & Warehousing	ND	ND	2,327	2,394	2,509	2,630	3,496	3,443	--
Information	1,282	1,543	1,638	1,771	1,765	1,357	1,269	1,159	-123
Finance/Insurance	1,044	1,071	1,050	1,043	1,058	1,069	1,086	1,069	25
Real Estate	947	924	817	746	725	738	840	875	-72
Professional/Tech. Services	1,344	1,484	1,396	1,330	1,322	1,386	1,359	1,446	102
Management of Companies	214	253	260	276	303	298	303	308	94
Admin./Waste Services	1,881	2,103	1,660	1,705	1,610	1,897	1,835	1,784	-97
Educational Services	897	1,005	1,033	1,049	1,119	1,113	1,169	1,102	205
Health Care	5,545	5,828	6,085	6,254	6,489	6,674	6,836	6,881	1,336
Arts/Enter./Recreation	614	725	735	732	733	710	700	676	62
Accommodations/Food	5,257	5,775	5,627	5,794	6,719	6,713	6,768	7,027	1,770
Other Services	1,242	1,185	1,143	1,125	1,113	1,133	1,175	1,181	-61
Local Government	ND	--							
State Government	ND	--							
Federal Government	<u>340</u>	<u>329</u>	<u>349</u>	<u>367</u>	<u>356</u>	<u>342</u>	<u>335</u>	<u>336</u>	<u>-4</u>
Total	57,778	60,073	58,018	58,013	59,282	59,672	59,948	60,297	2,519

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

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

Employment and Labor Force. Employment differs from at-place jobs, as it refers to the number of market area residents who are employed, no matter where the job is located. Employment in the market area for year-end 2014 is nearly 61,600, which is within 1,300 of the peak year total of 62,900 in 2008. The fact that employment totals exceed at-place jobs is an indication of some out-commuting, particularly to Staunton/Waynesboro and possibly to Charlottesville. However, the comparison of at-place jobs with employment shows a modest level of out-commuting.

Data in Table 2 show steady net employment growth since 2011; employment is the better indicator of housing unit demand, as it relates to where people live.

Labor Force totals in 2014 are near the 2008 peak year totals. There was not much change in Labor Force during the recession. Unemployment has decreased and is 2.1 percent lower in 2014, compared with 7.3 percent in 2010.

Market area at-place jobs decreased by only 2,000± at the start of the recession in 2009, or by 3.3 percent. The recession, in terms of no growth in jobs, lasted for 2009 and 2010. Net job growth increased in 2011 and every year since. However, it was a slow recovery, as net job growth increased by only 1,000 over the 2011 to 2014 period, or 250 per year on average.

Employment trends were somewhat similar, with only a small decrease in employment and a reversal after one year. That would likely mean that jobs were more readily available outside of the market area. For the 2010 to 2014 period, employment growth was a net 2,700±, or 500+ per year on average.

Table 2: <u>Trends in Employment and Unemployment</u> <u>Harrisonburg/ Rockingham County, VA, 2005- 2014</u>				
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2005	61,197	59,178	2,019	3.3%
2006	63,831	62,159	1,672	2.6%
2007	64,292	62,597	1,695	2.6%
2008	65,250	62,880	2,370	3.6%
2009	64,753	60,757	3,996	6.2%
2010	63,538	58,906	4,632	7.3%
2011	65,137	60,794	4,343	6.7%
2012	65,095	61,008	4,087	6.3%
2013	64,790	61,110	3,680	5.7%
2014	64,921	61,577	3,344	5.2%
Net Change	3,724	2,399	1,325	1.9%
Source: United States Department of Labor, Bureau of Labor Statistics				

Current Developments. The paragraphs to follow briefly describe new job generating economic development announcements within the market area. These data will show future jobs and employment growth. Data will show an increased rate of growth, but still within a modest growth economy. First presented are developments

within Harrisonburg. County development activity is presented next and separated from the City totals.

- **Symi International**, a water importing company, announced in January, 2014 that it would open an office and a warehousing and distribution center in Harrisonburg within 18 months where it would employ 18 people.
- **DBT-Data**, which operates a data processing center in Harrisonburg, announced in January, 2014 that it would expand by adding 35 new jobs.
- **Ice House**. Construction was completed in the summer of 2014 on this fully renovated 80,000 square foot structure that was originally built for ice and cold storage in 1934. JMU leased approximately 30,000 square feet of office space at the building to house university departments, such as Communications and Marketing, Public Affairs, the Shenandoah Valley Small Business Development Center, and the Center of Economic Education. The building is located on the corner of South Liberty and West Bruce Street.
- **Approved Colleges**, which markets services focused in online education, announced in January, 2014 that it would hire 40 additional employees in Harrisonburg in a newly renovated space at 126 West Bruce Street.
- **Shenandoah Processing** announced in December, 2013 that it would open a new poultry plant in Harrisonburg where it would employ 102 people. It will serve the market for organically raised and “all-natural” chicken.
- **Bellaire at Stone Port**. This is an assisted living community currently under development along Stone Port Road across from the Rockingham Memorial Hospital. The facility will include 64 assisted living apartments and 24 memory care apartments in an 80,890 square foot complex. Completion is expected by mid-2016. At least 40 new jobs will be created.
- **Walmart** is constructing a 128,000 square foot store in Timberville. The supercenter would create about 300 jobs. Construction is planned to be completed by 2016.
- **Sentara RMH Medical Center**. Ground was broken in November, 2014 on this two-story, 52,000 square foot medical facility that will better serve the needs of advanced imaging, orthopedics and sports medicine patients. The facility opened in Fall, 2015.
- **Bridgewater Retirement Community** plans to renovate and add 36,000 square feet to the Huffman Health Center, which houses approximately 130 residents in long-term nursing care. The project is currently in the schematic design phase. Currently most residents are in shared rooms, but in the new model, about 70

percent of the rooms will be private. Completion of the project is anticipated for late 2016 or early 2017.

- **Serco**, a records management and patent processing company, announced in November, 2014 that it would expand by adding 40 new positions at its Harrisonburg location.
- **Special Fleet Service**, a commercial truck body fabrication company, announced in September, 2014 that it would add 45 employees to its Harrisonburg location.
- **Shenandoah Growers** announced in March, 2015 that it would expand its organic herb nursery greenhouse and production facility in Rockingham County by adding 15 new jobs. Shenandoah Growers will install a new 78,000 square foot nursery greenhouse at its current facility.
- **AXON Ghost Sentinel**, a Harrisonburg-based cyber security firm, announced in June, 2015 that it would expand in the City, adding 29 new jobs.
- **The Virginia Poultry Growers Cooperative** announced in July, 2015 that it would build an 80,000 square foot turkey processing facility in Hinton over the next three years. The move is expected to create six jobs and increase the co-op's production by more than 45 percent. The company also plans to invest in its feed mill in Broadway and its grain elevator in Linville.
- **Hotel Madison and Shenandoah Valley Conference Center**. Construction on this 21,000 square foot hotel is slated to begin in the spring of 2016. The 205-room facility will be constructed and operated by dpM Partners on land leased from JMU. The project is expected to create nearly 60 full-time jobs once the facility opens.
- **Sentara Healthcare Clinic**. Ground was broken in June, 2015 on a new medical facility in Timberville in northern Rockingham County. The free-standing 13,580 square foot facility will house the physicians and staff members of Timberville Health Care and Springbrook Family Medicine in Broadway. The center will also offer X-ray, laboratory and rehabilitation services. The project is expected to be completed in early-2016 and generate 20± new jobs.

These new jobs are expected to be on the market in 2015 and 2016. The total new permanent jobs are approximately 800, plus new construction jobs. This job list is only for larger companies and does not include smaller businesses. It shows an average annual net of 400 new jobs for 2015 and 2016, which, when other jobs are included, is the same pace of job growth over the post-2011 period.

Of note, however, is that the vast majority of these new jobs are hourly wage or moderate pay jobs, for manufacturing, office work, service medical-related and educational. These new jobs do not include growth at JMU.

Rockingham County. The level of economic development in Rockingham County is not at the same level as development trends in the City. Walmart has a new neighborhood store under development on Port Republic Road. At this location is Koffman's Corner, which has several pad sites under development. The large Preston Lake PUD has a sizable commercial component which could be built in time.

Massanutten is an active tourist destination and second home community that still has room for expansion. Robinson Park is a planned 88-unit LIHTC apartment for families with rents at the 50% to 60% range. Construction should start shortly. The site is near the intersection of Reservoir Street and Fieldale Place, just east of the City.

Greenport is a proposal for senior housing with some retail space and live work units. It is still in the planning stage.

Quarles Court is a new retail location. Several mature subdivisions are now reopened with new lot development and home sales.

James Madison University

The University's staff and student enrollment has increased significantly since the 1970's, with much of the growth occurring during the 2000's. In 2005, JMU purchased the Rockingham Memorial Hospital building north of the main campus. The hospital has since moved to its new location, and JMU now occupies the former hospital building. Additionally, the university expanded across South High Street by purchasing the former Harrisonburg High School building from Harrisonburg City. Recently completed projects include: Duke Hall Renovation (November, 2013), University Park

(March, 2012), Bioscience Building (May, 2013), and Steam Plant Renovation (November, 2011).

The campus has 111 major buildings on 712 acres. It is divided into five parts: Bluestone, Hillside, Lakeside, Skyline, and The Village. The Skyline area is located on the east side of Interstate 81, while the Bluestone, Hillside, Lakeside, and Village areas are located on the west side. The two sides of campus are connected by a bridge and a tunnel underneath the highway.

The results of the many campus expansions, and the new facilities added to the campus, has led to sizable enrollment growth. This is shown in Table 3. JMU's total student enrollment increased by 78 percent over the 1990 to 2010 period, with a nearly even split between the growth during each of the past two decades.

2015 Enrollment

Data for enrollment for the Fall, 2015 semester at JMU was just published. The total is 20,343 for on-campus enrollment, which is 350+ above last year's total. Growth occurred in the freshman and senior classes.

This level of growth will show that past enrollment projections are out of date.

Harrisonburg and Rockingham County have two other university/colleges – Eastern Mennonite University, located in the northwest quadrant of the City, and Bridgewater College located to the west of the City in the Town of Bridgewater. These other two institutions of higher learning are small, but enrollment has grown steadily, especially since 2000. Enrollment at Bridgewater College has grown by 590± since 2000, while enrollment at Eastern Mennonite University has grown by 500± since 2000. In total, college enrollment at the three area institutions equals 23,470 students in the Fall, 2014 semester.

Table 3: Trends in Fall Student Enrollment, Harrisonburg Area Colleges and Universities, 1990-2014

	<u>1990</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2014</u>
James Madison University	10,400	15,000	16,546	18,671	19,990
Eastern Mennonite University	1,100	1,200	1,512	1,379	1,695
Bridgewater College	<u>900</u>	<u>1,200</u>	<u>1,514</u>	<u>1,688</u>	<u>1,785</u>
Total Student Population	12,400	17,400	19,572	21,738	23,470

Source: JMU Office of Institutional Research; EMU University Registrar's Office; Bridgewater College Office of Institutional Research; SHEV Reports

JMU Student Enrollment Trends. The following table shows the enrollment trends at JMU for the 11-year period of 2005 to 2015. These data represent total on-campus Fall headcount enrollment figures provided by JMU officials, both full-time and part-time enrolment. The enrollment data show a net growth of nearly 3,800 students over the past 11 years, or at a nearly 23% increase. Since 2010, enrollment has jumped from 18,670± to 20,340+ students, an increase of 8.7%. While student enrollment at JMU continues to increase steadily, the net increase of the past few years has been at a reduced rate compared with prior growth trends. Since 2010, the average annual enrollment increase was 330 students.

Fall, 2015 enrollment is just over 20,300. The 500 net enrollment growth for 2014 is the largest annual increase since 2005. Enrollment growth for 2015 was 340+.

**Table 4: On-Campus Enrollment Trends, JMU,
Fall, 2004-Fall, 2014**

<u>Fall Semester</u>	<u>On-Campus Headcount</u>	<u>Percent Change</u>
2005	16,546	4.7%
2006	16,970	2.6%
2007	17,428	2.7%
2008	17,964	3.1%
2009	18,232	1.5%
2010	18,671	2.4%
2011	18,996	1.7%
2012	19,258	1.4%
2013	19,484	1.2%
2014	19,990	2.6%
2015	20,343	1.8%
Net Change	3,797	22.9%

Source: JMU Office of Institutional Research

Projection and Enrollment

Past enrollment projection figures are low. They show 19,730 enrollment for 2015 and 20,408 for 2018. There are no new projection figures for enrollment out at this time, but a projection to 21,350 by 2018 appears reasonable. That is the level with enrollment growth that will be used in this report.

On-Campus Housing. There were 6,187 on-campus dorm beds during the Fall, 2014 semester. These beds are routinely 100% occupied. Fraternities moved off campus in 1998. Sorority housing is considered on-campus housing, and all groups are housed in the same area on campus. JMU does not provide on-campus housing for graduate students. At present, the breakdown of students (2014 school year) living on- and off-campus is:

<u>Student Residency (Fall 2014)</u>		
	<u>Number of Students</u> <u>(rounded)</u>	<u>% of</u> <u>Total</u>
On-Campus	6,187	31.0%
Off-Campus	13,803	69.0%
Total	19,990	100%

There are more than twice the number of students living off-campus at this time compared with on-campus dorms. Enrollment growth has outpaced the ability to build on-campus dorm beds.

Graduate Students. JMU has 940± full-time graduate students currently enrolled on campus, and 185 part-time grad students. These students are housed off campus.

Construction was completed in May, 2015 on the 507-bed Apartments on Grace Street on the site of the former Grace Street Apartments and Walnut Lane Flats, off South Main Street. The new facility consists of a U-shaped structure of four stories in height. The new residence hall houses 507 students, pushing the total on-campus bed count to 6,694. The residence hall includes student life space, academic classroom and seminar spaces, as well as retail and food service space. A photo and rendering of this complex is shown below.



Apartments on Grace Street

JMU announced in November, 2014 that it would tear down the 233-bed Rockingham Hall. The residence hall was built in 1964 as a Howard Johnson's Motor Lodge and was acquired by the University for student housing in 2001. The University does not yet have plans for the property that will result with the building demolition. JMU officials will likely use the land for parking until further decisions on a

development plan are made. Given the demolition of Rockingham Hall and the opening of Apartments on Grace Street, total on campus housing for the Fall, 2015 semester will be 6,461. This is 274 beds above the on-campus total in 2014. There are no official plans to add additional beds at this time.

JMU Student Housing Location Summary

Table 5 details where students will live as of the Fall, 2015 semester. This includes the current on-campus bed total of 6,460± beds. On-campus housing, therefore, accounts for 31.8% of the student body's housing demand. Approximately 300± students reside at home with their parents and commute. About 1,220 students studied abroad in 63 different programs during the 2014 academic year. Assuming equal trips abroad during the Fall and Spring semesters, this would account for approximately 610± students, or 3 percent of total housing demand.

The better student-oriented apartment units in Harrisonburg account for a total of 9,260± beds in fifteen properties, of which 8,730±, or 94.2%, are occupied. (This will be analyzed in more detail below). Smaller and mature student-oriented properties total 2,690± beds in eighteen properties. About 2,580 beds or 95.9%, of these beds are occupied. Approximately 30 percent of these beds are occupied by non-student renters. Thus, students occupy approximately 11,000 beds in these apartment communities. Combined, the larger student-oriented apartments house 53% of the total student body.

