

North Carolina Housing Supply Gap Analysis

AND ECONOMIC IMPACT REPORT



Prepared For:



NORTH CAROLINA STATEWIDE HOUSING NEEDS ASSESSMENT



BOWEN
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RESEARCH

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SCOPE OF WORK

- **DEMOGRAPHICS**
- **ECONOMICS**
- **RENTAL HOUSING SUPPLY**
- **FOR-SALE (AVAILABLE) HOUSING SUPPLY**
- **RESIDENTIAL BUILDING PERMIT ACTIVITY**
- **HOUSING GAPS BY INCOME AND TENURE (2024 TO 2029)**

DATA PROVIDED FOR EACH OF NC'S 100 COUNTIES!



All Data Available on County Level

Demographic Data:

- ❖ Total Population
- ❖ Population by Density
- ❖ Population by Marital Status
- ❖ Population by Educational Attainment
- ❖ Population by Poverty Rate
- ❖ Total Households
- ❖ Households by Age
- ❖ Households by Tenure (Renter vs. Owner)
- ❖ Households by Median Income
- ❖ Households by Tenure and Income
- ❖ Households Living in Substandard Housing
- ❖ Severe Housing Cost Burdened Households
- ❖ Population Commuting into Counties
- ❖ Annual Turnover Rate by Tenure
- ❖ Projected Job Growth

Housing Gap Estimates:

- ❖ By Tenure (Rental vs. For-sale)
- ❖ By Household Income

Housing Data:

Rental Housing

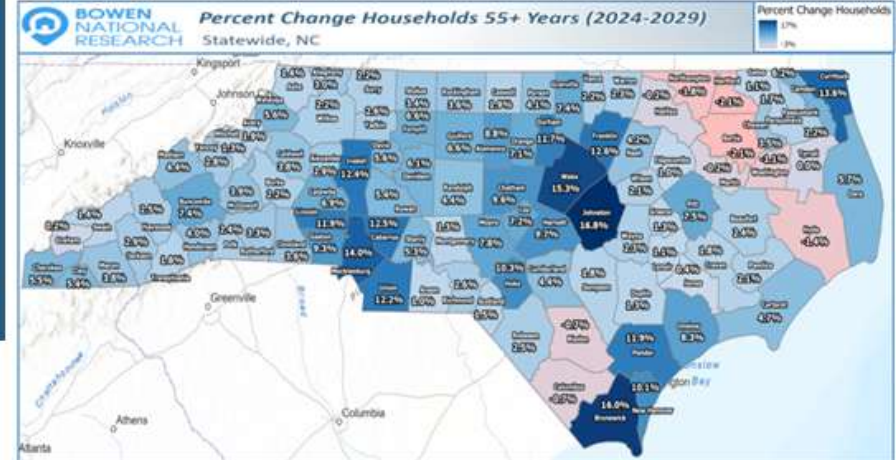
- ❖ Number of Projects
- ❖ Number of Units
- ❖ Total Vacant Units
- ❖ Overall Vacancy Rate
- ❖ Vacancy Rate by Program Type
- ❖ Wait Lists by Program Type
- ❖ Median Rents by Bedroom

For-Sale Housing

- ❖ Number of Available Homes
- ❖ Share of State's Total
- ❖ Availability Rate
- ❖ Average/Median List Price
- ❖ Average Days on Market
- ❖ Average Year Built
- ❖ Homes by Price Ranges

Available For-Sale Housing by County
(As of Early July 2024)

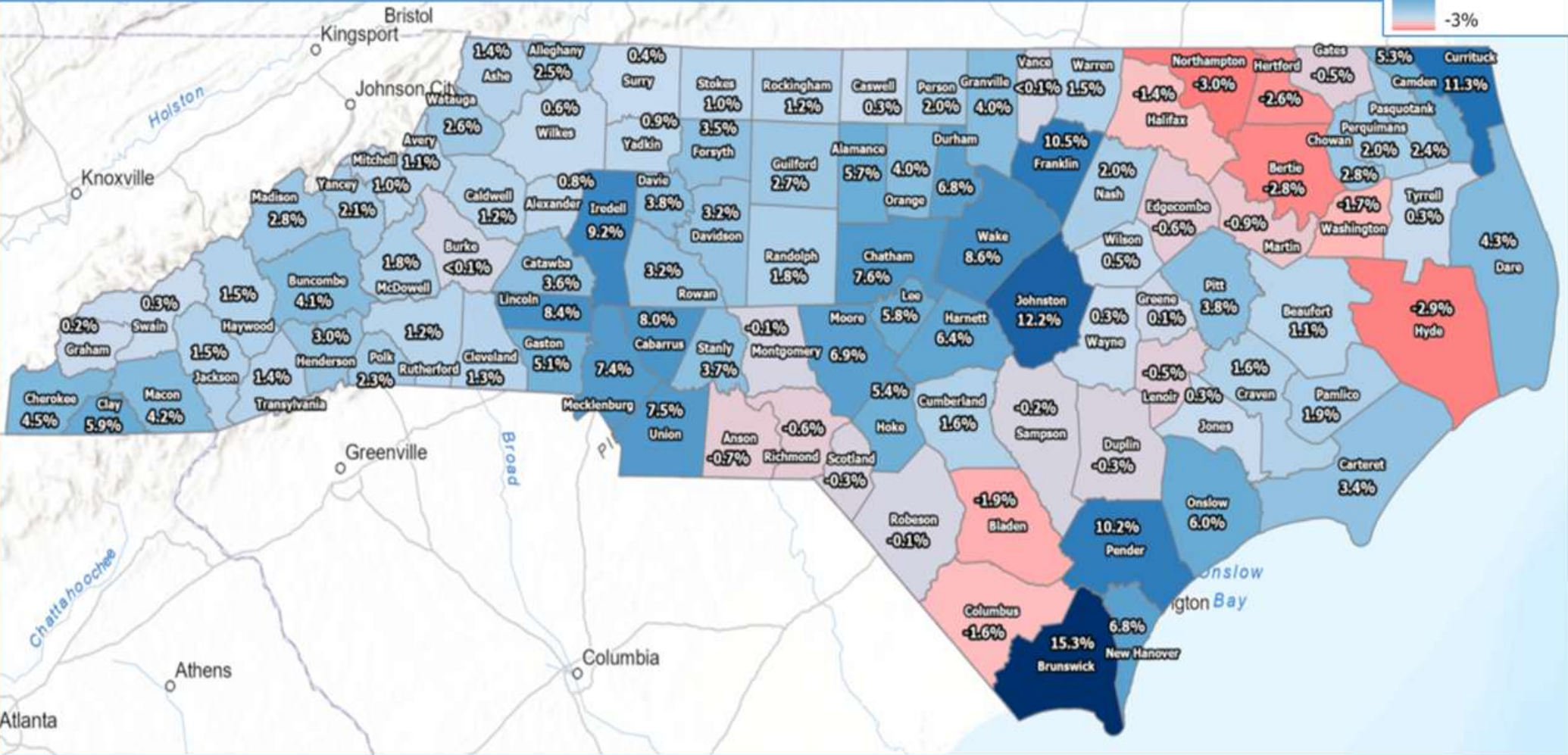
County	Total Available Units	% Share of State Total	Availability Rate	Average List Price	Median List Price	Average Days on Market	Average Year Built
Alamance	191	0.9%	0.4%	\$414,608	\$359,000	45	1981
Alexander	58	0.3%	0.5%	\$423,488	\$334,450	52	1978
Alleghany	81	0.4%	2.1%	\$571,031	\$439,000	78	1995
Anson	39	0.2%	0.7%	\$218,920	\$179,500	93	1949
Ashe	124	0.6%	1.3%	\$594,667	\$534,450	83	1986
Avery	254	1.1%	4.7%	\$958,774	\$539,950	85	1995
Beaufort	132	0.6%	0.9%	\$413,319	\$364,900	72	1974
Bertie	28	0.1%	0.5%	\$336,851	\$232,500	127	1978
Bladen	50	0.2%	0.6%	\$246,066	\$194,950	76	1974
Brunswick	1,091	4.9%	1.8%	\$631,188	\$479,900	80	2002
Buncombe	672	3.0%	0.9%	\$985,458	\$639,950	76	1986





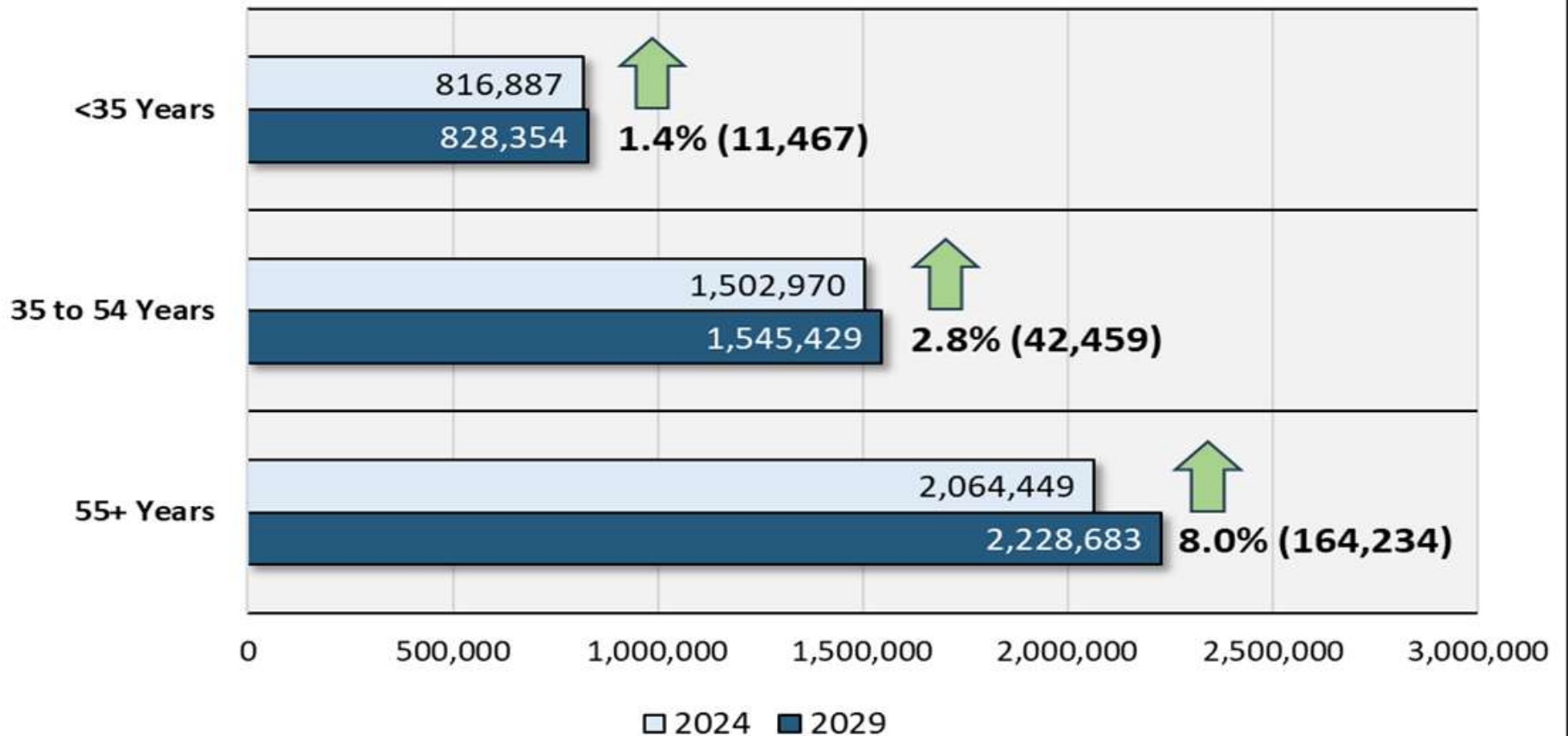
Percent Change Total Households (2024-2029)

Statewide, NC



North Carolina – Change in Households by Age (2024 to 2029)

North Carolina Households by Age Cohort (2024 vs. 2029)



North Carolina – Renter Households by Income (2024 vs. 2029)

All of the state's renter household growth is projected to occur among households earning \$50k+, yet households earning <\$50k comprise a third of all renter households.

