

# **Housing Needs Update Buncombe County, North Carolina**

*Prepared For*

**City of Asheville Community and  
Economic Development Department  
70 Court Plaza, 5th Floor  
Asheville, North Carolina 28802**

*Effective Date*

**August 26, 2019  
Revised: September 17, 2019**

*Job Reference Number*

**19-346 (Patrick Bowen)**



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September 17, 2019

Mr. Paul D'Angelo  
City of Asheville  
Community and Economic Development Department  
70 Court Plaza, 5th Floor  
Asheville, North Carolina 28802

Re: Buncombe County, North Carolina Housing Needs Update (Final Draft)

Dear Mr. D'Angelo:

Bowen National Research is pleased to provide you with the final draft of the Housing Needs report of Buncombe County, North Carolina that we completed on your behalf. This draft is a reduced scope from the original regional housing study we completed in 2014 and incorporates revisions to our August 26, 2019 draft that you requested. This includes an Executive Summary that you asked to be added.

This update includes key demographic characteristics and trends (including projections through 2023), a telephone survey of over 100 multifamily apartments, a sample survey of more than 100 non-conventional and vacation rentals, nine years of for-sale housing activity and an inventory of the available for-sale housing stock, identification of housing product in the development pipeline (under construction and planned), and housing gap estimates for rental and for-sale housing at various affordability levels.

We provided several comparisons of the housing market conditions of 2014 with the latest 2019 housing supply that illustrate key changes in both the rental and for-sale housing markets that we believe you will find interesting. We did not include any of the raw data collected and used in this analysis, but we can provide such data upon request.

We have enjoyed working on this project.

Respectfully,

A handwritten signature in blue ink that reads "Patrick M. Bowen".

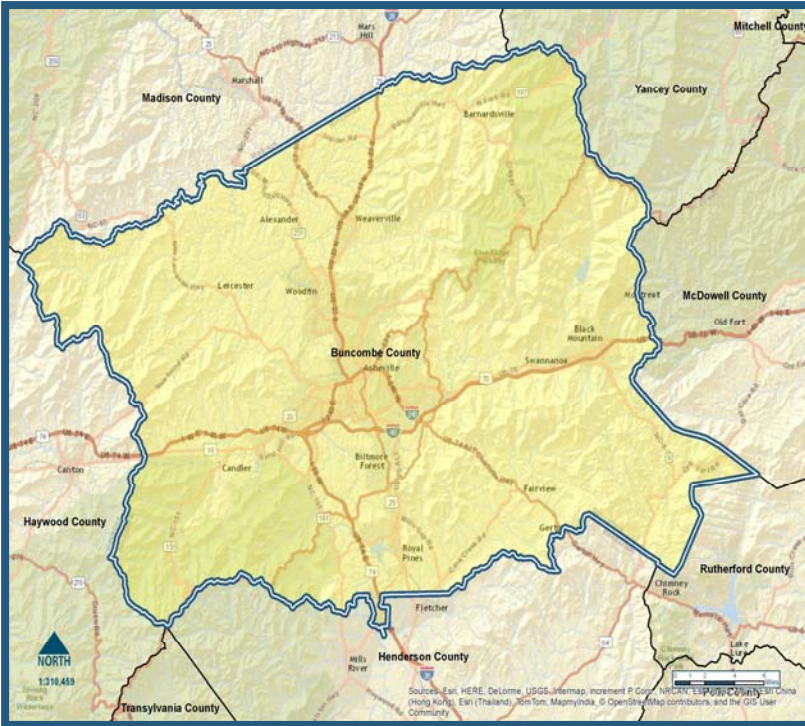
Patrick M. Bowen

Enc:

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## EXECUTIVE SUMMARY

The purpose of this report is to assess the Buncombe County housing market through an evaluation of key demographic characteristics and trends along with an inventory and



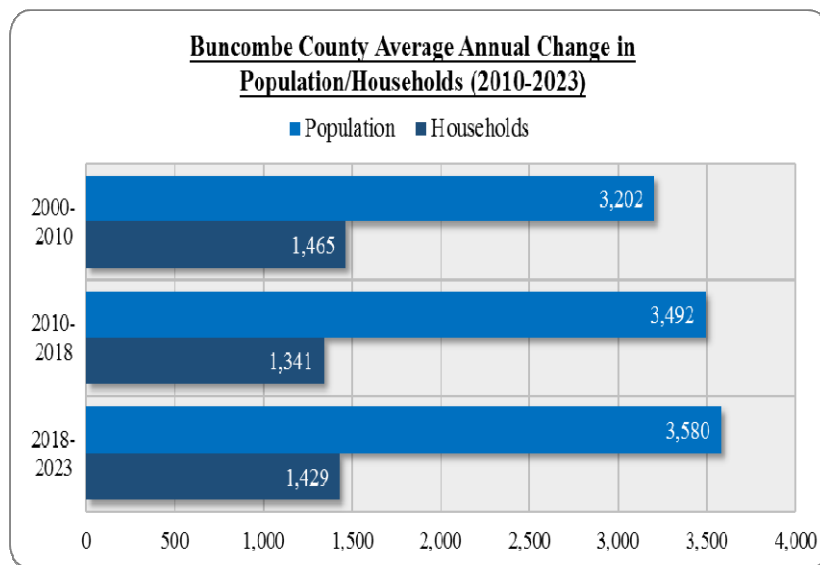
analysis of the most common housing alternatives offered in the county. Additionally, we compare key metrics from our 2014 analysis of the area with the most current data to illustrate changes and trends in the market. We conclude the report by conducting a housing gap analysis for rental and for-sale housing at various affordability levels. This Executive Summary considers key findings from our analysis.

### Demographics

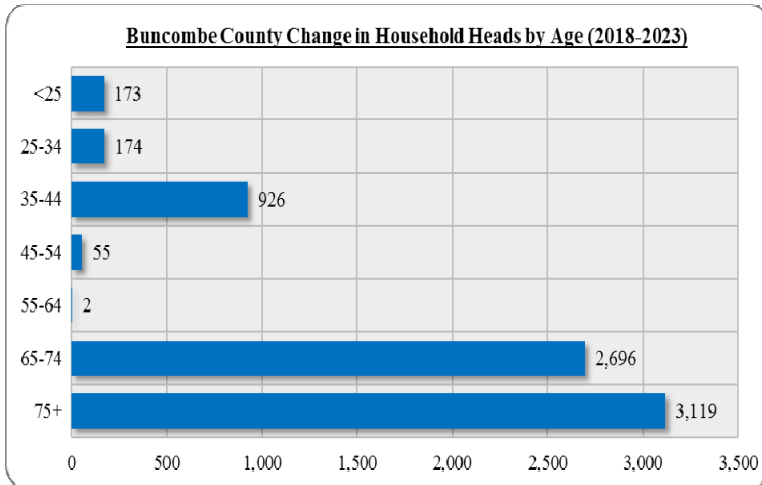
***Overall Population and Household Demographic Trends have been Positive Since 2010 and are Projected to Experience Notable Growth through at Least 2023*** - Buncombe

County experienced significant overall population and household growth rates between 2010 and 2018, outpacing both the Asheville MSA and the state of North Carolina.

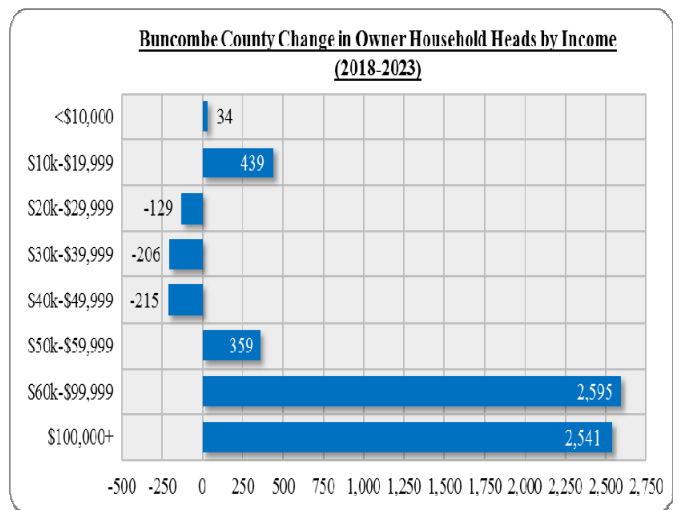
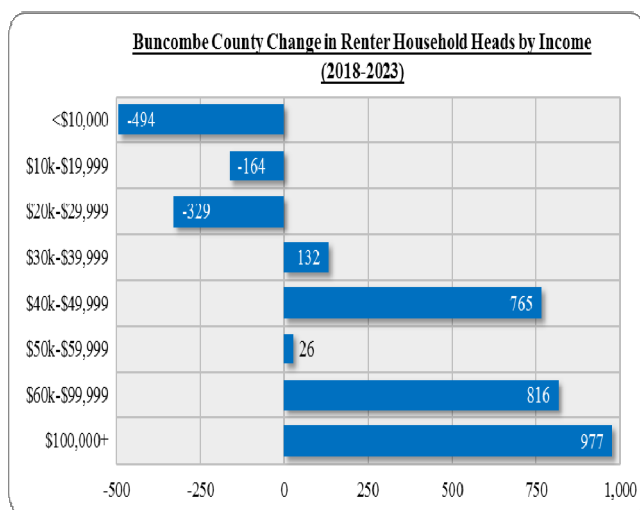
Between 2018 and 2023, it is projected that the Buncombe County population will increase by 17,899 (6.7%) and the number of households will increase by 7,145 (6.4%). This rapid growth will continue to contribute to the ongoing demand for housing for the foreseeable future.



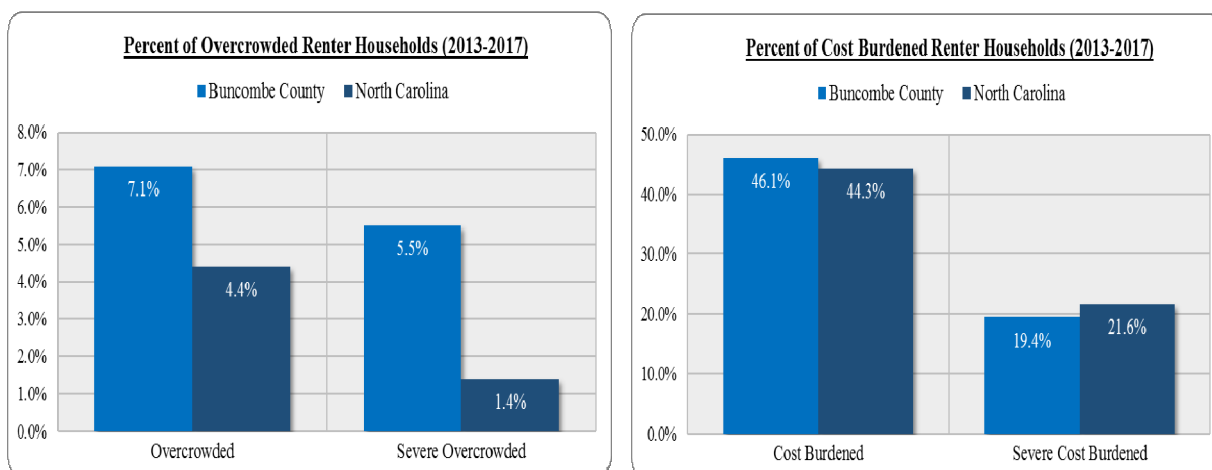
***Senior Households (Ages 65 and Older) are Projected to Experience the Greatest Growth in the County between 2018 and 2023*** - While all household age segments are projected to grow between 2018 and 2023, it is expected that most of the growth will be among households with ages 65 to 74 and ages 75 and older. While this growth is primarily attributed to households aging in place, these projected growth trends indicate a likely growing need for senior-oriented housing within the county. However, with growth also expected among all age groups, the market demand for a variety of housing product types and designs will exist.



***While the Majority of Area Renter Households Earn Less Than \$40,000 Annually and the Majority of Homeowner Households Earn \$60,000 or More Annually, Most Growth through 2023 will Occur Among Moderate- to High-Income Households*** - In 2018, over half (56.4%) of *renter* households in Buncombe County had annual income below \$40,000, while over half (51.9%) of *owner-occupied* households had income of \$60,000 or greater. New *renter* household growth is projected to be among both moderate- (earning between \$30,000 and \$59,999) and high- (earning \$60,000 and higher) income households between 2018 and 2023. During this same time period, *owner* household growth in the county will primarily be among homeowners with incomes of \$50,000 and higher, though some notable growth will occur among homeowners earning below \$20,000 a year.



***Substandard Housing Conditions and Households in Cost Burdened Housing Situations Remain a Significant Challenge Among Area Households*** - In Buncombe County, 2,718 (7.1%) renter households and 817 (1.2%) owner households are experiencing overcrowded housing situations. A total of 17,643 (46.1%) renter households are cost burdened (paying over 30% of their income towards housing costs) and 7,439 (19.4%) are *severe* cost burdened (paying over 50% of their income towards housing costs). As such, more than 3,500 households live in substandard housing conditions and nearly 18,000 renter households are paying disproportionately high shares of income towards their housing costs. These characteristics stress the importance of both affordability and quality/modernization of the local housing stock.

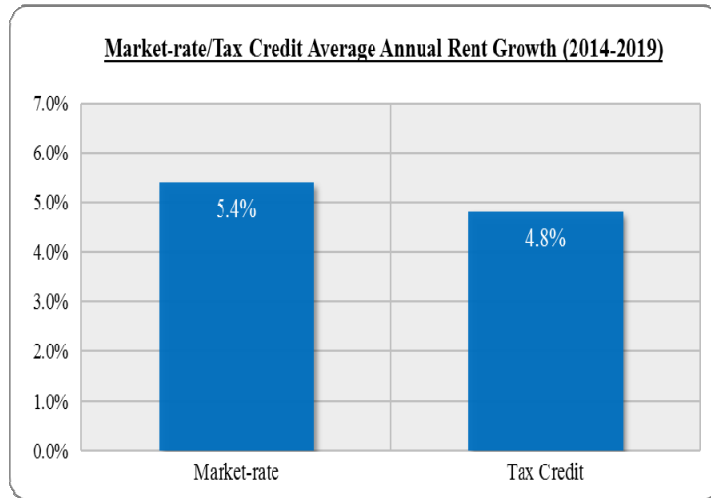


### **Multifamily Rental Housing Supply**

***While the Area's Overall Occupancy Rate (95.3%) for Multifamily Rental Housing Stock has Declined Since 2014 (99.2%), Most Affordable Rental Properties Remain Full with Long Wait Lists*** - The 122 surveyed multifamily rental properties have a combined occupancy rate of 95.3%, down from the 99.2% occupancy rate from December of 2014. This is considered a healthy occupancy rate and indicates the *overall* market has a good balance of occupied and vacant units. Currently, a total of 719 vacant units were identified in the county. This is a significant increase from the 99 vacant units that were identified in late 2014. It appears the influx of new multifamily apartments has put the overall market into a better balance at this time. However, there remains limited availability for lower income households seeking affordable rental housing.

Surveyed Multifamily Apartments – July 2019					December 2014
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Occupancy Rate
Market-rate	70	10,348	616	94.0%	98.8%
Market-rate/Tax Credit	8	1,687	99	94.1%	100.0%
Market-rate/Government-Subsidized	1	123	0	100.0%	100.0%
Tax Credit	24	1,087	2	99.8%	100.0%
Tax Credit/Government-Subsidized	7	511	0	100.0%	100.0%
Government-Subsidized	12	1,392	2	99.9%	100.0%
Total	122	15,148	719	95.3%	99.2%

***The Introduction of New Rental Product Over the Past Few Years has not Limited Rent Increases, as both Market-rate and Tax Credit Annual Rent Growth has Averaged Around 5.0% Since 2014*** - While the market-rate rental vacancy rate has increased from 1.2% in 2014 to 6.0% in 2019 due to the introduction of thousands of new market-rate units, the overall median market-rate rent has increased at a relatively rapid rate of 5.4% annually. Although vacancies are much more limited among the Tax Credit supply, rents among this supply have increased at an annual rate of 4.8% over the past five years.



***There is Limited Availability and Long Wait Lists Among Government-Subsidized Projects and for Housing Choice Vouchers*** - A total of 20 multifamily properties were surveyed in the county that operate with a government subsidy. There were only two vacant units among the 1,831 total government-subsidized units surveyed. According to management at the surveyed subsidized projects, most of these properties have long wait lists. According to a representative with the Housing Authority of the City of Asheville, there are approximately 2,781 Housing Choice Voucher holders within the housing authority's jurisdiction and 1,442 people currently on the waiting list for additional vouchers. These market metrics indicate a strong level of pent-up demand for rental housing serving the lowest income households in the market.

***Efforts Made by the Local Government to Encourage the Development of Affordable Housing have Increased the Number of Such Units, yet there Remains Pent-up Demand for Housing Serving Lower Income Households*** - As

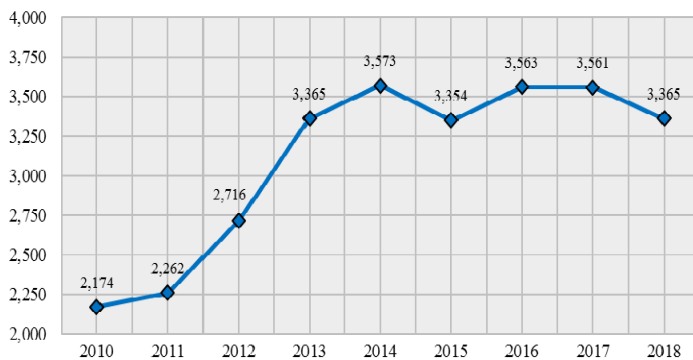
a result of local government efforts to support affordable rental housing, there have been several mixed-income projects developed in recent years that include a combination of both market-rate and Tax Credit apartments. Additionally, several projects are in the development pipeline (either under construction or planned for development) that will include mixed-income units. Of the 2,441 units either existing or in the development pipeline that are within mixed-income projects, 368 are income restricted. These 368 units represent 15.1% of the overall units offered at these projects. The income restrictions preserve these particular units for low-income households earning up to 80% of AMHI and are developed through such things as the Low-Income Housing Tax Credit (LIHTC) program, the Housing Trust Fund, or the Asheville Affordable Housing Program. It is worth pointing out that over two-thirds of the affordable housing units at these projects were developed after 2014, illustrating the improved efforts to address rental affordability issues in the market. Despite these efforts, there are very few available units among the affordable rental housing supply and many projects have wait lists.

