

HOUSING NEEDS ASSESSMENT

Carolina Core Region,
North Carolina



BOWEN
NATIONAL
RESEARCH

2024

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I. INTRODUCTION

A. PURPOSE

NC Realtors retained Bowen National Research in July 2023 for the purpose of conducting a 21-county Housing Needs Assessment of the Carolina Core Region in the state of North Carolina.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for the local government, economic development representatives, real estate professionals, developers, investors, stakeholders and its citizens to understand the current market conditions and projected changes that are anticipated to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of the present-day Carolina Core Region.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of major housing components within the market (for-sale/ownership and rental housing alternatives).
- Evaluate ancillary factors that affect housing market conditions and development (e.g., transportation analysis, development opportunities, identification of potential developers and investors).
- Provide housing gap estimates by tenure (renter or owner) and income segment.
- Collect input from community members including area stakeholders, employers, and residents/commuters in the form of online surveys.

By accomplishing the study's objectives, government officials, area stakeholders, and other interested parties can: (1) better understand the region's evolving housing market, (2) establish housing priorities, (3) modify, expand, or introduce local government housing policies, (4) attract and encourage residential development and investment, and (5) enhance and/or expand the region's housing market to meet current and future housing needs.

B. GEOGRAPHIC SCOPE

Study Area Delineation

The primary geographic scope of this study is the 21-county region known as the Carolina Core Region in North Carolina. A map of the region is included in Section III. The 21 counties that comprise the region are listed below:

- Alamance County
- Caswell County
- Chatham County
- Cumberland County
- Davidson County
- Davie County
- Forsyth County
- Guilford County
- Harnett County
- Hoke County
- Johnston County
- Lee County
- Montgomery County
- Moore County
- Person County
- Randolph County
- Rockingham County
- Stokes County
- Surry County
- Wilkes County
- Yadkin County

II. EXECUTIVE SUMMARY

The purpose of this report is to evaluate the housing needs of the Carolina Core Region of North Carolina, which consists of 21 counties extending generally from Wilkesboro (Wilkes County) eastward to Burlington (Alamance County) and southward to Fayetteville (Cumberland County). The region is further described at the bottom of this page and a map of the region is included on the following page.

Scope of Work

The following items were included as the scope of work for this study:

- Demographic Characteristics and Trends
- Economic Conditions, Investments and Initiatives
- Existing Housing Stock Availability, Costs, Performance, and Conditions
 - Survey of 761 Multifamily Apartments
 - Inventory of 1,043 Available Non-Conventional Rentals
 - Inventory of 164,742 Recently (Since 2020) Sold Housing Units
 - Inventory of 3,966 Currently Available For-Sale Housing Units
 - Identification of 18,602 Residential Units in the Development Pipeline
- Community Input (Survey of Stakeholders, Employers, & Residents/Commuters)
- Quantified Rental and For-Sale Housing Gaps by Various Levels of Affordability

Using these findings, we developed an outline of strategies that may be considered for implementation. This Executive Summary provides key findings and recommended strategies. Detailed data and analysis are presented within the individual sections of this Housing Needs Assessment.

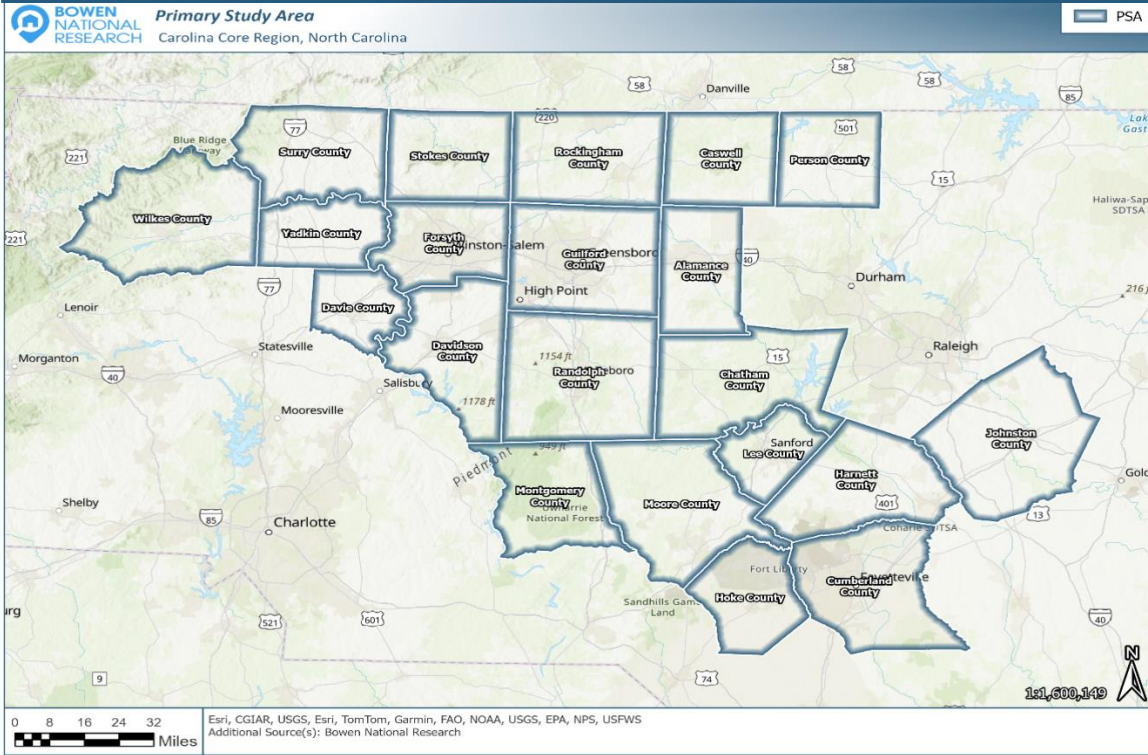
Geographic Study Areas

This report focuses on the Primary Study Area (PSA), which consists of the Carolina Core Region. The region encompasses 21 contiguous counties in the northcentral portion of North Carolina. The individual study areas (counties) within the overall region are listed below. Data for these counties and the region as a whole are provided throughout this report.

- | | | |
|---------------------|---------------------|---------------------|
| • Alamance County | • Guilford County | • Person County |
| • Caswell County | • Harnett County | • Randolph County |
| • Chatham County | • Hoke County | • Rockingham County |
| • Cumberland County | • Johnston County | • Stokes County |
| • Davidson County | • Lee County | • Surry County |
| • Davie County | • Montgomery County | • Wilkes County |
| • Forsyth County | • Moore County | • Yadkin County |

A map illustrating the location of each county considered in this report is shown on the following page.

REGION STUDY AREA



The following includes key geographic, demographic, income and households by tenure data that serve as an introduction for each study area, giving a sense of size, affluence and household types that comprise each of the 21 counties in the region.

Carolina Core Region – Overview of Study Areas (2023 Overview)

County	Square Miles	Estimated Population	Population Density	Estimated Median Household Income	Estimated Renter Households	Estimated Owner Households
Alamance County	434.2	178,754	411.6	\$58,693	32.7%	67.3%
Caswell County	428.7	22,566	52.6	\$56,963	19.7%	80.3%
Chatham County	708.9	80,482	113.5	\$91,524	22.0%	78.0%
Cumberland County	658.5	337,037	511.8	\$54,416	47.7%	52.3%
Davidson County	567.7	171,573	302.2	\$54,096	29.1%	70.9%
Davie County	266.6	43,829	164.4	\$67,880	21.6%	78.4%
Forsyth County	412.4	392,474	951.8	\$61,849	37.6%	62.4%
Guilford County	657.6	551,579	838.7	\$62,128	41.0%	59.0%
Harnett County	601.2	138,876	231.0	\$64,234	33.5%	66.5%
Hoke County	391.7	53,776	137.3	\$52,762	31.8%	68.2%
Johnston County	795.6	237,149	298.1	\$72,736	23.1%	76.9%
Lee County	259.2	65,475	252.6	\$58,103	32.3%	67.7%
Montgomery County	501.5	25,510	50.9	\$53,119	24.4%	75.6%
Moore County	705.7	103,885	147.2	\$71,125	25.5%	74.5%
Person County	404.4	39,152	96.8	\$55,782	22.6%	77.4%
Randolph County	790.0	145,284	183.9	\$57,317	26.8%	73.2%
Rockingham County	572.8	90,539	158.1	\$46,862	29.1%	70.9%
Stokes County	456.1	43,998	96.5	\$54,375	21.5%	78.5%
Surry County	536.7	70,889	132.1	\$54,373	25.9%	74.1%
Wilkes County	756.3	65,116	86.1	\$45,142	25.8%	74.2%
Yadkin County	337.7	36,976	109.5	\$53,616	22.3%	77.7%
Region	11,243.5	2,894,919	257.5	\$59,604	33.6%	66.4%

