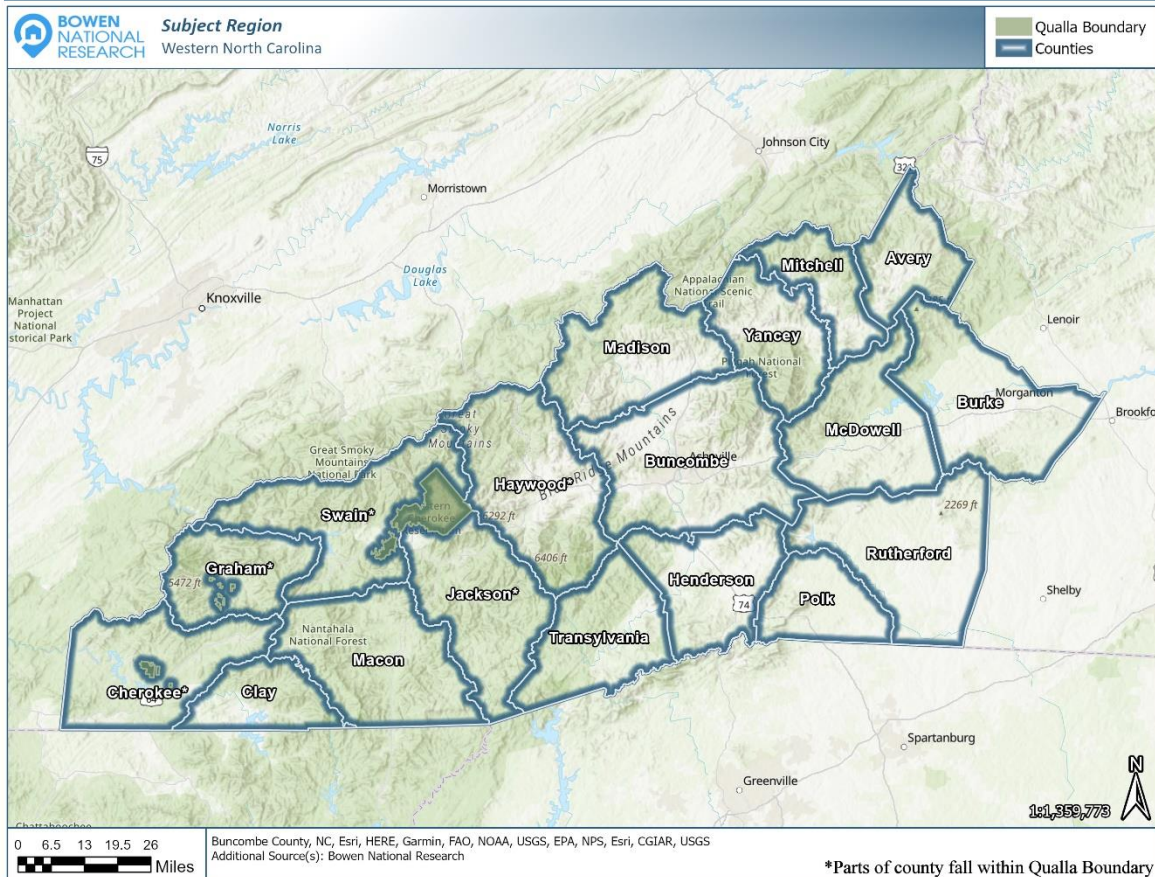


EXECUTIVE SUMMARY

The purpose of this report is to conduct a Housing Needs Assessment of Western North Carolina and the 19 areas (18 counties and one Indian Reservation) that comprise the Dogwood Health Trust footprint. This evaluation takes into account the demographics, economics and housing supply of the region, along with the input of area stakeholders, and estimates the housing gaps of the region between 2020 and 2025. The research and analysis, which includes a collection of primary data, analysis of secondary data and on-site market research, was conducted primarily between January and June of 2021. This executive summary addresses key highlights from the full Housing Needs Assessment.

REGION STUDY AREA



The focus of this report is on the 18 counties and the Qualla Boundary tribal trust land (also known as the Eastern Cherokee Reservation) that are within the Dogwood Health Trust geographic footprint (referred to as the Primary Study Area or PSA).

The individual study areas (counties and tribal land) are listed below.

- Avery
- Buncombe
- Burke
- Cherokee
- Clay
- Graham
- Haywood
- Henderson
- Jackson
- Macon
- Madison
- McDowell
- Mitchell
- Polk
- Qualla Boundary
- Rutherford
- Swain
- Transylvania
- Yancey

Work elements of this assessment included a survey of 331 multifamily apartments with more than 25,000 units, inventory of 160 available non-conventional rentals (e.g., houses, duplexes, mobile homes, etc.), inventory of over 28,000 homes sold over the past four years and listings of nearly 2,500 homes currently available to purchase. Detailed demographics, mobility patterns, commuting patterns and economic data were also included. An evaluation of numerous special needs populations (a.k.a. hard to house populations) was conducted. Community input in the form of online surveys from approximately 180 area stakeholders, foundations and larger employers representing all study areas in the region was collected. Housing gap/needs estimates for each study area were provided for both rental and for-sale housing by various income/affordability levels that follow state and federal demand models. We provided our opinion on the housing priorities of the region and provided recommendations for general strategies for meeting the overall housing needs of area residents.

Demographics

Population and Household Growth are Projected to Remain Strong, with Buncombe, Henderson and Haywood Counties Leading the Way - For the most recent period from 2010 to 2020, the *population* increased by 84,824, or 9.8%. While these figures are below the North Carolina numbers for the same period, they represent considerable growth for the region. Projections through 2025 indicate the region will see additional growth of 4.4%, or nearly 42,000 more people. A closer examination of the data shows that nearly all geographies within the PSA (Region), except for three (Avery County, the Qualla Boundary, and Mitchell County), had population increases from 2010 to 2020. The top three counties for overall growth were Buncombe County (35,746), Henderson County (16,167), and Haywood County (5,586). In addition, these three counties are projected to lead in growth from 2020 to 2025 and account for 71.2% of the overall growth within the PSA. Over the next five years, four individual geographies are projected to experience population declines. These include Avery County (-2.7%), Graham County (-0.9%), Mitchell County (-0.6%), and the Qualla Boundary (-0.2%). Although this accounts for a collective population decline of 660, the rest of the region is expected to grow.

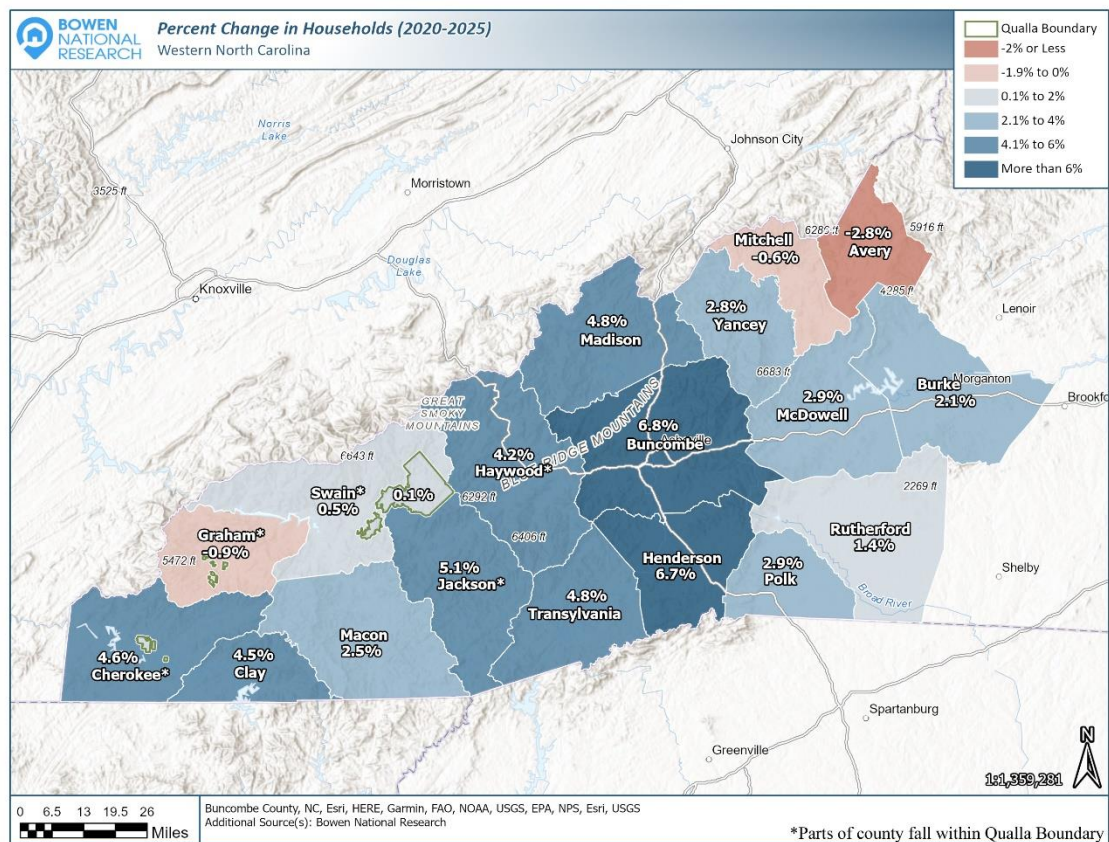
The number of *households* within the Dogwood Health Trust PSA (Region) increased by 36,094 (10.0%) between 2010 and 2020. This is slightly less than the state growth rate of 12.6% for the same period. The three counties with the highest *percentage* growth in households were Buncombe (15.1%), Henderson (14.6%) and Madison (13.4%). In terms of the greatest growth in the *number* of new households added during the past decade, the counties of Buncombe (15,189), Henderson (6,649) and Haywood (2,276) increased the most and collectively accounted for two-thirds (66.8%), or 24,114 households, of all growth within the region. Projections for 2025 indicate the region will experience an overall growth of 4.5%, or an additional 17,821 households. This growth will primarily occur within Buncombe, Henderson and Haywood counties (totaling 12,526 new households or 70.3% of the region's projected growth). Considerable growth is also expected within Jackson County (852 households), along with strong overall household growth in Burke (804) and Transylvania (773) counties. It is notable that all the previously mentioned counties, with the exceptions of Jackson and Transylvania counties, are along Interstates 26 and 40.

The following table and map illustrate key household metrics by area. The **red**-shaded text represents declines, while the **green**-shaded text indicates the areas with the greatest growth.

	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
Avery	6,532	6,664	132	2.0%	6,493	-171	-2.6%	6,310	-183	-2.8%
Buncombe	85,771	100,412	14,641	17.1%	115,601	15,189	15.1%	123,472	7,871	6.8%
Burke	34,528	35,804	1,276	3.7%	37,653	1,849	5.2%	38,457	804	2.1%
Cherokee*	10,138	11,541	1,403	13.8%	12,598	1,057	9.2%	13,172	574	4.6%
Clay	3,847	4,660	813	21.1%	5,148	488	10.5%	5,378	230	4.5%
Graham*	3,190	3,514	324	10.2%	3,568	54	1.5%	3,535	-33	-0.9%
Haywood*	23,100	25,563	2,463	10.7%	27,839	2,276	8.9%	29,002	1,163	4.2%
Henderson	37,414	45,448	8,034	21.5%	52,097	6,649	14.6%	55,589	3,492	6.7%
Jackson*	12,075	15,120	3,045	25.2%	16,600	1,480	9.8%	17,452	852	5.1%
Macon	12,828	14,591	1,763	13.7%	15,749	1,158	7.9%	16,142	393	2.5%
Madison	8,005	8,494	489	6.1%	9,628	1,134	13.4%	10,086	458	4.8%
McDowell	16,604	17,838	1,234	7.4%	19,191	1,353	7.6%	19,740	549	2.9%
Mitchell	6,551	6,685	134	2.0%	6,660	-25	-0.4%	6,619	-41	-0.6%
Polk	7,908	8,989	1,081	13.7%	9,444	455	5.1%	9,716	272	2.9%
Qualla Boundary	2,946	3,373	427	14.5%	3,334	-39	-1.2%	3,336	2	0.1%
Rutherford	25,191	27,466	2,275	9.0%	28,243	777	2.8%	28,643	400	1.4%
Swain*	3,668	4,024	356	9.7%	4,219	195	4.8%	4,238	19	0.5%
Transylvania	12,320	14,394	2,074	16.8%	16,077	1,683	11.7%	16,850	773	4.8%
Yancey	7,472	7,644	172	2.3%	8,175	531	6.9%	8,402	227	2.8%
Region	320,087	362,224	42,137	13.2%	398,318	36,094	10.0%	416,139	17,821	4.5%
North Carolina	3,131,002	3,745,144	614,142	19.6%	4,215,474	470,330	12.6%	4,461,326	245,852	5.8%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