***For-Sale Housing***

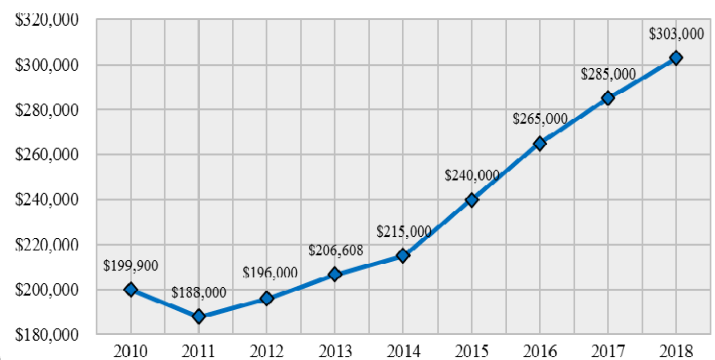
***For-Sale Housing Activity has Remained Steady Since 2013, While Median Home Prices Continue to Escalate*** - Home sales activity within the county has

remained relatively steady since 2013, with the market experiencing an average sales pace around 3,300 to 3,600 homes annually over the past six years. Sales activity for 2019 is on pace for nearly 3,500 home sales, continuing the trend of stable sales activity recently experienced in the market. The county has experienced rising median sales prices over the past eight years. The current median home sales price of \$315,000 represents a 10-year high. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in Buncombe County.

**Buncombe County Annual Home Sales (2010-2018)**

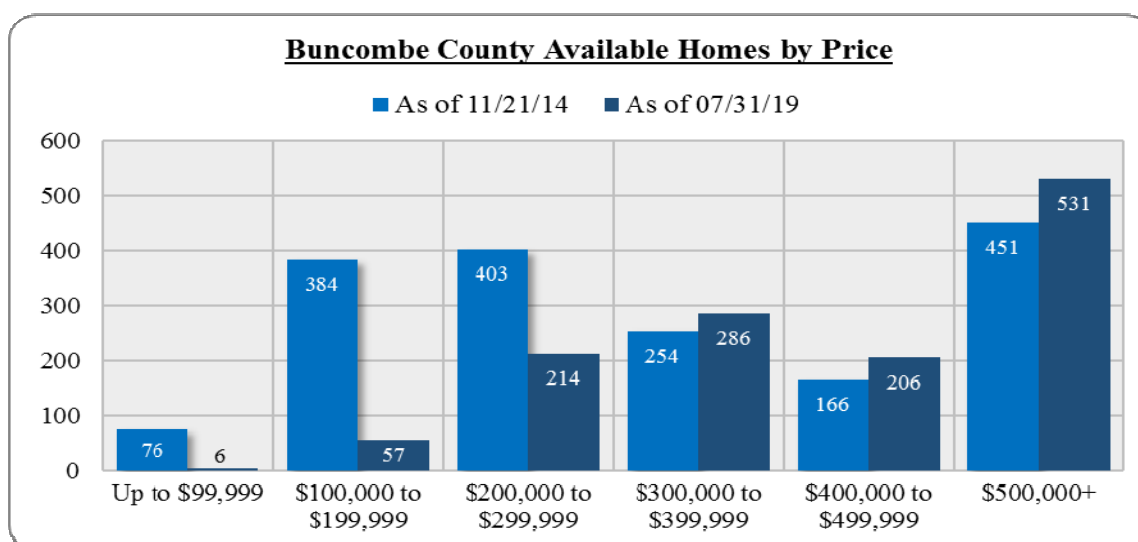


**Buncombe County Annual Median Sales Price (2010-2018)**



***The Available Inventory of For-Sale Housing has Diminished Significantly Since 2014, with a Substantial Decrease Among Product Priced Under \$200,000***

- The 1,300 housing units currently available for purchase in the county is 434 fewer than there were in late 2014, representing a decrease of 25.0%. The available inventory of product priced under \$200,000 has diminished to just 63 units, down from 460 homes at these price points in 2014. Demand for product priced between \$100,000 and \$199,999 remains rather strong, as evidenced by the average days on market of just 78 for such product. Meanwhile, higher priced product, generally at \$400,000 or higher, has increased dramatically. Product at these higher price points now represents 56.6% of the available inventory (up from 35.6% in 2014). The significantly diminishing overall supply of available product has likely contributed to the continued increases in home prices. Moreover, with the lower priced (under \$200,000) product virtually non-existent, lower income households generally earning below \$60,000 have very limited home buying choices.



**Residential Development Pipeline**

***With Approximately 3,800 Rental Housing Units Either Under Construction or Planned for the Market, the Area is at Some Risk of Having an Overbuilt Market***

- According to local planning departments, it is believed that approximately 3,800 multifamily apartments are currently under construction or in some stage of the planning process. It is believed that roughly 2,300 of these units will have rents of over \$1,400 per month, with an additional 1,100 units priced between \$900 and \$1,399. Only about 450 units are in the pipeline that would be priced under \$900, yet such units will serve a housing segment with pent-up demand. Given that the current overall market-rate vacancy rate has reached 6.0% and more than 2,000 units are expected to be added to the market-rate supply over the next 18 to 24 months, the market-rate rental housing segment may be reaching a point of saturation. Conversely, the pent-up demand for rental product priced under \$900 should positively affect the absorption of such units in the development pipeline.

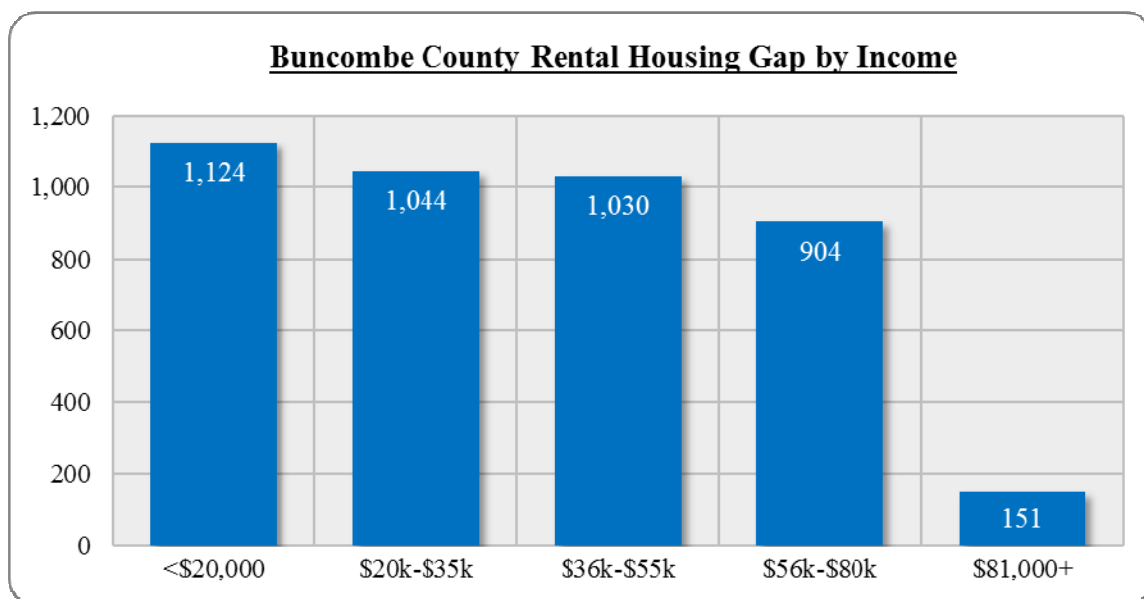
### Housing Gap Estimates

Bowen National Research conducted housing gap analyses for rental and for-sale housing for the subject county that considered a variety of affordability and income levels.

***While All Affordability and Income Levels Demonstrate Housing Gaps for Rental Product, the Greatest Gaps are For Product Affordable to Households with the Lowest Incomes*** - While there is a housing gap deficit among each of the income segments, the largest is among the lowest income segment. Although most of the product in the development pipeline (either under construction or planned) falls within the \$875 to \$1,999 rent ranges, there still remains demand for housing at this price level. Based on these estimates, while a variety of product types by rent level can be supported, the greatest gaps appear to be for housing that serves lower income households and workforce households.

Demand Component	Rental Housing Gap Estimates					
	AMHI	<30%	30%-50%	51%-80%	81%-120%	121%+
	Income	<\$20k	\$20k-\$35k	\$36k-\$55k	\$56k-\$80k	\$81k+
	Rent	<\$500	\$500-\$874	\$875-\$1,374	\$1,375-\$1,999	\$2,000+
New Households (2018-2023)		-658	-263	845	439	1,366
Balanced Market		576	436	407	58	55
Substandard Housing		787	306	183	55	31
Commuter Support		696	582	516	936	288
Step-Down Support		0	85	47	961	-1,093
Development Pipeline		-277	-102	-968	-1,545	-496
Total Housing Gap		1,124	1,044	1,030	904	151

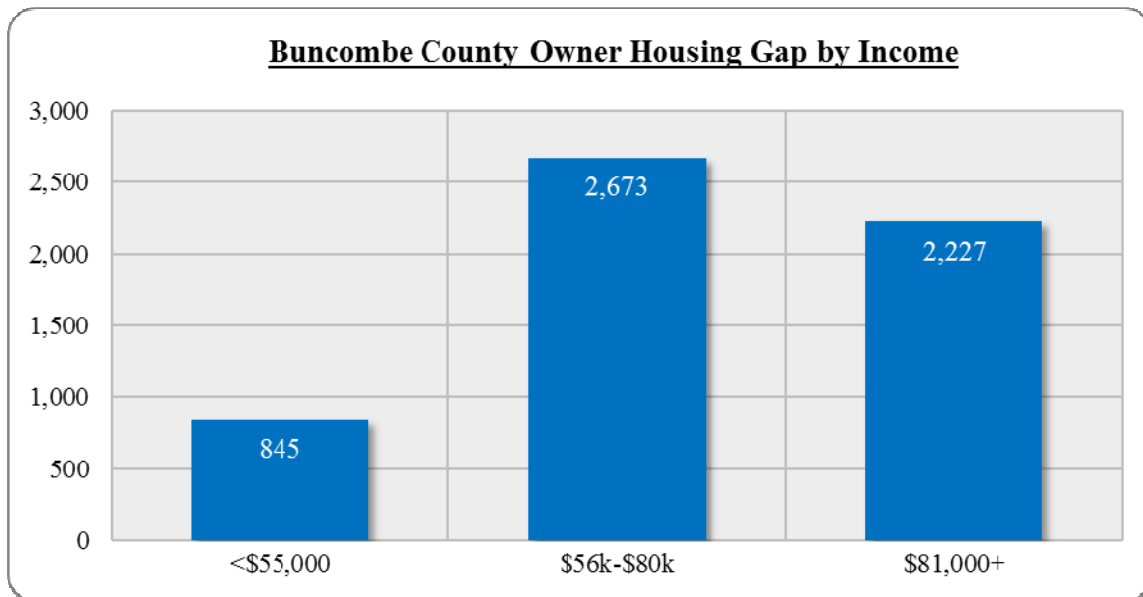
AMHI – Area Median Household Income



***The Housing Gaps for For-Sale Housing are Significant Among All Affordability and Income Levels, with the Greatest Gap Existing Among Product that Serves Moderate-Income Households*** - As shown in the owner housing gap analysis, the greatest housing gap is for product priced between \$200,000 and \$299,999, with a nearly equal housing gap for housing priced at \$300,000 and higher. These particular gaps are primarily driven by the new household growth projected through 2023. While smaller in scale, there still remains a notable housing gap for product priced under \$200,000. The demand for the lower priced project originates from a variety of sources, with a notable amount resulting from the lack of available product at this price range.

Demand Component	For-Sale Housing Gap Estimates			
	AMHI	<80%	81%-120%	121%+
	Income	<\$55k	\$56k-\$80k	\$81k+
	Home Price	<\$200,000	\$200,000-\$299,999	\$300,000+
New Households (2018-2023)		-242	1,620	3,696
Balanced Market		257	65	-508
Substandard Housing		189	56	32
Commuter Support		209	321	123
Step-Down Support		486	739	-739
Development Pipeline		-54	-128	-377
<b>Total Housing Gap</b>		<b>845</b>	<b>2,673</b>	<b>2,227</b>

AMHI – Area Median Household Income



# BUNCOMBE COUNTY HOUSING NEEDS ASSESSMENT

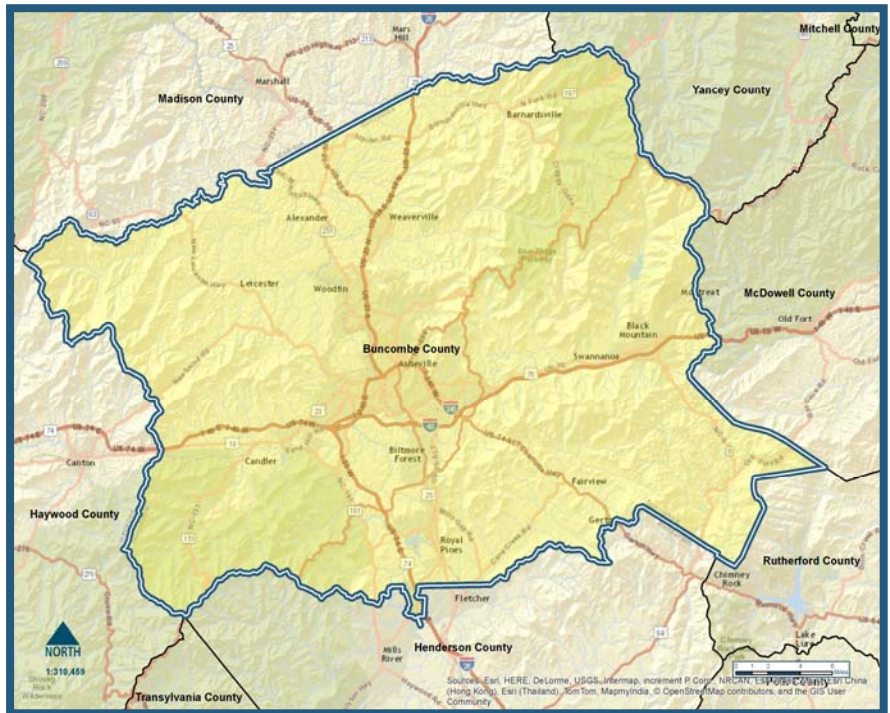
## A. INTRODUCTION

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), identified product in the development pipeline, and provided housing gap estimates to help identify the housing needs of the county.

This report is an update to a 2014 Housing Needs Assessment of this market and includes some data points from that original analysis.

## B. COUNTY OVERVIEW

Buncombe County is located within the western portion of North Carolina and serves as the region's economic and cultural center. 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 the North Carolina Arboretum. In 2018, the county had a total population of 266,322 (7th largest in the state). Asheville, with a 2018 population of 92,452, is the largest community in the county and the 12<sup>th</sup> largest city in the state. Additional details regarding demographics and housing, and other pertinent research and findings are included on the following pages.



## 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 2018 and 2023 data are based on calculated projections provided by ESRI, a nationally recognized demography firm, and the 2013-2017 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 are provided to support projected population and household growth;

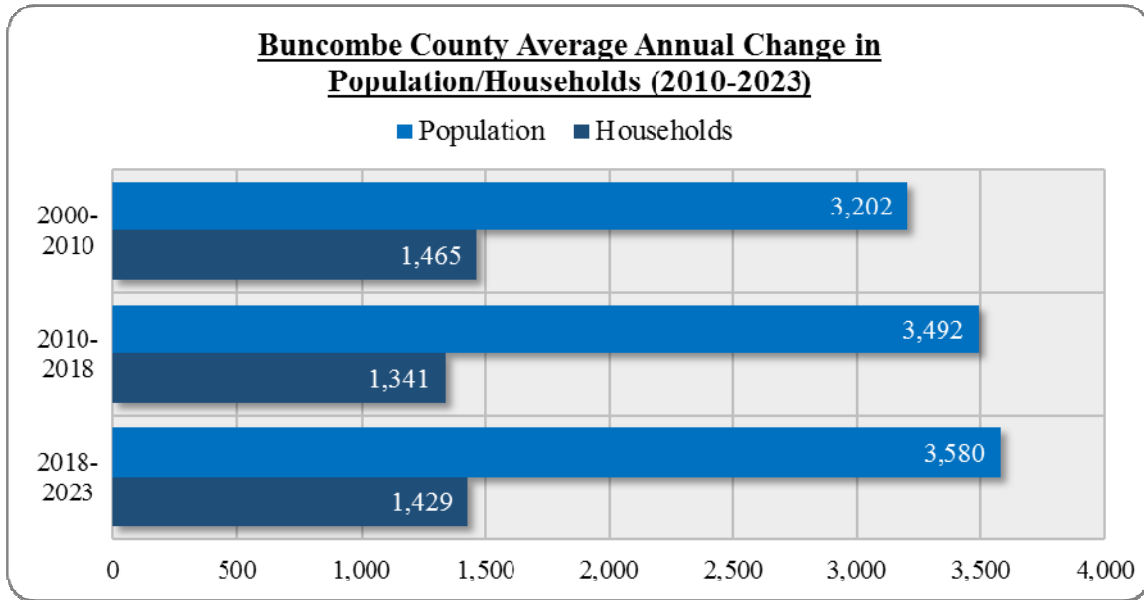
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

Population and household data for selected years within Buncombe County are compared with the broader Asheville Metropolitan Statistical Area (MSA) and the state of North Carolina in the following table:

	Buncombe County		Asheville MSA		North Carolina	
	Population	Households	Population	Households	Population	Households
2000 Census	206,366	85,791	369,163	154,283	8,049,315	3,131,018
2010 Census	238,384	100,439	424,850	179,909	9,535,490	3,745,159
Change 2000-2010	32,018	14,648	55,687	25,626	1,486,175	614,141
Percent Change 2000-2010	15.5%	17.1%	15.1%	16.6%	18.5%	19.6%
2018 Estimated	266,322	111,165	469,781	197,562	10,455,567	4,087,415
Change 2010-2018	27,938	10,726	44,931	17,653	920,077	342,256
Percent Change 2010-2018	11.7%	10.7%	10.6%	9.8%	9.6%	9.1%
2023 Projected	284,221	118,310	499,606	209,698	11,061,161	4,317,051
Change 2018-2023	17,899	7,145	29,825	12,136	605,594	229,636
Percent Change 2018-2023	6.7%	6.4%	6.3%	6.1%	5.8%	5.6%

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

Buncombe County experienced significant overall population and household growth rates between 2010 and 2018, outpacing both the Asheville MSA and the state of North Carolina. Between 2018 and 2023, it is projected that the Buncombe County population will increase by 17,899 (6.7%) and the number of households will increase by 7,145 (6.4%). The percent of projected growth for both population and households are expected to be greater than the MSA and state. This rapid growth will continue to contribute to the ongoing demand for housing for the foreseeable future.

