

Asheville, North Carolina Region Housing Needs Assessment



Prepared For

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

Effective Date

December 24, 2014
Revised: January 15, 2015

DRAFT 2

Job Reference Number

14-462

TABLE OF CONTENTS

(*Electronic Users: Click on the link below for desired section or page*)

Introduction

Executive Summary

Regional Analysis

A. Scope of Work	Page 1
B. Demographics.....	Page 3
1. Population Trends.....	Page 8
2. Household Trends.....	Page 14
3. Income Trends	Page 26
4. Area Analysis (Access to Community Services).....	Page 33
5. Transportation Analysis.....	Page 35
6. Special Needs Populations	Page 41
7. Thematic Maps	Page 52
C. Economics	Page 62
D. Housing Supply Analysis	Page 67
1. Rental Housing.....	Page 73
Multifamily Rental Housing.....	Page 73
Non-Conventional Rental Housing	Page 83
Vacation Rental Housing	Page 86
Home Stay Rentals.....	Page 87
2. Mobile Home Rental Units	Page 88
3. Owner For-Sale Housing.....	Page 91
4. Senior Care Facilities	Page 102
5. Planned & Proposed Residential Development	Page 110
E. Housing Gap/Needs Estimates.....	Page 111
F. Stakeholder Interviews	Page 119
G. Case Studies	Page 121

Individual County Assessment Chapters

Buncombe County

Henderson County

Madison County

Transylvania County

Asheville Citywide

Addendum A – Sources

Addendum B – Qualifications

Addendum C – Stakeholder Interview Instrument

Addendum D – Glossary

INTRODUCTION

A. PURPOSE

The City of Asheville Community and Economic Development Department retained Bowen National Research in October of 2014 for the purpose of conducting a regional Housing Needs Assessment. The region includes the counties of Buncombe, Henderson, Madison, and Transylvania. Additional analysis was conducted exclusively on Asheville, the region's largest city.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for both public and private sectors to understand the current market conditions and projected changes that are expected to occur that will influence future housing needs. Toward that end, this report intends to:

- Present and evaluate past, current and projected detailed demographic characteristics of the region.
- Present and evaluate key employment characteristics and trends of region.
- Determine current characteristics of all major housing components within the region (for-sale/ownership, rental and senior care housing alternatives).
- Calculate housing gap and housing needs estimates by tenure and income segment for each county and Asheville.
- Present and evaluate key special needs population data and identify housing options available to these populations.
- Compile local stakeholder perceptions of housing market conditions and trends, opinions on future housing needs, and identify barriers to residential development in region.

The preceding study elements were evaluated for each of the four counties in the region and for Asheville individually.

By accomplishing the study's objectives, area stakeholders, local public officials, area employers, and private housing developers can: 1) better understand the region's evolving housing market, 2) modify or expand region's housing policies, and 3) enhance and/or expand region's housing market to meet future housing needs.

B. METHODOLOGIES

The following methods were used by Bowen National Research to collect and analyze data for this study:

Study Area Delineation

The primary geographic scope of this study is the four-county region that surrounds the city of Asheville. The region, which includes the counties of Buncombe, Henderson, Madison, and Transylvania, encompasses a total of 1,867.27 square miles. This study presents and analyzes the overall region, each individual county and the city of Asheville within individual sections of this report.

Demographic Information

Demographic data for population, households, housing, and income was secured from ESRI, Incorporated, the 2000 and 2010 United States Census, Applied Geographic Solutions, U.S. Department of Commerce, and the American Community Survey. Projections for 2015 and 2020 are also provided. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report and in Addendum A of this report.

Employment Information

Employment information was obtained and evaluated for various geographic areas that are part of this overall study. This information included data related to employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. However, Bowen National Research also conducted numerous interviews with local stakeholders familiar with employment characteristics and trends throughout the region.

Housing Component Definitions

This study is concerned with three major housing components: 1) rental (multifamily apartments, non-conventional units, vacation rentals, home stays, and mobile homes); 2.) for-sale/ownership (both single-family and multifamily) and 3) senior care facilities. For-sale/ownership housing includes single-family homes and condominiums. Multifamily rentals include single-family homes and multifamily apartments (generally 20+ units per building). Note that for the purposes of this analysis, we have also evaluated special needs populations and housing.

Housing Supply Documentation

During October and November of 2014, Bowen National Research conducted telephone and on-site research, as well as on-line research, of the region's housing supply. When available, the following data was collected on each property:

1. Property Information: Name, address, total units, and number of floors
2. Owner/Developer and/or Property Manager: Name and telephone number
3. Population Served (i.e. seniors vs. family, low-income vs. market-rate, etc)
4. Available Amenities/Features: Both in-unit and within the overall project
5. Years Built and Renovated (if applicable)
6. Vacancy Rates
7. Distribution of Units by Bedroom Type
8. Square Feet and Number of Bathrooms by Bedroom Type
9. Gross Rents or Price Points by Bedroom Type
10. Property Type
11. Quality Ratings*
12. GPS Locations

*Quality ratings used in this study were established after a careful examination of the housing properties and their surrounding neighborhoods. Factors influencing the ratings include curb appeal, unit and property amenities, age, interior and exterior building conditions, parking arrangements, architectural design, landscaping and grounds, management presence, accessibility, visibility, signage, public infrastructure, condition of adjacent properties, neighborhood interviews, and area services.

Information regarding for-sale single-family homes was collected by Bowen National Research in-office staff during the aforementioned research period. Home listings were obtained from realtor.com and MLS listings.

Stakeholder/Interviews

During November of 2014, Bowen National Research staff conducted interviews and on-line surveys of area stakeholders. These stakeholders included individuals from a variety of trades including public officials, private residential developers, neighborhood and civic association leaders, education providers, non-profit representatives, and other community leaders. Questions were structured to elicit opinions on a variety of matters including current housing conditions, housing challenges for area residents, barriers to housing development, future housing needs and recommendations to improve housing in the region. These interviews afforded participants an opportunity to voice their opinions and provide anecdotal insights about the study's subject matter. Overall, more than 20 individual interviews were completed and evaluated. Please note that individual names and organizations have not been disclosed in order to protect the confidentiality of participants and encourage their candor. The aggregate results from these interviews are presented and evaluated

in each county's analysis section of this report, while the actual stakeholder interview questions are included in Addendum C.

Housing Demand

Based on the demographic data for both 2015 and 2020, and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the housing needs of region and each of its individual counties and the city of Asheville.

Specific Demand Components are summarized below:

Housing Gap Analysis Components	
Rental Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Rent Overburdened Households	• Cost Overburdened Households
• Overcrowded Housing	• Overcrowded Housing
• Housing Lacking Complete Indoor Plumbing	• Housing Lacking Complete Indoor Plumbing
• Pipeline Development*	• Pipeline Development*
Senior Care Housing	
• Senior Household Growth	
• Households Requiring ADL Assistance	
• Existing Senior Care Beds	
• Pipeline Development*	

*Units under construction, permitted, planned or proposed
ADL – Activities with Daily Living

C. REPORT LIMITATIONS

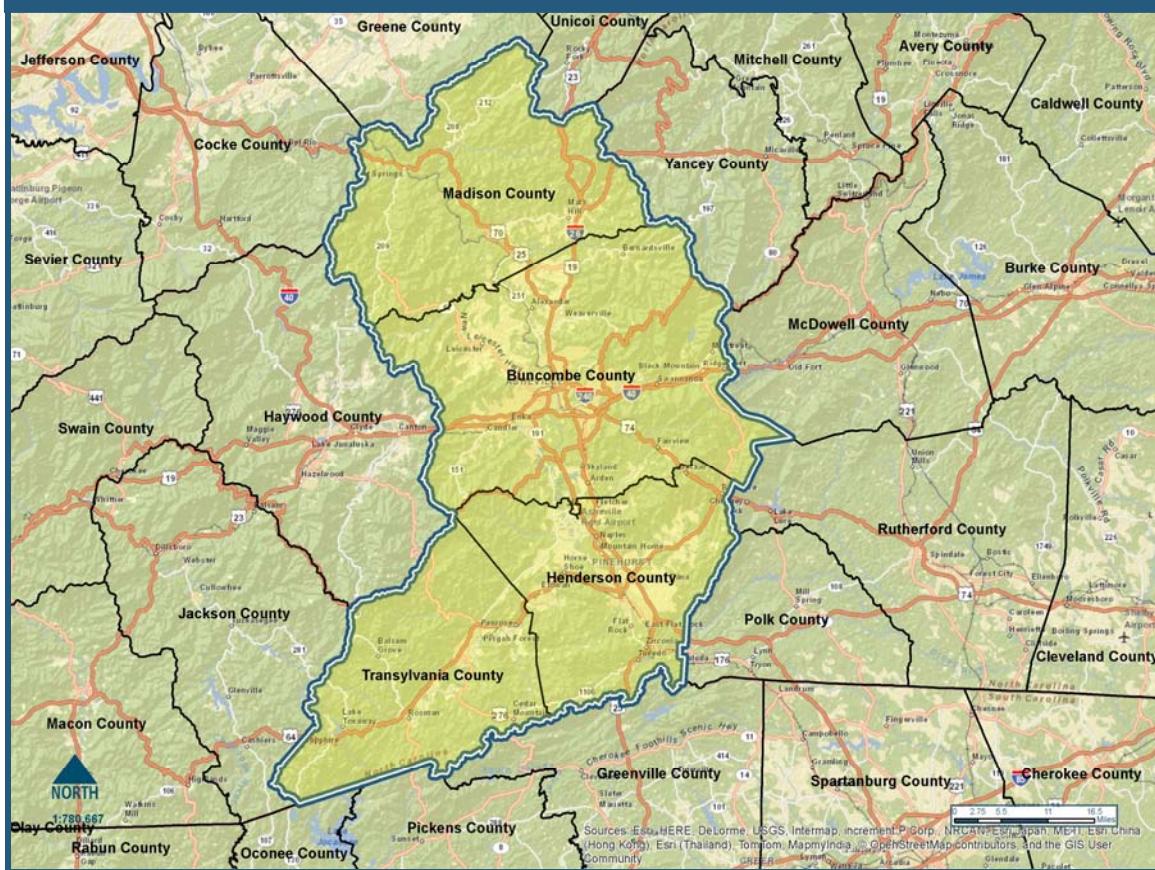
The intent of this report is to collect and analyze significant levels of housing data for the subject four-county region. Bowen National Research relied on a variety of data sources to generate this report (see Addendum A). These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study.

EXECUTIVE SUMMARY

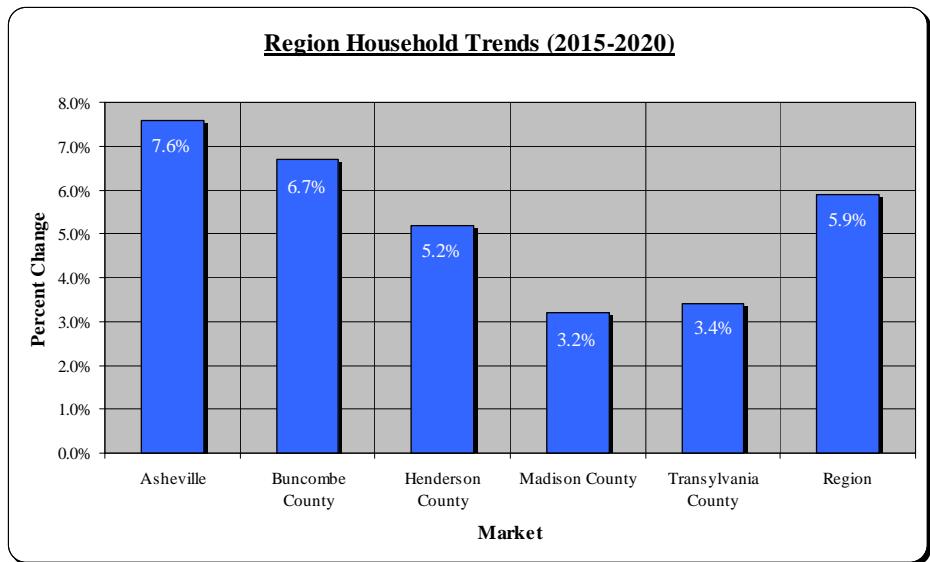
The purpose of this report is to conduct a Housing Needs Assessment of the four-county region that includes and surrounds the city of Asheville, North Carolina. The four counties evaluated in this report are Buncombe, Henderson, Madison, and Transylvania. This evaluation takes into account the demographics, economics and housing supply of the region, along with the input of area stakeholders, and estimates the housing gaps and needs of the study area between 2015 and 2020 for the subject region. The research and analysis, which includes a collection of primary data, analysis of secondary data and on-site market research, was conducted between October and December of 2014. This executive summary addresses key highlights from the full Housing Needs Assessment.

REGION STUDY AREA

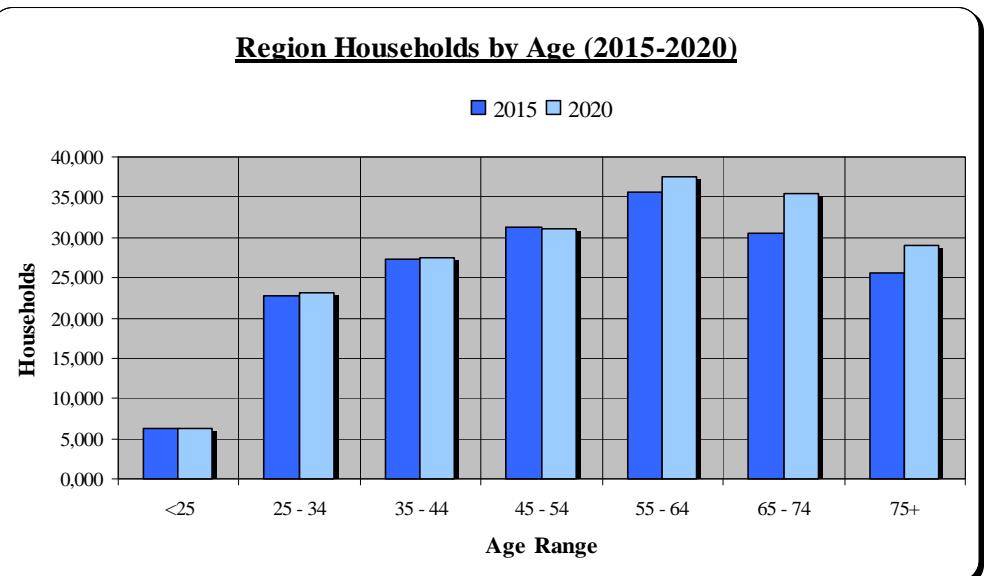


Demographics

The subject region is projected to experience a population increase of 5.8% between 2010 and 2015 and a 5.5% growth rate between 2015 and 2020. These growth rates are comparable to North Carolina statewide growth trends. Between 2015 and 2020, the overall region is projected to add 10,506 (5.9%) households. Counties with the greatest projected percent growth of households from 2015 to 2020 include Buncombe (6.7%) and Henderson (5.2%). The 7,219 new households projected to be added to Buncombe County between 2015 and 2020 represent over two-thirds (68.7%) of the household growth for the overall region during this time. Regardless, new household growth is projected to occur among all four of the region's counties, adding to growing need for more housing in each county. The city of Asheville is projected to experience a 7.6% household growth rate, outpacing each of the subject counties and the region.

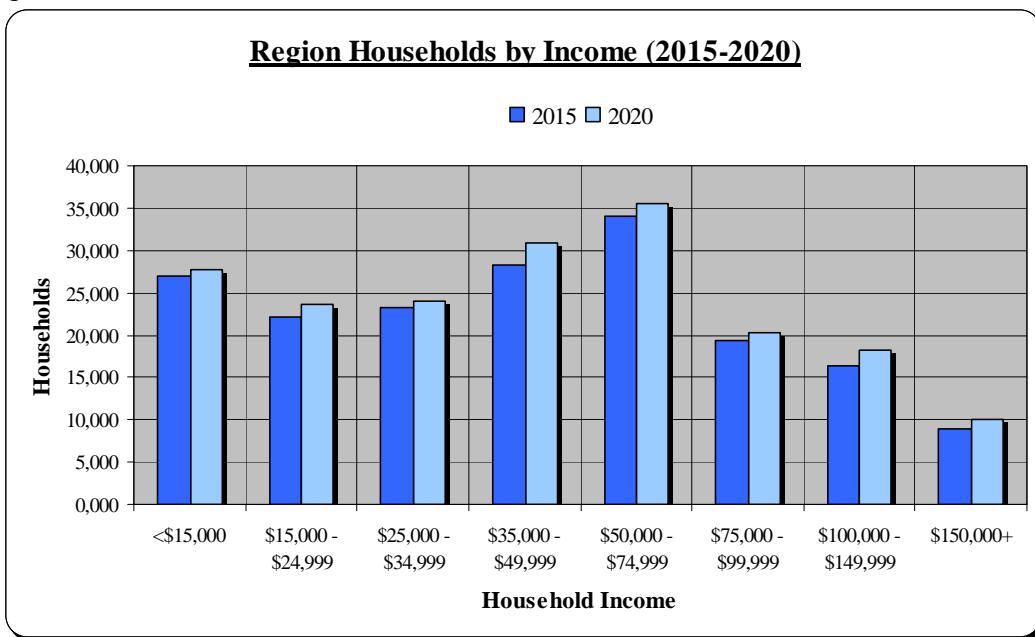


It is projected that most of the growth in the region between 2015 and 2020 will occur among households age 55 and older. This age group is projected to increase by 10,342 (11.3%) households during this five-year period. The largest increase within a single age group will be among seniors between the ages of 65 and 74, which is projected to add 4,996 (16.4%) households. These senior growth trends are primarily attributed to seniors aging in place, and essentially moving from the non-senior household segment and into the senior (age 55+) household segment. Modest regional growth is projected to occur among households between the ages of 25 and 34 (319, 1.4%) and between 35 and 44 (186, 0.7%). As such, housing needs will be diverse.



Among *renter* households in the region, the greatest share of household sizes in 2015 will be one-person households, which will represent 40.3% of the total households in the region. Two-person households will represent the second largest share (28.3%). Three-person or larger households will represent nearly one-third (31.4%) of the households. The share of households by size will change slightly between 2015 and 2020, with the greatest increase occurring among one-person households (increasing from 40.3% to 40.7% and adding 1,797 one-person households). Two-person households will increase by 928 (5.6%) through 2020, while three-person and larger households will increase by 1,098 (6.0%). These growth trends indicate that while smaller units (e.g. studio to two-bedrooms) will likely be needed to accommodate the disproportionate growth of one- and two-person households, with more than 1,000 three-person households expected to be added to the region, there will also need to be larger bedroom types added to the region's housing stock over the next several years. In 2015, it is projected that the largest share of *owner-occupied* households by size within the region will consist of two-person households, representing 42.3% of all owner households. One- and two-person households will represent a combined share of 67.9% of all households in 2015. It is projected that between 2015 and 2020 the greatest household growth will be among two-person households, which will add 2,400 (4.6% increase) households. Three-person or larger households are also projected to grow by 2,153 (5.5%) during this time, increasing the likely need for additional larger housing units such as three-bedroom or larger units for the foreseeable future.

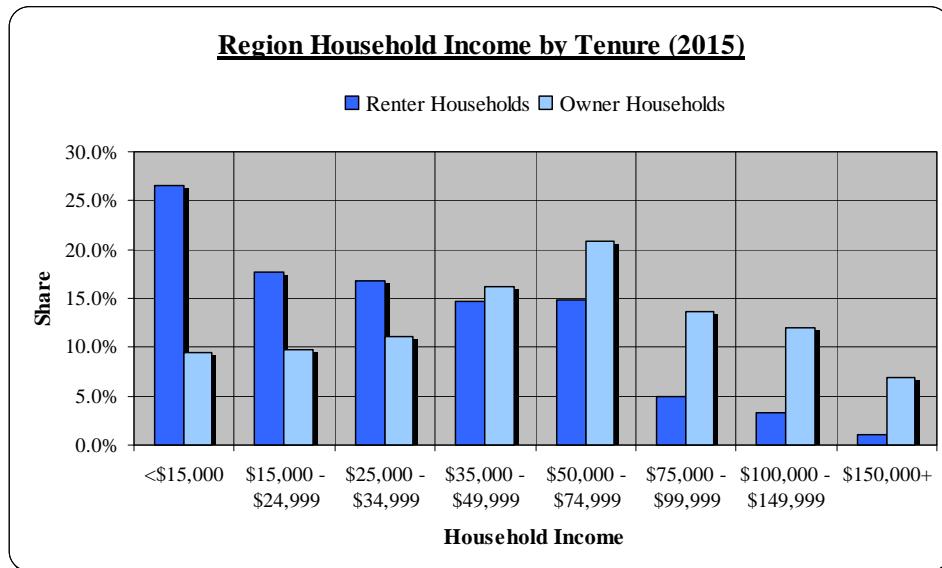
Between 2015 and 2020, all income household segments within the region are projected to increase. The greatest of the household growth within the region is projected to occur among households that make between \$35,000 and \$49,999 a year, which are projected to increase by 2,725 (9.7%) during this five-year period. Notable growth is projected to occur among households with incomes between \$15,000 and \$24,999 (1,453 households, 6.6% growth), between \$50,000 and \$74,999 (1,371, 4.0%), and between \$100,000 and \$149,999 (1,734, 10.6%). As such, a variety of housing needs by price point and rent will grow.



The specific distribution of households by income and tenure for 2015 and 2020 are illustrated in the tables on the following page.

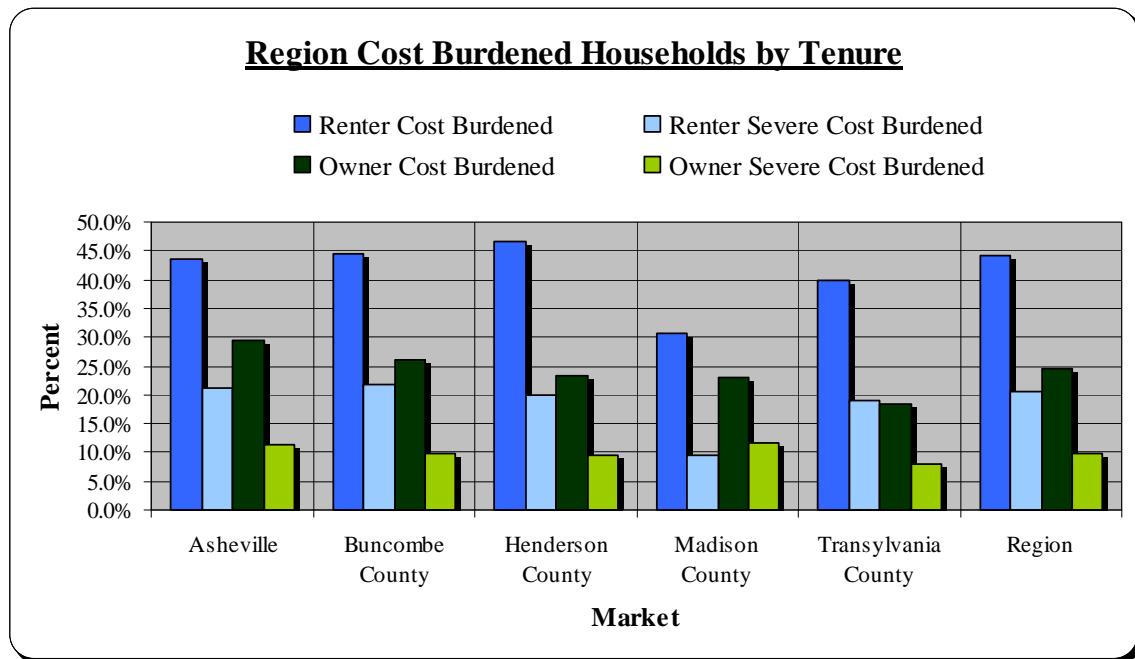
		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)
		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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



As the preceding tables illustrate, while all renter household income segments are projected to grow, the greatest *renter* household growth between 2015 and 2020 within the region is projected to occur among those with annual incomes between \$35,000 and \$49,999. Notable renter households by income growth is projected to occur among households with incomes between \$15,000 and \$24,999, as well as between \$25,000 and \$34,999. All *owner* household income segments are projected to grow between 2015 and 2020, with the greatest projected growth among homeowners expected to occur among households with income between \$100,000 and \$149,999, though notable owner household growth is projected to occur among those with income between \$35,000 and \$49,999, and between \$50,000 and \$74,999. These renter and owner household income trends are fairly consistent in each of the four counties and within Asheville. As a result, there will likely be an increase in demand for more housing that is affordable to lower income households, as well as more affluent households.

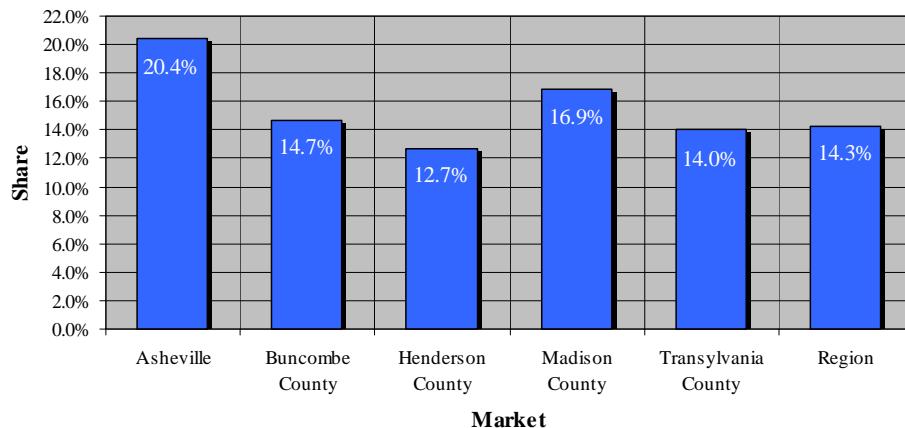
Cost burdened households are those paying over 30% of their income towards housing costs, while *severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. Among the region's renter households, a total of 23,317 (44.2%) are cost burdened and 10,926 (20.7%) are *severe* cost burdened. The greatest *number* and *share* of severe cost burdened renter households is in Buncombe County. A total of 28,131 (24.4%) owner households in the region are cost burdened while 11,187 (9.7%) are *severe* cost burdened. While the region's shares of cost burdened and *severe* cost burdened households are slightly below state averages, they remain significant and indicate that large shares of regional households are paying high portions of their income towards housing. As such, the affordability of area housing is an important factor that should be considered in future housing plans for the region.



Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while *severe* overcrowding housing is considered a unit with 1.51 or more persons per room. In the region, 1,783 (3.4%) renter households and 1,517 (1.3%) owner households are experiencing overcrowded housing situations. A total of 485 (0.9%) renter households and 385 (0.3%) owner households in the region are experiencing *severe* overcrowded housing conditions. Buncombe County has the region's highest share of severe overcrowded renter households, while the share of owner households with severe overcrowding is relatively even among the counties. Generally, the city of Asheville has slightly higher shares of people living in overcrowded and *severe* overcrowded housing units than the overall region.

It is estimated that 56,739 people in the region live in poverty, representing 14.2% of the region's population. Of those living in poverty, over one-half (58.7%) are between the ages of 18 and 64. It should be noted that 17,106 people living in poverty are children under the age of 18, representing 20.8% of all children. As such, one in five children is believed to be living in poverty. Over one in 11 seniors age 65 or older live in poverty. These ratios are slightly below the state of North Carolina averages.

Region Population w/ Income Below Poverty Level



Special Needs Populations

The following table summarizes the various special needs populations within the region that were considered in this report. It should be noted that county level data, when available, is presented and discussed in the county chapters of this report.

Asheville Region Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	641	Persons with Disabilities (PD)	59,980
Victims of Domestic Violence (VDV)	731	Elderly (Age 62+) (E62)	105,830
Persons with Substance Abuse (PSA)	466	Frail Elderly (Age 62+) (FE62)	11,366
Adults with Mental Illness (MI)	16,425	Ex-offenders (Parole/Probation) (EOP)	855
Adults with Severe Mental Illness (SMI)	290	Unaccompanied Youth (UY)	87
Co-Occurring Disorders (COD)	6,857	Homeless Veterans	469
Multi-Generational Households (MGH)	5,068	Homeless Population	4,066

Note: Data sources cited in *Addendum A: Sources*

Excluding the homeless population, the largest number of special needs persons is among those age 62 and older, persons with disabilities, adults with mental illness and the frail elderly (persons age 62+ requiring some level of Assistance with Daily Living). According to our interviews with area stakeholders, housing alternatives that meet the specific needs of the special needs population are limited. Detailed commentary and analysis regarding these groups is provided starting on page 41 of the Region analysis portion of this report.

Housing Supply

This housing supply analysis considers both rental and owner for-sale housing. Understanding the historical trends, market performance, characteristics, composition, and current housing choices provide critical information as to current market conditions and future housing potential. This is only a sample survey of the more than 200,000 housing units in the region.

The housing structures included in this analysis are:

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

Based on research conducted by Bowen National Research and secondary data sources, an inventory of surveyed and/or evaluated housing stock was compiled. Overall, a total of 167 multifamily rental properties, 101 non-conventional rentals (e.g. single-family homes, duplexes, etc.), 101 home stay rentals (individual bedrooms or *portions* of larger units rented), 377 vacation rentals, 171 mobile home parks, 22,330 recently sold housing units and 3,669 currently available for-sale units, and 58 senior care facilities with 4,682 beds were identified and analyzed in the region. The region's surveyed housing supply is summarized as follows.

Region Surveyed Housing Supply				
Product Type	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	14,198	137	1.0%***	\$222 - \$2,550
Non-Conventional Rentals	25,835*	101	5.2%*	\$380 - \$3,800
Home Stays	N/A	101	N/A	\$150 - \$1,136
Vacation Rentals	N/A	377	N/A	\$1,620-\$75,705
Mobile Home Rentals	10,477*	N/A	N/A	\$425-\$795
Owner For-Sale Housing	22,330**	3,669	2.4%*	\$5,500-\$10,750,000
Senior Care Housing	4,682	236	5.0%	\$1,060-\$4,273
<i>Independent Living</i>	1,041	37	3.6%	\$1,060-\$4,273
<i>Multi-Unit Assisted Housing</i>	643	13	2.0%	\$1,525-\$5,978
<i>Adult Care Homes</i>	1,176	97	8.3%	\$1,298-\$5,295
<i>Nursing Homes</i>	1,822	89	4.9%	\$5,322-\$12,318

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

***Vacancy rate based on physical vacancies, not economic vacancies

Bowen National Research identified and studied 71,898 total housing units among the various housing segments studied in this report. Our research identified 4,857 vacant/available units (Note: vacant units include units in apartments, available for-sale housing, and vacant beds or units in senior care housing). While there are likely other vacancies in the region such as shelter housing, institutional housing such as student dormitory units, for-sale housing by owner, vacant/abandoned or other short-term housing units that are vacant, the 4,857 identified vacant/available units are likely a reasonable representation of the overall market's conditions of available housing.

Based on Bowen National Research's analysis of the region's housing supply, it is evident that the demand for housing in the region is very strong and that there is limited availability. The inventoried supply has vacancy rates by product type ranging from 1.0% (multifamily apartments) to 8.3% (adult care homes). Although the standards used for defining the health of a housing market vary to some degree, vacancy rates generally between 4.0% to 6.0% for rental housing and for-sale housing markets and generally between 9.0% and 11.0% for senior care housing are considered representative of healthy and stable markets. As such, vacancy rates for the various housing segments in the region are considered very low and are clear indications that demand for each housing segment is strong.

Multifamily Rental Housing – A total of 167 multifamily housing properties with a total of 14,198 units were identified and inventoried within the region. These rentals have a combined vacancy rate of 1.0%. It is critical to point out that this 1.0% vacancy rate is based on physical vacancies, which are considered vacant units that are available for immediate occupancy. This differs from economic vacancies, which are considered units that are not being rented due to being uninhabitable, being renovated or prepared for rent or other reasons that prevent them from immediate occupancy. Economic vacancies are generally two percentage points higher than physical vacancies. Therefore, it is likely that multifamily rentals are operating at a 3.0% economic vacancy rate. As such, the region's multifamily housing supply has an extremely low vacancy rate which is an indication that there is very limited availability among multifamily apartments in the region. While market-rate housing offers the largest number of surveyed multifamily units in the region, these particular units appear to remain in high demand as evidenced by the 1.5% vacancy rate among the 9,379 market-rate units in the region. More importantly, all 3,706 government-subsidized units and all 1,113 Tax Credit units surveyed in the market are fully occupied. Additionally, of the 50 fully occupied subsidized projects surveyed in the region, 46 (92.0%) maintain wait lists ranging from 150 households to up to eight years in duration. Among the 33 fully occupied Tax Credit projects surveyed in the region, 30 (90.9%) maintain wait lists with up to 150 households. Besides the inventory of affordable housing units, there are approximately 2,223 Housing Choice Vouchers issued to very low income households in the region and an estimated 1,071 households on the local housing authorities' wait lists for the next available vouchers. This Voucher wait list, combined with the limited available government-subsidized units and wait list for these units, indicate the significant pent-up demand and need for affordable rentals within the region. Median rents by bedroom/bathroom type range from \$832 to \$3,300 for the market-rate units and from \$583 to \$1,187 for Tax Credit units.

Non-Conventional Rental Housing – Non-conventional rentals are considered one- or two-unit structures, such as single-family homes, duplexes, units over store fronts or other alternatives not contained within a multifamily development. Based on data provided by the American Community Survey, it is estimated that the region's non-conventional supply is operating at a vacancy rate of around 5.2%. This is considered a fair vacancy rate. Bowen National Research identified and evaluated 101 vacant non-conventional rental units, which is considered a sample survey of such properties. The collected rents for non-conventional rentals identified range from \$380 to \$3,800. The median rents were \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,200 for a three-bedroom unit and \$1,500 for a four-bedroom or larger unit. Generally, the highest non-conventional rents are within Buncombe and Henderson counties.

Vacation Rentals – Bowen National Research conducted a sample survey of vacation rentals within the region. Overall, a total of 377 individual units were identified and inventoried. The base rents for the identified vacation rentals range from \$1,620 to \$3,750, depending upon bedroom type. The median rents are \$4,470 for a one-bedroom unit, \$4,500 for a two-bedroom unit, \$6,000 for a three-bedroom unit, and \$10,313 for a four-bedroom or larger unit. The rental rates of vacation rentals are significantly higher than most conventional multifamily apartments surveyed in the market. Generally, such rentals are four times higher than conventional rentals, essentially eliminating this type of housing as a viable long-term housing alternative to most area renters. However, due to this rent differential, such housing may appeal to owners of traditional, long-term conventional rentals who may want to convert their housing to vacation rentals. This is addressed in the case study analysis, near the end of the Region section.

Home Stay Rentals – A home stay rental is generally considered a bedroom or a few rooms that are rented to tenants on a short-term basis and typically represents a portion of a full rental unit. Tenants in a home stay rental often have shared access to common areas such as bathrooms and kitchens. Overall, a total of 101 individual home stay rental “units” were identified and surveyed. The rents for home stay rentals identified range from \$150 to \$1,136 per month. The median rent is \$450 per unit/room. The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the market, which is not surprising since such rentals are typically limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). While home stay rentals represent a viable option for low-income households, such rentals likely only primarily accommodate one-person households, limiting their ability to serve couples and families.

Mobile Home Rentals – Based on information from the American Community Survey, there are a total of 27,906 occupied mobile home units in the region, of which 17,429 (62.5%) are owner-occupied units and 10,477 (37.5%) are renter-occupied units. Bowen National Research identified more than 170 mobile home parks in the four-county region through secondary resources. Based on a sample survey of mobile home park operators, typical vacancy rates average around 10%, though some parks are reporting no vacancies. Reported lot rents range from \$110 to \$410 per month, while actual mobile home units rent from \$425 to \$795 per month depending on size and condition of the unit. Based on this data, it appears that mobile homes provide an affordable rental housing option for area residents. Although the quality of the mobile homes varies, they are generally considered to be of lower quality than many of the area's other rental alternatives.

For-Sale Housing – Bowen National Research identified 22,330 homes sold since January 2010 and 3,669 homes currently available for purchase in the region. Excluding the partial year of 2014, annual residential for-sales activity within the subject region has ranged between 3,529 in 2010 and 5,480 in 2013. The annual sales activity has grown each of the past three full years, with above 20 percent growth in each of the past two years. The region is currently on pace to sell over 5,650 residential units for all of 2014, which will be a five-year high. The region has experienced positive increases in median sales *prices* in the past three years. The median sales price of \$202,950 through November of 2014 is a five-year high for the region. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in the region. Within the region, the *available* homes have a median list price by county ranging from \$270,445 in Madison County to \$300,000 in Buncombe County, with a regional median list price of \$290,418. In order for a typical household to be able to afford such a home priced at or above the median home price they would generally need to have a minimum income of around \$100,000. Within the region, only 12.1% of owner households have an income of \$100,000 or higher. As such, there appears to be a mismatch between household prices and affordability.

Senior Care Housing – Within the region there are a total of 87 senior care facilities identified, including a mix of independent living facilities, multi-unit assisted housing, adult care homes, and nursing homes. In October and November of 2014, Bowen National Research surveyed a total of 58 of these facilities containing a total of 4,682 units/beds. The senior care facilities have vacancy rates by product type ranging from 2.0% to 8.3%, with an overall vacancy rate of 5.0%. Nationally, depending on the type of senior care product, vacancy rates for senior care housing range from 9.9% to 11.0%. As such, the region's senior facilities are performing at levels similar to or better than national standards. Regionally, the median base monthly fees are \$1,250 for independent living facilities, \$2,663 for multi-unit assisted facilities, \$2,550 for adult care homes, and \$6,782 for nursing care. Generally, it appears the highest senior care housing fees are within Madison and Transylvania counties, while the lowest housing fees are within Buncombe County. With relatively limited availability among the region's senior care facilities and a large growing base of seniors, it is anticipated that the region will need additional senior care housing in the years ahead.

Housing Gap Estimates

Bowen National Research conducted housing gap/need analyses for rental and for-sale housing for the subject region. The **housing needs** estimates include growth, cost burdened households, households living in substandard housing, and units in the development pipeline. These estimates are considered a broad evaluation of the needs of the market. The **housing gap** analysis includes all of the same metrics used in the housing needs analysis except for cost burdened households, but includes units required for a balanced market. Cost burdened households are excluded from the housing gap analysis as they are considered to have their housing needs met, even though they are paying a disproportionately high share of their income towards housing expenses. The housing gap estimates are considered a more conservative representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Only the housing gap estimates are included in this Executive Summary.

A housing needs analysis was also conducted for senior care facilities in the region. While senior care facilities can range widely in prices, levels of care, physical accommodations, quality and other factors, and be diverse in the populations they serve due the varying needs of seniors, we have used national standards to establish the potential housing needs estimates for senior care housing. We have applied national standard disability rates associated with households requiring assistance with Activities of Daily Living (e.g. dressing, bathing, medicine reminders, etc.). It is important to understand that because the various housing facilities differ greatly in the types of services they offer and typical age groups they serve, we have assumed that any resident living in a senior care facility will require assistance with a minimum of three Activities of Daily Living and be age 62 or older.

Housing Gap Analysis

The tables below illustrate the region's rental housing gap, assuming the housing gap originates exclusively from *new household growth, units required for a balanced market, and replacement of substandard housing* only.

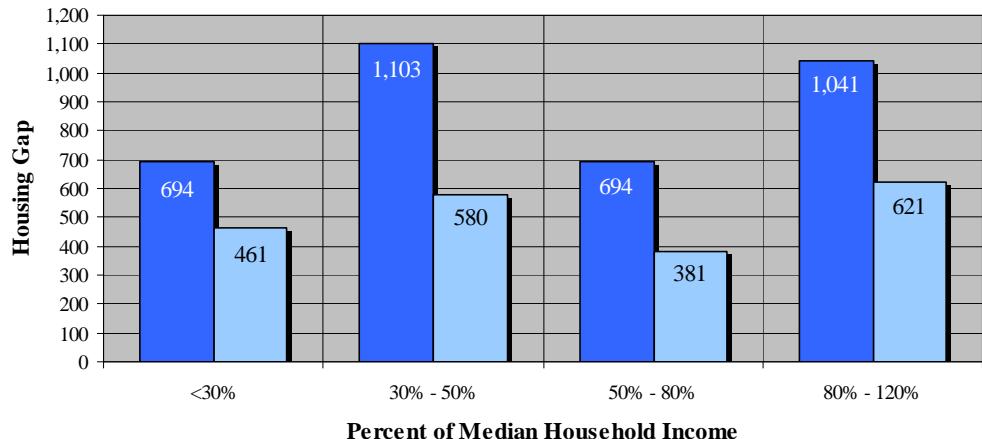
Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-61	595	204	1,100	1,838
Balanced Market	492	345	350	484	1,671
Substandard Housing	365	265	276	447	1,353
Development Pipeline	-102	-102	-136	-990	-1,330
Total Housing Gap	694	1,103	694	1,041	3,532

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	148	368	207	633	1,356
Balanced Market	200	142	128	198	668
Substandard Housing	152	110	100	179	541
Development Pipeline	-39	-40	-54	-389	-522
Total Housing Gap	461	580	381	621	2,043

Based on the preceding analysis, the housing gaps by income level range from 694 to 1,103 for the *family* units and from 381 to 621 for the *senior* units. Rental housing priorities should consider the housing segments demonstrating the greatest housing gaps. It should be noted that despite the fact that more than 1,000 units that would be affordable to households with incomes between 80% and 120% of AMHI are currently within the development pipeline, the housing gap remains significant among this household income segment. This is primarily attributed to the large number of new renter households that are projected to be added to this income segment between 2015 and 2020.

Region Rental Housing Gap by Income

■ Family Households ■ Senior Households



Owner Housing Gap Analysis

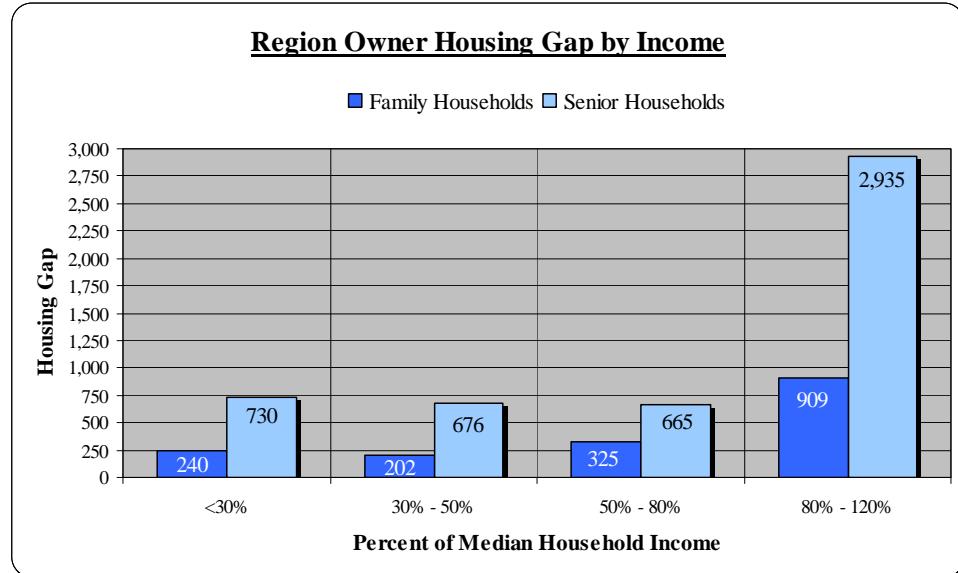
The tables below illustrate the owner for-sale housing gap estimates, assuming the housing gaps originate exclusively from *new household growth, units required for a balanced market, and replacement of substandard housing only.*

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	75	36	138	266	515
Balanced Market	98	98	111	381	688
Substandard Housing	67	68	76	262	473
Development Pipeline	0	0	0	0	0
Total Housing Gap	240	202	325	909	1,676

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	513	454	415	2,096	3,478
Balanced Market	128	130	147	488	893
Substandard Housing	89	92	103	351	635
Development Pipeline	0	0	0	0	0
Total Housing Gap	730	676	665	2,935	5,006

Based on the preceding analysis, the housing gaps by income level range from 202 to 909 for the family units and from 665 to 2,935 for the senior units. The relatively large household growth projected for the 80% to 120% AMHI income band between 2015 and 2020 is the primary driver behind this income band's housing gap. It is important to note that while there are likely seniors (e.g. empty nesters, retirees, etc.) relocating to the region due to its desirability, it is likely that a large portion of the projected senior growth

is attributed to seniors aging in place. The Asheville region, like most parts of the country, has a large base of baby boomers that have been and will continue to age in place, essentially staying in the area as they age. This will result in a shift of households from one age segment to an older age segment. As such, this trend is likely contributing to the large growth numbers for senior homeowners. While many of these households are already in the market, the large housing gaps for senior housing indicate that these older households will likely want or require different housing to meet their changing housing needs as they age. This should be considered in future housing planning strategies for the region.



Senior Care Housing Need Estimates

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

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	121,707
Times Share* of Elderly Population Requiring ADL Assistance	7.40%
Equals Elderly Population Requiring ADL Assistance	9,006
Plus External Region Support (20%)	1,801
Equals Total Senior Care Support Base	10,808
Less Existing Supply	-6,611
Less Development Pipeline	-203
Potential Senior Care Beds Needed by 2020	3,994

ADL – Activities of Daily Living

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

Based upon age 62 and older population characteristics and trends, and applying the ratio of persons requiring ADL assistance and taking into account the existing and planned supply, we estimate that there will be 3,994 households with a senior (age 62+) requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020.

