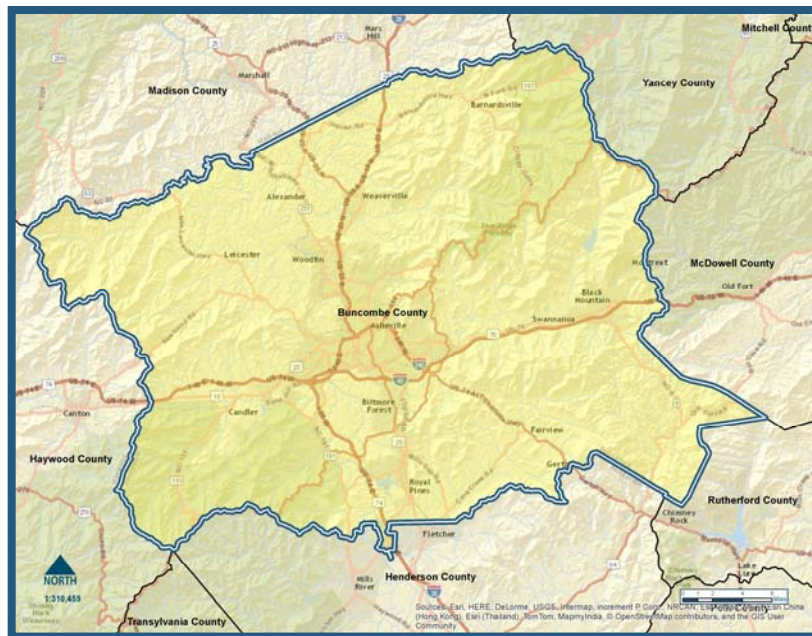


Buncombe County

Housing Needs Assessment



BUNCOMBE COUNTY

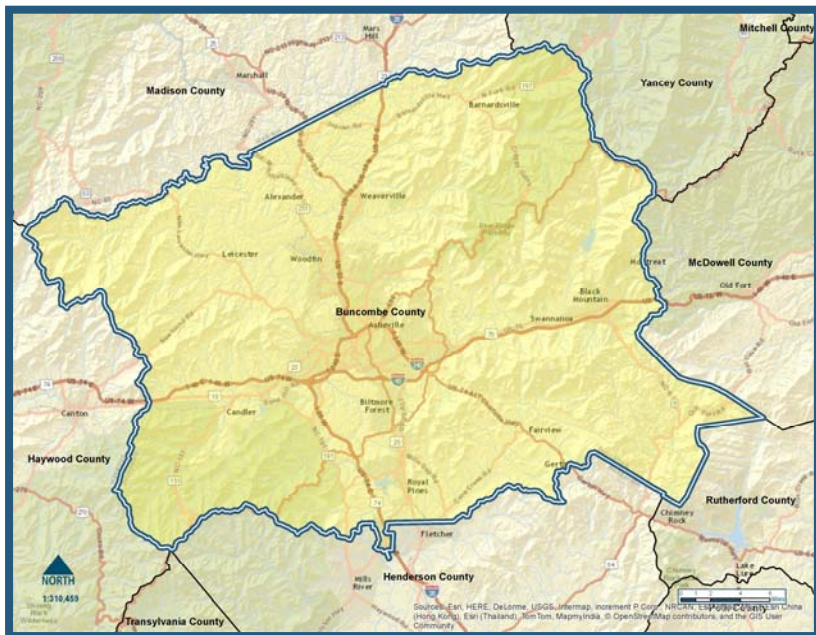
A. INTRODUCTION

The focus of this analysis is to assess the market characteristics of, and to determine the housing needs for, Buncombe County. To accomplish this task, Bowen National Research evaluated various socio-economic characteristics, inventoried and analyzed the housing supply (rental and owner/for-sale product), conducted stakeholder interviews, evaluated special needs populations and provided housing gap estimates to help identify the housing needs of the county.

To provide a base of comparison, various metrics of Buncombe County were compared with overall region. A comparison of the subject county in relation with other counties in the region is provided in the regional analysis portion of the overall Housing Needs Assessment.

B. COUNTY OVERVIEW

Buncombe County is located within the central portion of the study region. It encompasses a total of 656 square miles. Primary thoroughfares within the county include U.S. Highways 23, 25 and 74, and Interstate Highways 26, 40 and 240. Notable natural landmarks and public attractions include the Blue Ridge Parkway, the Pisgah National Forest, Biltmore Estate and North Carolina Arboretum. The county had a 2010 total population of 238,318 (7th largest in the state) and 100,412 total households. Asheville, with a 2010 population of 83,393, is the largest community in the county. The primary employment sectors and their corresponding shares of the county's total employment are Retail Trade (11.3%), Manufacturing (9.1%), and Administrative, Support, Waste Management & Remediation Services (8.4%). Additional details regarding demographics, economics, housing, and other pertinent research and findings are included on the following pages.



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C. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for Buncombe County. Through this analysis, unfolding trends and unique conditions are revealed regarding populations and households residing in the county. Demographic comparisons provide insights into the human composition of housing markets.

This section is comprised of three major parts: population characteristics, household characteristics, and income data. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence.

It is important to note that 2000 and 2010 demographics are based on U.S. Census data (actual count), while 2015 and 2020 data are based on calculated projections provided by ESRI, a nationally recognized demography firm and the American Community Survey. The accuracy of these projections depends on the realization of certain assumptions:

- Economic projections made by secondary sources materialize;
- Governmental policies with respect to residential development remain consistent;
- Availability of financing for residential development (i.e. mortgages, commercial loans, subsidies, Tax Credits, etc.) remains consistent;
- Sufficient housing and infrastructure is provided to support projected population and household growth;

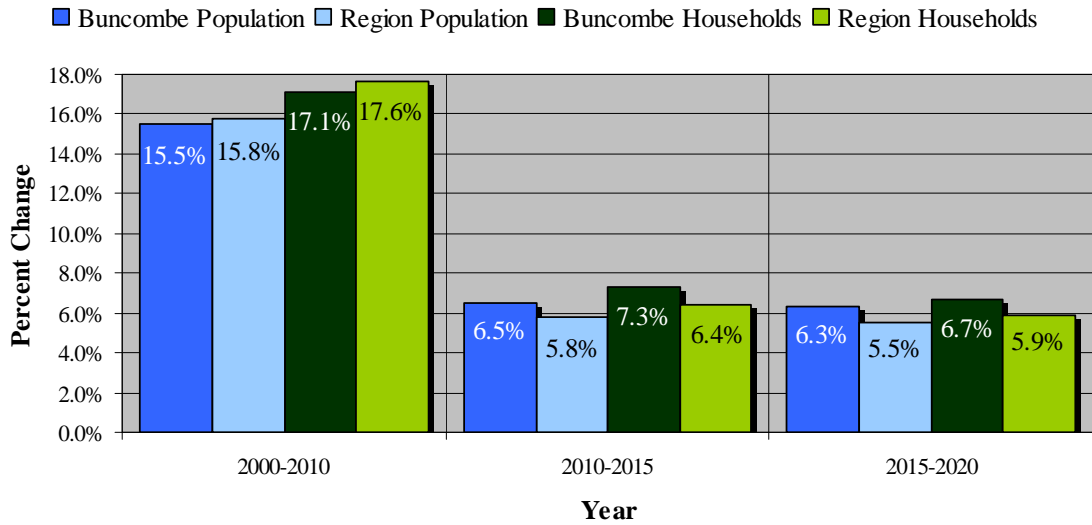
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

Population and household numbers for selected years within Buncombe County and the region are shown in the following table:

	Total Population		Total Households	
	Buncombe County	Region	Buncombe County	Region
2000 Census	206,318	344,472	85,771	143,510
2010 Census	238,318	398,912	100,412	168,748
Change 2000-2010	32,000	54,440	14,641	25,238
Percent Change 2000-2010	15.5%	15.8%	17.1%	17.6%
2015 Projected	253,915	421,899	107,695	179,521
Change 2010-2015	15,597	22,987	7,283	10,773
Percent Change 2010-2015	6.5%	5.8%	7.3%	6.4%
2020 Projected	269,995	445,283	114,914	190,027
Change 2015-2020	16,080	23,384	7,219	10,506
Percent Change 2015-2020	6.3%	5.5%	6.7%	5.9%

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

Buncombe County/Region Population & Household Trends



Buncombe County experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 15,597 (6.5%) and 7,283 (7.3%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 16,080 (6.3%) and 7,219 (6.7%), respectively. These positive projected demographic trends are expected to slightly outpace the projected trends within the region.

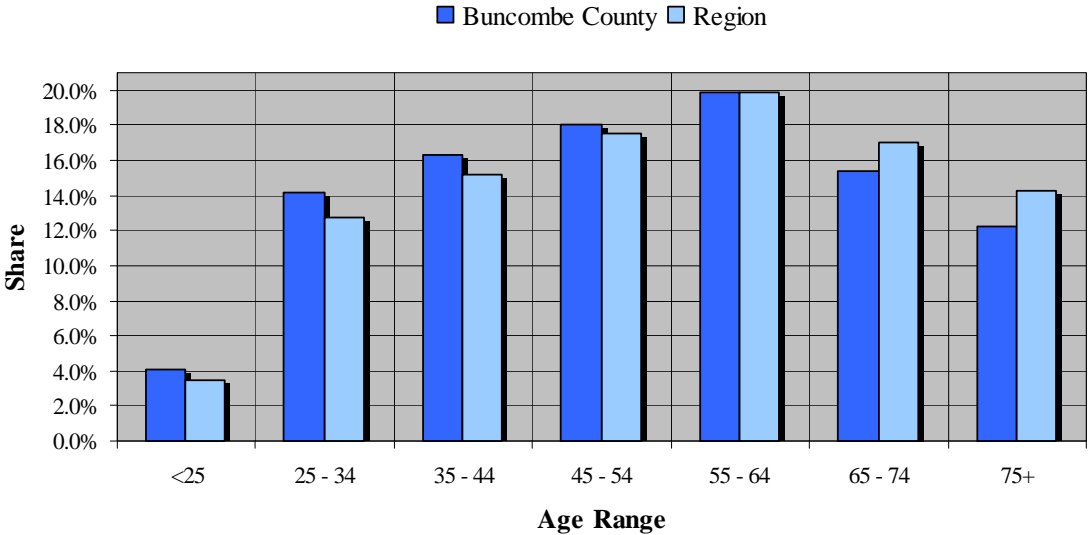
The distribution of households by age for Buncombe County is compared with the overall region in the table below.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Buncombe County	2010	4,459 (4.4%)	14,979 (14.9%)	17,165 (17.1%)	19,575 (19.5%)	19,548 (19.5%)	12,799 (12.7%)	11,887 (11.8%)
	2015	4,417 (4.1%)	15,342 (14.2%)	17,511 (16.3%)	19,391 (18.0%)	21,380 (19.9%)	16,553 (15.4%)	13,101 (12.2%)
	2020	4,397 (3.8%)	15,709 (13.7%)	17,815 (15.5%)	19,400 (16.9%)	22,708 (19.8%)	19,850 (17.3%)	15,035 (13.1%)
	Change 2015-2020	-20 (-0.5%)	367 (2.4%)	304 (1.7%)	9 (0.0%)	1,328 (6.2%)	3,297 (19.9%)	1,934 (14.8%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (19.9%) of households by age in Buncombe County will be within the 55 to 64 age cohort. Between 2015 and 2020, it is projected that the greatest household growth by age will be among those between the ages of 65 and 74. This age group will grow by 3,297, an increase of 19.9% during this time. Notable growth in the county is also projected to occur among households between the ages of 55 and 64, and among those households age 75 and older. While this growth is attributed to households aging in place, these projected growth trends indicate a likely growing need for senior-oriented housing within the county.