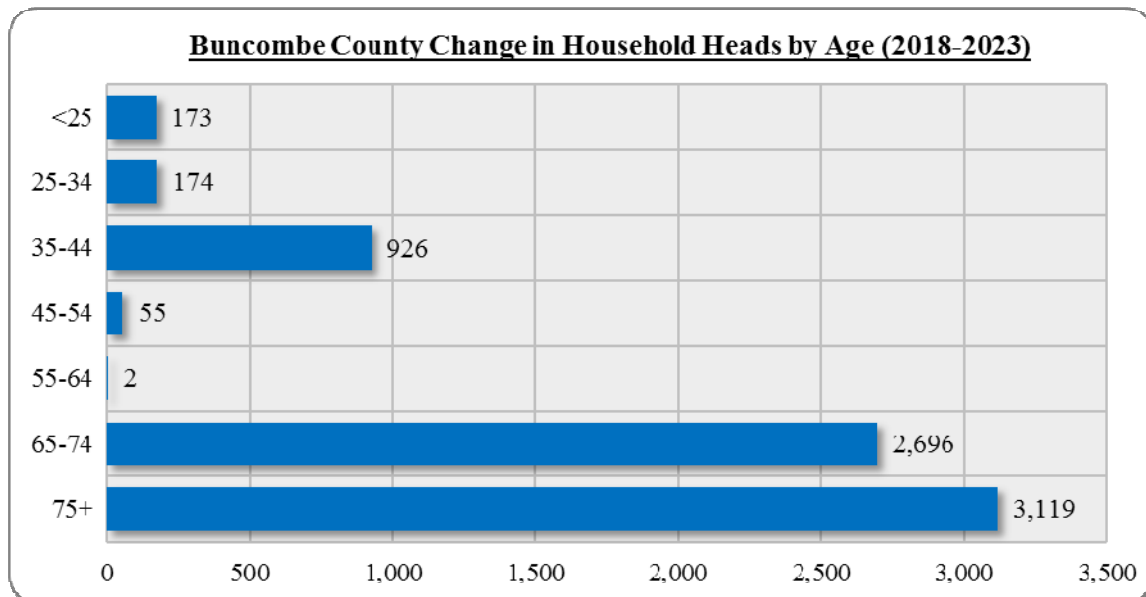


Household heads by age cohorts for selected years are shown in the following table:

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
<b>Buncombe County</b>	2010	4,459 (4.4%)	14,981 (14.9%)	17,170 (17.1%)	19,582 (19.5%)	19,554 (19.5%)	12,804 (12.7%)	11,890 (11.8%)
	2018	4,466 (4.0%)	15,651 (14.1%)	17,626 (15.9%)	18,889 (17.0%)	21,871 (19.7%)	18,509 (16.7%)	14,153 (12.7%)
	2023	4,639 (3.9%)	15,825 (13.4%)	18,552 (15.7%)	18,944 (16.0%)	21,873 (18.5%)	21,205 (17.9%)	17,272 (14.6%)
	Change 2018-2023	173 (3.9%)	174 (1.1%)	926 (5.3%)	55 (0.3%)	2 (0.0%)	2,696 (14.6%)	3,119 (22.0%)
<b>North Carolina</b>	2010	192,967 (5.2%)	588,691 (15.7%)	712,157 (19.0%)	771,239 (20.6%)	673,803 (18.0%)	443,535 (11.8%)	362,762 (9.7%)
	2018	187,547 (4.6%)	640,341 (15.7%)	696,488 (17.0%)	747,708 (18.3%)	772,560 (18.9%)	618,322 (15.1%)	424,449 (10.4%)
	2023	192,122 (4.5%)	661,029 (15.3%)	735,426 (17.0%)	729,219 (16.9%)	778,971 (18.0%)	702,384 (16.3%)	517,900 (12.0%)
	Change 2018-2023	4,575 (2.4%)	20,688 (3.2%)	38,938 (5.6%)	-18,489 (-2.5%)	6,411 (0.8%)	84,062 (13.6%)	93,451 (22.0%)

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

In 2018, it was estimated that the largest share (19.7%) of households by age in Buncombe County was among the 55 to 64 age cohort. The distribution of households by age among all other age groups within the county is relatively balanced above the age of 24. While all household age segments are projected to grow between 2018 and 2023, it is expected that most of the growth will be among household ages 65 to 74 and 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. However, with growth also expected among all age groups, the market demand for a variety of product types and designs will exist.



Renter households by income for selected years are shown below:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Buncombe County</b>	2010	4,853 (14.1%)	7,792 (22.6%)	6,564 (19.1%)	4,331 (12.6%)	3,341 (9.7%)	2,339 (6.8%)	3,883 (11.3%)	1,333 (3.9%)
	2018	3,692 (8.9%)	8,057 (19.5%)	6,169 (14.9%)	5,438 (13.1%)	5,243 (12.7%)	3,011 (7.3%)	6,473 (15.6%)	3,322 (8.0%)
	2023	3,198 (7.4%)	7,893 (18.3%)	5,840 (13.5%)	5,570 (12.9%)	6,009 (13.9%)	3,038 (7.0%)	7,289 (16.9%)	4,299 (10.0%)
	Change 2018-2023	-494 (-13.4%)	-164 (-2.0%)	-329 (-5.3%)	132 (2.4%)	765 (14.6%)	26 (0.9%)	816 (12.6%)	977 (29.4%)
<b>North Carolina</b>	2010	195,723 (15.7%)	268,627 (21.5%)	209,386 (16.8%)	164,802 (13.2%)	128,213 (10.3%)	77,749 (6.2%)	154,325 (12.4%)	48,430 (3.9%)
	2018	180,236 (12.3%)	259,703 (17.7%)	215,938 (14.7%)	186,030 (12.7%)	157,384 (10.7%)	108,406 (7.4%)	245,739 (16.8%)	113,455 (7.7%)
	2023	163,917 (10.9%)	242,546 (16.2%)	204,555 (13.6%)	181,648 (12.1%)	164,150 (10.9%)	116,752 (7.8%)	280,098 (18.7%)	146,889 (9.8%)
	Change 2018-2023	-16,318 (-9.1%)	-17,158 (-6.6%)	-11,383 (-5.3%)	-4,383 (-2.4%)	6,766 (4.3%)	8,346 (7.7%)	34,359 (14.0%)	33,434 (29.5%)

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

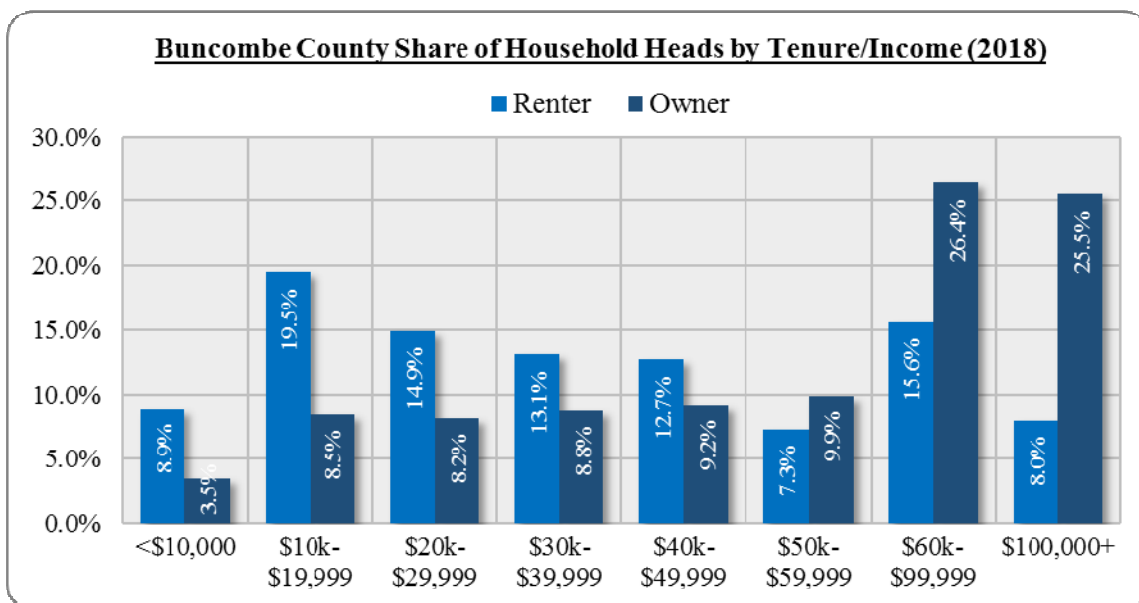
The distribution of owner households by income is included below:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
<b>Buncombe County</b>	2010	3,408 (5.2%)	6,601 (10.0%)	8,067 (12.2%)	7,463 (11.3%)	7,458 (11.3%)	6,971 (10.6%)	14,883 (22.5%)	11,153 (16.9%)
	2018	2,436 (3.5%)	5,928 (8.5%)	5,735 (8.2%)	6,133 (8.8%)	6,410 (9.2%)	6,905 (9.9%)	18,401 (26.4%)	17,811 (25.5%)
	2023	2,470 (3.3%)	6,367 (8.5%)	5,606 (7.5%)	5,927 (7.9%)	6,194 (8.2%)	7,263 (9.7%)	20,996 (27.9%)	20,352 (27.1%)
	Change 2018-2023	34 (1.4%)	439 (7.4%)	-129 (-2.2%)	-206 (-3.4%)	-215 (-3.4%)	359 (5.2%)	2,595 (14.1%)	2,541 (14.3%)
<b>North Carolina</b>	2010	132,072 (5.3%)	229,311 (9.2%)	255,992 (10.2%)	264,204 (10.6%)	246,306 (9.9%)	235,841 (9.4%)	610,090 (24.4%)	524,083 (21.0%)
	2018	106,219 (4.1%)	187,667 (7.2%)	214,174 (8.2%)	231,524 (8.8%)	222,681 (8.5%)	232,889 (8.9%)	677,425 (25.9%)	747,945 (28.5%)
	2023	109,029 (3.9%)	194,106 (6.9%)	219,003 (7.8%)	237,048 (8.4%)	235,831 (8.4%)	248,033 (8.8%)	742,500 (26.4%)	830,946 (29.5%)
	Change 2018-2023	2,809 (2.6%)	6,440 (3.4%)	4,829 (2.3%)	5,525 (2.4%)	13,150 (5.9%)	15,144 (6.5%)	65,075 (9.6%)	83,001 (11.1%)

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

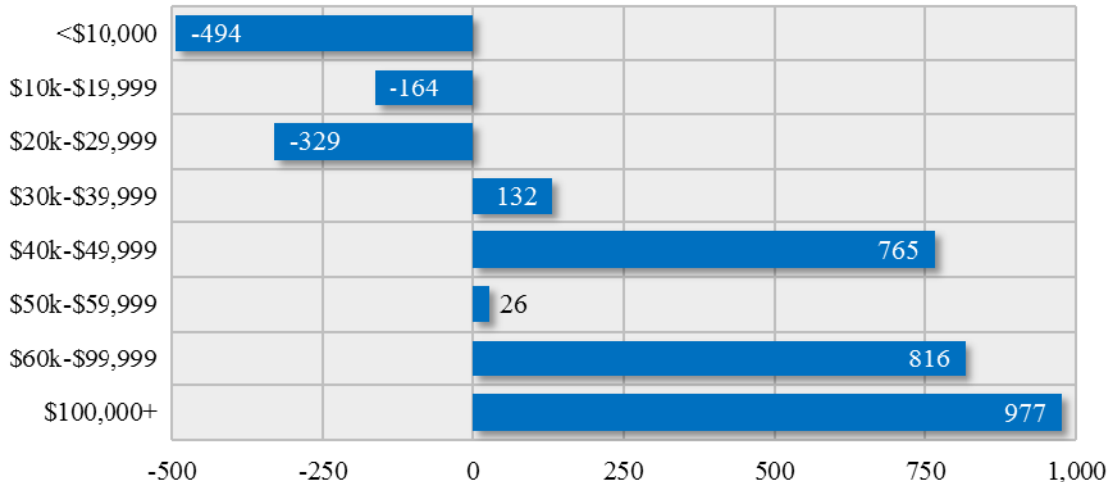
The largest share (19.5%) of *renter* households in Buncombe County in 2018 was estimated to be among households with incomes between \$10,000 and \$19,999, which is similar to the state average. Meanwhile, the largest share (26.4%) of *owner-occupied* households at this same time will be among those with incomes between \$60,000 and \$99,999, which is near the state share of 25.9%. New renter household growth is projected to be among both moderate (earning between \$30,000 and \$59,999) and high (earning \$60,000 and higher) income households between 2018 and 2023. During this same time period, owner household growth in the county will primarily be among homeowners with incomes of \$50,000 and higher, though some notable growth will occur among homeowners earning below \$20,000 a year. The projected growth among lower income households, particularly among home owners is likely influenced by the large number of area seniors reaching retirement age and experiencing declines in income. While the large amount of renter growth is expected to occur among households that can generally afford market-rate rents, the large share (39.2%) of renter households earning below \$30,000 stresses the importance of having product such as Tax Credit and government-subsidized housing to serve such households in the market.

The following graph compares households by *income and tenure* for 2018:

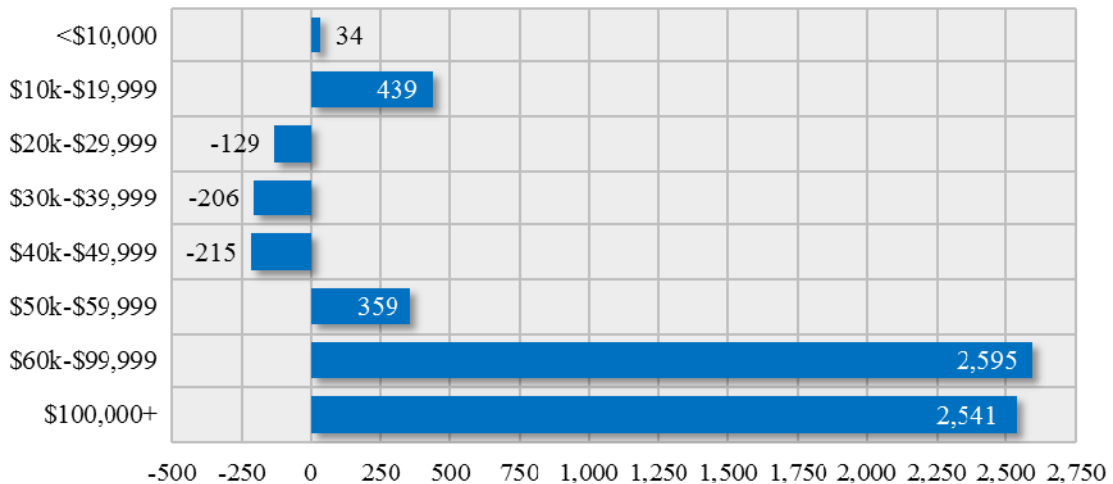


The following graphs illustrate the projected household *growth* by income and tenure from 2018 to 2023.