Approximately 650± students, most of them graduate students, reside in the better non-student apartments. This accounts for approximately 30 percent of the total beds in the nine properties under study.

The remaining 1,780± students reside primarily in area townhomes rented within for-sale subdivisions. This accounts for 8.8 percent of the student population.

Table 5: JMU Student Residency by Location, Fall 2015

	<u>Students</u>	<u>% of Total</u>
On-Campus Housing	6,460	31.8%
Better Student Apartments	8,730	42.9%
Small/Mature Student Apartments	1,810	8.9%
Scattered For-Sale Subdivisions	1,780	8.8%
Non-Student Designed Apartments	650	3.2%
Live at Home (With Parents)	300	1.5%
Study Abroad Students 1/	<u>610</u>	<u>3.0%</u>
Total	20,340	100%

Notes: 1/ 1,220± students studied abroad during the Fall 2014 semester, primarily for single-semester terms. Thus approximately 610± students study abroad each semester.

Source: S. Patz & Associates field and telephone survey.

Table 6 lists the average per-bedroom price for off-campus student housing options in Harrisonburg. Apart from on campus housing, which average \$674 per month, the most expensive housing rental rates are at the nine better non-student apartments, with rents averaging \$633 per bedroom. The fifteen better student apartments have an average rent of \$507 per bedroom while the eighteen smaller and mature student apartments have an average rent of \$367 per bedroom. Rental units in for-sale townhome subdivisions are an average of \$389 per bedroom, but few of these are furnished compared to many of the apartments that specifically target students.

Table 6: Average Rental Rate by Housing Type for JMU Students

<u>Housing Type</u>	<u>Price per Room</u>
On-Campus Housing	\$674
Better Student Apartments	\$507
Small/Mature Student Apartments	\$367
Scattered For-Sale Subdivisions	\$389
Non-Student Designed Apartments	\$633
Average	\$514

Notes: 1/ Based on 30-week school year and 2015-2016 room rate of \$4,648.

Source: S. Patz & Associates field and telephone survey.

JMU Employment. The following chart shows that employment at JMU has also increased over recent years for both faculty and staff in support of student-enrollment growth. Since 2010, net full-time employment at JMU has increased by nearly 240. The

ratio of total employment to total enrollment during the 2010 to 2012 period was 10.3 percent. For the past couple of years the ratio increased to 10.45 percent and 10.6 percent. At these ratios, employment growth at JMU could increase by 2,500 by 2018, based on official enrollment forecasts.

<u>JMU Full-Time Employment Trends, Fall 2010-Fall 2014</u>					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Faculty	906	924	940	960	993
Staff	<u>993</u>	<u>1,033</u>	<u>1,053</u>	<u>1,076</u>	<u>1,141</u>
Total	1,899	1,957	1,993	2,036	2,134
Source: JMU Fall Personnel Census and Academic Affairs					

Housing for JMU Employees. One issue identified for this study is weather officials at JMU have difficulty in attracting staff due to any area housing issues. There appears to be none, based on interviews with staff.

JMU Non-Residential Development Activity. Two major construction projects are currently ongoing on the JMU campus:

- **University Recreation Center Expansion and Renovation.** Construction began in April, 2014 on the addition and renovation of the UREC facility. The addition will total 137,820± square feet of new space (in addition to the existing 140,700± square foot facility) and 25,130± square feet of renovated space. The facility will be completed in two phases, one for the addition and one for the renovated areas. The first phase of construction is slated for a December, 2015 completion and will include weight, fitness & cardio spaces, five group fitness studios, two super multi-activity center gym & court spaces with two basketball and volleyball courts in each, a special events gym, an indoor track, a fitness/instructional pool and spa and an outdoor courtyard. The renovation phase of construction will take place between January, 2016 and the summer of 2016. This will include renovating the Adventure Center with a free-standing climbing wall, instructional space, bicycle repair center and outdoor equipment checkout. It also includes a renovated squash court, meditation room, parking area, club room and locker rooms.
- **College of Health and Behavioral Studies (CHBS) Building.** Construction on this building, slated for a June, 2016 opening, began with the demolition of Montpelier Hall in June, 2014. The new building will house the CHBS departments, which are currently located in the Integrated Science and

Technology and Health and Human Services buildings, as well as the CHBS nursing program, currently in Burruss Hall. The building will contain bigger lab spaces and classrooms for the program.

Massanutten Village and Resort is a 5,300-acre ski and golf resort located in the rural McGaheysville section of the County off of Route 33 and adjacent to the south end of the George Washington National Forest. The community has over 1,000 privately-owned single family homes and 4,200 time share condo units, including 175 mountainside villas. The community was started in 1971 and has evolved into an attractive resort. New time share units are being planned and land exists for new private homes. The resort attracts over 1.0 million visitors annually

Southeast Connector

A third factor related to area economic growth is the new Southeast Connector. This is now complete and will open up new areas in the City and County for new growth.

The Southeast Connector refers to the construction of Route 280, built as a four-lane divided urban highway that will be a bypass route of the area. The project was started in mid-2013 and is now complete. Along with the bypass road, the roadway construction also includes the widening of Stone Springs Road to five lanes within the City of Harrisonburg and extends the road into Rockingham County. Most of the road construction was completed in mid-2014.

The new connector road is designed to improve east-west traffic in Rockingham County, south of the City, as shown on the following aerial. It will also improve access to the new Rockingham Memorial Hospital.

The route of the connector road extends over four miles from Route 33 at Boyers Road on the east to CR 42 on the west within the City and just north of the community of Bridgewater. It will be the one primary east-west highway in the region. The new

road will connect with Stone Springs Road, Port Republic Road, Reservoir Road, Boyers Road and Route 33. There will be no new interchange with I-81.



Southeast Connector Right-of-Way

Harrisonburg Housing and Redevelopment Authority

Included in the Introduction is a description of the client base of HRHA and the property that the Authority owns and manages. The Authority has one affordable apartment building for seniors, a new apartment complex under construction for homeless individuals, 129 townhomes for rent and two small vacant sites. Their list of clients on a waiting list for housing is extensive.

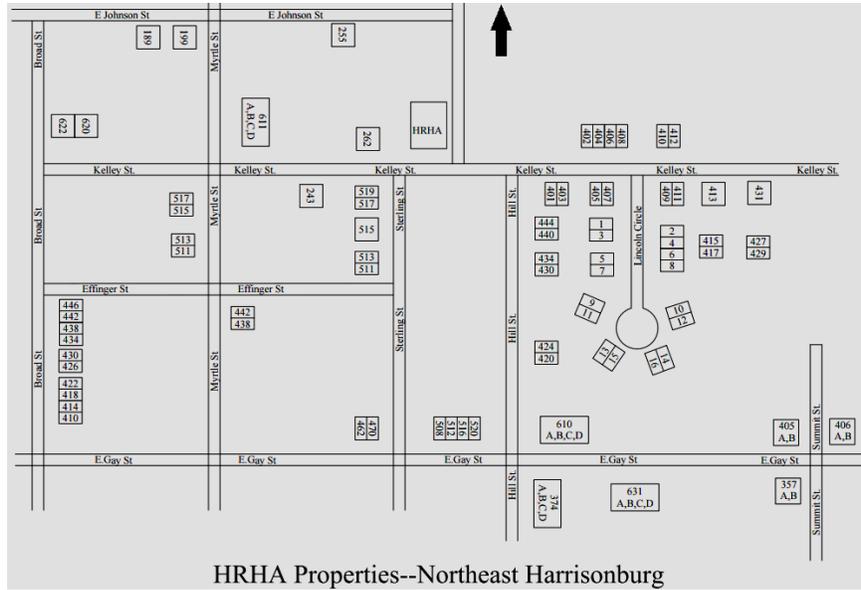
One part of this study is to evaluate the feasibility of developing new for-sale housing for clients who can afford that type of housing. A second issue is to evaluate other opportunities for affordable housing for current clients on the waiting list.

The Harrisonburg Redevelopment and Housing Authority currently owns and manages a total of 250 residential units. These are fully occupied. These properties are described in the paragraphs below.

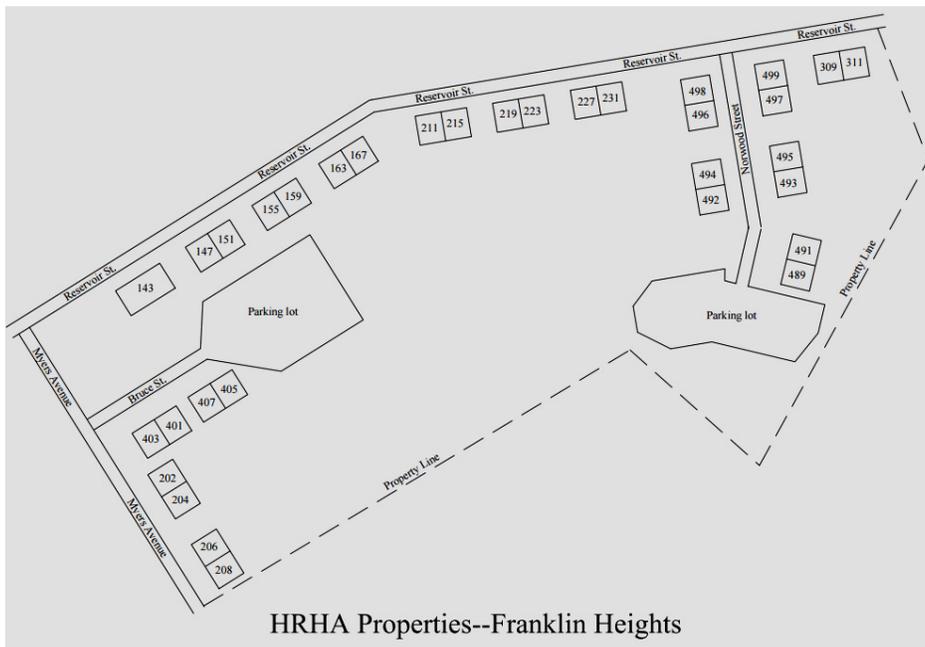
- **J.R. "Polly" Lineweaver Apartments** is located at 265 North Main Street in downtown Harrisonburg. It is a five-story, 61-unit Section 8 building with age-restrictions which consists of 47 studios units and 14 one-bedroom units. HRHA has a contract rent for each unit from HUD. To be eligible, tenants must be 62 years of age or with low incomes. This community was renovated in 2012, including the upgrade to all heating and air conditioning units.
- **The Lineweaver Annex** is a 60-unit addition to the J. R. "Polly" Lineweaver Apartments. This addition is also for elderly and disabled. The rent is \$476 per month for a one-bedroom apartment unit, including all utilities. Tenants are required to pay the full rent amount. Tenants must be 55 years of age or disabled.
- **Franklin Heights, LLC** consists of 129 residential units located in 60 different buildings located on Kelley Street, Lincoln Circle, East Bruce Street, Hill Street, Broad Street, East Gay Street, Myrtle Street, Sterling Street, Norwood Street, East Johnson Street, Reservoir Street & Myers Avenue. They include a mix of one-, two-, three-, four- and five-bedroom units and are restricted to families with incomes at or below \$31,000±, or 50% of AMI. The paragraphs below detail the developments that comprise Franklin Heights, LLC.
 - **Franklin Heights** is located along Reservoir Street and Myers Avenue. It was one of the first projects constructed by the HRHA (in 1958). It consists of 16 buildings with a total of 32 two- and three-bedroom units. The entire community was renovated in 2010. The renovation moved the project from public housing to a project-based Section 8 community open to individuals or families earning 50% of AMI.
 - **Harrison Heights** consists of 19 units built in 1959 and totaling 40 units located along Hill Street, Kelley Street and Lincoln Circle.
 - **Forkovitch Properties**. These homes consist of 25 units that were purchased and restored in 2012. They are located at 374 Hill St, 610 E Gay St, 631 E Gay St, 357 Summit St, 405 Summit St, 406 Summit St, 243 Kelley St, 189 E Johnson St and 611 Myrtle St. These are all three- and four-bedroom units in primarily small garden apartments.
 - **Scattered Single-Family Homes**. HRHA manages four scattered single-story, single-family homes located at 199 E. Johnson Street, 255 E Johnson Street, 620 Broad Street and 622 Broad Street. The two E Johnson homes were built in 1999 and 2000. The Broad Street homes are more mature.

- **Scattered Sites.** The remaining homes are primarily duplex and garden structures totaling 28 units and scattered in the community.

The two maps below show the locations of the Franklin Heights, LLC properties.



HRHA Properties--Northeast Harrisonburg



HRHA Properties--Franklin Heights

Following are photos of some of the properties. Included are photos of Lineweaver Apartments, townhome properties along Kelley and Myrtle streets, and the recent addition of the 25-unit Forkovitch Properties.



Lineweaver



Townhomes on Kelley St. & Myrtle St.



Townhomes on Kelley St. & Myrtle St.



405 Summit Street

HRHA Waiting List. The HRHA maintains a sizeable waiting list, totaling 1,039 households. Approximately 23 percent of the households on the waiting list seek one-

bedroom units, compared to 38.3 percent of households who seek two-bedroom units and 31 percent of households who seek three-bedroom units. Just over 7.4 percent of households on the waiting list require four- and five-bedroom units.

Table 6: <u>Waiting List by Bedroom Size, Summer, 2015</u>		
<u>Bedroom Size</u>	<u>Households</u>	<u>Percent of Total</u>
One-Bedroom	243	23.4%
Two-Bedroom	398	38.3%
Three-Bedroom	322	31.0%
Four-Bedroom	66	6.4%
Five-Bedroom	<u>10</u>	<u>1.0%</u>
Total	1,039	100.0%
Source: HRHA		

The next table details the waiting list by income. It shows that 571 households, or 55 percent of those on the waiting list, earn annual incomes below \$10,000. About 19 percent of households on the waiting list earn incomes between \$10,001 and \$15,000. An additional 12.4 percent of wait listed households earn incomes ranging between \$15,001 and \$20,000; 138 households, or 13.3 percent of households on the waiting list, earn incomes in excess of \$20,000 per year.

Table 7: <u>Waiting List by Income, Summer, 2015</u>		
<u>Income Level</u>	<u>Households</u>	<u>Percent of Total</u>
\$0-\$10,000	571	55.0%
\$10,001-\$15,000	200	19.2%
\$15,001-\$20,000	129	12.4%
\$20,000+	<u>138</u>	<u>13.3%</u>
Total	1,039	100.0%
Source: HRHA		

Approximately 93 percent of all households on the HRHA waiting list have incomes under \$24,000. Some have no incomes and over half have incomes under \$10,000. Income data is not separated by age category, but the largest group is clearly for families.

