

Rappahannock-Rapidan Region CEDS

April CEDS Committee Meeting

Presented by: Alex Tranmer, Director of Strategic Planning
Jordan Boege, Project Manager

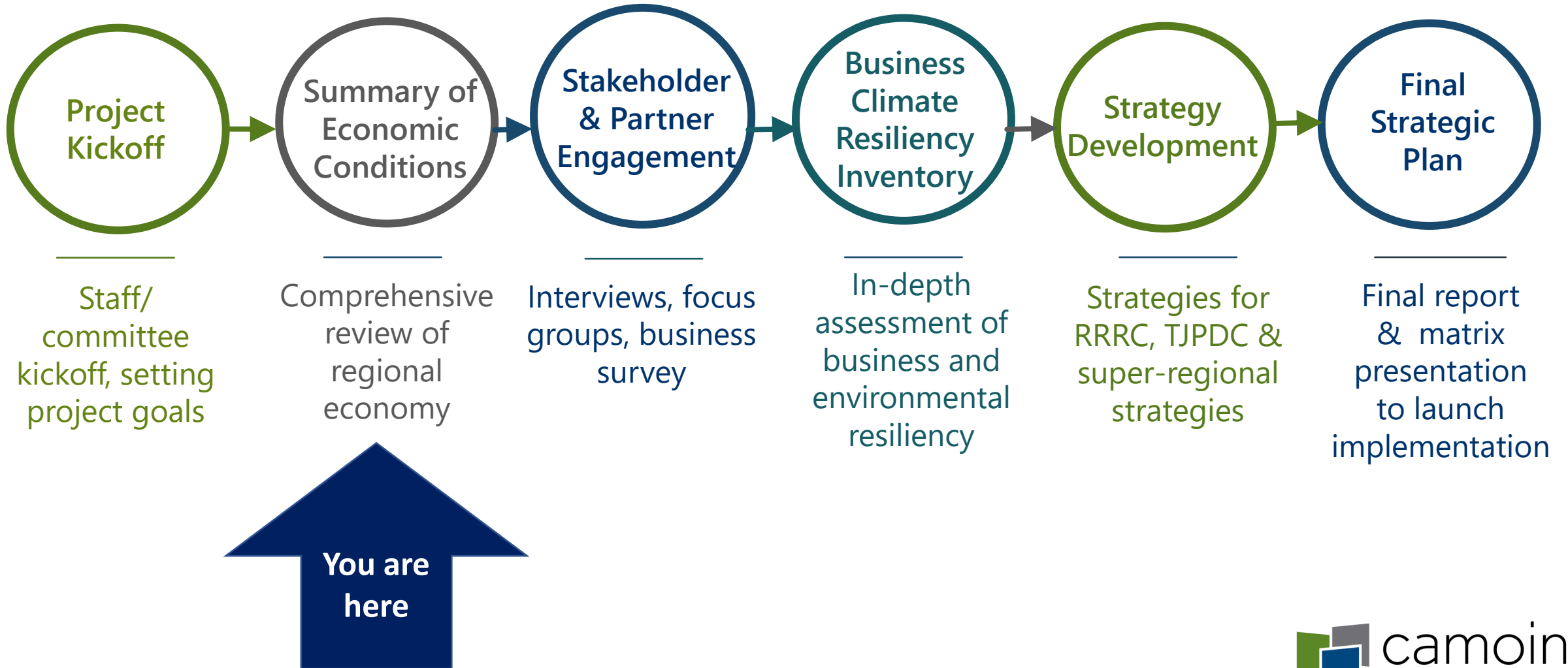
April 18, 2023



Agenda

- Where we are in process
- How we're using data
- Key data takeaways
- Engagement
- Next steps

Where We Are



How we're using data

Determining who lives in RRRC – age, household size, income, other characteristics

Evaluating the economy in the region – Jobs, industries, wages, commuting patterns

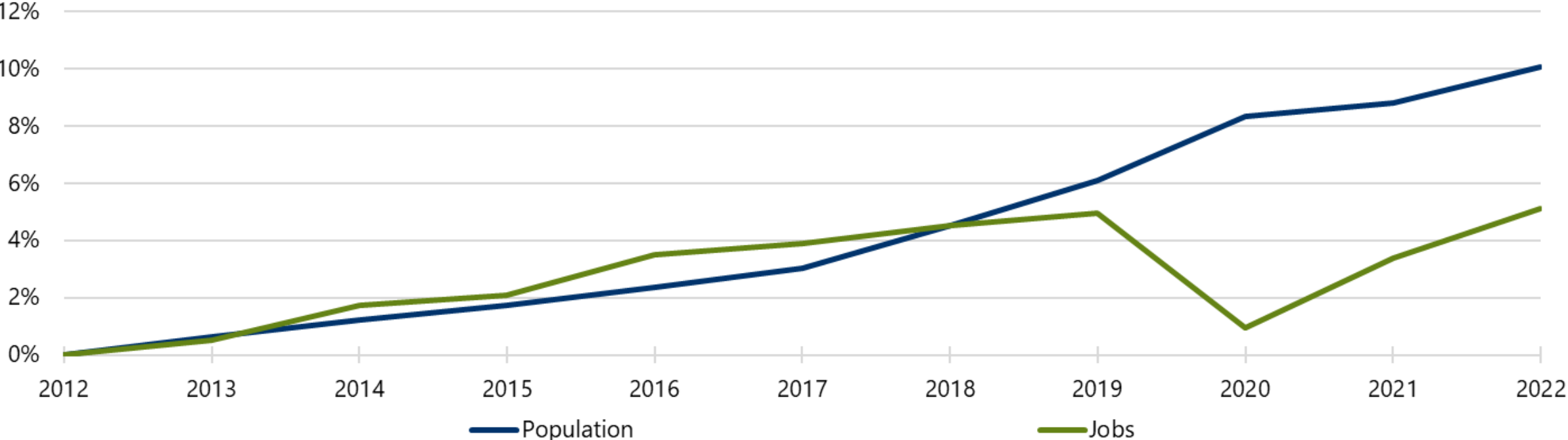
Understanding current market trends – real estate types, vacancy rates, market rents, available sites

