Chesterfield County Rental Market Analysis

HDAdvisors

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About

> **Note**
>
> This report is currently in development. It was last updated on **2022-10-04**.

Chesterfield County community revitalization staff seek additional information about current rental market dynamics, particularly along the county's major commercial corridors. This report compiles and analyzes data on subsidized, market-affordable, and newly-built rental units to help strategically guide the county's future community development investments using CDBG and other grant funds.

Report outline

This report is divided into four parts:

PART 1-A: LITERATURE REVIEW

This part summarizes recent and current public planning documents that guide Chesterfield's housing strategies, provides distinctions between the different methods for measuring housing affordability, explores the definition of "naturally-occurring affordable housing" (NOAH), and assesses current research regarding the concentration of low-cost housing and differences in length-of-stay between homeowners and renters.

PART 1-B: DEMOGRAPHIC AND AFFORDABILITY ANALYSIS

This part provides insight into household incomes, housing cost burden, and housing affordability across Chesterfield County. Where possible, data is disaggregated by tenure, household type, age, and race/ethnicity. Data sources are identified and explained in the first chapter of this part, with special attention paid to reliability for datasets based on survey samples. The final chapter of this part is an affordability analysis for the Route 1 corridor within the county.

PART 2-A: COUNTYWIDE MARKET ANALYSIS

This section summarizes the existing stock of rental units within the county and provides an analysis of recent price and production trends in the rental market. The second chapter conducts a spatial analysis of recent multifamily, market affordable, and affordable rental housing in the county. The third chapter is a market comparison between recent multifamily (built in the last five years or slated for future construction) development and existing rental supply in the county. The final chapter summarizes in-depth interviews with nonprofit and for-profit multifamily developers in the county.

PART 2-B: CORRIDOR CASE STUDIES

This section provides a market and spatial analysis of multifamily developments along two major corridors in the county: the Route One Corridor from the city-county line to Route 10 and the Eastern Hull Street Corridor from the city-county border to Genito Road.

Part I

PART 1-A: LITERATURE REVIEW

1 Planning for housing in Chesterfield County

This section summarizes recent planning documents related to housing and housing affordability in Chesterfield County. This includes county and regional planning documents. Documents post-2008 will be favored for currency.

1.1 Background

Chesterfield County has acknowledged the importance of housing availability and affordability throughout many of their planning documents. Planning efforts by the county have sought to address housing at varying scales within county boundaries, while the county has also been involved in multijurisdictional planning to address the housing challenges that exist at the regional level.

The following sections summarize housing, community development, and revitalization elements in the most recent planning documents created for Chesterfield County. Plans are listed chronologically, ending with the most recently completed documents.

1.2 Hull Street Corridor Revitalization Plan

Completed January 2013.

This plan was a joint revitalization plan between the City of Richmond and Chesterfield County. It focused on a 4.7 mile stretch of Hull Street experiencing changing demographics and increased need for reinvestment.

Plan highlights:

- Current housing conditions in the corridor included:
  - A significant supply of affordable rental homes (without public assistance),
  - Homeownership opportunities that were relatively more affordable compared to other areas of the County and City, and
  - The average age of housing stock was younger than the City average, but older than the County average.
- The corridor vision includes preserving current neighborhoods while creating "new housing for a range of income levels."
- Townhomes and other multifamily options located near amenities were specifically recommended to reduce automobile dependency.
- The plan calls for future public investment to enhance existing housing stock, add new affordable housing options, and address senior housing needs.

1.3 Route 1 (formerly Northern Jefferson Davis) Special Area Plan

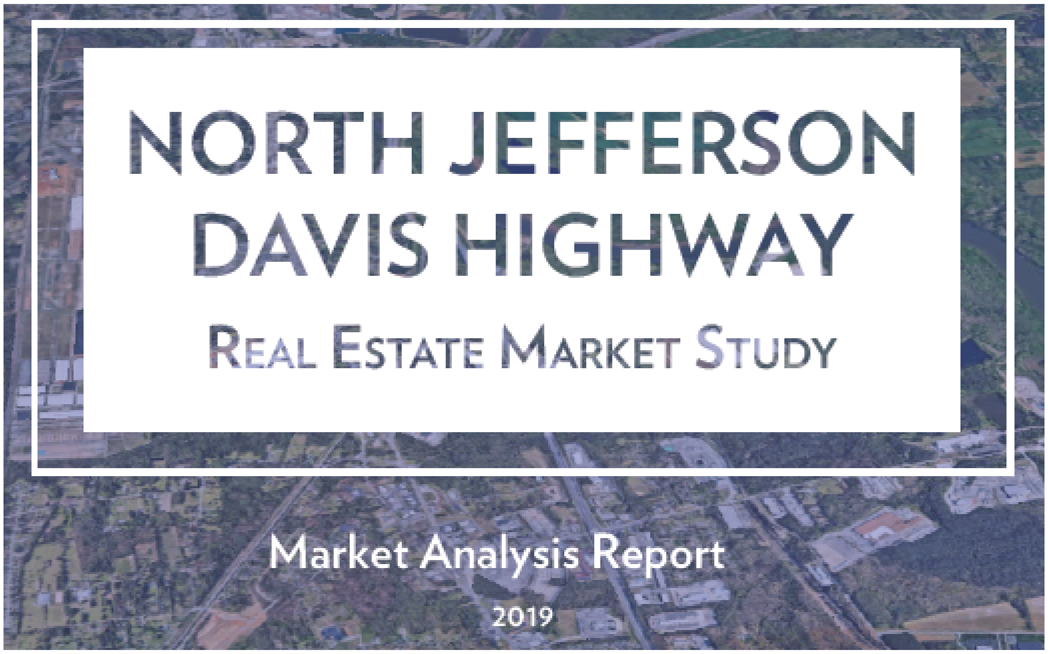
Completed April 2018.

This detailed special area plan produced by county planners focused on the northern 8.5 mile section of Route 1 within the county.

Plan highlights:

- The plan included a strong emphasis on stabilizing and improving distinct neighborhoods.
- Certain areas of the corridor were designated for new residential mixed use development to help encourage additional housing options and bring new investment.
- Accessory dwelling units (ADUs) were recommended as an alternative housing option to promote, as well as transitional housing options for individuals with high needs.
- An additional emphasis was placed on continued and expanded revitalization efforts to improve housing in older neighborhoods along the corridor.

1.4 Route 1 (formerly North Jefferson Davis Highway) Real Estate Market Study



Completed 2019.

This study, commissioned by Chesterfield County and prepared by Urban Partners, informed county officials on market opportunities that exist along the northern section of Route 1 within Chesterfield County. The study area included eight census block groups that abut Route 1 from the Richmond City border to Route 288.

Study highlights:

- Population and household growth in the study area are much slower than the county average.
- The study area is very ethnically diverse compared to county and region.
- These neighborhoods have higher shares of children (under 10) and non-family households.
- Households in this area have significantly lower incomes and higher poverty rates.
- Job numbers have declined across the study area, especially in manufacturing.
- The study area experienced a significant increase in residential vacancy, and decrease in homeownership, from 2000 to 2017.
- The study area is now majority renter, but over one-third of renters live in single-family homes.

- There are approximately 380 mobile homes across six manufactured home communities in the study area.
- An analysis of existing multifamily properties found a very tight rental market (98.4 percent occupancy) despite high overall vacancy rate.
- The report estimates that the study area could accommodate 15 to 20 percent of county's demand for new multifamily stock by 2025 (3-4 new developments); however, acquisition and construction costs would mean these new units are priced at or near County average, which is out of reach for most incomes in the study area.
- Homeownership is relatively affordable in the study area, but not always for current residents with very low or fixed incomes.

1.5 Moving Forward: The Comprehensive Plan for Chesterfield County

Completed May 2019.

The Code of Virginia (Section 15.2-2223) requires all localities to adopt a comprehensive plan that guides the physical development of jurisdictions based on existing conditions and trends. This plan is the most recently completed effort to fulfill this requirement. It was a collaborative effort between elected officials, residents, stakeholders, and county staff.

Plan highlights:

- Chapter 6: Neighborhoods and Housing:
  - The first desired outcome is additional affordable homeownership opportunities.

  - The second desired outcome is supporting a "range of housing options" in neighborhoods and mixed-use centers.
  - A lack of "missing middle" housing options (e.g., townhomes, small-scale rental) was also identified.
  - The chapter calls for affordable housing options to be "encouraged throughout the county to promote integrated communities."

- Chapter 7: Revitalization
  - Outlines goals for using public and private investment to improve the quality of communities experiencing decline, vacancy, and other challenges.
  - Reinforces the "need for a range of well-designed housing choices" that are strategically located and affordably priced.

1.6 Midlothian Community Special Area Plan

Completed December 2019.

This is a detailed special area plan by county planners focused on the Midlothian community. It is a continued effort of the *Moving Forward* comprehensive plan adopted earlier in 2019.

Plan highlights:

- There are currently a "limited variety of housing options" in the Midlothian Village area.
- 61 percent of housing in the Village are single-family homes in subdivisions.
- Recommendations call for additional residential development to meet demand, particularly smaller and denser types to lower per-unit costs and prices for buyers or renters.
- A specific need for housing that caters to persons/couples without children was identified.
- Mixed use opportunities (residential and commercial) were encouraged as part of retail property redevelopment strategies.
- Accessory dwelling units (ADUs) were also recommended as a solution to increase the supply of low-cost homes, especially for single-person households.

1.7 Richmond Regional Housing Framework

Completed January 2020.

This framework is an effort between the Partnership for Housing Affordability (PHA), Chesterfield, Hanover, Henrico, the City of Richmond, and the Town of Ashland to increase housing opportunities across the region. The plan identified common housing challenges and solutions, along with locality-specific findings and recommendations.

Major findings for Chesterfield County included:

- Homeownership is significantly more expensive to achieve than a decade ago.
- The deficit of homes affordable to renters below 50 percent AMI is over 2,000.
- The senior population in Chesterfield is growing faster than anywhere else in the region.
- Almost 2,000 families live in the county's 27 manufactured home communities, the highest amount in the region.
- Most of the projected job growth will be occupations with below-average wages, limiting the ability of workers to pay for housing.

Some of the specific policy solutions for Chesterfield County included:

- Increase the amount of land available for multifamily housing via land use and zoning reform.
- Reduce land use and zoning barriers to accessory dwelling units (ADUs).
- Encourage smaller, denser homeownership opportunities (such as townhomes and condos) to reduce land costs per home.
- Increase efforts to revitalize manufactured home communities and preserve them as affordable housing options.

1.8 Analysis of Impediments to Fair Housing Choice in the Greater Richmond and Tri-Cities Region

Final Report

2020 Analysis of Impediments to Fair Housing Choice in the Greater Richmond and Tri-Cities Region

Completed March 2021.

An analysis of impediments (AI) to fair housing is a requirement among jurisdictions receiving entitlement funds from the U.S. Department of Housing and Urban Development. This AI was a collaborative effort by Chesterfield, Henrico, and Cities of Colonial Heights, Hopewell, Petersburg, and Richmond in order to maximize efficiency.

Among the 587 respondents from Chesterfield County who participated in a community engagement survery:

- 25 percent want to buy a home but cannot afford one.
- 19 percent are worried about rent going up and being unable to afford it.
- The top five most important factors for choosing a new home were:
  - Quality schools,
  - Affordability,
  - Low crime rate,
  - Good opinion of the neighborhood, and
  - Close to work.
- The top impediment to moving was the inability to afford anywhere else to live.

Relevant research findings for Chesterfield County included:

- The lowest share of non-family households in the region (27 percent).
- Low disability rates among the full population (12 percent).
- The second-highest share of foreign-born residents in region (8.4 percent).
- The highest median household income in the region ($80,214 in 2018).
- The lowest poverty rate in region (7 percent).
- Nearly one-third of county's housing stock was built after 2000.
- More manufactured home communities are in Chesterfield than any other locality in the region; these neighnorhoods offer more affordable options but often at the expense of poor housing quality.
- Underutilization of housing assistance (e.g. Housing Choice Vouchers) by Hispanic and Latino households relative to their share of the overall population.

Common impediments to furthering fair and equitable housing included:

- Historical segregation and discrimination,
- Limited and/or inconsistent federal resources to increase the supply of affordable homes and reduce housing instability, and
- Restrictive land use codes limiting multifamily development and other more affordable types of construction.

Impediments to rental housing choices included:

- Geographically concentrated affordable rental options (in lower-opportunity areas),

- Low supply and high demand contributing to significant rent growth, and
- A lack of (and poor locations of) units available and affordable to residents with very low incomes and/or disabilities.

Impediments to accessing high opportunity environments included:

- A limited amount of affordable housing and transit access in job-rich areas,
- Inadequate public transportation coverage across the region, and
- Educational success disparities across public schools.

1.9 Takeaways

- Chesterfield County, both on its own and in partnership with the region, has regularly assessed its range of housing needs and identified policy solutions to address these challenges.
- Despite relatively high average incomes at the county level, affordable homeownership and rental opportunities are becoming more difficult to secure for low- to moderate-income households.
- The county's major commercial corridors (Route 1, Midlothian Turnpike, and Hull Street) have all been identified as opportunities for redevelopment and revitalization activities that would increase the supply and diversity of housing options.
- The county should ensure safe and affordable housing is available to its rapidly rising senior population, as well as its large share of Hispanic and Latino families, many of whom live in substandard manufactured housing.

2 Measures of housing affordability

This section will summarize the common measures of housing affordability that are widely used by researchers and policymakers, as well as credible alternative measures. Comparisons are made of each measure using county-specific data to understand the variations.

2.1 Background

Determining what housing is affordable and to whom is a key challenge many communities face as housing prices continue to rise. For many researchers and practitioners, the 30 percent of income ratio has been the standard measure due to its ease in application and understanding among the public. But criticism laid upon this measure points to its failure to account for the varying differences in cost of living based on household size and location.[1]

Other measures have gained credibility over time such as the Housing Affordability Index (HAI) from the National Association of REALTORS® and the Housing Wage from the National Low Income Housing Coalition (NLIHC). Alternative measures such as the residual income approach and the Housing and Transportation Affordability Index from the Center for Neighborhood Technology are other more recent metrics.

The following sections summarize standard and alternative measures of housing affordability, and provide an understanding of affordability within a Chesterfield-specific context.

2.2 30 percent standard

A household spending more than 30 percent of their gross income on housing costs is often referred to as *cost-burdened*. This standard (and the term "cost burden") is the most commonly used benchmark for housing affordability. It is simple to understand, and

[1] Morris. Carolyn. (2021). "How Much Should I Spend on Rent? Ignore the '30% Rule'," Earnest.com. November 22, 2021. Retrieved from https://www.earnest.com/blog/rent-and-the-30-percent-rule/.

simple to calculate, because only two data points are needed: gross household income and total housing costs.

The 30 percent threshold is used because any income used for housing beyond that share cannot be used for transportation, healthcare, childcare, groceries, and other necessary household expenses. Generally speaking, a cost-burdened household will more commonly have trouble balancing their monthly budget, and will also face significant challenges when attempting to save or invest their income.

This income-to-cost ratio was originally set at 25 percent when the federal government began designing housing assistance programs in the 1960s and 1970s. The threshold was increased to 30 percent in the 1980s. Today, the 30 percent cap is used to set household rent levels for public housing, Housing Choice Vouchers, and many other housing assistance initiatives.

> **Drawbacks of 30 percent standard**
>
> Although it has been the go-to measure in housing affordability, the 30 percent standard has several criticisms. Chief among these critiques is that living expenses vary from household to household.[a] A family of four will likely face much higher and additional costs for things like childcare, food, and transportation, when compared to a single adult with the same income.
> Secondly, different income groups don't spend the same way.[b] Higher income households can have much more flexibility to spend more than 30 percent of their income on housing costs when compared to a low income household. Using the 30 percent standard in this case can sometimes overestimate the share of higher income households experiencing cost burden.
> Other critics also reference the fact that the 30 percent standard does not account for things like location and housing quality. A household living in a very walkable community will spend very differently from a household that has to invest a lot of money in transportation (i.e., gas and car maintenance).
>
> [a] Herbert, Christopher, Alexander Hermann, & Daniel McCue. (2018). Measuring Housing Affordability: Assessing the 30 Percent Income Standard. September 2018. Joint Center for Housing Studies of Harvard University.
>
> [b] Daniel Kay Hertz. (2017). "Affordability: The 30 Percent Standard's Blinders," Shelterforce. April 25, 2017. Retrieved from https://shelterforce.org/2017/04/25/30-percent-standards-blinders/.

Cost burden data is available from the U.S. Census Bureau in the American Community Survey. Tables B25091 and B25070 break down the share of gross household income dedicated to housing costs for homeowners and renters, respectively.

Table B25091 defines "selected monthly owner costs" for homeowners as:

- Monthly mortgage payments,
- Real estate taxes,

- Homeowners and/or mortgage insurance, and
- Necessary utilities.

Table B25070 defines "gross rent" for renters as:

- Monthly contract rent payments, and
- Necessary utilities paid directly by tenants.

In Chesterfield County:

The table below combines those datasets to show the number of cost burdened households by tenure in Chesterfield County.

Table 2.1: Cost burden by tenure in Chesterfield County

Cost burden	Homeowners	Renters	Total	Percent
Not cost burdened	78,661	15,005	93,666	73.6%
Cost burdened	18,502	13,266	31,768	25.0%
Not computed	427	1,369	1,796	1.4%
Total	**97,590**	**29,640**	**127,230**	**100.0%**

Source: U.S. Census Bureau, American Community Survey, 2016-2020 5-year estimates. Tables B25091 and B25070.

2.3 NAR's Housing Affordability Index

The National Association of REALTORS® (NAR) publishes a Housing Affordability Index (HAI) to show the difference between the average family income for an area versus the minimum income required to afford the median priced single-family home in that community.

For 2021, the national HAI was **150.3**. This reflects the median family income being about 1.5 times greater than the minimum income required to purchase the median priced home, using the current 30-year fixed mortgage rate published by the Federal Housing Finance Board. A higher HAI value reflects higher affordability in the for-sale market.

More on NAR's HAI

The full Housing Affordability Index methodology is available on the NAR website.

The HAI has steadily decreased as housing prices continue to rise across the nation. As of June 2022, the preliminary HAI for all 50 states was **98.5**. This assumed a median single-family home price of $423,300, a mortgage rate of 5.60%, and a median family income of $91,952.

In Chesterfield County:

The table below shows the inputs and calculated HAI for Chesterfield County as of August 2022. The median sales price is collected from all 2022 year-to-date single-family home sales accessed from the Central Virginia Regional Multiple Listing Service (CVR MLS).[2] The 30-year fixed mortgage is sourced from the national weekly average published by the Freddie Mac Primary Mortgage Market Survey for the week ending September 1, 2022. The median family income is the latest value published by the U.S. Census Bureau.[3]

The current HAI for Chesterfield County is **118.8**. This is lower than the latest national average published by NAR (150.3), indicating greater barriers to affordable homeownership in the county.

Table 2.2: Housing Affordability Index in Chesterfield County

Input	Value
Median sales price	$371,480
30-year fixed mortgage rate	5.66%
Monthly payment	$1,717.33
Minimum qualifying income	$82,432
Median family income	$97,941
Housing Affordability Index	**118.8**

2.4 NLIHC's Housing Wage

The National Low Income Housing Coalition has published its Out of Reach report every year since 1989 to bring attention to the widening gap between actual wages and the cost of rental housing in the United States. Within this report, NLIHC calculates its Housing Wage, an affordability measure that estimates the wage a full-time worker must earn to afford rental housing based on the U.S. Department of Housing and Urban Development's (HUD) fair market rent (FMR) without spending more than 30 percent of their income.

More on NLIHC's Out of Reach

The latest 2022 Out of Reach report and data is available on the NLIHC website.

[2]Through August 31, 2022.

[3]U.S. Census Bureau, American Community Survey, 2016-2020 5-year estimates. Table B19113.

NLIHC utilizes multiple data sources, such as the U.S. Census Bureau's American Community Survey and average wages from the Bureau of Labor Statistics, to create an affordability measure that focuses on the economic gap between household incomes and the price of rental housing.

Fair market rent is another a key statistic that helps NLIHC determine the Housing Wage. FMR is calculated by HUD every fiscal year and is a reflection of the median rent in a given area. FMR is largely used to set rental assistance limits under the Housing Choice Voucher (HCV) program (Section 8).

There have been few, if any, specific critiques of the Housing Wage statistic. But issue can be taken with the fact that FMR is set at the metropolitan level. Therefore, the FMR in Chesterfield County, regardless of location, is the same as the FMR in the City of Richmond and other localities in the Richmond, Virginia Metropolitan Statistican Area (MSA). This means that the Housing Wage does not fully account for the nuances that exist across the regional rental market.

While the Housing Wage is helpful in determining the relationship between jobs and housing prices, it does not help to measure the gap in affordable housing, or rather how many households are facing affordability challenges.

In Chesterfield County:

NLIHC released their latest Out of Reach report in July 2022. According to NLIHC, the annual wage required to afford a two-bedroom rental unit in Chesterfield County was **$47,560**, or an hourly wage of **$22.87**. NLIHC estimates that the typical renter wage in Chesterfield County is $17.15—nearly $6 short of the wage needed to afford a typical two-bedroom rental in the region.

2.5 CNT's H+T Affordability Index

The Center for Neighborhood Technology (CNT) developed the Housing + Transportation (H+T) Affordability Index in 2006 as a result of a Minneapolis-St. Paul report conducted for the Brookings Institution's Urban Markets Initiative. This affordability measure is a robust indicator of the role that geographic location has on the two major costs faced by American households: housing and transportation.

CNT expands on the 30 percent standard with the inclusion of transportation costs in an affordability standard. Based on extensive research CNT found that 15 percent was a reasonable standard at which to set affordable transportation costs; it follows that a household should pay no more than 45 percent of their household income on housing and transportation costs combined.

CNT's transportation cost model takes into account several factors that influence how much a typical household pays for transportation, including commuting data, public transportation access, housing density, and consumer behavior.

With the H+T Affordability Index, CNT offers detailed data down to the Census Block Group-level (i.e. a neighborhood-level). The index is provided in terms of a regional typical household based on a median income, the average number of commuters per household, and the average household size. This allows the index to consistently measure the impact of neighborhood factors on a typical household's housing and transportation costs.

The index is expressed as a set percentage of income—in other words, what the typical regional household spends on housing and transportation based on their home's location.

In spite of the H+T's comprehensiveness, it has its pitfalls. The nature of the model requires the use of a standard household which only sets a baseline from which to compare other households to. This can make it difficult to make conclusions about households with incomes lower or higher than that baseline. To help with this, CNT offers the index based on a regional moderate income household—80 percent of the regional median household income, while maintaining the typical regional household size and commuters.

The index also suffers from outdated data sources. The most recent update of the model took place in 2017 and utilized data that predated this year to calculate the index. Therefore, the index does not capture recent trends in housing and transportation costs that tend to exacerbate cost burden.

In Chesterfield County:

The most recent H+T Affordability Index for Chesterfield County stated that the typical regional household, with an income of $59,919, 1.19 commuters per household, and a household size of 2.58 people, spent 53 percent of their income on housing and transportation combined.

CNT disaggregated housing and transportation to account for 30 percent and 23 percent, respectively.

These costs increase for the regional moderate income household with an income of $47,935—increasing to 63 percent, or 38 percent on housing and 25 percent on transportation.

2.6 Residual income approach

The residual income approach is a relatively new and uncommon method for measuring housing affordability. Rather than begin with housing costs compared to income, this more holistic metric sums up all other necessary household costs and determines what is left over ("residual") and available for housing. That residual amount can then be compared to local housing prices to assess affordability.

> More on the residual income approach
>
> The most comprehensive assessment of the residual income approach compared to other housing affordability measures is *Measuring Housing Affordability: Assessing the 30 Percent of Income Standard*, a research paper published by The Harvard Joint Center for Housing Studies in 2018.

Benefits of the residual income approach include the ability to:

- Factor in real-life household cost estimates for transportation, healthcare, and other necessary expenses,
- Account for a range of household types and compositions, particularly those with children, and
- More accurately reflect the affordability distinctions between low and high income households.

However, drawbacks of this metric include:

- Greater data and methodological requirements, making it less accessible to calculate,
- Difficulty in providing a simple explanation of the methods to laypersons, and
- The potential to inflate affordability challenges in high-cost areas.

In Chesterfield County:

A full calculation of housing affordability in Chesterfield County using the residual income method is beyond the scope of this report. However, we may use a sample from the Self-Sufficiency Standard (SSS) dataset published by the Center for Women's Welfare at the University of Washington. According to the Center, this Standard:

> ...defines the income working families need to meet a minimum yet adequate level, taking into account family composition, ages of children, and geographic differences in costs. The Standard is an affordability and living wage economic security measure that provides an alternative to the official poverty measure.

As an example, we will estimate residual income for a household with the following characteristics:

- Two full-time working adults (married) and two elementary school-age children,
- A total household income equal to 80 percent of the Richmond, Virginia Area Median Income (AMI), and
- Full-time residency in Chesterfield County.

First, we calculate the gross and take-home household incomes. According to HUD's FY 2021 Income Limits, the income for a four-person family at 80 percent AMI is $72,000. Based on current federal and state effective tax rates, the estimated total household income after taxes for this family would be $58,111. This amounts to a monthly take-home wage of $4,843.

Next, we determine the 2021 SSS monthly cost estimates for a four-person household with two working adults and two elementary school-age children in Chesterfield County. These total costs (housing excluded) are $4,480.

Table 2.3: Self-Sufficiency Standard monthly costs

Expense	Amount
Child Care	$1,086
Food	$922
Transportation	$576
Health Care	$775
Miscellaneous	$462
Taxes	$1,092
Child Care Tax Credit (-)	($100)
Child Tax Credit (-)	($333)
Total	**$4,480**

We then subtract these costs from the total take home pay of each household to determine what is left to be spent on housing costs.

Table 2.4: Residual income available for housing for family of four at 80 percent AMI

Pay, expenses, and residual income	Amount
Monthly take-home pay	$4,843
Monthly expenses (-)	($4,480)
Residual income	**$363**

This $363 available for housing is far below than the required monthly payment to afford the median-priced single-family home ($1,717, from HAI section above) and the market rent for apartments with three or more bedrooms ($1,759, via CoStar[4]) in Chesterfield County.

[4]Current as of September, 5 2022.

For additional examples, we can estimate residual income for some of the county's most common household types and incomes[5]:

Homeowners

- Married registered nurse and Chesterfield County police officer, with two school-age kids, and a household income of $136,410
- Married couple, aged 65 and over, with no kids, and a monthly Social Security benefit of $2,739.10 (average amount for retired worker and aged spouse)

Renters

- Single Chesterfield County Public Schools teacher, with no kids, and a household income of $54,937
- Single female home health aide, with an infant and preschooler, and a household income of $23,930

The table below shows the monthly take home pay for each of these households, along with their calculated residual incomes based on SSS cost estimates.

Table 2.5: Monthly take home pay and residual income for selected households

Household	Take home pay	Residual income
Registered nurse, police officer, 2 kids	$8,594.58	$5,206.02
CCPS teacher	$3,589.33	$2,618.01
Retired senior and spouse	$2,328.24	$250.94
Home health aide, 2 kids	$1,685.92	-$2,000.74

These cases show a wide range of housing affordability depended on income and assumed households expenses. For two-earner families with above-average salaries, finding a home to buy in the county is likely not a major challenge. For single workers with strong wages, finding an affordable apartment in Chesterfield may not be difficult. However, student loans, car payments, and other possible debt—not included in this analysis—would change this outcome.

On the other hand, lower income families—especially those with greater expenses associated with young children—must make hard choices to balance their budget. These concessions may include forgoing healthier (and more expensive) food options, putting off necessary healthcare treatments, and finding cheaper housing that is further away from their jobs. Other forms of public assistance, such as EBT, would also help.

[5] Based on 2016-2020 American Community Survey 5-year estimates, regional mean annual wages, Social Security benefit data, and Chesterfield County wage data.

2.7 Takeaways

- There are multiple measures that are being utilized to help practitioners communicate the need to address housing affordability in their communities.
- Each measure has their pros and cons, ranging from data currency to methodology complexity. But the choice of one over the other is dependent on its ultimate use.
- For this report, and for most other housing needs assessments, the standard 30 percent (cost burden) methodology is preferred for its ubiquity.
- If you want to better understand how location impacts costs, the CNT H+T may be the most useful. If you want to focus on the unique challenges that individual households face, the residual income approach may be worth the additional analysis required.

3 Market-affordable housing

This section summarizes research on market affordable housing, or what is commonly referred to as naturally occurring affordable housing (NOAH). Particular focus will be given to determining a common and accepted definition of NOAH.

3.1 Background

Not all affordable housing is supported by public subsidy. In fact, a large share of affordable housing is privately-owned and receives no government assistance. Widely referred to as naturally occurring affordable housing (NOAH), or market-affordable housing, these properties are a growing concern for communities facing housing affordability challenges.

The preservation of NOAH properties has been a growing strategy to support affordable housing in communities as the ability to quickly develop new units has been stifled by labor shortages, rising land prices, and supply chain issues. NOAH is at great risk of being lost because it often requires greater investment to maintain and more likely to be redeveloped—in turn contributing to a loss of affordable housing units.

3.2 Defining NOAH

While research around NOAH has been growing over the past several years, an universally-accepted definition still does not exist. But general agreement among advocates and practitioners is that NOAH units are older, outmoded, and in less desirable locations.

When these characteristics are placed into the context of a community's rental market, rents are generally lower than the typical rental unit because NOAH units are of comparably lower quality than newer units on the market.

CoStar, a commercial real estate and analytics provider with its global research operations based in Richmond, Virginia, conducted an analysis of NOAH properties in Fall 2016 at the request of Urban Land Institute's Terwilliger Center for Housing.

This analysis concluded that 76 percent of the 335,978 multifamily properties in their database were NOAH properties. CoStar came to this conclusion based on their proprietary rating system, which gives each property a star rating from one to five stars, wherein one- and two-star properties are the equivalent of Class B and C properties.

> **i** What are Class B and C properties?
>
> The commercial real estate industry utilizes a property classification system to help investors, lenders, and brokers quickly understand and communicate the quality of a property. The system classifies real estate properties as A, B, C, or D.
> NOAH properties generally fall into either Class B or C.
> **Class B**
> These properties are generally in good condition for being built within the last 20 years, but the exteriors and interiors are generally considered outdated. Amenities are much less than those found in a high end apartment. Renovations may have occurred recently and there is little deferred maintenance.
> **Class C**
> These properties were built within the last 30 years or are a much older property that has had recent renovations. Exteriors and interiors are outdated, and amenities are very limited. Improvements to the property show some age and there may be some deferred maintenance.

3.3 NOAH in Chesterfield County

The following analysis on NOAH inventory in Chesterfield County uses data from CoStar Group, Inc. Properties were selected if they met these criteria:

- Existing multifamily properties with active leases,
- Classified as Class B or C,
- No public subsidy, rent caps, or other income-based restrictions, and
- *CoStar Building Rating* of two or fewer stars out of five.[1]
- Built before 2000
- Excluding single-family homes

> **i** Manufactured housing undercounted in CoStar data
>
> Manufactured homes are a key source of NOAH throughout Virginia, especially along Chesterfield County's major corridors. However, the CoStar database does not fully capture all of these communities.

[1] Per CoStar, this is rating for the building relative to other buildings of the same type throughout the country.

In 2016, the Manufactured Home Community Coalition of Virginia (MHCCV) conducted a study of mobile home parks in Central Virginia and found that Chesterfield County was home to roughly 1,500 units within parks—the highest of any Central Virginia locality, with the second highest locality being Prince George at 831.
The analysis below *includes* all manufactured home communities in Chesterfield County identified in the MHCCV report. They are appended to the CoStar records to create a fuller NOAH dataset. However, the only known variables are property location and number of units within each park. Accurate rent levels for most of these communities are *not* known at this time.

3.3.1 Amount

Chesterfield County is home to 5,155 market-affordable rental units as of August 2022. These apartments are predominately in garden-style buildings with 200 to 250 units per property. A smaller share of these NOAH units are found in manufactured home communities and low-rise multifamily buildings.

Table 3.1: NOAH properties and units by style

Style	Properties	Units
Garden	19	3,548
Manufactured Home Community	13	1,491
Low-Rise	4	116
Total	**36**	**5,155**

Source: CoStar Group, Inc.

This NOAH inventory is approximately 16 percent of the county's total number of rental units according to the latest Census Bureau estimates.[2] However, that estimate includes the approximately 10,000 single-family homes leased out in Chesterfield.

3.3.2 Location

NOAH properties are spread throughout all parts of Chesterfield County, but like most NOAH properties nationwide, they are largely located in the inner suburbs—areas that saw early development towards the middle of the 19th century. These includes garden

[2] U.S. Census Bureau, American Community Survey, 2016-2020 5-year estimates. Tables B25003 and B25004.

style apartments like Falling Creek Apartments along Route One or manufactured home communities like Suburban Village off of Midlothian Turnpike.

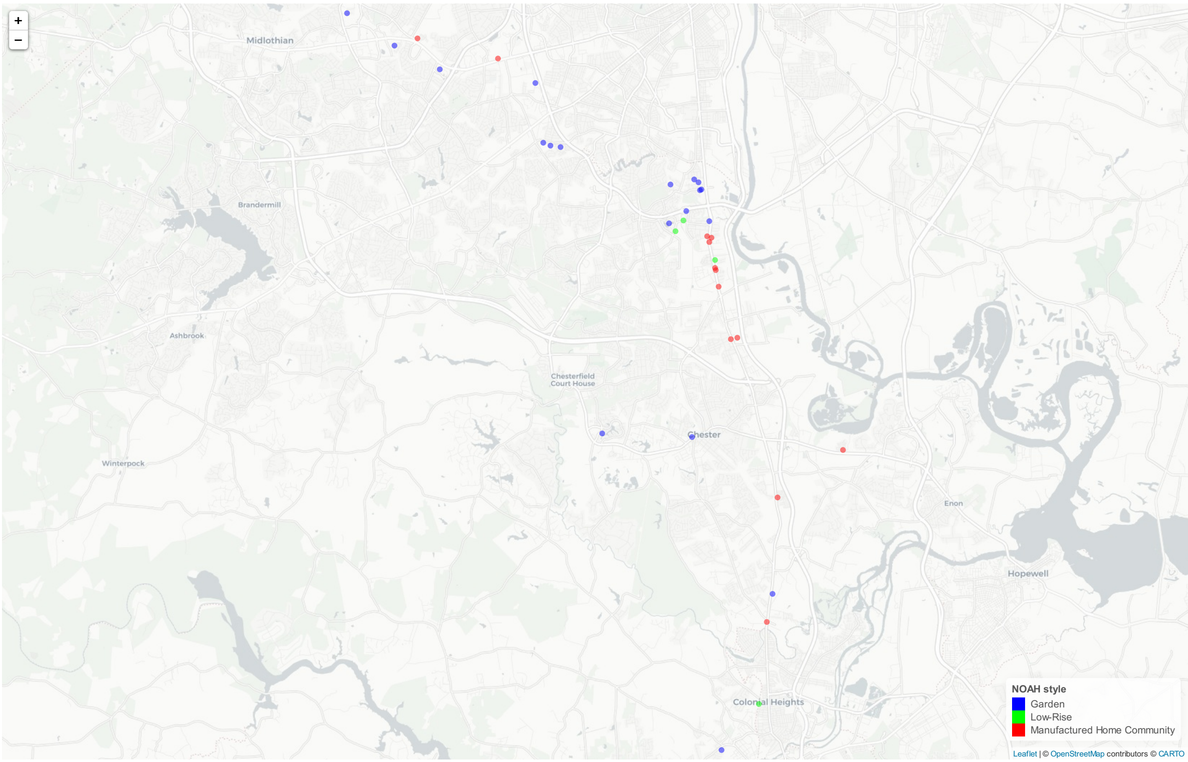


Figure 3.1: Location and type of NOAH

3.3.3 Rent levels

As of early 2022, average rents in Chesterfield's NOAH units range from $744 to $1,491 depending on the number of bedrooms. The minimum gross annual income to afford the average 2-bedroom market-affordable apartment is $47,560.

Table 3.2: Current rent by bedroom in NOAH properties

Bedrooms	Rent
Studio	$744
1 Bed	$1,023
2 Beds	$1,189
3 Beds	$1,491

Source: CoStar Group, Inc.

Market rents in Chesterfield's NOAH units have increased significantly as demand for lower-cost apartments continues to exceed the supply. Much of this price growth has occurred since 2015. Prior to that year, the average 3-bedroom NOAH unit could be rented for less than $1,200 per month.

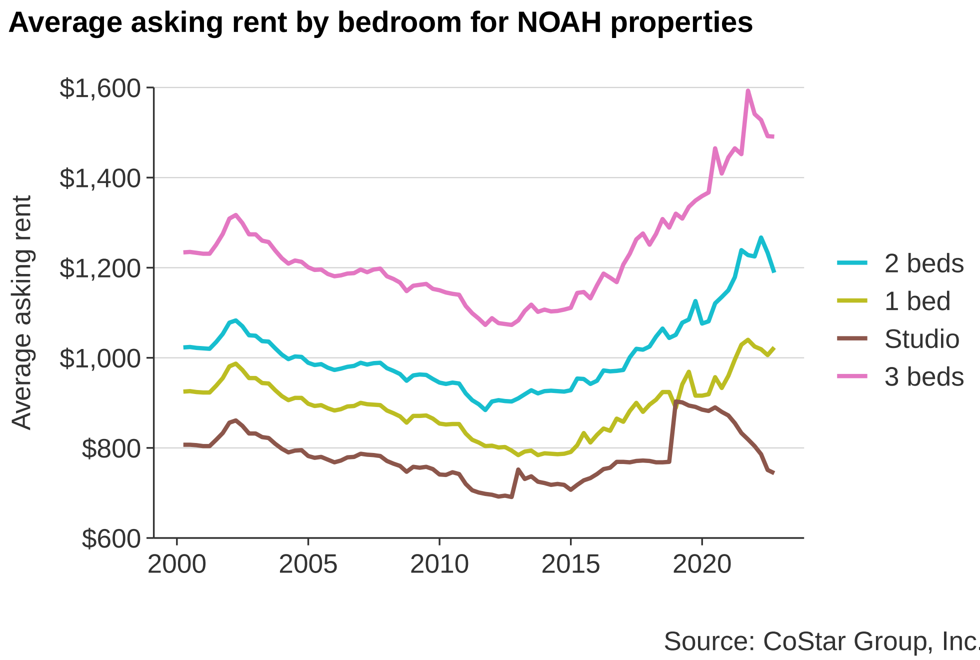


Figure 3.2: Average asking rent by bedroom for NOAH properties

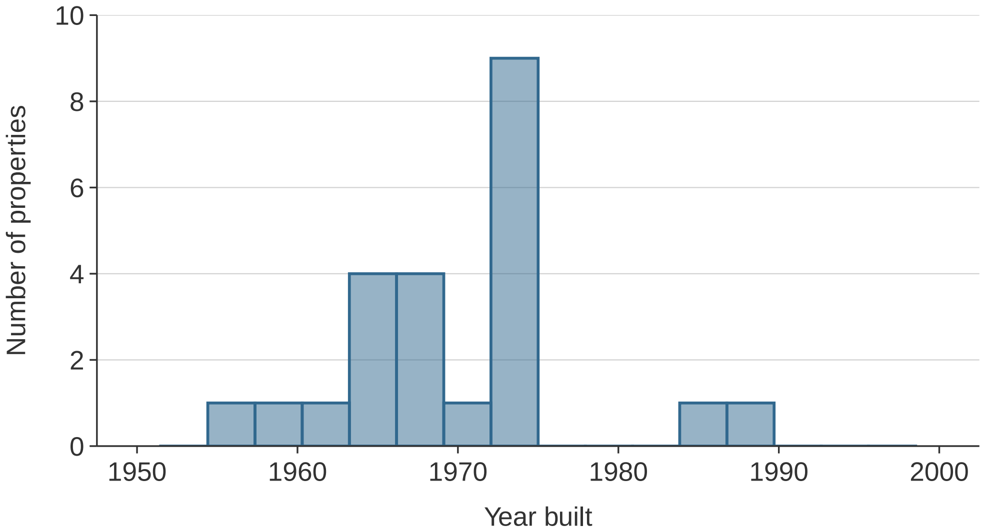
3.3.4 Age

The majority of Chesterfield's NOAH properties are older than 40 years. These buildings were primarily constructed in two major production cycles:

- The mid 1960s to the mid 1970s, and
- The late 1980s and early 1990s.

The median age of the county's NOAH units is 53 years. (Built in 1969.)

NOAH units by year built



Source: CoStar Group, Inc.

Figure 3.3: NOAH units by year built

3.3.5 Examples

Falling Creek Apartments

Figure 3.4: Falling Creek Apartments. Credit: CoStar Group, Inc.

- Units: 348
- Two-bedroom asking rent: $955
- Style: Garden apartments
- Neighborhood: Bensley

Suburban Village Manufactured Home Community

Figure 3.5: Suburban Village Manufactured Home Community. Credit: Google Earth.

- Units: 220 units
- Asking lot rent: Approximately $500 to $600
- Style: Manufactured home community
- Neighborhood: Bon Air

3.4 HUD insured multifamily properties

Chesterfield County also contains 19 multifamily properties with mortgages insured by various HUD programs. These complexes are *not* necessarily NOAH, *nor* are they required to restrict rents or incomes. In fact, only one of these properties has active rental assistance through the Section 8 program. In all, there are 2,280 active units across these communities.

HUD mortgage insurance programs offer certain financing benefits to developers (e.g. longer terms, lower or fixed rates, nonrecourse loans) in exchange for additional due diligence, federal wage standards, and other considerations to guarantee a high-quality and successful development. Both for profit and nonprofit builders can be eligible in most circumstances. HUD issues hundreds of these mortgages across the nation each year.

> Information on all HUD insurance programs
>
> More details about these multifamily mortgage insurance programs is available on the HUD website.

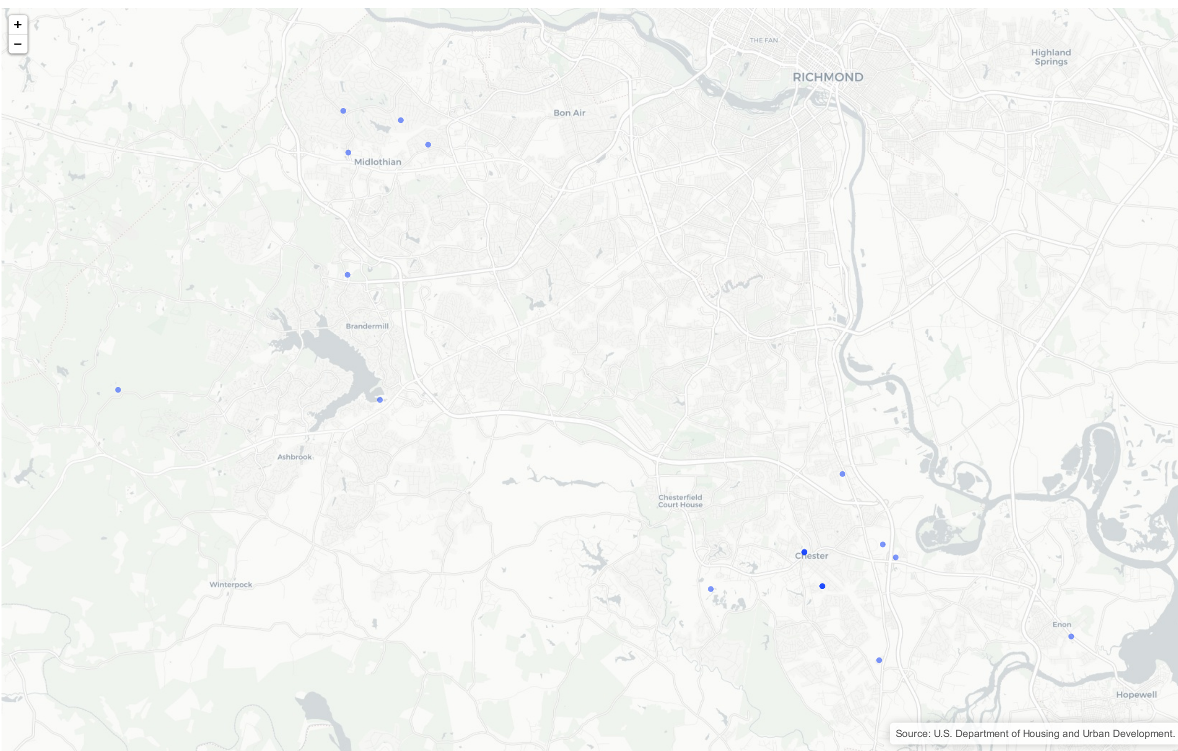


Figure 3.6: HUD insured multifamily properties in Chesterfield County

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

Of these 19 properties, CoStar has active rent levels for 12. The average asking rent for these units is $1,600, which is above the range for most NOAH across the county.

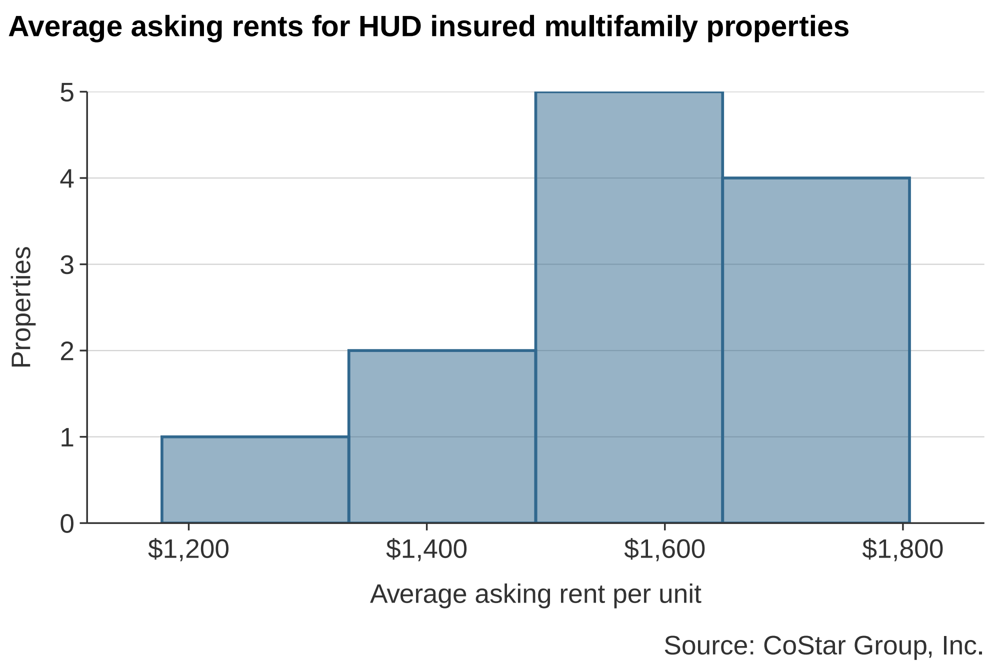


Figure 3.7: Average asking rents for HUD insured multifamily properties in Chesterfield County

3.5 Takeaways

- NOAH properties are a key resource for communities facing affordability challenges. However, NOAH properties face challenges themselves.
- The investments needed to maintain or improve the quality of NOAH properties are often out of reach for many property owners. However, making those investments can often lead to rent increases that price existing residents out of that housing.
- Strategies in NOAH preservation are becoming a growing area of interest among localities seeking to leverage limited resources for preserving existing affordable housing.
- NOAH units comprise a significant share of Chesterfield County's rental market, but are experiencing rapid rent escalation despite their above-average age compared to the rest of the county's housing stock.

4 Concentrations of affordable housing

4.1 Background

Concerns over the concentration of affordable housing have been largely born out of the criticisms of large-scale public housing developments, the consequences of 20th century urban renewal efforts, and the subsequent challenges with concentrated poverty. But less research has been done to study what potential positive or negative impacts newer affordable housing developments, such as those using Low-Income Housing Tax Credits, might have if densely situated in a particular community.

4.2 Research analysis

4.2.1 Defining "concentration"

Most relevant research on affordable housing concentration focused on the economic impacts that an affordable housing development has on a community—mainly in terms of surrounding property value. According to recent research, the spillover effects of affordable housing developments have largely been conducted without regard to the presence or absence of other nearby developments.[1] Therefore, there is little to no consensus on what constitutes a *concentration* of affordable housing.