**Buncombe County Change in Renter Household Heads by Income (2018-2023)**



**Buncombe County Change in Owner Household Heads by Income (2018-2023)**

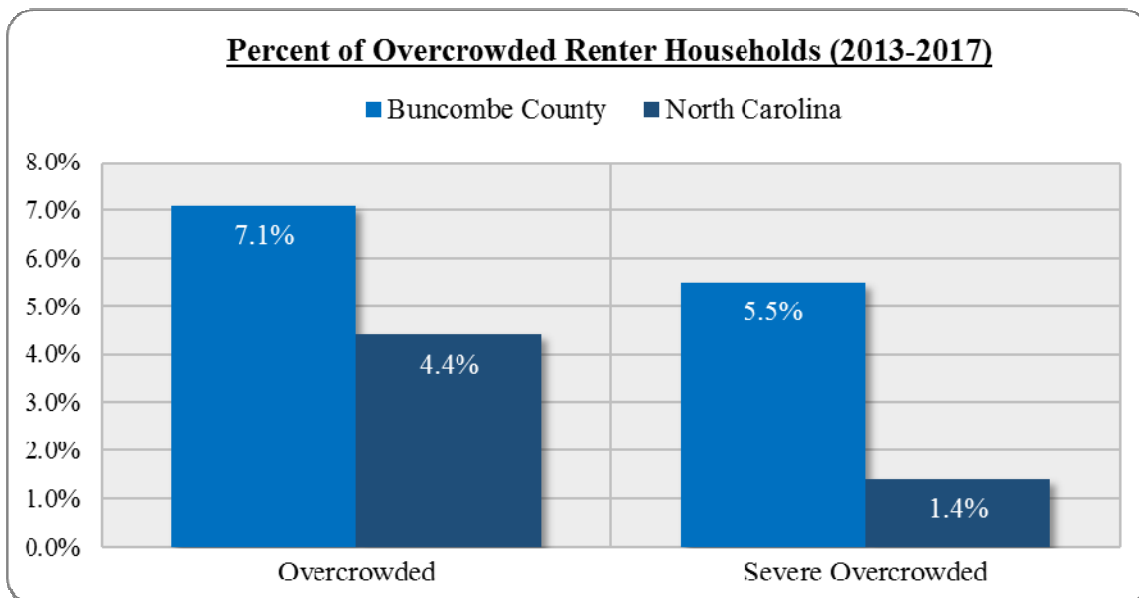


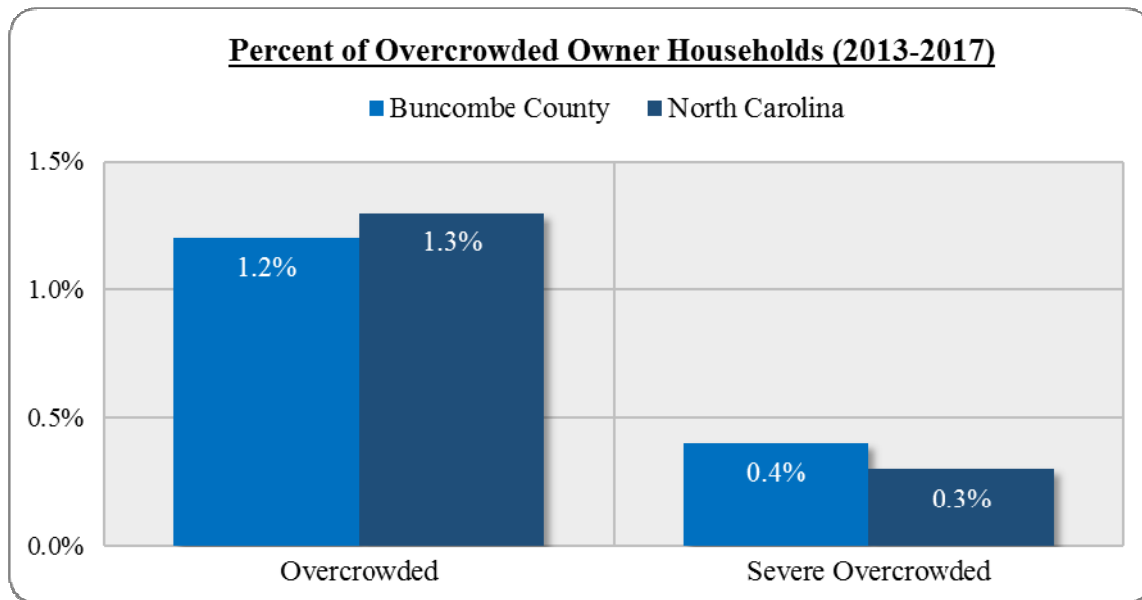
Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while severe overcrowded housing is considered a unit with 1.51 or more persons per room. The following table illustrates the overcrowded households by tenure for Buncombe County and North Carolina.

County	Overcrowded				Severe Overcrowded			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Buncombe County</b>	2,718	7.1%	817	1.2%	2,109	5.5%	240	0.4%
<b>North Carolina</b>	59,922	4.4%	31,649	1.3%	19,513	1.4%	7,250	0.3%

Source: 2013-2017 American Community Survey

In Buncombe County, 2,718 (7.1%) renter households and 817 (1.2%) owner households are experiencing overcrowded housing situations. The shares of such households within North Carolina are 4.4% for renters and 1.3% for homeowners. Severe overcrowded housing in the county totals 2,109 (5.5%) for renters and 240 (0.4%) for owners. While the shares of overcrowded and severe overcrowded *homeowners* in Buncombe County are similar to the state averages, such overcrowded and severe overcrowded households are much more pronounced among *renters* in the county. As such, substandard housing conditions associated with overcrowding remains a significant challenge for county renters. It is believed that the challenges associated with affordability and availability are contributing to the overcrowded housing in the county.





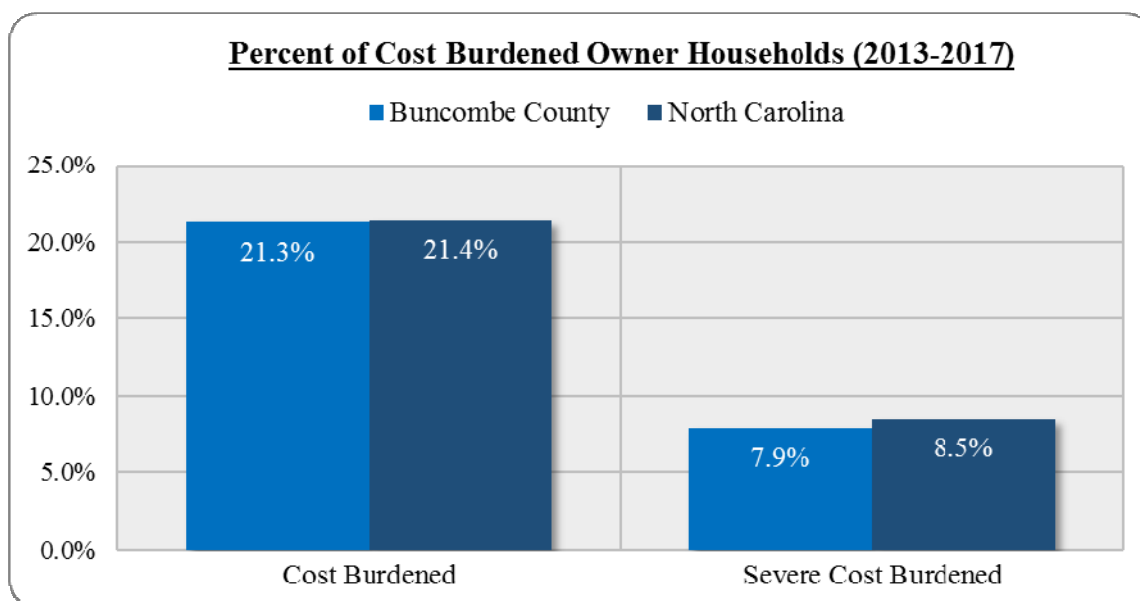
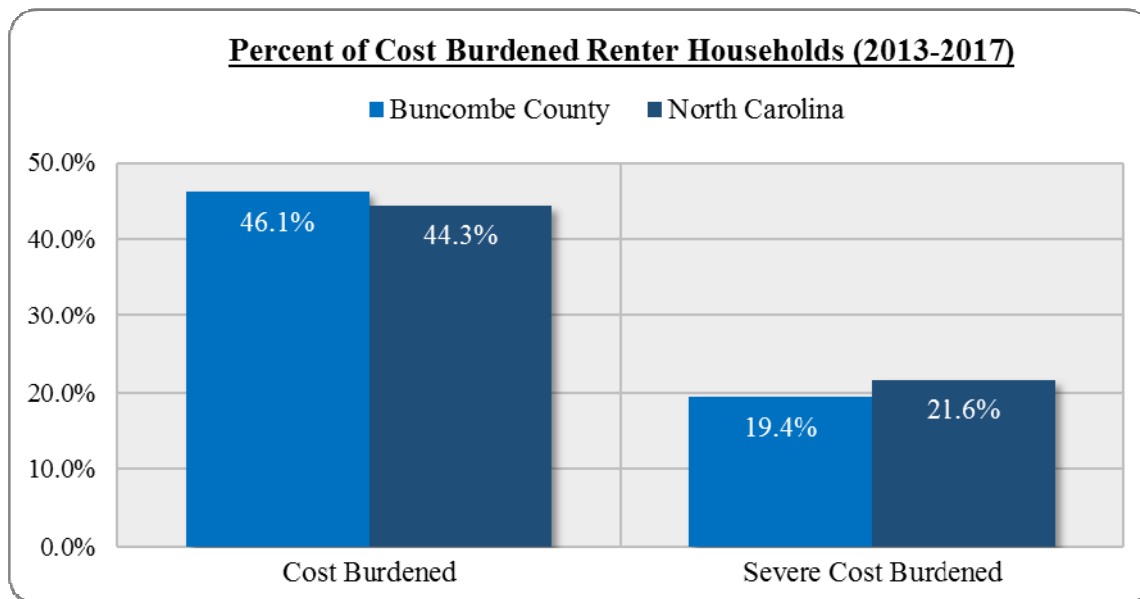
Evaluating the share of income that a household pays towards housing costs is an important factor to consider when evaluating housing needs. Cost burdened households are those paying over 30% of their income towards housing costs, while *severe* cost burdened households are those paying over 50% of their income towards housing costs. The following table illustrates the cost burdened and severe cost burdened households for the county and the state.

County	Cost Burdened				Severe Cost Burdened			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Buncombe County</b>	17,643	46.1%	14,310	21.3%	7,439	19.4%	5,283	7.9%
<b>North Carolina</b>	600,819	44.3%	538,137	21.4%	292,735	21.6%	213,458	8.5%

Source: 2013-2017 American Community Survey

Among Buncombe County's *renter* households in 2018, a total of 17,643 (46.1%) are cost burdened and 7,439 (19.4%) are *severe* cost burdened. The shares of cost burdened and severe cost burdened renter households in the county are comparable to state averages. Among *owner* households in the county, a total of 14,310 (21.3%) are cost burdened while 5,283 (7.9%) are severe cost burdened. These ratios are also very similar to state averages. Based on this analysis, while the shares of households paying a disproportionately high share of their income toward housing costs within Buncombe County are similar to state shares, several thousands of renters and homeowners are dealing with housing affordability challenges.

The graphs below illustrate the shares of cost burdened and severe cost burdened households by tenure for Buncombe County and the state of North Carolina.



## **D. 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 provides 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 options. The housing structures included in this analysis are:

- **Rental Housing** – Multifamily rentals that generally include 20 or more units were inventoried and surveyed. Additionally, rentals with three or fewer units, which were classified as non-conventional rentals, were identified and surveyed. Other rentals such as vacation rentals 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.

This analysis includes Bowen National Research's telephone survey of area rental alternatives and an inventory of 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 the local government. Any such units were considered in the housing gap/needs estimates included later in this section.

### *a. Rental Housing*

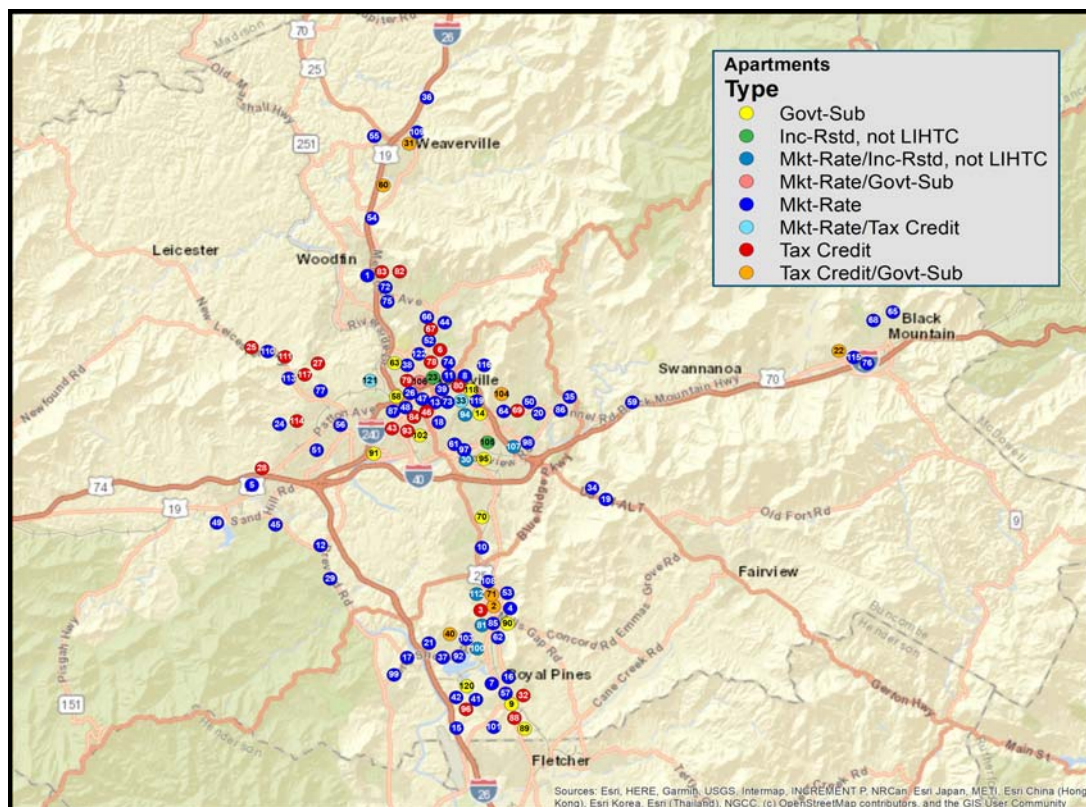
#### **Multifamily Rental Housing**

We identified and personally surveyed 122 multifamily housing projects containing a total of 15,148 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. 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 (based on our previous on-site evaluations of this market), and each was mapped as part of this survey.

The following table illustrates the distribution of surveyed multifamily rental housing supply by product/program type. It also includes a comparison of overall occupancy rates for July of 2019 with December of 2014:

Surveyed Multifamily Apartments – July 2019					December 2014
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Occupancy Rate
Market-rate	70	10,348	616	94.0%	98.8%
Market-rate/Tax Credit	8	1,687	99	94.1%	100.0%
Market-rate/Government-Subsidized	1	123	0	100.0%	100.0%
Tax Credit	24	1,087	2	99.8%	100.0%
Tax Credit/Government-Subsidized	7	511	0	100.0%	100.0%
Government-Subsidized	12	1,392	2	99.9%	100.0%
Total	122	15,148	719	95.3%	99.2%

As the preceding table illustrates, these multifamily rentals have a combined occupancy rate of 95.3%, down from the 99.2% occupancy rate from December of 2014. This is considered a healthy occupancy rate and indicates the *overall* market has a good balance of occupied and vacant units. Currently, a total of 719 vacant units were identified in the county. This is a significant increase from the 99 vacant units that were identified in late 2014. It appears the influx of new multifamily apartments has put the overall market into a better balance at this time. However, as evidenced by the high occupancy rates among the affordable (Tax Credit and government-subsidized) rental inventory, there remains limited availability for lower income households seeking such housing.



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

Market-rate Multifamily Apartments – July 2019							12/2014	Change in	Average
Bedroom	Baths	Units	Share	Vacancy	% Vacant	Median Collected Rent	Median Collected Rent	Rents 2014 to 2019	Annual Change in Rents
Studio	1.0	150	1.3%	1	0.7%	\$825	\$667	23.7%	4.7%
One-Bedroom	1.0	3,612	30.6%	196	5.4%	\$1,054	\$830	27.0%	5.4%
One-Bedroom	2.0	43	0.4%	1	2.3%	\$2,155	N/A	N/A	N/A
Two-Bedroom	1.0	1,080	9.1%	51	4.7%	\$1,100	\$800	37.5%	7.5%
Two-Bedroom	1.5	539	4.6%	7	1.3%	\$1,068	\$915	16.7%	3.3%
Two-Bedroom	2.0	4,688	39.7%	337	7.2%	\$1,308	\$1,022	28.0%	5.6%
Two-Bedroom	2.5	219	1.9%	10	4.6%	\$1,310	\$1,031	27.1%	5.4%
Three-Bedroom	1.0	88	0.7%	1	1.1%	\$889	\$739	20.3%	4.1%
Three-Bedroom	1.5	163	1.4%	0	0.0%	\$1,245	\$1,000	24.5%	4.9%
Three-Bedroom	2.0	1,123	9.5%	102	9.1%	\$1,490	\$1,242	20.0%	4.0%
Three-Bedroom	2.5	76	0.6%	1	1.3%	\$1,600	\$1,303	22.8%	4.6%
Three-Bedroom	3.0	4	0.0%	0	0.0%	\$1,400	\$1,100	27.3%	5.5%
Three-Bedroom	3.5	1	0.0%	0	0.0%	\$6,928	N/A	N/A	N/A
Four-Bedroom	1.5	20	0.2%	0	0.0%	\$1,000	\$789	26.7%	5.3%
Four-Bedroom	2.0	8	0.1%	0	0.0%	\$1,560	\$1,005	55.2%	11.0%
<b>Total Market-rate</b>		<b>11,814</b>	<b>100.0%</b>	<b>707</b>	<b>6.0%</b>	-	-	-	<b>5.4%</b>

N/A – Not Available

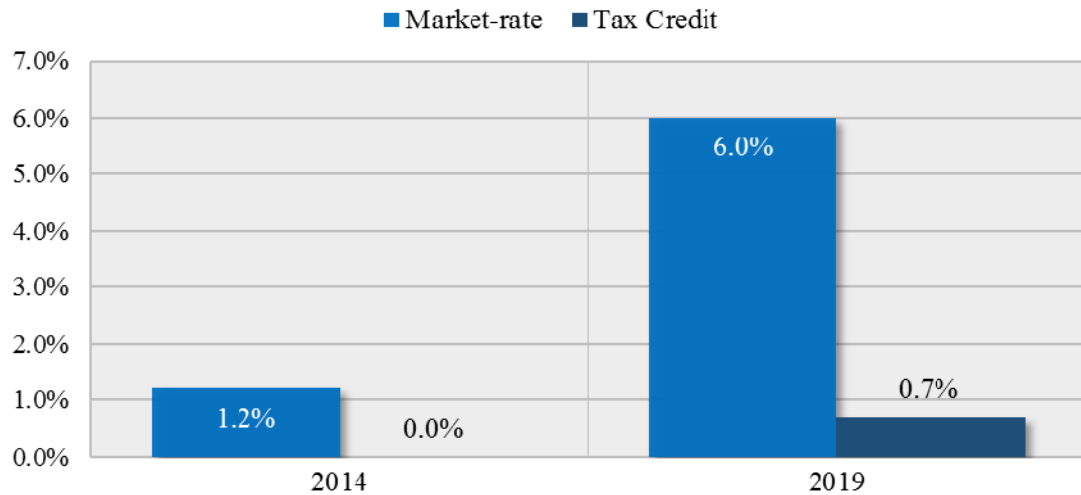
Tax Credit Multifamily Apartments - July 2019							12/2014	Change in	Average
Bedroom	Baths	Units	Share	Vacancy	% Vacant	Median Collected Rent	Median Collected Rent	Rents 2014 to 2019	Annual Change in Rents
Studio	1.0	19	1.3%	0	0.0%	\$308	\$222	38.7%	7.7%
One-Bedroom	1.0	606	40.3%	7	1.2%	\$555	\$467	18.8%	3.8%
Two-Bedroom	1.0	418	27.8%	0	0.0%	\$590	\$531	11.1%	2.2%
Two-Bedroom	1.5	34	2.3%	0	0.0%	\$655	N/A	N/A	N/A
Two-Bedroom	2.0	186	12.4%	3	1.6%	\$694	\$388	78.9%	15.8%
Three-Bedroom	1.0	67	4.5%	0	0.0%	\$741	\$658	12.6%	2.5%
Three-Bedroom	2.0	150	10.0%	0	0.0%	\$689	\$580	18.8%	3.8%
Four-Bedroom	1.5	21	1.4%	0	0.0%	\$969	\$706	37.3%	7.5%
Four-Bedroom	2.0	2	0.1%	0	0.0%	\$578	\$335	72.5%	14.5%
<b>Total Tax Credit</b>		<b>1,503</b>	<b>100.0%</b>	<b>10</b>	<b>0.7%</b>	-	-	-	<b>4.8%</b>