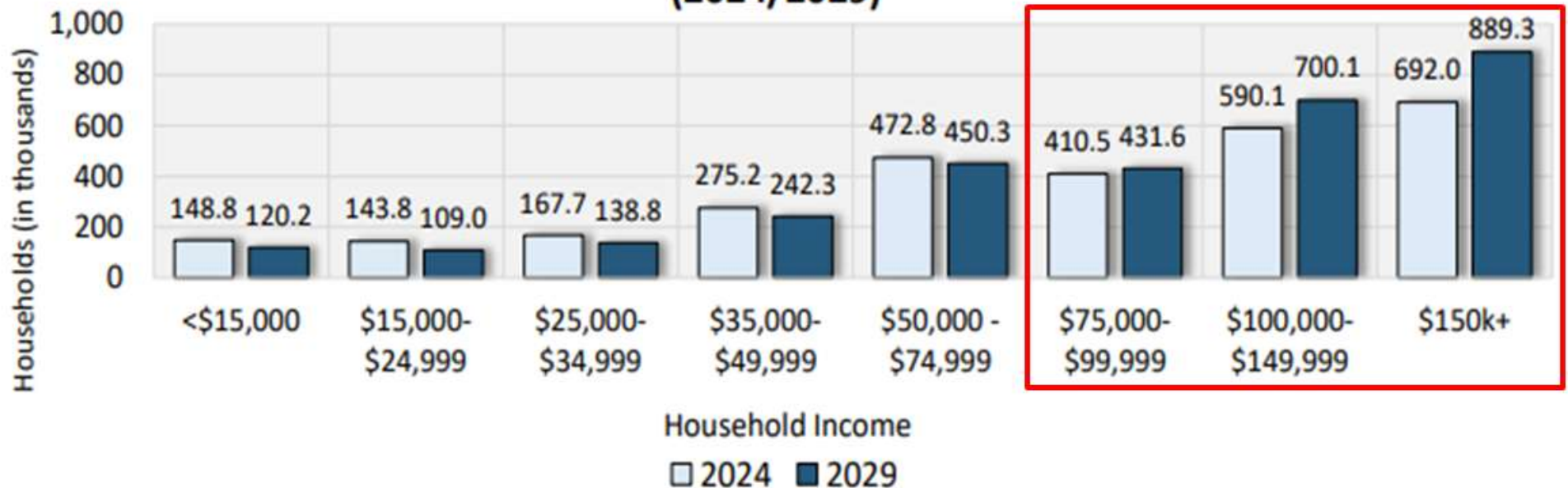
North Carolina Renter Households by Income
(2024/2029)



North Carolina – Owner Households by Income (2024 vs. 2029)

All of the state's owner household growth is projected to occur among households earning \$75k+, with the greatest growth expected among households earning \$100k+.

North Carolina Owner Households by Income (2024/2029)

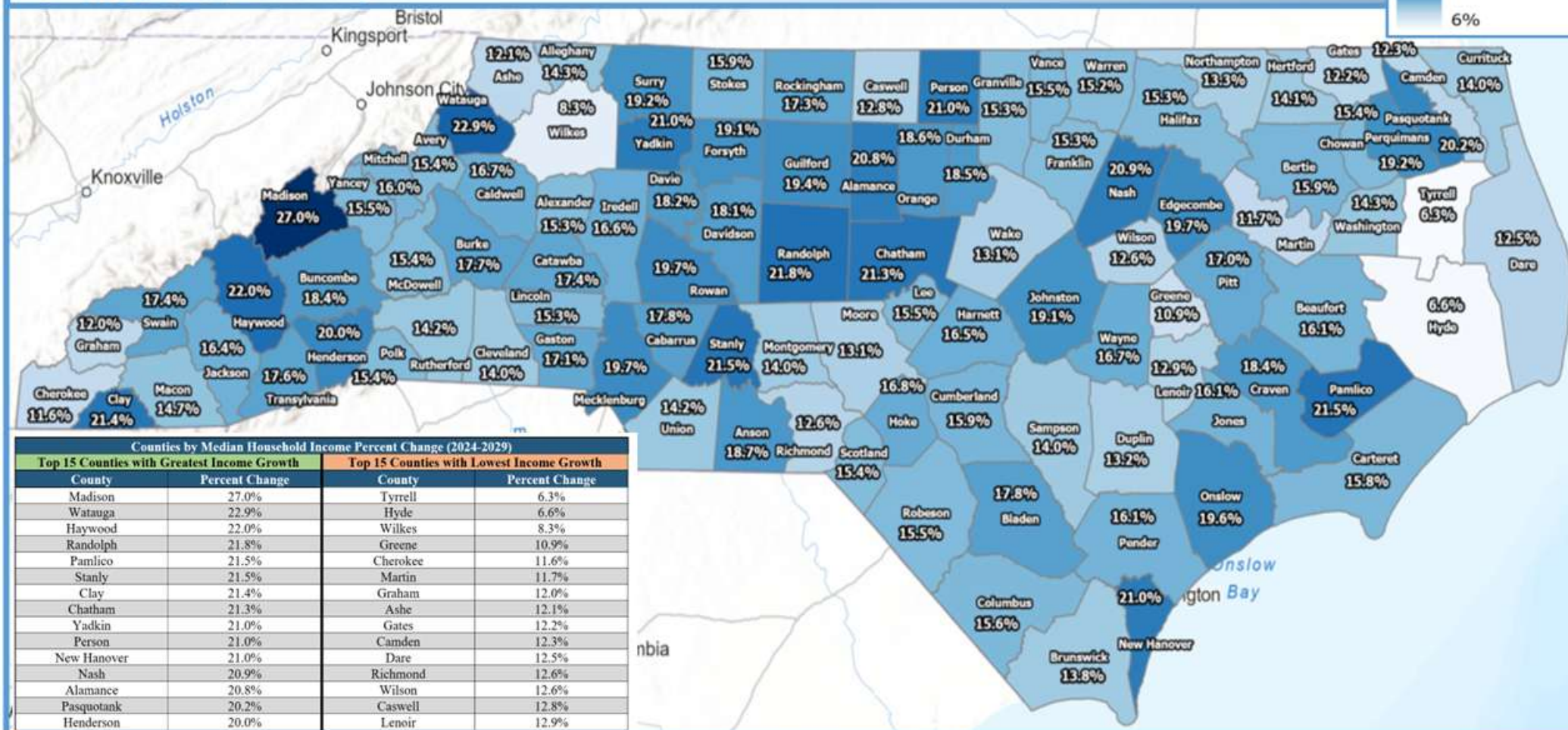




Median Household Income Percent Change (2024 to 2029)

Statewide, NC

Median Change



Counties by Median Household Income Percent Change (2024-2029)

Top 15 Counties with Greatest Income Growth

County	Percent Change
Madison	27.0%
Watauga	22.9%
Haywood	22.0%
Randolph	21.8%
Pamlico	21.5%
Stanly	21.5%
Clay	21.4%
Chatham	21.3%
Yadkin	21.0%
Person	21.0%
New Hanover	21.0%
Nash	20.9%
Alamance	20.8%
Pasquotank	20.2%
Henderson	20.0%

Top 15 Counties with Lowest Income Growth

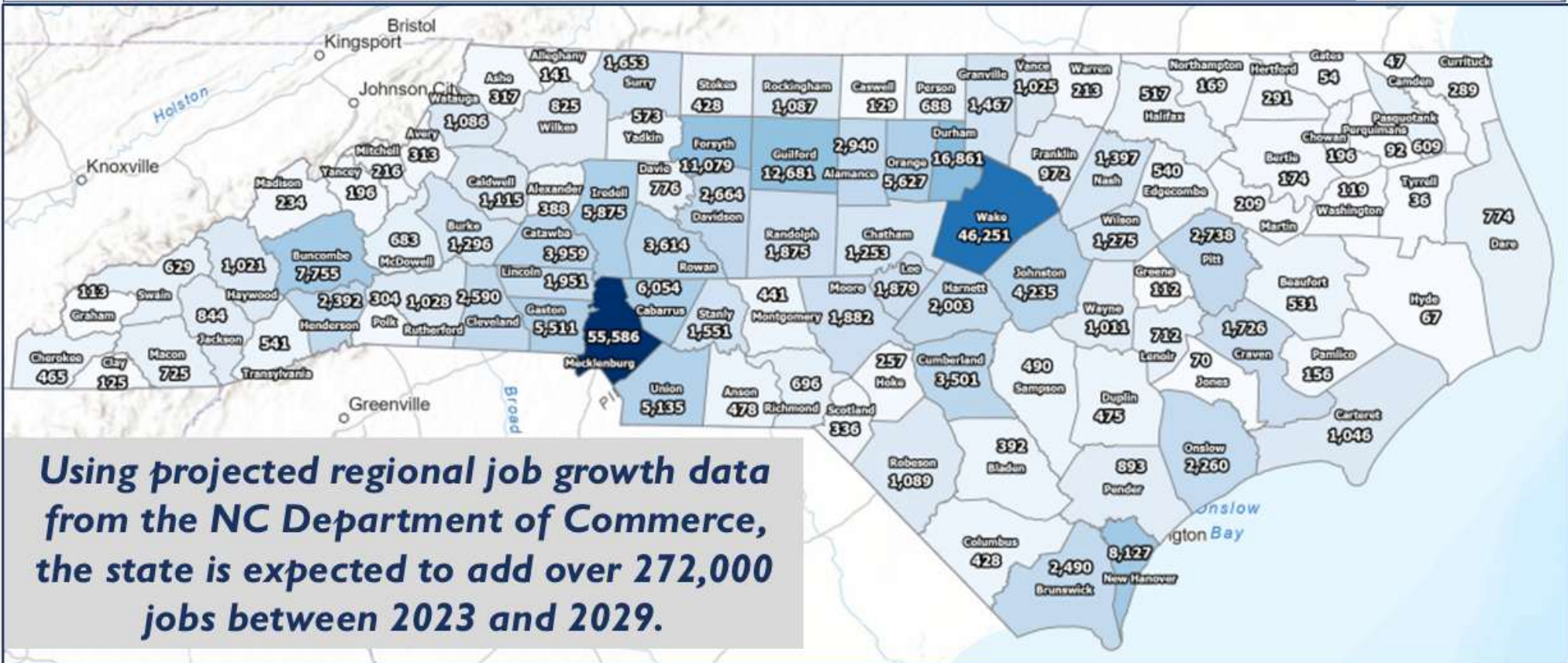
County	Percent Change
Tyrrell	6.3%
Hyde	6.6%
Wilkes	8.3%
Cherokee	11.6%
Martin	11.7%
Graham	12.0%
Ashe	12.1%
Gates	12.2%
Camden	12.3%
Dare	12.5%
Richmond	12.6%
Wilson	12.6%
Caswell	12.8%
Caswell	12.8%
Lenoir	12.9%

North Carolina – Projected Job Growth (2023 to 2029)



Projected Number of New Jobs by County (2023-2029)
Statewide, NC

Projected Numbers of New Jobs
56,000
36



Multifamily Rental Housing Supply

A survey of **over 2,600 multifamily apartment properties** with nearly 326,000 total units revealed that the state has an **overall vacancy rate of 5.0%**, falling within the typical 4.0% to 6.0% range of healthy and well-balanced markets.

Vacancies are extremely low among the more affordable rental alternatives, such as Tax Credit and government-subsidized housing.