Five Key Takeaways

1. Growth in population and jobs tied together; impacted by pandemic
2. Region is aging, with a smaller share of younger adults than VA or US
3. Agriculture highly concentrated, but growth happening in other industries
4. 2/3 of the region's residents commute outside the region for work
5. Regional real estate vacancy rates low compared to US averages

Pandemic Impacting Population & Jobs

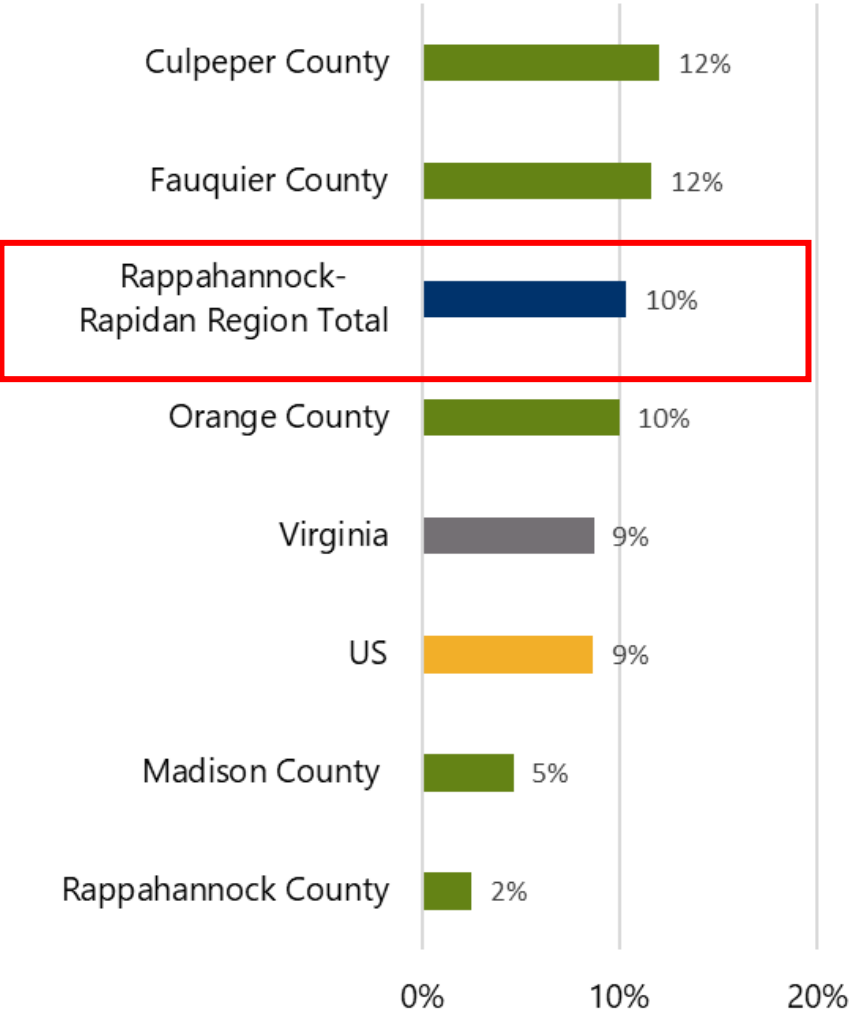
Rappahannock-Rapidan Region Percent Change in Population vs Jobs, 2012-2022