Buncombe County/Region Household Heads by Age (2015)

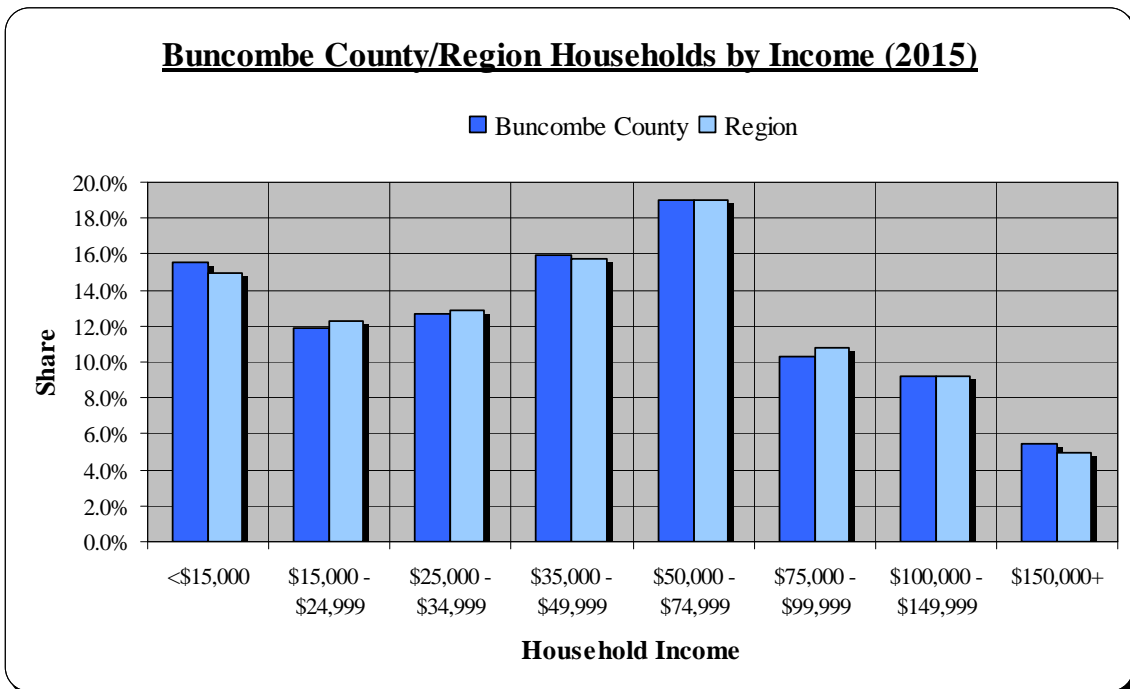


Households by income for selected years are shown in the following table:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Buncombe County	2015	16,711 (15.5%)	12,794 (11.9%)	13,644 (12.7%)	17,151 (15.9%)	20,494 (19.0%)	11,114 (10.3%)	9,938 (9.2%)	5,848 (5.4%)	107,694 (100.0%)
	2020	17,065 (14.9%)	13,587 (11.8%)	14,337 (12.5%)	18,777 (16.3%)	21,393 (18.6%)	11,591 (10.1%)	11,437 (10.0%)	6,726 (5.9%)	114,913 (100.0%)
	Change	354 (2.1%)	792 (6.2%)	694 (5.1%)	1,625 (9.5%)	899 (4.4%)	477 (4.3%)	1,499 (15.1%)	878 (15.0%)	7,219 (6.7%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that approximately 40% of Buncombe County households will have annual incomes below \$50,000, while the largest share (19.0%) of households will have incomes between \$50,000 and \$74,999. It is projected that between 2015 and 2020, the greatest increase in households by income level in Buncombe County will be among those with incomes between \$35,000 and \$49,999, though notable growth is projected to occur among all income segments. As such, the broad growth will add to a diverse mix of housing needs by income level.



Households by income and tenure for selected years are shown below:

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Buncombe County	2015	10,484 (26.7%)	6,636 (16.9%)	6,322 (16.1%)	5,929 (15.1%)	5,851 (14.9%)	2,081 (5.3%)	1,453 (3.7%)	510 (1.3%)	39,266 (100.0%)
	2020	10,661 (25.3%)	7,037 (16.7%)	7,037 (16.7%)	7,206 (17.1%)	6,110 (14.5%)	2,275 (5.4%)	1,686 (4.0%)	758 (1.8%)	42,138 (100.0%)
	Change	177 (1.7%)	401 (6.0%)	83 (1.3%)	1,276 (21.5%)	259 (4.4%)	194 (9.3%)	233 (16.0%)	248 (48.6%)	2,872 (7.3%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Buncombe County	2015	6,227 (9.1%)	6,159 (9.0%)	7,322 (10.7%)	11,222 (16.4%)	14,644 (21.4%)	9,032 (13.2%)	8,485 (12.4%)	5,337 (7.8%)	68,428 (100.0%)
	2020	6,404 (8.8%)	6,550 (9.0%)	7,932 (10.9%)	11,571 (15.9%)	15,283 (21.0%)	9,315 (12.8%)	9,752 (13.4%)	5,968 (8.2%)	72,775 (100.0%)
	Change	177 (2.8%)	391 (6.4%)	611 (8.3%)	349 (3.1%)	639 (4.4%)	283 (3.1%)	1,267 (14.9%)	630 (11.8%)	4,347 (6.4%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (26.7%) of renter households in 2015 is projected to be among households with incomes below \$15,000. Meanwhile, the largest share (21.4%) of owner-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$35,000 and \$49,999, while significant growth is also projected to occur among renter households with incomes between \$15,000 and \$24,999. It is projected that the greatest homeowner household growth during this time will be among homeowners with incomes between \$25,000 and \$34,999.

Given the large and growing base of older adult households in the region, it is important to evaluate the demographic trends of households by tenure for different senior householder segments. The senior household by income data is presented for county for 2015 and 2020 in the following tables.

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,925	26.7%	3,043	25.3%	3,276	9.1%	3,485	8.8%
\$15,000 - \$24,999	1,851	16.9%	2,009	16.7%	3,240	9.0%	3,564	9.0%
\$25,000 - \$34,999	1,764	16.1%	1,828	15.2%	3,852	10.7%	4,317	10.9%
\$35,000 - \$49,999	1,654	15.1%	2,057	17.1%	5,904	16.4%	6,297	15.9%
\$50,000 - \$74,999	1,632	14.9%	1,744	14.5%	7,704	21.4%	8,317	21.0%
\$75,000 - \$99,999	581	5.3%	650	5.4%	4,752	13.2%	5,069	12.8%
\$100,000 - \$149,999	405	3.7%	481	4.0%	4,464	12.4%	5,307	13.4%
\$150,000+	142	1.3%	217	1.8%	2,808	7.8%	3,248	8.2%
Total	10,955	100.0%	12,030	100.0%	36,000	100.0%	39,604	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	1,961	26.7%	2,034	25.3%	2,272	9.1%	2,425	8.8%
\$15,000 - \$24,999	1,241	16.9%	1,342	16.7%	2,247	9.0%	2,480	9.0%
\$25,000 - \$34,999	1,182	16.1%	1,222	15.2%	2,672	10.7%	3,004	10.9%
\$35,000 - \$49,999	1,109	15.1%	1,375	17.1%	4,095	16.4%	4,382	15.9%
\$50,000 - \$74,999	1,094	14.9%	1,166	14.5%	5,343	21.4%	5,787	21.0%
\$75,000 - \$99,999	389	5.3%	434	5.4%	3,296	13.2%	3,527	12.8%
\$100,000 - \$149,999	272	3.7%	322	4.0%	3,096	12.4%	3,693	13.4%
\$150,000+	95	1.3%	145	1.8%	1,947	7.8%	2,260	8.2%
Total	7,343	100.0%	8,039	100.0%	24,968	100.0%	27,558	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	886	26.7%	846	25.3%	830	9.1%	856	8.8%
\$15,000 - \$24,999	561	16.9%	559	16.7%	821	9.0%	875	9.0%
\$25,000 - \$34,999	534	16.1%	509	15.2%	977	10.7%	1,060	10.9%
\$35,000 - \$49,999	501	15.1%	572	17.1%	1,497	16.4%	1,546	15.9%
\$50,000 - \$74,999	495	14.9%	485	14.5%	1,953	21.4%	2,042	21.0%
\$75,000 - \$99,999	176	5.3%	181	5.4%	1,205	13.2%	1,245	12.8%
\$100,000 - \$149,999	123	3.7%	134	4.0%	1,132	12.4%	1,303	13.4%
\$150,000+	43	1.3%	60	1.8%	712	7.8%	797	8.2%
Total	3,319	100.0%	3,346	100.0%	9,126	100.0%	9,725	100.0%

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

Based on the data from the preceding page, the primary older adult household growth between 2015 and 2020 is projected to occur among most household *income* segments. As a result, there will likely be a growing need through at least 2020 for additional renter and owner housing at a variety of price points that meets the needs of the county's senior population.

Population by race for 2010 (latest race data available) is shown below:

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Buncombe County	Number	208,192	15,211	2,417	7,503	4,995	238,318
	Percent	87.4%	6.4%	1.0%	3.1%	2.1%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%

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

The largest share of population by race within the county is among the “White Alone” segment, which represents 87.4% of the county’s population. “Black or African American” represents the next largest share in the county at 6.4%. These shares are similar to region shares.

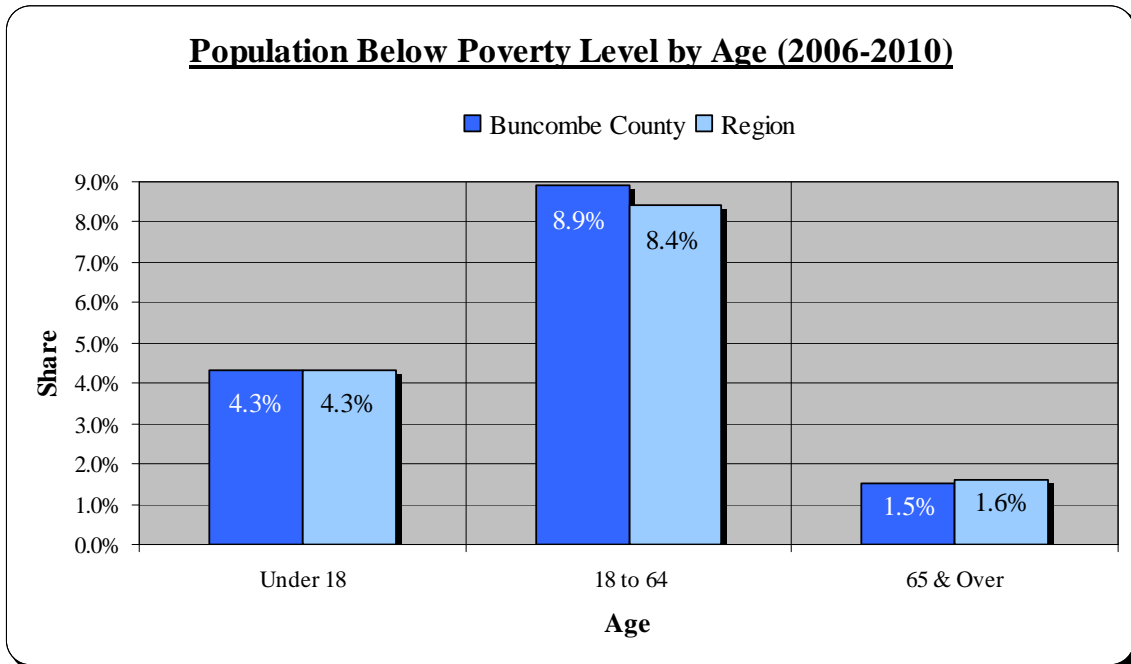
Population by poverty status for years 2006-2010 is shown in the following table:

		Population by Poverty Status						Total
		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	
Buncombe County	Number	10,311	21,224	3,477	39,655	130,755	32,896	238,318
	Percent	4.3%	8.9%	1.5%	16.6%	54.9%	13.8%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

Source: U.S. Census Bureau, 2006-2010 American Community Survey; Urban Decision Group; Bowen National Research

Over 14.7% of the county’s population lives in poverty. One in five children (under the age of 18) within the county live in poverty. Approximately 14.0% of the county’s population between the ages of 18 and 64 lives in poverty, while 10.6% of seniors age 65 and older live in poverty. With 35,012 people living in poverty in Buncombe County, the affordability of housing remains an important issue.