Surveyed Multifamily Rental Housing Units - North Carolina					
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Vacancy Rate
Market-Rate	1,500	258,429	15,616	94.0%	6.0%
Tax Credit	695	39,969	555	98.6%	1.4%
Government-Subsidized	542	27,537	89	99.7%	0.3%
Total	2,638*	325,935	16,260	95.0%	5.0%

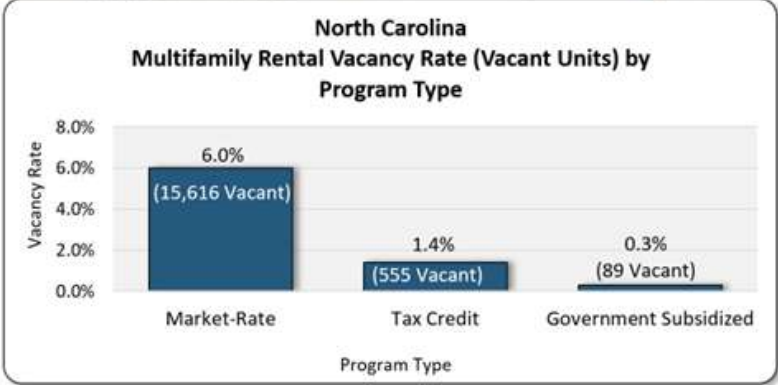
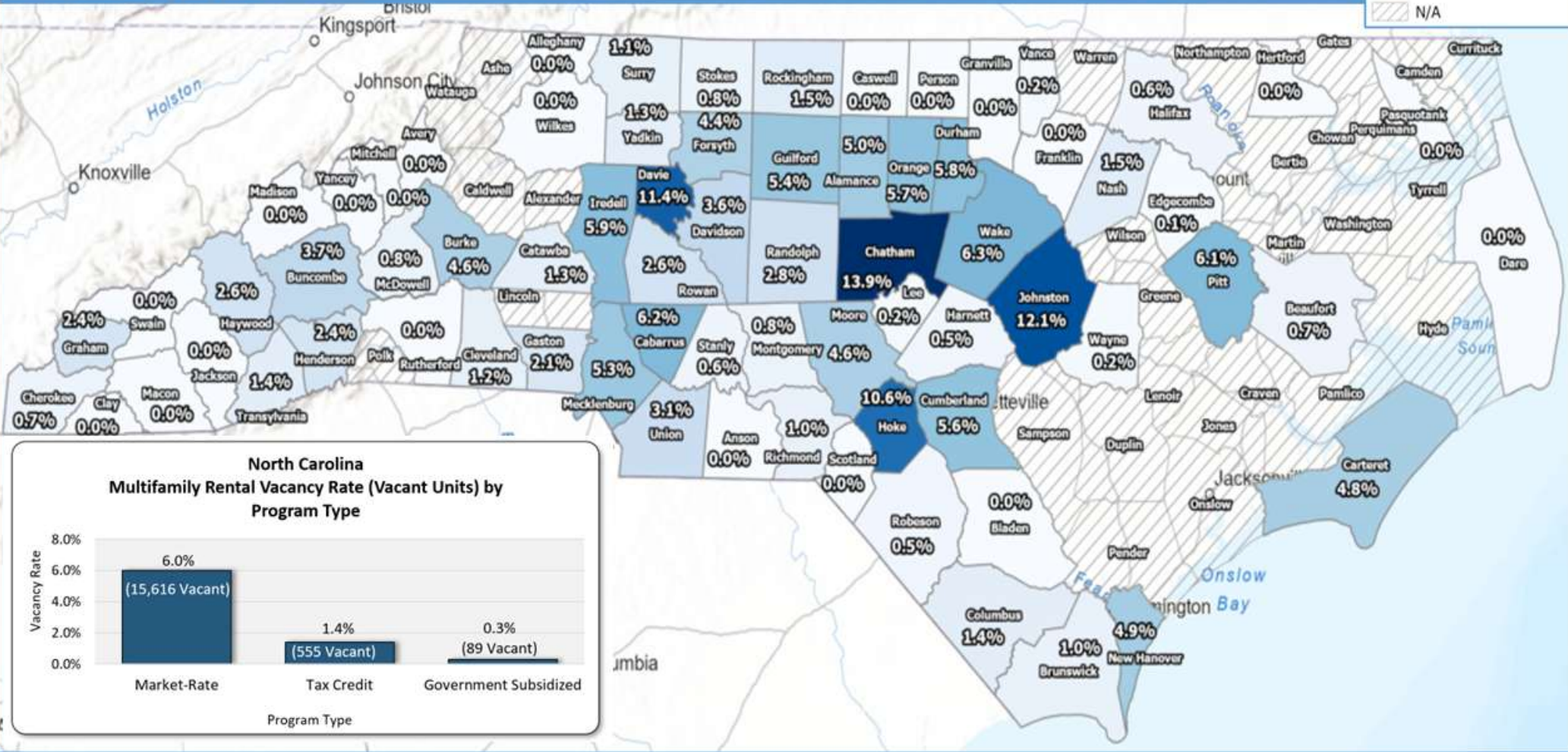
Source: Bowen National Research

*Some projects operate under concurrent programs (e.g., Market-rate and Tax Credit); Therefore, a project could be listed in the table as market-rate and also as Tax Credit. This double counting of projects is eliminated in the overall total of the number of projects (2,638) shown in the table.



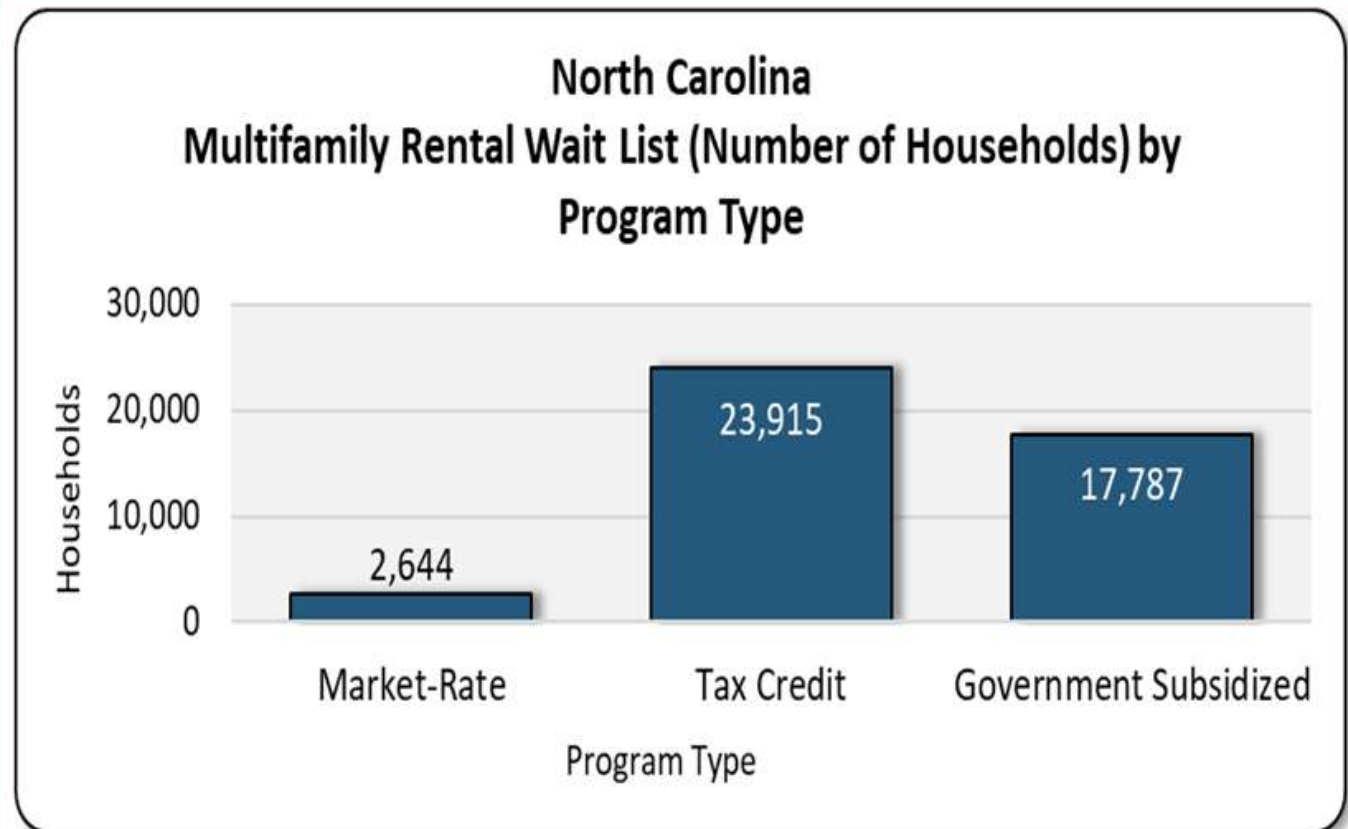
Overall Multifamily Vacancy Rate (2024)

Statewide, NC



Multifamily Rental Housing – Wait Lists

Statewide, over **44,000** households are on wait lists for multifamily rental alternatives, demonstrating the **development potential** in the state.

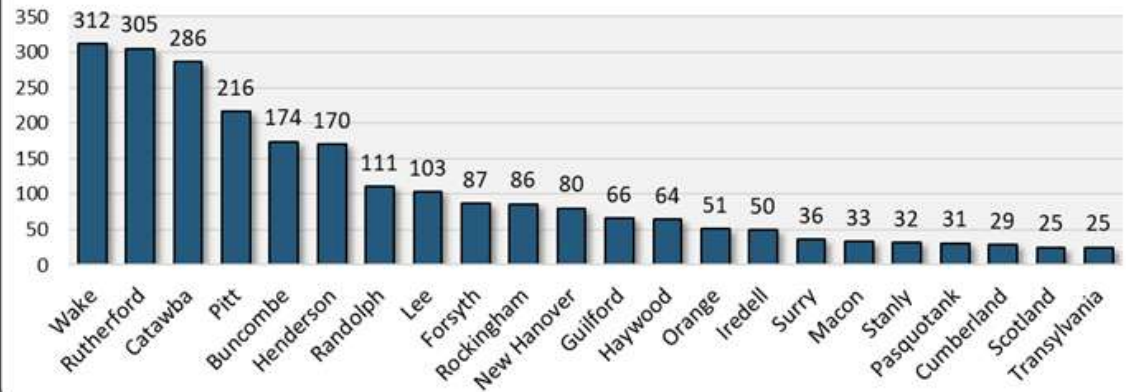


Multifamily Rentals - Market-Rate Wait Lists

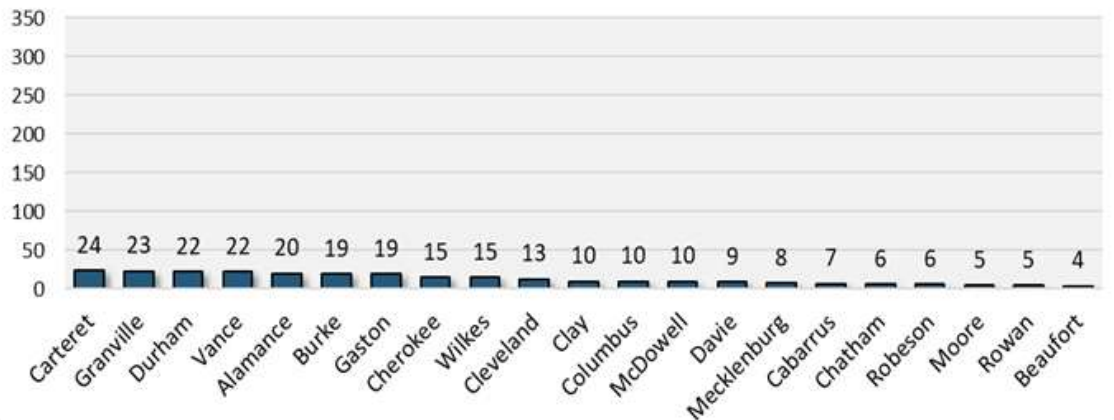
44 counties have wait lists for market-rate rentals, with 15 counties having wait lists of at least 50 households. The largest wait lists (over 100 households each) are within the following counties:

- Wake
- Rutherford
- Catawba
- Pitt
- Buncombe
- Henderson
- Randolph
- Lee

Market-Rate Waiting List (Households) by County

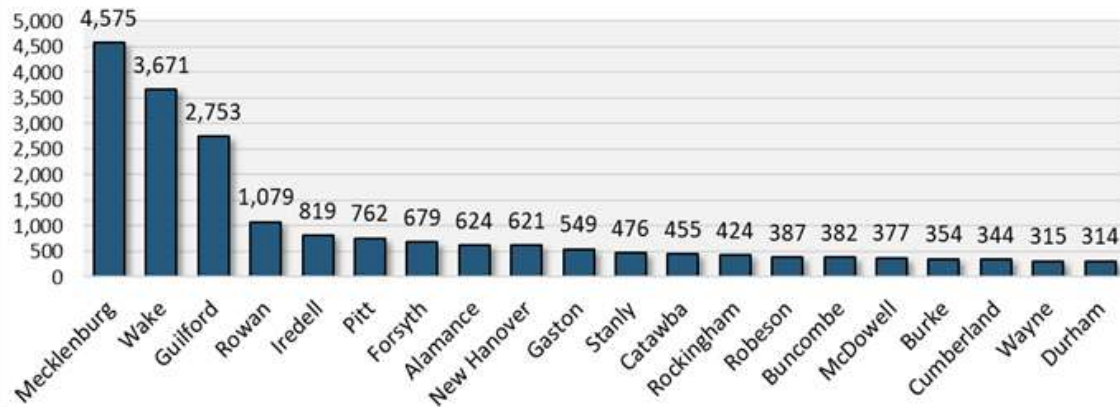


Market-Rate Waiting List (Households) by County (continued)

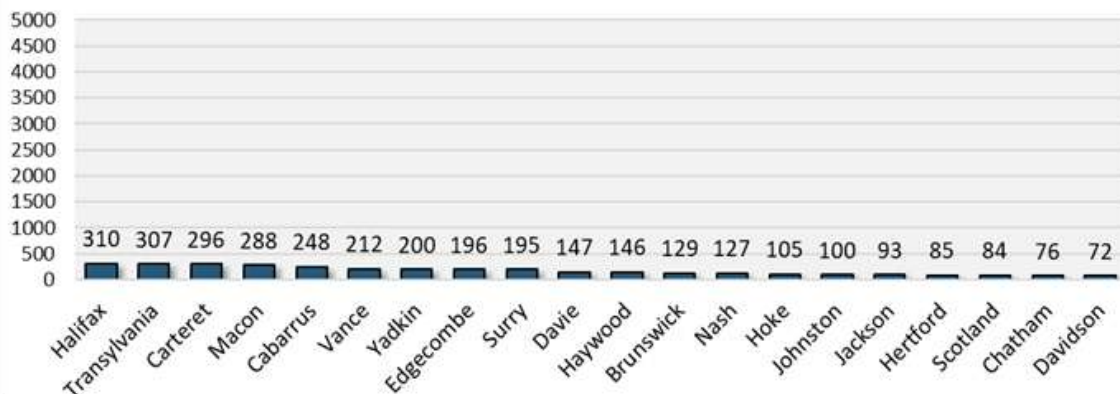


Multifamily Rentals – Tax Credit Wait Lists

Tax Credit Waiting List (Households) by County



Tax Credit Waiting List (Households) by County (continued)



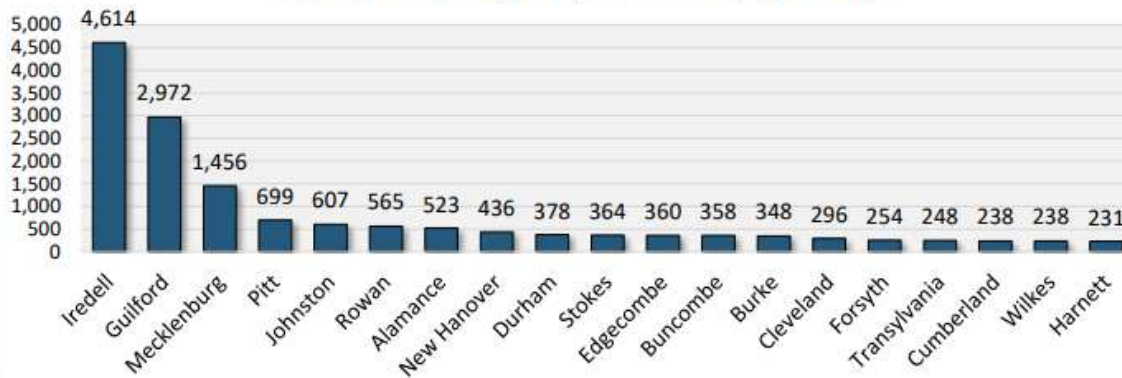
There are nearly 24,000 households on wait lists for Tax Credit rentals. A total of 58 counties have wait lists for such projects, with the largest lists in the following counties:

- Mecklenburg
- Wake
- Guilford
- Rowan
- Iredell
- Pitt
- Forsyth
- Alamance
- New Hanover

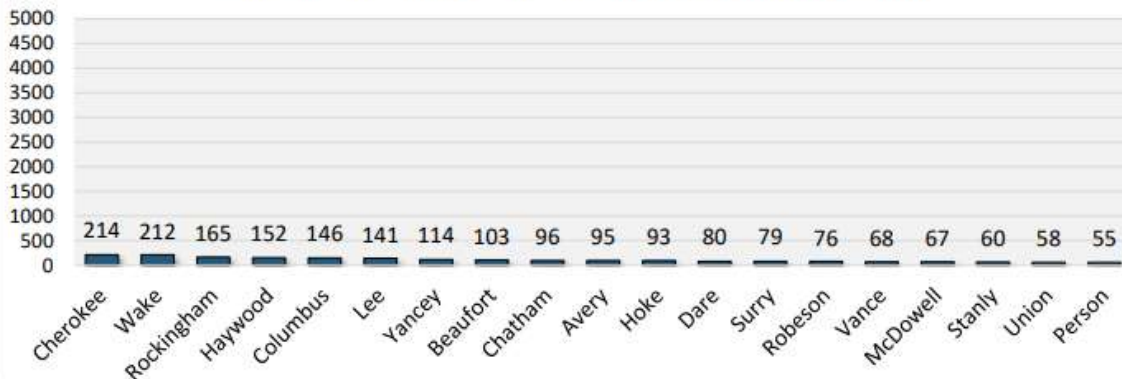
Over 600 households on wait lists in each county

Multifamily Rentals – Government-Subsidized Wait Lists

Subsidized Waiting List (Households) by County



Subsidized Waiting List (Households) by County (continued)

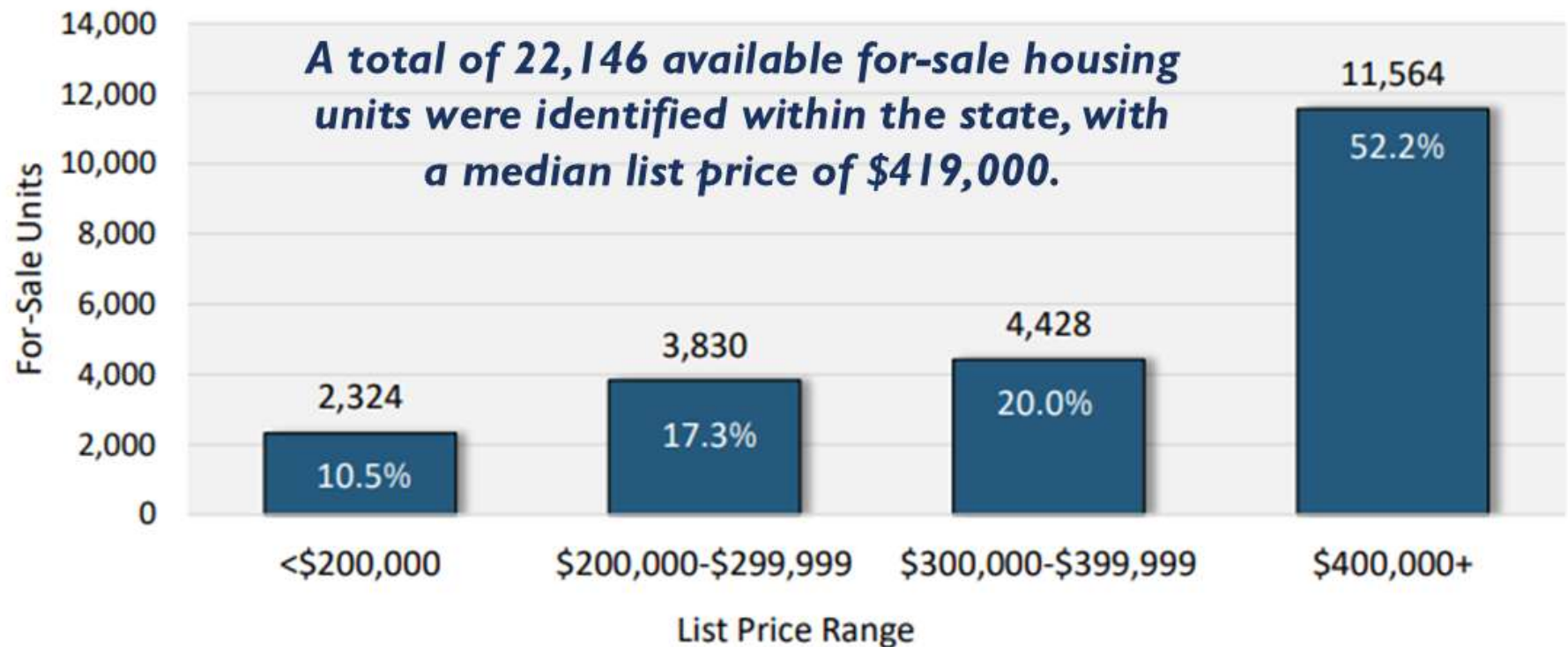


Nearly 17,800 households are on wait lists for subsidized rental housing. A total of 57 counties with surveyed subsidized properties have wait lists, with the following counties each having wait lists over 500 households:

- Iredell
- Guilford
- Mecklenburg
- Pitt
- Johnston
- Rowan
- Alamance

Available For-Sale Housing by Price Range

North Carolina
Available For-Sale Units by List Price Range



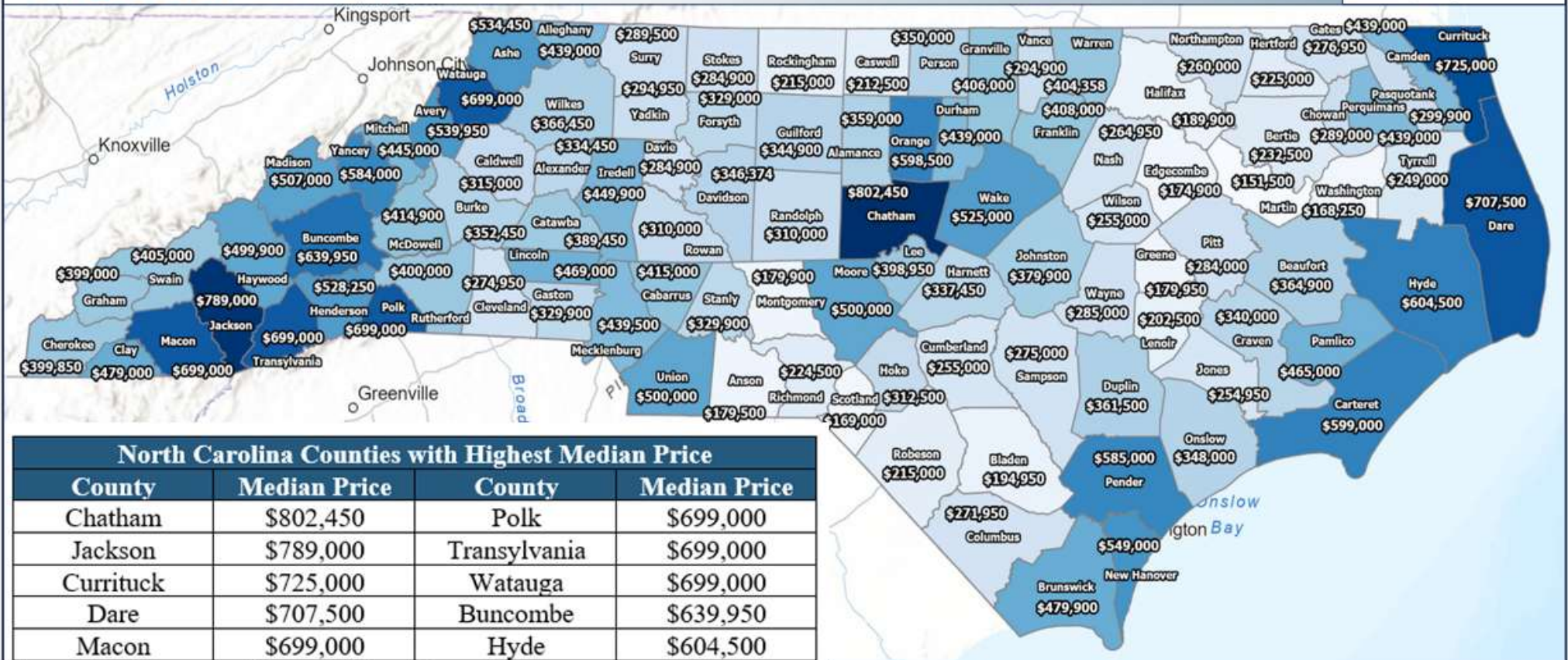
Available For-Sale Housing – Median List Price