Source: Population: Weldon Cooper; Jobs: Lightcast

Regional Population Change

Percent Change in Households, 2010-2020

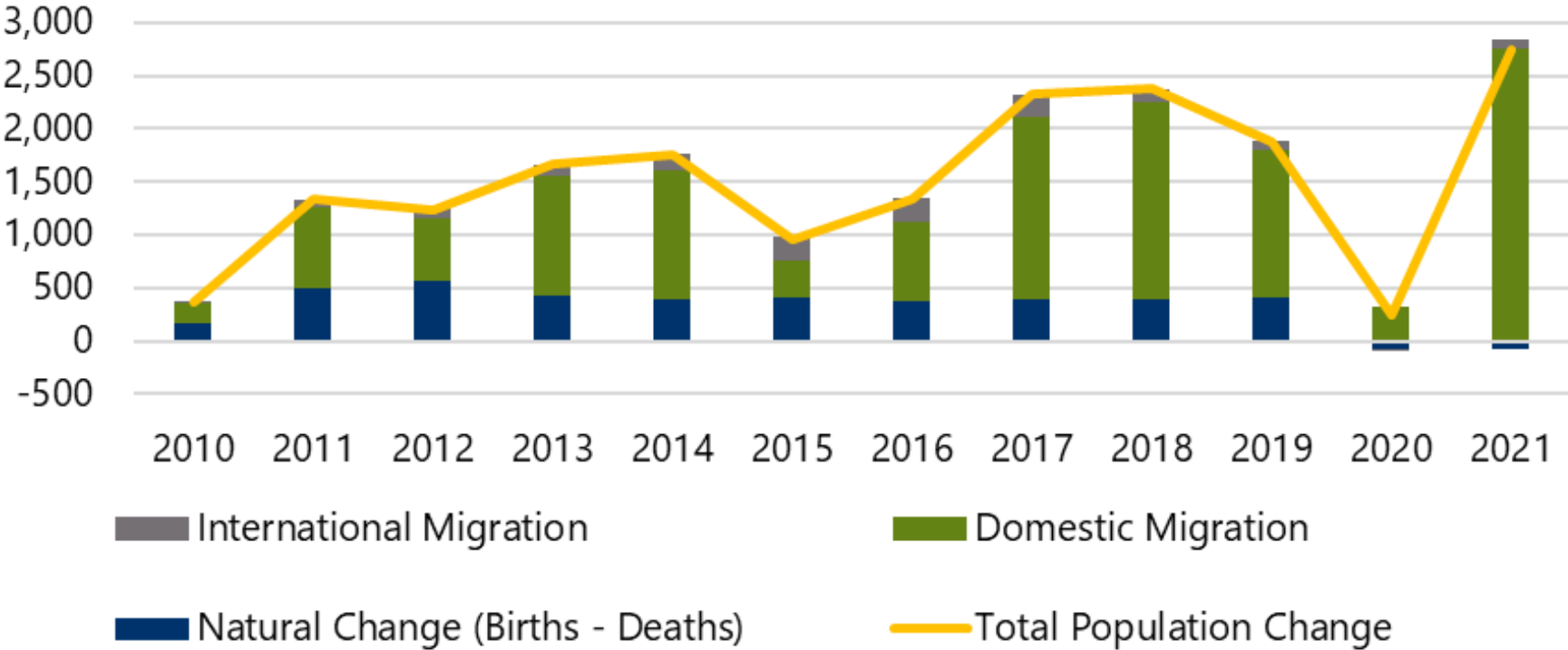


Source: Decennial Census, Esri

- Regional growth slightly outpacing VA and US
- Growth rates differ among counties

Regional Population Change

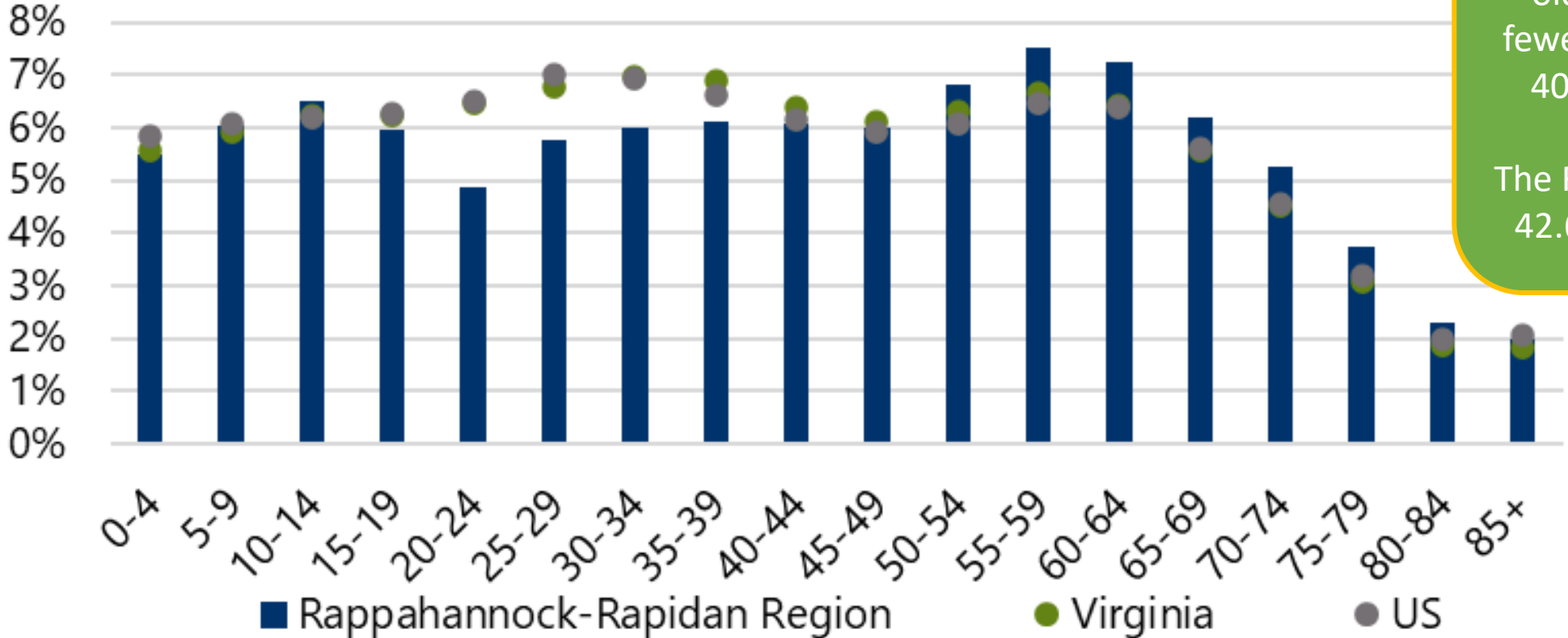
Rappahannock-Rapidan Region - Components of Population Change, 2010-2021



Source: Census 2021 Population Estimates

Region Aging; Fewer Younger Adults

Age Distribution, 2022



The RRRC region has more older adults (55+) and fewer younger adults (20-40) than VA or the US.