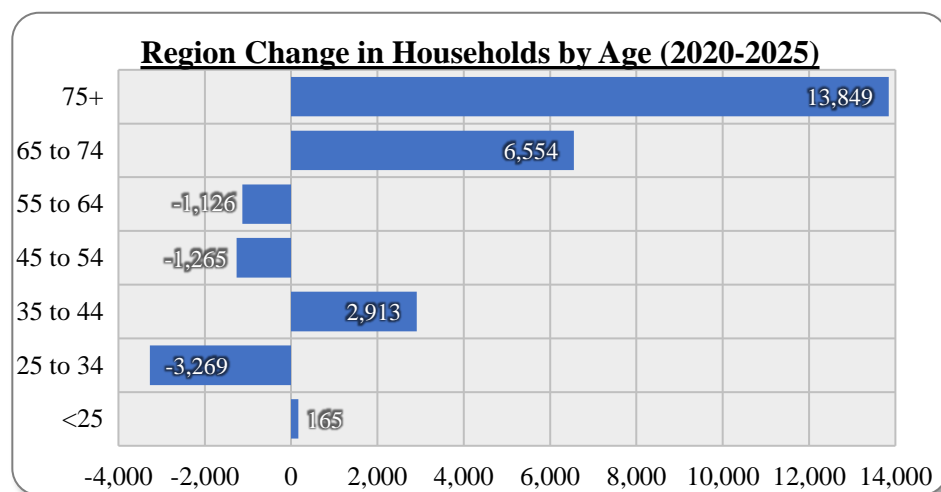
*Reservation numbers removed from county total



While Most of the Region’s Age Groups are Projected to Grow Over the Next Five Years, it is Projected that Most of the Growth Between 2020 and 2025 will Occur Among Households Age 65 and Older and Older Millennials (Ages 35 to 44) – Within the Dogwood Health Trust PSA (Region), 54.4% of the head of households were age 55 and older in 2020. This is considerably higher than the North Carolina proportion of 45.0% for the same age cohort at this time. Among seniors ages 65 and older, the greatest shares (over 40% of all households) in 2020 were within the counties of Transylvania (43.4%), Polk (42.3%), Clay (41.6%), Macon (41.2%), and Cherokee (41.1%). Within the overall PSA in 2020, 26.1% of the head of households were within the age cohort of 25 to 44 years, compared to 32.5% for the state. In 2020, the largest shares of millennials (age 25 to 44) were within the Qualla Boundary (32.7%) and the counties of Buncombe (29.7%), Jackson (27.4%), and Burke (27.1%). In the younger age cohorts, Jackson County had the highest proportion of heads of household under the age of 25 (9.2%), while the Qualla Boundary had the highest proportion in both the age groups of 25 to 34 (16.1%) and 35 to 44 (16.6%).

Five-year projections for 2025 indicate that, within the region, head of household growth will occur the most within the age cohort of 75 and older (23.0% growth), followed by 65 to 74 age cohort (8.5% growth), and 35 to 44 age cohort (5.2% growth). There will also be small growth within the PSA for heads of household under the age of 25 (1.3% growth).

While projected growth in the older age groups is consistent with state projections, the 6.8% projected decline in the age group of 25 to 34 within the PSA strongly contrasts the 2.0% growth for the state within this age cohort. The projected changes among the different age cohorts will impact the type of housing needed in the future.



While Owner Households Comprise a Large Majority of Occupied Units, the Number of Both Renter and Owner Households are Projected to Increase Over the Next Few Years – Owner-occupied households comprised 69.2% of all households within the Dogwood Health Trust PSA (Region) in 2020. This is slightly higher than the percentage for the state (64.4%). Since 2000, however, the proportion of renter-occupied households has steadily increased from 24.4% to 30.8% in 2020. This share of renter-occupied households is projected to increase slightly over the next five years, consistent with state-wide trends. In 2020, within individual geographies, the share of owner-occupied households ranged from 61.3% in Jackson County to 85.7% in Graham County. Jackson County (38.7%) and Buncombe County (36.6%) were the only two counties in the region with a higher proportion of renter-occupied households than the state-wide percentage of 35.6% in 2020. This is not surprising given that Buncombe County is a more urban market and Jackson County is influenced by a university, which would have student renters influencing the market.

Projections for 2025 illustrate an increase of nearly 6,300 additional renter-occupied households for the region (5.1% increase) over 2020 estimates. Nearly 70% of this increase will occur in Buncombe County, which will add 3,380 households, and Henderson County, which will increase by 993 households. Six additional counties (Madison, Jackson, Transylvania, Cherokee, Clay and Haywood) within the region are projected to experience renter-occupied household increases of at least 4% over the next five years. As such, affordable rental housing demand, within most areas of the region, will also likely increase over the next few years. Meanwhile, the number of owner-occupied households is expected to increase in 15 of the 19 study areas, adding to the demand for for-sale housing in these counties.

While One- and Two-Person Households Dominate the Region and are Projected to Experience the Greatest Growth, Growth Among All Household Sizes and the Lack of All Unit Types Will Require a Broad Range of Bedroom Types to be Developed – In 2020, renter-occupied households within the Dogwood Health Trust PSA (Region) averaged 2.10 persons per household, while owner-occupied households averaged 2.26 persons per household. These averages were slightly lower than the North Carolina average household sizes by tenure. While roughly three-quarters of the growth among both renter and owner households will be among one- and two-person households, all households are projected to increase through 2025. This includes an increase of over 1,200 renter households and over 3,000 owner households with three or more people. As such, the region will require a variety of bedroom types to be built to meet these growing needs.

While the Region's Median Household Income in 2020 was Below the State Median, Household Income Growth for the Region over the Past Decade Exceeded the State – In 2020, the Median Household Income for the Dogwood Health Trust PSA (Region) was \$49,485, nearly 13% lower than the North Carolina median household income of \$55,916 for the same period. From 2010 to 2020, the median household income for the region increased 28.6%, which surpassed the state increase of 26.9% for that time period. The three lowest median household income levels within the region were the Qualla Boundary (\$37,736), Graham County (\$39,256), and Clay County (\$40,112). In contrast, Buncombe County (\$56,092) and Henderson County (\$56,086) had median household income levels above both the state and region levels. Median household income for selected years is shown in the following table (the greatest projected percent increases are shown in blue).

	Median Household Income				
	2010 Census	2020 Estimated	% Change 2010-2020	2025 Projected	% Change 2020-2025
Avery	\$32,687	\$42,634	30.4%	\$49,098	15.2%
Buncombe	\$41,048	\$56,092	36.7%	\$62,547	11.5%
Burke	\$34,800	\$45,507	30.8%	\$53,475	17.5%
Cherokee*	\$34,754	\$45,251	30.2%	\$54,588	20.6%
Clay	\$35,717	\$40,112	12.3%	\$46,143	15.0%
Graham*	\$34,241	\$39,256	14.6%	\$45,455	15.8%
Haywood*	\$37,198	\$53,694	44.3%	\$61,937	15.4%
Henderson	\$44,250	\$56,086	26.7%	\$66,213	18.1%
Jackson*	\$36,510	\$43,623	19.5%	\$54,389	24.7%
Macon	\$36,713	\$42,757	16.5%	\$50,652	18.5%
Madison	\$36,652	\$42,004	14.6%	\$48,378	15.2%
McDowell	\$32,709	\$40,221	23.0%	\$48,512	20.6%
Mitchell	\$35,501	\$48,610	36.9%	\$56,051	15.3%
Polk	\$43,172	\$49,848	15.5%	\$54,755	9.8%
Qualla Boundary	\$30,731	\$37,736	22.8%	\$44,078	16.8%
Rutherford	\$34,119	\$45,136	32.3%	\$48,262	6.9%
Swain*	\$34,179	\$42,184	23.4%	\$49,707	17.8%
Transylvania	\$38,477	\$51,082	32.8%	\$61,582	20.6%
Yancey	\$34,459	\$41,704	21.0%	\$49,831	19.5%
Region	\$38,472	\$49,485	28.6%	\$56,985	15.2%
North Carolina	\$44,071	\$55,916	26.9%	\$63,889	14.3%

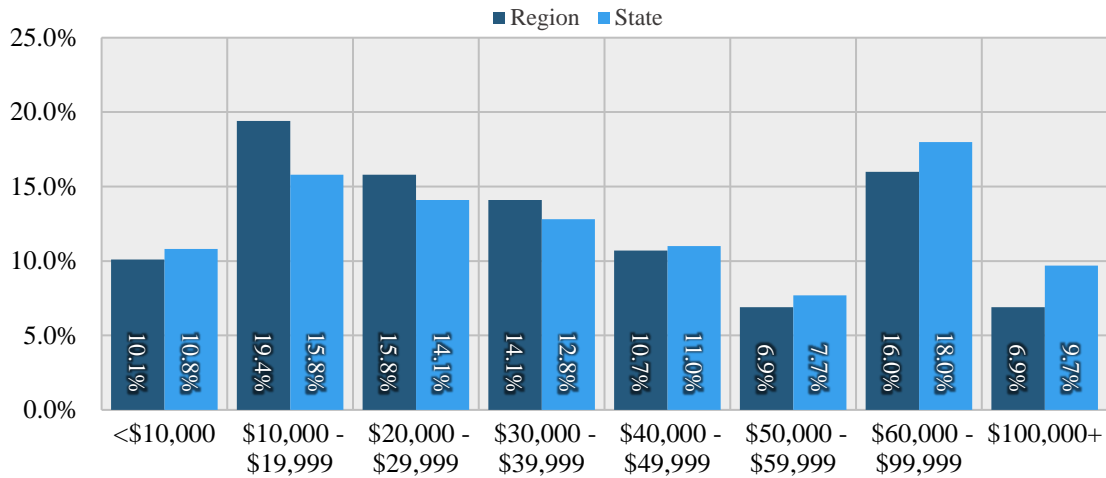
Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

*Reservation numbers removed from county total

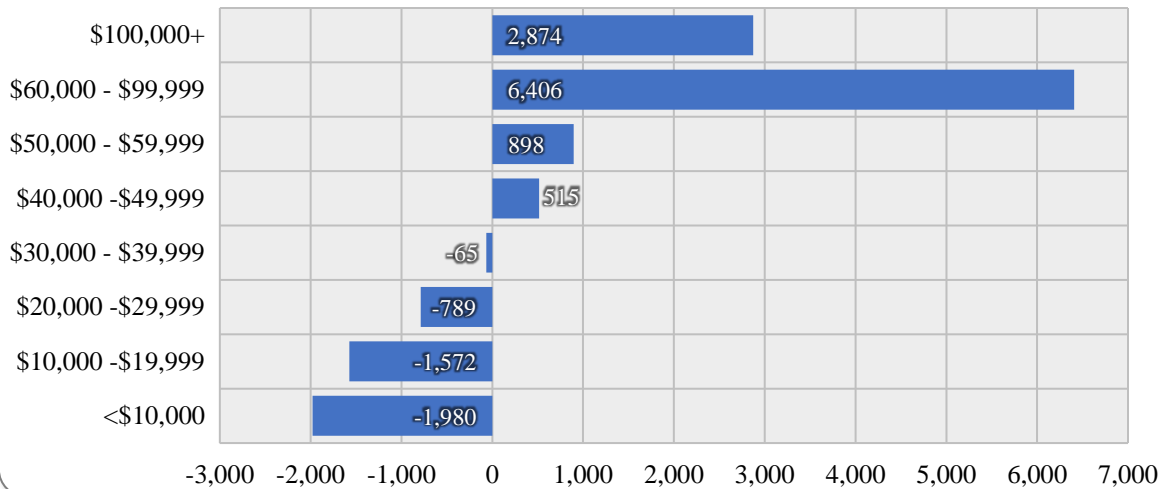
Five-year projections indicate the region will experience an increase of 15.2% of median household income levels, which is higher than the state-wide projection of 14.3%. Jackson, McDowell, Cherokee, and Transylvania counties have projected increases to exceed 20%. In contrast, Rutherford (6.9%), Polk (9.8%) and Buncombe (11.5%) counties have median household income growth projections that are well below the region-wide projected increase of 15.2%. Anticipated changes in households by income level have been considered in the Housing Gap Estimates provided later in this section.

While Most of the Region's Renter Household Growth is Expected to Occur Among Higher Income Households, the Largest Share of Renter Households is Among Lower Income Households - In 2020, income levels among renter-occupied households in the PSA (Region) were relatively well distributed. Renter-occupied households earning less than \$30,000 annually accounted for 45.3% of all such tenured households. This was a higher proportion than the 40.7% for the state of North Carolina. While projections for 2025 indicate this low-income grouping will decline by 8.5%, or 4,341 households, within the region, this decline is below the 9.6% decrease projected for the state for the same period and will result in over 51,000 households continuing to earn less than \$30,000 annually. Renter households earning between \$30,000 and \$60,000 annually represented one-quarter (24.8%) of all renter households in the region, totaling 38,981 households. This income group is expected to increase by approximately 1,348 (3.5%) households between 2020 and 2025.