Research conducted in 2008 on the spatial distribution of LIHTC properties determined that "clustering" of LIHTC properties does occur across metropolitan areas.[2] However, the scale of clustering varied among metropolitan areas included in the study—none of which included the Richmond metropolitan area. This clustering was found to primarily the result of program design (i.e. Qualified Allocation Plans in many states favor the development of LIHTC properties in Qualified Census Tracts (QCT) or Difficult Development Areas (DDA)).

[1] Voith, Richard et al. (2020). "Is More Affordable Housing Better? The Housing Price Effects of Concentrating LIHTC Developments in Los Angeles." Journal of Housing Economics, forthcoming. Available at SSRN: https://dx.doi.org/10.2139/ssrn.3740758

[2] O'Neill, Tara. (2008). "Subsidized Housing, Private Developers and Place: A Spatial Analysis of the Clustering of Low Income Housing Tax Credit Properties in the 25 Largest U.S. Cities." University of New Orleans Theses and Dissertations. 852. https://scholarworks.uno.edu/td/852/

4.2.2 Community impacts from affordable housing

In 2008, a report from the National Association of REALTORS® defined concentrations of assisted rental properties differently across metro areas.[3] For example, five or more properties within 1,000 to 2,000 feet of one another is a concentration in Denver, compared to or three or more properties within 500 feet in Baltimore County. Attempting to determine any effect these concentrations had on property values, the author finds:

> [That there] appears to be no consistent impact of federally assisted housing on nearby residential property values; impacts are contingent on context, concentration, and scale.

More recent research from 2020 investigated spillover effects of more than one LIHTC property on surrounding homes in the City of Los Angeles.[4] Once again, an explicit definition of a concentration of affordable housing could not be confidently stated. Authors instead differentiated between areas wherein there were zero, one, or two or more LIHTC developments within a half mile radius. Again investigating the impact on property values, the report finds:

> LIHTC properties positively impact surrounding housing values across the spectrum of Los Angeles' neighborhoods. Further the concentration of multiple LIHTC properties in a neighborhood additively increases housing prices up to ½ mile away. Finally, these effects though of greater magnitude in lower-income neighborhoods, are fully present in high-income neighborhoods.

Jobs-housing balance

In 2017, the Center for Urban and Regional Analysis at Virginia Commonwealth University released a report on the jobs-housing imbalance in the Richmond region. While it did not specifically address any potential "concentrations" of affordable housing, it analyzed six low-cost rental housing developments to determine if they had any tangible impacts to the surrounding neighborhoods.
The analysis, which included two properties in Chesterfield County (one subsidized and one unsubsidized), determined that these developments likely had no influence on nearby property values, property sales, or crime rates.

[3] Galster, George C. (2008). "A Review of Existing Research on the Effects of Federally Assisted Housing Programs on Neighboring Residential Property Values." https://www.nar.realtor/ncrer.nsf/files/galsterexsum2.pdf/$FILE/galsterexsum2.pdf

[4] Voith et al. (2020).

4.2.3 Summary

Based on this review, a concentration of affordable housing varies depending on research methods, as well as community context. In most instances, a concentration of affordable housing was described as being multiple properties within a set radius of one another. To this end, a concentration of affordable housing in Chesterfield County would look very different from a concentration of affordable housing in Hampton, Virginia or even in the City of Richmond.

Furthermore, research shows that the most common concerns about affordable housing's impact to the nearby community are not substantiated. Any claims that a new affordable housing development would have significant negative consequences on its surroundings (measured in particular by property values and crime rates) are generally unfounded.

4.3 Distribution of lower-cost rental housing in Chesterfield County

A full analysis of the spatial concentration of affordable housing in Chesterfield County, along with any downstream effects on property values and other community indicators, is beyond the scope of this study. However, we use public and private datasets to plot both subsidized and market-affordable rental properties across the county in the sections below.

4.3.1 With public subsidy

Based on data from the National Housing Preservation Database (NHPD), affordable housing properties supported by the federal government are spread throughout the suburban parts of the county. There are 32 federally assisted properties in Chesterfield County, compared to 60 in Henrico County and 134 in the City of Richmond. In Chesterfield, the majority of assisted units are supported by the Low Income Housing Tax Credit program, where market-rate units are often included in the development.

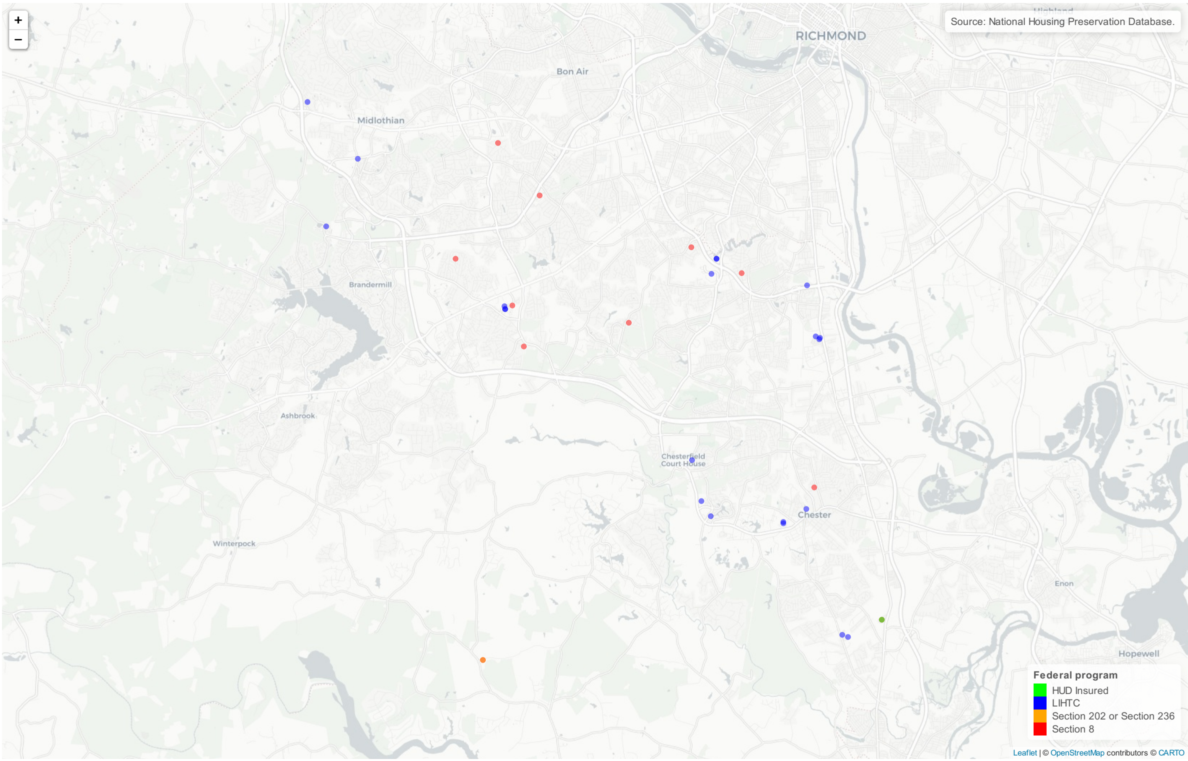


Figure 4.1: Federally assisted rental properties in Chesterfield County

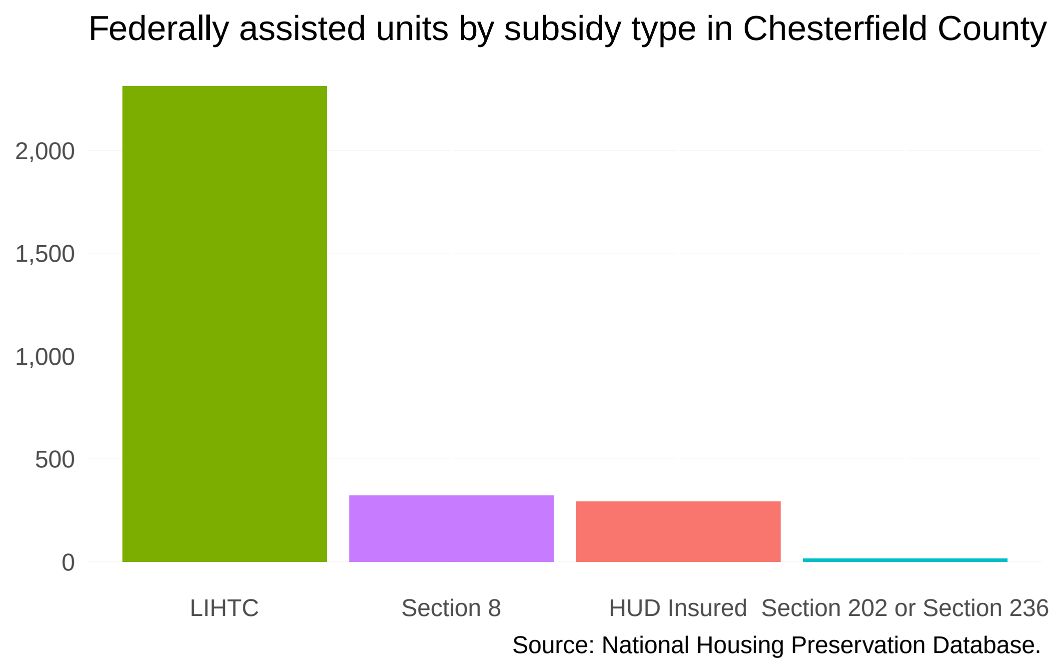


Figure 4.2: Federally assisted units by subsidy type in Chesterfield County

4.3.2 Without public subsidy

Naturally-occurring affordable housing (NOAH) is much more prevalent across the county than its income-restricted counterparts, as discussed in Chapter 3. These properties can be found throughout most populated areas, with the highest concentrations within several miles of the border with the City of Richmond, particularly between Hull Street and Route 1.

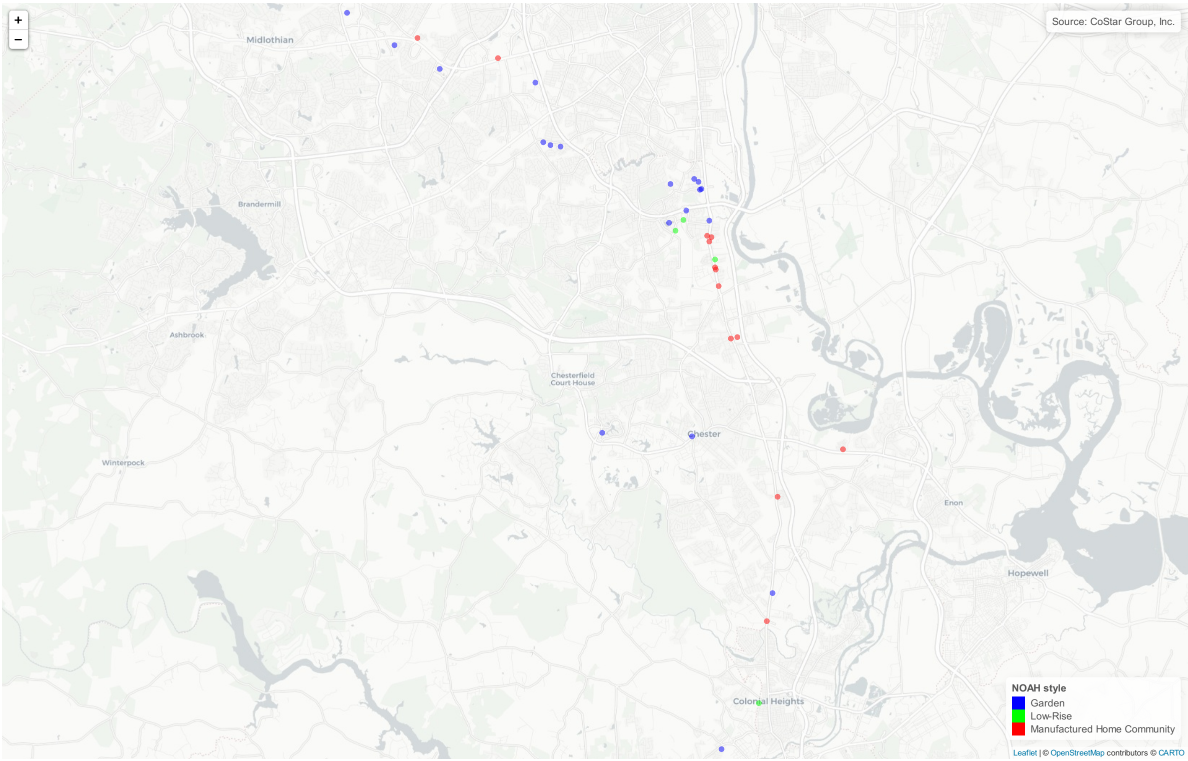


Figure 4.3: Location and type of NOAH

4.3.3 Housing Choice Vouchers

The Section 8 Housing Choice Voucher (HCV) program is the federal government's main program for assisting very low-income families, elderly, and disabled persons afford housing. Vouchers provide rental assistance to help individuals and families that make no more than 50 percent AMI find housing in the private market. Voucher holders are able to choose where they want to live, but the property must meet Section 8 requirements (i.e. meet health, safety, and proper maintenance requirements).

Tenants are required to 30 percent of their monthly adjusted gross income on rent and utilities, while the voucher will cover the remaining amount up to a payment standard set by HUD. This payment standard is referred to as Fair Market Rent (FMR), a measure of the average cost of affordable housing in a metropolitan area. For county residents, HCVs are administered through the county's Department of Social Services (as a local housing agency on behalf of Virginia Housing). HCV recipients from other agencies in the region, such as Richmond Redevelopment and Housing Authority, are able to utilize their vouchers in Chesterfield County.

Fair Market Rent

In the Richmond region, the FMR for a two-bedroom rental in 2021 was $1,189.

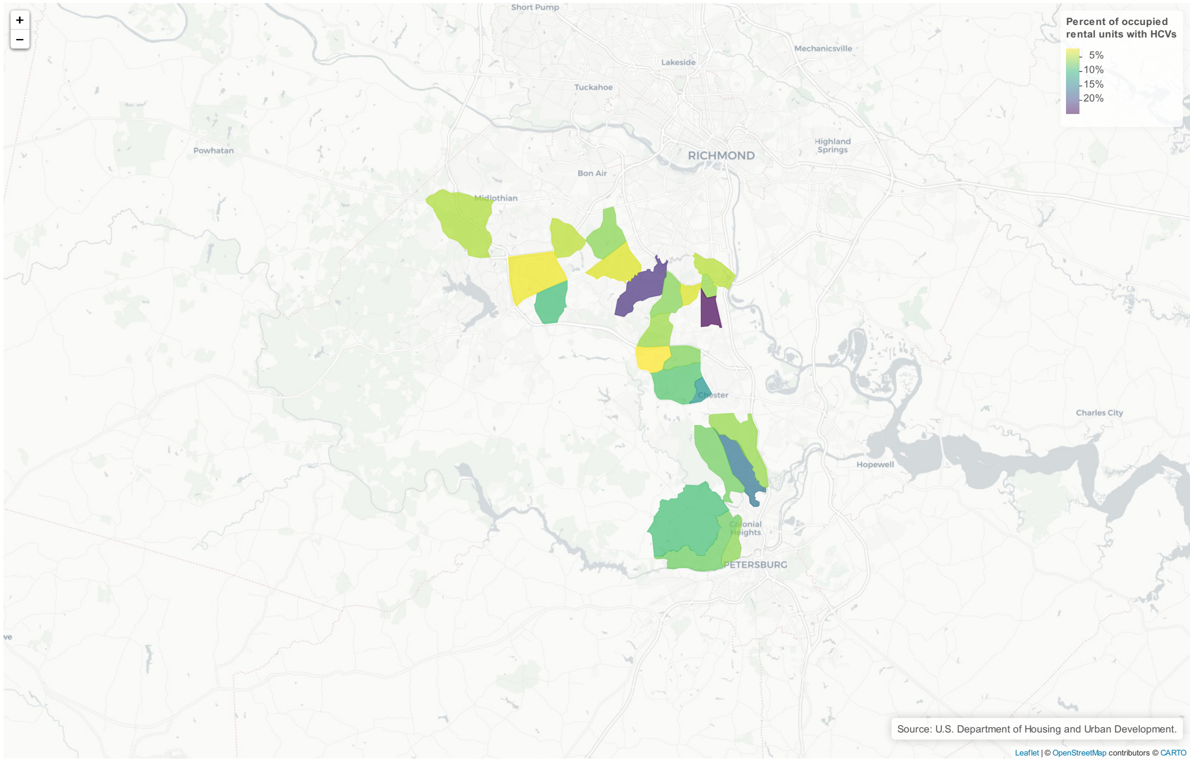


Figure 4.4: HCV utilization in Chesterfield County

In the county, there were 930 HCVs in use as of February 15, 2022. The map above shows the spatial concentration of HCVs as a percentage of total renter-occupied housing units. HCVs are largely concentrated in the county's more densely populated areas where there are multifamily housing options. Areas wherein at least one in four renter households utilize vouchers are located in the northern section of Route 1, along the Chippenham Parkway, and south towards Ettrick.

4.4 Takeaways

- A standard definition of a concentration of affordable housing does not exist, nor should one be universally applied across different types of communities.

- The majority of related research has focused on the impacts of multiple affordable housing properties on the surrounding community. However, in each research case, a "concentration" of affordable housing varied depending on the community (i.e., a concentration means different things in different locations).
- The current body of research shows that LIHTC properties have no detrimental impact on nearby property values.
- Income-restricted rental housing in Chesterfield County is not tightly concentrated in one neighborhood or along one corridor.
- A significant share of the county's unsubsidized affordable housing is located in northern neighborhoods adjacent to the City of Richmond.

5 Renter tenancy

This section summarizes research on period of stay in subsidized housing and any comparisons between tenancy in subsidized and unsubsidized housing.

5.1 Research analysis

From a growing family to a change in employment, the length of time a person rents an apartment or home can vary depending on a multitude of factors. Little academic research has been conducted on the length of stay among market-rate renters. Most research conducted in this area is dedicated to better understanding apartment turnover rates from a commercial real estate perspective.

> **Research limitations**
>
> To date, no formal research has been conducted making comparisons between market-rate and affordable housing resident length of stay.

For affordable housing residents, the most comprehensive study of length of stay was conducted in 2017 by the HUD's Office of Policy Development and Research.[1] The report found that stays in affordable housing varied by program type. Housing Choice Voucher (HCV) program participants had a median stay of 4.8 years, while programs like public housing and Section 8 project-based programs had a median stay closer to market rate residents—three years.

LIHTC, a major source of affordable housing across the nation, was missing from this study, and no research was found to be conducted on LITHC tenant length of stay. However, Section 8 project-based assistance and HCVs are often tied to LIHTC units.

PDR notes that stays in affordable housing programs are likely to increase as market forces, such as rising home prices and stagnant wages, continue to negatively impact low-income households. This increased length of stay in affordable housing can prevent new residents from accessing a much needed resource when additional supply is not

[1] Multi-Disciplinary Research Team. (2017). "Length of Stay in Assisted Housing." U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

being generated. It can also be an indication of residents not being able to climb the economic ladder to move out of assisted housing.

General consensus on market-rate rental housing tenancy ranges depending on whether a property is single-family or multifamily. Single-family rental stays average three years, while stays in multifamily properties averages about 27.5 months.[2] Affordable housing stays average higher at nearly six years, but can vary depending on household type. Senior households stay about nine years, while non-senior families with children stay about four years.

For the private market, it can be beneficial to increase tenant length of stay. Tenant turnover can be costly for landlords who need to clean, repair, and market rental units. Vacancy, for any amount of time, equates to lost rent.

5.2 Length of stay by tenure in Chesterfield

While there is no readily accessible dataset to compare length-of-stay between renters in subsidized versus market-rate housing, Table B25038 from the American Community Survey displays estimates for the year households moved into their current home by tenure.

The figure below shows this data for Chesterfield County using the latest 2016-2020 5-year estimates. Homeowners are much more likely to have lived in their home for a longer time than renters. Well over half of all homeowners last moved before 2009, with many settling in during the 2000-2009 decade. The majority of renters, on the other hand, moved into their current apartment in 2010 or after.

[2] ResidentRated.com. (2019). "Average U.S. Renter Stays in a Building 27.5 Months." ResidentRated.com. June 10, 2019. Retrieved from https://www.residentrated.com/blog/2019/6/10/average-us-renter-stays-in-a-building-275-months.

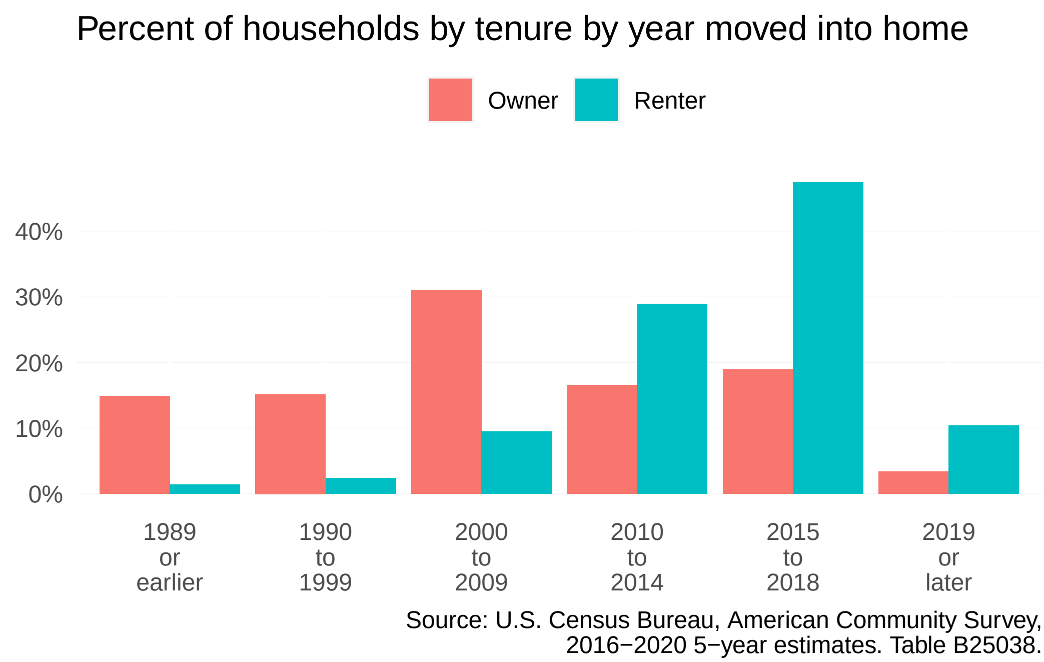


Figure 5.1: Percent of households by tenure by year moved into home

5.3 Takeaways

- Tenants may stay or leave in rental housing for various reasons regardless of the type of rental housing they call home.
- Longer lengths of stay mean economic stability for both tenant and landlord, but low turnover rates can exacerbate affordability challenges for new residents seeking to move to a community.
- With low turnover and minimal new rental construction, low supply leads to high demand across the rental market regardless of housing type.
- In Chesterfield County, renters in all types of units last moved much more recently than their homeowner counterparts.

Part II

PART 1-B: DEMOGRAPHIC AND AFFORDABILITY ANALYSIS

6 Data sources and reliability

This section lists and summarizes the major data sources used to measure housing affordability in the United States. Additional information is provided on the reliability of those data sources to accurately reflect households in Chesterfield County.

6.1 Background

Public and proprietary data are both available to help determine the level of housing affordability in communities across Virginia. These data have varying degrees of reliability based on sample sizes and time of data collection, but they serve as the most comprehensive source of information.

6.2 Decennial Census

The U.S. Census Bureau is constitutionally obligated to conduct a full count of the American population every 10 years. These enumerations determine the number and location of every person in the country as of April 1 of the year each Census is conducted. Current Census forms also ask respondents to include information on their sex, age, race, ethnicity, and whether they own or rent their home.

This report will use data from the most recent 2020 Census. The Census Bureau released the first data from this enumeration in April 2021 (state apportionment counts) and has since published additional datasets with greater detail.

As of March 2022, the 2020 Census data available for this report include:

- Total population and household counts,
- Occupancy status of housing units,
- Group quarters population,
- Race and ethnicity, and
- Voting age (18 years and over) population.

These data are part of the 2020 Census Redistricting Data (P.L. 94-171) Summary Files released in August 2021. Data is available at the state, locality, tract, and block level.

Important context for 2020 Census data

For the first time, Census results were produced using "differential privacy." This technique adds artificial noise to data at small geographies to reduce the likelihood of respondents being matched with personal information.
Many researchers and Census advocates have pointed out major flaws in the Bureau's implementation of differential privacy. For example, that the risk of "unmasking" private data has been greatly overstated, and that the added noise makes neighborhood-level data very unreliable for research.
Furthermore, there is evidence that the 2020 Census dramatically undercounted Americans who are Black, Latino, or indigenous. This is attributable to both the impact of COVID-19 on response rates, as well as the uncertainty surrounding the Trump administration's effort to add citizenship status as an additional question for respondents to answer.

6.3 American Community Survey

The American Community Survey is a program of the U.S. Census Bureau that provides annual data on communities across the country. This provides communities with up-to-date and more detailed socioeconomic information between the official census, which occurs every ten years and only collects basic information.

The ACS produces both 1-year and 5-year period estimates of the U.S. population. The 1-year estimates are produced every year for geographic areas with a population of 65,000 or more. Data for 1-year estimates are collected over a 12 month period and have a smaller sample size than 5-year estimates. Although better for getting the most current data, 1-year estimates are less reliable than 5-year estimates.

The 5-year estimates are collected over a 60 month period. For 2019 5-year estimates, this meant that data was collected from January 1, 2015 to December 31, 2019. Sample sizes are large due to this length of time. While this results in higher data reliability, data is not as current.

6.4 Comprehensive Housing Affordability Strategy

Comprehensive Housing Affordability Strategy (CHAS) data are custom tabulations of ACS data that are sent to the U.S. Department of Housing and Urban Development (HUD) by the U.S. Census Bureau every year. These custom tabulations demonstrate the extent of housing needs across the country—mainly in terms of housing cost burden.

The primary benefit of CHAS data is its use of regional Area Median Income (AMI) categories to sort households, which is not available in standard American Community Survey tables. This feature allows researchers and policymakers to easily compare housing needs with available housing programs, which nearly always use AMI for eligibility guidelines.

CHAS data is produced using ACS 5-year estimates and lags behind 5-year estimate releases by a year. Therefore, the most recent release of CHAS data (as of March 2022) is for the 2014-2018 5-year period.

Published CHAS data does include calculated margins of error based on the original ACS sample. These error ranges generally result in high to moderate estimate reliability at the locality level (especially for larger jurisdictions, such as Chesterfield County). However, we take caution in using CHAS data produced for small population subsets with higher errors (e.g., households who rent, are between 30 and 50 percent AMI, are Asian, and are cost-burdened).

6.5 Center for Neighborhood Technology

The Center for Neighborhood Technology's Housing and Transportation (H+T) Affordability Index utilizes a cost model reviewed by practitioners and academics specializing in transportation and community indicators. The index was last updated in 2017, but is the most comprehensive, publicly-available tool to measure both housing and transportation affordability in the United States.

The H+T Affordability Index utilizes the 2015 American Community Survey, Longitudinal Employer-Household Dynamics (LEHD) Origin Destination Employment Statistics (LODES), and CNT's own General Transit Feed Specification (GTFS) data.

Although it uses ACS data as a model input, CNT does not publish any calculated margins of error or other data reliability measures for their index. Readers should take caution with specific metrics for smaller slices of the population.

6.6 Central Virginia Regional Multiple Listing Service

The Central Virginia Regional Multiple Listing Service (CVR MLS) is a database of real estate transactions maintained by the Richmond Association of REALTORS®. The database provides real-time data on properties for sale and helps real estate agents and brokers connect potential homebuyers to sellers.

Although the data is dependent on agent inputs, the MLS is a highly reliable source of information on residential real estate sales. While a small number of properties sold directly by owners may not be included, we treat the MLS database as a complete population of all home sales and listings in the Richmond region. A margin of error is not applicable.

6.7 CoStar

CoStar Group, Inc. maintains a proprietary database of commercial real estate information across the nation, including multifamily properties. CoStar collects a multitude of data on these assets through a comprehensive approach of direct communication with properties and online data scraping.

We will treat the CoStar database as a complete population of all multifamily units in the Richmond region that are corporately owned. Their database excludes, however, most small-scale rental properties such as single-family homes and duplexes.

6.8 Takeaways

- A wide range of data types and sources are necessary to fully understand housing needs and affordability across a population. These include both public and private data sources.
- The survey sample-based American Community Survey and other datasets that rely on it (CHAS, CNT, etc.) benefit from standard collection methodology, complete coverage of the United States, and regularly scheduled updates. However, this comes at the expense of lower data reliability for smaller geographies with lower population counts, which have fewer responses from which to draw accurate conclusions.
- For the purposes of this report, we will use Census Tracts as the most detailed geographic unit. These generally correspond to larger neighborhoods and communities with several thousand people. Margins of error for most tract-level estimates are within reasonable ranges.

7 Household income

This section provides an analysis of household incomes in Chesterfield County disaggregated by tenure, age, and race/ethnicity. The major data source for this information is the American Community Survey.

7.1 Background

In 2020, housing expenses increased amid the pandemic to account for nearly 35 percent of the average American household's spending—the largest share of average annual expenditures regardless of household type. While housing prices have been on the rise, household incomes across the country have not kept pace. This has largely resulted in a higher share of household incomes being spent on basic living expenses.

However, like the rest of the country, households in Chesterfield County have a wide range of incomes and expenditures. The following sections show how household incomes vary by tenure, age, race and ethnicity. Income disparities exist across the county, and have major implications on the need for housing diversity.

7.2 Tenure

While a majority of Chesterfield residents are homeowners, the number of renters has grown over the past decade. The increase in households who rent can be attributed to the growing cost of homeownership in the county, as well as changing preferences among individuals and families.

As of 2020, the median household income for renters is nearly half (55 percent) that of the typical homeowner's household income: $53,147 compared to $96,296. When adjusted for inflation, the median renter income has risen slightly over the past decade (by just under $4,000). This is likely in part due to some middle-income households delaying homeownership because of limited affordable inventory and, for some young working adults, burdensome student loan debt.

At the same time, average homeowner incomes have actually declined slightly (by just over $1,000). One potential explanation for the limited income growth among homeowners is the ongoing transition from full employment to fixed income for baby boomers entering retirement.

Because real average incomes for both homeowners and renters in Chesterfield County have remained steady for a decade, a wide gap of more than $43,000 remains.

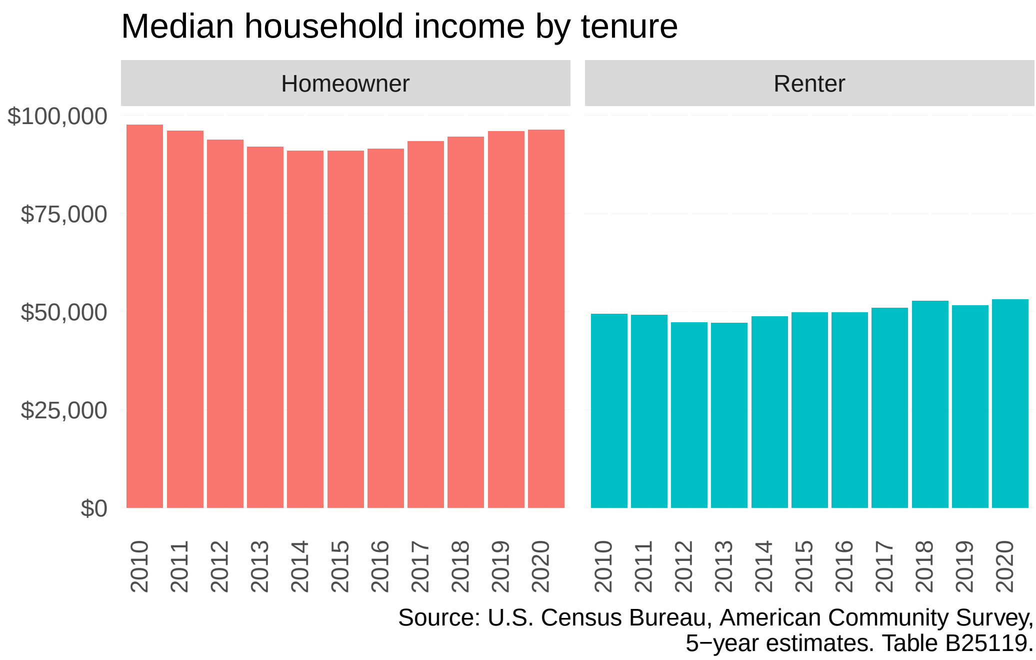


Figure 7.1: Median household income by tenure

The following graph shows the distribution of households incomes by tenure, for both 2010 and 2020. The Census Bureau does not adjust these income ranges for inflation, so 2010 incomes are in 2010 dollars. Both homeowners and renters experienced upward shifts in their nominal incomes, with significant growth in households earning $100,000 or more annually. The share of renter households earning between $50,000 and $99,999 also increased.

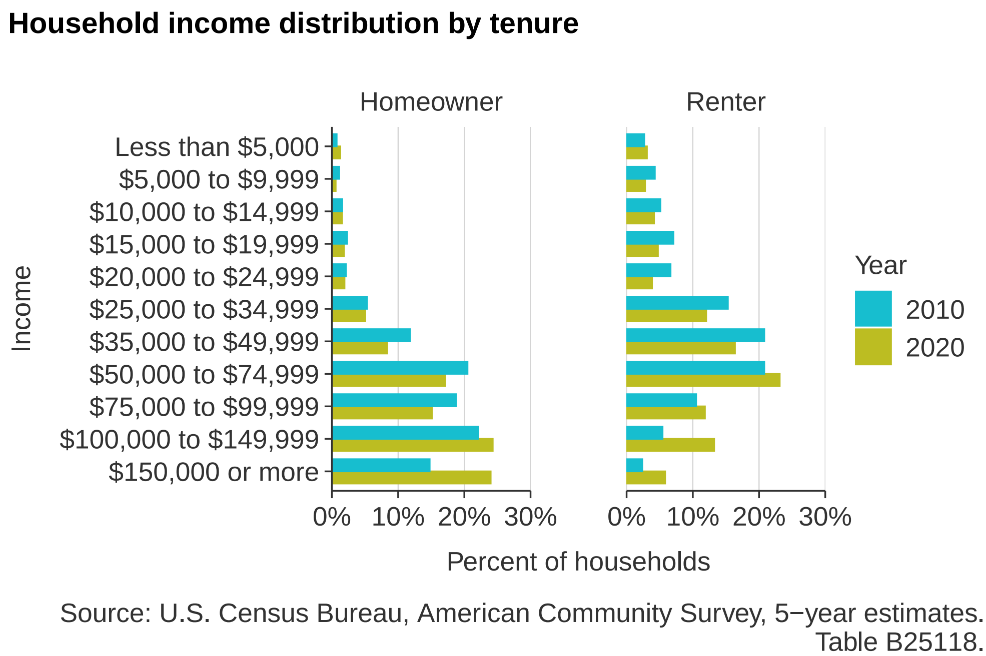


Figure 7.2: Household income distribution by tenure

7.3 Age

While younger households generally have less income because they are typically getting started in their careers, senior households can face similar challenges as they approach retirement age and transition to fixed incomes. This is evident in Chesterfield County, where households both under 25 and 65 and older have substantially lower average incomes.

The 45 to 64 year age group had a high median household income nearing $100,000 in 2020. This age group represents a significant number of Generation X'ers and baby boomers in their prime working years who have chosen to live in the county. Millennial households in the county—those 25 to 44 years old—also have high incomes ($87,328).

Chesterfield seniors in 2020 had a median household income of $61,777. Although this was the only age group to see a moderate increase (11 percent) in median household income, senior incomes are still significantly lower than their other adult counterparts. This translates to less income to compete for housing in the Chesterfield market.

At the opposite end of the spectrum, households under 25 have seen decreasing incomes—going from $48,591 in 2010 to $40,881 in 2020, a 16 percent decrease. Lower incomes among Generation Z may have major implications on the need for more rental and starter home options amid rising costs.

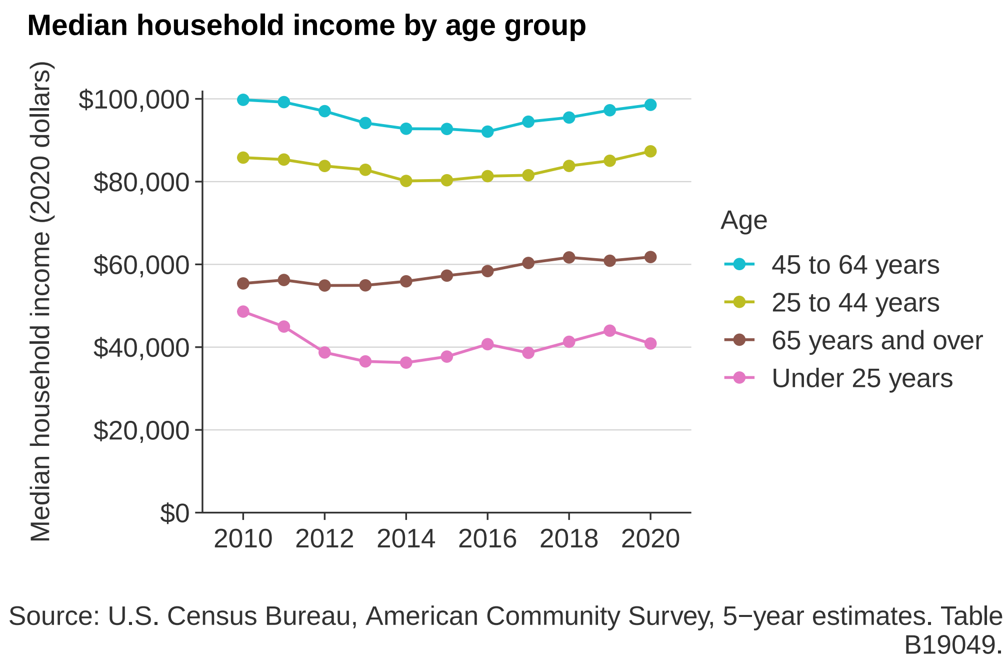


Figure 7.3: Median household income by age

7.4 Race and ethnicity

Like the rest of Virginia and the nation, average household incomes across Chesterfield vary significantly by race and ethnicity. These differences are the result of many historical and structural disparities affecting economic opportunities for persons of color.

Over the last decade, Asian and white non-Hispanic households in Chesterfield have maintained the highest median incomes. As of 2020, the estimated median income for the county's Asian households topped $100,000. White non-Hispanic households also had high incomes, averaging $90,712.

Multiracial households saw the largest real increase in incomes, growing by over 28 percent from 2010 to 2020. However, this increase occurred almost entirely from 2019 to 2020, which is likely reflective of additional individuals and households choosing to identify with more than one race or ethnicity than they would have in previous years.

Recent trends in self-reported demographic identity

The significant rise in income for multiracial households is very likely in part because of the changing ways Americans are choosing to identify their race and ethnicity.

The lowest average incomes in the county are found among Hispanic and Black households; both groups have also not seen significant changes in real incomes since 2010. Black households had a median income of $71,962 in 2020, while Hispanic households had a median income of $60,875. That amount is roughly equal to the annual gross pay for two full-time workers earning $15 per hour.

7.5 Takeaways

- Average household incomes in Chesterfield County are relatively higher than the region as a whole, but many household types in the county still have lower incomes that make housing affordability challenging.
- Renters earn just above half that of homeowners in the county.
- Younger workers are more likely to live on their own and/or have lower wage jobs; householders under 25 have the lowest incomes of all age groups in the county.
- Income disparities by race and ethnicity have persisted in the county for the past decade.

8 Household cost burden

This section provides an analysis of cost burden within Chesterfield County disaggregated by tenure, income, household type, and race/ethnicity.

8.1 Background

Cost burden is the standard by which most academics and practitioners measure housing affordability and is the result of the 30 percent standard. Households spending more than 30 percent of their income on housing costs are housing cost-burdened, while households spending more than 50 percent are severely housing cost-burdened. Although cost burden can be a reflection of insufficient wages to afford housing, it can also point to a growing need for more diverse housing options.

While other measures have their benefits in communicating the need to address housing affordability (Chapter 2), the 30 percent standard has not only been shown to be accurate in representing the overall community, but it can be easily understood and applied at different scales. For these reasons, and for the range of demographic and socioeconomic crosstabs available for cost burden in CHAS data, we use this standard.

8.2 Tenure and income

For homeowners, cost burden has decreased across the board. There were 21,305 cost-burdened homeowners in 2010, but that number decreased significantly to 16,945 in 2018—a 20 percent decrease. The total share of cost-burdened homeowners has shrunk, from nearly one in four (24 percent) in 2010 to 18 percent in 2018.

But cost burden is still substantial among households with lower incomes, especially extremely low- (30 percent AMI or less) and very low-income (31 to 50 percent AMI) homeowners, where over half of homeowners at these incomes are cost-burdened, 85 percent and 56 percent, respectively. Worse yet, the majority of cost burdened homeowners at these incomes are spending more than 50 percent of their income on housing costs.

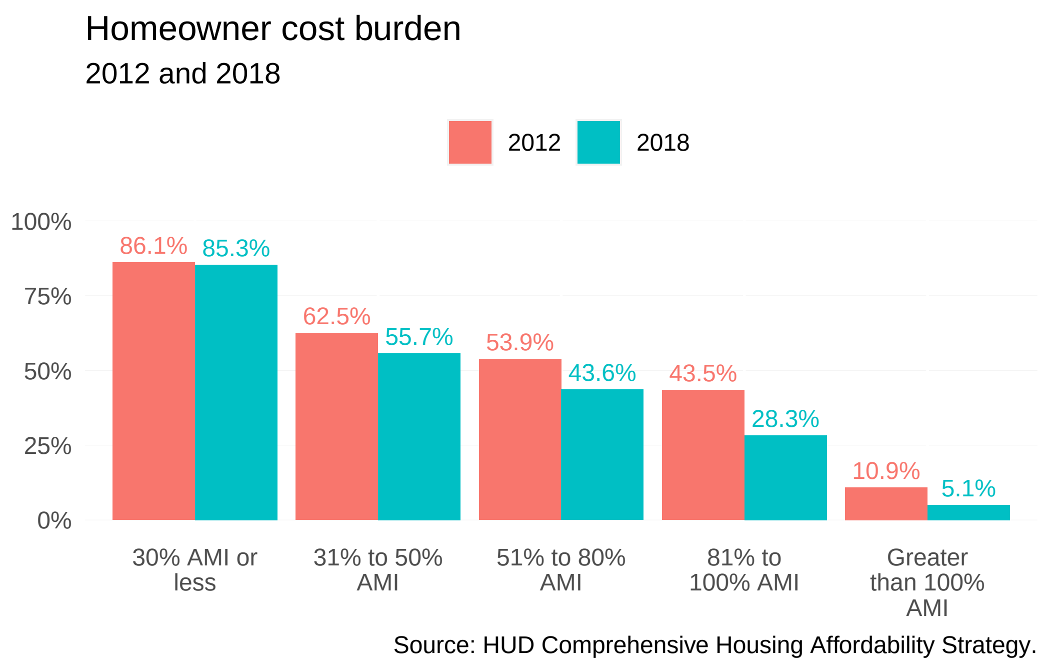


Figure 8.1: Homeowner cost burden

With the share of renters increasing in Chesterfield County, the share of renter households experiencing cost burden has been in decline in recent years—dropping from 45 percent in 2013 to 42 percent in 2018. But the actual number of cost-burdened renters has been on the rise—from 10,495 at the start of the decade to 12,795 cost-burdened renters in 2018.

Separating out by income group shows that declining cost burden is not a shared experience. Income groups making less than 80 percent AMI have seen an increasing share of cost-burdened renters. Those increases have been greatest among extremely low-income renters (85 percent to 90 percent) and low-income renters (58 percent to 64 percent) between 2012 and 2018. The decrease in higher income renters (80 percent AMI or more) experiencing cost burden shows an increasing number of higher earning renters entering the county rental market, nearly 4,000 higher earning renters without cost burden by 2018.

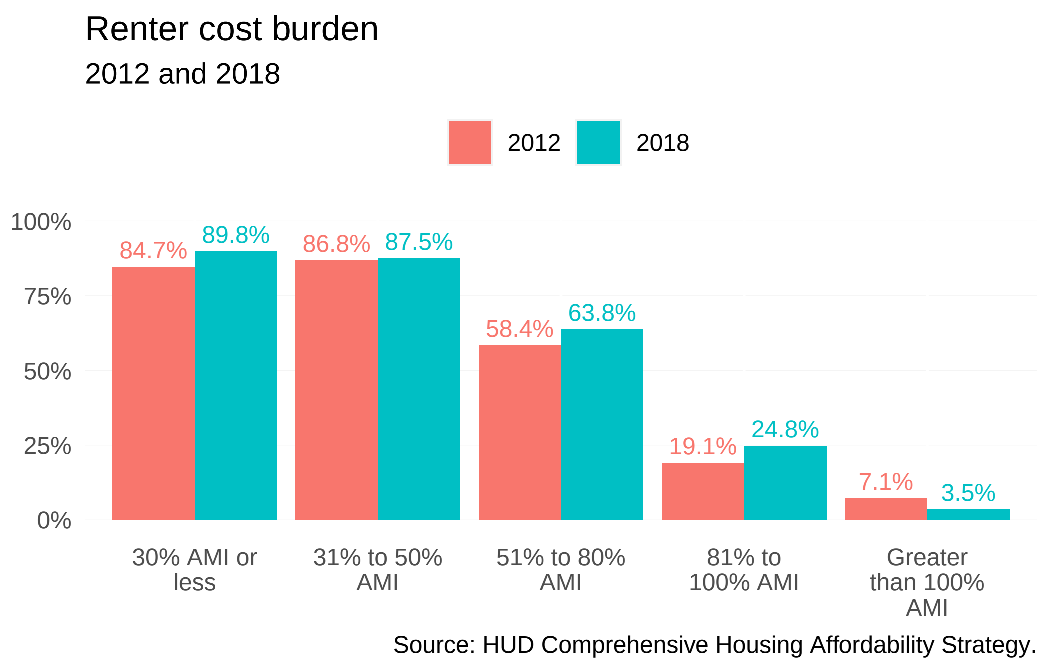


Figure 8.2: Renter cost burden

8.3 Household type

As families grow and seniors age, expenses tend to increase as well. More mouths to feed can often mean less flexibility in spending towards essential needs like housing. For aging households on fixed incomes, increasing healthcare costs can not only lower a housing budget, but can imply a growing need to support aging-in-place.

In the county, elderly non-family households (i.e., single seniors living alone) experience cost burden at a disproportionate rate. In 2018, 5,885 elderly non-family households (42 percent) were cost-burdened—higher than any other household type. The brunt of this cost burden was shouldered by homeowners (3,730), but 69 percent of seniors living alone (2,155) who rent were cost-burdened, indicating a clear need to address senior affordable rental housing in the county.

The second household type experiencing a significant amount of cost burden (35 percent) was non-elderly non-family households (i.e., single adults living alone, or with a roommate). Although decreasing eight percentage points since 2012, a large share of single adults were still cost-burdened—from 8,455 to 6,595 households. Over half (56 percent) of those 6,595 households are renters.

Cost burden among these two household types exhibits a growing affordability challenge for single adults regardless of age. Without additional income that comes from other family members in a household, affording a home in the county can be financially difficult.