The following graph compares the share of population by age group with incomes below the poverty level for the county and state:



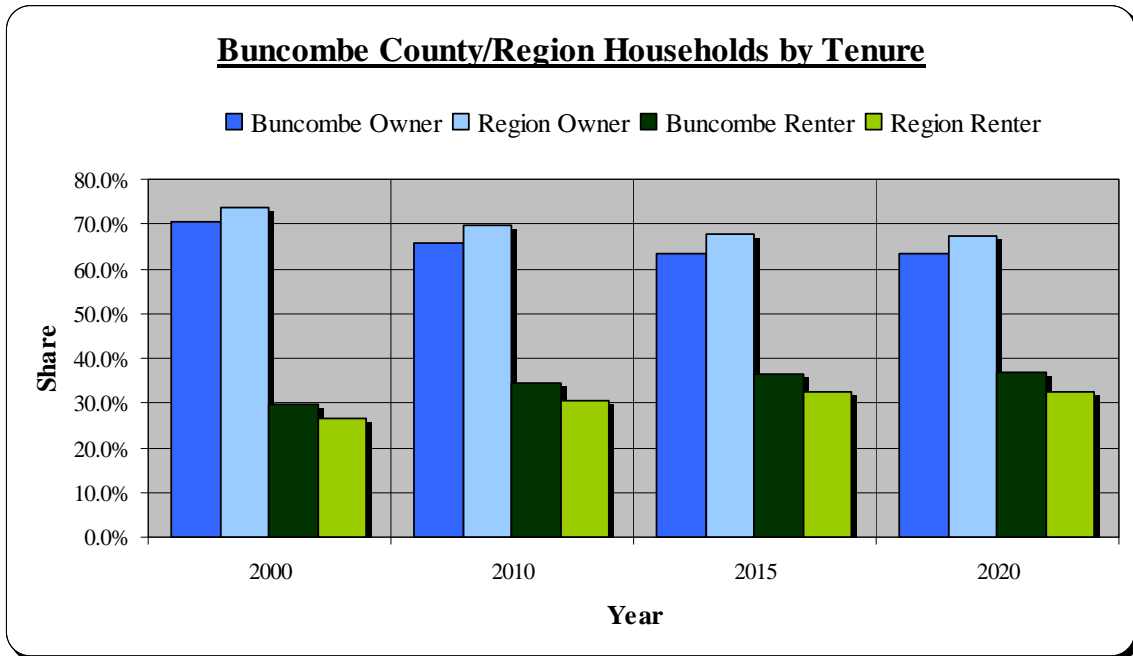
Households by tenure for selected years for the county and state are shown in the following table:

		Households by Tenure							
		2000		2010		2015		2020	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Buncombe County	Owner-Occupied	60,291	70.3%	65,981	65.7%	68,428	63.5%	72,775	63.3%
	Renter-Occupied	25,480	29.7%	34,431	34.3%	39,266	36.5%	42,138	36.7%
	Total	85,771	100.0%	100,412	100.0%	107,695	100.0%	114,914	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the county, the share of owner-occupied households was over 70% in 2000 and declined to less than two-thirds by 2010. Conversely, the share of renter-occupied units increased from 29.7% in 2000 to over one-third in 2010. This shift in the share of occupied housing units by tenure is attributed to the renter household growth that has outpaced the owner household growth by two to one. This trend is projected to continue through 2015. However, the number of owner-occupied households is projected to increase at a greater amount than renter households between 2015 and 2020. It is projected that between 2015 and 2020, the number of renter-occupied households will increase by 2,872 (4.2%) while owner-occupied households will increase by 4,347 (6.4%). These growth trends will greatly influence the future needs of Buncombe County.

The following graph compares household tenure shares for 2000, 2010, 2015 and 2020:



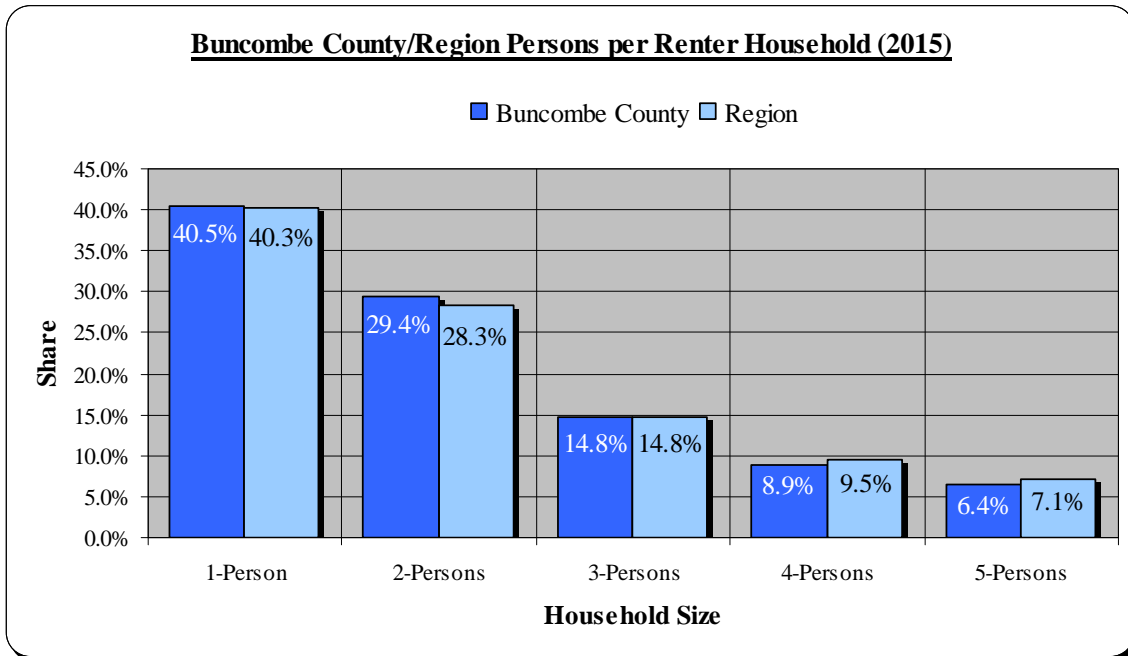
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Buncombe County	2010	13,744 (39.9%)	10,243 (29.7%)	5,106 (14.8%)	3,124 (9.1%)	2,214 (6.4%)	34,431 (100.0%)	1.68
	2015	15,900 (40.5%)	11,543 (29.4%)	5,826 (14.8%)	3,492 (8.9%)	2,505 (6.4%)	39,266 (100.0%)	1.65
	2020	17,244 (40.9%)	12,274 (29.1%)	6,253 (14.8%)	3,694 (8.8%)	2,673 (6.3%)	42,138 (100.0%)	1.62
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66

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

In 2015, the share of the county’s renter households with one- and two-persons is projected to be just under 70% of all renter households, while three-person or larger renter households will represent slightly more than 30% of the total renter households. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 1,344, or 8.5%. This coincides with the projected decrease in the median household size from 1.68 in 2010 to 1.62 in 2020.

The following graph compares renter household size shares for the county and state in 2015:



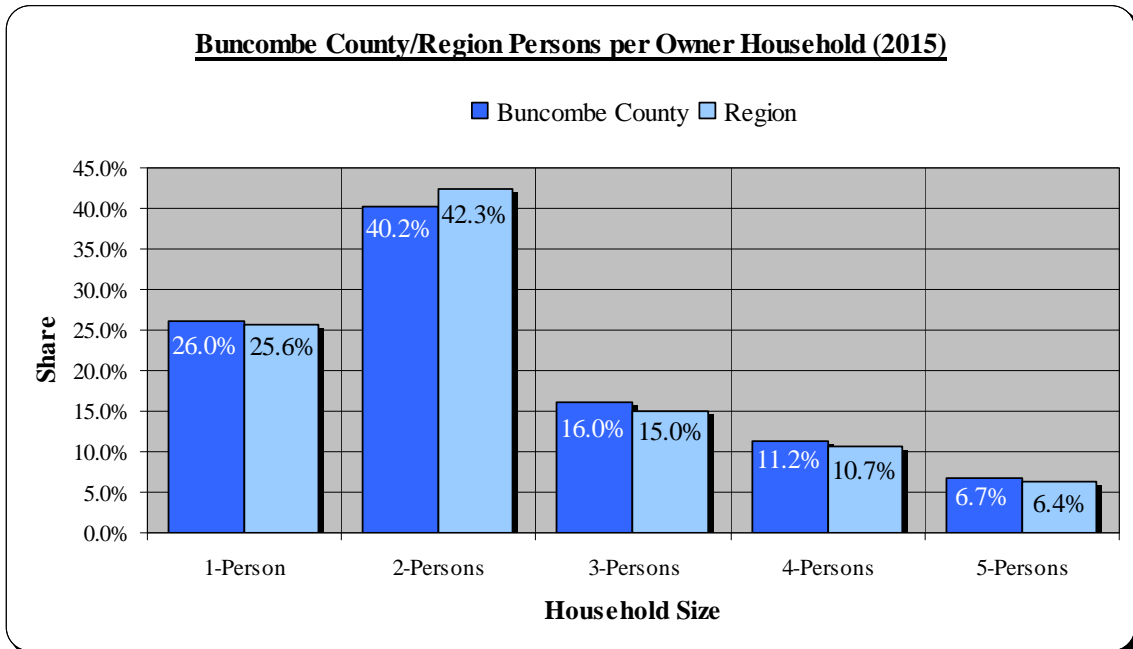
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Buncombe County	2010	16,831 (25.5%)	26,782 (40.6%)	10,472 (15.9%)	7,511 (11.4%)	4,385 (6.6%)	65,981 (100.0%)	2.21
	2015	17,770 (26.0%)	27,486 (40.2%)	10,916 (16.0%)	7,678 (11.2%)	4,578 (6.7%)	68,428 (100.0%)	2.20
	2020	19,145 (26.3%)	29,030 (39.9%)	11,636 (16.0%)	8,071 (11.1%)	4,894 (6.7%)	72,775 (100.0%)	2.19
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15

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

Generally, one- and two-person owner-occupied households are projected to represent a combined two-thirds of the owner-occupied household base within the county by 2015. At the same time, approximately 16.0% of the county's owner-occupied households will consist of three-persons, over 11% will be four-persons, and over 6% will be five-person or larger. These shares are not expected to change much through 2020.

The following graph compares owner household size shares for the county and state in 2015:



Residents of the county face a variety of housing issues that include such things as lacking complete kitchen and/or indoor plumbing, overcrowding (1.01 or more persons per room), severe overcrowding (1.51 or more persons per room), cost burdened (paying over 30% of their income towards housing costs), severe cost burdened (paying over 50% of their income towards housing costs), and potentially containing lead paint (units typically built prior to 1980).

The following table summarizes the housing issues by tenure for Buncombe County. It is important to note that some occupied housing units have more than one housing issue.

Housing Issues by Tenure				
Housing Issue	Renter-Occupied		Owner-Occupied	
	Number	Percent	Number	Percent
Incomplete Plumbing	216	0.6%	157	0.2%
Overcrowded	1,197	3.3%	878	1.3%
Severe Overcrowded	394	1.1%	257	0.4%
Cost Burdened	15,930	44.5%	16,934	26.0%
Severe Cost Burdened	7,774	21.7%	6,428	9.9%

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

Notes: Some housing issues overlap with other issues

The greatest housing issue facing residents appears to be associated with cost burden. The high share of cost burdened households indicates that many area residents are paying a disproportionately high share of their income towards housing costs, which is likely due to a lack of affordable housing.

D. ECONOMICS

As economic conditions and trends can influence the need for housing within a particular market, the following is an overview of various economic characteristics and trends within Buncombe County.

The distribution of employment by industry sector in Buncombe County is compared with the region in the following table.

NAICS Group	Employment by Industry (Employees)			
	Buncombe County		Region	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	1,192	0.8%	2,090	1.0%
Mining	95	0.1%	145	0.1%
Utilities	418	0.3%	549	0.3%
Construction	7,279	4.8%	11,460	5.2%
Manufacturing	13,729	9.1%	18,891	8.6%
Wholesale Trade	4,558	3.0%	7,349	3.4%
Retail Trade	17,066	11.3%	24,464	11.2%
Transportation & Warehousing	2,697	1.8%	4,359	2.0%
Information	1,975	1.3%	2,671	1.2%
Finance & Insurance	3,518	2.3%	5,054	2.3%
Real Estate & Rental & Leasing	4,112	2.7%	5,922	2.7%
Professional, Scientific & Technical Services	8,215	5.4%	10,754	4.9%
Management of Companies & Enterprises	171	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	12,730	8.4%	16,789	7.7%
Educational Services	7,314	4.8%	10,852	5.0%
Health Care & Social Assistance	11,827	7.8%	17,371	7.9%
Arts, Entertainment & Recreation	1,422	0.9%	2,526	1.2%
Accommodation & Food Services	9,697	6.4%	14,188	6.5%
Other Services (Except Public Administration)	7,504	5.0%	11,453	5.2%
Public Administration	9,682	6.4%	13,768	6.3%
Nonclassifiable	25,852	17.1%	37,742	17.3%
Total	151,053	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the County. These employees, however, are included in our labor force calculations because their places of employment are located within the County.

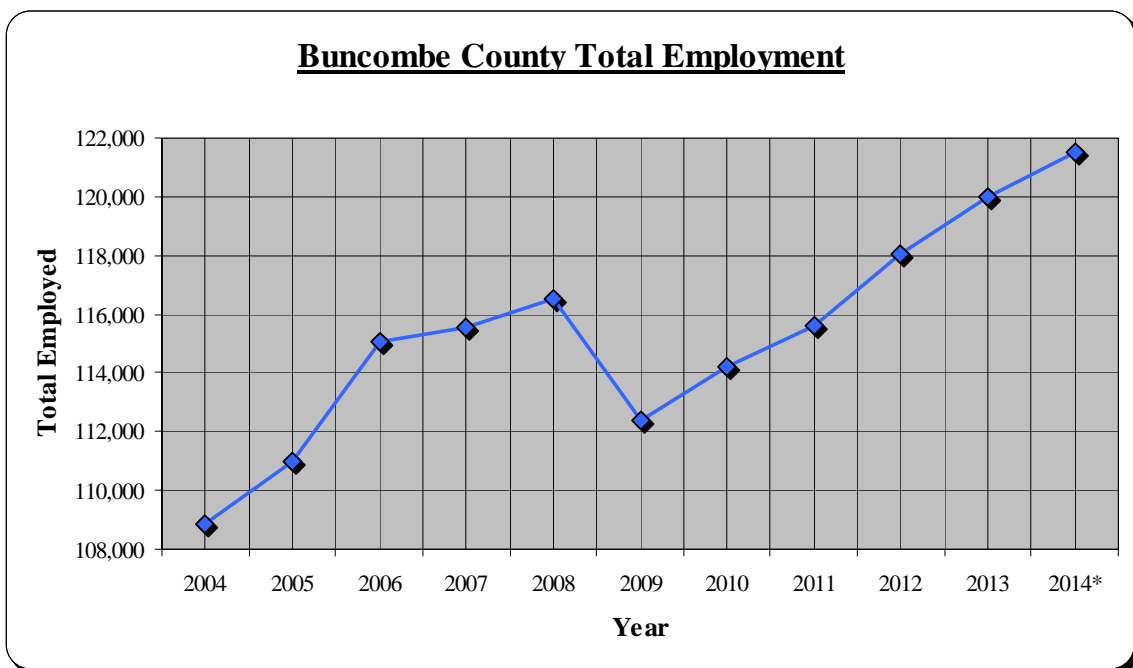
The labor force within the county is very diversified and balanced with no industry sector representing more than 11.3% of the overall county's employment base. The largest employment sectors in the county are within Retail Trade (11.3%), Manufacturing (9.1%), and Administrative, Support, Waste Management & Remediation Services (8.4%). Overall, Buncombe County has a distribution of employment by job sector that is similar to the region.

