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KING WILLIAM COUNTY, VIRGINIA

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## I. INTRODUCTION

The market analysis assesses King William County's existing market base by examining local and regional demographic, housing, employment and commercial data. The market data informs the findings of the Blueprint 2041 King William County Comprehensive Plan. This market analysis report includes the following sections:

- A **demographic profile** outlining trends in population growth, income, age and other indicators in King William County and region.
- A **market segmentation** report that analyzes the makeup of the King William market in order to better describe consumer needs and target markets.
- A **housing study** comparing King William County's historic market statistics with current data on product, price point, and tenure.
- An **employment snapshot** that presents general employment data for occupations, wages, and commuting patterns.
- A **commercial analysis** identifying opportunities for business recruitment based on the demand generated by the local customer-based living in the county.

In order to understand King William County's market in the context of the region, multiple geographies were studied in the analysis, including:

- King William County
- Richmond metropolitan area
- a 30-minute drivetime area from the intersection of highways 360 and 30 in Central Garage.
- Town of West Point, King William CDP, Central Garage CDP
- City of Richmond, Mechanicsville CDP, Town of Tappahannock
- Area zip codes
- Regional counties

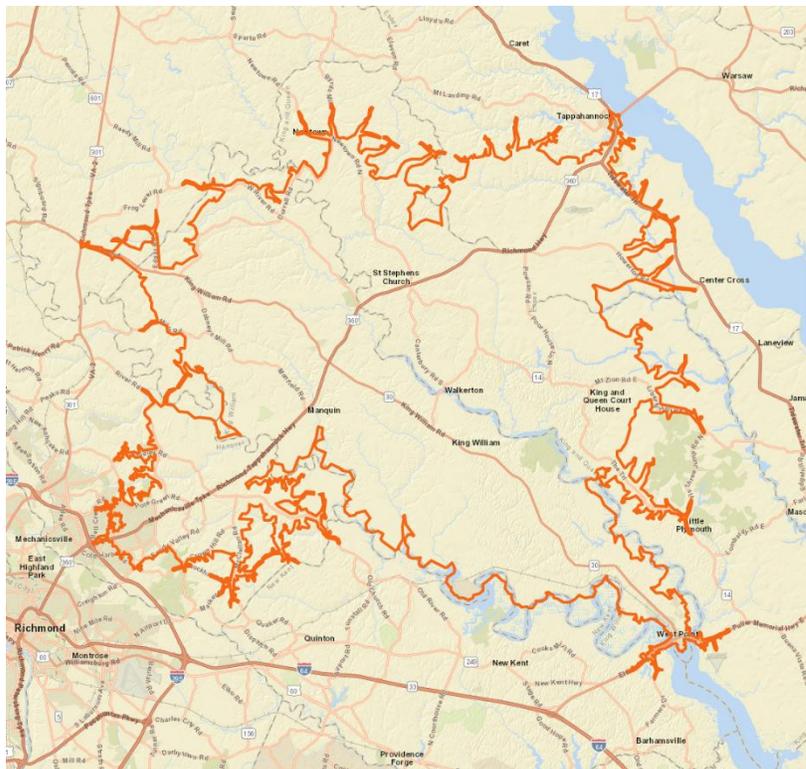


Figure 1: 30-minute Drive Time from Central Garage (Source: Claritas)

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The data presented here tells a story of a growing community with opportunities for continued residential growth and economic development. Key observations:

- **Fast Growth:** King William County has grown in population by nearly 12% in the past 10 years. This is faster than the Richmond metro as well as virtually every peer county in the region.
- **Limited Residential Options:** This growth has fueled a residential expansion that was not hindered by the COVID-19 pandemic. However, approximately 93% of all housing in the County is single-family detached with less than 2% multi-family.
- **Lower Cost of Living:** By the same token, housing values are in the lower-third of the region when compared to peer counties. The current average home value is \$204,000 and median sales price has risen to \$250,000 making the County more economical as a place to live than nearby counties.
- **Significant Out-Commuting:** Lower cost of housing, coupled with the proximity to the Richmond metro has resulted in nearly 90% of King William County employed residents commuting outside the county each day for work.
- **Housing Affordability:** While King William does have housing that is more attainable, it also has incomes in the mid-range of the region, while also having average weekly wages that are \$200 less than the metro. These may contribute to the fact that about a quarter of renters and homeowners are considered to be cost-burdened, meaning that they spend more than 30% of their household income on housing costs.
- **Growth and Demand for Services:** In 2020, the demand for retail and commercial generated by King William residents was approximately \$171 million. As the County grows in population and residents, so will consumer demand. Over the next five years, this demand is projected to grow by 13.5%. While some of this is likely absorbed in the region, particularly Mechanicsville, this represents substantial opportunity based on local needs. Key opportunities include restaurants, general merchandising, home improvement, clothing, and health & personal care.

## II. DEMOGRAPHICS

At the time of this report, the US Census has released limited data for 2020 including total population and race. Other demographic data comes from the 2019 American Community Survey (ACS) from US Census Bureau and represents a 5-year average estimate of each data point. This is the most up to date and accurate counting until more complete data is released by the Census Bureau. These and other sources are noted where presented in the report.

A demographic profile of King William County examines key indicators including population growth, race and ethnicity, age, educational attainment, and household income.

### POPULATION

The 2020 population of King William County is 17,810. The county experienced significant population growth over the past two decades, growing by 21.2% from 2000 to 2010 and an additional 11.8% from 2010 to 2020.

Over the past decade, population growth in King William County outpaced growth in the Richmond MSA (10.8%). The only area within the region to grow faster than King William is New Kent County, which experienced nearly 25% growth in the past decade.

Growth is expected to continue over the next twenty years, with the population exceeding 20,000 by 2035 and reaching 21,507 in 2041. This figure is based on historic growth and rates and projections provided by the Weldon Cooper Center. It is

likely a conservative estimate, as King William residential building permits over the past five years show even faster growth illustrating an increasing demand for housing in the County.

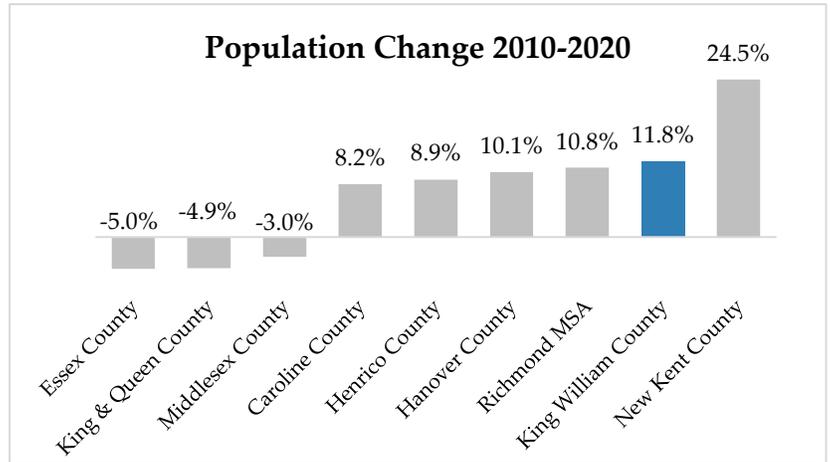


Figure 2: Percent Population Change from 2010-2020 in King William County and Surrounding Region (Source: US Census)

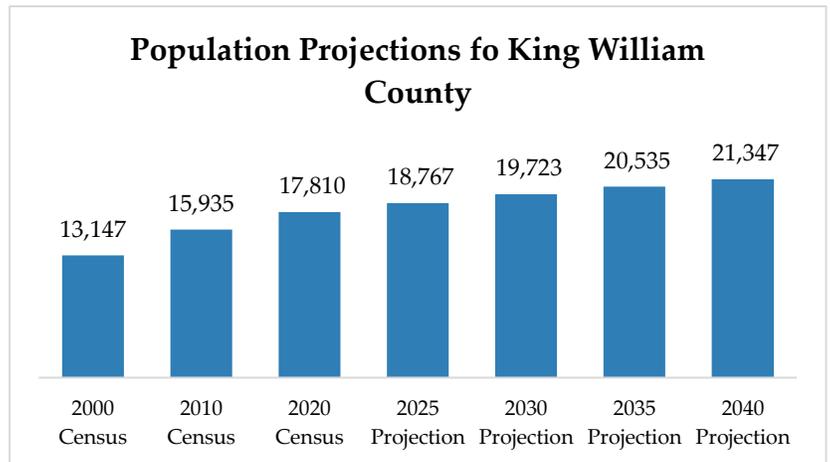


Figure 3: Population Projections for King William County (Projections Extrapolated From 2020 Census Population Using Annual Growth Rates Provided in Prior Projections from Weldon Cooper Center)

## RACE AND ETHNICITY

King William County is home to a mix of races and ethnicities, including two federally recognized Native American Tribes. The 2020 population of the county is 76% White, 14% Black, 3% Hispanic or Latino, 2% American Indian or Alaska Native, 1% Asian, 4% Two or More Races, and 0.5% Other Race.

## AGE

According to the 2019 ACS, the median age in King William County is 40.3, slightly older than the median age in the Richmond metropolitan area (39.1). While King William County trends older than the metro (urban areas are typically younger), the county is younger on average than many of the adjacent counties.

At 40.3 in 2019, King William’s median age has lowered slightly from 40.7 in the 2015 ACS. Within the county, 26% of the population is under the age of 20. This could potentially be the result of residential growth in King William County, where young families are locating here and then commuting to Richmond. Just 16% of the population is over age 65.