There are 52 households with incomes of \$24,000 to \$29,999, and another 24 households with incomes over \$30,000. There is clearly a market for some for-sale housing, based on the 24 waiting list households with incomes of \$30,000+. A renter

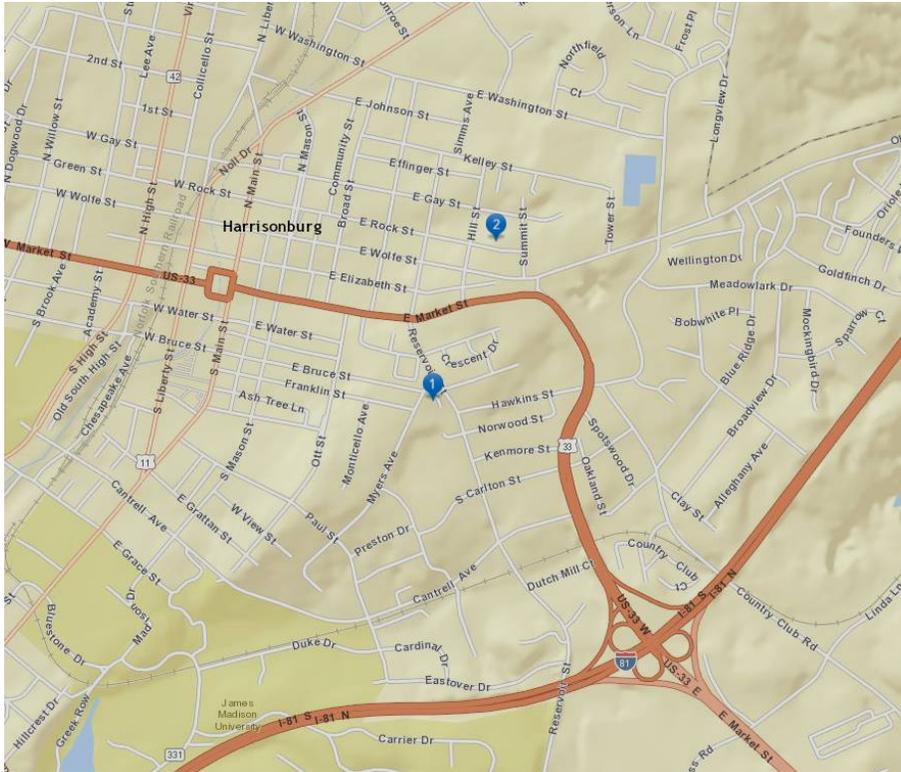
with an income of \$25,000 can afford a rent of \$625, using 30 percent of income for net rent. Thus, the affordability is \$625 plus utility costs.

Commerce Village. Construction began in April, 2015 on this 30-unit apartment community to be owned and operated by the Harrisonburg Redevelopment & Housing Authority for homeless people with mental and physical disabilities. The HRHA will provide project-based Section 8 rental assistance through the use of its Housing Choice Voucher Program once built. Commerce Village is slated to open by the end of 2015 or in early-2016. The community will be located on Commerce Drive and near the Authority office and the HRHA properties along Kelley Street.



Commerce Village

Potential HRHA Development Sites. The HRHA owns two sites within The City that could be developed for low-income housing. These sites are shown in Map C below.



Map C - Locations of Developable HRHA Sites

- **111-115 Reservoir Street (1)** is located at the terminus of Myers Road at Reservoir Street near the Cloverleaf Shopping Center. The two vacant parcels cover approximately 5.2 acres. The site is hilly and largely clear. It was formerly part of a landfill so there is a thin layer of rock that runs through the area. Woodbine Cemetery is located to its west. The adjacent properties to the east, across Reservoir Street, are a mixture of commercial and residential properties. The properties to the west, across Myers Avenue, are fully residential. South of the site is the HRHA-operated Franklin Heights community, with 16 duplex buildings with a total of 32 two- and three-bedroom units. Kiwanis Park, with a basketball court, is located directly south of Franklin Heights. A photo of this site is shown below.



111-115 Reservoir Street

- **650-651 E Gay Street/364 Hill Street (2)**. The second site consists of three vacant parcels totaling 1.49 acres located near the intersection of E Gay Street and Hill Street. This site is generally flat and cleared. Surrounding the site are the 19 structures that comprise the 40 units at Harrison Heights. Most adjacent developments consist of mature single-family homes. To follow is a photo of the site.



650-651 E Gay Street/364 Hill Street

Section II Population and Household Trends and Projections

This section analyzes, in detail, key demographic data related to the market area population and households. The salient points presented are: (1) the level of growth for both population and households (occupied housing units) and the resulting need for housing unit demand; (2) the separation of the population by non-students and students, as a means of evaluation housing demand for each sector of the market; and (3) the analysis of households by income, with the goal of evaluation demand for affordable housing. These are the three key issues. The following analysis also studies population by age and household size.

Demographic Trends

Total Population and Household Population

Data presented in Table 5 show that the City of Harrisonburg had just under 49,000 persons in 2010, the date of the most recent Census. This total includes all JMU students who lived in the City at the time of the Census count. The City's population increased by 8,400± over the 2000 decade, of which approximately 1,700± new residents were JMU students. Population in the City in 2014, according to estimates from the Weldon Cooper Center for Public Service, reached 52,610±.

Table 5: Trends and Projections of Population and Households by Tenure, Harrisonburg City and Rockingham County, Virginia, 1990-2020					
	1990	2000	2010	2014	2020
<u>Harrisonburg City</u>					
Total Population	30,710	40,470	48,910	52,610	58,160
Group Quarters Population	6,000	7,190	7,580	7,600	8,100 1/
Household Population	24,710	33,280	41,330	45,010	50,060
Person Per Household	2.40	2.54	2.59	2.58	2.57
Households	10,310	13,140	15,990	17,450	19,480
Percent Renters	57.9%	60.1%	63.4%	64.7%	67.0%
Renter Households	5,970	8,010	10,140	11,290	13,050
Percent Owners	42.1%	39.9%	36.6%	35.3%	33.0%
Owner Households	4,340	5,130	5,850	6,160	6,430
<u>Rockingham County</u>					
Total Population	57,480	67,730	76,310	78,950	82,910
Group Quarters Population	1,700	1,560	1,470	1,520	1,600
Household Population	55,780	66,170	74,840	77,430	81,310
Person Per Household	2.69	2.61	2.57	2.56	2.55
Households	20,750	25,360	29,180	30,250	31,890
Percent Renters	21.8%	22.0%	24.9%	26.1%	28.0%
Renter Households	4,530	5,570	7,270	7,900	8,930
Percent Owners	78.2%	78.0%	75.1%	73.9%	72.0%
Owner Households	16,220	19,790	21,910	22,350	22,960
<u>Total Market Area</u>					
Total Population	88,190	108,200	125,220	131,560	141,070
Group Quarters Population	7,700	8,750	9,050	9,120	9,700
Household Population	80,490	99,450	116,170	122,440	131,370
Person Per Household	2.59	2.58	2.57	2.57	2.56
Households	31,060	38,500	45,170	47,700	51,370
Percent Renters	33.8%	35.3%	38.5%	40.2%	42.8%
Renter Households	10,500	13,580	17,410	19,190	21,980
Percent Owners	66.2%	64.7%	61.5%	59.8%	57.2%
Owner Households	20,560	24,920	27,760	28,510	29,390
Notes: 1/ Due to planned delivery of 507-bed student housing facility called Apartments on Grace Street in 2015 and the planned demolition of the 233-bed Rockingham Hall.					
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.					

Population growth in the City during the 1990's was just under 10,000, so the City's total population growth during the 2000 decade was 80% of net growth in the prior decade. The difference was the magnitude of student growth. Enrollment at JMU increased by 5,000 during the 1990's. Thus, non-student population growth in the City was higher during the 2000 decade compared with growth during the 1990 decade. Total population in the City grew by 3,700± between 2010 and 2014. **Nearly 47% of the population increase since 2010 was the result of the enrollment growth at the three**

area universities. By 2020, total population in the City is projected to reach 58,160± people.

Table 3 on page 17 shows the total university/college enrollment at the three market area facilities of higher learning and trends for the period of 1990 to 2014. Bridgewater College is located outside of the City. Following is a comparison of enrollment to total population. These data are separated for the two colleges and with total City population. Data show the comparison with JMU separately.

Forty-plus percent of all City population is at JMU or EMU. This percentage has increased gradually and modestly since 1990. The percentage is just under 40 percent for JMU enrollment, but the percent of City population at JMU has increased by 5% since 1990. These percentages closely reflect the percent of housing in Harrisonburg that are occupied by students.

<u>Comparison of Households Total Population with College Student Population, 1990-2014</u>				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014</u>
Total Population	30,710	40,470	48,910	52,610
% at City Universities	39.1%	40.0%	41.5%	41.2%
% at JMU	33.9%	37.1%	38.2%	38.0%

The next chart is a comparison of the City’s population with the total market area population. Data in Table 5 show that the net growth of total population by decade for Harrisonburg and Rockingham County are relatively even. Population in both jurisdictions increased by 10,000± during the 1990’s, 9,000± during the 2000’s, and 3,600± for the first four years of the current 2010 decade. That comparison is studied in conjunction with the chart on page 35 and indicates that the County’s population increased at a rate of 35% to 40% of the City’s non-student population.

<u>Comparison of Harrisonburg's Non-Student Population with Total Market Area Population, 1990-2014</u>				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014</u>
Market Area Population	88,190	108,200	125,220	131,560
% in City 1/	21.7%	22.4%	23.1%	23.5%
Note: 1/ Non-student population.				

The point made here is on the City's strong reliance on JMU enrollment in terms of population growth. While that is a well know fact, Census data and University enrollment data clarify the level of "dependence."

Group Quarters Population refer to students in dorms, but also persons in hospitals, jails, shelters, nursing homes, and other institutions. Nearly 85 percent of the market area Group Quarters population is in Harrisonburg and most of the 7,600 Group Quarters population (92%) live in on-campus housing at JMU and EMC.

Households

The City's average household size increased from 2.40 in 1990 to 2.54 in 2000 and again to 2.59 in 2010. These are Census counts. Some of the increase in the City's average household size is likely due to the growth in the market area's Hispanic population, plus the increase in the number of off-campus student-headed households in the City. As much of the new housing for students has been four-bedroom apartment units, and some of the mature properties a mix of two- and four-bedroom units, the increase in the average household size for the 1990 to 2000 period (1.4) compared with 0.5 during the 2000 decade is likely off-set by a reduction in the mix of non-student households since 2000. That can be shown in the trends in Rockingham County. In 2014, the estimated average household size in Harrisonburg was 2.58. This number is projected to lower slightly to 2.57 by 2020.

The City's average household size was significantly lower compared with the County's prior to 2000. The increase in 2000 and after in the City is clearly a result of more students living off-campus.

The City's total household growth between 2000 and 2010 was 2,850±, which equaled an annual average increase of 285 households. This was somewhat smaller than the level of growth for the 1990's. Household growth between 2010 and 2014 was 1,460±. By 2020, total households are projected to reach 19,480±.

This trend is likely due to economic factors during the 2000 decade. Rockingham County's household growth was about equal for the 1990 and 2000 decades. JMU's employment growth was lower during the 2000's compared with the 1990's (see Table 3). The household growth over the 2010 to 2014 period is about equal for both jurisdictions.

The increase in the percentage of renters in the City is due largely to student-headed households living off campus and the increase in the Hispanic population, in particular. In 1990, the City had 58 percent renter households. That percentage increased to 60 percent in 2000 and 63+ percent in 2010. By 2014, the City had 63+ percent renter households.

There are approximately 5,000 student-headed households in the City, or nearly 50 percent of all renters. Student-headed households equal 30± percent of all City households. The analysis below will detail the level of growth in student-headed households.

Rockingham County has a low percentage of renters at 26 percent. The percentage of renters has increased over the past 25± years, due in part to the recession of the late-2000's. Much of the rental housing in the County is low and moderate-income apartment complexes in the various small towns in the County.

Summary

For basic demographic trends, data in Table 5 show steady population growth for the City and market area, as a whole. Part of the City's population growth is the JMU enrollment growth. Since 2000, the City's population increased by nearly 18,000.

JMU enrollment increased by 5,000 during that period, or approximately 28 percent of total population growth. This was the primary reason for the fact that the growth of renter households equaled 77 percent of total household growth.

Population by Age

JMU has a total of 18,700± undergraduate students, plus non-degree seeking undergraduate students. Approximately 320 of these students are under the age of 18 and about 7,800 are in the 18 to 19 age category. Another 2,200 are in the 22 to 24 age category.

Table 8 shows a breakdown in the market area's population by age. To compare with the JMU population and the population at EMU, we calculated the City's population by age to conform to JMU's primary age categories. Of the City's total number of residents in the 18 and 19 age category and the 22 to 24 age category, 16.0% and 23.2% are JMU and EMU students, respectively. The percentage of City college students is increasing, as the JMU enrollment, in particular, has increased.

Bridgewater College is in the County, but the small enrollment will not affect the County's demographics in the same way or magnitude as JMU in Harrisonburg.

The second key issue related to demographics is the older adult population. As of 2010, the date of the last Census, the City had 8.2 percent of its population in the 65+ age category. That is well below the state and national averages, which are 13.8% and 14.5%, respectively. Clearly, the large percentage number of persons in the 18 to 22 age category is a key reason for this. With the growth in college enrollment, the City's percentage of senior population has decreased since 1990, when at 10.4 percent, the City's senior population was about at the state and national averages. The nearly 16 percent seniors in Rockingham County in 2010 is above the state and national averages, but reflect a more normal percentage. Rockingham County does attract a retirement market.

The purpose of showing these data is to emphasize the impact that JMU (and EMU) has on the City's younger population and to show that the older adult/senior population is increasing, without much new housing to serve that part of the market. 2014 data is from the Census' American Fact Finder report.

	1990		2000		2010		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Harrisonburg City</u>								
Under 19	8,610	28.0%	11,680	28.9%	14,040	28.7%	14,470	27.5%
20-34	11,920	38.9%	15,830	39.1%	19,950	40.8%	20,310	38.6%
35-44	3,140	10.4%	3,980	9.8%	4,010	8.2%	5,100	9.7%
45-54	2,060	6.7%	3,910	9.7%	3,820	7.8%	4,470	8.5%
55-64	1,780	5.8%	2,050	5.1%	3,060	6.3%	3,950	7.5%
65-79	2,330	7.6%	2,530	6.3%	2,520	5.2%	2,890	5.5%
80+	860	2.8%	1,210	3.0%	1,510	3.1%	1,420	2.7%
Total Population	30,710	100%	40,470	100%	48,910	100%	52,610	100%
<u>Rockingham County</u>								
Under 19	15,800	27.5%	18,630	27.5%	20,340	26.7%	19,900	25.2%
20-34	13,450	23.4%	12,580	18.6%	12,690	16.6%	13,900	17.6%
35-44	8,860	15.4%	11,010	16.3%	9,830	12.9%	9,240	11.7%
45-54	6,410	11.2%	9,530	14.1%	11,790	15.5%	10,970	13.9%
55-64	5,360	9.3%	6,560	9.7%	9,710	12.7%	10,740	13.6%
65-79	5,770	10.0%	6,980	10.3%	8,600	11.3%	10,340	13.1%
80+	1,850	3.2%	2,430	3.6%	3,370	4.4%	3,870	4.9%
Total Population	57,480	100%	67,730	100%	76,310	100%	78,950	100%
<u>Total Market Area</u>								
Under 19	24,410	27.7%	30,310	28.0%	34,380	27.5%	34,370	26.1%
20-34	25,370	28.8%	28,410	26.3%	32,640	26.1%	34,210	26.0%
35-44	12,000	13.6%	14,990	13.9%	13,840	11.1%	14,340	10.9%
45-54	8,470	9.6%	13,440	12.4%	15,610	12.5%	15,440	11.7%
55-64	7,140	8.1%	8,610	8.0%	12,770	10.2%	14,690	11.2%
65-79	8,100	9.2%	9,510	8.8%	11,120	8.9%	13,230	10.1%
80+	2,710	3.1%	3,640	3.4%	4,880	3.9%	5,290	4.0%
Total Population	88,190	100%	108,200	100%	125,220	100%	131,560	100%
Note: 1/ Census update.								
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; Weldon Cooper Center; and S. Patz and Associates, Inc.								