The following illustrates the total employment base for Buncombe County, the region North Carolina, and the United States.

Year	Total Employment							
	Buncombe County		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	108,879	-	173,140	-	4,031,081	-	139,967,126	-
2005	110,997	1.9%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	115,077	3.7%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	115,526	0.4%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	116,545	0.9%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	112,362	-3.6%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	114,202	1.6%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	115,585	1.2%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	118,028	2.1%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	120,001	1.7%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	121,536	1.3%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August



Buncombe County lost approximately 3.6% of its employment base in 2009, which is slightly less than the decrease experienced in the overall region. The county's employment base has increased in each of the past five years, increasing by a total of 9,174 (8.2%) in the county now than there were immediately prior to the most recent recession.

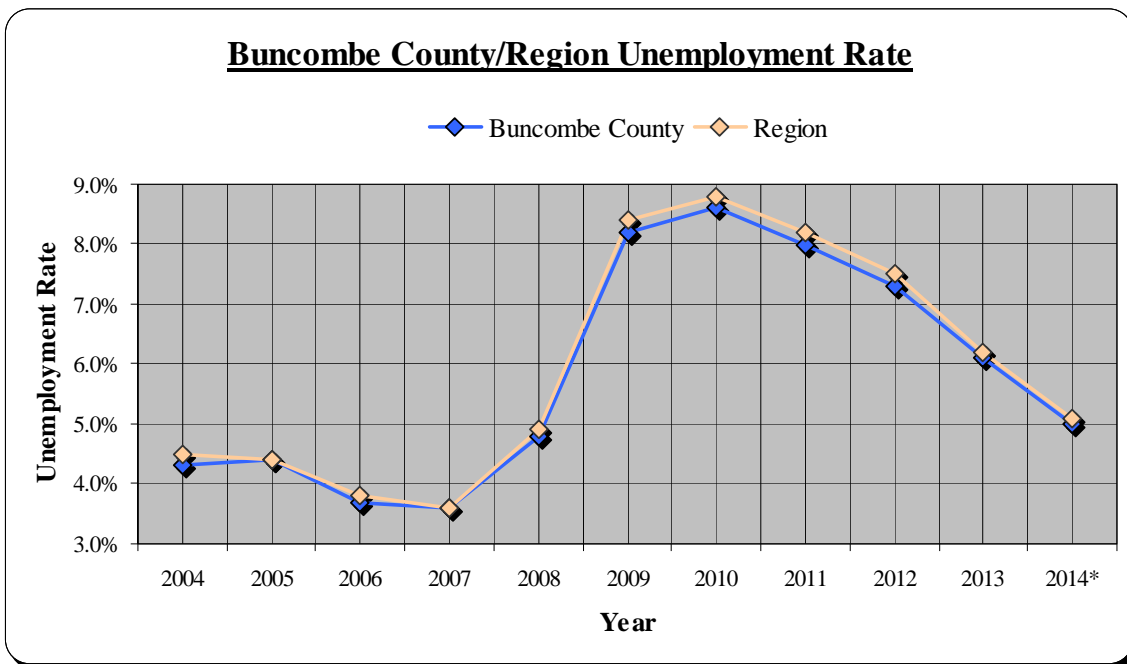
Unemployment rates for Buncombe County, the region, North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate			
	Buncombe County	Region	North Carolina	United States
2004	4.3%	4.5%	5.5%	5.6%
2005	4.4%	4.4%	5.3%	5.2%
2006	3.7%	3.8%	4.8%	4.7%
2007	3.6%	3.6%	4.8%	4.7%
2008	4.8%	4.9%	6.3%	5.8%
2009	8.2%	8.4%	10.4%	9.3%
2010	8.6%	8.8%	10.8%	9.7%
2011	8.0%	8.2%	10.2%	9.0%
2012	7.3%	7.5%	9.2%	8.1%
2013	6.1%	6.2%	8.0%	7.4%
2014*	5.0%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The county's unemployment rate has generally mirrored that of the region over the past 10 years. The county's unemployment rate increased to a high of 8.6% in 2010, before declining in each of the past four years. This is a sign of an improving and expanding economy.



The ten largest employers within the Buncombe County are summarized as follows:

Employer Name	Business Type
Memorial Mission Hospital	Health Care
Buncombe County Board of Education	Education
Ingles Markets, Inc.	Grocery
Veterans Administration	Public Administration
County of Buncombe	County Government
Walmart	Retail/Grocery
City of Asheville	City Government
Eaton Corporation	Power Management Company
Asheville Buncombe Technical	Education
Community CarePartners, Inc.	Health Services

Source: ACESSNC, North Carolina Economic Data and Site Information, 2014 1st quarter

According to the representative with the Asheville Chamber of Commerce and Economic Development Coalition of Asheville/Buncombe County, the area economy is healthy and growing. Employment has grown over the past few years at a notable rate and is expected to do so for the foreseeable future.

The River Arts District (RAD) consists of many artists and working studios in 22 former factories and historical buildings nestled along the French Broad River. There are more than 180 working studios with showrooms and galleries open every day, all year round.

In October of 2014, Linemar Corporation announced plans to invest \$115 million in its Arden plant near Asheville with plans to add 150 positions. The expansion stems from a new product line for the plant. A building renovation will start this year with hiring expected to begin early 2015. Linemar plans to make transmission gears for the automotive industry at the plant, which now employs about 200 people.

GE Aviation, a global leader in jet engine and aircraft system production, hosted a grand opening ceremony on October 15, 2014 at the site of its new advanced composites factory near Asheville. The new 170,000 square-foot facility will be the first in the world to mass produce engine components made of advanced ceramic matrix composite (CMC) materials. The plant's current workforce of 300 will be expanded by 52 new jobs.

Highland Brewing Company announced expansion plans in September 2014 to add 15 jobs and invest \$5 million in new equipment and facilities over the next three years. The expansion, which includes tanks and a new bottling line, will increase its brewing capacity to over 60,000 barrels or 828,000 cartons and enable the company to expand their distribution over time. Highland Brewery Company is Asheville's oldest brewery.

In August 2014, Wicked Weed Brewing announced expansion plans for a new brewing facility to be located in western Buncombe County. The company's expansion would add 82 new jobs and invest \$5 million in facilities and equipment over the next three years. The brewery has been in existence since 2011.

In June 2014, Transportation Safety Apparel, a family-owned apparel company based in Hilton Head, South Carolina announced they will bring 25 jobs to Buncombe County. The multi-million dollar safety apparel company was to open a 10,000 square-foot distribution facility in Weaverville in June 2014 and plans to gradually consolidate its operations there by 2017.

BorgWarner, a global technology leader and top automotive industry supplier, announced in May 2014 a plan to expand its Turbo Systems manufacturing facility in Arden. The expansion will create 154 new engineering and manufacturing jobs in Buncombe County and will invest \$55 million in facilities and equipment over the next five years.

Kearfott Corporation, announced a plan in March 2014 to expand its manufacturing facility in Black Mountain, North Carolina, with an investment of up to \$11.9 million in facilities and equipment. Kearfott's investment in Buncombe County will create 75 new positions including engineering, quality control, production and management roles over the next three years. Kearfott Corporation is a defense equipment manufacturer founded in 1917.

In February 2014, Jacob Holm Industries, a global nonwoven manufacturer, announced the expansion of its manufacturing facility in Candler with over \$45.9 million investment in facilities and equipment. The total project could exceed \$60 million when it is complete. The investment will bring 66 new positions to accommodate the addition of a new product line. The company originally located to Buncombe County in 2005 and currently employs 82 workers. Jacob Holm Industries offers high quality products for personal care, home care, hygiene, packaging and industrial markets.

Also in February 2014, Sport Hansa LLC, a premier importer and distributor of European outdoor product brands, announced its relocation to Asheville. The firm's expanded distribution center will allow for continued growth and expansion of product lines that include Helle knives of Norway, Kupika camping dishware of Finland, Montana technical outdoorwear, Terra Nova tents of the United Kingdom, and Wetterlings Axe Works of Sweden. The company is relocating its headquarters and distribution operations from Longmont, Colorado.

Tourism:

According to North Carolina Tourism Department of Commerce, domestic tourism in Buncombe County generated an economic impact of \$901.28 million in 2013. This was an 8.04% change from 2012. Also in 2013, Buncombe County ranked 5th in travel impact among North Carolina's 100 counties. More than 9,700 jobs in Buncombe County were directly attributable to travel and tourism. Travel generated a \$190.21 million payroll in 2013. State and local tax revenues from travel to Buncombe County amounted to \$74.0 million.

The Buncombe County Tourism Development Authority, through the Tourism Product Development Fund (TPDF), has awarded \$15 million for sixteen community tourism projects since 2001 when the occupancy tax rate in Buncombe County was increased from three cents to four cents. The additional cent generates approximately \$1.8 million of room tax revenue per year, of which 100 percent is dedicated to the TPDF. The purpose of the TPDF is to provide financial assistance for major tourism projects in order to substantially increase patronage of lodging facilities in Buncombe County. TPDF funds can be awarded to for-profit and non-profit entities as a grant, pledge of debt service or loan guaranty.

In October of 2014, the Buncombe County Tourism Development Authority (BCTDA) voted to award five grants, totaling \$4,825,000 to five community projects. The grants are made from the TPDF and mark the largest amount awarded since the Fund's inception in 2001. The recipients of the 2014 funding cycle were:

- The Enka Center Ball Fields project was awarded \$2 million (the largest single amount ever awarded to one project in the history of the fund) to construct seven new ball fields and facilities in the Enka-Candler area that will enable the region to host traveling youth baseball and college softball tournaments and provide space for local youth sports.
- Highland Brewing Company will receive \$850,000 for expansion and improvements that will enhance the guest experience, including roof top access, event space and upgraded tour amenities.
- The Riverfront Destination Development Project in the city of Asheville was granted \$1.8 million for capital improvements along the French Broad River, including a network of visitor amenities such as a Riverfront Arts and Culture Dispensary, pedestrian walkway connections, greenways, boat ramps and train-viewing platform.
- Riverlink will receive \$25,000 for establishment of commercial-grade river access at the Pearson Bridge to facilitate usage of river experiences and activities.
- The Collider, a project of the Asheville-Buncombe Sustainable Community Initiatives, was awarded \$150,000 for creation of a state-of-the-art business and conference facility in downtown which will host primarily mid-week corporate events and leverage the growing demand for expertise from the nearby National Climatic Data Center.

Much of the tourism in Buncombe County is in the Asheville area, including the Biltmore Estate. However, there are other areas in Buncombe County where tourism is popular. The Black Mountain-Swannoa Valley area is popular for its quaint shops, galleries and Appalachian-style craft stores with local craftsmen demonstrating their trades. It is also popular because of its outdoor activities such as hiking, biking and Black Mountain's famous 747 yard par 6 golf course, which has been called one of the longest in the world.

There are also renowned festivals in the area such as the Sourwood Festival, L.E.A.F. Festival, Black Mountain Art and Crafts Show and Art in Bloom. There is also the Swannanoa Valley Museum and Black Mountain Center for the Arts. The small township of Montreat is known for being the home of the Reverend Billy Graham and it abuts the city limits of Black Mountain. It is a unique village and has a small liberal arts college, Montreat College, and the Montreat Conference Center.

Weaverville is located in the mountains of Western North Carolina in the northern section of Buncombe County. Weaverville borders Reem's Creek Valley, is shadowed by the Blue Ridge Mountains and is home to the Zebulon B. Vance birthplace. There is a restored childhood homestead of the late North Carolina Civil War Governor and Reconstructionist Senator located there. Weaverville also offers outdoor recreation in the mountains such as hiking, mountain biking, fishing, golfing and skiing. The Blue Ridge Parkway, which is called "Americas Favorite Drive", is just 15 minutes from Weaverville's Main Street. Weaverville also has cabin rentals and other area lodging to accommodate tourists. The Town of Weaverville and the surrounding area is home to a very active art community. Each spring and fall, local artists welcome the public to their studios to show off their crafts during the Weaverville Art Safari. Also in September, the local artists host Art in Autumn.