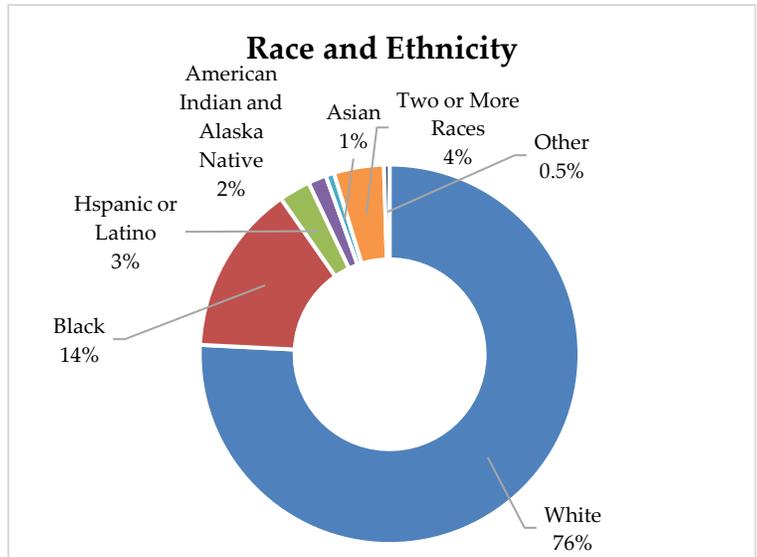


Figure 4: Race and Ethnicity of King William County's Population, 2020 (Source: 2020 US Census)

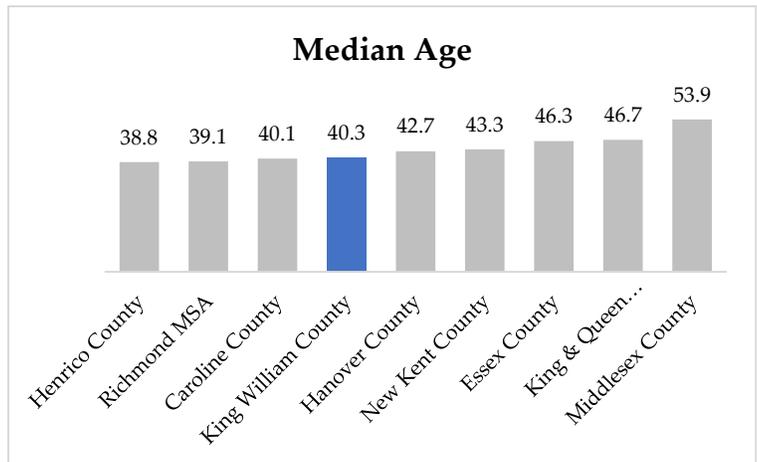


Figure 5: Median Age in King William County and Surrounding Region (Source: US Census 2019 ACS 5-Year Estimates)

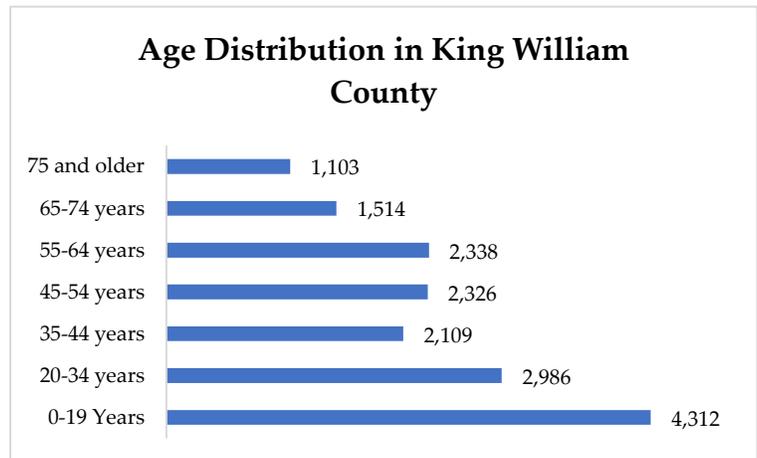


Figure 6: Age Distribution in King William County (Source: US Census 2019 ACS 5-Year Estimates)

## INCOME

The median household income in King William County is \$66,987, just under the median household income in the Richmond metro (\$68,529). At \$89,390, Hanover County has the highest income in the region.

Nearly 40% of households in King William County have annual incomes between \$50,000 and \$100,000. The poverty rate in 2019 in King William County is 8.4%. The county's median household income has grown approximately \$5,000 since 2010.

## EDUCATION

Of the population age 25 years or older in King William County, 92% have at least a high school diploma and 58% have some amount of college education.

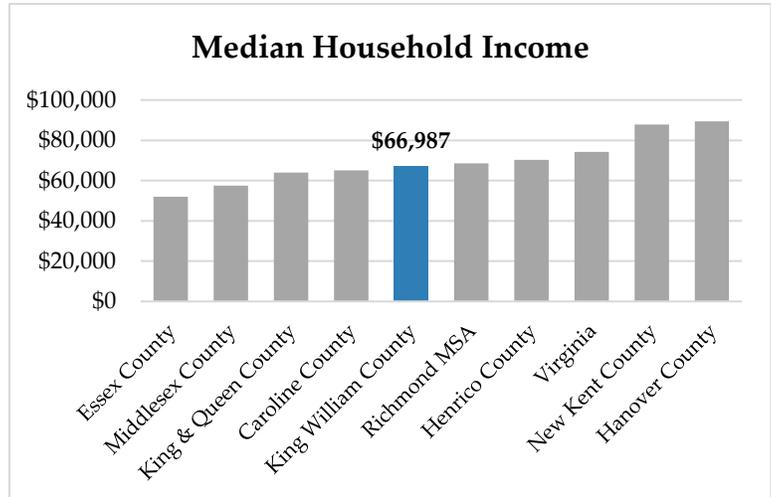


Figure 7: Median Household Incomes in King William County and Surrounding Region (Source: US Census 2019 ACS 5-Year Estimates)

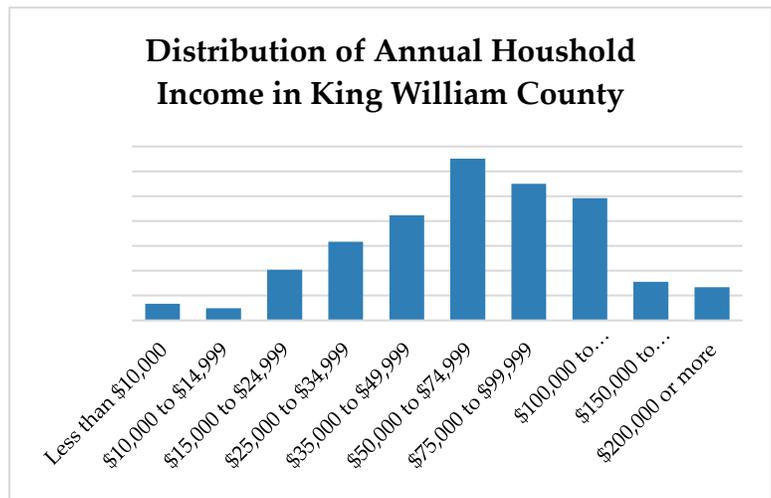


Figure 8: Distribution of Household Incomes in King William County (Source: US Census 2019 ACS 5-Year Estimates)

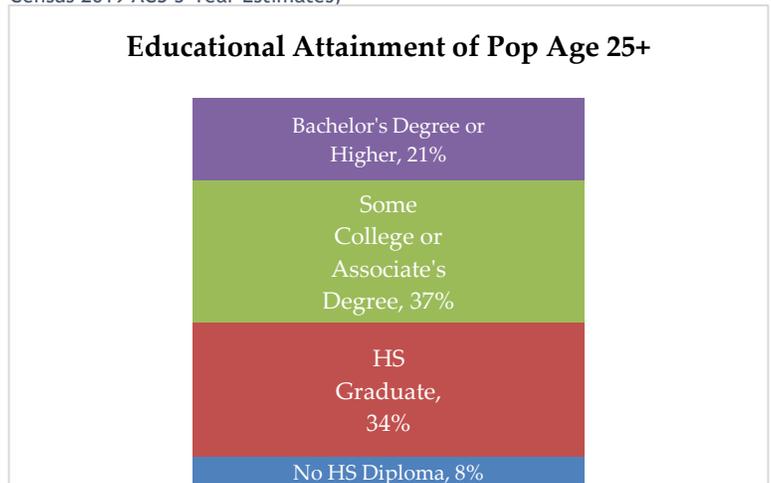


Figure 9: Educational Attainment of Population Age 25 Years or Older in King William County (Source: US Census 2019 ACS 5-Year Estimates)

## SEGMENTATION

Market segmentation examines the makeup of King William County's existing and target markets by analyzing the behavioral traits, consumer patterns and lifestyle characteristics of various "segments" defined by the leading national market research firm Claritas.

A segmentation analysis was conducted for King William County as well as the 30-minute drivetime, West Point, and the Richmond metropolitan area. Segmentation shows the overall makeup of the market and indicates the potential customer base for local businesses.

Segments used in the analysis are based on demographic data and are categorized by life stage (age, income, family structure) and social group (urbanization).

### Life Stage

Households are described as one of three Life Stages – Younger Years, Family Life, and Mature Years. In King William County, 62% of the households are in the Family Life stage, which may again suggest King William is a location for families and professionals who commute the Richmond and other areas. The Richmond metropolitan area has more equal balance between the three life stages.