It is important to understand that not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Typically, institutionalization rates (the share of seniors seeking senior care housing) is around 50%. Applying this share to the 3,994 seniors requiring ADL assistance yields **an estimated 1,997 senior care housing beds that will likely be needed in the region by the year 2020**. Such housing will likely need to be in the form of a variety of housing options ranging from independent living with optional services to nursing home facilities.

Conclusions

Housing markets are dynamic and there are many factors that contribute to the housing challenges and needs of a community or region. While individual issues should be addressed, successful housing planning strategies should be broad to meet the diverse needs of a community and flexible to meet the often changing dynamics of a market. The following is a summary of findings for the local public and private entities to consider, as they relate to meeting the housing needs of the Asheville region.

1) Insufficient Rental Housing Supply: As shown in the housing supply portion of this report, there are very few *available* rental alternatives within the region, with the surveyed multifamily housing supply reporting an overall 1.0% *physical* vacancy rate (with an estimated 3.0% *economic* vacancy rate). However, with all surveyed affordable rental properties (e.g. government-subsidized and Tax Credit) fully occupied and over 90% of these properties maintaining wait lists, very few multifamily options are available for low-income households. Although not as pronounced, vacancies are also low among market-rate rentals, indicating that even market-rate renters have relatively limited multifamily options in the region. As a result, additional multifamily housing is needed to meet both current housing needs and to respond to the future renter household growth projected for the region. While a variety of product types are needed, due to the projected growth of senior households and one- and two-person households, the development of smaller bedroom types (one- and two-bedroom units) should be an area of emphasis.

2) Emerging Need for Senior Housing and/or Efforts to Enable Seniors to Age in Place: With the region's greatest household growth projected to occur among seniors age 65 to 74 (4,996 households projected to be added between 2015 and 2020), and significant growth projected to occur among those between the ages of 55 and 64 and among those age 75 and older during this same time, the region's base of senior households will increase significantly. Due to the lack of available housing, particularly multifamily rental housing alternatives, the region will need to expand its supply of senior-oriented housing to meet this growth. This will include independent living alternatives as well as senior care housing product. Efforts should also be made to promote pre-emptive actions that lead to the removal of physical barriers and encourages property modifications that would enable seniors to age in place longer. This includes supporting home repair and home maintenance efforts to extend the usefulness of existing housing.

3) Insufficient Supply of Homes for Sale for Moderate-Income Households: Based on the Housing Gap Estimates provided in this report, the largest gap among the owner for-sale housing supply appears to be among units affordable to households with incomes between 80% and 120% of Area Median Household Income (AMHI). This household income segment is projected to increase significantly between 2015 and 2020. Efforts should be made to increase the supply of for-sale homes that are affordable to moderate income households, including land zoned for efficient densities, and promoting townhouse and other lower-cost for-sale housing development options.

4) Utilization of Affordable Rental Housing Programs – With a region wide rental housing gap estimate of nearly 4,000 units affordable to households with incomes below 80% of Area Median Household Income (AMHI), combined with the fact that there are no vacancies but long wait lists for affordable housing in the region, there is clear and pent-up demand for affordable housing in the subject region. Continued and possibly expanded support for various state and federal programs used to develop or maintain affordable housing in the region, particularly programs focused on low income renter households, will be critical to meeting current and future housing needs of the region. As such, the region is in need of additional affordable multifamily housing, with the greatest need for units affordable to households with incomes below 80% of Area Median Household Income (AMHI).

5) Need for Home Repair/Maintenance Programs (with Emphasis on Senior Housing): As shown in the housing supply analysis, a majority of region's existing rental and owner housing supply is more than 30 years old, much of the region's housing stock is considered old. Based on Bowen National Research's on-site exterior evaluations of much of the region's housing stock, it was determined that a notable portion of the housing stock is in need of repairs and modernization. The aging population's housing needs may be mitigated if seniors are able to stay in their homes longer and age in place.

REGIONAL ANALYSIS

A. SCOPE OF WORK

The scope of work included in this report includes:

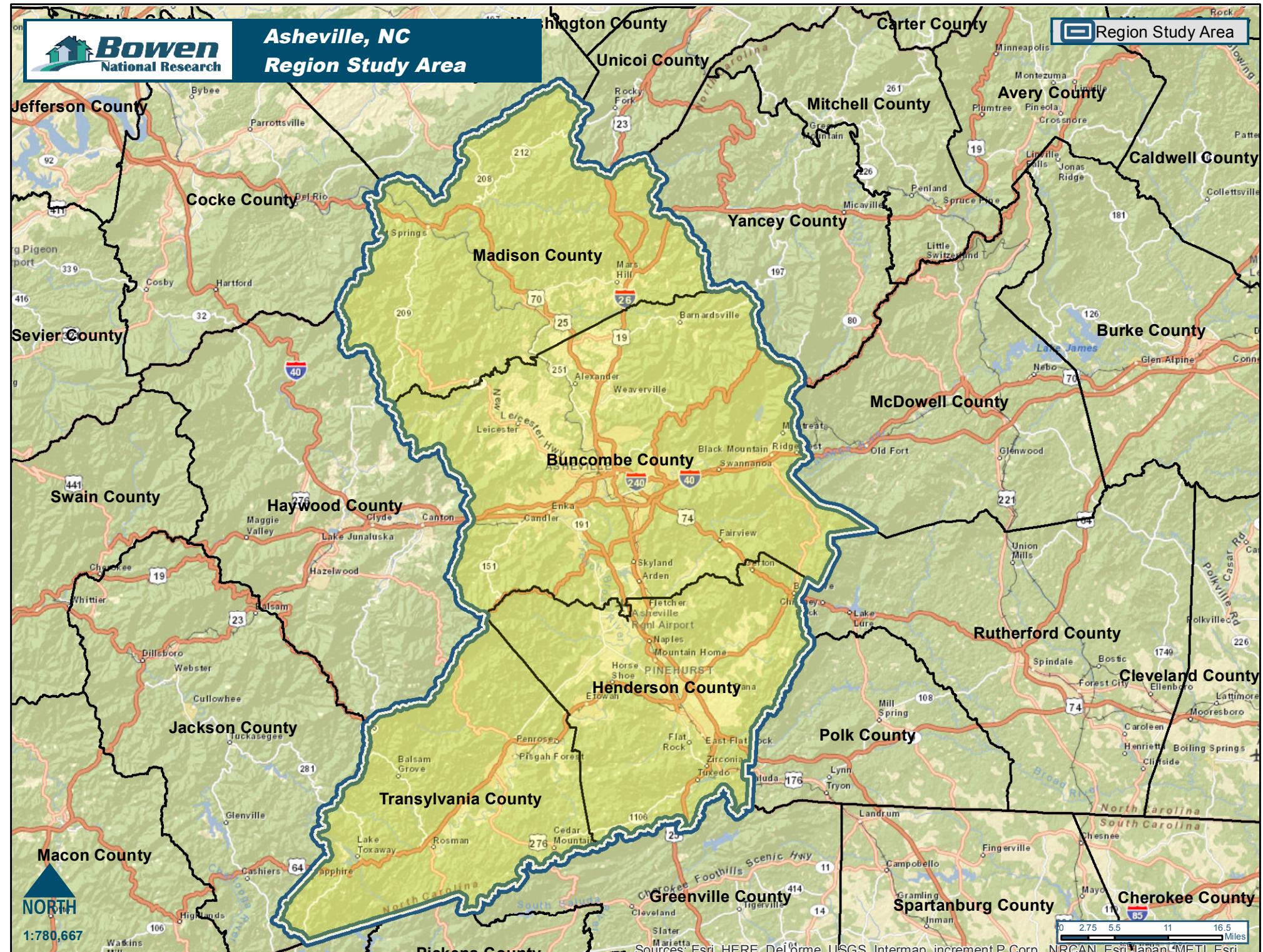
- A housing survey and/or inventory of nearly 170 multifamily rental properties with over 14,000 total rental units, inventory of over 100 non-conventional rentals (e.g. single-family homes, duplexes, etc.), inventory of over 100 home stay rentals (bedrooms or other portions of units rented), inventory of over 375 vacation rentals, analysis of approximately 171 mobile home parks, evaluation of for-sale housing data on 22,330 homes sold and 3,669 currently available for-sale housing units, and a survey of 58 senior care facilities (e.g. adult care facilities, nursing homes, etc.). The housing data evaluated includes rents/price points, vacancy levels, wait lists, year built, and quality.
- An evaluation of numerous demographic trends and characteristics of the individual counties and Asheville was completed and compared with the state. Data is presented for the population, households and incomes for each study area with an emphasis on 2010, 2015 and 2020.
- Economic metrics associated with employment by job sector, total employment and unemployment rates of each county and the overall state were evaluated.
- An evaluation of the homeless population and other special needs populations was conducted. The housing alternatives provided to these special needs groups was also considered.
- Stakeholder interviews were conducted with nearly 40 representatives across all four counties in the region to obtain local perspectives and insights on housing issues at the county and/or local level.
- Case studies and analysis of other areas that have a prominent vacation rental market.
- Housing gap/needs estimates for both rental and for-sale housing by various income levels.
- We provided our opinion on the housing priorities of the region and provided recommendations for general strategies for meeting the overall housing needs of area residents.
- Nearly 200 individuals and organizations were personally contacted by Bowen National Research to obtain information required to conduct this housing needs assessment.

The four counties that comprise the subject region that were evaluated in this report are delineated on the map that follows this page.



Asheville, NC Region Study Area

Region Study Area



B. DEMOGRAPHICS

Each subject county and the city of Asheville was evaluated based on various demographic characteristics and trends. Data sources used in this demographic analysis include ESRI, Ribbon Demographics, 2000 and 2010 U.S. Census, American Community Survey, Nielson Claritas, Urban Decision Group and Bowen National Research. The data was illustrated for various points in time and include 2000, 2010, 2015 and 2020.

Demographic characteristics and trends considered in this analysis include:

- Total Population and Population Growth Trends
- Population by Age
- Population Density
- Total Households and Household Growth Trends
- Households by Age
- Population by Education Attainment
- Population by Race
- Households by Tenure
- Households by Income and Tenure
- Households by Cost Burden
- Households Living in Overcrowded Housing
- Population by Poverty Status
- Special Needs Populations:
 - Homeless Population
 - HIV/AIDS
 - Victims of Domestic Violence
 - Persons with Substance Abuse
 - Adults with Severe Mental Illness
 - Co-Occurring Disorders
 - Persons with Disabilities
 - Elderly (Age 62+)
 - Frail Elderly (Persons Age 62+ Requiring Assistance with Daily Living)
 - Ex-Offenders (On Parole/Probation)
 - Unaccompanied Youth

When available, all data is presented both on a county and city (Asheville) level and for the overall state of North Carolina. *Detailed* county and Asheville data and analysis is provided for each area in individual county and city of Asheville profiles included later in this report.

Key Demographic Findings

Significant *population* demographic findings include the following:

Total Population – Historical (2000 to 2010) population growth in the region has been very positive. The four county study region experienced a population growth rate of 15.8% between 2000 and 2010, adding 54,440 people during this time. It is projected to experience a population increase of 5.8% between 2010 and 2015 and a 5.5% growth rate between 2015 and 2020. These growth rates are comparable to North Carolina statewide growth trends. While Henderson County's population grew the fastest (19.7%) of the four counties in the region between 2000 and 2010, it is projected that Buncombe County will grow the fastest between 2010 and 2015, increasing by 6.5%. Buncombe County is also projected to experience the fastest population growth between 2015 and 2020, adding another 6.3% to its population during this time. The city of Asheville is projected to experience population growth that will outpace each county in the region, with a projected population growth rate of 7.4% between 2010 and 2015 and a 7.1% growth rate between 2015 and 2020.

Population by Age – Regionally, the greatest growth in population between 2010 and 2015 is projected to occur among the population between the ages of 65 and 74, which are expected to grow by 9,793 (24.9%). The population between the ages of 55 and 64 is projected to grow by 4,954 (8.8%) during this time. It is projected that between 2015 and 2020 the greatest population growth will occur among persons between the ages of 65 and 74, which is projected to increase by 8,661 (17.6%). This growth among the senior population is primarily attributed persons aging in place. Excluding the population under the age of 25, which includes children, the largest share of population will be between the ages of 55 and 64, which will represent 14.7% of the region's population in 2020. On a county level between 2015 and 2020, the greatest projected growth within Buncombe, Henderson and Madison counties will be among seniors between the ages of 65 and 74, while the greatest growth in Transylvania County will be among people ages 75 and older. The city of Asheville is projected to experience population growth among all age segments between 2015 and 2020, with the greatest increase among persons between the ages of 65 and 74.

Population Living in Poverty – It is estimated that 56,739 people in the region live in poverty, representing 14.2% of the region's population. Of those living in poverty, over one-half (58.7%) are between the ages of 18 and 64. It should be noted that 17,106 people living in poverty are children under the age of 18, representing 20.8% of all children. As such, one in five children is believed to be living in poverty. Over one in 11 seniors age 65 or older live in poverty. These ratios are slightly below the state of North Carolina averages.

Mobility Patterns – Approximately 85% of the region’s population has lived with in the same residence during the preceding year, while nearly 15% moved to a new residence. This is very similar to the state’s averages. Among the four counties in the region, annual movership rates are similar to each other, ranging from 83.1% (Buncombe County) to 88.9% (Madison County) of residents living in the same residence in the prior year. Residents coming to the area from other states to the subject counties range from 2.8% (Transylvania County) to 4.3% (Madison County). The city of Asheville has less resident stability, as evidenced by the fact that 77.1% of its residents have lived in the same residence during the past year, 12.8% have moved within the city and 5.3% have moved from out of state. However, the higher annual turnover rate is not unusual in more populated areas like Asheville, as such areas typically offer a greater number and more diverse mix of housing alternatives, greater employment opportunities, and higher shares of renter households, which often lead to greater resident mobility than more rural areas.

Significant *household* and *income-related* findings include:

Total Households – Between 2015 and 2020, the overall region is projected to add 10,506 (5.9%) households. This is nearly identical to the projected growth for region between 2010 and 2015, which is the result of an expected increase of 10,773 households or an increase of 6.4%. Counties with the greatest projected percent growth from 2015 to 2020 include Buncombe (6.7%) and Henderson (5.2%). The 7,219 new households projected to be added to Buncombe County between 2015 and 2020 represent over two-thirds (68.7%) of the household growth for the overall region during this time. Regardless, new household growth is projected to occur among all four of the region’s counties, adding to growing need for more housing in each county.

Households by Age – It is projected that most of the growth in the region between 2015 and 2020 will occur among households age 55 and older. This age group is projected to increase by 10,342 (11.3%) households during this five-year period. The largest increase within a single age group will be among seniors between the ages of 65 and 74, which is projected to add 4,996 (16.4%) households. These trends indicate that senior-oriented housing needs will likely increase over the next several years. Modest regional growth is projected to occur among households between the ages of 25 and 34 (319, 1.4%) and between 35 and 44 (186, 0.7%). Growth within these segments will likely lead to increase need for family-oriented housing within the region.

Households by Tenure – Regionally, it is projected by 2015 that nearly 70% of all occupied housing units will consist of owners, while just over 30% will consist of renters. These shares are not expected to change significantly by 2020, though they are expected to trend towards an increase in the share of owner households. In terms of household growth by tenure, between 2015 and 2020, the number of owner households is projected to increase by 6,682 (5.5%), while renters will increase by 3,824 (6.6%). As such, owner household growth is projected to outpace renter household growth by nearly a two-to-one margin. This growth in households will affect the future housing needs of the region.

Households by Size and Tenure - Among *renter* households in the region, the greatest share of household sizes in 2015 will be one-person households, which will represent 40.3% of the total households in the region. Two-person households will represent the second largest share (28.3%). Three-person or larger households will represent nearly one-third (31.4%) of the households. The share of households by size will change slightly between 2015 and 2020, with the greatest increase occurring among one-person households (increasing from 40.3% to 40.7% and adding 1,797 one-person households). Two-person households will increase by 928 (5.6%) through 2020, while three-person and larger households will increase by 1,098 (6.0%). These growth trends indicate that while smaller units (e.g. studio to two-bedroom) will likely be needed to accommodate the disproportionate growth of one- and two-person households, with more than 1,000 three-person households expected to be added to the region, there will also need to be larger bedroom types added to the region's housing stock over the next several years. In 2015, it is projected that the largest share of *owner*-occupied households by size within the region will consist of two-person households, representing 42.3% of all owner households. One- and two-person households will represent a combined share of 67.9% of all households in 2015. It is projected that between 2015 and 2020 the greatest household growth will be among two-person households, which will add 2,400 (4.6% increase) households. Three-person or larger households are also projected to grow by 2,153 (5.5%) during this time, increasing the likely need for additional larger housing units such as three-bedroom or larger units for the foreseeable future.

Households by Income - Between 2015 and 2020, all income household segments within the region are projected to increase. The greatest of the household growth within the region is projected to occur among households that make between \$35,000 and \$49,999 a year, which are projected to increase by 2,725 (9.7%) during this five-year period. Notable growth is projected to occur among households with incomes between \$15,000 and \$24,999, between \$50,000 and \$74,999, and between \$100,000 and \$149,999. As such, a variety of housing needs by price point will grow.

Cost Burdened Households - Cost burdened households are those paying over 30% of their income towards housing costs, while *severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. Among the region's renter households, a total of 23,317 (44.2%) are cost burdened and 10,926 (20.7%) are *severe* cost burdened. The greatest *number* and *share* of severe cost burdened renter households is in Buncombe County. A total of 28,131 (24.4%) owner households are cost burdened while 11,187 (9.7%) are *severe* cost burdened. While the region's shares of cost burdened and *severe* cost burdened households are slightly below state averages, they remain significant and indicate that large shares of regional households are paying high portions of their income towards housing.

Overcrowded Housing - Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while *severe* overcrowding housing is considered a unit with 1.51 or more persons per room. In the region, 1,783 (3.4%) renter households and 1,517 (1.3%) owner households are experiencing overcrowded housing situations. Additionally, in the region, 485 (0.9%) renter households and 385 (0.3%) owner households are experiencing *severe* overcrowded housing conditions. Buncombe County has the region's highest share of *severe* overcrowded renter households, while the share of owner households with *severe* overcrowding is relatively even among the counties. While the share of overcrowded households in the region is comparable to state averages and appears to be small, the more than 2,000 households living in overcrowded housing indicate that a notable segment of the existing housing supply is not meeting the needs of many of the region's residents.

A comparison of the four study counties and statewide data, for various demographic metrics is included on the following pages.

Region, County and Asheville Comparisons

Demographic data for each study area is compared in the following tables.

1. POPULATION TRENDS

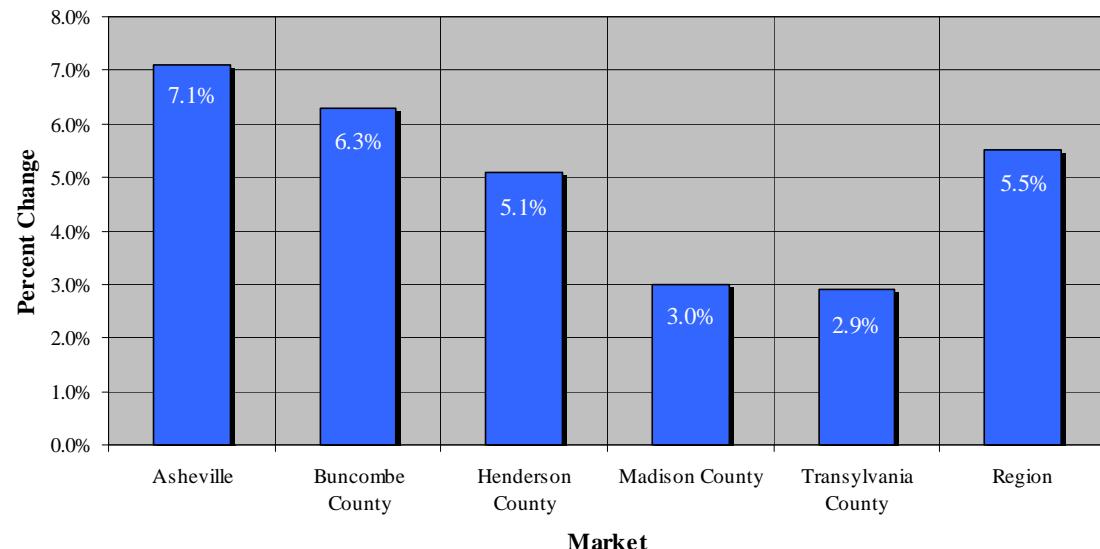
		Year			
		2000	2010	2015	2020
City of Asheville	Population	73,909	83,393	89,571	95,945
	Population Change	-	9,484	6,178	6,374
	Percent Change	-	12.8%	7.4%	7.1%
Buncombe County	Population	206,318	238,318	253,915	269,995
	Population Change	-	32,000	15,597	16,080
	Percent Change	-	15.5%	6.5%	6.3%
Henderson County	Population	89,173	106,740	112,242	117,928
	Population Change	-	17,567	5,502	5,686
	Percent Change	-	19.7%	5.2%	5.1%
Madison County	Population	19,647	20,764	21,498	22,134
	Population Change	-	1,117	734	636
	Percent Change	-	5.7%	3.5%	3.0%
Transylvania County	Population	29,334	33,090	34,243	35,225
	Population Change	-	3,756	1,153	982
	Percent Change	-	12.8%	3.5%	2.9%
Region	Population	344,472	398,912	421,899	445,283
	Population Change	-	54,440	22,987	23,384
	Percent Change	-	15.8%	5.8%	5.5%
North Carolina	Population	8,048,929	9,535,016	10,020,644	10,557,571
	Population Change	-	1,486,087	485,628	536,927
	Percent Change	-	18.5%	5.1%	5.4%

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

Overall, the region experienced a population growth rate of 15.8% between 2000 and 2010, adding 54,440 people during this time. It is projected to experience a population increase of 5.8% between 2010 and 2015 and a 5.5% growth rate between 2015 and 2020. These growth rates are comparable to North Carolina statewide growth trends.

While Henderson County's population grew the fastest (19.7%) of the four counties in the region between 2000 and 2010, it is projected that Buncombe County will grow the fastest between 2010 and 2015, increasing by 6.5%. Buncombe County is also projected to experience the fastest population growth between 2015 and 2020, adding another 6.3% to its population during this time. The city of Asheville is projected to experience population growth that will outpace each county in the region, with a projected population growth rate of 7.4% between 2010 and 2015 and a 7.1% growth rate between 2015 and 2020. The following graph compares the percent change in population from 2015 to 2020 for the study areas.

Region Population Change (2015-2020)



The population bases by age are summarized as follows:

		Population by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
City of Asheville	2010	24,408 (29.3%)	13,655 (16.4%)	11,084 (13.3%)	10,754 (12.9%)	10,326 (12.4%)	6,237 (7.5%)	6,929 (8.3%)
	2015	25,482 (28.4%)	14,014 (15.6%)	11,834 (13.2%)	11,054 (12.3%)	11,478 (12.8%)	8,216 (9.2%)	7,493 (8.4%)
	2020	26,433 (27.6%)	14,612 (15.2%)	12,228 (12.7%)	11,529 (12.0%)	12,552 (13.1%)	9,961 (10.4%)	8,630 (9.0%)
Buncombe County	2010	69,332 (29.1%)	31,883 (13.4%)	31,739 (13.3%)	34,599 (14.5%)	32,669 (13.7%)	20,133 (8.4%)	17,963 (7.5%)
	2015	71,639 (28.2%)	32,824 (12.9%)	32,597 (12.8%)	34,588 (13.6%)	36,101 (14.2%)	26,292 (10.4%)	19,874 (7.8%)
	2020	73,866 (27.4%)	33,974 (12.6%)	33,488 (12.4%)	34,977 (13.0%)	38,813 (14.4%)	31,890 (11.8%)	22,987 (8.5%)
Henderson County	2010	28,559 (26.8%)	11,226 (10.5%)	13,058 (12.2%)	14,827 (13.9%)	15,205 (14.2%)	12,478 (11.7%)	11,387 (10.7%)
	2015	29,465 (26.3%)	11,301 (10.1%)	12,971 (11.6%)	14,599 (13.0%)	16,410 (14.6%)	14,851 (13.2%)	12,647 (11.3%)
	2020	30,368 (25.8%)	11,244 (9.5%)	12,980 (11.0%)	14,657 (12.4%)	17,630 (14.9%)	16,840 (14.3%)	14,211 (12.1%)
Madison County	2010	6,124 (29.5%)	2,079 (10.0%)	2,647 (12.7%)	3,066 (14.8%)	3,182 (15.3%)	2,070 (10.0%)	1,596 (7.7%)
	2015	6,035 (28.1%)	2,159 (10.0%)	2,614 (12.2%)	3,031 (14.1%)	3,339 (15.5%)	2,626 (12.2%)	1,695 (7.9%)
	2020	6,015 (27.2%)	2,177 (9.8%)	2,514 (11.4%)	3,014 (13.6%)	3,377 (15.3%)	3,137 (14.2%)	1,901 (8.6%)

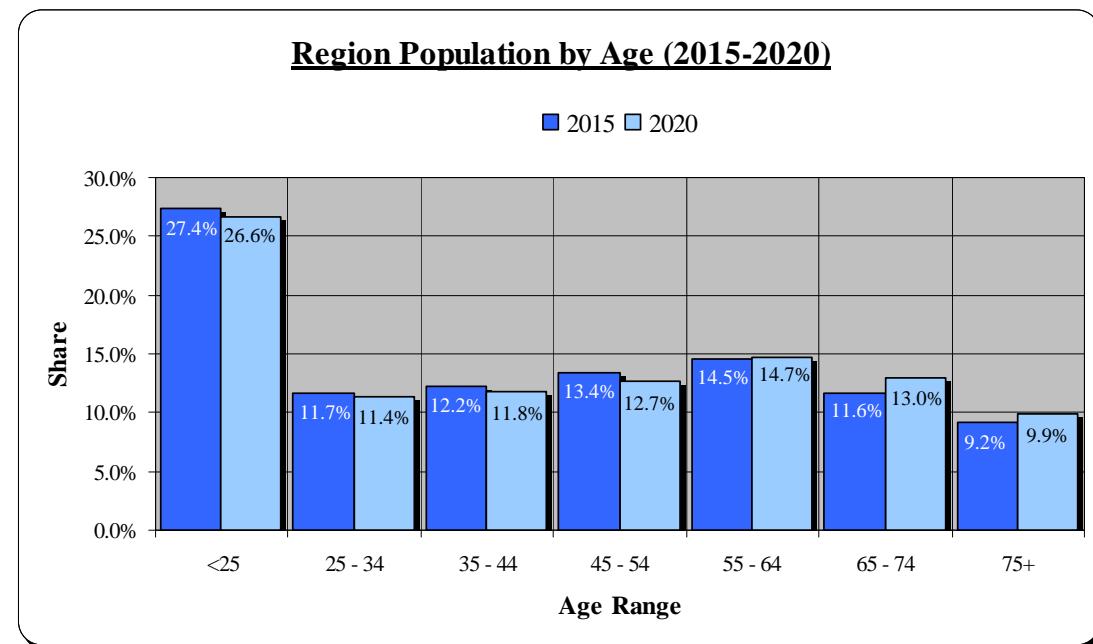
Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

		Population by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Transylvania County	2010	8,610 (26.0%)	2,949 (8.9%)	3,372 (10.2%)	4,493 (13.6%)	5,127 (15.5%)	4,636 (14.0%)	3,903 (11.8%)
	2015	8,397 (24.5%)	3,214 (9.4%)	3,333 (9.7%)	4,241 (12.4%)	5,287 (15.4%)	5,342 (15.6%)	4,429 (12.9%)
	2020	8,221 (23.3%)	3,320 (9.4%)	3,394 (9.6%)	3,893 (11.1%)	5,482 (15.6%)	5,905 (16.8%)	5,010 (14.2%)
Region	2010	112,625 (28.2%)	48,137 (12.1%)	50,816 (12.7%)	56,985 (14.3%)	56,183 (14.1%)	39,317 (9.9%)	34,849 (8.7%)
	2015	115,536 (27.4%)	49,497 (11.7%)	51,515 (12.2%)	56,458 (13.4%)	61,137 (14.5%)	49,110 (11.6%)	38,645 (9.2%)
	2020	118,470 (26.6%)	50,714 (11.4%)	52,376 (11.8%)	56,540 (12.7%)	65,302 (14.7%)	57,771 (13.0%)	44,109 (9.9%)
North Carolina	2010	3,220,127 (33.8%)	1,246,548 (13.1%)	1,327,090 (13.9%)	1,368,570 (14.4%)	1,138,686 (11.9%)	697,515 (7.3%)	536,481 (5.6%)
	2015	3,284,303 (32.8%)	1,313,417 (13.1%)	1,314,246 (13.1%)	1,366,113 (13.6%)	1,268,446 (12.7%)	883,531 (8.8%)	590,588 (5.9%)
	2020	3,365,274 (31.9%)	1,393,720 (13.2%)	1,337,816 (12.7%)	1,352,380 (12.8%)	1,369,865 (13.0%)	1,057,336 (10.0%)	681,180 (6.5%)

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

Regionally, the greatest growth in population between 2010 and 2015 is projected to occur among the population between the ages of 65 and 74, which are expected to grow by 9,793 (24.9%). The population between the ages of 55 and 64 is projected to grow by 4,954 (8.8%) during this time. It is projected that between 2015 and 2020 the greatest population growth will occur among persons between the ages of 65 and 74, which is projected to increase by 8,661 (17.6%). This growth among the senior population is primarily attributed persons aging in place. Excluding the population under the age of 25, which includes children, the largest share of population will be between the ages of 55 and 64, which will represent 14.7% of the region's population in 2020. On a county level between 2015 and 2020, the greatest projected growth within Buncombe, Henderson and Madison counties will be among seniors between the ages of 65 and 74, while the greatest growth in Transylvania County will be among people ages 75 and older. The city of Asheville is projected to experience population growth among all age segments between 2015 and 2020, with the greatest increase among persons between the ages of 65 and 74.

The graph below demonstrates the share of population by age group for each study area for 2015 and 2020.



The population density for each study area is summarized below:

		Year			
		2000	2010	2015	2020
City of Asheville	Population	73,909	83,393	89,571	95,945
	Area in Square Miles	45.23	45.23	45.23	45.23
	Density	1,634.0	1,843.7	1,980.2	2,121.2
Buncombe County	Population	206,318	238,318	253,915	269,995
	Area in Square Miles	660.14	660.14	660.14	660.14
	Density	312.5	361.0	384.6	409.0
Henderson County	Population	89,173	106,740	112,242	117,928
	Area in Square Miles	375.23	375.23	375.23	375.23
	Density	237.6	284.5	299.1	314.3
Madison County	Population	19,647	20,764	21,498	22,134
	Area in Square Miles	451.39	451.39	451.39	451.39
	Density	43.5	46.0	47.6	49.0
Transylvania County	Population	29,334	33,090	34,243	35,225
	Area in Square Miles	380.51	380.51	380.51	380.51
	Density	77.1	87.0	90.0	92.6
Region	Population	344,472	398,912	421,899	445,283
	Area in Square Miles	1,867.27	1,867.27	1,867.27	1,867.27
	Density	184.5	213.6	225.9	238.5
North Carolina	Population	8,048,929	9,535,017	10,020,644	10,557,571
	Area in Square Miles	49,364.54	49,364.54	49,364.54	49,364.54
	Density	163.1	193.2	203.0	213.9

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

The region's overall population density of 225.9 persons per square mile in 2015 is not expected to change much by 2020. Counties with the largest projected 2015 population densities include Buncombe (384 people per square mile) and Henderson (299). Asheville's 2015 population density is significantly larger than the subject counties and is projected to increase faster than the counties through 2020.

The population by highest educational attainment within each study area, based on the 2010 estimates, is distributed as follows

		No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total
City of Asheville	Number	6,762	12,591	13,129	4,711	16,570	9,243	63,006
	Percent	10.7%	20.0%	20.8%	7.5%	26.3%	14.7%	100.0%
Buncombe County	Number	21,245	45,098	39,010	15,012	38,130	21,010	179,505
	Percent	11.8%	25.1%	21.7%	8.4%	21.2%	11.7%	100.0%
Henderson County	Number	10,691	21,324	19,271	7,403	14,566	8,566	81,821
	Percent	13.1%	26.1%	23.6%	9.0%	17.8%	10.5%	100.0%
Madison County	Number	3,008	5,123	3,052	1,410	1,798	941	15,332
	Percent	19.6%	33.4%	19.9%	9.2%	11.7%	6.1%	100.0%
Transylvania County	Number	2,966	7,835	5,380	2,378	4,300	2,756	25,615
	Percent	11.6%	30.6%	21.0%	9.3%	16.8%	10.8%	100.0%
Region	Number	37,910	79,380	66,713	26,203	58,794	33,273	302,273
	Percent	12.5%	26.3%	22.1%	8.7%	19.5%	11.0%	100.0%
North Carolina	Number	1,016,560	1,802,704	1,452,911	572,485	1,195,378	605,113	6,645,151
	Percent	15.3%	27.1%	21.9%	8.6%	18.0%	9.1%	100.0%

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

Nearly 90% of the region's residents are at least high school graduates. Approximately 39.2% of the region's residents have college degrees. The county with the highest share of non-high school graduates is Madison (19.6%). As a result, the earning capability and potential for a large portion of residents in this particular county may be more limited than the residents in other counties.

The population by race within each study area, based on the 2010 Census, is distributed as follows.

		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
City of Asheville	Number	66,355	10,941	1,108	2,820	2,168	83,392
	Percent	79.6%	13.1%	1.3%	3.4%	2.6%	100.0%
Buncombe County	Number	208,192	15,211	2,417	7,503	4,995	238,318
	Percent	87.4%	6.4%	1.0%	3.1%	2.1%	100.0%
Henderson County	Number	94,914	3,224	1,022	5,561	2,019	106,740
	Percent	88.9%	3.0%	1.0%	5.2%	1.9%	100.0%
Madison County	Number	20,035	240	70	150	269	20,764
	Percent	96.5%	1.2%	0.3%	0.7%	1.3%	100.0%
Transylvania County	Number	30,577	1,292	144	518	559	33,090
	Percent	92.4%	3.9%	0.4%	1.6%	1.7%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%
North Carolina	Number	6,528,512	2,048,619	208,958	542,734	206,194	9,535,017
	Percent	68.5%	21.5%	2.2%	5.7%	2.2%	100.0%

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

Nearly 90% of the region's population is "White Alone", which is well above the state's average of 68.5%.

The population migration information within each study area based on 2006-2010 American Community Survey estimates is distributed as follows (where people lived one year prior to being surveyed).

		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad	Total
City of Asheville	Number	64,265	10,655	3,628	4,431	414	83,393
	Percent	77.1%	12.8%	4.4%	5.3%	0.5%	100.0%
Buncombe County	Number	198,030	22,869	7,542	8,845	1,032	238,318
	Percent	83.1%	9.6%	3.2%	3.7%	0.4%	100.0%
Henderson County	Number	93,308	6,507	3,184	3,354	387	106,740
	Percent	87.4%	6.1%	3.0%	3.1%	0.4%	100.0%
Madison County	Number	18,465	631	699	901	68	20,764
	Percent	88.9%	3.0%	3.4%	4.3%	0.3%	100.0%
Transylvania County	Number	28,158	2,442	1,554	911	25	33,090
	Percent	85.1%	7.4%	4.7%	2.8%	0.1%	100.0%
Region	Number	337,961	32,441	12,985	14,015	1,510	398,912
	Percent	84.7%	8.1%	3.3%	3.5%	0.4%	100.0%
North Carolina	Number	7,953,063	866,775	339,151	319,380	56,646	9,535,016
	Percent	83.4%	9.1%	3.6%	3.3%	0.6%	100.0%

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

A total of 84.7% of the region's population has lived with in the same residence during the preceding year, while nearly 15% moved to a new residence. This is very similar to the state's averages. Among the four counties in the region, annual movership rates are similar to each other, ranging from 83.1% (Buncombe County) to 88.9% (Madison County) of residents living in the same residence in the prior year. Residents coming to the area from other states to the subject counties range from 2.8% (Transylvania County) to 4.3% (Madison County). The city of Asheville has less stability, as evidenced by the fact that only 77.1% of its residents have lived in the same residence during the past year, 12.8% have moved within the city and 5.3% have moved from out of state.

2. HOUSEHOLD TRENDS

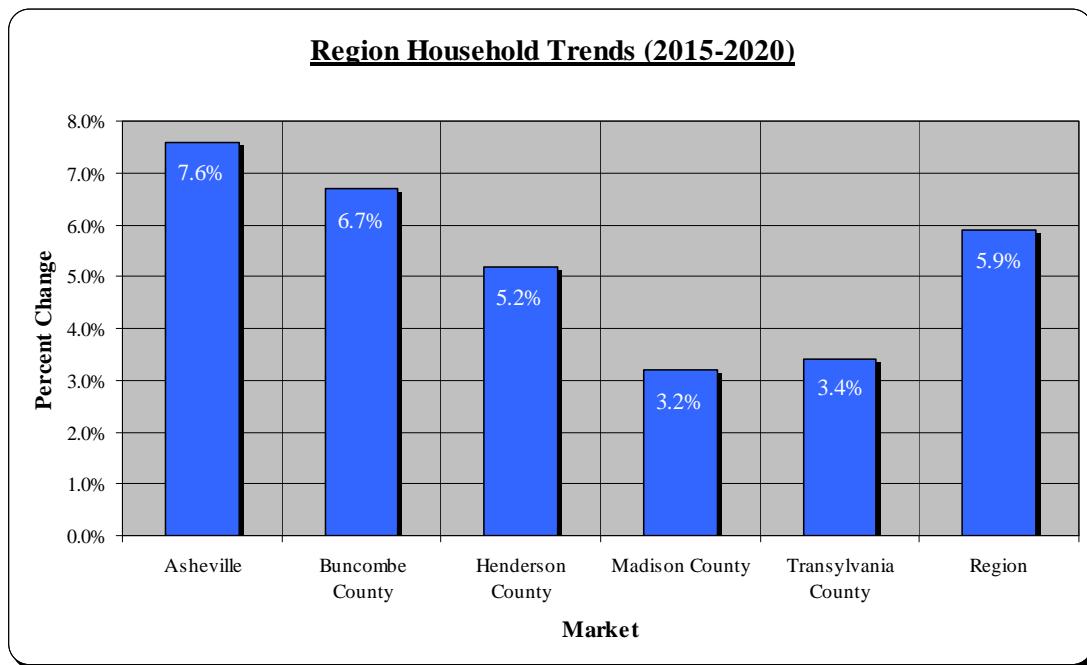
Household trends are summarized as follows:

		Year			
		2000	2010	2015	2020
City of Asheville	Households	32,957	37,380	40,503	43,589
	Household Change	-	4,423	3,123	3,086
	Percent Change	-	13.4%	8.4%	7.6%
Buncombe County	Households	85,771	100,412	107,695	114,914
	Household Change	-	14,641	7,283	7,219
	Percent Change	-	17.1%	7.3%	6.7%
Henderson County	Households	37,414	45,448	47,918	50,413
	Household Change	-	8,034	2,470	2,495
	Percent Change	-	21.5%	5.4%	5.2%
Madison County	Households	8,005	8,494	8,835	9,116
	Household Change	-	489	341	281
	Percent Change	-	6.1%	4.0%	3.2%
Transylvania County	Households	12,320	14,394	15,073	15,584
	Household Change	-	2,074	679	511
	Percent Change	-	16.8%	4.7%	3.4%
Region	Households	143,510	168,748	179,521	190,027
	Household Change	-	25,238	10,773	10,506
	Percent Change	-	17.6%	6.4%	5.9%
North Carolina	Households	3,130,839	3,744,941	3,947,432	4,164,465
	Household Change	-	614,102	202,491	217,033
	Percent Change	-	19.6%	5.4%	5.5%

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

Between 2015 and 2020, the overall region is projected to add 10,506 (5.9%) households. This is nearly identical to the projected growth for region between 2010 and 2015, which is the result of an expected increase of 10,773 households or an increase of 6.4%. Counties with the greatest projected percent growth from 2015 to 2020 include Buncombe (6.7%) and Henderson (5.2%). The 7,219 new households projected to be added to Buncombe County between 2015 and 2020 represent over two-thirds (68.7%) of the household growth for the overall region during this time. Regardless, new household growth is projected to occur among all four of the region's counties, adding to growing need for more housing in each county.

A graph showing the change in households from 2015 to 2020 for the study areas follows:



The household bases by age are summarized as follows (Note: the “change” reflected in the table represents 2015 to 2020 change):

		Households by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
City of Asheville	2010	2,410 (6.4%)	6,833 (18.3%)	6,355 (17.0%)	6,468 (17.3%)	6,499 (17.4%)	4,151 (11.1%)	4,663 (12.5%)
	2015	2,441 (6.0%)	7,102 (17.5%)	6,736 (16.6%)	6,529 (16.1%)	7,187 (17.7%)	5,422 (13.4%)	5,086 (12.6%)
	2020	2,446 (5.6%)	7,343 (16.8%)	6,907 (15.8%)	6,759 (15.5%)	7,783 (17.9%)	6,526 (15.0%)	5,826 (13.4%)
	Change	5 (0.2%)	241 (3.4%)	171 (2.5%)	230 (3.5%)	596 (8.3%)	1,104 (20.4%)	740 (14.5%)
Buncombe County	2010	4,459 (4.4%)	14,979 (14.9%)	17,165 (17.1%)	19,575 (19.5%)	19,548 (19.5%)	12,799 (12.7%)	11,887 (11.8%)
	2015	4,417 (4.1%)	15,342 (14.2%)	17,511 (16.3%)	19,391 (18.0%)	21,380 (19.9%)	16,553 (15.4%)	13,101 (12.2%)
	2020	4,397 (3.8%)	15,709 (13.7%)	17,815 (15.5%)	19,400 (16.9%)	22,708 (19.8%)	19,850 (17.3%)	15,035 (13.1%)
	Change	-20 (-0.5%)	367 (2.4%)	304 (1.7%)	9 (0.0%)	1,328 (6.2%)	3,297 (19.9%)	1,934 (14.8%)
Henderson County	2010	1,175 (2.6%)	4,999 (11.0%)	6,913 (15.2%)	8,208 (18.1%)	8,805 (19.4%)	7,661 (16.9%)	7,687 (16.9%)
	2015	1,187 (2.5%)	4,989 (10.4%)	6,837 (14.3%)	8,012 (16.7%)	9,408 (19.6%)	9,031 (18.8%)	8,453 (17.6%)
	2020	1,193 (2.4%)	4,910 (9.7%)	6,790 (13.5%)	7,973 (15.8%)	9,984 (19.8%)	10,137 (20.1%)	9,425 (18.7%)
	Change	6 (0.5%)	-79 (-1.6%)	-47 (-0.7%)	-39 (-0.5%)	576 (6.1%)	1,106 (12.2%)	972 (11.5%)

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

		Households by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Madison County	2010	255 (3.0%)	937 (11.0%)	1,396 (16.4%)	1,697 (20.0%)	1,849 (21.8%)	1,300 (15.3%)	1,060 (12.5%)
	2015	249 (2.8%)	958 (10.8%)	1,356 (15.3%)	1,647 (18.6%)	1,907 (21.6%)	1,619 (18.3%)	1,099 (12.4%)
	2020	246 (2.7%)	950 (10.4%)	1,280 (14.0%)	1,612 (17.7%)	1,900 (20.8%)	1,907 (20.9%)	1,221 (13.4%)
	Change	-3 (-1.2%)	-8 (-0.8%)	-76 (-5.6%)	-35 (-2.1%)	-7 (-0.4%)	288 (17.8%)	122 (11.1%)
Transylvania County	2010	463 (3.2%)	1,359 (9.4%)	1,700 (11.8%)	2,480 (17.2%)	2,914 (20.2%)	2,836 (19.7%)	2,642 (18.4%)
	2015	427 (2.8%)	1,482 (9.8%)	1,654 (11.0%)	2,316 (15.4%)	2,975 (19.7%)	3,235 (21.5%)	2,985 (19.8%)
	2020	389 (2.5%)	1,521 (9.8%)	1,659 (10.6%)	2,095 (13.4%)	3,038 (19.5%)	3,540 (22.7%)	3,343 (21.4%)
	Change	-38 (-8.9%)	39 (2.6%)	5 (0.3%)	-221 (-9.5%)	63 (2.1%)	305 (9.4%)	358 (12.0%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)
North Carolina	2010	192,966 (5.2%)	588,688 (15.7%)	712,152 (19.0%)	771,232 (20.6%)	673,798 (18.0%)	443,529 (11.8%)	362,758 (9.7%)
	2015	187,350 (4.7%)	614,048 (15.6%)	699,083 (17.7%)	759,985 (19.3%)	739,731 (18.7%)	553,387 (14.0%)	393,817 (10.0%)
	2020	184,756 (4.4%)	643,651 (15.5%)	704,879 (16.9%)	742,650 (17.8%)	787,105 (18.9%)	653,047 (15.7%)	448,346 (10.8%)
	Change	-2,594 (-1.4%)	29,603 (4.8%)	5,796 (0.8%)	-17,335 (-2.3%)	47,374 (6.4%)	99,660 (18.0%)	54,529 (13.8%)

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

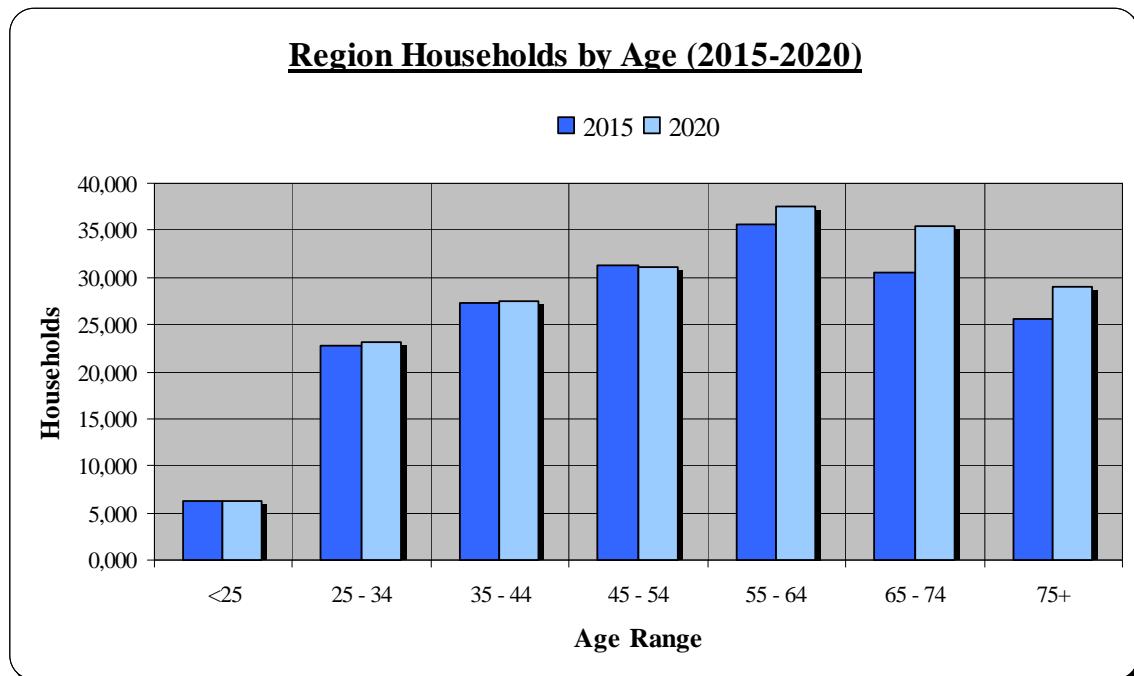
It is projected that most of the growth in the region between 2015 and 2020 will occur among households age 55 and older. This age group is projected to increase by 10,342 (11.3%) households during this five-year period. The largest increase within a single age group will be among seniors between the ages of 65 and 74, which is projected to add 4,996 (16.4%) households. These trends indicate that senior-oriented housing needs will likely increase over the next several years. It is important to note that while there are likely seniors (e.g. empty nesters, retirees, etc.) relocating to the region due to its desirability, it is likely that a large portion of the projected senior growth is attributed to seniors aging in place. The Asheville region, like most parts of the country, has a large base of baby boomers that have been and will continue to age in place, essentially staying in the area as they age. This will result in a shift of households from one age segment to an older age segment. As such, this trend is likely contributing to the large growth numbers for senior homeowners. While many of these households are already in the market, the large housing gaps for senior housing indicate that these older households will likely want or require different housing to meet their

changing housing needs as they age. Modest regional growth is projected to occur among households between the ages of 25 and 34 (319, 1.4%) and between 35 and 44 (186, 0.7%). Growth within these segments will likely lead to increased need for family-oriented housing within the region.