Median List Price of Available Homes (2024)

Statewide, NC

Median List Price

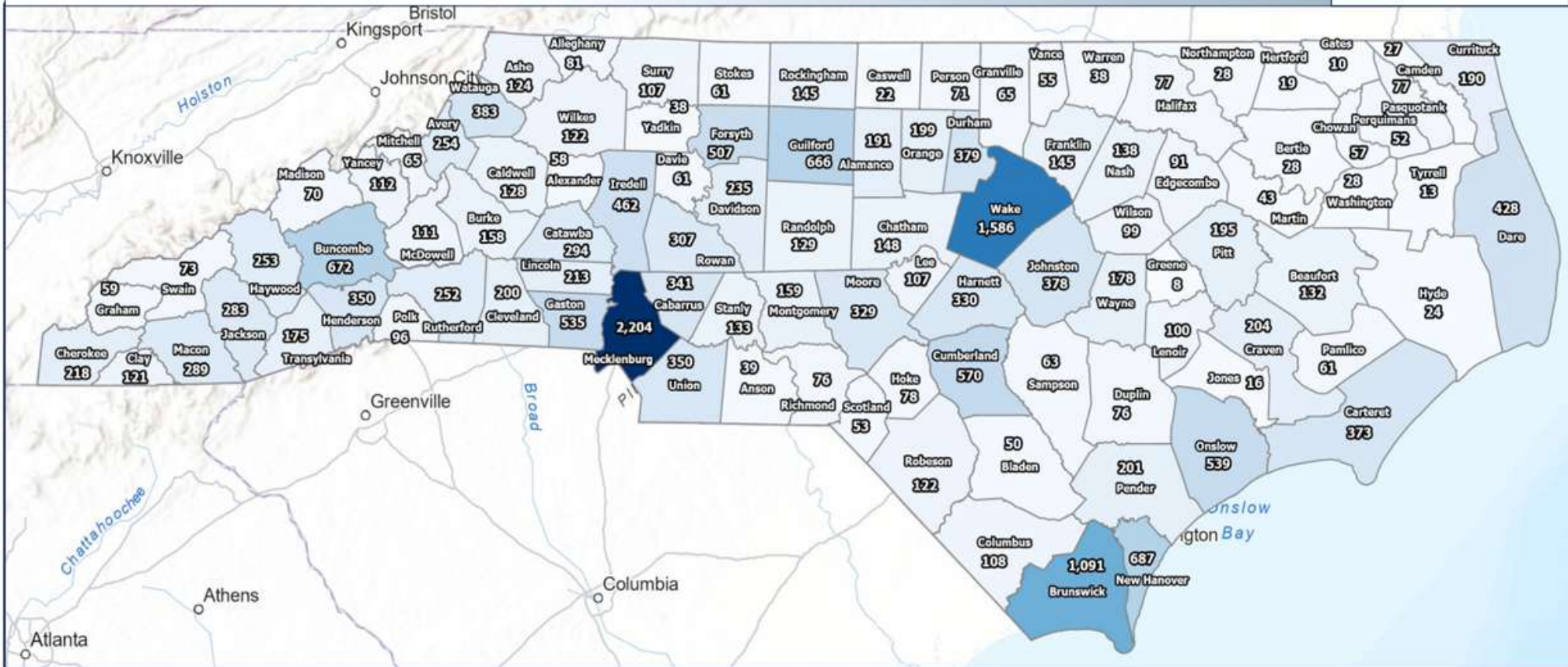


Source: Realtor.com and Bowen National Research

Available For-Sale Housing – Available Units



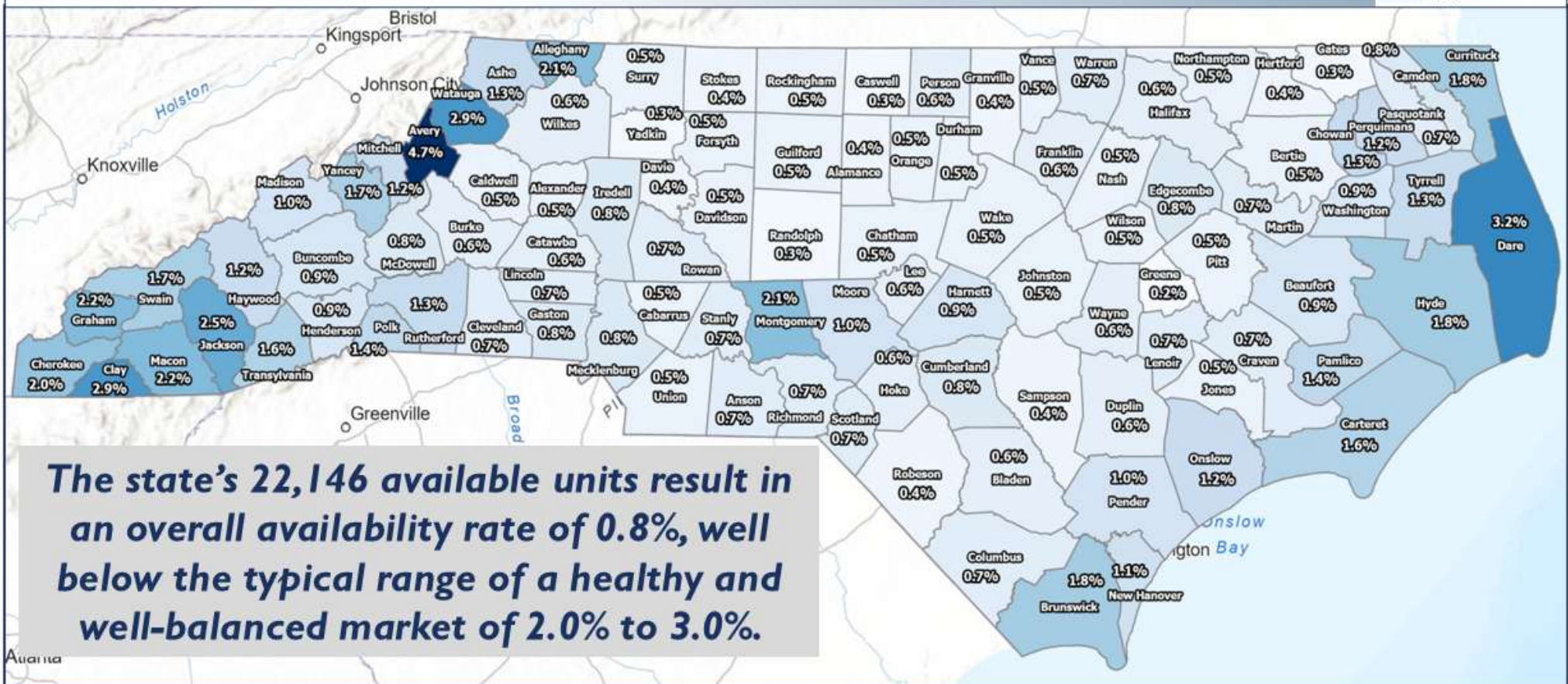
Total Available For-Sale Units (2024)
Statewide, NC



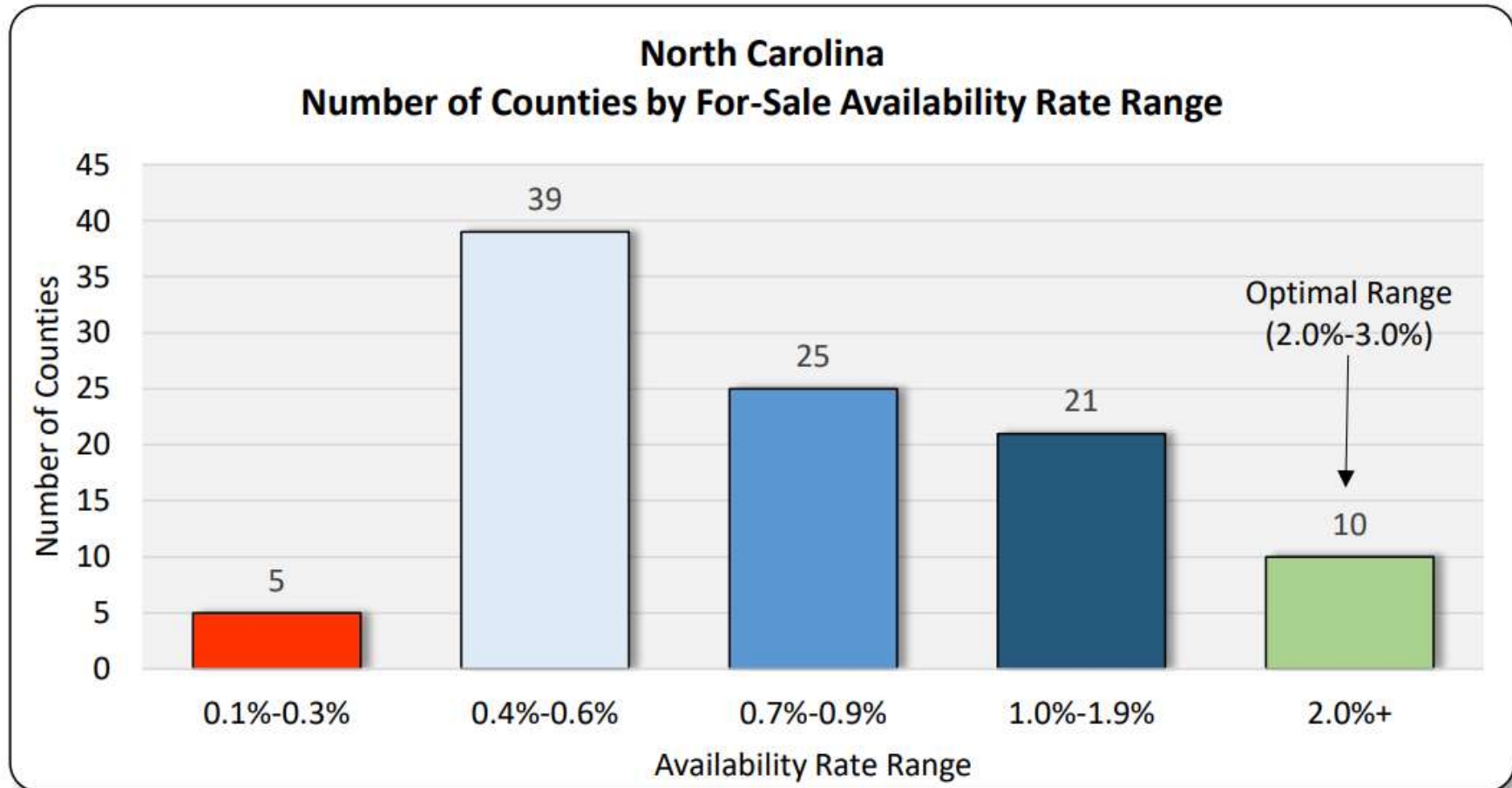
Available For-Sale Housing – Availability Rate



For-Sale Availability Rate (2024)
Statewide, NC



Available For-Sale Housing – Availability Rate



North Carolina's Housing Gaps

- ***Five-Year (2024 to 2029) Housing Supply Gap Estimates***
- **Gaps by Tenure (Renter vs. Owner)**
- **Gaps by Household Income (Percent of Area Median Income)**
 - **≤30%**
 - **31%-50%**
 - **51%-80%**
 - **81%-120%**
 - **121%-150%**
 - **151%+**
- **Gaps by Geography (County and State)**
- **Gaps as Number of Units and as Ratio of Housing Gaps to Households**