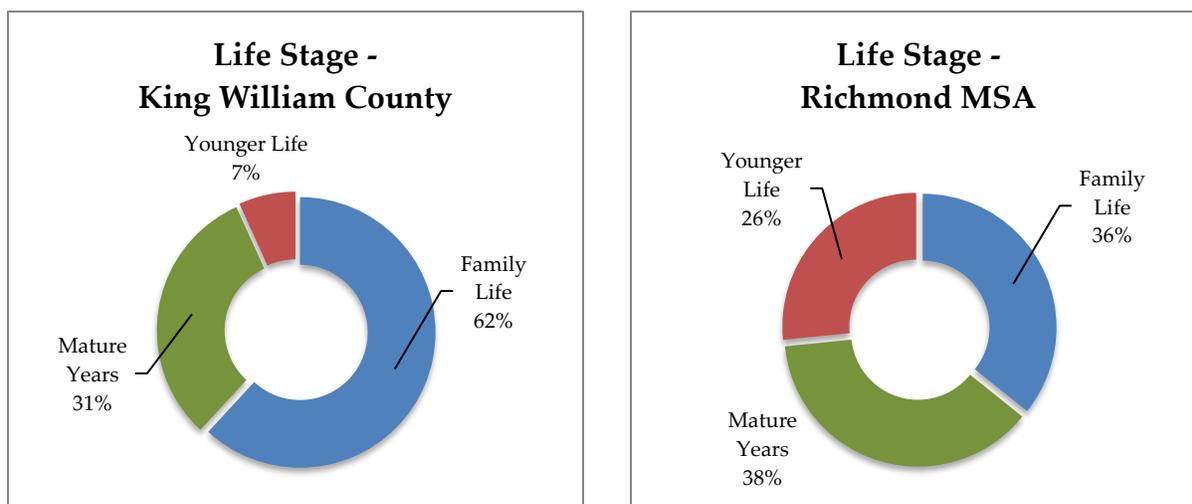


Figure 10: Life Stage Segmentation in King William County and Richmond MSA (Source: Claritas)

### Social Group

Households are then described as one of four Social Groups – Town and Rural, Suburban, Second Cities and Urban. In King William County, 100% of households are classified as Town and Rural. In the Richmond metropolitan area, there is a mix of Town and Rural (25%), Suburban (37%) and Second Cities (28%).

## Overall Segmentation

Of the 68 unique segments defined by Claritas, 10 are represented in King William County. The largest segments in the county include:

- Fast-Track Families (30%)
- Country Strong (17%)
- Big Sky Families (15%)
- Mayberry-ville (11%).

The number of segments in the county are limited due to the fact that all of the households are classified as Town and Rural. However, with a greater mix of both life stages and social groups, the 30-minute trade area and the Richmond metro area offer a greater variety of overall market segments. Households in the 30-minute trade area represent 46 different segments while households in the Richmond metro represent 55 segments.

The largest segments in the 30-minute trade area mirror the largest segments in the county: Fast-Track Families (18%), Country Strong (11%), Mayberry-ville (9%), and Big Sky Families (8%).

The segments represented in King William County make up the immediate market, while the segments in the 30-minute drivetime area represent the expanded trade area and potential customer base. Key segments in the county and 30-minute drivetime are described on the following page. A full description of all individual segments can be found at [www.mybestsegments.com](http://www.mybestsegments.com).

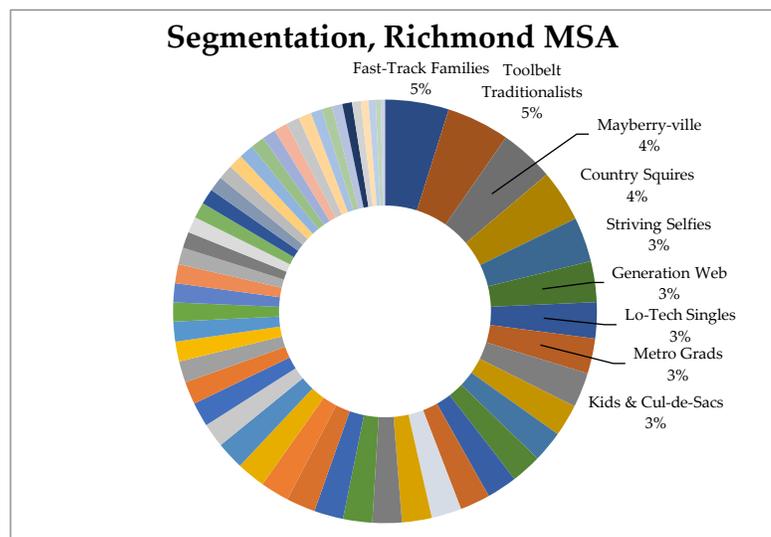
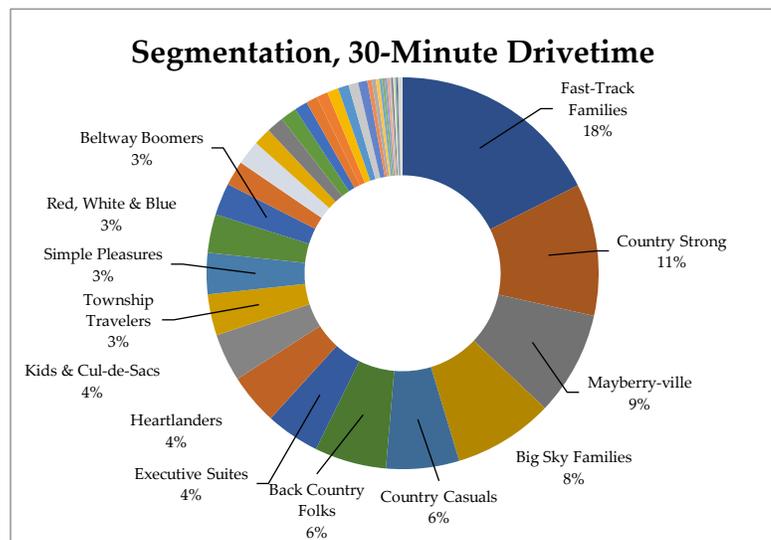
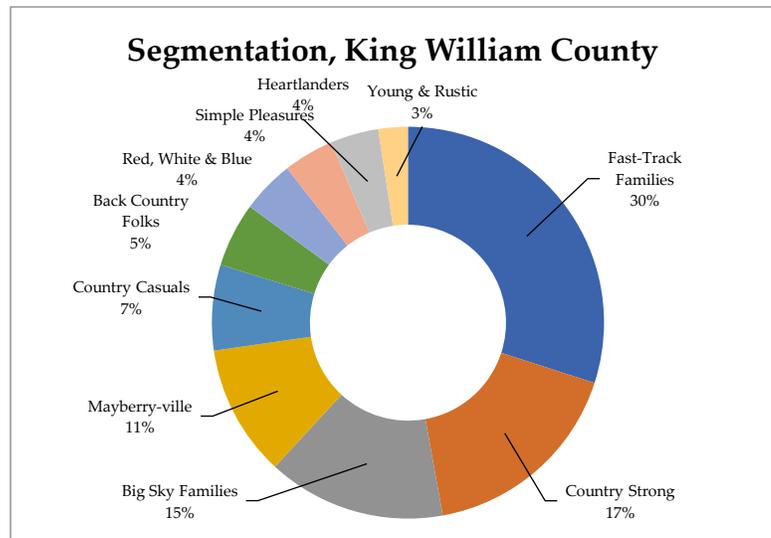


Figure 11: Overall Market Segmentation for King William County, 30-Minute Drivetime Area and Richmond MSA (Source: Claritas)

Segment	Fast-Track Families	Country Strong	Mayberry-ville	Big Sky Families
Description	Fast-Track Families lead busy, active lives often centered around the schedules and interests of their children. Always on the go, they are frequent quick service restaurant diners, drive SUVs, visit Pinterest, and tend to shop for sporting goods and active wear clothing.	Country Strong are lower middle-class families in rural areas that embrace their day-to-day lives. They are focused on their families and prefer hunting and country music to keeping up with the latest technology.	Like the old Andy Griffith Show set in a quaint picturesque burg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, upscale couples prefer outdoor activities like hunting and boating during the day and stay home and watch TV at night. Overall, their use of technology trails that of others at their same asset level.	Big Sky Families is a segment of middle-aged rural families. Residents enjoy country music and all types of team sports and outdoor activities, especially hunting. These families attend High School sports events and wear their team logo apparel to show their team spirit.
Households in King William County (% of Total)	1,949 (30%)	1,117 (17%)	706 (11%)	956 (15%)
Households in 30-Minute Drivetime (% of Total)	2,742 (18%)	1,697 (11%)	1,339 (9%)	1,287 (8%)
Social Group	Town and Rural - Landed Gentry	Town and Rural - Middle America	Town and Rural - Country Comfort	Town and Rural - Country Comfort
Lifestage	Family Life - Accumulated Wealth	Family Life - Mainstream Families	Mature Years - Conservative Classics	Family Life - Young Accumulators
Income	Upscale	Lower Mid	Upscale	Upscale
Income Producing Assets	High	Below Avg	Elite	High
Age	35-54	<55	55+	35-54
Pred HH Composition	Mostly w/ Kids	Family Mix	Mostly w/o Kids	Mostly w/ Kids
Pred Tenure Type	Mostly Owners	Mostly Owners	Mostly Owners	Mostly Owners
Pred Education	College Graduate	High School	College Grad+	College Graduate
Pred Employment	Management and Professional	Blue Collar Mix	Mix	Management and Professional
HH Tech	Average	Below Avg	Below Avg	Average
Urbanicity	Rural	Rural	Rural	Rural

Figure 12: Description of Key Market Segments (Source: Claritas)

### III. HOUSING

King William residential growth mirrors that of population, particularly over the past decade. The data below show housing data from the 2019 US Census ACS, King William County Planning, as well as current-market sources such as Zillow and MLS. Together, they indicate a surging and improving housing market overall, with demand continuing to increase year over year.

#### HOUSING TYPE AND TENURE

The majority of occupied housing in King William County is owner-occupied (87%), while 13% is renter-occupied. An overwhelming majority of the housing stock is single-family detached homes (93% of all units), and the county has a limited number of multi-family housing units. In fact, just 2% of the county’s housing stock is multi-family.