On a county level, notable household growth between 2015 and 2020 is projected to occur among households between the ages of 65 and 74 within Buncombe (3,297 new households, 19.9% increase) and Henderson (1,106, 12.2%) counties. Notable growth among the age 55 to 64 cohorts is projected to occur within Buncombe County (1,934 new households, 14.8% increase) and Henderson County (972, 11.5%). It should be noted that senior household growth is projected to occur in each of the region's counties from 2015 to 2020. The senior growth tends projected for counties in the region will increase the need for senior housing that meets the needs of older households.

Within the city of Asheville, the greatest projected household growth by age between 2015 and 2020 is expected to occur among households between the ages of 65 and 74, which are projected to increase by 1,104 (20.4%). Other than households under the age of 25, which will remain virtually unchanged from 2015 to 2020, all household segments by age will increase by 171 or more during this time. This growth will likely increase the demand for a variety of products. Certainly, the disproportionately high growth among households age 55 and older will increase the demand for senior-oriented housing.

The graph below illustrates the share of households by age in the study areas for 2015 and 2020.



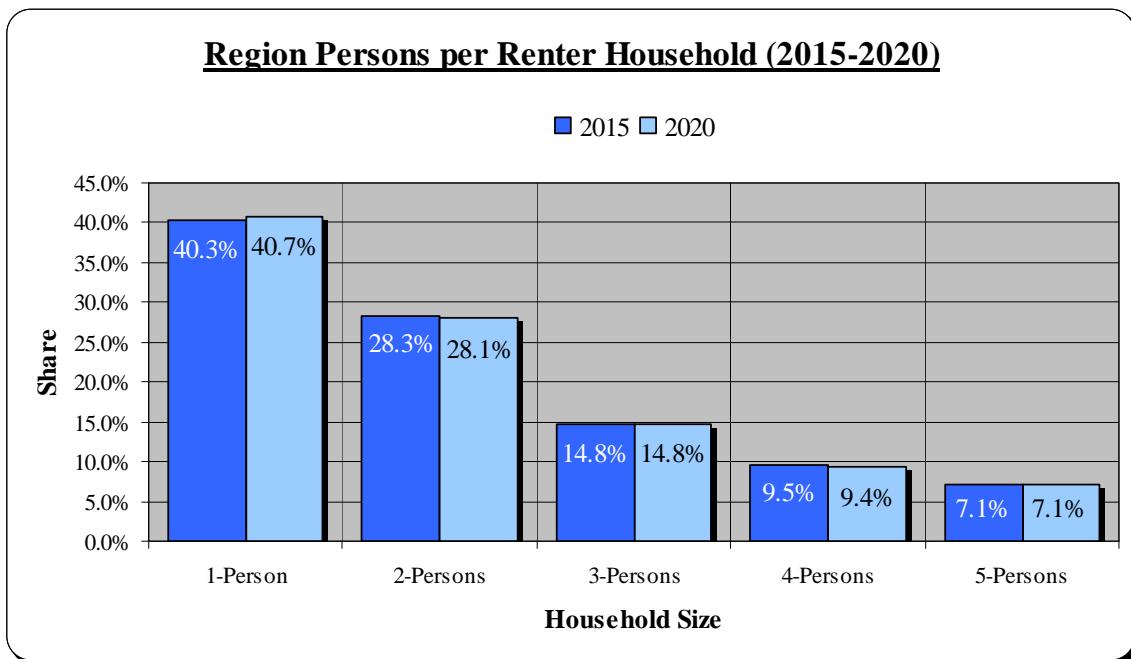
The renter household by size by tenure for each county follows:

		Persons Per Renter Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
City of Asheville	2010	8,081 (44.6%)	5,405 (29.8%)	2,451 (13.5%)	1,324 (7.3%)	850 (4.7%)	18,110 (100.0%)
	2015	9,295 (45.2%)	6,052 (29.5%)	2,789 (13.6%)	1,466 (7.1%)	945 (4.6%)	20,548 (100.0%)
	2020	10,207 (45.8%)	6,504 (29.2%)	3,022 (13.6%)	1,561 (7.0%)	1,002 (4.5%)	22,296 (100.0%)
Buncombe County	2010	13,744 (39.9%)	10,243 (29.7%)	5,106 (14.8%)	3,124 (9.1%)	2,214 (6.4%)	34,431 (100.0%)
	2015	15,900 (40.5%)	11,543 (29.4%)	5,826 (14.8%)	3,492 (8.9%)	2,505 (6.4%)	39,266 (100.0%)
	2020	17,244 (40.9%)	12,274 (29.1%)	6,253 (14.8%)	3,694 (8.8%)	2,673 (6.3%)	42,138 (100.0%)
Henderson County	2010	4,426 (39.1%)	2,933 (25.9%)	1,670 (14.8%)	1,235 (10.9%)	1,041 (9.2%)	11,305 (100.0%)
	2015	5,041 (39.5%)	3,270 (25.6%)	1,892 (14.8%)	1,378 (10.8%)	1,172 (9.2%)	12,754 (100.0%)
	2020	5,375 (39.9%)	3,419 (25.4%)	2,012 (14.9%)	1,430 (10.6%)	1,236 (9.2%)	13,473 (100.0%)
Madison County	2010	759 (38.3%)	556 (28.1%)	302 (15.3%)	218 (11.0%)	145 (7.3%)	1,980 (100.0%)
	2015	847 (38.7%)	609 (27.8%)	335 (15.3%)	236 (10.8%)	160 (7.3%)	2,187 (100.0%)
	2020	885 (39.0%)	627 (27.6%)	348 (15.3%)	242 (10.7%)	169 (7.4%)	2,272 (100.0%)
Transylvania County	2010	1,432 (40.7%)	950 (27.0%)	475 (13.5%)	389 (11.0%)	276 (7.8%)	3,521 (100.0%)
	2015	1,641 (41.3%)	1,063 (26.7%)	536 (13.5%)	434 (10.9%)	304 (7.6%)	3,978 (100.0%)
	2020	1,724 (41.8%)	1,094 (26.5%)	556 (13.5%)	443 (10.7%)	308 (7.5%)	4,126 (100.0%)
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)
North Carolina	2010	442,913 (35.5%)	335,657 (26.9%)	203,323 (16.3%)	143,819 (11.5%)	121,492 (9.7%)	1,247,204 (100.0%)
	2015	504,447 (36.1%)	372,401 (26.7%)	226,975 (16.3%)	157,252 (11.3%)	134,576 (9.6%)	1,395,650 (100.0%)
	2020	541,544 (36.6%)	392,401 (26.5%)	240,591 (16.2%)	164,305 (11.1%)	142,066 (9.6%)	1,480,907 (100.0%)

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

Among renter households in the region, the greatest share of household sizes in 2015 will be one-person households, which will represent 40.3% of the total households in the region. Two-person households will represent the second largest share (28.3%). Three-person or larger households will represent nearly one-third (31.4%) of the households. The share of renter households by size will change slightly between 2015 and 2020, with the greatest increase occurring among one-person households (increasing from 40.3% to 40.7% and adding 1,797 one-person households). Two-person households will increase by 928 (5.6%) through 2020, while three-person and larger households will increase by 1,098 (6.0%). These growth trends indicate that while smaller units (e.g. studio to two-bedroom) will likely be needed to accommodate the disproportionate growth of one- and two-person households, with more than 1,000 three-person households expected to be added to the region, there will also need to be larger bedroom types added to the region's housing stock over the next several years.

The study area's renter household sizes for 2015 and 2020 are illustrated in the graph below:



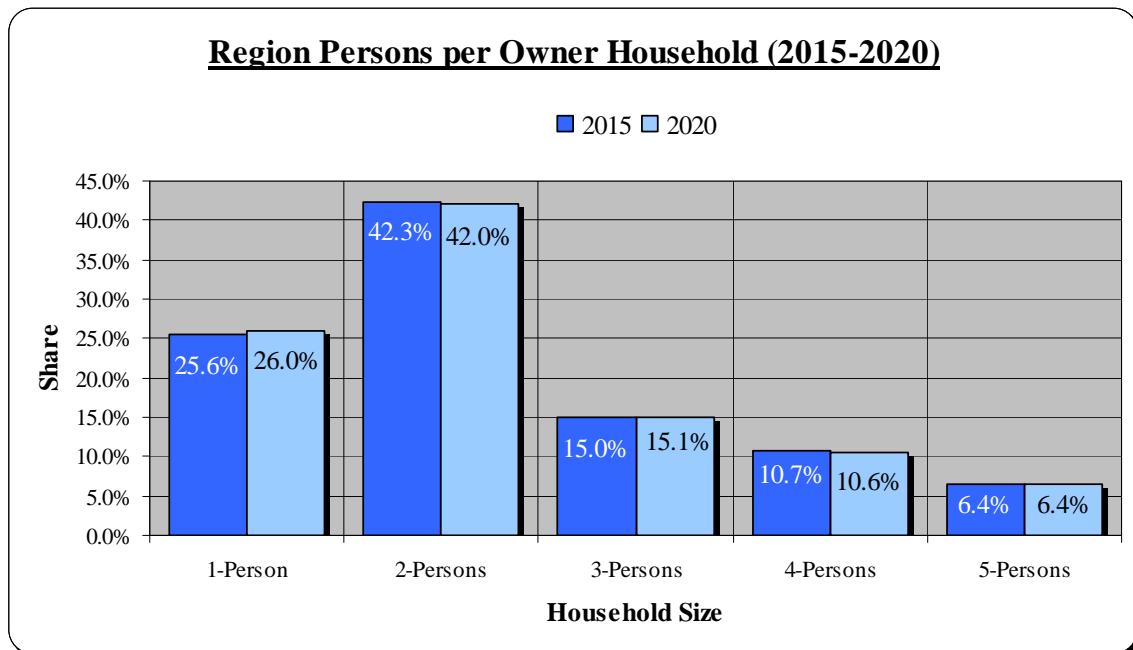
Owner household sizes for each study area follow:

		Persons Per Owner Household					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
City of Asheville	2010	5,756 (29.9%)	7,507 (39.0%)	2,891 (15.0%)	2,026 (10.5%)	1,090 (5.7%)	19,270 (100.0%)
	2015	6,101 (30.6%)	7,679 (38.5%)	3,002 (15.0%)	2,057 (10.3%)	1,115 (5.6%)	19,956 (100.0%)
	2020	6,629 (31.1%)	8,131 (38.2%)	3,206 (15.1%)	2,154 (10.1%)	1,174 (5.5%)	21,294 (100.0%)
Buncombe County	2010	16,831 (25.5%)	26,782 (40.6%)	10,472 (15.9%)	7,511 (11.4%)	4,385 (6.6%)	65,981 (100.0%)
	2015	17,770 (26.0%)	27,486 (40.2%)	10,916 (16.0%)	7,678 (11.2%)	4,578 (6.7%)	68,428 (100.0%)
	2020	19,145 (26.3%)	29,030 (39.9%)	11,636 (16.0%)	8,071 (11.1%)	4,894 (6.7%)	72,775 (100.0%)
Henderson County	2010	8,532 (25.0%)	15,407 (45.1%)	4,589 (13.4%)	3,490 (10.2%)	2,125 (6.2%)	34,143 (100.0%)
	2015	8,838 (25.1%)	15,657 (44.5%)	4,858 (13.8%)	3,584 (10.2%)	2,227 (6.3%)	35,164 (100.0%)
	2020	9,369 (25.4%)	16,322 (44.2%)	5,155 (14.0%)	3,734 (10.1%)	2,360 (6.4%)	36,940 (100.0%)
Madison County	2010	1,538 (23.6%)	2,838 (43.6%)	1,028 (15.8%)	751 (11.5%)	360 (5.5%)	6,514 (100.0%)
	2015	1,599 (24.1%)	2,867 (43.1%)	1,057 (15.9%)	755 (11.4%)	371 (5.6%)	6,648 (100.0%)
	2020	1,663 (24.3%)	2,934 (42.9%)	1,092 (16.0%)	770 (11.3%)	385 (5.6%)	6,844 (100.0%)
Transylvania County	2010	2,750 (25.3%)	5,299 (48.7%)	1,326 (12.2%)	934 (8.6%)	564 (5.2%)	10,873 (100.0%)
	2015	2,894 (26.1%)	5,348 (48.2%)	1,354 (12.2%)	939 (8.5%)	561 (5.1%)	11,096 (100.0%)
	2020	3,060 (26.7%)	5,484 (47.9%)	1,398 (12.2%)	950 (8.3%)	566 (4.9%)	11,459 (100.0%)
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)
North Carolina	2010	569,308 (22.8%)	953,152 (38.2%)	423,757 (17.0%)	341,670 (13.7%)	209,849 (8.4%)	2,497,736 (100.0%)
	2015	586,000 (23.0%)	960,455 (37.6%)	437,375 (17.1%)	346,716 (13.6%)	221,236 (8.7%)	2,551,781 (100.0%)
	2020	621,646 (23.2%)	1,000,693 (37.3%)	462,308 (17.2%)	362,025 (13.5%)	236,885 (8.8%)	2,683,557 (100.0%)

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

In 2015, it is projected that the largest share of owner-occupied households by size within the region will consist of two-person households, representing 42.3% of all owner households. One- and two-person households will represent a combined share of 67.9% of all households in 2015. It is projected that between 2015 and 2020 the greatest household growth will be among two-person households, which will add 2,400 (4.6% increase) households. Three-person or larger households are also projected to grow by 2,153 (5.5%) during this time, increasing the likely need for additional larger housing units such as three-bedroom or larger units for the foreseeable future.

The study area's owner household sizes for 2015 and 2020 are illustrated in the graph below:



Households by tenure by study area and year are distributed as follows:

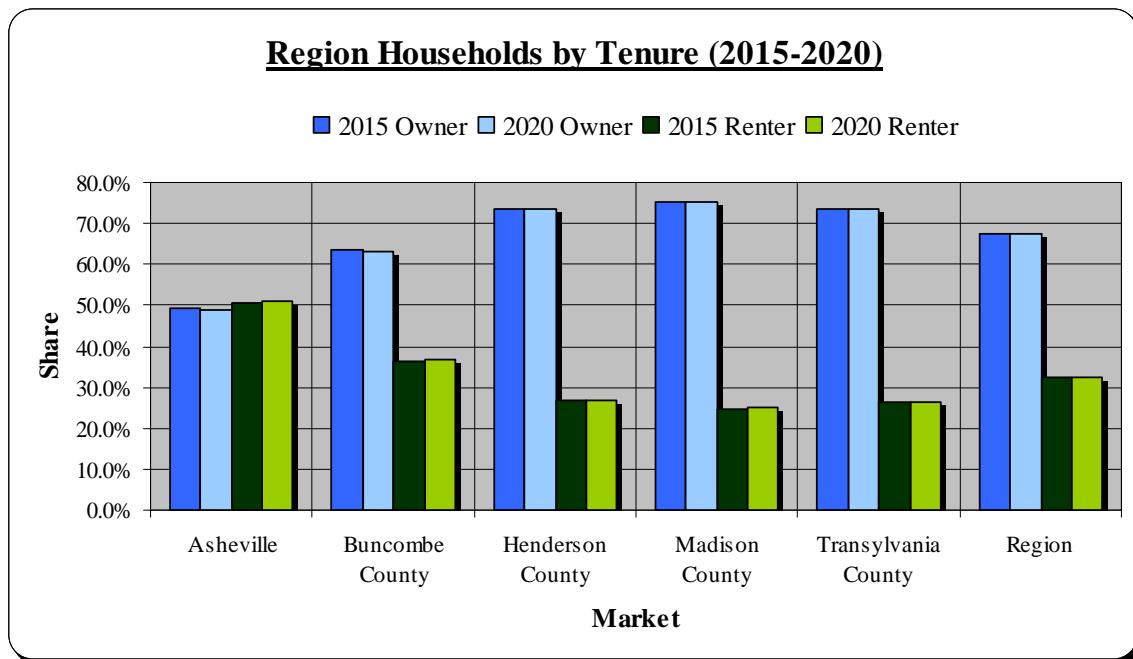
	Household Type	2010		2015		2020	
		Number	Percent	Number	Percent	Number	Percent
City of Asheville	Owner-Occupied	19,270	51.6%	19,956	49.3%	21,294	48.9%
	Renter-Occupied	18,110	48.4%	20,548	50.7%	22,296	51.1%
	Total	37,380	100.0%	40,503	100.0%	43,589	100.0%
Buncombe County	Owner-Occupied	65,981	65.7%	68,428	63.5%	72,775	63.3%
	Renter-Occupied	34,431	34.3%	39,266	36.5%	42,138	36.7%
	Total	100,412	100.0%	107,695	100.0%	114,914	100.0%
Henderson County	Owner-Occupied	34,143	75.1%	35,164	73.4%	36,940	73.3%
	Renter-Occupied	11,305	24.9%	12,754	26.6%	13,473	26.7%
	Total	45,448	100.0%	47,918	100.0%	50,413	100.0%
Madison County	Owner-Occupied	6,514	76.7%	6,648	75.2%	6,844	75.1%
	Renter-Occupied	1,980	23.3%	2,187	24.8%	2,272	24.9%
	Total	8,494	100.0%	8,835	100.0%	9,116	100.0%
Transylvania County	Owner-Occupied	10,873	75.5%	11,096	73.6%	11,459	73.5%
	Renter-Occupied	3,521	24.5%	3,978	26.4%	4,126	26.5%
	Total	14,394	100.0%	15,073	100.0%	15,584	100.0%
Region	Owner-Occupied	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	168,748	100.0%	179,521	100.0%	190,027	100.0%
North Carolina	Owner-Occupied	2,497,736	66.7%	2,551,781	64.6%	2,683,557	64.4%
	Renter-Occupied	1,247,204	33.3%	1,395,650	35.4%	1,480,907	35.6%
	Total	3,744,940	100.0%	3,947,432	100.0%	4,164,465	100.0%

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

Regionally, it is projected by 2015 that nearly 70% of all occupied housing units will consist of owners, while just over 30% will consist of renters. These shares are not expected to change significantly by 2020, though they are expected to trend towards an increase in the share of renter households. In terms of household growth by tenure, between 2015 and 2020, the number of owner households is projected to increase by 6,682 (5.5%), while renters will increase by 3,824 (6.6%). As such, owner household growth is projected to outpace renter household growth by nearly a two-to-one margin. This growth in households will affect the future housing needs of the region.

Buncombe County will experience the greatest household growth among the region's four counties between 2015 and 2020. Of the county's 7,219 new households added during this time, 4,347 (60.2%) will be homeowners and 2,872 (39.8%) will be new renter households. Within the city of Asheville, 1,338 new homeowner households are projected to be added to the city, while an additional 1,748 new renter households will be added between 2015 and 2020. As such, it appears that Asheville's future housing that will be needed to meet projected growth will have to involve both for-sale housing and rental housing.

The graph below illustrates the share of owner-occupied households and renter-occupied households within the study areas for 2010, 2015 and 2020.



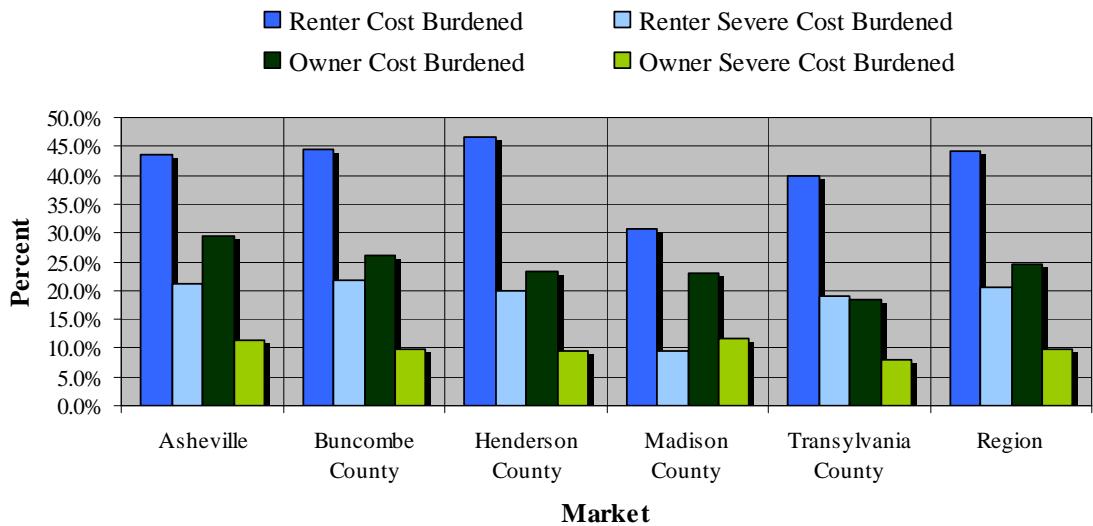
Cost burdened households are those paying over 30% of their income towards housing costs, while *severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. The following table illustrates the cost burdened households by study area and overall North Carolina.

	Cost Burdened				Severe Cost Burdened			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
City of Asheville	7,892	43.6%	5,663	29.4%	3,819	21.1%	2,208	11.5%
Buncombe County	15,930	44.5%	16,934	26.0%	7,774	21.7%	6,428	9.9%
Henderson County	5,429	46.7%	7,824	23.3%	2,327	20.0%	3,178	9.4%
Madison County	636	30.8%	1,404	22.9%	199	9.6%	726	11.8%
Transylvania County	1,322	39.9%	1,969	18.5%	626	18.9%	855	8.0%
Region	23,317	44.2%	28,131	24.4%	10,926	20.7%	11,187	9.7%
North Carolina	574,369	46.0%	634,033	25.7%	291,141	23.3%	248,290	10.1%

Source: 2006-2010 American Community Survey

Among the region's *renter* households, a total of 23,317 (44.2%) are cost burdened and 10,926 (20.7%) are *severe* cost burdened. Within the region, a total of 28,131 (24.4%) *owner* households are cost burdened while 11,187 (9.7%) are severe cost burdened. The greatest *number* and *share* of severe cost burdened *renter* households is in Buncombe County (7,774, 21.7%), while the greatest number of severe cost burdened *owner* households is in Buncombe County and the highest *share* of severe cost burdened *owner* households is within Madison County (11.8%). The city of Asheville generally has higher shares of cost burdened and severe cost burdened households than the overall region.

Region Cost Burdened Households by Tenure



Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while severe overcrowding housing is considered a unit with 1.51 or more persons per room. The following table illustrates the overcrowded households by tenure for each study area and the state of North Carolina.

	Overcrowded				Severe Overcrowded			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
City of Asheville	644	3.6%	211	1.1%	229	1.3%	119	0.6%
Buncombe County	1,197	3.3%	878	1.3%	394	1.1%	257	0.4%
Henderson County	422	3.6%	471	1.4%	74	0.6%	80	0.2%
Madison County	102	4.9%	65	1.1%	12	0.6%	0	0.0%
Transylvania County	62	1.9%	103	1.0%	5	0.2%	48	0.4%
Region	1,783	3.4%	1,517	1.3%	485	0.9%	385	0.3%
North Carolina	56,657	4.5%	31,950	1.3%	15,225	1.2%	6,976	0.3%

Source: 2006-2010 American Community Survey

In the region, 1,783 (3.4%) renter households and 1,517 (1.3%) owner households are experiencing overcrowded housing situations. A total of 485 (0.9%) renter households and 385 (0.3%) owner households in the region are experiencing *severe* overcrowded housing conditions. Buncombe County has the region's highest share of severe overcrowded renter households, while the share of owner households with severe overcrowding is relatively even among the counties. Generally, the city of Asheville has slightly higher shares of people living in overcrowded and severe overcrowded housing units than the overall region.

According to IDIS ConPlan Housing Summary Table MA-10, included in *Addendum B: Consolidated Plan Tables*, the distribution of pre-1980 housing is as follows.

Category	Risk of Lead-Based Paint Hazard - Region			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Total Number of Units Built Before 1980	50,431	45%	23,960	50%
Housing Units Built Before 1980 w/ Children	8,176	7%	4,201	9%

Source: 2007-2011 ACS and 2007-2011 CHAS (Units with Children Present)

Approximately 45% of owner-occupied households and 50% of renter-occupied households in the region were built prior to 1980 and have the risk of having a lead-based paint hazard.

Substandard housing is often defined as a unit that lacks complete indoor kitchen or bathroom plumbing. Based on data reported by the 2006-2010 American Community Survey, the number of substandard housing units by county is reported as follows:

	Substandard Housing by County Lack of Indoor Plumbing		
	Rental Units (Percent)	Owner Units (Percent)	Total Units (Percent)
Asheville	115 (0.6%)	37 (0.2%)	152 (0.4%)
Buncombe County	216 (0.6%)	157 (0.2%)	373 (0.4%)
Henderson County	67 (0.6%)	28 (0.1%)	95 (0.2%)
Madison County	0 (0.0%)	32 (0.5%)	32 (0.4%)
Transylvania County	0 (0.0%)	35 (0.3%)	35 (0.3%)
Region	283 (0.5%)	252 (0.2%)	535 (0.3%)
North Carolina	8,441 (0.7%)	7,175 (0.3%)	15,616 (0.4%)

Source: 2006-2010 American Community Survey

Approximately 283 rental housing units, or 0.5% of the entire region's rental housing supply, are considered substandard (lacking complete indoor kitchen or bathroom plumbing). A total of 252 (0.2%) of the region's owner-occupied households live in substandard housing. Within the city of Asheville, these shares are slightly lower than the North Carolina averages and are indications that a small share of households are living in substandard units.

3. INCOME TRENDS

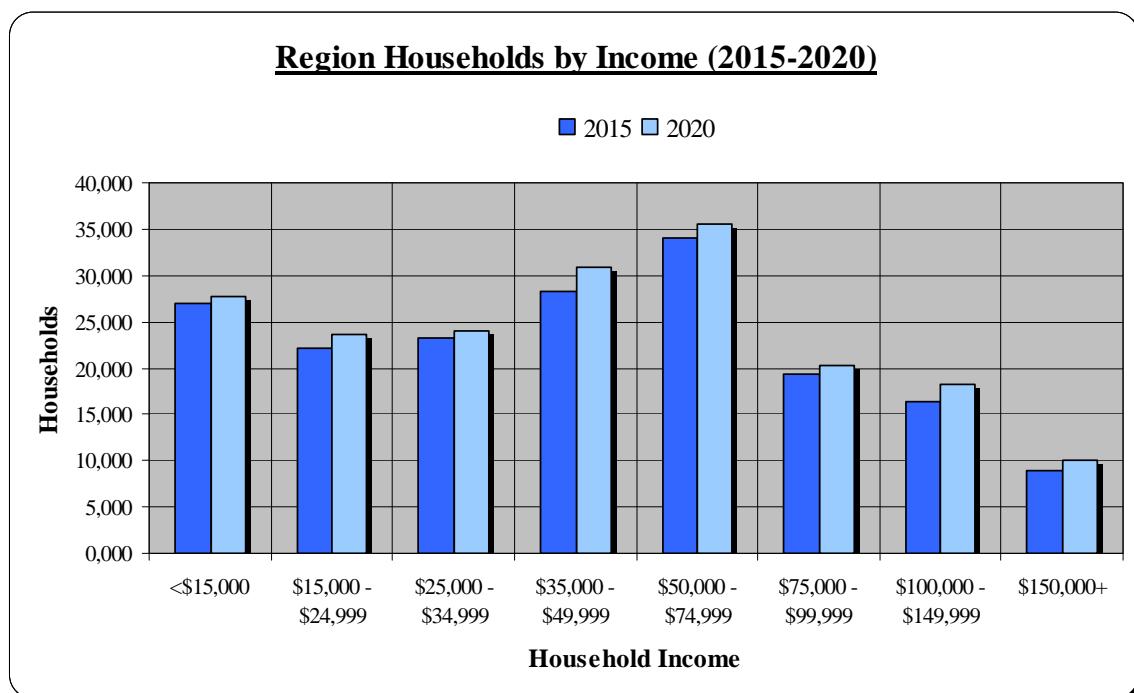
The distribution of households by income within each study area is summarized as follows:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
City of Asheville	2015	7,403 (18.3%)	4,887 (12.1%)	5,091 (12.6%)	6,234 (15.4%)	7,462 (18.4%)	3,799 (9.4%)	3,508 (8.7%)	2,120 (5.2%)	40,504 (100.0%)
	2020	7,775 (17.8%)	5,462 (12.5%)	5,305 (12.2%)	6,705 (15.4%)	8,064 (18.5%)	3,818 (8.8%)	4,060 (9.3%)	2,401 (5.5%)	43,590 (100.0%)
	Change	372 (5.0%)	574 (11.8%)	214 (4.2%)	471 (7.6%)	602 (8.1%)	19 (0.5%)	552 (15.7%)	281 (13.2%)	3,086 (7.6%)
Buncombe County	2015	16,711 (15.5%)	12,794 (11.9%)	13,644 (12.7%)	17,151 (15.9%)	20,494 (19.0%)	11,114 (10.3%)	9,938 (9.2%)	5,848 (5.4%)	107,694 (100.0%)
	2020	17,065 (14.9%)	13,587 (11.8%)	14,337 (12.5%)	18,777 (16.3%)	21,393 (18.6%)	11,591 (10.1%)	11,437 (10.0%)	6,726 (5.9%)	114,913 (100.0%)
	Change	354 (2.1%)	792 (6.2%)	694 (5.1%)	1,625 (9.5%)	899 (4.4%)	477 (4.3%)	1,499 (15.1%)	878 (15.0%)	7,219 (6.7%)
Henderson County	2015	6,248 (13.0%)	5,977 (12.5%)	6,329 (13.2%)	7,274 (15.2%)	9,364 (19.5%)	5,535 (11.6%)	4,757 (9.9%)	2,434 (5.1%)	47,918 (100.0%)
	2020	6,635 (13.2%)	6,627 (13.1%)	6,392 (12.7%)	8,014 (15.9%)	9,596 (19.0%)	5,662 (11.2%)	4,990 (9.9%)	2,497 (5.0%)	50,413 (100.0%)
	Change	387 (6.2%)	649 (10.9%)	63 (1.0%)	740 (10.2%)	232 (2.5%)	127 (2.3%)	234 (4.9%)	63 (2.6%)	2,495 (5.2%)
Madison County	2015	1,561 (17.7%)	1,402 (15.9%)	1,063 (12.0%)	1,271 (14.4%)	1,701 (19.2%)	1,107 (12.5%)	501 (5.7%)	230 (2.6%)	8,835 (100.0%)
	2020	1,701 (18.7%)	1,343 (14.7%)	1,112 (12.2%)	1,344 (14.7%)	1,797 (19.7%)	1,017 (11.2%)	543 (6.0%)	259 (2.8%)	9,116 (100.0%)
	Change	140 (9.0%)	-59 (-4.2%)	49 (4.7%)	74 (5.8%)	96 (5.7%)	-90 (-8.1%)	42 (8.4%)	28 (12.3%)	281 (3.2%)
Transylvania County	2015	2,454 (16.3%)	1,950 (12.9%)	2,200 (14.6%)	2,521 (16.7%)	2,532 (16.8%)	1,679 (11.1%)	1,238 (8.2%)	500 (3.3%)	15,074 (100.0%)
	2020	2,246 (14.4%)	2,021 (13.0%)	2,216 (14.2%)	2,808 (18.0%)	2,676 (17.2%)	1,957 (12.5%)	1,198 (7.7%)	473 (3.0%)	15,593 (100.0%)
	Change	-207 (-8.4%)	71 (3.6%)	16 (0.7%)	287 (11.4%)	144 (5.7%)	277 (16.5%)	-41 (-3.3%)	-28 (-5.6%)	519 (3.4%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

Between 2015 and 2020, all income household segments within the region are projected to increase. The greatest of the household growth within the region is projected to occur among households that make between \$35,000 and \$49,999 a year, which are projected to increase by 2,725 (9.7%) during this five-year period. Notable growth is projected to occur among households with incomes between \$15,000 and \$24,999, between \$50,000 and \$74,999, and between \$100,000 and \$149,999. As such, a variety of housing needs by price point will grow.

The graph below illustrates the region's share of households by annual income level for 2015 and 2020:



The distribution of households by income and tenure for 2015 and 2020 are illustrated in the tables below.

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
City of Asheville	2015	5,588 (27.2%)	3,202 (15.6%)	3,086 (15.0%)	3,121 (15.2%)	3,323 (16.2%)	1,208 (5.9%)	793 (3.9%)	227 (1.1%)	20,548 (100.0%)
	2020	5,929 (26.6%)	3,525 (15.8%)	3,525 (15.8%)	3,641 (16.3%)	3,571 (16.0%)	1,221 (5.5%)	963 (4.3%)	395 (1.8%)	22,296 (100.0%)
	Change	341 (6.1%)	323 (10.1%)	-35 (-1.1%)	519 (16.6%)	248 (7.5%)	13 (1.1%)	170 (21.5%)	168 (74.2%)	1,748 (8.5%)
Buncombe County	2015	10,484 (26.7%)	6,636 (16.9%)	6,322 (16.1%)	5,929 (15.1%)	5,851 (14.9%)	2,081 (5.3%)	1,453 (3.7%)	510 (1.3%)	39,266 (100.0%)
	2020	10,661 (25.3%)	7,037 (16.7%)	7,037 (16.7%)	7,206 (17.1%)	6,110 (14.5%)	2,275 (5.4%)	1,686 (4.0%)	758 (1.8%)	42,138 (100.0%)
	Change	177 (1.7%)	401 (6.0%)	83 (1.3%)	1,276 (21.5%)	259 (4.4%)	194 (9.3%)	233 (16.0%)	248 (48.6%)	2,872 (7.3%)
Henderson County	2015	3,059 (24.0%)	2,353 (18.4%)	2,431 (19.1%)	1,900 (14.9%)	2,012 (15.8%)	550 (4.3%)	328 (2.6%)	121 (0.9%)	12,754 (100.0%)
	2020	3,140 (23.3%)	2,899 (21.5%)	2,899 (21.5%)	2,063 (15.3%)	1,993 (14.8%)	474 (3.5%)	274 (2.0%)	152 (1.1%)	13,473 (100.0%)
	Change	81 (2.6%)	546 (23.2%)	47 (1.9%)	163 (8.6%)	-19 (-0.9%)	-76 (-13.8%)	-54 (-16.6%)	31 (25.5%)	719 (5.6%)
Madison County	2015	681 (31.1%)	496 (22.7%)	262 (12.0%)	285 (13.0%)	322 (14.7%)	141 (6.4%)	0 (0.0%)	0 (0.0%)	2,187 (100.0%)
	2020	650 (28.6%)	451 (19.9%)	451 (19.9%)	298 (13.1%)	281 (12.3%)	144 (6.3%)	44 (1.9%)	0 (0.0%)	2,272 (100.0%)
	Change	-30 (-4.5%)	-45 (-9.1%)	142 (54.0%)	13 (4.6%)	-41 (-12.8%)	3 (2.3%)	44 (100.0%)	0 (0.0%)	85 (3.9%)
Transylvania County	2015	1,222 (30.7%)	815 (20.5%)	742 (18.7%)	411 (10.3%)	489 (12.3%)	136 (3.4%)	139 (3.5%)	24 (0.6%)	3,978 (100.0%)
	2020	1,081 (26.2%)	876 (21.2%)	876 (21.2%)	598 (14.5%)	384 (9.3%)	176 (4.3%)	132 (3.2%)	0 (0.0%)	4,126 (100.0%)
	Change	-141 (-11.5%)	61 (7.4%)	139 (18.8%)	188 (45.7%)	-106 (-21.6%)	40 (29.1%)	-7 (-4.7%)	-24 (-100.0%)	148 (3.7%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

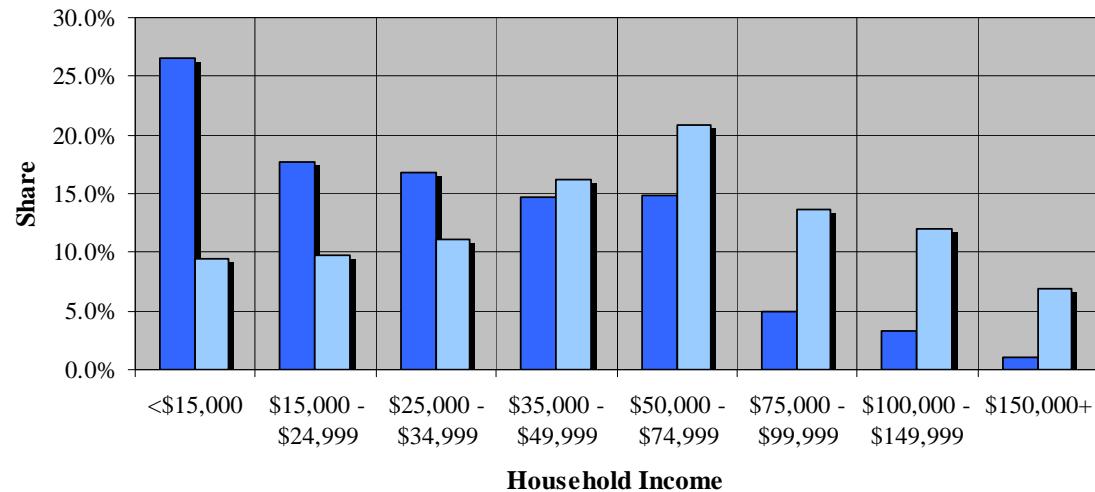
		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
City of Asheville	2015	1,815 (9.1%)	1,685 (8.4%)	2,005 (10.0%)	3,112 (15.6%)	4,139 (20.7%)	2,592 (13.0%)	2,715 (13.6%)	1,893 (9.5%)	19,956 (100.0%)
	2020	1,846 (8.7%)	1,937 (9.1%)	2,254 (10.6%)	3,064 (14.4%)	4,493 (21.1%)	2,598 (12.2%)	3,097 (14.5%)	2,005 (9.4%)	21,294 (100.0%)
	Change	31 (1.7%)	251 (14.9%)	249 (12.4%)	-48 (-1.6%)	354 (8.6%)	6 (0.2%)	382 (14.1%)	112 (5.9%)	1,338 (6.7%)
Buncombe County	2015	6,227 (9.1%)	6,159 (9.0%)	7,322 (10.7%)	11,222 (16.4%)	14,644 (21.4%)	9,032 (13.2%)	8,485 (12.4%)	5,337 (7.8%)	68,428 (100.0%)
	2020	6,404 (8.8%)	6,550 (9.0%)	7,932 (10.9%)	11,571 (15.9%)	15,283 (21.0%)	9,315 (12.8%)	9,752 (13.4%)	5,968 (8.2%)	72,775 (100.0%)
	Change	177 (2.8%)	391 (6.4%)	611 (8.3%)	349 (3.1%)	639 (4.4%)	283 (3.1%)	1,267 (14.9%)	630 (11.8%)	4,347 (6.4%)
Henderson County	2015	3,189 (9.1%)	3,625 (10.3%)	3,898 (11.1%)	5,374 (15.3%)	7,352 (20.9%)	4,985 (14.2%)	4,429 (12.6%)	2,313 (6.6%)	35,164 (100.0%)
	2020	3,495 (9.5%)	3,728 (10.1%)	3,914 (10.6%)	5,950 (16.1%)	7,603 (20.6%)	5,188 (14.0%)	4,717 (12.8%)	2,345 (6.3%)	36,940 (100.0%)
	Change	306 (9.6%)	103 (2.9%)	16 (0.4%)	576 (10.7%)	251 (3.4%)	203 (4.1%)	288 (6.5%)	32 (1.4%)	1,776 (5.1%)
Madison County	2015	880 (13.2%)	906 (13.6%)	801 (12.0%)	986 (14.8%)	1,379 (20.7%)	966 (14.5%)	501 (7.5%)	230 (3.5%)	6,648 (100.0%)
	2020	1,051 (15.4%)	891 (13.0%)	709 (10.4%)	1,046 (15.3%)	1,517 (22.2%)	872 (12.7%)	499 (7.3%)	259 (3.8%)	6,844 (100.0%)
	Change	171 (19.4%)	-14 (-1.6%)	-92 (-11.5%)	60 (6.1%)	138 (10.0%)	-93 (-9.6%)	-2 (-0.4%)	28 (12.3%)	196 (2.9%)
Transylvania County	2015	1,232 (11.1%)	1,135 (10.2%)	1,458 (13.1%)	2,110 (19.0%)	2,042 (18.4%)	1,543 (13.9%)	1,100 (9.9%)	476 (4.3%)	11,096 (100.0%)
	2020	1,165 (10.2%)	1,145 (10.0%)	1,334 (11.6%)	2,210 (19.3%)	2,292 (20.0%)	1,781 (15.5%)	1,066 (9.3%)	473 (4.1%)	11,459 (100.0%)
	Change	-66 (-5.4%)	10 (0.9%)	-124 (-8.5%)	99 (4.7%)	250 (12.2%)	238 (15.4%)	-34 (-3.1%)	-4 (-0.8%)	363 (3.3%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

As the preceding tables illustrate, while all renter household income segments are projected to grow, the greatest *renter* household growth between 2015 and 2020 within the region is projected to occur among those with annual incomes between \$35,000 and \$49,999. Notable renter household income growth is projected to occur among households with incomes between \$15,000 and \$24,999, as well as between \$25,000 and \$34,999. All *owner* household income segments are projected to grow between 2015 and 2020, with the greatest projected growth among homeowners expected to occur among households with income between \$100,000 and \$149,999, though notable owner household growth is projected to occur among those with income between \$35,000 and \$49,999, and between \$50,000 and \$74,999. These renter and owner household income trends are fairly consistent in each of the four counties and within Asheville. As a result, there will likely be an increase in demand for more housing that is affordable to lower income households, as well as more affluent households. Detailed household income data by tenure is provided in the individual county chapters of this report.

Region Household Income by Tenure (2015)

■ Renter Households ■ Owner Households



Given the large and growing base of older adult households in the region, it is important to evaluate the demographic trends of households by tenure for older adult householders. The data is presented for the overall region for 2015 and 2020 in the following tables.