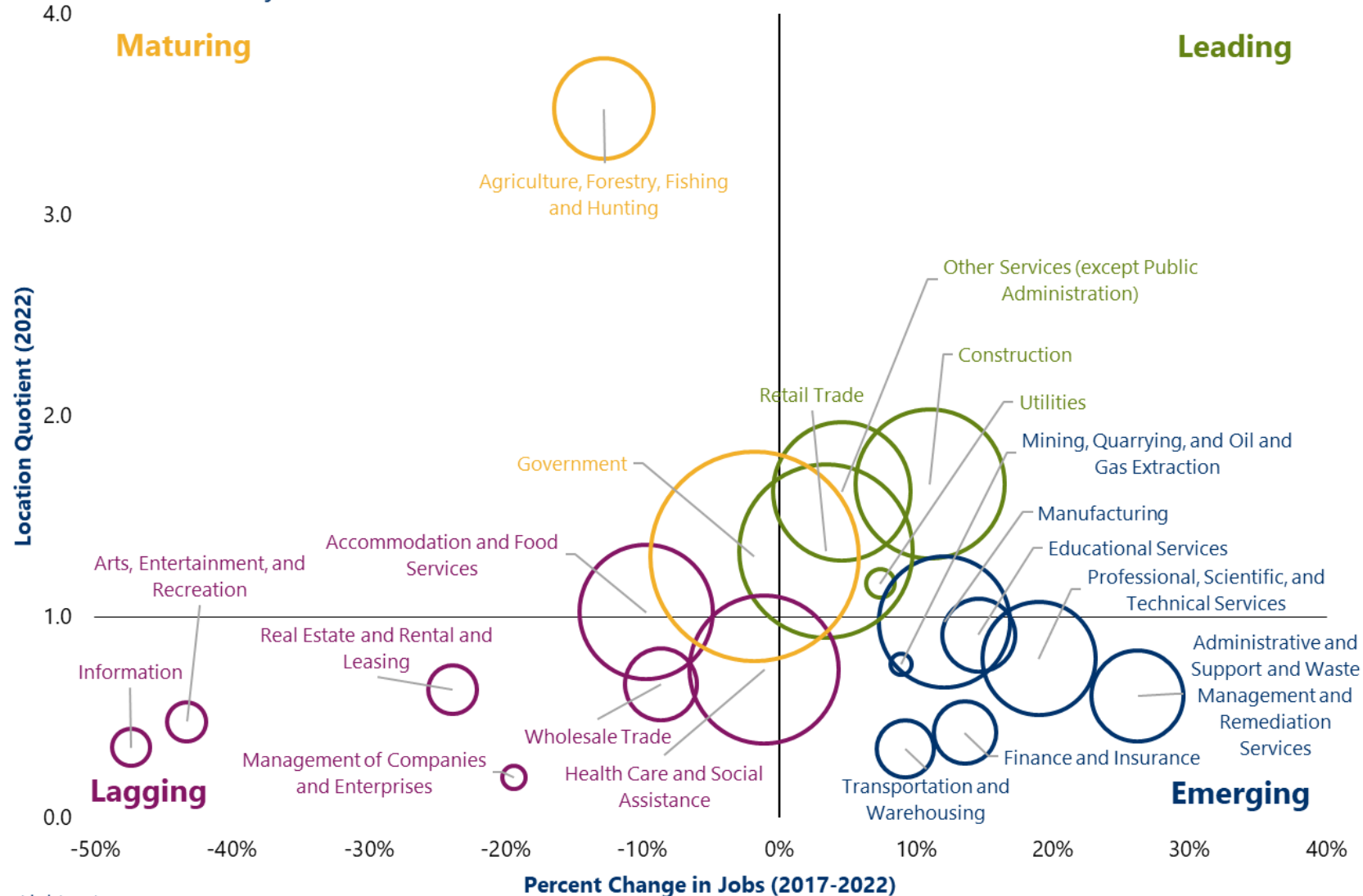
The Region's median age is 42.6 (US=38.9; VA=39.2)

Source: Esri

Agriculture Concentrated, Other Sectors Growing

Key Metrics by Sector, Rappahannock-Rapidan Region

Bubble size indicates 2022 job count



This chart displays how these sectors compare. Each sector is classified as **leading**, **emerging**, **maturing**, or **lagging**.

Leading industries experienced job growth over the last five years and have a location quotient greater than 1.

Emerging industries saw positive job growth over the last five years but have a location quotient of less than 1.

Maturing industries do have a location quotient greater than 1 but had negative job growth over the last five years.

Lagging industries have a location quotient of less than 1 and saw negative job growth over the last five years.

LEADING INDUSTRIES

Growing, concentrated

EMERGING INDUSTRIES

Growing, not as concentrated

Construction:

Jobs: 5,746

Job Change (2017-2022):
3.1%

Share of Region's Jobs:
9.6%

Location Quotient: 1.7

Top Subsectors by Jobs:

Construction of Buildings:
1,238

Specialty Trade
Contractors: 3,527

Retail Trade:

Jobs: 7,721

Job Change (2017-2022):
3.4%

Share of Region's Jobs:
13.0%

Location Quotient: 1.3

Top Subsectors by Jobs:

Motor Vehicle Parts and
Dealers: 1,045

Supermarkets: 1,337
General Merchandise
Stores: 1,233

Professional, Scientific, and Technical Services:

Jobs: 3,357

Job Change (2017-2022):
19.0%

Share of Region's Jobs: 5.6%
Location Quotient: 0.8

Top Subsectors by Jobs:

Computer System Design
and Related Services: 809

Veterinary Services: 413
Office of Lawyers: 307

Manufacturing:

Jobs: 4,463

Job Change (2017-2022):
12.1%

Share of Region's Jobs:
7.5%

Location Quotient: 1.0

Top Subsectors by Jobs:

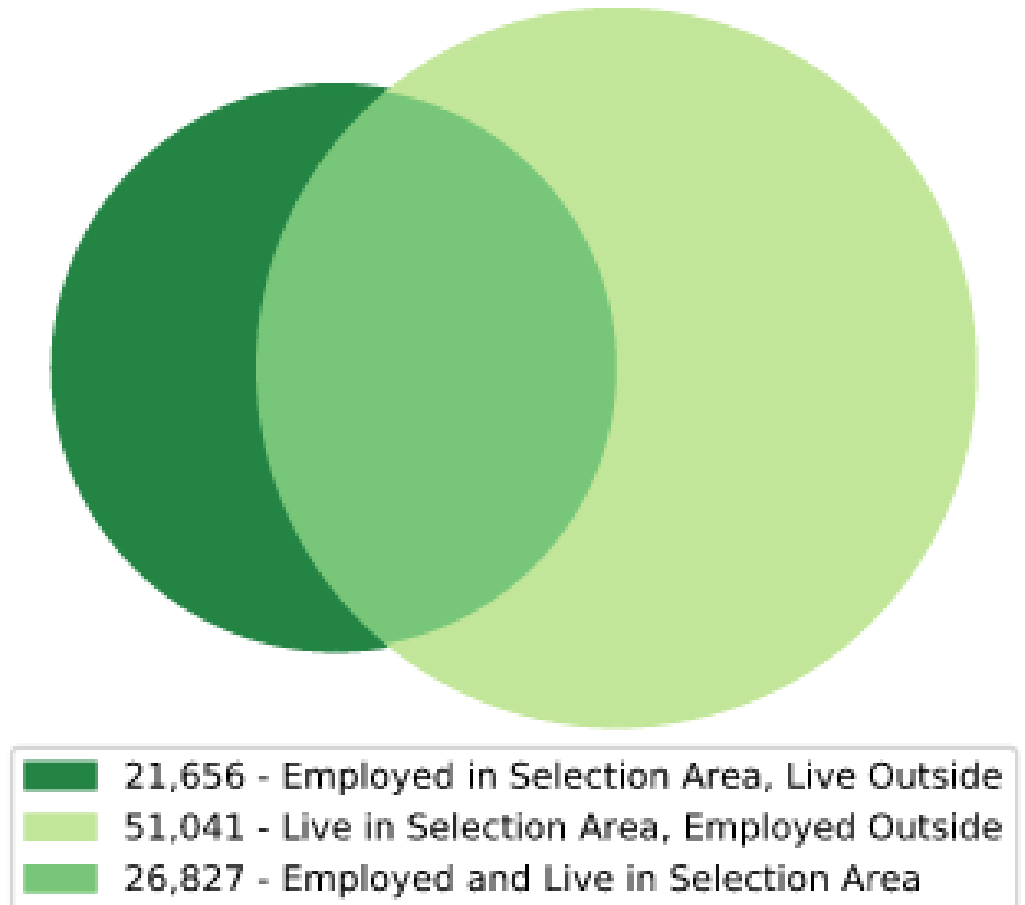
Wineries: 514
Aerospace Products and
Parts: 509

Wood Products: 489

2/3 of Region Residents Commuting Elsewhere

- Largest commuter destinations:
 - Fauquier County (14%)
 - Fairfax County (14%)
 - Culpeper County (11%)
 - Prince William County (10%)

Inflow/Outflow Job Counts in 2019



Tight Real Estate Market Compared to US

- Regional vacancy rates low compared to US
- **Office** 4.6% vs 16% US
- **Retail** 2.8% vs 4% US
- **Industrial** 1.6% vs 4% US
- **Flex** 1.1% vs 5% US

Investment Real Estate in RRRC - 2022

| Non-Residential | Buildings | Inventory (SF) | Vacancy Rate | Rent (SF/Ann) |
|-----------------|-----------|----------------|--------------|---------------|
| Office | 334 | 3,286,229 | 4.6% | \$19.75 |
| Retail | 705 | 7,490,405 | 2.8% | \$15.67 |
| Industrial | 179 | 4,785,105 | 1.6% | \$8.13 |
| Lodging | 39 | 891,941 | NA | NA |
| Flex | 45 | 1,057,026 | 1.1% | \$12.66 |
| Total | 1302 | 17,510,706 | NA | NA |

| Hospitality | Buildings | Inventory (Rooms) | Occupancy Rate | Daily Rate |
|-------------|-----------|-------------------|----------------|------------|
| Lodging | 39 | 1,564 | 60.5% | \$133.88 |

| Residential | Buildings | Inventory (Units) | Vacancy Rate | Rent (Monthly) |
|-------------|-----------|-------------------|--------------|----------------|
| Multifamily | 75 | 3,603 | 1.1% | \$1,190 |

Source: CoStar/Camoin Associates

Discussion



Padlet Feedback

Instructions:

This is an open forum where we hope the CEDS committee will interact with one another and use this platform as a resource throughout the course of the project.

Questions will be posted every couple of months prior to committee meetings to help gather information and input on the course of the comprehensive economic development strategy process

[Add comment](#)

Question 1

planning process that are ongoing, anticipated in the near-term or that recently wrapped up?

This could span anything from an economic development strategic plan, site development, workforce study, strategic visioning...anything that demonstrates goals for your locality and the region. Let us know with a comment below what the process is, who led it, and then email Patrick or Christine with the actual document if it is available.