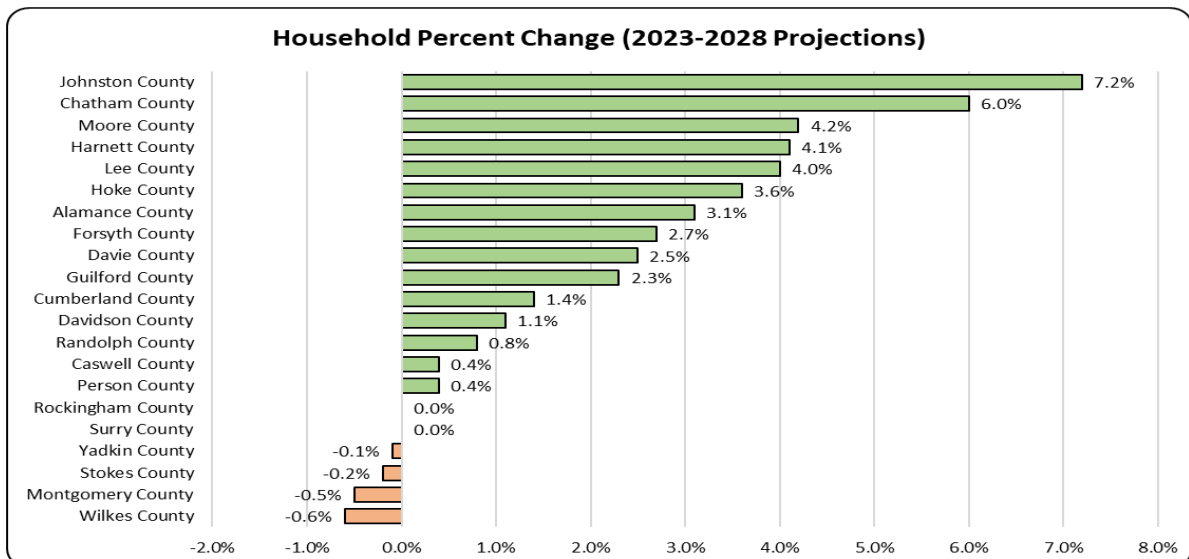
Source: 2010, 2020 Census; ESRI; Bowen National Research

Demographics

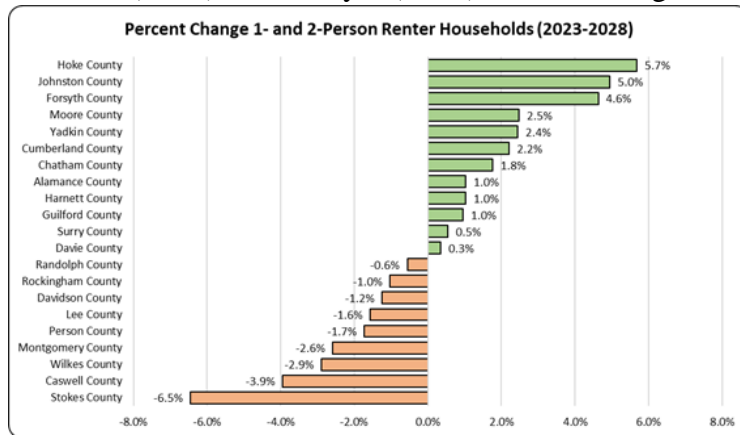
The Subject Region has Experienced Significant Household Growth Since 2010 and is expected to Continue to Experience Household Growth through at Least 2028. Fifteen of the 21 counties in the region are expected to experience positive household growth between 2023 and 2028. The six counties that are not expected to experience household growth (Montgomery, Rockingham, Stokes, Surry, Wilkes and Yadkin) are considered some of the more rural counties. The table below illustrates historical and projected household trends for each county.

	Total Households									
	2010 Census	2020 Census	2023 Estimated	2028 Projected	2010-2020		2020-2023		2023-2028	
					Number	Percent	Number	Percent	Number	Percent
Alamance County	59,959	67,925	71,095	73,297	7,966	13.3%	3,170	4.7%	2,202	3.1%
Caswell County	9,191	9,124	9,126	9,160	-67	-0.7%	2	0.0%	34	0.4%
Chatham County	25,852	31,288	33,238	35,233	5,436	21.0%	1,950	6.2%	1,995	6.0%
Cumberland County	122,453	128,978	130,969	132,799	6,525	5.3%	1,991	1.5%	1,830	1.4%
Davidson County	64,517	68,126	69,705	70,488	3,609	5.6%	1,579	2.3%	783	1.1%
Davie County	16,245	17,256	17,778	18,217	1,011	6.2%	522	3.0%	439	2.5%
Forsyth County	141,163	156,635	161,174	165,535	15,472	11.0%	4,539	2.9%	4,361	2.7%
Guilford County	196,626	216,022	220,993	226,150	19,396	9.9%	4,971	2.3%	5,157	2.3%
Harnett County	41,591	48,083	50,170	52,228	6,492	15.6%	2,087	4.3%	2,058	4.1%
Hoke County	16,529	18,590	19,313	20,015	2,061	12.5%	723	3.9%	702	3.6%
Johnston County	61,907	79,053	87,064	93,318	17,146	27.7%	8,011	10.1%	6,254	7.2%
Lee County	22,058	24,575	25,595	26,628	2,517	11.4%	1,020	4.2%	1,033	4.0%
Montgomery County	10,544	10,333	10,270	10,220	-211	-2.0%	-63	-0.6%	-50	-0.5%
Moore County	37,540	41,881	43,831	45,655	4,341	11.6%	1,950	4.7%	1,824	4.2%
Person County	15,826	16,176	16,348	16,415	350	2.2%	172	1.1%	67	0.4%
Randolph County	55,373	57,470	58,371	58,844	2,097	3.8%	901	1.6%	473	0.8%
Rockingham County	38,693	38,740	38,861	38,859	47	0.1%	121	0.3%	-2	0.0%
Stokes County	19,416	18,893	18,810	18,778	-523	-2.7%	-83	-0.4%	-32	-0.2%
Surry County	29,929	29,659	29,603	29,590	-270	-0.9%	-56	-0.2%	-13	0.0%
Wilkes County	28,341	27,612	27,402	27,239	-729	-2.6%	-210	-0.8%	-163	-0.6%
Yadkin County	15,486	15,225	15,184	15,162	-261	-1.7%	-41	-0.3%	-22	-0.1%
Region	1,029,239	1,121,644	1,154,900	1,183,830	92,405	9.0%	33,256	3.0%	28,930	2.5%
North Carolina	3,745,146	4,160,851	4,313,434	4,462,403	415,705	11.1%	152,583	3.7%	148,969	3.5%

Source: 2010, 2020 Census; ESRI; Bowen National Research



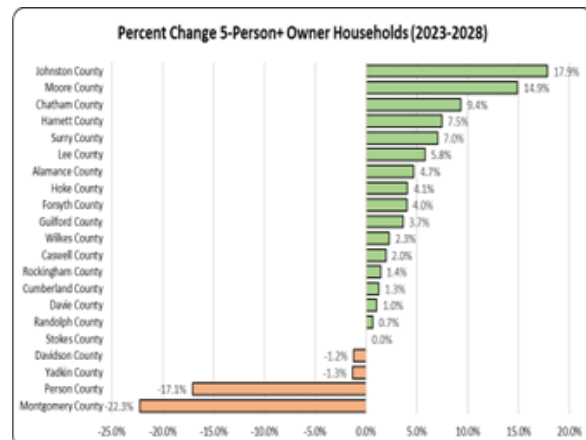
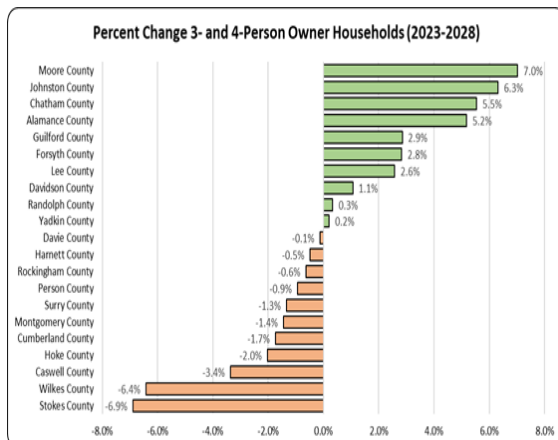
Most of the Region’s Projected Renter Household Growth Through 2028 is Expected to Occur Among One- and Two-Person Households. A total of 12 of the 21 counties are projected to have an increase among one- and two-person renter households over the next five years. The largest *increases* are projected to occur in the counties of Hoke (5.7%), Johnston (5.0%), and Forsyth (4.6%), while the largest *decrease* (6.5%) is projected to occur



in Stokes County. Four counties (Lee, Caswell, Harnett, and Chatham) are projected to have an increase among three- and four-person renter households between 2023 and 2028, with the largest increase (5.8%) projected to occur in Lee County. Conversely, the largest *decrease* (16.6%) is projected to occur in Yadkin County. Three counties (Stokes, Davie, and