Household Incomes

Data in the following chart shows the trends in median household incomes for the market area, based on data provided by the Internal Revenue Service for the Low Income Housing Tax Credit (LIHTC) market. These incomes represent the averages for

a family of four. Data are for Harrisonburg Metropolitan Statistical Area (MSA,) which includes both the City of Harrisonburg and Rockingham County. **These incomes are reported in current dollar values and are not adjusted for inflation.**

Median household incomes have increased overall since 2006 by about 10 percent in current dollars. During this period, inflation increased by about 18 percent. The one surprising factor is the large increase in average household income in the recession year of 2009. That could be an error or an adjustment from undercounting in 2006 and 2007, or it represents the growth in 2008. Median household income fell in 2013 and 2014 before increasing sharply in 2015.

Table 9: <u>Median Household Income Trends,</u> <u>Harrisonburg MSA, 2006-2015</u> (Current Dollars)	
<u>Year</u>	<u>Median Household Incomes</u>
2006	\$56,100
2007	\$56,700
2008	\$56,400
2009	\$60,400
2010	\$60,600
2011	\$59,900
2012	\$60,700
2013	\$59,400
2014	\$59,300
2015	\$61,700
Source: Internal Revenue Service	

The following two tables provide more detailed data on household income for the City and County. Table 10 presents income data for renter households. Table 11 provides the same data for total households. Census data are presented for 1990 and 2000, updated to constant 2015 dollars, and projected to 2015 by SPA based on past trends. The 2010 Census did not include incomes, so data were forecasted based on trends and the IRS income data presented in Table 9.

For renter households, the income categories are shown for the various categories used for the evaluation of affordable housing. For the City, the high

percentage of lower income households is consistent with the large number of households on the HRHA waiting list. Data in the lower income category are likely to be skewed due to the large number of student-headed households living off campus. We used these income categories so that the data could be used for future LIHTC proposals, if necessary. However these categories represent a good basis for showing the level of low-, moderate- and higher-income renters and owners. Some key points shown for the renter market in Harrisonburg are:

- In 2015, only 17.2 percent of City renters have incomes exceeding \$61,700.
- Also in 2015, 50.7% of renters in the City earn incomes at or below 50% of AMI.
- The City does have a large low-income renter population due to students and other “blue collar” workers.
- Nearly 1/3 of all renters in the City have incomes below \$18,500 in 2015. Based on 30 percent of income allocated to net rent, these renters can afford to pay \$460± in net rent. **(compare with apartment data).**

Of significance is that the area’s growth in household incomes did not keep pace with inflation. This is likely due to the large number of low-income residents, including students.

Overall, the County has fewer low-income renter households and a higher percentage of renters earning incomes in excess of \$61,700 compared with the City. The County does have low rent apartments in the area small towns, but most renters in the County earn incomes over \$35,000.

Table 10: <u>Renter Household Income Trends by LIHTC Categories, Harrisonburg City and Rockingham County, Virginia, 1990-2015</u> (Constant 2015 Dollars)				
	1990	2000	2010	2015
<u>Harrisonburg City</u>				
Renter Households	5,970	8,010	10,140	11,580
Up to 30% (\$18,510)	1,540	2,330	3,120	3,670
% of Renters	25.8%	29.1%	30.8%	31.7%
Up to 50% (\$30,850)	2,710	3,880	5,060	5,870
% of Renters	45.4%	48.4%	49.9%	50.7%
Up to 60% (\$37,020)	3,280	4,520	5,800	6,670
% of Renters	54.9%	56.4%	57.2%	57.6%
Up to 80% (\$49,360)	4,060	5,750	7,380	8,520
% of Renters	68.0%	71.2%	72.8%	73.6%
Up to 100% (\$61,700)	4,830	6,490	8,260	9,590
% of Renters	80.1%	81.0%	81.5%	82.8%
<u>Rockingham County</u>				
Renter Households	4,530	5,570	7,270	8,060
Up to 30% (\$18,510)	670	950	1,330	1,520
% of Renters	14.8%	17.1%	18.3%	18.9%
Up to 50% (\$30,850)	1,320	1,880	2,630	3,010
% of Renters	29.1%	33.8%	36.2%	37.4%
Up to 60% (\$37,020)	1,640	2,330	3,240	3,710
% of Renters	36.2%	41.8%	44.6%	46.0%
Up to 80% (\$49,360)	2,270	3,200	4,450	5,090
% of Renters	50.1%	57.5%	61.2%	63.1%
Up to 100% (\$61,700)	2,910	3,830	4,840	5,400
% of Renters	64.2%	65.8%	66.6%	67.0%
<u>Total Market Area</u>				
Renter Households	10,500	13,580	17,410	19,640
Up to 30% (\$18,510)	2,210	3,280	4,450	5,190
% of Renters	21.1%	24.2%	25.6%	26.4%
Up to 50% (\$30,850)	4,030	5,760	7,690	8,880
% of Renters	38.4%	42.4%	44.2%	45.2%
Up to 60% (\$37,020)	4,920	6,850	9,040	10,380
% of Renters	46.9%	50.4%	51.9%	52.9%
Up to 80% (\$49,360)	6,330	8,950	11,830	13,610
% of Renters	60.3%	65.9%	68.0%	69.3%
Up to 100% (\$61,700)	7,740	10,320	13,100	14,990
% of Renters	73.7%	76.0%	75.2%	76.3%
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.				

Data in Table 11 present the same type of income data for all households, which includes both renter and owner households. For the City, the income distributions are not all that dissimilar. For the County, approximately 33 percent of all households earn incomes over \$60,700, when incomes are presented in constant 2015 dollars.

For the entire market area, using 2015 constant dollars, less than 16 percent of all households earn incomes below \$18,510. Nearly 30 percent of households earn incomes

at or below \$30,850. Approximately 48 percent of all market area households earn incomes under \$49,000. Over 58 percent of households earn incomes over \$61,700.

Table 11: <u>Total Household Income Trends by LIHTC Categories, Harrisonburg City and Rockingham County, Virginia, 1990-2020</u> (Constant 2015 Dollars)				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>
<u>Harrisonburg City</u>				
Total Households	10,310	13,140	15,990	17,820
Up to 30% (\$18,510)	1,960	2,940	3,850	4,460
% of Households	19.0%	22.4%	24.1%	25.0%
Up to 50% (\$30,850)	3,500	4,970	6,350	7,250
% of Households	34.0%	37.8%	39.7%	40.7%
Up to 60% (\$37,020)	4,120	6,270	8,250	9,530
% of Households	40.0%	47.7%	51.6%	53.5%
Up to 80% (\$49,360)	5,470	7,550	9,550	10,840
% of Households	53.1%	57.5%	59.7%	60.8%
Up to 100% (\$61,700)	6,790	8,900	10,970	12,310
% of Households	65.9%	67.7%	68.6%	69.1%
<u>Rockingham County</u>				
Total Households	20,750	25,360	29,180	30,520
Up to 30% (\$18,510)	2,570	2,760	2,980	2,990
% of Households	12.4%	10.9%	10.2%	9.8%
Up to 50% (\$30,850)	5,090	5,720	6,330	6,500
% of Households	24.5%	22.6%	21.7%	21.3%
Up to 60% (\$37,020)	6,400	8,050	9,400	9,890
% of Households	30.8%	31.7%	32.2%	32.4%
Up to 80% (\$49,360)	9,370	10,730	11,930	12,270
% of Households	45.2%	42.3%	40.9%	40.2%
Up to 100% (\$61,700)	12,320	14,000	15,490	15,900
% of Households	59.4%	55.2%	53.1%	52.1%
<u>Total Market Area</u>				
Total Households	31,060	38,500	45,170	48,340
Up to 30% (\$18,510)	4,530	5,700	6,830	7,450
% of Households	14.6%	14.8%	15.1%	15.4%
Up to 50% (\$30,850)	8,590	10,690	12,680	13,750
% of Households	27.7%	27.8%	28.1%	28.4%
Up to 60% (\$37,020)	10,520	14,320	17,650	19,420
% of Households	33.9%	37.2%	39.1%	40.2%
Up to 80% (\$49,360)	14,840	18,280	21,480	23,110
% of Households	47.8%	47.5%	47.6%	47.8%
Up to 100% (\$61,700)	19,110	22,900	26,460	28,210
% of Households	61.5%	59.5%	58.6%	58.4%
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.				

Household Tenure

Data in Table 12 summarizes the past trends and projections in household tenure. For the City, the trend is toward more renters, as the off-campus student housing demand is largely rental housing. In 2010, the breakdown is 36.6 percent homeowners and 64.7 percent renters. By 2020, this breakdown is projected to be 33 percent homeowners and 67 percent renters.

The reverse is true for the County, however. The County has 74± percent homeowners. In 2000 and 2010, the percent of homeownership in the County declined slightly. That trend was likely due to an increase in the more moderate-income population and due to the recession. The 2010 decline was likely the result of the problems associated with the subprime mortgage market and the resulting recession.

Table 12: Housing Tenure Trends and Projections, Harrisonburg City and Rockingham County, Virginia, 1990-2020

	1990		2000		2010		2014		2020	
	Number	Percent								
<u>Harrisonburg City</u>										
Owner Households	4,340	42.1%	5,130	39.9%	5,850	36.6%	6,160	35.3%	6,430	33.0%
Rental Households	<u>5,970</u>	<u>57.9%</u>	<u>8,010</u>	<u>60.1%</u>	<u>10,140</u>	<u>63.4%</u>	<u>11,290</u>	<u>64.7%</u>	<u>13,050</u>	<u>67.0%</u>
(Subtotal)	(10,310)	(100%)	(13,140)	(100%)	(15,990)	(100%)	(17,450)	(100%)	(19,480)	(100%)
<u>Rockingham County</u>										
Owner Households	16,220	78.2%	19,790	78.0%	21,910	75.1%	22,350	73.9%	22,960	72.0%
Rental Households	<u>4,530</u>	<u>21.8%</u>	<u>5,570</u>	<u>22.0%</u>	<u>7,270</u>	<u>24.9%</u>	<u>7,900</u>	<u>26.1%</u>	<u>8,930</u>	<u>28.0%</u>
(Subtotal)	(20,750)	(100%)	(25,360)	(100%)	(29,180)	(100%)	(30,250)	(100%)	(31,890)	(100%)
<u>Market Area</u>										
Owner Households	20,560	66.2%	24,920	64.7%	27,760	61.5%	28,510	59.8%	29,390	57.2%
Rental Households	<u>10,500</u>	<u>33.8%</u>	<u>13,580</u>	<u>35.3%</u>	<u>17,410</u>	<u>38.5%</u>	<u>19,190</u>	<u>40.2%</u>	<u>21,980</u>	<u>42.8%</u>
Total Households	31,060	100%	38,500	100%	45,170	100%	47,700	100%	51,370	100%

Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.

Average Household Size

For the City, the increase in the average household size between 2000 and 2010 is atypical, but a factor of the development of four-bedroom/four-bathroom units for students. These types of developments have been less common since 2010. For the County, the trend is normal, but the County's average household size of 2.56 in 2014 exceeds most localities.

Table 13: <u>Trends and Projections in Average Household Sizes, Harrisonburg City and Rockingham County, Virginia, 1990-2020</u>					
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014</u>	<u>2020</u>
<u>Harrisonburg City</u>					
Total Households	2.40	2.54	2.59	2.58	2.57
Owner Occupied	--	2.56	2.55	--	--
Renter Occupied	--	2.51	2.61	--	--
<u>Rockingham County</u>					
Total Households	2.69	2.61	2.57	2.56	2.55
Owner Occupied	--	2.63	2.60	--	--
Renter Occupied	--	2.53	2.45	--	--
<u>Total Market Area</u>					
Total Households	2.59	2.58	2.57	2.57	2.56
Owner Occupied	--	2.61	2.59	--	--
Renter Occupied	--	2.52	2.54	--	--
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.					

Senior Population

In 2010, the City had just over 4,000 residents within the 65+ age category, or 8.2 percent of total population. While the number of older adults increased in each of the past two decades, the percentage of the total population within the 65+ age category decreased, again due to the sizable increase in the college age population. In 2015, it is estimated that the City had 4,340± residents in this age category, an increase of 310± since 2010. The national average for seniors is about 13 percent of the total population.

Senior-headed households in the City, where the head of household is 65+ years of age, also increased during the 1990's and 2000's, but at a slower rate during the 2000 decade compared with the 1990's. That shift could be due to seniors moving out of the area to retirement communities, or just as likely moving to housing in the County.

A salient point shown for the City's senior population is that in 2010, over one-third of the persons in the 65+ age category live alone. In 2015, this sector of the senior population numbered 37.6 percent. Only a small percentage of seniors live in Group Quarters in the City. This would be seniors in nursing homes, hospitals or some other institutional housing.

As noted above, Rockingham County has a higher percentage of persons 65+ years of age, but a smaller percentage of seniors living alone. As with the City, there are few seniors in Group Quarters.

Table 14: Senior Population Trends, Harrisonburg City and Rockingham County, Virginia, 1990-2015				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>
<u>Harrisonburg City</u>				
Total Population	30,710	40,470	48,910	53,540
Group Quarters Population	6,000	7,190	7,580	7,620
Household Population	24,710	33,280	41,330	45,920
Senior Population 65+	2,700	3,750	4,030	4,340
Percent Seniors	8.8%	9.3%	8.2%	8.1%
Seniors in Households	2,210	3,170	3,440	3,720
Percent Seniors	8.9%	9.5%	8.3%	8.1%
Seniors Living Alone	970	1,080	1,260	1,400
Percent Living Alone	43.9%	34.1%	36.6%	37.6%
Seniors in Group Quarters	490	580	590	620
Percent in Group Quarters	8.2%	8.1%	7.8%	8.1%
<u>Rockingham County</u>				
Total Population	57,480	67,730	76,310	79,610
Group Quarters Population	1,700	1,560	1,470	1,540
Household Population	55,780	66,170	74,840	78,070
Senior Population 65+	7,200	9,410	11,960	12,820
Percent Seniors	12.5%	13.9%	15.7%	16.1%
Seniors in Households	6,770	8,870	11,570	12,260
Percent Seniors	12.1%	13.4%	15.5%	15.7%
Seniors Living Alone	1,790	2,280	2,950	3,100
Percent Living Alone	26.4%	25.7%	25.5%	25.3%
Seniors in Group Quarters	430	540	630	670
Percent in Group Quarters	25.3%	34.6%	42.9%	43.5%
<u>Total Market Area</u>				
Total Population	88,190	108,200	125,220	133,150
Group Quarters Population	7,700	8,750	9,050	9,160
Household Population	80,490	99,450	116,170	123,990
Senior Population 65+	9,900	13,160	15,990	17,160
Percent Seniors	11.2%	12.2%	12.8%	12.9%
Seniors in Households	8,980	12,040	15,010	15,980
Percent Seniors	11.2%	12.1%	12.9%	12.9%
Seniors Living Alone	2,760	3,360	4,210	4,500
Percent Living Alone	30.7%	27.9%	28.0%	28.2%
Seniors in Group Quarters	920	1,120	1,220	1,290
Percent in Group Quarters	11.9%	12.8%	13.5%	14.1%
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.				