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	4,378	26.5%	4,527	25.0%	6,462	9.5%	6,977	9.5%
\$15,000 - \$24,999	2,927	17.7%	3,295	18.2%	6,635	9.8%	7,089	9.7%
\$25,000 - \$34,999	2,762	16.7%	2,970	16.4%	7,560	11.2%	7,974	10.9%
\$35,000 - \$49,999	2,420	14.7%	2,963	16.4%	11,017	16.3%	11,962	16.3%
\$50,000 - \$74,999	2,464	14.9%	2,557	14.1%	14,163	20.9%	15,313	20.8%
\$75,000 - \$99,999	827	5.0%	893	4.9%	9,252	13.6%	9,887	13.5%
\$100,000 - \$149,999	537	3.3%	613	3.4%	8,084	11.9%	9,127	12.4%
\$150,000+	184	1.1%	263	1.5%	4,617	6.8%	5,122	7.0%
Total	16,500	100.0%	18,080	100.0%	67,790	100.0%	73,453	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	2,998	26.5%	3,094	25.0%	4,690	9.5%	5,072	9.5%
\$15,000 - \$24,999	2,010	17.8%	2,262	18.3%	4,821	9.8%	5,156	9.7%
\$25,000 - \$34,999	1,897	16.8%	2,039	16.5%	5,492	11.2%	5,788	10.9%
\$35,000 - \$49,999	1,657	14.7%	2,022	16.4%	7,988	16.3%	8,698	16.3%
\$50,000 - \$74,999	1,689	14.9%	1,746	14.1%	10,244	20.9%	11,105	20.8%
\$75,000 - \$99,999	565	5.0%	608	4.9%	6,713	13.7%	7,197	13.5%
\$100,000 - \$149,999	366	3.2%	416	3.4%	5,849	11.9%	6,599	12.4%
\$150,000+	126	1.1%	178	1.4%	3,321	6.8%	3,685	6.9%
Total	11,308	100.0%	12,365	100.0%	49,119	100.0%	53,301	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	1,413	26.5%	1,347	24.9%	1,765	9.5%	1,877	9.5%
\$15,000 - \$24,999	951	17.8%	998	18.5%	1,818	9.8%	1,912	9.7%
\$25,000 - \$34,999	901	16.9%	899	16.6%	2,074	11.2%	2,145	10.9%
\$35,000 - \$49,999	780	14.6%	882	16.3%	3,016	16.3%	3,230	16.4%
\$50,000 - \$74,999	797	14.9%	762	14.1%	3,863	20.8%	4,110	20.8%
\$75,000 - \$99,999	264	5.0%	261	4.8%	2,536	13.7%	2,676	13.6%
\$100,000 - \$149,999	172	3.2%	179	3.3%	2,214	11.9%	2,442	12.4%
\$150,000+	59	1.1%	77	1.4%	1,253	6.8%	1,355	6.9%
Total	5,337	100.0%	5,404	100.0%	18,539	100.0%	19,748	100.0%

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

Based on the data from the preceding page, the primary older adult household growth between 2015 and 2020 is projected to occur among renters age 55 and older that make between \$35,000 and \$49,999. Owner household growth among those age 55 and older is projected to occur the most among those making between \$35,000 and \$74,999. As a result, there will likely be a growing need through at least 2020 for additional renter and owner housing at a variety of price points that meets the needs of region's senior population.

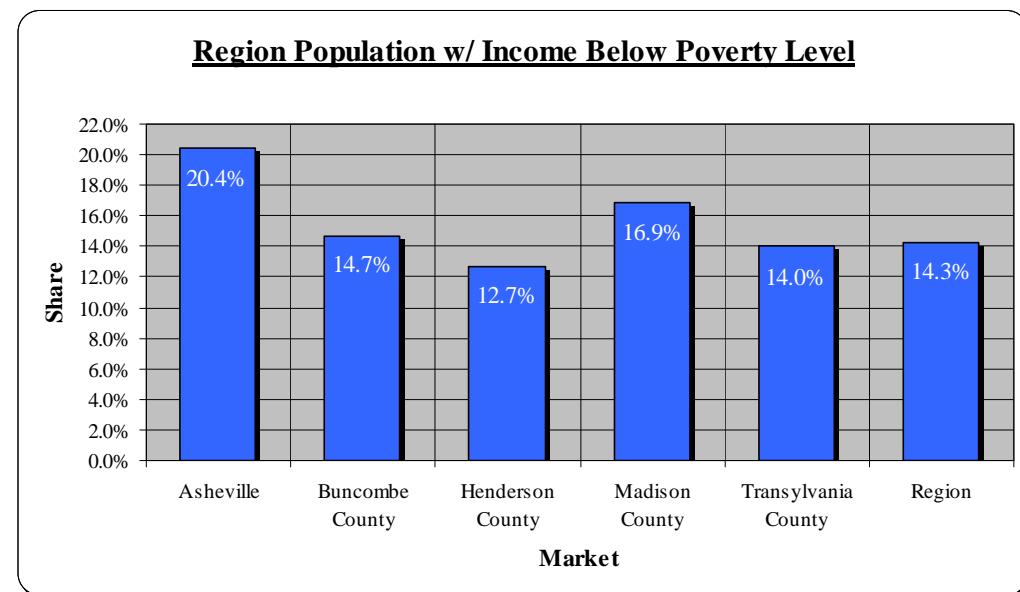
The population by poverty status is distributed as follows:

		Income below poverty level:			Income at or above poverty level:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Asheville	Number	4,775	10,565	1,637	11,641	43,787	10,989	83,393
	Percent	5.7%	12.7%	2.0%	14.0%	52.5%	13.2%	100.0%
Buncombe County	Number	10,311	21,224	3,477	39,655	130,755	32,896	238,318
	Percent	4.3%	8.9%	1.5%	16.6%	54.9%	13.8%	100.0%
Henderson County	Number	4,588	7,290	1,718	17,653	54,877	20,614	106,740
	Percent	4.3%	6.8%	1.6%	16.5%	51.4%	19.3%	100.0%
Madison County	Number	867	2,044	596	3,485	10,683	3,089	20,764
	Percent	4.2%	9.8%	2.9%	16.8%	51.5%	14.9%	100.0%
Transylvania County	Number	1,339	2,779	516	4,375	16,098	7,982	33,090
	Percent	4.0%	8.4%	1.6%	13.2%	48.6%	24.1%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%
North Carolina	Number	504,382	848,861	127,713	1,828,964	5,162,101	1,062,994	9,535,016
	Percent	5.3%	8.9%	1.3%	19.2%	54.1%	11.1%	100.0%

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

It is estimated that 56,739 people in the region live in poverty, representing 14.2% of the region's population. Of those living in poverty, over one-half (58.7%) are between the ages of 18 and 64. It should be noted that 17,106 people living in poverty are children under the age of 18, representing 20.8% of all children. As such, one in five children is believed to be living in poverty. Over one in 11 seniors age 65 or older live in poverty. These ratios are slightly below the state of North Carolina averages.

The following graph shows the percent of the population with incomes below the poverty level in the study areas.



4. AREA ANALYSIS (ACCESS TO COMMUNITY SERVICES)

This section of the analysis addresses the general sufficiency of community services for each of the study areas. In areas lacking certain community services such as shopping, recreation, employment, public safety or other similar community services, it is more difficult to support residential development. Conversely, well served areas, with abundant and attractive community services add to the appeal of an area and help to retain and attract residents that support residential development. To that end, this section attempts to evaluate whether or not the study areas have sufficient community services to support residential development. It should be noted that given the study areas are large, an assessment of such areas is broad. Ultimately, the success of an individual residential project is dependent upon the proximity and sufficiency of services for that specific site. Regardless, an overall assessment of the larger study areas provides some insight as to the potential impact community services may have on future housing development in each study area.

Buncombe County - The largest of the four counties, Buncombe County contains numerous community services for residents living within its boundaries. All of the major community services are provided within the county including, but not limited to grocery stores, houses of worship, child care facilities, numerous pharmacies, financial institutions, schools, restaurants and gas stations. The Asheville Mall, Biltmore Park Town Square and River Hills Shopping Center are located within the county. Notably, there are several Walmart Supercenters and Ingles Markets scattered throughout Buncombe County, as well as police and fire departments, county libraries and post offices are located throughout the county. Asheville is the county seat of Buncombe County and is located in the central area of the county. It contains a downtown area and central business district. The area has numerous community services and benefits from its central location which provides convenient access to the community services of the surrounding towns. Notably, Mission Health Memorial Hospital, YMCA of WNC and the University of North Carolina-Asheville are located within Asheville. There are various recreational opportunities that exist in the Asheville area such as tourist attractions like the Biltmore Estate, McCormick Field, Aston and Carrier Parks along with various camping, hiking and mountain biking trails located throughout Asheville. The central business district of the city contains numerous large employers, including city government offices. Overall, the proximity of community services within Asheville, as well as the surrounding areas within Buncombe County, and the location of the central business district are believed to positively serve the Asheville market. As Asheville grows in population and residential housing, additional community services will be needed. As for the current state of the county, the community services are believed to be adequate to serve the residents of the county and will likely positively influence future residential development.

Henderson County - Henderson County contains a variety of community services for area residents. Henderson County has numerous shopping centers, including but not limited to the Blue Ridge Mall, Southside Square Shopping Center, Highlands Square Shopping Center and Fletcher Plaza. All of the major community services are provided within the county including grocery stores, houses of worship, pharmacies, financial institutions, child care, schools, restaurants, fitness and recreation centers, and gas stations. Notably, there are numerous staple community services located directly in Hendersonville (the county seat) such as Walmart Supercenter, T.J. Maxx, Belk, JC Penney, Family Dollar, and Dollar General. Additionally, the Margaret R. Pardee Hospital, Park Ridge Healthcare Center and FastMed Urgent Care are also located within Hendersonville. Though there are areas of the county that are farther from community services, they are within proximity and short commute times of community services located in other towns within the county. As for the current state of the community services available to residents, there are no notable community services missing from the county that are believed to be a hindrance to area residents or that would negatively influence housing market conditions or discourage people from staying in or moving to this county.

Madison County - Madison County is considered a more rural county, with the Pisgah National Forest (500,000 acres in total) occupying approximately half of the county. Marshall is the county seat and the county government offices are located there. Additionally there are a variety of community services for residents residing within the delineated county borders. Madison County does not have a full service hospital; however, each of the three major populated areas of Hot Springs, Mars Hill and Marshall have medical centers or clinics that serve the basic needs of its residents. Fire, police, post offices and libraries, along with banks, gas stations, houses of worship, pharmacies, doctor's offices, day cares and restaurants are also located within each of these towns. The majority of services are located within Mars Hill. While there are no traditional shopping malls, there are various staple community services such as Ingles Market, Dollar General, Main Street Deli, CVS Pharmacy, Asheville Savings Bank, Wells Fargo Bank, and Mars Hill College. Though there are areas of the county that are farther from community services, the area overall is adequately served and the distance to community services is not believed to have a significantly negative impact on the probability of residents desire to live in the area.

Transylvania County - Transylvania County is considered a rural county, with the Pisgah National Forest (500,000 acres in total), Gorges State Park (7,708 acres) and the DuPont Forest State Park (10,268 acres) occupying approximately two-thirds of the county in total. Brevard is the county seat and the county government offices are located there. There are a variety of community services including numerous parks and recreation opportunities for residents residing within the delineated county borders. The majority of services are located within Brevard, including the Transylvania Regional Hospital, which is a full service hospital. Fire, police, post offices and libraries, banks, gas stations, houses of worship, pharmacies, doctor's offices, day cares and restaurants are also located within Brevard. Notably, there are various staple community services such as a

Food Lion, Ingles Market, Bi-Lo, Walmart Supercenter, Dollar Tree, Kmart, Brevard Deli, Wendy's, Arby's, Zaxby's, Walgreen's, CVS Pharmacy, Bank of North Carolina, First Citizens Bank, Wells Fargo, and Brevard College. While the majority of community services are located within Brevard, community services located in the smaller surrounding towns may appear to be lacking. However, it is not believed to be a significant hindrance to the current population or believed to negatively impact the probability of residents desire to live in the area.

5. TRANSPORTATION ANALYSIS

The purpose of this section is to evaluate various aspects of transportation and how it relates to housing decisions. Specific elements considered in this analysis include public transportation, parking alternatives, drive times, modes of transit, and transportation costs of the study areas.

Public Transit Availability

Asheville - Public Bus Service

Asheville Redefines Transit (ART) offers transportation options in the communities of Asheville and Black Mountain within Buncombe County. ART offers sixteen fixed bus route that operates daily from 5:30 am – 10:30 pm on Monday through Saturday. There are eight routes that operate on Sunday/Holidays from 8:00 am – 5:35 pm. Additionally, there is a Fare Free Zone available within the downtown limits of Asheville. One-way fares are available to adults for \$1.00 and \$0.50 for seniors while children under 5 ride free. Discount fares are available to residents 65 and older, Medicare recipients, and students ages 6 to 19. It should be noted that some employers participate in the PASSport Program which allows employees to ride for free. Other fare options include an 11-ride ticket book, monthly and annual passes which are summarized in a table below.

	Adult	Senior/Student
11-Ride Ticket Book	\$9.00	\$4.50
Monthly Pass	\$20.00	\$10.00
Annual Pass	\$220.00	\$110.00

It should be noted that ART provides handicap accessible services on all bus routes. Para Transit services are also available to persons with disabilities as an on-call service for nominal fee of \$2.00 per ride through Mountain Mobility of Buncombe County.

Furthermore, ART has regional partnerships with Mountain Mobility and Apple County Transit to provide transit services to persons residing outside of ART's service area within Buncombe and Henderson counties.

Buncombe County - Public Bus Service

Mountain Mobility- Trailblazer operates three fixed routes available to anyone within Buncombe County for a nominal fee of \$0.50 per ride. Each route operates Monday through Friday at varying times between 5:50 am and 7:45 pm. It should be noted that Mountain Mobility vehicles can only accommodate a maximum of 18 passengers at a time. These routes also serve as connections where passengers can transfer to ART or Haywood Public Transit. Mountain Mobility also offers an on-call service for disabled persons which was previously noted.

Henderson County - Public Bus Service

Apple Country Public Transit provides bus service throughout the city of Hendersonville, and the towns of Fletcher and Laurel Park with three routes which operate from 6:30 am – 6:30 pm Monday through Friday. All routes originate at the transfer site located in downtown Hendersonville. Transit service is not available on weekends or Holidays. One-way fares are available to adults for \$0.75 per ride and \$0.35 for seniors while children under 12 ride free. Other fare options include a 20-ride ticket book and monthly passes which are available at a cost of \$10.00 to \$15.00. Apple Country Public Transit offers one route which provides a link to Asheville's ART at a cost of \$1.00 per transfer.

It should be noted that Apple Country Transit contracts with the Western Carolina Community Action (WCCA) to provide Para Transit services to persons with a disability within $\frac{3}{4}$ of a mile of the Apple County Public Transits service area for a nominal fee of \$1.50 per ride. Reservations for this service must be made at least 24 hours in advance.

Madison County - Public Bus Service

Madison County Transportation Authority (MCTA) provides on-call transportation services to persons residing with Madison County Monday through Friday from 6:30 am until 4:30 pm. Round trip fares vary from \$5.00 (in county) to \$12.00 (Asheville).

Transylvania County - Public Bus Service

Transylvania County Transportation System provides limited on-call transportation services to seniors, disabled persons to various designated locations within Transylvania County such as nutrition sites, recreational centers, medical appointments, and shopping centers at no charge. The general public may schedule a ride anywhere within the county for a nominal fee of \$1.00 per ride. Transportation services are available Monday through Friday from 6:00 am to 6:00 pm and must be made 24 hours in advance.

Parking Options

Asheville (Buncombe County)

A total of 4 notable parking structures and 3 parking lots were identified in the City of Asheville, primarily located within the downtown area. Generally, parking garage and lot fees range from \$1.00 to \$2.00 per hour with a daily maximum of \$5.00 to \$10.00. While metered parking is available at a cost of \$1.25 per hour. There are approximately 700 on-street metered spaces in downtown Asheville which are enforced from 8:00 am to 6:00 pm Monday through Saturday. Asheville also offers on- and off-street permit parking is available at a rate of \$35.00 to \$55.00 per month. Parking information is presented in the following table:

Parking Garages	Available Spaces	Hourly Fee	Monthly Fee
Civic Center	550	\$1.00	\$80.00
Rankin Avenue	262	\$1.00	\$90.00
Wall Street	232	\$1.00	\$100.00
*Biltmore Avenue	404	\$1.00	\$100.00-\$120.00

*This garage shares space with the Aloft Hotels so space availability is dependent on hotel occupancy
All garages daily maximum fee is \$10.00

Parking Lots	Hourly Fee (Maximum Daily)	After Hours Flat Rate	Monthly Fee	Weekend Fee
S. Lexington Aston Street	\$1.00 (\$5.00)	\$3.00	-	-
40 S. Lexington	-	\$3.00	-	\$2.00
Lexington Village	\$2.00 (\$5.00)	\$5.00	\$45.00	-

Hendersonville (Henderson County)

A total of 4 metered parking lots were identified in the City of Hendersonville, located exclusively within the downtown Hendersonville. All spaces within the parking lots are metered at a cost of \$0.25 per half hour with no maximum time limit. All parking meters are enforced Monday through Saturday from 8:00 am to 6:00 pm. While metered parking is available at cost many streets within Hendersonville offer 2 hour parking free of charge. Parking information is presented in the following table:

Parking Garages	Location	*Available Spaces	Metered Fee
Azalea Parking Lot	3 rd Avenue	68	\$0.25
City Hall Parking Lot	King Avenue	43	\$0.25
Dogwood Parking Lot	Church Street	42	\$0.25
Maple Parking Lot	5 th Avenue	28	\$0.25

*Available spaces are approximate

Madison County

Due to the rural nature of Madison County there appears to be no designated or city-owned/operated public parking lots or metered parking within the larger communities of Mars Hill or Marshall. The limited parking that does exist within these communities is on-street within the town centers and is available free of charge.

Brevard (Transylvania)

A total of 4 public parking lots were identified within the Town of Brevard, located within Transylvania County. All spaces within these lots are free of charge. There is also limited on-street parking within the town center, which is also available free of charge. Due to the rural nature of Transylvania County there appears to be no designated or county-owned/operated public parking lots or metered parking within the larger community of Pisgah Forest or within the county.

Transportation Modes and Drive Times

Commuting Patterns

The following table shows two commuting pattern attributes (mode and time) for each study area:

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Asheville	Number	29,180	3,923	820	1,072	1,010	2,604	38,609
	Percent	75.6%	10.2%	2.1%	2.8%	2.6%	6.7%	100.0%
Buncombe County	Number	86,334	12,566	982	2,490	1,594	6,314	110,280
	Percent	78.3%	11.4%	0.9%	2.3%	1.4%	5.7%	100.0%
Henderson County	Number	35,413	5,527	42	748	408	2,057	44,195
	Percent	80.1%	12.5%	0.1%	1.7%	0.9%	4.7%	100.0%
Madison County	Number	6,325	1,091	0	249	14	535	8,214
	Percent	77.0%	13.3%	0.0%	3.0%	0.2%	6.5%	100.0%
Transylvania County	Number	9,671	1,819	0	373	310	533	12,706
	Percent	76.1%	14.3%	0.0%	2.9%	2.4%	4.2%	100.0%
Region	Number	137,743	21,003	1,024	3,860	2,326	9,439	175,395
	Percent	78.5%	12.0%	0.6%	2.2%	1.3%	5.4%	100.0%
North Carolina	Number	3,385,847	481,123	42,731	75,341	55,088	165,786	4,205,917
	Percent	80.5%	11.4%	1.0%	1.8%	1.3%	3.9%	100.0%

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

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Asheville	Number	15,462	14,945	3,558	743	1,296	2,604	38,609
	Percent	40.0%	38.7%	9.2%	1.9%	3.4%	6.7%	100.0%
Buncombe County	Number	33,487	47,501	16,019	3,439	3,520	6,314	110,280
	Percent	30.4%	43.1%	14.5%	3.1%	3.2%	5.7%	100.0%
Henderson County	Number	12,735	19,477	6,765	1,779	1,382	2,057	44,195
	Percent	28.8%	44.1%	15.3%	4.0%	3.1%	4.7%	100.0%
Madison County	Number	1,480	2,182	1,990	1,286	741	535	8,214
	Percent	18.0%	26.6%	24.2%	15.7%	9.0%	6.5%	100.0%
Transylvania County	Number	4,718	3,625	2,496	838	496	533	12,706
	Percent	37.1%	28.5%	19.6%	6.6%	3.9%	4.2%	100.0%
Region	Number	52,420	72,785	27,270	7,342	6,139	9,439	175,395
	Percent	29.9%	41.5%	15.5%	4.2%	3.5%	5.4%	100.0%
North Carolina	Number	1,176,024	1,627,693	762,399	258,226	215,789	165,786	4,205,917
	Percent	28.0%	38.7%	18.1%	6.1%	5.1%	3.9%	100.0%

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

Commuting modes within the individual study areas (Asheville and the four subject counties) are generally similar to each other. Regionally, nearly eight in 10 commuters “drive alone” to work, with an additional 12.0% carpooling to work. While only 0.6% of the region’s commuters use public transportation, 2.1% of Asheville’s commuters use public transportation. Over 70% of the region’s commuters have commute times of less than 30 minutes, with the shortest commute times in Buncombe and Henderson counties. The longest commute times appear to be in Madison County. As such, it appears that residents in the more rural areas of the study regions have longer commutes and likely higher commuting expenses.

Conclusions

Parking options in the city of Asheville (Buncombe County) include nearly 1,500 garage parking spaces, three parking lots, and approximately 700 metered parking spaces. Garage parking fees range from \$80 to \$120 a month, while metered parking is as low \$1.00 per hour. In Hendersonville (Henderson County), parking options include surface parking lots (\$0.25 per half hour) and free on-street parking. The town of Brevard appears to have four surface parking lots with free parking. No other towns appear to have large scale parking options.

The subject region is well served by public transportation in Buncombe and Henderson counties, particularly within the communities of Asheville, Black Mountain, Fletcher, Hendersonville, and Laurel Park. While there are no public bus systems that serve the more rural Madison and Transylvania counties, these areas are served by on-call transit services. Overall, the area's more populated areas are well served by public transit, while the rural areas have sufficient on-call service. Generally, monthly public transportation costs range from around \$20 to \$30 per month, with lower rates for seniors.

Depending upon the community, drive times generally range from 15 to 29 minutes in Buncombe and Henderson counties, with some of the longest commute times within Madison County. A majority of the region's commuters are driving alone. While only 0.6% of the region's residents are using public transportation to commute to work, 2.1% of Asheville residents use public transportation to commute to work.

Based on this analysis, persons commuting into Asheville experience direct monthly costs ranging anywhere from \$20 a month for public busing to at least \$80 for those using downtown parking garages. For commuters providing their own transportation, additional costs for gas and maintenance will add to their indirect costs associated with commuting. These costs will also apply to commuters traveling to and from other parts of the region. As such, the development of housing alternatives closer to downtown Asheville and other employment centers will help to diminish transportation-associated costs for area residents. This will be particularly beneficial to low-income households.

6. SPECIAL NEEDS POPULATIONS

We have presented the demographic characteristics of the special needs populations for the overall subject region which includes Buncombe, Henderson, Madison and Transylvania counties. Special needs populations and housing alternatives meeting their needs are discussed in greater detail in the individual county chapters of this report.

The special needs populations presented in this section include the following:

- Homeless Population
- Persons with Disabilities
- Persons with HIV/AIDS
- Victims of Domestic Violence
- Unaccompanied Youth – Youth Aging Out of Foster Care
- Ex-Offenders (On Parole/Probation) Re-Entry
- Persons with a Mental Illness with Severe Mental Illness
- Persons with Substance Abuse
- Multi-Generational Households
- Homeless Veterans
- Elderly (Age 62+) and Frail Elderly (Persons Age 62+ Requiring Assistance with Daily Living)
- Co-Occurring Disorders

The data shown is for the latest period in which data is available for each special needs population, which may vary from group to group. All data sources are cited in Addendum A: Sources.

The following table summarizes the various special needs populations within the region that were considered in this report. It should be noted that county level data, when available, is presented and discussed in the county chapters of this report.

Asheville Region Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	641	Persons with Disabilities (PD)	59,980
Victims of Domestic Violence (VDV)	731	Elderly (Age 62+) (E62)	105,830
Persons with Substance Abuse (PSA)	466	Frail Elderly (Age 62+) (FE62)	11,366
Adults with Mental Illness (MI)	16,425	Ex-offenders (Parole/Probation) (EOP)	855
Adults with Severe Mental Illness (SMI)	290	Unaccompanied Youth (UY)	87
Co-Occurring Disorders (COD)	6,857	Homeless Veterans	469
Multi-Generational Households (MGH)	5,068	Homeless Population	4,066

Note: Data sources cited in *Addendum A: Sources*

Excluding the homeless population, the largest number of special needs persons is among those age 62 and older, persons with disabilities, adults with mental illness and the frail elderly (persons age 62+ requiring some level of Assistance with Daily Living). According to our interviews with area stakeholders, housing alternatives that meet the specific needs of the special needs population are limited. Further commentary regarding these groups is discussed on the following pages.

Homeless Population

The Asheville region is located within two of HUD's designated Continuums of Care (CoC) area known as Asheville/Buncombe County CoC and North Carolina Balance of the State CoC. CoCs around the United States are required to collect data for a point-in-time during the last week of each year. The last published point-in-time surveys were conducted in January 2014. This includes a count of persons who are classified as homeless, as well as an inventory of the housing specifically designated for the homeless population. According to the 2014 point-in-time survey for *Asheville/ Buncombe County CoC and North Carolina Balance of the State CoC*, there are approximately 4,066 persons who are classified as homeless on any given day.

Based on the North Carolina Coalition to End Homelessness, there are approximately 4,066 persons classified as homeless within the Asheville region. The following tables summarize the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the region.

Homeless Population & Subpopulation—Asheville Region						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Persons in Households without Children	253	212	538	54	144	1,201
Persons in Households with 1 Adult & 1 Child	56	23	59	140	18	296
Persons in Household with only Children	4	2	0	0	5	11
# of Persons Chronically & Formerly Chronically Homeless	26	0	10	430	47	513
Persons with Serious Mental Illness	76	104	326	25	35	566
Persons with Substance Abuse Disorder	53	141	336	26	24	580
Persons w/ AIDS/HIV	1	0	12	0	0	13
Victims of Domestic Violence	50	41	103	34	5	233
Veterans	35	184	239	4	7	469
Ex-Offenders	15	4	29	1	9	58
Persons exiting Behavioral Health/Healthcare System	27	37	51	3	8	126
Total	596	748	1,703	717	302	4,066

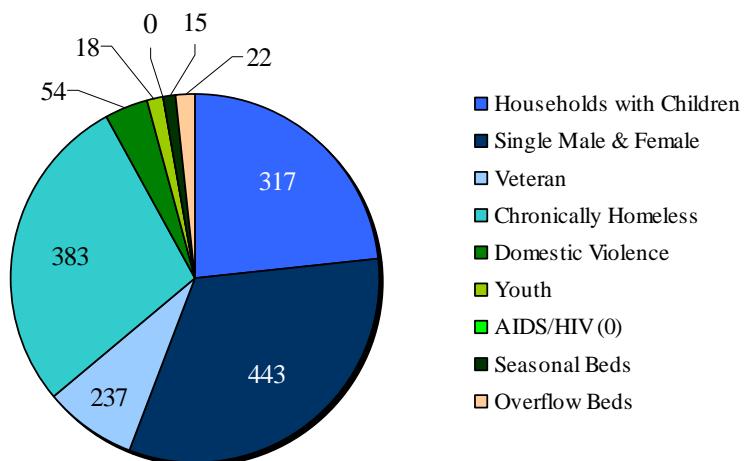
Project Type	Beds by Population Category							Seasonal Beds	*Overflow Beds	Total Beds
	Households with Children	Single Male & Female	Veteran	Chronically Homeless	Domestic Violence	Youth	AIDS/HIV			
Emergency Shelter	132	158	0	0	43	6	0	15	22	376
Transitional Housing	48	208	109	0	11	6	0	0	0	382
Permanent Supportive Housing	86	75	0	383	0	3	0	0	0	547
*Rapid Re-housing	51	2	0	0	0	3	0	0	0	56
Safe Haven	0	0	0	0	0	0	0	0	0	0
Total Beds By Population	317	443	109	383	54	18	0	15	22	1,361

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

*Haven of Transylvania operates a RRH program and can provide assistance up to 34 individuals however this number is not reflected in the count as it was not providing assistance during the PIT count.

Based on the 2014 North Carolina Coalition to End Homelessness Housing Inventory Counts, the utilization (occupancy) rate for homeless housing beds in the Asheville region is 88.6% This utilization rate and the fact that 302 persons remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population. The Asheville region appears to be actively engaged in assisting its local CoCs through various outreach and housing programs that are targeted towards its homeless population.

Region Homeless Beds by Population



Persons with Disabilities

According to U.S. Census Data there are approximately 59,980 persons living with a disability in the Asheville region. It should be noted that Madison and Transylvania counties have the highest percentage (18.0%) of their population living with a disability as compared to Buncombe (14.7%) and Henderson (15.2%) counties, both of which are slightly lower than the overall regional average.

In 2012, a person in the Asheville MSA with a disability received SSI benefits equal to \$698 month, according to *Priced Out in 2012*, a study discussing severe housing affordability problems experienced by persons with disabilities. A person with a disability receiving SSI would have to pay 94% of their monthly income to rent a one-bedroom apartment in Asheville. Currently, there are approximately 105 Non-Elderly Disabled (NED) vouchers in use within the Housing Authority of Asheville and Western Carolina Community Action's jurisdiction, according to the Technical Assistance Collaborative (TAC) Database of vouchers targeted to people with disabilities.

A representative from Disability Partners of Asheville noted that accessible housing for disabled persons is greatly needed within Buncombe and Henderson counties as there is approximately a two-year waitlist for these units. Accessible housing is greatly needed in the more rural areas of Madison and Transylvania counties as it is almost non-existent. Currently, it is unknown as to how many housing units exist specifically for the disabled population within the subject region as this data is currently not tracked.

As part of Bowen National Research's survey of area multifamily apartments, the number of units that are handicapped accessible at each project were identified (based on estimates from property managers). Overall, 308 accessible units were identified among the region's 14,198 surveyed multifamily units, representing 2.2% of the surveyed supply. While this survey does not include all multifamily rentals in the region, and not all property managers that were interviewed knew or would provide the number of assessable units, these estimates provide insight of the relationship between the universe of persons with disabilities and the share of multifamily units that are handicapped accessible.

Total Number of Accessible Units- Asheville Region	
City of Asheville	161*
Buncombe County	246
Henderson County	25
Madison County	6
Transylvania County	31
Overall Total	308

*Not reflected in overall total because it is already accounted within Buncombe County

Based on this data, it appears a very small share of multifamily rental housing units meet the specific needs of the region's disabled population.

Disability Partners of Asheville serves approximately 267 disabled persons annually combined within Buncombe, Henderson, Madison and Transylvania counties. Of those 267 disabled persons, it is estimated that 20 to 30 experience homelessness annually. It should also be noted that Disability Partners also provides disabled persons with various supportive services, skills training, peer counseling and housing referrals.

Furthermore, there is a Key Target Program through the Department of Health & Human Services which provides housing assistance to disabled persons of which Disability Partners used to be a referral agency. Due to budget cuts, this program is no longer available which has provided service providers like Disability Partners a disadvantage when serving its clients. However, other local initiatives exist in the Asheville region such as SOAR, which helps homeless individuals with disabilities access SSID benefits within months instead of years.

Persons with HIV/AIDS

In 2013, it was estimated that there were approximately 28,101 persons identified as living with HIV/AIDS within North Carolina, of which 641 persons reside within the Asheville region. As of June 2014 there were 32 newly reported cases of HIV/AIDS within the Asheville region, according to the North Carolina 2014 Quarterly HIV/STD Surveillance Report.

While there is no housing or shelters specifically designated for this group, there are various supportive services and advocacy programs available to persons living with HIV/AIDS within the Asheville region through Western North Carolina AIDS Project (WNCAP). A representative with WNCAP stated that there is a significant need for affordable housing specifically targeted to persons living with HIV/AIDS as there is currently a two-year wait list to receive any type of rental assistance through the Housing Opportunities for Persons with AIDS (HOPWA) program. Currently, in the Asheville region there are approximately 55 to 60 persons receiving some type of assistance through HOPWA. Furthermore, it was mentioned that within the next three to five years that all funding for the HOPWA program will be cut leaving many persons without rental assistance in the Asheville region.

According the North Carolina Coalition to End Homelessness 2014 Housing Inventory Counts within the Asheville region, there are currently no shelters or transitional housing programs specifically targeting persons living with HIV/AIDS. However 13 persons who were identified as living with HIV/AIDS sought refuge within emergency shelters and permanent supportive housing within Buncombe County. It should be noted that no persons living with HIV/AIDS were reported as homeless within Transylvania, Henderson or Madison counties.

Victims of Domestic Violence

The North Carolina Council for Women identified 57,345 victims of domestic violence who sought services from 105 local domestic violence programs in North Carolina from 2012 to 2013. According to this survey, there were 15,327 domestic violence victims and children who sought refuge in emergency shelters or transitional housing within North Carolina and 2,413 victims were referred to other area shelters due to lack of space. The following table summarizes total victims who received shelter and non-residential programs in the Asheville region.

Domestic Violence Program Statistics 2012-2013			
	Total Victims Receiving Shelter Services (Referred to area shelters)	Total Victims Receiving Non-Residential Services	Total Calls Received
Asheville/Buncombe County	199 (173)	23,837	1,212
Henderson County	266 (0)	3,622	705
Transylvania County	104 (0)	4,947	77
Madison County	162 (9)	6,302	875
Overall Total	731 (182)	38,708	2,869

Source: North Carolina Council for Women 2012-2013 County Statistics

Of the 731 victims who received shelter within the Asheville region, 182 victims were referred to other area shelters due to program overcapacity. However, according to Helpmate, it should be noted that within Asheville/Buncombe County there is a priority given to domestic violence victims through the Asheville Housing Authority, which decreases the amount of time spent in shelters awaiting alternative housing.

According to various local area service providers within the Asheville region there is a need to expand availability of emergency shelters serving victims of domestic violence. Last year Helpmate referred 173 families to shelters in neighboring counties due to overcapacity. Currently, there are four shelters in the Asheville region which serve the counties (Buncombe, Henderson, Madison and Transylvania). Area representatives also noted there is a need for a transitional housing program in Madison and Transylvania counties which would allow many victims of domestic violence the ability to receive continued advocacy and supportive services. Lastly, there is a need for more rental assistance to enable victims to resettle more quickly due to loss of income. Approximately 60% of all victims of domestic violence are homeless within the Asheville region, which is comparable with the national average of 63%. Furthermore, Buncombe County ranks 2nd in North Carolina in domestic violence related death incidents.

Below is a table summarizing housing options available to victims of domestic violence within the Asheville region.

Supportive Housing for Victims of Domestic Violence				
Housing Provider (County Served)	Total Population Served FY 2014	Total Beds	Average Length of Stay	Nights of Safe Shelter
Helpmate (Buncombe)	205	25	35	6,961
My Sister's Place (Madison)	N/A	N/A	N/A	N/A
Mainstay (Henderson)	238	36	30	6,626
SAFE of Transylvania County/ Stacey's House (Transylvania)	232	20	45	1,854
Overall Total	675	81	36.6	15,441

N/A- Not Available

Sources: Helpmate 2013-2014 Annual Report; SAFE of Transylvania Representative; Mainstay 2014 Annual Report

Helpmate and other area shelters also provide various outreach services and programs to this subpopulation group within Asheville and surrounding counties. The table below highlights the number of individuals who took advantage of these various programs and services.

Advocacy Programs for Victims of Domestic Violence	
Helpmate	
Advocacy Program/Service	Total Persons Served (FY 2014)
Outreach Education Program	3,682
Legal Advocacy	1,020
Crisis Response/Hotline	2,397
Individual/Group Counseling	709
Overall Total	7,808
My Sister's Place	
Counseling Services	N/A
Legal Advocacy	N/A
Crisis Response/Hotline	N/A
Community Education	N/A
Overall Total	N/A
Mainstay	
Crisis Response	461
Outreach Program	150
Education	241
Overall Total	852
SAFE of Transylvania County	
Crisis Response/Hotline	45
Counseling Services	441
Legal Advocacy	114
Overall Total	600

N/A- Not Available

Sources: Helpmate 2014 Annual Report; Various representatives within each agency

Unaccompanied Youth – Youth Aging Out of Foster Care

Child welfare systems throughout the country exist to seek other housing alternatives for youth who cannot return to their current family situation. As such, many youth in the foster care system “age out” at 18 without a place to call home and lacking many life skills. Approximately 1,034 youth aged out of the foster care system in North Carolina from 2012 to 2013. Additionally, the percentage of youth that aged out of the foster care system in North Carolina has increased by 34.6% since 2001. Specifically within the Asheville region, there were 87 youth that “aged out” of the system from 2012 to 2013. It should be noted that Buncombe County serves approximately 77% of youth aging out of the foster care system. It should also be noted that in 2013 there were 11 children or (12.6%) who “aged out” who were reported as homeless within Buncombe and Henderson counties.

While there are limited supportive services available to youth once they age out of the foster care system in North Carolina, the LINKS program provides some support to youth upon emancipation. Supportive services can include, but are not limited to counseling, job training, housing assistance, and a monthly stipend to attend college /vocational school. This program was established in 1999 in response to the Chafee Foster Care Independence Act through federal funding. Every county in North Carolina is required to provide LINKS services to youth from the ages of 16 to 21.

Ex-Offender Re-Entry

It is estimated that 600,000 prisoners are released each year in the United States, according to the U.S. Department of Justice. This poses many challenges to communities regarding such things as housing, job availability and social services. Recently incarcerated individuals within the Asheville region who are reintegrating back into society from prison are at 10% risk of homelessness, a representative from the Division of Adult Correction and Rehabilitate Programs noted. However, it is believed that the true number of formerly incarcerated individuals that are released into homelessness is likely much greater. Additionally, transitional and permanent housing are critical needs for formerly incarcerated individuals; however, many affordable housing options are not available to individuals with a criminal background and finding a living wage job for them is very difficult. Specifically, in 2013 the North Carolina Department of Corrections released 694 men and 161 women to the Asheville region. Of the 855 persons discharged approximately 0.6% are currently homeless and 13% (116) have a chronic mental illness.

The North Carolina prisoner re-entry program assists former offenders returning to the community by providing employment, obtaining stable housing, income assistance, education, counseling, substance abuse assistance, and transportation services. Currently, these services are only available to ex-offenders in Buncombe and Henderson counties within the Asheville region. However some re-entry support is available in the more rural areas of Madison and Transylvania counties through local churches; however, many former offenders end up relocating to Buncombe County due to the lack of supportive services in the other counties. One local service provider in Madison County noted that due to the rural nature of the area, many former offenders end up living with family members or seeking jobs/housing in Buncombe County. It was noted that there may be a need for some type of permanent housing with supportive services for this group within the rural counties much like the current pilot program in Asheville.

In January 2013, the re-entry network in Asheville started a pilot program for formerly incarcerated men that provides housing support while they attend classes at the local community college. Currently, the program is supporting five former offenders. A representative with the Asheville Re-Entry Network noted that there was also a need for permanent supportive housing as well as affordable workforce housing with some units designated specifically for former offenders in Buncombe and Henderson counties. The only housing options that currently exist for former offenders in those counties are shelter services.

Persons with a Mental Illness

According to the North Carolina Division of Mental Health, there were 306,080 persons in the state who were treated for a mental illness in 2013. Of the 306,080 persons served, 71% were being treated for a mental illness and 23% were treated for substance abuse. Specifically, within the Western Highlands Local Management Entity (LME), which serves the Asheville region, there were 24,038 persons served of which 68% (16,425) were being treated for a mental illness and 19% for substance abuse which is comparable with the state average. It should also be noted that there were 4,864 persons who were served for a severe mental illness within state licensed Neuro-Medical Treatment Centers and State Psychiatric Hospitals in North Carolina. Of the 4,864 persons served with a serve mental illness, 0.6% (290) were within the Asheville region. Since 2004, the number of persons served within these hospitals and treatment centers has decreased by 77%. The State of North Carolina appears to be actively engaged by providing housing within state licensed mental health facilities to this special needs population. Specifically within the Asheville region there is a total capacity of 820 beds located within 165 facilities.

Persons with Substance Abuse

According to the North Carolina Alcohol and Drug Abuse Treatment Centers Annual Statistical Report, admissions in 2013 for treatment of substance abuse in North Carolina have increased by 1.9%, from 4,058 in 2012 to 4,136 in 2013. Specifically, in 2013 there were 4,343 persons served in state Alcohol and Drug Abuse Treatment Centers, of which 466 were within the Asheville region. It should be noted that Buncombe County accounts for 79.6% of all persons treated for substance abuse in the Asheville region and has the highest population served (371) within the Western Highland LME. Henderson, Madison and Transylvania counties account for less than 10% of persons served for substance abuse in the Asheville region.

In terms of housing and rehab treatment facilities, the Asheville region appears to be well served. According to the North Carolina Department of Public Safety Rehabilitative Programs & Services county database there are approximately 31 facilities within the Asheville region which offer transitional or permanent supportive housing as well as substance abuse and counseling programs either for free or fees are based on a sliding scale.

Multi-Generational Households

The U.S. Census Bureau defines multi-generational families as those consisting of more than two generations living under the same roof. Currently, one in six persons living in the United States lives in a multigenerational household. Specifically, in North Carolina there are approximately 168,564 persons living in a multi-generational household.

There are currently 5,068 multi-generational households residing within the Asheville region, of which 47% (2,718) reside within Buncombe County. A service provider with Council on Aging believes that most multi-generational households in the area live together out of necessity either because they can no longer afford their home or are “doubling up” because of lack of affordable housing options. Additionally, many low-income families receiving subsidies in the area may want to live with or take in family members but are unable to do so because they would lose their assistance due to the additional income that would result from adding to their household sizes. It was noted that if larger affordable bedroom types were developed, they may be able to accommodate multi-generational household living. Currently, there is no affordable housing in the area available to support multi-generational living (all low-income multifamily projects are fully occupied). Furthermore, most multi-generational living options that are advertised in the area serve higher income households thus making them inaccessible to low-income families.

Homeless Veterans

There are an estimated 62,619 veterans who were classified as homeless on a single night throughout the United States in 2012, according to the National Alliance to End Homelessness Annual Assessment Report. That estimate represents a 7.2% decline compared to HUD's 2011 estimate.

According to the 2014 point-in-time survey for *Asheville/Buncombe and North Carolina BoS*, there are approximately 469 veterans who are classified as homeless on any given day in Asheville/Buncombe and Henderson counties. It should be noted that Transylvania and Madison counties currently do not have a reported homeless veteran population or facilities with a veteran set aside. The following table summarizes the sheltered and unsheltered homeless veteran population within Asheville/Buncombe and Henderson counties.

Homeless Population & Subpopulation– Asheville/Buncombe & Henderson Counties						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Veterans	35	184	239	4	7	469

Source: North Carolina Coalition to End Homelessness (2014)

Of the 469 identified veteran households in the subject region, more than half (50.9%) are within permanent supportive housing and 39.2% are within transitional housing. A total of seven veterans (0.1%) are unsheltered. It is important to note that 468 veterans classified as homeless in 2014 all reside within Asheville/Buncombe County. A representative with Homeward Bound and other area shelters stated that they do not see very many homeless veterans in the more rural areas such as Madison and Transylvania counties as many homeless veterans tend to seek services in Buncombe County due to the various shelter services and advocacy programs. Within the past three years service providers in Madison and Transylvania counties estimated that they have assisted approximately six veteran households. It should be noted that there are currently 220 HUD-VASH vouchers that are currently in use within Asheville. As such, the homeless veteran population appears to be well served, though some veterans remain homeless.

Elderly and Frail Elderly

Based on data provided by the ESRI, it is projected that the study region will have 105,830 elderly persons age 62 and older. According to the U.S. Centers for Disease Control and Prevention's *Summary Health Statistics for U.S. Population National Health Interview Survey 2011*, 3.6% of persons between the ages of 65 and 74 require assistance with at least three Activities of Daily Living (ADL) and 11.9% of persons over the age of 75 require ADL assistance nationally. Based on an evaluation of the region's elderly population, approximately 7.4% of all age 65 and older households require ADL assistance. Applying this share to the region's 2015 population of persons age 62 and older yields an estimated 11,366 elderly persons requiring ADL assistance. These 11,366 persons are categorized as "Frail Elderly" and likely require either home health care services or senior care housing to meet their specific needs.

7. THEMATIC MAPS

Based on the preceding data sets, we have developed several demographic thematic maps on a region level, illustrating the concentration of various demographic characteristics.