[Add comment](#)

GO Virginia Region 9 Growth Plan

The Region 9 Council will be developing an updated Growth &

Question 2

Who should we be reaching out to as part of our engagement efforts?

Which organizations, businesses, civic leaders, and others at the forefront of their industries and communities who can help us understand the economy and economic development of the Rappahannock-Rapidan Region in a comprehensive way? Feel free to list both traditional and nontraditional economic development partners.

[Add comment](#)

Question 3

digital engagement, in-person, or a hybrid?

We are also planning on conducting a stakeholder survey as part of our scope of work. Would you be willing to share a survey with your networks to maximize input?

[Add comment](#)

Comments for Question 1:

- Anonymous 18d**
Germauna continues to strategize about how best to serve the region in collaboration with PVCC and LRCC. Among us, we would be able to meet most education and workforce development needs but our work needs to be calibrated with where the region is headed.

[Add comment](#)

Comments for Question 2:

- Anonymous 25d**
Foundation First / Ready Region North Central
- Anonymous 24d**
UVA and Fauquier Hospitals
- Anonymous 24d**
PATH & Culpeper Wellness Foundations
- Anonymous 24d**
Rappahannock Center for Education is putting out a fair number of certified medical practitioners so perhaps them in addition to traditional community colleges
- Anonymous 18d**
School Systems/Superintendents,

Comments for Question 3:

- Anonymous 25d**
I find people prefer in person in Culpeper. Our hybrid meetings have had limited attendance online.
- Anonymous 24d**
Open to hybrid, but these sorts of discussions benefit from in-person engagement
- Anonymous 24d**
there is an opportunity to piggy-back with other convenings. PATH Foundation has quarterly calls with non-profits that averages 75-90 participants-could be a good way to invite them to a meeting
- Anonymous 18d**
I really like the idea of looking at engagement via other pre-scheduled meetings, especially for providing brief background and then facilitating discussion around those pre-existing groups.
- Anonymous 18d**
Hybrid. A survey is great.

Engagement

- Initial Padlet feedback:
 - In-person engagement preferable where possible, hybrid OK
 - Opportunities to use existing meetings to engage with stakeholders already gathering
 - Identifying non-traditional economic development partners
- Interviews & focus groups
- Survey

Next Steps

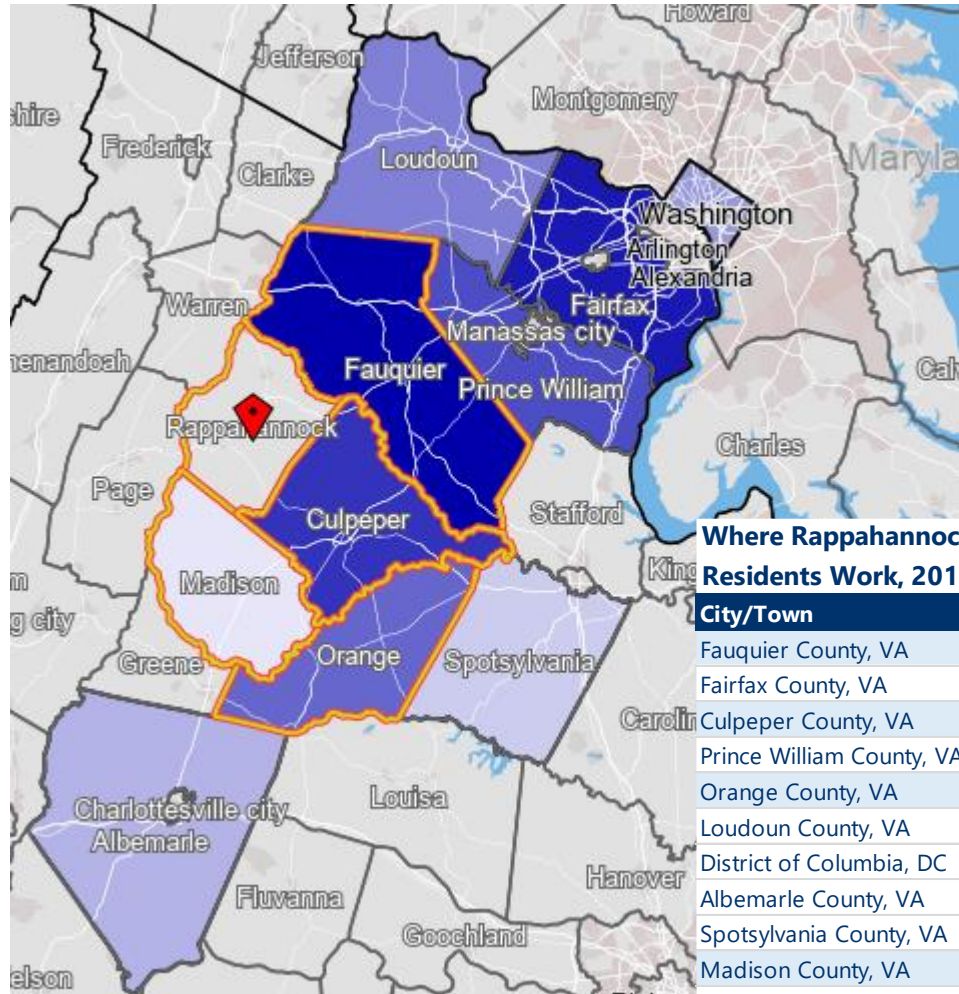
- CEDS Committee will receive data report by end of week
 - Add comments in Padlet – feedback by 5/5
- CEDS Committee continue to send existing reports
- Engagement planning
 - Emerging themes and trends