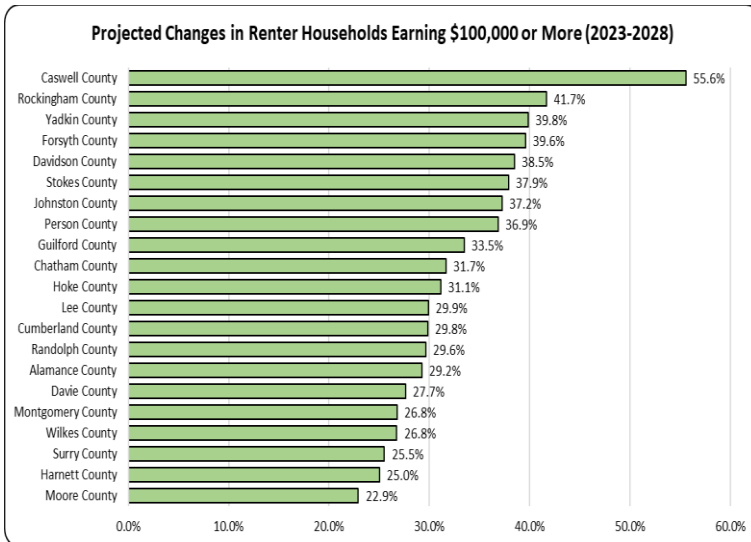
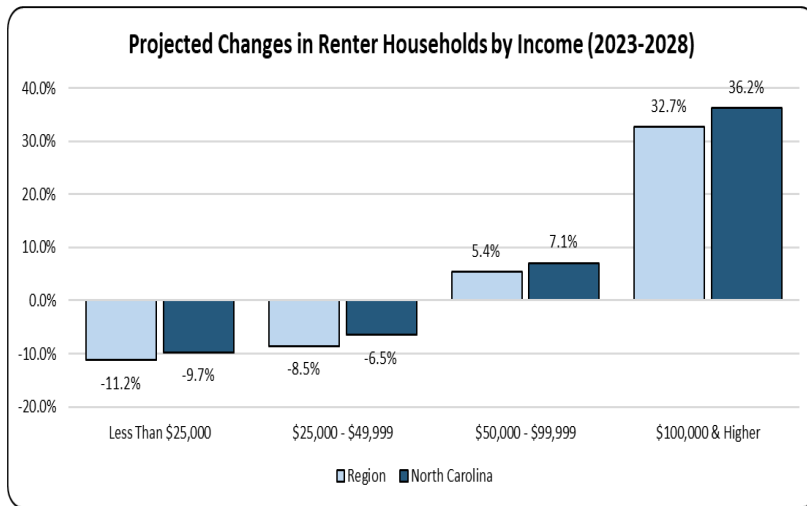
Person) are projected to have an increase among five-person or larger renter households over the next five years, with the largest increase (5.4%) occurring in Stokes County. While a vast majority of the counties are projected to have a decrease for this size cohort, the largest decrease (32.1%) is projected to occur in Caswell County.

While All Counties are Expected to Experience Positive One- and Two-Person Owner Household Growth Through 2028, Many Counties will Experience Notable Growth Among Three-Person Households or Larger. All 21 counties are projected to have an increase among one- and two-person owner households over the next five years. The largest such increases are projected to occur in the counties of Hoke (10.4%), Harnett (9.5%), Johnston (8.7%), Chatham (7.9%), Lee (7.8%), and Cumberland (7.4%). A total of 10 counties are projected to have an increase among three- and four-person owner households, with the largest increases projected to occur in the counties of Moore (7.0%), Johnston (6.3%), and Chatham (5.5%). Conversely, the largest *decreases* are projected to occur in the counties of Wilkes (6.4%) and Stokes (6.9%). A total of 16 counties are projected to have an increase among five-person or larger owner households over the next five years, with the largest increases occurring in Johnston and Moore counties (17.9% and 14.9%, respectively). While only four counties are projected to have a decrease for this size cohort, noteworthy decreases are projected in Person (17.1%) and Montgomery (22.3%) counties.



The Overall Region is Expected to Experience Positive Renter Household Growth Among Households Earning Over \$50,000 Annually, with Significant Growth Projected for Households Earning Over \$100,000 Annually. Between 2023 and 2028, the largest percentage increase (32.7%) in renter households by income in the PSA is projected to occur among those earning \$100,000 or more annually, followed by those earning between \$50,000 and \$99,999 (5.4%). Renter households earning less than \$25,000 and those earning between \$25,000 and \$49,999 are projected to decline over the next five years, with the largest decline (11.2%) projected to occur among those earning less than \$25,000 annually. Overall, the projected changes in renter households by income in the PSA is generally similar to the projections for the state of North Carolina between 2023 and 2028. the largest increases for the highest income cohort (\$100,000 or more) are projected to occur in the counties of Caswell (55.6%), Rockingham (41.7%), Yadkin (39.8%), and Forsyth (39.6%). Rental market housing demand will be influenced by these growth projections among higher income households.

All of the Region's Projected Renter Household Growth will be Among Households Earning \$50,000 or More Annually, Driving the Demand for Market-Rate Rentals.

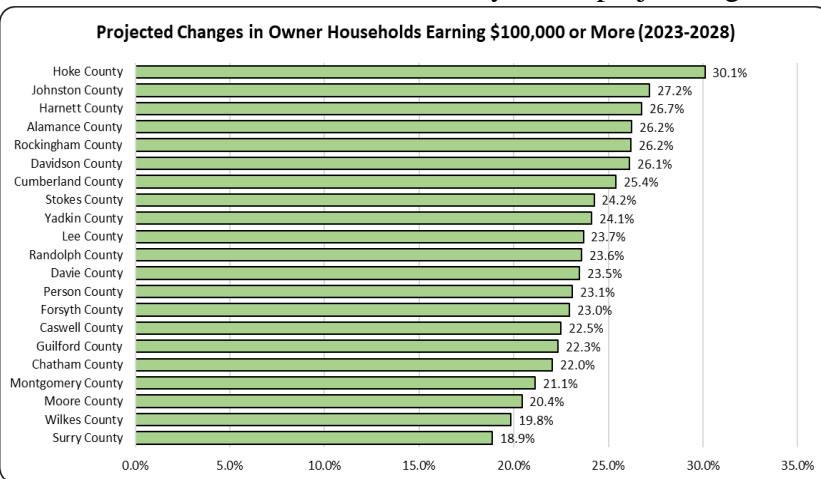
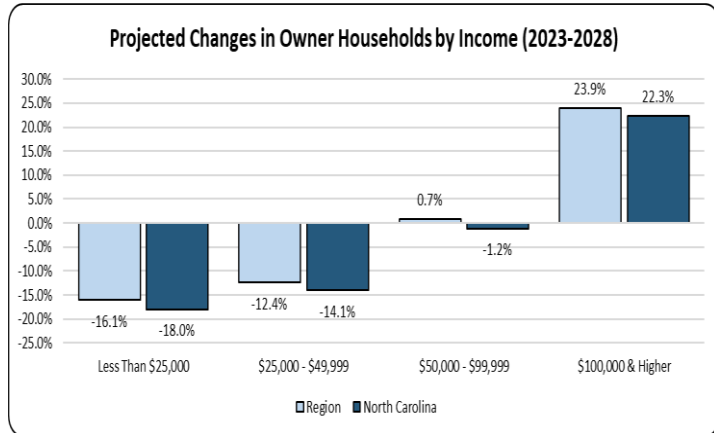


All Counties are Projected to Experience Significant Renter Household Growth of 22.9% or Higher Among Households Earning \$100,000 or More Annually. This will Influence Demand for Luxury Rentals and/or for Single-Family Home Rentals.

Owner Household Growth in the Region is Projected to Almost Exclusively Occur Among Households Earning \$100,000 or More Annually, With All Counties Expected to Experience Growth Among These Higher Income Households of 18.9% or Higher.

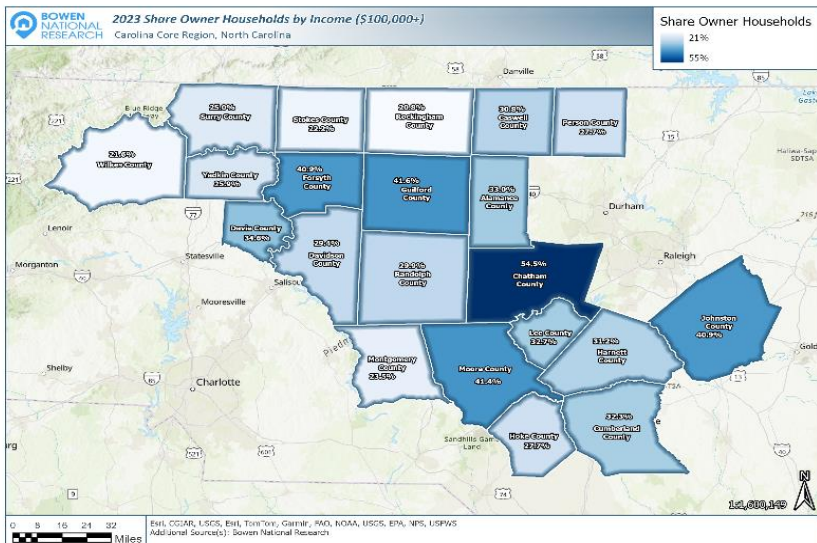
Between 2023 and 2028, owner household growth is projected to be concentrated among households earning \$100,000, which are projected to increase by 23.9% in the PSA during this time period. While marginal growth (0.7%) is projected to occur among owner households earning between \$50,000 and \$99,999, owner households earning less than \$50,000 are projected to decline over the next five years. The largest decline (16.1%) in the PSA is projected to occur among owner households earning less than \$25,000. Overall, the projected changes in owner households by income in the PSA is similar to the projections for the state of North Carolina between 2023 and 2028. On a county level, projected growth among these higher income households ranges from 18.9% in Surry County to 30.1% in Hoke County. This anticipated growth among these high-income households will likely influence demand for upscale housing, possibly lower density developments.

While marginal growth (0.7%) is projected to occur among owner households earning between \$50,000 and \$99,999, owner households earning less than \$50,000 are projected to decline over the next five years. The largest decline (16.1%) in the PSA is projected to occur among owner households earning less than \$25,000. Overall, the projected changes in owner households by income in the PSA is similar to the projections for the state of North Carolina between 2023 and 2028. On a county level, projected growth among these higher income households ranges from 18.9% in Surry County to 30.1% in Hoke County. This anticipated growth among these high-income households will likely influence demand for upscale housing, possibly lower density developments.



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The Counties of Chatham, Guilford, Forsyth, Johnston and Moore have the Highest Shares (40.9%+) of High-Income Owner Households.



Economics

Job Growth has been Positive for Much of the Past Decade and Unemployment Rates are at 10-Year Lows for Many Counties in the Region. The economy in the PSA (Carolina Core Region) is heavily influenced by the health care sector, which accounts for 15.5% of the employment by sector and is among the top three sectors of employment in 18 of the 21 counties of the region. While retail trade and manufacturing are also among the top three industries regionwide; educational services, accommodation and food services, public administration, and wholesale trade comprise significant shares of employment within select counties of the region. When comparing key economic metrics, 19 of the 21 counties have had increases in total employment between 2014 and 2023, 15 counties have had increases in at-place employment between 2013 and 2023, and 16 counties have unemployment rates of 4.0% or less through March 2024.