Housing Gap Estimates Methodology

Housing Gap Considerations:

- Used HUD's Published Income Limits by AMI
- Assumed Four-Person Income Limits by AMI
- Total Renter and Owner Household Growth
- Households Living in Substandard Housing
- Severe Housing Cost Burdened Households
- In-Commuters (Commuters Likely to Move Closer to Where they Work)
- Job Growth Impact on Housing
- Step-Down Support (People Spending Less on Housing than what they can Afford)

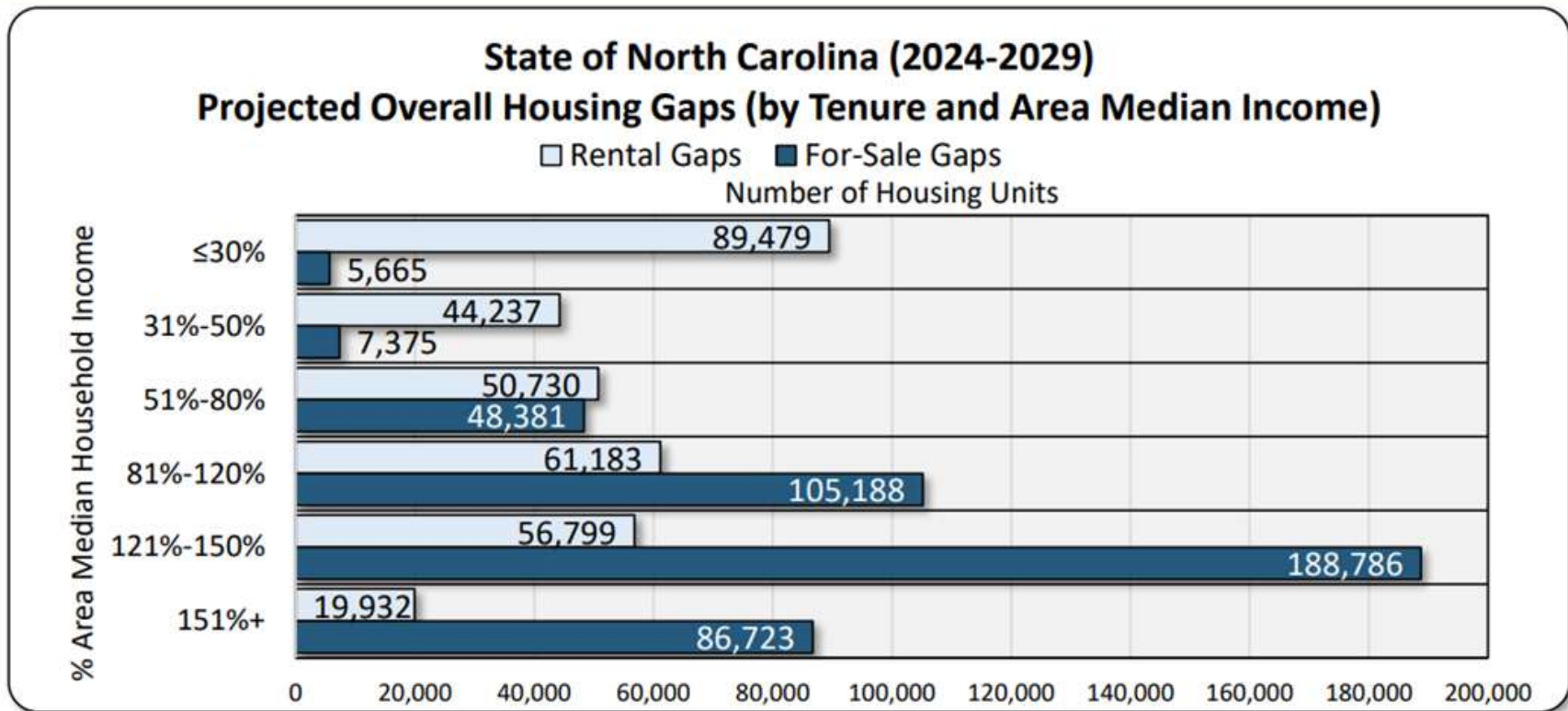
Results by County

ALAMANCE COUNTY							
Housing Gap Estimates by Income (2024 to 2029)							
Percent of Area Median Income	≤30%	31%-50%	51%-80%	81%-120%	121%-150%	151%+	Total
Household Income Range	≤\$23,370	\$23,371-\$38,950	\$38,951-\$62,320	\$62,321-\$93,480	\$93,481-\$116,850	\$116,851+	N/A
Rent Range	≤\$584	\$585-\$974	\$975-\$1,558	\$1,559-\$2,337	\$2,338-\$2,921	\$2,922+	N/A
Total Rental Housing Gaps	938	768	486	758	320	186	3,456
Price Range	≤\$75,795	\$75,796-\$126,324	\$126,325-\$202,119	\$202,120-\$303,178	\$303,179-\$378,973	\$378,974+	N/A
Total For-Sale Housing Gaps	435	531	1,556	1,332	2,580	1,772	8,206
ALEXANDER COUNTY							
Housing Gap Estimates by Income (2024 to 2029)							
Percent of Area Median Income	≤30%	31%-50%	51%-80%	81%-120%	121%-150%	151%+	Total
Household Income Range	≤\$23,430	\$23,431-\$39,050	\$39,051-\$62,480	\$62,481-\$93,720	\$93,721-\$117,150	\$117,151+	N/A
Rent Range	≤\$586	\$587-\$976	\$977-\$1,562	\$1,563-\$2,343	\$2,344-\$2,929	\$2,930+	N/A
Total Rental Housing Gaps	123	7	98	96	88	31	443
Price Range	≤\$75,989	\$75,990-\$126,649	\$126,650-\$202,638	\$202,639-\$303,957	\$303,958-\$379,946	\$379,947+	N/A
Total For-Sale Housing Gaps	0	0	70	221	650	355	1,296
ALLEGHANY COUNTY							
Housing Gap Estimates by Income (2024 to 2029)							
Percent of Area Median Income	≤30%	31%-50%	51%-80%	81%-120%	121%-150%	151%+	Total
Household Income Range	≤\$21,990	\$21,991-\$36,650	\$36,651-\$58,640	\$58,641-\$87,960	\$87,961-\$109,950	\$109,951+	N/A
Rent Range	≤\$550	\$551-\$916	\$917-\$1,466	\$1,467-\$2,199	\$2,200-\$2,749	\$2,750+	N/A
Total Rental Housing Gaps	110	27	31	22	18	6	214
Price Range	≤\$71,319	\$71,320-\$118,865	\$118,866-\$190,184	\$190,185-\$285,276	\$285,277-\$356,595	\$356,596+	N/A
Total For-Sale Housing Gaps	3	12	99	119	170	85	488

Note: Housing supply gap methodology differs from HUD and NCHFA site-specific market feasibility methodology

Overall Housing Supply Gaps

The state has a five-year (2024 to 2029) overall housing supply gap of 764,478 units, with the majority (57.8%) consisting of a for-sale housing gap of 442,118 units and a rental housing gap of 322,360 (42.2%).



Housing Supply Gaps – Number vs. Ratio

Gaps Shown as Units

State of North Carolina (2024 to 2029)			
Top 10 (Largest) Overall Housing Gaps by County (Renter and Owner Combined)			
Rank	County	Total Gap	
		Total Units	Share of State
1	Mecklenburg	111,628	14.6%
2	Wake	110,689	14.5%
3	Guilford	33,210	4.3%
4	Durham	32,992	4.3%
5	Forsyth	25,351	3.3%
6	New Hanover	21,656	2.8%
7	Buncombe	19,607	2.6%
8	Cumberland	17,394	2.3%
9	Union	15,604	2.0%
10	Brunswick	15,414	2.0%
Total		403,545	52.8%

Gaps Shown as Ratios*

State of North Carolina (2024 to 2029)			
Top 10 (Largest) Overall Housing Gaps to Total Households Ratios by County			
Rank	County	2029 Total Gap	
		Total Units	Ratio of Gaps to Households
1	Chatham	12,253	33.5%
2	Lee	7,177	26.0%
3	Orange	13,689	22.3%
4	Watauga	4,965	21.9%
5	Mecklenburg	111,628	21.5%
6	Durham	32,992	21.4%
7	Wake	110,689	21.3%
8	Montgomery	2,042	19.8%
9	New Hanover	21,656	19.3%
10	Pender	5,383	19.0%
State Average			16.6%

Many smaller counties have housing gap ratios that are relatively high and on par with larger counties.

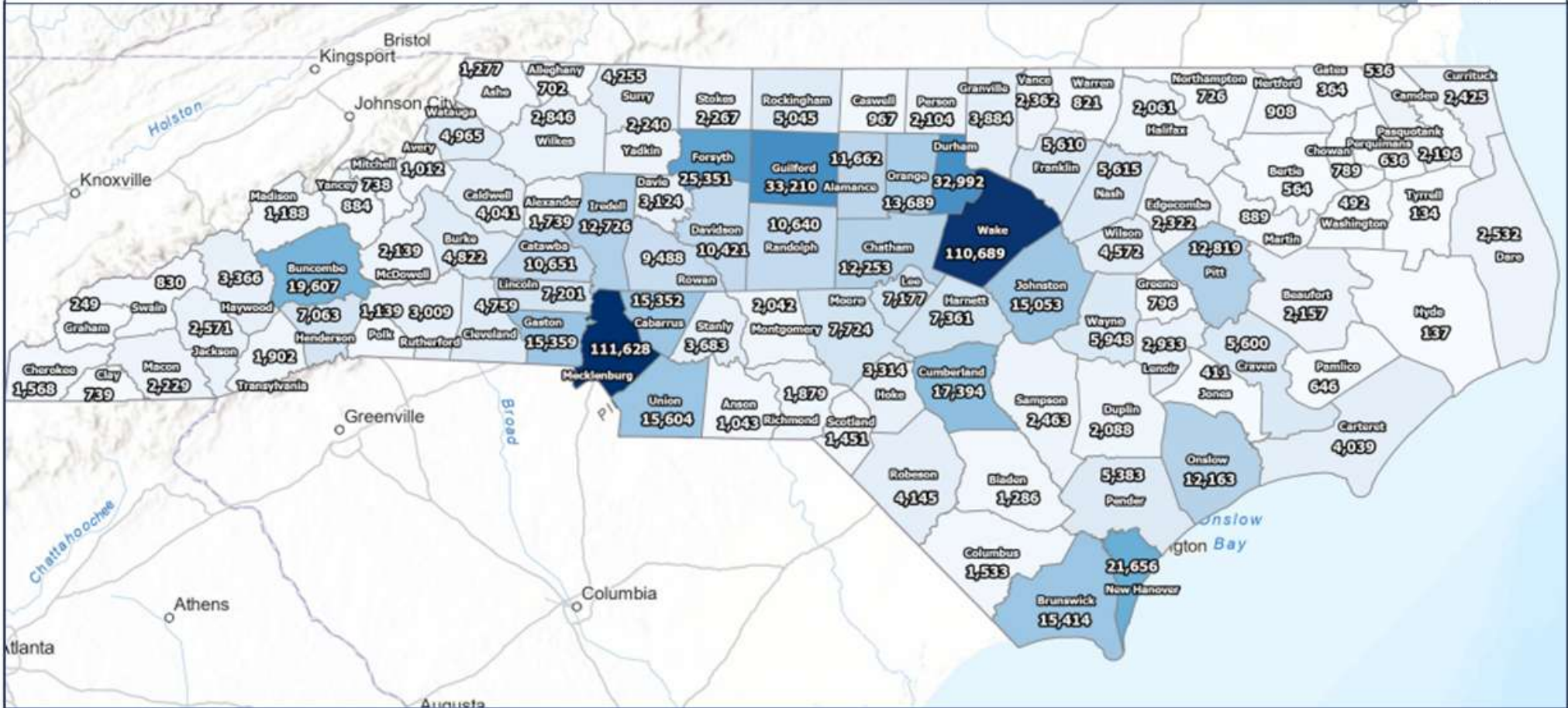
*Ratios illustrate the **proportional relationship** between the housing gap and the total households in the county.