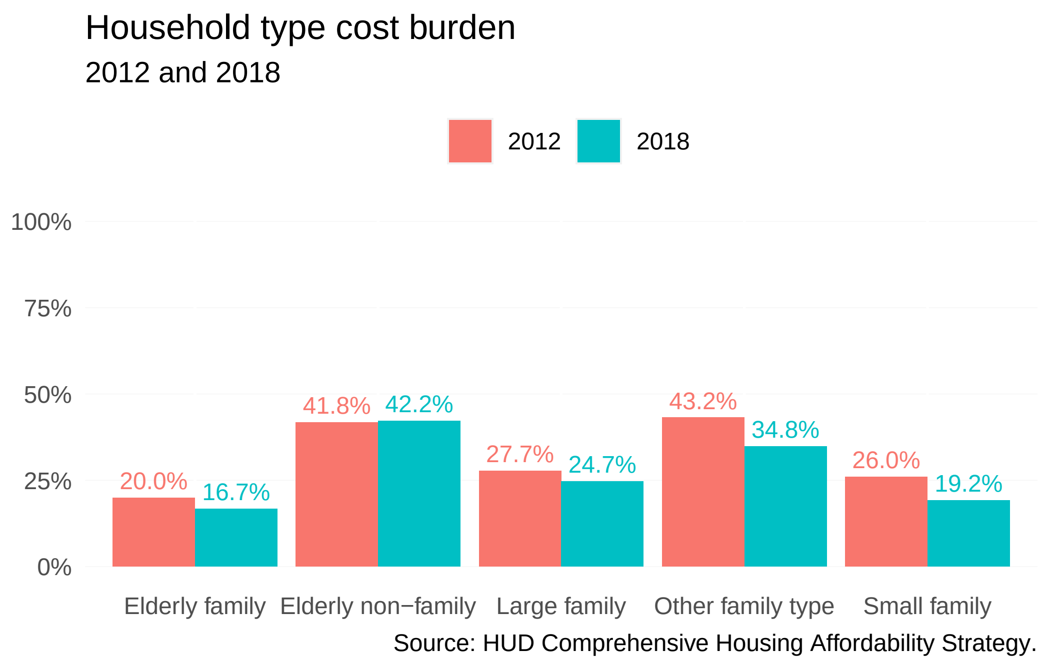


Figure 8.3: Household type cost burden

8.4 Race and ethnicity

In the county, there are major disparities in cost burden between racial and ethnic groups. In 2018, the share of cost-burdened white households was ten percentage points lower than the share of Black, Asian, and Hispanic households.

In spite of these disparities, the share of cost burdened households of color has been in a steady decline. Most significantly, Hispanic households have experienced the greatest decrease in cost burden—from nearly half of all Hispanic households in 2010 to only one in three (34 percent) in 2018.

These decreases in cost burden among households of color may be in large part to the relative affordability and attractiveness of Chesterfield County to growing families.

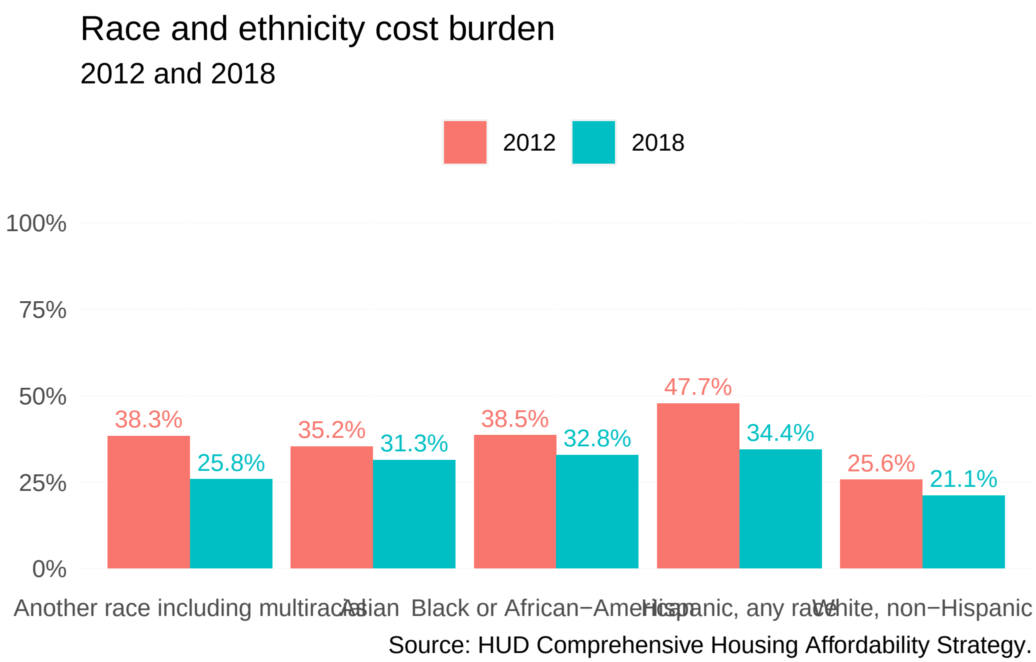


Figure 8.4: **?(caption)**

8.5 Structure type

Cost burden also varies across the types of buildings Chesterfield residents call home. The highest levels of cost burden (above 40 percent) are found in the county's multifamily stock, which are occupied almost exclusively by renters. Manufactured homes and single-family attached homes have cost burden rates closer to the countywide average of 25 percent.

Caution should be exercised when interpreting these results. The horizontal lines in the figure below represent 90 percent confidence intervals for each estimated percent. Building types that make up a smaller share of the county's housing stock have fewer samples, resulting in lower data reliability. For example, the actual percent of cost-burdened households in manufactured homes may fall between 6 and 44 percent—a very wide range.

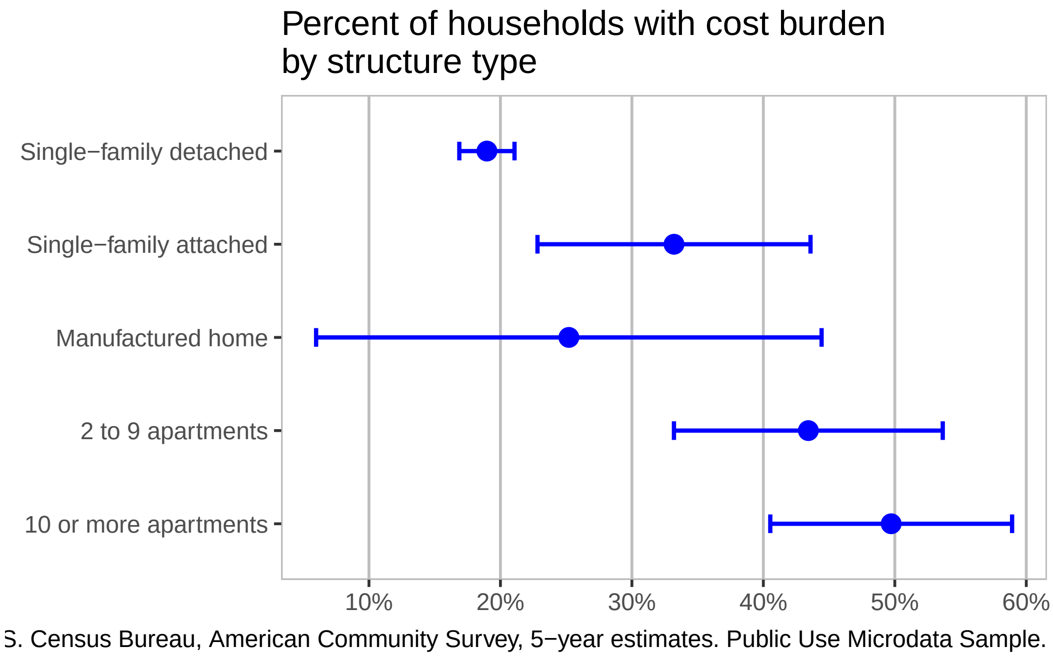


Figure 8.5: Percent of households with cost burden by structure type

Single-family detached homes, while the most expensive housing type, have the lowest rate of cost burden for a number of related factors. These include homeowners having relatively high incomes, and (for long-term homeowners) relatively low mortgage payments.

However, roughly 10 percent of single-family homes in the county are renter-occupied. These households have cost burden rates much higher then their homeowner counterparts

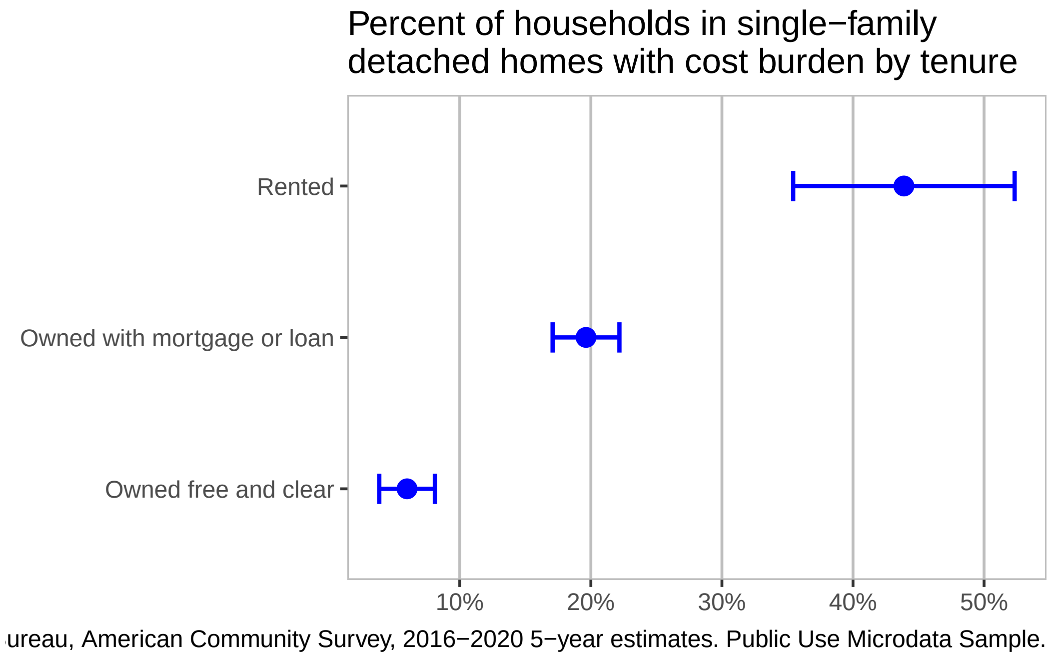


Figure 8.6: Percent of households in single-family detached homes with cost burden by tenure

8.6 Spatial distribution

Levels of cost burden also vary across different areas of the county, generally following existing socioeconomic patterns. While the share of homeowners experiencing cost burden is distributed relatively evenly among Chesterfield's census tracts, there is greater spatial contrast among renters. The highest levels of rent burden are found in neighborhoods along the Route 1 and eastern Hull Street Road corridors.

8.6.1 Homeowners

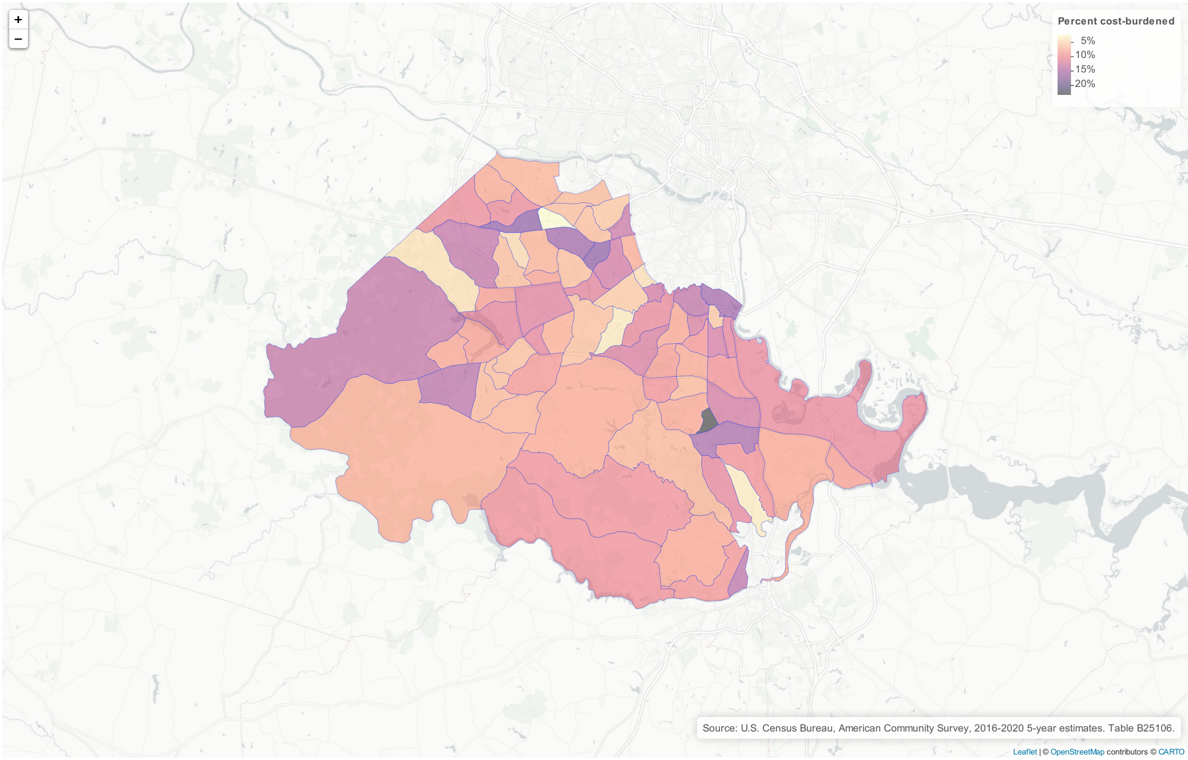


Figure 8.7: Percent of homeowners with cost burden by tract

8.6.2 Renters

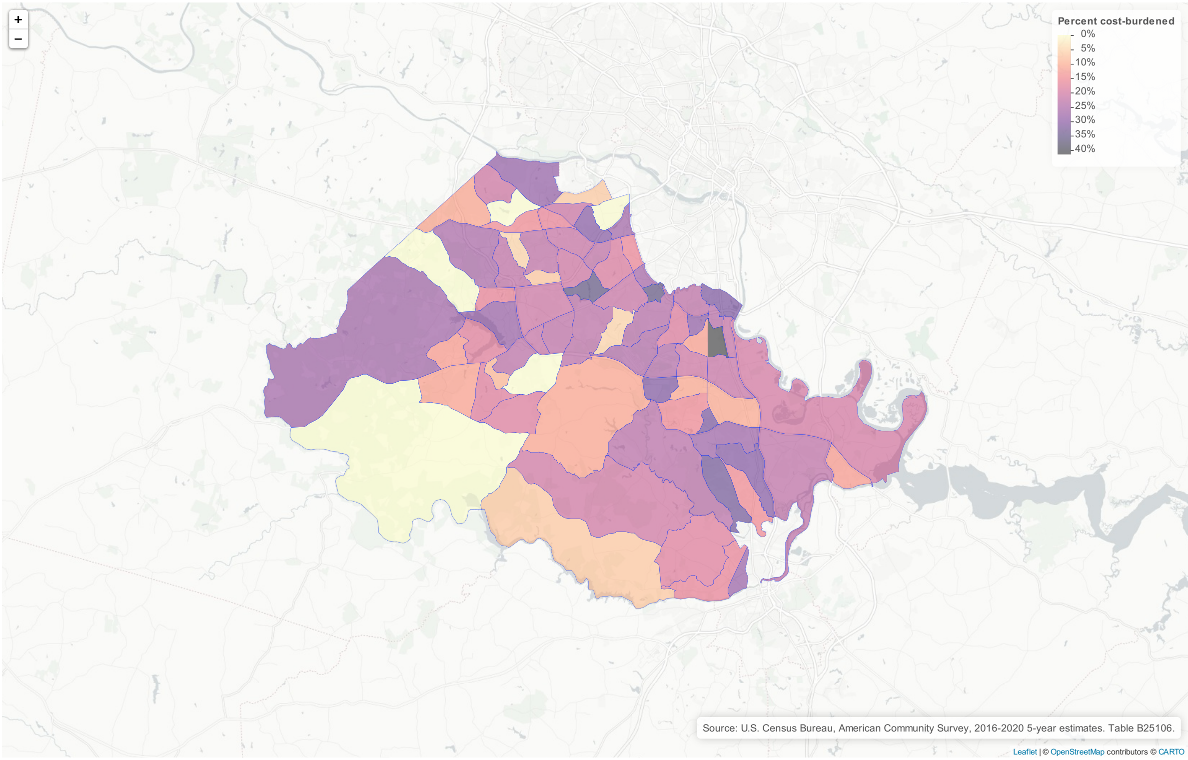


Figure 8.8: Percent of renters with cost burden by tract

8.7 Takeaways

- Cost burden is not felt equally among Chesterfield County residents. Lower income households, especially renters, adults living alone, seniors and non-seniors, and households of color experience cost burden at disproportionate rates in the county.
- While the share of households of color experiencing cost burden has been in decline, more and more lower income households are becoming cost-burdened.

9 Ability-to-pay

This section compares common wages for workers across Chesterfield County to actual housing costs for both homeownership and renting. The analysis reflects the ability for Chesterfield workforce to pay for current housing costs.

9.1 Background

Affording a home in Chesterfield County—whether to own or rent— is directly tied to the incomes that households earn. There are diverse job opportunities across the region, and while some common jobs do pay well-above minimum wage, housing costs are rising faster.

Table 9.1: Top five most common occupations in Chesterfield County

Occupation	Jobs	Mean hourly wage	Mean annual wage
Retail salespersons	18,770	$13.85	$28,800
Fast food and counter workers	16,930	$11.29	$23,490
Customer service representatives	13,560	$17.51	$36,410
Registered nurses	12,910	$36.99	$76,940
Home health and personal care aides	9,390	$11.51	$23,930

Sources: Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021.

A diverse workforce also requires diverse housing for those workers. When workers can't find housing in a community, they either have to commute in or they search for work elsewhere. More in-commuters can exacerbate traffic congestion and increase the amount of spending on transportation costs, while the loss of workers can put strain on local economies.

Another important part of a diverse workforce are public sector jobs, like teachers and police officers. Affordable housing to these households can be the deciding factor for attracting an adequate and talented pool of public service workers that educate our children and keep our neighborhoods safe.

The table below shows the median annual wage for six common occupations with Chesterfield County government. These positions generally pay higher than the county's most prevalent private-sector jobs.

Table 9.2: Public sector occupations in Chesterfield County

Occupation	Median annual wage
Planners	$66,202
Police officers	$59,470
CCPS teachers	$54,937
Firefighters	$53,428
Emergency communications officers	$44,166
Administrative workers	$44,115

Source: Chesterfield County.

Understanding the ability of a range of job types to afford housing in a county contributes to economic development goals and helps ensure that workers that live in the county can continue to live in the county. When people both live and work in a community, they are able to spend less time on the road and more time with their families and investing in their neighborhoods.

9.2 Homeowner affordability

Homeownership is more difficult to achieve in Chesterfield County The COVID-19 pandemic further tightened the housing market across America, and the Richmond region was no exception. The low supply of homes-for-sale coupled with record low mortgage interest rates placed pressure on local housing markets, especially in the suburbs.

The median home sale price in Chesterfield County has increased by 39 percent since before the pandemic in 2019—from $269,000 to $371,480 in 2022 year-to-date.[1]

[1] As of August 31, 2022.

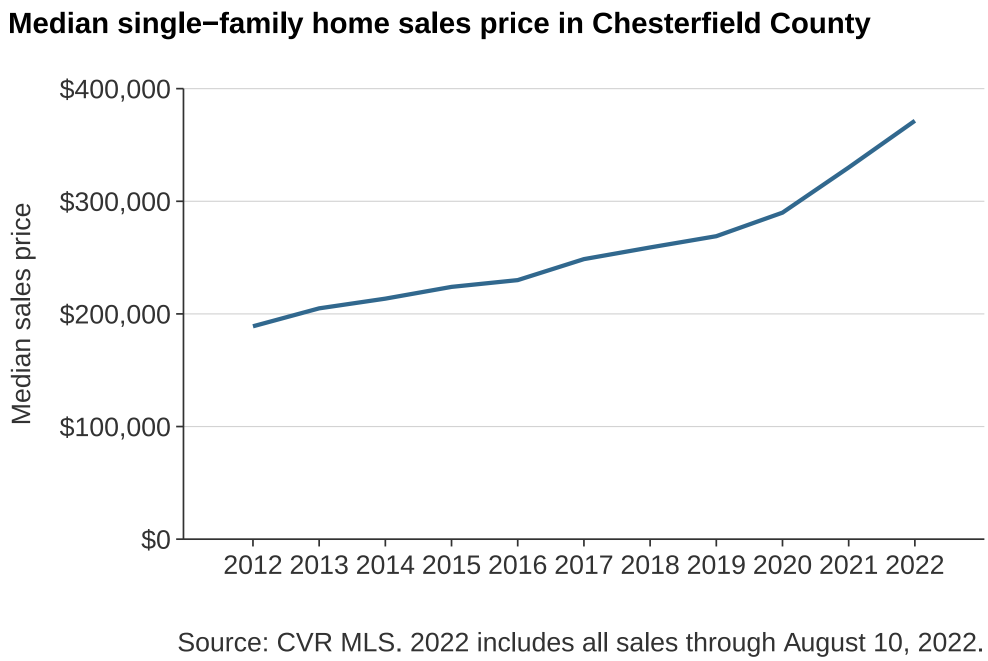


Figure 9.1: Median single-family home sales price in Chesterfield County

In order to afford a home at this price, a household would need to make **$89,889** at the current average annual interest rate.[2] The table below shows the assumptions made to calculate this figure.

Table 9.3: Calculated income needed to buy median-priced home in Chesterfield County

Variable	Value
Median sales price	$371,480
Downpayment	5.0%
Closing costs	1.5%
Loan amount	$358,280
Interest rate	4.65%
Monthly utilities	$250
Monthly payment	$2,097.42
Income needed to buy home	**$89,889**

Sources: CVR MLS and Freddie Mac Primary Mortgage Market Survey.

This minimum income is about $37,000 more than the 2020 median household income

[2] Freddie Mac 30-Year Fixed Rate Mortgage Annual Average as of August 31, 2022.

for renters in Chesterfield ($53,147). In fact, through 2020, the average renter household income is unable to support a home sales price above $250,000.

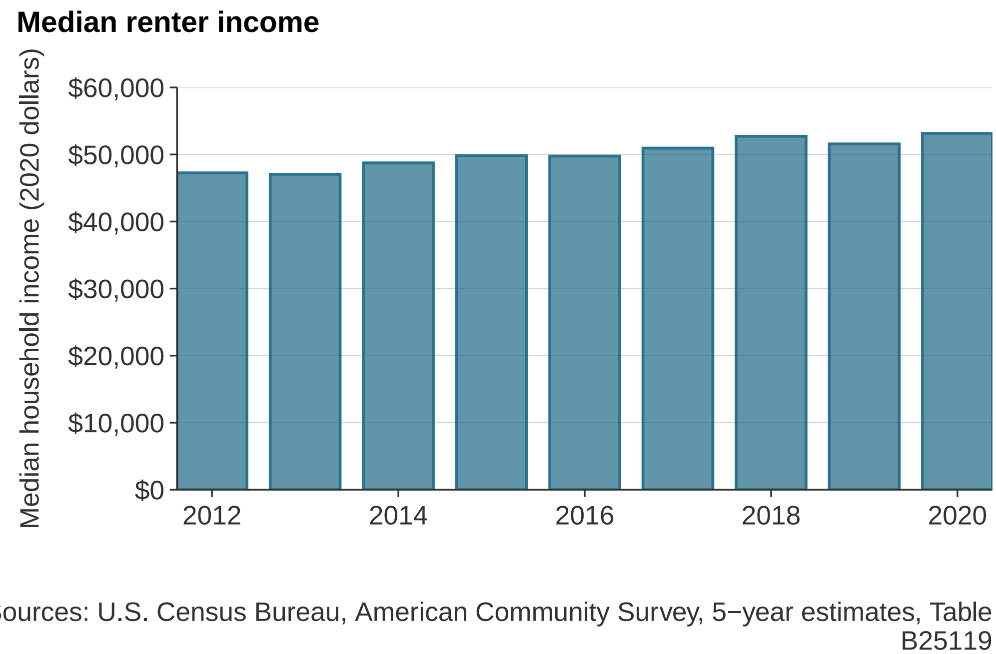


Figure 9.2: Median household income for renters in Chesterfield County

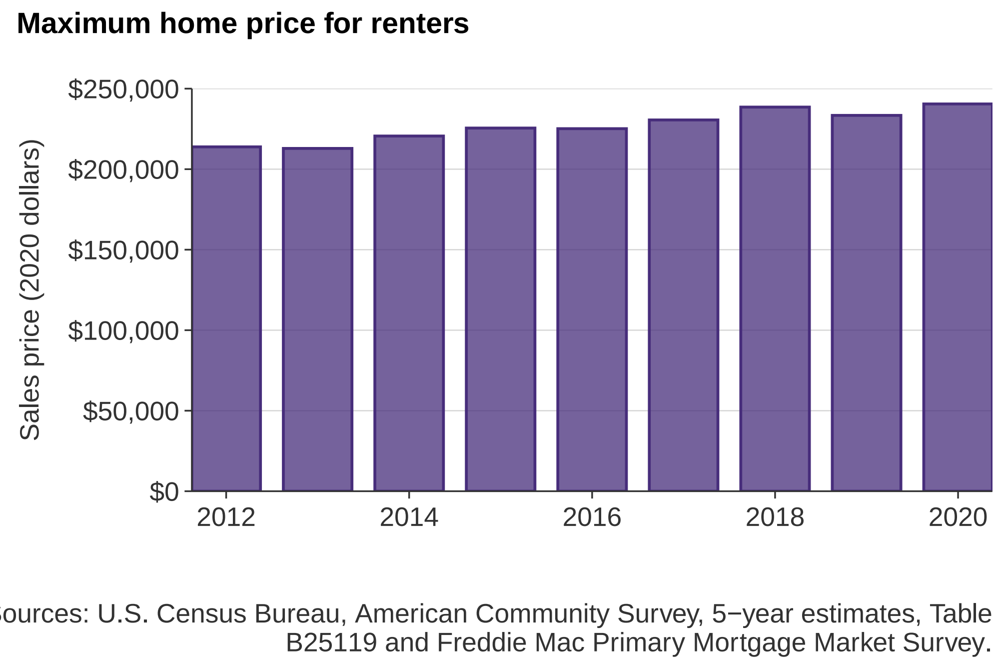


Figure 9.3: Affordable home sales price for renters in Chesterfield County

Compared to 2021 average wages, several common occupations in the county would also struggle to afford the typical home price in the county in 2021. For example, customer service representatives average hourly wage of $17.51 could only afford a monthly mortgage payment for a home priced below $170,000. Even with an hourly wage that is three times that of the Virginia minimum wage ($11.00 per hour), households in the county would still struggle to afford a home.

The table below shows the maximum home sales price affordable at the current average wages for the five most common occupations in Chesterfield County.

Table 9.4: Maximum home sales price for five most common occupations in Chesterfield County

Occupation	Jobs	Maximum home sales price
Retail salespersons	18,770	$130,324
Fast food and counter workers	16,930	$106,296
Customer service representatives	13,560	$164,761
Registered nurses	12,910	$348,165
Home health and personal care aides	9,390	$108,287

Sources: Freddie Mac Primary Mortgage Market Survey and Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021.

Among public sector employees working for the county, maximum home sales prices are higher, reflecting the stronger wages they command. However, most of these prices are at or below $300,000, still well under the county's current median sales price of $371,480.

Table 9.5: Maximum home sales price for public sector occupations in Chesterfield County

Occupation	Maximum home sales price
Planners	$299,574
Police officers	$269,111
CCPS teachers	$248,598
Firefighters	$241,770
Emergency communications officers	$199,858
Administrative workers	$199,627

Sources: Freddie Mac Primary Mortgage Market Survey and Chesterfield County.

9.3 Renter affordability

The housing supply shortage is also being felt in the rental housing market. Small landlords exiting the rental market and low supply are exacerbating the challenges renters were facing even before the pandemic. For many renters in low paying jobs, the pandemic impacts were heightened for those that could not work-from-home and depended on shuttered service industry jobs. Slow wage growth and increasing rental prices combined to put pressure on the housing stability of essential workers.

Post-recession average asking rent in the county hit a low of $1,207 in 2012 (adjusted to current dollars), but has been on the rise ever since. From 2012 to 2019, average rents rose an average of 0.5 percent each year until 2020, the year of the pandemic.

Between 2019 and 2020, average rent in the county rose by 4 percent ($61)—from $1,366 to $1,427, a substantial increase for individuals and families on tight budgets. Today, the average rent in the county is around $1,500.[3]

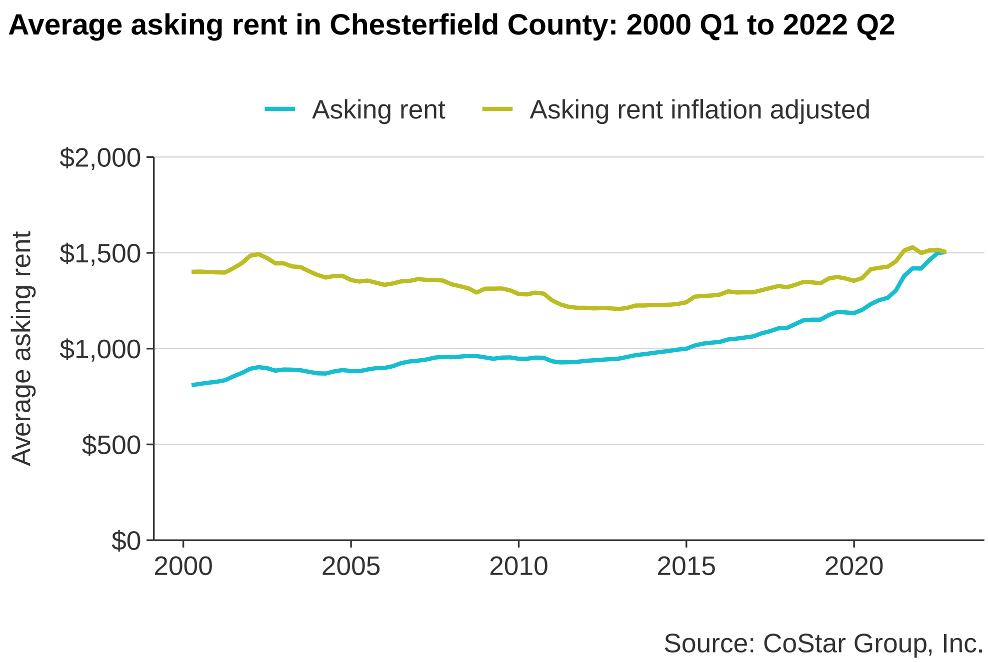


Figure 9.4: Average asking rent in Chesterfield County: 2000 Q1 to 2022 Q2

Current minimum annual incomes needed to afford the average apartment in the county—without becoming cost-burdened—start around $52,000 for a 1 bedroom unit. Two bedroom apartments rent at right about the overall average, requiring at least $59,560. Three bedrooms units command a much higher premium over $1,700 per month. Renters looking for these larger units will need an income of $68,320 or more to budget comfortably.

Table 9.6: Calculated income needed to afford average rents by bedroom in Chesterfield County

Bedrooms	Average rent	Income needed
1 bedroom	$1,301	$52,040
2 bedrooms	$1,489	$59,560
3 bedrooms	$1,708	$68,320
All apartments	**$1,499**	**$59,960**

Source: CoStar Group, Inc.

[3] Data current through 2022 Q2.

This rent is increasingly unaffordable to some of the most common occupations in the county, like retail salespersons and home health aides. For a retail salesperson with an average hourly wage of $13.85, a rent on a single income would be more affordable at $672 to $748 cheaper than the typical rent in the county.

Table 9.7: Maximum monthly rent for five most common occupations in Chesterfield County

Occupation	Jobs	Maximum monthly rent
Retail salespersons	18,770	$720.00
Fast food and counter workers	16,930	$587.25
Customer service representatives	13,560	$910.25
Registered nurses	12,910	$1,923.50
Home health and personal care aides	9,390	$598.25

Sources: CoStar Group, Inc. and Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021.

CCPS teachers with a median salary of $54,937 would also be hard pressed to afford the typical rent, especially for units with two or more bedrooms. For an essential part of the workforce there would need to be rental units priced lower at $1,373. Other public sector workers like firefighters, emergency communication officers, and government administrative workers would find it increasingly difficult to find affordable rental housing in the county's high demand areas.

Table 9.8: Maximum monthly rent for public sector occupations in Chesterfield County

Occupation	Maximum monthly rent
Planners	$1,655.05
Police officers	$1,486.75
CCPS teachers	$1,373.42
Firefighters	$1,335.70
Emergency communications officers	$1,104.15
Administrative workers	$1,102.88

Sources: CoStar Group, Inc. and Chesterfield County.

9.4 Takeaways

- Although Chesterfield has a relatively high median household income in the region, many of the county's essential workers are not earning enough to keep up with the housing market.
- Homeownership will be increasingly out-of-reach for many workers if current supply and demand trends continue, and especially if interest rates begin rising.
- The average monthly rent in Chesterfield is now around $1,500. This is very unaffordable to most of the county's retail, service, and healthcare service workers.

10 Route 1 affordability analysis

This section provides a focused analysis of housing affordability along the U.S. Route 1 corridor in Chesterfield County from the county-city border to the north down to Route 10 at the southern end.

10.1 Background

The northern section of U.S. Route 1 in Chesterfield County saw substantial economic activity throughout the middle of the 20th century. As the major north-south interstate corridor along the East Coast, American motorists stopped at the many motels and food stops that sustained a vibrant tourist economy.

However, the creation of Interstate 95 in the late 1950s drew traffic, and with it business, away from the Route 1 corridor. Throughout the latter half of the 20th century, the corridor saw decline and significant changes that presented challenges for revitalization efforts.

A growing Hispanic population along the corridor has helped reignite commercial activity along the corridor, but housing challenges still exist. Although one of the most affordable areas in Chesterfield County, the corridor has remained generally affordable due to older housing units—many of which are out of style and in need of significant rehabilitation.

10.2 Study area

For the purposes of this analysis, the study area is defined as the Census tracts 1003, 1004.04, 1004.05, 1004.06, 1004.07, 1004.09. These tracts all border Route 1 from Northern Chesterfield to Route 10. This encompasses portions of the Bensley, Bellwood, and northern Chester neighborhoods.

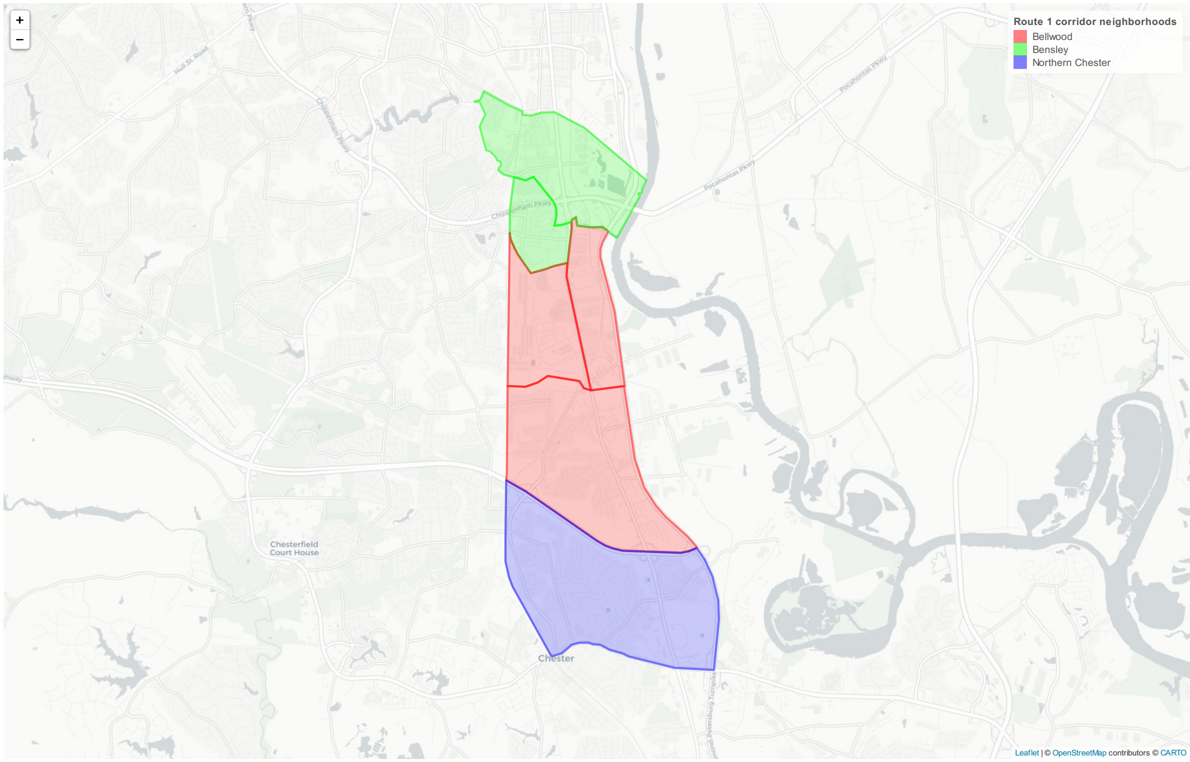


Figure 10.1: Route 1 study area

There are several different housing options along the corridor that serve a diverse population; these includes single-family homes, garden-style apartments, mobile homes, and senior communities. While not included as part of this analysis, it is also important to note that several motels along the corridor are serving as long-term housing options for some Chesterfield residents.

According to tract-level LEHD employment data from the Census Bureau's OnTheMap application, residents in this area largely work in the retail, health care and social assistance, construction, and accommodation and food services industries. "Administration and support and waste management and remediation services" is a broad category including office administration, security, cleaning, and other routine services for businesses and other organizations.

Table 10.1: Top five most common industries for residents in the study area

Industry	Jobs
Retail trade	958
Health care and social assistance	919
Construction	746
Accommodation and food services	710
Administration and support and waste management and remediation services	651

Source: U.S. Census Bureau. (2022). LEHD Origin-Destination Employment Statistics (2002-2019). Longitudinal-Employer Household Dynamics Program.

While specific wages for each industry and occupation are not available for the specific study area, the LEHD dataset does summarize monthly earnings for all workers into three pay bands. One in five workers earn less than $1,250 per month, which are likely part-time jobs. While many workers (42 percent) earn more than $3,333 monthly, or approximately $40,000 annually, the majority earn less. Most working residents in the study area are employed full-time at low-wage jobs, or are underemployed.

Table 10.2: Monthly earnings for residents in the study area

Monthly earnings (dollars)	Percent
1,250 or less	20%
1,251 to 3,333	38%
More than 3,333	42%

Source: U.S. Census Bureau. (2022). LEHD Origin-Destination Employment Statistics (2002-2019). Longitudinal-Employer Household Dynamics Program.

The LEHD does not tabulate jobs by specific occupation, but based on the most common industries of workers in the study area, the table below shows the most likely common occupations (and regional wages) for these workers.

Table 10.3: Wages for common occupations in the study area.

Occupation	Mean hourly wage	Mean annual wage
Construction laborers	$16.50	$34,310.00
Retail salespersons	$13.85	$28,800.00
Janitors and cleaners	$13.02	$27,450.00
Home health and personal care aides	$11.51	$23,930.00
Fast food and counter workers	$11.29	$23,490.00

Source: U.S. Bureau of Labor Statistics. (2021). Occupational Employment and Wage Statistics (OEWS). May 2021 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates.

10.3 Cost burden

Households in the Route 1 corridor experience cost burden at a much higher rate than those in other parts of the county. All six census tracts in the study area have cost burden rates (with homeowners and renters combined) higher than the county average. In fact, three of the study area’s tracts are among the ten tracts with highest rates of cost burden in Chesterfield.

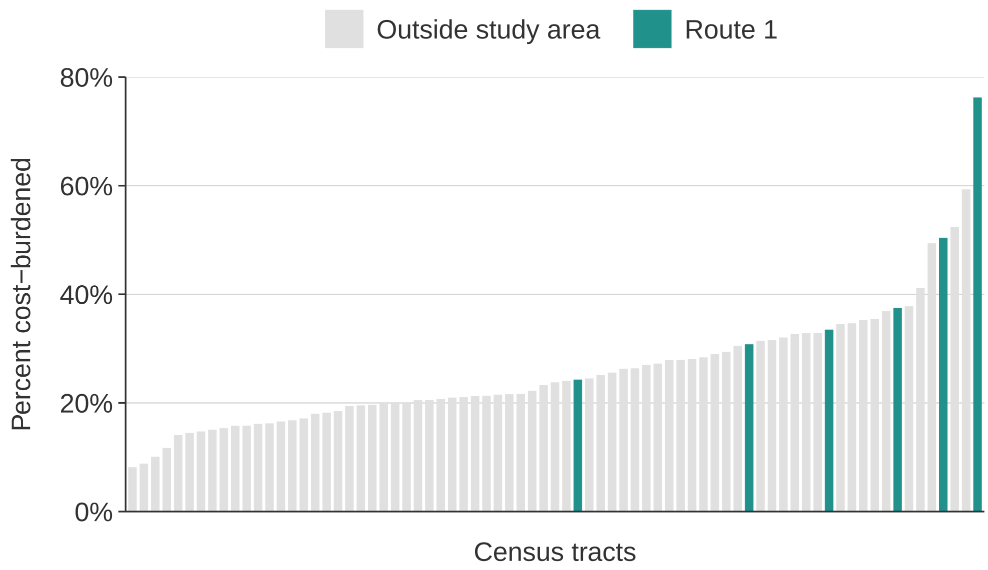


Figure 10.2: Cost burden by tract for Route 1 study area versus remainder of county

10.4 Homeowner affordability

Along the Route 1 corridor, there have been about 51 home sales each quarter between 2012 and 2021. Like the rest of the county, the pandemic has impacted home prices in one of the county's most affordable areas. As of 2022, the median sale price was $285,000, a 146 percent increase from 2012 when the median home sale price was $116,000.[1]

[1] Not adjusted for inflation.

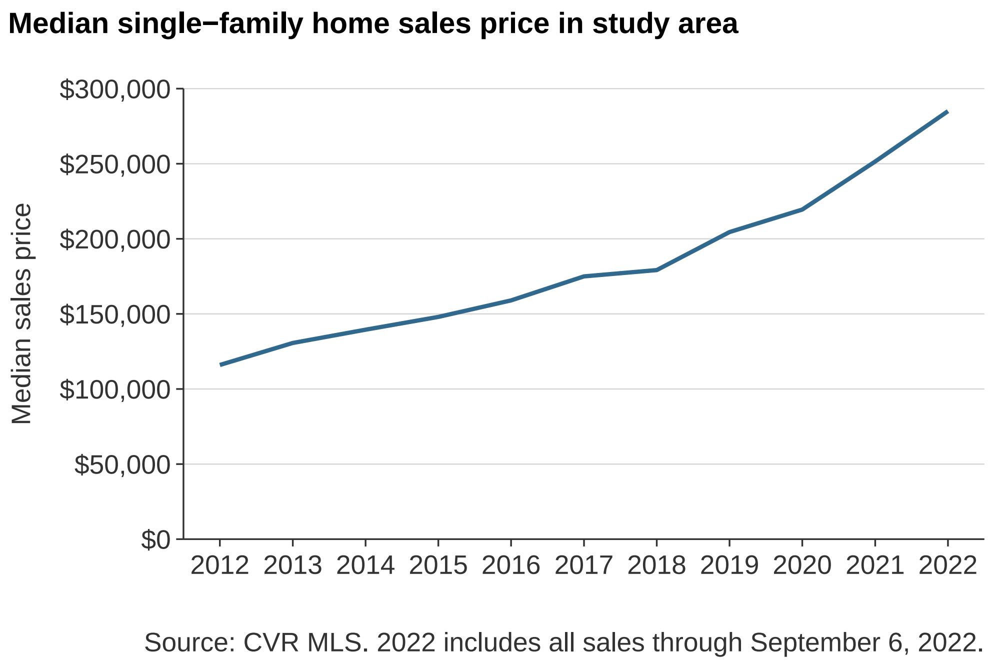


Figure 10.3: Median single-family home sales price in study area.

Sales prices have risen in every part of the study area. The graph below shows median sales price from 2012 through 2022 year-to-date by each of the six Census tracts. The tracts are ordered, roughly, from north to south.

Some of the highest price growth occurred in Bellwood neighborhood — particularly in tracts 1004.04 and 1004.07. Since 2012, the median sales price in both tracts has risen two-fold; tract 1004.04 rose from $75,000 to $240,000, while tract 1004.07 rose from $87,500 to $256,000. To the south, northern Chester (tract 1004.09) had the highest sales price in both 2012 ($160,170) and 2022 ($300,000). It is the first tract to reach the $300,000 sales price. However, tracts 1004.04 and 1004.07 (which contain much of Bellwood) are on track to also break that ceiling within a year if current market conditions continue.

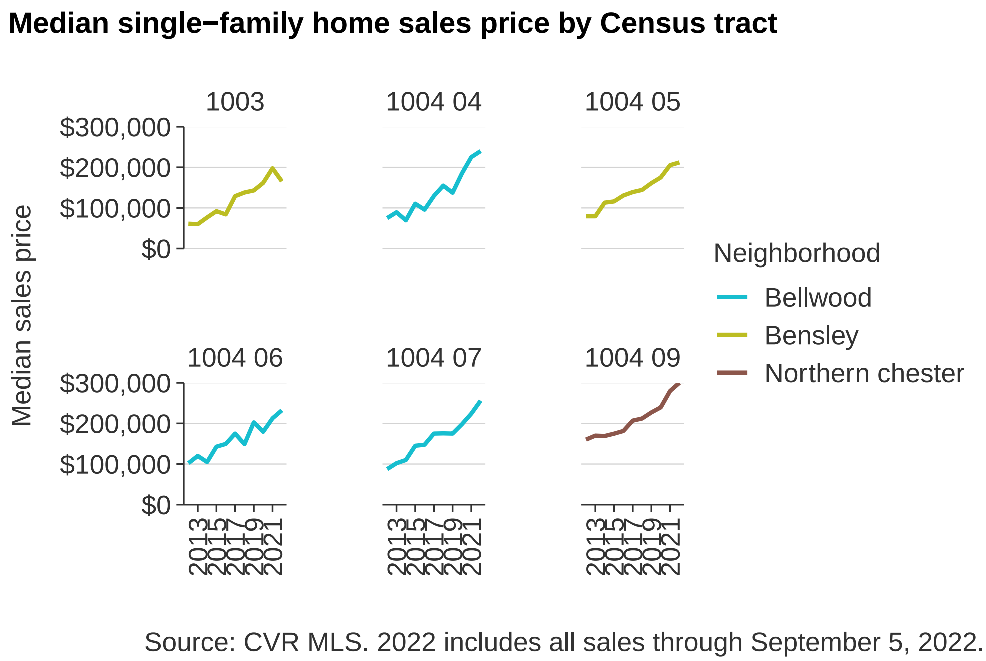


Figure 10.4: Median single-family home sales price by Census tract.

In order to afford a home at median price across the study area, a household would need to make **$71,952**. While this is $17,937 (20 percent) less than the income needed to afford the median sales price for the whole county, this is significantly above what most workers in the study area earn. The table below shows the assumptions made to calculate this figure.

Table 10.4: Calculated income needed to buy median-priced home in the study area.

Variable	Value
Median sales price	$285,000
Downpayment	5.0%
Closing costs	1.5%
Loan amount	$270,750
Interest rate	4.72%
Monthly utilities	$250
Monthly payment	$1,678.90
Income needed to buy home	**$71,952**

Sources: CVR MLS and Freddie Mac Primary Mortgage Market Survey.

Census estimates also show that most renters across the study area live in households that have incomes well below what it would require to buy a home in their neighborhood. Most of the census tracts have median renter incomes between $20,000 and $50,000.

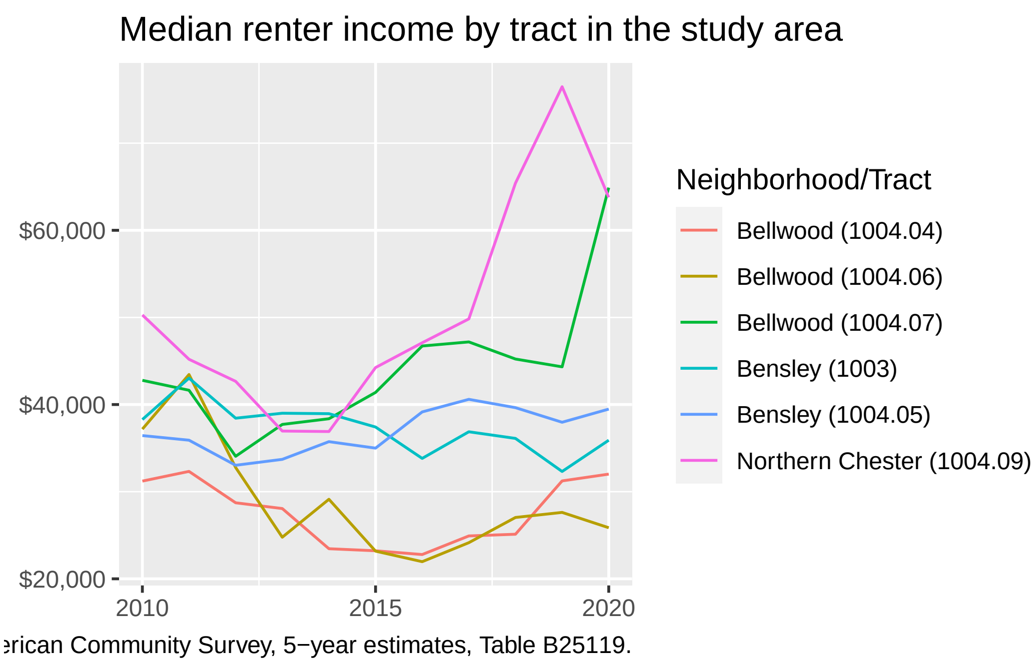


Figure 10.5: Median renter income by tract in the study area.