The Region has Over \$20 Billion Dollars in Planned Economic Investments that are Expected to Create Roughly 25,000 Direct Jobs Over the Next Five Years. The economy within the overall region has experienced notable expansion in recent years. Currently, there is an estimated \$22.2 billion in private sector investment and an additional \$6.3 billion in public sector infrastructure investments either underway or planned in the region. The private sector investments are expected to create close to 25,000 direct jobs, as well as thousands of indirect jobs. The extraordinary business investments in the region, exceptionally high job growth projections, and significant infrastructure investments indicate the region is well positioned for continued growth for the foreseeable future. As such, it is important that an adequate supply of income-appropriate housing is available to capture new residents and retain existing residents, which will allow the region to fully capitalize on these positive economic investments.

There Appears to be a Mismatch Between the Wages Paid for Many Common Occupations and Housing Affordability of the Existing Supply in the Region. Overall, a vast majority (75.0%) of the most common occupations in the region have annual wages of \$40,000 or less. Based on an evaluation of the median wages of common occupations in the region compared with typical rental and for-sale housing costs (as shown starting on page V-7), a vast majority (70.0%) of the most common occupations in the region do not have sufficient median wages to afford the typical rental at the area's respective Fair Market Rent (FMR) for a two-bedroom unit. When home ownership is considered, affordability issues are even more prominent in the region, with virtually no common occupations having sufficient wages for a worker to buy a home at the counties' median list prices. As such, there appears to be a mismatch of wages paid and housing affordability in the region for a significant share of employees working in the most common occupations. Housing affordability, particularly home ownership, is an issue for a significant share of individuals working within the most common occupations in the area.

Housing Supply

Many of the Region’s Households are Living in Substandard Housing Situation. A notable portion of the households in the region live in housing that is considered substandard (including overcrowded housing or units that lack complete kitchens or plumbing). In the PSA (Carolina Core Region), 27.0% of renter-occupied and 24.2% of owner-occupied housing units were built prior to 1970. These shares represent a slightly older housing stock than the state. Within the PSA, 3.7% of renter households and 1.5% of owner households experience overcrowding. The share of renter households in the PSA with incomplete plumbing or kitchens (1.8%) is higher than the share of owner households (0.5%) experiencing these particular issues. While the shares of PSA households with housing condition issues are comparable to those at the state level, 24,995 occupied housing units in the PSA are overcrowded and over 10,207 units lack complete kitchens or plumbing facilities. As a result, the removal or preservation of the existing housing stock will be important for the region.

The following table compares key housing age and conditions of each study area and the state of North Carolina based on 2018-2022 American Community Survey data. Note that percents for each county are highlighted by a *color gradient scale*, descending from the highest percentage in **bold red** to the lowest percentage in **bold green**.

	Housing Age and Conditions (2022)											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Alamance	7,072	30.9%	12,616	28.4%	440	1.9%	710	1.6%	412	1.8%	315	0.7%
Caswell	736	35.4%	1,725	26.8%	33	1.6%	63	1.0%	47	2.3%	0	0.0%
Chatham	1,139	18.1%	4,287	17.3%	199	3.2%	362	1.5%	122	1.9%	93	0.4%
Cumberland	11,955	19.9%	13,920	20.9%	2,538	4.2%	1,007	1.5%	518	0.9%	414	0.6%
Davidson	6,255	33.7%	12,949	26.4%	666	3.6%	520	1.1%	338	1.8%	166	0.3%
Davie	745	25.6%	2,978	22.0%	196	6.7%	104	0.8%	17	0.6%	82	0.6%
Forsyth	17,795	30.5%	27,662	29.2%	2,055	3.5%	1,124	1.2%	533	0.9%	422	0.4%
Guilford	23,975	27.8%	35,166	27.8%	3,527	4.1%	2,206	1.7%	2,040	2.4%	439	0.3%
Harnett	2,676	17.7%	5,350	16.3%	380	2.5%	532	1.6%	319	2.1%	148	0.5%
Hoke	773	13.9%	1,231	9.5%	176	3.2%	251	1.9%	46	0.8%	40	0.3%
Johnston	4,114	22.2%	7,915	13.0%	724	3.9%	1,565	2.6%	117	0.6%	213	0.4%
Lee	1,887	22.6%	3,085	19.6%	434	5.2%	352	2.2%	160	1.9%	96	0.6%
Montgomery	762	28.4%	2,435	35.7%	91	3.4%	132	1.9%	14	0.5%	55	0.8%
Moore	1,827	19.1%	4,948	15.4%	338	3.5%	152	0.5%	308	3.2%	259	0.8%
Person	1,764	48.8%	3,015	24.1%	135	3.7%	127	1.0%	59	1.6%	40	0.3%
Randolph	4,523	30.9%	10,412	25.2%	737	5.0%	554	1.3%	894	6.1%	321	0.8%
Rockingham	4,359	39.3%	9,309	33.7%	391	3.5%	226	0.8%	345	3.1%	138	0.5%
Stokes	851	20.2%	3,239	21.9%	176	4.2%	306	2.1%	136	3.2%	17	0.1%
Surry	2,746	34.8%	6,863	32.5%	305	3.9%	331	1.6%	51	0.6%	89	0.4%
Wilkes	2,684	36.5%	6,186	31.1%	147	2.0%	255	1.3%	138	1.9%	114	0.6%
Yadkin	1,242	35.4%	2,890	25.5%	147	4.2%	281	2.5%	120	3.4%	12	0.1%
Region	99,880	27.0%	178,181	24.2%	13,835	3.7%	11,160	1.5%	6,734	1.8%	3,473	0.5%
North Carolina	324,950	23.4%	581,740	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

Source: ACS 2018-2022; ESRI; Bowen National Research

Housing Affordability is an Ongoing Challenge for Many of the Region’s Renter and Owner Households. Housing cost burdened households are those that pay over 30% of their income toward housing, while *severe* cost burdened households pay over 50% of their income toward housing. The region’s shares of renter and owner cost burdened households and severe cost burdened households are very comparable to those in the state. Despite this, there are several counties in the region where the shares of *renter* housing cost burdened households (counties of Cumberland, Person and Yadkin) and the shares of *owner* housing cost burdened households (counties of Cumberland, Harnett and Hoke) are notably higher than other counties in the region. Overall, there are approximately 161,905 renter households and 138,702 owner households that are housing cost burdened in the PSA. Among these cost burdened households, approximately 76,760 renter households and 56,466 owner households are considered to be severe cost burdened.

The following table compares key household income, housing cost, and housing affordability metrics of each study area and the state. Note that data for each category is highlighted by a *color gradient scale*, illustrating the highest or lowest number or percentage in **bold green** or **bold red** depending upon the variable.

	Household Income, Housing Costs and Affordability							
	Total HH (2023)	Median HH Income (2023)	Median Home Value (2023)	Median Gross Rent (2022)	Share of Cost Burdened HH (2022)*		Share of Severe Cost Burdened HH (2022)**	
					Renter	Owner	Renter	Owner
Alamance County	71,095	\$58,693	\$230,204	\$959	43.2%	16.3%	20.9%	5.8%
Caswell County	9,126	\$56,963	\$148,375	\$678	41.5%	16.2%	15.7%	6.5%
Chatham County	33,238	\$91,524	\$433,163	\$995	41.1%	19.5%	21.4%	8.7%
Cumberland County	130,969	\$54,416	\$182,919	\$1,098	47.7%	24.9%	23.0%	10.3%
Davidson County	69,705	\$54,096	\$193,962	\$822	41.9%	15.4%	17.0%	6.8%
Davie County	17,778	\$67,880	\$198,417	\$838	36.4%	17.5%	18.7%	8.1%
Forsyth County	161,174	\$61,849	\$238,214	\$969	44.2%	18.6%	24.2%	7.1%
Guilford County	220,993	\$62,128	\$240,016	\$1,049	46.8%	19.7%	21.4%	7.6%
Harnett County	50,170	\$64,234	\$217,841	\$1,022	38.1%	21.1%	18.3%	8.8%
Hoke County	19,313	\$52,762	\$171,185	\$1,036	42.3%	25.1%	19.8%	12.2%
Johnston County	87,064	\$72,736	\$273,350	\$970	41.9%	18.9%	18.7%	7.0%
Lee County	25,595	\$58,103	\$184,710	\$923	40.7%	19.0%	20.4%	8.6%
Montgomery County	10,270	\$53,119	\$164,286	\$710	25.1%	16.1%	13.7%	4.8%
Moore County	43,831	\$71,125	\$345,609	\$1,084	37.7%	19.3%	16.2%	8.4%
Person County	16,348	\$55,782	\$171,918	\$777	50.5%	18.5%	29.3%	9.3%
Randolph County	58,371	\$57,317	\$170,951	\$813	40.2%	16.1%	18.1%	7.2%
Rockingham County	38,861	\$46,862	\$170,233	\$743	41.1%	18.6%	17.5%	8.1%
Stokes County	18,810	\$54,375	\$170,132	\$784	37.8%	17.5%	13.3%	7.1%
Surry County	29,603	\$54,373	\$182,476	\$706	37.9%	16.5%	17.1%	6.7%
Wilkes County	27,402	\$45,142	\$187,880	\$712	39.2%	14.3%	16.0%	6.0%
Yadkin County	15,184	\$53,616	\$164,156	\$711	47.9%	14.0%	15.3%	4.9%
Region	1,154,900	\$59,604	\$219,542	\$970	43.8%	18.8%	20.8%	7.7%
North Carolina	4,313,434	\$64,316	\$262,945	\$1,093	43.6%	18.9%	20.8%	7.7%

Source: ACS 2018-2022; ESRI; Bowen National Research

HH - Households

*Paying more than 30% of income toward housing costs; **Paying more than 50% of income toward housing costs

The Local Housing Market Offers a Variety of Product by Age, Quality, Type and Pricing, but Limited Availability and Affordability Remain Challenges for Many Residents. Bowen National Research identified and evaluated a total of 761 multifamily apartments with more than 96,000 units, 1,043 *available* non-conventional rentals (e.g., houses, duplexes, mobile homes, etc.), 164,742 homes recently sold, and 3,966 homes currently *available* to purchase. Each housing segment is evaluated individually on the following pages. The lack of available and affordable housing exists among all surveyed housing segments, which are discussed below.