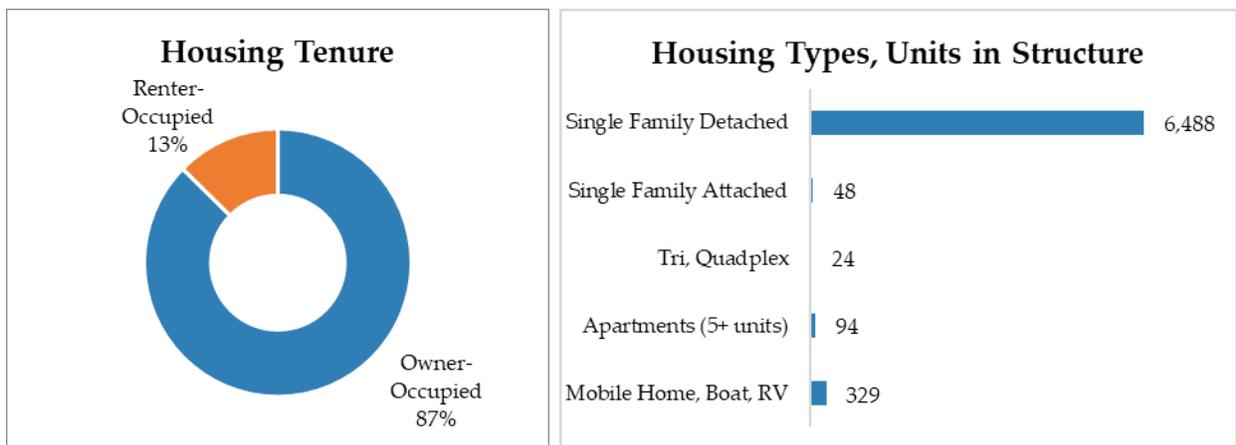


Figure 13: Housing Tenure (left) and Types (Right) in King William County (Source: US Census 2019 ACS 5-Year Estimates)

#### AGE OF HOUSING STOCK AND PERMITS

Nearly 35% of the housing stock has been built since 2000, with the median year built in 1992. This growth in housing units is reflective of the county’s population growth over the past two decades.

The number of residential building permits for new construction in King William County in 2020 exceeded any of the 7 years prior. In 2020, there were 154 residential permits for new construction with a total value over \$24 million. By May of 2021, there had been 64 permits for new construction totaling nearly \$9 million in investment. While this is on pace to be slightly lower than the previous year, these numbers indicate that King William County’s residential market has not been impacted negatively by the COVID-19 pandemic.

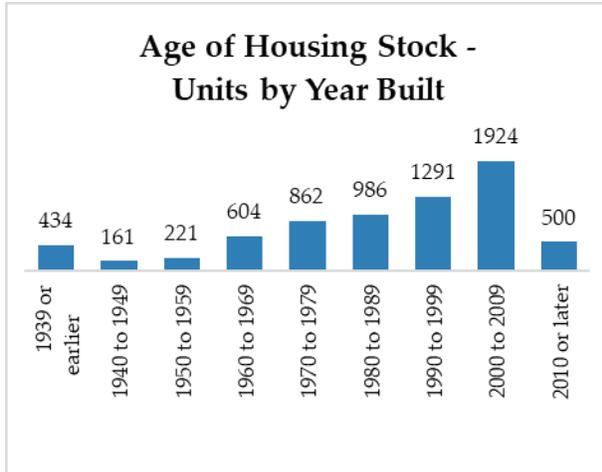


Figure 15: Age of Housing Stock in King William County, Units by Year Built (Source: US Census 2019 ACS 5-Year Estimates)

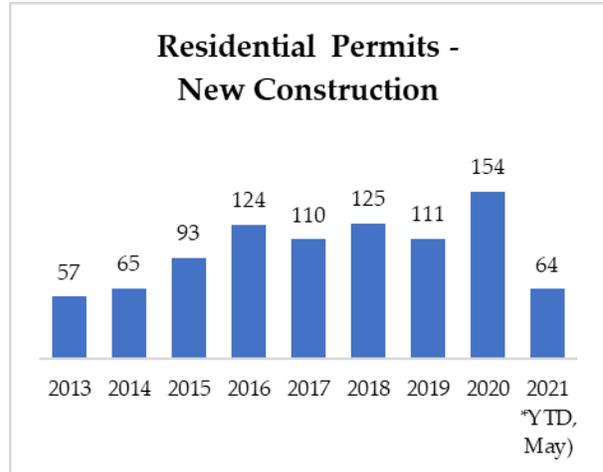


Figure 14: Annual Permits for Residential New Construction in King William County (Source, King William County)

### HOUSING VALUES

Housing values in King William County are lower than much of the region. In 2019, the median value of owner-occupied housing in King William County is \$204,300, compared to \$237,500 in the Richmond metropolitan area. Hanover County has the highest median value of owner-occupied housing in the region at \$282,900. Just over a third of the owner-occupied housing in King William County is valued between \$200,000 and \$300,000.

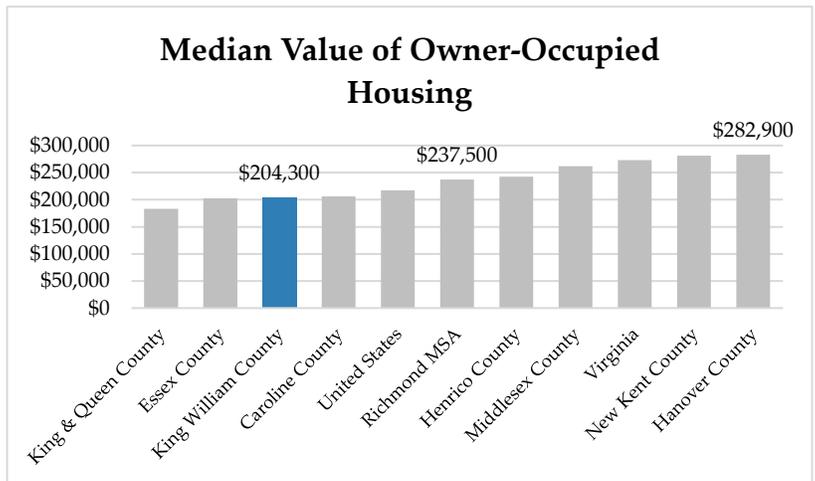


Figure 16: Median Value of Owner-Occupied Housing in King William County and Region (Source: US Census 2019 ACS 5-Year Estimates)

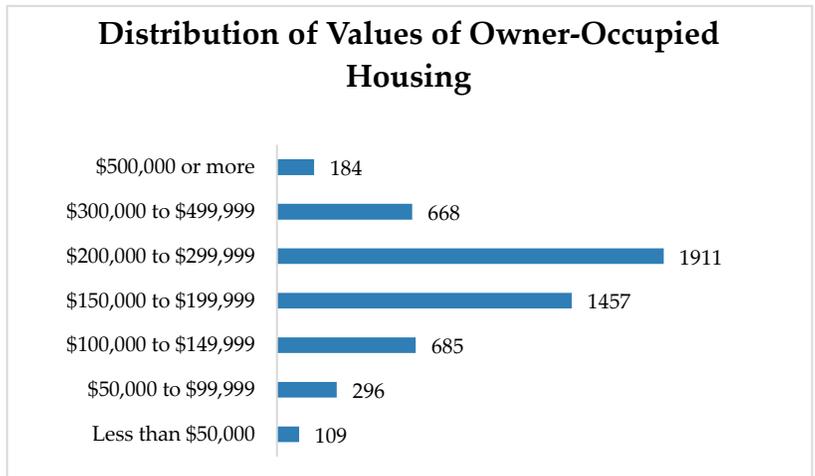


Figure 17: Distribution of Values of Owner-Occupied Housing in King William County (Source: US Census 2019 ACS 5-Year Estimates)

While housing values in King William County are generally lower than the surrounding region, housing values have been rising over the past decade. An analysis of the multiple listing service data provided by Virginia Realtors indicates that the median sales price in King William County has risen from below \$200,000 in 2016 to \$250,000 in 2021. Similarly, the Zillow Home Value Index for single-family homes in King William County steadily rose over the past decade, increasing by 6.7% over the past year to \$222,876 in May 2021.

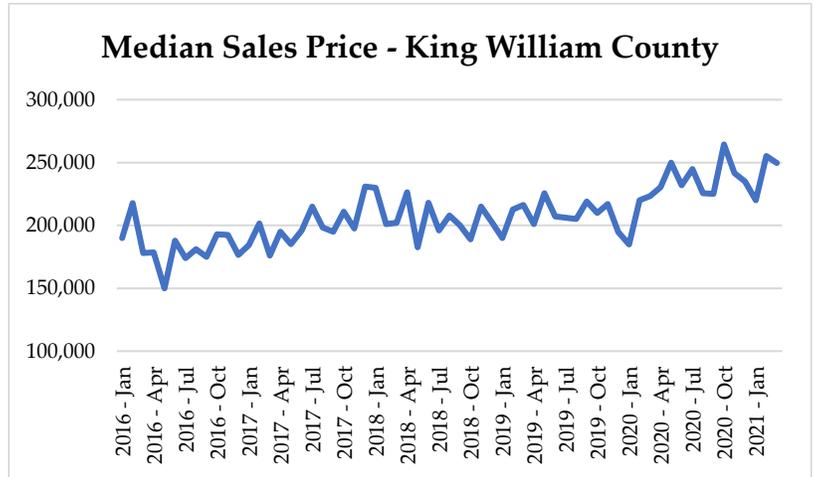


Figure 18: Median Sales Price of Homes in King William County 2016-2021 (Source: Virginia Realtors)



Figure 19: Examples of recently sold new construction in King William County. Source: Zillow

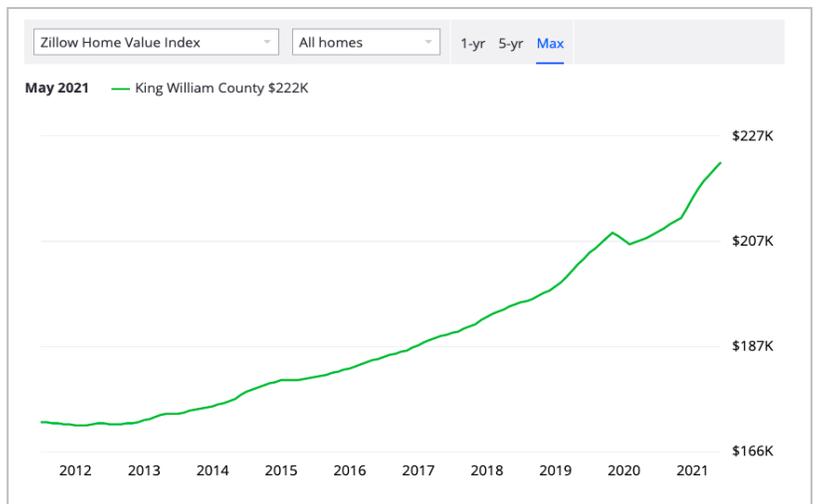


Figure 20: Zillow Home Value Index for King William County. Source: Zillow

## HOUSING AFFORDABILITY

Housing affordability is an important consideration for King William County. Housing is considered affordable if less than 30% of a household's income is spent on housing. In King William County, 23% of renters are cost-burdened and 13% of renters are severely cost-burdened (spending more than 50% of household income on housing costs). This is likely a conservative estimate, as data was not available for 26% of renter households. 24% of owners in King William County are cost-burdened and 9% are severely cost-burdened.