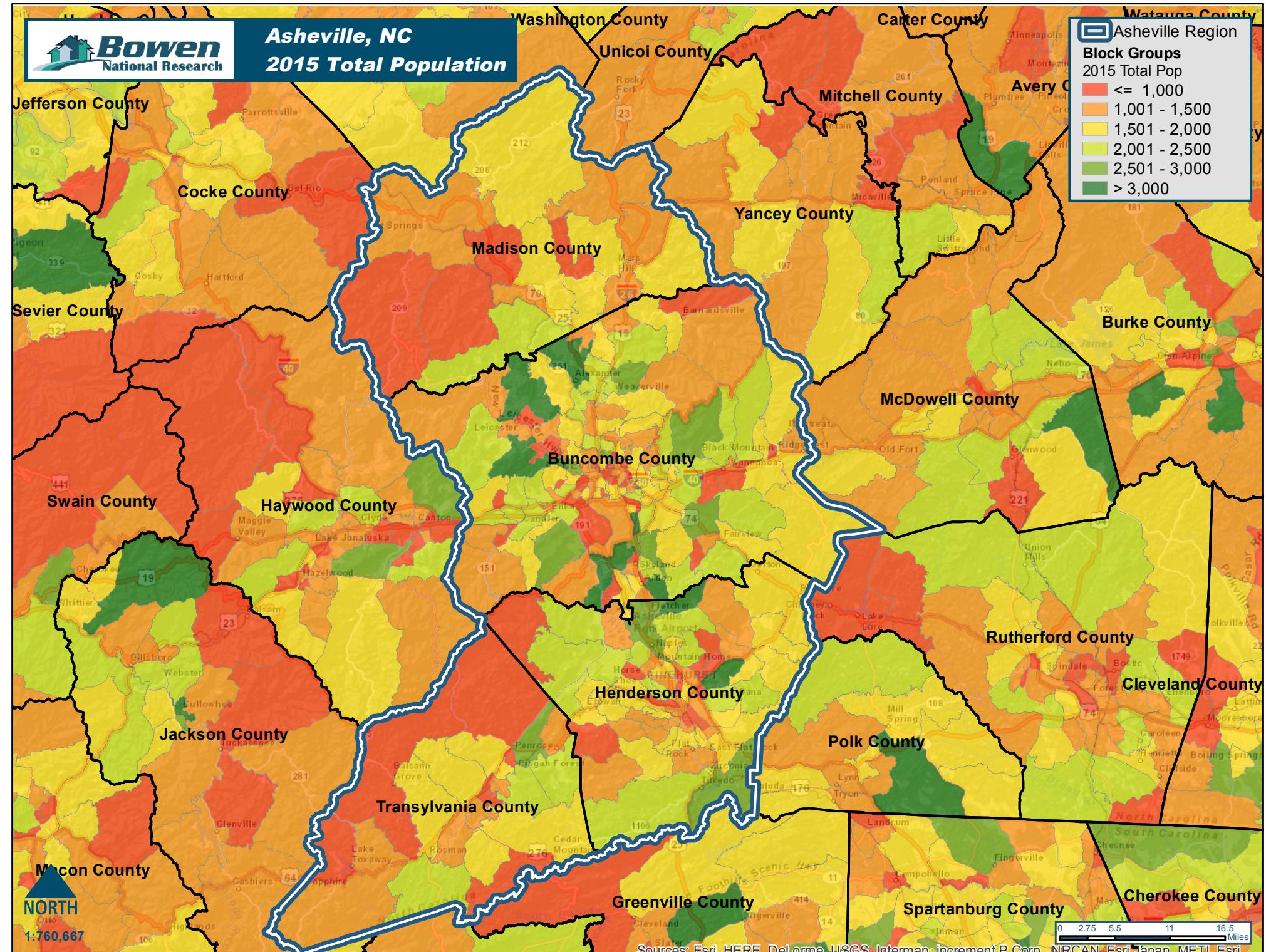
- Total Population (2015)
- Total Population age 55+ (2015)
- Projected Population Growth (2015 to 2020)
- Population Density (2015)
- Total Households (2015)
- Projected Household Growth (2015 to 2020)
- Households by Renter Share (2015)
- Median Household Income (2015)
- Population by Poverty Status (2006-2010 ACS)

These maps are included on the following pages.



Asheville, NC

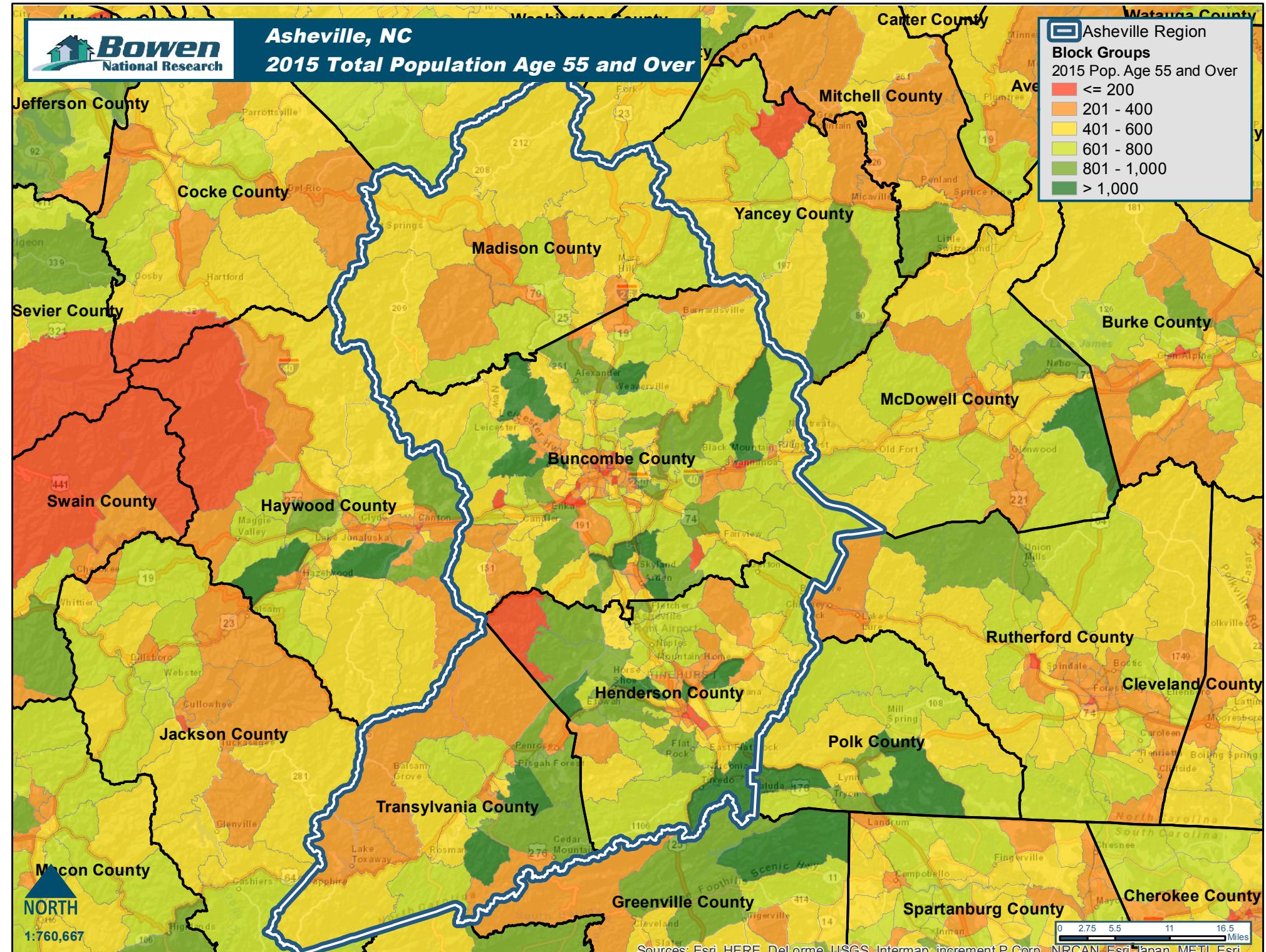
2015 Total Population





Asheville, NC

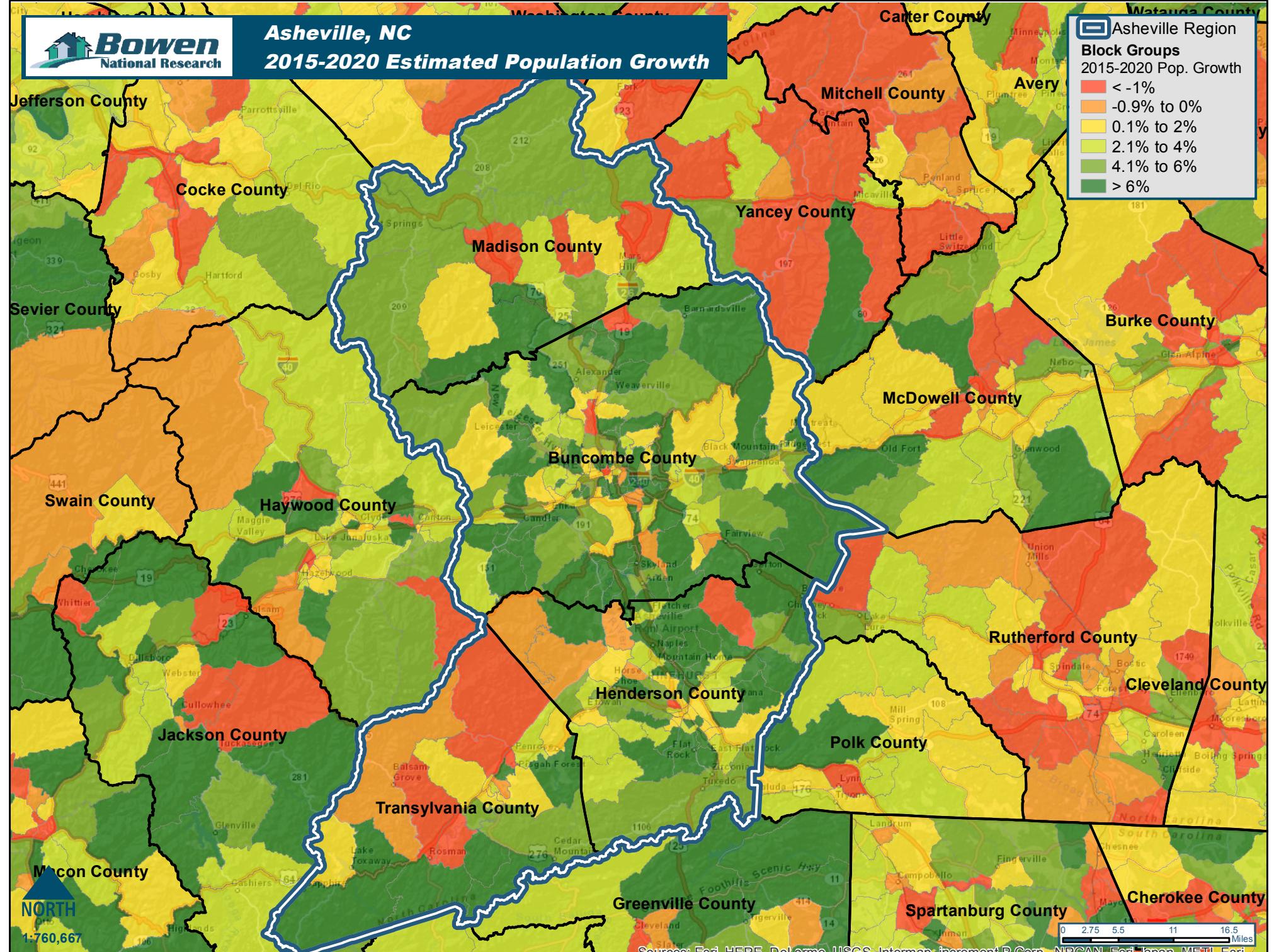
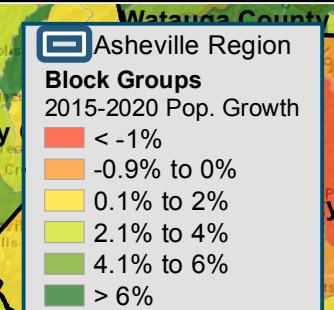
2015 Total Population Age 55 and Over





Asheville, NC

2015-2020 Estimated Population Growth



NORTH

1:760,667

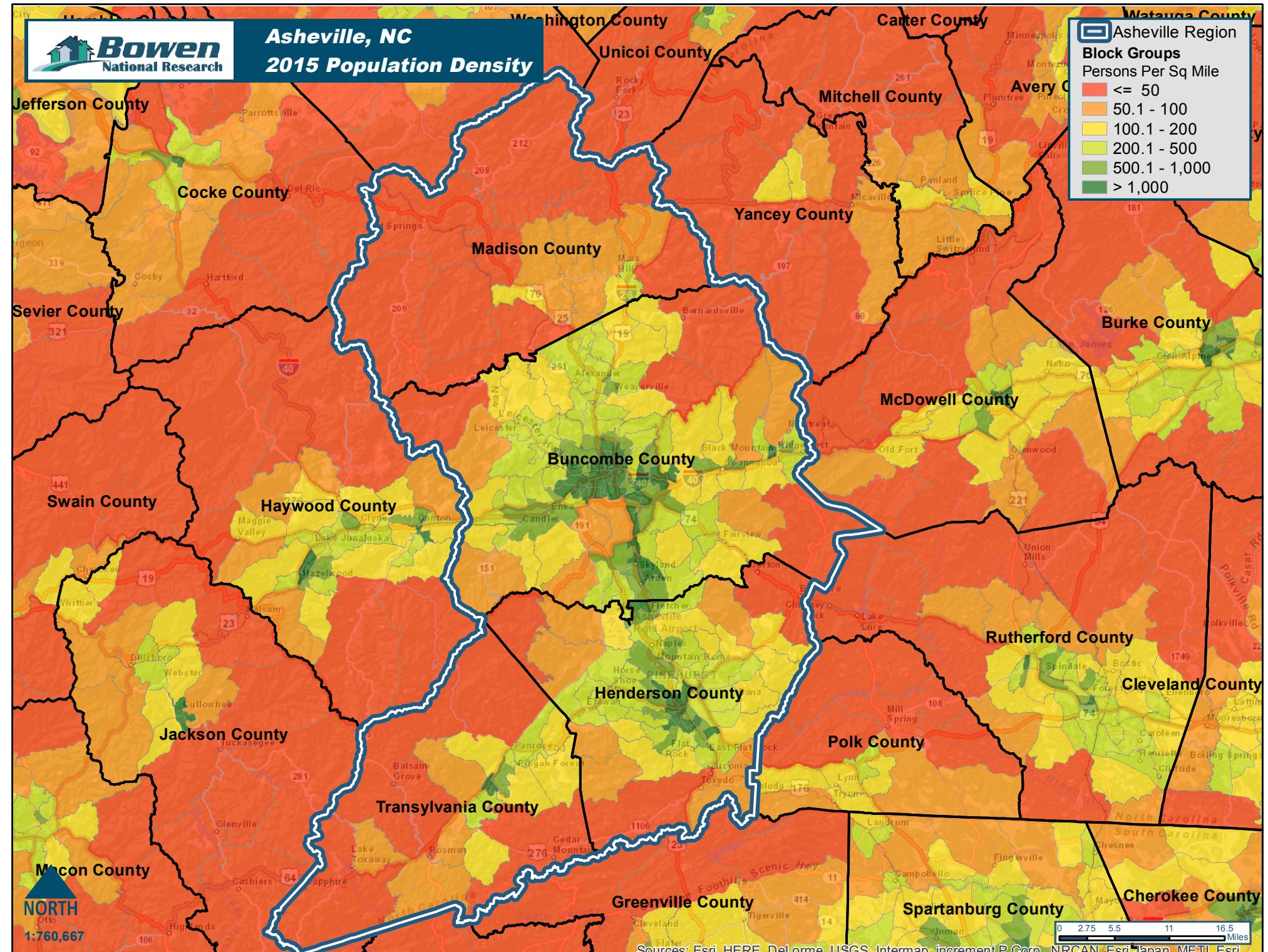
Sources: Esri, HERE, Delorme, USGS, Intermap, increment P, Com, NRCAN, Esri, Japan, METI, Esri

0 2.75 5.5 11 16.5 Miles



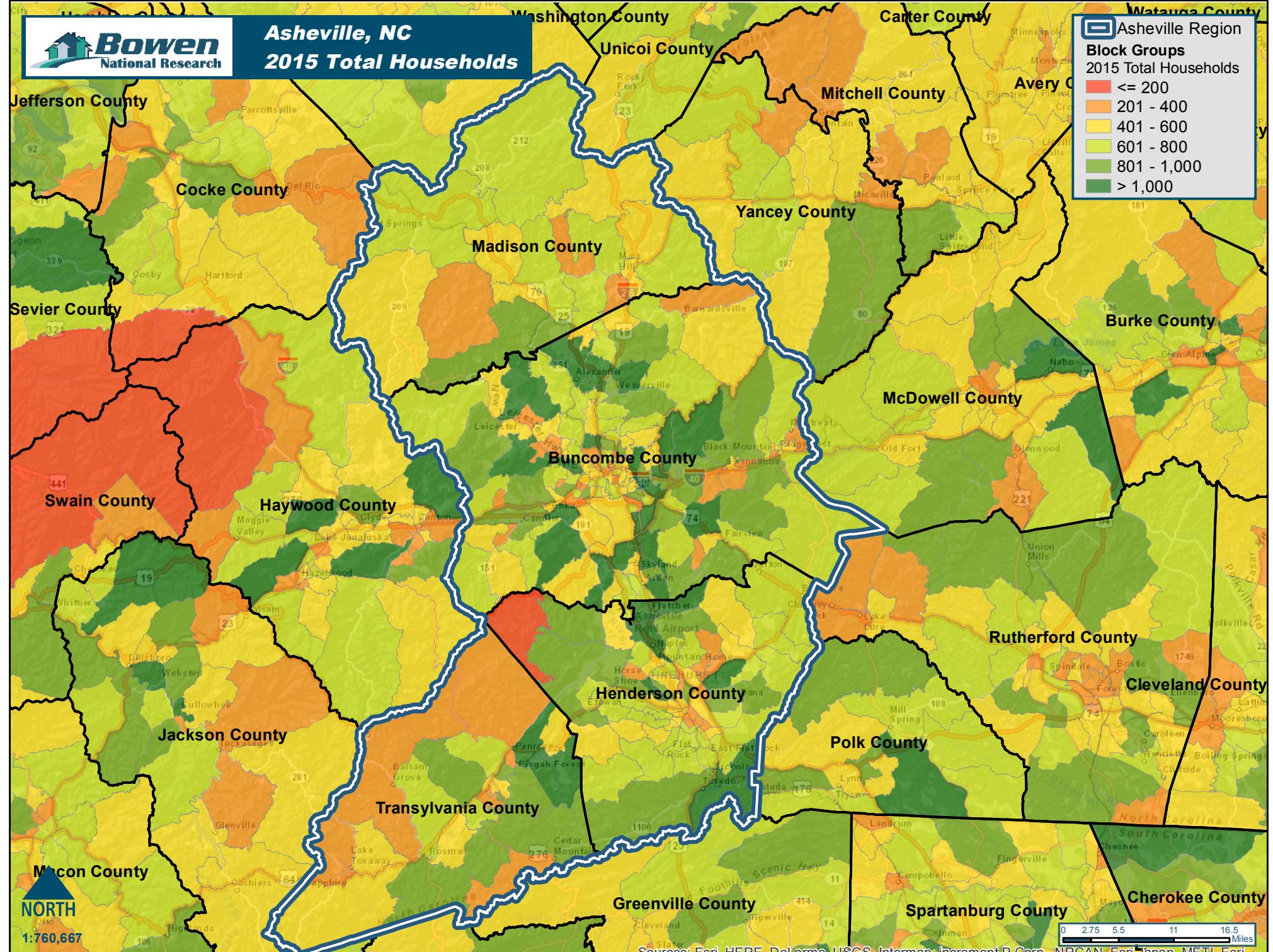
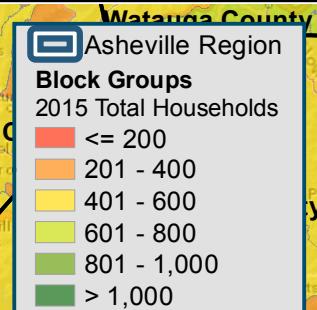
Asheville, NC

2015 Population Density





Asheville, NC 2015 Total Households

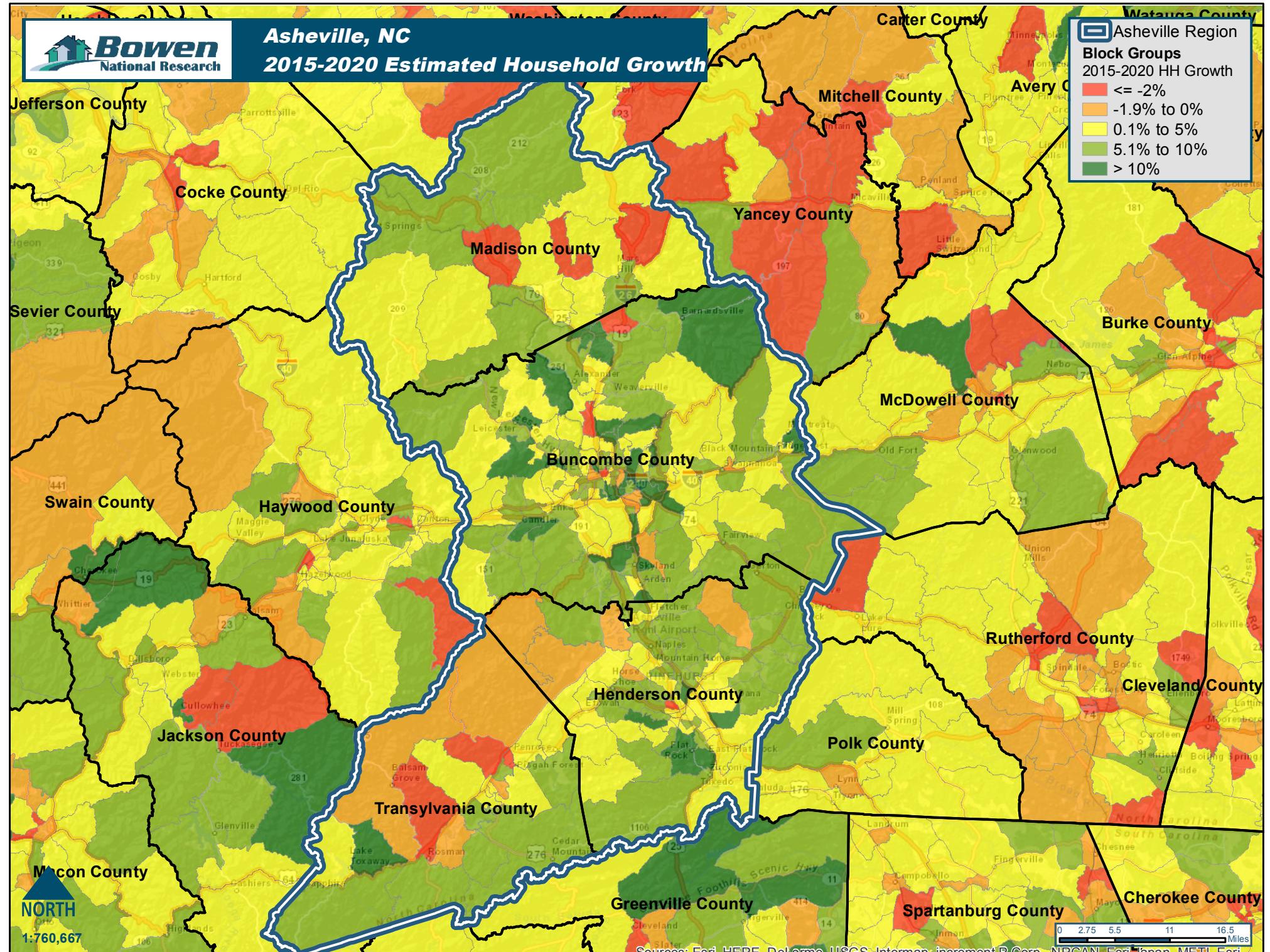




Asheville, NC 2015-2020 Estimated Household Growth

Asheville Region
Block Groups
2015-2020 HH Growth

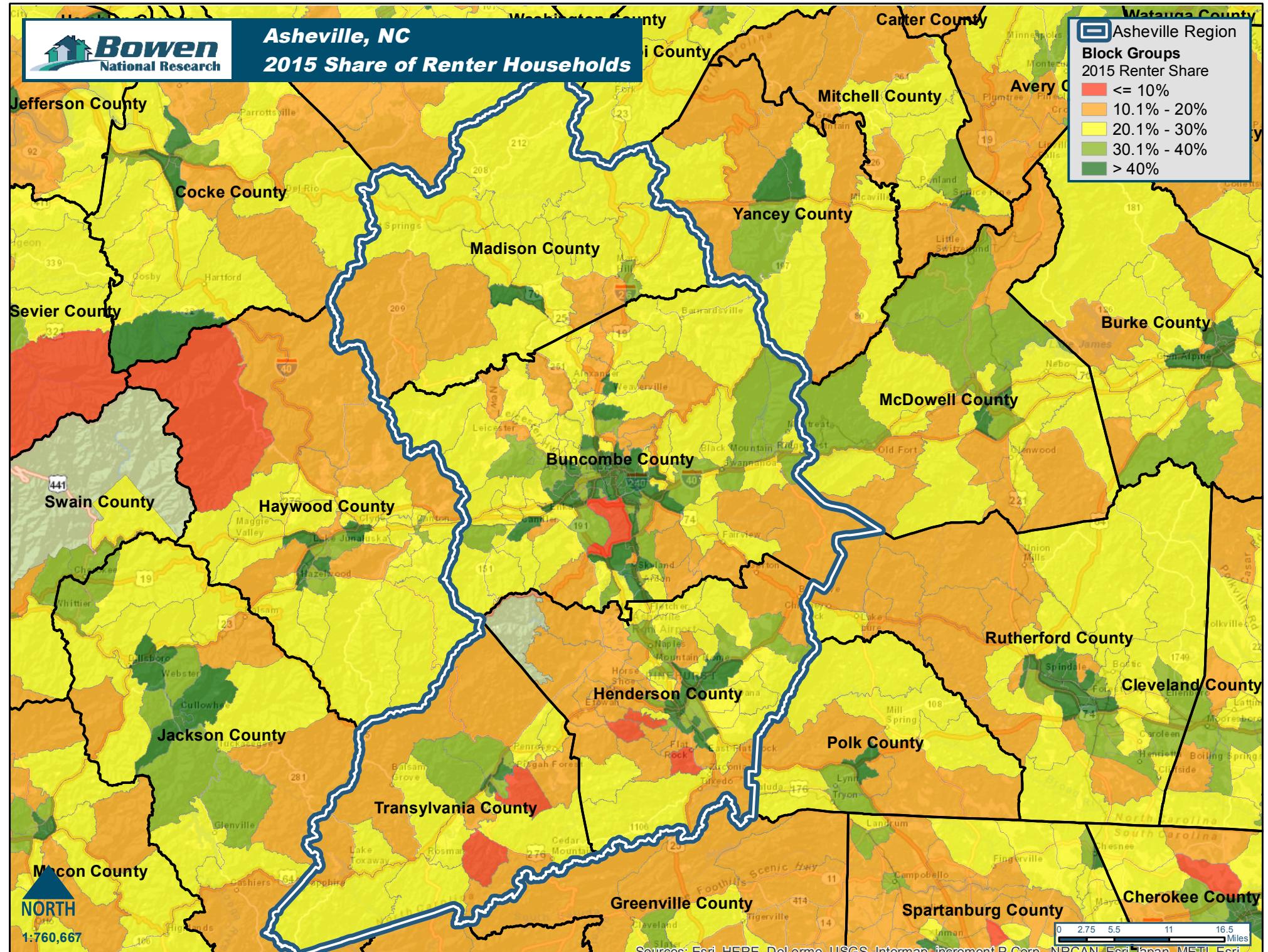
<= -2%
-1.9% to 0%
0.1% to 5%
5.1% to 10%
> 10%





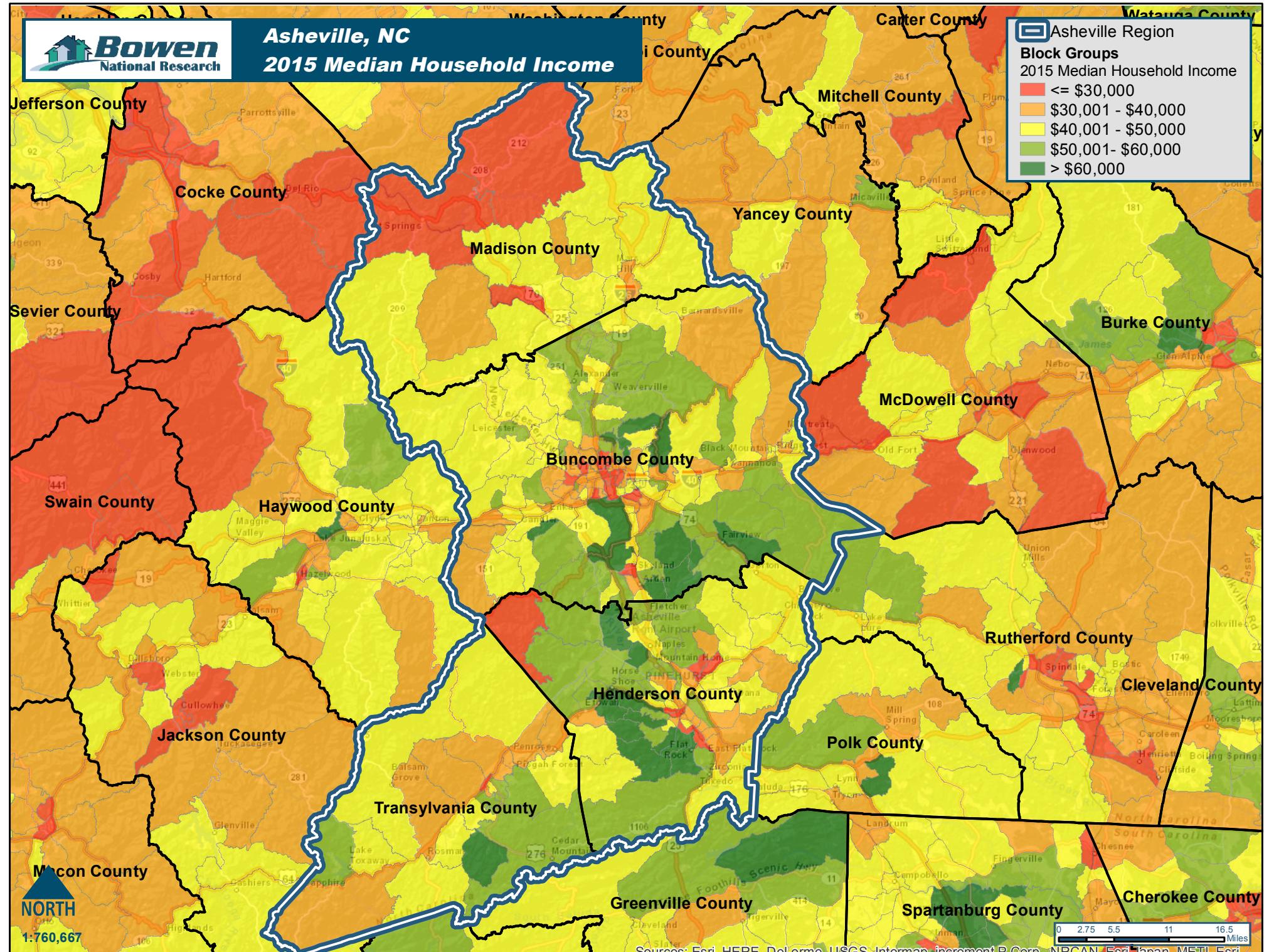
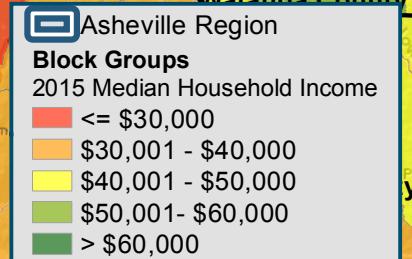
Asheville, NC 2015 Share of Renter Households

Block Groups	Asheville Region
<= 10%	
10.1% - 20%	
20.1% - 30%	
30.1% - 40%	
> 40%	





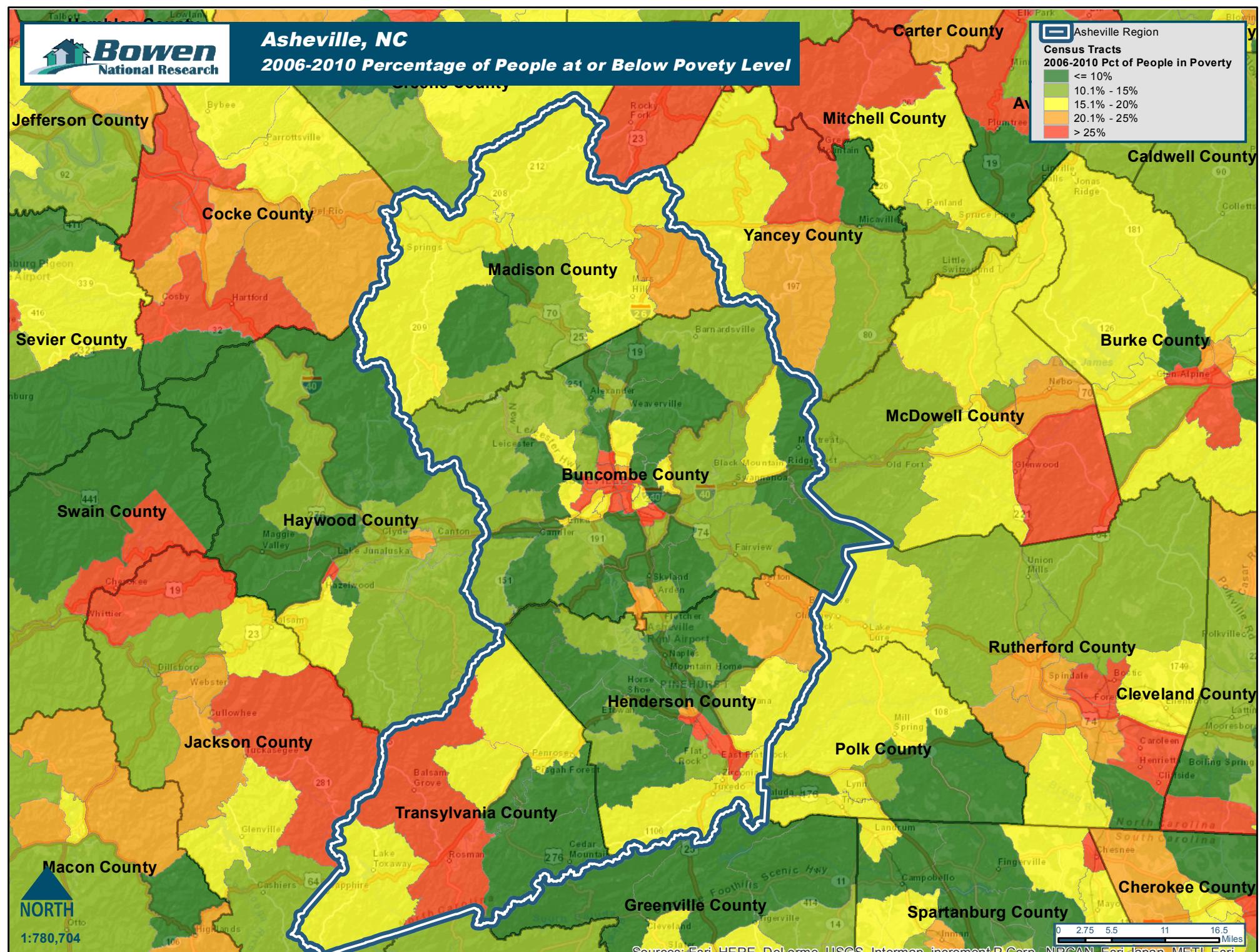
Asheville, NC 2015 Median Household Income





Asheville, NC

2006-2010 Percentage of People at or Below Poverty Level



C. ECONOMICS

The economic characteristics and trends of a market or region can have a significant impact on an area's current and potential housing needs. Therefore, we have evaluated key economic variables of region. Relevant detailed economic data relative to the individual counties is included in the county chapters of this report.

Specific regional and county economic data sets in this section include the following:

- Employment by Job Sector
- Total Annual Employment (2004 to 2014)
- Annual Unemployment Rates (2004 to 2014)

Evaluating these economic data sets can provide insight as to economic strengths and weaknesses, help identify positive and negative trends, and provide information that can help explain current housing conditions or assist in anticipating future housing needs. For example, areas with diverse economic bases often have a better ability to withstand economic downturns than areas with a heavy reliance on a single industry sector. Markets with a large base of low-wage jobs, such as service-oriented or other blue collar jobs, often indicate that a market has a better potential opportunity to support affordable housing. Areas with growing unemployment can also indicate an increasing need for additional affordable housing.

Key economic findings are discussed below.

Employment by Job Sector - Generally, healthy and stable economies are those that are balanced with the number of employees distributed among a wide range of employment sectors. Typically, economies with a good base of employment within Educational Services, Health Care and Social Assistance, and Public Administration are stable and have the ability to withstand downturns in the area economy. The labor force within the subject region is very diversified and balanced with no industry sector representing more than 11.2% of the overall region's employment base. The largest employment sectors in the region include Retail Trade (11.2%), Health Care & Social Assistance (7.9%), Administrative, Support, Waste Management & Remediation Services (7.7%), and Accommodation & Food Services (6.5%) job sectors.

Unemployment Rates and Job Growth – The subject region was not immune to the national recession that began in 2007/2008. From 2004 to 2008, the region's unemployment rate remained below 5.0%, and was considered very healthy and stable. As the effects of the national recession hit the region, the region's unemployment rate increased to 8.4% in 2009 then increased further to 8.8% in 2010. Despite these increases, they remained below both state and national rates. Since 2009, the region's unemployment rate has declined annually. The August 2014 regional unemployment rate of 5.1% is near pre-recession levels and 12,224 jobs have been added in the region over the past five years. These are positive indications of a recovered and expanding regional economy.

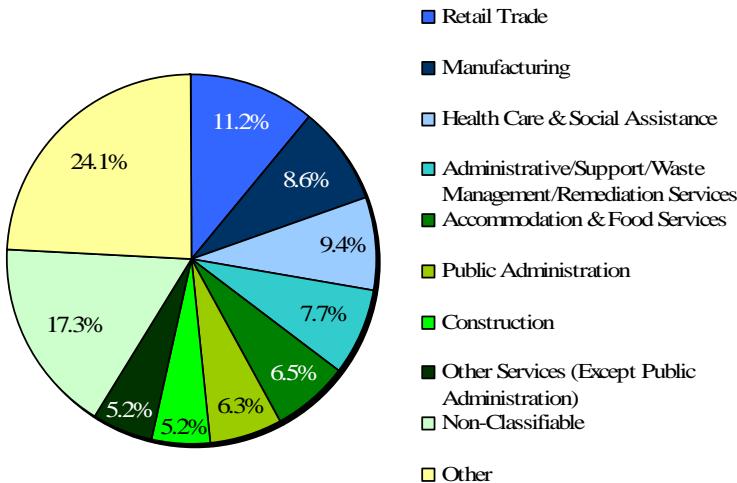
The distribution of counties' and region's employment by industry sector is summarized below.

NAICS Group	County Employment by Industry (Employees)									
	Buncombe		Henderson		Madison		Transylvania		Region	
	#	%	#	%	#	%	#	%	#	%
Agriculture, Forestry, Fishing & Hunting	1,192	0.8%	656	1.3%	154	2.4%	88	0.7%	2,090	1.0%
Mining	95	0.1%	50	0.1%	0	0.0%	0	0.0%	145	0.1%
Utilities	418	0.3%	34	0.1%	72	1.1%	25	0.2%	549	0.3%
Construction	7,279	4.8%	3,019	6.2%	296	4.7%	866	7.0%	11,460	5.2%
Manufacturing	13,729	9.1%	4,081	8.3%	574	9.1%	507	4.1%	18,891	8.6%
Wholesale Trade	4,558	3.0%	2,527	5.2%	83	1.3%	181	1.5%	7,349	3.4%
Retail Trade	17,066	11.3%	5,509	11.3%	501	7.9%	1,388	11.2%	24,464	11.2%
Transportation & Warehousing	2,697	1.8%	1,415	2.9%	139	2.2%	108	0.9%	4,359	2.0%
Information	1,975	1.3%	485	1.0%	75	1.2%	136	1.1%	2,671	1.2%
Finance & Insurance	3,518	2.3%	1,124	2.3%	87	1.4%	325	2.6%	5,054	2.3%
Real Estate & Rental & Leasing	4,112	2.7%	1,201	2.5%	123	2.0%	486	3.9%	5,922	2.7%
Professional, Scientific & Technical Services	8,215	5.4%	1,789	3.7%	227	3.6%	523	4.2%	10,754	4.9%
Management of Companies & Enterprises	171	0.1%	32	0.1%	2	0.0%	13	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	12,730	8.4%	2,939	6.0%	463	7.3%	657	5.3%	16,789	7.7%
Educational Services	7,314	4.8%	2,051	4.2%	716	11.4%	771	6.2%	10,852	5.0%
Health Care & Social Assistance	11,827	7.8%	4,069	8.3%	432	6.9%	1,043	8.4%	17,371	7.9%
Arts, Entertainment & Recreation	1,422	0.9%	533	1.1%	77	1.2%	494	4.0%	2,526	1.2%
Accommodation & Food Services	9,697	6.4%	3,519	7.2%	134	2.1%	838	6.8%	14,188	6.5%
Other Services (Except Public Administration)	7,504	5.0%	3,008	6.2%	297	4.7%	644	5.2%	11,453	5.2%
Public Administration	9,682	6.4%	2,627	5.4%	505	8.0%	954	7.7%	13,768	6.3%
Nonclassifiable	25,852	17.1%	8,239	16.8%	1,345	21.3%	2,306	18.7%	37,742	17.3%
Total	151,053	100.0%	48,907	100.0%	6,302	100.0%	12,353	100.0%	218,615	100.0%

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

The labor force within the region is relatively diversified and balanced with no classified industry sector representing more than 11.2% of the overall region's employment base. The largest employment sector in the region is within the Retail Trade employment sector, which has 24,464 jobs or 11.2% of the region's entire employment base. Other notable employment sectors include Manufacturing (8.6%), Health Care & Social Assistance (7.9%), and Administrative, Support, Waste Management & Remediation Services, which represents 7.7% of the region's employment base. With tourism a major influence on the region's economy, there are 14,188 jobs within the region that are under the Accommodation & Food Services job sector, which represents 6.5% of the region's total employment. The largest employment sectors by county are Retail Trade in Buncombe and Henderson counties, representing 11.3% in both counties, and Education (11.4%) in Madison County and Retail Trade in Transylvania County (11.2%).

Region Employment by Industry



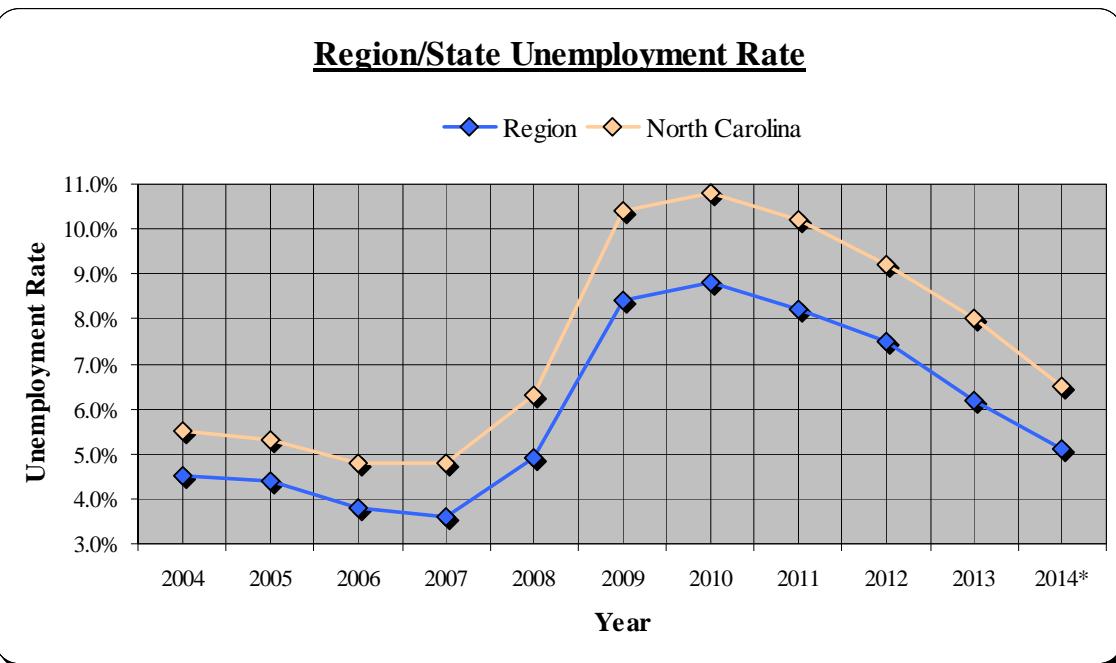
The following illustrates the annual unemployment rates from 2004 to current (August 2014) for each subject county, the region, North Carolina and the United States.

Year	Unemployment Rate					North Carolina	United States
	Buncombe	Henderson	Madison	Transylvania	Region		
2004	4.3%	4.2%	5.2%	7.0%	4.5%	5.5%	5.6%
2005	4.4%	4.2%	5.1%	5.3%	4.4%	5.3%	5.2%
2006	3.7%	3.6%	4.2%	4.2%	3.8%	4.8%	4.7%
2007	3.6%	3.5%	4.0%	3.7%	3.6%	4.8%	4.7%
2008	4.8%	4.9%	5.8%	5.3%	4.9%	6.3%	5.8%
2009	8.2%	8.7%	9.3%	9.1%	8.4%	10.4%	9.3%
2010	8.6%	8.6%	9.8%	10.4%	8.8%	10.8%	9.7%
2011	8.0%	8.0%	9.6%	10.0%	8.2%	10.2%	9.0%
2012	7.3%	7.1%	9.0%	9.4%	7.5%	9.2%	8.1%
2013	6.1%	6.0%	7.0%	8.1%	6.2%	8.0%	7.4%
2014*	5.0%	5.0%	5.5%	6.7%	5.1%	6.5%	6.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through August

Over the past decade, the region's unemployment rate has remained well below the state and national averages. From 2004 to 2008, the region's unemployment rate remained below 5.0%. As the effects of the national recession hit the region, the region's unemployment rate began to climb in 2008 and peaked at 8.8% in 2010. Since that time, the region's unemployment rate has declined each year. The August 2014 regional unemployment rate of 5.1% is near pre-recession levels. It appears that the unemployment rate increased to the highest level in Transylvania County, which reached double digit levels in 2010 and 2011. Buncombe and Henderson counties were the least impacted, as unemployment rates reached no higher than 8.6% in 2010 in both counties.