There is Limited Available Multifamily Rental Housing in the Region, Particularly Among More Affordable Alternatives for Which Long Wait Lists Exist – A total of 761 surveyed multifamily rental projects in the region comprising a total of 96,501 units were surveyed. These projects operate under a variety of rental housing programs, including a combination of such programs. As a result, we distinguished the multifamily housing inventory by program type (e.g., market-rate, Tax Credit, and government-subsidized). The distribution of surveyed multifamily rental housing supply by program type is illustrated in the following table (Note: The number of projects surveyed by project type do not equal the grand total of properties surveyed, as some properties operate under multiple program types).

Surveyed Multifamily Rental Housing – Carolina Core Region, North Carolina					
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Vacancy Rate
Market-Rate	418	75,832	5,081	93.3%	6.7%
Tax Credit	136	8,253	85	99.0%	1.0%
Government-Subsidized	226	12,416	25	99.8%	0.2%
Total	761	96,501	5,191	94.6%	5.4%

Source: Bowen National Research

Of the 96,501 units surveyed in the region, the vast majority (78.6%) of units are market-rate units, operating without any federal or state program rent or income restrictions. The remaining units are split between 8,253 units that operate under the Low-Income Housing Tax Credit program (referred to as “Tax Credit”) and serve households with incomes earning up to 80% of Area Median Household Income (AMHI) and 12,416 units operating under a government subsidy and serve households earning up to 50% of AMHI. There are a total of 5,191 units identified as being vacant across the region. The overall vacancy rate among the 96,501 surveyed units is 5.4% (94.6% occupied). It should be noted that this only includes physical vacancies (vacant units ready for immediate occupancy) as opposed to economic vacancies (vacant units not immediately available for rent). Typically, healthy, well-balanced markets have rental housing vacancy rates generally between 4% and 6%. As such, vacancies in the PSA (Carolina Core Region) are generally in line with a balanced or healthy overall multifamily rental housing market. However, vacancy rates among the Tax Credit and government-subsidized properties are extremely low, with Tax Credit properties operating at a 1.0% vacancy rate and the government-subsidized supply operating at an overall 0.2% vacancy rate. Among the combined 20,512 rental units that operate under either the Low-Income Housing Tax Credit program and/or with a government subsidy and serve lower income households (earning up to 80% of Area Median Household Income), only 110 are vacant, resulting in a combined vacancy rate of just 0.5% among the affordable rental housing alternatives. Management at many of the affordable multifamily housing projects indicated that they maintain wait lists for the next available units. As such, there is clear pent-

up demand for affordable housing in the region. The largest number of vacant units (5,081) is among the market-rate supply. Market-rate properties have an overall vacancy rate of 6.7%. This is a slightly high vacancy rate for market-rate housing. While a variety of factors are contributing to this slightly higher vacancy rate among market-rate rate apartment rentals, which are discussed later in this section, it is anticipated that notable projected household growth among moderate to higher income households in the region will help to absorb many of these vacant market-rate units.

The following table summarizes the distribution of surveyed rental housing by county within the region. The data includes the vacancy rates and wait lists by product type for each county in the region. Note that vacancy rates below 1% are highlighted in **red** text.

Surveyed Multifamily Rental Housing Supply by Area										
County	Projects Surveyed	Total Units	Vacant Units	Overall Vacancy Rate	Vacancy Rate by Type			Wait Lists by Type		
					Market -Rate	Tax Credit	Government Subsidized	Market-Rate	Tax Credit	Government Subsidized
Alamance	56	7,756	365	4.7%	5.8%	0.3%	0.1%	1-20 HH	2-140 HH; 6-36 Mo.	24-291 HH; 6-36 Mo.
Caswell	2	110	0	0.0%	-	-	0.0%	-	-	6-12 Mo.
Chatham	19	1,304	186	14.3%	22.9%	0.0%	0.0%	12 Mo.	15-64 HH	18-75 HH
Cumberland	82	15,147	951	6.3%	6.9%	0.0%	0.0%	2-8 HH	9-200 HH; 6-12 Mo.	43-80 HH; 2-12 Mo.
Davidson	19	2,132	75	3.5%	5.0%	1.6%	0.0%	Yes	20-52 HH	29-30 HH; 6-18 Mo.
Davie	16	1,007	115	11.4%	22.7%	0.0%	0.0%	9 HH	2-52 HH; 6 Mo.	5-18 HH
Forsyth	109	18,069	922	5.1%	6.1%	0.4%	0.2%	3-50 HH; 3-4 Mo.	1-400 HH; 12-24 Mo.	12-8,000 HH; 6-36 Mo.
Guilford	175	31,651	1,670	5.3%	6.0%	2.2%	0.1%	1-25 HH; 3-6 Mo.	33-300 HH; 1-48 Mo.	12-2,000 HH; 12-36 Mo.
Harnett	24	1,013	5	0.5%	1.2%	0.0%	0.0%	5 Mo.	6-12 Mo.	3-200 HH; 1-14 Mo.
Hoke	16	1,250	132	10.6%	16.9%	0.0%	0.0%	-	6-12 Mo.	4-25 HH
Johnston	51	4,233	525	12.4%	18.7%	2.4%	0.0%	-	10-70 HH; 12-24 Mo.	2-60 HH; 6-12 Mo.
Lee	29	3,042	6	0.2%	0.2%	0.0%	0.2%	4-100 HH; 2-3 Mo.	1 HH; 4-12 Mo.	3-100 HH; 6 Mo.
Montgomery	3	118	1	0.8%	-	0.0%	1.4%	-	-	-
Moore	24	2,395	111	4.6%	5.4%	6.9%	0.8%	5-22 HH; 2-3 Mo.	10 HH; 12-36 Mo.	8-22 HH; 12 Mo.
Person	8	340	0	0.0%	0.0%	0.0%	0.0%	-	-	13-42 HH; 6-12 Mo.
Randolph	30	2,390	71	3.0%	3.6%	2.0%	0.8%	5-90 HH	4-25 HH; 4-12 Mo.	2-5 HH; 24 Mo.
Rockingham	39	2,256	35	1.6%	3.1%	1.0%	0.3%	15-20 HH	6-156 HH; 24 Mo.	2-47 HH; 3-24 Mo.
Stokes	11	376	8	2.1%	2.1%	0.0%	2.8%	-	2-300 HH	11-300 HH
Surry	22	898	10	1.1%	6.7%	0.0%	0.0%	22 HH	6-175 HH; 7-8 Mo.	2-20 HH; 7-8 Mo.
Wilkes	17	779	0	0.0%	0.0%	0.0%	0.0%	5-10 HH	10-20 HH	4-135 HH
Yadkin	9	235	3	1.3%	7.3%	0.0%	0.0%	-	200 HH	4-30 HH
Region	761	96,501	5,191	5.4%	6.7%	1.0%	0.2%	1-100 HH; 2-12 Mo.	1-400 HH; 1-48 Mo.	2-8,000 HH; 1-36 Mo.

Source: Bowen National Research; HH – Households; Mo. – Months

As the preceding illustrates, four of the 21 counties in the Carolina Core Region have overall vacancy rates *above* 10%, while six counties have overall vacancy rates *below* 1%. This illustrates the wide range in the performance of the region's multifamily rental supply. While vacancies are primarily comprised of market-rate units, there are a variety of factors that are influencing the vacancy rates that are above 10% in four counties (Chatham, Davie, Hoke and Johnston). While some of the vacancies are attributed to newly opened projects that are in their initial lease-up phase and are not necessarily a reflection of an underperforming market, our interviews with numerous property managers cited some market demand issues, property-specific or previous management deficiencies, recently re-opened units following renovations, large-scale corporate rental moveouts, or seasonal (late spring) moveouts. As a result of lower occupancy levels at several properties within these underperforming counties, many properties were offering rent concessions that include such things as one month of free rent, discounted rent or waiving of application fees. It is worth pointing out that several rental property managers in Cumberland County, which has an overall multifamily vacancy rate of 6.3% and is home to the Fort Liberty (formerly Fort Bragg) military installation, stated that a recent deployment of troops has created more vacancies among area rentals. A total of 14 of the 20 counties with surveyed Tax Credit product have vacancy rates below 1.0%, with 12 counties operating with no vacant Tax Credit units. With the exception of Moore County, all of the counties are reporting Tax Credit vacancy rates of 2.4% or lower, illustrating the high level of demand for such product. Pent-up demand for Tax Credit product is also evident from the combined wait lists totaling 2,165 households (or up to 48 months wait) for such product. The demand for government-subsidized housing serving the most economically vulnerable households in the region is even more pronounced, as 19 of the 21 counties in the region are operating with vacancy rates below 1.0% and 12 counties have no vacancies among the subsidized rental supply. Wait lists for government-subsidized units are also significant with over 11,480 households waiting for these rental units, with some waits as long as 36 months. The overall low vacancy rates and significant wait lists among the surveyed affordable (Tax Credit and government-subsidized) supply in nearly every county in the region illustrate the exceptionally high level of demand that exists for affordable multifamily rentals in the Carolina Core Region.