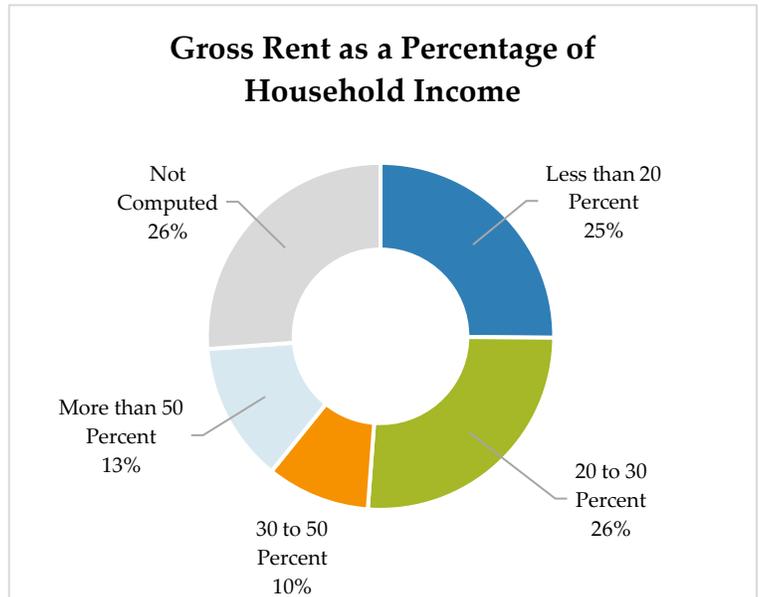


Figure 21: Gross Rent as a Percentage of Household Income in King William County (Source: US Census 2019 ACS 5-Year Estimates)

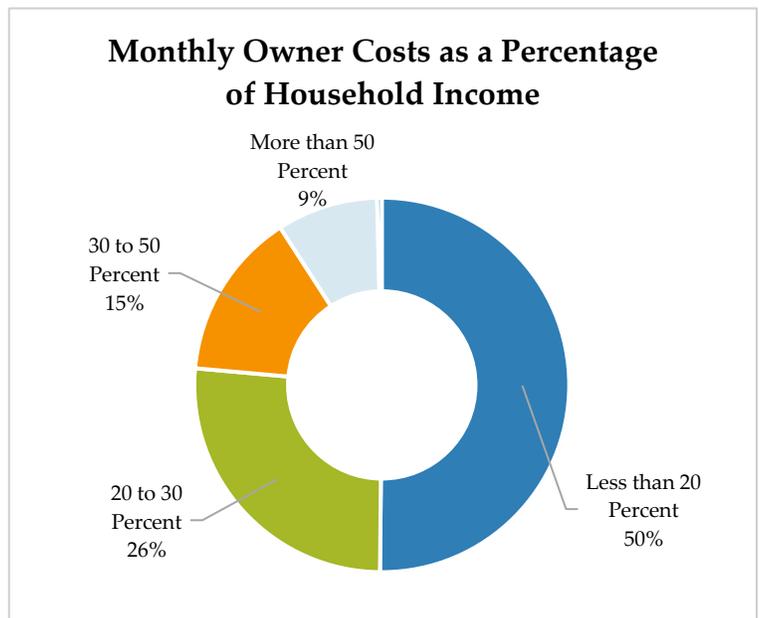


Figure 22: Monthly Owner Costs as a Percentage of Household Income in King William County (Source: US Census 2019 ACS 5-Year Estimates)

## IV. EMPLOYMENT

According to the most recent data from US Census On The Map, approximately 4,000 people are employed in King William County. The largest industries by number of people employed include: Manufacturing (18% of jobs), Educational Services (15%), Retail Trade (12%), and Transportation and Warehousing (9%).

Major employers in the county as of third quarter 2020 include Alliance Group Rock Tennessee (West Rock), Nestle Purina Petcare Company, Food Lion, Riverside Regional Medical Center, The Roberts Company Field Services, Augusta Lumber LLC and local governments.

### Major Employers

1. Alliance Group Rock Tenn (WestRock)
2. King William County Schools
3. Nestle Purina Petcare Company
4. Food Lion
5. County of King William
6. Town of West Point Schools
7. McDonald's
8. Town of West Point
9. Parent Child Corporation
10. Three Rivers Health & Rehab Center
11. Augusta Lumber LLC
12. Flors Cleaning Services
13. Bojangles'
14. Essex Concrete Corporation
15. J. Sanders Construction Company

**Employment by NAICS Sector (2018)  
in King William County**

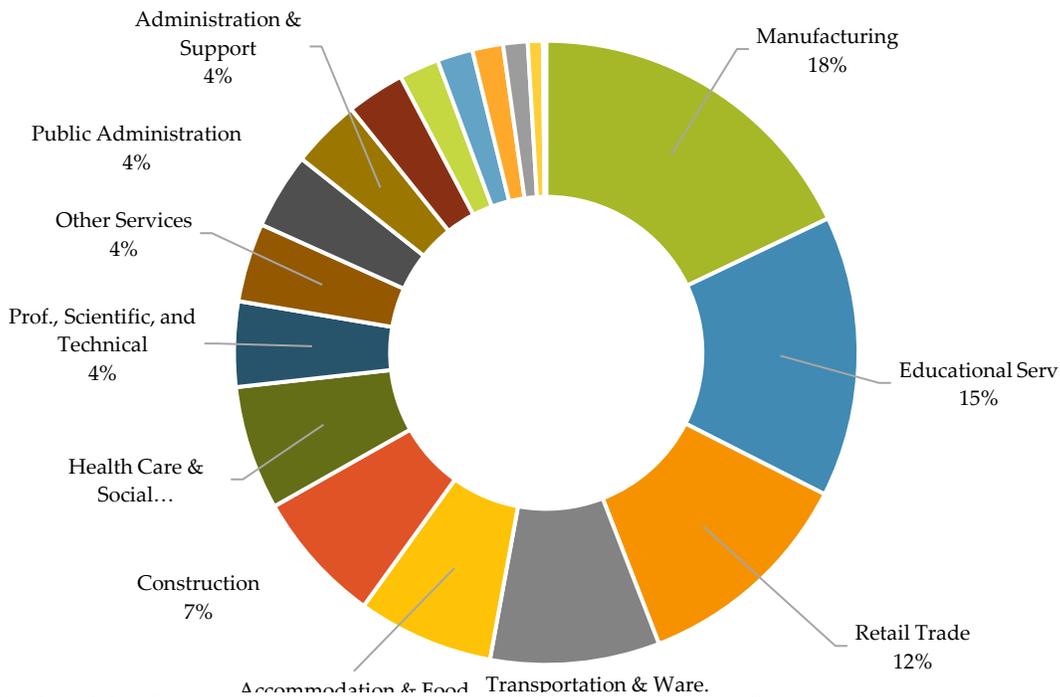


Figure 23: King William County Employment by NAICS Sector, 2018 (Source: US Census On the Map)

## COMMUTER PATTERNS

King William County is a net exporter of jobs, meaning that more people commute out of the county for work than commute in. 87.5% of King William County residents that are employed commute outside of the county for work.

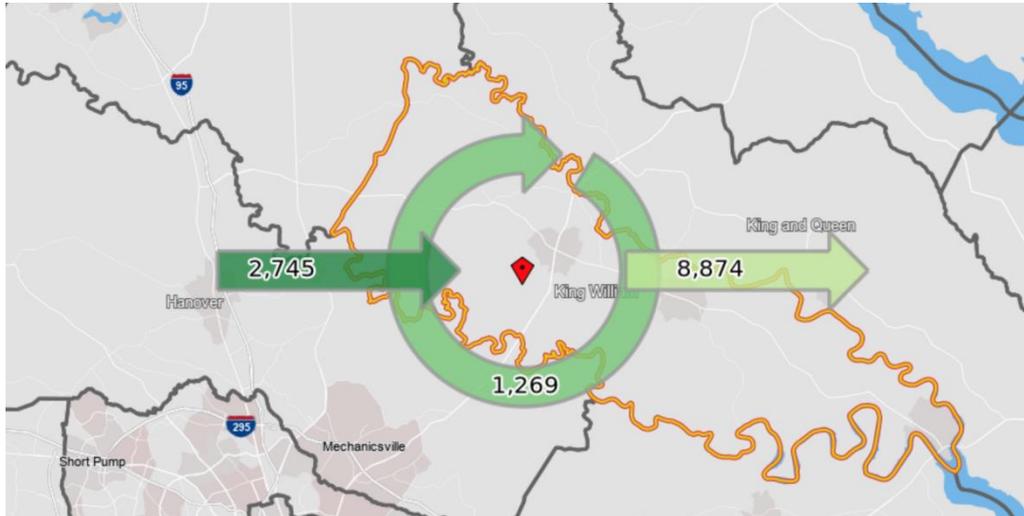


Figure 24: Inflow and Outflow of Jobs in King William County, 2018 (Source: US Census On the Map)

- 1269 workers live and work in King William County.
- 2,745 people commute into King William to work each day.
- 8,874 **King William County** residents commute OUTSIDE of the county each day. The majority of these residents commute southwest towards Mechanicsville and Richmond.