N/A – Not Available

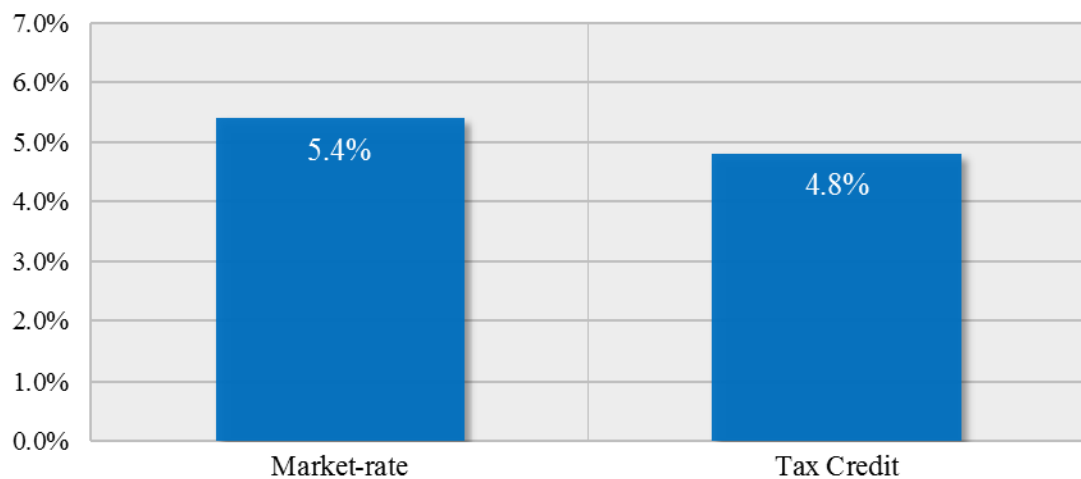
The overall vacancy rate among surveyed market-rate product is currently 6.0%, which is notably higher than the 1.2% vacancy rate for this product type in 2014. While the vacancy rate has increased over the past five years, the overall median market-rate rent has increased at a relatively rapid rate of 5.4% annually. Vacancies are much more limited among the Tax Credit supply, with just 10 vacant units identified in the county. The resulting Tax Credit vacancy rate of 0.7% is higher than but comparable to the 0.0% vacancy rate for this same product type in 2014. The limited availability and introduction of newer Tax Credit units are likely contributing factors to the rapidly increasing Tax Credit rents, which experienced a 4.8% annual rent increase over the past five years.

The following graphs illustrate the overall vacancy rates (2014 vs. 2019) and the average annual rent growth that occurred between 2014 and 2019:

**Market-rate/Tax Credit Vacancy Rates (2014/2019)**



**Market-rate/Tax Credit Average Annual Rent Growth (2014-2019)**



A total of 20 multifamily properties were surveyed in the county that operate with a government subsidy. The table below summarizes the distribution of subsidized projects (both with and without Tax Credits) in Buncombe County.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	165	51.4%	0	0.0%
Two-Bedroom	1.0	118	36.8%	0	0.0%
Two-Bedroom	1.5	11	3.4%	0	0.0%
Three-Bedroom	1.0	16	5.0%	0	0.0%
Four-Bedroom	1.5	11	3.4%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>321</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	90	6.0%	0	0.0%
One-Bedroom	1.0	579	38.3%	0	0.0%
Two-Bedroom	1.0	464	30.7%	2	0.4%
Two-Bedroom	1.5	49	3.2%	0	0.0%
Three-Bedroom	1.0	238	15.8%	0	0.0%
Three-Bedroom	1.5	24	1.6%	0	0.0%
Four-Bedroom	1.0	20	1.3%	0	0.0%
Four-Bedroom	1.5	36	2.4%	0	0.0%
Five-Bedroom	1.5	10	0.7%	0	0.0%
<b>Total Subsidized</b>		<b>1,510</b>	<b>100.0%</b>	<b>2</b>	<b>0.1%</b>

The subsidized Tax Credit units are 100.0% occupied and the government-subsidized units are 99.9% occupied, with a total of only two vacant units among the overall total of 1,831. According to management at the surveyed subsidized projects, most of these properties have long wait lists. As such, there continues to be clear pent-up demand for multifamily rental housing product for very low-income households.

Another resource residents can use that enables them to reasonably afford rental housing is through Housing Choice Vouchers, which allows residents to pay 30% of their income towards housing. These vouchers are issued by the local housing authority. According to a representative with the Housing Authority of the City of Asheville, there are approximately 2,781 Housing Choice Voucher holders within the housing authority's jurisdiction and 1,442 people currently on the waiting list for additional vouchers. The waiting list is open. Annual turnover is estimated at 41 households, indicating minimal turnover and long waits for households seeking vouchers. This reflects the continuing need for Housing Choice Voucher assistance.

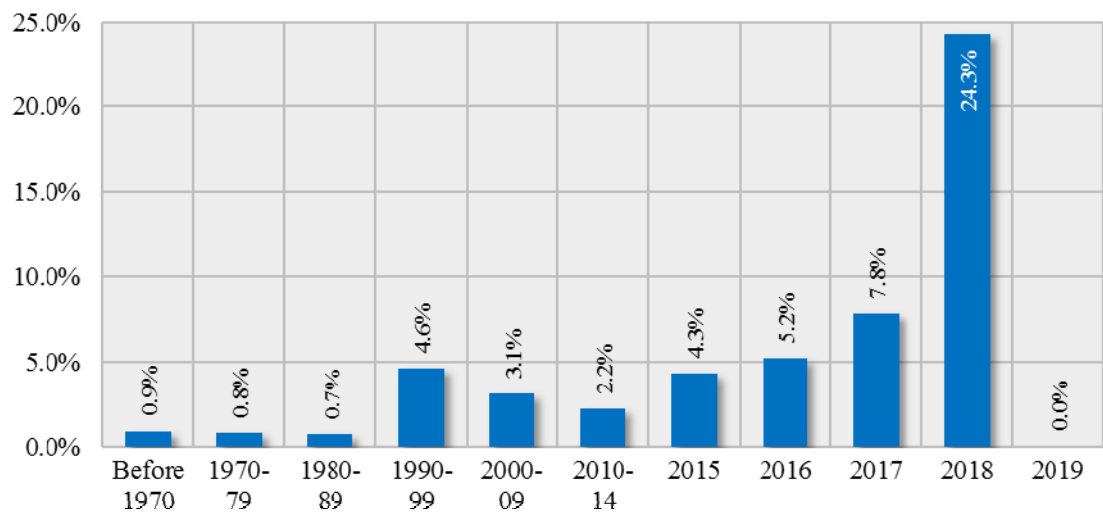
The following is a distribution of multifamily rental projects (market-rate, Tax Credit and government-subsidized) and units surveyed by year built for Buncombe County:

Year Built	Projects	Units	Vacancy Rate
Before 1970	21	1,565	0.9%
1970 to 1979	14	2,241	0.8%
1980 to 1989	16	1,706	0.7%
1990 to 1999	10	1,067	4.6%
2000 to 2009	24	2,511	3.1%
2010 to 2014	9	1,272	2.2%
2015	9	1,543	4.3%
2016	2	288	5.2%
2017	9	1,633	7.8%
2018	7	1,282	24.3%
2019*	1	40	0.0%

\*As of July

A substantial amount of new rental product has been added to the county over the past several years. Since 2015, a total of at least 28 projects with 4,786 units have been introduced into the Buncombe County market. As the preceding table illustrates, most development periods or years have relatively low vacancy rates. However, among the seven properties opening in 2018, the overall occupancy rate is 24.3%, reflective of several projects still in their initial lease-up phase. Based on information from management at some of the area's newest properties, typical absorption rates are around 14 (affordable/income restricted) to 18 (market-rate) units per month. These are relatively fast monthly absorption rates and good indications of a strong rental housing market.

**Buncombe County Vacancy Rates by Development Period**



The local government has made efforts to encourage the development of affordable housing in the market. As a result of such efforts, there have been several mixed-income projects developed in recent years that include a combination of both market-rate and Tax Credit apartments, serving both market-rate renters and low-income renters (generally earning up to 80% of Area Median Household Income). Additionally, several projects are in the development pipeline (either under construction or planned for development) that will include mixed-income units.

The table below summarizes the number of market-rate and affordable (income-restricted) units within mixed-income properties in the market.

Mixed-Income Apartments			
Type	Market-Rate Units	Income-Restricted Units	Total Units
Established	1,461	226	1,687
Planned/Under Construction	612	142	754
Total	2,073	368	2,441

Of the 2,441 units either existing or in the development pipeline that are within mixed-income projects, 368 are income restricted. These 368 units represent 15.1% of the overall units offered at these projects. The income restrictions preserve these particular units for low-income households earning up to 80% of AMHI and are developed through such things as the Low-Income Housing Tax Credit (LIHTC) program, the Housing Trust Fund, or the Asheville Affordable Housing Program. It is worth pointing out that over two-thirds of the affordable housing units at these projects were developed after 2014, illustrating the improved efforts to address rental affordability issues in the market.

In addition to the mixed-income projects offering units affordable to lower income households, several projects have been built or are planned for development that operate *exclusively* with income and rent restrictions (they include no market-rate units). We identified and surveyed 24 apartment properties operating under the programmatic requirements of the LIHTC program. These projects generally serve up to 60% or 80% of AMHI. There are only two vacant units among these properties, resulting in a very high overall occupancy rate of 99.8%. According to property managers at these properties, most LIHTC projects operate with wait lists. As such, there is pent-up demand for affordable rental housing in the market. Since 2014, four properties operating exclusively under the LIHTC program have been built in the market. These projects include a total of 315 units, of which 210 (66.7%) are general occupancy and 105 (33.3%) are senior restricted. These 315 newer LIHTC units represent 29.0% of the units operating exclusively under the LIHTC program. This is a notable increase in the affordable rental housing stock. Despite these recent additions in the affordable rental housing supply, limited availability among such rentals still exists.

### 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, mobile homes, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, a total of 118 individual units were identified and inventoried. 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.

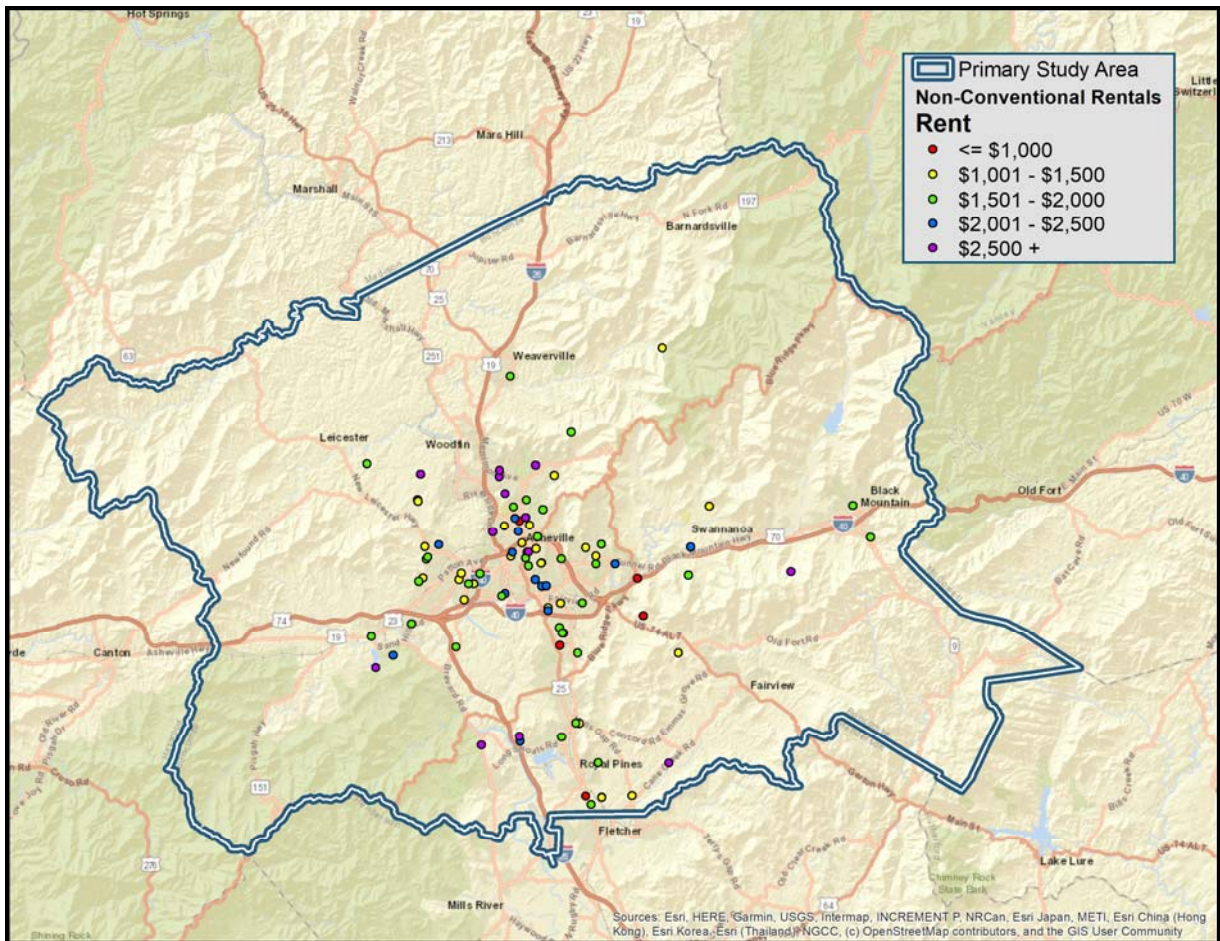
The following table aggregates the 118 vacant non-conventional rental units surveyed in Buncombe County by bedroom type.

Surveyed Non-Conventional Rental Supply						
August 2019					November 2014	
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per-Square-Foot	Median Rent	Median Rent Per-Square-Foot
Studio	4	\$1,306 - \$1,441	\$1,361	\$2.58	-	-
One-Bedroom	17	\$895 - \$1,975	\$1,200	\$1.82	\$575	\$0.89
Two-Bedroom	35	\$895 - \$3,000	\$1,575	\$1.57	\$950	\$1.01
Three-Bedroom	44	\$1,290 - \$3,500	\$1,700	\$1.16	\$1,225	\$0.87
Four-Bedroom+	18	\$475 - \$5,000	\$2,248	\$1.16	\$1,750	\$0.85
Total	118					

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$475 to \$5,000. The median rent per-square-foot by bedroom type ranges from \$1.16 to \$2.58, up from the rents of \$0.85 to \$1.01 per-square-foot from 2014. It needs to be acknowledged that the non-conventional rentals included in the current inventory are different than those of 2014. Regardless, this inventory of available non-conventional rentals illustrates that most such rentals have rents of \$1,200 or more per month and may be difficult for many of the area households to afford.

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.

The map on the following page illustrates the location of non-conventional rentals identified as available in the market.



### Vacation Rental Housing

Buncombe County has a large number of vacation rentals which are typically 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 56 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 56 vacant/available vacation rental units surveyed in the county by bedroom type. The current (August 2019) data is compared with data collected during the original (November 2014) study of the county. 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.

Bedroom	Surveyed Vacation Rental Supply				
	August 2019			November 2014	
	Vacant Units	Rent Range	Median Rent	Rent Range	Median Rent
One-Bedroom	3	\$1,764 - \$3,924	\$1,825	\$1,620 - \$28,500	\$4,575
Two-Bedroom	39	\$1,734 - \$7,422	\$3,255	\$2,400 - \$12,720	\$5,250
Three-Bedroom	13	\$2,342 - \$8,425	\$3,954	\$3,750 - \$16,260	\$6,300
Four-Bedroom+	1	\$2,920 - \$2,920	\$2,920	\$4,320 - \$75,705	\$10,965
Total	56				

As the preceding table illustrates, the rents for inventoried vacation rentals range from \$1,825 to \$3,954. These median rents are much lower than the median rents from 2014. While the median rents have decreased, they still are well above most of the multifamily rental alternatives surveyed in the market. As a result, vacation rentals are generally not affordable to most households seeking rental housing on a long-term basis. 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 and thereby reduce the inventory of rental stock available to people seeking long-term rentals in the area. This poses a risk to have some long-term rentals removed from the market.

Note: we were unable to map any of the vacation rentals as their addresses were not available.

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.

The following table summarizes the available and recently sold (since January 2010) housing stock for Buncombe County.