WARN (layoff notices):

According to the North Carolina Workforce Development website (www.nccommerce.com), there have been no WARN notices of large-scale layoffs or closures reported for the Buncombe County area since January 2013.

E. HOUSING SUPPLY

This housing supply analysis considers both rental and owner for-sale housing. Understanding the historical trends, market performance, characteristics, composition, and current housing choices provide critical information as to current market conditions and future housing potential. The housing data presented and analyzed in this section includes primary data collected directly by Bowen National Research and from secondary data sources including American Community Survey (ACS), U.S. Census housing information and data provided by various government entities and real estate professionals.

While there are a variety of housing alternatives offered in Buncombe County, we focused our analysis on the most common alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Multifamily rentals, typically with three or more units were inventoried and surveyed. Additionally, rentals with two or fewer units, which were classified as non-conventional rentals, were identified and surveyed. Other rentals such as vacation rentals, mobile homes, and home stays (a single bedroom or portion of a larger unit) were also considered in this analysis.
- **Owner For-Sale Housing** – We identified attached and detached for-sale housing, which may be part of a planned development or community, as well as attached multifamily housing such as condominiums.
- **Senior Care Housing** – Facilities providing housing for seniors requiring some level of care, such as adult care facilities, multi-unit assisted facilities and nursing homes were surveyed and analyzed.

For the purposes of this analysis, the housing supply information is presented for Buncombe County and compared with the region. This analysis includes secondary Census housing data, Bowen National Research's survey of area rental alternatives and senior care facilities, and owner for-sale housing data (both historical sales and available housing alternatives) obtained from secondary data sources (Multiple Listing Service, REALTOR.com, and other on-line sources). Finally, we contacted local building and planning departments to determine if any residential units of notable scale were currently planned or under review by local government. Any such units were considered in the housing gap/needs estimates included later in this section.

The following table summarizes the surveyed/inventoried housing stock in the county. This is a sample survey/inventory and does not represent all housing in the county. However, we believe this housing survey/inventory is representative of a majority of the most common housing categories offered in the county.

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	12,069	99	0.8%	\$222-\$2,550
Non-Conventional Rentals	N/A	52	N/A	\$500-\$,3200
Home Stays	N/A	77	N/A	\$150-\$1,136
Vacation Rentals	N/A	227	N/A	\$1,620-\$75,705
Mobile Home Rentals	5,643*	N/A	N/A	\$595-\$795
Owner For-Sale Housing	13,577**	1,734	2.9%*	\$9,900-\$10.7 Mil.
Senior Care Housing	2,478	143	5.8%	\$1,060+
<i>Independent Living</i>	683	33	4.8%	\$1,060+
<i>Multi-Unit Assisted Housing</i>	0	-	-	-
<i>Adult Care Homes</i>	620	45	7.3%	\$1,500+
<i>Nursing Homes</i>	1,175	143	5.5%	\$6,083+

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

All housing segments appear to have vacancy rates of 7.3% or lower. This indicates that these housing segments are in high demand. While the adult care homes and nursing homes have vacancy rates of 7.3% and 5.5% respectively, these are not considered unusually high vacancy rates for these types of senior care housing. Overall, the county's housing market is performing well, as demand is strong for virtually all housing alternatives. The 0.8% vacancy rate of surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the county.

a. Rental Housing

Multifamily Rental Housing

We identified and personally surveyed 113 multifamily housing projects containing a total of 12,069 units within the county. This survey was conducted to establish the overall strength of the rental market and to identify trends in the multifamily rental market. These rentals have a combined occupancy rate of 99.2% (0.8% vacant), a high rate for rental housing. Among these projects, 84 are non-subsidized (market-rate and Tax Credit) projects containing 9,142 units. These non-subsidized units are 98.9% occupied. The remaining 29 projects contain 2,927 government-subsidized units, which are 100.0% occupied.

Managers and leasing agents for each project were surveyed to collect a variety of property information including vacancies, rental rates, design characteristics, amenities, utility responsibility, and other features. Projects were also rated based on quality and upkeep, and each was mapped as part of this survey.

The inventory of 113 *surveyed* multifamily rental housing projects contain a total of 12,069 units within Buncombe County. Of these units, 8,259 of the units are market-rate, 718 are Tax Credit and 2,609 are government-subsidized. The remaining units are within mixed-income projects. The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Surveyed Multifamily Apartments				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	68	8,259	99	98.8%
Market-rate/Tax Credit	1	160	0	100.0%
Market-rate/Government-Subsidized	1	123	0	100.0%
Tax Credit	16	718	0	100.0%
Tax Credit/Government-Subsidized	2	200	0	100.0%
Government-Subsidized	25	2,609	0	100.0%
Total	113	12,069	99	99.2%

As the preceding table illustrates, these rentals have a combined occupancy rate of 99.2%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartments in Buncombe County. In fact, these projects have wait lists of up to 197 households or two years in duration, which provides evidence that there is pent up demand for multifamily rental housing in the Buncombe County area.

The following tables summarize the breakdown of non-subsidized *units* surveyed by program type and bedroom within the county.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	193	2.3%	2	1.0%	\$667
One-Bedroom	1.0	2,366	28.4%	28	1.2%	\$830
Two-Bedroom	1.0	1,015	12.2%	17	1.7%	\$800
Two-Bedroom	1.5	542	6.5%	3	0.6%	\$915
Two-Bedroom	2.0	2,860	34.3%	39	1.4%	\$1,022
Two-Bedroom	2.5	125	1.5%	0	0.0%	\$1,031
Three-Bedroom	1.0	115	1.4%	0	0.0%	\$739
Three-Bedroom	1.5	146	1.8%	0	0.0%	\$1,000
Three-Bedroom	2.0	863	10.3%	10	1.2%	\$1,242
Three-Bedroom	2.5	76	0.9%	0	0.0%	\$1,303
Three-Bedroom	3.0	3	0.0%	0	0.0%	\$1,100
Four-Bedroom	1.5	18	0.2%	0	0.0%	\$789
Four-Bedroom	2.0	16	0.2%	0	0.0%	\$1,005
Five-Bedroom	3.0	1	0.0%	0	0.0%	\$1,000
Total Market-rate		8,339	100.0%	99	1.2%	-

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	1.9%	0	0.0%	\$222
One-Bedroom	1.0	330	41.1%	0	0.0%	\$467
Two-Bedroom	1.0	310	38.6%	0	0.0%	\$531
Two-Bedroom	2.0	12	1.5%	0	0.0%	\$388
Three-Bedroom	1.0	58	7.2%	0	0.0%	\$658
Three-Bedroom	2.0	66	8.2%	0	0.0%	\$580
Four-Bedroom	1.5	10	1.2%	0	0.0%	\$706
Four-Bedroom	2.0	2	0.2%	0	0.0%	\$335
Total Tax Credit		803	100.0%	0	0.0%	-

Median collected rents by bedroom type range from \$667 to \$1,303 for the market-rate units and from \$222 to \$706 for Tax Credit units. It is important to note that few of the identified multifamily projects offered four-bedroom or larger units. As such, there appear to be limited multifamily rental options for most family households, particularly larger families, seeking housing within Buncombe County. As a result, family households seeking four-bedroom rental alternatives in Buncombe County choose from non-conventional rentals, which typically have higher rents, fewer amenities and are of lower quality than multifamily options.

There are 29 multifamily projects that were surveyed in Buncombe County that operate with a government-subsidy. The distribution of units and vacancies by bedroom type among government-subsidized projects (both with and without Tax Credits) in Buncombe County is summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	37	18.5%	0	0.0%
Two-Bedroom	1.0	89	44.5%	0	0.0%
Three-Bedroom	1.0	54	27.0%	0	0.0%
Four-Bedroom	1.5	20	10.0%	0	0.0%
Total Subsidized Tax Credit		200	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	442	16.2%	0	0.0%
One-Bedroom	1.0	873	32.0%	0	0.0%
Two-Bedroom	1.0	691	25.3%	0	0.0%
Two-Bedroom	1.5	53	1.9%	0	0.0%
Three-Bedroom	1.0	426	15.6%	0	0.0%
Three-Bedroom	1.5	74	2.7%	0	0.0%
Four-Bedroom	1.0	92	3.4%	0	0.0%
Four-Bedroom	1.5	50	1.8%	0	0.0%
Four-Bedroom	2.0	4	0.1%	0	0.0%
Five-Bedroom	1.5	22	0.8%	0	0.0%
Total Subsidized		2,727	100.0%	0	0.0%

The subsidized Tax Credit units and the government-subsidized units are 100.0% occupied.

The 29 surveyed government-subsidized projects in Buncombe County operate under a variety of programs including the HUD Section 8, 202 and 811 programs and the Rural Development Section 515 program. Of the 29 surveyed subsidized projects in the market, 23 maintain waiting lists of up to 197 households. As such, there is clear pent-up demand for housing for very low-income households in Buncombe County.

The following is a distribution of multifamily rental projects and units surveyed by year built for Buncombe County:

Year Built	Projects	Units	Vacancy Rate
Before 1970	22	1,538	0.6%
1970 to 1979	21	2,727	0.4%
1980 to 1989	19	2,127	0.6%
1990 to 1999	12	1,188	1.0%
2000 to 2005	17	2,020	1.9%
2006	1	50	0.0%
2007	2	178	0.6%
2008	3	507	0.2%
2009	3	412	1.5%
2010	1	60	0.0%
2011	4	671	0.9%
2012	3	517	0.4%
2013	1	52	0.0%
2014*	2	22	0.0%

*As of December

The largest number of apartments surveyed were built between 1970 and 1979. These older apartments have a vacancy rate of only 0.4%. A total of approximately 2,500 multifamily apartment units have been added to the market since 2005. As such, the existing rental housing stock is considered to have a good balance of rental product by age. It should be noted that vacancies are low among all development periods. The low vacancy rates among the market's newest product indicate that the market has responded well to new product.

Representatives of Bowen National Research personally visited each of the surveyed rental projects within Buncombe County and rated the quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance).

The following is a distribution by quality rating, units, and vacancies for all surveyed rental housing product in Buncombe County.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	2	377	0.0%
A	16	3,056	1.4%
A-	6	802	1.4%
B+	11	1,901	0.8%
B	12	1,540	1.2%
B-	5	263	2.7%
C+	3	80	3.8%
C	10	268	0.4%
C-	2	52	1.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	4	201	0.0%
A-	5	279	0.0%
B+	4	203	0.0%
B-	1	96	0.0%
C	2	24	0.0%
Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	302	0.0%
B	6	448	0.0%
B-	5	469	0.0%
C+	2	128	0.0%
C	10	964	0.0%
C-	3	616	0.0%

Vacancies are low among all program types and quality levels. More importantly, there does not appear to be a direct correlation between quality level and vacancy rates. This is not unusual in markets with limited available product.

Non-Conventional Rental Housing

Buncombe County has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, a total of 52 individual units were identified and surveyed. While this does not include all non-conventional rentals in the market, we believe these properties are representative of the typical non-conventional rental housing alternatives in the market.

The following table aggregates the 52 non-conventional rental units surveyed in Buncombe County by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	5	\$500 - \$1,000	\$575	\$0.89
Two-Bedroom	15	\$800 - \$1,600	\$950	\$1.01
Three-Bedroom	24	\$500 - \$2,500	\$1,225	\$0.87
Four-Bedroom+	8	\$1,295 - \$3,200	\$1,750	\$0.85
Total	52			

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$500 to \$3,200. The median rents are \$575 for a one-bedroom unit, \$950 for a two-bedroom unit, \$1,225 for a three-bedroom unit, and \$1,750 for a four-bedroom (or larger) unit. The median rent per square foot by bedroom type ranges from \$0.85 to \$1.01.

The rental rates of non-conventional rentals are generally comparable to most market-rate multifamily apartments surveyed in the county. However, when utilities are considered, as most non-conventional rentals require tenants to pay all utilities, the rental housing costs of non-conventional rentals are generally higher than multifamily apartments. When also considering that a much larger share of the non-conventional product was built prior to 1980 and their amenity packages are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

Vacation Rental Housing

Buncombe County has a large number of vacation rentals which can come in the form of cabins, detached single-family homes, condominiums, etc. As a result, we have conducted a sample survey of vacation rentals within the county. Overall, a total of 227 individual units were identified and surveyed. While this does not include all vacation rentals in the market, we believe these properties are representative of the typical vacation rental housing alternatives in the market.

The following table aggregates the 227 vacation rental units surveyed in the county by bedroom type. It should be noted that while most rents are charged on a daily or weekly basis, rents are shown and analyzed on a monthly basis.