Renter Household Income Share (2020)

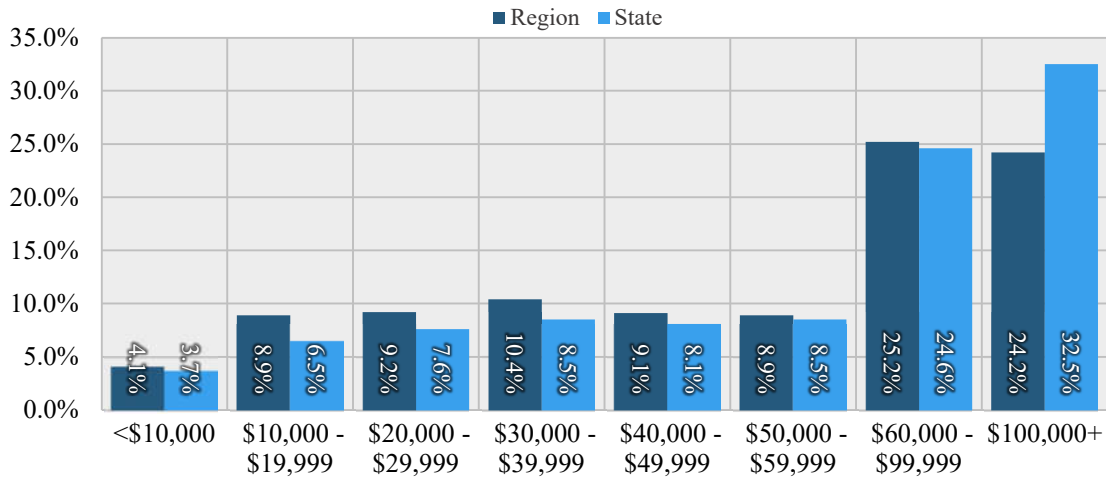


Region Change in Renter Households by Income (2020-2025)

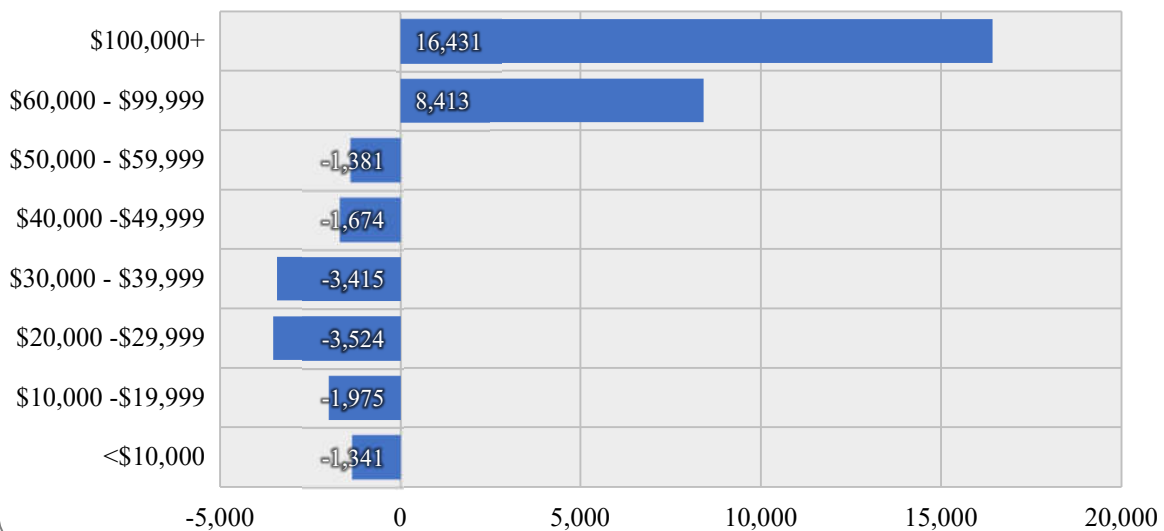


While Lower-Income Owner Households are Projected to Decline, They Will Still Comprise One in Five Owner Households in 2025 - In 2020, 49.4% of owner-occupied households within the PSA (Region) earned \$60,000 or more annually, a much higher share than renter-occupied households. Owner-occupied households earning less than \$30,000 annually accounted for only 22.2% of all such tenured households, roughly half the share of renter-occupied households for this income grouping within the region. In addition, projections for 2025 indicate this low-income grouping of owner-occupied households will decline by 12.6%, or 6,840 households, but will still represent a notable one-fifth (19.9%) of all owner households by 2025. Owner households earning between \$30,000 and \$60,000 in the region totaled 78,257 households, representing 28.4% of all owner households. The number of households within this income segment are projected to decline by 6,470 (8.3%) by 2025. While all of the owner household growth in the region between 2020 and 2025 is expected to occur among households earning more than \$60,000 annually, the fact that nearly half of all owner households in the region earn less than \$60,000 indicates this is a large segment of the homeowner market that is the most economically vulnerable.

Owner Household Income Share (2020)



Region Change in Owner Households by Income (2020-2025)



Over One in Ten Households are Headed by Minorities and are More Likely to have Less Income and Less Likely to be Homeowners than White Households – The study region has over 49,513 minority head of households representing 12.4% of the region’s households. While a slight majority (51.1%) of the minority households are homeowners, this is a much lower share than the 71.7% of white households that are homeowners. A contributing factor to minorities not being able to afford to purchase a home is the fact that a disproportionately high share (49.1%) of minority households earn less than \$40,000 annually compared with white households (39.7%) earning below this amount. As such, it appears minority households face greater housing affordability issues and greater challenges to accessing homeownership opportunities than their white counterparts.

While Persons with Disabilities Represent the Region’s Largest Special Needs Population Studied in this Report, All Studied Populations Appear to Lack Sufficient Housing to Meet Their Needs – There are more than 280,000 people in the region that fall into one or more of the several special needs categories considered in this report. The following table summarizes the total estimated count of various Special Needs populations within the region that were considered in this report, listed from largest population to the smallest.

Special Needs (Hard to House) Populations	
Special Needs Group	Persons
Persons with Disabilities	148,763
Developmentally Disabled	58,149
Persons with a Mental Illness	26,230
Single-Parent Households	24,266
Frail Elderly (Age 65+)	15,687
Persons with Substance Abuse Disorder	3,873
Ex-Offender/Re-Entry	2,214
Homeless Population	1,521
Young Adults (Ages 18-24) Aged Out of Foster Care	44
Overall Total	280,747

Note: Data sources cited in *Addendum B: Sources* and *Addendum F: Special Needs Populations*

The largest numbers of special needs persons are among persons with a disability, developmentally disabled, adults with mental illness, single-parent households and the frail elderly (persons age 62 and older requiring some level of Assistance with Daily Living). Each of these larger special needs populations consists of more than 15,000 people. According to our interviews with area stakeholders, housing alternatives that meet the specific needs of these Special Needs populations are limited and the demand for such housing exceeds the existing housing capacity. Given the circumstances (physical/mental limitations, limited education, transportation limits, etc.) of many of these special needs populations, most individuals with special needs have limited financial capacity and have difficulty affording housing in the subject region. According to our interviews with area stakeholders, housing alternatives that meet the specific needs of these populations are limited, forcing many households to live in housing situations that are not conducive to their needs, are not affordable, or force people to become homeless. Additional data and analysis is provided in Addendum F of this report.

Many of the Region’s Households are Living in Substandard Housing Situations – 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). While the shares of housing that are considered overcrowded or lacking complete kitchens or plumbing in the overall region are very similar to the state averages, over 9,400 households in the region live in overcrowded housing units and nearly 4,000 occupied units lack complete kitchens or plumbing. As such, many of the area’s renters and homeowners are facing one or both of these housing conditions. The region’s shares of renter-occupied (30.4%) and owner-occupied (27.5%) housing units built prior to 1970 are slightly higher than the state averages of 25.0% and 22.7%, respectively.

The following table compares key housing age and conditions of each study area and the state. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or plumbing (defined as lacking hot and cold running water, a flush toilet, and a bathtub or shower) are illustrated for each study area by tenure. It is important to note that some occupied housing units may have more than one housing issue. The **red** text indicates the highest shares among various categories.

	Housing Age and Conditions											
	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
Avery	524	32.3%	1,202	24.4%	54	3.3%	84	1.7%	-	0.0%	30	0.6%
Buncombe	11,824	30.1%	21,935	32.2%	2,111	5.4%	767	1.1%	663	1.7%	546	0.8%
Burke	3,544	38.7%	8,274	31.8%	723	7.9%	508	2.0%	90	1.0%	227	0.9%
Cherokee*	656	25.6%	1,651	17.0%	87	3.4%	125	1.3%	15	0.6%	49	0.5%
Clay	315	28.6%	733	18.8%	0	0.0%	19	0.5%	90	8.2%	49	1.3%
Graham*	204	38.1%	428	15.8%	0	0.0%	14	0.5%	-	0.0%	118	4.4%
Haywood*	2,534	35.2%	6,095	31.3%	365	5.1%	168	0.9%	104	1.4%	96	0.5%
Henderson	3,795	28.9%	6,713	18.6%	502	3.8%	659	1.8%	138	1.0%	224	0.6%
Jackson*	1,210	21.9%	2,199	22.2%	297	5.4%	71	0.7%	40	0.7%	47	0.5%
Macon	902	20.9%	2,464	21.2%	172	4.0%	122	1.1%	22	0.5%	23	0.2%
Madison	706	32.5%	1,456	23.4%	35	1.6%	148	2.4%	5	0.2%	85	1.4%
McDowell	1,429	28.7%	3,704	28.1%	277	5.6%	273	2.1%	119	2.3%	166	1.3%
Mitchell	539	38.7%	1,542	31.1%	56	4.0%	3	0.1%	22	1.5%	30	0.6%
Polk	696	29.6%	2,124	31.6%	106	4.5%	114	1.7%	49	2.1%	12	0.2%
Qualla Boundary	141	13.3%	385	16.3%	96	9.0%	33	1.4%	26	2.4%	23	0.9%
Rutherford	2,643	34.8%	6,561	34.4%	369	4.9%	462	2.4%	220	2.9%	163	0.9%
Swain*	379	35.6%	515	18.3%	99	9.3%	50	1.8%	42	3.9%	10	0.4%
Transylvania	1,239	35.4%	3,017	27.3%	112	3.2%	223	2.0%	76	2.1%	218	1.9%
Yancey	441	22.0%	1,519	27.6%	68	3.4%	63	1.1%	20	1.0%	79	1.4%
Region	33,720	30.4%	72,517	27.5%	5,529	5.0%	3,905	1.5%	1,741	1.6%	2,195	0.8%
North Carolina	345,494	25.0%	586,767	22.7%	59,009	4.3%	32,558	1.3%	21,333	1.5%	13,640	0.5%

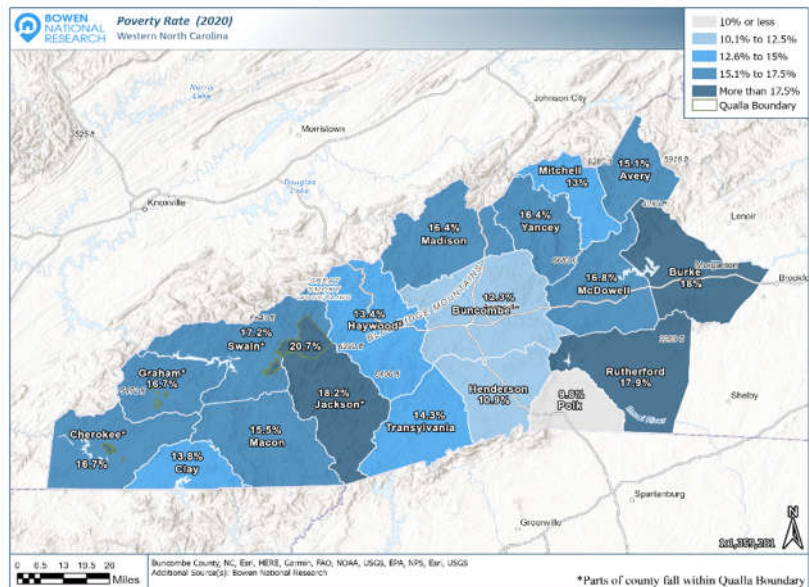
Source: 2015-2019 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

*Reservation numbers removed from county total

On an individual study area level, areas with high shares of overcrowded rental housing include Swain County, the Qualla Boundary and Burke County, while among owner households overcrowded housing is most common in the counties of Madison, Rutherford, McDowell, and Transylvania. Rental or owner housing lacking complete kitchens or plumbing is most prominent in the Qualla Boundary and the counties of Clay, Graham, Rutherford, and Swain. These older and substandard housing units are the most likely to require mitigation.

Over 125,000 People in the Region Live in Poverty, Including One in Five Children -

Over 125,000 people, or 14.4% of the population within the Dogwood Health Trust PSA (Region), have income below the poverty level. This is slightly below the North Carolina share of 14.7%. Of the 164,371 children in the PSA under the age of 18, a total of 34,670 live in poverty. As such, more than one in five (21.1%) children suffer from poverty. This is nearly identical to the state proportion of 21.2% for the same age cohort. The proportion of the senior population (ages 65 and older) within the PSA that have income below the poverty line was 1.9% of the overall population, or 8.5% of all seniors, totaling nearly 17,000 people. Based on the number of people living in poverty, affordable housing alternatives remain an important part to the region's housing stock.