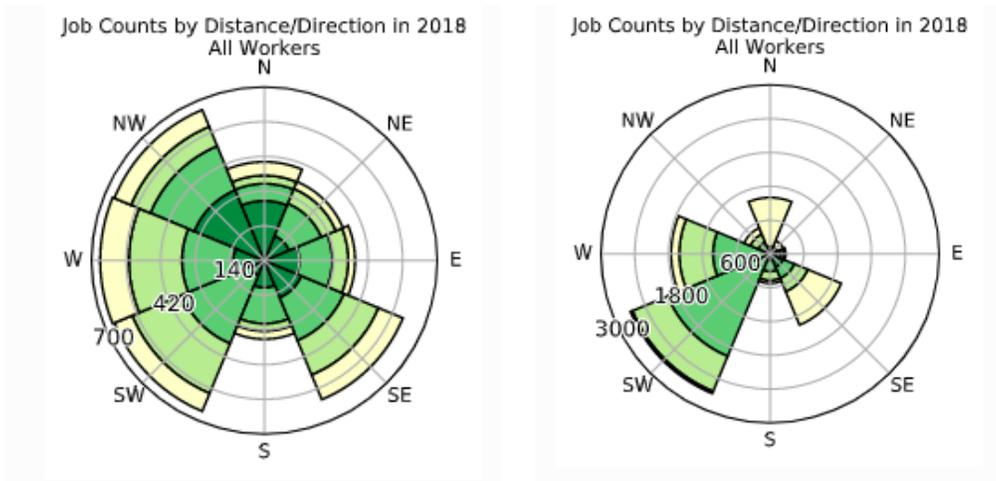


Figure 25: Job Counts by Distance/Direction, 2018 (Source: US Census On the Map)

## UNEMPLOYMENT RATE

Like all communities, employment in King William has been greatly impacted by the COVID-19 pandemic. Before the pandemic, King William had an unemployment rate of just 2.7%. This increased to 9.8% by April 2020 but fortunately has been steadily decreasing since. The unemployment rate in King William County as of December 2021 was 2.4%, compared to 3.2% in the Richmond metropolitan area and 3.2% in the state.

Similarly, the Virginia Employment Commission shows that unemployment insurance payments in the county increased from \$426,000 in 2019 to \$3.97 million in 2020, but have steadily decreased in 2021.

## WAGES

Average weekly wages across industries in King William County is \$1,013 compared to \$1,218 in the Richmond metropolitan area. Professional, Scientific and Technical Services is the industry with the highest weekly wages in King William County. It should be noted that wage data was not available for several industries in King William County.

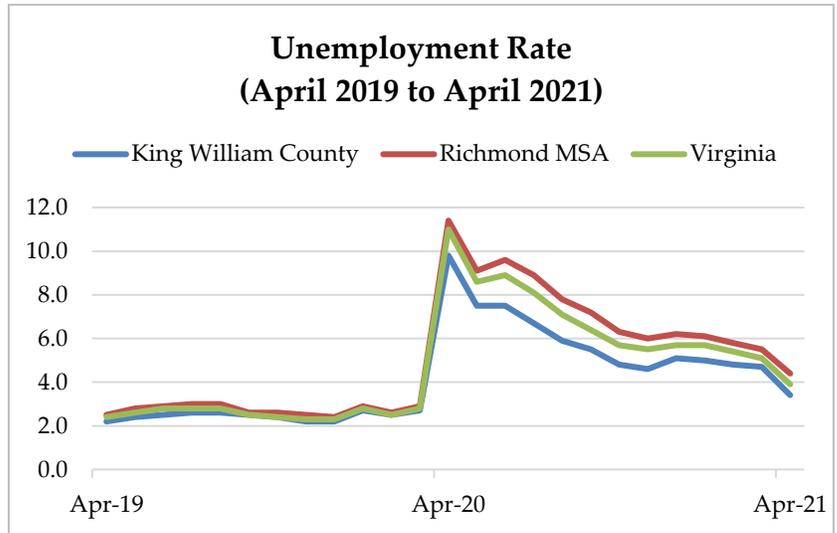


Figure 26: Unemployment Rate in King William County, Richmond MSA and Virginia, April 2019 to April 2021 (Source: BLS)

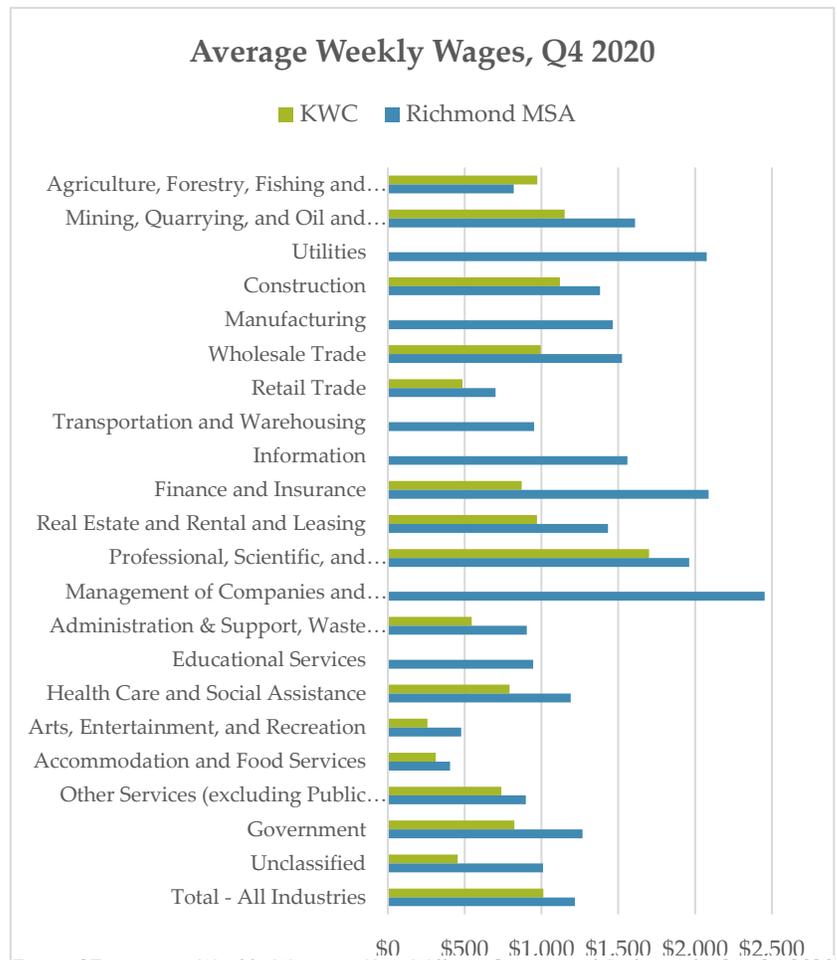


Figure 27: Average Weekly Wages in King William County and Richmond MSA, Q4 2020 (Source: Virginia Employment Commission)

## V. RETAIL ANALYSIS

The retail analysis provides insight into the retail patterns (consumer expenditures, retail sales, retail leakage or gain, and projected demand growth) in 2020 for King William County and the surrounding area.

### RETAIL LEAKAGE ANALYSIS

“Retail Leakage” refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, residents are purchasing more than the stores are selling, and the dollars spent outside of the area are said to be “leaking.”

To gain a more complete picture of retail patterns in the area, the retail leakage analysis was performed on King William County, the Town of West Point, and a 15-Minute Drivetime Area from Central Garage. Considering commuting patterns identified above as well as regional competition, we also looked at leakage in Mechanicsville, Tappahannock, and the entire metro.

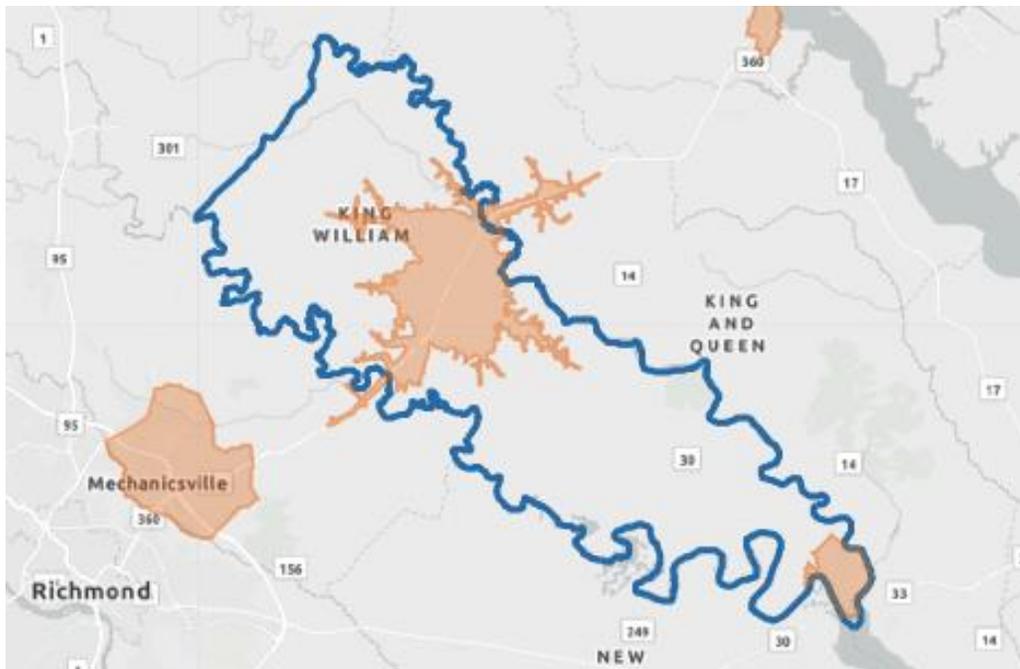


Figure 28: King William County and Nearby Retail Centers Including West Point, Central Garage 15-Minute Drivetime, Mechanicsville, and Tappahannock

The leakage analysis indicates that there is significant retail leakage in King William County and even in the Richmond metro.

- Stores in King William County sold \$185.7 million in merchandise in the previous year. During the same time period, King William County residents spent \$356.5 million, indicating a **retail leakage of \$170.8 million.**
- The Town of West Point had \$71.1 million in retail sales with residents spending \$67.6 million. This shows a **marginal gain of \$3.5 million.**
- Finally, the Central Garage 15-minute drive time saw an overall **leakage of \$115 million.** While this area does have a commercial cluster, it does see most of the county’s residential growth and leakage figures show supply is not currently meeting demand.