There is Limited Availability Among Non-Conventional Rental Housing, with Most Rents Exceeding \$1,000 a Month that are Not Affordable to Lower Income Area Renters – Non-conventional rentals are generally considered to include four or less units per structure, such as single-family homes, duplexes, units over store fronts or other alternatives not contained within a multifamily development. Based on data provided by the American Community Survey (ACS), it is estimated that there are approximately 243,386 *occupied* non-conventional *rentals* in the study region. These rentals represent 65.9% of all rental units in the region. Because non-conventional rentals make up nearly two-thirds of the region's rental supply, we have conducted a survey of non-conventional rentals within the region. Bowen National Research conducted research between January and February 2024 and identified 1,043 non-conventional rentals that were listed as *available* for rent in the PSA (Carolina Core Region). The 1,043 identified available non-conventional rentals in the region represent an availability rate of only 0.4% when compared to the estimated 243,386 non-conventional rentals in the region. Typically, a healthy and well-balanced rental market has a vacancy rate between 4% and 6%. This is a clear demonstration of the limited availability of the non-conventional rental alternatives in the region.

The following table illustrates the total non-conventional rentals (according to data reported by American Community Survey) with the total number of identified vacant non-conventional rentals, and the corresponding vacancy rate for each county and the region as a whole. Note that the vacancy rates below 0.3% are shown in **red**.

Surveyed Non-Conventional Rentals Overview			
County	Non-Conventional Rentals*	Identified Vacant Units	Vacancy Rate
Alamance	14,550	60	0.4%
Caswell	1,937	0	0.0%
Chatham	5,270	9	0.2%
Cumberland	38,497	134	0.3%
Davidson	15,772	53	0.3%
Davie	2,368	13	0.5%
Forsyth	29,265	132	0.5%
Guilford	42,989	204	0.5%
Harnett	13,956	98	0.7%
Hoke	5,225	58	1.1%
Johnston	14,685	96	0.7%
Lee	6,380	14	0.2%
Montgomery	2,577	3	0.1%
Moore	7,569	103	1.4%
Person	3,051	4	0.1%
Randolph	11,530	22	0.2%
Rockingham	8,378	15	0.2%
Stokes	3,745	8	0.2%
Surry	6,562	6	0.1%
Wilkes	6,145	10	0.2%
Yadkin	2,935	1	0.0%
Region	243,386	1,043	0.4%

*Rental units in structures with four or fewer units and mobile homes

As the preceding table illustrates, the largest number of available non-conventional rentals are in some of the largest populated counties in the region, such as Cumberland, Forsyth, and Guilford. However, when the number of vacant units are compared with the number of existing non-conventional units in each county, the counties with the highest vacancy rates are Moore (1.4%), Hoke (1.1%), Harnett (0.7%) and Johnston (0.7%). Regardless, all counties within the region are operating at vacancy rates under 1.5%. Typically, healthy and well-balanced rental housing markets operate at vacancy rates generally between 4.0% and 6.0%. As such, each of the subject counties are operating with a deficient number of available non-conventional rentals. It is worth pointing out that 11 counties have vacancy rates below 0.3%, representing significant shortages of available non-conventional rentals.

The most common unit types have median rents generally between \$1,000 and \$1,300 for a two-bedroom unit, between \$1,500 and \$1,800 for a three-bedroom unit, and between \$1,900 and \$2,500 for a four-bedroom unit. Some of the highest rents are within the counties of Moore and Chatham, while many of the lowest rents are within the counties of Cumberland, Montgomery, Rockingham and Surry. Regardless, with limited availability across the region and most rents over \$1,000 per month, the ability to find product available and affordable poses a challenge in the region, particularly for lower income households. These characteristics, however, do demonstrate the opportunity to develop non-conventional rental product in the region.

While the Annual Home Sales Volume Declined in 2022 and 2023, the Annual Median Home Sales Price Increased in Each of the Past Four Years – The following table includes a summary of the *annual* for-sale residential transactions that occurred within the overall region between January 2020 and May 2024. Note that we have also provided a projected *annualized* trend data for the full year of 2024.

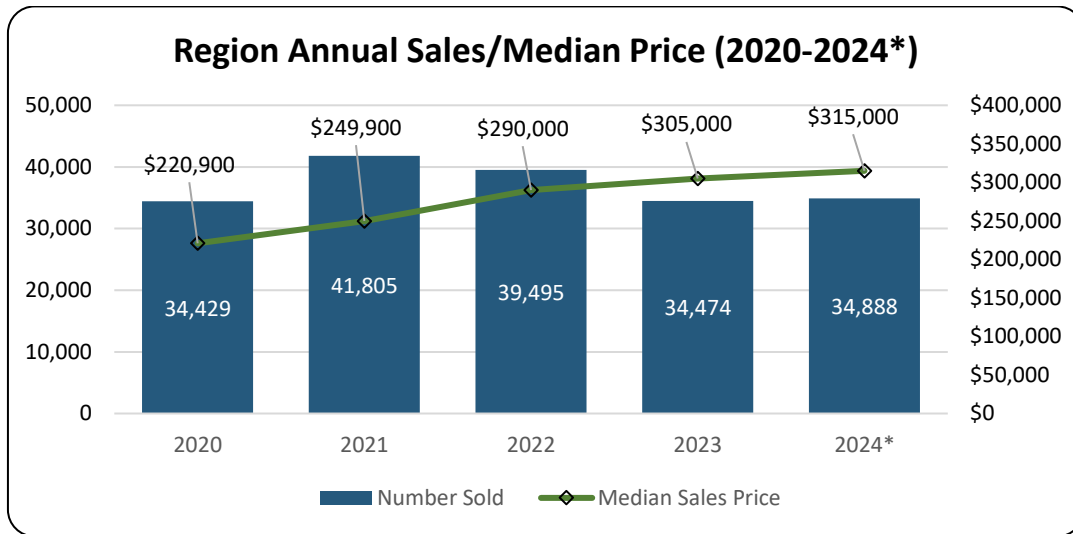
Sales History/Median Sales Price by Year - Carolina Core Region (January 1, 2020 to May 31, 2024)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2020	34,429	-	\$220,900	-
2021	41,805	21.4%	\$249,900	13.1%
2022	39,495	-5.5%	\$290,000	16.0%
2023	34,474	-12.7%	\$305,000	5.2%
2024*	14,539 (34,888)	1.2%	\$315,000	3.3%

Source: Redfin.com & Bowen National Research

*As of May 31, 2024; Projections through the remainder of 2024 (in parenthesis)

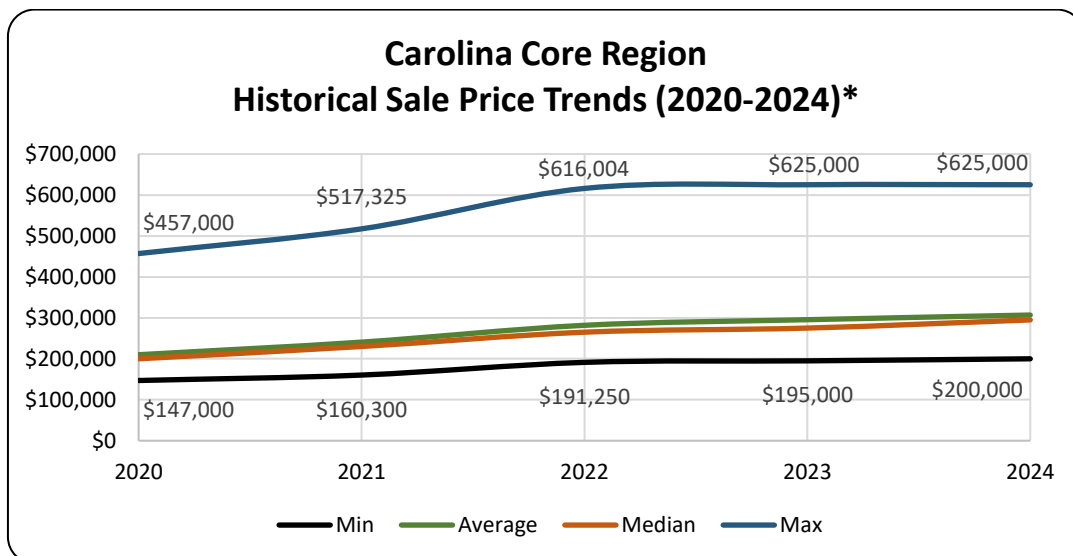
The number of home sales in the PSA (Carolina Core Region) increased by 21.4% from 2020 to 2021, then decreased by 5.5% and 12.7% in 2022 and 2023, respectively. Despite the moderate decrease in year over year sales volume in the past two years, the median sales price of homes in the PSA has steadily increased each year. Overall, the median sales price of the homes sold in the PSA increased 42.6% between 2020 and 2024. It should be noted, however, that a majority of the median sales price increase between 2020 and 2024 occurred in 2021 and 2022. Since 2023, home prices have continued to increase within the region, albeit at a much lower rate. As of May 31, 2024, there were 14,539 homes sold in the PSA in 2024 at a median sales price of \$315,000, which reflects an annualized increase of 1.2% in sales volume and an increase of 3.3% in price year over year.

The following graphs illustrate annual volume and sales price trends between 2020 and 2024 for the PSA (Carolina Core Region).



*Full-year projected sales based on number of homes sold through May 31, 2024.