Housing Supply Gaps (Number of Units)



Overall Housing Gap by County (2024 to 2029)
Statewide, NC

Housing Units
110,000
130



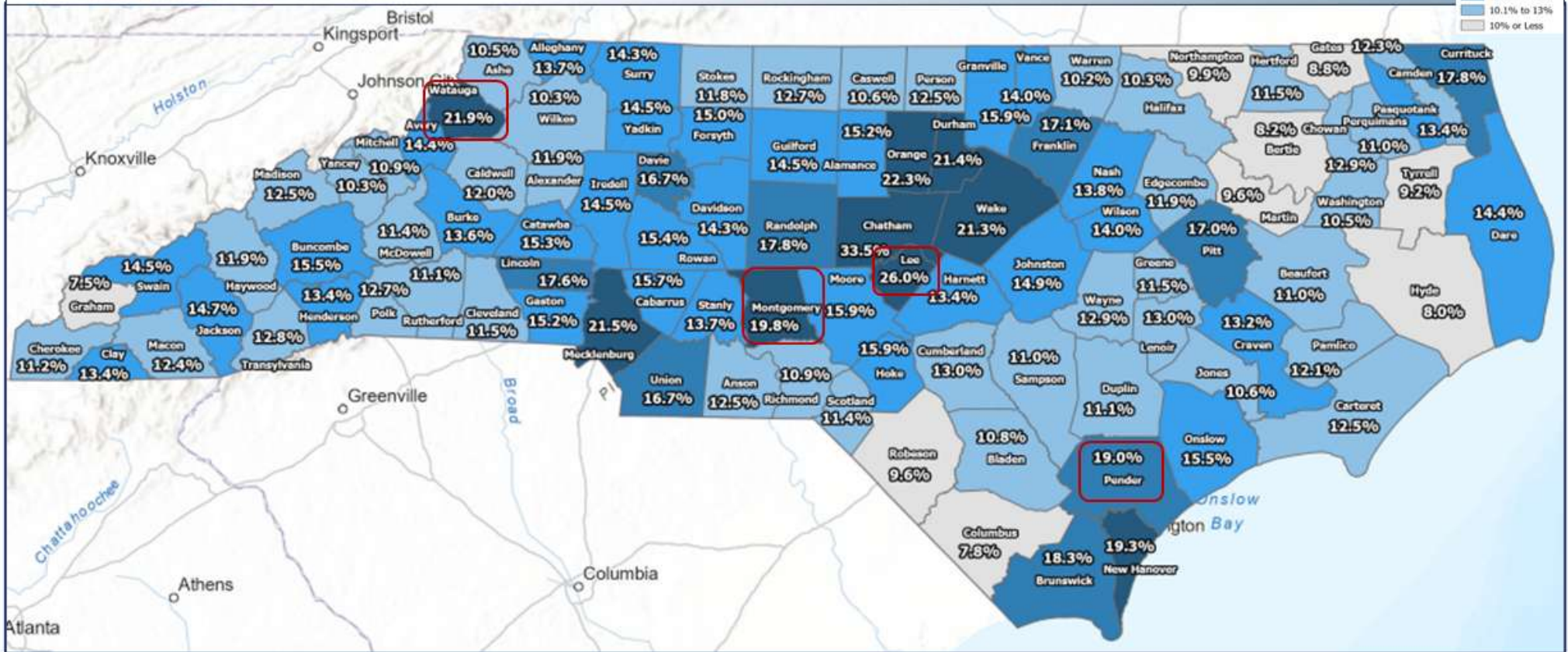
Housing Supply Gaps Ratio (Gaps vs. All Households)



Overall Housing Gap to Total Household Ratio (2024 to 2029)
Statewide, NC

Gap/HH Ratio

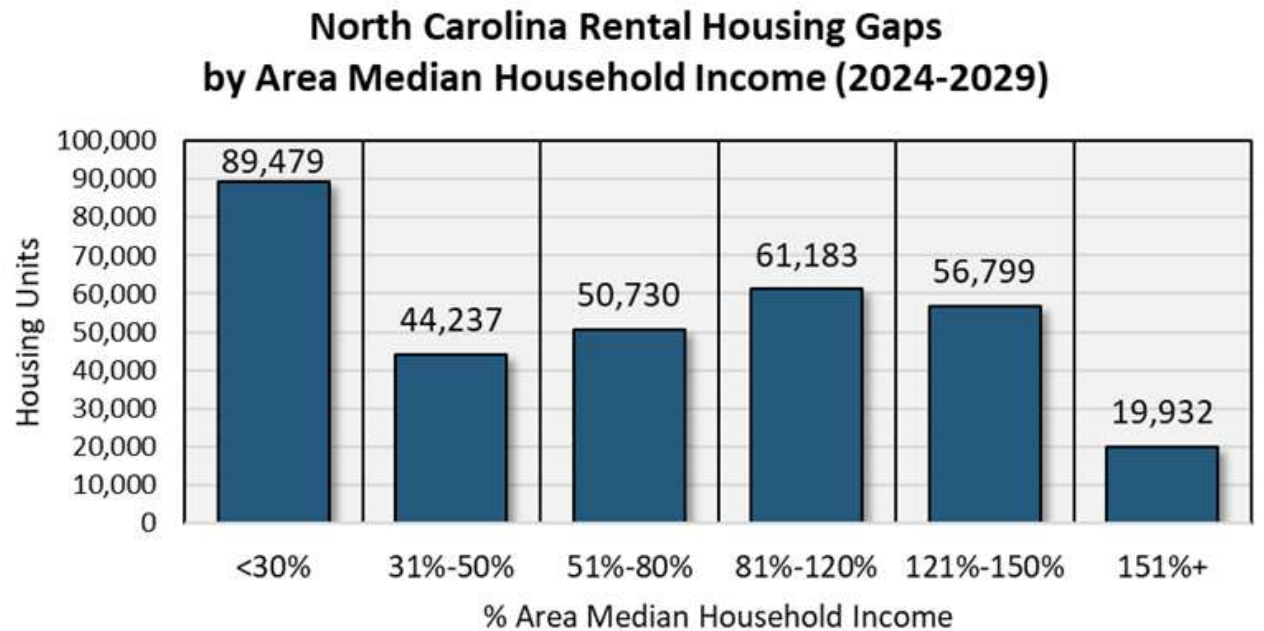
- More than 19%
- 16.1% to 19%
- 13.1% to 16%
- 10.1% to 13%
- 10% or Less



Rental Housing Gaps (Units)

North Carolina's largest rental housing gaps are for **product affordable to the lowest income households**, which is driven by **severe cost-burdened households** and households living in **substandard housing**. Renter household **growth** is the primary driver behind the gaps for **moderate to higher income households**.

NC has a rental housing gap of over 332,000 units, with notable gaps and development opportunities among all affordability levels.

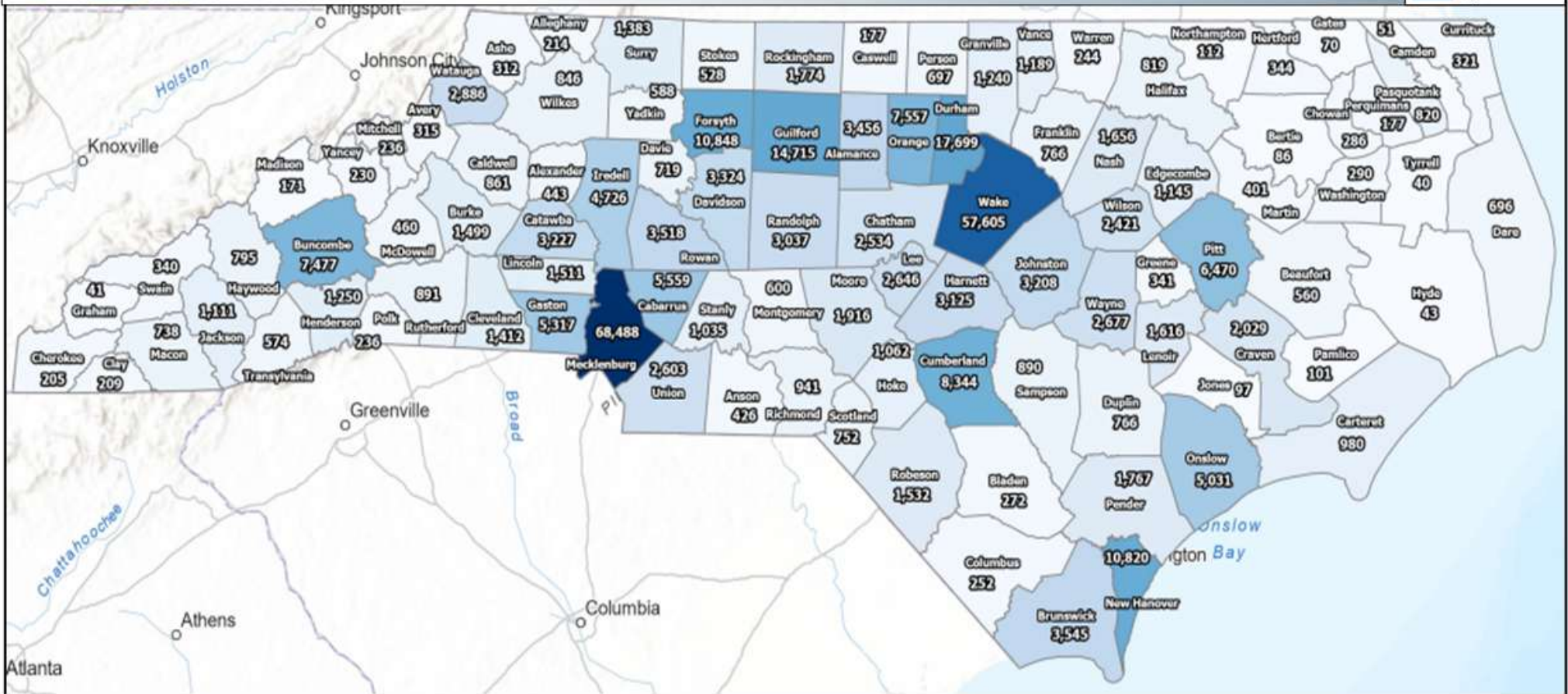


Rental Housing Gaps (Units)



Rental Housing Gap by County (2024 to 2029)
Statewide, NC

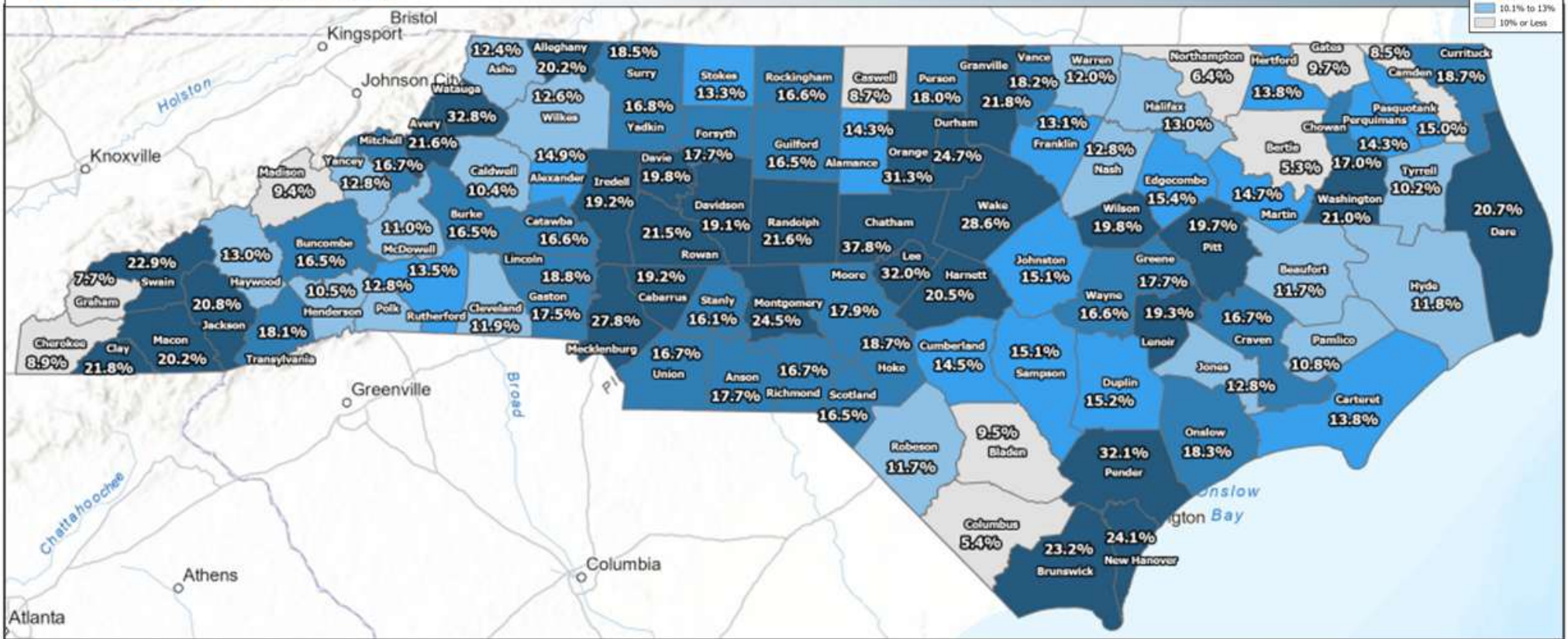
Housing Units
68,000
40



Rental Housing Gaps Ratio (Gaps vs. Renter Households)