Surveyed Vacation Rental Supply			
Bedroom	Units	Rent Range	Median Rent
One-Bedroom	58	\$1,620 - \$28,500	\$4,575
Two-Bedroom	67	\$2,400 - \$12,720	\$5,250
Three-Bedroom	61	\$3,750 - \$16,260	\$6,300
Four-Bedroom+	41	\$4,320 - \$75,705	\$10,965
Total	227		

As the preceding table illustrates, the rents for vacation rentals identified range from \$1,620 to \$75,705. The median monthly rents are \$4,575 for a one-bedroom unit, \$5,250 for a two-bedroom unit, \$6,300 for a three-bedroom unit, and \$10,965 for a four-bedroom or larger unit.

The rental rates of vacation rentals are significantly higher than most multifamily apartments and non-conventional rentals surveyed in the county. Generally, such rentals are roughly four times higher than the other rental alternatives, essentially eliminating this type of housing as a viable long-term housing alternative to most area renters. However, due to this rent differential, such housing may appeal to owners of traditional, long-term rentals who may want to convert their housing to vacation rentals. This is addressed in the case study portion of the *Asheville, North Carolina Region Housing Needs Assessment*.

Home Stay Rentals

A home stay rental is generally considered a bedroom or a few rooms that are rented to tenants on a short-term basis and typically represents a portion of a full rental unit. Such rentals are generally short-term (usually less than 30 days) housing options. Tenants in the home stay rental often have shared access to common areas such as bathrooms and kitchens. Home stay rentals typically come in the form of apartments, detached single-family homes, duplexes, condominiums, etc. We have conducted a sample survey of home stay rentals within the county.

Overall, a total of 77 individual home stay rental “units” were identified and surveyed. While this likely does not include all home stay rentals in the county, we believe these properties are representative of the typical home stay rental housing alternatives in the market. The following table aggregates the 77 home stay rental units surveyed in the county.

Surveyed Home Stay Rental Supply		
Units	Rent Range	Median Rent
77	\$150 - \$1,136	\$460

As the preceding table illustrates, the monthly rents for home stay rentals identified range from \$150 to \$1,136. The median rent is \$460 per unit.

The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the county, which is not surprising since such rentals are limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). Most home stay rentals are roommate situations where residents have their own bedroom but must share kitchen, living and bathroom areas. Most rentals include all basic utilities in the rent, with many rentals also offering cable television and Internet as part of the rent. A large number of the rentals are fully furnished, but offer few project amenities such as swimming pools or other recreational features. Most rentals allow residents access to laundry facilities. Leases are often flexible, typically month-to-month in duration. Unlike most conventional apartments or private non-conventional rentals, home stays have the unique element of matching personal preferences with roommates. For example, many properties advertise that they are looking for smoke-free/smokers, pet friendly/no pet, male/female or other types of tenants. Such preferences or restrictions likely limit the type of residents that can be accommodated at such rentals. Given these preferences and restrictions, along with the fact that the home stay rentals can typically only accommodate one- or two-person households, home stays likely have a limited ability to meet the needs of most area renters.

Mobile Home Rentals

Bowen National Research identified 63 mobile home parks in Buncombe County through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and CraigsList. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we attempted to conduct telephone interviews with park operators to gather rental property data.

Surveyed park operators stated that lot rents range from \$260 to \$410 per month. Lot rents vary dependent upon the need for a single-, double- or triple-wide lot. One mobile home park leases mobile homes on the lot as well, ranging from \$595 to \$795 per month, depending on size. Most park operators reported that lot rents have increased, while occupancies have generally stayed the same. Respondents reported typical occupancy rates of 80% to 90%, with two parks reporting a 100% occupancy rate. Park operators commented that the quality varies based on the ownership/management of the park, but that typically the parks are in fair condition. A windshield survey of select mobile home parks in the county yielded “C” to “C-” quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in fair condition.

When asked if there are any issues or problems associated with operating or maintaining a mobile home park in the area, or what recommendations the respondents may have that the local government could do to aid in mobile home park living, Bowen National Research received a variety of responses. Responses included that the city of Asheville does not allow mobile home parks within the city limits, creating a negative stigma of parks. Better zoning and rules and regulations should be put into place for the maintenance and beautification of mobile home parks, similar to a homeowner's association. Respondents stated that mobile home living is some of the most affordable to area residents and that more should be done to promote this type of housing.

b. Owner For-Sale Housing

Bowen National Research, through a review of the Multiple Listing Service information for Buncombe County, identified both historical (sold since 2010) for-sale residential data and currently available for-sale housing stock.

There were 13,577 homes sold and 1,734 homes currently available in Buncombe County. Approximately, an average of 2,630 homes are sold each year within Buncombe County. The 1,734 available homes in Buncombe County represent nearly one-half (47.2%) of all identified available for-sale homes in the study region. The following table summarizes the available and recently sold (since January 2010) housing stock for Buncombe County.

Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	1,734	\$300,000
Sold	13,577	\$200,000

Source: Multiple Listing Service and Bowen National Research

The historical data includes any home sales that occurred within the county from January 2010 to November 2014. It is our opinion that an evaluation of sales activity after 2009 is representative of true market conditions following the recession.

The following table includes a summary of annual for-sale residential transactions that occurred within Buncombe County since 2010. It should be noted that the 2014 sales data is only through November of that year.

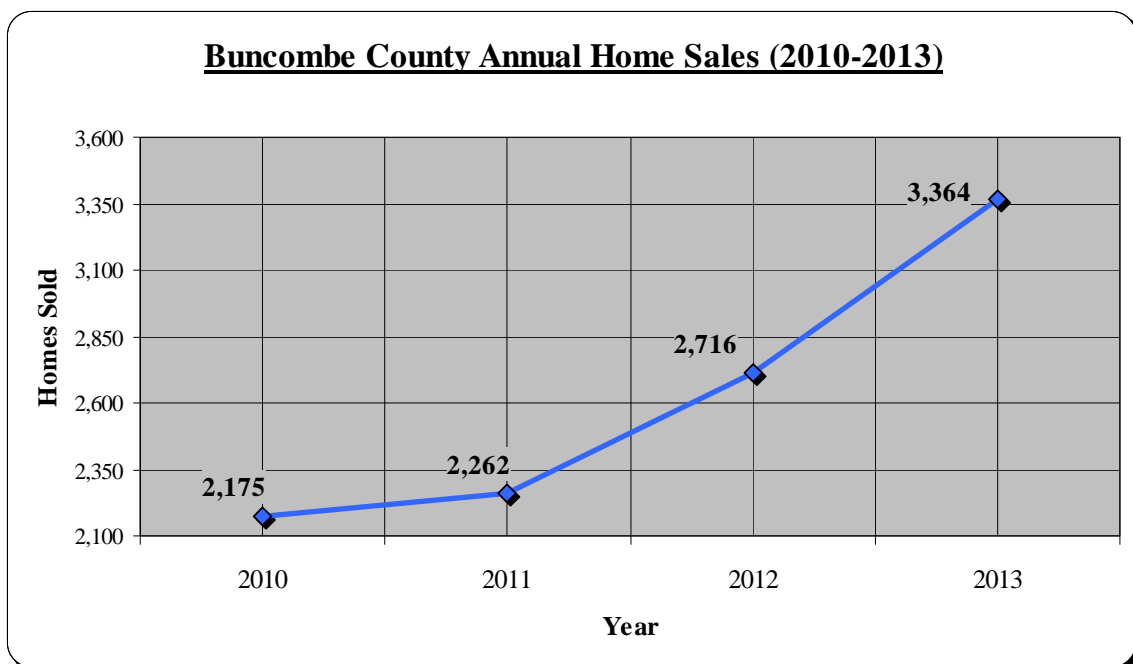
Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	2,175	-	\$199,900	-
2011	2,262	4.0%	\$188,000	-6.0%
2012	2,716	20.1%	\$196,000	4.3%
2013	3,364	23.9%	\$206,608	5.4%
2014*	3,060	-9.0%	\$215,000	4.1%

Source: Multiple Listing Service and Bowen National Research

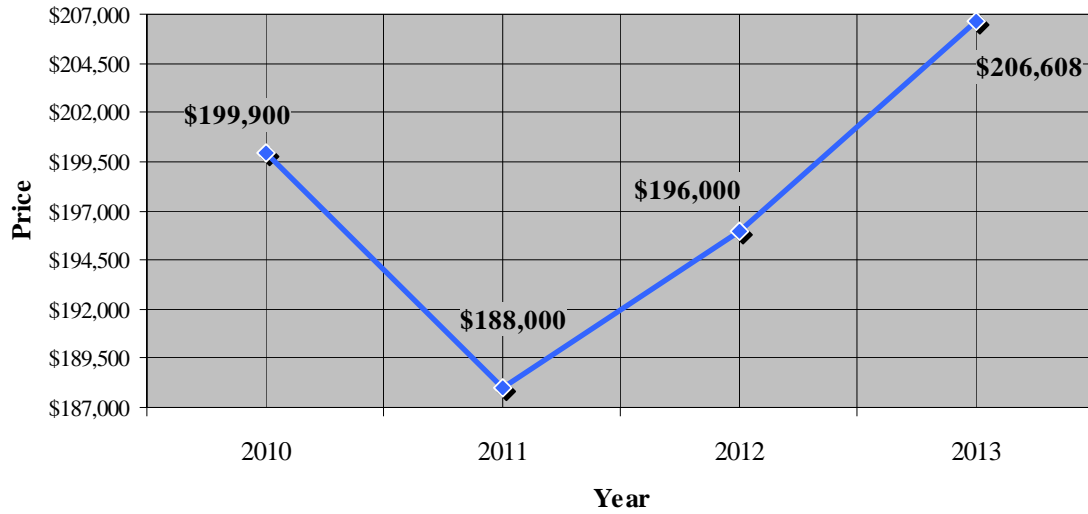
*Through Nov. 21, 2014

Excluding the partial year of 2014, annual residential for-sale activity within the county has ranged between 2,175 in 2010 and 3,364 in 2013. The annual sales activity has grown each of the past four full years. The county is currently on pace to sell approximately 3,340 residential units for all of 2014, which is slightly above the 2013 total sales. The county has experienced fluctuations in median sales prices over the past four years, but has trended upward over the past three years. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in Buncombe County.

The following graphs illustrate the overall annual number of homes sold and median sales prices over the past four years for Buncombe County from 2010 to 2013 (2014 was excluded due to the fact that only partial year data is available).



Buncombe County Annual Median Sales Price (2010-2013)



The following table summarizes the inventory of *available* for-sale housing in Buncombe County and the region.

	Available Owner For-Sale Housing						Average Days On Market
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price	
Buncombe County	1,734	47.2%	\$31,999	\$10,750,000	\$485,729	\$300,000	189
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418	244

Source: Multiple Listing Service and Bowen National Research

Within Buncombe County, the available homes have a median list price of \$300,000, which is more than the region median list price of \$290,418. The average number of days on market for available product in Buncombe County is 189, which is lower than the region average of 244, and the lowest of the four subject counties.

The table below summarizes the distribution of available for-sale residential units by price point for Buncombe County.

Available Owner For-Sale Housing by Price Point						
List Price	Buncombe County			Region		
	Median Price	Units	Share	Median Price	Units	Share
<\$100,000	\$80,000	76	4.4%	\$79,700	190	5.2%
\$100,000 - \$199,999	\$159,950	384	22.2%	\$159,900	821	22.4%
\$200,000 - \$299,999	\$249,900	403	23.2%	\$249,900	934	25.4%
\$300,000 - \$399,999	\$349,950	254	14.6%	\$350,000	543	14.8%
\$400,000 - \$499,999	\$450,000	166	9.6%	\$450,000	319	8.7%
\$500,000+	\$825,000	451	26.0%	\$797,200	862	23.5%

Source: Multiple Listing Service and Bowen National Research

Buncombe County Available For-Sale Housing by Price



Over one-quarter of the available for-sale supply in Buncombe County is priced over \$500,000. These homes would generally be affordable to households with incomes of \$150,000 and higher. Nearly a quarter of the available product is priced between \$100,000 and \$199,999, as well as between \$200,000 and \$299,999. As such, there is a good base of homes generally affordable to households with incomes between \$30,000 and \$100,000. Only 4.4% of all available homes are priced below \$100,000, which would be generally affordable to households with incomes under \$30,000. Based on our on-site evaluation of the county's housing stock and an analysis of secondary data on such housing, it appears that much of the housing inventory was built prior to 1970 and is of fair quality. As a result, while it may be deemed that there is some for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

c. Senior Care Facilities

The subject county, like areas throughout the country, has a large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 62 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs). As part of this analysis, we evaluated four levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. They include independent living, multi-unit assisted housing, adult care homes, and nursing care. These housing types, from least assisted to most assisted, are summarized below.

Independent Living is a housing alternative that includes a residential unit, typically an apartment or cottage that offers an individual living area, kitchen, and sleeping room. The fees generally include the cost of the rental unit, some utilities, and services such as laundry, housekeeping, transportation, meals, etc. This housing type is also often referred to as congregate care. Physical assistance and medical treatment are not offered at such facilities.