The annual employment base for each of the study areas, as well as North Carolina and the United States, are compared on the following graph.

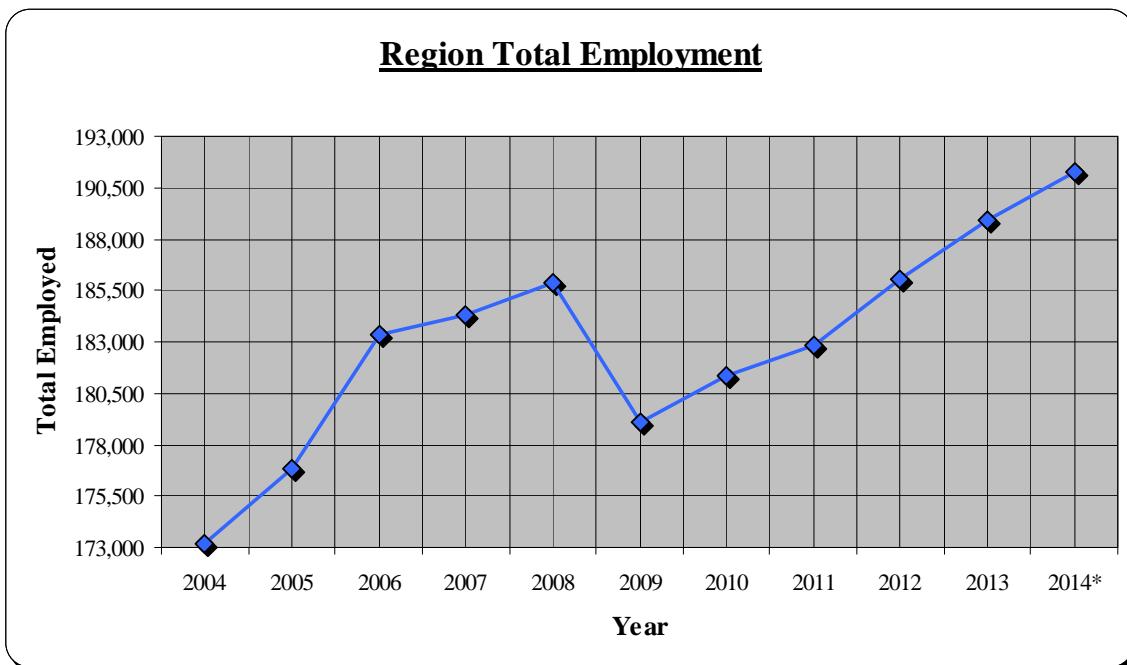
Year	Total Employment											
	Buncombe		Henderson		Madison		Transylvania		Region		North Carolina	
#	% Change	#	% Change	#	% Change	#	% Change	#	% Change	#	% Change	#
2004	108,879	-	43,676	-	9,199	-	11,386	-	173,140	-	4,031,081	-
2005	110,997	1.9%	44,682	2.3%	9,338	1.5%	11,800	3.6%	176,817	2.1%	4,123,857	2.3%
2006	115,077	3.7%	46,489	4.0%	9,584	2.6%	12,174	3.2%	183,324	3.7%	4,261,325	3.3%
2007	115,526	0.4%	46,545	0.1%	9,406	-1.9%	12,815	5.3%	184,292	0.5%	4,283,826	0.5%
2008	116,545	0.9%	47,206	1.4%	9,451	0.5%	12,661	-1.2%	185,863	0.9%	4,280,355	-0.1%
2009	112,362	-3.6%	45,612	-3.4%	9,022	-4.5%	12,065	-4.7%	179,061	-3.7%	4,107,955	-4.0%
2010	114,202	1.6%	46,358	1.6%	9,045	0.3%	11,719	-2.9%	181,324	1.3%	4,138,113	0.7%
2011	115,585	1.2%	46,831	1.0%	9,060	0.2%	11,373	-3.0%	182,849	0.8%	4,183,094	1.1%
2012	118,028	2.1%	47,368	1.1%	9,103	0.5%	11,524	1.3%	186,023	1.7%	4,271,315	2.1%
2013	120,001	1.7%	48,160	1.7%	9,255	1.7%	11,505	-0.2%	188,921	1.6%	4,318,319	1.1%
2014*	121,536	1.3%	48,776	1.3%	9,373	1.3%	11,600	0.8%	191,285	1.3%	4,368,455	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August

In terms of the employment base, the region lost 6,802 jobs in 2009 at the peak of the national recession, representing a decline of 3.7% from the preceding year. However, this was the only year during the past decade that the region experienced negative job growth, indicating the general economic strength and stability of the overall region. Since 2009, the region has experienced positive job growth, adding 12,224 jobs over the past five years. This represents a healthy 6.8% employment base increase during this time. Only Transylvania County appears to have had a slow recovery from the recession, experiencing job losses between 2008 and 2011, and again in 2013. On a positive note, however, Transylvania County has posted positive job gains in two of

the past three years. It is important to note that as of August 2014, Buncombe and Henderson counties' employment bases are higher than pre-recession levels, indicating that these areas appear to have fully recovered from the national recession. It should also be noted that Buncombe County's 2014 employment base of 121,536 represents nearly two-thirds (63.5%) of the entire region's employment base. As such, Buncombe County represents a primary economic driver within the region.



Specific county-level economic data and noteworthy job expansions and closures are included in the individual county chapters of this report.

Overall, recent employment trends have been positive, indicating a very healthy and growing regional economy that is outpacing and outperforming state and national trends. With a relatively diverse employment base and positive projected demographic trends, it is anticipated that region will likely experience continued economic growth for the foreseeable future. These trends will have a positive impact on housing demand in the region for the foreseeable future.

D. HOUSING SUPPLY ANALYSIS

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

The housing structures included in this analysis are:

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

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

According to data provided by the 2011-2013 American Community Survey, there are a total of 168,272 housing units within the region. The occupied units are comprised of 115,482 (68.6%) owner-occupied units and 52,790 (31.4%) renter-occupied units. The distribution of occupied units by number of units per structure and by tenure is summarized below.

Distribution of Occupied Units by Structure and Tenure-Region				
Structure Type	Owner		Renter	
	Number	Share	Number	Share
1 Unit (Detached and Attached)	95,243	82.4%	21,206	40.2%
Two Units	532	0.6%	3,352	6.3%
Three to Four Units	859	0.7%	4,406	8.3%
Five or More Units	1,370	1.2%	13,269	25.1%
Mobile Homes	17,429	15.1%	10,477	19.8%
Boat, RV, Van, Etc.	49	0.0%	80	0.2%
Total	115,482	100.0%	52,790	100.0%

Source: 2011-2013 American Community Survey 3-Year Estimates

Over 80% of the owner-occupied housing supply in the region consists of two units or less. Over 45% of the renter-occupied supply consists of two or fewer units. Because of the large share of rental units in smaller properties, we have evaluated such housing in the non-conventional (units consisting of one or two units in a single structure) rental housing supply section of this report.

There are a total of 31,438 vacant housing units in the region based on the 2013 American Community Survey. These vacancies yield an overall vacancy rate of 15.7%. The following table illustrates the region's vacancies by type.

Vacancy Status by Type – Region		
Vacancy Status	Number	Percent
For Rent	2,886	9.2%
Rented, Not Occupied	481	1.5%
For Sale Only	2,845	9.0%
Sold, Not Occupied	533	1.7%
Seasonal, Recreational, or Occasional Use	14,394	45.8%
Migrant Workers	103	0.3%
Other Vacant	10,196	32.4%
Total	31,438	100.0%

Source: 2011-2013 American Community Survey 3-Year Estimates

As the preceding table illustrates, nearly half of all vacancies in the region are within housing classified as “seasonal, recreational and occasional use” units. Due to the nature of these short-term housing units, it is not unusual for them to experience high vacancies. There are a total of 2,886 rentals available for rent and 2,845 vacant for-sale housing units available for purchase, based on ACS data. When these vacant units are considered with the total occupied units by tenure, the vacancy rate for the region’s rental housing supply is 5.2% while owner housing is 2.4% vacant.

Based on research conducted by Bowen National Research and secondary data sources, an inventory of surveyed and/or evaluated housing stock was compiled. Overall, a total of 167 multifamily rental properties, 101 non-conventional rentals (e.g. single-family homes, duplexes, etc.), 101 home stay rentals (individual bedrooms or *portions* of larger units rented), 377 vacation rentals, 171 mobile home parks, 22,330 recently sold housing units and 3,669 currently available for-sale units, and 58 senior care facilities with 4,682 beds were identified and analyzed in the region. The region's surveyed housing supply is summarized as follows.

Region Surveyed Housing Supply				
Product Type	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	14,198	137	1.0%***	\$222 - \$2,550
Non-Conventional Rentals	25,835*	101	5.2%*	\$380 - \$3,800
Home Stays	N/A	101	N/A	\$150 - \$1,136
Vacation Rentals	N/A	377	N/A	\$1,620-\$75,705
Mobile Home Rentals	10,477*	N/A	N/A	\$425-\$795
Owner For-Sale Housing	22,330**	3,669	2.4%*	\$5,500-\$10,750,000
Senior Care Housing	4,682	236	5.0%	\$1,060-\$4,273
<i>Independent Living</i>	1,041	37	3.6%	\$1,060-\$4,273
<i>Multi-Unit Assisted Housing</i>	643	13	2.0%	\$1,525-\$5,978
<i>Adult Care Homes</i>	1,176	97	8.3%	\$1,298-\$5,295
<i>Nursing Homes</i>	1,822	89	4.9%	\$5,322-\$12,318

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

***Vacancies based on physical vacancies, not economic vacancies

Bowen National Research identified and studied 71,898 total housing units among the various housing segments studied in this report. Our research identified 4,857 vacant /available units (Note: vacant units include units in apartments, available for-sale housing, and vacant beds or units in senior care housing). While there are likely other vacancies in the region such as shelter housing, institutional housing such as student dormitory units, for-sale housing by owner, vacant/abandoned or other short-term housing units that are vacant, the 4,857 identified vacant/available units are likely a reasonable representation of the overall market conditions of the housing supply in the region.

Based on Bowen National Research's analysis of the region's housing supply, it is evident that the demand for housing in the region is very strong and that there is limited availability. The inventoried supply has vacancy rates by product type ranging from 1.0% (multifamily apartments) to 8.3% (adult care homes). Although the standards used for defining the health of a housing market vary to some degree, vacancy rates generally between 4.0% to 6.0% for rental housing and for-sale housing markets and generally between 9.0% and 11.0% for senior care housing are considered representative of healthy and stable markets. As such, vacancy rates for the various housing segments in the region are considered very low and are clear indications that demand for each housing segment is strong. As a result, it appears that region residents have relatively limited housing availability.

Key Findings

Each housing segment was evaluated in greater detail on the following pages and within the individual county chapters of this report. Significant housing supply findings are discussed below.

Multifamily Rental Housing – A total of 167 multifamily housing properties with a total of 14,198 units were identified and inventoried within the region. These rentals have a combined vacancy rate of 1.0%. It is critical to point out that this 1.0% vacancy rate is based on physical vacancies, which are considered vacant units that are available for immediate occupancy. This differs from economic vacancies, which are considered units that are not being rented due to inability, down for renovations, being prepared for rent or other reasons that prevent them from immediate occupancy. Economic vacancies are generally two percentage points higher than physical vacancies. As such, it is likely that multifamily rentals are operating at a 3.0% economic vacancy rate. Typically, healthy, well-balanced markets have vacancy rates generally between 4% and 6%. As such, the region's multifamily housing supply has an extremely low vacancy rate which is an indication that there is very limited availability among multifamily apartments in the region. While market-rate housing offers the largest number of surveyed multifamily units in the region, these particular units appear to remain in high demand as evidenced by the 1.5% vacancy rate among the 9,379 market-rate units in the region. More importantly, all 3,706 government-subsidized units and all 1,113 Tax Credit units surveyed in the market are fully occupied. Additionally, of the 50 fully occupied subsidized projects surveyed in the region, 46 (92.0%) maintain wait lists ranging from 150 households to up to eight years in duration. Among the 33 fully occupied Tax Credit projects surveyed in the region, 30 (90.9%) maintain wait lists with up to 150 households. Besides the inventory of affordable housing units, there are approximately 2,223 Housing Choice Vouchers issued to very low income households in the region and an estimated 1,071 households on the local housing authorities' wait lists for the next available vouchers. This Voucher wait list, combined with the limited available government-subsidized units and wait list for these units, indicate the significant pent-up demand and need for affordable rentals within the region. Region wide, median rents by bedroom/bathroom type range from \$832 to \$3,300 for the market-rate units and from \$583 to \$1,187 for Tax Credit units.

Non-Conventional Rental Housing – Non-conventional rentals are considered one- or two-unit structures, such as single-family homes, duplexes, units over store fronts or other alternatives not contained within a multifamily development. Based on data provided by the American Community Survey, it is estimated that the region's non-conventional supply is operating at a vacancy rate of around 5.2%. This is considered a fair vacancy rate. Bowen National Research identified and evaluated 101 vacant non-conventional rental units, which is considered a sample survey of such properties. The collected rents for non-conventional rentals identified range from \$380 to \$3,800. The median rents were \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,200 for a three-bedroom unit and \$1,500 for a four-bedroom or larger unit. Generally, the highest non-conventional rents are within Buncombe and Henderson counties. Excluding Madison County, which had a limited amount of non-

conventional rental housing identified, the lowest median rents are in Transylvania County.

Vacation Rentals – Bowen National Research conducted a sample survey of vacation rentals within the region. Overall, a total of 377 individual units were identified and inventoried. The base rents for the identified vacation rentals range from \$1,620 to \$3,750, depending upon bedroom type. The median rents are \$4,470 for a one-bedroom unit, \$4,500 for a two-bedroom unit, \$6,000 for a three-bedroom unit, and \$10,313 for a four-bedroom or larger unit. The rental rates of vacation rentals are significantly higher than most conventional multifamily apartments surveyed in the market. Generally, such rentals are four times higher than conventional rentals, essentially eliminating this type of housing as a viable long-term housing alternative to most area renters. However, due to this rent differential, such housing may appeal to owners of traditional, long-term conventional rentals who may want to convert their housing to vacation rentals. This is addressed in the case study portion of this study.

Home Stay Rentals – A home stay rental is generally considered a bedroom or a few rooms that are rented on a short-term basis to tenants and typically represents a portion of a full rental unit. Tenants in a home stay rental often have shared access to common areas such as bathrooms and kitchens. Overall, a total of 101 individual home stay rental “units” were identified and surveyed. The rents for home stay rentals identified range from \$150 to \$1,136 per month. The median rent is \$450 per unit/room. The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the market, which is not surprising since such rentals are typically limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). While home stay rentals represent a viable option for low-income households, such rentals likely only primarily accommodate one-person households, limiting their ability to serve couples and families.

Mobile Home Rentals – Based on information from the American Community Survey, there are a total of 27,906 occupied mobile home units in the region, of which 17,429 (62.5%) are owner-occupied units and 10,477 (37.5%) are renter-occupied units. Bowen National Research identified more than 170 mobile home parks in the four-county region through secondary resources. Based on a sample survey of mobile home park operators, typical vacancy rates average around 10%, though some parks are reporting no vacancies. Reported lot rents range from \$110 to \$410 per month, while actual mobile home units rent from \$425 to \$795 per month depending on size and condition of the unit. Based on this data, it appears that mobile homes provide an affordable rental housing option for area residents, although the quality of the mobile homes varies, they are generally considered to be of lower quality than many of the area’s other rental alternatives.

For-Sale Housing – Bowen National Research identified 22,330 homes sold since January 2010 and 3,669 homes currently available for purchase in the region. Excluding the partial year of 2014, annual residential for-sales activity within the subject region has ranged between 3,529 in 2010 and 5,480 in 2013. The annual sales activity has grown each of the past three full years, with above 20 percent growth in each of the past two years. The region is currently on pace to sell over 5,650 residential units for all of 2014, which will be a five-year high. The region has experienced positive increases in median sales *prices* in the past three years. The median sales price of \$202,950 through November of 2014 is a five-year high for the region. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in the region. Within the region, the *available* homes have a median list price by county ranging from \$270,445 in Madison County to \$300,000 in Buncombe County, with a regional median list price of \$290,418. In order for a typical household to be able to afford such a home priced at or above the median home price they would generally need to have a minimum income of around \$100,000. Within the region, only 12.1% of owner households have an income of \$100,000 or higher. As such, there appears to be a mismatch between household prices and affordability.

Senior Care Housing – Within the region there are a total of 87 senior care facilities identified, including a mix of independent living facilities, multi-unit assisted housing, adult care homes, and nursing homes. In October and November of 2014, Bowen National Research surveyed a total of 58 of these facilities containing a total of 4,682 units/beds. The senior care facilities have vacancy rates by product type ranging from 2.0% to 8.3%, with an overall vacancy rate of 5.0%. Nationally, depending on the type of senior care product, vacancy rates for senior care housing range from 9.9% to 11.0%. As such, the region's senior facilities are performing at levels similar to or better than national standards. Regionally, the median base monthly fees are \$1,250 for independent living facilities, \$2,663 for multi-unit assisted facilities, \$2,550 for adult care homes, and \$6,782 for nursing care. Generally, it appears the highest senior care housing fees are within Madison and Transylvania counties, while the lowest housing fees are within Buncombe County. With relatively limited availability among the region's senior care facilities and a large growing base of seniors, it is anticipated that the region will need additional senior care housing in the years ahead.

The following subsections provide additional details of each housing supply segment that was evaluated as part of this overall housing needs assessment.

1. RENTAL HOUSING

Multifamily Rental Housing

During October and November of 2014, Bowen National Research surveyed (both by telephone and in-person) a total of 167 multifamily rental housing properties within the region. These 167 surveyed projects represent over 75% of all identified multifamily projects in the region. As such, this survey is considered representative of the performance, conditions and trends of multifamily rental housing in the region. Projects identified, inventoried, and surveyed operate as market-rate and under a number of affordable housing programs including the Low-Income Housing Tax Credit (LIHTC) and various HUD programs. Definitions of each housing program are included in *Addendum D: Glossary* of the Housing Needs Assessment.

Housing authorities, property managers and leasing agents for each project were surveyed to collect a variety of property information including vacancies, rental rates, unit mixes, year built and other features. Projects were also rated based on general quality and upkeep, and each was mapped as part of this survey.

The 167 surveyed multifamily projects contain a total of 14,198 units. These projects operate under a variety of programs, including a combination of such programs. As a result, we first distinguished the multifamily housing inventory by program type (e.g. market-rate, Tax Credit and government-subsidized, or some combination thereof). The distribution of surveyed rental housing supply by program type is illustrated in the following table:

Surveyed Multifamily Rental Housing - Region				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	91	9,295	137	98.5%
Market-rate/Tax Credit	1	160	0	100.0%
Market-rate/Government-Subsidized	1	123	0	100.0%
Tax Credit	25	1,032	0	100.0%
Tax Credit/Government-Subsidized	7	372	0	100.0%
Government-Subsidized	42	3,216	0	100.0%
Total	167	14,198	137	99.0%

The overall vacancy rate among the 14,198 surveyed units is only 1.0%. This is an extremely low vacancy rate and a good indication of the strong level of demand for multifamily rental housing in the region. In fact, there appears to be a shortage of available rentals among the multifamily supply. It should be noted that this only includes physical vacancies (vacant units ready for immediate occupancy) as opposed to economic vacancies (vacant units not immediately available for rent). As such, economic vacancies are likely close to 3.0% in the region. Typically, healthy, well-balance markets have vacancy rates generally between 4% and 6%. As such, vacancies in the region area low. Interestingly, all affordable rental units that operate under the Low-Income Housing Tax Credit program or under a government-subsidy are occupied. Management at most of the 76 affordable housing projects indicated that they maintain wait lists for the next available units. As such, there is clear pent-up demand for affordable housing in the region. While all vacancies in the region are within the market-rate product, these 137 vacancies only result in a 1.5% vacancy rate. This is also a low vacancy rate. Therefore, even among non-assisted housing, demand for rental housing is strong. Based on this survey of rental housing, there does not appear to be any weakness or softness in the region.

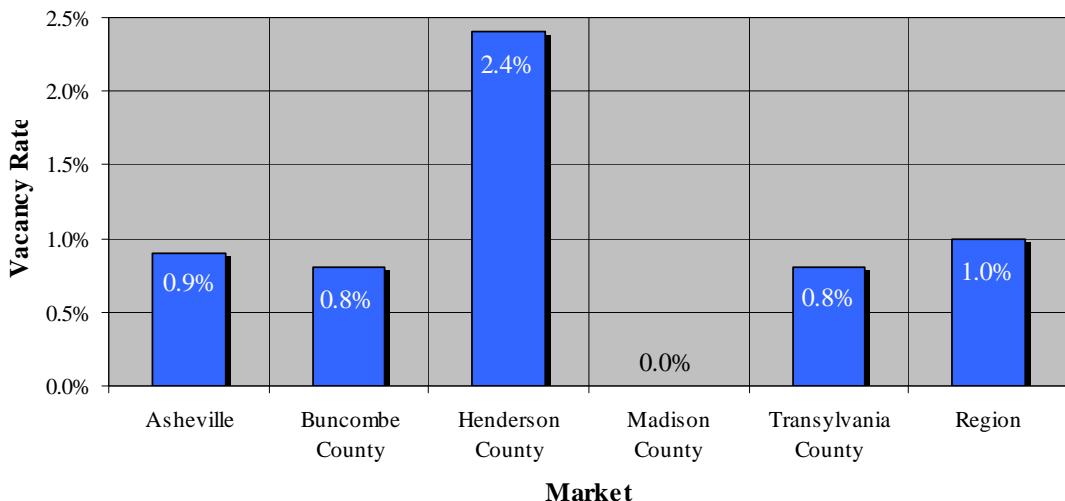
The following summarizes the distribution of surveyed rental housing by county.

Surveyed Multifamily Rental Housing Supply by Area				
Market	Projects Surveyed	Total Units	Vacant Units	Vacancy Rate
City of Asheville*	80	9,232	82	0.9%
Buncombe County*	113	12,069	99	0.8%
Henderson County	30	1,444	34	2.4%
Madison County	7	178	0	0.0%
Transylvania County	17	507	4	0.8%
Region Total	167	14,198	137	1.0%

*Buncombe County includes Asheville supply

Vacancy rates by county range from 0.0% to 2.4%. Each of the counties' vacancy rates are low and indicate that there is very limited availability among larger multifamily apartments and that the demand for rental housing is strong throughout the region.

Multifamily Rental Housing Vacancy Rates



The following tables summarize the breakdown of non-subsidized (market-rate and Tax Credit) units surveyed within the region.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	202	2.2%	2	1.0%	\$667
One-Bedroom	1.0	2,793	29.8%	46	1.6%	\$820
Two-Bedroom	1.0	1,078	11.5%	18	1.7%	\$785
Two-Bedroom	1.5	560	6.0%	3	0.5%	\$915
Two-Bedroom	2.0	3,242	34.6%	54	1.7%	\$999
Two-Bedroom	2.5	139	1.5%	0	0.0%	\$1,031
Three-Bedroom	1.0	117	1.2%	0	0.0%	\$739
Three-Bedroom	1.5	146	1.6%	0	0.0%	\$1,000
Three-Bedroom	2.0	977	10.4%	13	1.3%	\$1,215
Three-Bedroom	2.5	87	0.9%	1	1.1%	\$1,325
Three-Bedroom	3.0	3	0.0%	0	0.0%	\$1,100
Four-Bedroom	1.5	18	0.2%	0	0.0%	\$789
Four-Bedroom	2.0	16	0.2%	0	0.0%	\$1,005
Five-Bedroom	3.0	1	0.0%	0	0.0%	\$1,000
Total Market-rate		9,379	100.0%	137	1.5%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	1.3%	0	0.0%	\$222
One-Bedroom	1.0	421	37.8%	0	0.0%	\$455
Two-Bedroom	1.0	415	37.3%	0	0.0%	\$515
Two-Bedroom	2.0	52	4.7%	0	0.0%	\$505
Three-Bedroom	1.0	58	5.2%	0	0.0%	\$658
Three-Bedroom	1.5	4	0.4%	0	0.0%	\$476
Three-Bedroom	2.0	136	12.2%	0	0.0%	\$577
Four-Bedroom	1.5	10	0.9%	0	0.0%	\$706
Four-Bedroom	2.0	2	0.2%	0	0.0%	\$335
Total Tax Credit		1,113	100.0%	0	0.0%	-

Median rents by bedroom/bathroom type range from \$832 to \$3,300 for the market-rate units and from \$583 to \$1,187 for Tax Credit units across the region. While vacancies are generally low among all bedroom types, they appear to be particularly low among the largest bedroom types (three-bedroom or larger). As such, it is likely that region's larger family households have fewer available housing options compared to other household sizes. As a result, family households seeking three-bedroom or larger rental alternatives in the region likely must choose from non-conventional rentals, which typically have comparable or higher rents, fewer amenities and are usually older and of lower quality than multifamily options.

As part of its survey of multifamily rental apartments, Bowen National Research identified rents by both bedroom and bathroom type. From this survey we established median rents for each of the bedroom/bathroom combinations. Therefore, within each county and when applicable, there is a low median rent and high median rent for each bedroom type. For the purposes of this rent analysis, we have used the average of the low and high median rents by bedroom and bathroom type in the table below.

	Median Market-rate Rents by Bedroom Type			
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom +
<i>City of Asheville</i>	\$720	\$836	\$904	\$1,216
Buncombe County	\$667	\$830	\$916	\$1,021
Henderson County	\$330	\$745	\$647	\$1,138
Madison County	-	\$750	-	-
Transylvania County	-	\$525	\$800	\$963

Source: Bowen National Research

Overall, the median rents by bedroom type and by county within the region range from \$330 for studio units in Henderson County to \$1,138 for three-bedroom or larger units in Henderson County. Generally, the highest median rents are within Buncombe County. Within the city of Asheville, median market-rate rents range from \$720 to \$1,216.

In addition to the market-rate supply, Bowen National Research identified collected rents by both bedroom and bathroom type for units that operate under the Low-Income Housing Tax Credit program. From this survey we established median rents for each of the bedroom/bathroom combinations. The following table illustrates the median rents by bedroom type for each of the four subject counties and the city of Asheville.

	Median Tax Credit Rents by Bedroom Type			
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom +
<i>City of Asheville</i>	\$222	\$467	\$536	\$521
Buncombe County	\$222	\$467	\$459	\$521
Henderson County	-	\$399	\$548	\$577
Madison County	-	-	-	-
Transylvania County	-	\$415	\$427	\$521

Source: Bowen National Research

Overall, the median Tax Credit rents by bedroom type and by county within the region range from \$222 for a studio units in Buncombe County to \$577 for three-bedroom or larger units, in Henderson County. Generally, the highest median Tax Credit rents are within Henderson County. However, median Tax Credit rents are generally comparable between each county. There were no non-subsidized Tax Credit projects surveyed in Madison County. Generally, median Tax Credit rents by bedroom are at least 15% lower than corresponding bedroom median rents for the market-rate supply.

The following tables illustrate the Fair Market Rents and High HOME and Low HOME rents for each county in the region.

Fair Market Rents					
Market	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Buncombe County	\$428	\$606	\$719	\$922	\$1,197
Henderson County	\$428	\$606	\$719	\$922	\$1,197
Madison County	\$428	\$606	\$719	\$922	\$1,197
Transylvania County	\$491	\$495	\$647	\$862	\$865

Source: Novogradac, Inc.

Home (Low / High) Rent					
Market	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Buncombe County	\$428 / \$428	\$548 / \$606	\$657 / \$719	\$759 / \$922	\$847 / \$1,044
Henderson County	\$428 / \$428	\$548 / \$606	\$657 / \$719	\$759 / \$922	\$847 / \$1,044
Madison County	\$428 / \$428	\$548 / \$606	\$657 / \$719	\$759 / \$922	\$847 / \$1,044
Transylvania County	\$491 / \$491	\$527 / \$555	\$632 / \$691	\$730 / \$886	\$815 / \$917

Source: Novogradac, Inc.

Generally, it appears the Fair Market Rents and HOME rents by bedroom and county are lower than the corresponding bedroom market-rate rents from Bowen National Research's survey of multifamily rentals. The region's Tax Credit rents by bedroom and county appear to be lower than most of the Fair Market Rents and HOME rents of the corresponding counties of the region. Given the lack of available multifamily rental units in the region, many residents must choose from non-conventional rental alternatives, which are evaluated in the next section of this report. It appears that most non-conventional rentals are priced above Fair Market Rents and HOME rents, limiting the ability of low-income households' ability to afford most non-conventional rentals.

There are 50 multifamily projects that were surveyed in the region that operate with a government-subsidy on at least some, if not all, units. The distribution of units and vacancies by bedroom type among government-subsidized projects (both with and without Tax Credits) in the region is summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	188	50.5%	0	0.0%
Two-Bedroom	1.0	98	26.3%	0	0.0%
Two-Bedroom	2.0	12	3.2%	0	0.0%
Three-Bedroom	1.0	54	14.5%	0	0.0%
Four-Bedroom	1.5	20	5.4%	0	0.0%
Total Subsidized Tax Credit		372	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	466	14.0%	0	0.0%
One-Bedroom	1.0	1,082	32.5%	0	0.0%
Two-Bedroom	1.0	913	27.4%	0	0.0%
Two-Bedroom	1.5	81	2.4%	0	0.0%
Three-Bedroom	1.0	474	14.2%	0	0.0%
Three-Bedroom	1.5	113	3.4%	0	0.0%
Three-Bedroom	2.0	16	0.5%	0	0.0%
Four-Bedroom	1.0	96	2.9%	0	0.0%
Four-Bedroom	1.5	55	1.6%	0	0.0%
Four-Bedroom	2.0	16	0.5%	0	0.0%
Five-Bedroom	1.5	22	0.7%	0	0.0%
Total Subsidized		3,334	100.0%	0	0.0%

The 50 surveyed government-subsidized projects in the region operate under a variety of programs including the HUD Section 8, 202, 236, and 811, Rural Development Section 515, and Public Housing programs. Overall, there are no vacant units among the 3,706 surveyed government-subsidized units in the region, resulting in a combined 0.0% vacancy rate. This is an extremely low vacancy rate, indicating that there are limited options among the government-subsidized rental housing alternatives in the region. Of the 50 subsidized projects surveyed in the region, 46 (92.0%) maintain wait lists ranging from 150 households to up to eight years in duration. As such, there is clear pent-up demand for housing for very low-income households in the region.

In addition to the project based government assistance, very low-income residents have the opportunity to secure Housing Choice Vouchers from local housing authorities that enable eligible households to rent housing units and only pay 30% of their adjusted gross income towards rent. According to representatives with the region's various housing authority offices, there are approximately 2,223 Housing Choice Voucher holders within the housing authorities' jurisdictions, and 1,071 people currently on the waiting list for additional vouchers. Annual turnover of persons in the voucher program is estimated at 150 households. The long wait lists for Housing Choice Vouchers, along with the 100.0% occupancy rate level of and wait lists for government-subsidized properties, are clear reflections of the strong and pent-up demand for additional government rental housing assistance in the region.

The following is a distribution of multifamily rental projects and units surveyed by year built in the region:

Year Built	Projects	Units	Vacancy Rate
Before 1970	31	1,733	1.2%
1970 to 1979	27	2,956	0.4%
1980 to 1989	32	2,538	0.5%
1990 to 1999	20	1,341	0.9%
2000 to 2005	22	2,443	1.9%
2006	2	90	0.0%
2007	3	218	0.5%
2008	4	537	0.4%
2009	3	412	1.5%
2010	1	60	0.0%
2011	5	733	0.8%
2012	5	933	1.9%
2013	1	52	0.0%
2014*	3	24	4.2%

*As of December

Approximately one-third of all apartments surveyed in the region were built prior to 1980. A little more than one-fourth of all surveyed units were built between 1980 and 1999. With nearly 40% of the identified and surveyed product built since 2000, the region has a good balance of modern product. Overall, the region has a good variety of product by year built. It was determined through the survey of these properties that vacancies are low among all development periods.

Representatives of Bowen National Research personally visited a majority of the rental projects within the region and rated the quality of each property. Based on windshield survey, we rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). It is important to note that many of the projects personally visited and evaluated were *not* the same properties that were included in our survey of rental housing.

The following is a distribution by quality rating, units, share of units and vacancy rates for all surveyed multifamily rental housing product in the region.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	2	377	0.0%
A	19	3,448	1.7%
A-	9	1,157	1.6%
B+	13	1,909	0.9%
B	14	1,542	1.2%
B-	7	389	1.8%
C+	4	82	3.7%
C	17	390	0.8%
C-	4	72	4.2%
D	1	13	53.8%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	5	257	0.0%
A-	6	343	0.0%
B+	6	305	0.0%
B	1	40	0.0%
B-	3	119	0.0%
C	2	24	0.0%
C-	1	25	0.0%
Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	64	0.0%
B+	2	302	0.0%
B	12	656	0.0%
B-	7	545	0.0%
C+	5	246	0.0%
C	16	1,155	0.0%
C-	5	698	0.0%
D-	1	40	0.0%

The majority of market-rate and Tax Credit units by quality level are within the "A" and "B" rated ranges, indicating that market-rate and Tax Credit renters have a large number of good to excellent quality rental housing from which to choose. More than half of the government-subsidized supply is within the "C" quality range, indicating that very low-income renters have a large base of fair quality affordable rental supply from which they can choose. With much of this fair quality government-subsidized product built prior to 1980, such product likely represents candidates for renovation and rehabilitation.

Bowen National Research reviewed various published resources to identify units that have the potential to be lost from the affordable housing inventory, such as units within projects with expiring HUD contracts or Tax Credit projects that have reached their 15-year compliance period. The following is a summary of the 41 projects in the region that may potentially be lost from 2015 to 2020.

Affordable Housing with Expiring Subsidies/Tax Credits 2015 to 2020		
Program Type	Number of Projects	Total Units
Tax Credit	16	904
Government-Subsidized	25	1,126
Total Units	41	2,030

Sources: HUD and North Carolina Housing Finance Agency Tax Credit Lists

As the preceding table illustrates, there are 41 projects with a total of 2,030 units that could *potentially* lose their subsidy or Tax Credits by 2020 and possibly no longer serve the low-income and very low-income household segments. A total of 1,126 of these units operate under a government-subsidy serving households with incomes of up to 50% of Area Median Household Income (AMHI) and 1,126 Tax Credit units that serve households with incomes of up to 60% of AMHI. It is likely that many of the subsidized projects will renew their subsidy (assuming sufficient federal funding exists) and that Tax Credit projects will either re-apply for credits or at least maintain their affordability requirements beyond the expiration of the 15-year Tax Credit period. Should such loss of these units occur, however, there will be fewer affordable housing units available to lower income households. Given the lack of availability of affordable rental housing currently in the region and the long wait list for such housing, the reduction of the current supply will only exacerbate the problems facing lower income households in the region.

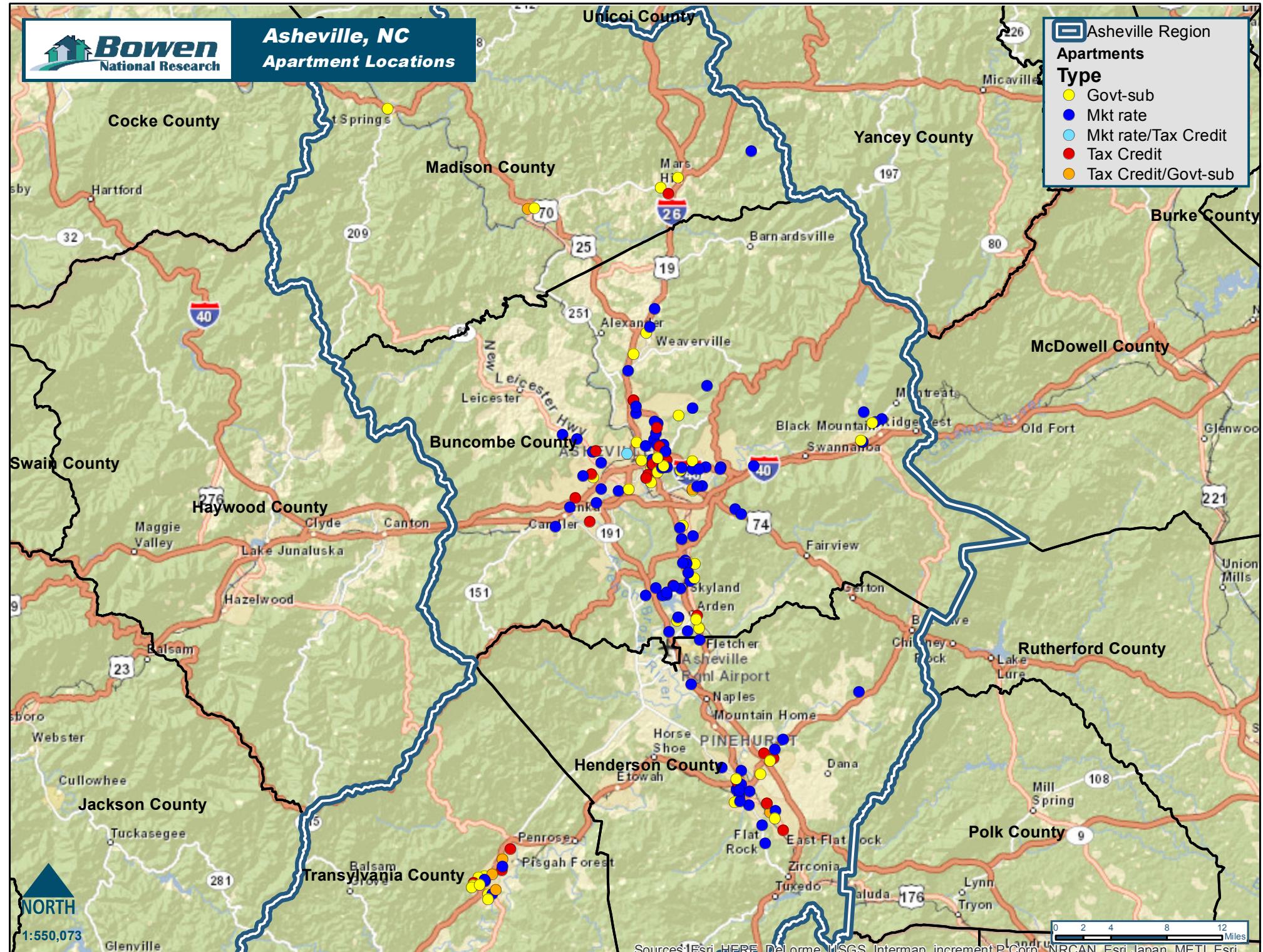
A map of all 167 surveyed multifamily projects in the region follows this page.



Asheville, NC Apartment Locations

Asheville Region Apartments
Type

- Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



Non-Conventional Rental Housing

The study region has a large number of non-conventional rentals which can exist in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the region. Overall, a total of 101 individual units were identified and surveyed across the region. Information regarding the bedrooms offered, year built, amenities, collected rent and total square footage were collected and evaluated when available.

Based on data provided by the American Community Survey (ACS), it is estimated that there are 24,558 non-conventional rentals in the study region. ACS is reporting a vacancy rate of 5.2% among the overall region's rental housing. Given that the largest segment of the region's rental housing stock consists of non-conventional rentals, it is reasonable to assume that the region's non-conventional supply is operating at a vacancy rate at or near 5.2%. Applying this vacancy rate to the 24,558 non-conventional rental units in the region yields 1,277 vacant units. The 101 vacant non-conventional rental units identified and evaluated by Bowen National Research represent approximately 8% of the region's vacant non-conventional supply. As a result, we believe these properties are representative of the typical non-conventional rental housing alternatives in the region.

The following table aggregates the 101 non-conventional rental units surveyed in the region by bedroom type.

Surveyed Non-Conventional Rental Supply					
Bedroom	Units	Percent	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	7	6.9%	\$550 - \$1,000	\$625	\$0.84
Two-Bedroom	25	24.8%	\$585 - \$1,600	\$850	\$0.89
Three-Bedroom	51	50.5%	\$380 - \$3,800	\$1,200	\$0.79
Four-Bedroom+	18	17.8%	\$750 - \$3,200	\$1,500	\$0.79
Total	101				

Sources: Bowen National Research

As the preceding table illustrates, the collected rents for non-conventional rentals identified in the region range from \$380 to \$3,800. The median rents were \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,200 for a three-bedroom unit and \$1,500 for a four-bedroom or larger unit. Median rents per-square-foot range from \$0.79 to \$0.89.

The following table compares the median rents by bedroom type for the non-conventional rentals for Asheville and each county in the region.

Median Rents by Bedroom Type				
County/Area	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom+
<i>City of Asheville</i>	\$950	\$950	\$1,200	\$2,225
Buncombe County	\$575	\$950	\$1,225	\$1,750
Henderson County	\$625	\$850	\$1,250	\$1,500
Madison County	-	-	\$700	-
Transylvania County	\$750	\$600	\$875	\$1,000

Source: Bowen National Research

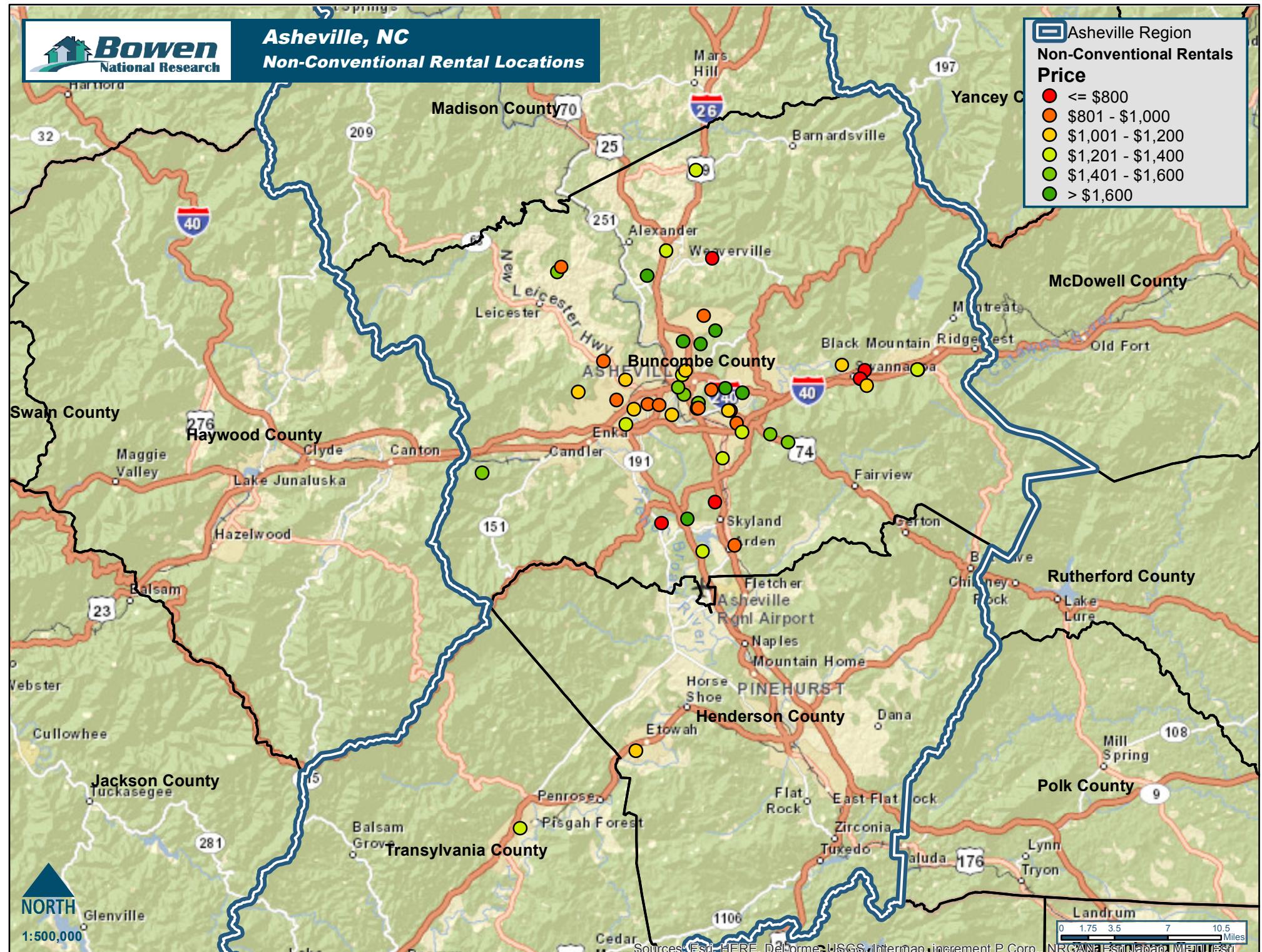
As the preceding table illustrates, median rents by county range from \$575 to \$2,225. Generally, the highest non-conventional rents are within Buncombe and Henderson counties. Excluding Madison County, which had a limited amount of non-conventional rental housing identified, the lowest median rent is in Transylvania County.