Senior-Headed Households. Senior-headed households are shown in Table 15, based on the average household size for households with a senior head. The average

household size is small, at 1.16 in 2015 in the City and 1.29 in the County for that same year. The average household size has declined in both jurisdictions since 2000. More often, the average household size for older adults ranges between 1.50 and 1.70, so data for the market area are atypical.

More seniors live alone in the City, on a percentage basis, compared with the County. For the entire market area in 2015, 42.7 percent of persons 65+ years of age live alone. This percentage is considerably higher for the 75 and over population.

Table 15: Trends in Senior-Headed Households, Harrisonburg City and Rockingham County, Virginia, 1990-2015				
	1990	2000	2010	2015
<u>Harrisonburg City</u>				
Households	10,310	13,140	15,990	17,820
Seniors 65+ Households	1,970	2,170	2,790	3,210
Average Household Size	1.12	1.46	1.23	1.16
Percent Seniors	19.1%	16.5%	17.5%	18.0%
Living Alone	970	1,090	1,420	1,650
Not Living Alone	1,000	1,080	1,370	1,560
Percent Alone	49.2%	50.0%	50.9%	51.4%
<u>Rockingham County</u>				
Households	20,750	25,360	29,180	30,520
Seniors 65+ Households	4,820	5,970	8,340	9,520
Average Household Size	1.41	1.49	1.39	1.29
Percent Seniors	23.2%	23.5%	28.6%	31.2%
Living Alone	1,790	2,280	3,270	3,780
Not Living Alone	3,030	3,690	5,070	5,740
Percent Alone	37.2%	38.2%	39.2%	39.7%
<u>Total Market Area</u>				
Households	31,060	38,500	45,170	48,340
Seniors 65+ Households	6,790	8,140	11,130	12,730
Average Household Size	1.32	1.48	1.39	1.26
Percent Seniors	21.9%	21.1%	24.6%	26.3%
Living Alone	2,760	3,370	4,690	5,430
Not Living Alone	4,030	4,770	6,440	7,300
Percent Alone	40.6%	41.4%	42.1%	42.7%
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.				

Incomes of Senior-Headed Households. For both the City and County, in 2015, the senior population generally has moderate to high incomes. Over 60 percent of the market area senior-headed households have incomes of \$35,001 and above, with \$35,000 being the income generally required for assisted housing. Just over 15 percent of the

senior-headed households have incomes under \$20,000. These data are from the 1990 and 2000 Census counts and projected to 2015. Incomes were adjusted to constant 2015 dollars.

Table 16: <u>Senior Household Incomes 1/, Harrisonburg City and Rockingham County, Virginia, 1990-2015</u> (Constant 2015 Dollars)				
	1990	2000	2010	2015
<u>Harrisonburg City</u>				
Under \$20,000	650	640	730	780
% of Subtotal	32.8%	29.5%	26.2%	24.3%
\$20,001 to \$35,000	370	400	510	580
% of Subtotal	18.7%	18.4%	18.1%	18.0%
Over \$35,001	960	1,130	1,550	1,850
% of Subtotal	48.5%	52.1%	55.7%	57.5%
(Subtotal)	(1,980)	(2,170)	(2,790)	(3,210)
<u>Rockingham County</u>				
Under \$20,000	1,600	1,500	1,380	1,180
% of Subtotal	33.2%	25.2%	16.5%	12.4%
\$20,001 to \$35,000	990	1,340	2,080	2,480
% of Subtotal	20.1%	22.5%	24.9%	26.1%
Over \$35,001	2,230	3,120	4,880	5,860
% of Subtotal	46.3%	52.4%	58.5%	61.6%
(Subtotal)	(4,820)	(5,960)	(8,340)	(9,520)
<u>Total Market Area</u>				
Under \$20,000	2,250	2,140	2,110	1,960
% of Total	33.1%	26.3%	19.0%	15.4%
\$20,001 to \$35,000	1,360	1,740	2,590	3,060
% of Total	20.0%	21.4%	23.3%	24.0%
Over \$35,001	3,190	4,250	6,430	7,710
% of Total	46.9%	52.3%	57.8%	60.6%
Total	6,800	8,130	11,130	12,730
Notes: 1/ Adults over the age of 65.				
Source: 1990 and 2000 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.				

Summary. The salient points presented in the City’s and market area’s population are:

- The City’s household population growth is modest at 920 per year on average and non-student annual average household growth is 230±.

- The City's renter households are increasing at a much faster rate compared with owner households and this is not just a factor of the off-campus student housing market.
- The percentage of the City's non-student population growth has remained steady compared with the County.
- The market area's older adult population continues to increase at a steady pace.
- Area household incomes have increased but at a pace below the rate of inflation.
- Of great importance is the large percentage of low-and moderate-income households in the market area.
- The market area's senior population with incomes over \$35,000 is expanding.

Housing Unit Trends

The above analysis is a detailed evaluation of the salient market area data related to the City's and County's demographic trends and characteristics. It included data on age, income, household tenure and family size, and overall growth trends. Following is the analysis of the area's housing market in terms of total units and trends in housing unit types, as a comparison with demographics.

Census data will show housing unit data as detached and attached; these classifications refer to single family homes and townhomes, respectively. The breakdown by multifamily housing is more difficult to analyze from Census data. In Section III, we will analyze the market area apartment and rental housing markets in some detail, as the multifamily housing market is a key issue within the City, in particular. Section IV will be the analysis of the for-sale housing market.

A comparison of housing unit data with household trend data shown above will identify housing unit vacancy and which segments of the population are being adequately served by the area's housing market. The comparison will also show

housing costs with particular emphasis on the student and non-student markets and the magnitude of homes built for owner occupancy that are now in the rental “stock”.

First presented is a table that shows the percent of the students in the housing market. There are 13,800+ students living in off-campus housing. The student total in Table 17 includes students in on-campus housing and off-campus housing and includes the JMU and EMU students. Over 40 percent of the City’s population is college students. Approximately 25 percent of the housing units in Harrisonburg are occupied by students. That means that the average household size of student-headed households is 3.23. By comparison, the average household size for all City households is 2.58 and for non-student headed households 2.3 persons per household.

Table 17: <u>Distribution of Population and Housing Units by Type of Occupancy, Harrisonburg, VA, 2014</u>				
	<u>Population</u>		<u>Households</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
Student	21,690	41.2%	4,270 2/	24.5%
Non-Student	30,920	58.7%	13,180	75.5%
Total	52,610	100%	17,450 2/	100%

Notes: 1/ Excludes Bridgewater College, which is located in Rockingham County.
 2/ Excludes students living in on-campus housing (6,190± at JMU and 570± at EMU).

Source: State Council of Higher Education for Virginia; S. Patz & Associates, Inc.

Housing Unit Trends. The 2010 Census count shows that there are 51,000± housing units in the market area, which is 10,100± more than in 2000. 2014 estimates show a total of 52,400± housing units, an increase of 1,300± units over the 2010 count. While the market area household growth during the 2000 decade was below the household growth of the 1990’s, the opposite is true for recent housing unit development. During the 1990’s, net housing unit additions was 7,500±.

The current trend is due to enrollment growth at JMU. To restate, enrollment at JMU increased by 4,600 between 1990 and 1999, compared with 3,700 between 2000 and

2009. Since 2010, 1,100 beds in student apartment units were built. Additionally, the analysis below will show that 2,500+ apartment units were built, specifically for student housing during the 1990's. This total increased to over 5,100 during the 2000 decade and 3,700 for the past five years. All told, housing units built for off-campus student occupancy equaled 43 percent of the new housing units built in the City since 2000.

Next shown is a chart with the breakdown of housing units by type in Harrisonburg, and the trend in construction over the 2000 decade. The breakdown shows the number of detached units, attached units and units in larger (multifamily) buildings. As shown, in 2010 only 35 percent of all housing units were single family, while 25+ percent were attached (townhomes/duplex) units. The majority of housing units, 38+ percent, were multifamily.

In comparison with 2000 housing unit data, the percentage of single family homes in 2010 decreased, while the percentage of attached homes increased significantly. Over the 2000 decade, nearly 1,000 apartment units were built.

<u>Trends in Housing Units By Type,</u> <u>City of Harrisonburg</u>				
	<u>2000</u>		<u>2010</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number 1/</u>	<u>% of Total</u>
Total Units	13,689	100%	17,444	100%
Single Family	5,205	38.0%	6,140	35.2%
Townhomes/duplex	2,384	17.5%	4,432	25.4%
5-20+ Units	579	42.3%	6,646	38.1%
Mobile Home	303	2.2%	226	1.3%
Note: 1/ Census estimate.				

The trend was for new townhomes, 2,100± townhomes were built during the 2000's. Data presented below will show considerably more multifamily housing development during the post-2010 period.

We did not include County data in this part of the analysis, as the County did not have much new apartment unit development. The City data shows a trend away from single family housing with more attached and multifamily housing. Over 40

percent of the occupied housing units are with students. That would be a combination of multifamily units and attached units.

Table 18 shows housing unit totals for both jurisdictions since 1990. For the market area, 19,000± housing units were built since 1990, a rate of approximately 800 per year on average. Harrisonburg’s total unit count increased by 7,200± since 1990, approximately 38 percent of the market area total. The estimate in Table 18 is 18,190 housing units in the City.

Table 18: <u>Trends in Housing Units, Harrisonburg City and Rockingham County, Virginia, 1990-2014</u>				
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2014</u> 1/
Harrisonburg City	10,900	13,670	17,440	18,190
Rockingham County	<u>22,610</u>	<u>27,330</u>	<u>33,660</u>	<u>34,210</u>
Total Market Area	33,510	41,000	51,100	52,400
Notes: 1/ Based on 2013 American Community Survey estimates.				
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census				

Section III Harrisonburg Area Apartment Market

This section of the market and economic strategy study analyzes the market area's rental housing market. Three subsections of the rental housing market are presented: (1) the non-student market, separated by new and mature apartment properties; (2) the student apartments, also broken down by new and mature properties; and (3) townhome rentals, which are homes built for home ownership but currently being leased.

Rental housing represents a very high percentage of total housing in the City and 40+ percent in the region, as noted above. Area developers report that the for-sale home market is still somewhat stagnant and the majority of new homes being added are for rent.

Additionally, JMU enrollment continues to increase and the demand for off-campus housing is also expanding. There are new student housing being built, which, to date, has been fully sufficient for the expanding demand. A large percentage (25±%) of non-student housing is occupied by students. Thus, to fully understand the Harrisonburg housing market, understanding trends in rental housing is essential, and also essential are insights on the types of new housing being built.

First presented is the higher rent apartment market. This is followed by the area's more moderate apartment market and then the affordable market.

Higher Rent Apartments

The market area has only one fully amenitized apartment complex, The Reserve at Stone Point, which opened in early-2015 with 168 apartment units at a site near the intersection of Stone Spring Road and Ridgedale Road and near the new Harrisonburg Memorial Hospital in Rockingham County. The 168 unit section is defined as phase one and another 100± units can be, and will be, added to the apartment complex. The rents at The Reserve at Stone Point are well above the market area average, but the apartment

complex offers more amenities and is the first sizable apartment complex built in the City since 2009.

Urban Exchange, located in downtown Harrisonburg, opened in 2009 and has been a successful apartment complex. Approximately 30+ of the 194 apartment units are occupied by students.

These are the only two sizable apartment properties for non-students in the market area. The Reserve does not market to undergrads. Both are new construction.

Table 19: <u>Characteristics of Better Non-Student Apartment Complexes, Harrisonburg/Rockingham County, Fall, 2015</u>		
	<u>Date Built</u>	<u>Total Units</u>
250 Metro	1946/05	10
Reserve at Stone Port	1/2015	168 1/
Urban Exchange	2009	194
City Exchange	2008	32
Ice House	5/2015	34
Livery Lofts	2013	12
Loop Modern	2014	9
Sancar Flats at West Rock	2008	<u>48</u>
Total		507
Notes: 1/ Phase one of larger project 2/ Still in initial lease-up.		
Source: S. Patz & Associates field and telephone survey.		

The list of other higher rent apartment properties is shown in Table 19. All of these apartment properties (with 500+ units) opened since 2005. The Reserve and Urban Exchange are the only new construction properties. The Reserve is still in lease-up. The other properties are fully occupied.

Ice House is an adaptive reuse apartment complex that opened in Spring, 2015 with 34 units. It leased up immediately. Loop Modern opened in 2014 and Livery Lofts opened in 2013.

Including the more moderate one-bedroom rents at The Reserve, the following represent the achievable market area net rents for attractive apartment complexes in the market area:

- One-bedroom - \$800-\$950
- Two-bedroom - \$1,100-\$1,300
- Three-bedroom - \$1,200-\$1,400

The Reserve has some one-bedroom and three-bedroom rents that exceed these ranges. Rents exclude utility costs.

Following are photos of these apartment properties. The market area is generating considerable downtown adaptive reuse properties, but these are predominately small properties. Urban Exchange and City Exchange have attracted students. The Walton, shown below, has only five, small two-bedroom units. Except for The Reserve and Loop Modern, the other apartment properties are in or near Downtown Harrisonburg.



Reserve at Stone Port



Urban Exchange



City Exchange



Ice House



Sancar Flats at West Rock



Loop Modern



Livery Lofts



The Walton



250 Metro

Pipeline Proposals. There is one other potential phase at The Reserve with 100± units. These are likely to be started by mid-2016.

There are two apartment sites at the Preston Lake planned community in Rockingham County. These are somewhat separated from the for-sale homes at that community. The sites are at the intersection of Route 33 and the new Southwest Expressway. There is some current interest in one of the sites at this time for 150± units.

Both pipeline proposals are for non-student housing and are located in Rockingham County. Valley Renovators has several active projects that are completions of past for-sale townhome properties that had available lots that date back to the recession. These are now being built for rental housing. All units have been preleased.

The non-student higher rent apartment market is currently at near full occupancy and a pent-up demand exists for new units. Our research shows that there is a “price” limit for area rents, but this has only affected temporarily higher rent units at The Reserve. The downtown adaptive reuse market is strong and can support additional units, likely as many as can be placed on the market.

There are tentative plans for 250± new construction units at The Reserve in Phase II and at one of the sites at Preston Lake. In addition to “growth” demand, the

Harrisonburg marketplace has an abundance of renters living in for-sale townhome subdivisions, in particular.

All of the City's B-1 zoned downtown land can be developed for multifamily housing "by right". There are no plans for apartment unit development in downtown locations at this time, but the adaptive reuse market has proven to be fully marketable. The City has a small site for 30± apartment units on Hunters Road. The one large available site is the remaining land at Overlook at Stone Springs. This site is zoned for 1,000+ apartment units and 180 units are now built. It is zoned R-5.

Previously, the City's R-3 land was developable by right for "MF" but now requires a special use permit.