Multi-unit Assisted Housing With Services (referred to as *multi-unit assisted* throughout this report) is a housing alternative that provides unlicensed care services along with the housing. Such housing offers residents the ability to obtain personal care services and nursing services through a home care or hospice agency that visit the subject site to perform such services. Management at the subject project arrange services that correspond to an individualized written care plan.

Adult Care Homes are state licensed residences for aged and disabled adults who may require 24-hour supervision and assistance with personal care needs. People in adult care homes typically need a place to live, with some help with personal care (such as dressing, grooming and keeping up with medications), and some limited supervision. Medical care may be provided on occasion but is not routinely needed. Medication may be given by designated, trained staff. This type of facility is very similar to what is commonly referred to as “assisted living.” These facilities generally offer limited care that is designed for seniors who need some assistance with daily activities but do not require nursing care.

Nursing Homes provide nursing care and related services for people who need nursing, medical, rehabilitation or other special services. These facilities are licensed by the state and may be certified to participate in the Medicaid and/or Medicare programs. Certain nursing homes may also meet specific standards for sub-acute care or dementia care.

We referenced the Medicare.com and North Carolina Division of Health Service Regulation websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified most, if not all, licensed facilities in the county.

Within the county, a total of 32 senior care facilities were surveyed containing a total of 2,478 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	5	683	33	4.8%
Multi-Unit Assisted Housing	0	0	-	-
Adult Care Homes	15	620	45	7.3%
Nursing Homes	12	1,175	65	5.5%
Total	32	2,478	143	5.8%

The Buncombe County senior care market is reporting overall vacancy rates between 4.8% (independent living) to 7.3% (adult care homes). All of the vacancy rates among surveyed senior housing is relatively low and indicates that there is a good level of demand for such housing in the county. As such, demand for these types of senior care housing facilities within the county is typical. Overall, demand for senior care housing in the county appears to be strong and indicates that there may be an opportunity to develop additional senior care housing in this county, particularly when considering the projected senior household growth for the next few years.

The base monthly fee for independent living units is \$1,060 a month, adult care homes start at \$1,500, and nursing care facilities have a base monthly fee starting near \$6,083. These fees are slightly lower than most senior care housing fees in the region.

d. Planned & Proposed Residential Development

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline for Buncombe County. Understanding the number of residential units and the type of housing being considered for development in the county can assist in determining how these projects are expected to meet the housing needs of the area.

Based on our interviews with local building and planning representatives, it was determined that there are multiple housing projects planned within Buncombe County. It should also be noted that there are no large single-family home subdivisions planned in Asheville as there is not much land available for large subdivisions. These planned developments, by location, are summarized as follows.

Project Name & Location	City	Units/Lots	Type	Developer	Status
Biltmore Village Apts. Fairview Road	Asheville	N/A	Rental	Fairview Land, LLC	Under Review
White Oak Apts. 275 Hazel Mill	Asheville	104	Rental Garden-Style	White Oak Grove, LLC	Under Review
Greystone Village Apts. Sardis Road	Asheville	108	Rental, Affordable	Winston-Salem Industry for the Blind	Under Review
Chrysler Lofts 150 Coxe Ave.	Asheville	48	Rental, Market-Rate	Coxe Avenue Properties, LLC	Under Review
Dillingham Woods Dillingham rd./Thrones Ln.	Asheville	22	For-Sale, Townhomes	Hill Ventures, LLC	Under Review
Haywood Village 919 Haywood Rd.	Asheville	12	For-Sale, Townhomes	Village of Haywood Developers	Under Review
182 Cumberland Group Home 182 Cumberland	Asheville	N/A	Supportive Housing	Flynn Christian Fellowship Homes	Under Review
Klepper Drive Subdivision Klepper Drive	Asheville	6	For-Sale, Single-Family	N/A	Under Review
Mountain Song Lane Subdivision Mountain Song Lane	Asheville	2	For-Sale, Single-Family	N/A	Under Review
Bridle Path Subdivision Bridle Path	Asheville	7	For-Sale, Single-Family	N/A	Under Review
Brynne Drive Subdivision Brynne Drive	Asheville	14	For-Sale, Single-Family	N/A	Under Review
Burk Street Subdivision Burk Street	Asheville	10	For-Sale, Single-Family	Farmbound Holdings, LLC	Under Review
Palisades Apartments 15 Mills Gap Road	Asheville	224	Rental, Market-Rate	Southwood Realty	Under Construction
Givens Gerber Park Apts. 40 Gerber Road	Asheville	120	Rental, Affordable	Opportunities South, LLC	Begin Construction 3/2015
Carmel Ridge 711 Leichester Way	Asheville	80	Rental, Affordable	Greenway Residential Development	Under Construction
Retreat at Hunt Hill 32 Ardmon Park	Asheville	180	Rental, Market-Rate	Kassinger Development	Under Construction
Creekside Apartments II Wesley Drive	Asheville	24	Rental, Senior Living	Givens Estates	Planned
Aventine Apartments Long Shoals Road	Asheville	312	Rental, Market-Rate	Flournoy Construction	Under Construction
Villas at Fallen Spruce 15 Fallen Spruce	Asheville	55	Rental, Affordable	Mountain Housing Opportunities	Under Construction
Eagle Market Place Apts. 19 Eagle Street	Asheville	62	Rental, Affordable	Mountain Housing Opportunities	Under Construction
RAD Lofts Roberts St./Clingman Ave.	Asheville	209	Rental, Market-Rate	Delphi Development	Begin Construction Spring 2014
Ansley at Roberts Lake 100 Roberts Lake Circle	Arden	296	Rental, Market-Rate 1-3 Bedrooms	Hathaway Development Properties	Approved, Complete 3q 2015
Audubon Place Apts. II Rockwood Rd.	Arden	86	Rental, Market-Rate	N/A	Planned
The Avalon Apts. 3883 Sweeten Creek Rd.	Arden	192	Rental, Market-Rate	Southwood Realty	Planned

(Continued)

Project Name & Location	City	Units/Lots	Type	Developer	Status
Hickory Knolls Aiken Road	Weaverville	121 Apts. 62 SFH/TH	Rental, Market-Rate	Harlan Hensley	Not Yet Approved
Reems Creek Cottages Reems Creek Rd.	Weaverville	17	For-Sale, Single-Family	Windsor-Aughtry Company	Approved
Lakeside Meadows Merrimon Ave.	Weaverville	25	For-Sale, Single-Family	Windsor-Aughtry Company	Approved
Creekside Village Merrimon Ave./Aiken Rd.	Weaverville	145	For-Sale Single-Family/TH	Serrus Capital Partners	Approved
Greenwood Park Union Chapel Road	Weaverville	60	For-Sale, Single-Family	Greenwood Park, LLC	Not Yet Approved
Reems Creek Village Governor Thomson Terrace	Weaverville	14	For-Sale, Single-Family	Rabbit Ridge Properties, LLC	Approved
Ventana Homes Bair Cove/Weaverville Hwy	Woodfin	35	For-Sale, Single-Family	N/A	Under Construction
Crossing at Reynolds Mountain	Woodfin	75	Senior Assisted Living	Smith Packet	Approved

SFH – Single-Family Homes
TH – Townhomes

F. HOUSING GAP ESTIMATES

Bowen National Research conducted housing gap analyses for rental and for-sale housing for the subject county. The **housing gap** estimates include new household growth, units required for a balanced market, households living in substandard housing (replacement housing), and units in the development pipeline. This estimate is considered a representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Our estimates consider four income stratifications. These stratifications include households with incomes of up to 30% of Area Median Household Income (AMHI), households with incomes between 31% and 50% of AMHI, between 51% and 80% of AMHI, and between 80% and 120% of AMHI. This analysis was conducted for family households and seniors (age 55+) separately. This analysis identifies the housing gap (the number of units that could potentially be supported) for the county between 2015 and 2020. Broader **housing needs** estimates, which include household growth, cost burdened households, households living in substandard housing, and units in the development pipeline, were provided for the *overall region* and is included in the *Asheville, North Carolina Region Housing Needs Assessment*.

The demand components included in the housing gap estimates for each of the two housing types (rental and for-sale) are listed as follows:

Housing Gap Analysis Components	
Rental Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Units Required for a Balanced Market	• Units Required for a Balanced Market
• Replacement of Substandard Housing	• Replacement of Substandard Housing
• Pipeline Development*	• Pipeline Development*

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

The demand factors for each housing segment at the various income stratifications are combined. Any product confirmed to be in the development pipeline is deducted from the various demand estimates, yielding a housing gap estimate. This gap analysis is conducted for both renters and owners, as well as for seniors (age 55+) and family households. These gaps represent the number of new households that may need housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as overcrowded or substandard housing conditions. Data used for these various demand components originates from the demographic analysis portion of this study.

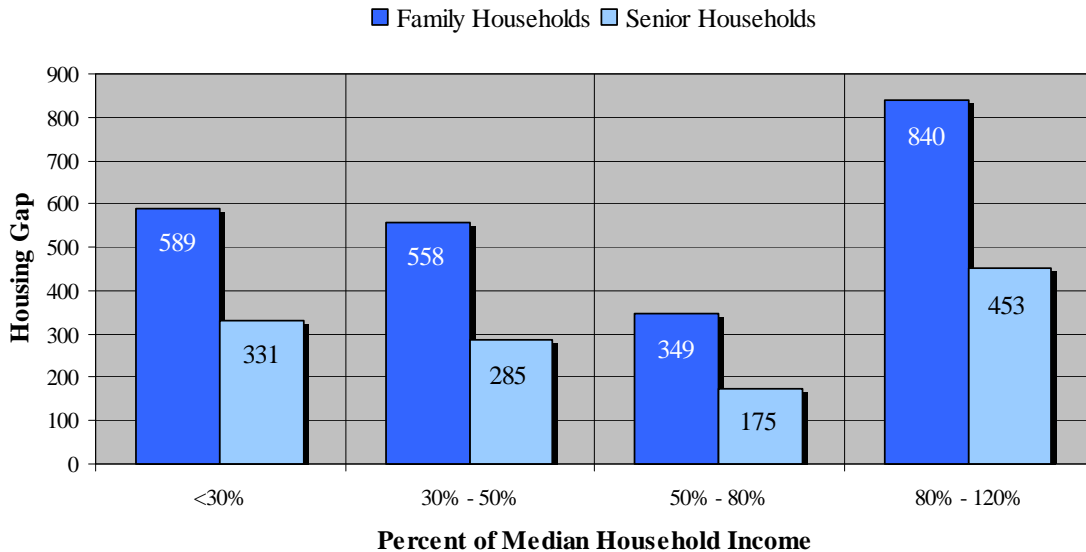
Rental Housing Gap Analysis

The tables below summarize the rental housing gap estimates by the various income segments for family and senior households.

Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	59	243	19	1,020	1,341
Balanced Market	381	251	260	362	1,254
Substandard Housing	251	166	172	314	903
Development Pipeline	-102	-102	-102	-856	-1,162
Total Housing Gap	589	558	349	840	2,336

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	118	158	64	515	855
Balanced Market	152	101	91	144	488
Substandard Housing	100	66	60	125	351
Development Pipeline	-39	-40	-40	-331	-450
Total Housing Gap	331	285	175	453	1,244

Asheville/Buncombe County Rental Housing Gap by Income



Based on the preceding analysis, the largest rental housing gap by income level is within the 80% to 120% AMHI level among both families and seniors. However, notable housing gaps exist within the under 30% AMHI level and between the 30% and 50% AMHI level. The overall rental housing gap for families is nearly double the senior housing gap.

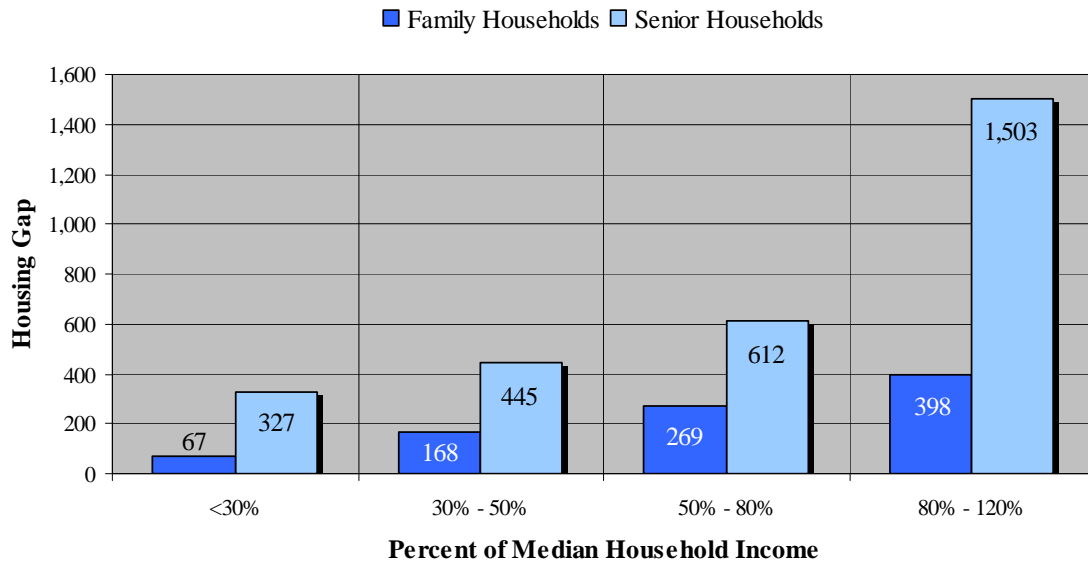
Owner Housing Gap Analysis

The tables below summarize the *owner* housing gap estimates by the various income segments for family and senior households.