	Total Population	Population by Poverty Status	
		Number	Percent
Avery	14,059	2,123	15.1%
Buncombe	250,342	30,542	12.3%
Burke	87,290	15,784	18.0%
Cherokee*	27,072	4,502	16.7%
Clay	10,921	1,513	13.8%
Graham*	7,897	1,317	16.7%
Haywood*	60,256	8,087	13.4%
Henderson	113,463	12,408	10.9%
Jackson*	35,280	6,394	18.2%
Macon	34,514	5,323	15.5%
Madison	20,421	3,342	16.4%
McDowell	44,137	7,402	16.8%
Mitchell	14,559	1,886	13.0%
Polk	20,256	1,992	9.8%
Qualla Boundary	9,294	1,926	20.7%
Rutherford	65,312	11,712	17.9%
Swain*	9,488	1,637	17.2%
Transylvania	32,699	4,679	14.3%
Yancey	17,608	2,883	16.4%
Region	874,865	125,448	14.4%
North Carolina	9,984,891	1,467,591	14.7%

Source: U.S. Census Bureau; 2015-2019 American Community Survey; Urban Decision Group; Bowen National Research

*Reservation numbers removed from county total

Most Low-Wage Earning Workers Would Need to Work Over 50 to 80 Hours a Week to Afford a Two-Bedroom Unit at Fair Market Rent Levels – Two-bedroom Fair Market Rents (FMRs) in the region range from \$671 to \$1,255. According to the National Low-Income Housing Coalition (NLIHC), a person earning the mean renter wage within each respective study area would have to work anywhere between 41 (McDowell County) to 95 (Madison County) hours a week to be able to afford a two-bedroom unit at FMR levels. Affordability challenges become more pronounced among minimum wage earners who would need to work between 71 and 133 hours a week in order to afford these same two-bedroom units. As such, many workers would often be required to hold two jobs and/or have a second wage earner in the household.

The following table illustrates the estimated mean renter wages by county and the amount of income required to afford a two-bedroom unit:

County	Estimated Mean Renter Wage	Two-Bedroom FMR	Rent Affordable at 60% AMHI	Rent Affordable at 30% AMHI	Rent Affordable with Full-time Job Paying Mean Renter Wage	Income Required to Afford Two-Bedroom FMR				
						Income	Housing Wage	Work Hours per week at Minimum Wage	Number of Jobs at Minimum Wage	Work Hours per week at Mean Renter Wage
Avery	\$10.65	\$741	\$730	\$365	\$554	\$29,640	\$14.25	79	2.0	54
Buncombe	\$14.29	\$1,255	\$1,088	\$544	\$743	\$50,200	\$24.13	133	3.3	68
Burke	\$10.68	\$712	\$916	\$458	\$555	\$28,480	\$13.69	76	1.9	51
Cherokee	\$10.69	\$680	\$766	\$383	\$556	\$27,200	\$13.08	72	1.8	49
Clay	\$13.01	\$754	\$752	\$376	\$676	\$30,160	\$14.50	80	2.0	45
Graham	\$7.96	\$671	\$742	\$371	\$414	\$26,840	\$12.90	71	1.8	65
Haywood	\$10.37	\$918	\$906	\$453	\$539	\$36,720	\$17.65	97	2.4	68
Henderson	\$11.95	\$1,255	\$1,088	\$544	\$621	\$50,200	\$24.13	133	3.3	81
Jackson	\$10.36	\$693	\$910	\$455	\$539	\$27,720	\$13.33	74	1.8	51
Macon	\$11.89	\$746	\$814	\$407	\$618	\$29,840	\$14.35	79	2.0	48
Madison	\$10.17	\$1,255	\$1,088	\$544	\$529	\$50,200	\$24.13	133	3.3	95
McDowell	\$12.73	\$671	\$736	\$368	\$662	\$26,840	\$12.90	71	1.8	41
Mitchell	\$11.83	\$671	\$846	\$423	\$615	\$26,840	\$12.90	72	1.8	44
Polk	\$11.18	\$746	\$910	\$455	\$582	\$29,840	\$14.35	79	2.0	51
Rutherford	\$11.23	\$671	\$838	\$419	\$584	\$26,840	\$12.90	71	1.8	46
Swain	\$11.80	\$671	\$716	\$358	\$614	\$26,840	\$12.90	71	1.8	44
Transylvania	\$10.33	\$681	\$850	\$425	\$537	\$27,240	\$13.10	72	1.8	51
Yancey	\$9.96	\$671	\$802	\$401	\$518	\$26,840	\$12.90	71	1.8	52

Source: National Low Income Housing Coalition (NLIHC) Out of Reach 2020

Notes: "Affordable" rents represent the generally accepted standard of spending no more than 30% of gross income on gross housing costs.

FMR – Fair Market Rent

AMHI – Area Median Household Income

Based on the National Low Income Housing Coalition (NLIHC) Out of Reach report from 2020, \$377 is considered an affordable rent level for state residents with a full-time job paying minimum wage (\$7.25 per hour). Meanwhile, with an SSI monthly payment of \$783 in North Carolina, \$235 is considered an affordable rent level for SSI recipients. Note that both affordable rent levels are well below Fair Market Rent levels for a two-bedroom unit in all counties within the region. In addition, tenants would need to work at more than one job at the listed mean hourly wages in all 18 counties in order to afford a two-bedroom unit at Fair Market Rents. Therefore, the use of rent subsidies and Vouchers remains increasingly important for housing the disabled population in the study region.

Housing Supply

The Local Housing Market Offers a Variety of Product by Age, Quality, Type and Pricing, but Limited Availability and Affordability Remain Challenges for Most Residents

- Bowen National Research identified and evaluated a total of 331 multifamily rental properties with 25,321 units (239 vacant units), 160 available non-conventional rentals (e.g., single-family homes, duplexes, etc.), 28,719 recently sold housing units, and 2,941 currently available for-sale units. Each housing segment is evaluated individually on the following pages.

Multifamily Rental Housing - The 331 surveyed multifamily rental projects in the region contain a total of 25,321 units. These projects operate under a variety of programs, including a combination of programs. As a result, we distinguished the multifamily housing inventory by program type (e.g., market-rate, Tax Credit and government-subsidized, or some combination thereof). The distribution of surveyed rental housing supply by program type is illustrated in the following table:

Surveyed Multifamily Rental Housing - Region					
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Vacancy Rate
Market-rate	145	14,834	147	99.0%	1.0%
Market-rate/Tax Credit	9	1,576	48	97.0%	3.0%
Tax Credit	57	2,797	38	98.6%	1.4%
Tax Credit/Government-Subsidized	29	1,283	2	99.8%	0.2%
Market-rate/Tax Credit/Government-Subsidized	1	123	0	100.0%	0.0%
Government-Subsidized	90	4,708	4	99.9%	0.1%
Total	331	25,321	239	99.1%	0.9%

Source: Bowen National Research

The overall vacancy rate among the 25,321 surveyed units is 0.9% (99.1% 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 region are extremely low, indicating a significant need for additional multifamily rental housing. Among the 9,158 rental units that operate under either the Low-Income Housing Tax Credit program or under a government subsidy, only 47 are vacant. This results in a combined vacancy rate of just 0.5%. Management at a majority 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. While the largest number of vacant units (147) is among the market-rate supply, properties operating exclusively as market-rate (others operate within mixed-income projects) have an overall vacancy rate of just 1.0%. This is a very low vacancy rate for market-rate housing. Therefore, even among non-assisted housing, demand for rental housing is strong. Based on this survey of rental housing, there does not appear to be any weakness or softness among multifamily rentals in the region. In fact, the demand for rentals among all affordability levels appears to be strong.

The following table summarizes the distribution of surveyed rental housing by county and region. It should be noted that the wait list information includes the number of households on a property's wait list and does not include additional households on wait list that are reported as a point in time (e.g., 12-month wait list). As such, the count of households on the wait lists likely underrepresents the actual level of pent-up demand for multifamily rental housing. The **red** shading indicates areas with the lowest vacancy rates.

Surveyed Multifamily Rental Housing Supply by Area											
Market	Projects Surveyed	Total Units	Vacant Units	Overall Vacancy Rate	Vacancy Rate by Type			Wait Lists by Type (Households)			
					Market	Tax Credit	Subsidy	Market	Tax Credit	Subsidy	Total
Avery	7	125	0	0.0%	0.0%	0.0%	0.0%	0	5	37	42
Buncombe	117	15,074	175	1.2%	1.5%	3.2%	0.0%	421	1,221	1,003	2,645
Burke	45	1,834	2	0.1%	0.0%	0.0%	0.3%	446	100	223	769
Cherokee	4	134	0	0.0%	-	-	0.0%	-	-	35	35
Clay	5	142	0	0.0%	0.0%	-	0.0%	0	-	119	119
Graham	3	84	2	2.4%	-	0.0%	3.8%	-	0	9	9
Haywood	11	734	0	0.0%	0.0%	0.0%	0.0%	13	156	168	337
Henderson	34	2,744	6	0.2%	0.4%	0.0%	0.0%	131	158	164	453
Jackson	24	1,667	22	1.3%	1.4%	0.0%	0.0%	44	52	6	102
Macon	9	330	0	0.0%	0.0%	0.0%	0.0%	0	102	80	182
Madison	6	225	0	0.0%	-	0.0%	0.0%	-	0	10	10
McDowell	9	356	28	7.9%	0.0%	20.3%	0.0%	0	10	90	100
Mitchell	7	154	2	1.3%	-	-	1.3%	-	-	118	118
Polk	4	114	0	0.0%	-	0.0%	0.0%	-	10	42	52
Rutherford	21	722	1	0.1%	0.5%	0.0%	0.0%	100	45	151	296
Swain	3	33	0	0.0%	0.0%	-	0.0%	0	-	0	0
Transylvania	15	646	1	0.2%	0.4%	0.0%	0.0%	155	0	42	197
Yancey	7	203	0	0.0%	-	-	0.0%	-	-	81	81
Region	331	25,321	239	0.9%	1.2%	2.4%	0.1%	1,310	1,859	2,378	5,547

Source: Bowen National Research

With the exception of McDowell County, none of the counties have an overall vacancy rate above 2.4%. The low vacancy rates among the surveyed supply in each of these counties illustrate that the multifamily rental supply is operating with limited availability across the entire region. The 7.9% vacancy rate within McDowell County is attributed entirely to 28 vacant units at a newly opened Tax Credit project that opened units in January of 2021 and is still in its initial lease-up phase. This project had leased 32 of its units in its first four months of opening, resulting in an average absorption rate of eight units per month, which is reflective of a good level of demand in a market like McDowell County. When this project is excluded, McDowell County has an overall vacancy rate of 0.0%, evidence of the need for rental housing in this market.

As the preceding table illustrates, there are approximately 5,547 households on the wait lists for available multifamily rental housing in the region. The largest wait list (2,378 households, representing 42.9% of all wait list households) is for government-subsidized housing. This housing segment also has the lowest vacancy rate of 0.1%. The next largest share of households on a wait list is for Tax Credit (33.5%) units. Even market-rate rentals have more than 1,300 households waiting for a unit, representing 23.6% of the total households waiting for a unit. Regardless, the wait lists illustrate there is pent-up demand among all affordability levels. On a county level, almost half (47.7%) of the households on a wait list are within Buncombe County (2,645 households). Other counties with notable overall wait lists include Burke (769), Henderson (453), Haywood (337) and Rutherford (296). All counties, with the exception of Swain, have households on a wait list.

In addition to the project-based government assistance, very low-income residents have the opportunity to secure Housing Choice Vouchers (HCV) from local housing authorities that enable eligible households to rent private sector housing units and only pay 30% of their adjusted gross income toward rent. In the overall region, there are approximately 7,411 Housing Choice Vouchers issued within the housing authorities' jurisdictions, and 2,439 households currently on the waiting list for additional vouchers. Annual turnover of households in the voucher program is estimated at 980 households within the region. The long wait lists for Housing Choice Vouchers, along with the 99.9% occupancy rate level, and wait lists for government-subsidized properties are clear reflections of the strong and pent-up demand for additional government rental housing assistance in the region. The following table summarizes the number of HCVs issued and unused in each county and the number of households on the Housing Authorities' wait list for the next available vouchers.

Voucher Use by County					
County	HCV Issued	Estimated Unused Vouchers	Unused Voucher Share	Annual Program Turnover	Wait List
Avery	178	4	2%	32	25
Buncombe	2,924	965	33%	204	708
Burke	1,233	493	40%	271	300
Cherokee/Clay/Graham	408	142	35%	80	0
Haywood/Jackson	884	380	43%	91	537*
Henderson	480	211	44%	47	495
Macon	224	0	0%	6	116
Madison	187	122	65%	37	35
McDowell/Polk/Rutherford	224	112	50%	110	0
Mitchell	236	5	2%	42	15
Swain	7	N/A	N/A	N/A	0
Transylvania	179	106	59%	16	147
Yancey	247	5	2%	44	61
Total	7,411	2,544	34%	980	2,439

*500 in Haywood County and 37 in Jackson County

HCV – Housing Choice Voucher

N/A – Not available

Source: Bowen National Research

Interviews were conducted with several county and regional housing authorities as part of this analysis. Waiting lists for Housing Choice Vouchers are open in most counties in the region. The remaining housing authorities that have closed waiting lists indicated that these lists will reopen at some point in 2021. Information was also obtained on the number of Vouchers that go unused on a yearly basis, which totals 980 for the overall region. The share of returned Vouchers reported by housing authorities ranged from a low of 2% in Avery, Mitchell, and Yancey counties to a high of 65% in Madison County. Note that among all housing authorities interviewed, Madison County has the shortest time frame (60 days) in which a Voucher must be used before it must be returned to the housing authority. A representative of the housing authority that operates within Cherokee, Clay, and Graham counties noted that Vouchers have been returned due to an increase of persons leaving the program due to COVID-19 and a lack of available housing in these counties. Most housing authorities surveyed in the region allow 120 days before a Voucher must be returned. In some counties and jurisdictions, Voucher holders have 90 days to use a Voucher, but are permitted to apply for a 90-day extension. Vouchers are also portable between counties among all housing authorities in the region, with some housing authorities imposing a time limit of one-

year before the Voucher is portable. Most housing authorities also do not own or operate any Public Housing units. However, the three counties that do offer Public Housing units are Avery, Mitchell, and Yancey. Based on this analysis, it is clear that the demand for HCVs is strong and that a large portion of Voucher holders cannot find housing to use the Vouchers.