Backup slides



Commuting Patterns

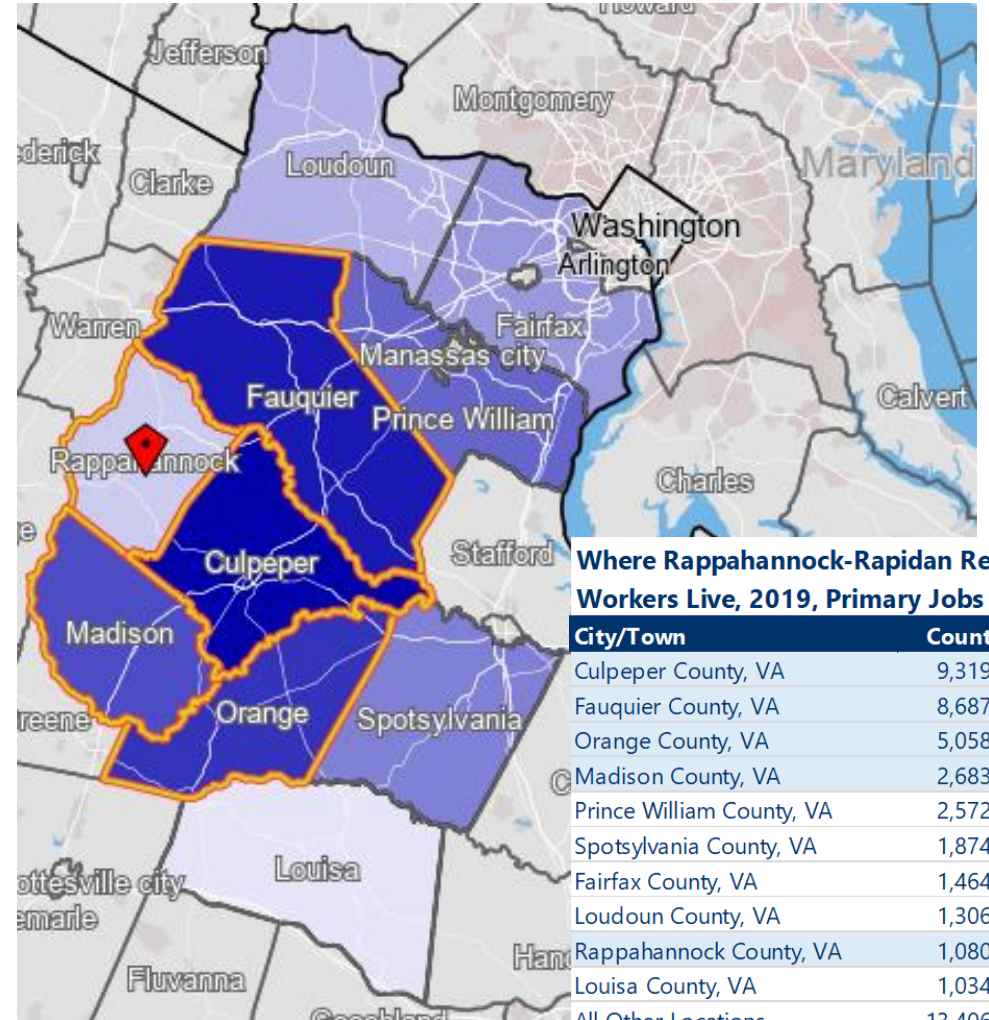


Where Rappahannock-Rapidan Region Residents Work, 2019, Primary Jobs

| City/Town | Count | Share |
|---------------------------|---------------|-------------|
| Fauquier County, VA | 10,719 | 14% |
| Fairfax County, VA | 10,718 | 14% |
| Culpeper County, VA | 8,887 | 11% |
| Prince William County, VA | 7,441 | 10% |
| Orange County, VA | 4,572 | 6% |
| Loudoun County, VA | 3,724 | 5% |
| District of Columbia, DC | 1,980 | 3% |
| Albemarle County, VA | 1,915 | 2% |
| Spotsylvania County, VA | 1,891 | 2% |
| Madison County, VA | 1,842 | 2% |
| All Other Locations | 24,179 | 31% |
| Total | 77,868 | 100% |