The Highest Average Annual Home Price in the Region Plateaued in the First Half of 2024, while the Lowest Average Annual Home Price Continued to Climb. This Increases the Financial Challenges for Lower Income Households Seeking For-Sale Housing.



*Min, average, median, and max based on the individual median sales prices for all 21 counties.

The following table summarizes the distribution of homes sold by county and price point (data is highlighted by a *color gradient scale*, descending from the highest percentage in **bold green** to the lowest percentage in **bold red**).

Sales History by Price – Carolina Core Region (January 1, 2020 to May 31, 2024)										
County	<\$100,000		\$100,000 - \$199,999		\$200,000 - \$299,999		\$300,000 - \$399,999		\$400,000+	
	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
Alamance	323	3.5%	2,048	22.1%	3,019	32.6%	2,411	26.0%	1,469	15.8%
Caswell	85	15.5%	201	36.6%	125	22.8%	43	7.8%	95	17.3%
Chatham	56	1.0%	220	3.8%	431	7.5%	721	12.5%	4,344	75.3%
Cumberland	2,030	9.0%	8,906	39.5%	7,260	32.2%	3,094	13.7%	1,233	5.5%
Davidson	565	5.7%	2,486	25.3%	3,451	35.1%	1,923	19.6%	1,403	14.3%
Davie	62	2.6%	440	18.6%	757	32.0%	473	20.0%	637	26.9%
Forsyth	914	3.9%	5,219	22.5%	7,519	32.4%	4,982	21.5%	4,568	19.7%
Guilford	1,684	5.9%	6,969	24.3%	8,383	29.2%	5,763	20.1%	5,937	20.7%
Harnett	242	3.4%	1,323	18.6%	2,105	29.6%	2,131	30.0%	1,300	18.3%
Hoke	154	3.5%	1,054	24.1%	1,847	42.2%	1,078	24.7%	240	5.5%
Johnston	107	0.5%	1,568	7.9%	6,702	33.9%	6,671	33.7%	4,733	23.9%
Lee	85	3.0%	587	20.8%	1,062	37.7%	669	23.7%	414	14.7%
Montgomery	340	23.2%	442	30.1%	190	12.9%	162	11.0%	334	22.8%
Moore	151	1.6%	690	7.5%	1,942	21.1%	2,500	27.1%	3,942	42.7%
Person	115	7.0%	463	28.1%	492	29.8%	281	17.0%	299	18.1%
Randolph	352	7.0%	1,880	37.6%	1,737	34.8%	664	13.3%	362	7.2%
Rockingham	589	15.0%	1,537	39.0%	981	24.9%	495	12.6%	335	8.5%
Stokes	112	6.2%	623	34.3%	560	30.9%	299	16.5%	221	12.2%
Surry	218	8.9%	1,050	43.0%	682	27.9%	282	11.5%	212	8.7%
Wilkes	126	6.7%	628	33.4%	537	28.6%	273	14.5%	316	16.8%
Yadkin	78	7.7%	393	39.0%	326	32.4%	123	12.2%	87	8.6%
Region	8,388	5.1%	38,727	23.5%	50,108	30.4%	35,038	21.3%	32,481	19.7%

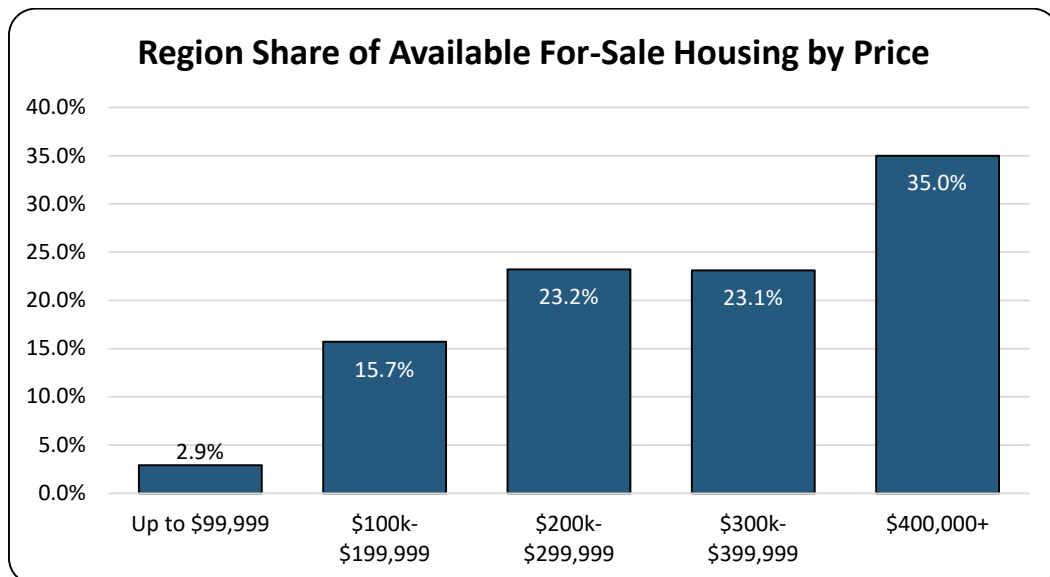
Source: Redfin.com & Bowen National Research

Approximately 30.4% of the home sales between January 2020 and May 2024 in the PSA (Carolina Core Region) were priced between \$200,000 and \$299,999, representing the largest share of homes sold during this period. The next largest share of home sales were homes priced between \$100,000 and \$199,999 (23.5%), followed by homes priced between \$300,000 and \$399,999 (21.3%). Among the individual counties of the region, the largest shares of home sales by price point were at \$400,000 and higher within Chatham County (75.3%) and product priced below \$200,000 in Rockingham County (54.0%), Montgomery County (53.3%), and Caswell County (52.1%). While the overall distribution of recent home sales in the region is well distributed among the various price points, there is some degree of variation among the different counties. This indicates that each county in the region likely has a unique combination of housing market conditions that is affected by factors such as household income, housing age and type, and population density.

The Region has an Insufficient Inventory of Available For-Sale Housing to Meet Existing and Projected Housing Needs, Particularly Product Priced Under \$200,000 – As of May 31, 2024, there were 3,966 homes available for purchase in the PSA (Carolina Core Region). When compared to the overall inventory of owner-occupied homes in the PSA (766,829), the 3,966 available for-sale homes represent an availability rate of just 0.5% regionwide. Typically, in healthy and well-balanced housing markets, availability rates are between 2.0% and 3.0%. As such, the overall region’s available for-sale housing supply is extremely low. While the highest availability rate is in Montgomery County at 1.8%, this rate is still below the typical range and is considered low. All other counties in the region have availability rates below 1.0% and 15 of the counties have availability rates at or below 0.5%, which is considered extremely low and a clear indication of the significantly limited available for-sale housing supply in the region.

Another inventory metric often used to evaluate the health of a for-sale housing market is *Months Supply of Inventory* (MSI). The MSI for the PSA was calculated based on sales history occurring between January 1, 2020 and May 31, 2024, which equates to an overall absorption rate of approximately 3,108 homes per month in the region. Based on the monthly absorption rate of 3,108.3 homes, the region’s 3,966 homes listed as available for purchase represent 1.3 months of supply. On an individual county level, the county with the highest Months Supply of Inventory is Montgomery (5.2). All other counties have less than three months of supply. Counties with less than one month of supply include Hoke (0.8) and Johnston (0.9). Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). Therefore, the PSA’s inventory is considered low and indicates an opportunity for residential development across the region.

The majority of the available for-sale housing supply is priced at \$300,000 or higher, with less than 19% of the available units priced under \$200,000. The graph below illustrates the region’s available for-sale supply by list price.



The following table summarizes the inventory of *available* for-sale housing in the Carolina Core Region (**red** text highlights the lowest availability rates and MSI, highest average and median list prices, shortest number of days on market, and oldest housing stock).

Available For-Sale Housing by County (As of May 31, 2024)								
County	Total Available Units	% Share of Region	Availability Rate	Months Supply of Inventory	Average List Price	Median List Price	Average Days on Market	Average Year Built
Alamance	173	4.4%	0.4%	1.0	\$416,576	\$350,000	40	1980
Caswell	22	0.6%	0.3%	2.1	\$265,205	\$234,950	30	1967
Chatham	138	3.5%	0.5%	1.3	\$1,135,990	\$767,500	57	2001
Cumberland	495	12.5%	0.7%	1.2	\$290,528	\$249,900	49	1983
Davidson	224	5.6%	0.5%	1.2	\$450,306	\$346,400	58	1983
Davie	63	1.6%	0.5%	1.4	\$524,169	\$349,900	65	1981
Forsyth	455	11.5%	0.5%	1.0	\$401,521	\$325,000	49	1981
Guilford	639	16.1%	0.5%	1.2	\$402,884	\$330,000	55	1984
Harnett	243	6.1%	0.7%	1.8	\$379,926	\$350,000	54	1994
Hoke	63	1.6%	0.5%	0.8	\$344,252	\$335,000	42	1997
Johnston	328	8.3%	0.5%	0.9	\$416,336	\$377,950	42	2001
Lee	98	2.5%	0.6%	1.8	\$441,339	\$369,950	53	1984
Montgomery	143	3.6%	1.8%	5.2	\$367,839	\$169,000	83	1994
Moore	281	7.1%	0.9%	1.6	\$703,254	\$495,000	69	1993
Person	52	1.3%	0.4%	1.7	\$497,087	\$359,500	43	1984
Randolph	113	2.8%	0.3%	1.2	\$460,124	\$300,000	59	1978
Rockingham	161	4.1%	0.6%	2.2	\$251,821	\$199,900	58	1955
Stokes	47	1.2%	0.3%	1.4	\$321,127	\$289,900	60	1979
Surry	108	2.7%	0.5%	2.3	\$424,403	\$334,450	75	1966
Wilkes	92	2.3%	0.5%	2.6	\$586,327	\$393,500	87	1979
Yadkin	28	0.7%	0.2%	1.5	\$327,957	\$279,900	68	1966

Source: Redfin.com & Bowen National Research

Overall, 40.1% of the available for-sale homes in the PSA (Carolina Core Region) are within the counties of Guilford (16.1%), Cumberland (12.5%), and Forsyth (11.5%). The available homes within the counties of the PSA have a median list price ranging from \$169,000 in Montgomery County to \$767,500 in Chatham County. The median list price is the highest in the counties of Chatham (\$767,500), Moore (\$495,000), Wilkes (\$393,500), and Johnston (\$377,950). The average number of days on market for available homes ranges from 30 days on market in Caswell County to 87 days on market in Wilkes County. The low number of days on market for Caswell County homes may also be attributed to its low median list price (\$234,950) relative to other counties in the region. The counties with the oldest average available for-sale homes include Rockingham (1955), Surry (1966), and Yadkin (1966), while the counties of Chatham (2001) and Johnston (2001) have the newest average year built of available homes.