The following table compares key household income, housing cost, and housing affordability metrics of each study area and the state based on American Community Survey data (2015-2019). It should be noted that cost burdened households are those paying over 30% of their income toward housing costs, while severe cost burdened households are those that pay over 50% of their income toward housing. The **red** text indicates the highest numbers and shares among selected metrics.

Household Income, Housing Costs and Affordability								
Study Area	2020 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Avery	6,493	\$42,634	\$144,000	\$777	43.7%	18.7%	23.5%	7.8%
Buncombe	115,601	\$56,092	\$238,200	\$975	48.5%	20.1%	19.4%	7.6%
Burke	37,653	\$45,507	\$120,700	\$648	36.8%	15.9%	16.4%	5.8%
Cherokee*	12,598	\$45,251	\$159,100	\$724	45.6%	20.3%	20.8%	7.6%
Clay	5,148	\$40,112	\$180,300	\$736	26.9%	21.6%	16.4%	11.3%
Graham*	3,568	\$39,256	\$122,300	\$499	23.9%	17.2%	2.1%	7.2%
Haywood*	27,839	\$53,694	\$179,700	\$785	41.5%	19.4%	20.2%	8.2%
Henderson	52,097	\$56,086	\$214,000	\$853	42.8%	18.4%	14.8%	7.0%
Jackson*	16,600	\$43,623	\$196,100	\$739	43.9%	16.7%	29.8%	6.1%
Macon	15,749	\$42,757	\$165,600	\$756	37.0%	19.8%	14.3%	9.2%
Madison	9,628	\$42,004	\$194,600	\$746	36.1%	18.6%	21.2%	5.2%
McDowell	19,191	\$40,221	\$119,200	\$645	29.9%	15.4%	13.3%	5.5%
Mitchell	6,660	\$48,610	\$157,400	\$611	31.3%	18.2%	11.8%	8.4%
Polk	9,444	\$49,848	\$225,700	\$851	38.3%	22.8%	16.8%	8.2%
Qualla Boundary	3,334	\$37,736	\$121,798	\$669	28.7%	16.3%	12.2%	7.2%
Rutherford	28,243	\$45,136	\$118,300	\$636	39.5%	17.6%	20.8%	7.0%
Swain*	4,219	\$42,184	\$139,100	\$642	42.0%	18.8%	22.9%	6.8%
Transylvania	16,077	\$51,082	\$221,900	\$756	41.7%	17.1%	18.1%	7.3%
Yancey	8,175	\$41,704	\$157,100	\$634	37.0%	16.9%	16.1%	6.1%
Region	398,318	\$49,485	\$182,668	\$890	42.4%	18.6%	18.5%	7.2%
North Carolina	4,215,474	\$55,916	\$175,782	\$979	43.3%	19.9%	20.6%	7.9%

Source: American Community Survey (2015-2019); ESRI

*Reservation numbers removed from county total

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

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

Buncombe and Polk counties are the only study areas that are among the three highest average rents and estimated home values. These costs likely contribute to the fact that Buncombe County has the highest share of renter cost burdened households and Polk County has the highest share of owner cost burdened households. Additional counties with high shares of *renter* cost burdened households include Cherokee and Jackson, while the share of owner cost burdened households is also high in Clay County. Regardless, 42.4% of renters are cost burdened (totaling 46,952 units) while 18.6% of homeowners are cost burdened (totaling 49,111 units). As stated earlier, severe cost burdened households are those paying in excess of 50% of their income toward rent. More than one in five renter households are severe cost burdened in the counties of Avery, Cherokee, Haywood, Jackson, Madison, Rutherford and Swain. As such, affordability is a significant challenge for a large portion of renters in these counties.

Non-Conventional Rental Housing – 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 86,400 *occupied* non-conventional *rentals* in the study region. These rentals represent 78.0% of all rental units in the region. Because non-conventional rentals make up more than three-quarters of the region’s rental supply, we have conducted a sample survey of non-conventional rentals within the region. After extensive research, a total of 164 *available* units were identified and surveyed across the region. When compared with the estimated 86,400 non-conventional rentals in the region, these 164 vacant non-conventional rental units represent a vacancy rate of just 0.2%. This is considered to be an extremely low vacancy rate and a demonstration of the limited availability among the non-conventional rental alternatives in the region. The following table aggregates the 164 available non-conventional rental units identified in the region by bedroom type.

Surveyed (Available) Non-Conventional Rental Supply					
Bedroom	Vacant Units	Percent	Low Rent	High Rent	Average Rent
Studio	4	2.4%	\$300	\$1,000	\$725
One-Bedroom	31	18.9%	\$650	\$2,000	\$1,069
Two-Bedroom	54	32.9%	\$650	\$2,695	\$1,285
Three-Bedroom	67	40.9%	\$965	\$4,500	\$1,923
Four-Bedroom	8	4.9%	\$1,400	\$3,600	\$1,993
Total	164				

Sources: Apartments.com; ForRent.com; Zillow; Rent.com; Trulia; Craigslist; Homes.com

Most available non-conventional rentals consist of two- or three-bedroom units and have rents well above \$1,000. At a rent of \$1,000 per month, a household would generally need to have an annual income of at least \$40,000. More than half (59.4%) of all renter households in the region do *not* have sufficient incomes to be able to afford most non-conventional rentals currently available in the market. Given the lack of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from non-conventional housing alternatives. Additionally, the typical rents of non-conventional rentals are not a viable option to most low-income and very low-income households in the region.

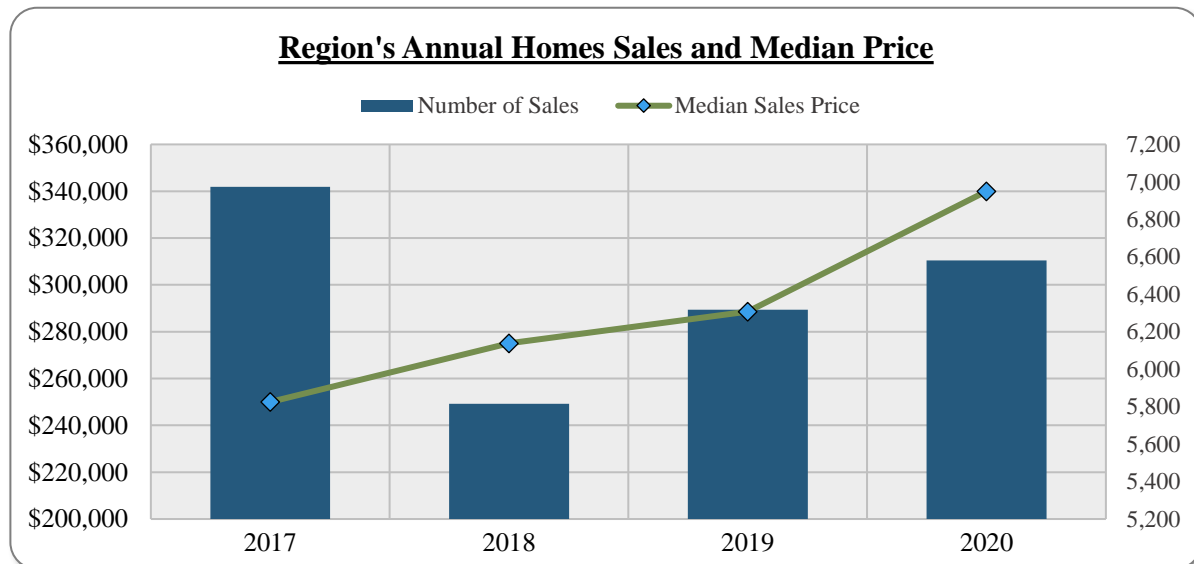
For-Sale Housing – Bowen National Research, through a review of the Multiple Listing Service data and various online resources, identified both historical (*sold* between 2017 and 2020) for-sale residential data and currently *available* for-sale housing stock. There were 28,719 homes sold over the last four full years and 2,491 homes currently available for purchase in the region.

Historical Sales - The following table includes a summary of annual for-sale residential transactions that occurred within the overall region since 2017 (excludes partial year of 2021). It is important to note that *annual* for-sale data was not available for all of the study areas. Therefore, we were only able to provide annual *trend* data for nine of the study areas. However, this trend data is invaluable to help understand the changes in sales volume and median sale prices for the overall region. A summary of all historical sales for all study areas, including those without annual sales data, is included later on page 191 of the Regional Analysis section.

Region - Number of For-Sale Housing Units by Year Sold				
Year	Homes Sold	Annual Change	Median Sale Price	Annual Change
2017	6,973	-	\$250,000	-
2018	5,816	-16.6%	\$275,000	10.0%
2019	6,318	8.6%	\$288,625	5.0%
2020	6,581	4.2%	\$340,000	17.8%

Source: Multiple Listing Service and Bowen National Research

Within the overall region and among counties reporting annual sales data, the volume of homes sold has increased over the past two years, demonstrating growing demand for such product. The median sale price has increased from \$250,000 to \$340,000 over the past four years, representing an overall increase of \$90,000 or 37.5%. The 17.8% increase in the median sale price that occurred in 2020 represents a three-year high and is reflective of the increased demand for for-sale housing that is similar to national trends. The following graph illustrates the overall region's increase in annual sales volume and median sales price during the four-year study period.



Available For-Sale Housing - There are approximately 2,491 homes currently available for purchase in the region, resulting in an availability rate of just 0.9%. Typically, in healthy and well-balanced housing markets, availability rates are between 2.0% and 3.0%, though due to recent national housing market pressures it is not uncommon for most markets to have an availability rate below 2.0%. As such, the overall region's available for-sale housing supply is extremely low. There are availability rates of less than 0.9% in the counties of Burke (0.3%), McDowell (0.4%), Henderson (0.6%), Buncombe (0.7%), and Rutherford (0.8%). The counties with the highest availability rates are Avery (3.0%), Jackson (2.2%), Swain (2.2%), and Clay (2.1%). The availability rates of these counties are within the healthy range. As such, 14 of the 18 study counties included in this report have a low share of available for-sale product and, in some cases, the shortage is significant. The following table summarizes the inventory of *available* for-sale housing in the region (**red**-shaded data highlights the lowest availability rates, highest median list prices, shortest number of days on market, and older housing stock).

	Available For-Sale Housing						
	Total Available Units	% Share of Region	Availability Rate*	Average List Price	Median List Price	Average Days On Market	Average Year Built
Avery	156	6.3%	3.0%	\$906,464	\$489,000	84	1990
Buncombe	510	20.5%	0.7%	\$887,504	\$544,508	58	1981
Burke	81	3.3%	0.3%	\$502,458	\$275,000	69	1976
Cherokee	131	5.2%	1.4%	\$388,548	\$225,000	68	1990
Clay	75	3.0%	2.1%	\$520,161	\$379,000	122	1994
Graham	31	1.2%	1.0%	\$489,042	\$389,000	152	1989
Haywood	215	8.6%	1.1%	\$558,913	\$399,000	74	1982
Henderson	227	9.1%	0.6%	\$697,799	\$449,000	74	1987
Jackson	220	8.8%	2.2%	\$1,016,087	\$565,000	93	1993
Macon	179	7.2%	1.6%	\$777,598	\$437,000	72	1984
Madison	66	2.7%	0.9%	\$551,627	\$450,000	80	1995
McDowell	59	2.3%	0.4%	\$440,237	\$375,000	76	1980
Mitchell	56	2.2%	1.0%	\$522,740	\$339,000	56	1971
Polk	76	3.1%	1.1%	\$702,808	\$489,000	94	1977
Qualla Boundary	-	-	-	-	-	-	-
Rutherford	157	6.3%	0.8%	\$398,088	\$275,000	91	1978
Swain	61	2.5%	2.2%	\$592,684	\$465,000	99	1996
Transylvania	106	4.3%	0.9%	\$922,099	\$565,000	90	1987
Yancey	85	3.4%	1.5%	\$434,353	\$299,000	263	1979
Region	2,491	100.0%	0.9%	\$706,882	\$399,000	86	1986

Source: Multiple Listing Service, Realtor.com and Bowen National Research

*Availability rate is derived by dividing the available units by the total of available and owner-occupied units.

The available homes in the region have a median list price by county ranging from \$225,000 in Cherokee to \$565,000 in Transylvania and Jackson counties. Of the four counties with fewest days on market (represents fastest selling homes), two of them also have the oldest available product (based on the average year built) in the region. Only Graham, Clay, and Yancey counties have an average number of days on market of more than 100. Graham and Clay counties are located in the far west portion of the study region and are two of the more rural areas of the region, while Yancey County is located in the northeast portion of the study area, northeast of Buncombe County, and appears to be influenced by higher priced vacation homes that are on the market. The largest shares of available product are within Buncombe (20.5%), Henderson (9.1%), Jackson (8.8%), and Haywood (8.6%) counties and represent a combined 47.0% of the region's available supply.