Sold/Currently Available For-Sale Housing Supply – Buncombe County		
Status	Homes	Median Price
Sold*	29,970	\$245,000
Available	1,300	\$438,471

Source: Multiple Listing Service/Keller Williams Realty

\*Sales from Jan. 1, 2010 to Jul. 31, 2019

There were 29,970 homes sold since 2010 and 1,300 homes currently available in Buncombe County.

Historical Sales

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 2019 sales cover only the first seven months of the year.

Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	2,174	-	\$199,900	-
2011	2,262	4.0%	\$188,000	-6.0%
2012	2,716	20.1%	\$196,000	4.3%
2013	3,365	23.9%	\$206,608	5.4%
2014	3,573	6.2%	\$215,000	4.1%
2015	3,354	-6.1%	\$240,000	11.6%
2016	3,563	6.2%	\$265,000	10.4%
2017	3,561	-0.1%	\$285,000	7.5%
2018	3,365	-5.5%	\$303,000	6.3%
2019*	2,037	-	\$315,000	4.0%

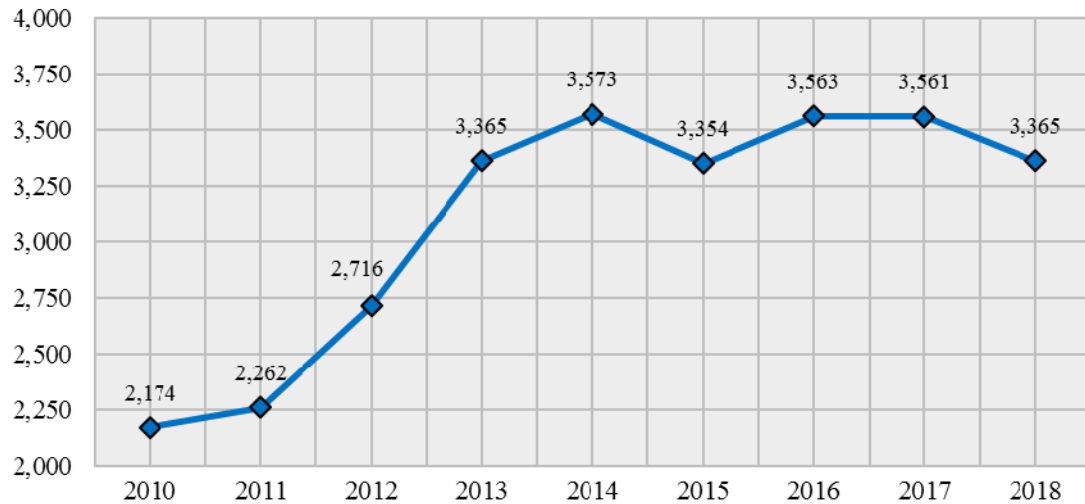
Source: Multiple Listing Service/Keller Williams Realty

\*Sales as of July 31, 2019

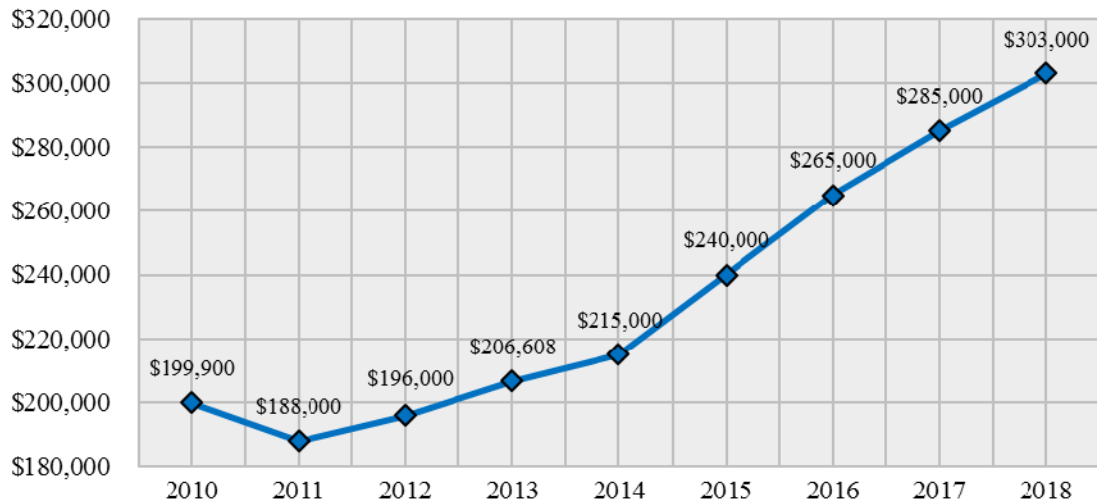
Home sales activity within the county has remained relatively steady since 2013, experiencing an average sales pace around 3,300 to 3,600 homes annually over the past six years. Sales activity for 2019 is on pace for nearly 3,500 home sales, continuing the trend of stable sales activity recently experienced in the market. The county has experienced rising median sales prices over the past eight years. The current median home sales price of \$315,000 represents a 10-year high. 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 for Buncombe County since 2010 (2019 was excluded because only partial year data is available).

**Buncombe County Annual Home Sales (20010-2018)**



**Buncombe County Annual Median Sales Price (20010-2018)**



The distribution of homes recently sold by price for the county is summarized in the table below.

Buncombe County Sales History by Price (Jan. 1, 2010 to Jul. 31, 2019)			
Sale Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	2,182	7.3%	130
\$100,000 to \$199,999	8,355	27.9%	113
\$200,000 to \$299,999	8,825	29.4%	94
\$300,000 to \$399,999	4,776	15.9%	100
\$400,000 to \$499,999	2,484	8.3%	107
\$500,000+	3,348	11.2%	159
Total	29,970	100.0%	111

Source: Multiple Listing Service/Keller Williams Realty

As the preceding table illustrates, home sales by price point within the county since 2010 were primarily concentrated among product priced between \$200,000 and \$299,999 (29.4%). Product priced between \$100,000 and \$199,999 has also been very active, with 27.9% of the product sold within this price range. The product within these two price ranges have been selling quickly, as evidenced by the fact that the average days on market (number of days a home is listed before it is sold) are 113 days or fewer. Interestingly, homes priced at \$300,000 to \$499,999 have also had a large volume of product sold at relatively rapid rates (generally around 100 days on market).

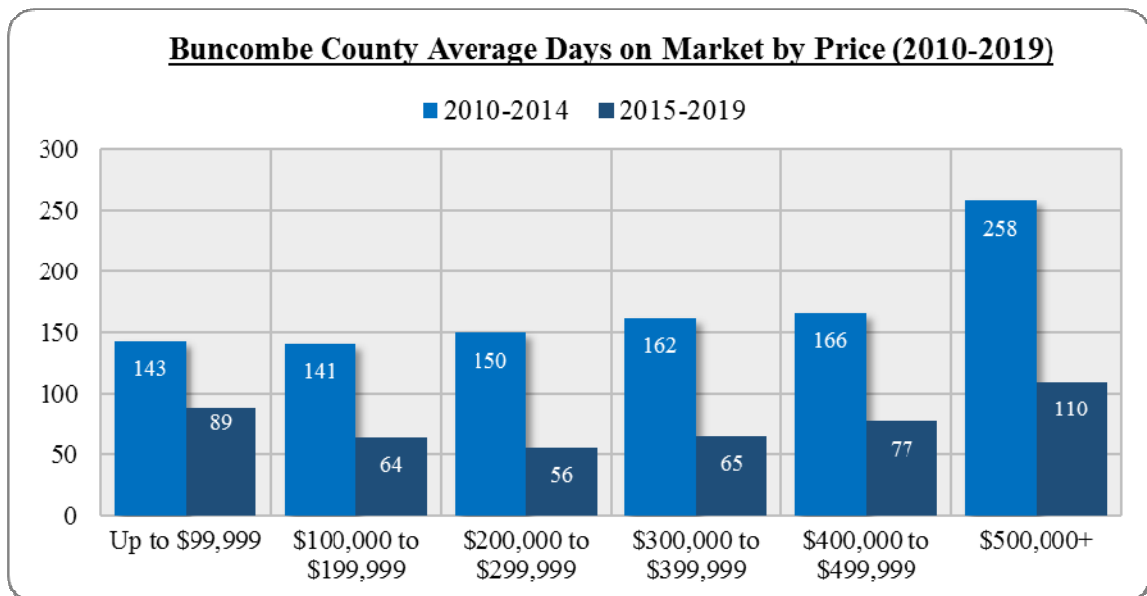
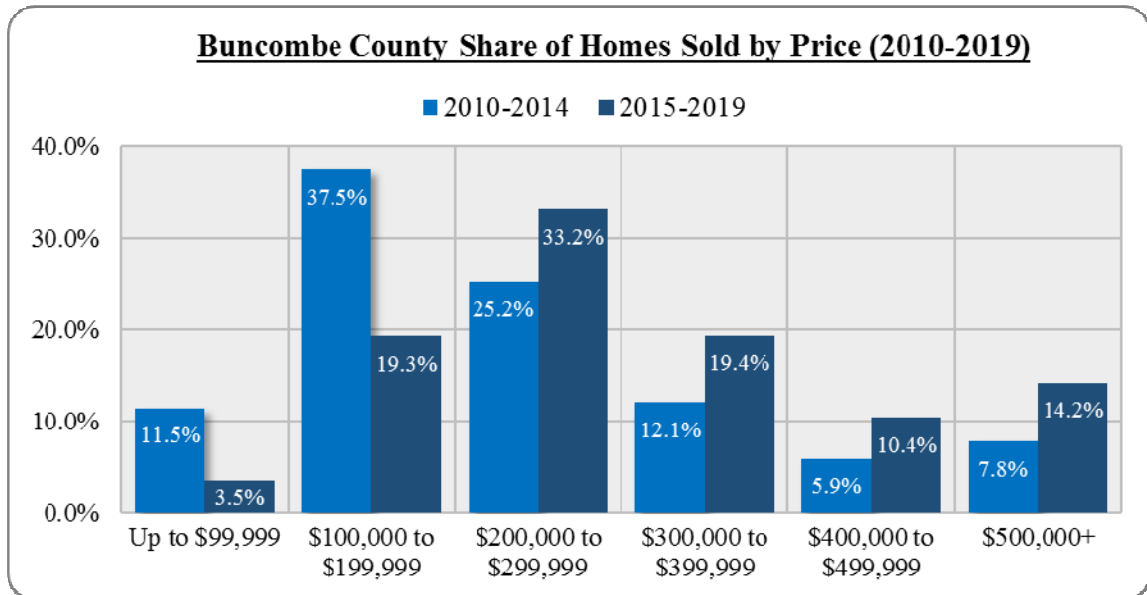
In an effort to understand the changing home buying trends, we have compared historical sales of 2010 to 2014 with sales from 2015 to 2019 (through July) in the following table.

Buncombe County Sales History by Price						
Sale Price	(Jan. 1, 2010 to Dec. 31, 2014)			(Jan. 1, 2015 to Jul. 31, 2019)		
	Number Sold	Percent of Supply	Average Days on Market	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	1,623	11.5%	143	559	3.5%	89
\$100,000 to \$199,999	5,286	37.5%	141	3,069	19.3%	64
\$200,000 to \$299,999	3,550	25.2%	150	5,275	33.2%	56
\$300,000 to \$399,999	1,699	12.1%	162	3,077	19.4%	65
\$400,000 to \$499,999	832	5.9%	166	1,652	10.4%	77
\$500,000+	1,100	7.8%	258	2,248	14.2%	110
Total	14,090	100.0%	157	15,880	100.0%	70

Source: Multiple Listing Service/Keller Williams Realty

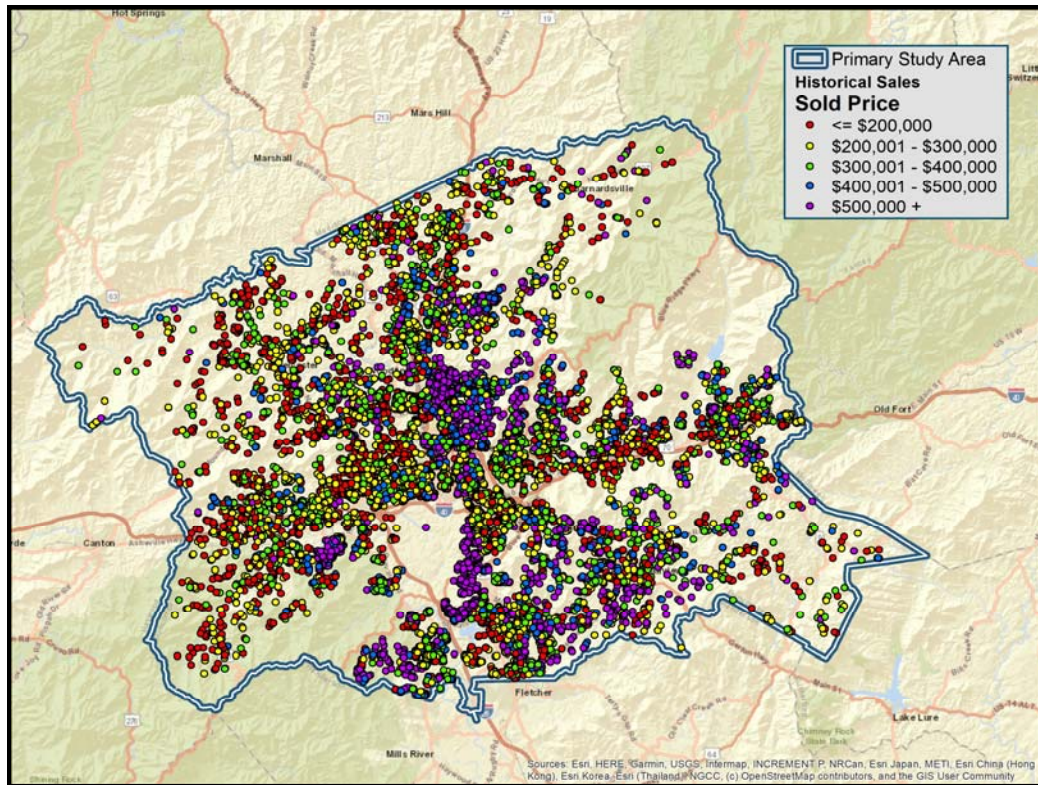
Home sales activity since 2015 has changed significantly from the preceding five-year period (2010 to 2014) in Buncombe County. Specifically, home sales of product priced \$300,000 and higher have increased from 25.8% of all sales between 2010 and 2014 to 44.0% since 2015.

The graphs below illustrate the share of homes sold by price point for 2014 and 2019 and the average number of days on market by price for 2014 and 2019.



As these graphs illustrate, the for-sale housing market has experienced a shift towards higher priced homes, yet the average number of days on market has decreased significantly over the past five years.

A map of the *historical* (2010 to 2019) home sales identified in the county is shown below:



### Available Supply

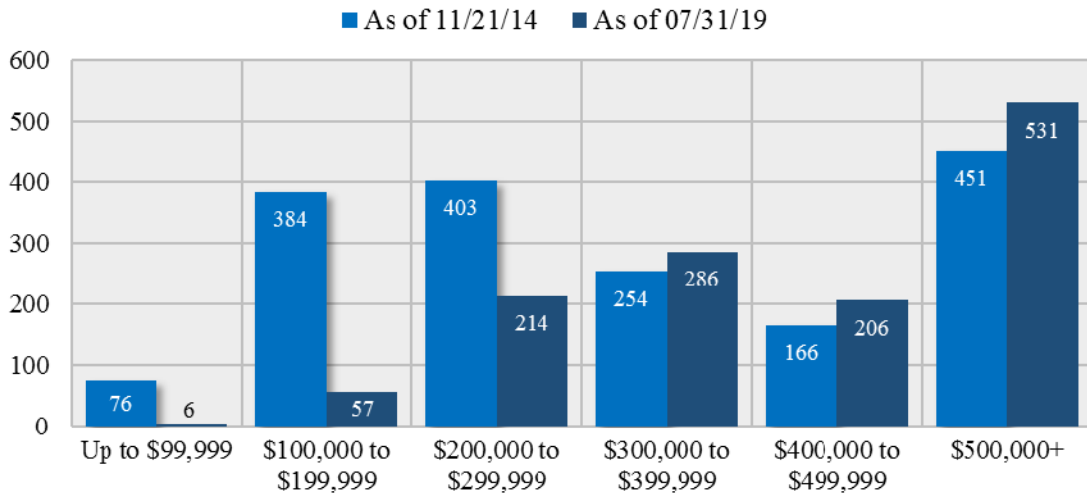
The table below summarizes the distribution of *available* for-sale residential units by price point for Buncombe County.

Buncombe County Available For-Sale Housing by Price						
List Price	November 21, 2014			As of July 31, 2019		
	Number Available	Percent of Supply	Average Days on Market	Number Available	Percent of Supply	Average Days on Market
Up to \$99,999	76	4.4%	N/A	6	0.5%	176
\$100,000 to \$199,999	384	22.2%	N/A	57	4.4%	78
\$200,000 to \$299,999	403	23.2%	N/A	214	16.5%	88
\$300,000 to \$399,999	254	14.6%	N/A	286	22.0%	95
\$400,000 to \$499,999	166	9.6%	N/A	206	15.8%	124
\$500,000+	451	26.0%	N/A	531	40.8%	169
Total	1,734	100.0%	N/A	1,300	100.0%	128

Source: Multiple Listing Service/Keller Williams Realty

N/A – Not Available

### Buncombe County Available Homes by Price



The 1,300 housing units currently available for purchase in the county is 434 fewer than there were in late 2014, representing a decrease of 25.0%. The available inventory of product priced under \$200,000 has diminished to just 63 units, down from 460 homes at these price points in 2014. Demand for product priced between \$100,000 and \$199,999 remains rather strong, as evidenced by the average days on market of just 78 for such product. Meanwhile, higher priced product, generally at \$400,000 or higher, has increased dramatically. This price point now represents 56.6% of the available inventory (up from 35.6% in 2014). With a significantly diminishing overall supply of available product, the housing market's limited supply has likely contributed to the continued increases in home prices. Moreover, with the lower priced (under \$200,000) product virtually non-existent, lower income households generally earning below \$60,000 have very limited choices.