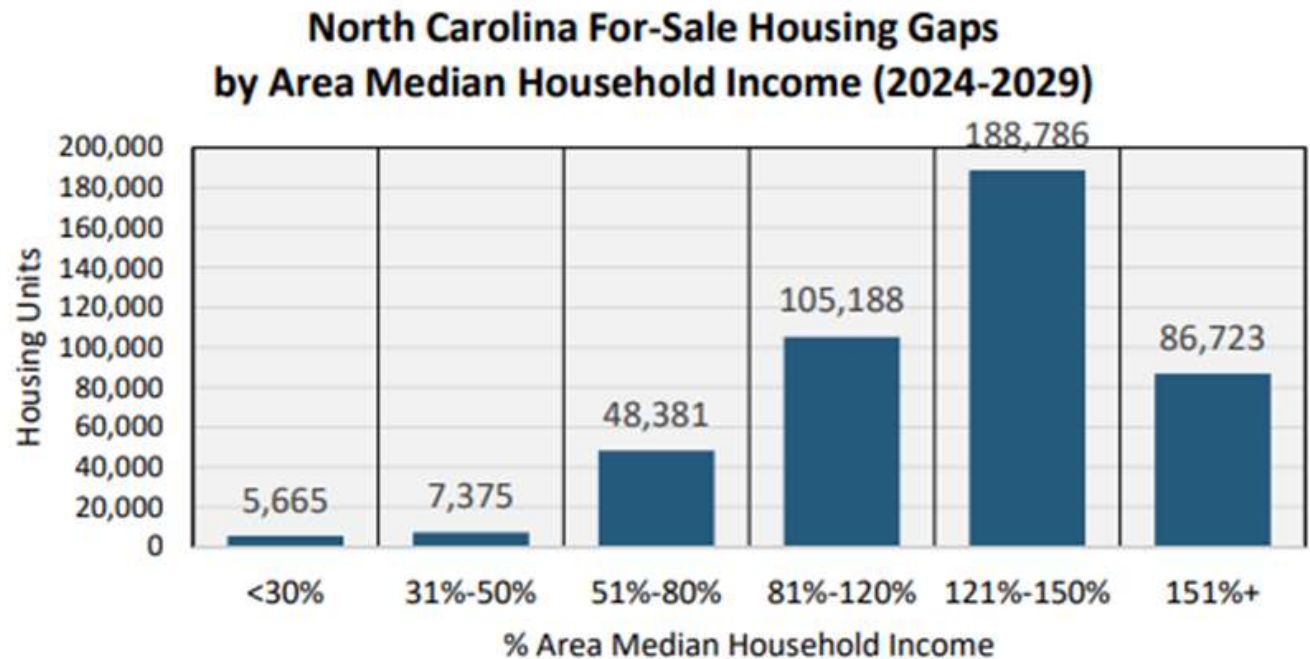
Rental Housing Gap to Renter Household Ratio by County (2024 to 2029)
Statewide, NC



For-Sale Housing Gaps (Units)

North Carolina's largest for-sale housing gaps are for product affordable to the highest income households, which is primarily influenced by projected household growth. Regardless, there is a gap of over 61,000 units affordable to households at or below 80% of AMI.

NC has a for-sale housing gap of over 442,000 units, with notable gaps and development opportunities among affordability levels above 50% of Area Median Income.

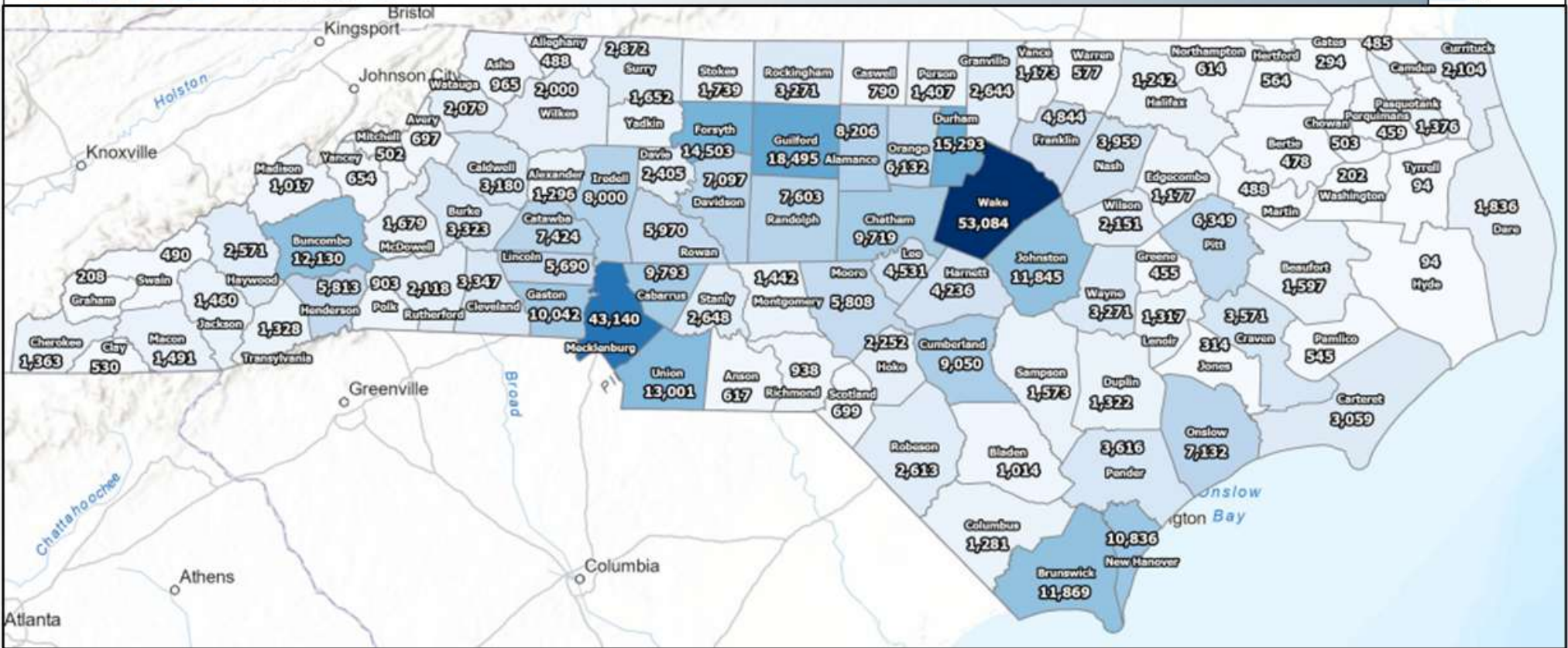


For-Sale Housing Gaps (Units)



For-Sale Housing Gap by County (2024 to 2029)
Statewide, NC

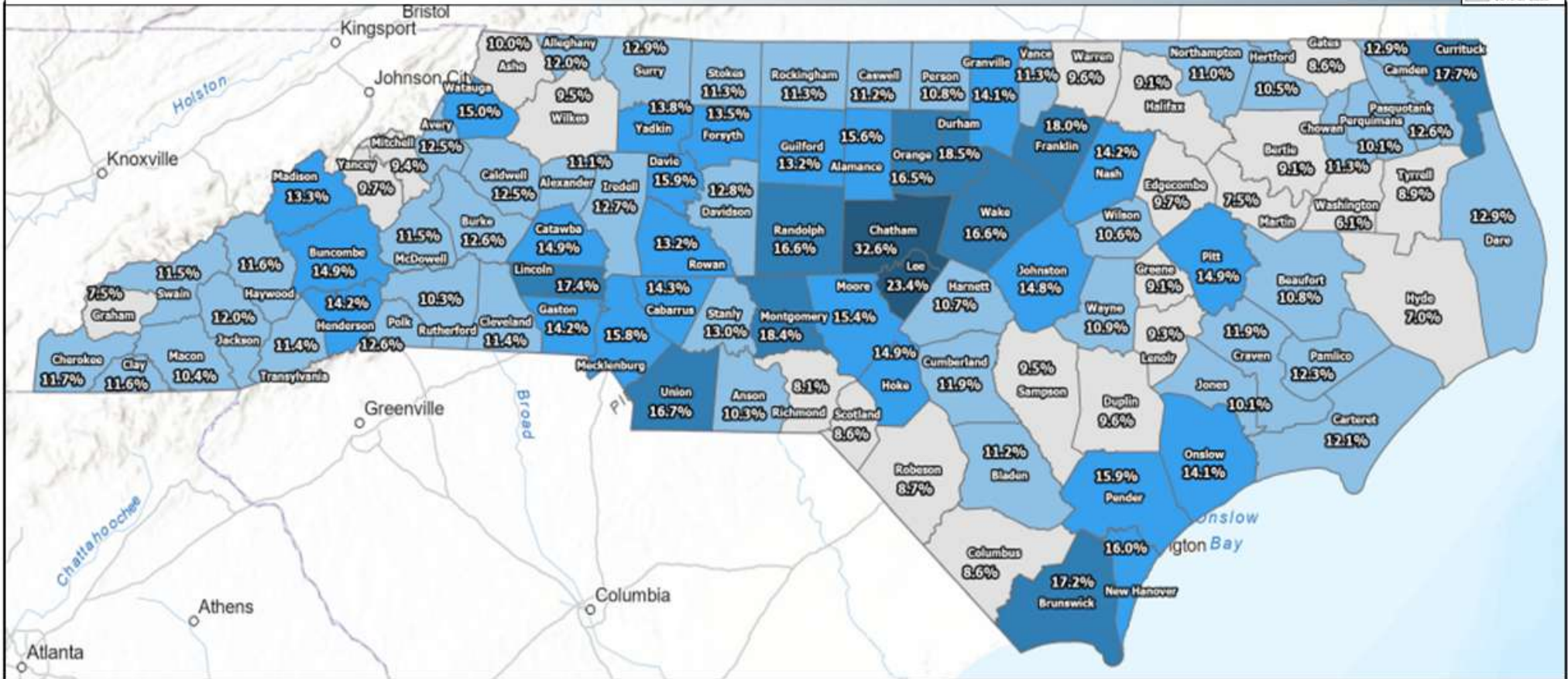
Housing Units
53,000
94



For-Sale Housing Gaps Ratio (Gaps vs. Owner Households)



For-Sale Housing Gap to Owner Household Ratio by County (2024 to 2029)
Statewide, NC



Recommendations

WHAT'S
NEXT



- Educate the Public, Including Decision-Makers, on the Housing Characteristics, Challenges and Opportunities in North Carolina
- Research other Communities and States on Possible Approaches to Address Housing Issues
- Support Efforts to Preserve Existing Housing and Encourage New Residential Development
- Encourage Local Housing Advocates to Build Organizational and Community Capacity
- Leverage Data from this Statewide Housing Study to Encourage and Attract Residential Development

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