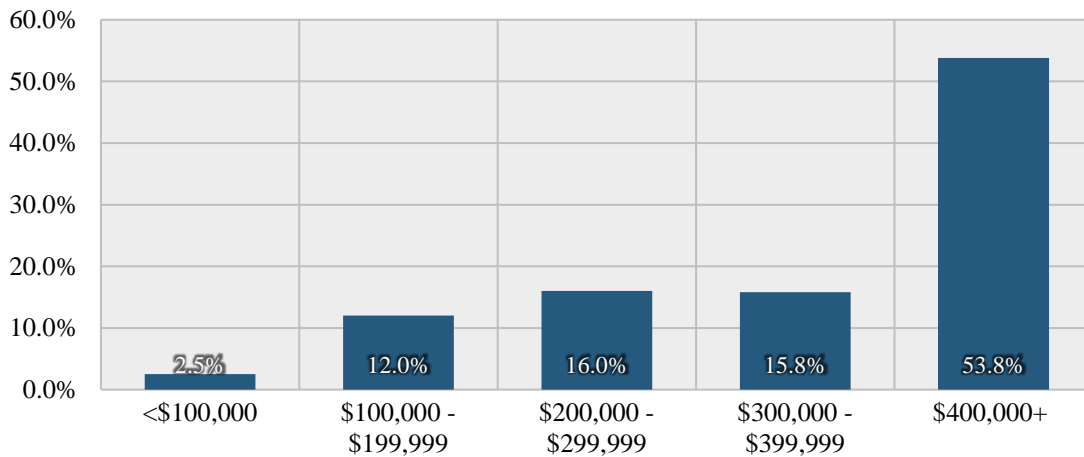
The following table summarizes the distribution of available for-sale units by study area and price point (highest *county* share by price shown in **blue**, while lowest shown in **red**).

	Available For-Sale Housing Units by List Price									
	<\$100,000		\$100,000 - \$199,999		\$200,000 - \$299,999		\$300,000 - \$399,999		\$400,000+	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Avery	1	0.6%	29	18.6%	25	16.0%	15	9.6%	86	55.1%
Buncombe	1	0.2%	27	5.3%	49	9.6%	83	16.3%	350	68.6%
Burke	7	8.6%	19	23.5%	21	25.9%	13	16.0%	21	25.9%
Cherokee	9	6.9%	27	20.6%	30	22.9%	21	16.0%	44	33.6%
Clay	2	2.7%	7	9.3%	14	18.7%	15	20.0%	37	49.3%
Graham	1	3.2%	7	22.6%	3	9.7%	8	25.8%	12	38.7%
Haywood	4	1.9%	25	11.6%	48	22.3%	35	16.3%	103	47.9%
Henderson	0	0.0%	17	7.5%	36	15.9%	50	22.0%	124	54.6%
Jackson	4	1.8%	18	8.2%	30	13.6%	28	12.7%	140	63.6%
Macon	5	2.8%	29	16.2%	32	17.9%	19	10.6%	94	52.5%
Madison	1	1.5%	2	3.0%	8	12.1%	17	25.8%	38	57.6%
McDowell	2	3.4%	12	20.3%	12	20.3%	5	8.5%	28	47.5%
Mitchell	3	5.4%	13	23.2%	10	17.9%	11	19.6%	19	33.9%
Polk	0	0.0%	2	2.6%	9	11.8%	15	19.7%	50	65.8%
Qualla Boundary	-	-	-	-	-	-	-	-	-	-
Rutherford	16	10.2%	41	26.1%	25	15.9%	20	12.7%	55	35.0%
Swain	0	0.0%	6	9.8%	9	14.8%	11	18.0%	35	57.4%
Transylvania	1	0.9%	3	2.8%	12	11.3%	16	15.1%	74	69.8%
Yancey	4	4.7%	14	16.5%	25	29.4%	11	12.9%	31	36.5%
Region	62	2.5%	298	12.0%	398	16.0%	393	15.8%	1,341	53.8%

Source: Multiple Listing Service, Realtor.com and Bowen National Research

Over two-thirds (69.6%) of the available supply in the region is priced over \$300,000. Assuming a household pays a minimum down payment of 5%, a household would need to have an annual income of around \$95,000 to afford a house at this price. Only about 7.0% of renters and 24% of homeowners can afford such a mortgage. This indicates that there is a significantly large inventory of higher priced product compared to the share of households that can afford to purchase such homes. Conversely, only 14.5% of the available for-sale supply in the region is priced under \$200,000 and would generally be affordable to households earning less than \$60,000. Approximately 77.0% of renters and 50.6% of homeowners have incomes below \$60,000. In this case, a large base of lower income households exceeds the inventory of available supply that is affordable to them. Based on the preceding analysis, there appears to be a mismatch between household prices and affordability among the entire spectrum of housing and incomes.

Region's Available For-Sale Housing by Price



The following table summarizes the distribution of available for-sale units by study area and bedroom type (highest *county* bedroom share shown in **blue**, while lowest shown in **red**).

	Available For-Sale Housing Units by Bedroom Type							
	Studio/One-Br.		Two-Bedroom		Three-Bedroom		Four-Bedroom+	
	Number (Share)	Median Price	Number (Share)	Median Price	Number (Share)	Median Price	Number (Share)	Median Price
Avery	8 (5.1%)	\$156,000	42 (26.9%)	\$238,500	68 (43.5%)	\$600,000	38 (24.4%)	\$1,975,000
Buncombe	27 (5.3%)	\$399,900	88 (17.3%)	\$364,900	255 (50.0%)	\$459,000	140 (27.4%)	\$1,450,000
Burke	1 (1.2%)	\$94,000	17 (21.0%)	\$179,900	39 (48.1%)	\$275,000	24 (29.6%)	\$579,500
Cherokee	3 (2.3%)	\$138,800	50 (38.2%)	\$259,000	54 (41.2%)	\$329,900	24 (18.3%)	\$499,800
Clay	7 (9.3%)	\$200,000	21 (28.0%)	\$330,000	37 (49.3%)	\$450,000	10 (13.3%)	\$849,000
Graham	3 (9.7%)	\$149,000	13 (41.9%)	\$324,900	15 (48.4%)	\$399,000	-	-
Haywood	11 (5.1%)	\$300,000	61 (28.4%)	\$270,000	101 (47.0%)	\$400,000	42 (19.5%)	\$775,000
Henderson	4 (1.8%)	\$149,000	41 (18.1%)	\$275,000	127 (55.9%)	\$399,999	55 (24.2%)	\$775,000
Jackson	17 (7.7%)	\$150,000	41 (18.6%)	\$350,000	106 (48.2%)	\$525,000	56 (25.5%)	\$1,890,000
Macon	6 (3.3%)	\$189,000	59 (33.0%)	\$259,000	73 (40.7%)	\$399,000	41 (22.9%)	\$1,600,000
Madison	2 (3.0%)	\$233,800	11 (16.7%)	\$349,000	46 (69.7%)	\$435,000	7 (10.6%)	\$699,000
McDowell	3 (5.1%)	\$270,000	14 (23.7%)	\$275,000	31 (52.5%)	\$375,000	11 (18.6%)	\$565,000
Mitchell	4 (7.1%)	\$248,000	10 (17.9%)	\$355,900	33 (58.9%)	\$289,900	9 (16.1%)	\$510,000
Polk	0 (0.0%)	-	11 (14.5%)	\$395,000	38 (50.0%)	\$425,000	27 (35.5%)	\$649,900
Qualla Boundary	-	-	-	-	-	-	-	-
Rutherford	11 (7.0%)	\$189,000	41 (26.1%)	\$219,000	77 (49.0%)	\$315,000	28 (17.8%)	\$475,000
Swain	2 (3.3%)	\$602,500	15 (25.0%)	\$325,000	32 (52.5%)	\$425,000	12 (19.7%)	\$925,000
Transylvania	4 (3.8%)	\$302,000	17 (16.0%)	\$350,000	56 (52.8%)	\$565,000	29 (27.4%)	\$1,295,000
Yancey	3 (3.5%)	\$225,000	29 (34.1%)	\$225,000	32 (37.6%)	\$340,250	21 (24.7%)	\$549,000
Region	116 (4.7%)	\$189,000	581 (23.3%)	\$279,000	1,220 (49.0%)	\$429,000	574 (23.0%)	\$874,500

Source: Multiple Listing Service, Realtor.com and Bowen National Research

Within the overall region, three-bedroom units made up the largest share (49.0%) of available units, while two-bedroom units (23.3%) and four-bedroom units (23.0%) made up nearly equal shares of most of the remaining supply. These shares are normal, when compared with similar housing markets and reflective of a balanced market. Most of the study areas have shares of three-bedroom units that are between 40% and 60% and shares of two- and four-bedroom units that are roughly between 15% and 30%. As such, most of the counties also

have a good distribution of available housing units by bedroom type that should be able to accommodate most household sizes.

Housing Gap Estimates

Bowen National Research conducted housing gap estimates (the number of units that could potentially be supported or are needed) for rental and for-sale housing for each study area within the subject region. Because this report will be utilized by a variety of users that may seek financing from a variety of sources, including government-subsidies or mortgage insurance from the Department of Housing and Urban Development (HUD) or Tax Credits from the North Carolina Housing Finance Agency (NCHFA), we have included the demand estimate methodologies mandated by HUD and NCHFA in this report (see page 210). Our estimates consider multiple income stratifications. These stratifications include households with incomes of up to 50% of Area Median Household Income (AMHI), between 51% and 80% of AMHI, and between 81% and 120% of AMHI. This analysis was conducted for renters and owners separately and identified the housing gaps for each study area between 2020 and 2025.

It is important to point out, we have conducted housing gap estimates for each study area (county or reservation) in an effort to provide *broad market-wide estimates*. In reality, an individual project may only get support from a portion of a county, or its support may originate from a market area that overlaps multiple counties. Therefore, the housing gap estimates provided in this section should serve as a general guide as to the number of housing units required in a market. In most cases, individual site-specific studies may be warranted to confirm the depth of support for a particular project, once a specific project concept (rent structure, unit mixes, targeted income, population designation, etc.) has been established and a site has been selected.

Lastly, while we established housing gap estimates for general occupancy housing (includes all age groups), we limited our demand to senior-oriented housing to older adults ages 55 and older. The age 55+ cohort was used as it corresponds to the lower age restriction placed on properties, primarily under the Low-Income Housing Tax Credit program. We acknowledge that there may be senior-oriented projects that are restricted to older seniors, such as those ages 62 and older. These older senior age restrictions are more commonly found in HUD supported projects. However, we have not quantified the housing gap estimates for such households. It is worth pointing out that among households ages 55 and older within the subject region in 2020, over one-third (36.6%) are between the ages of 55 and 64, while the remaining 63.4% are households ages 65 and older (Note: Household data for ages 62 and older are not readily available). While the drivers behind housing needs are more complicated than the application of a simple ratio of the preceding older adult (age 55+) and senior (age 65+) households, it is reasonable to assume that *approximately* one-third of the senior-oriented housing gaps shown in this report are for older adults between the ages of 55 and 64, while two-thirds of the housing gaps are for seniors ages 65 and older.

Rental Housing Gap – The following table summarizes the region’s **rental housing gap estimates (number of units needed or could be supported)** by the various income segments following NCHFA guidelines. It is important to point out that the general-occupancy projects are open to all income-eligible households, regardless of age. We have not excluded older adults (age 55+) from the general occupancy estimates, as older adults can live in general occupancy projects. Therefore, the older adults estimates are a subset of the general occupancy estimates. The largest overall housing gaps are shown in **red**.