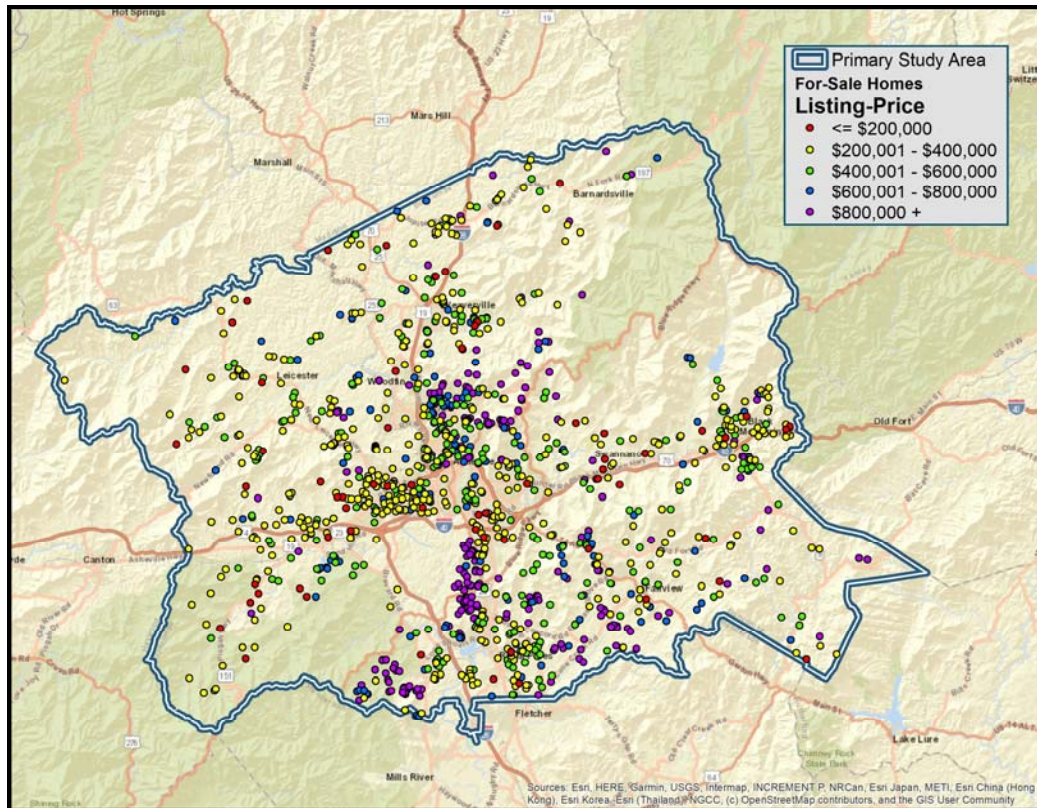
The distribution of available homes by year built for the county is summarized in the table below.

Buncombe County							
Available For-Sale Housing by Year Built (As of July 31, 2019)							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	160	3/2.5	2,129	\$89,900 - \$3,995,000	\$377,000	\$247.42	111
1950 to 1959	88	2/2.0	1,805	\$33,000 - \$1,490,000	\$354,000	\$226.14	105
1960 to 1969	88	3/2.5	1,991	\$110,000 - \$1,395,000	\$327,450	\$193.19	95
1970 to 1979	80	3/2.75	2,361	\$138,500 - \$2,750,000	\$384,000	\$193.33	95
1980 to 1989	101	3/3.0	2,559	\$79,500 - \$1,990,000	\$420,000	\$187.97	106
1990 to 1999	157	3/3.5	3,126	\$82,000 - \$3,350,000	\$469,900	\$172.86	112
2000 to 2009	277	4/3.75	3,631	\$110,000 - \$10,750,000	\$575,000	\$191.03	144
2010 to present	349	3/3.0	2,362	\$158,000 - \$4,250,000	\$439,900	\$226.62	159
Total	1,300	3/3.0	2,648	\$33,000 - \$10,750,000	\$438,471	\$211.14	128

Source: Multiple Listing Service/Keller Williams Realty

As shown in the preceding table, nearly one-half of the available for-sale housing product in the county was built in 2000 or later. These newer homes are generally priced well over \$400,000, though even older product built prior to 1980 has a median asking price of more than \$300,000.

A map of the identified available for-sale housing stock is illustrated below:



c. 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.

## Multifamily Apartments

Based on our interviews with local building and planning representatives, it was determined that there are multiple housing projects planned within Buncombe County. These planned developments, by location, are summarized as follows.

Multifamily – Asheville City Limits				
Project Name & Address	Type	Units	Developer	Status/Details
Hawthorne at Mills Gap 60 Mills Gap Road <b>Asheville</b>	Market-rate & 10% Affordable	256	Hawthorne Residential Partners	<b>Under Construction:</b> High-end, luxury development; One- thru three-bedrooms; Luxury finishes in units and “class A” property amenities; 10% of units will set aside as affordable; ECD spring 2020
Five Points Mixed Building 257 Broadway Street <b>Asheville</b>	Market-rate	46	White Point Partners	<b>Under Construction:</b> Site work is underway; Five-story building; Some affordable units are planned; Estimated rents \$1,750 to \$3,300; 4,700 sq. ft. commercial space; ECD fall 2019
Swannanoa Bend (FKA Beaucatcher Commons) 43 Simpson Street <b>Asheville</b>	Affordable	30	Kirk Booth Real Estate	<b>Under Construction:</b> All one-bedrooms for those earning below 60% AMHI; Funded by Housing Trust Funds; 40 units opened in Feb. 2019 and leased by April 2019; Rent is \$ 619; No onsite amenities; Remaining 30 units ECD September 2019
River Mill Lofts 100 River Mill Drive <b>Asheville</b>	Market-rate	134	Southeast Management	<b>Under Construction:</b> 130 units opened in 2017, 134 units under construction; 40 one-bedrooms, 80 two-bedrooms, and 14 three-bedrooms; Current units renting from \$1,150 to \$1,875; ECD early 2020
ABCCM Transformation Village 53 Rocky Ridge Road <b>Asheville</b>	Subsidized Transitional & Permanent Supportive Housing	152	Asheville Buncombe Community Christian Ministry (ABCCM)	<b>Under construction:</b> For homeless women and children; Emergency shelter for short-term stay (33 short-term apartments with a total of 90 beds) and transitional housing units for women with recovery from abuse issues, job skills will be provided, and permanent supportive housing units; Community and health center
White Oak Grove 275 and 281 Hazel Mill Road <b>Asheville</b>	Market-rate & 10% Affordable	113	Berltex Real Estate Holdings, LLC	<b>Planned:</b> Approved February 2019; 10% of the units (12) will meet the city’s standards for affordability at 80% AMHI for 10 years; Developer must provide bus passes for two years for residents who request one; Construction is to begin September 2019
Former Sears Site 3 S. Tunnel Road <b>Asheville</b>	Mixed-Use Market-rate & 40% Affordable	204	Seritage Growth Properties	<b>Proposed:</b> In council review; \$45 million redevelopment project; Ten-story building; Studios, one-, two- and three-bedroom units; If built will have up to 10% of units affordable below 80% AMHI; 114,000 sq. ft. retail space with a ten screen, upscale theater, restaurants and a plaza.

TBD – To be determined

N/A – Not Available

ECD – Estimated completion date

TRC – Technical Review Committee

BOA – Board of Adjustment

(Continued)

Multifamily – Asheville City Limits				
Project Name & Address	Type	Units	Developer	Status/Details
Hillard Apartments 338-360 Hilliard Avenue <b>Asheville</b>	Market-rate & Affordable	86	Kassinger Development Group	<b>Planned:</b> Approved; 31 market-rate units and 16 units for those earning below 80% AMHI, 18 units at 60% AMHI; Hope to begin construction in 2019 and complete by fall 2020
TBD 123 Haywood Street <b>Asheville</b>	Market-rate	18	N/A	<b>Planned:</b> Four-story building (3 residential stories) over one-story parking garage
Lee Walker Heights 17 Wilbar Avenue <b>Asheville</b>	Mixed-Use Tax Credit & Subsidized	212	Asheville Housing Authority & Mountain Housing Opportunities	<b>Planned:</b> Demolition of public housing complex to be replaced by new construction; 116 for those at 60% AMHI, 96 units will be at 30% AMHI and have Project Based Rental Assistance through RAD Program; 11,000 square feet of commercial space to be constructed at 50 Wilbar Ave.; Hope to break ground in 2019 and ECD 2021
Lee Walker Heights Phase II 319 Biltmore Ave. <b>Asheville</b>	Mixed-use Tax Credit & Subsidized	310	Asheville Housing Authority and Mountain Housing Opportunities	<b>Proposed:</b> Phase II of Lee Walker Heights replacement housing project; Also, to include retail and commercial space. City owned property.
Tribute Project-Scattered Sites FKA Ledford Site 72 Asheland Avenue, 185 Coxe Avenue, 5 Federal Alley <b>Asheville</b>	Mixed-use Market-rate & Affordable	541	Tribute Companies	<b>Planned:</b> Commercial space, office space and a 1,000-space parking deck; 541 units planned; Possibly 20% of units to be affordable at 80% AMHI; 973 parking spaces; Plan to begin construction early 2020; Initial TRC meeting date 6/1/2019
Collier Avenue Apartment 11 Collier Avenue <b>Asheville</b>	Affordable	54	Colliers Avenue Properties	<b>Planned:</b> A request for the review of a Level II site plan to develop 54 residential units in 53,680 square feet, five-story building; 54 live-work lofts and studio units. Plans not submitted.
Beacham's Curve Neighborhood 315 Haywood Road <b>Asheville</b>	Market-rate	24	Big Jake Enterprises	<b>Planned:</b> Three-phased project; Apartments will be part of Phase III of this mixed-use development and will consist of 24 units; Phases I and II consist of two mixed-use condo buildings with ten live/work units for sale; Construction of 18 one-bedrooms and six two-bedrooms to begin spring 2019
TBD 45 South French Broad <b>Asheville</b>	Mixed-use Market-rate	22	Ball Family	<b>Planned:</b> In TRC; 43,582 square foot, three-story commercial and residential expansion to an existing one-story commercial building
Verde Vista Phase II 99999 Verde Vista Circle <b>Asheville</b>	Market-rate & 10% Affordable	56	Pike Real Estate Development	<b>Planned:</b> Six units affordable at 80% AMHI; Addition to an existing development with 257 units that opened in 2012
Create 72 Broadway 99999 Broadway Street, 67 Market Street, and 61 Market Street <b>Asheville</b>	Mixed-use Affordable	6	BPR Properties and S&R Investment LTD	<b>Planned:</b> In TRC; Nine-story, 184,000 square foot mixed-use building with 24 condos, 150 hotel rooms, retail and office space include six workforce apartments for artists earning 30% AMHI, renting for \$500 monthly
Roberson-Smokey Park Development 877 & 885 Smokey Park Highway <b>Asheville</b>	Mixed-use Market-rate	20	Roberson Land Development Co, LLC	<b>Planned:</b> In TRC Development Review for 20 residential units, 20,839 square feet of retail space and 4,145 square feet of medical facility in seven buildings

TBD – To be determined

N/A – Not Available

ECD – Estimated completion date

TRC – Technical Review Committee

BOA – Board of Adjustment

(Continued)

Multifamily – Asheville City Limits				
Project Name & Address	Type	Units	Developer	Status/Details
Amaranth Apartments 1 Brookside Circle <b>Asheville</b>	Tax Credit	70	Workforce Homestead	<b>Planned:</b> In TRC Development review for a 70-unit affordable housing multifamily apartment complex; 52 units for families with incomes under 60% AMHI; 18 apartments set aside for households at or below 30% AMHI. This project will receive a \$1.2 million Housing Trust Fund
TBD 296 Short Michigan Avenue <b>Asheville</b>	Permanent Supportive Housing	11	Homewood Bound	<b>Planned:</b> Will rehabilitate five buildings with eight, one-bedroom and three, two-bedroom units; They will provide permanent supportive housing for people experiencing homelessness
Sweet Grass Apartments 39 Bradley Branch Road <b>Asheville</b>	Market-rate & 10% Affordable	255	Mtn-Comm, LLC	<b>Under Construction: Preliminary grading began May 2019; 26 units will be affordable for 15 years for earners below 80% AMHI</b>

TBD – To be determined

N/A – Not Available

ECD – Estimated completion date

TRC – Technical Review Committee

BOA – Board of Adjustment

Multifamily – Buncombe County (Outside Asheville City Limits)				
Project Name & Address	Type	Units	Developer	Status/Details
Enclave-Piney Mountain Apartments 85 Piney Mountain Drive <b>Asheville (Buncombe County)</b>	Market-rate	200	McCall Capital	<b>Planned:</b> Conditional use permit applied for March 2019
Reflection Pointe 812 New Leicester Highway <b>Asheville (Buncombe County)</b>	Market-rate & Affordable	270	Southwood Realty	<b>Planned:</b> BOA approved May 2019 for 10 three-story buildings and 30 detached garages, 473 parking spaces; Clubhouse and pool; 81 units will be affordable workforce housing for those earning below 80% AMHI
Hawthorne at Haywood 1951 Old Haywood <b>Asheville (Buncombe County)</b>	Market-rate	240	Foggin-Powel Properties/ Hawthorne Residential Partners	<b>Planned:</b> BOA approved 2018
Asheville Heights 251 Charlotte Highway <b>Asheville (Buncombe County)</b>	Market-rate	192	NTPP Investments, LLC	<b>Planned:</b> BOA approved 2018; One- and two-bedroom apartments with 405 parking spaces
Retreat at Arden Farms 539 Long Shoals Road <b>Arden</b>	Market-rate	318	Tynes Development	<b>Planned:</b> BOA approved; Rents proposed from \$1,000-\$1,600; Hope to break ground by fall 2019
Riverstone at Long Shoals 556 Long Shoals Road <b>Arden</b>	Market-rate	96	Long Shoals Holdings	<b>Planned:</b> Existing property of 256 one- thru three-bedrooms renting from \$995 to \$1,660; Have plans for a Phase II
Villas at Avery Creek 260 Amethyst Circle <b>Arden</b>	Market-rate	255	Universal Development	<b>Under Construction:</b> One-bedroom garden units and two- and three-bedroom townhomes renting from \$799 to \$1,499; 109 units to be complete August 2019 and are all preleased, remaining units complete by June 2020

TBD – To be determined

N/A – Not Available

ECD – Estimated completion date

TRC – Technical Review Committee

BOA – Board of Adjustment

(Continued)

Multifamily – Buncombe County (Outside Asheville City Limits)				
Project Name & Address	Type	Units	Developer	Status/Details
East Haven 2244 U.S. 70 <b>Swannanoa</b>	Tax Credit	95	Mountain Housing Opportunities	<b>Under Construction:</b> Ground broken spring 2019; One- thru three-bedrooms; Targeting those earning below 30%, 50%, and 60% AMHI; 16 Home fund units, 19 units for the Integrated Supportive Housing Program; Proposed rents range from \$257 to \$697; Interior courtyard with playground, picnic area, garden space, elevators, community room, computer center, laundry facilities, fitness room; ECD summer 2020
Jasper Apartments 1944 U.S. Highway 70 <b>Swannanoa</b>	Tax Credit	100	Workforce Homestead	<b>Planned:</b> Applied for conditional use permit in April 2019; Targeting those earning below 60% AMHI; 22 one-bedrooms, 60 two-bedrooms, and 18 three-bedrooms in three-story buildings; Clubhouse, playground, and picnic pavilion
Blue Ridge Crossing Garrison Branch Road adjacent to Monticello Road and U.S. 25/70 <b>Weaverville</b>	Market-rate	176	828 North, LLC	<b>Under Construction:</b> Preliminary plat approved; Infrastructure installation currently ongoing
TBD 40 Doan Road <b>Weaverville</b>	Market-rate	16	MS Properties of Weaverville LLC	<b>Planned:</b> BOA approved 2018 with five years vested rights
Riverside Stump Dump 135 Monticello Road <b>Weaverville</b>	N/A	238	Crest Residential	<b>Planned:</b> Had recent voluntary annexation and initial zoning for multifamily residential; Zoning density and acreage present will support approximately 238 units; In Plan Review
10 Newbridge Apartments 10 Newbridge Parkway <b>Woodfin</b>	Market-rate	40	Hawthorne Management	<b>Under Construction:</b> First 262 units completed and rented; One-, two-, and three-bedrooms renting from \$950 to \$1,935; Final 40 units ECD summer 2019

TBD – To be determined

N/A – Not Available

ECD – Estimated completion date

TRC – Technical Review Committee

BOA – Board of Adjustment

### Senior Facilities

According to planning and building representatives, there is currently one senior living project planned and/or under construction within Buncombe County. This property is summarized in the table that follows.

Project Name & Address	Units	Developer	Status/Details
Julian Woods Retirement Community 213 Long Shoals Road and 433 Overlook Road Ext. <b>Asheville</b>	130	Asheville Pentecostal Holiness Church, C&B Toothland of Overlook Ext LLC	<b>Planned:</b> A request for the conditional zoning review of 130 dwelling units located in a three-story building located on 7.23 acres; Amenities will include a fitness center, theater, salon, chapel; First TRC meeting June 2019

TRC – Technical Review Committee

## For-Sale Housing

According to planning and building representatives, there are multiple for-sale projects planned within the Buncombe County. These projects are summarized in the table that follows.