Including the City's "B-1" land, the City does have an abundance of available MF land. However, MF development can proceed, but only the B-1 and R-5 have "by right" zoning.

The issues presented here are that:

- A need/pent-up demand for better rental housing exists; and
- A lack of land within the City exists to accommodate new non-student apartment unit development.

The conclusion here is that more non-student apartment unit development will likely occur in the County.

Moderate Rent Apartment Properties

Table 20 presents a list of 11 mature apartment properties that do not market exclusively to students. However, some of these apartment properties - Deer Run, Hidden Creek, Park Apartments, The Greens - attract a high percentage of students. These apartment properties market predominately to area workers, but also attract

students. The vacancy rate for these apartment properties is about 5± percent. Following are a few key points to note from the table:

- Most of these apartment properties were built prior to 1990. Four have had recent upgrades.
- These are modest properties without amenities.
- Taylor Grove is a new addition. It was built as for-sale townhomes, but the remaining 79 lots are being built for rent. While this is a new apartment property, the rents are modest, so it is not a good comp for the other newer properties with high rents.
- Shank Apartments are relatively new, but this is a 24-unit property with no amenities.
- While the majority of the higher-priced rentals are located in or near downtown Harrisonburg, only one of the properties in this list - Campbell Court - is located near the downtown (on the south). Two of these apartment properties are located at the SW quadrant of I-81 and U.S. 33. Some of the others are scattered throughout the City, with most to the south of JMU and along South High Street and South Main Street.
- Taylor Grove is in Rockingham County near Republic Road.
- Campbell Court, Deer Run, Holly Court, Meriwether Hills, and Park Apartments are mature; all were built prior to 1980.
- The Greens were built in 1990. At that time, it was the best area apartment complex. Data in tables 19 and 20 show that there were no area non-student apartment properties built during the 1990's or early-2000's.

Table 20: Characteristics of Moderate Non-Student Apartment Complexes, Harrisonburg/Rockingham County, Summer, 2015

	<u>Date Built</u>	<u>Total Units</u>
Campbell Court	1940's/08	19
Deer Run	1975/13	144
Hidden Creek	1987/96/08	80
Holly Court Apartments	1978	85
Meriwether Hills Apartments	1960's/70's	165
Oakhill	1970's	48
Park Apartments	1974/11/14	136
Shank Apartments	2005	24
Taylor Grove	2012-2015	79
The Greens at Chestnut Ridge	1990	150
Longview Oaks	1987	<u>138</u>
Total		1,068 1/

Note: 1/ Excludes lower rent 102-unit Tannery Apartments in Elkton.
Source: S. Patz & Associates field and telephone survey.

Park Apartments has had recent upgrades. Campbell Court was upgraded in 2008. Shank and Taylor Grove are new. Deer Run and Hidden Creek also have had recent upgrades. Photos of each follow. Many of these have mature designs and “show” their age.



Campbell Court



Deer Run



Hidden Creek



Holly Court Apartments



Meriwether Hills Apartments



Oakhill



Park Apartments



Shank Apartments



Taylor Grove



The Greens at Chestnut Ridge



Longview Oaks

Net Rents. Basic net rents at these more mature apartment properties are:

- One-bedroom - \$650-\$800
- Two-bedroom - \$700-\$900
- Three-bedroom - Up to \$1,000

These rents are \$150 to \$400 below the net rents at the newer area apartment properties.

Townhome Rentals

Because there is a limited number of better apartment units in the City, and the mature properties are modest and without amenities, the market area rental housing demand, in some cases, outpaces supply. Thus, there are a considerable number of townhomes, in for-sale subdivisions, being rented. The properties studied below are managed by area professional real estate management companies. The total units shown does not include units leased by the townhouse owner.

Several local management companies rent and manage investor-owned homes at HOA's. There are also a sizable number of investor-owned townhomes for rent, which are difficult to quantify. Combined, these homes, primarily townhomes, house approximately 1,000± renters, many of which are graduate students. Most are moderate-income renters. Nearly all of the scattered rental units in area subdivisions are townhomes, because most single-family neighborhoods are zoned R-1 or R-2, which prohibit having more than two unrelated people in any property.

With regard to townhomes, many subdivisions have guidelines in their "Restrictive Covenants" that specifically prohibit the owner from leasing the property to more than two unrelated tenants. Thus, these units are rented by grads and families, rather than undergraduate students. Townhome communities that do not prohibit more than two unrelated tenants from living together include Avalon Woods and Beacon Hill.

Townhome communities that we identified that have a substantial number of renter households are listed in the table below. All but two of these - Taylor Springs and Twin Gables - are located in the City.

Table 21: <u>Total Homes at Townhome Communities with Significant Rental Properties, 2015</u>		
	<u>Year Built</u>	<u>Total Homes</u>
Avalon Woods	2001-2005	141
Beacon Hill Townes	1999-2012	253
Emerald Drive Estates	1994-2001	123
Liberty Square I & II	2005-2012	220
Meadow Pointe	2002-2005	56
Park Crest	2002-2006	100
Reherd Acres	1975-2007	378
Stonewall Heights	1983-2003	151
Taylor Springs	2001-2009	185
The Townes at Bluestone	2007-2015	52
Twin Gables	2003-2004	<u>17</u>
Total		1,676
Source: S. Patz & Associates field and telephone survey.		

As noted in Table 21, all of these townhome subdivisions were started well before or slightly before the recession of 2009/10. Eight of the 11 were built out prior to the recession. All are now built out.

Depending upon the age and quality of the units, the rents that exclude all utilities are as follows:

- Two-bedroom - \$850-\$1,000+
- Three-bedroom -\$900 - \$1,300+

These rents are below the rates of the area newer better apartment properties.

Following are a few photos of the townhomes being rented. The issue here is that the for-sale home market is not “strong” enough to support all of the area’s for-sale homes, but the rental housing market is.



Avalon Woods



Beacon Hill Townes



Liberty Square



Park Crest



Stonewall Heights



Twin Gables

Summary. The market for better apartment units has grown since the late-2000's and 500+ units have been built and mostly occupied. The majority of these apartments are leased to professional, with Urban Exchange, due to its location, being one new apartment property with student-headed households.

This market can expand, as a lot of renters occupy housing built for home ownership and for apartment properties with a high percentage of students. There are two properties that are in active planning that will serve the immediate market, if built. These sites are both in the County.

The City has limited land available for new apartment unit development compared with the past due to the R-3 zoned land requiring a special use permit and the Overlook at Stone Spring being the only large R-5 site. This will affect the ability to serve the non-student and student markets. The moderate-rent non-student apartment market is at near full occupancy and the demand for this type of housing continues to increase.

New Privately-Owned Student Apartments

There is considerable concern within the City leadership that the off-campus student apartment market is oversupplied and that some of the older properties are not fully well maintained. Our research shows that the apartment unit occupancy rate, for both new and older properties, are at a 95 percent unit occupancy. The occupancy percentage is high, but the total bed occupancy rate is lower. The 95 percent occupancy rate refers to apartment units. It equates to an 850-bed vacancy. The 850 vacant beds equals a 7± percent bed vacancy rate. While a 7± percent vacancy is not an oversupply, it is higher than in the past. With the lack of land for more immediate apartment unit development and continued expansion in JMU enrollment, a higher occupancy rate at off-campus student apartments should exist in time.

The following analysis will show that part of the current vacancy is due to an abundance of new student apartment units being added in 2013 that exceeded net enrollment growth for the 2013 to 2015 period. There are two new proposals for student housing for Fall, 2016 delivery, as described below. These may increase the bed availability in the short run, based on expected enrolment growth, as described above.

There are 15 newer student apartment complexes in the market area, which are listed in Table 22 and number-keyed to Map D. The newest of these are:

- Aspen Heights which opened in 2013 with 184 apartment units and 600 beds.
- Campus View which added 476 beds in 2013. The first phase with 190 beds were sold as condominium units.
- Overlook at Stone Spring opened in 2012 with 180 apartment units and 360 beds.

There were a considerable number of student apartment units between 2008 and 2011. Approximately 1,000 student apartment units with over 3,000 beds were added during that period compared with enrollment growth at JMU of just over 1,000. The 1996 to 1998 period was the time frame for the first new student apartments. A second development spurt was in 2008 and 2009. The most recent growth was 2012 to 2013. Approximately 350 new beds will open in 2016.

At present, the market area has 2,637 recently built apartment units for students. These units have a combined total of 9,262 beds, which equals an average of 3.5 beds per apartment unit. The newer units have four bed/four bath units. Overlook at Stone Spring is an anomaly for new apartment units with all two-bedroom/two bath units. These have not leased as well as the less expensive four-bedroom/four bath units. This could be one reason for the lack of activity.

Eight of these apartment properties have bed occupancy of 96 to 100 percent. Only two properties have bed occupancy less than 90 percent. Overlook at Stone Spring

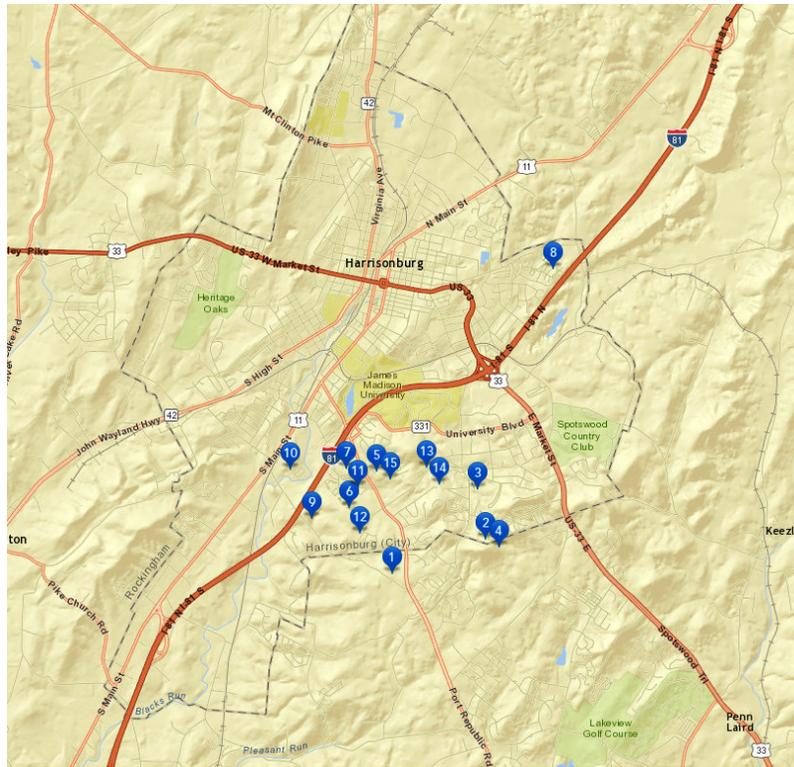
has a lower occupancy rate compared with other new apartment properties, as their monthly fees are higher.

	<u>Map D</u> <u>Key</u>	<u>Date</u> <u>Built</u>	<u>Units</u>	<u>Beds</u>	<u>Bed Occupancy</u> <u>Rate</u>
Aspen Heights	1	2013	184	600	
Campus View	2	2008-2013	119	476	
Charleston Townes	3	2008/2011	131	524	
Copper Beech	4	2008/09	412	1,220	
Forest Hills Manor	5	2006	60	280	
Foxhill Townhomes	6	1998	101	404	
Hunters Ridge Condos 1/	7	1988	73	146	
North 38	8	2008	228	816	
Overlook at Stone Spring	9	2012	180	360	
Pheasant Run	10	2001/03	143	520	
Residences at 865 East	11	2008/09	96	272	
Southview	12	1996/98	240	960	
Stonegate	13	2001	167	672	
Sunchase	14	2000/08	215	860	
The Harrison 2/	15	1997/11	<u>288</u>	<u>1,152</u>	
Total			2,637	9,262	94.2%

Notes: 1/ Estimated occupancy.
2/ Formerly University Fields.

Source: S. Patz & Associates field and telephone survey.

Following are photos of these apartment properties and Map D which shows the apartment locations. North 38 is located on the north side of the City. Aspen Heights and Copper Beech are located in the County. The majority of these student apartment complexes are located along Reservoir Road and Port Republic Road. Pheasant Run is located along Route 11 on the west side of I-81.



Map D - Locations of Better and Newer Student Apartments



Aspen Heights



Campus View



Charleston Townes



Copper Beech



Forest Hills Manor



Foxhill Townhomes



Hunters Ridge Condos



North 38



Overlook at Stone Spring



Pheasant Run



Residences at 865 East



Southview



Stonegate



Sunchase



The Harrison

Base Rent. Most rents at these newer apartment properties are in the \$425 to \$500 range per bed per month. These rents include all utilities, and in some cases internet and cable. Overlook, Aspen Heights, Forest Hill Manor, and 865 East have rents well above the market area average.

Table 23: Rents per Bedroom at Better Apartment Properties Catering to JMU Students, Harrisonburg-Rockingham County, Virginia, Summer, 2015

	<u>Base Rent</u>	<u>Construction Type</u>	<u>Utilities Included</u>	<u>Furnished</u>
Aspen Heights		Townhome	All	Y/N
Campus View		Garden	Internet/Cable	Y
Charleston Townes		Townhomes	Internet/Cable	Y/N
Copper Beech		Townhomes	Internet/Cable	Y/N
Forest Hills Manor		Townhomes	Internet/Cable	N
Foxhill Townhomes		Townhomes	Internet/Cable	Y/N
Hunters Ridge Condos		Garden	Trash	Y
North 38		Garden	All	N
Overlook at Stone Spring		Garden	All	N
Pheasant Run		Townhomes	All	Y/N
Residences at 865 East		Elevator	All 1/	Y
Southview		Garden	All	N
Stonegate		Garden	All	Y
Sunchase		Garden	Internet/Cable	N
The Harrison		Garden	All	Y
Average	\$507			

Notes: 1/ Excludes electricity.
Source: S. Patz & Associates field and telephone survey.

Pipeline Units. There are two new proposals for new student apartment units. Campus View is being expanded by two buildings of 12 units for a total of 24 apartment units and 96 beds. Delivery is expected by Fall, 2016.

The owner of Forest Hills Manor is proposing to build 64 four-bed/four bath apartment units (256 beds) at a site at 705 Stonewall Drive, near Campus View. This proposal is also planned for Fall, 2016 opening.

Apart from the Stonewall Drive site, called Chand Development, there are only two sites (without B-1 zoning) in Harrisonburg that are properly zoned for the development of new apartments by right that do not require special use permits for development. The first is a small 1.9-acre parcel located on Hunters Road that was planned for 30± apartments in 2008, but that proposal fell through and has not been revised. The second is the remaining portion of the Harman Property at the southeastern intersection of I-81 and Stone Spring Road, where the 180-unit (360 beds) Overlook at Stone Spring is located. Zoning permits an additional 870± units on the property, though there are no plans at this time to add any additional units at that location.

There is limited vacant land in Rockingham County that is properly zoned for apartment development, but County officials do have active apartment proposals. One is for affordable housing, as described above in Section I. The second is the Preston Lake property. The County does not pre-zone land and relies upon applications by developers. The R-3 Zoning district is the County's only conventional zoning district that allows apartment buildings, though this district also allows lower density development.