For workers who live along the Route 1 corridor, these price increases are continuing to keep homeownership out of reach. Residents largely work in the retail, health care and social assistance, construction, and accommodation and food services industries. Based on the average annual wages in the Richmond region, very few workers in these industries could afford to own a home along the corridor. The few homes that are sold at these prices (below $160,000) are often in disrepair and, if sold, purchased by investors to rehabilitate and sell at a higher price.

Table 10.5: Maximum home sales price for common occupations in the study area.

Occupation	Maximum home sales price
Construction laborers	$154,002
Retail salespersons	$129,270
Janitors and cleaners	$123,211
Home health and personal care aides	$107,411
Fast food and counter workers	$105,436

Sources:
Freddie Mac Primary Mortgage Market Survey and Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021.

10.5 Renter affordability

There are at least 2,805 existing rental units across 25 properties along the Route 1 corridor, with 405 additional units proposed or under construction. This does not include a significant amount of mobile home park units like Shady Hill, which contains at least 110 units alone. Thirty-seven percent of these units are located in a development with some rent restrictions that help ensure affordability.

Since 2010, rents along the corridor have been on the rise, from a low of $1,108 in 2012 to a decade high of $1,225, when adjusting for inflation. The increasing average rent can be attributed to the entry of several higher-end rentals into the market, like Colony Village.

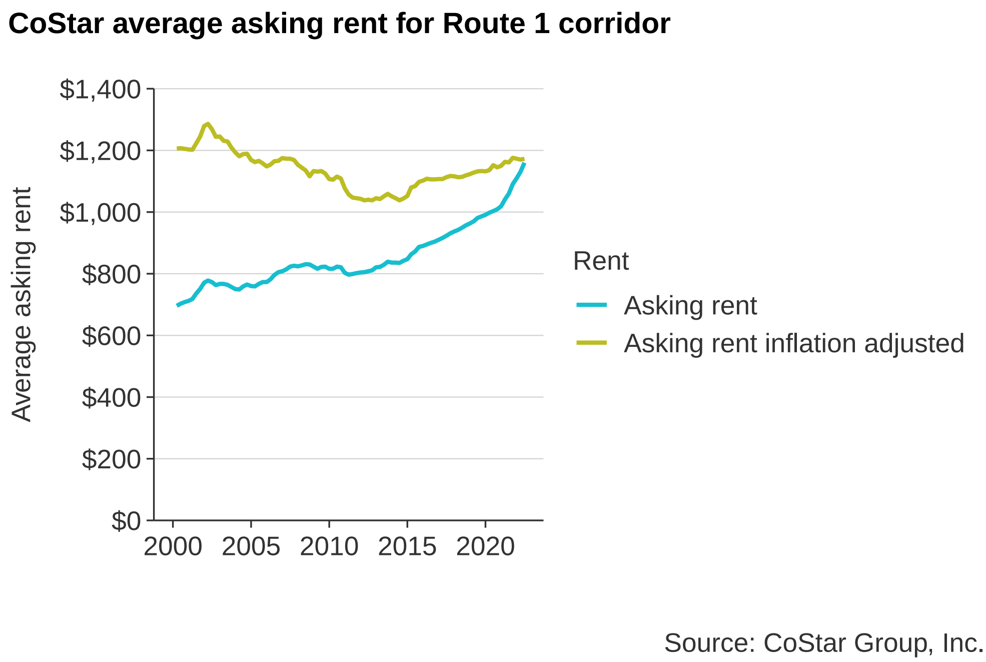


Figure 10.6: Median asking rent in the study area.

The rise in rental demand—and subsequently, prices—along the corridor is putting significant pressure on workers who live in the area. In order to afford the average rent of $1,225 in 2022, a single individual would need to make $49,000 a year, or $25.13 an hour.

Like the single-family market, the rental market in the study area varies by neighborhood. The map below shows the average asking rent for 17 multifamily properties for which data is available. Rents range from roughly $700 to $1,400. However, the only communities with rents well above $1,000 are the two Colony Village properties just north of Route 288, at the far southern end of the study area.

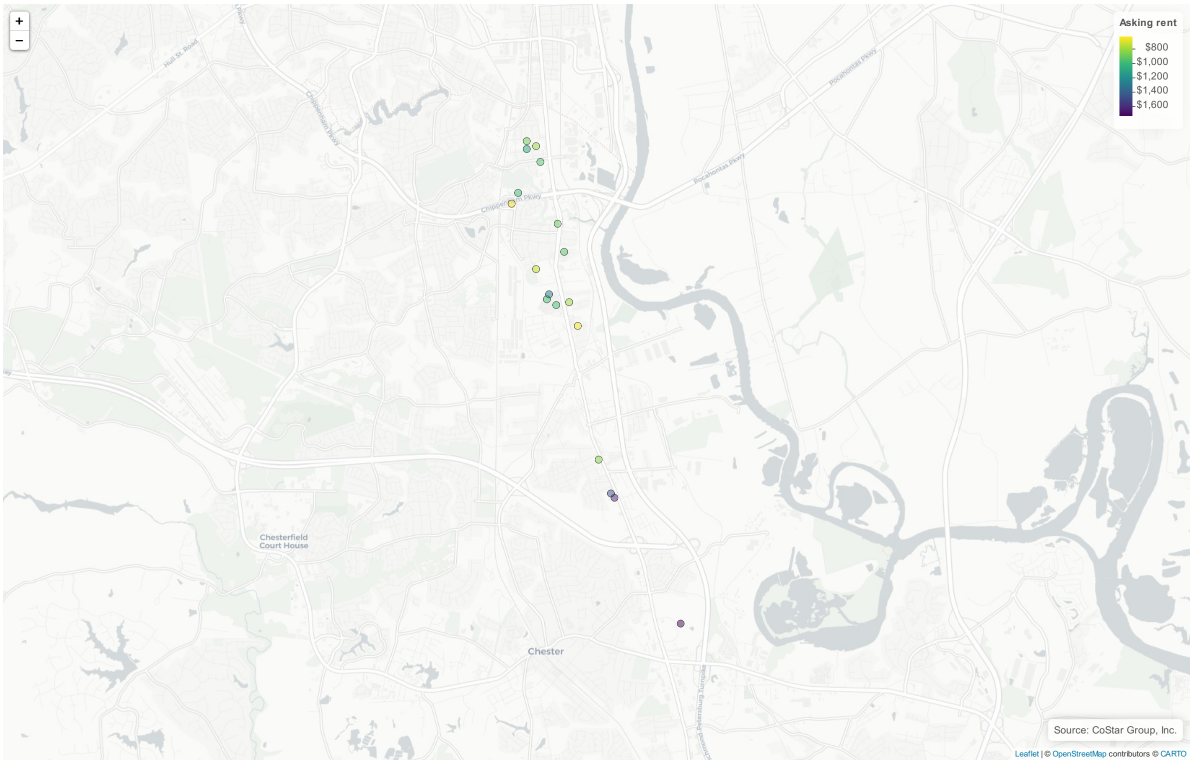


Figure 10.7: Asking rent by rental property.

Some of the most common jobs occupied by corridor residents pay an hourly wage that is nearly half that needed to afford the typical rent. Fast wood workers, home health aides, and childcare workers all have an average hourly wage less than $12.00. In order to afford a rental on a single income, they would need a monthly rent closer to $600—a rent that is becoming harder and harder to find even in older properties like the Bellwood Maisonettes that now list their one bedroom apartments at $1,000 a month.

Table 10.6: Maximum monthly rent for common occupations in the study area

Occupation	Maximum monthly rent
Construction laborers	$857.75
Retail salespersons	$720.00
Janitors and cleaners	$686.25
Home health and personal care aides	$598.25
Fast food and counter workers	$587.25

With these rent increases, renters along the corridor face increasing challenges. They often need to work additional hours, count on additional income from a partner, roommate, or family member, or compromise quality for affordability.

The majority of these properties are considered NOAH given their age, condition, and rent. But few, if any of these properties, have experienced any major renovations in the past decades—meaning that they are at-risk of deteriorating conditions or redevelopment. In either case, this puts residents in a precarious position: continue to live in unhealthy and unsafe conditions or move (voluntarily or involuntarily).

10.6 Takeaways

- Many workers in the northern Route 1 corridor are part of the county's essential workforce. However, the jobs they hold command wages that are usually well below average.
- Despite the lower home values in the study area, sales prices are rapidly increasing, putting homeownership out of reach for most residents of these neighborhoods.
- Increasing rents will force current residents to absorb additional housing cost burden, or find cheaper options after making concessions about the location or quality of their home.

Part III

PART 2-A: COUNTYWIDE MARKET ANALYSIS

11 Rental market summary

This section summarizes the existing stock of rental units within the county and provides an analysis of recent price and production trends in the rental market.

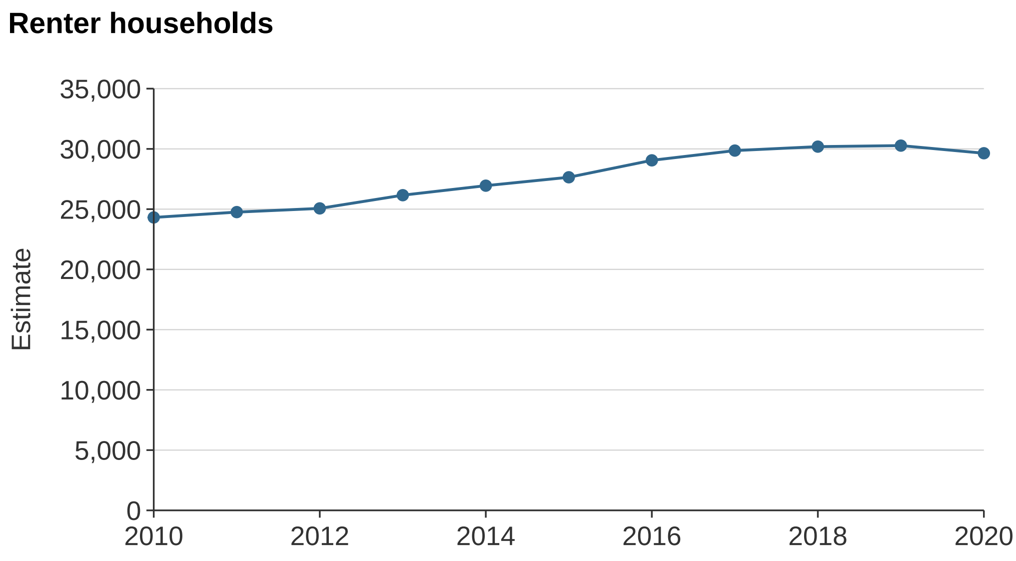
11.1 Rental housing stock

A growing population, housing affordability challenges, and changing housing preferences have all contributed to the expansion of rental housing throughout Chesterfield County. This strong demand for rental housing on a spectrum—from high-end apartments for working professionals to single room occupancy units.

11.1.1 Total renters

Over the past decade, the number of renter households in the county has steadily increased. From 2010 to 2019, the number of renters in the county grew from 24,312 to 30,273—a 24 percent increase.

From 2019 to 2020, there was a two percent decline in the renting population. But this decrease of 633 renters may be attributed to the collection challenges of the 2020 Census count and historical undercounting of renters. As rising interest rates and home sales prices persist, the number of renters in the county can be expected to rise as well—further contributing to the need for a diverse mix of rental housing opportunities.



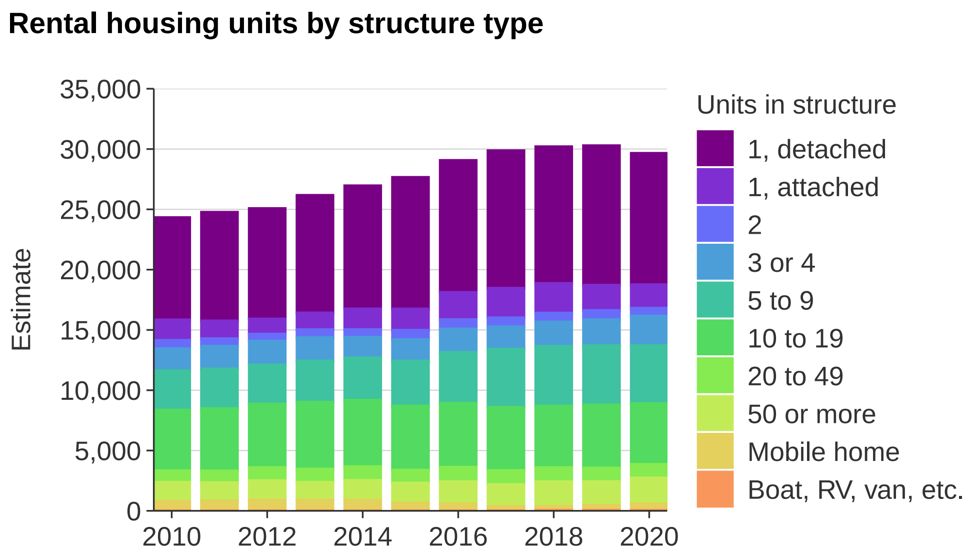
S. Census Bureau. American Community Survey. 2010−2020 5−year estimates. Table B25003.

Figure 11.1: Number of renter households in Chesterfield County

11.1.2 Rental housing type

The rise in renters in Chesterfield County has not led to a commensurate rise in diverse housing options for renters. Over a third (37 percent) of rental housing in the county is made up of single-family detached homes—an estimated 10,984 units. Another third of rental housing is multifamily housing located in buildings with 5 to 19 units. These are typically low-rise and garden style apartments. The remaining third is a mix of smaller multifamily like duplexes, townhomes, and manufactured homes.

The distribution of rental housing type has largely remained the same since 2010. The major increases in rental housing have been among single-family detached home rentals (2,502 added since 2010) and multifamily buildings containing 5 to 9 units (1,545 added). Although single-family rentals provide growing families with much needed space, multifamily development can more effectively address rapidly growing demand at scale.



S. Census Bureau. American Community Survey. 2010−2020 5−year estimates. Table B25032.

Figure 11.2: Rental housing units by structure type

11.1.3 Number of bedrooms

Most rental housing in the county are two-bedroom and three-bedroom homes. This accounts for nearly half of all rental housing in the county (68 percent).

The number of four-bedroom rental homes has been on a steady increase since 2010—from 1,995 to 3,453 in 2020, a 73 percent increase. Although the increasing number of families in search of larger homes has led to a corresponding demand in larger rental homes, the impact can be felt among single adults, especially low-income adults, needing affordable rental opportunities.

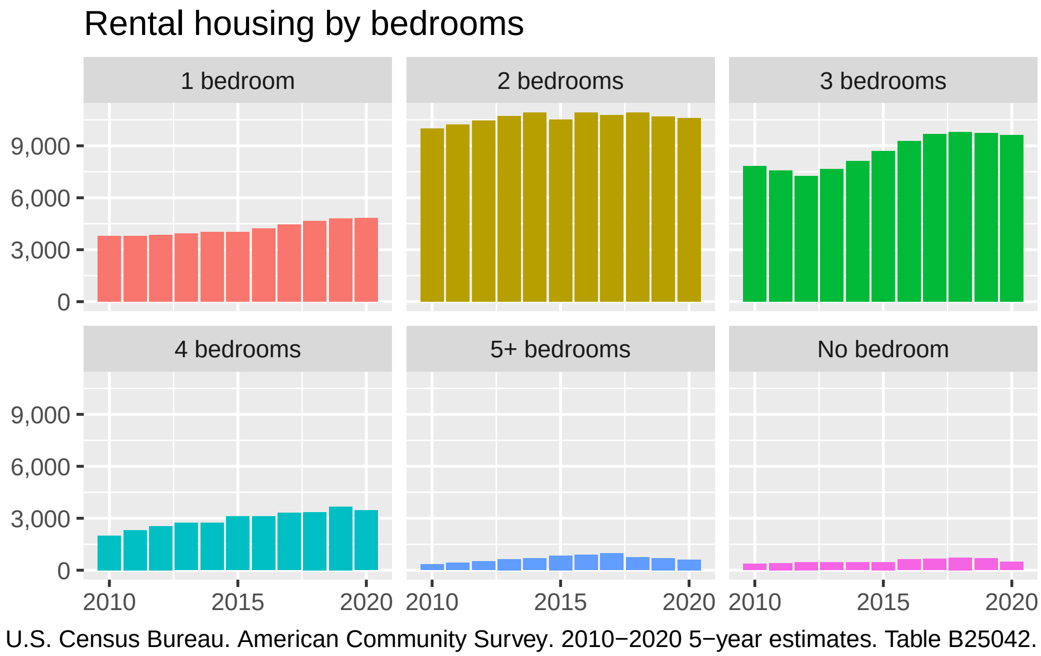


Figure 11.3: Rental housing by bedrooms

11.1.4 Rental housing age

The majority of existing rental housing in the county was built between 1960 and 1999. This represents a significant portion of rental housing that is at least 20 years of age. Aging rental homes often mean increasing maintenance costs or the need for significant renovations that get passed down to tenants.

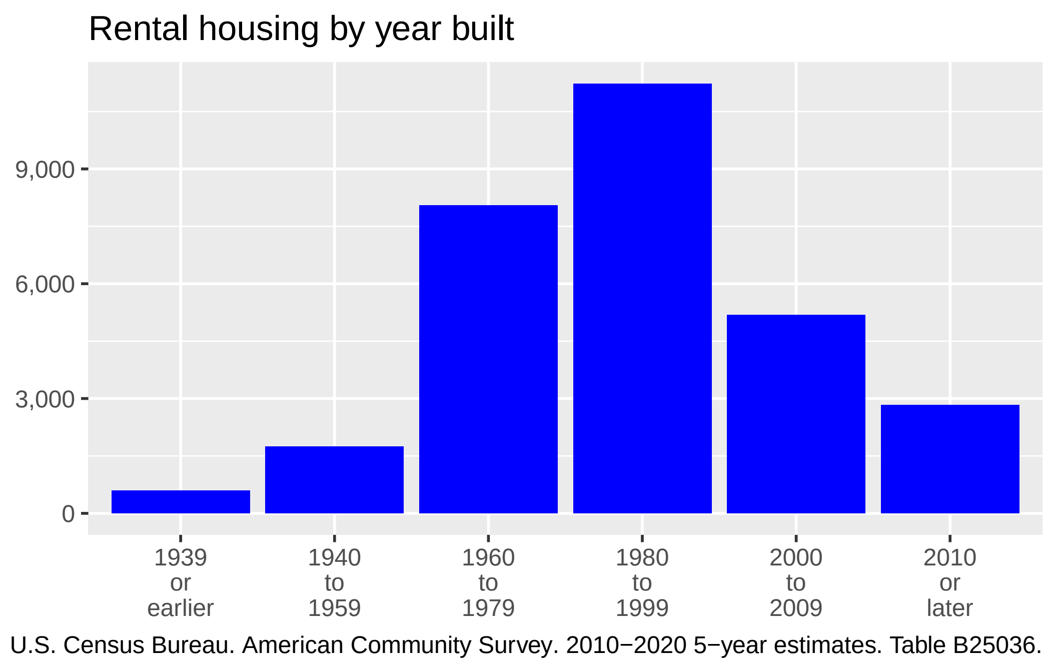


Figure 11.4: Rental housing by year built

11.2 Special types of rental housing

Two significant components of Chesterfield County's rental housing supply, single-family rentals and manufactured home communities, deserve special attention. This section explores available data and trends for these unique types of housing.

11.2.1 Single-family rentals

Single-family home rentals (SFRs) are a growing trend in the rental market as a result of lifestyle changes and affordability challenges. The COVID-19 pandemic has also had a dramatic impact on the demand for SFRs, as many individuals and families looked to avoid higher density apartments and have the space to work and learn remotely.[1]

SFR in the county have been on the rise—over 28 percent growth in the past decade, according to ACS estimates. This is the most substantial increase among all rental housing types.

[1] https://www.nmhc.org/research-insight/research-notes/2021/an-overview-of-single-family-rentals/

To obtain a better understanding of the scale and distribution of SFR across the county, parcel records can be used to cross-reference the property's address with the owner's address. Generally, these addresses will match for all owner-occupied homes. Those that do not match are most likely not occupied by the owner, which usually implies the house is being leased to other occupants.

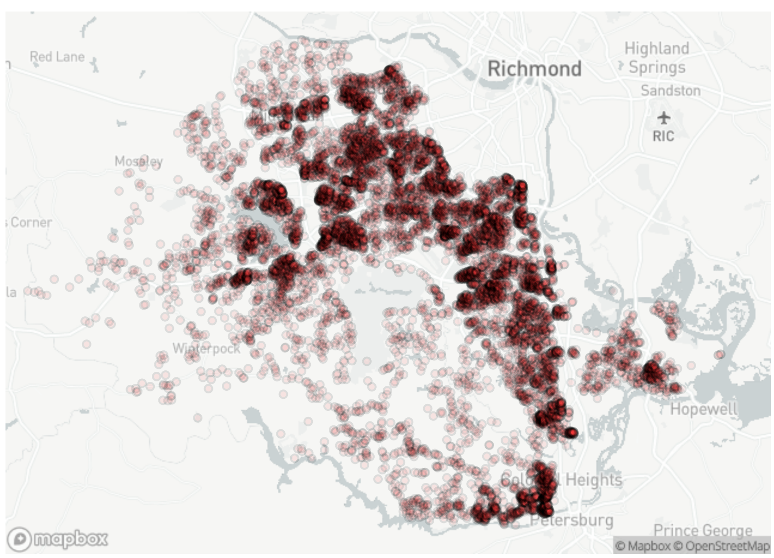
Based on an analysis of these address in the latest parcel records from the county, there are an estimated 13,205 single-family home rentals in the county. These comprise nearly 12 percent of all single-family homes.

Table 11.1: Single-family rentals in Chesterfield County

Ownership	Number	Percent
Owner-occupied SFH	98,364	88.2%
Renter-occupied SFH	13,205	11.8%

The map below shows the spatial distribution of SFRs across the county. They are found in nearly every community, but are most prevalent in Ettrick neighborhoods surrounding Petersburg and Colonial Heights, between Route 288 and Chippenham Parkway, the Route 1 corridor, and the Hull Street corridor.

Single−family rental homes in Chesterfield County



Source: County parcel records

Figure 11.5: Single-family rental homes in Chesterfield County

When aggregated to the county's five magisterial districts, single-family rentals are most common in the Bermuda and Dale districts. SFRs comprise more than 13 percent of the total single-family stock in these districts, but this is still not significantly above the county average. The Midlothian district has the lowest share of SFRs at 9 percent.

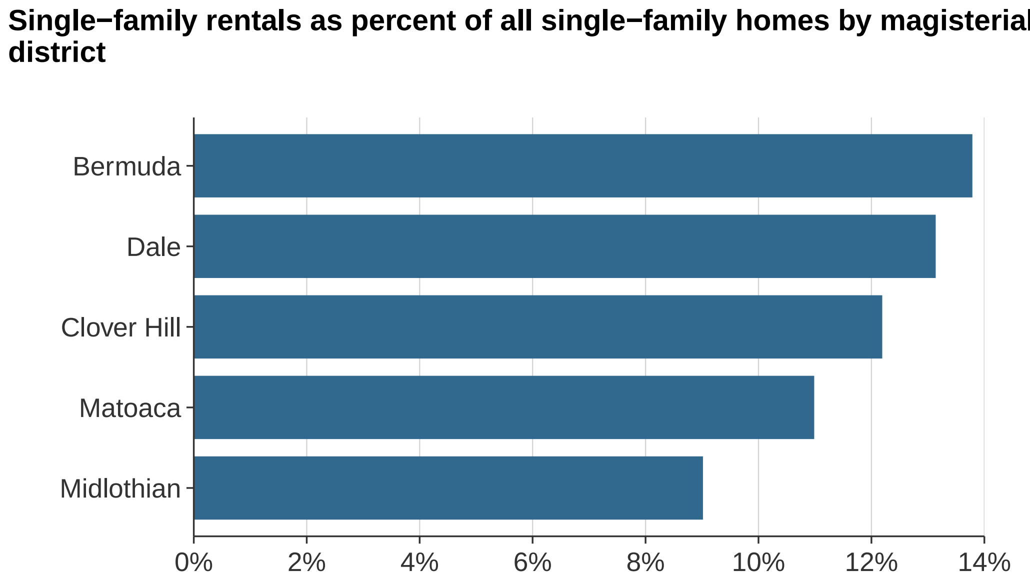


Figure 11.6: Single-family rentals as percent of all single-family homes by magisterial district

The majority of SFR owners (61 percent) also live in the county, while 29 percent live somewhere else in Virginia. The remaining 10 percent of single-family rental owners live outside of the state.

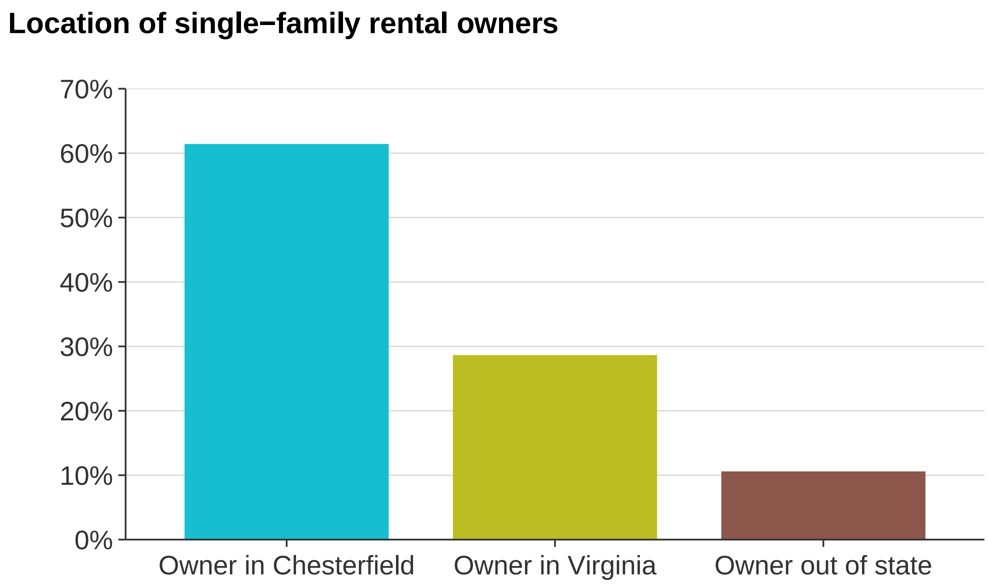


Figure 11.7: Location of single-family rental owners

11.2.2 Manufactured homes

While single-family homes saw a major increase in rentals, manufactured homes experienced a significant decrease. From 791 in 2010 to 527 in 2020, the reported number of manufactured homes in the county has been cut down by a third.

This estimate from the U.S. Census Bureau's American Community Survey severely undercounts manufactured homes located in manufactured home communities (MHCs). Manufactured home communities are a valuable source of affordable housing across Virginia. Chesterfield County is home to a significant amount of MHCs—about 1,500 in total.

> **Note**
>
> Additional details and maps of the county's manufactured home communities can be found in Chapter 3.

However, a significant issue faces manufactured home community residents. MHCs often give residents two options, 1) a resident may rent both their home and the lot on which that home is placed, or 2) a resident may own their home and rent the lot on which that home is placed.

In both cases, a resident is renting, but residents in the second case are in an especially precarious situation should a MHC owner choose to sell or redevelop their property. MHCs are increasingly at-risk of redevelopment.

In 2021, Suburban Village, a MHC along the Midlothian Turnpike, was purchased by a Maryland-based investment firm for $23 million. As the county's third largest MHC with nearly 220 households, residents and advocates fear for substantial lot rent increases or displacement.

In contrast to growing investment firm interest in MHCs, local affordable housing nonprofit, project:HOMES, purchased Bermuda Estates, a 52 unit MHC in 2021. Since the purchase, project:HOMES has made significant improvements to community infrastructure and has been working to replace distressed homes with new high-quality and energy efficient manufactured homes (with support from Virginia Tech's Virginia Center for Housing Research and Virginia Housing). project:HOMES's ultimate goal is to empower residents to take ownership of the community.

11.3 Rental housing costs

The following data are from CoStar's multifamily database, which includes 118 existing rental properties in the county. Nine manufactured home communities are not found in this database; therefore, accurate and recent rent amounts for those properties are not available. Similarly, the single-family rental market is not tracked by CoStar, so these data do not include standalone homes for rent.

11.3.1 Average asking rent

From the early 2000s, rental housing costs had generally been declining in the county. But changing trends in affordability and lifestyle have led to an increasing demand for rentals that has led to a complementary increase in rental housing costs. Since 2012, the average asking rent in the county has been on a steady increase. In Q2 2021, average asking rent in the county reached a two decade high of $1,515, when adjusting for inflation.

Average market asking rent per unit is expected to climb in the county—signalling an increasing demand, as well as the construction of higher end rental apartments.

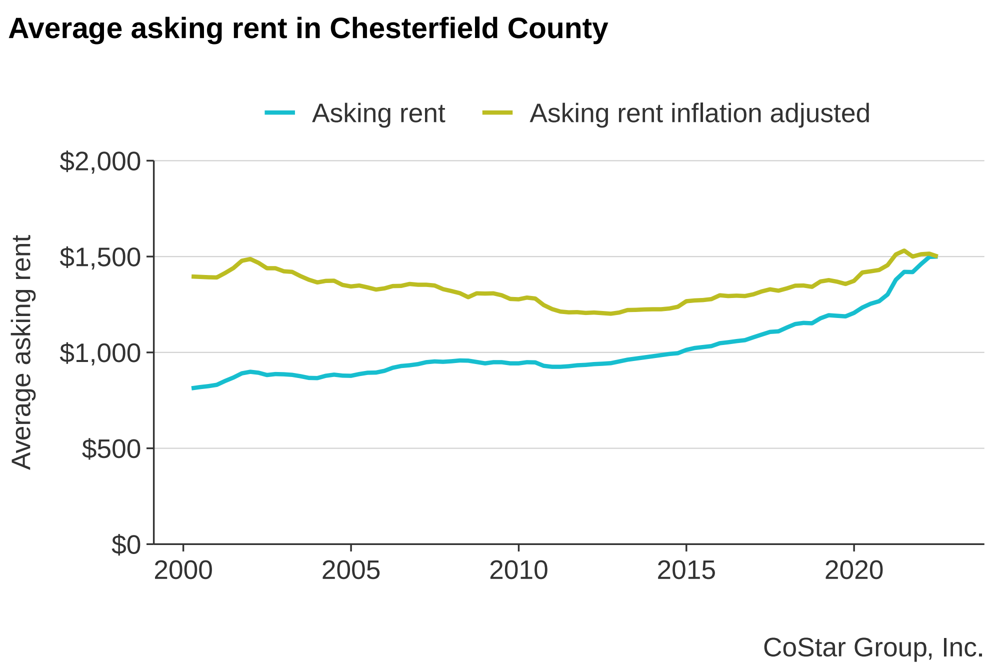


Figure 11.8: Average asking rent in Chesterfield County. Source: CoStar Group, Inc.

11.3.2 Rent by bedrooms

The number of bedrooms often impacts rental housing costs—more bedrooms generally equals higher rent. As of 2022 Q3, there is an approximate difference of $420 between the average rent for a 1 bedroom ($1,336) versus a three bedroom apartment ($1,756). Average rent for a 2 bedroom apartment was right in the middle at $1,499.

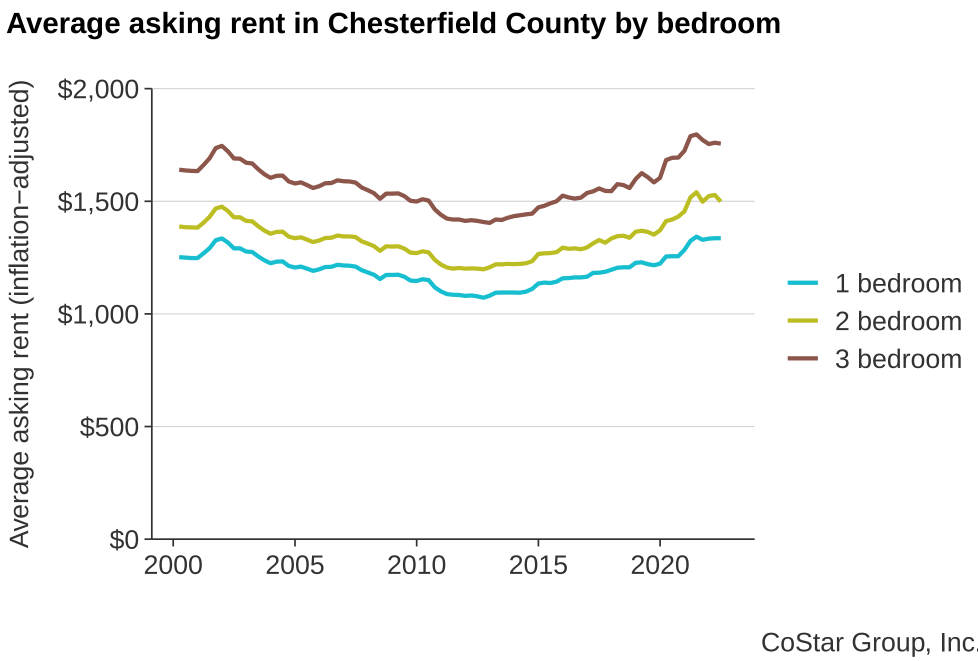


Figure 11.9: Average asking rent in Chesterfield County by bedroom.

11.4 Rental housing construction

Like most of the country, the Great Recession negatively impacted home building in the county. That impact was most felt among single-family home construction, however. Pre-recession, the number of single-family residential construction permits averaged 2,050 per year in Chesterfield County. This pace would not be seen again until 2020.

11.4.1 Multifamily building permits

Multifamily (five or more units) home starts were not as impacted by the recession. Multifamily building permits saw a substantial increase in 2019 when it reached a two decade high of 1,466.

Duplexes and smaller multifamily homes like tri-plexes and quads have not seen substantial construction in the county. These types of properties often make up what is called "Missing Middle" housing, a term used to describe smaller multifamily and clustered single-family housing that often offers affordability by design (i.e., smaller homes typically mean lower price).

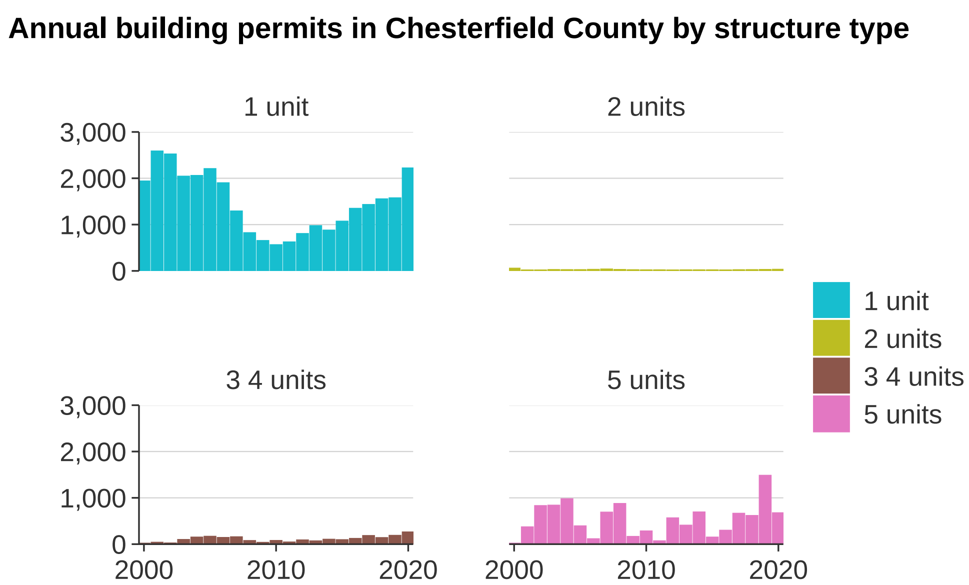


Figure 11.10: Annual building permits in Chesterfield County by structure type

11.4.2 Proposed and in-progress developments

There are currently 19 proposed or under construction multifamily developments in the county—an estimated total of 5,039 rental homes[2]. Six of these properties are expected to be completed in 2022, while the remaining homes will be completed over the next two years.

[2]Three properties do not have number of units listed and are slated for a 2027 completion date

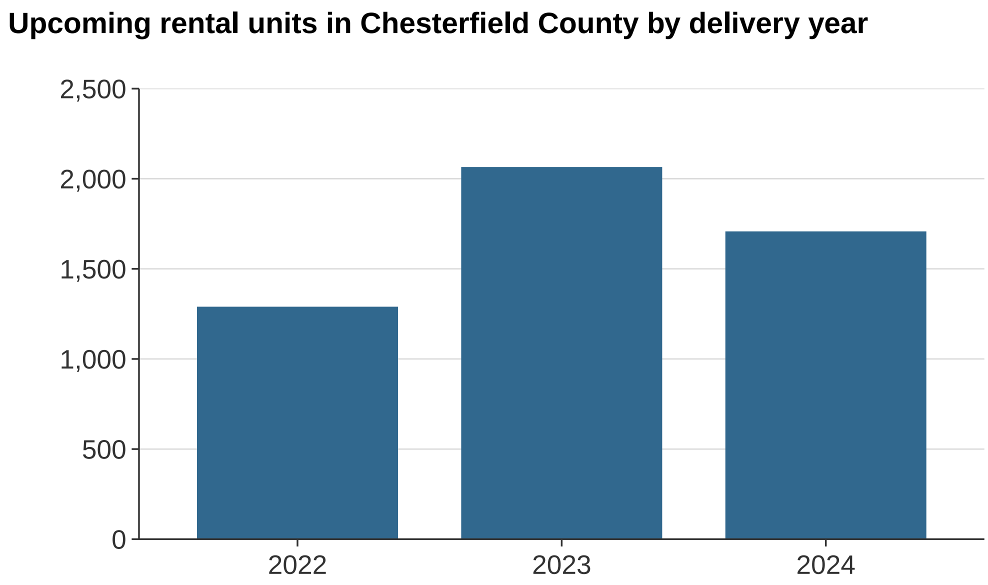


Figure 11.11: Upcoming rental units in Chesterfield County by delivery year

12 Rental spatial analyis

This section presents an analysis of the county's existing rental supply, focusing on the amount and location of rental housing units by Chesterfield County magisterial districts.

12.1 Recent multifamily developments

The last five years have shown fluctuating multifamily development completions based on CoStar's proprietary commercial real estate database. From zero completed units in 2018 to a five year high of 1,569 units in 2020, development has been sporadic but is expected to grow significantly in the coming years. Most recent developments have consisted of low-rise buildings, offering amenities such as clubhouses, pools, and fitness centers.

As of June 2022, there were 33 existing market-rate multifamily developments that were either built in the last five years, under construction, or proposed. An additional development is a mixed-income senior rental housing project by Better Housing Coalition that was completed recently. Development in the past five years has generally been spread across the county, but only one development was completed in the Dale District.

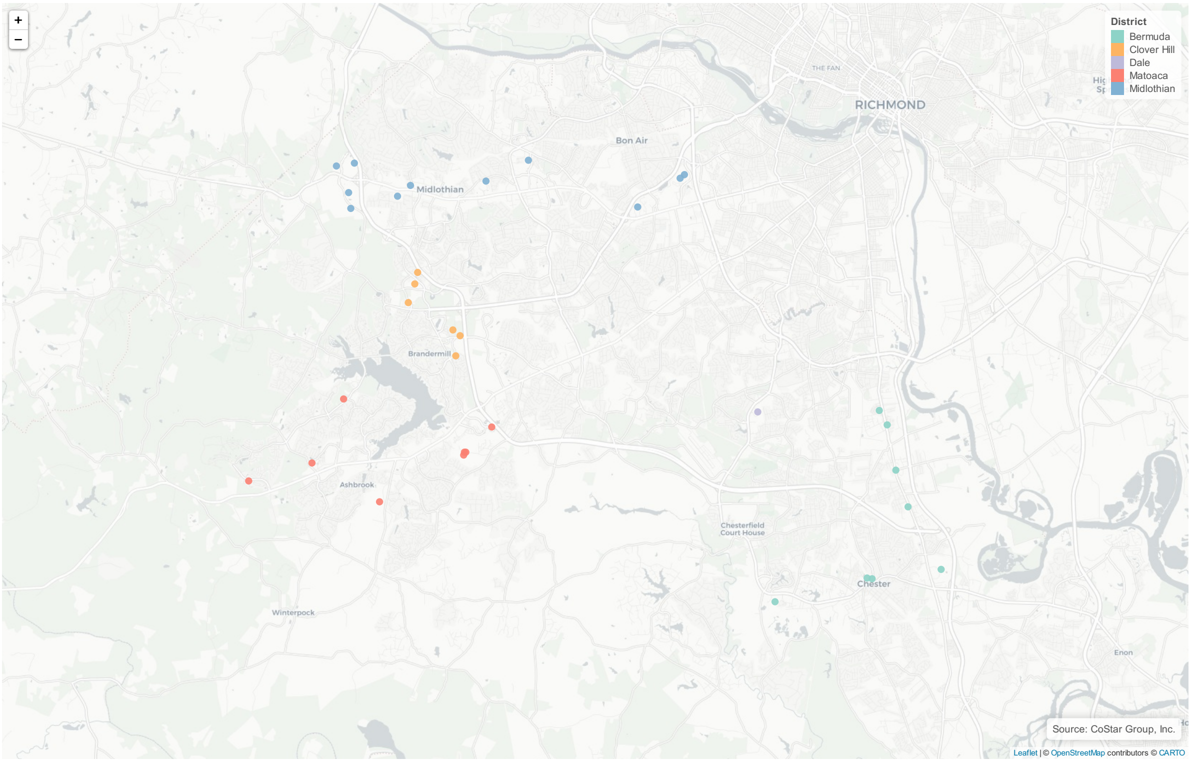


Figure 12.1: Recent multifamily developments by magisterial district

Thirty-two percent of recent and future development has been or will be constructed in the Midlothian District. In 2023 and 2024, 3,757 new rental homes are expected to be completed—slightly more than the number of homes completed between 2020 and 2022.

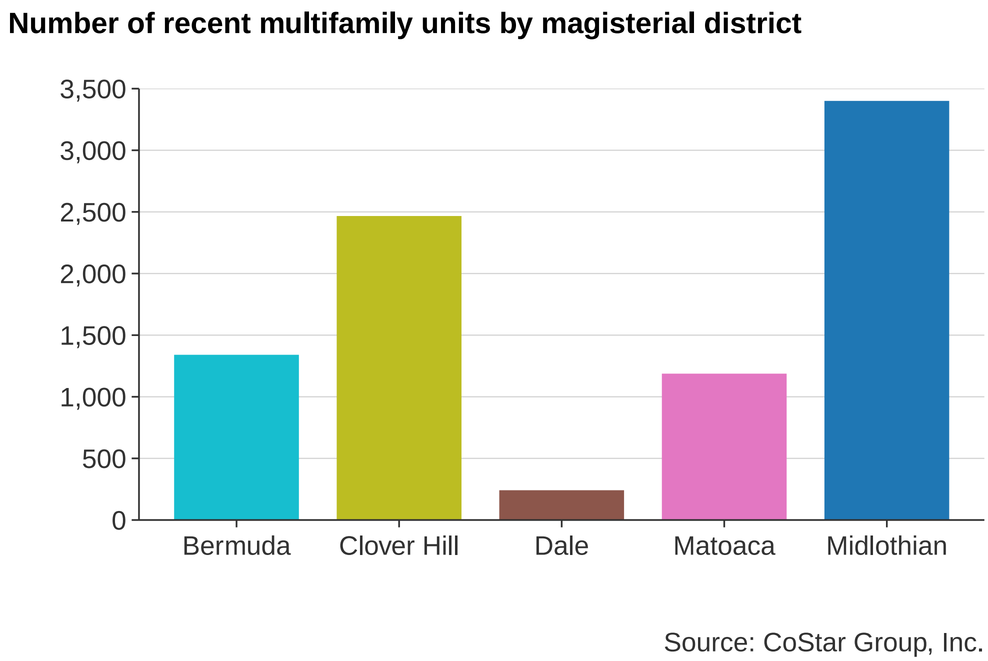


Figure 12.2: Number of recent multifamily units by magisterial district

This shift in intense development can be attributed to increasing home demand in this affluent and amenity-rich portion of the county. Greenfield development in the western part of the county also contributes to its attractiveness to multifamily and mixed-use developers—providing less risk when compared to redevelopment of brownfield sites.

The Midlothian area also offers convenient access to Route 288, where residents can reach major job centers like the County Government Center, or even centers outside the county, like West Creek in Henrico County.

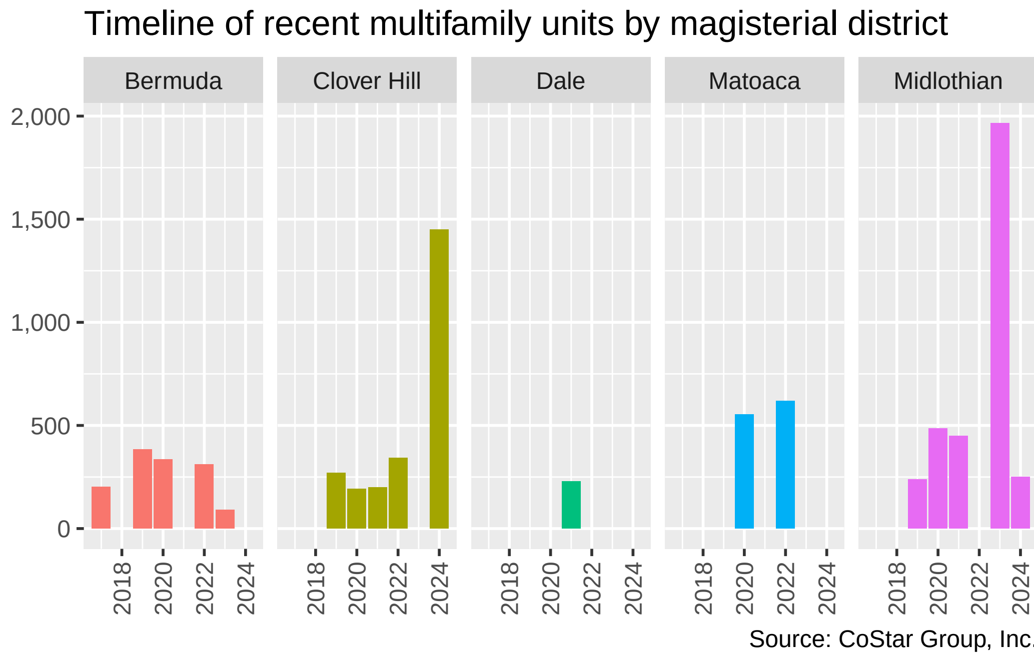


Figure 12.3: Timeline of recent multifamily units by magisterial district

12.2 Market affordable rental

Market affordable rental housing is spread throughout each district of Chesterfield County. However, the majority of market affordable rentals lie along the city-county border. This is a typical trend in most metropolitan areas, wherein early suburban development in the mid- to late 20th century led to small garden apartment development on the outskirts of major cities. But these “inner-ring” suburbs are growing rapidly, especially with more and more diverse populations.[1]

[1] Hanlon, Bernadette. (2009). “A Typologoy of Inner-Ring Suburbs: Class, Race, and Ethnicity in U.S. Suburbia.” City and Community.2009;8(3):221-246. doi:10.1111/j.1540-6040.2009.01287.x

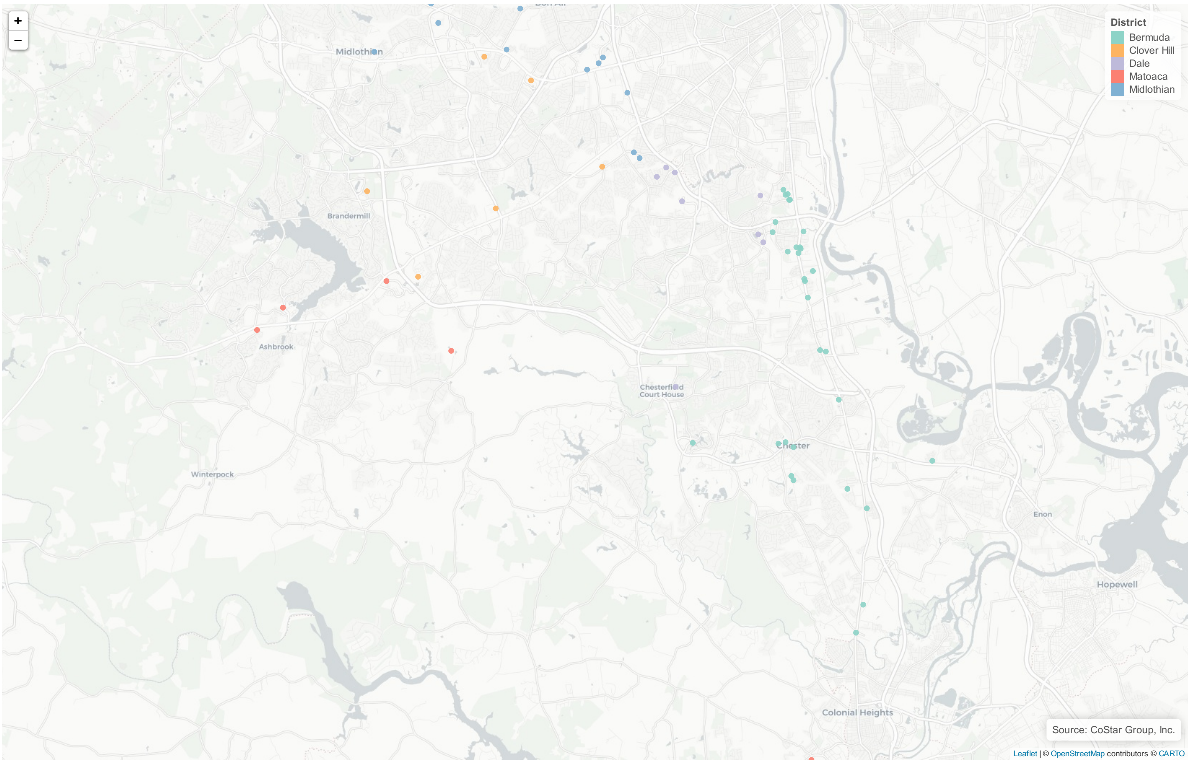


Figure 12.4: Map of market affordable units by magisterial district

The Bermuda District, which includes the entirety of the Route 1 corridor, contains the largest number of market affordable rental properties, specifically manufactured home communities (8 from the city border down to Route 10). The only other district with manufactured home communities present is the Midlothian District with an estimated 275 homes across two properties—the majority of which are located in Suburban Village.