The table below provides retail sales, consumer expenditures and market leakage/gain as of 2020 for the counties and communities surrounding King William County.

	STORE SELL	CONSUMERS BUY	MARKET LEAKS (GAINS)
KING WILLIAM COUNTY	\$185.7 M	\$356.5 M	\$170.8 M
WEST POINT	\$71.1 M	\$67.6 M	(\$3.5 M)
CENTRAL GARAGE 15-MINUTE DRIVE TIME	\$92.8 M	\$207.1 M	\$115.3 M
<hr/>			
RICHMOND MSA	\$24.15 B	\$27.13 B	\$2.98 B
MECHANICSVILLE	\$949.9 M	\$848.3 M	(\$101.6 M)
TAPPAHANNOCK	\$163.8 M	\$38.5 M	(\$125.3 M)
RICHMOND CITY	\$3.15 B	\$4.31 B	\$1.16 B

Figure 29: Retail Sales, Consumer Expenditures, and Retail Leakage/Gain in King William County and Surrounding Areas

When there is leakage, it does indicate that product is not meeting local needs, but it also translates to actual demand for goods and services. In King William County, there is \$170.8 million in demand (leakage) generated by local residents. Of course, it is likely that much of this is absorbed in nearby Mechanicsville (\$101.6 M in gain), and to a lesser degree, Tappahannock. Interestingly, the Richmond metro area (including King William, Mechanicsville, etc.) has significant leakage (demand) of nearly \$3 billion.

A detailed breakdown of the retail leakage analysis provides insight into the retail categories that have the highest amount of leakage in King William County. While some of this demand may be accommodated within the larger region, opportunities exist within key categories to capture a portion of the retail leakage through new or expanded retail offerings.

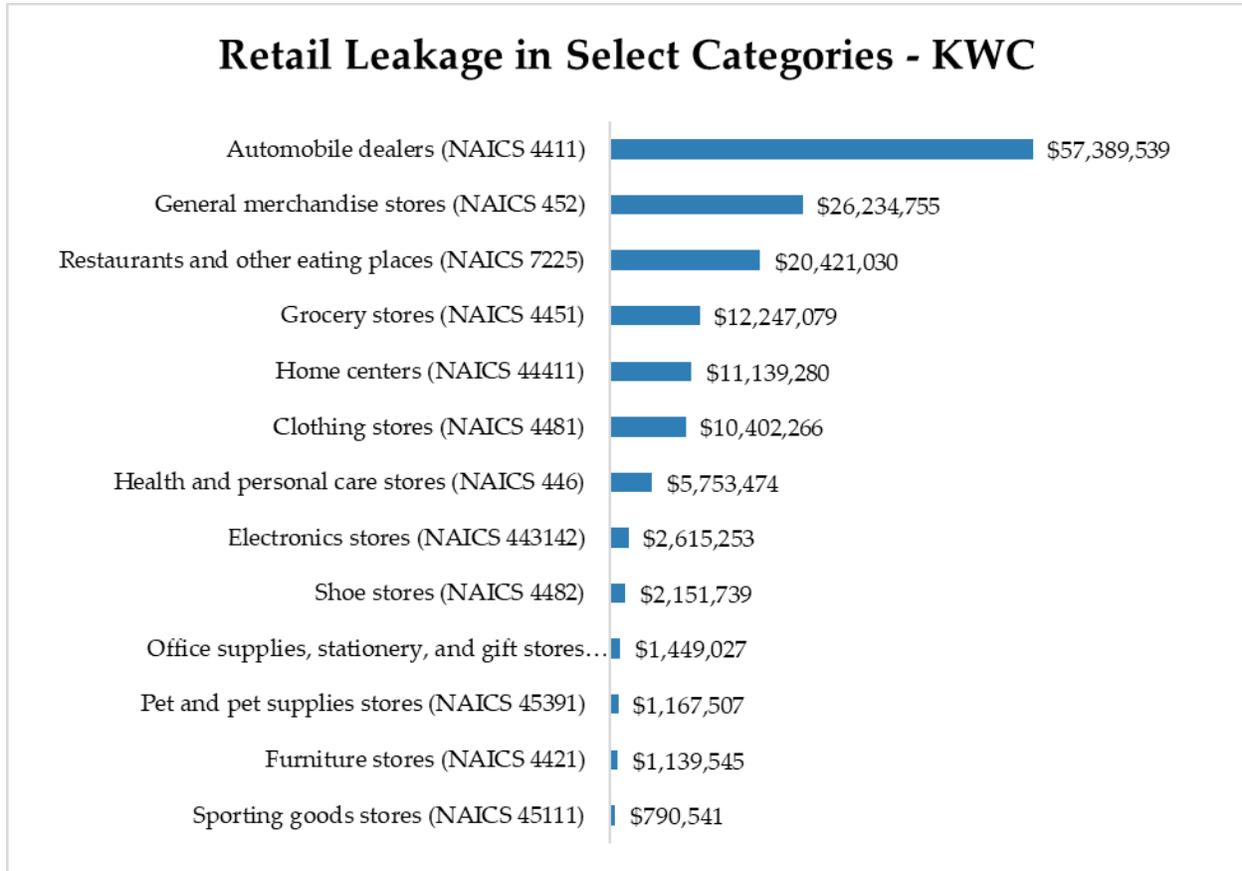


Figure 30: Retail Leakage in Select Categories in King William County (Source: Claritas and Environics Analytics Inc)

### RETAIL DEMAND GROWTH

The leakage numbers above represent market opportunity generated by current residents. As the county grows, so will market demand. In 2020, King William County residents had retail expenditures of \$356.5 million. That retail demand is projected to increase by 13.5% over the next five years, reaching \$404.7 million in 2025. The projected growth in retail demand is largely based on projected population growth and is likely conservative, as residential development in King William County has outpaced population trends in recent years. In other words, while there is \$170.8 million in commercial demand today, it will continue to grow.

## KEY RETAIL OPPORTUNITIES

Based on existing demand and projected future demand growth, key opportunities are described below:

<p><b>GENERAL MERCHANDISE</b></p>  <p>\$26.2 M Leakage \$4.8 M 5-Year Demand Growth</p>	<p><b>RESTAURANTS &amp; EATING PLACES</b></p>  <p>\$20.4 M Leakage \$5.3 M 5-Year Demand Growth</p>	<p><b>FOOD &amp; BEVERAGE STORES</b></p>  <p>\$12.8 M Leakage \$5.1 M 5-Year Demand Growth</p>
<p><b>HOME CENTERS</b></p>  <p>\$11.1 M Leakage \$1.6 M 5-Year Demand Growth</p>	<p><b>CLOTHING STORES</b></p>  <p>\$10.4 M Leakage \$760K 5-Year Demand Growth</p>	<p><b>HEALTH &amp; PERSONAL CARE</b></p>  <p>\$5.75 M Leakage \$3 M 5-Year Demand Growth</p>

- **General Merchandising:** \$26.2 million in demand. This category includes businesses like Wal-Mart, Dollar General, etc. A typical Wal-Mart will have annual sales of \$50-\$75 million, while a dollar-type store can average around \$2 million or more. King William has a Dollar General and Family Dollar in Central Garage and a Dollar General in West Point. There is not nearly enough demand currently for a big-box retailer, so opportunities would include additional dollar-type products, or perhaps an independent general store, which could be a destination as well.
- **Restaurants:** \$20.4 million in demand. King William County does have a number of restaurants, but there is demand for much more. More importantly, this demand will continue to grow with population increases, but also if King William becomes more of a destination (cultural & recreational). About \$11 million of current demand is in “full-service” restaurants, similar to Route 30 BBQ & Grill, Vinny’s Italian Pizzeria, etc. \$6 million in demand falls in the “limited-service” category, so fast foot type restaurants. The remaining demand occurs in specialty dining such as bakeries, ice cream, etc. There is just over \$1 million in demand for coffee shops.
- **Grocery:** \$12.8 million in demand. Input on the community survey as well as stakeholder engagement pointed to local desire for additional grocery. Considering an average Food Lion brings in \$11 – 15 million a year, King William has enough “demand” for a new grocer.

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However, the county cannot reasonably expect to recapture 100% of dollars that are leaking, as commuters will continue to stop in Mechanicsville and other places on their way home from work. Mechanicsville had \$35 million in gain in grocery store sales last year. Also, when there is demand for grocery in a community but not enough for a new grocery, dollar-type stores often adjust their merchandising to accommodate some of that demand. Of course, demand will grow by an additional \$5 million over the next five years or so.

Finally, there is some limited demand for special grocers like meat markets, fish/seafood markets. There is also nearly \$1 million in demand for beer, wine, and liquor stores.

- **Home Centers:** \$11.1 million in demand. A typical Lowe’s sales close to \$40 million per year, so there is nowhere near enough demand for a big-box product in King William, particularly given the competition in Mechanicsville. Still, given the demand that exists, there may be an opportunity for products like ACE. The new Tractor Supply came online in late 2019 and its sales are therefore accounted for in this study.
- **Clothing Stores:** \$10.4 million in demand. Outside of a boutique women’s store and a few gift stores that also sell clothing, there is very limited opportunities to purchase clothing in the county. Most demand occurs in Family Clothing (\$6 million) and Women’s (\$2 million), but there is also \$2 million in demand for shoe stores. Notably, there is also still demand for these categories in Mechanicsville, so this is a real opportunity in King William County.
- **Health & Personal Care.** \$5.8 million in demand. This includes categories such as drug stores, cosmetics and beauty, and even optical goods, all of which show demand in King William County. There is currently only one pharmacy in the county in West Point, but considering a Walgreen’s has a per store average \$8.5 to \$10 million per year, there is not enough demand for a new drug store.
- **Other.** Several other categories show potential for growth:
  - Sporting Goods
  - Office Supply & Gifts
  - Pet Supplies
  - Furniture & Home Furnishings
  - Electronics
  - Auto Sales, including boat & recreational vehicles. Note that while there is significant demand for new car dealers (\$57 million), these types of businesses are more likely to locate in clusters in nearby suburban areas along “motor miles” rather than rural communities like King William.