Mature Student Housing

As shown in Table 24, we identified 18 older privately-owned student oriented apartment properties with 1,161 apartment units and 2,688 beds. The apartment unit occupancy rate is approximately 96 percent. These apartment properties were primarily built during the early-1990's and prior. Deer Run and Holly Court, currently listed in Table 20 for mature non-student housing, could be listed in Table 24, instead, as management at both properties attract a high percentage of students.

Aside from being older and with less project amenities, most of these complexes are much smaller than the new construction apartment properties. Half of these properties have less than 50 beds. Only The Mill has four-bedroom units, but with two baths, not four baths. Hillmont, Northview, Squire Hill, The Mill and University Place are large properties, but more modest compared with the student apartment properties listed in Table 22.

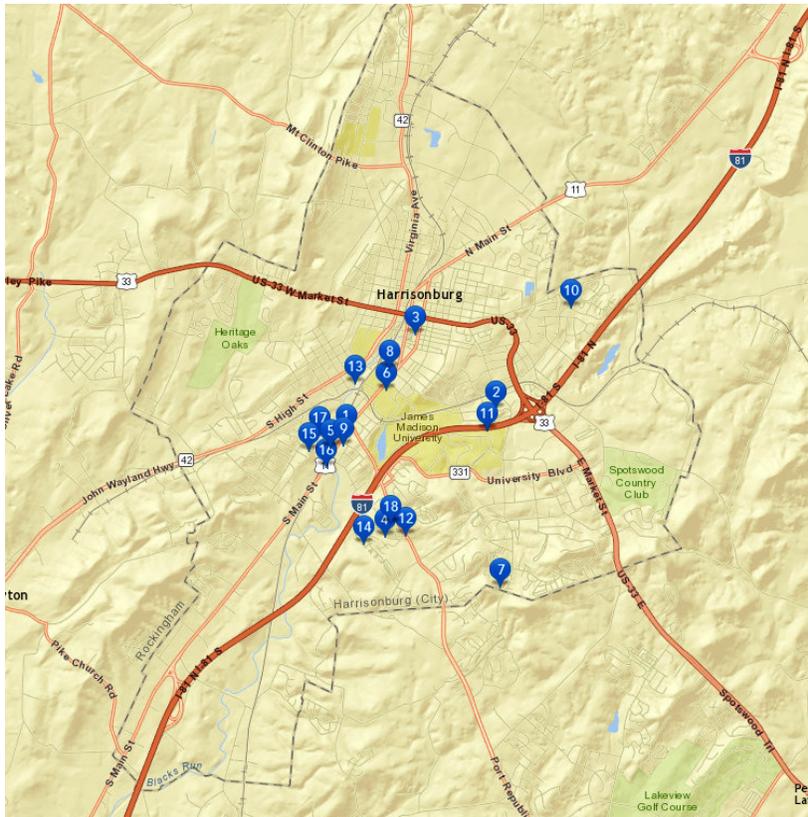
Table 24: Characteristics of Smaller and Mature Apartment Properties Catering to JMU Students, Harrisonburg, Virginia, Summer, 2015

	<u>Map E</u> <u>Key</u>	<u>Date</u> <u>Built</u>	<u>Units</u>	<u>Beds</u>	<u>Occupied Beds</u>	<u>Occupancy Rate</u>
Campus Condos	1	1983	12	36	36	
College Station	2	1984	6	24	16	
Denton Center	3	1996	44	44	43	
Devon Lane Townhomes	4	2000/01	12	36	36	
Dogwood Courtyard	5	1980's	6	6	6	
Duke Gardens	6	2002	7	21	21	
Hillmont	7	2008	196	240	216	
J-M's Apartments	8	1970's	80	160	141	
Madison Gardens	9	1980's	12	36	36	
Madison Manor	10	1988	68	68	67	
Mountain View Heights	11	1983	24	96	96	
Northview 1/	12	1993	132	528	528	
Roosevelt Square	13	1990's	10	40	40	
Squire Hill	14	1974/10	219	417	415	
The Grand Duke	15	1970	118	118	116	
The Mill	16	1989	119	476	428	
University Place	17	1986	84	294	288	
Westport Village	18	1990's	<u>12</u>	<u>48</u>	<u>48</u>	
Total			1,161	2,688	2,577	95.9%

Notes: 1/ Formerly Campus Edge.
2/ Estimate.

Source: S. Patz & Associates field and telephone survey.

The attached photos show a stark difference between these newer apartment complexes and these more mature properties. Not only are many smaller, they are a more modest “project”. Grand Duke, Westport Village, Madison Gardens, J-M’s Apartments, Dogwood Courtyard, among others, were built when JMU student’s could not afford the rents of the more upscale properties and when upscale four-bed/four bath units were not “in vogue”.



Map F - Locations of Smaller and Mature Apartments

While Map E shows that most new apartment complexes for students were located in the SE quadrant of I-81 and U.S. 33, Map F shows the locations of the older student properties, which are largely along South Main Street on the west side of I-81. A cluster of 6+ apartment complexes are located along Port Republic Road near I-81.



Campus Condos



College Station



Denton Center



Devon Lane Townhomes



Dogwood Courtyard



Duke Gardens



Hillmont



J-M's Apartments



Madison Gardens



Madison Manor



Mountain View Heights



Northview



Roosevelt Square



Squire Hill



Grand Duke



The Mill



University Place



Westport Village

Rents. The rents at the Grand Duke are high for student housing, because these are all one-bedroom units. Squire Hill Townhomes have high rents also, but the rents presented are for units not beds. The average rent for these apartment properties are \$150 per bed below the rates of the newer, more upscale apartment properties. Most of these apartment properties (11 of 18) have rents below \$350 per bed. If rents are higher at these mature apartment properties, it is because management is leasing on a per unit basis and not on a per bed basis.

Table 25: Per Bedroom Rents at Smaller and Mature Apartment Properties Catering to JMU Students, Harrisonburg-Rockingham County, Virginia, Summer, 2015

	<u>Rent</u>	<u>Construction Type</u>	<u>Utilities Included</u>	<u>Furnished</u>
Campus Condos	\$285	Garden	None	Y
College Station	\$250	Townhomes	None	Y
Denton Center	\$275	Mid-Rise	None	N
Devon Lane Townhomes	\$415	Townhomes	None	N
Dogwood Courtyard	\$535	Low-Rise	None	N
Duke Gardens 2/	\$350	Mid-Rise	None	Y
Hillmont	\$375-\$575	Garden	None	N
J-M's Apartments	\$350	Low-Rise	None	N
Madison Gardens	\$350-\$375	Mid-Rise	None	Y
Madison Manor	\$225-\$325	Garden	None	Y
Mountain View Heights	\$375	Garden	Internet/Cable	Y
Northview	\$339	Garden	All	N
Roosevelt Square	\$275	Duplex	None	Y
Squire Hill	\$469-\$759	Townhomes	Internet/Cable	Y/N
The Grand Duke	\$515-\$585	Garden	W/S/T	Y/N
The Mill	\$399-\$409	Garden	All	Y
University Place	\$250-\$285	Garden	All	N
Westport Village	\$350	Garden	Water	Y
Average	\$367			

Notes: 1/ Estimate

2/ Highlighted properties were recently remodeled.

Source: S. Patz & Associates field and telephone survey.

The trend for the four-bed/four bath unit is to reduce per bed rents, by providing common space for kitchens and living areas. It also increases density and provides private study space in private bedrooms.

Noted in Table 25 is that only a few of these mature apartment complexes have internet/cable. That is in contrast to the newer apartment properties.

Property Upgrades. A concern to be studied in this study is that some of these older student housing properties were getting blighted. Certain properties are, but several, including those highlighted above, have been renovated over the past year or two. Squire Hill has had upgrades to kitchens and baths in 2012/13. Bathrooms have been remodeled at Madison Gardens. Some more modest upgrades were undertaken at Westport Village in 2013. Other apartment properties that attract students such as

Grand Duke Apartments, Hunters Ridge and Park Apartments, have also had recent renovations.

Summary. The market area has an estimated 865 vacant beds. Approximately 350 new beds will be added to the market by Fall, 2016, for a total of 1,200+ beds. JMU is adding 350± new students annually. These trends show that there should be sufficient available housing for students over the next few years.

Mobile Home Parks

We identified seven mobile home parks in the market area, including:

- Grassy Creek
- Norwood
- Universal
- Park Homes
- Valley View
- National Coach/Ferguson

These properties have approximately 800± lots for mobile homes. The occupancy rate is high at all of the properties where data were available. There was no answer at three of the properties. Most of these properties are located in Rockingham County.

Compared with other market areas under study for this type of housing, the market is very strong. There are limited lots available for new mobile homes in the market area. However, the market trends are similar among other market areas:

- The mobile home parks are old, with most dating back to the 1960's or prior. Valley View is newer with a 1980's opening and a 35-lot expansion in the late-1990's.
- All of the on-site mobile homes are old. No one brings a new purchased home into a mature park. When residents leave the park, they abandon their homes and the property owner either removes a blighted "trailer" or upgrades the home for-sale or lease to a new resident.
- Management at the mobile home parks, that were available to interview, reports a 10± percent annual turnover, but no problems attracting new residents. In some cases, families have lived at the park since it's opening.

- Monthly lot rental fees are \$300±, plus the lease or purchase of the mobile home. The cost of living in a “trailer” at a mobile home park is not necessarily cheaper than renting an affordable apartment unit.

The trends identified are another indication of the new for affordable housing in the market area. However, there appears to be a desire for some to live within a mobile home park, and at this time, park owners appear to be successfully serving a sizable demand for this type of affordable housing.

Affordable Housing

In addition to the housing unit demand by the HRHA, the market area has several other affordable apartment complexes, which are listed below. We show nine communities with 811 apartment units. Occupancy at these apartments is at or near 100 percent and several of these apartment properties have extensive waiting lists. Highlands and Springbrook Place are located in the Town of Broadway. Elkton Manor is in the Town of Elkton and The Grottoes is in the Town of Grottoes. Cambridge Court is also in Rockingham County but not within one of the County’s several towns. The remaining properties are in the City.

- **Colonnade at Rocktown** is far more upscale than the other properties listed in the table and more comparable to the City’s older market rent properties.
- **Cambridge Court, Grottoes (one section), Elkton Manor, Harris Gardens (half) and Mosby Heights** have low rents with residents paying no more than 30 percent of income for rent.
- Management at **Harris Gardens** closed out the Section 236 contract on 100 of the complexes 200 units. The gross market rate rents for these 100 units are:
 - One-bedroom - \$600
 - Two-bedroom - \$700 (one bath)
 - Three-bedroom - \$800 (1.5 baths)

The other half of the apartment complex has Section 8 rents. Residents of the “236” section will have rents increased to the above levels in the near future and some displacement could occur.

➤ Springbrook Place is a senior community with LIHTC rents.

The 800+ apartment units in this list, plus the 250 housing units owned and managed by HRHA, is a small percentage of housing units compared with the market area’s low- and moderate-income population.

Photos of these apartment properties follow Table 26.

Table 26 <u>Characteristics of Subsidized Apartment Properties,</u> <u>Harrisonburg-Rockingham County, VA, Summer 2015</u>				
	<u>Date Built</u>	<u>Subsidy Program</u>	<u>Total Units</u>	<u>Vacant Units</u>
Cambridge Court 1/	1991	LIHTC/Sec. 8	39	0
Chestnut Ridge	1998/99	LIHTC (60%)	148	0
Colonnade at Rocktown	2009	LIHTC (50%)	60 2/	0
Grottoes I, II, & III 1/	1989/02/14	USDA/ Sec. 515	106	0
Harris Gardens	1974	Sec. 8/236	200	0
Highlands I & II 1/	2002/04	LIHTC (50%/60%)	62	0
Mosby Heights	1980/04	Sec. 8	112	0
Springbrook Place 1/	1998	Senior LIHTC (50%)	38	0
Elkton Manor	1980		<u>46</u>	<u>0</u>
Total			811	0

Notes: 1/ Located outside of Harrisonburg.
2/ Excludes six market rate units.

Source: S. Patz & Associates field and telephone survey.



Colonnade at Rocktown



Chestnut Ridge



Elkmont Manor



Harris Gardens



Cambridge Court



Grottoes I, II, & II



Mosby Heights



Springbrook Place



Highlands I & II

The following table shows the rents at the affordable apartment properties that are not restricted to 30 percent of resident incomes. Chestnut Ridge has rents at 60% of AMI. The rents at Colonnade are at 50% of AMI. Based on the occupancy rate at these rent-restricted properties, these rents are fully accepted. However, Chestnut Ridge, Colonnade and the market rents at Harris Gardens have high rents which are compared with the rents at mature area market apartment units. These rents are lower, but not by much, compared with rents at the mature market rent properties in the City.

<u>Rents at Affordable Apartment Properties</u>			
	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
Chestnut Ridge 1/	--	\$753	\$866
Springbrook Place 1/	\$450	--	--
Grottoes III 1/	\$518-\$525	\$550-\$555	--
Highlands I & II 1/	\$475	\$545	\$620
Colonnade at Rocktown	\$590	\$720	\$830
Harris Gardens 2/			
Notes: 1/ Rent includes water, sewage and trash collection. 2/ Rent includes all utilities.			

Special Needs Population

This paragraph briefly discusses trends of the market area's special needs population. In 2013, The Point in Time (PIT) count of homeless persons and families was 255. The current count for 2015 is 326. The 2015 PIT count has different categories compared with pre-2015 analyses, but it is likely that this sector of the population has grown or became more recognizable.

Section IV Characteristics of Active New Home Sales in Harrisonburg

Market Data in Table 27 list the active new home communities in the City. These communities have new home sales activity since 2014. These are number-keyed to Map G. Pictures of homes within these communities are attached.

There are currently four active single-family subdivisions, four active townhome subdivisions and one active condominium community in the City. Two of the active single-family communities began during the recession in 2008 (Stonespring Manor and The Crossings) while one, Brookside Park, began prior to the recession in 2006. The newest single-family subdivision, Park Hill, opened in 2012. There are a total of 121 lots in these four subdivisions, of which 59 homes have been sold to date at an average sales price of \$246,400. The single-family homes are not large, with most of them measuring under 2,000 square feet. Homes at Brookside Park are particularly smaller, averaging 1,370± square feet. Homes in this community are substantially less expensive than other new construction single-family homes in the City.

Most of the recent subdivision activity has taken place at the four active townhome subdivisions. The small Blakely Park recently sold its 11th and final home. Combined, there are 295 townhome sites in these subdivisions, of which 177 homes have been sold. The largest and most expensive of these communities is the Townes at Bluestone, which has sales prices averaging at \$218,700. The average sales price of all new homes in active townhome communities is \$172,300, while the average size is 1,470 square feet.