Generally, the rental rates of non-conventional rentals, depending upon the bedroom type, are either comparable to or higher than most market-rate multifamily apartments surveyed in the region. The rent differential is even greater when utilities are considered, as most non-conventional rentals require tenants to pay all utilities while the majority of multifamily apartments include some utilities in the rent. When also considering the facts that much 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 region. However, given the lack of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives. However, the typical rents of non-conventional rentals are likely not affordable to most low-income and very low-income households in the region.

A map illustrating the location of the non-conventional rentals identified in the market is on the following page.



Asheville, NC Non-Conventional Rental Locations



NORTH

1:500,000

Sources: Esri, HERE, Delorme, USGS, Intermap, increment P Corp., NRCAN, Esri, and the GIS User Community

Landrum

0 1.75 3.5 7 10.5 Miles

NRCAN, Esri, and the GIS User Community

Vacation Rental Housing

Based on data from the 2010 Census, it is estimated that there are 12,050 vacant housing units classified as “seasonal housing”, representing approximately 6.1% of region’s total housing stock. As such, the study region has a large inventory of housing units that are used as vacation rentals. While these units are primarily rented as vacation rentals, it is possible that some of the area’s permanent residents may use such housing as a long-term rental housing alternative. Additionally, some conventional long-term rentals could be converted to vacation rentals, thereby reducing the inventory of housing marketed to long-term local residents (see the Case Study analysis near the conclusion of this report for specific analysis related to this issue). As such, an analysis of vacation rentals is relevant to the housing needs of the region.

Bowen National Research has conducted a sample survey of vacation rentals within the region. Overall, a total of 377 individual units were identified and inventoried. 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 region. Information regarding the number of units by bedroom and unit rents were collected and evaluated when available.

The following table aggregates the 377 vacation rental units surveyed in the region by bedroom type (Note: While vacation rentals are rented on a variety of periods, such as daily and weekly, all rents have been converted to monthly rates to more easily compare with conventional, long-term rentals).

Surveyed Vacation Rental Supply			
Bedroom	Units	Rent Range*	Median Rent
One-Bedroom	84	\$1,620 - \$28,500	\$4,470
Two-Bedroom	122	\$2,400 - \$14,235	\$4,500
Three-Bedroom	107	\$2,985 - \$31,710	\$6,000
Four-Bedroom+	64	\$3,750 - \$75,705	\$10,313
Total	377		

Source: www.homeaway.com; Bowen National Research

*Monthly Rents (most rentals are rented on a daily or weekly rate, but were converted to a monthly rent for an easier comparison with long-term rentals)

As the preceding table illustrates, the base rents for vacation rentals identified range from \$1,620 to \$3,750, depending upon bedroom type. The median rents are \$4,470 for a one-bedroom unit, \$4,500 for a two-bedroom unit, \$6,000 for a three-bedroom unit, and \$10,313 for a four-bedroom or larger unit.

The rental rates of vacation rentals are significantly higher than most conventional multifamily apartments surveyed in the market. Generally, such rentals are four times higher than conventional rentals, essentially eliminating this type of housing as a viable long-term housing alternative to most area renters. However, due to this rent differential, such housing may appeal to owners of traditional, long-term conventional rentals who may want to convert their housing to vacation rentals. This is addressed in the case study portion near the end of this report.

Home Stay Rentals

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

Overall, a total of 101 individual home stay rental “units” were identified and surveyed. While this likely does not include all home stay rentals in the region, we believe these properties are representative of the typical home stay rental housing alternatives in the market. Information regarding the bedroom/bathroom configuration, year built, amenities, collected rent and total square footage was collected and evaluated when available.

The following table aggregates the 101 home stay rental units surveyed in the region.

Surveyed Home Stay Rental Supply			
County	Rooms/Units	Rent Range	Median Rents
Buncombe County	77	\$150 - \$1,136	\$450
Henderson County	16	\$275 - \$550	\$400
Madison County	4	\$250 - \$350	\$315
Transylvania County	4	\$350-\$695	\$425
Total	101		

Source: Craiglist.com; Bowen National Research

As the preceding table illustrates, the rents for home stay rentals identified range from \$150 to \$1,136, with virtually all rentals priced below \$750. The region's median rent is \$450 per unit. The median rents by county are very comparable to each other, ranging from \$315 to \$450, with the lowest in Madison County and the highest in Buncombe County. Over three-fourths of the home stay rentals are within Buncombe County, with a majority of these units located in the city of Asheville.

The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the market, which is not surprising since such rentals are limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). Most home stay rentals are roommate situations where residents have their own bedroom but must share kitchen, living and bathroom areas. While the housing structures for such rentals vary, the majority include single-family homes. Some home stay rentals were within apartments, mobile homes or hotel rooms. Most rentals include all basic utilities in the rent, with many rentals also offering cable television and Internet as part of the rent. A large number of the rentals are fully furnished, but offer few project amenities such as swimming pools or other recreational features. Most rentals allow residents access to laundry facilities. Leases are often flexible, typically month to month in duration. Unlike

most conventional apartment or private non-conventional rentals, home stays have the unique element of matching personal preferences with roommates. For example, many properties advertise that they are looking for smoke-free/smokers, pet friendly/no pet, male/female or other types of tenants. Such preferences or restrictions likely limit the type of residents that can be accommodated at such rentals. Given these preferences and restriction, along with the fact that the home stay rentals can typically only accommodate one- or two-person households, home stays likely have a limited ability to meet the needs of most area renters.

2. MOBILE HOME RENTAL UNITS

According to the American Community Survey, there are a total of 27,905 occupied mobile home units in the region, representing approximately 16.6% of the region's occupied housing supply. As a result, mobile homes are an important segment of the region's housing market. A total of 18,098 (64.9%) are owner-occupied units and 9,807 (35.1%) are renter-occupied units.

The following table summarizes the number of mobile home rental units and parks by study area along with a sample survey of typical mobile home park rents.

Surveyed Mobile Home Rentals – By Area				
Area	Mobile Home Parks**	Mobile Home Units*	Share of Units	Unit Rent Range**
Asheville/Buncombe County	63	5,643	57.5%	\$595-\$795
Henderson County	41	2,741	28.0%	\$475-\$550
Madison County	6	488	5.0%	\$450-\$500
Transylvania County	61	935	9.5%	\$425-\$610
Total	171	9,807	100.0%	\$425-\$795

*Source: 2010 Census

**Source: Bowen National Research

As the preceding table illustrates, the largest number of mobile home units are within Buncombe County, with 5,643 occupied units, comprising 57.5% of the region's mobile home rentals.

Bowen National Research identified more than 170 mobile home parks in the four-county region through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and Craigslist. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we conducted numerous telephone interviews with park operators.

The park operators were asked what the current rent was for a lot within their park. Respondents stated that lot rents range from \$110 to \$410 per month. Lot rents vary dependent upon the need for a single-, double- or triple-wide lot. Two mobile home parks lease mobile homes on the lot as well, ranging from \$425 to \$795 per month depending on size and condition of the unit. When asked if lot rents and occupancy rates have increased, decreased, or stayed the same over the past few years, responses varied between "stayed the same" and "increased" for lot rents and "stayed the same" or "decreased" for vacancies. Respondents

reported typical occupancy rates of 80% to 95%, with several parks reporting 100% occupancy. Bowen National Research asked park operators to comment on the overall quality of mobile home parks in the area. Respondents commented that the quality varies based on the ownership/management of the park, but that typically the parks are in fair condition. A windshield survey of select mobile home parks in the region yielded “B” to “C-” quality ratings, indicating that these mobile home parks and their neighborhoods are in good to fair condition.

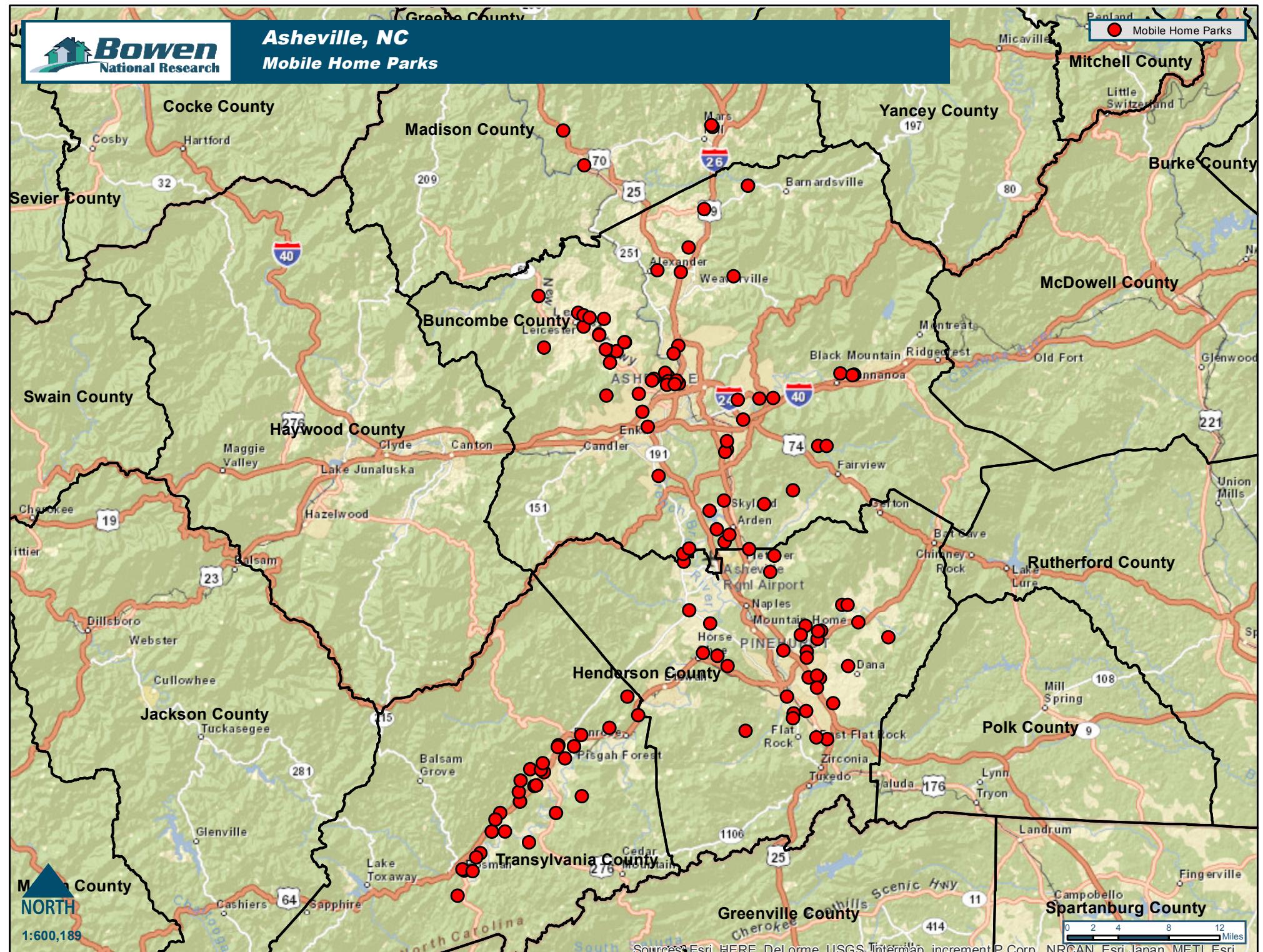
When asked if there are any issues or problems associated with operating or maintaining a mobile home park in the area, or what recommendations the respondents may have that the local government could do to aid in mobile home park living, Bowen National Research received a variety of responses. Responses included that the city of Asheville does not allow mobile home parks within the city limits, creating a negative stigma of parks, along with typical NIMBYism. Park owners/operators would like more collaboration with local government and better zoning. One respondent suggested that rules and regulations should be put into place for the maintenance and beautification of mobile home parks, similar to a homeowner’s association, while another believes that increased amenities such as playgrounds would attract more families to parks. It is also believed that an increase in Section 8 Voucher assistance would help. It was stated by multiple respondents that mobile home living is some of the most affordable to area residents and that more should be done to promote this type of housing.

Based on this analysis, there is a good supply of available mobile home rentals in the region. These homes generally rent for \$425 to \$795, which are below most market-rate multifamily rentals and non-conventional rentals. As such, they represent a viable option for area renters, including low-income households. While the quality of the observed mobile home units varies, a majority of the units were rated fair to good.

A map illustrating the location of the mobile home parks in the region is on the following page.



Asheville, NC Mobile Home Parks



3. OWNER FOR-SALE HOUSING

Bowen National Research, through a review of the Multiple Listing Service information for the subject four-county region, identified both historical (sold since 2010) for-sale residential data and currently available for-sale housing stock. It is our opinion that an evaluation of sales activity *after* 2009 is representative of true market conditions following the recession.

There were 22,330 homes sold since January 2010 and 3,669 homes currently available for purchase in the region. Based on U.S. Census and ACS data, the region has an estimated 2.4% vacancy rate among its for-sale/owner housing stock. Typically, markets with vacancy rates between 4.0% and 6.0% are considered stable markets. As such, the available inventory of for-sale product appears to be slightly low but not uncommon for a growing market. However, as the region continues to grow, additional for-sale housing will need to be added.

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

Region - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	3,669	\$290,418
Sold	22,330	\$191,000

Source: Multiple Listing Service and Bowen National Research

The region's overall median price of homes *sold* since 2010 was \$191,000, while the *available* product has a median price of \$290,418. Based on an assessment of MLS historical sales data, it appears that the actual sales prices of homes are about 6.3% below the original list prices.

The following table includes a summary of annual for-sale residential transactions that occurred within the region since 2010. It should be noted that the 2014 sales data is through November 21st of that year.

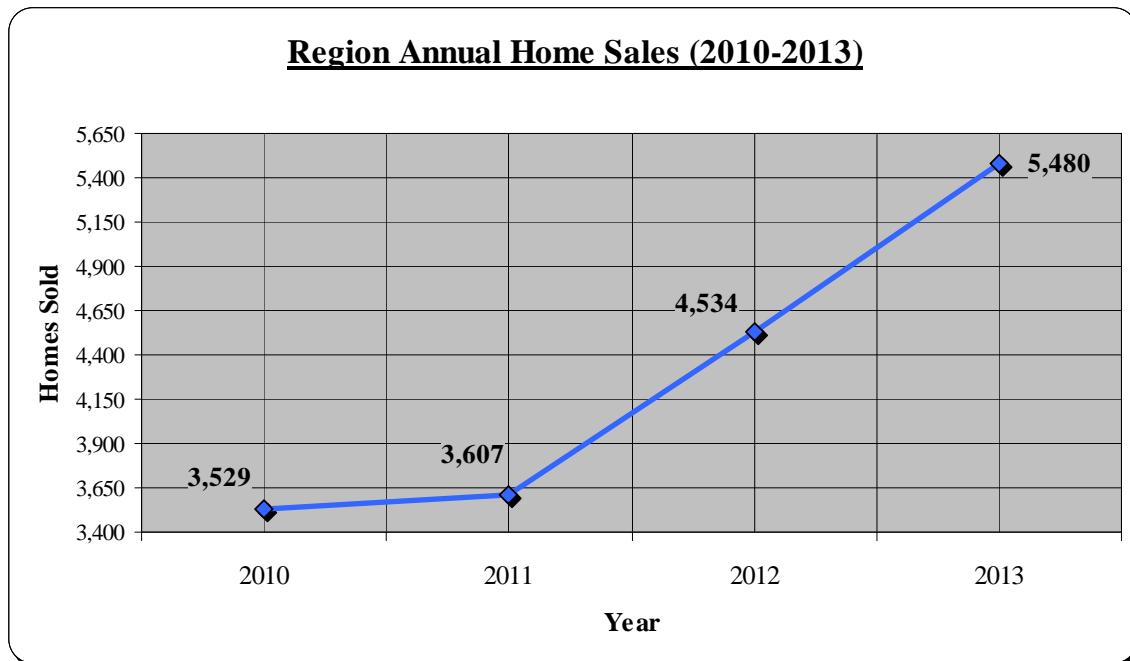
Year	Region			
	Owner For-Sale Housing by Year Sold			
	Units Sold	Median Price Sold		
Year	Number	Change	Price	Change
2010	3,529	-	\$194,000	-
2011	3,607	2.2%	\$180,000	-7.2%
2012	4,534	25.7%	\$185,000	2.8%
2013	5,480	20.9%	\$195,000	5.4%
2014*	5,180	-5.5%	\$202,950	4.1%

Source: Multiple Listing and Bowen National Research

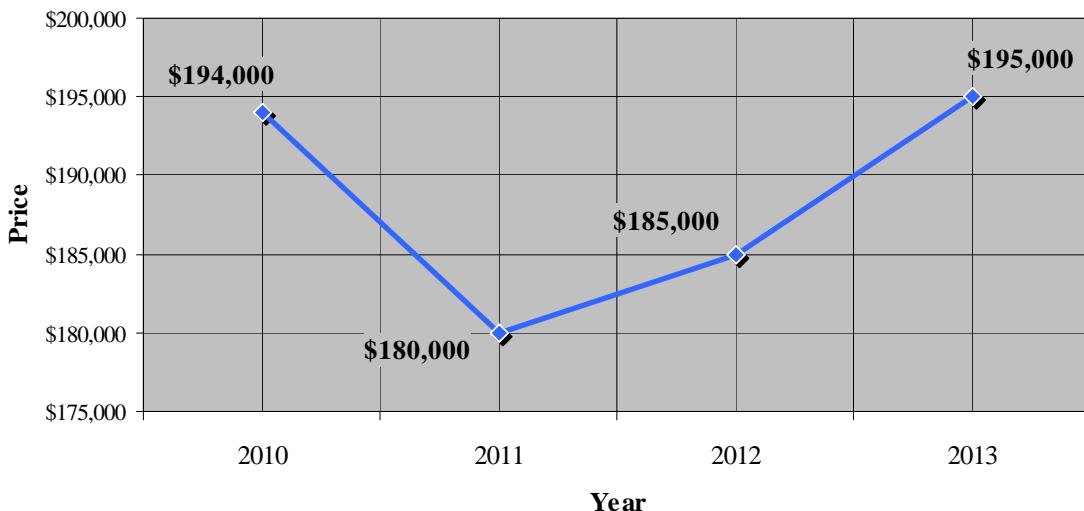
*Through Nov. 21, 2014

Excluding the partial year of 2014, annual residential for-sales activity within the subject region has ranged between 3,529 in 2010 and 5,480 in 2013. The annual sales activity has grown each of the past three full years, with above 20 percent growth in each of the past two years. The region is currently on pace to sell over 5,650 residential units for all of 2014, which will be a five-year high. The region has experienced positive increases in median sales *prices* in the past three years. The median sales price of \$202,950 through November of 2014 is a five-year high for the region. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in the region.

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



Region Annual Median Sales Price (2010-2013)



Of the 22,330 units sold in the region since 2010, 2,013 (9.0%) were condominiums. Most of these condominium units consist of two-bedroom units, which comprise over 60% of the total sold condominium units. The tables below compare the sold condominium units and all other sold units in the region.

Region								
Condominium Sales History by Bedrooms – (January 2010 to November 2014)								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sale Price	Median Price Per Sq. Ft.	Average Days on Market
One-Br.	204	1.0	842	1991	\$25,500 - \$481,000	\$140,000	\$166.27	188
Two-Br.	1,227	2.0	1,280	1992	\$14,400 - \$1,200,000	\$121,750	\$95.12	235
Three-Br.	562	2.5	1,840	1994	\$44,900 - \$1,600,000	\$170,000	\$92.39	263
Four-Br.	14	3.5	2,770	1994	\$131,000 - \$1,600,000	\$234,155	\$84.53	597
Five+-Br.	6	3.25	2,488	1996	\$208,000 - \$365,000	\$237,950	\$95.64	195
Total	2,013	2.0	1,406	1992	\$14,400 - \$1,600,000	\$137,500	\$97.80	240

Region								
Sales History by Bedrooms – (January 2010 to November 2014)								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sale Price	Median Price Per Sq. Ft.	Average Days on Market
One-Br.	236	1.25	857	1961	\$7,500 - \$1,025,000	\$82,750	\$96.56	153
Two-Br.	3,831	1.75	1,294	1968	\$5,500 - \$1,500,000	\$140,000	\$108.19	164
Three-Br.	12,528	2.25	1,920	1985	\$10,000 - \$2,100,000	\$196,000	\$102.08	170
Four-Br.	3,132	3.0	2,910	1985	\$17,000 - \$3,400,000	\$325,000	\$111.68	195
Five+-Br.	590	4.0	4,054	1977	\$21,200 - \$8,000,000	\$450,000	\$111.00	257
Total	20,317	2.25	2,004	1981	\$5,500 - \$8,000,000	\$198,000	\$98.80	175

The median condominium sales price was \$137,500, which is much lower than the median sales price of the balance of sold housing which was \$198,000. Despite the roughly 30% discount of condominium sales prices, the average days on market for such product is 240 days, which is notably longer than the 175 days for the rest of the sold housing stock.

The following table summarizes the inventory of *available* for-sale housing in the region (highest *county* variables shown in blue, while lowest variable shown in red).

	Available Owner For-Sale Housing						
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price	Average Days On Market
<i>City of Asheville</i>	715	19.5%	\$31,999	\$4,979,000	\$486,173	\$325,000	182
Buncombe County*	1,734	47.2%	\$31,999	\$10,750,000	\$485,729	\$300,000	189
Henderson County	1,005	27.4%	\$19,900	\$5,000,000	\$382,273	\$273,000	216
Madison County	252	6.9%	\$39,900	\$2,300,000	\$343,583	\$270,445	339
Transylvania County	678	18.5%	\$46,250	\$8,500,000	\$506,092	\$299,700	393
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418	244

Source: Multiple Listing Service and Bowen National Research

*Buncombe County includes the City of Asheville

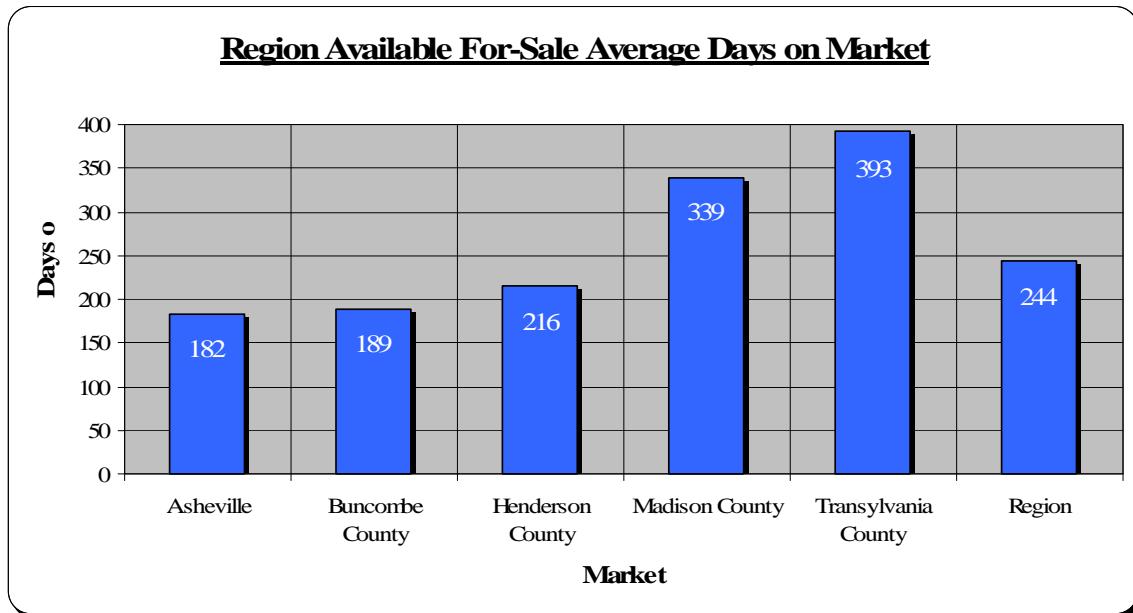
Within the region, the available homes have a median list price by county ranging from \$270,445 in Madison County to \$300,000 in Buncombe County, with a regional median list price of \$290,418. In order for a typical household to be able to afford such a home priced at or above the median home price they would generally need to have a minimum income of around \$100,000. Within the region, only 12.1% of owner households have an income of \$100,000 or higher. As such, there appears to be a mismatch between household prices and affordability. The 1,734 available for-sale homes in Buncombe County represent nearly one-half (47.2%) of the total available homes in the region.

The graph below compares study area median list prices for available homes:



Despite the fact that Buncombe County has the highest median home list price at \$300,000, it has the shortest days on market at 189. This indicates the high demand for for-sale housing in Buncombe County. While Madison County and Transylvania County both have average days on market that exceed 300 days, this is not unusual for more rural markets that have a smaller base of prospective buyers than larger markets. The median list price of available product in Asheville is \$325,000, which is higher than any of the individual counties in the region. Even with the higher list prices, homes in Asheville have a shorter number of days on market than the subject counties, further indicating the higher level of demand for such housing in Asheville. Overall, average days on market for for-sale housing within the region are longer than many similar sized markets.

The graph below compares the average days on market for available for-sale supply within each county in the region, the city of Asheville, and the overall region:



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

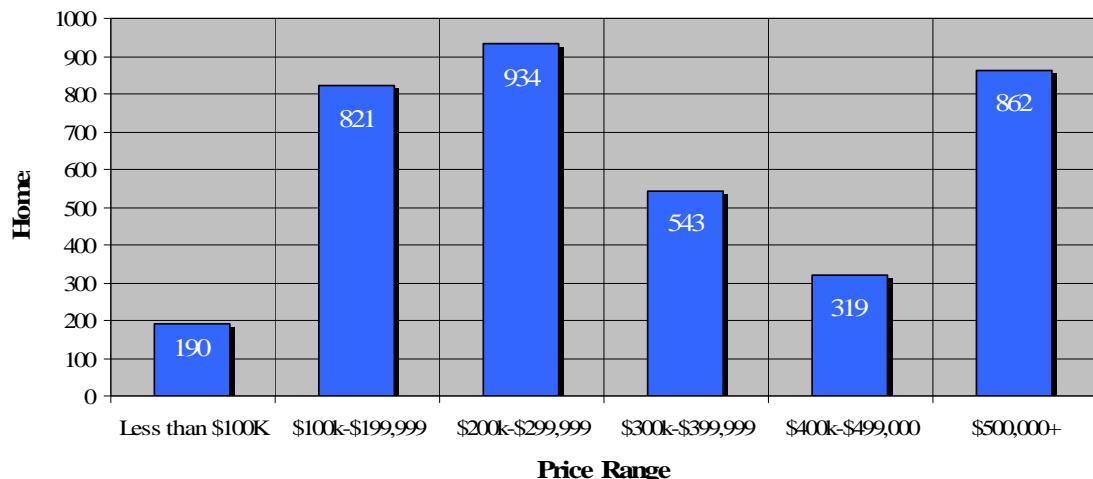
	Available Owner For-Sale Housing Units by List Price (Percent)					
	<\$100,000	\$100,000 - \$199,999	\$200,000 - \$299,999	\$300,000 - \$399,999	\$400,000 - \$499,999	\$500,000+
City of Asheville	22 (3.1%)	178 (24.9%)	146 (20.4%)	106 (14.8%)	65 (9.1%)	198 (27.7%)
Buncombe County*	76 (4.4%)	384 (22.2%)	403 (23.2%)	254 (14.6%)	166 (9.6%)	451 (26.0%)
Henderson County	57 (5.7%)	235 (23.4%)	300 (29.8%)	146 (14.5%)	74 (7.4%)	193 (19.2%)
Madison County	26 (10.3%)	63 (25.0%)	56 (22.2%)	50 (19.8%)	16 (6.4%)	41 (16.3%)
Transylvania County	31 (4.6%)	139 (20.5%)	175 (25.8%)	93 (13.7%)	63 (9.3%)	177 (26.1%)
Region	190 (5.2%)	821 (22.4%)	934 (25.4%)	543 (14.8%)	319 (8.7%)	862 (23.5%)

Source: Multiple Listing Service and Bowen National Research

*Buncombe County includes the City of Asheville

Among the four study counties, Buncombe has the highest share of homes priced at \$400,000 and above and Madison County has the highest share (19.8%) of available homes priced at \$300,000 to \$399,999. Conversely, the largest share of lower priced homes (priced below \$100,000, and priced between \$100,000 and \$199,999) is within Madison County. Meanwhile, Buncombe County has the lowest share of product priced under \$100,000. The 22 available homes priced under \$100,000 in Asheville represent only 3.1% of all available homes in the city. As such, lower income households seeking product that is priced under \$100,000 in Asheville will have few options among the currently available supply.

Region Available For-Sale Housing by Price



Region wide, the largest share (25.4%) of available for-sale housing product is within the \$200,000 to \$299,999 price points. These homes represent nearly one-fourth of all available homes listed in the region. The smallest share (5.2%) of available product is priced below \$100,000, indicating limited available for-sale housing options that would be affordable to lower income households (those making less than \$30,000 per year). It is worth noting that nearly one-fourth of available for-sale product has list prices at \$500,000 or higher, indicating a large base of high-end for-sale housing product.

While over two-thirds of the owner households in the region have incomes below \$75,000 a year and could generally afford product priced no higher than around \$200,000, only 27.6% of the available for-sale housing product in the region has a list price below \$200,000. As such, there is a disproportionately low share of product affordable to households with incomes below \$75,000. As a result, a majority of area homeowners have few new housing options from which they can afford and/or are likely forced to stay in units they do not want or cannot afford. This may become a challenge for the region as households experience growth in incomes and have the *ability* to afford higher priced product but have limited *availability* of such product. This may become a challenge for seniors who are seeking to downsize from their current residents, who may not be able to find lower priced product to move into. Additionally, the low share of product priced below \$200,000 may limit the region's ability to attract householders seeking to move to the region who are specifically seeking housing product priced below \$200,000.

While a total of 190 housing units (5.2% of the region's total available supply) are priced below \$100,000 and would be affordable to lower income households, based on our on-site evaluation of the county's housing stock and an analysis of secondary data on area housing, it appears that much of the housing inventory is more than 40 years old and of fair quality. As a result, while it may be deemed that there is an abundance of for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

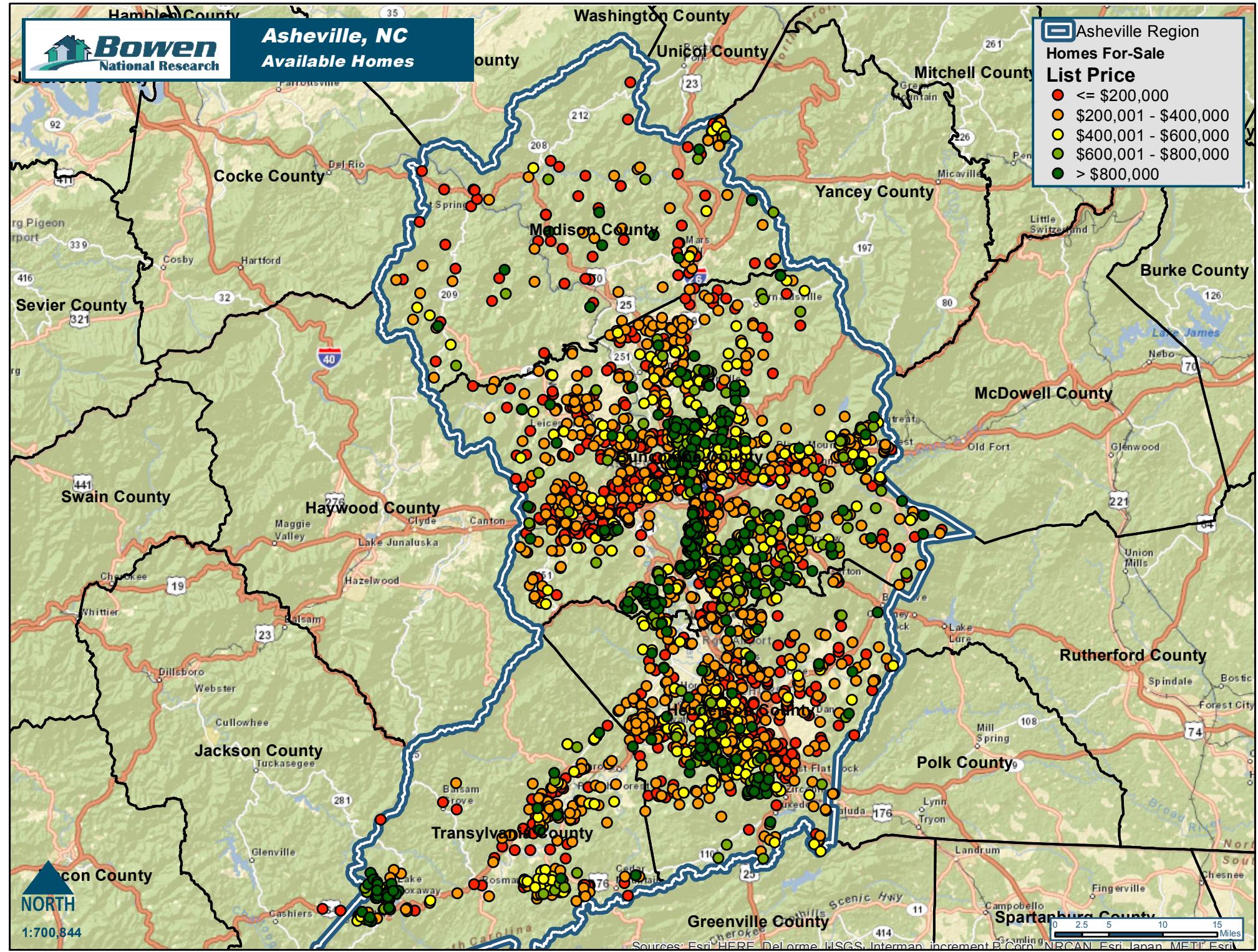
A map illustrating the locations of available for-sale housing in the region is on the following page.



Asheville, NC Available Homes

Asheville Region
Homes For-Sale
List Price

- <= \$200,000
- \$200,001 - \$400,000
- \$400,001 - \$600,000
- \$600,001 - \$800,000
- > \$800,000



Residential Foreclosures

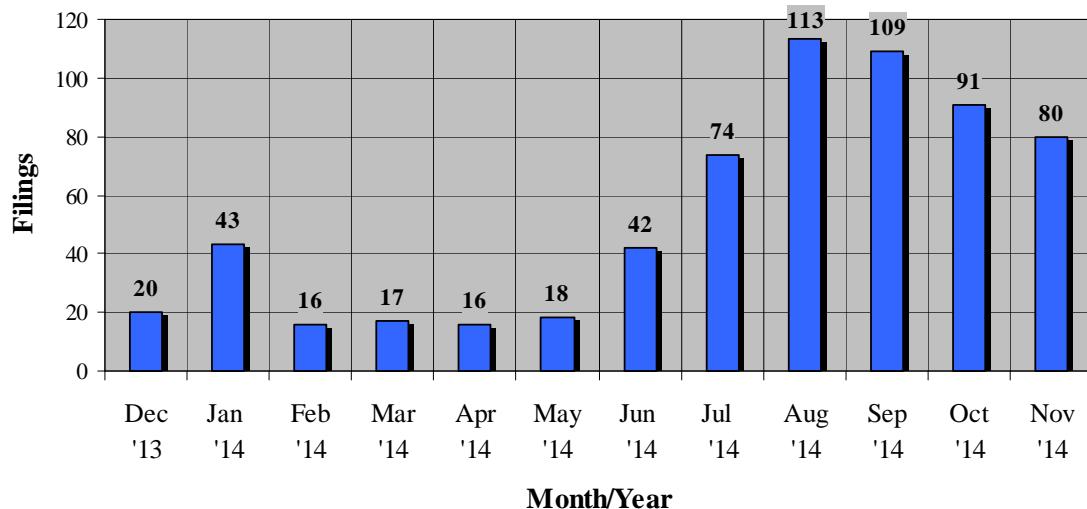
The foreclosure of residential structures became prominent in markets throughout the United States during the national recession starting in 2008. The Asheville region was not immune to the rapid increase in foreclosures that resulted from loss of jobs, declining household incomes, predatory lending practices, and other factors. The following table summarizes monthly residential foreclosure activity over the past 12 months within the four-county study area, which includes Buncombe, Henderson, Madison, and Transylvania counties.

Residential Foreclosure Filings – Asheville Region		
Month	Filings	Monthly Change
2013-December	20	-
2014- January	43	+23
February	16	-27
March	17	+1
April	16	-1
May	18	-2
June	42	+24
July	74	+32
August	113	+39
September	109	-4
October	91	-18
November	80	-11
Total Foreclosures	639	-
Avg. Monthly	53.2	-

Source: RealtyTrac.com

Note: The numbers of monthly filings are approximated and only includes county foreclosure filings

Region Residential Foreclosures

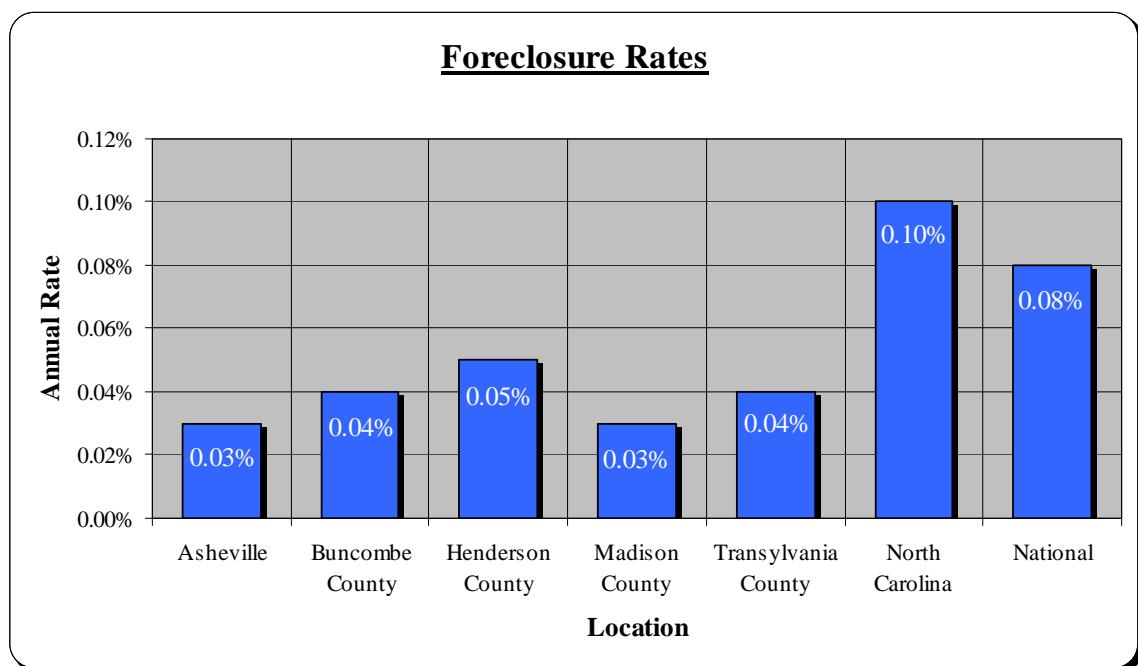


Since December 2013, there have been 639 residential foreclosure filings in the Asheville region, with an average of 53.2 foreclosures per month. During the past year, foreclosure filings peaked at 113 in August 2014. Since that time, the number of filings have steadily declined within the past three months. Overall, residential foreclosure filings are declining within the Asheville region, and it appears to be minimal at this stage.

The overall foreclosure rates over the past 12 months for the study areas, the state of North Carolina and the United States are compared in the following table and graph.

Annual Residential Foreclosure Rate by Geographic Area							
Data	Asheville	Buncombe County	Henderson County	Madison County	Transylvania County	North Carolina	National
Annual Foreclosure Rate	.03%	.04%	.05%	.03%	.04%	.10%	.08%

Source: RealtyTrac.com



As the preceding table illustrates, the annual foreclosure rate for the city of Asheville and surrounding counties has remained consistent across the region. As such, the region's foreclosure activity is well below much of the state and nation and does not appear to be prevalent. Within the region, foreclosures appear to be slightly more prevalent within Henderson County. Specifically, within each county the highest concentrations of foreclosures are listed below.

Foreclosure Concentration Areas- Asheville Region		
Market	Highest Foreclosure Area	Foreclosure Ratio
<i>City of Asheville</i>	28801 zip code	1 in every 1,517
Buncombe County	Black Mountain	1 in every 1,286
Henderson County	Flat Rock	1 in every 1,060
Madison County	Mars Hill	1 in every 2,053
Transylvania County	Penrose	1 in every 886

Source: RealtyTrac.com

As a result, it appears that foreclosure activity is minimal in the Asheville region and has a nominal impact on housing supply trends or characteristics.

4. SENIOR CARE FACILITIES

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

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

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

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

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

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

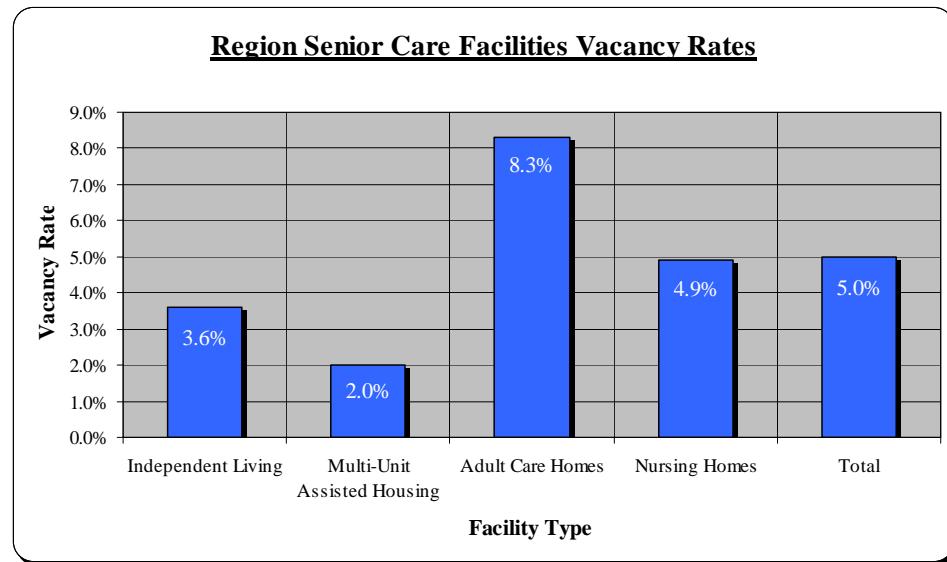
Within the region there are a total of 87 senior care facilities identified, including a mix of independent living facilities, multi-unit assisted housing, adult care homes, and nursing homes. In October and November of 2014, Bowen National Research surveyed a total of 58 of these facilities containing a total of 4,682 units/beds. Specifically, the senior facilities include six independent living facilities, six multi-unit assisted housing properties, 25 adult care homes, and 21 nursing homes. These 58 facilities represent two-thirds of the senior care facilities in the region and are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory.

Within the subject region, a total of 58 senior care facilities were surveyed containing a total of 4,682 beds. The following table summarizes these facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	6	1,041	37	3.6%
Multi-Unit Assisted Housing	6	643	13	2.0%
Adult Care Homes	25	1,176	97	8.3%
Nursing Homes	21	1,822	89	4.9%
Total	58	4,682	236	5.0%

The senior care facilities have vacancy rates by product type ranging from 2.0% to 8.3%, with an overall vacancy rate of 5.0%. Nationally, depending on the type of senior care product, vacancy rates for senior care housing range from 9.9% to 11.0%. As such, the region's senior facilities are performing at levels similar to or better than national standards. With relatively limited availability among the region's senior care facilities and a large growing base of seniors, it is anticipated that the region will need additional senior care housing in the years ahead.

The following graph compares the vacancy rates of the senior care facilities in the region with national averages:



The following is a distribution of unit/beds and vacancy rates by product type for each of the study areas.