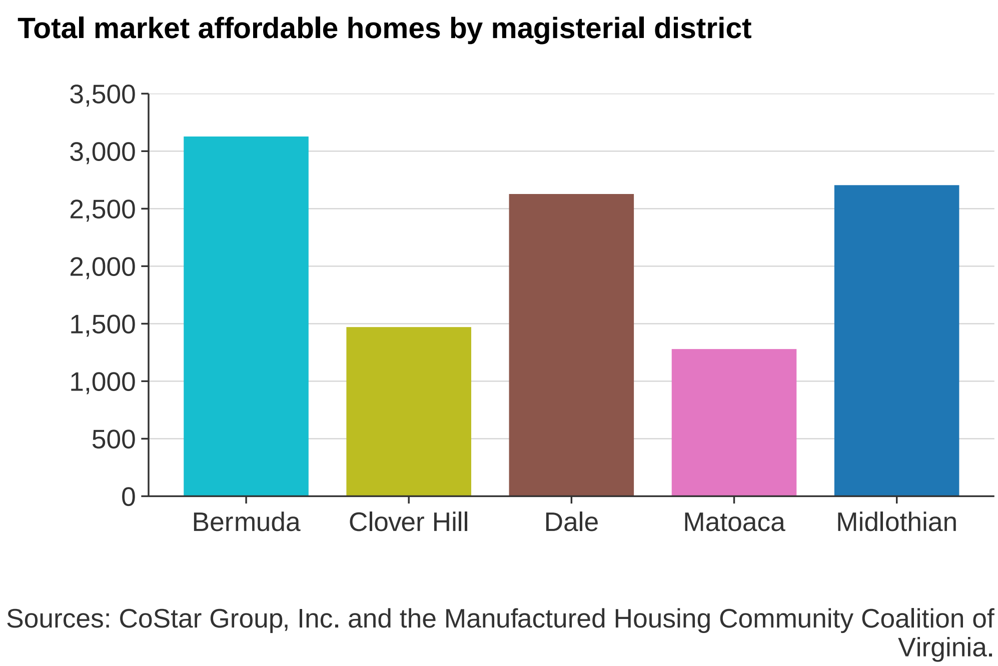


Figure 12.5: Total market affordable homes by magisterial district

Market affordable rentals are largely located in garden style apartments. Garden style apartments are communities made up of small buildings that are at least two stories high, but no higher than four stories. This style of apartment was hugely popular in the 1960s and remained so throughout the 1970s and 1980s.[2]

[2]Johnson, Emily. (2022). https://rejournals.com/suburban-garden-style-apartments-are-2022s-comeback-kid/

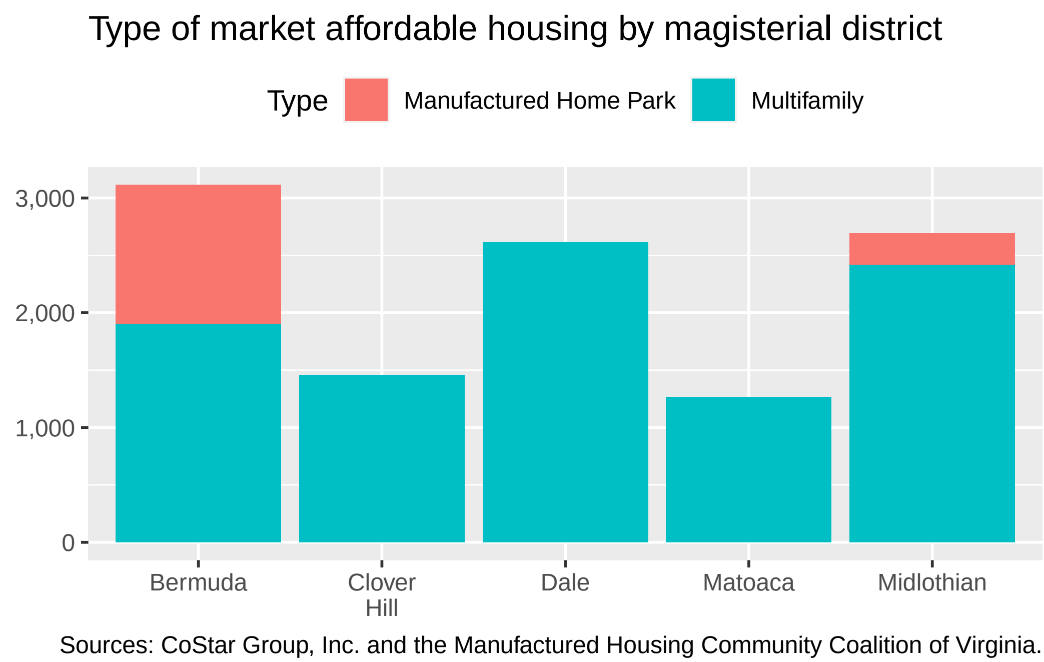


Figure 12.6: Type of market affordable housing by magisterial district

The largest of these communities is Crystal Lakes Apartments is located along Chippenham Parkway, with 716 apartment homes. Built in 1967, the property recently underwent renovations in 2020. Subsequently, the property saw a 6 percent increase in average market rent per unit from 2019 to 2020.

These older garden style communities may have some amenities like a clubhouse, playgrounds, or fitness centers, but they are often outdated. Twenty-six of the 61 market affordable properties were built in the 1960s and 1970s. Only eight of these properties have reported a renovation; most of these renovations having been completed in the last seven years.

Preserving market affordable rentals, especially near the city-county border and along transit lines, helps support low- to moderate-income renters. McKinsey & Company, a global management consulting firm, has even focused research on preserving such a valuable asset of local housing stock.[3]

[3] Kling et al. https://www.mckinsey.com/industries/public-and-social-sector/our-insights/preserving-the-largest-and-most-at-risk-supply-of-affordable-housing

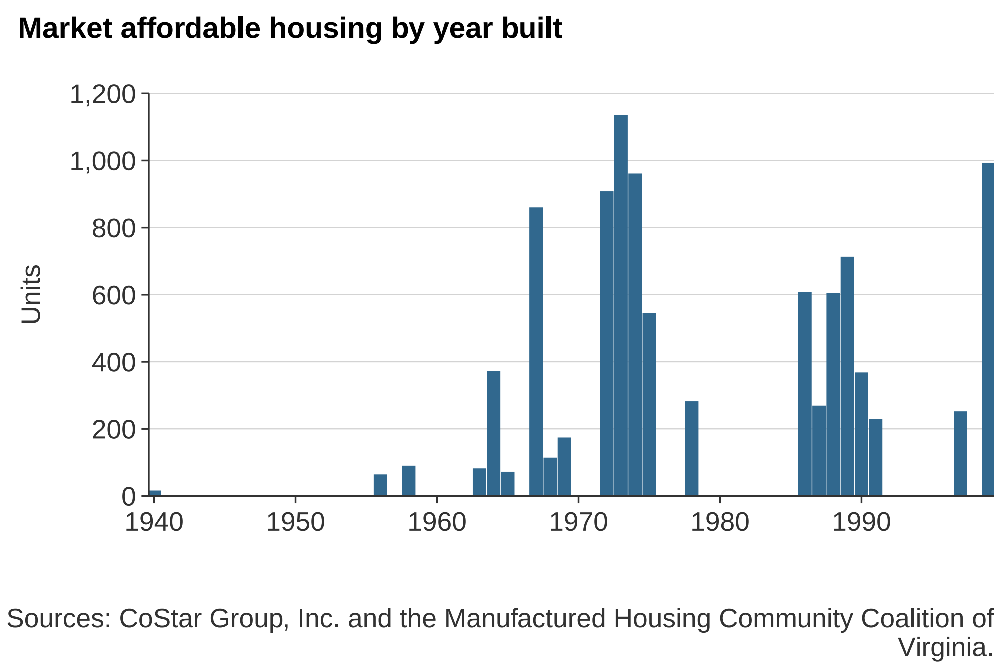


Figure 12.7: Market affordable housing by year built

12.3 Affordable rental

Rental housing supported by federal affordable housing programs is located in each Chesterfield County district. As of early 2022, the Bermuda District contains the most affordable housing units — with roughly 1,622 homes across 14 different buildings.

The Dale District compares the second most federally-supported rental housing with 881 homes — nearly half that of the Bermuda District. The location of subsidized housing in these areas is largely related to the provisions of federal programs like the Low-Income Housing Tax Credit program that favor development in Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs).

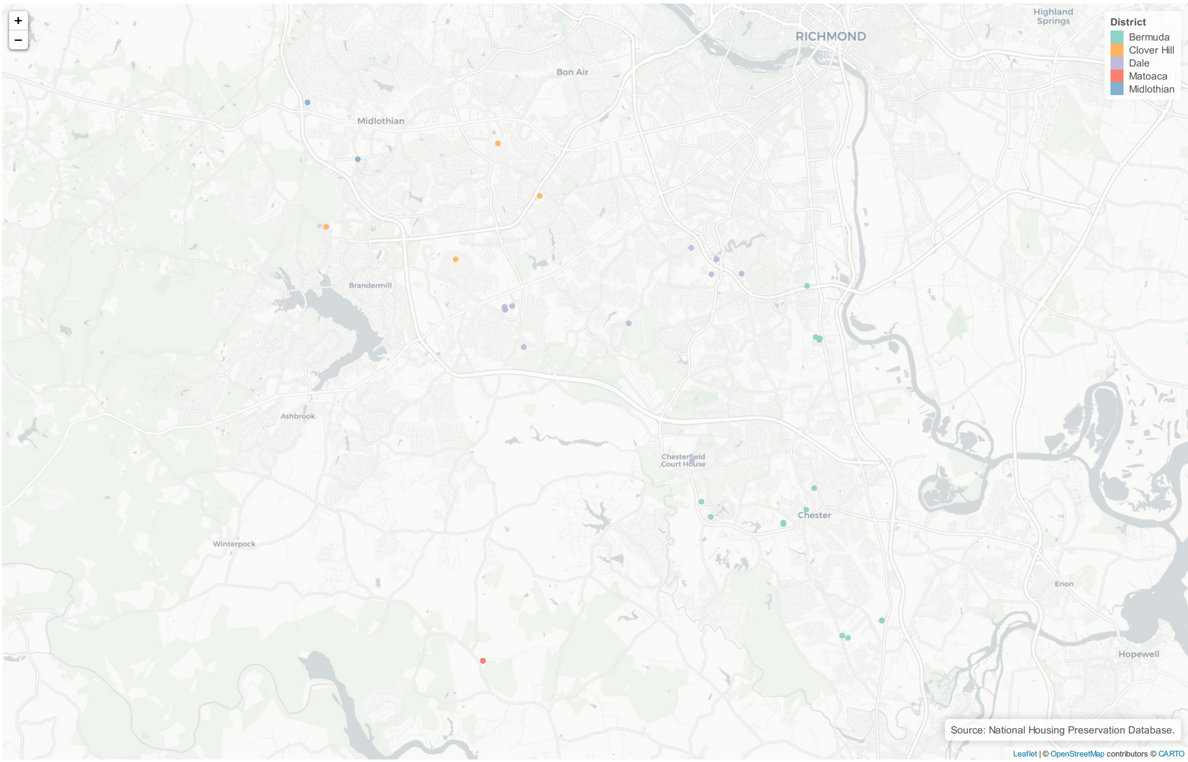


Figure 12.8: Source: National Housing Preservation Database.

Figure 12.9: Affordable housing by magisterial district

The bulk of affordable rental housing is supported by the Low-Income Housing Tax Credit program — 2,312 rental homes. Significant research has been doing on the placement of LIHTC developments and their impact on surrounding communities. A review of these studies found that "property value increased when LIHTC developments are built in low-income areas" and furthermore, decreases in crime are associated with LIHTC development.[4] Even the location of LIHTC development in high opportunity areas has proven to have positive impacts.[5]

[4]Keri-Nicole Dillman, Keren Mertens Horn & Ann Verrilli (2017) The What, Where, and When of Place-Based Housing Policy's Neighborhood Effects, Housing Policy Debate, 27:2, 282-305, DOI: 10.1080/10511482.2016.1172103

[5]*Ibid*

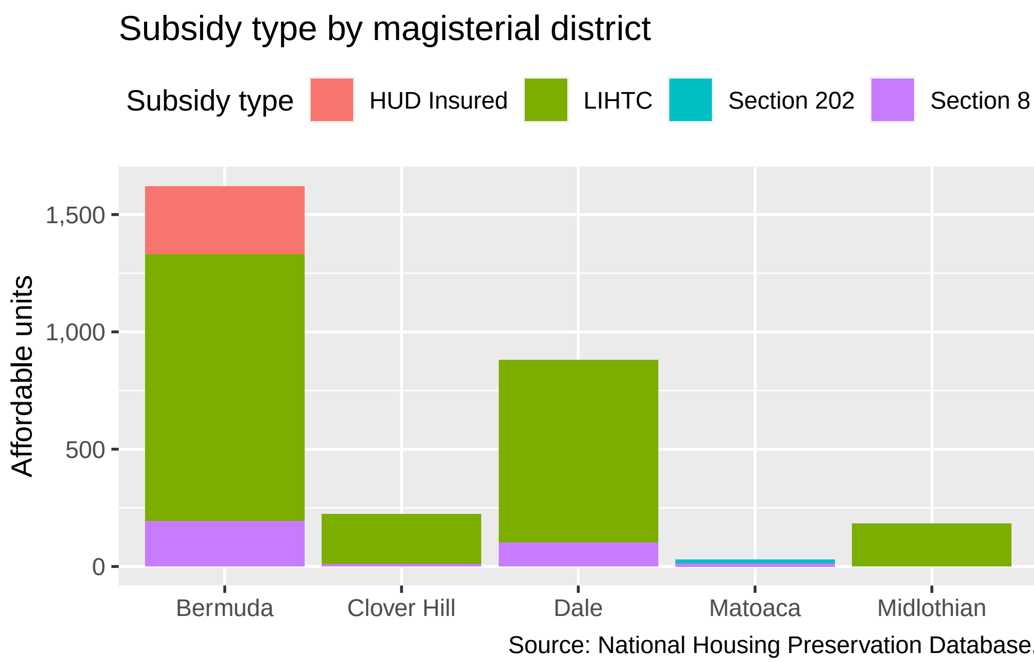


Figure 12.10: Subsidy type by magisterial district

LIHTC in the County has largely been developed by for profit developers with only one non-profit developer in the county, Better Housing Coalition (BHC). BHC, one of the Richmond region's largest nonprofit developers of affordable housing, has concentrated much of their work along Route One — where they first developed their first phase of Winchester Green townhomes in 1999.[6] Since 1999, Better Housing Coalition has continued to phase development with Market Square and will continue develop on adjacent parcels with Winchester Forest.

Programs like LIHTC have a time frame for affordability restrictions. For LIHTC in Virginia, like many other states, there is a 30 year commitment to affordability, but only a 15 year compliance period, wherein property owners can increase rents. By 2040, the majority of existing LIHTC housing (1,984 homes) will be outside the 30 year commitment period. Nonprofit developers will often seek new allocation of tax credits before their commitment period ends, but there is often little incentive for for-profit developers to maintain affordability restrictions past the compliance period.

[6] Phase 1 of Winchester Greens was financed by a $5.8 million bond issued by the Chesterfield County Industrial Development Authority, $13.8 million from HUD, and $800,000 in Community Development Block Grant from Chesterfield County.

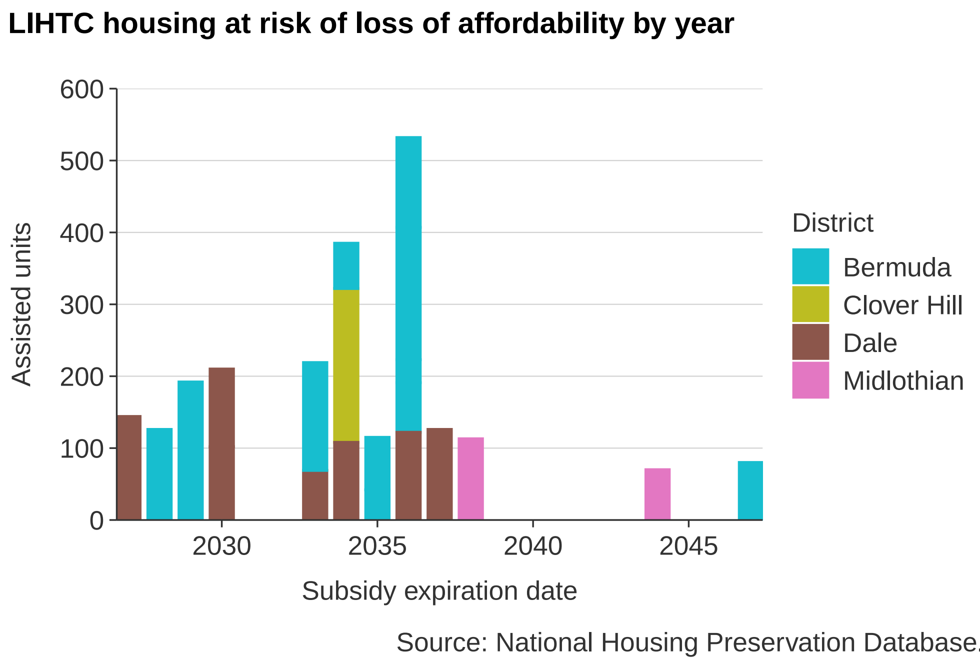


Figure 12.11: LIHTC housing at risk of loss of affordability by year

Source: National Housing Preservation Database

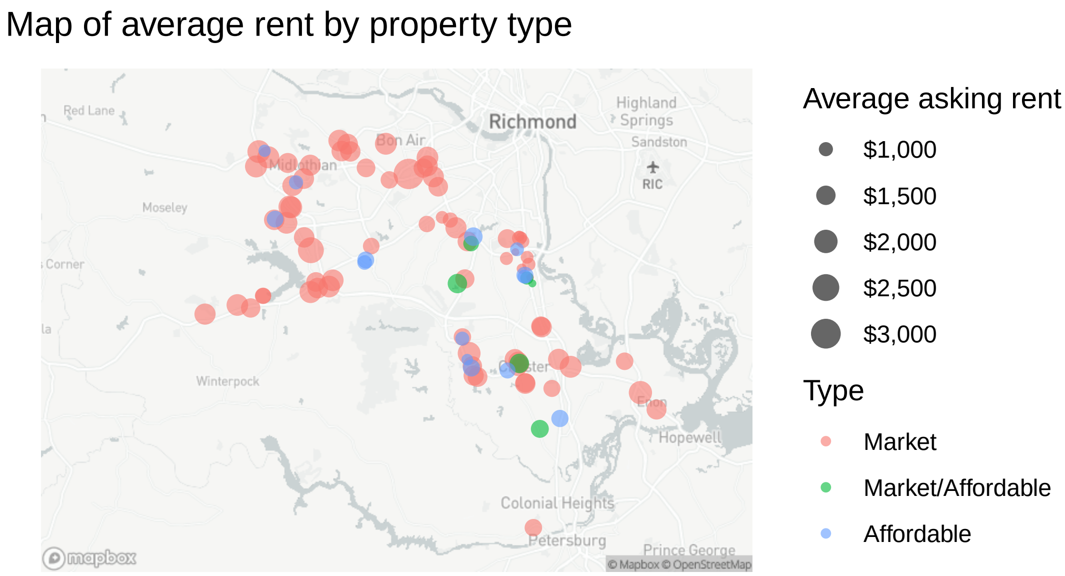
LIHTC developments in the Bermuda and Dale Districts are set to face the end of the affordability commitment period before 2040, but Bermuda District LIHTC properties are largely nonprofit owned and managed — therefore, less likely at risk of loss. But Dale District LIHTC properties could face significant risk of exiting from the affordable housing stock.

12.3.1 Price comparison

The following makes comparisons between affordable multifamily and market-rate multifamily rental prices across Chesterfield County. CoStar data is incomplete for some properties, but still provides an accurate and up-to-date average market asking rent per unit by property. The analysis below includes 96 multifamily properties where average asking rent data is available. It excludes manufactured home communities and single-family rentals.

The map below shows the location of market rate, affordable (rent restricted or rent subsidized), and market/affordable multifamily developments. The size of the circle represents the average asking market rent per unit for each property. The map shows a large amount of market rate properties located in the northern section of the county, specifically along

Midlothian Turnpike and Route 288. Affordable rental properties, including those that are mixed-income, are largely located towards the eastern part of the county along Route 1 and Route 10.

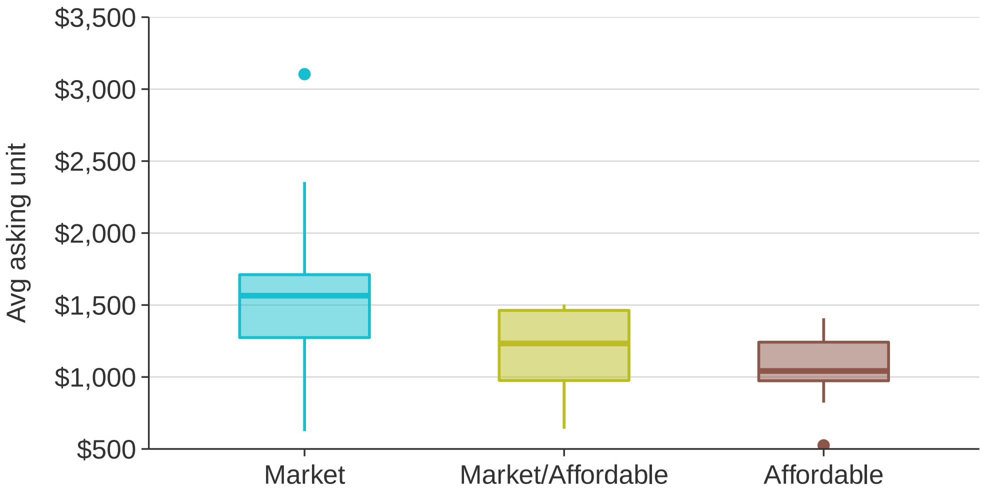


Source: CoStar Group, Inc.

Figure 12.12: Map of average rent by property type

Market rate rents skew towards the $1,500 to $2,000 range, with two properties well-above the $2,000 rent level. These two properties are high-end properties; one being a townhome development and the other a senior independent living with substantial amenities and programming. Affordable rental properties have rents that sit closer to $1,000, which would require at least $40,000 annually to not be cost-burdened. Market/affordable rents are scattered but are typically between $1,000 and $1,500.

Average asking rents by rent type

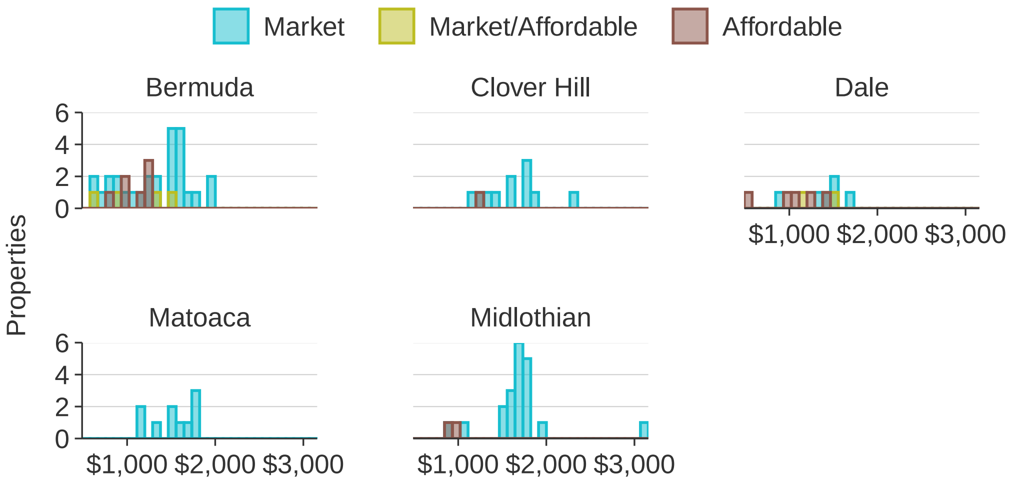


Source: CoStar Group, Inc.

Figure 12.13: Average asking rents by rent type

The following chart shows the distribution of rental properties by their average rent for each magisterial district. The Bermuda district has the largest share of lower-cost apartments, supplied by both rent-restricted and market rate properties. The Dale district has the next highest number of low-cost apartments of all types. The Midlothian district has the highest average rents, with most properties ranging well above $1,500.

Number of properties by average rent by district



Source: CoStar Group, Inc.

Figure 12.14: Number of properties by average rent by district

13 Market comparison

This section will make comparisons between recent multifamily developments and existing rental supply in the county. For the purposes of this section, “recent” developments are those built in the past five years, are under construction, or are proposed. This analysis does not include single-family rentals, nor manufactured home communities.

13.1 Price

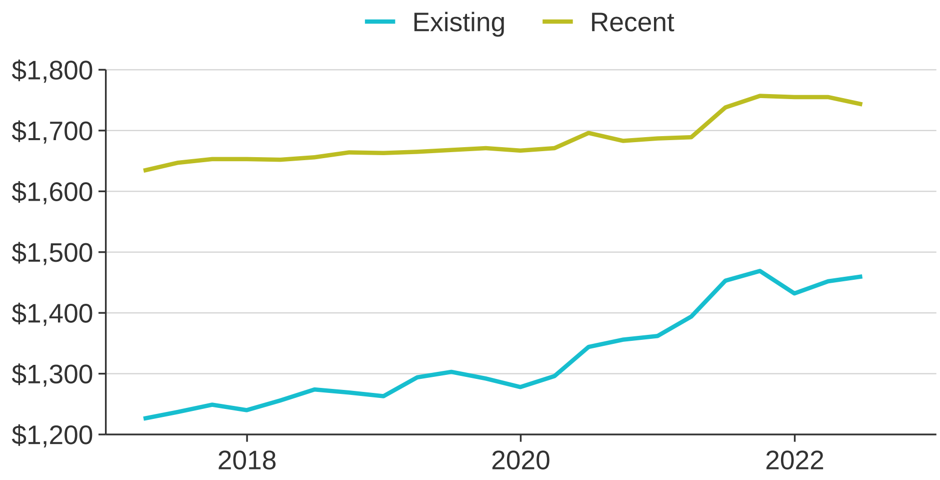
For much of the past five years, the difference in rental prices between recent and existing rental properties has remained at nearly $400. But when the pandemic hit in the second quarter of 2020, the gap began to narrow.

Both recent and existing properties experienced a jump in average rent in the second quarter of 2020. While recent properties experienced a 1% increase in average rents, existing property average rents increased by 4% — closing the gap to $352. This difference in percent of change over time has continued to Q2 2022.

From Q2 2020 to Q2 2022, average rent for recent properties has changed 3% — from $1,696 to $1,743. Existing property average rent growth was three times (9%) that of recent properties — going from $1,344 to $1,460. From Q2 2017 to Q2 2022, the difference in average rent between recent and existing properties has gone from $410 to $285.

While average rents for recent properties has remained steady, existing property rents have risen dramatically. The COVID-19 pandemic has significantly impacted demand among the existing stock of rental housing in the county — leading to complementary increases in rental prices.

Average rent of existing and recent rental units



Source: CoStar Group, Inc.

Figure 13.1: Average rent of existing and recent rental units

Price difference between recent and existing properties by number of bedrooms follows similar trends. But average rents for recent three-bedroom rentals experienced a significant increase in the middle of 2021 — going from $2,152 in Q2 2021 to $2,337 in Q4 2021. In 2022, these rents began to decline somewhat, but still remained above $2,000.

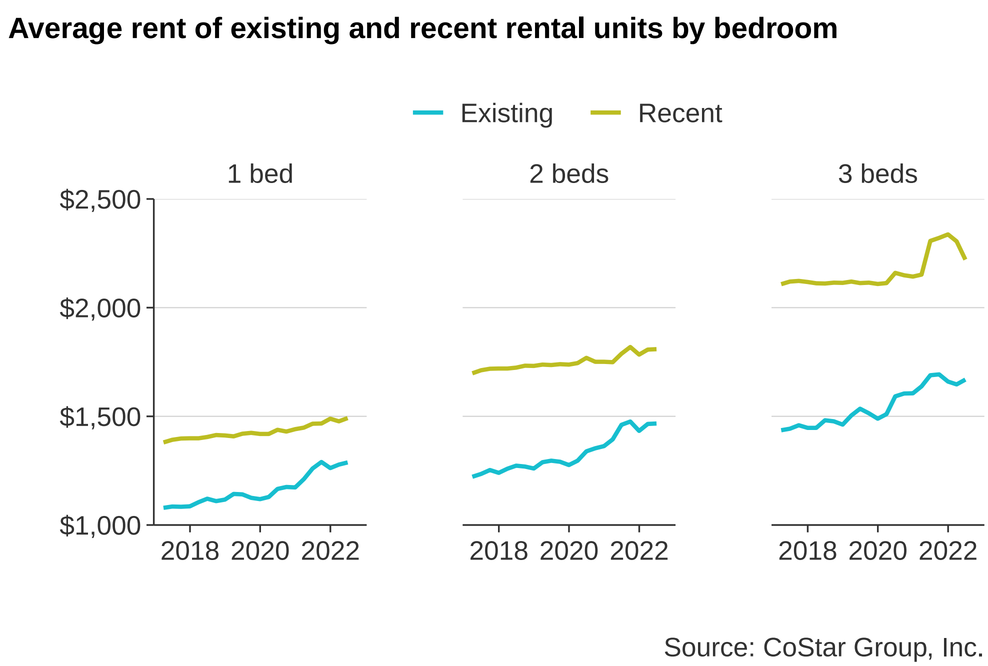


Figure 13.2: Average rent of existing and recent rental units by bedroom

In all cases, the percent change in average rents for existing rental properties was three times that of recent properties no matter the bedroom count. One- and two-bedroom existing rentals had a near 20 percent increase in average rents from 2017 to 2022, while three-bedroom average rents increased by 16 percent. Average rents for recent rental properties only had an increase of 5 to 7 percent. The difference in rents between recent and existing properties as of Q2 2022 ranges from $204 for one-bedrooms to $552 for three-bedrooms.

13.2 Unit mix

13.2.1 Building style

Consumer preferences can change over time and those preference changes can impact market demand and prices. Multifamily building styles built in the late 20th century were largely in the garden-style apartments. The garden-style emphasizes lower densities and clustered development. Residents typically have ground floor access with no neighbors above.

Existing rental properties are majority garden-style (85 percent). But the composition of recent multifamily development is much more diverse. Although though garden-style apartments are still being produced, the majority (82 percent) of newer multifamily properties are low- or mid-rise buildings.

The shift towards these types of developments provides developers with greater economies of scale. More density makes it more financially possible to finance and develop properties. Without the density that comes through low- and mid-rise buildings, developers have to rely heavily on higher rents or substantial subsidies to make development possible.

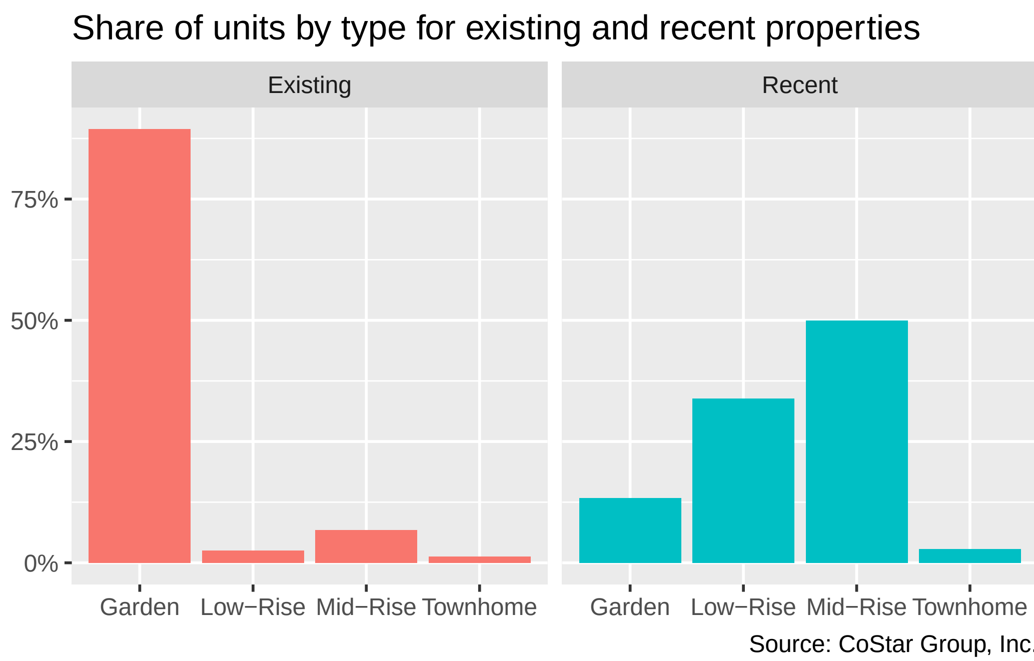


Figure 13.3: Share of units by type for existing and recent properties

13.2.2 Bedrooms

Existing rental development mainly consists of two-bedroom rental homes (55 percent) and one-bedrooms (27 percent). More recent developments have shifted towards to one-bedroom rentals (53 percent). The percent of larger rentals - two- and three-bedrooms - being produced has dropped to 36 percent and 9 percent, respectively.

One-bedroom rentals meets a growing demand among young professionals and aging seniors in the county, but the lack of larger rental homes leaves growing families out of the multifamily rental market. Single-family homes are increasingly meeting the demand for larger families in need of rentals. Although this often is preferred by families who want greater privacy and more in-home separation, the single-family rental market can impact opportunities for potential homebuyers.

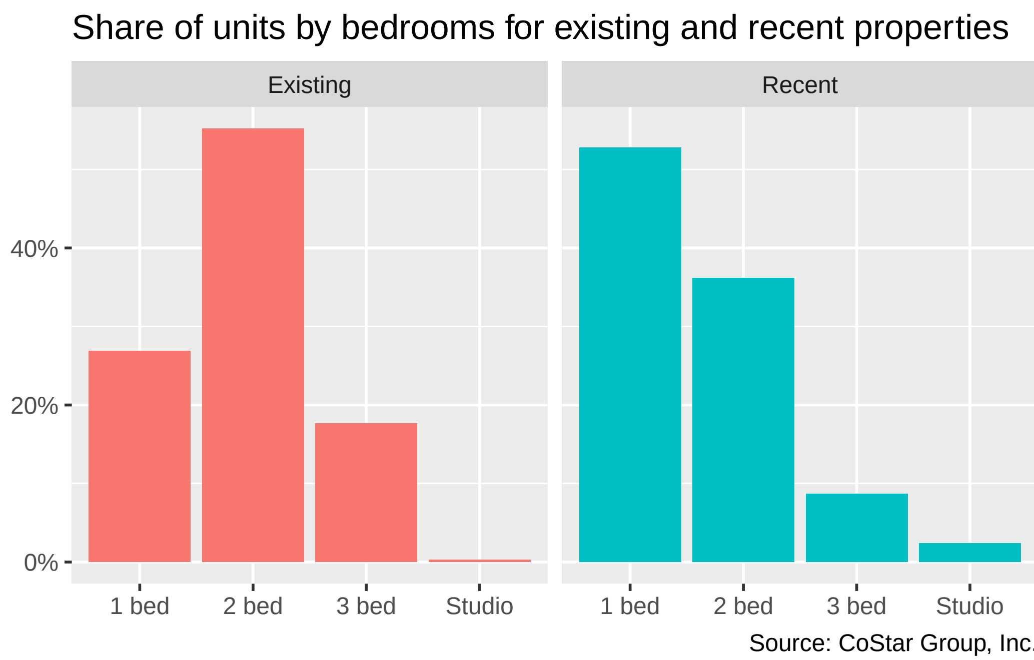


Figure 13.4: Share of units by bedrooms for existing and recent properties

13.2.3 Size

On average, the significant number of new one-bedroom apartments are close in size to the county's existing supply of one-bedroom units—around 750 square feet. New two- and three-bedroom apartments are noticeably larger than older units, however. Recently-built three-bedroom rentals are now approaching 1,500 square feet.

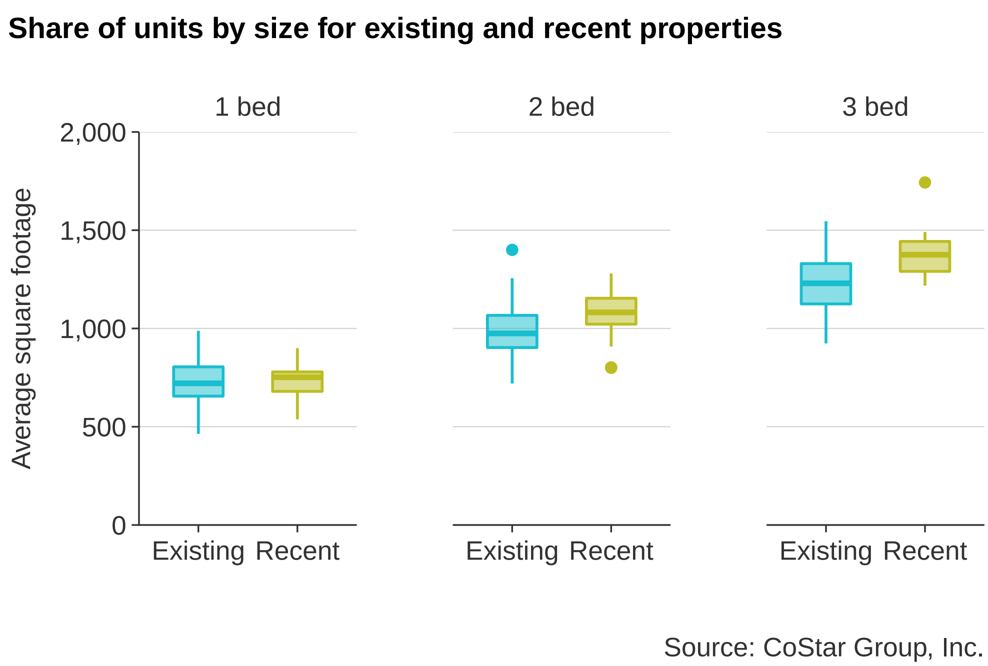


Figure 13.5: Share of units by size for existing and recent properties

13.3 Amenities

The types of amenities and features on a rental property have also changed of time as consumer preferences and expectations have shifted. While there are many possible examples of "amenities", this analysis compares the prevalence of four common features across rental properties in the county.

These amenities, which are included in property-level data from CoStar, include:

- Clubhouse,
- On-site property manager,
- Pool, and
- Fitness center.

On average, newer apartment communities are much more likely to have at least two of these amenities compared to older properties. In fact, about 90 percent of all new developments have two or more amenities, versus just 71 percent of existing properties.

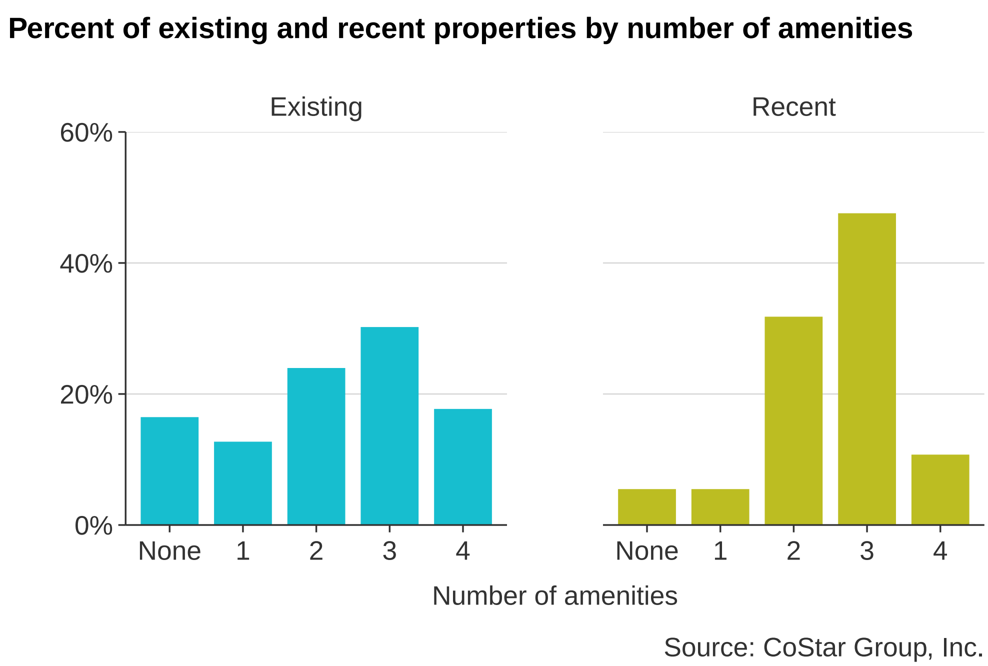


Figure 13.6: Percent of existing and recent properties by number of amenities

13.4 Location

New rental development has occurred all across Chesterfield County in recent years. However, as the map below shows, much of that activity has been concentrated along Route 288 from Midlothian Turnpike south to Hull Street. This development is notable for being located in areas where multifamily housing is not already prevalent.

On the other side of the county, there are five new developments along Route 1, plus several more just to the west following Route 10. These recent properties, unlike those along Route 288, do not make up the majority of multifamily housing in the area.

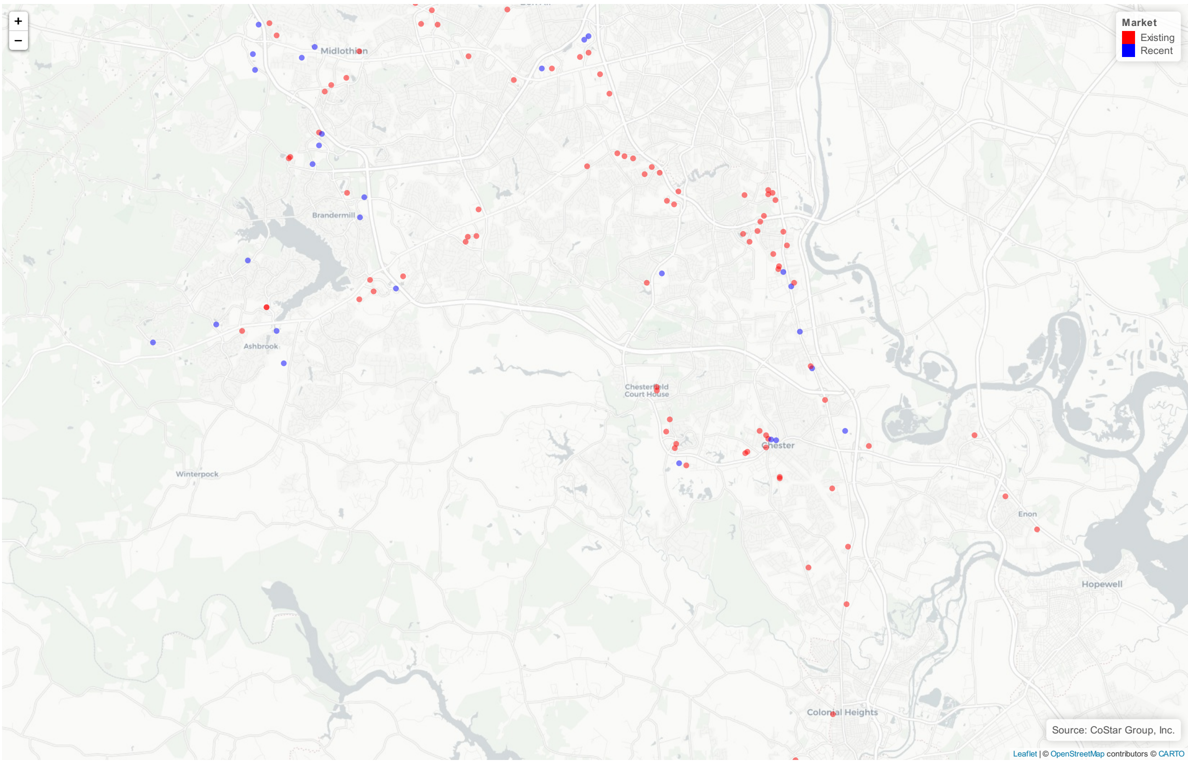


Figure 13.7: Map of recent and existing multifamily rental properties

13.4.1 Proximity to public transportation

Within the county, there are only 20 out of 115 multifamily properties located within a half mile walking distance of a public transit stop. The majority of these properties are existing properties, while only six are recent developments (built in 2017 or later).

These transit stops are mainly located at the city-county border along Midlothian Turnpike or along Route One, where the Greater Richmond Transit Company (GRTC) began local bus service from Falling Creek to John Tyler Community College in March 2020. One recent development (Commonwealth Apartments built in 2022) has taken advantage of an Express Service Park-N-Ride located at Commonwealth Centre Parkway. This transit service provides a direct route from Commonwealth Centre Parkway to Downtown Richmond — whether for work or leisure.

The overwhelming majority of both recent and existing multifamily properties in the county are located more than a half mile walking distance of a transit stop. On average, the walking distance for all multifamily properties in the county to a transit stop is 3.2 miles — which would take most people nearly an hour to walk. There is little difference between recent and existing properties in terms of distance to transit, but undoubtedly any new multifamily development on the Route 1 corridor will continue to benefit from public transit access.