For-sale Housing – Asheville City Limits				
Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
17 North Market 17 North Market Street <b>Asheville</b>	14	Condominiums	Lawyers Bldg. of Asheville Inc	<b>Under Construction:</b> Redevelopment of a two-story building and will add two stories; Two-bedroom/two-bath units at 1,267 sq. ft. and reclaimed brick walls, reclaimed hardwood floors, luxury finishes; List price \$899,900; Three units have been reserved. Anticipated complete date late 2019
N/A 56 Hibriten Drive <b>Asheville</b>	10	Single-Family Homes	N/A	<b>Planned:</b> TRC approved March 2019 for a major subdivision and new road to create 10 lots, with an existing home remaining
N/A 156 Faircrest Road <b>Asheville</b>	7	Single-Family Homes	Stephen Zarnowski	<b>Planned:</b> In TRC Development Review for a seven-lot subdivision located on 22.25 acres
Abundance Run (FKA Orchard Trail) 99999 Old Haw Creek Road <b>Asheville</b>	16	Single-Family Homes	Akin Properties, LLC	<b>Planned:</b> In TRC Development a 16-lot subdivision located on 5.87 acres
Marsh Creek Subdivision 99999 New Leicester Highway <b>Asheville</b>	22	Single-Family Homes	Kodagem, LLC	<b>Planned:</b> In TRC Development Review for a 22-lot subdivision located on 5.47 acres
Birch Lane Subdivision 97, 95, and 99999 Birch Lane <b>Asheville</b>	26	Single-Family Homes	Dalton Family	<b>Planned:</b> In TRC Development Review for request for the review of a major subdivision to create 26 residential lots
Peace and Moore Subdivision 61 and 57 Moore Avenue <b>Asheville</b>	19	Single-Family Homes	Reasonable Development, LLC	<b>Planned:</b> In TRC Development Review to create 12 cottage units and seven single-family lots; Project is located on 1.95 acres
Create 82 Broadway 99999 Broadway Street, 67 Market Street, and 61 Market Street <b>Asheville</b>	31	Condominiums	BPR Properties	<b>Planned:</b> A 150-room boutique hotel with 29 condominium units (one affordable) and two affordable live/work units; Could be completed in 2022
Riverwoods Subdivision 99999 Ferry Road <b>Asheville</b>	389	Mixed-use, Duplexes, Condominiums, Single-Family Lots	Ron Hirji	<b>Planned:</b> Council approved January 2019; In TRC Development Review; Mixed-use with 8,000 to 15,000 sq. ft. commercial space, 94 duplexes, 36 condominiums, 4 live/work spaces, and 161 single-family lots on 137 acres; 8% units will be affordable at 100 % AMHI; 188 SFH could sell for up to \$450,000; Affordable housing from some of the 36 condominiums and listed near \$200,000; 188 duplexes and four live-work units no prices available
North Bear Creek 99999 N Bear Creek Road <b>Asheville</b>	20	Single-Family Lots	Marcus Barksdale	<b>Planned:</b> TRC approved; two-phase, 20-lot single-family residential subdivision with water and sewer extensions and new road
Reynolds Road Subdivision 50 and 99999 Reynolds Road <b>Asheville</b>	6	Single-Family Lots	Reasonable Development, LLC.	<b>Planned:</b> In TRC Development Review of a 7-lot major subdivision on 0.812 acres

TRC – Technical Review Committee  
SFH – Single-Family Homes

(Continued)

For-sale Housing – Asheville City Limits				
Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Lakewood Forest Subdivision 99999 Lakewood and 99999 Kenilworth Road <b>Asheville</b>	14	Single-Family Lots	Cane Creek Vistas, LLC	<b>Planned:</b> In TRC Development Review 14 lot subdivision on 2.46 acres
Rowhouse Development 199 Broadway Street <b>Asheville</b>	20	Townhomes	Boulevard Development Group	<b>Planned:</b> Approved; Luxury three-and-a- half-story walk-ups, two- or three-car garage, three- or four-bedrooms
Orange Blossom Subdivision 1 Orange Blossom Way <b>Asheville</b>	6	Single-Family Lots	Mills Gap 537 LLC	<b>Planned:</b> Approved
145 Biltmore 145 Biltmore Avenue <b>Asheville</b>	34	Condominiums	Preserve Communities NC LLC	<b>Planned:</b> In final TRC Development Review; Luxury condos in seven-story building; Four units will be penthouses; One- and two-bedrooms with terraces at \$425 per sq. ft; All sold but eight units; Some units may be short on vacation rentals; One deeded parking space per unit, can purchase a second parking space for \$50,000.
Bear Creek Homes 220 and 239 Bear Creek Road <b>Asheville</b>	30	Single-Family Lots	Blossom & Huger, LLC	<b>Planned:</b> Approved 2017
TBD 88 Southside Avenue <b>Asheville</b>	18	Townhomes	Peter Thom	<b>Planned:</b> In TRC Development Final Review; Four-story townhome units on 0.89 acres; Proposed under \$500,000
Mill Creek Townhome 85 Mills Gap Road <b>Asheville</b>	16	Townhomes	Ken Jackson	<b>Planned:</b> TRC Approved; complete the build out of previously approved and constructed townhomes; Existing three- bedroom home built 2016 and sold for \$191,975; HOA fees \$123

TRC – Technical Review Committee

SFH – Single-Family Homes

For-sale Housing – Buncombe County (Outside Asheville City Limits)				
Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Hamrick Farms Pin 9617-26-5961 (Owenby Road) <b>Asheville (Buncombe County)</b>	69	Single-Family Lots	WH Hamrick Liv Trust	<b>Planned:</b> Plat approved November 2018
Lance Road Subdivision PIN 9633-98-0985 and 9633-99-7123 <b>Asheville (Buncombe County)</b>	95	Single-Family Lots	Delta Express, Inc	<b>Planned:</b> Plat approved with conditions June 2018
144 Lover Grassy Branch Road <b>Asheville (Buncombe County)</b>	12	Single-Family Homes	Farmbound Holdings LLC	<b>Planned:</b> Submitted plans to Buncombe County June 2019
Old Haywood Road Project Old Haywood Road <b>Asheville (Buncombe County)</b>	98	Single-Family Homes & Townhomes	Asheville Area Habitat for Humanity	<b>Planned:</b> BOA approved February 2019; For households at or below 80% AMHI; 38 homes will be in Phase I; Plan to begin construction; March 2020 with move ins February 2023
Biltmore Terrace 37 Oakley Dogwood Drive <b>Asheville (Buncombe County)</b>	80	Single-Family Homes & Townhomes	Biltmore Terrace Development	<b>Planned:</b> 56 single-family homes and 24 townhomes
Pond Road Development 199 Pond Road <b>Asheville (Buncombe County)</b>	240	Single-Family Homes & Townhomes	Serota Weaverville LLC	<b>Planned:</b> BOA approved 2018 with five years vested rights for 100 single-family homes and 140 townhomes
Riverbend Forest 423 Moffitt Road <b>Asheville (Buncombe County)</b>	23	Single-Family Lots	RBF Development LLC Mountain Commercial Property Co. LLC	<b>Proposed:</b> Plans submitted December 2018
Haywood Road Subdivision 1773 Old Haywood Road <b>Asheville (Buncombe County)</b>	79	Single-Family Homes	John Hale	<b>Planned:</b> Lots are planned to be sold to tenants and managed by a homeowner's association.
Preserve at Avery's Creek Owen Drive & Avery Creek Road <b>Arden</b>	145	Single-Family Homes & Townhomes	Fred Spiegel	<b>Under Construction;</b> 105 single-family lots & 40 townhomes; Priced starting at \$549,000; Infrastructure is in place and model homes are under construction
Birch Lane Subdivision 97, 95, and 99999 Birch Lane <b>Arden</b>	26	Single-Family Lots	Daltons	<b>Planned:</b> In TRC Review June 2019
Cliffs at Walnut Cove Phase 9 158 Walnut Valley Pkwy <b>Arden</b>	62	Single-Family Lots	Urbana Cliffs	<b>Planned:</b> Submitted plans November 2018; Plat approved with conditions; Homesites from \$150,000-\$1.8 million+ Homes and Townhomes from \$850,000-\$4 million+
605 Old U.S. 70 East <b>Black Mountain</b>	60	Single-Family Lots	Laurel Wood Associates LLC	<b>Planned:</b> BOA approved 2018; Lots will be sold to homebuyers when infrastructure is in place
Curry Court 1 Curry Court <b>Candler</b>	11	Single-Family Homes & Townhomes	Asheville Area Habitat for Humanity	<b>Under Construction:</b> One single-family home is completed, and two are under construction- all have home owners; Price of SFH \$206,000; Eight townhomes are nearing completion; No price set on townhomes; Monthly mortgage payment will not exceed 30% of their income

TRC – Technical Review Committee

SFH – Single-Family Homes

BOA – Board of Adjustment

(Continued)

For-sale Housing – Buncombe County (Outside Ashville City Limits)				
Subdivision/Condominium	Units	Product Type	Developer	Status/ Details
Liberty Oaks 99999 Bessie Luther Boulevard <b>Candler</b>	111	Single-Family Homes & Townhomes	Liberty Oaks Fund	<b>Under Construction:</b> 35 single-family Lots in Phase 3, to begin 2022; 14 single-family attached patio homes in Phase 2 to begin 2020; 62 three-bedrooms, 2.5 bath townhomes with single car garages starting at \$203,000; Some townhomes are completed with all completed by 2020
Holbrook Road Subdivision 65 Hartshorn Drive <b>Candler</b>	151	Single-Family Lots	Holbrook Trust	<b>Planned:</b> Infrastructure construction ongoing; Developer has five years vested rights
Gudger Road Subdivision 26 Gudger Road <b>Candler</b>	6	Single-Family Lots	Gudger Group, LLC	<b>Planned:</b> Six-lot subdivision on 2.18 acres
Estates at Cane Creek 1805 Cane Creek Road <b>Fletcher</b>	29	Single-Family Lots	Farm at Cane Creek	<b>Planned:</b> Submitted plans January 2019 and plat approved with conditions
705 Bee Tree Road <b>Swannanoa</b>	11	Single-Family Homes	Hazel Creek Construction	<b>Planned:</b> BOA approved January 2019; Two- and three-bedroom homes with attached garages;
Lillie Farm Cove Lillie Farm Lane, Yarrow Meadow Road, Declan Drive each adjacent to North Main Street <b>Weaverville</b>	46	Single-Family Homes	Mountain Housing Opportunities	<b>Under Construction:</b> 75% complete; 1,200-square-foot, three-bedroom; Four-bedroom @ 1,428 sq. ft. sold \$259,000
Amblers Chase Amblers Knoll Road near intersection Reems Creek Road and Eller Cove Road <b>Weaverville</b>	21	Single-Family Lots	Amblers Chase LLC	<b>Planned:</b> Preliminary plat approved with infrastructure installation underway
Northridge Commons Townhouses Benedict Lane and Gregory Court adjacent to Monticello Road <b>Weaverville</b>	53	Townhomes	Northridge Commons Investors, LLC	<b>Under Construction:</b> Preliminary plat approved with infrastructure installation underway

TRC – Technical Review Committee

SFH – Single-Family Homes

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Note: We did not include any planned subdivisions that had five or fewer single-family lots planned.

## 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 five income stratifications for the rental analysis and three for the for-sale analysis. For the rental gap analysis, 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, between 80% and 120% of AMHI, and above 120% of AMHI. The for-sale gap analysis includes stratifications of up to 80% of AMHI, 81% to 120% of AMHI and above 120% of AMHI.

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*
• Commuter Support	• Commuter Support
• Step-Down Support**	• Step-Down Support**
• Pipeline Development^	• Pipeline Development^

\*Includes units that lack complete indoor plumbing and overcrowded housing

\*\*Includes portion of higher-income households that can afford higher-priced product but choose lower priced product

^Units under construction, permitted, planned or proposed

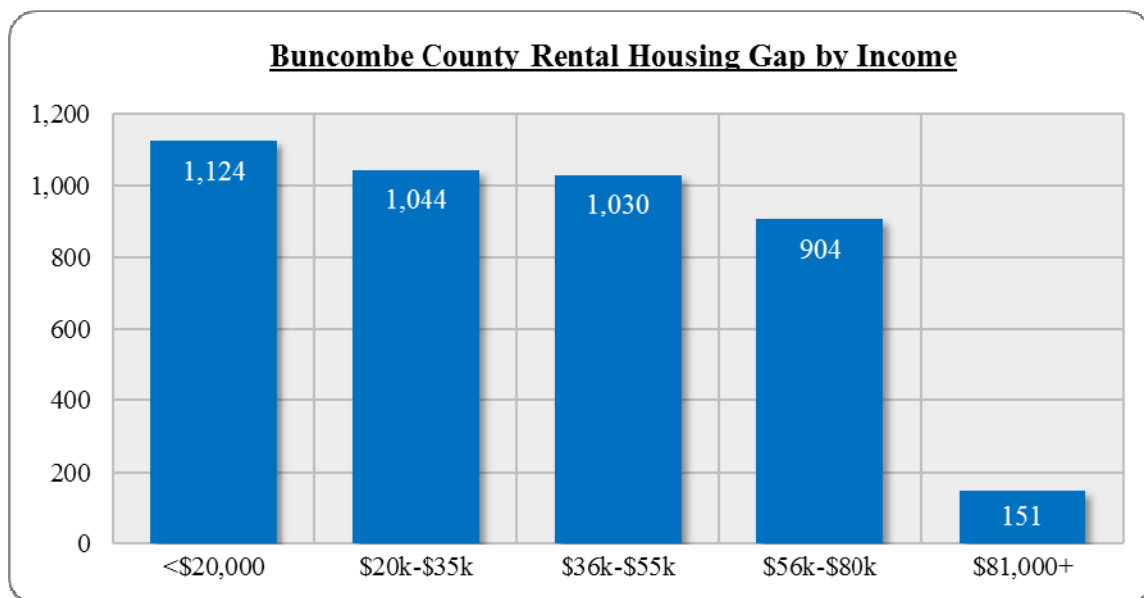
The demand factors for each housing segment at the various income stratifications are combined. Any product confirmed to be in the development pipeline is deducted from the various demand estimates, yielding a housing gap estimate. These gaps represent the number of new households that may need housing 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 table below summarizes the rental housing gap estimates by the various income segments and corresponding rental rates.

Demand Component	Rental Housing Gap Estimates					
	AMHI	<30%	30%-50%	51%-80%	81%-120%	121%+
	Income	<\$20k	\$20k-\$35k	\$36k-\$55k	\$56k-\$80k	\$81k+
	Rent	<\$500	\$500-\$874	\$875-\$1,374	\$1,375-\$1,999	\$2,000+
New Households (2018-2023)		-658	-263	845	439	1,366
Balanced Market		576	436	407	58	55
Substandard Housing		787	306	183	55	31
Commuter Support		696	582	516	936	288
Step-Down Support		0	85	47	961	-1,093
Development Pipeline		-277	-102	-968	-1,545	-496
Total Housing Gap		1,124	1,044	1,030	904	151

AMHI – Area Median Household Income



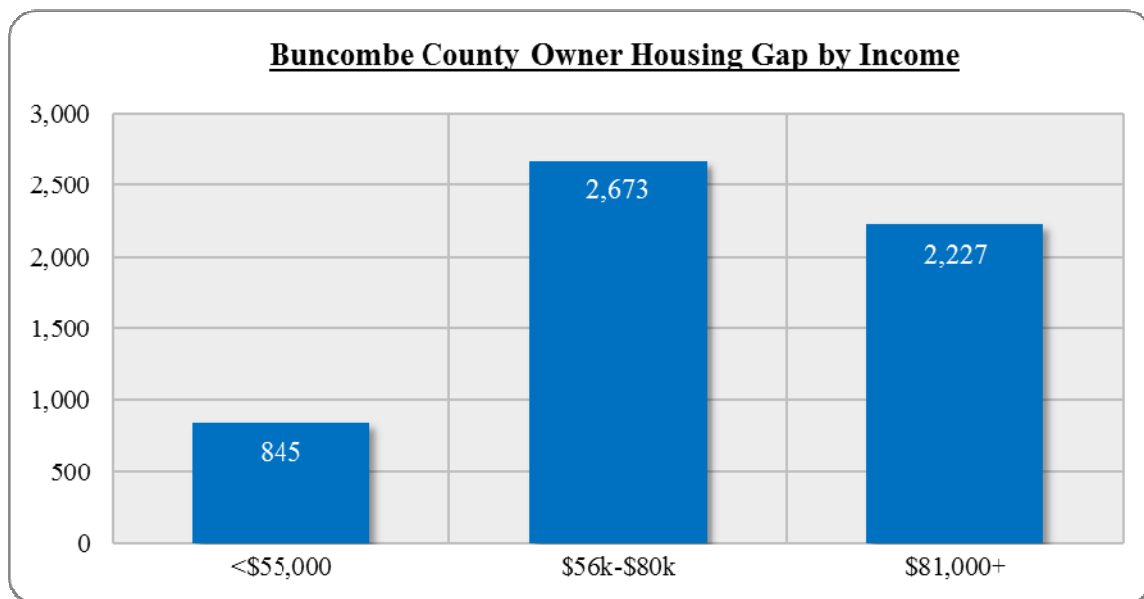
While there is a housing gap deficit among each of the income segments, the largest is among the lowest income segment. Although most of the product in the development pipeline (either under construction or planned) falls within the \$875 to \$1,999 rent ranges, there still remains demand for housing at this price level. Based on these estimates, while a variety of product types by rent level can be supported, the greatest gaps appear to be for housing that serves lower-income households and workforce households.

### For-Sale Housing Gap Analysis

The table below summarizes the *for-sale* housing gap estimates by the various income segments and corresponding price points.

Demand Component	For-Sale Housing Gap Estimates			
	AMHI	<80%	81%-120%	121%+
	Income	<\$55k	\$56k-\$80k	\$81k+
	Home Price	<\$200,000	\$200,000-\$299,999	\$300,000+
New Households (2018-2023)		-242	1,620	3,696
Balanced Market		257	65	-508
Substandard Housing		189	56	32
Commuter Support		209	321	123
Step-Down Support		486	739	-739
Development Pipeline		-54	-128	-377
<b>Total Housing Gap</b>		<b>845</b>	<b>2,673</b>	<b>2,227</b>

AMHI – Area Median Household Income



As shown in the preceding owner housing gap analysis, the greatest housing gap is for product priced between \$200,000 and \$299,999, with a nearly equal housing gap for housing priced at \$300,000 and higher. This particular gap is primarily driven by the new household growth projected through 2023. While smaller in scale, there still remains a notable housing gap for product priced under \$200,000. The demand for the lower-priced project originates from a variety of sources, with a notable amount resulting from the lack of available product at this price range.