Study Area	NCHFA Format							
	Rental Housing Gap Estimates – Number of Units Needed by AMHI Level							
	≤50% AMHI		51%-80% AMHI		81%-120% AMHI		Total	
	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+
Avery	121 (71.6%)	62 (66.7%)	26 (15.4%)	20 (21.5%)	22 (13.0%)	11 (11.8%)	169	93
Buncombe	3,936 (72.4%)	1,449 (64.1%)	901 (16.6%)	509 (22.5%)	602 (11.1%)	302 (13.4%)	5,439	2,260
Burke	656 (75.6%)	271 (75.3%)	122 (14.1%)	86 (23.9%)	90 (10.4%)	3 (0.8%)	868	360
Cherokee	247 (75.8%)	146 (64.9%)	51 (15.6%)	53 (23.6%)	28 (8.6%)	26 (11.6%)	326	225
Clay	90 (65.7%)	51 (46.8%)	30 (21.9%)	42 (38.5%)	17 (12.4%)	16 (14.7%)	137	109
Graham	25 (92.6%)	20 (74.1%)	2 (7.4%)	4 (14.8%)	0 (0.0%)	3 (11.1%)	27	27
Haywood	764 (86.4%)	425 (73.9%)	120 (13.6%)	145 (25.2%)	0 (0.0%)	5 (0.9%)	884	575
Henderson	1,149 (69.6%)	603 (63.1%)	240 (14.5%)	215 (22.5%)	261 (15.8%)	137 (14.3%)	1,650	955
Jackson	564 (72.6%)	215 (64.4%)	120 (15.4%)	81 (24.3%)	93 (12.0%)	38 (11.4%)	777	334
Macon	267 (71.0%)	167 (60.9%)	68 (18.1%)	71 (25.9%)	41 (10.9%)	36 (13.1%)	376	274
Madison	227 (84.1%)	143 (74.5%)	21 (7.8%)	38 (19.8%)	22 (8.1%)	11 (5.7%)	270	192
McDowell	299 (64.9%)	161 (66.3%)	65 (14.1%)	36 (14.8%)	97 (21.0%)	46 (18.9%)	461	243
Mitchell	50 (57.5%)	39 (62.9%)	8 (9.2%)	11 (17.7%)	29 (33.3%)	12 (19.4%)	87	62
Polk	146 (64.3%)	90 (58.4%)	41 (18.1%)	35 (22.7%)	40 (17.6%)	29 (18.8%)	227	154
Qualla Boundary	73 (82.0%)	39 (76.5%)	11 (12.4%)	6 (11.8%)	5 (5.6%)	6 (11.8%)	89	51
Rutherford	754 (79.0%)	388 (83.3%)	111 (11.6%)	46 (9.9%)	90 (9.4%)	32 (6.9%)	955	466
Swain	119 (81.5%)	72 (69.9%)	18 (12.3%)	17 (16.5%)	9 (6.2%)	14 (13.6%)	146	103
Transylvania	222 (64.2%)	133 (58.6%)	70 (20.2%)	62 (27.3%)	54 (15.6%)	32 (14.1%)	346	227
Yancey	148 (68.2%)	92 (61.7%)	41 (18.9%)	36 (24.2%)	28 (12.9%)	21 (14.1%)	217	149
Region	9,857 (73.3%)	4,566 (66.6%)	2,066 (15.4%)	1,513 (22.1%)	1,528 (11.4%)	780 (11.4%)	13,451	6,859

Source: Bowen National Research

Overall, using NCHFA methodology there is a potential housing gap for approximately 13,451 rental units in the region among the three combined income groups that includes all households, regardless of age. The largest of the region's rental housing gaps is among households earning up to 50% of AMHI. This gap is for 9,857 units and represents 73.3% of the overall region's housing needs. Among *older adults* ages 55 and older, which is a subset of the general occupancy housing gap estimates, the region has an overall older adult rental housing gap of 6,859. As such, the older adult housing gap is 51.0% of the overall region's rental housing needs. Most of the older adult renter housing gap is for product that is affordable to households earning up to 50% of AMHI, with a housing gap of 4,566 units representing 66.6% of the overall older adult renter housing gap. Based on this analysis, while the largest housing gaps appear to be for the lowest income households, there are large rental housing gaps among all levels of affordability. The very low vacancy rate among the government-subsidized, Tax Credit and moderately priced market-rate rental housing supply we surveyed in the region indicates that there is limited availability of affordable product to lower income households. This further exacerbates the challenges these households have of finding and securing decent and affordable rental housing.

On an individual study area level, counties with the largest overall rental housing gaps include Buncombe County (5,439 units, 40.4% of region total), Henderson County (1,650 units, 12.3% of region total), Rutherford County (955 units, 7.1% of region total), Haywood County (884 units, 6.6% of region total) and Burke County (868 units, 6.5% of region total). These five counties together represent nearly three-quarters (72.9%) of the region's overall rental housing gap. The fact that these counties have the largest rental housing gaps in the region is not surprising given that these are the largest counties (based on population) in the region. Only three areas, Graham County (27 units), Mitchell County (87 units) and the Qualla Boundary (89 units) have rental housing gaps of less than 130 units. The largest **older adult** (age 55+) renter housing gaps are in the counties of Buncombe (2,260 units, 32.9% of the region's older adult total), Henderson (955 units, 13.9% of the region's older adult total), Haywood (575 units, 8.4% of the region's older adult total), Rutherford (466 units, 6.8% of the region's older adult total) and Burke (360 units, 5.2% of region's older adult total).

The following table summarizes the region's **rental housing gap estimates (number of units needed or could be supported)** by the various income segments following HUD guidelines. The largest overall housing gaps are shown in **red**.

Study Area	HUD Format							
	Rental Housing Gap Estimates – Number of Units Needed by AMHI Level							
	≤50% AMHI		51%-80% AMHI		81%-120% AMHI		Total	
	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+
Avery	124 (66.3%)	43 (71.7%)	37 (19.8%)	12 (20.0%)	26 (13.9%)	5 (8.3%)	187	60
Buncombe	2,062 (56.2%)	662 (56.3%)	996 (27.1%)	307 (26.1%)	611 (16.7%)	207 (17.6%)	3,669	1,176
Burke	760 (59.1%)	227 (55.1%)	335 (26.1%)	126 (30.6%)	190 (14.8%)	59 (14.3%)	1,285	412
Cherokee	228 (57.0%)	86 (55.8%)	106 (26.5%)	40 (26.0%)	66 (16.5%)	28 (18.2%)	400	154
Clay	115 (55.8%)	43 (51.2%)	60 (29.1%)	24 (28.6%)	31 (15.0%)	17 (20.2%)	206	84
Graham	49 (70.0%)	16 (69.6%)	14 (20.0%)	5 (21.7%)	7 (10.0%)	2 (8.7%)	70	23
Haywood	625 (59.9%)	242 (60.2%)	233 (22.3%)	99 (24.6%)	185 (17.7%)	61 (15.2%)	1,043	402
Henderson	1,202 (59.9%)	473 (58.8%)	480 (23.9%)	201 (25.0%)	326 (16.2%)	131 (16.3%)	2,008	805
Jackson	485 (58.6%)	110 (53.4%)	206 (24.9%)	54 (26.2%)	136 (16.4%)	42 (20.4%)	827	206
Macon	322 (57.3%)	119 (55.9%)	150 (26.7%)	55 (25.8%)	90 (16.0%)	39 (18.3%)	562	213
Madison	262 (69.9%)	95 (70.9%)	72 (19.2%)	26 (19.4%)	41 (10.9%)	13 (9.7%)	375	134
McDowell	419 (58.6%)	131 (56.7%)	188 (26.3%)	63 (27.3%)	108 (15.1%)	37 (16.0%)	715	231
Mitchell	99 (62.3%)	33 (70.2%)	32 (20.1%)	10 (21.3%)	28 (17.6%)	4 (8.5%)	159	47
Polk	184 (51.1%)	83 (50.6%)	107 (29.7%)	47 (28.7%)	69 (19.2%)	34 (20.7%)	360	164
Qualla Boundary	92 (64.3%)	27 (65.9%)	32 (22.4%)	9 (22.0%)	19 (13.3%)	5 (12.2%)	143	41
Rutherford	717 (60.1%)	262 (76.2%)	264 (22.1%)	51 (14.8%)	212 (17.8%)	31 (9.0%)	1,193	344
Swain	109 (60.6%)	42 (60.0%)	42 (23.3%)	17 (24.3%)	29 (16.1%)	11 (15.7%)	180	70
Transylvania	254 (48.6%)	99 (47.4%)	162 (31.0%)	60 (28.7%)	107 (20.5%)	50 (23.9%)	523	209
Yancey	184 (59.7%)	64 (58.2%)	76 (24.7%)	28 (25.5%)	48 (15.6%)	18 (16.4%)	308	110
Region	8,292 (58.3%)	2,857 (58.5%)	3,592 (25.3%)	1,234 (25.3%)	2,329 (16.4%)	794 (16.3%)	14,213	4,885

Source: Bowen National Research

Following HUD's methodology, there is a potential housing gap for approximately 14,213 rental housing units in the region among the three combined income groups that includes both families and seniors. Overall, more than half (58.3%) of the region's general occupancy housing gap is for rental product that is affordable to households earning up to 50% of AMHI. Just over one-quarter of the overall region's rental housing gap is for product serving households between 51% and 80% of AMHI and another 16.4% is for product that is affordable to households earning between 81% and 120% of AMHI. As stated earlier, the very low vacancy rate among the inventoried rental housing supply in the region indicates that there is limited availability of product that is affordable to lower income households. Long wait lists at most surveyed properties and wait lists for Housing Choice Vouchers illustrate the large level of pent-up demand for affordable rental housing alternatives in the region.

The counties with the largest for-sale housing gaps under the HUD methodology are Buncombe (3,669 units, 25.8% of region's demand), Henderson (2,008 units, 14.1% of region's demand), Burke (1,285 units, 9.0% of region's demand), and Rutherford (1,193 units, 8.4% of demand). More than half (57.3%) of the region's demand is within these four counties. All four of these counties also have the largest older adult (age 55+) rental housing gaps in the region. Only Graham County (70 units) has an overall rental housing gap of less than 140 units.

For-Sale Housing Gap - The region's **for-sale housing gap estimates (number of units needed or could be supported)** by various income segments following NCHFA guidelines are shown below. It is important to point out that the general-occupancy projects are open to all income-eligible households, regardless of age, and older adults (age 55+) were not excluded from the general occupancy estimates. However, the older adult estimates are a subset of the general occupancy estimates. The largest overall housing gaps are shown in **red**.

Study Area	NCHFA Format							
	Owner Housing Gap Estimates – Number of Units Needed by AMHI Level							
	≤50% AMHI		51%-80% AMHI		81%-120% AMHI		Total	
	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+
Avery	77 (65.3%)	29 (78.4%)	35 (29.7%)	7 (18.9%)	6 (5.1%)	1 (2.7%)	118	37
Buncombe	1,050 (79.0%)	391 (53.6%)	115 (8.7%)	186 (25.5%)	164 (12.3%)	152 (20.9%)	1,329	729
Burke	79 (57.2%)	63 (61.2%)	0 (0.0%)	6 (5.8%)	59 (42.8%)	34 (33.0%)	138	103
Cherokee	81 (100.0%)	70 (77.8%)	0 (0.0%)	20 (22.2%)	0 (0.0%)	0 (0.0%)	81	90
Clay	17 (22.4%)	14 (48.3%)	55 (72.4%)	15 (51.7%)	4 (5.3%)	0 (0.0%)	76	29
Graham	0 (0.0%)	4 (50.0%)	0 (0.0%)	0 (0.0%)	7 (100.0%)	4 (50.0%)	7	8
Haywood	99 (68.3%)	80 (61.1%)	0 (0.0%)	30 (22.9%)	46 (31.7%)	21 (16.0%)	145	131
Henderson	262 (84.2%)	295 (81.0%)	1 (0.3%)	62 (17.0%)	48 (15.4%)	7 (1.9%)	311	364
Jackson	73 (84.9%)	69 (87.3%)	0 (0.0%)	10 (12.7%)	13 (15.1%)	0 (0.0%)	86	79
Macon	78 (100.0%)	73 (78.5%)	0 (0.0%)	20 (21.5%)	0 (0.0%)	0 (0.0%)	78	93
Madison	44 (42.3%)	33 (40.2%)	12 (11.5%)	16 (19.5%)	48 (46.2%)	33 (40.2%)	104	82
McDowell	52 (43.3%)	52 (53.1%)	0 (0.0%)	0 (0.0%)	68 (56.7%)	46 (46.9%)	120	98
Mitchell	0 (0.0%)	5 (17.9%)	0 (0.0%)	19 (67.9%)	8 (100.0%)	4 (14.3%)	8	28
Polk	94 (80.3%)	35 (68.6%)	5 (4.3%)	13 (25.5%)	18 (15.4%)	3 (5.9%)	117	51
Qualla Boundary	3 (27.3%)	1 (20.0%)	0 (0.0%)	0 (0.0%)	8 (72.7%)	4 (80.0%)	11	5
Rutherford	222 (88.4%)	154 (86.0%)	17 (6.8%)	17 (9.5%)	12 (4.8%)	8 (4.5%)	251	179
Swain	6 (40.0%)	7 (63.6%)	0 (0.0%)	0 (0.0%)	9 (60.0%)	4 (36.4%)	15	11
Transylvania	51 (73.9%)	36 (64.3%)	3 (4.3%)	20 (35.7%)	15 (21.7%)	0 (0.0%)	69	56
Yancey	32 (100.0%)	33 (76.7%)	0 (0.0%)	10 (23.3%)	0 (0.0%)	0 (0.0%)	32	43
Region	2,320 (74.9%)	1,444 (65.2%)	243 (7.8%)	451 (20.4%)	533 (17.2%)	321 (14.5%)	3,096	2,216

Source: Bowen National Research

It should be noted that in some cases the older adult (age 55+) housing gap is larger than the family estimates due to NCHFA methodology and the fact that the older adult household base is growing while the non-senior base is declining in that particular market. Following NCHFA's methodology, there is a potential overall housing gap for approximately 3,096 for-sale housing units in the region among the three combined income groups. The region's largest general occupancy housing gap is 2,320 units affordable to households earning 50% or below AMHI level, representing 74.9% of the region's overall for-sale housing gap. The remaining for-sale housing gap is split between the need for housing affordable to households earning between 81% to 120% AMHI level (533 units, 17.2% of region's need) and units affordable at the 51% to 80% AMHI level (243 units, 7.9% of region's need). It is important to point out that nearly three-quarters (71.6%) of the overall region's need under this methodology is for age-restricted (age 55 and older) housing and that non-seniors only make up about 25% of the for-sale housing need. This is in part attributed to the facts that a majority of the households in the region are headed by persons ages 55 and older and that a vast majority of the household growth between 2020 and 2025 is projected to occur among seniors ages 65 and older. The combination of the large share and significant growth among older adult households and the lack of for-sale product specifically designed for older adults creates a significant need for for-sale housing for seniors. The lack of such product, particularly smaller units with a more maintenance free product (e.g., condominiums) prevent many seniors from downsizing from housing units they cannot maintain (due to financial and/or physical reasons), units that do not accommodate possible mobility issues, or units that are too large for their needs. Regardless, based on these estimates, there is a significant need for for-sale product affordable to lower income households of all affordability levels and for both older and younger adult households. The very low availability rate among the inventoried for-sale housing supply, as well as rapidly increasing home prices, pose additional challenges for households seeking for-sale housing, particularly lower-income households.