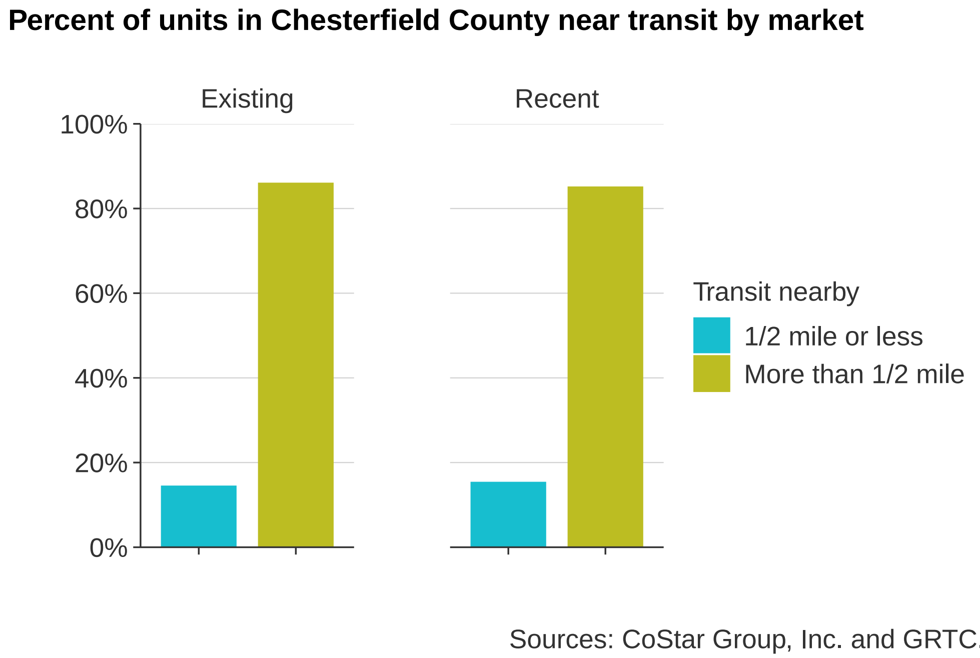


Figure 13.8: Percent of units in Chesterfield County near transit by market

13.4.2 Proximity to schools

Across the entire county, there are 64 schools within the Chesterfield County Public Schools (CCPS) system serving more than 63,000 students. As the county continues to attract more and more families, the desire to be in close proximity to schools at all levels will continue to grow.

In the county, there are 39 elementary schools, 12 middle schools, and 11 high schools.

All 115 multimfamily properties are within a 30 minute drive to a CCPS school. More specifically, all properties are less than an eight minute drive of a CCPS school. The average drive time for all multifamily properties to a CCPS school is only about 5 minutes, and there is hardly any difference between recent and existing properties in the average drive time — 4.7 and 4.9 minutes, respectively.

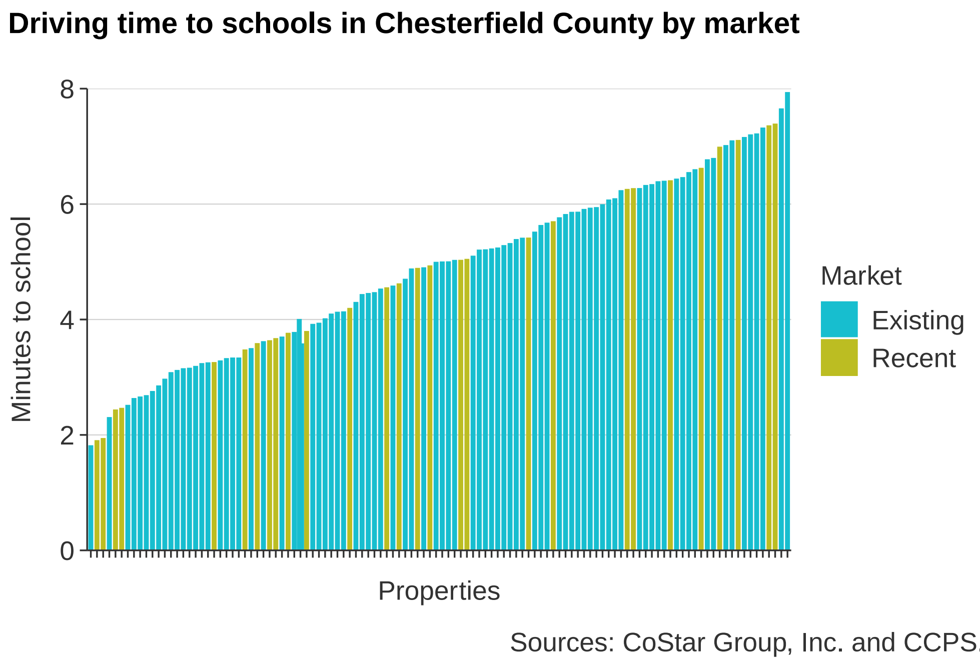


Figure 13.9: Driving time to schools in Chesterfield County by market

13.4.3 Proximity to grocery stores

Convenient access to affordable and healthy foods helps support family and individual health. When households have access to food options like fresh fruits and vegetables, they can potentially lower their risk for chronic disease. Close proximity to full service groceries that accept Supplemental Nutrition Assistance Program (SNAP) helps keep low-income families and individuals out of hunger, but also helps save time and money in commuting.

While many convenience stores accept SNAP, the food options are not always the healthiest. Highly processed foods and other snacks do not provide the nutritional value of many food products found at full service grocery retailers.

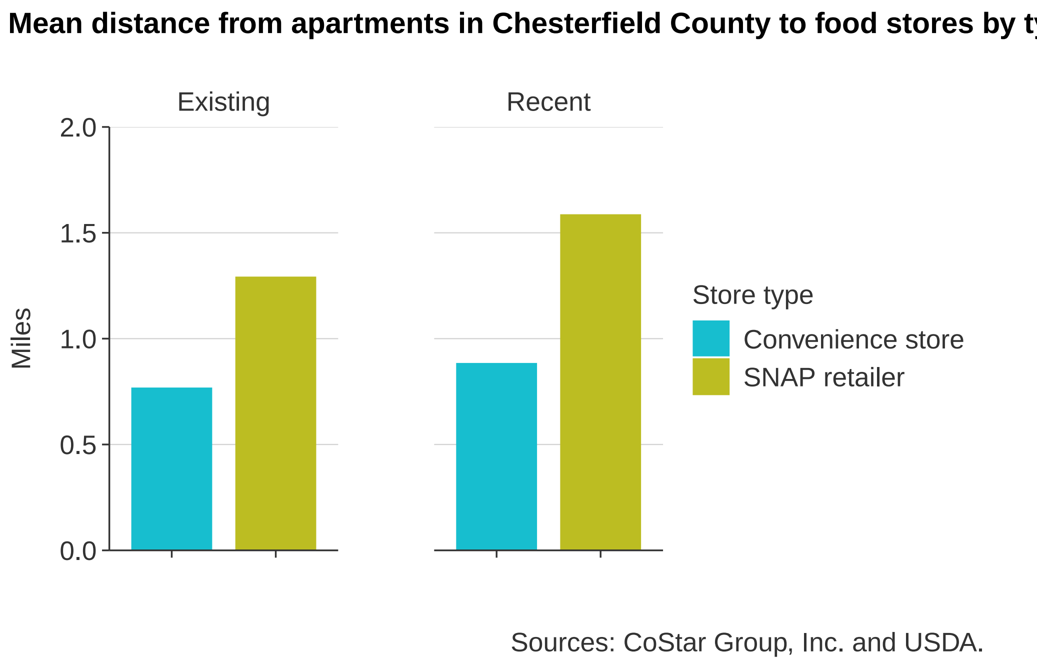


Figure 13.10: Mean distance from apartments in Chesterfield County to food stores by market

The prevalence of convenience stores across the county accounts for their closer proximity to both recent and existing multifamily properties. But the average distance to a full service grocery is over a mile for existing properties and has only increased to just over 1.5 miles for recent multifamily properties.

The increasing distance of recent multifamily to full service groceries increases the likelihood of food deserts — low-income, low-access areas. Food access should continue to considered as new multifamily development grows across the county.

13.4.4 Proximity to healthcare

Healthcare access is important to growing communities as households age and new family members are added. Healthy communities are maintained when residents can not only afford healthcare, but also reasonably reach healthcare. General acute care hospitals provide 24-hour patient care and conduct many of the major procedures that help treat chronic illnesses, as well as save people in an emergency situation. Urgent care facilities, on the other hand, provide easy walk-in access for non-emergency healthcare. Often less expensive than a hospital visit, urgent care offers patients help when they are unsure of their illness.

Being within a short driving distance to a hospital or urgent care can be lifesaving, but it can also mean more frequent care to support a longer life. In the county, the average drive time to a hospital from a multifamily property is about 12 minutes, while it is 9 minutes to an urgent care.

More recent development has been closer to hospitals (10 minutes) than existing development (12 minutes). But recent development has been getting further away from urgent cares (10 minutes) compared to 9 minutes for existing development. This has implications for low- and moderate-income households who can more likely afford urgent care compared to hospital visits.

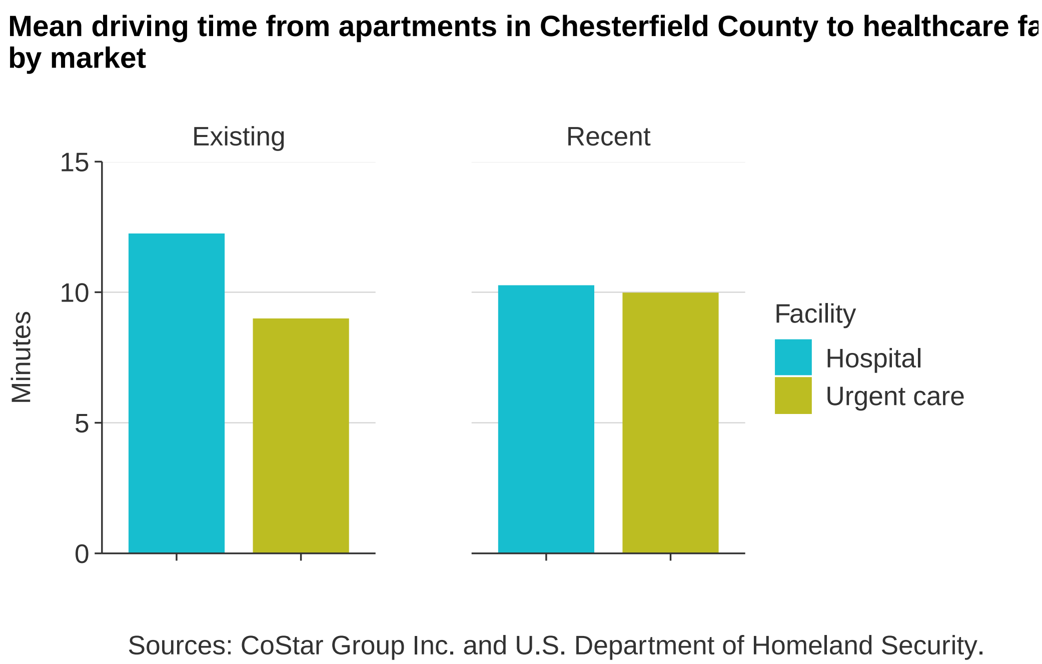


Figure 13.11: Mean driving time from apartments in Chesterfield County to healthcare facility by market

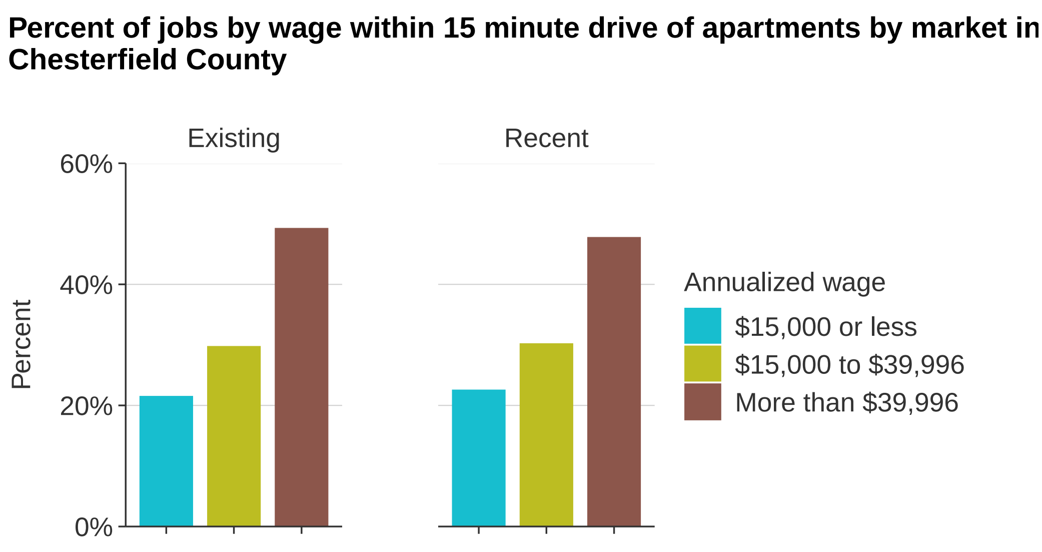
13.4.5 Proximity to job centers

With transportation being many households second highest expense after housing, a daily commute to work can quickly eat into a households budget the longer it is. Job centers are located all across the region, but areas with the highest paying jobs are located in Downtown Richmond and business parks like West Creek in Henrico County or Meadowville in Chesterfield County. With many multifamily properties located along major corridors and near the city-county border, proximity to job centers is not a problem for those commuters with personal vehicles. A commute to the city is made easier with the

Powhite Parkway and I-95 access. But an assortment of jobs are necessary for a diverse and thriving economy. For any income household shorter commutes help save money, which can be used on housing and life's other necessities. However, fewer job opportunities for low-income households in close proximity to home mean longer commutes and more money spent on transportation — especially in localities where public transportation isn't available.

In the county, the share of jobs paying more than $39,996 within a 15 minute drive of multifamily properties is near 50 percent for both recent and existing properties — 47 and 49 percent, respectively. Recent multifamily development is increasingly located in areas wherein there are lower paying jobs (below $39,996). This means greater job opportunities for low- and moderate-income households within a short distance. But mixed-use developments, or live-work-play communities, are increasingly desired by diverse households.

Meeting the needs of houseshold all within a walking distance is a growing trend and is being seen across the region. The Midlothian Special Area Plan helps support development like this which helps households of all kind find employment opportunities with having to depend on a car.



Sources: CoStar Group, Inc. and U.S. Census Bureau LEHD Origin−Destination Employment Statistics.

Figure 13.12: Percent of jobs by wage within 15 minute drive by market in Chesterfield County

14 Outreach

This section summarizes interviews and additional outreach with non-profit and for-profit multifamily developers with existing or prospective projects in the county.

14.1 Process

To gather additional details on the state of Chesterfield County's rental market, a total of nine persons from six organizations were interviewed in early June 2022. These interviews collected input from:

- For-profit multifamily and mixed use developers,
- Nonprofit multifamily developers and property managers, and
- Commercial real estate brokers focused on multifamily and mixed use properties.

Specific interview topics and questions varied, but were organized around the prevalent trends, challenges, and opportunities found today in the county's rental market.

14.2 Trends

All interviewees strongly agreed that the demand for rental housing in the county far exceeds the current supply. One individual stated that the market has "shot straight up"—and that the county will only get more expensive in the near future. Recent interest rate increases may cool the pace of new development, along with pricing out homebuyers with marginal incomes. Together, these symptoms would place additional rental demand on an already limited supply.

The growing demand for rental homes can be attributed to many different household types, but respondents noted several important groups. First, families with one or more children, but with incomes too low to purchase a home, are looking for apartments with three or more bedrooms. County schools are often a motivator, as interviewees noted anecdotal increases in households moving from the City of Richmond and the Tri-Cities areas. Due to their higher childcare and other household costs, these families need an affordable rent to balance their budgets.

Note

Property managers of affordable rental communities stated that current waitlists for apartments range from 30 to more than 100 applicants.

Second, there is an acute need for more senior and age-restricted homes, particularly options that are affordable to those on low and/or fixed incomes. These residents have aged out of their previous home due to maintenance or accessibility issues. Finally, among renters who are currently being served by new Class A development, most are one- or two-person households moving into the area to work from home, or are long-term county residents willingly downsizing from a larger home.

14.3 Challenges

Interviewees described a range of obstacles preventing the creation of new rental homes to meet demand. These challenges focus on market conditions, development regulations, and changing attitudes about rental housing.

First, respondents shared that new development has gotten more difficult due to increasing acquisition, material, and labor costs. These trends are currently found in nearly every part of the nation, as well. Among existing properties, Class A, B, and C multifamily assets are all "performing very well," which demonstrates demand from a wide range of incomes.

However, owners of lower cost, market-affordable rental properties (NOAH) have been less willing to sell their assets, which could lead to revitalization in certain areas, as well as continued preservation of attainable housing options. These long-term, local owners are hesitant to deal with the selling process, and are tax averse with respect to capital gains.

In areas where property values may be lower, prevailing market and community conditions can make development unfavorable. The northern Route 1 corridor was noted as an important example: despite its proximity to downtown Richmond and I-95, crime issues were repeatedly noted as a turn-off for developers. Furthermore, several interviewees stated that the low incomes found along that corridor would not support new market-rate development.

Second, various development regulations were listed as challenges imposed by the county. These primarily focused on utility connection and permit fees, which participants claimed were high relative to other localities, along with increasing costs associated with road and transportation proffers. Additionally, some developers identified first-floor commercial uses, which are encouraged by the county, as challenging for financing. Standalone multifamily development can be easier to obtain versus mixed-use.

Finally, nearly all respondents mentioned increasing public and political concern about new rental housing, particularly focused on apartments using public subsidy to serve lower incomes. This is especially a factor along Route 1, which one respondent called a “victim of its own success” following recent successful developments.

14.4 Opportunities

In spite of the listed challenges, interviewees noted that there were several opportunities to support rental housing development in the county, and specifically along the Route 1 and Eastern Hull St corridors.

LIHTC developers benefit greatly in the competitive scoring process when proposed developments are located in officially designated “revitalization areas.” This has helped support LIHTC development along the Route 1 corridor by Better Housing Coalition, but continuing this designation practice could help support LIHTC development in other parts of the county, where affordable rental housing is needed just as much. Tax abatements, even small amounts, like the recent Route 1 corridor tax abatement policy, also help in the LIHTC scoring process—increasing the likelihood of tax credit awards.

Continued expansion of public transportation along major corridors in the county would also help support affordable rental housing development. Being within 1/2 mile distance of public transportation is another scoring criteria for many publicly-financed housing developments.

Interviewees also saw specific opportunities for each corridor. Many saw greater opportunities for rental housing development along the Hull Street corridor due it having less of a “stigma” and better socioeconomic conditions to support mixed-use and mixed-income developments. One interviewee felt that Hull Street will continue to see more development activity and interest, growing organically like the western Midlothian Turnpike.

Respondents *did* refer to opportunities along the Route 1 corridor, especially for the revitalization or reuse of vacant and underutilized commercial spaces near the Chester area. But interviewees felt that the county would need to provide meaningful incentives to attract market-rate development to the northern section of Route 1.

Part IV

PART 2-B: CORRIDOR CASE STUDIES

15 Route 1 corridor analysis

This section describes the Route 1 corridor in terms of its rental housing market, proximity of rental homes to amenities, recent major investments, and homeownership relative to the price of single-family rentals.

The Route 1 corridor used in this section uses the same six census tracts from the previous Route 1 affordability analysis in Chapter 10.

15.1 The Route 1 Corridor

U.S. Route 1 once served as the major north-south corridor that connected East Coast states. However, the completion of Interstate 95 in the late 1950s drew traffic and business away from the highway. Since then, areas up and down the entirety of U.S. Route 1 have experienced decline and significant change that present challenges to revitalization.

As a home to residents and businesses, the Route 1 corridor in Chesterfield County is well-positioned to be one of the county's most vibrant suburban communities to existing and future generations. In close proximity to the City of Richmond and with convenient access to Interstate 95, the corridor is centrally located in the Richmond metro area and could play a pivotal role in the growth and development of the entire region.

Current conditions on the northern section of Route 1 prevent significant reinvestment, but recent efforts by the County improve those conditions and incentivize new and much needed development. The 2018 Northern Jefferson Davis Special Area Plan and the 2019 Northern Jefferson Davis Real Estate Market Study provide Chesterfield County with initial tools to revitalize Route 1. Momentum has continued with the Route 1 Residential Overlay District, the Northern Jefferson Davis Incentive Program, and Greater Richmond Transit Company's Pilot Bus Service.

Much of the new rental housing development has occurred at the southern end of the study area — pulled towards the intersection of W. Hundred Road (State Route 10) and Route 1, where there is a dense concentration of retail shopping options.

This study focuses its research on the six census tracts that straddle the Route 1 corridor from the Richmond-Chesterfield County border to the north and State Route 10 to the south. This encompasses portions of the Bensley, Bellwood, and northern Chester neighborhoods.

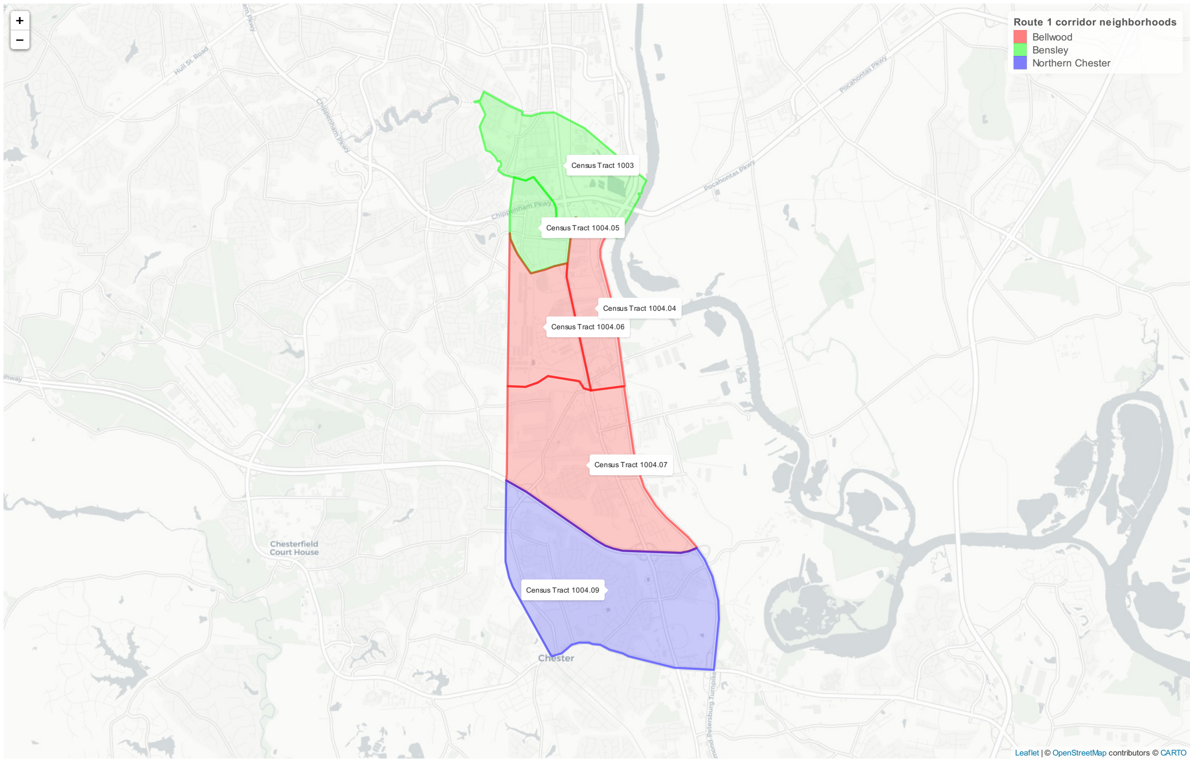


Figure 15.1: Route 1 corridor study area

15.2 Rental housing supply

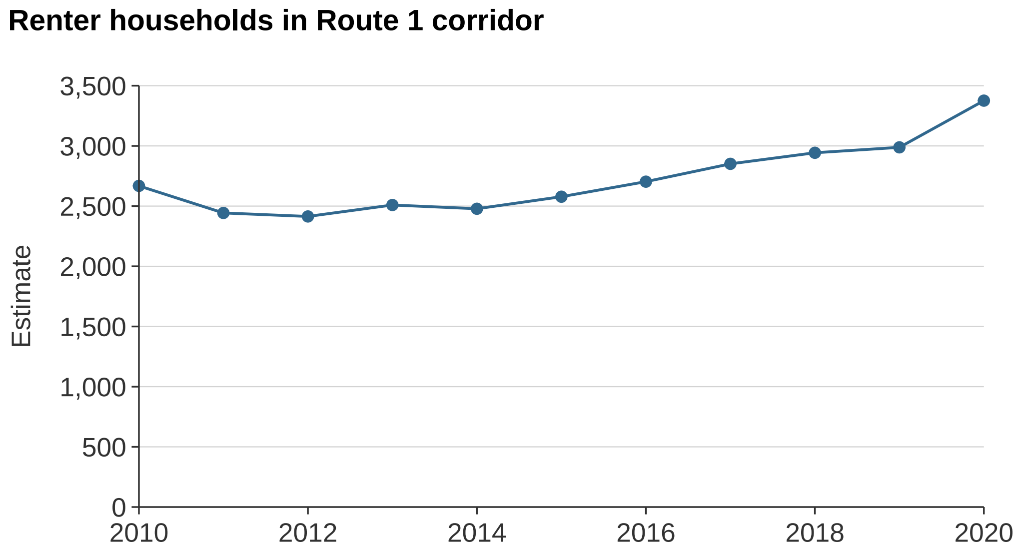
The following describes the existing rental housing supply along the Route 1 corridor.

15.2.1 Number of rental homes

The number of rental homes along the Route 1 corridor has increased by 26 percent between 2010 and 2020—a total of 708 renter households. Much of this rental housing growth occurred in the latter half of the decade, from 2014 and onward.

From 2010 to 2012, rental housing was in decline—most likely a reflection of the latter year's impacts from the Great Recession. During this timeframe, the construction industry struggled to keep pace with the growing demand for new rental housing.

From 2019 to 2020, there was a higher estimated percent change (13 percent) in renter homes than in previous years. Although this could be a significant impact of the COVID-19's impact on the rental housing market, margins of error for the data in 2020 are also higher than previous years; therefore, these changes should be interpreted with caution.



Source: U.S. Census Bureau, American Community Survey, 5−year estimates. Table B25003.

Figure 15.2: Renter households in Route 1 corridor

Based on 2010 and 2020 estimates, the increase in rental housing has largely occurred at the northern end of the Route 1 corridor in the Bensley area. All areas saw some increase in renter housing except for Census Tract 1004.04, which covers the eastern side of Route 1 from Falling Creek down to Bellwood Road. This census tract experienced a decrease of 180 renter households.

While unable to determine the causes or from where these renter households came from, this area of Route 1 contains several manufactured home communities and naturally-occurring affordable housing — all of which place households at greater risk of displacement.

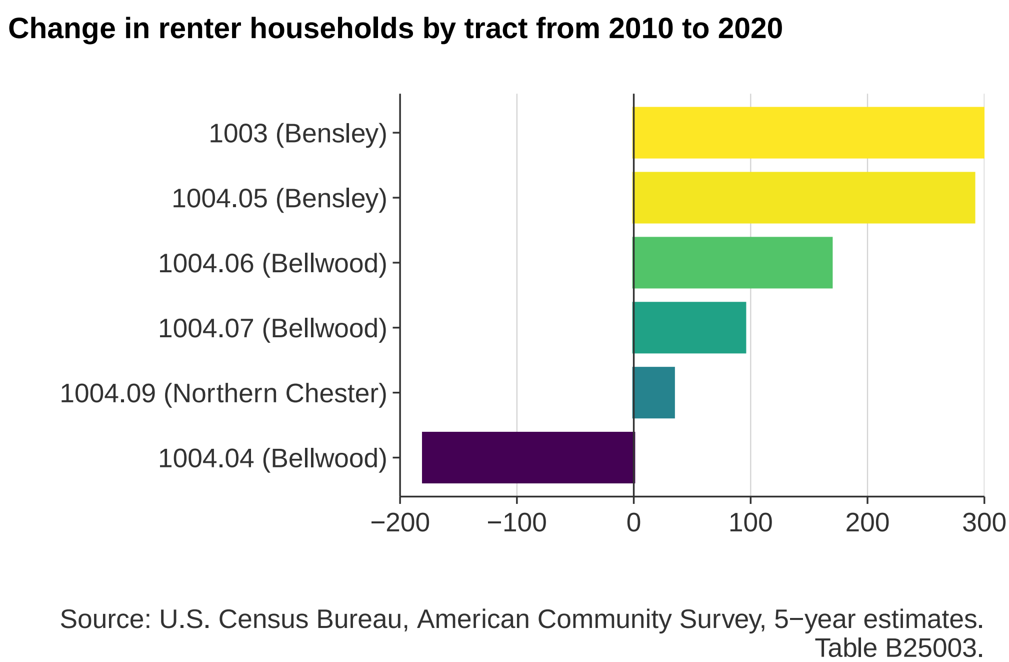


Figure 15.3: Change in renter households by tract from 2010 to 2020

15.2.2 Multifamily properties

Of the estimated 3,376 occupied rental homes from the U.S. Census Bureau, CoStar captures at most 2,417 of them that are located across 20 multifamily properties. These multifamily properties contain at least 12 rental homes and the majority of these properties (70 percent) are garden-style apartments. The majority (70 percent) of existing properties were built before 1976, and of these fourteen properties, only two have a recorded renovation — Collindale Apartments (renovated in 1990) and Falling Creek (renovated in 2017).

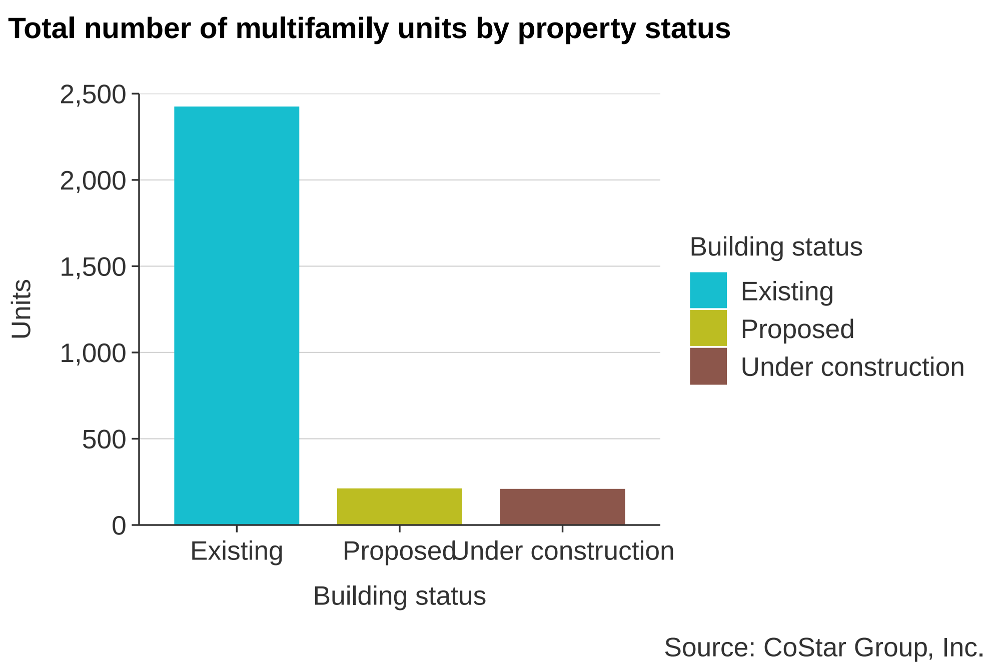


Figure 15.4: Total number of multifamily units by property status

The city-county border was located much further north before the annexation of Northern Chesterfield by the City of Richmond in 1970. In spite of this change, these older rental properties represent the extent to which rental housing development in the mid-20th century stretched into the county.

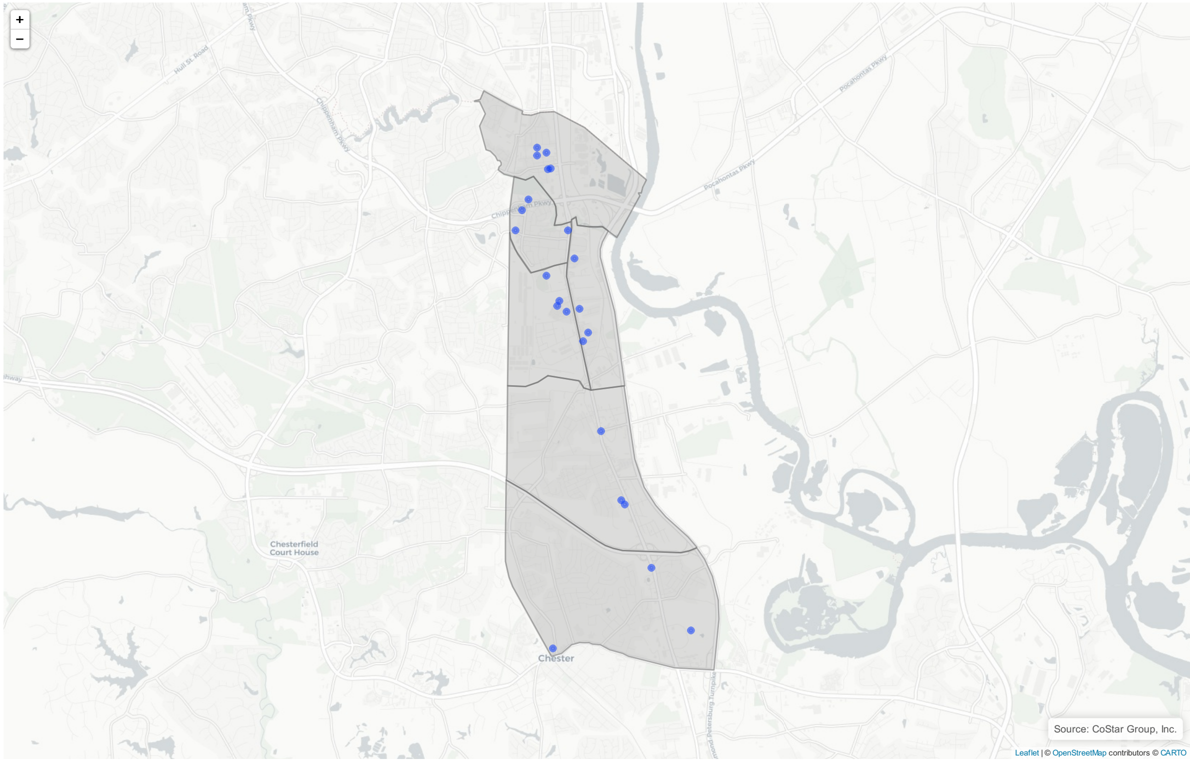


Figure 15.5: Map of multifamily properties along Route 1 Corridor

15.2.3 Manufactured home communities

Manufactured housing grew out of the "travel trailer" popularity of the mid-20th century. These trailers evolved into the manufactured housing when the U.S. Department of Housing and Urban Development developed standardized building codes and the the Federal Housing Administration began offering mortgage insurance on both homes and lots.

Communities of manufactured homes grew out of the decline of "travel trailer" camp grounds and the increase in manufactured housing production. With the need for land to place manufactured homes, there were few options aside from existing land where similar types of housing were already permitted, or where a household could afford a plot of land themselves. Land owners also saw a value in developing manufactured home communities for those who wanted the experience of a single-family detached home, but could not afford to purchase.

But the stigma of manufactured housing has plagued both residents and developers for decades. There have been no new manufactured home communities in Virginia in that same amount of time. Nonetheless, manufactured home communities have carved out a particular niche along the housing spectrum, offering an affordable albeit often precarious housing opportunity.

Manufactured home communities offer rental housing opportunities across the county by one of two ways:

1. A household owns their manufactured home and rents the land in which their home is placed (i.e. paying lot rent); or
2. A household rents the manufactured home that is owned by the community owner (i.e. paying rent where lot rent is included).

Accurate data on manufactured home communities is difficult to come by. Community owners may allow for the additional of homes on a continuous basis without approval, or some homes may be left abandoned after a tenant has vacated. Anecdotally, some owners have even subdivided a single home into four units to be rented. This makes it difficult to have an accurate count of households.

The northern Route 1 corridor has a substantial number of manufactured home communities — specifically 10 out of the county's known 17 manufactured home communities are located in the area. This accounts for at least 514 individual manufactured homes, or 31 percent of all homes located in a manufactured home community. This includes the sixth largest manufactured home park in the county, Shady Hill, which was recently purchased in July 2022.

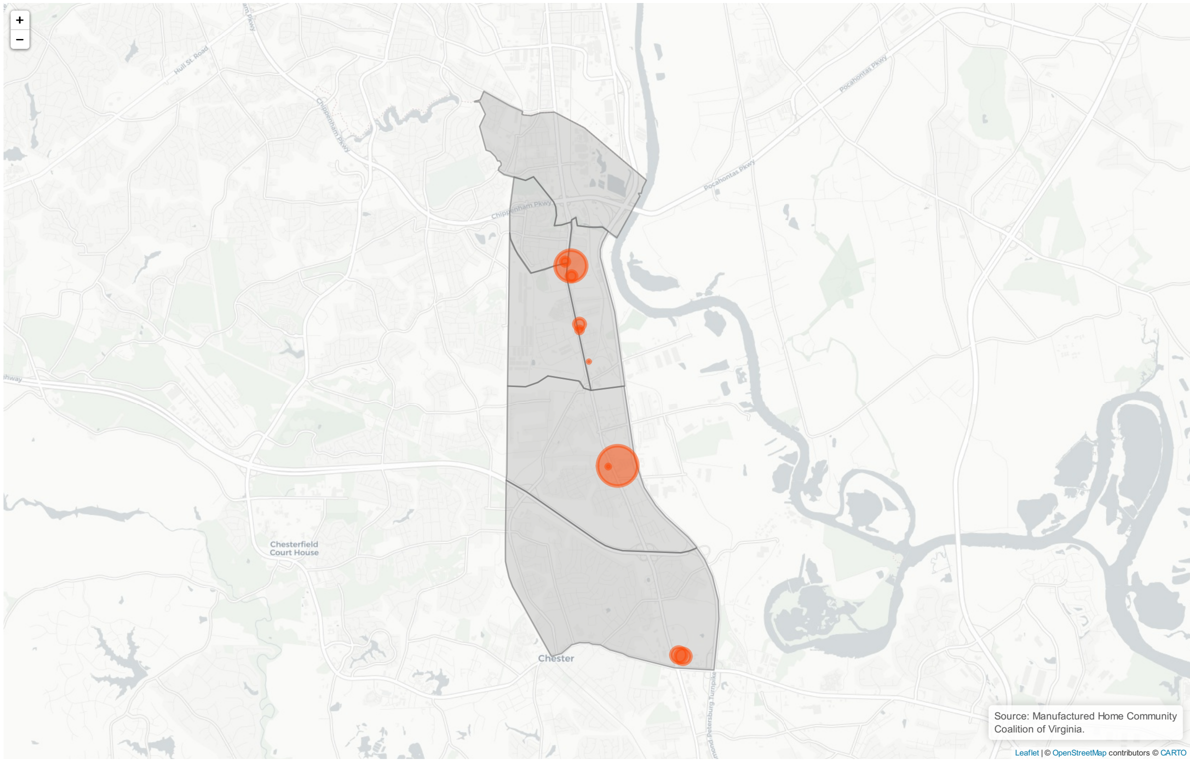


Figure 15.6: Map of manufactured home communities along Route 1

Notable among these communities is Bermuda Estates, which was purchased by affordable housing nonprofit, project:HOMES, in September 2020. Only one of two nonprofit owned and managed manufactured home communities in the Commonwealth, Bermuda Estates has seen significant infrastructure improvements and the replacement of homes with new energy efficient manufactured home models by project:HOMES.

Table 15.1: Manufactured home communities along northern Route 1 corridor

Name	Estimated homes
Holiday Mobile Home Park	140
Shady Hill Mobile Home Park	110
Conner Homes	54
Bermuda Estates	54
Bellwood Mobile Home Park	41
Falling Creek Mobile Home Park	35
Parkway Trailer Court	28
Ponderosa Mobile Home Park	27
Bellwood Rd LLC Trailer Park	13
Unnamed	12

15.2.4 Single-family rentals

As mentioned previously in Chapter 11, the growth of the single-family home rental (SFR) market is impacting all parts of the county. And the Route 1 corridor is no exception.

Along the northern Route 1 corridor, there is an estimated 1,008 single-family home rentals — about 20 percent of all single-family homes the area.[1] The highest concentration of SFR is within Census Tract 1003 (Bensley), where 28 percent of all single-family homes are believed to be renter occupied.

SFR is a growing demand among renters as homeownership continues to be out of reach for many, but it also serves a growing demand among households looking for greater space and privacy not offered in apartments. As seen in Chapter 13, nearly 54 percent of recent multifamily housing is two-bedrooms or less, leaving many larger households competing for less supply. SFR is filling the gap where multifamily developers are often falling short due to increasing construction costs and public opposition.

[1] This analysis was conducted by matching owner mailing address to physical address for all parcels wherein the land use code is "Single Dwelling." This analysis does not account for condominiums and therefore could be considered an undercount.

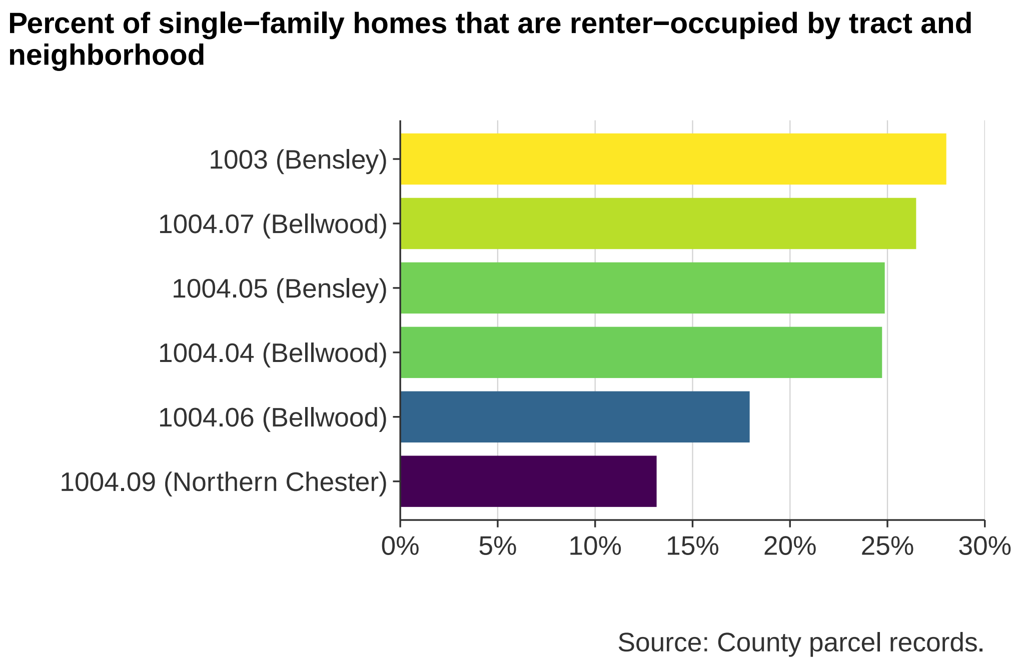


Figure 15.7: Percent of single-family homes that are renter-occupied by tract and neigborhood

The majority (68 percent) of owners of SFR along the corridor live somewhere else in the county, while 25 percent live outside of the county but somewhere else in Virginia. Fewer than 7 percent of SFR owners live outside of Virginia — the largest share of which has an owner in Florida.

Table 15.2: Owner location for single-family rentals along Route 1 corridor

Ownership	Number	Percent
Owner in Chesterfield	690	68%
Owner in Virginia	256	25%
Owner out of state	62	6%

15.2.5 Rental prices

Median rents in the northern Route 1 corridor have fluctuated in the last decade. But increases in the typical rent have most significantly occurred in the southern part of Bellwood (Census Tract 1004.07) where Colony Village was developed. In this part of the corridor, median rent has increased by 24 percent from 2010 to 2020.

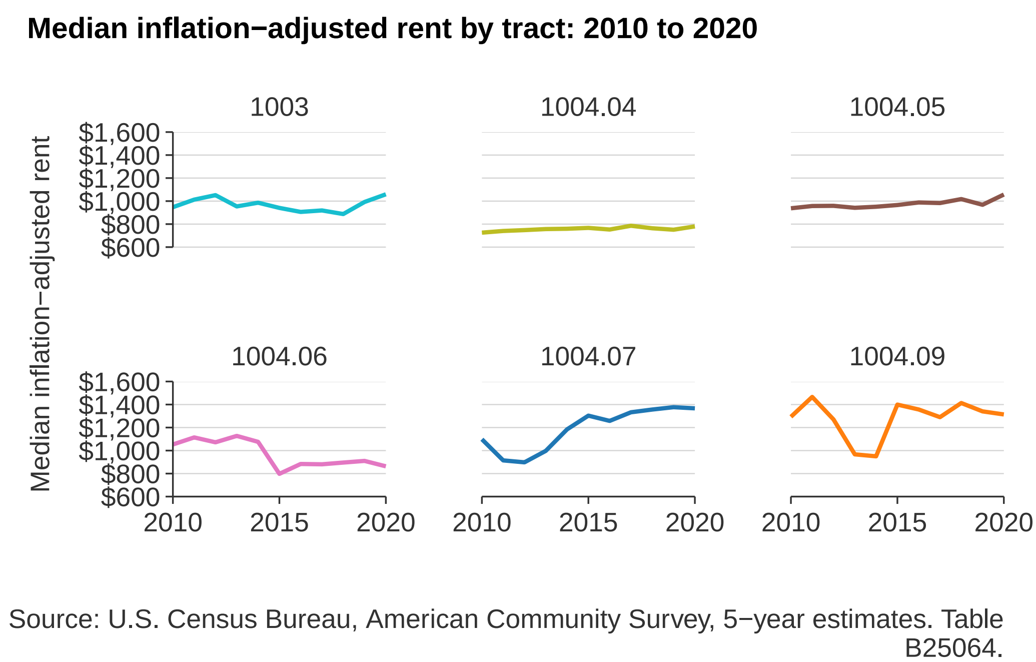


Figure 15.8: Median inflation-adjusted rent by tract: 2010 to 2020

There are clear differences in median rents between the northern and southern sections of the Route 1 corridor. Northern Chester and southern Bellwood had median rents above $1,300 in 2020 — $1,314 and $1,367, respectively. Median rents in the northern part of the corridor ranged from $780 to $1,059 – hundreds of dollars less in all cases than the southern part of the corridor.

Much of this difference in rental markets is no doubt a result of newer developments like Colony Village and The Jane at Moore's Lake. There have been few new multifamily developments in the northern section aside from Better Housing Coalition developments.

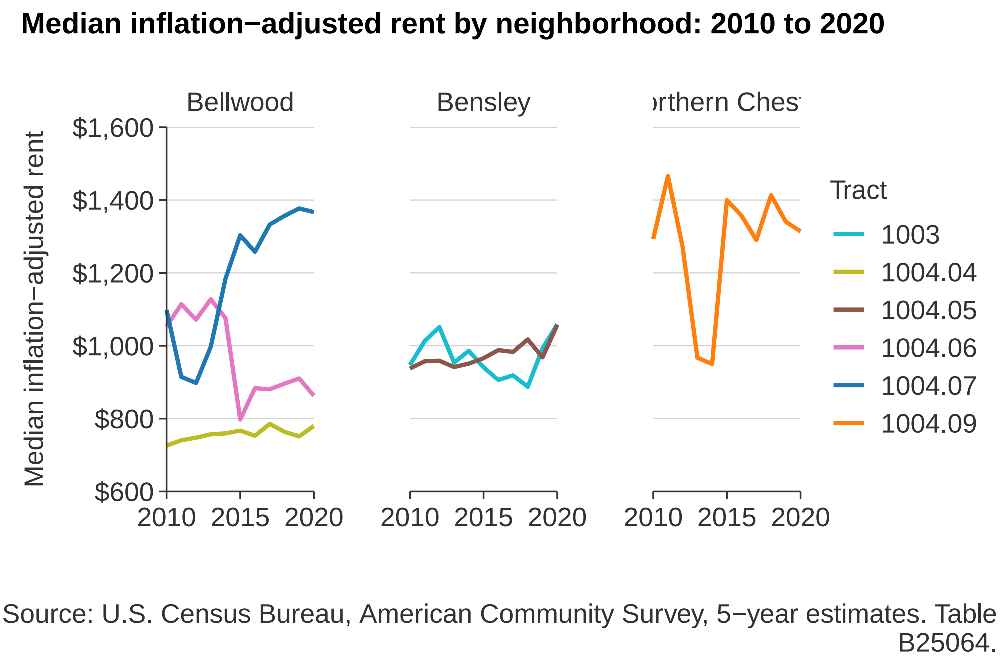


Figure 15.9: Median inflation-adjusted rent by neighborhood: 2010 to 2020

15.2.5.1 Multifamily rents

CoStar's analytics allows for a broad snapshot of average rent data along Route 1 on a quarter-by-quarter basis. Average rent per apartment was on a steady decline from 2002 until the rental market began to recover in 2013. It was not until Q3 2014 that average rent began to experience consistent increases quarter over quarter from $1,109 to $1,214 in the most recent 2022 quarter.