The following table summarizes the distribution of available for-sale units by study area and price point (the highest share of available homes by price point in each individual county is shown in **red** text).

County	Available For-Sale Housing Units by List Price (As of May 31, 2024)									
	<\$100,000		\$100,000 - \$199,999		\$200,000 - \$299,999		\$300,000 - \$399,999		\$400,000+	
	Number	Share	Number	Share	Number	Share	Number	Share	Number	Share
Alamance	0	0.0%	21	12.1%	37	21.4%	48	27.7%	67	38.7%
Caswell	2	9.1%	5	22.7%	8	36.4%	2	9.1%	5	22.7%
Chatham	0	0.0%	0	0.0%	5	3.6%	11	8.0%	122	88.4%
Cumberland	16	3.2%	140	28.3%	158	31.9%	95	19.2%	86	17.4%
Davidson	4	1.8%	29	12.9%	56	25.0%	61	27.2%	74	33.0%
Davie	4	6.3%	11	17.5%	13	20.6%	10	15.9%	25	39.7%
Forsyth	5	1.1%	66	14.5%	126	27.7%	113	24.8%	145	31.9%
Guilford	19	3.0%	96	15.0%	144	22.5%	154	24.1%	226	35.4%
Harnett	3	1.2%	27	11.1%	56	23.0%	85	35.0%	72	29.6%
Hoke	1	1.6%	8	12.7%	15	23.8%	24	38.1%	15	23.8%
Johnston	0	0.0%	16	4.9%	65	19.8%	116	35.4%	131	39.9%
Lee	0	0.0%	2	2.0%	25	25.5%	34	34.7%	37	37.8%
Montgomery	24	16.8%	59	41.3%	14	9.8%	11	7.7%	35	24.5%
Moore	1	0.4%	25	8.9%	23	8.2%	43	15.3%	189	67.3%
Person	0	0.0%	5	9.6%	16	30.8%	10	19.2%	21	40.4%
Randolph	4	3.5%	13	11.5%	39	34.5%	27	23.9%	30	26.5%
Rockingham	23	14.3%	58	36.0%	48	29.8%	14	8.7%	18	11.2%
Stokes	5	10.6%	8	17.0%	13	27.7%	12	25.5%	9	19.1%
Surry	1	0.9%	16	14.8%	33	30.6%	24	22.2%	34	31.5%
Wilkes	3	3.3%	14	15.2%	17	18.5%	14	15.2%	44	47.8%
Yadkin	1	3.6%	5	17.9%	10	35.7%	7	25.0%	5	17.9%
Region Total	116	2.9%	624	15.7%	921	23.2%	915	23.1%	1390	35.0%

Source: Redfin.com & Bowen National Research

Over one-half (58.1%) of the available supply in the PSA (Carolina Core Region) is priced at or above \$300,000. This is a notably higher share compared to the share (41.0%) of homes that recently sold in the region for that price. Homes priced below \$200,000 comprise the majority of the available for-sale homes in Montgomery (58.1%) and Rockingham (50.3%) counties. However, it is noteworthy that homes priced at \$400,000 or higher comprise the largest share of the available inventory in 12 counties, with notably higher shares in Chatham (88.4%) and Moore (67.3%) counties. This represents a recent notable shift in the distribution of homes by price point toward the highest priced cohort compared to recent historical sales. While the for-sale stock in a market should be distributed among a variety of price points, which includes higher priced homes, it is important to understand the relationship between household income and housing affordability. With a median household income of \$59,604 in the region, which equates to a maximum affordable purchase price of approximately \$198,680 (assumes a 10% down payment), half of the households in the region can afford for-sale product priced at this price point or lower. As such, only 17.4% of the available for-sale housing stock is affordable to half of all households with sufficient incomes to afford such product. Therefore, it is important that affordable for-sale options, as well as moderately and higher priced homes, remain part of the inventory of for-sale housing stock in the region.

Overall, the data illustrates that there is a limited supply of available for-sale homes within each county of the region. Additionally, with the median list price for the available homes in 15 of the counties at \$300,000 or higher, for-sale affordability is a challenge for many of the region's households.

Community Input

To gain information, perspective and insight about the Carolina Core Region's housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers, and Residents/Commuters. These surveys were conducted between January and March of 2024 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

The surveys were conducted through the SurveyMonkey.com website. In total, 2,366 survey responses were received from a broad cross section of the community. The following is a summary of the three surveys conducted by our firm.

Stakeholders - Based on the feedback provided by area stakeholders within the Carolina Core Region, affordability and availability of housing are the most prevalent housing issues low-income residents experience within the region, similar to the housing issues experienced by many low-income individuals throughout the country. When asked about the options to reduce these housing issues, the most common answer was financial assistance (i.e., down payment assistance, home repair loans/grants, rent guarantees for landlords and security deposit assistance). Education was also cited as a notable priority to address the area's housing constraints. Respondents indicated that the most common barriers/obstacles that limit affordable residential development are also associated with costs, which is not surprising, considering the inflationary issues that many areas currently face throughout the nation. Availability of land, government regulations, community support and lack of infrastructure were also indicated as notable barriers/obstacles limiting affordable residential development within the region. Over 60% of stakeholders noted that collaboration between public and private sectors in the region could be utilized as an option to reduce or eliminate barriers to affordable residential development within the region. Government assistance with infrastructure and zoning modifications were also cited as notable options to reduce or eliminate barriers to affordable residential development. In response to the income levels that should be prioritized when developing housing within the region, it was indicated by stakeholders that main focus should be given to those earning \$60,000 or less. Lastly, stakeholders stated that two-bedroom or larger unit types are most needed within the Carolina Core Region, which should be primarily focused on affordable housing for families (including single-parent households). However, the senior population aged 62 or older was also noted as those in need of housing within the region.

Employers - Based on the feedback provided by employers in the Carolina Core Region, the majority of respondents indicated that they have had difficulty attracting employees due to the area's housing issues, while a notable share of respondents indicated that these issues have also presented barriers in employee retention. The majority of employer respondents indicated that their company has no direct involvement with housing (e.g., funding, relocation packages, placement services, etc.). However, approximately one-quarter of employer respondents indicated that they have some involvement with housing assistance. Over half of respondents indicated that they would consider being involved with housing assistance in the future. The most common housing assistance programs that respondents indicated they would consider being involved in include participating in a housing resource

center/website and partnering with others to develop employee housing. Lastly, over one-third of employers indicated that if additional housing in the region that adequately served the needs of their employees was made available, they would consider expanding or hiring additional staff. Possible solutions to the housing issues within the region, as cited by employer respondents, include expediting the permitting process/zoning modifications and property tax abatements for workforce housing developments. In other words, streamlined or relaxed government regulations that will encourage the development of affordable housing. It was also cited that collaborations between smaller employers and the public sector could create workforce housing as another possible solution to the region's housing issues.

Residents/Commuters - Based on the feedback provided by residents and commuters in the Carolina Core Region, it appears that housing cost burden (paying more than 30% of income toward housing), outdated housing, and lack of sufficient rental deposit or down payment are the most common issues experienced in the region. Respondents indicated that high prices or rents are the most common issue negatively impacting the housing market, followed by lack of available housing and a mismatch between local wages and housing costs. When asked to rate the degree of need for specific housing types and styles, respondents rated rental units less than \$1,250 per month and for-sale housing less than \$150,000 as the most needed housing by price point. Ranch homes, single floor plan units, modern move-in ready single-family homes, and low-cost fixer-uppers were cited as the housing types most needed, while respondents indicated that housing for millennials (ages 25 to 44) was the greatest need for housing by household group. Although nearly one-fifth (17.3%) of respondents indicated that they had interest in relocating to one of the counties in the region, a majority (57.4%) of respondents noted that high prices or rents have deterred them from moving up to this point. While the survey results indicate that affordability and availability are two of the primary housing issues in the region, other issues cited by respondents include infrastructure capacity, neighborhood safety/appeal, restrictions on housing development in certain areas, access to transportation, childcare, and healthcare, diversification of housing types and affordability levels, preservation of green spaces, and overcrowding in local schools.

Additional data and analysis are included in Section IX of this report.

Housing Gap Estimates

Five-year housing gap estimates were determined for both rental and for-sale housing within each of the 21 counties of the study region using a variety of demand factors. We evaluated the market's ability to support rental and for-sale housing based on various levels of income/affordability. While there may be an overlap among these levels due to program targeting and rent/price levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double counting demand.