## VI. TOURISM

### ECONOMIC IMPACT OF TOURISM IN KING WILLIAM COUNTY

According to data provided by the Virginia Tourism Corporation in 2021, direct visitor spending in King William County steadily increased from 2016 to 2019, rising by 18.8% over the three-year period. However, like communities across the nation, King William County experienced a sharp decline in travel-related expenditures in 2020 due to the COVID-19 pandemic.

In 2019, retail accounted for nearly a third of direct visitor spending in the county, contributing \$6.87 million followed by transportation at \$5.15 million, food and beverage at \$4.61 million, lodging (including second home expenditures) at \$3.66 million, and recreation at \$1.37 million.

In 2019, travel related expenditures supported 219 jobs across the county, generating \$4.88 million in labor income and contributing approximately \$600,000 to state taxes and \$810,000 to local taxes.

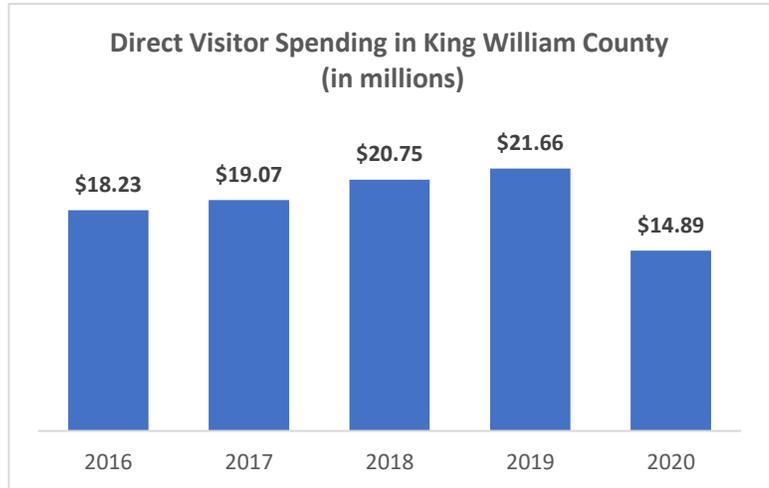


Figure 31: Direct Visitor Spending in King William County. Source: VTC

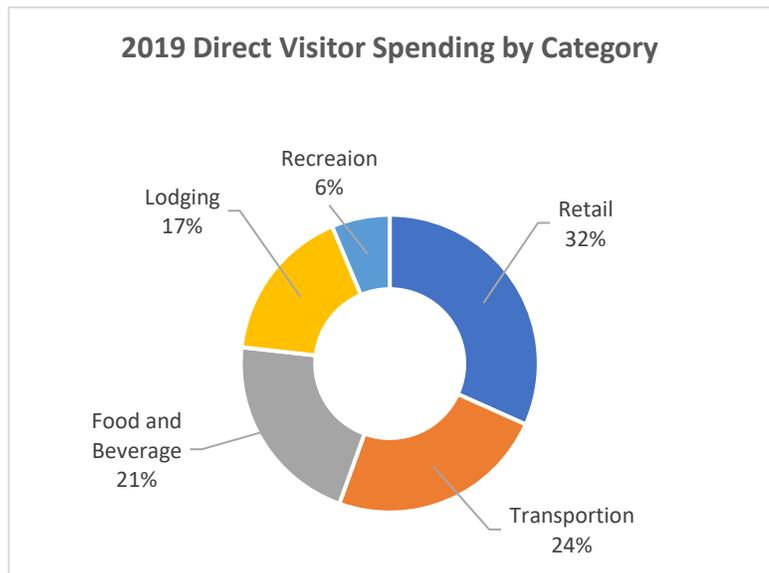


Figure 32: 2019 Direct Visitor Spending by Category. Source: VTC

## INVENTORY OF ASSETS

King William County’s assets that attract both locals and visitors alike highlight the county’s history and heritage as well as its natural resources and rural setting. Its inventory of assets largely includes sites like local farms, event venues, historical sites, and parks and recreation such as:

Farms & Event Venues	Historical / Heritage Sites	Outdoor Recreation
<ul style="list-style-type: none"> <li>• Alturia Farm</li> <li>• Bees Knees Farm</li> <li>• Bell Acre Farm</li> <li>• Dreaming Tree Farms</li> <li>• Four Forks Farm</li> <li>• Historic Chelsea</li> <li>• Hollyfield Manor</li> <li>• King William Alpacas</li> <li>• Lillian Lee Farm</li> <li>• Oak Hill Farms</li> <li>• Riverwatch Farm</li> <li>• Seven Springs</li> <li>• Wind Haven Farm</li> </ul>	<ul style="list-style-type: none"> <li>• Downtown West Point</li> <li>• King William County Courthouse</li> <li>• King William County Historical Museum</li> <li>• Mattaponi Reserve Tasting Room and Museum</li> <li>• Old St. John’s Church</li> <li>• Pamunkey Indian Museum and Cultural Center</li> <li>• West Point Museum and Historical Society</li> </ul>	<ul style="list-style-type: none"> <li>• Glass Island Boat Landing and Fishing Pier</li> <li>• Golf (Country Club of West Point and Queenfield Golf Club)</li> <li>• Riverwalk Trail</li> <li>• Sandy Point State Forest</li> <li>• West Point Beach Park</li> <li>• West Point Creek Kayak Launch</li> <li>• West Point Farmers Market</li> <li>• West Point Town Park</li> <li>• White’s Landing</li> <li>• Zoar State Forest</li> </ul>

## REGIONAL STRATEGIC TOURISM PLAN

The DRIVE 2.0 statewide tourism plan prepared by the Virginia Tourism Corporation includes strategic plans for each of Virginia’s tourism regions, outlining strategies for tourism in the region for the 2020-2025 time frame. King William County is included in the Chesapeake Bay region, which also includes the municipalities of Colonial Beach, West Point, Tappahannock, Warsaw, Kilmarnock, Urbanna, Irvington, and Gloucester, as well as the counties of King & Queen, Gloucester, King George, Westmoreland, Northumberland, Middlesex, Mathews, Lancaster, Essex, and Richmond. Key highlights of the regional plan that relate to King William County include:

- The region’s lures include its scenic beauty, outdoor recreation opportunities, and historic sites.
- The primary focus for the Chesapeake Bay region should be nature and outdoor recreation, water access, lodging, town/city centers, culinary (agritourism, wineries, breweries, distilleries, cideries)

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- The secondary focus for the Chesapeake Bay region should be arts and music, history and heritage, and events.
  - Travel profile data provided by VTC shows that visitors to the Chesapeake Bay region spend an average of \$735 per trip and spend an average of 2.8 nights per trip. Average age of a traveler is 45 and only about 28% are traveling with children.
  - Recommendation to connect and collectively promote the region’s outdoor experiences in order to create a more cohesive regional identity around its outdoor recreation assets.
  - Recommendation to breathe new life into history and heritage assets to tell the story of the region and create unique visitor experiences.
  - Recommendation to cultivate local ambassadors. By promoting regional attractions and activities to locals, they will be better equipped to spread the word to visiting family and friends.

Based on the Regional Strategic Plan, potential opportunities for expanding visitor activity within King William County could include:

- Leverage natural resources and bucolic setting. Expand river access, promote existing outdoor experiences and increase outdoor opportunities (including recreation, agritourism, wineries, etc).
- Enhance opportunities for the public to engage with the rich Native American Heritage in the county.
- Attract lodging to the county. Existing lodging in King William County is extremely limited consisting mostly of short-term rentals.
- Host regular events that celebrate the county’s heritage and assets, attracting both locals and visitors.

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## VII. KEY MARKET OBSERVATIONS

### *Demographics*

King William County experienced significant population growth over the past two decades, growing by 11.8% from 2010 to 2020. In 2020, approximately 17,810 people resided in King William County. Growth is expected to continue, and the population in the county is projected to reach 21,507 by 2041. The population is predominantly white, but with significant segments of Black and Latino populations as well as two federally recognized Native American tribes.

The median age in King William County is older than the metro, but younger than several adjacent counties. Additionally, there is a significant percentage of children and young adults in the county, with 26% of the population under the age of 20. The segmentation analysis indicates that 62% of King William County households are in the Family Life stage.

The median household income in King William County (\$66,987) is slightly lower than, but on par with, the median household income in the Richmond metropolitan area (\$68,529).

### *Housing*

King William County's housing stock is predominantly owner-occupied, single-family housing. New construction of residential units surged from 2000 to 2010. While the pace of growth has slowed, permitting data suggests that residential new construction remains steady with 154 residential permits in 2020.

Housing values in King William County are generally lower than the region but have been steadily rising. The median value of owner-occupied housing in the county is \$204,300 compared to \$237,500 in the Richmond metropolitan area. The median sales price of single-family homes in King William County as of May 2021 is \$250,000, up from less than \$200,000 in 2016. As housing values rise, housing affordability will become an increasing consideration. In King William County, 23% of renters and 24% of homeowners are cost-burdened, spending more than 30% of their household income on housing.

### *Employment*

King William County is a net exporter of jobs, with over 8,800 residents commuting out of the county for work. There are approximately 4,000 people employed in King William County, and the largest employment sectors include manufacturing, educational services, and retail trade. The unemployment rate in the county tends to be slightly under the region and state.

### *Retail Analysis*

Although taxable sales have steadily increased over the past 25 years, King William County leaked \$170.8 million to nearby communities. Retail leakage in the county was nearly as much as retail sales over the same period (\$185.7 million). West Point serves a commercial center within

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the county, experiencing a small retail gain. As the population in the county grows, retail demand is projected to grow by 13.5% over the next five years.

There are opportunities for expanded commercial offerings to capture existing leakage and leverage projected demand growth, particularly in key retail categories such as general merchandise, restaurants, food and beverage, home centers, clothing stores, and health and personal care stores.