From 2017 to early 2020, the typical average rent increase was about $3 but between Q1 2020 and Q2 2020 the average rent jumped $15 from $1,195 to $1,210. It was during this timeframe that the pandemic began to impact housing markets, leading to significantly low rental vacancy rates as the eviction moratorium was put in place and increasing demand for housing away from the denser urban environment.

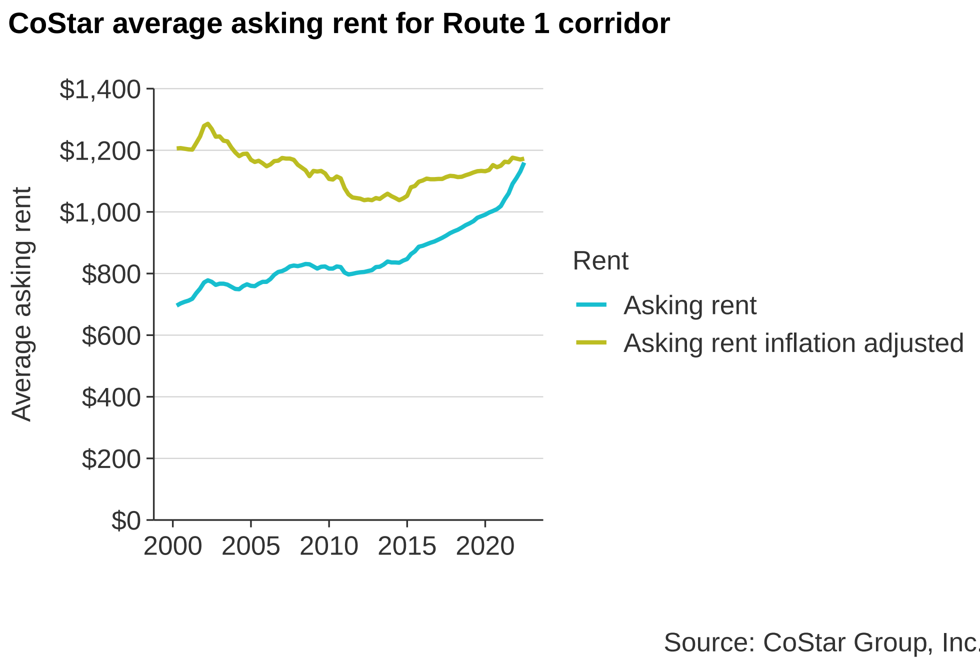


Figure 15.10: CoStar average asking rent for Route 1 corridor

Average rent disaggregated by number of bedrooms shows fairly steady increases for all bedroom types, especially one- and two-bedroom apartments. Studios and three-bedroom apartments in the area have seen decreasing rents in recent years. In fact, average rent for three bedroom apartments are now $56 cheaper ($1,431) than they were at the start of 2012 ($1,487).

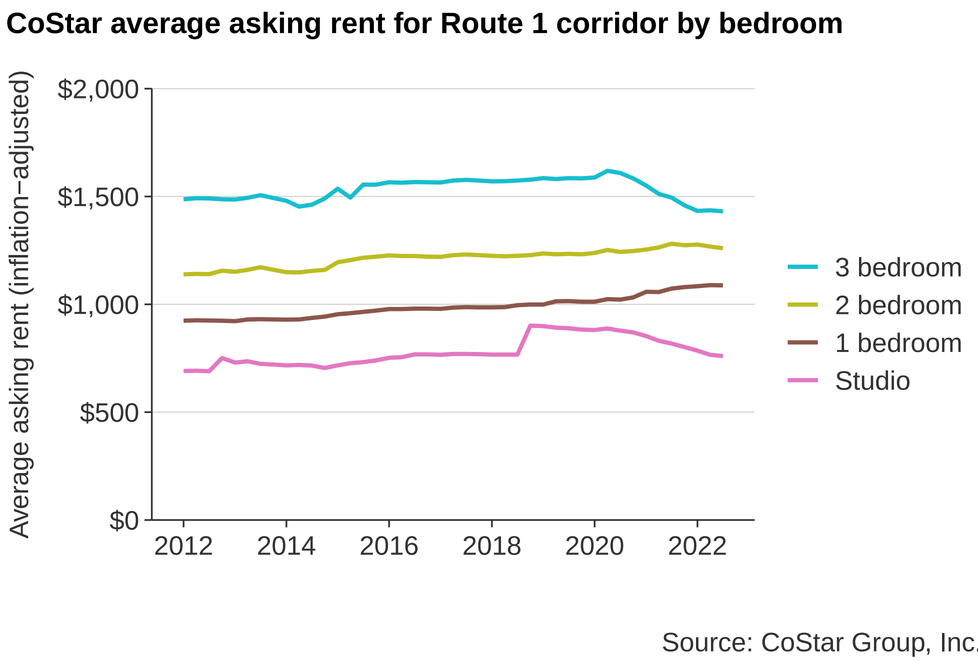


Figure 15.11: CoStar average asking rent for Route 1 corridor by bedroom

15.2.5.2 Single-family rents

Single-family rentals are not often listed via sources that provide consistent or reliable data. Facebook groups and other social networks often play a major role in advertising SFR, but the Central Virginia Regional Multiple Listing Service (CVR MLS) does pick up some of this market. Within the last year, there were 44 single-family homes rented through the MLS.

The average listed rent for one of these SFR was $1,336 — nearly $100 less the average rent for a three-bedroom apartment. Single-family detached homes fetch higher rental prices versus condominiums or duplexes.

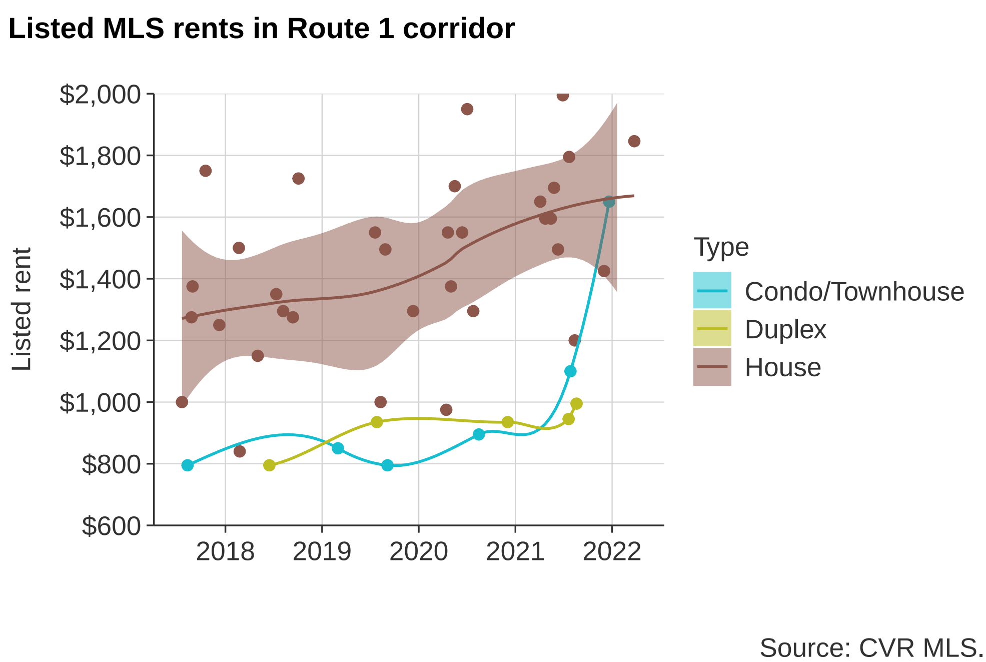


Figure 15.12: Listed MLS rents in Route 1 corridor

The majority of SFR listed through MLS are three-bedroom homes (54 percent), while 18 percent are four-bedrooms or more — an option that apartments do not often offer.

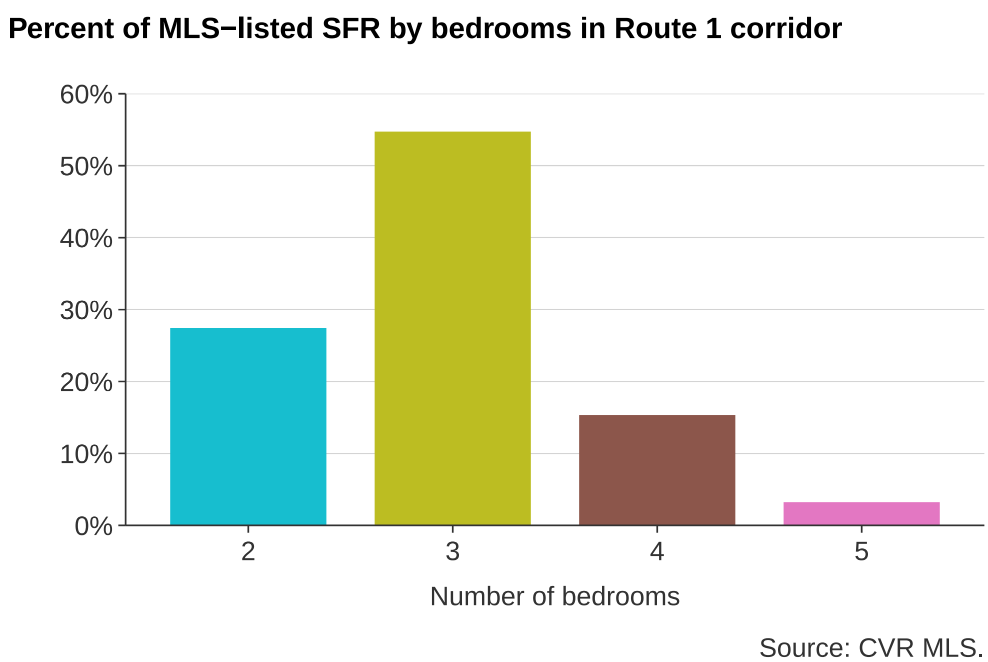


Figure 15.13: Percent of MLS-listed SFR by bedrooms in Route 1 corridor

15.2.6 Conditions

Aging rental properties require substantial capital in order to maintain properties. Even properties built in the 1980s are approaching half a century in age. Along the Route 1 corridor, there are 1,812 rental homes that were built before 1980. The largest share of these homes are located in the Bensley area (Census Tracts 1003 and 1004.04).

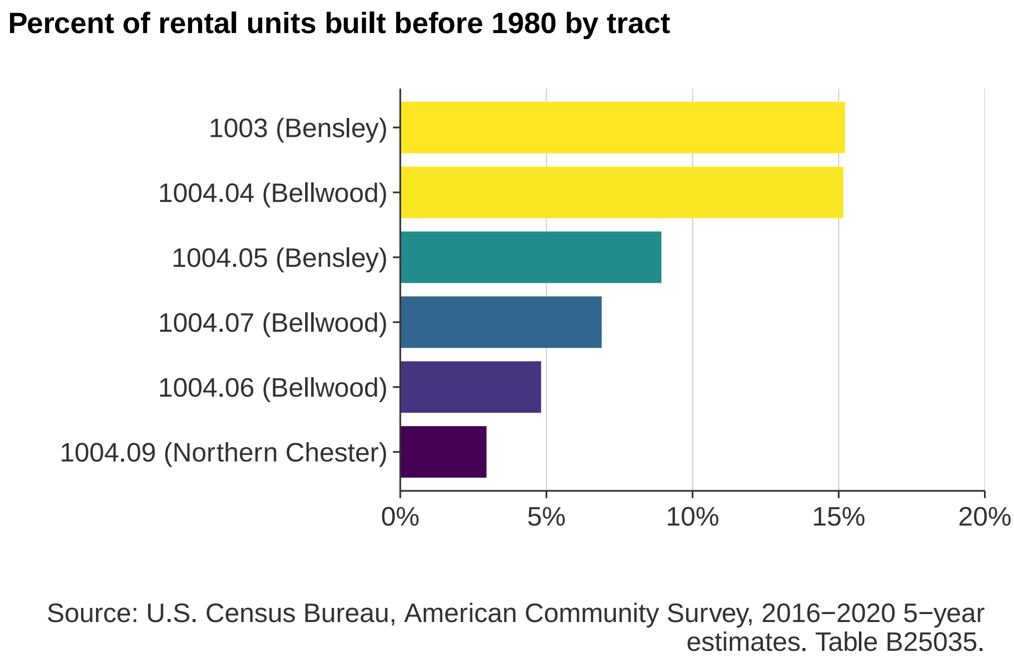


Figure 15.14: Percent of rental units built before 1980 by tract

Of the 23 CoStar-listed multifamily properties, 14 (61 percent) were constructed before 1980. There was no major multifamily development activity again until 2000 when Better Housing Coalition constructed Winchester Green Apartments' first phase. There has been little new multifamily development along the corridor during the last two decades — activity has largely been spearheaded by Better Housing Coalition and Emerson Companies. With few newer developments, there are fewer options for those who are looking to rent along the corridor — either having to choose a pre-1980s apartment, which are often in need of renovation, or among new luxury apartments that are often outside the budgets of existing renters along the corridor.

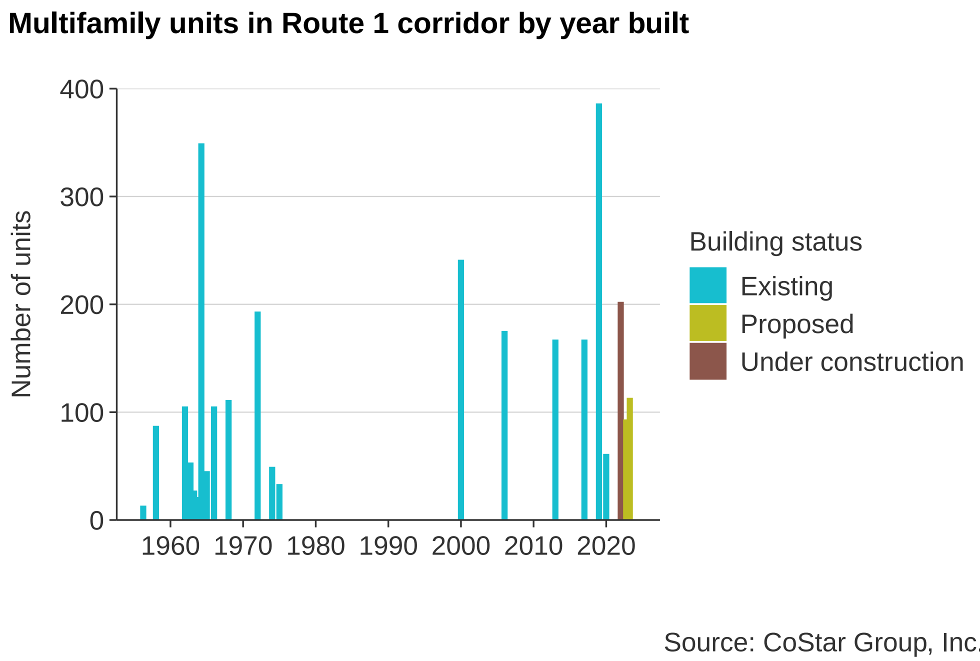


Figure 15.15: Multifamily units in Route 1 corridor by year built

CoStar's building rating system also provides a snapshot of condition of multifamily properties. Eighty-three percent of multifamily properties along the corridor are three-star or less — meaning that in terms of quality and amenities that these buildings are relatively average or simply functional. In comparison, four-star properties are "are constructed with higher end finishes and specifications, providing desirable amenities to residents and designed/built to competitive and contemporary standards," while five-star properties are "the luxury end of multi-family buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style…"

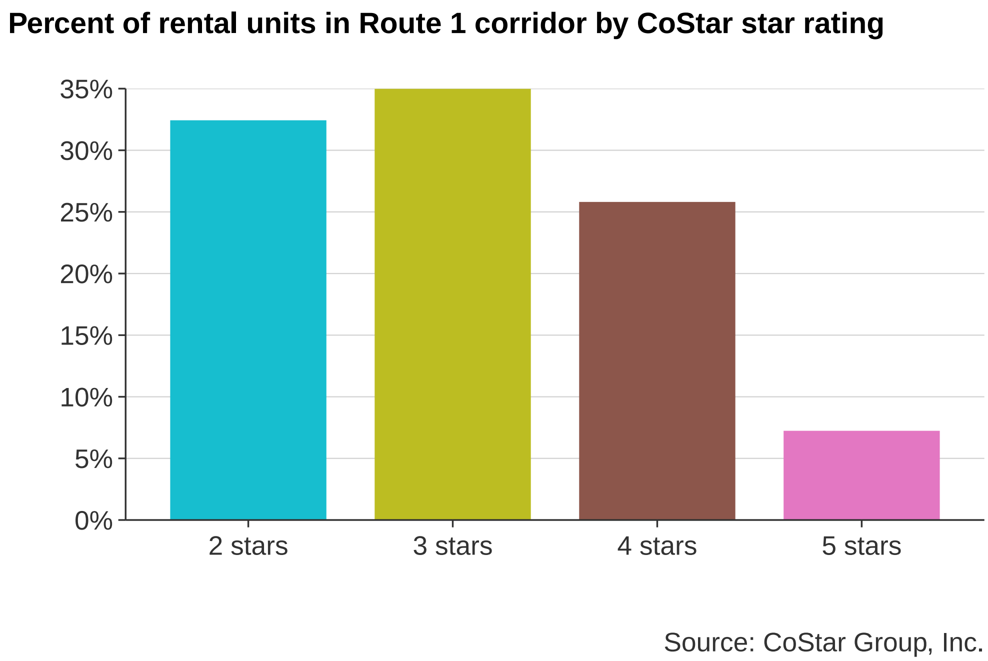


Figure 15.16: Percent of rental units in Route 1 corridor by CoStar star rating

In 2016, the Manufactured Home Community Coalition of Virginia conducted an assessment of manufactured home communities in Central Virginia. Their assessment included all but three of the communities identified in this study.

Based on an analysis of community socio-economic conditions, spatial patterns, and design characteristics, MHCCV created a typology that helps understand community conditions and potential areas for concern. To supplement their typology, communities not identified previously were assigned a typology.[2]

Of the ten communities located along the corridor, six are either obsolete or under pressure. Obsolete communities were found to have "severe, long-standing deficiencies in infrastructure, housing condition, private property, tenure, amenities, and management. Under pressure communities often house low-income families with children and are located in areas close to daily needs. They have poor conditions and are at the most risk for redevelopment.

[2]Bermuda Estates was assigned a completely new typology due to its ownership by nonprofit, project:HOMES. This typology emphasizes the stability of the park and the continued investments in the community given project:HOMES' overall mission.

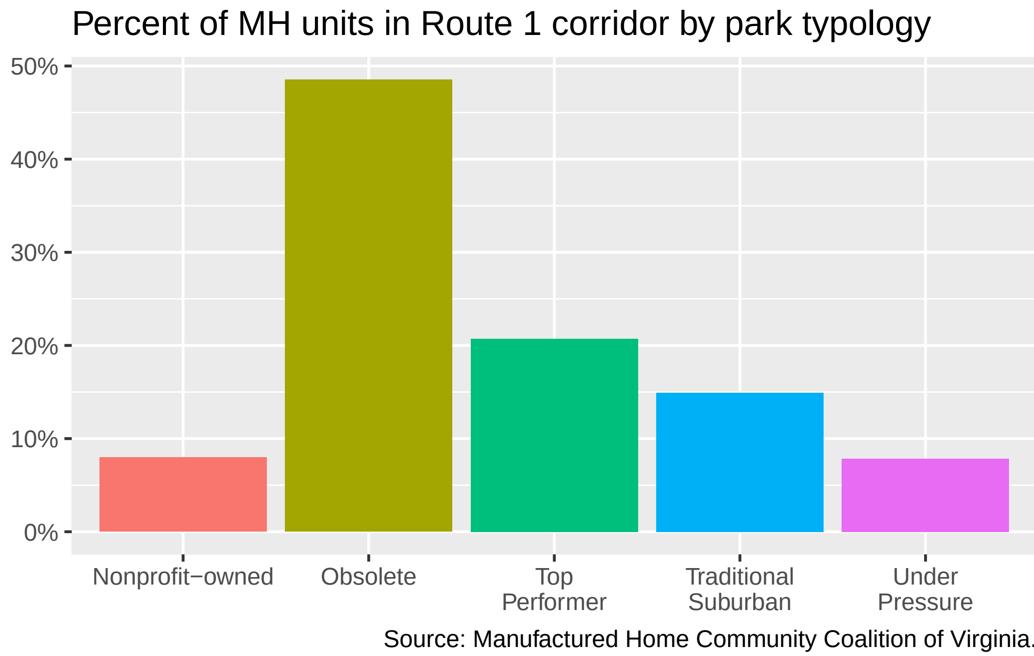


Figure 15.17: Percent of MH units in Route 1 corridor by park typology

15.3 Single-family rental versus purchase

For renter households along the corridor, the ability to purchase a home may be out of reach for many. But SFRs are filling a gap for households looking for the opportunity to live in a single-family detached home — providing more space and privacy for growing families. At the same time, SFRs are typically the entry-level homes that many first-time homebuyers would be able to afford.

In the last year, the median home sales price for a home along the corridor was $274,470, which would require a monthly mortgage payment of $1,614.98. This is nearly $300 more than the price of a SFR in the area — $1,336.87 a month.

Table 15.3: Calculated income needed to buy median-priced home in the study area

Variable	Value
Median sales price	$285,000
Downpayment	5.0%
Closing costs	1.5%
Loan amount	$270,750
Interest rate	4.72%
Monthly utilities	$250
Monthly payment	$1,678.90
Income needed to buy home	**$71,952**

In order to afford the median home sales price, a household would need to make $69,213 annually, while an SFR would require $53,475 — almost $16,000 less.

Table 15.4: Calculated income needed to rent single-family home in the Route 1 corridor

Variable	Value
Average rent for single-family home	$1,336.87
Income needed	**$53,474.80**

Based on the most recent ACS estimates for renter household incomes, the typical renter in most Census tracts would not be able to either rent a SFR nor purchase the typical home in the area. Renters in southern Bellwood and northern Chester are more likely to afford a SFR, but with their incomes they are still nearly $30,000 short of being able to purchase a home priced at $274,470.

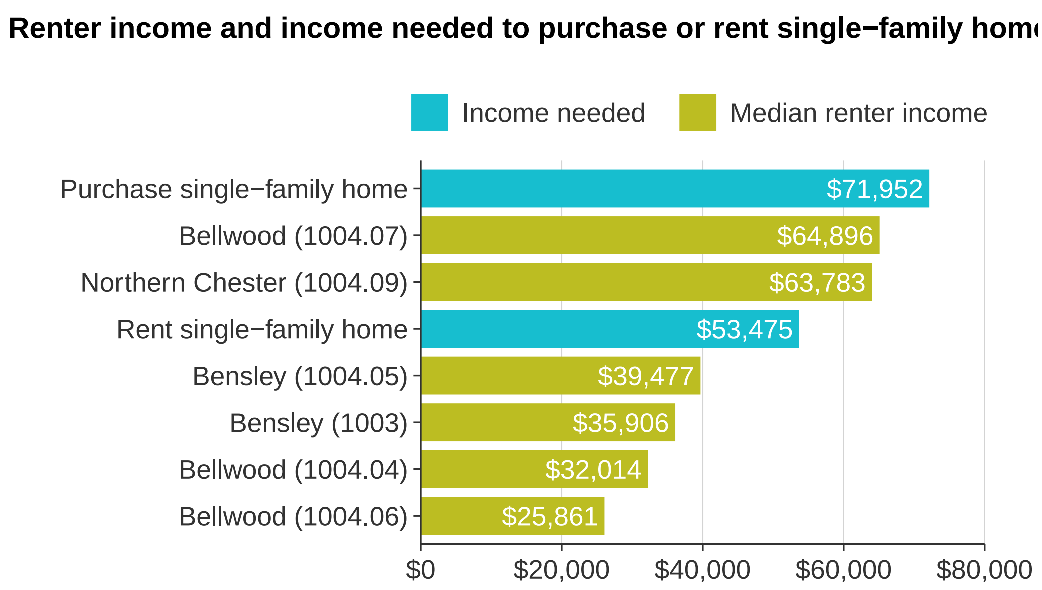


Figure 15.18: Renter income and income needed to purchase or rent single-family home in Route 1 corridor

With homeownership being out of reach for many in the area, the next best option is often renting a single-family home. Low supply of homes for sale is often being exacerbated by owners or investors converting potential starter home opportunities into rental properties. Although this is meeting a demand in the rental market, the opportunity to reach the first rung of the homeownership ladder is so often pushed further away when the cost to rent a home is only a few hundred dollars away from being able to afford a monthly mortgage.

15.4 Proximity to amenities

Being close to amenities like grocery stores and employment can make a difference in housing affordability for many families on a tight budget. Less time spent traveling often means less money spent on personal vehicle maintenance and gas. It also means more time to spend with family members and more savings that can be spent on housing costs.

15.4.1 Public transportation

Public transportation is not prevalent throughout Chesterfield County. But in March 2020, the Greater Richmond Transit Company (GRTC) partnered with Chesterfield County and the Department of Rail and Public Transportation (DRPT) to pilot local bus service from Falling Creek to John Tyler Community College. Along the Route 1 corridor, there are 24 stops — 12 along each north and south side.

Local bus service provides those without personal vehicles greater access to employment opportunities and the ability to reach community amenities such as grocery stores. Of the 23 properties along the corridor, 19 are within a half mile walking distance of a bus stop.

In fact, the average distance of properties along this section of the corridor to a bus stop is 0.42 miles. This allows for nearly 2,000 renter households with less than a half mile access to bus service to the City of Richmond, John Tyler Community College, or retail at the intersection of Route 1 and Route 10.

However, this access is slightly more difficult for renters living in apartment communities with affordable rents. One-in-four of all rent-restricted apartments are beyond 1/2 mile walking distance to a transit stop, compared to just 13 percent of all market-rate apartments in the corridor.

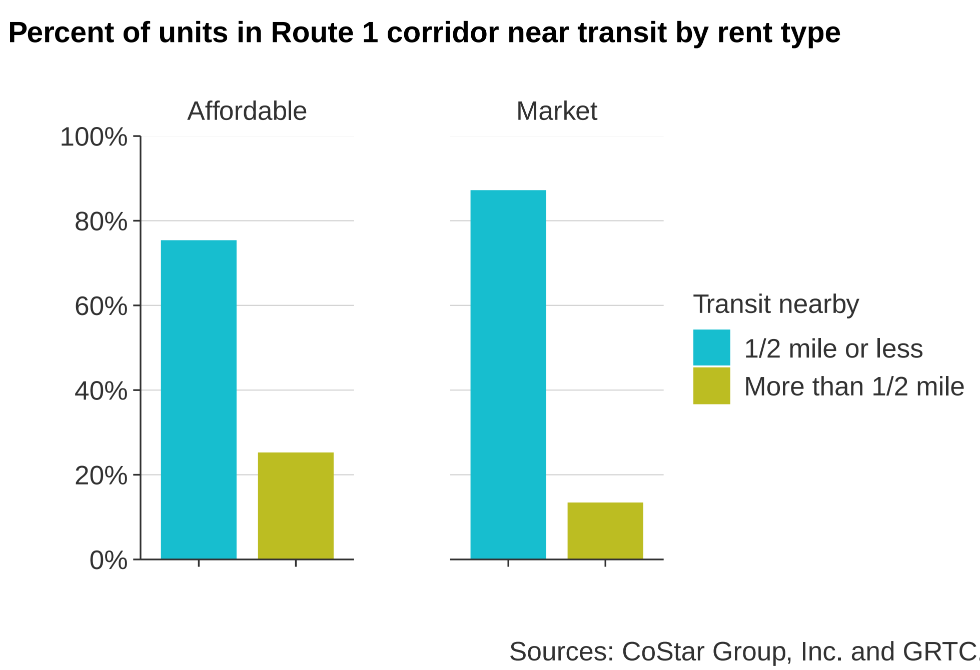


Figure 15.19: Percent of units in Route 1 corridor near transit by rent type

15.4.2 Schools

Within the footprint of the Route 1 corridor study area, there are four Chesterfield County Public Schools (CCPS). These include: - Bensley Elementary School - Bellwood Elementary School - C.E. Curtis Elementary School - Thomas Dale High School

Studies have found that longer commute times have negative impacts on students, including less time spent on activities that promote greater health outcomes.[3] Researchers generally define "long" school commutes as those greater than 30 minutes one-way.

Multifamily properties along the corridor are all within a 30 minute drive of at least one Chesterfield County Public School. In fact, all multifamily properties are fewer than eight minutes away from a school. The average time to at least one CCPS school is slightly more than five minutes.

Still, the affordable communities are further away on average compared to market-rate properties. All but one rent-restricted community has a drive time of more than six minutes. This may detrimentally affect students who walk to school.

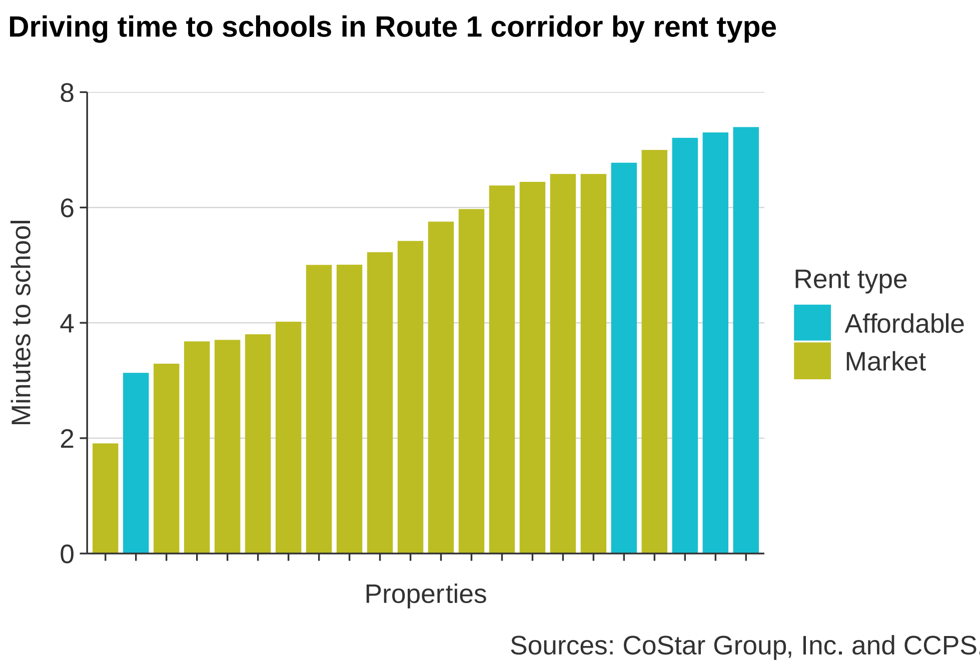


Figure 15.20: Driving time to schools in Route 1 corridor by rent type

[3]Voulgaris CT, Smart MJ, Taylor BD. Tired of Commuting? Relationships among Journeys to School, Sleep, and Exercise among American Teenagers. Journal of Planning Education and Research. 2019;39(2):142-154. doi:10.1177/0739456X17725148

15.4.3 Grocery stores

Close proximity to a full service grocery store provides families with a greater ability to purchase fresh meat and produce on a regular basis. When access is limited, many families have depend on more convenient options like corner stores and gas stations, where foods are often cheaper but lower quality. This impacts individual health and leads to greater prevalence of preventable diseases such as obesity, heart disease, and type 2 diabetes.

Properties along the corridor are much more likely to be located within close proximity to a convenience store than a full-service grocery. Of all 23 properties, only one is located within a half mile distance of grocery store — the Food Lion located at the Chippenham Parkway interchange.

The average distance between an apartment and a full-service grocery is 1.39 miles, while the average distance to a convenience store or small market is 0.40 miles. For those without a personal vehicle, the choice in traveling to get food is often an easy one to make when convenience stores like Dollar General are much more accessible.

On average, both affordable and market-rate apartments are a little less than half a mile from a convenience store. However, residents in market-rate properties are more likely to be significantly closer (1.2 miles away) to a SNAP retailer, such as a major grocery store, versus those in rent-restricted properties (1.8 miles).

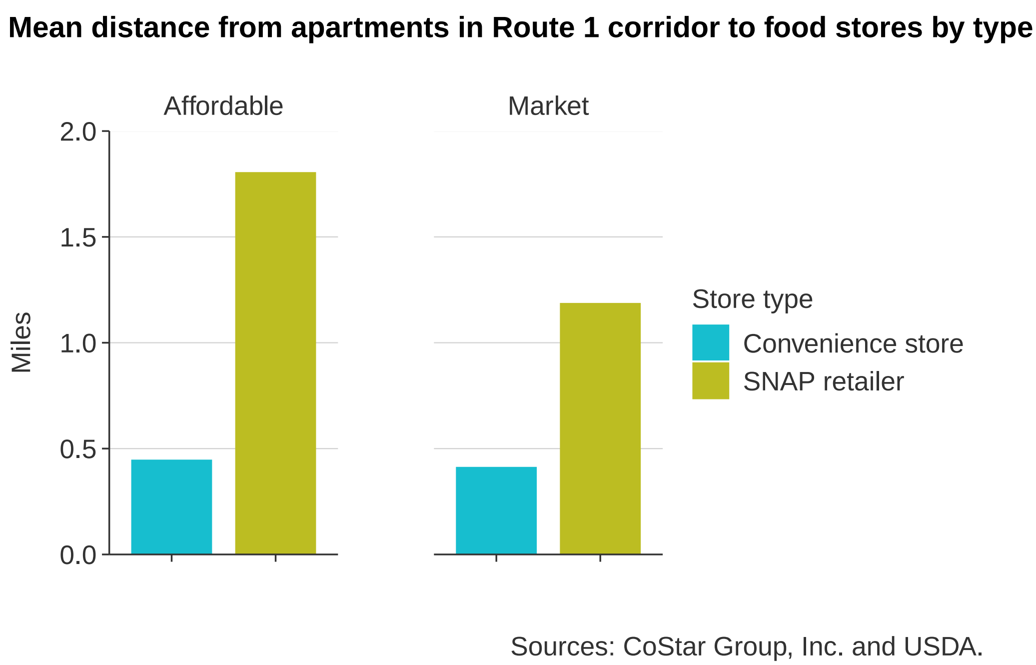


Figure 15.21: Mean distance from apartments in Route 1 corridor to food stores by type

15.4.4 Healthcare

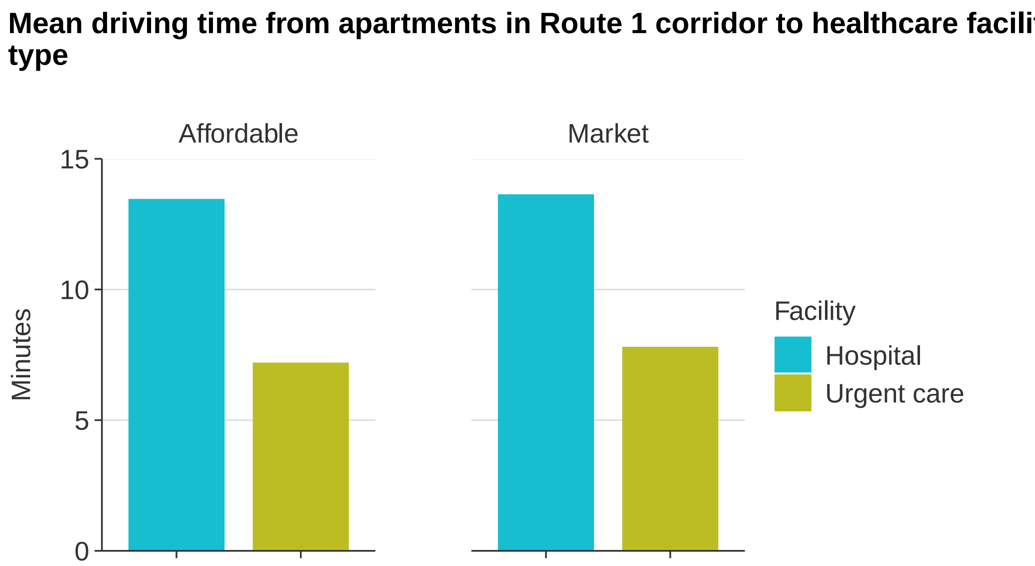
Healthcare access is an important factor in improving not only individual health, but community health. Acute care general hospitals are open 24 hours a day, 365 days a year and provide patients with wellness services as well as emergency medical episodes that require intensive care. Urgent care facilities provide walk-in clinic services for minor illnesses and injuries outside a hospital setting. Access to both of these levels of care provide communities with a spectrum of care.

Along the corridor, the closest acute care hospital is Hunter Holmes McGuire Veterans Hospital, while the Concentra Urgent Care located in the Bellwood area is the closest urgent care facility. The average drive-time for a resident in a multifamily property along the corridor to an acute care hospital is 13.5 minutes, while their average drive-time to an urgent care is 7.5 minutes.

Nationally, the average travel time for residents in a suburban setting to a hospital is 12 minutes, slightly below that of the multifamily residents along the corridor.[4]

There are no significant differences in the average driving time to both hospitals and urgent care facilities between affordable and market-rate properties in the corridor.

[4] https://www.pewresearch.org/fact-tank/2018/12/12/how-far-americans-live-from-the-closest-hospital-differs-by-community-type/



Sources: CoStar Group Inc. and U.S. Department of Homeland Security.

Figure 15.22: Mean driving time from apartments in Route 1 corridor to healthcare facility by type

15.4.5 Job centers

Living close to well-paying jobs can increase economic opportunities for low- and moderate-income households. When those opportunities are a further distance from where someone lives, that can often mean more money spent on commuting and less money for essentials like healthcare and housing.

Multifamily properties regardless of type or location along the corridor are generally well-located in relation to jobs. However, the northern section of the corridor sees greater proximity to more jobs — largely because of the City of Richmond.

Furthermore, properties closer to the city-county border are also in closer proximity to jobs paying greater than $3,333 a month, or $39,996 annually. This is the highest wage category available in the data. On average, 54 percent of the jobs located within a 15 minute drive of properties pay more than $3,333 per month. Workers in both market-rate and rent-restricted apartments have nearly the same access to jobs of different wages.

Fewer high-paying job opportunities exist towards the southern end of the corridor, despite higher end developments like The Jane and Colony Village. This most likely means that many residents are commuting longer distances away from the corridor for work.

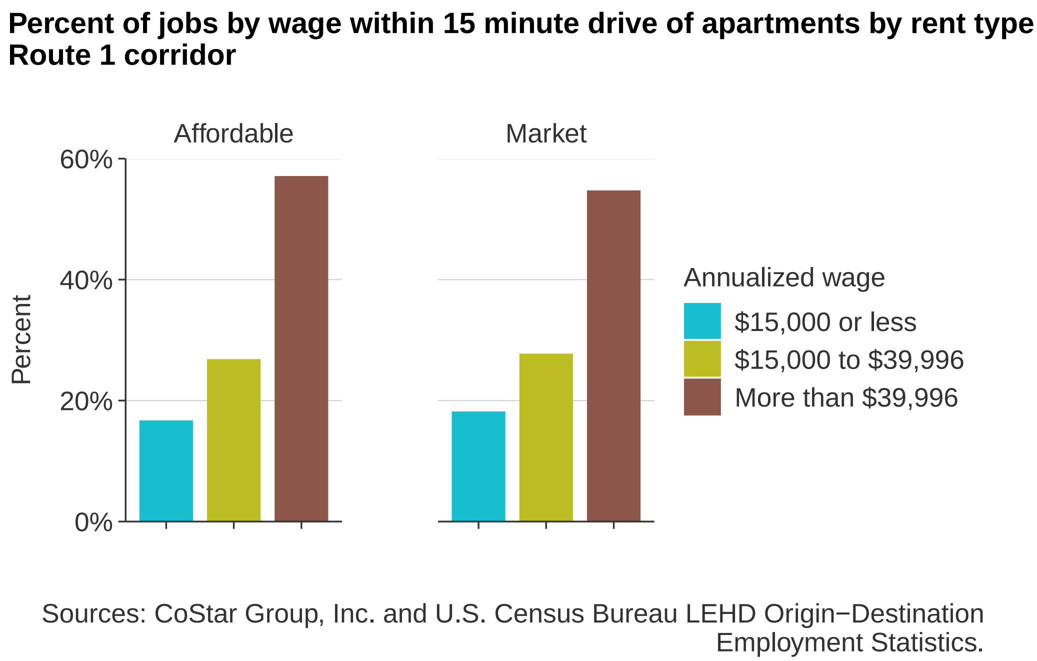


Figure 15.23: Percent of jobs by wage within 15 minute drive by rent type in the Route 1 corridor

15.5 Public and private investments

Chesterfield County has largely focused revitalization efforts on the northern section on the Route 1 corridor. The Northern Jefferson Davis Special Area Plan was adopted in 2018 and reflects the County's ongoing commitment to improve quality of life for residents of the corridor. Recent public projects include:

- **Bensley Park** field renovations and paving.
- **Shared-Use Path** planned for Route 1 from Marina Drive to Elliham Avenue.
- **Falling Creek Ironworks Park** improvements in planning.

Additionally, the Board of Supervisors approved the Route 1 Residential Overlay ordinance in 2019, which allows for high density multifamily development by-right in C3 and C5 zoned parcels with some restrictions. This ordinance also reduced parking requirements for apartments located within a quarter-mile of bus stops and encourages less auto-centric development, which has historically stifled revitalization of the corridor.

The Board of Supervisors also extended the Route 1 tax abatement policy. The policy provides the developer of a qualifying project with a grant equal to 80 percent of their increasing real estate taxes for the first seven years after completion of the project. Over the final three years, the grant reduces to 60, 40, and 20 percent, respectively. Better Housing Coalition's Winchester Forest development, which will result in 160 rental homes by early 2024, is the first development to utilize this incentive.

With these incentives, as well as the Route 1 GRTC pilot, the County has continued to invest in the corridor to spur much-needed development. With dwindling supply of market affordable housing and at-risk manufactured home communities, many low- and moderate-income families will have few to no options for safe and stable housing.

Private development interest is also coming to the corridor with Thalhimer Realty Partners proposing a mixed-use project at the Bellwood Flea Market site at the southeast corner Route 1 and Willis Road. This redevelopment project would see 690 new residential units and commercial space across 40 acres — bringing additional homeownership and rental opportunities to the corridor. Projects like this help bring new economic activity to the corridor and additional rooftops to justify additional commercial development along the corridor.

Nonprofit development interest has continued from Better Housing Coalition further down the corridor at the historic Colbrook Motel site south of Route 10. At this site, they plan to develop 156 rental homes in an apartment and townhome setting. Meanwhile, Maggie Walker Community Land Trust is in the early planning stages for an agricultural neighborhood development off of Swineford Road. MWCLT will offer homeownership opportunities under their community land trust model — often serving first-time home buyers of color.

15.5.1 Case study

The Jane at Moore's Lake

Photo: Apartment Finder.

The Jane at Moore's Lake is an upscale apartment complex located off Route 1 in northern Chester. The property developed by Emerson Companies was once an interstate vacation retreat during the early to mid-20th century. Brick cottages surrounded a recreational lake that was incredibly popular and brought thousands to during the warm summer travel months.

But the development I-95 brought interstate travel away from Route 1 and also business. Later the site was converted to a mobile home park during the latter half of the 20th century and investments in improvements and maintenance began to wane. Cue developers George Emerson and Phil Roper who began the redevelopment process in the mid-2010s after the success of their Colony Village complex just up the road.

The Jane at Moore's Lake is only a small part of a phased development envisioned by Emerson and Roper. This first phase brings $60 million in investment to the corridor and with it, 385 new apartments — ranging from one- to three-bedrooms and rents from $1,200 to near $2,000. The first building was completed in 2019, while the third and final building was completed recently. Amenities include a clubhouse, pool, fitness centers, and Wi-Fi, as well as rentable garage space. Apartments at The Jane largely serve young professionals working in the county, as well as the region.

A one-bedroom, one-bath apartment at 636 square feet now rents for as low as $1,512 a month.[5] According to CoStar data, The Jane has a vacancy rate of 3.9 percent, which is below the overall market vacancy of 5.2 percent.

The second phase of Moore's Lake is coming and has the potential to create an additional 1,200 new housing opportunities — including 500 apartments, 238 condos, 62 single-family homes, and 30 townhomes.

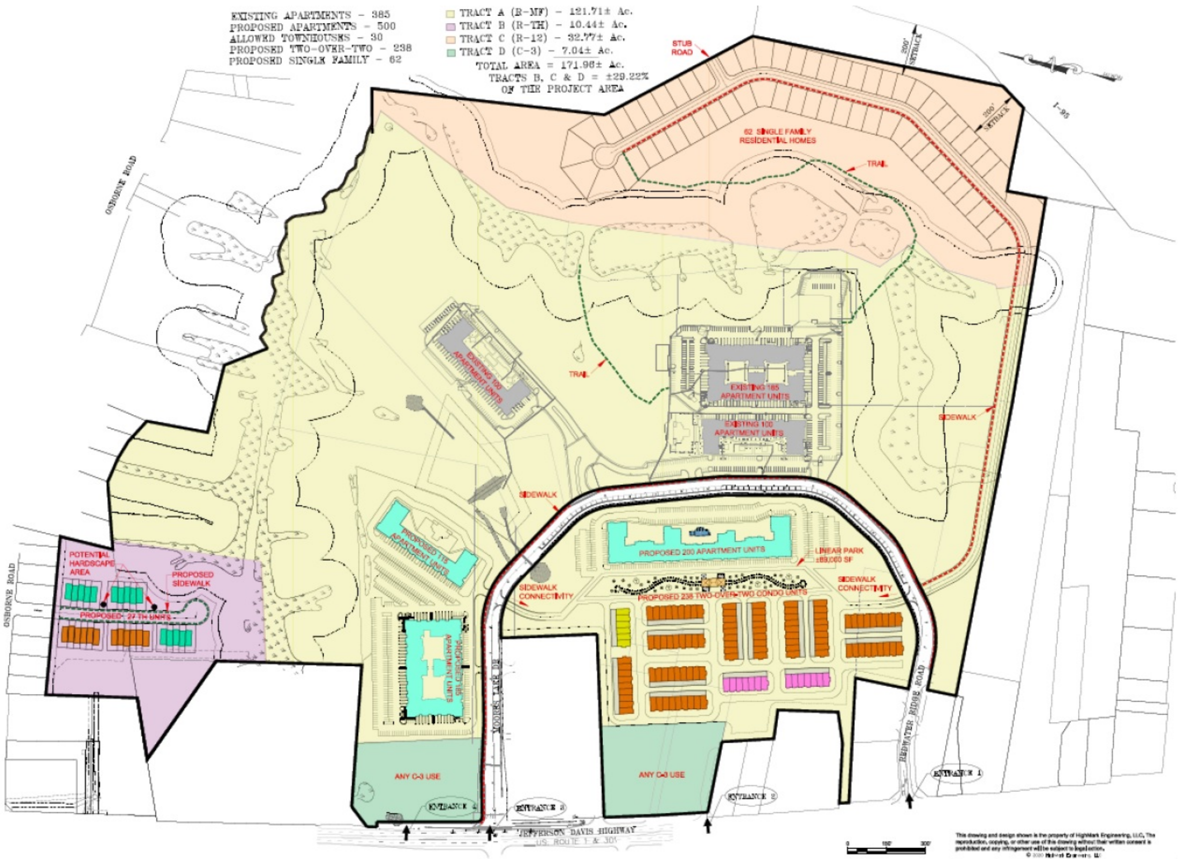


Photo: Richmond BizSense.

Development in this section of the corridor has benefited from the close location of the 288 and I-95 interchanges, as well as dense commercial development at the crossroads of Route 10 and Route 1. In addition, developers have noted that negative associations with Route 1 have largely prevented market rate development north of Willis Road.

[5] Based on a review of available apartments at The Jane's leasing website on August 4, 2022.