Buncombe County's for-sale housing gap of 1,329 units represents nearly half (42.9%) of the region's overall for-sale housing gap. Other counties with large for-sale housing gaps include Henderson (311 units, 10.0% of region's gap), Rutherford (251 units, 8.1% of region's gap), Haywood (145 units, 4.7% of region's gap), Burke (138 units, 4.5% of region's gap), McDowell (120 units, 3.9% of region's gap), and Polk (117 units, 3.8% of region's gap). Several areas have very small housing gaps of less than 20 units for for-sale housing including Swain County (15 units), the Qualla Boundary (11 units), Mitchell County (8 units), and Graham County (7 units).

The following table summarizes the region's **for-sale housing gap estimates (number of units needed or could be supported)** by the various income segments following HUD guidelines. The largest overall housing gaps are shown in **red**.

Study Area	HUD Format							
	Owner Housing Gap Estimates – Number of Units Needed by AMHI Level							
	≤50% AMHI		51%-80% AMHI		81%-120% AMHI		Total	
	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+	General Occupancy	Older Adult Age 55+
Avery	53 (36.3%)	42 (40.4%)	43 (29.5%)	30 (28.8%)	50 (34.2%)	32 (30.8%)	146	104
Buncombe	849 (37.7%)	465 (35.9%)	712 (31.6%)	389 (30.1%)	693 (30.7%)	440 (34.0%)	2,254	1,294
Burke	333 (36.0%)	180 (34.7%)	300 (32.5%)	172 (33.2%)	291 (31.5%)	166 (32.0%)	924	518
Cherokee	124 (40.1%)	77 (38.5%)	89 (28.8%)	62 (31.0%)	96 (31.1%)	61 (30.5%)	309	200
Clay	51 (40.8%)	32 (36.8%)	40 (32.0%)	28 (32.2%)	34 (27.2%)	27 (31.0%)	125	87
Graham	50 (43.9%)	30 (44.1%)	33 (28.9%)	19 (27.9%)	31 (27.2%)	19 (27.9%)	114	68
Haywood	217 (36.9%)	135 (38.5%)	159 (27.0%)	103 (29.3%)	212 (36.1%)	113 (32.2%)	588	351
Henderson	490 (41.4%)	281 (39.6%)	336 (28.4%)	209 (29.4%)	358 (30.2%)	220 (31.0%)	1,184	710
Jackson	138 (41.2%)	85 (41.5%)	89 (26.6%)	61 (29.8%)	108 (32.2%)	59 (28.8%)	335	205
Macon	156 (40.6%)	98 (38.7%)	113 (29.4%)	78 (30.8%)	115 (29.9%)	77 (30.4%)	384	253
Madison	129 (46.7%)	75 (45.5%)	80 (29.0%)	48 (29.1%)	67 (24.3%)	42 (25.5%)	276	165
McDowell	197 (40.8%)	107 (39.2%)	145 (30.0%)	85 (31.1%)	141 (29.2%)	81 (29.7%)	483	273
Mitchell	71 (38.8%)	46 (42.2%)	48 (26.2%)	29 (26.6%)	64 (35.0%)	34 (31.2%)	183	109
Polk	72 (34.6%)	44 (33.8%)	66 (31.7%)	41 (31.5%)	70 (33.7%)	45 (34.6%)	208	130
Qualla Boundary	37 (42.0%)	20 (43.5%)	25 (28.4%)	14 (30.4%)	26 (29.5%)	12 (26.1%)	88	46
Rutherford	250 (42.4%)	149 (60.6%)	152 (25.8%)	50 (20.3%)	188 (31.9%)	47 (19.1%)	590	246
Swain	37 (38.5%)	23 (38.3%)	28 (29.2%)	18 (30.0%)	31 (32.3%)	19 (31.7%)	96	60
Transylvania	111 (32.1%)	64 (30.0%)	117 (33.8%)	69 (32.4%)	118 (34.1%)	80 (37.6%)	346	213
Yancey	84 (42.6%)	52 (41.6%)	54 (27.4%)	38 (30.4%)	59 (29.9%)	35 (28.0%)	197	125
Region	3,449 (39.1%)	2,005 (38.9%)	2,629 (29.8%)	1,543 (29.9%)	2,752 (31.2%)	1,609 (31.2%)	8,830	5,157

Source: Bowen National Research

Following HUD's methodology, there is a potential overall housing gap for approximately 8,830 for-sale housing units in the region among the three combined income groups that includes all households, regardless of age. This is much higher than the NCHFA-formatted housing gap estimate and is attributed to the fact that the HUD methodology looks at a broad market potential and does not consider the more narrow demand drivers to which the

NCHFA format is limited. Unlike the NCHFA-formatted demand that showed the vast majority of need for the lowest income segment (those earning up to 50% of AMHI), the HUD methodology yields for-sale housing gap estimates more evenly distributed among the various levels of affordability. Regardless, it does appear that 39.1% of the region's need is for households earning up to 50% of AMHI. Like the NCHFA-formatted estimates, the HUD methodology yields the majority (58.4%) of the housing gap for senior product.

Under this methodology, just over one-quarter (25.5%) of the region's for-sale housing gap is within Buncombe County, while other notable gaps are also in the counties of Henderson (1,184 units, 13.4% of the region's gap) and Burke (924 units, 10.5% of the region's gap). All study areas have for-sale housing gaps of 88 units or more.

Recommendations

Develop an Action Plan that Sets Housing Goals, Establishes Benchmark Data, and Periodically Evaluates Progress – Set realistic annual and long-term (five- or ten-year) goals for the number and type (rental, for-sale, senior, etc.) of housing units that advocates want to see built. Estimates should be based on, or at least guided by, quantifiable metrics, such as the housing gap estimates provided in the 2021 Western North Carolina Housing Needs Assessment. Using these housing production goals as a guide, an analysis should be done to estimate the overall funding requirements to meet such goals. From this, advocates should determine the level of financial resources that could be provided from the Dogwood Health Trust (DHT) and the amount needed from government, other nonprofits/foundations, philanthropists and other stakeholders to help offset private sector costs of developing affordable housing. It is important that DHT establish benchmark data (e.g., median rents/home prices, vacancies, shares of affordable housing, cost burdened households, etc.) that they believe are key metrics to help understand the health and trends of the local housing market. These metrics should be updated periodically (annually or every couple of years) and evaluated to understand the level of progress in housing efforts and to identify new or ongoing problems. Such data collection can be done internally by DHT, housing advocates/partners, or by housing professionals.

Leverage Resources to Increase Housing Production and Impact of Housing Initiatives – One of the primary findings from this regional Housing Needs Assessment is that there is a shortage of available rental and for-sale housing, and that the shortage is most significant among housing that is affordable to the lowest income households (earning up to 50% of Area Median Household Income). While DHT has some resources to help address housing issues of the region, the housing needs far exceed DHT's capacity to resolve them. Therefore, DHT will want to maximize the impact of its investment dollars by leveraging its resources with the resources available through the government (local, state and federal), other foundations, philanthropists/investors, financial/lending institutions, employers, and other interested stakeholders. While a goal of DHT should be to conduct outreach and networking efforts to build relationships with these particular groups, DHT and its partners may want to explore stakeholders involved with Qualified Opportunity Zones, Community Reinvestment Act, Low-Income Housing Tax Credits and other programs/initiatives. Every study area included in this report is eligible for at least one of the housing state and federal housing programs studied in this report and therefore could be leveraged throughout the area, depending upon the program.

Utilize Resources to Help Stabilize Housing Situations and Secure Housing for the Most Vulnerable Households – As shown in this report, many households are living in substandard housing, experiencing housing cost burden situations or are having great difficulty simply finding available housing. Home repair and weatherization loans or grants should be part of DHT’s plans to help stabilize current housing situations in which the household is living in substandard housing conditions, particularly among lower income homeowners and seniors who do not have the financial or physical capacity to remedy their housing challenges. Eviction and foreclosure prevention initiatives to further stabilize the housing market could be other areas of focus. Additionally, given that common obstacles preventing some households from securing housing is the lack of financial resources required for security deposits or down payments, DHT may want to provide rental security deposit assistance (in the form of a direct payment to the landlord or a guarantee to the landlord) for certain households and/or first-time homebuyer down payment assistance that requires the resident to remain in the unit for a selected period of time (e.g., two to five years) before the down payment is fully forgivable. Lastly, another obstacle that often limits households from securing adequate housing is the inability to pass a background check due to challenges with credit history, criminal records or employment history. DHT may want to establish a credit repair initiative or provide financial assistance to households to secure services from a credit repair provider.

Develop a Strategy to Increase Housing Choice Voucher Use – A large portion of the Housing Choice Vouchers (HCVs) issued in the study region go unused, causing the area to lose a substantial amount in federal subsidies. DHT will want to develop a plan to increase the ability of voucher holders to use them. This may include supporting the development of new rental product and/or the renovation of existing product that accepts HCVs, conducting outreach and education to landlords on the process and benefits of the HCV program, incentivizing landlords to open more units to HCV tenants (e.g., offering one-time signing bonuses to landlords, setting aside funds to allow HCV landlords to recoup up to a certain amount of funds to repair damaged units), and hiring contracted housing agents to get voucher holders into homes faster. DHT may want to explore encouraging state and/or local officials to enact legislation or ordinances to require landlords to accept HCVs.

Identify and Develop Relationships with Public and Private Sector Entities – The large geographic scope of the region, the scale of area housing needs, and the scale of the resources will require the participation of a variety of groups to effectively address housing in the region. The region has many individuals and organizations, from both the private and public sectors, that are involved in housing in some capacity. As part of this study, more than 700 stakeholders were contacted to solicit their input on housing challenges and opportunities. Many of these stakeholders, which includes foundations and some of the area’s largest employers, expressed interest in being active participants in housing solutions. This list can serve as the basis for establishing a network of collaborators, development partners and housing advocates that can be added to the existing circle of partners that currently works with DHT.

Provide Guidance, Consulting and Networking Resources to Smaller Communities – Much of the study region is comprised of rural counties with many small towns. As such, many of these communities do not have the staff, knowledge/expertise or financial resources to adequately address housing issues. DHT should consider establishing an individual or group that serves as a liaison between rural communities and housing advocates, builders, and stakeholders (foundations, employers, etc.). Additional services that could be provided may include consulting (e.g., financial, infrastructure, market needs, etc.). DHT has a large base of connections in the region that could become assets to local communities as they attempt to address housing issues.

Formulate Education and Outreach Campaign to Help Support Housing Initiatives – Using both existing and newly created housing education initiatives, develop an overarching education program with a more unified objective. The program could, for example, include educating landlords on the Housing Choice Voucher program, informing potential homebuyers about homebuying requirements and assistance (credit repair, down payments, etc.), and advising existing homeowners on home repair assistance. Additional outreach efforts should involve both informing and engaging the overall community, elected officials, area employers and other stakeholders on the benefits of developing affordable housing. Such efforts could help to mitigate stigmas associated with affordable housing, illustrate the benefits such housing has on the local economy, and help to get the community to “buy in” on housing initiatives. Annual or other periodic housing forums or workshops, annual reports or other formats could be used to help communicate housing advocate messaging.

Create Housing Services Resource Center or Build Upon Existing Tools – The ability to find housing and to identify housing assistance resources remain obstacles for many households in the region. Meanwhile, the development community faces challenges of identifying buildable and affordable land, identifying market opportunities, and finding local resources and contacts to discuss residential development opportunities. DHT may want to establish a housing resource center, as an online service and/or as a physical location with staff, that serves as the primary resource for housing information. This resource center can also serve as a liaison between developers, the financial sector, public entities and other stakeholders that can help facilitate residential development. In addition to or in lieu of establishing a resource center and corresponding staff, DHT may want to identify and possibly support existing organizations that have the infrastructure to serve as a housing resource center. Examples of such an entity includes another foundation, a local council of government, or groups like The Health Initiative, who are developing the North Carolina Investment Map (covers DHT’s Western North Carolina footprint).

Explore Ways to Increase Resident Access to Quality Food, Education and Services -

Given the rural nature of much of the study region and the fact many of the region's households have limited or no access to a vehicle or public transportation, many lower income households face significant obstacles accessing healthy foods, quality education, and various community services, including healthcare and social services. This lack of access not only affects quality of life but also adds to already precarious financial strains many lower income households face. These financial strains impact housing affordability. DHT should explore ways to increase access to such things as healthy foods, education opportunities (including GED programs, trade school opportunities, etc.) and supportive services (e.g., preventative healthcare, counseling, day care, etc.). Strategies may include supporting local public transit services, promoting ride-share programs, and subsidizing home delivery services. Given much of the region's rural nature, many area residents do not have access to high-speed internet and/or a computer, which further limit residents' accessibility to those things that impact their well-being and quality of life. DHT could explore supporting efforts to expand high-speed internet access in the region, providing access to computers (e.g., providing computers to libraries, donating or selling computers at discounted rates, etc.), and supporting computer training programs. Incorporating technology into DHT's strategy will help connect residents to resources and reduce travel costs, thereby leaving more household finances available for housing.