Table 27: Characteristics of Active Subdivisions, Harrisonburg, VA, Summer, 2015						
	<u>Map Key</u>	<u>Year Started</u>	<u>Average Size (SF)</u>	<u>Average Sales Price</u>	<u>Total Lots</u>	<u>Homes Sold</u>
<u>Single-Family Homes</u>						
Brookside Park	1	2006	1,371	\$180,308	39	23
Park Hill 1/	2	2012	1,532	\$287,360	28	5
Stonespring Manor	3	2008	2,111	\$264,167	19	11
The Crossings	4	2008	1,806	\$253,694	<u>35</u>	<u>20</u>
<i>(Subtotal/Average)</i>			<i>(1,705)</i>	<i>(\$246,382)</i>	<i>(121)</i>	<i>(59)</i>
<u>Townhomes</u>						
Blakely Park	5	2011	1,118	\$129,900	11	11
Freeman Station	6	2015	1,590	\$171,730	14	10
Townes at Bluestone	7	2007	1,639	\$218,690	131	49
Townes at Wellington Park	8	2008	1,523	\$168,922	<u>139</u>	<u>107</u>
<i>(Subtotal/Average)</i>			<i>(1,468)</i>	<i>(\$172,311)</i>	<i>(295)</i>	<i>(177)</i>
<u>Condominiums</u>						
Founders Way	9	2010	1,471	\$163,958	72	15
Total/Average			1,573	\$204,303	488	251
Notes: 1/ Mix of single-family and duplex units.						
Source: City of Harrisonburg Real Estate Information System						

Most of the new home sales have been three-bedroom, two bathroom units. The smaller homes at Brookside Park are two-bedroom homes. The larger homes at Stonespring Manor contain four bedrooms. Descriptions of these active subdivisions follow:

- **Brookside Park** is located along Sutter Street off Jefferson Street and east of Route 11 in the northern area of Harrisonburg. The small neighborhood consists of 39 lots. 23 homes have sold in this community to date at an average sales price of \$180,310. Some homes are one-story while others are two-story. Homes in this community average 1,370 square feet in size.
- **Park Hill** is among the newer subdivisions in the City, having started in 2012. It is located along Smith Avenue off Mount Clinton Pike just south of Eastern Mennonite University. It is planned for 20 single-family homes and 4 duplex homes. The duplex units average 1,380 square feet while the average single-family home units average 2,000 square feet. The average single-family sales price is \$234,650 while the average duplex sales price is \$262,500. Several of the duplex units are built and unsold.
- **Stonespring Manor** is located along Manor Drive off Stone Spring Road in southern Harrisonburg. The 19-lot subdivision currently consists of 11 single-family homes. The average sales price is \$264,200, though only one

home sold in 2014 and none sold in 2013 or 2015. Most sales in this community have been lot sales.

- **The Crossings** is a 35-lot subdivision located along Landon Drive and Greendale Road at the southeastern edge of the City. To date, 20 homes have been sold, though only one sale was recorded in 2015 and two were recorded in 2014. Homes in this community have sold for an average \$253,700. Their average size is 1,800 square feet.
- **Blakely Park** is a small townhome community built in two phases in 2011 and 2014 with a total of 11 homes, all of which have been sold. It is located along Emerson Lane in Harrisonburg. These homes all measure 1,190 square feet and have two bedrooms.
- **Freeman Station** is a small, 14-lot townhome community that started in 2015 with 10 homes sold to date at an average price of \$171,730. Homes in this community average 1,590 square feet in size. These are basic two-level townhomes with an attached garage.
- **Townes at Bluestone** is located in the Bluestone Hills neighborhood. This townhome community offers a range of amenities including single- and double-car garages, nine-foot ceilings and crown molding. The first section was developed by Winchester-based OakCrest Builders while the second section is currently being developed by Scripture Communities. This community, which started in 2007, will have 131 townhomes at build out. About 50 homes have sold to date at an average sales price of \$218,690. Homes in this community average 1,640 square feet in size.
- **Townes at Wellington Park**. These three-bedroom, 2.5 bathroom townhomes are located off of Old Furnace Road in Harrisonburg. Most of these townhomes offer two levels, though townhomes with basements are also available. These homes average 1,520 square feet in size. Over 100 homes have been sold to date at an average sales price of \$168,900.
- **Founders Way** is the only active condominium community that is not marketed to students. It is located in the existing Liberty Square neighborhood in the northern part of Harrisonburg. The community will ultimately consist of seven separate buildings housing a total of 72 homes. The condominiums share a large green area used for outdoor activities, picnics and barbeques. The community also includes a swimming pool, sunbathing deck, fitness room, playground, putting area and jogging trail. The first condominium building was completed in 2010 and is comprised of twelve condominium units. The building is comprised of eight two-bedroom units and four three-bedroom units. The two-bedroom units range in size between 1,310 and 1,320 square feet and the three-bedroom units range in size between 1,768 and 1,877 square

feet. Homes in this community have sold for an average of \$163,958. 15 homes have been sold to date.

To follow are photos of typical homes within each of the above subdivisions.



Brookside Park



Park Hill



Stonespring Manor



The Crossings



Blakely Park



Freeman Station



Townes at Bluestone

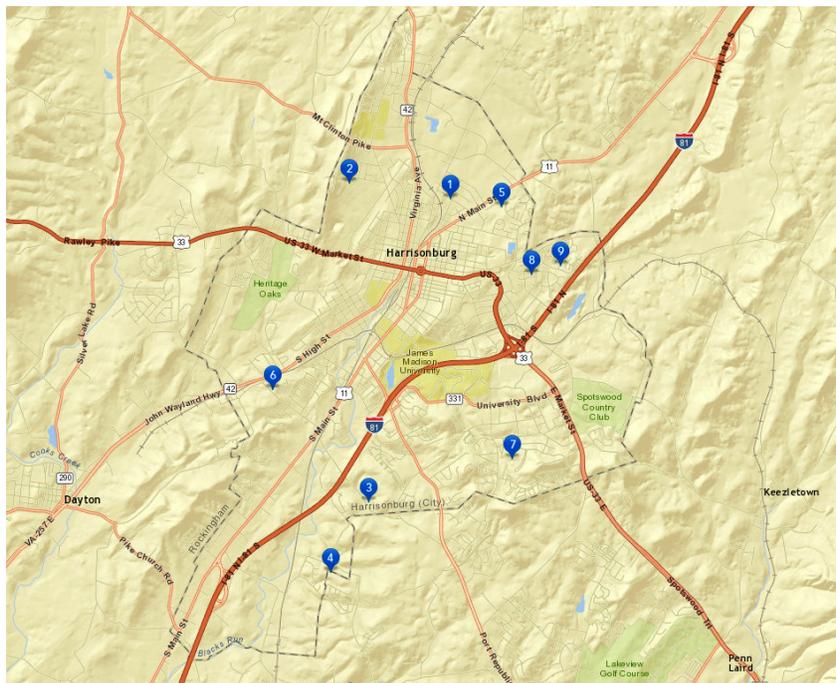


Townes at Wellington Park



Founders Way

Map G shows the locations of the active subdivisions within Harrisonburg.



Map G -- Location of Active Harrisonburg Subdivisions

There are three subdivisions planned for development in Harrisonburg. Combined they include 32 single-family home lots, 18 townhome lots and three duplex lots. These are detailed in the paragraphs below.

- **Collicello North**. Site construction has begun on this subdivision located at the northern end of Collicello Street, one mile southeast of Eastern Mennonite University’s campus. The subdivision is planned for 35 residential units in total, with a mix of 17 detached single-family homes and 18 townhomes. Seventeen single-family home permits are currently in review. These will be small homes, ranging in size between 900 and 1,800 square feet. Each house will come with a 3-kilowatt solar array on the roof.
- **Village at Chicago Park**. Site construction is ongoing and one single-family home building permit is in review for this project located off Chicago Avenue near Mount Clinton Pike. The community is planned for nine single-family home lots and three duplexes (six units) for a total of fifteen residential units. A new private street, Saturday Drive, will access the development. The single- and two-story homes will range in size between 1,500 and 2,100 square feet.
- **Ramblewood Subdivision**. A six-lot single-family home subdivision off Ramblewood Road was approved by the City Council in June, 2015. The developer has not submitted comprehensive site plan engineering designs yet.

For-Sale Housing Summary. Data in the following chart show the current inventory of available homes in the entire market area. The table shows that approximately 45 percent of all available inventory is for homes priced below \$200,000. Within the City, these homes represent nearly 62 percent of total inventory.

<u>Current Housing Inventory for New and Resale Homes, Harrisonburg City-Rockingham County, August, 2015</u> 1/			
	<u>Harrisonburg City</u>	<u>Rockingham County</u>	<u>Total</u>
Under \$200,000	115	179	294
\$200,001-\$300,000	42	144	186
\$300,001-\$400,000	19	68	87
\$400,001+	<u>11</u>	<u>75</u>	<u>86</u>
Total	187	466	653

Notes: 1/ Includes single-family homes, townhome and duplexes.

Data in the next chart shows the region’s inventory of homes for sale has declined by nearly 31 percent since the last City-wide housing report was published in 2011. The decrease in the number of available homes under \$200,000 was most significant. A sizeable number of resale homes remain available.

Table: <u>Total Housing Inventory, Harrisonburg City-Rockingham County, 2011-2015</u>			
	<u>2011</u>	<u>2015</u>	<u>Change</u>
Under \$200,000	514	294	-220
\$200,001-\$300,000	232	186	-46
\$300,001-\$400,000	110	87	-23
\$400,001+	<u>88</u>	<u>86</u>	<u>-2</u>
Total	944	653	-291
Source: The Harrisonburg-Rockingham Association of Realtors MLS			

The next table details home sales trends between January, 2005 and June 30th, 2015. Clearly shown is the decline in home sales and median prices between 2008 and 2010, the result of the recession. 2014 marks the fourth consecutive year for which there has been an increase in the pace of sales, which was also accompanied by a 2% increased in the median home sales price. Home sales in 2015 are on track to exceed 2014 price levels, though they are unlikely to reach pre-recession levels in 2015.

Table 28: <u>Home Sales and Price Trends, Harrisonburg City-Rockingham County, 2005-2015</u>		
	<u>Homes Sold</u>	<u>Median Price</u>
2005	1,669	\$169,000
2006	1,438	\$192,983
2007	1,248	\$195,100
2008	967	\$195,000
2009	870	\$185,000
2010	799	\$179,900
2011	832	\$169,900
2012	900	\$172,375
2013	1,067	\$175,000
2014	1,085	\$178,000
June, 2015	515	\$188,000
Source: The Harrisonburg-Rockingham Association of Realtors MLS		

Rockingham County

Rockingham County has 18 sizable active single family duplex communities, plus one townhome subdivision. These properties include recent additions to the market and active sales at older pre-recession subdivision that are now marketing available lots. Most opened for lot/home sale over the 2008 to 2011 period. Surprisingly, the home prices at these communities are below the prices at active subdivisions in the City. One reason for this is that some of the higher priced communities in the County are not active at this time. However, the fact remains that new homes in the City are now priced higher than homes at many of the County's active subdivisions. This was not the case prior to the recession.

The change is likely an affect of the recession, with more affordable homes being built. Again, data does not show this to be the case in the City.

The County's new home market is far larger than the City's. In total, these 19 active subdivisions have over 2,200 homes planned. To date, only 900± are built and 700+ are sold. The sales pace has averaged 90± sales per year since 2008. The sales pace may have been slightly higher if some properties that closed out prior to mid-2011, were included.

Table 30: Characteristics of Active Subdivisions 1/, Rockingham County, VA December, 2015

<u>Subdivision</u>	<u>Home Types</u>	<u>Lots</u>	<u>Built</u>	<u>Single-Family Home Sales Price</u>	<u>Duplex Sales Price</u>	<u>Townhome Sales Places</u>
Cedar Point Townhomes	TH	37	27	--	--	\$152,522
Coyote Run	SFH	70	41	\$198,792	--	--
Downey Knolls	SFH/Duplex	23	7	\$189,375	\$199,400	--
Greenport	SFH/Duplex	60	25	\$164,333	\$224,523	--
Heritage Hills	SFH	90	72	\$247,800	--	--
Lake Pointe	SFH	50	45	\$145,000	--	--
Legion Hills	SFH	131	109	\$179,700	--	--
Madison Village	SFH	150	96	\$300,722	--	--
Magnolia Ridge	SFH/Duplex	95	80	\$338,500	--	--
Meadowbrook	SFH	143	34	\$243,400	--	--
Millview Estates	SFH/Duplex	30	22	\$303,632	\$267,975	--
Mountain Meadow Estates	SFH/Duplex	46	38	\$375,429	\$200,000	--
Overbrook	SFH/Duplex	168	41	\$335,692	\$292,150	--
Parkside Village	SFH	61	21	\$213,729	--	--
Preston Lake	SFH/TH	819	61	\$380,749	\$384,296	--
Skyview Estats	SFH	25	18	\$232,000	--	--
The Glen at Cross Keys	Duplex	74	54	--	\$284,581	--
Timbercrest	SFH	57	51	\$167,492	--	--
Woodbridge	SFH	<u>80</u>	<u>64</u>	\$274,833	--	--
Total/Average		2,209	906	\$252,422	\$264,705	\$152,522

Notes: 1/ Includes subdivisions with unfinished lots and activity since 2008. Excludes lot sales. Prices on homes sold since 2008 only.

Source: Rockingham County Department of Community Development.

Section V Conclusions

Following is a list of our findings, conclusions and recommendations based on the data and analysis presented above.

1. Officials of HRHA are studying the concept of building for-sale housing for some of their clients. The Authority owns two sites. Without land costs, a cost estimate for a 1,000 square foot home, possibly one-story, and without many “frills”, is \$90± per square foot. That would place the total home cost at \$110,000±, without land costs, \$10,000 per lot site cost and lowered soft costs. A 30-year mortgage at 4.75 percent would equate to \$580 per month mortgage cost, plus taxes and insurance. Families with incomes in the high \$20,000’s to about \$30,000 could afford homes in this price range. There are 10± families on the HRHA waiting list who may be able to afford these costs, so if the Authority is able to develop one of its parcels at a modest per lot cost, a budget of this type could be feasible. (Our cost numbers may need to be refigured). If the Authority’s client base is not in this income range, there is a large potential market in the City that require low cost housing.
2. The City has 300± households with the household head 65 years and older and with incomes in the low- \$20,000’s. These households can afford net rents in the \$650+ range. The rents at Springbrook Place are \$450. One-bedroom rents at area affordable apartments are under \$600. Sufficient market support exists for HRHA to consider a senior apartment complex of up to 50 homes, of the same design as Springbrook Place, one of their sites.

Further discussion is needed to evaluate each HRHA owned site for each of the two development concepts.

3. The City will have by Fall, 2016, a vacancy of 900± beds for students in off-campus housing. This is 850 vacant beds, plus 350 new beds minus 300± student enrollment growth for the Fall, 2016 school year.

The current supply of off-campus beds will be eliminated by Fall, 2018. Without new student bed inventory, enrollment growth at JMU will put added “pressure” on the City’s current housing stock, which in turn, could generate pressure for higher rents.

4. The City and market area has a large and growing market for independent living (IL) for active adults (see Table 16). This type of housing is not currently in the market area, but likely a pent-up demand exists.

5. The market area can support new higher-priced rental housing. This market may be served if the Preston Lake site is developed and if phase two of The Reserve is built.
6. JMU has an available site where the former Howard Johnson's Motel/Rockingham Hall exists and will be demolished. Without being presumptuous with JMU's sites and master plan, this site could be an attractive location for on-site employment housing or the next dorm, perhaps for graduate student housing.
7. The market will support additional affordable housing. The issue will be finding a suitable and affordable site. There are B-1 downtown sites, which were adequately priced for the development of Colonnade at Rocktown.

Overall, the market area's demographic and employment growth is steady, but the at-place jobs and employment total are not at pre-recession levels. There were no economic issues reported that would present a negative for the continuation of current trends.