16 Eastern Hull Street Road corridor analysis

This section describes the Eastern Hull Street Road corridor in terms of its rental housing market, proximity of rental homes to amenities, recent major investments, and homeownership relative to the price of single-family rentals.

16.1 The Hull Street Corridor

For the purposes of this analysis, this corridor is defined as the Census tracts 1002.05, 1002.06, 1002.08, 1002.09, 1002.10, and 1002.11. These tracts include many of the neighborhoods directly adjacent to Hull Street Road from Chippenham Parkway to Courthouse Road.

It should be noted that portions of Census tracts 1002.09 and 1002.10 span from Hull Street to Midlothian Turnpike. This results in the inclusion of rental properties that are not technically tied to the Hull Street corridor. Census tract analysis allows for consistency between the analyses conducted here and the previously in Chapter 15 with the Route 1 corridor.

Unlike Route 1, Hull Street (Route 360) does not have the storied interstate tourist history that has since evaporated with the development of the interstate highway system. Along Hull Street towards the City of Richmond, there was significant commercial development that fronted Hull Street, most of which has experienced decline and disinvestment.

But much of the development along Hull Street in Chesterfield County today is much less dense. The corridor in the county remains car-centric with no multifamily properties fronting the corridor and no manufactured home communities. Most development along the corridor is concentrated towards the eastern end at the city-county border, while development fronting the corridor becomes more rare west of Pocoshock Creek and the new Manchester Middle School.

Opportunities exist for multifamily development along the Hull Street corridor, but there has been none in recent years and there are none planned for the foreseeable future.

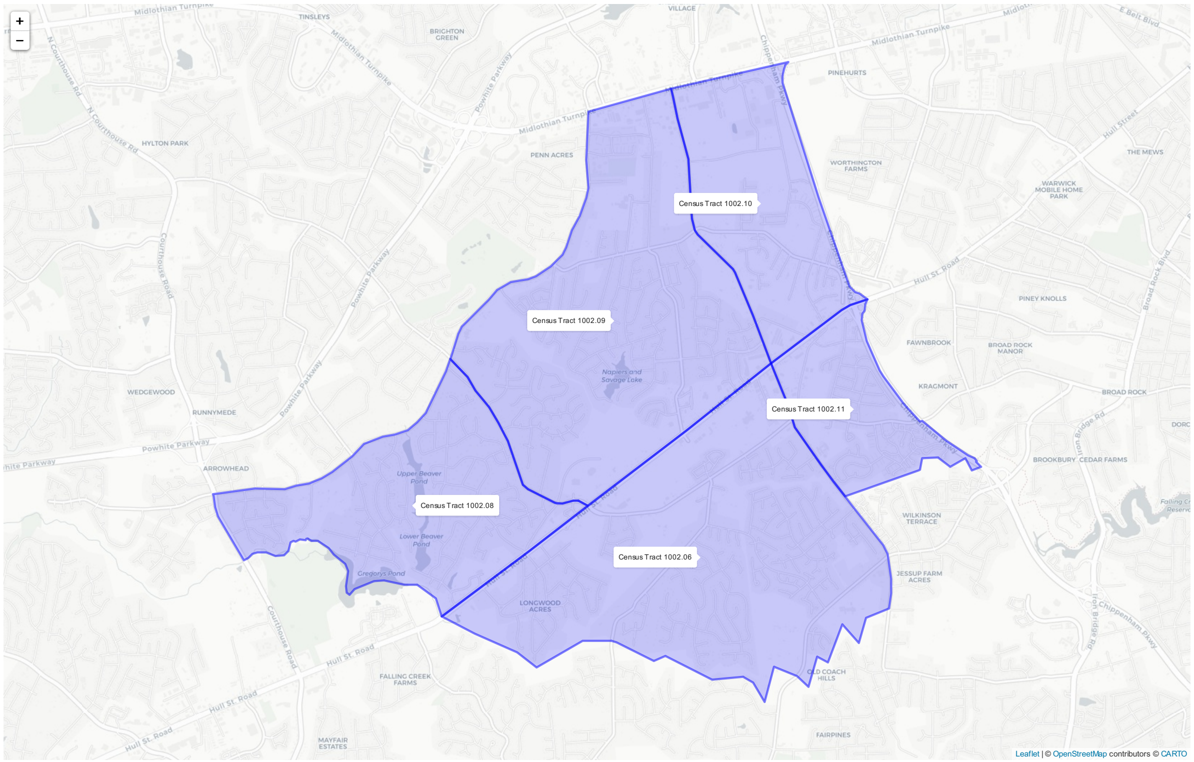


Figure 16.1: Eastern Hull Street Road corridor

16.2 Rental housing supply

16.2.1 Number of rental homes

Despite the low number of multifamily properties in the Hull Street corridor, the number of renters — like all areas of the county — has experienced significant increases. From 1,054 renter households in 2010 to 2,388 in 2020, renter households have more than doubled in a decade (a 126 percent increase). Much of this growth occurred between 2018 and 2020, when renter households increased 78 percent from 1,337.

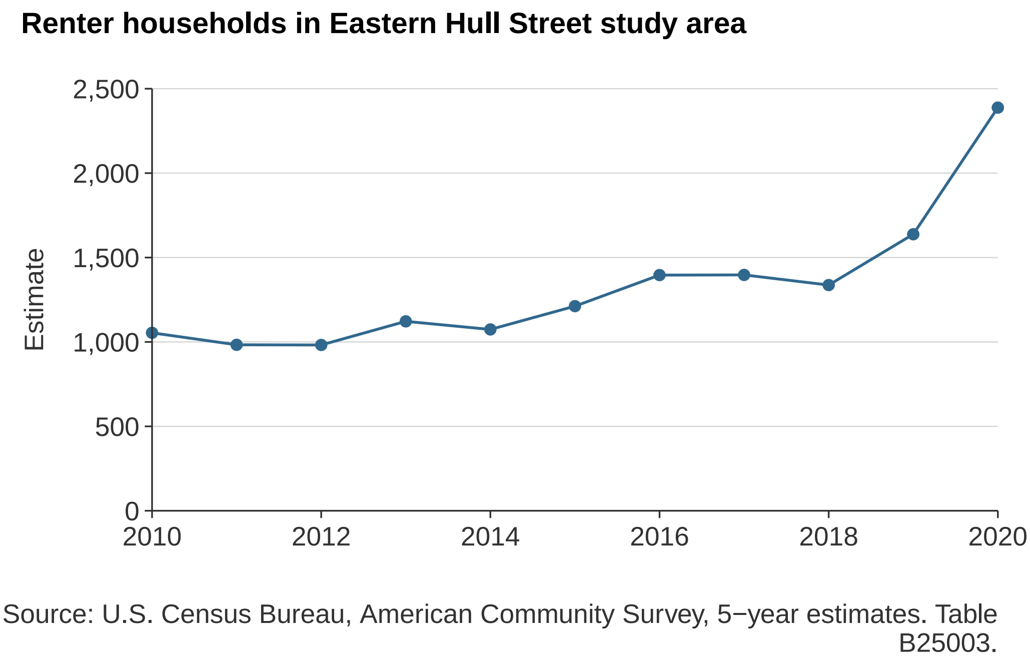


Figure 16.2: Renter households in Eastern Hull Street study area

16.2.2 Multifamily properties

Based on a survey of CoStar listed multifamily properties in the Hull Street corridor study area, there are only 1,198 apartments — accounting for only half of renter households (53 percent) in the area. The low number of apartments along the corridor begs the question as to where many renter households find housing when there are so few options in a typical apartment setting. A large share of these apartments are oriented towards the Midlothian Turnpike corridor at the recently developed Element at Stonebridge apartments — 400 mid-rise apartments built in 2016.

Table 16.1: Total number of multifamily units by property status

Name	Corridor	Estimated apartment homes
Element at Stonebridge	Midlothian	400
Rollingwood Apartments	Hull Street	278
Cross Creek Apartments	Hull Street	225
Cloverleaf Lake Townhouse Apartments	Midlothian	210
Wayside Townhouse Apartments	Hull Street	81
Amber Leaves Apartments	Hull Street	67
Danzler Place Townhomes	Hull Street	18

No multifamily properties actually front the Eastern Hull Street corridor. The four multifamily properties in closest proximity to the corridor are more closely associated with the Walmsley Boulevard (State Route 647) corridor.

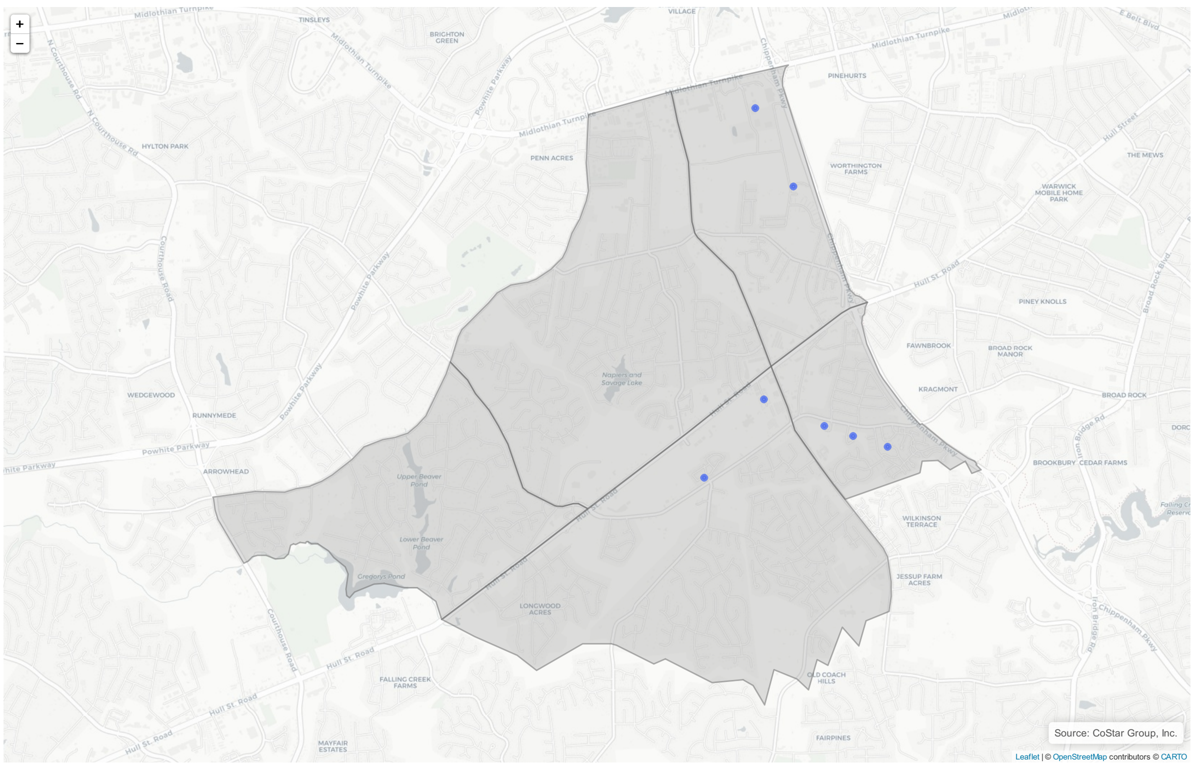


Figure 16.3: Map of multifamily properties in Eastern Hull Street study area

With no manufactured home communities in the area, single-family home rentals (SFRs) are the option left for many Hull Street corridor residents. An estimated 900 SFRs are located throughout the study area - 14 percent of all single-family detached homes.

Higher concentrations of SFR are located in Census tracts 1002.10 and 1002.11; tracts that adjacent to the Chippenham Parkway and along the city-county border. These tracts have an estimated 21 percent and 20 percent of single-family detached homes being utilized as SFR, respectively.

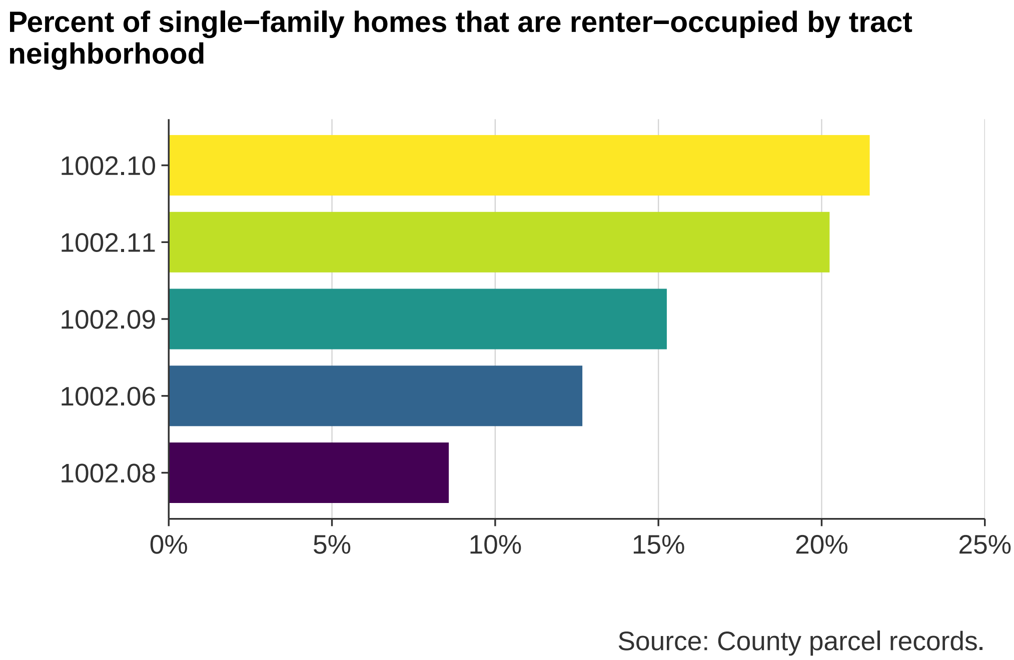


Figure 16.4: Percent of single-family homes that are renter-occupied by tract

16.2.3 Rental prices

Rent prices, as estimated by the American Community Survey (ACS), show very little change in rental prices along the Hull Street corridor, except in Census tract 1002.08. This Census tract encompasses a large portion of the Rockwood neighborhood, which has no recorded multifamily properties. Nonetheless, the estimated median gross rent in this area has increased by 64 percent from 2010 to 2020 — from $1,231 to $2,021. Margins of error for this tract remain high in 2019 and 2020 - roughly +/- $1,000 in both years — likely due to small sample sizes.

Other Census tracts in the area have more consistent rent increases - particularly Census tracts 1002.06, 1002.09, and 1002.10. Census tract 1002.11 does not account for a median gross rent until 2020 ($980), which is strange given that CoStar recognizes three multifamily properties in this Census tract, all of which were built pre-1980.

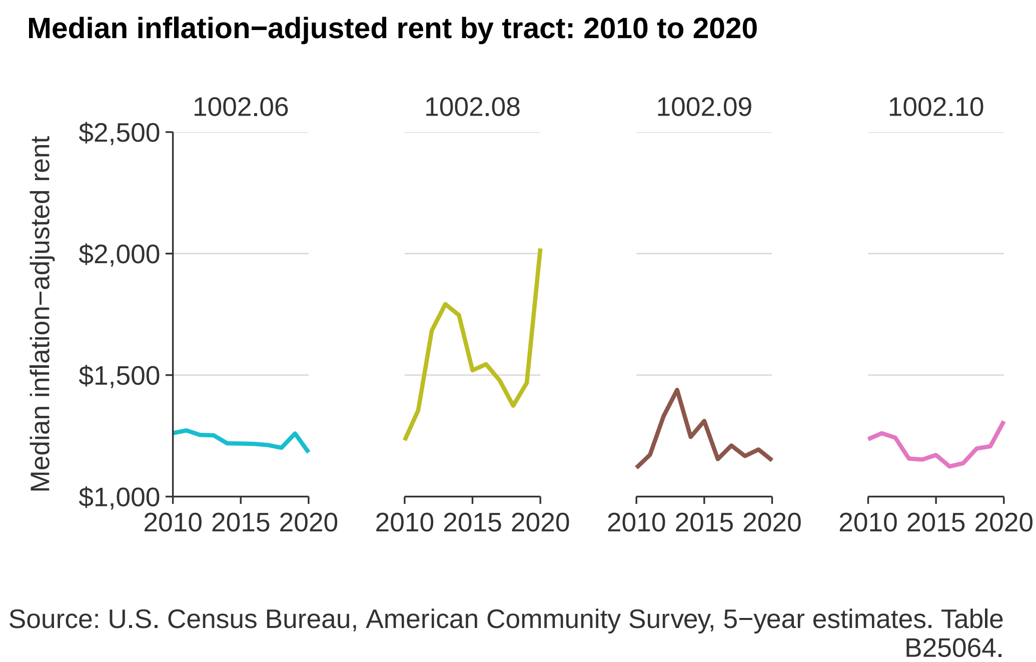


Figure 16.5: Median inflation-adjusted rent by tract: 2010 to 2020

Focusing on the areas adjacent to the Hull Street corridor, CoStar's data show an average rent across the four existing properties. Changes in average rent have been slight over the past decade, but have been on a steady climb — reaching a decade max at the start of 2022 with an average rent of $1,140.

Over the course of the pandemic, rents in the area have seen upticks much like other parts of the county, including the Route 1 corridor. From Q1 2020 to Q3 2022, average rent saw a 2 percent increase from $1,088 to $1,110. But in 2022 so far, average rent has been in decline from its decade max — potentially signaling some cooling of the hot pandemic housing market.

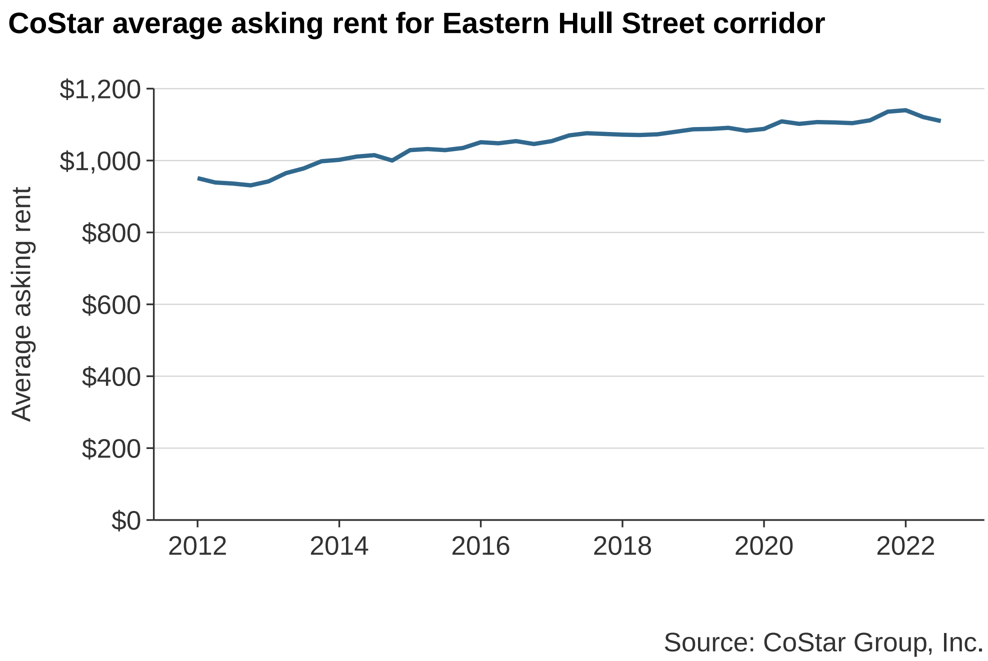


Figure 16.6: CoStar average asking rent for Eastern Hull Street corridor

Breaking out average rent by bedrooms shows a similar pattern among all bedroom sizes, except for studio apartments, in which there are none listed in the study area. Three-bedroom apartments did see a substantial increase in the latter half of 2021 — a $61 increase (5 percent increase) from $1,240 to $1,301, but, like all other apartment types, have seen declines in 2022.

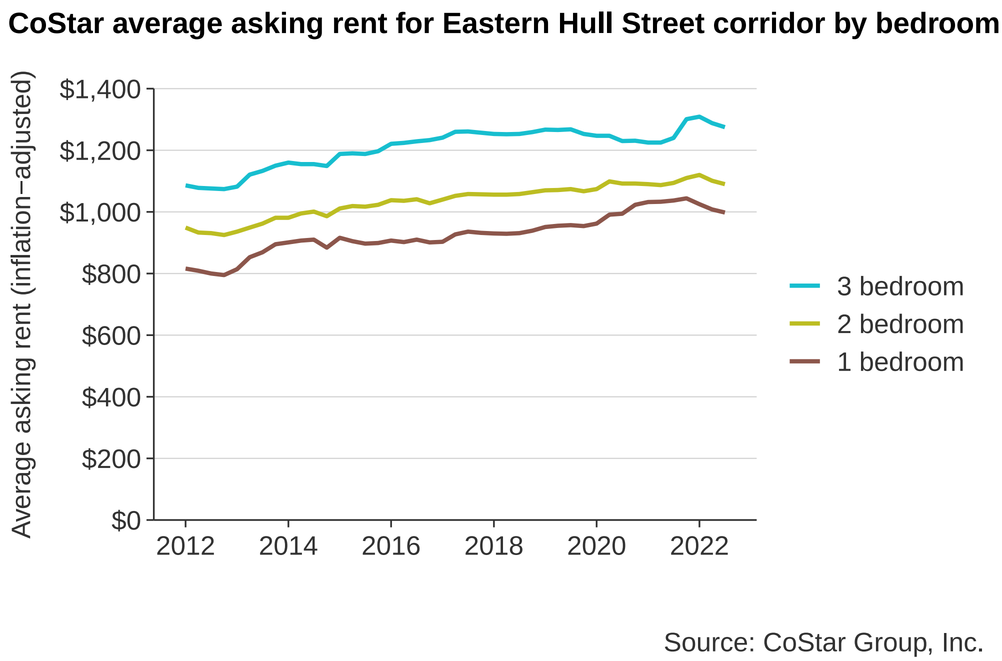


Figure 16.7: CoStar average asking rent for Eastern Hull Street corridor by bedroom

Very little rental price data exists for SFRs in the study area. Across the past four years, there have only been 25 listed SFRs. Thirteen of these 25 SFRs are single-family detached homes, while the remaining are largely condominums or townhomes (11).

List prices have ranged from $900 for a duplex in 2019 to $1,809 for a single-family detached home in 2022. Generally, single-family detached homes have commanded rents above $1,400 and often offer three-bedrooms and two baths. These rents are on par with recent two-bedroom apartments rents in the area — often making a decision between an apartment or single-family detached home on the rental market easy for a family of three or more.

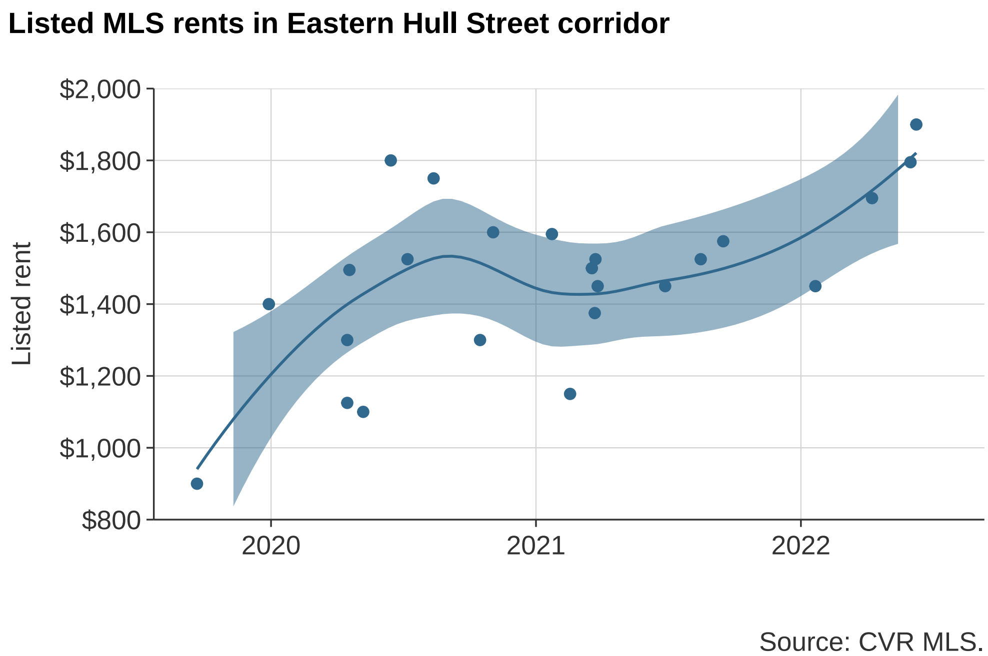


Figure 16.8: Listed MLS rents in Eastern Hull Street Road corridor

16.2.4 Conditions

Much of the rental housing stock (62 percent) in the Eastern Hull Street corridor was built after 1980 — 1,472 rental homes. The largest share of occupied rental housing was built in the latter half of the 20th century (1960 to 1999). These buildings are anywhere from 20 to 50 years old and are most likely in need of modest to major upgrades.

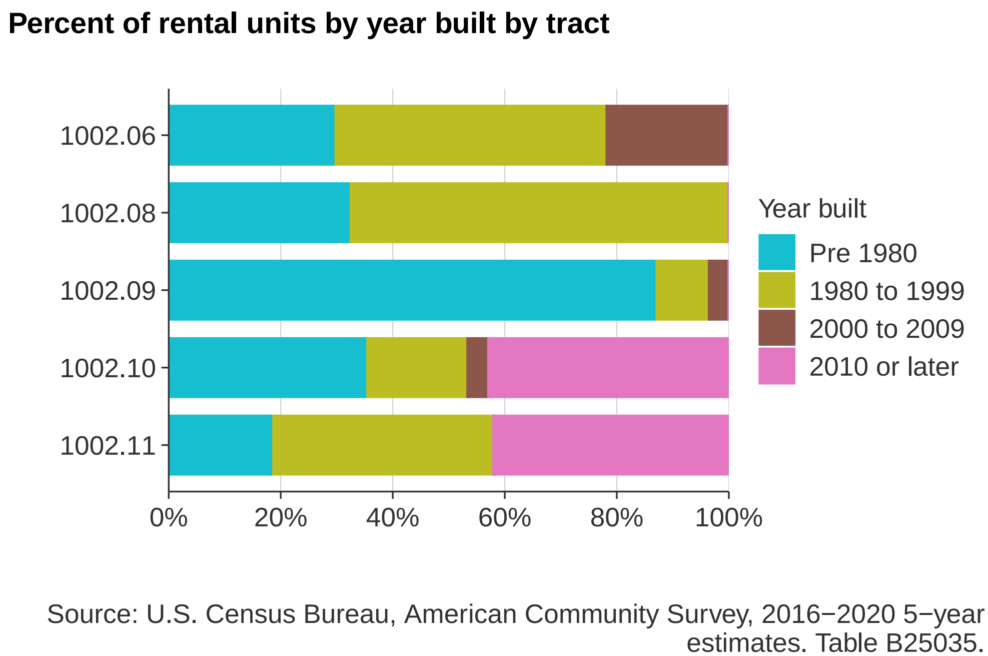


Figure 16.9: Eastern Hull Street rental housing by year built and census tract

Multifamily property construction has been rare in the corridor for much of the last half century. Only one development was completed in the 2000s — Element at Stonebridge. This development was the result of the Cloverleaf Mall redevelopment and is oriented towards Midlothian Turnpike, rather than the Eastern Hull Street corridor.

More relevant to the corridor is Cross Creek Apartments, the most recent development in close proximity to the Eastern Hull Street. This 225 unit garden style apartment property was completed in 1991 — 31 years ago — and was the first multifamily development along the Eastern Hull Street corridor since 1978.

The only multifamily property located directly off of the Eastern Hull Street corridor is the Wayside Townhouse Apartmentsm which were built in 1967 — the earliest multifamily development in the area. Only one property (Element at Stonebridge) is rated at four stars, while all other properties are three stars or less. Although largely functional, these lower-tiered properties can expect to need renovations in the coming years.

Table 16.2: Eastern Hull Street corridor (and nearby Midlothian corridor) multifamily properties

Name	Corridor	Year Built	CoStar Rating
Element at Stonebridge	Midlothian	2016	4
Cross Creek Apartments	Hull Street	1991	3
Rollingwood Apartments	Hull Street	1978	2
Amber Leaves Apartments	Hull Street	1973	2
Cloverleaf Lake Townhouse Apartments	Midlothian	1972	2
Danzler Place Townhomes	Hull Street	1969	2
Wayside Townhouse Apartments	Hull Street	1967	NA

16.3 Single-family rental versus purchase

The typical renter in the study area requires an income of $74,441 to afford the median home sales price of $299,000 — the median home sales price for homes sold in the last year. But median renter household incomes in the area top out at $64,952, which are just over $9,000 less than what is needed to purchase a home. With homeownership out of reach for many renter households in the area, SFRs are often the next best option.

Table 16.3: Income needed to afford median priced home in Eastern Hull Street area

Variable	Value
Median sales price	$316,750
Downpayment	5.0%
Closing costs	1.5%
Loan amount	$300,912
Interest rate	4.72%
Monthly utilities	$250
Monthly payment	$1,838.09
Income needed to buy home	**$78,775**

The typical listed rent for a SFR is $1,479 — a few hundred dollars less than the monthly mortgage payment for the average-priced home ($1,838). The income needed to afford a SFR at this price without being cost-burdened is $59,160, which is still well-above what renter households in the study area can afford. In some cases, that gap in income to afford rent is over $25,000.

Table 16.4: Calculated income needed to rent single-family home in the Eastern Hull Street corridor

Variable	Value
Average rent for single-family home	$1,479.00
Income needed	**$59,160.00**

With convenient access to higher paying jobs, this section of the corridor could support additional high-end multifamily development. But for lower income renter households, who already have few options along the corridor, increased development could have negative impacts if affordable multifamily homes are not included, as well.

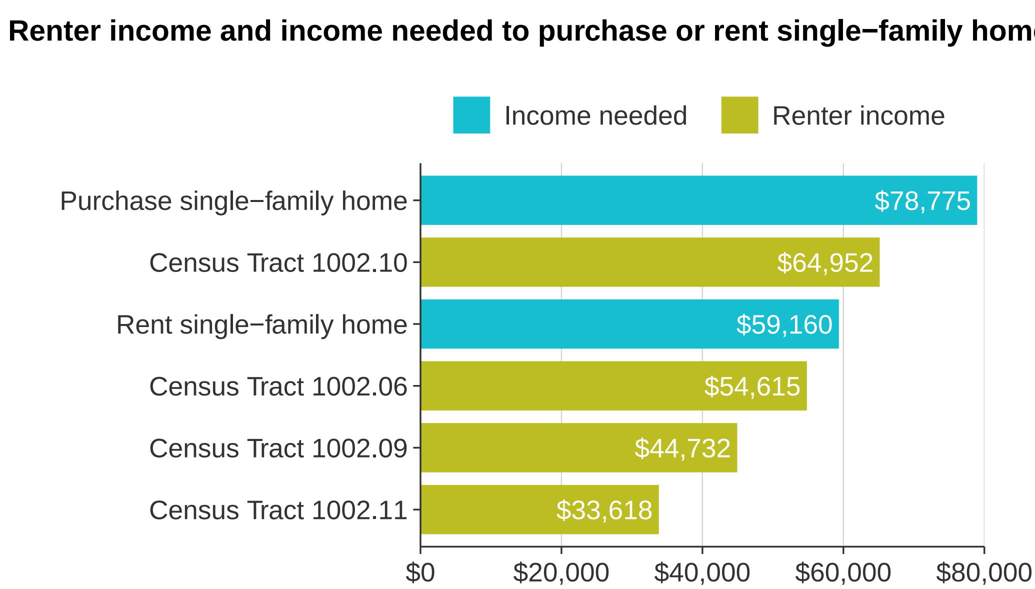


Figure 16.10: Renter income and income needed to purchase or rent single-family home in Eastern Hull Street corridor

16.4 Proximity to amenities

Being close to amenities like grocery stores and employment can make a difference in housing affordability for many families on a tight budget. Less time spent traveling often means less money spent on personal vehicle maintenance and gas. It also means more time to spend with family members and more savings that can be spent on housing costs.

16.4.1 Public transportation

Along the Eastern Hull Street corridor there is no public transportation within the county. The nearest stop is just across the city-county border at the Chippenham Mall Shopping Center and is part of Route 1C of the Greater Richmond Transit Company (GRTC). This route takes riders into Downtown Richmond and as far as Northside neighborhood within the city.

To date, extension of GRTC down Hull Street through the county has only been explored in concept. A proposed concept for GRTC expansion could potentially extend service to commercial retail at Commonwealth Center in Midlothian.

For the five multifamily properties located closest to the Hull Street corridor, no properties are within a half mile walking distance to public transit. For individuals without a car, accessing public transit means walking an average of two miles to the Chippenham Mall stop of Route 1C. It also means walking down a portion of Hull Street that is a six-lane highway interchange that has no sidewalks.

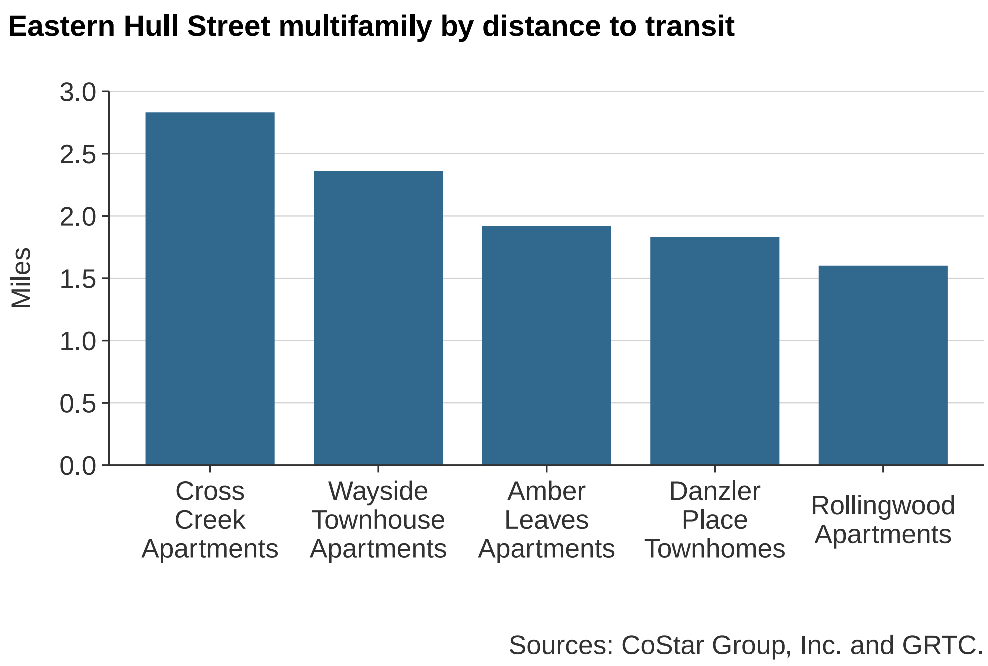


Figure 16.11: Eastern Hull Street multifamily by distance to transit

16.4.2 Schools

Along the Eastern Hull Street Corridor, there are two Chesterfield County Public Schools:

- Manchester Middle School; and
- J.A. Chalkley Elementary School

Nearby, but more oriented towards the Midlothian Turnpike are:

- A.M. Davis Elementary School; and
- Providence Middle School

All five properties closest to the Eastern Hull Street corridor are within an ideal distance to a Chesterfield County Public School — less than a five minute drive. This provides many families with a convenient drive to take their children to school. The average drive-time distance to a public school for these properties is 3.6 minutes. Properties north of Hull Street would be zoned for either Davis Elementary or Providence Middle School — but no multifamily properties exist on the northside of Hull Street.

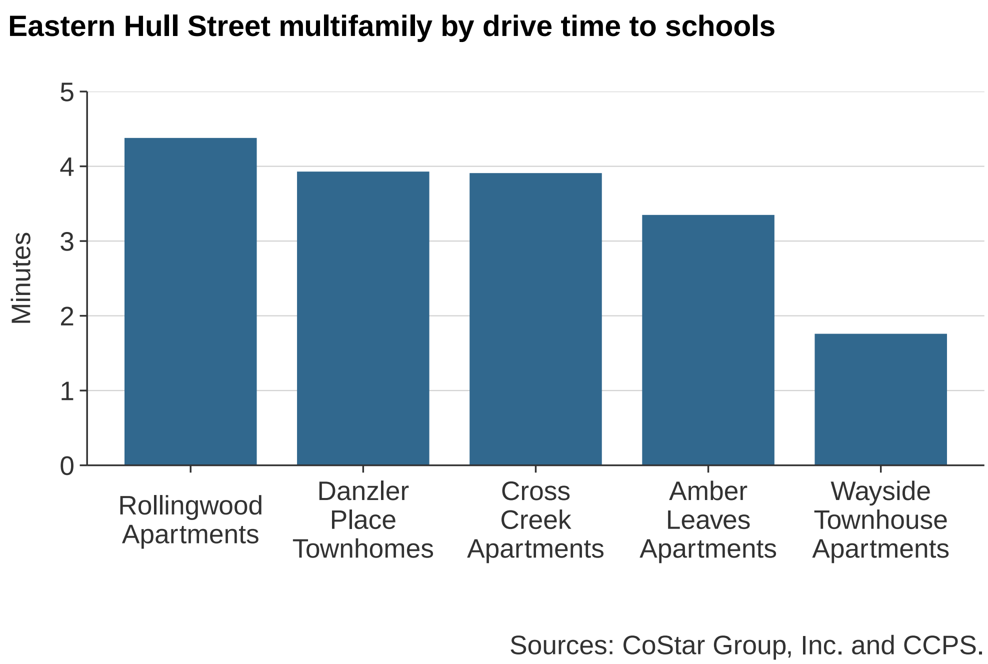


Figure 16.12: Eastern Hull Street multifamily by drive time to schools

16.4.3 Grocery stores

Several ethnic food stores exist at the 360 West Shopping Center at the northwest corner of Turner Road and Hull Street. But full service grocery stores like Food Lion and Kroger are located further west, outside of the study area. Although only a short drive down the road, multifamily properties in the study area are much closer to a convenience store or small market, rather than a full service grocery store.

The average distance to a convenience or small market is about half a mile (0.46 miles), while the average distance to a full service grocery store is 1.51 miles. This distance is negligible for those with a personal vehicle, but for those without a car or unable to drive due to an impairment (e.g. physical or mental disability), traveling to the nearest Food Lion or Kroger can be quite difficult. Those having to walk face a near mile and a half walk along a highway with no sidewalks and vehicles going over 55 mph.

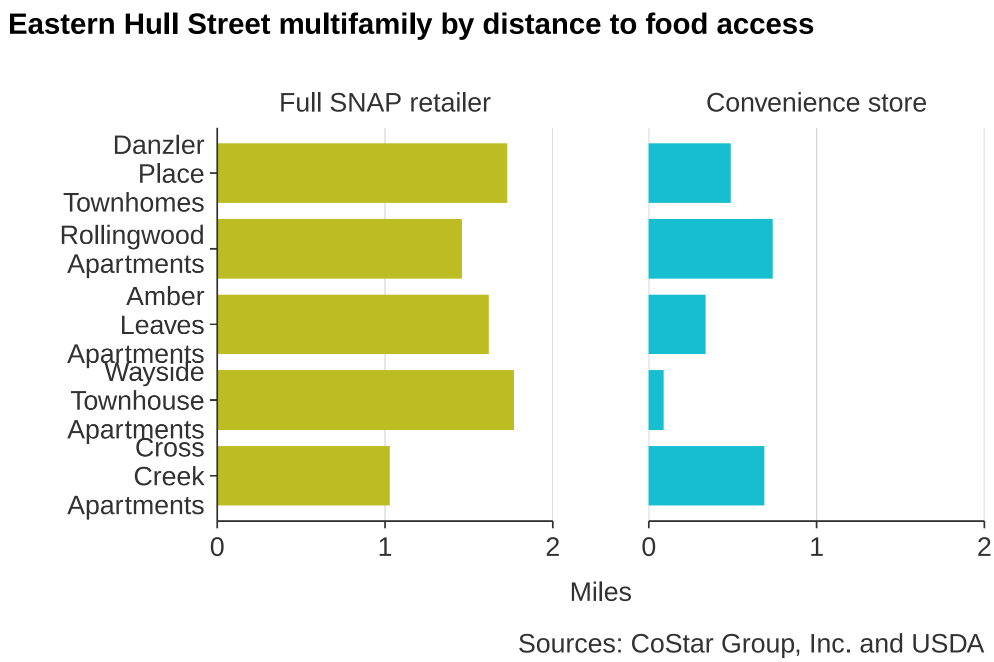


Figure 16.13: Eastern Hull Street multifamily by distance to food access

16.4.4 Healthcare

Comparatively, multifamily properties along the Eastern Hull Street corridor are closer to acute general hospitals (an average of 8.6 minutes driving distance away) than properties along the Route 1 corridor (13.5 minutes). Two acute general care hospitals are within close proximity to multifamily properties. This includes Hunter Holmes McGuire Veterans Hospital down Hull Street towards the city, as well as Chippenham Hospital, which is easily accessed by the Chippenham Parkway interchange at the city-county border. Urgent care access is similar to hospital access — as the average drive-time distance is only 8 minutes.

Two Patient First urgent cares are located within close proximity to Eastern Hull Street corridor properties. One is located further west down Hull Street at the Genito Crossing Shopping Center, while the other is located on Midlothian Turnpike. The close proximity of these healthcare resources to existing, as well as potential, multifamily properties along the Eastern Hull Street corridor provides a significant benefit to households experiencing a health crisis or who are in need of on-going care. Both travel times are significantly below the national travel time to a hospital in a suburban setting (12 minutes).[1]

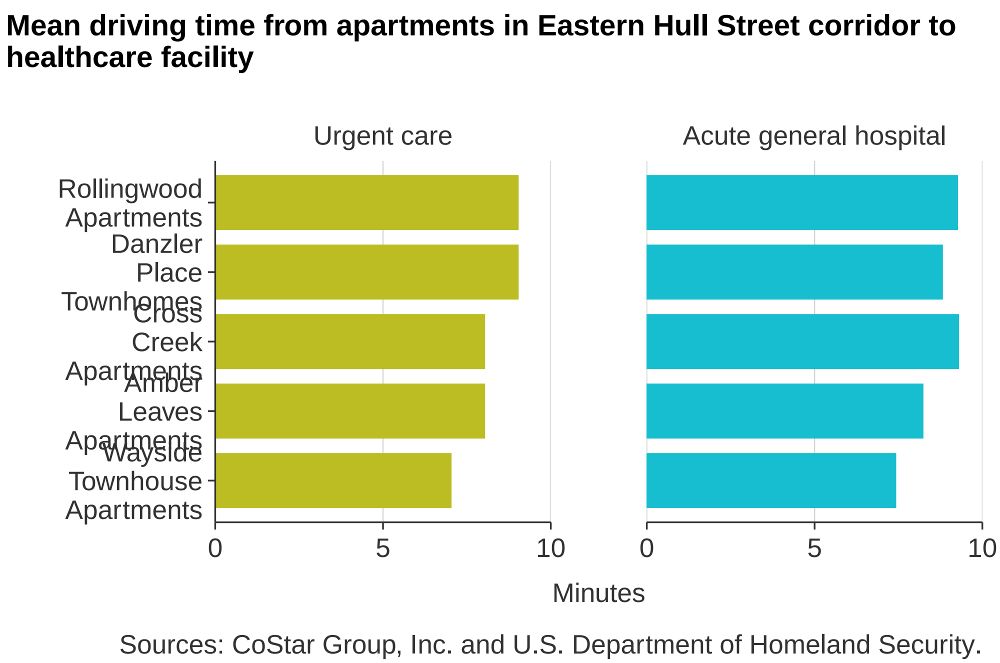


Figure 16.14: Mean driving time from apartments in Eastern Hull Street corridor to health-care facility

[1] https://www.pewresearch.org/fact-tank/2018/12/12/how-far-americans-live-from-the-closest-hospital-differs-by-community-type/

16.4.5 Job centers

There are very few commercial retail centers located along the Eastern Hull Street corridor. Furthermore, multifamily properties — located off of Walmsley Boulevard, a secondary road — are not adjacent to any major commercial uses. This means that many residents must walk quite a distance or more likely drive to work. There is little nuance in regards to property location to jobs as all properties are located within a mile of each other.

Of the jobs within a 15 minute drive of properties in the area, nearly half (49 percent) of those jobs pay more than $3,333. The large share of jobs paying such high wages can be attributed to the proximity of the Chippenham Parkway interchange, which allows commuters to take Chippenham to the Powhite Parkway and into Downtown Richmond.

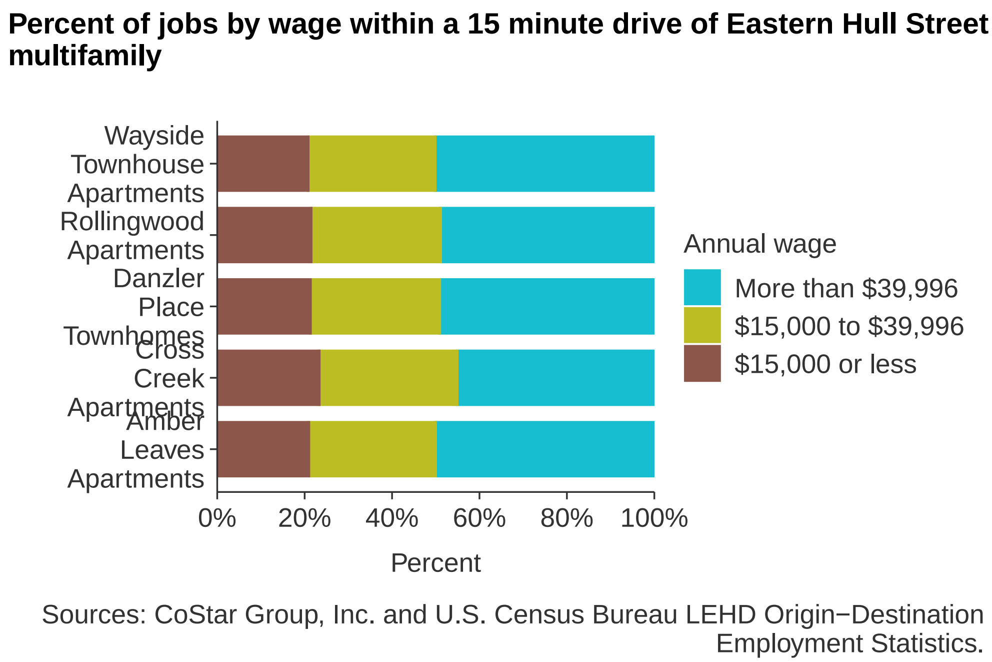


Figure 16.15: Eastern Hull Street multifamily by number of jobs within a 15 minute drive

16.5 Public and private investments

The development patterns of the Eastern Hull Street corridor have largely been similar to that of the Route 1 corridor — car-centric suburban development. However, the county portion of the Hull Street corridor does not have the storied interstate travel history of the Route 1 corridor. As such revitalization along the Eastern Hull Street corridor has not been a major priority.

Nonetheless, the county has continued to invest in this part of the county as its population has grown. In the summer of 2020, the County completed construction on a brand new middle school facility — Manchester Middle School. This replacement of the former 1964 building for $41 million now serves up to 1,100 students.

Further down the corridor and outside the study area, the County is also encouraging the redevelopment of older retail shopping centers and strip malls like Rockwood Square Shopping Center. The County recently approved plans to develop Rockwood Square into 332 condominiums and townhomes.[2]

16.5.1 Case study

Rockwood Square Shopping Center

Photo: Areaprops.com

[2] https://richmondbizsense.com/2022/06/02/chesterfield-oks-plan-to-redevelop-rockwood-square-shopping-center/

Although outside of the Eastern Hull Street corridor study area, the Rockwood Square Shopping Center redevelopment offers an example of the possibilities for aging shopping centers within the study area. This strategy of redeveloping older strip malls and commercial shopping centers is a vision among Chesterfield County planners to transform struggling commercial retail hubs into more vibrant mixed-use developments.

Stanley Martin Homes is proposing the development of the Rockwood Square Shopping Center — in line with the County's overall goals for the Rockwood area. Their proposal, which was approved by the County Board of Supervisors in June 2022, will see the development of 322 condominiums and townhomes across 25-acres, which includes the Rockwood Golf Park. Although no homes will be for rent and no sales prices have been determined, this project represents the potential for increased residential development along other portions of the Hull Street corridor.