Note: In Region Counties are Shaded

Source: Census OnTheMap



Where Rappahannock-Rapidan Region Workers Live, 2019, Primary Jobs

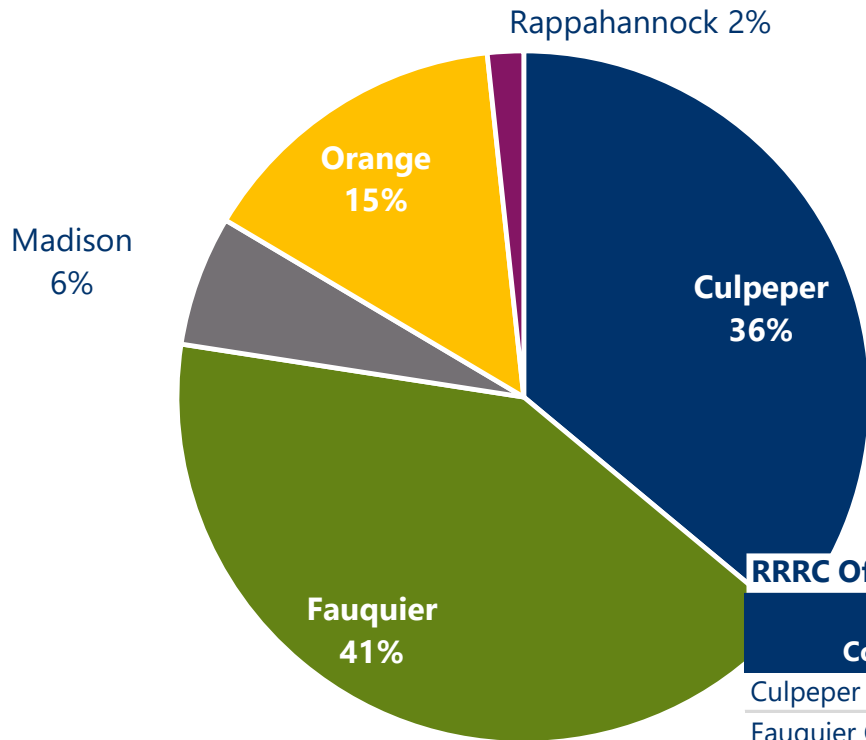
| City/Town | Count | Share |
|---------------------------|---------------|-------------|
| Culpeper County, VA | 9,319 | 19% |
| Fauquier County, VA | 8,687 | 18% |
| Orange County, VA | 5,058 | 10% |
| Madison County, VA | 2,683 | 6% |
| Prince William County, VA | 2,572 | 5% |
| Spotsylvania County, VA | 1,874 | 4% |
| Fairfax County, VA | 1,464 | 3% |
| Loudoun County, VA | 1,306 | 3% |
| Rappahannock County, VA | 1,080 | 2% |
| Louisa County, VA | 1,034 | 2% |
| All Other Locations | 13,406 | 28% |
| Total | 48,483 | 100% |

Note: In Region Counties are Shaded

Source: Census OnTheMap

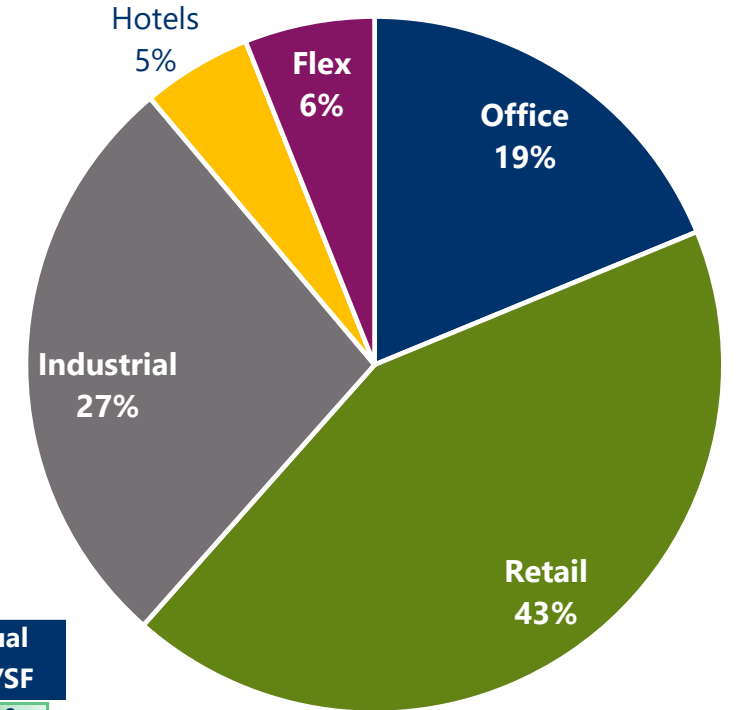
Regional Real Estate

RRRC Non-Residential Real Estate Inventory by County
17.5 msf in 2022



Source: CoStar

RRRC Non-Residential Real Estate Inventory by Type
17.5 msf in 2022



RRRC Office Building Market Metrics - 2022

| County | Buildings | Total SF | Vacancy Rate | Annual Rent/SF |
|-------------------|------------|------------------|--------------|----------------|
| Culpeper Co. | 78 | 1,232,309 | 0.7% | \$18.89 |
| Fauquier Co. | 205 | 1,577,296 | 7.3% | \$20.25 |
| Madison Co. | 13 | 72,496 | 0.0% | N/A |
| Orange Co. | 33 | 368,218 | 7.7% | \$20.45 |
| Rappahannock Co. | 5 | 35,910 | 0.0% | N/A |
| RRRC Total | 334 | 3,286,229 | 4.6% | \$19.72 |

Note: Regional rental rates by Camoin Associates based on available data

Source: CoStar/Camoin Associates

Compound Annual Growth Rate

| Region | CAGR | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1990-2000 | 2000-2010 | 2010-2020 | 2020-2022 | 2020-2030 | 2030-2040 | 2040-2050 |
| Culpeper County | 2.1% | 3.1% | 1.2% | 1.5% | 0.9% | 1.3% | 1.3% |
| Fauquier County | 1.2% | 1.7% | 1.1% | 0.4% | 0.9% | 0.9% | 1.0% |
| Madison County | 0.5% | 0.6% | 0.4% | 0.6% | 0.2% | 0.3% | 0.4% |
| Orange County | 1.9% | 2.6% | 0.8% | 1.2% | 0.6% | 1.1% | 1.1% |
| Rappahannock County | 0.5% | 0.5% | 0.0% | 0.3% | -0.2% | 0.1% | 0.2% |
| Rappahannock-Rapidan Region Total | 1.5% | 2.1% | 1.0% | 0.9% | 0.7% | 1.0% | 1.1% |
| Virginia | 1.4% | 1.2% | 0.8% | 0.3% | 0.5% | 0.7% | 0.8% |
| US | 1.2% | 0.9% | 0.7% | 0.3% | 0.5% | 0.4% | 0.3% |

Source: Weldon Cooper for County and State Estimates; US Census and Congressional Budget Office for National Estimates