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-32	67	146	-18	163
Balanced Market	61	62	76	257	456
Substandard Housing	38	39	47	159	283
Development Pipeline	0	0	0	0	0
Total Housing Gap	67	168	269	398	902

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	209	324	465	1,006	2,004
Balanced Market	73	75	91	307	546
Substandard Housing	45	46	56	190	337
Development Pipeline	0	0	0	0	0
Total Housing Gap	327	445	612	1,503	2,887

Asheville/Buncombe County Owner Housing Gap by Income



As shown in the preceding owner housing gap analysis, the greatest housing gap for families and seniors with incomes between 80% and 120% of AMHI. While the housing gap estimates show a larger gap for housing for seniors, this is primarily attributed to seniors aging in place. This likely indicates that many senior households aging in place will ultimately require housing that would enable them to downsize at some point.

Senior Care Housing Need Estimates

Senior care housing encompasses a variety of alternatives including multi-unit assisted housing, adult care homes, and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. The following attempts to quantify the estimated senior care housing need in the county.

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	66,476
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	= 4,919
Plus External Market Support (20%)	+ 984
Equals Total Senior Care Support Base	= 5,903
Less Existing Supply	- 3,803
Less Development Pipeline	- 123
Potential Senior Care Beds Needed by 2020	= 1,977

ADL – Activities of Daily Living

*Share of ADL was based on data provided by the U.S. Centers for Disease Control and Prevention's *Summary Health Statistics for U.S. Population National Health Interview Survey 2011*

Based upon age 62 and older population characteristics and trends, and applying the estimated ratio of persons requiring ADL assistance and taking into account the existing and planned senior housing supply, we estimate that there will be 1,977 households with a person requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020. Not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Regardless, the 1,977 seniors estimated above represent the potential need for additional senior care housing in the county.

G. STAKEHOLDER SURVEY & INTERVIEWS

Associates of Bowen National Research solicited input from nearly more than 40 stakeholders throughout the study region. Their input was provided in the form of an online survey and telephone interviews. Of these respondents, 32 serve the Buncombe County area. Considered leaders within their field and active in the community, they represent a wide range of industries, including government, economic development, real estate, and social assistance. The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within the county. The following is a summary of the key input gathered.

Stakeholders were asked is there is a specific area of the county where housing should be developed. Respondents indicated that housing should be developed within the city limits of Asheville, and along major transit corridors or close to transit with access to the downtown for employment. Rental housing was overwhelmingly ranked as the *type* of housing having the greatest need, followed by housing for the homeless and single-person/young professionals. Respondents indicated that the housing *style* most needed in the area is apartments, followed by single-family homes and duplex/triplex/townhome development. Respondents also believe that adaptive reuse should be prioritized over new construction and renovation/revitalization. When asked to rank the need for housing for each income level, respondents evenly ranked incomes of less than \$25,000 and incomes between \$25,000 and \$50,000 as the household segments with the greatest need. The most significant housing issue within the county, as indicated by respondents, was rent burdened/affordability, followed by limited availability, substandard housing, and lack of public transportation.

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance was given the highest priority, followed by “other” rental housing assistance (such as Vouchers) and homebuyer assistance. Respondents indicated that housing development programs that should be explored include emergency repair, and property tax incentives and support for home owners, as well as increased LIHTC and other affordable housing options, such as CDBG funding. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land and availability of land were most

commonly cited, followed by financing. Respondents provided various ways to overcome these barriers, including increased collaboration between the local government and developers, creating a land bank, a better zoning and permitting process, improvements to public transit and infrastructure, and tax abatements. One respondent suggested that a committee of both public and private housing professionals should be created that is dedicated to the process of developing affordable housing for all housing sectors.

If a respondent was knowledgeable about homelessness in the county, they were asked to rank the need for housing for various homeless groups. The most commonly indicated groups were homeless individuals and families. Respondents indicated that the most needed type of housing to serve the homeless population is increased Voucher assistance, followed by emergency shelters and Single Room Occupancy (SRO). The most commonly cited obstacles to developing homeless housing were public perception/NIMBYism, and the high cost and lack of funding for development. Respondents believe that collaboration of homeless services and housing providers is necessary, and homeless housing should be developed closer to transit and job cores to reduce the burden of a family having to maintain a vehicle in order to access their employment.

If a respondent was knowledgeable about special needs groups in the county, they were asked to rank the need for housing for various special needs groups. The most commonly indicated groups were persons with mental illness, persons suffering from alcohol/ substance abuse, and persons with physical/developmental disabilities. One group receiving special note by respondents as being in need of housing is domestic violence victims. Respondents believe that transitional housing and group homes would best serve these populations. The lack of community support and funding were cited as the most common obstacles to developing special needs housing.

H. SPECIAL NEEDS HOUSING

Besides the traditional demographics and housing supply evaluated on the preceding pages of this section, we also identified special needs populations within Buncombe County. This section of the report addresses demographic and housing supply information for the homeless population and the other special needs populations within the county.

Asheville is located within HUD's designated Continuum of Care (CoC) area known as *Asheville/Buncombe County CoC*. CoCs around the United States are required to collect data for a point-in-time during the last week of each year. The last published *Asheville/Buncombe County* point-in-time survey was conducted in January 2014. This includes counts of persons who are classified as homeless, as well as an inventory of the housing specifically designated for the homeless population.

According to the 2014 point-in-time survey for *Asheville/Buncombe County* there are approximately 3,801 persons who are classified as homeless on any given day in

Asheville and Buncombe County. The following tables summarize the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the county.

Homeless Population & Subpopulation– Asheville/Buncombe County						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Persons in Households without Children	200	211	538	52	65	1,066
Persons in Households with 1 Adult & 1 Child	37	15	59	105	0	216
Persons in Household with only Children	3	2	0	0	5	10
# of Persons Chronically & Formerly Chronically Homeless	7	0	10	430	40	487
Persons with Serious Mental Illness	76	104	326	23	35	564
Persons with Substance Abuse Disorder	53	141	336	25	24	579
Persons w/ AIDS/HIV	1	0	12	0	0	13
Victims of Domestic Violence	38	41	103	27	5	214
Veterans	35	184	239	3	7	468
Ex-Offenders	15	4	29	1	9	58
Persons exiting Behavioral Health/Healthcare System	27	37	51	3	8	126
Total	492	739	1,703	669	198	3,801

Homeless Housing Inventory – Asheville/Buncombe County										
Project Type	Beds by Population Category							Seasonal Beds	*Overflow Beds	Total Beds
	Households with Children	Single Male & Female	Veteran	Chronically Homeless	Domestic Violence	Youth	AIDS/HIV			
Emergency Shelter	102	73	0	0	19	6	0	15	21	236
Transitional Housing	46	208	109	0	0	6	0	0	0	369
Permanent Supportive Housing	72	68	0	371	0	3	0	0	0	514
Rapid Re-housing	16	0	0	0	0	3	0	0	0	19
Safe Haven	0	0	0	0	0	0	0	0	0	0
Total Beds By Population	236	349	109	371	19	18	0	15	21	1,138

Source: North Carolina Coalition to End Homelessness (1-2014)

Based on the 2014 Asheville/Buncombe County CoC Housing Inventory Count Summary, the utilization (occupancy) rate for homeless housing beds in Asheville/Buncombe County CoC is 92.7%. This utilization rate and the fact that 198 remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population. Homeward Bound of Asheville and other local service providers appear to be actively engaged in assisting the homeless population in Asheville/Buncombe County through various outreach and housing programs.

Specifically, within Asheville/Buncombe County one area service provider noted, on average there are approximately 500 to 550 individuals living in emergency shelters or transitional housing on any given night. There are enough emergency shelters in Asheville/Buncombe County to meet the demand as with plenty of seasonal and

overflow beds in the winter months. However it was mentioned that there is a significant need for transitional housing for families. Additionally, local sources indicated there needs to be more permanent housing options available to the homeless population in Asheville/ Buncombe County. The current affordable housing developments available in Asheville are not accessible to the homeless population due to stringent credit restrictions and high AMHI income qualifications. It was also noted that the rate of current affordable housing development in the area is not keeping up with the demand as another 50 to 100 units could be developed and still not meet the need. Regardless, with an estimated population of 3,801 and over a hundred homeless persons unsheltered, homelessness remains a challenge in Asheville/Buncombe County and is an ongoing housing need.

The following table summarizes the various special needs populations within the county that were considered in this report. It should be noted that county level data was not available for certain special needs groups, which is denoted as “N/A” in the following table.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	542	Persons with Disabilities (PD)	34,440
Victims of Domestic Violence (VDV)	1,368	Elderly (Age 62+) (E62)	66,476
Persons with Substance Abuse (PSA)	371	Frail Elderly (Age 62+) (FE62)	4,919
Adults with Mental Illness (MI)	10,794	Ex-offenders (Parole/Probation) (EOP)	622
Adults with Severe Mental Illness (SMI)	200	Unaccompanied Youth (UY)	67
Co-Occurring Disorders (COD)	5,068	Veterans	19,614
Multi-Generational Households (MGH)	2,718		

Excluding the homeless population, the largest number of special needs persons is among those with disabilities, the elderly (age 62+), veterans, and persons with a mental illness. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Notable facilities are offered by Homeward Bound, Disability Partners, Western North Carolina AIDS Project, Helpmate, Eliada Homes Black Mountain Home for Children & Youth, Asheville Re-Entry Network, NC TASC Services-Asheville, Western Highland LME, Oxford House Asheville-Buncombe Christian Ministry, Buncombe County Council on Aging, and various mental health facilities as well as nursing and residential care homes. According to various services provides knowledgeable about housing for various homeless and special needs groups in Buncombe County the most needed was transitional housing and single-room occupancy. It was also noted that housing for persons with mental illnesses, persons with substance abuse problems, and persons with physical/developmental disabilities have the greatest housing needs.

I. CONCLUSIONS

Recent county economic trends have been positive and overall demographic trends are projected to be positive within Buncombe County over the next five years, which are expected to contribute to the continued strength of the housing market within the county during the foreseeable future. Some key findings based on our research of Buncombe County are summarized as follows:

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 16,080 (6.3%), which is slightly faster than the growth rate (5.5%) of the overall region. During this same time, household growth of 7,219 (6.7%) is projected to occur in the county, which is also slightly faster than the region’s projected growth rate of 5.9%.
- **Household Heads by Age** –The county’s senior households age 55 and older will increase by 6,559 (11.5%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing. It is projected that households between the ages of 25 and 44 will increase by approximately 671 (1.8%) households, which will likely lead to a need for additional family-oriented and/or workforce housing.
- **Households by Income and Tenure** – While the greatest projected *renter* household growth between 2015 and 2020 will be among those with incomes between \$35,000 and \$49,999, the largest share of *renter* households will be among those making less than \$15,000 by 2020. The greatest *owner* household growth during this time is projected to occur among those making between \$100,000 and \$149,000. As such, the county will have diverse housing needs.
- **Rental Housing** – Buncombe County has a well-balanced supply of rental alternatives. However, it is noteworthy that the multifamily rental housing supply is operating at an overall 99.2% occupancy rate, which is very high. More importantly, there are no vacancies among the 3,730 surveyed affordable (Tax Credit and government-subsidized) rental units in the county. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the county. Based on the housing gap estimates, the largest rental housing gap by income level is within the 80% to 120% AMHI level among both families and seniors. However, notable housing gaps exist within the under 30% AMHI level and between the 30% and 50% AMHI level. The overall rental housing gap for families is nearly double the senior housing gap.

- **Owner Housing (for-sale)** – For-sale housing prices have increased over the past two years, while the number of homes sold annually has increased in each of the past three years. The for-sale housing market is considered to be strong. Nearly one-fourth of available for-sale housing is among product priced between \$200,000 and \$399,999, with a nearly equal share of all available product priced between \$100,000 and \$199,999. These shares of available supply are similar to the entire region. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 80% and 120% of AMHI.
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 94.2% (5.8% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 1,977 senior care beds will be needed to meet the future needs of are seniors.
- **Special Needs Populations:** While there are many special needs populations within the county that likely require housing assistance, it appears that the largest special needs populations in the county are the elderly (age 62+), those with disabilities, veterans, and persons with mental illness.

J. SOURCES

See the *Asheville, North Carolina Region Housing Needs Assessment* for a full listing of all sources used in this report.