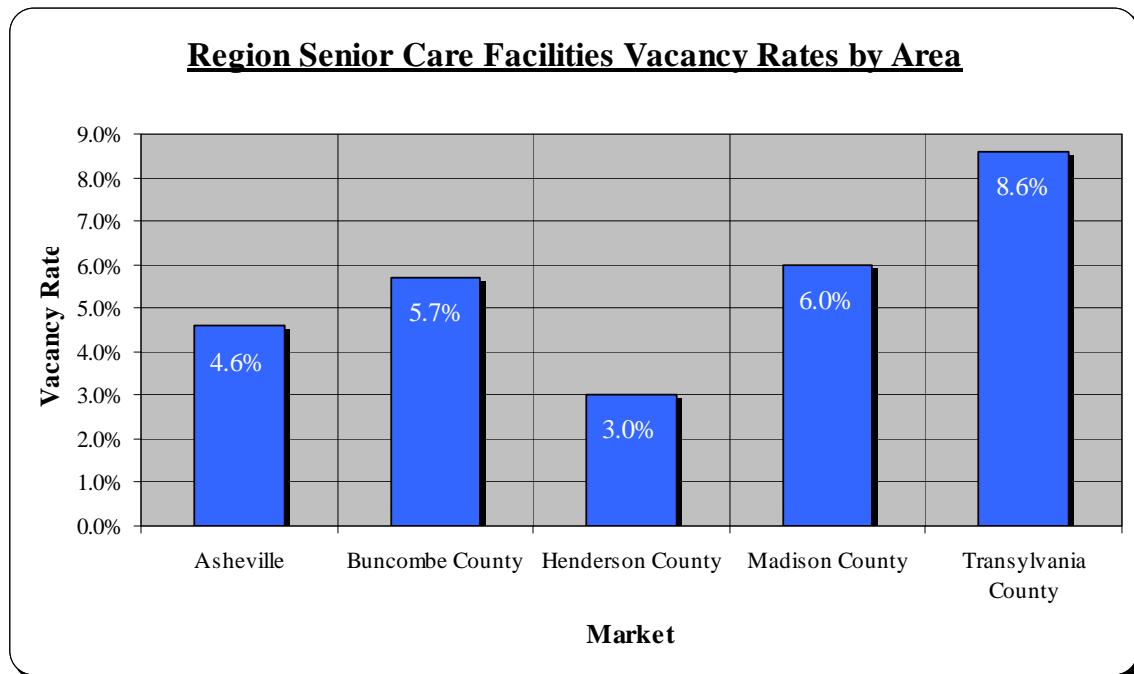
	Surveyed Senior Care Housing by Area			
	Units/Beds	Share of Region	Vacant	Vacancy Rate
<i>City of Asheville</i>	1,238	26.4%	57	4.6%
Buncombe County*	2,511	53.6%	143	5.7%
Henderson County	1,612	34.4%	48	3.0%
Madison County	116	2.5%	7	6.0%
Transylvania County	443	9.5%	38	8.6%
Total	4,682	100.0%	236	5.0%

Source: Bowen National Research

*Buncombe County includes Asheville

Among the four subject counties, the lowest vacancy rate among all senior care facilities is 3.0% in Henderson County, while the highest is 8.6% in Transylvania County. The largest share of surveyed senior care product is in Buncombe County, which has 2,511 units and represents more than half of the region's surveyed senior care housing supply. Despite this large share of the region's senior supply, the 5.7% vacancy rate is relatively low and indicates that this market is not saturated with product.

The following graph compares the vacancy rates of the senior care by area:



The following is a distribution of unit/beds and vacancy rates by product type for each of the study areas.

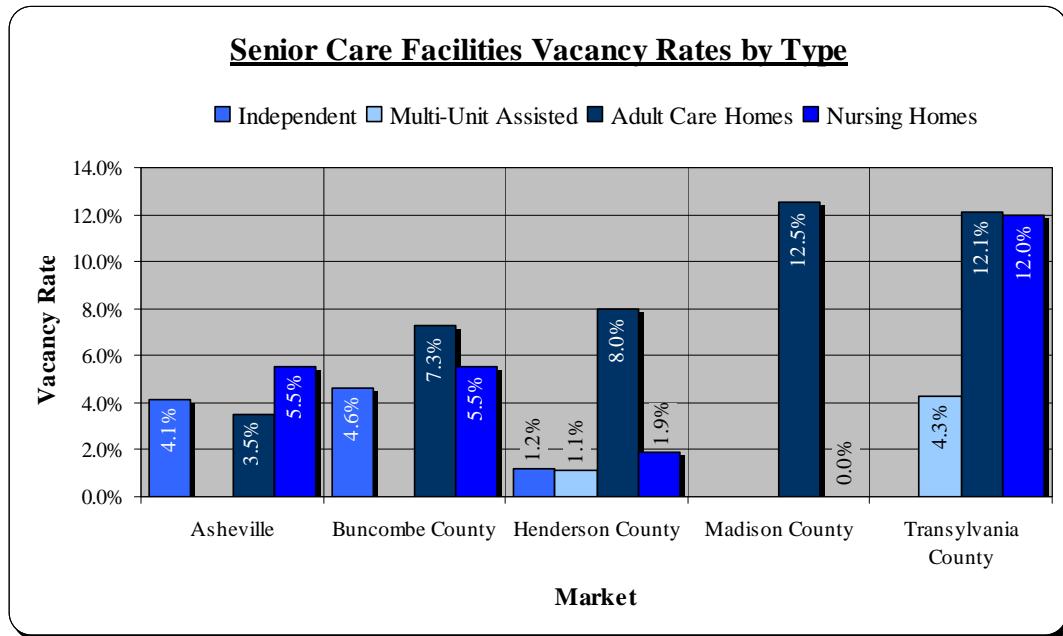
	Independent		Multi-Unit Assisted		Adult Care Homes		Nursing Homes	
	Total Units/Beds	Vacancy Rate	Total Units/Beds	Vacancy Rate	Total Units/Beds	Vacancy Rate	Total Units/Beds	Vacancy Rate
<i>City of Asheville</i>	364	4.1%	0	-	313	3.5%	561	5.5%
Buncombe County	716*	4.6%	0	-	620*	7.3%	1,175*	5.5%
Henderson County	325	1.2%	449	1.1%	376	8.0%	462	1.9%
Madison County	0	-	0	-	56	12.5%	60	0.0%
Transylvania County	0	-	194	4.3%	124	12.1%	125	12.0%
Total	1,041	3.6%	643	2.0%	1,176	8.3%	1,822	4.9%

Source: Bowen National Research

*Buncombe County includes Asheville

Generally, vacancy rates are low among most senior care facility product in each of the study areas. However, some of the higher vacancy rates are within the adult care homes in Madison County (12.5%) and Transylvania County (12.1%), and within the nursing home product in Transylvania County (12.0%). While these preceding counties have double digit vacancy rates among some of their specific senior product types, these rates are not excessively high for senior care product. Conversely, vacancy rates by product type and geographic area are the lowest within Henderson County's independent living product (1.2% vacancy), multi-unit assisted product (1.1%) and nursing home product (1.9%) and within Madison County's nursing home product, which has no vacancies. As such, senior residents seeking the aforementioned senior product in these particular counties have limited options and typically must choose from home health care or going to another county with the needed senior care housing alternative.

The following graph compares the vacancy rates of the senior care facilities in the study areas:



The following table illustrates the low and median base rents by product type for each of study areas.

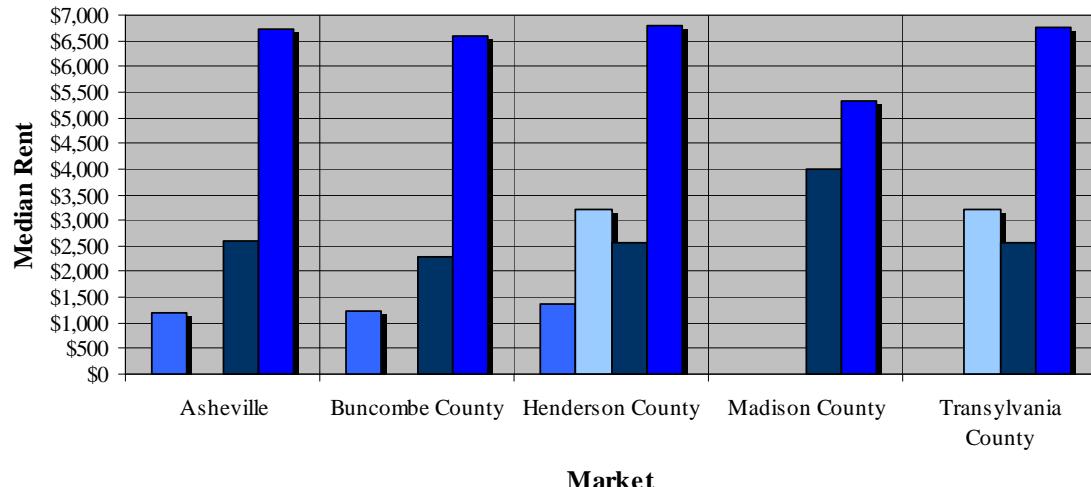
	Base Rents by Product Type and County							
	Independent		Multi-Unit Assisted		Adult Care Homes		Nursing Homes	
	Base	Median	Base	Median	Base	Median	Base	Median
City of Asheville	\$1,189	\$1,189	-	-	\$1,975	\$2,600	\$6,083	\$6,737
Buncombe County	\$1,060	\$1,220	-	-	\$1,500	\$2,300	\$6,083	\$6,600
Henderson County	\$1,371	\$1,371	\$1,525	\$3,200	\$1,600	\$2,550	\$6,174	\$6,782
Madison County	-	-	-	-	\$3,986	\$3,986	\$5,322	\$5,322
Transylvania County	-	-	\$1,925	\$3,213	\$2,550	\$2,550	\$6,752	\$6,752
Total	\$1,060	\$1,250	\$1,525	\$2,663	\$1,298	\$2,550	\$5,322	\$6,782

Source: Bowen National Research

Regionally, the median base monthly fee for independent living facilities is \$1,250, while the median base monthly fee for multi-unit assisted facilities is \$2,663. The median base fee for adult care homes is \$2,550 and nursing care is \$6,782 a month. Generally, it appears the highest senior care housing fees are within Madison and Transylvania counties, while the lowest housing fees are within Buncombe County.

Senior Care Facilities Median Rents by Type

■ Independent ■ Multi-Unit Assisted ■ Adult Care Homes ■ Nursing Homes

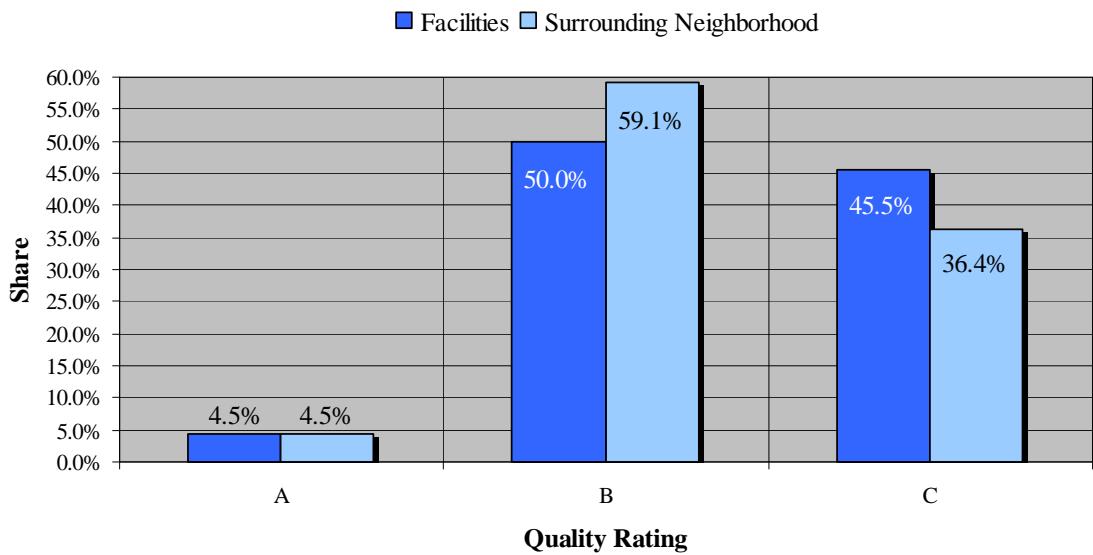


Representatives of Bowen National Research physically visited a majority of the regions' senior care facilities and rated each one based on the quality of the facility's exterior and the quality of its surrounding area/neighborhood separately. Therefore, each facility received two ratings. The facilities were rated on the general aesthetic appeal of the facility, property upkeep, landscaping and signage, while the surrounding neighborhoods were rated on general appeal and upkeep. The following table summarizes the number of facilities by the two different categories considered in this on-site evaluation. It is important to note that the properties physically evaluated represent only a portion of all senior care facilities inventoried and may not include the same properties that were surveyed and included on the preceding pages.

Senior Care Facilities by Quality Ratings (Share)		
Quality Rating	Facilities	Surrounding Neighborhood
A	1 (4.5%)	1 (4.5%)
B	11 (50.0%)	13 (59.1%)
C	10 (45.5%)	8 (36.4%)
Total	22 (100.0%)	22 (100.0%)

Source: Bowen National Research

Region Senior Care Facilities by Quality Rating



As illustrated above, a majority of the senior care facilities were rated “B”, indicating that the facilities in the region are considered good, while the majority of the remaining units were given a rating of “C”, which is considered fair. Most of the facilities are located in neighborhoods that were rated “B”, which are considered good areas as well. Overall, senior care facilities in the region are considered to be of good or fair quality.

A map of all senior care facilities, both surveyed and non-surveyed, is included on the following page.

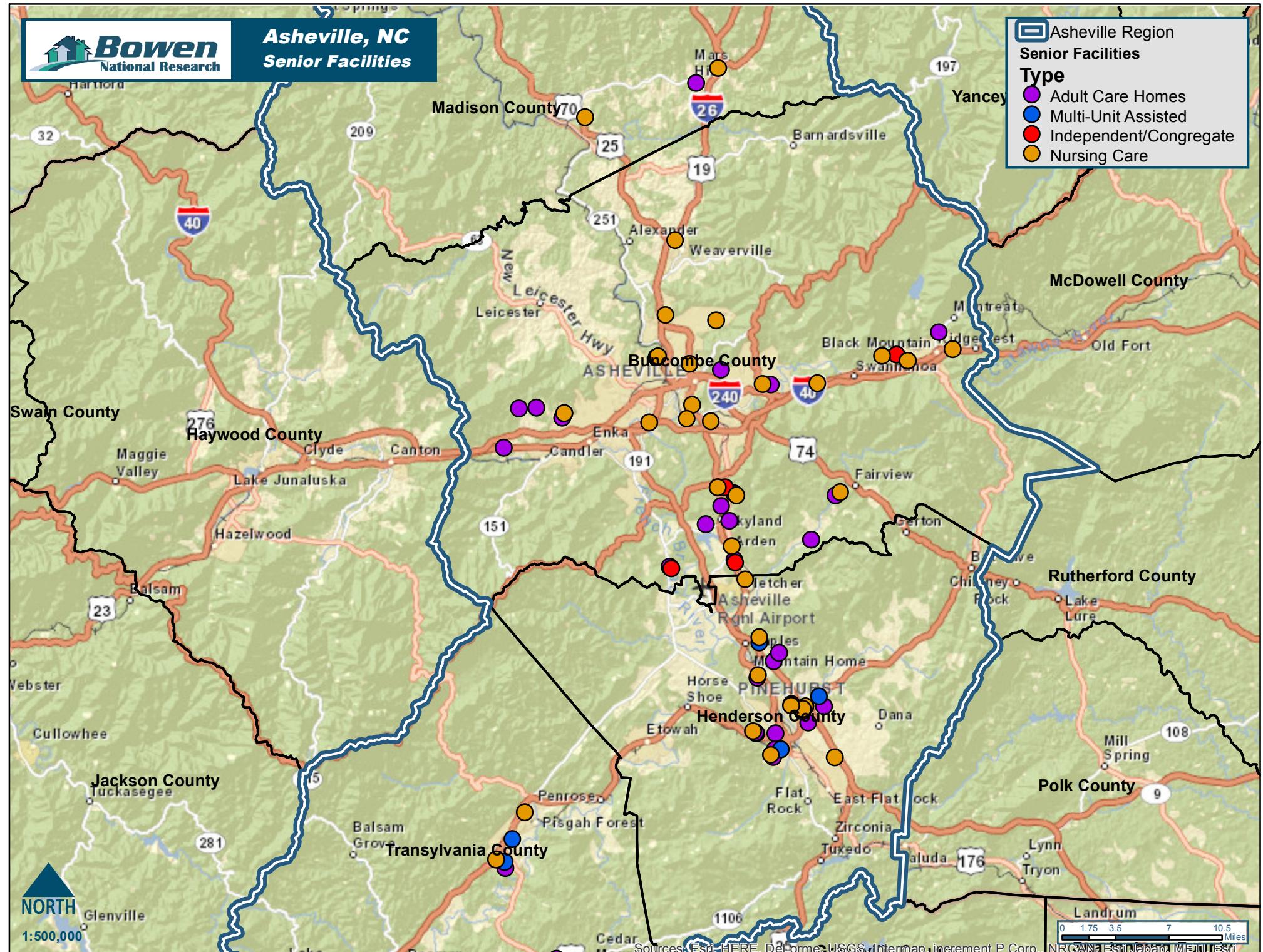


Asheville, NC Senior Facilities

Asheville Region Senior Facilities

Type

- Adult Care Homes
- Multi-Unit Assisted
- Independent/Congregate
- Nursing Care



5. PLANNED & PROPOSED RESIDENTIAL DEVELOPMENT

Bowen National Research personally contacted representatives of the various government entities responsible for overseeing the approval of planned residential developments throughout the study region. Understanding the number of residential units and the type of housing being considered for development in each county can assist in determining the degree of how these projects are expected to meet the housing needs of each county and the region as a whole.

The following table illustrates the number of residential units that are *confirmed* for development, meaning they have at least received some level of approval from the local government jurisdiction and it is believed these units will likely be developed. Please note, in some cases, there were mixed-use projects that were identified as being planned for development but it was undetermined as to the exact mix of a particular product type. In such cases, the number of units in the development pipeline was distributed evenly among the known product types.

Confirmed Units in Development Pipeline									
Market	Multifamily Apartments	Non-Conventional Rentals	Mobile Homes	Owner For-Sale Housing*	Senior Independ.	Multi-Unit Assisted	Adult Care Homes	Nursing Homes	Special Needs
City of Asheville	1,526	0	0	73	0	0	0	0	0
Buncombe County	2,197	0	0	368	48	0	75	0	0
Henderson County	192	0	0	140	0	0	30	50	0
Madison County	48	0	0	0	0	0	0	0	0
Transylvania County	0	0	84	14	0	0	0	0	0
Total	2,430	0	84	522	48	0	105	50	0

Source: Various Planning Departments (See: Addendum A: Sources)

Senior Indep. – Independent Living Units

*Limited to planned developments, such as single-family home subdivisions and condominium developments and does not include individual homes that are planned or under construction.

**Buncombe County totals include units in Asheville

A total of 3,239 units of housing are currently in the development pipeline in the region. Nearly 60% of the units in the development pipeline are within multifamily apartment structures. It is important to note that while 522 owner for-sale units were identified in the development pipeline, these were within larger developments such as condominium or planned single-family home developments and do not include stand alone, single units that will be built individually. As such, there are likely a large number of single-family homes or other detached homes that are being built individually throughout the region. Among senior care facilities, there are 48 independent living units, 105 adult care units/beds, and 50 nursing home units/beds identified as being in the development pipeline. All of the identified and confirmed units in the development pipeline are included in the housing gap/needs estimates, if applicable.

Detailed information on identified residential product is included in the individual county and city of Asheville chapters of the overall Housing Needs Assessment.

E. HOUSING GAP/NEEDS ESTIMATES

Bowen National Research conducted housing gap/need analyses for rental and for-sale housing for the subject region. The **housing needs** estimates include growth, cost burdened households, households living in substandard housing, and units in the development pipeline. These estimates are considered a broad evaluation of the needs of the market. The **housing gap** analysis includes all of the same metrics used in the housing needs analysis except for cost burdened households, but also includes the number of units required for a balanced market (5.0% vacancy rate). Cost burdened households are excluded from the gap analysis as they are considered to be having their housing needs met, even though they are paying a disproportionately high share of their income towards housing expenses. The housing gap estimate is considered a more conservative representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Our estimates consider four income stratifications. These stratifications include households with incomes of up to 30% of Area Median Household Income (AMHI), households with incomes between 31% and 50% of AMHI, between 51% and 80% of AMHI, and between 80% and 120% of AMHI. This analysis was conducted for family households and seniors (age 55+) separately. This analysis identifies the housing gap/needs (the number of units that could potentially be supported) for the overall region between 2015 and 2020.

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

Housing Gap/Needs Analysis Components	
Rental Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Rent Overburdened Households**	• Cost Overburdened Households**
• Overcrowded Housing	• Overcrowded Housing
• Housing Lacking Complete Indoor Plumbing	• Housing Lacking Complete Indoor Plumbing
• Pipeline Development*	• Pipeline Development*

*Units under construction, permitted, planned or proposed

**Included in the housing needs estimates only

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/needs estimate. This gap/needs analysis is conducted for both renters and owners, as well as for seniors (age 55+) and family occupancy households. These estimates 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 housing cost-burdens, overcrowded or substandard housing conditions. The units required for a balanced market represents the additional or fewer units needed in the market to achieve a 5.0% vacancy rate, which is considered a “balanced market” vacancy rate. Data used for these various demand components originates from the demographic analysis portion of this study.

A housing needs analysis was also conducted for senior care facilities in the region. While senior care facilities can range widely in prices, levels of care, physical accommodations, quality and other factors, and be diverse in the populations they serve due the varying needs of seniors, we have used national standards to establish the potential housing needs estimates for senior care housing. We have applied national standard disability rates associated with households requiring assistance with Activities of Daily Living (e.g. dressing, bathing, medicine reminders, etc.). It is important to understand that because the various housing facilities differ greatly in the types of services they offer and typical age groups they serve, we have assumed that any resident living in a senior care facility will require assistance with a minimum of three Activities of Daily Living and be age 62 or older.

Note: The housing demand estimates shown below are based on aggregated data from the individual county chapter analyses. As a result, some numbers cited in the tables below may vary slightly from the growth numbers shown in the demographics portion of this regional analysis due to rounding.

Rental Housing Needs Analysis

The table below summarizes the rental housing needs estimates by the various income segments for family households.

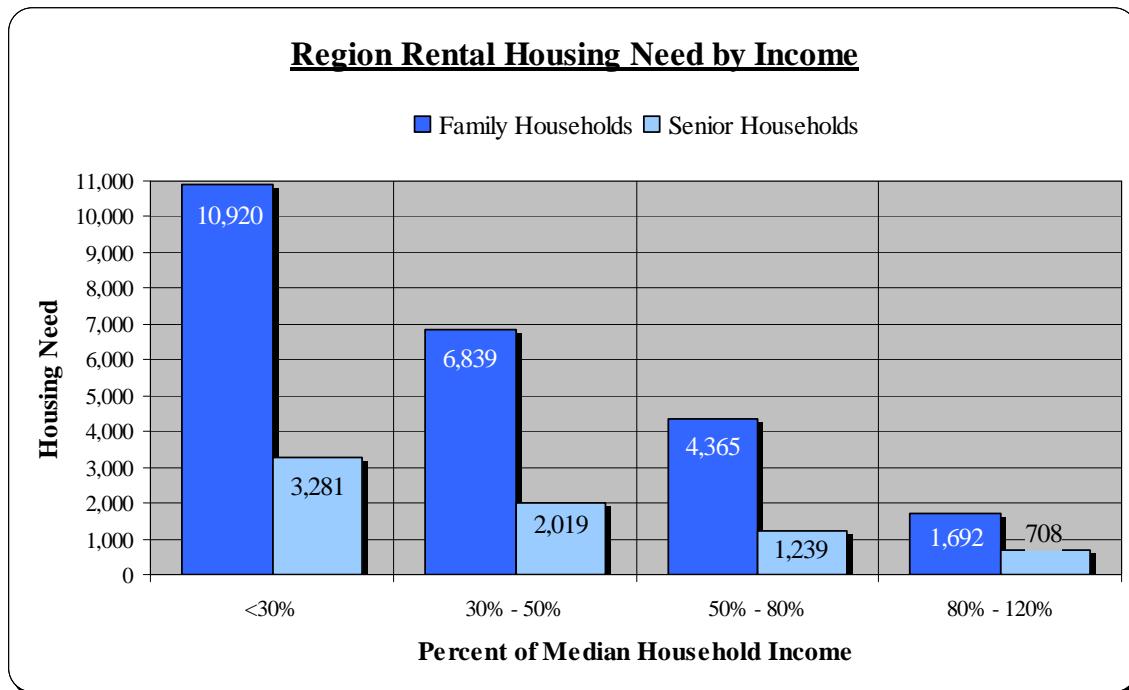
Demand Component	Rental Housing Needs Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-61	595	204	1100	1,838
Cost Burdened Households	10,718	6,081	4,021	1,135	21,955
Substandard Housing	365	265	276	447	1,353
Development Pipeline	-102	-102	-136	-990	-1,330
Total Housing Need	10,920	6,839	4,365	1,692	23,816

The table below summarizes the rental housing needs estimates by the various income segments for senior (age 55+) households.

Demand Component	Rental Housing Needs Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	148	368	207	633	1,356
Cost Burdened Households	3,020	1,581	986	285	5,872
Substandard Housing	152	110	100	179	541
Development Pipeline	-39	-40	-54	-389	-522
Total Housing Need	3,281	2,019	1,239	708	7,247

Overall, nearly half of the entire rental housing need for *family* housing within the region is for households with incomes at or below 30% of AMHI and nearly an additional one-third of the housing need is for households with incomes between 30% and 50% of AMHI. A large housing need among those households with incomes at or below 50% of AMHI is a potential indication for the need of government-subsidized housing targeting extremely and very low-income households. The very low vacancy rate of 0.0% among the government-subsidized rental housing supply we surveyed indicates that there is limited availability of affordable to lower income households, many of which are rent burdened.

The largest housing need for rental housing among senior households age 55 and older is among those households with income below 30% of AMHI. The housing need among this senior household income segment represents nearly half of the region's senior housing needs estimates. A little more than one-quarter of the senior rental housing need is among households with incomes between 30% and 50% of AMHI. Combined, these extremely low and very low income household segments represent nearly three-fourths of the entire region's senior housing need estimates. Government-subsidized housing, Housing Choice Vouchers and Tax Credit housing will help to meet the needs of these households.



It should be noted that a large portion of the rental housing need for each income segment shown in the preceding tables originates from households that are cost burdened. This is particularly true among the lower income households. While these particular households may be considered to have a housing need due to the disproportionately high share of income they pay towards rent, they are adequately housed. If the housing needs were limited to housing required to meet new household growth, units required for a balanced market, and to replace housing that is considered substandard, the housing need estimates would be much lower. This is addressed in the housing gap estimates that follow.

Rental Housing Gap Analysis

The tables below illustrate the region's rental housing gap, assuming the housing gap originates exclusively from *new household growth, units required for a balanced market, and replacement of substandard housing only*.

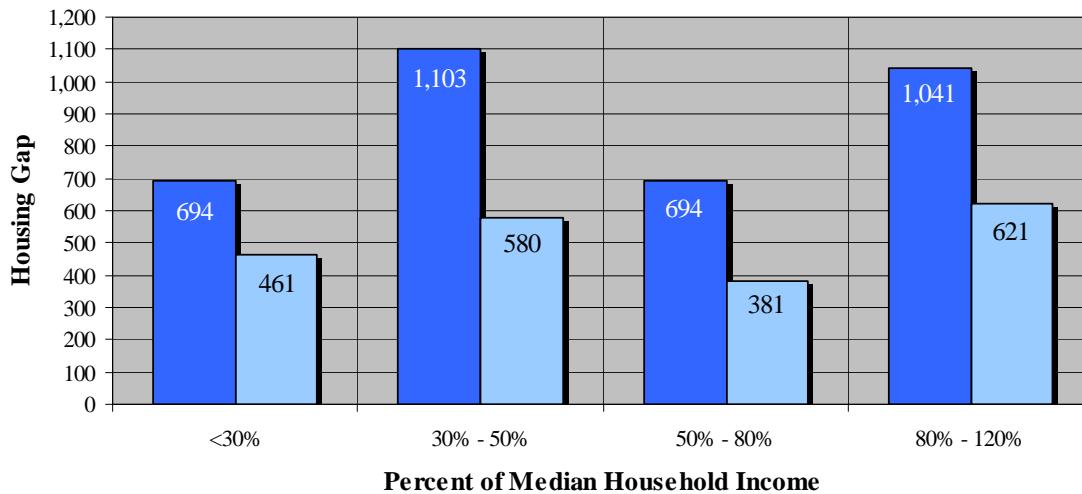
Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-61	595	204	1,100	1,838
Balanced Market	492	345	350	484	1,671
Substandard Housing	365	265	276	447	1,353
Development Pipeline	-102	-102	-136	-990	-1,330
Total Housing Gap	694	1,103	694	1,041	3,532

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	148	368	207	633	1,356
Balanced Market	200	142	128	198	668
Substandard Housing	152	110	100	179	541
Development Pipeline	-39	-40	-54	-389	-522
Total Housing Gap	461	580	381	621	2,043

Based on the preceding analysis, the housing gaps by income level range from 694 to 1,103 for the *family* units and from 381 to 621 for the *senior* units. Rental housing priorities should consider the housing segments demonstrating the greatest housing gaps. It should be noted that despite the fact that more than 1,000 units that would be affordable to households with incomes between 80% and 120% of AMHI are currently within the development pipeline, the housing gap remains significant among this household income segment. This is primarily attributed to the large number of new renter households that are projected to be added to this income segment between 2015 and 2020.

Region Rental Housing Gap by Income

■ Family Households ■ Senior Households



Owner Housing Needs Analysis

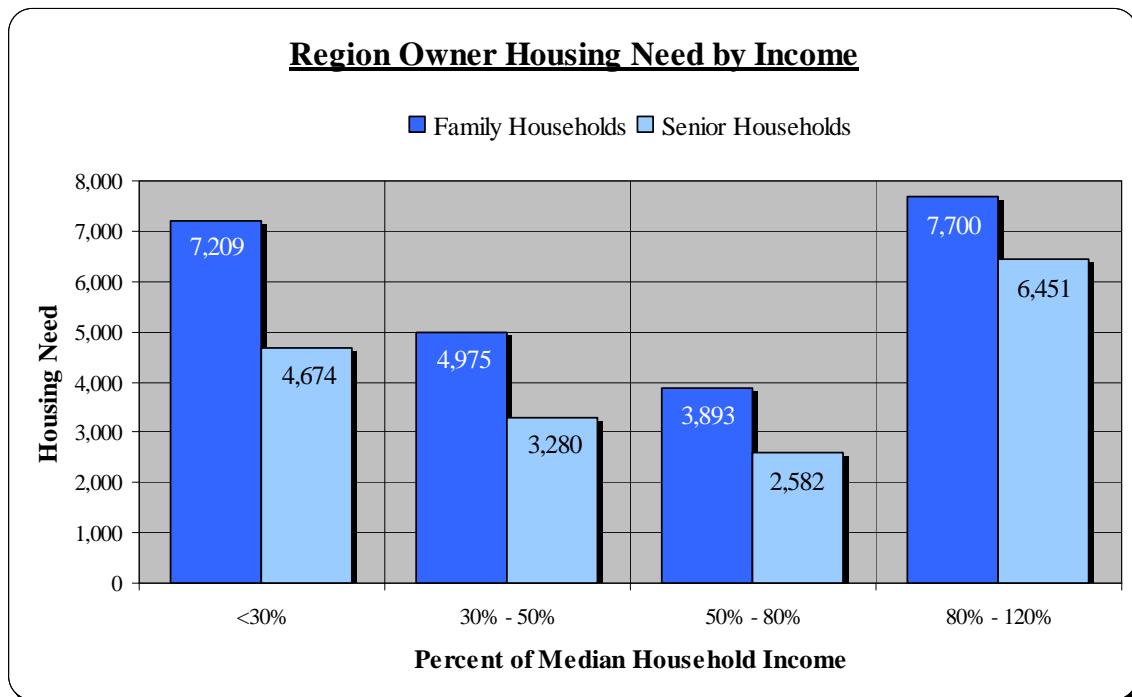
The table below summarizes the *owner* housing needs estimates by the various income segments for family households.

Demand Component	Owner Housing Needs Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	75	36	138	266	515
Cost Burdened Households	7,067	4,871	3,679	7,172	22,789
Substandard Housing	67	68	76	262	473
Development Pipeline	0	0	0	0	0
Total Housing Need	7,209	4,975	3,893	7,700	23,777

The table below summarizes the *owner* housing needs estimates by the various income segments for senior (age 55+) households.

Demand Component	Owner Housing Needs Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	513	454	415	2,096	3,478
Cost Burdened Households	4,072	2,734	2,064	4,004	12,874
Substandard Housing	89	92	103	351	635
Development Pipeline	0	0	0	0	0
Total Housing Need	4,674	3,280	2,582	6,451	16,987

Overall, the region's *housing need* for for-sale family and senior housing is greatest among housing affordable to households with incomes between 80% and 120% of AMHI. The for-sale family housing need is also significant among households with incomes below 30% of AMHI, for both family and senior households. The primary contributor to the large housing need among these household income segments is from households that are considered cost burdened. If the housing needs were limited to only housing required to meet new household growth, for a balanced market and to replace housing that is considered substandard, the housing need estimates would be much lower. This analysis is considered in the *housing gap* estimates portion of this report.



Owner Housing Gap Analysis

The tables below illustrate the owner for-sale housing gap estimates, assuming the housing gaps originate exclusively from *new household growth, units required for a balanced market, and replacement of substandard housing only.*

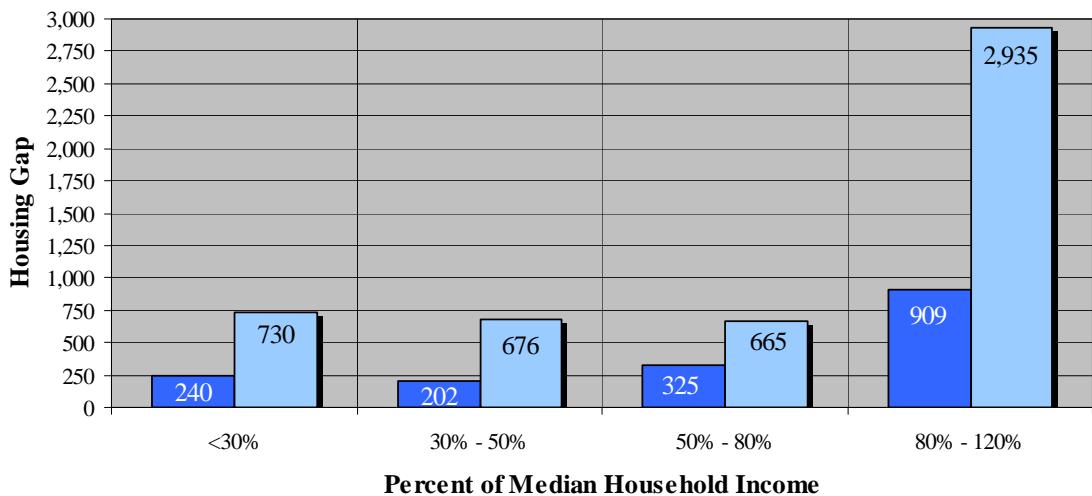
Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	75	36	138	266	515
Balanced Market	98	98	111	381	688
Substandard Housing	67	68	76	262	473
Development Pipeline	0	0	0	0	0
Total Housing Gap	240	202	325	909	1,676

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	513	454	415	2,096	3,478
Balanced Market	128	130	147	488	893
Substandard Housing	89	92	103	351	635
Development Pipeline	0	0	0	0	0
Total Housing Gap	730	676	665	2,935	5,006

Based on the preceding analysis, the housing gaps by income level range from 202 to 909 for the family units and from 665 to 2,935 for the senior units. The relatively large household growth projected for the 80% to 120% AMHI income band between 2015 and 2020 is the primary driver behind this income band's housing gap. It is important to note that while there are likely seniors (e.g. empty nesters, retirees, etc.) relocating to the region due to its desirability, it is likely that a large portion of the projected senior growth is attributed to seniors aging in place. The Asheville region, like most parts of the country, has a large base of baby boomers that have been and will continue to age in place, essentially staying in the area as they age. This will result in a shift of households from one age segment to an older age segment. As such, this trend is likely contributing to the large growth numbers for senior homeowners. While many of these households are already in the market, the large housing gaps for senior housing indicate that these older households will likely want or require different housing to meet their changing housing needs as they age. This should be considered in future housing planning strategies for the region.

Region Owner Housing Gap by Income

■ Family Households ■ Senior Households



Senior Care Housing Need Estimates

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

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	121,707
Times Share* of Elderly Population Requiring ADL Assistance	7.40%
Equals Elderly Population Requiring ADL Assistance	9,006
Plus External Region Support (20%)	1,801
Equals Total Senior Care Support Base	10,808
Less Existing Supply	-6,611
Less Development Pipeline	-203
Potential Senior Care Beds Needed by 2020	3,994

ADL – Activities of Daily Living

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

Based upon age 62 and older population characteristics and trends, and applying the ratio of persons requiring ADL assistance and taking into account the existing and planned supply, we estimate that there will be 3,994 households with a senior (age 62+) requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020.

It is important to understand that not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Typically, institutionalization rates (the share of seniors seeking senior care housing) is around 50%. Applying this share to the 3,994 seniors requiring ADL assistance yields an estimated 1,997 senior care housing beds that will likely be needed in the region by the year 2020. Such housing will likely need to be in the form of a variety of housing options ranging from independent living with optional services to nursing home facilities.

F. **STAKEHOLDER INTERVIEWS**

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

Stakeholders were asked to rank the degree of overall housing demand in various parts of the region. The areas receiving the highest rankings were the city of Asheville and other areas of Buncombe County outside of the Asheville city limits. The remaining areas of the region ranked low in comparison to the top two areas. Multiple respondents stated that housing should be developed in both low- and high-income areas and near transit and employment opportunities. Rental housing was overwhelmingly ranked as the *type* of housing having the greatest need, followed by for-sale, single-person/young professional and senior independent living. Respondents indicated that the housing *style* most needed in the area is apartments, followed by single-family homes and duplex/triplex/townhome development. Respondents also believe that adaptive reuse should be prioritized over new construction and renovation/revitalization. When asked to rank the need for housing for each income level, respondents evenly ranked incomes of less than \$25,000 and incomes between \$25,000 and \$50,000 with the greatest need. The most significant housing issue within the region, as indicated by respondents, was rent burdened/affordability, followed by limited availability.

Respondents were asked to prioritize funding types that should be utilized or explored in the region. “Other” homeowner assistance was given the highest priority, followed by “other” rental housing assistance (such as Vouchers) and homebuyer assistance. Respondents indicated that housing development programs that should be explored include emergency repair, property tax incentives and support for home owners. Other respondents noted that low-income senior, special needs and workforce housing should be a focus. When asked what common barriers or obstacles exist as it relates to housing development in the region, the cost of land, availability of land, and financing received the highest rankings. Respondents provided various ways to overcome these barriers, including increased collaboration between the local government and developers, a land bank, a better zoning and permitting process, improvements to public transit and infrastructure, and tax abatements. One respondent suggested that a committee of both public and private housing professionals should be created that is dedicated to the process of developing affordable housing for all housing sectors within the region.

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

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

G. CASE STUDIES (AFFORDABLE RENTALS CONVERTING TO VACATION RENTALS)

The subject study area is greatly influenced by tourism, as its various natural and man-made attractions draw a large number of visitors to the region throughout much the year. As a result, the region has a large offering of vacation rentals, which include a wide range of housing products and rental rates. Because it is possible that some local rental units that might traditionally be used as long-term rentals for more permanent residents could be converted to vacation rentals, we have evaluated local market data and collected stakeholder input as it relates to the possible conversion of affordable rental housing units to vacation rentals and compared this information with other similar regions in the southeast United States in which we conducted case studies. The intent of this analysis is to determine the likelihood that long-term, traditional rentals are being converted to vacation rentals and thereby reducing the inventory of long-term rental alternatives available in the market, particularly affordable rentals.

Three areas in the southeast United States that share similar demographic attributes to the Asheville region and have a notable base of vacation/seasonal rental housing units were selected as the case study communities from which we compared with the Asheville region. These areas include: Sevier County, Tennessee; Watauga County, North Carolina; and Hall County, Georgia. The data and information collected for the Asheville region and within the case study communities include the following:

- Demographic Data
- Vacation Rental Housing Data
- Stakeholder Input

The following table summarizes key data of the subject Asheville region and the selected case studied communities. Vacation/seasonal housing is considered short-term rentals that typically rent on a daily or weekly basis. For the purposes of this analysis, vacation rentals rates have been converted to a monthly rate to compare with other long-term rental options.

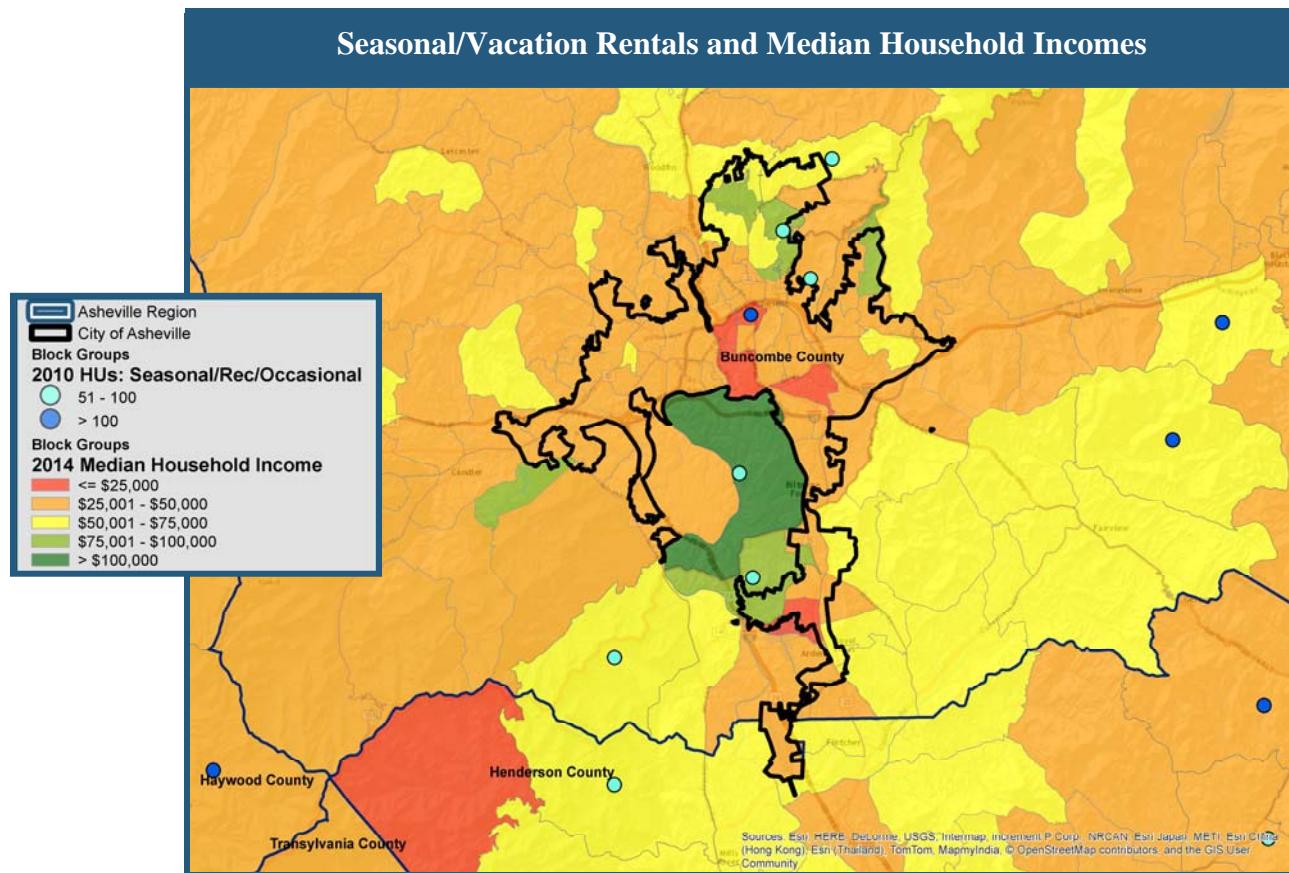
Asheville Region and Case Study Communities								
Area	Vacation/Seasonal Housing			Non-Seasonal Rental Housing			Rent Differential	
	Vacation Units	Percent of Housing	Median Rent	Rental Units	Percent of Housing	Median Gross Rent	Dollars	Percent
Asheville Region	12,050	6.0%	\$5,250	52,790	31.4%	\$775	\$4,475	85.2%
Sevier County, TN	9,295	16.6%	\$3,720	12,164	33.1%	\$715	\$3,005	80.8%
Watauga County, NC	8,373	26.1%	\$4,800	8,882	43.9%	\$819	\$3,981	82.9%
Hall County, GA	1,767	2.6%	\$5,600	19,934	33.0%	\$844	\$4,756	84.9%

Sources: American Community Survey; Bowen National Research

The Asheville region's vacation/seasonal housing stock represents approximately 6.0% of the overall housing stock's supply, which falls within the range of the other case study communities. With the median advertised price for a vacation rental in the Asheville region of \$5,250, the subject region's typical vacation rentals fall within the range of the other communities. The overall market's rental housing shares generally range from 31.4% to 43.9%, making them very comparable to each other. As such, the case study communities represent a good base of comparison for the subject Asheville region.

As shown on the preceding table, the rent differentials between vacation rentals and non-seasonal rental housing are over 80% in all communities. While the subject Asheville region has a rent differential of 85.2%, which is the highest among the four areas compared in the preceding table, it is very comparable to these other communities. Because a potential incentive for converting a non-seasonal rental housing unit to a vacation/seasonal rental is that property owners can charge greater fees, it is clear that this incentive exists in the Asheville region as it does in the case study communities.

The map below illustrates the concentration of seasonal/vacation rentals in relation to median household incomes for the city of Asheville and its immediate surrounding area.



As the preceding map illustrates, with the exception of the Census Tract in the near north central portion of Asheville (just south of I-240 and shown in red), it appears that the concentration of vacation rentals by Census Tract are located in areas with median household incomes above \$25,000, with the greatest concentration of vacation rentals located well outside the Asheville city limits and in higher income areas. As such, it appears that only the previously mentioned Census Tract in the near north portion of Asheville has both a concentration of vacation rentals and has a concentration of low-income households.

We conducted interviews with 12 regional stakeholders within the four subject counties in the Asheville region and 10 stakeholders in the case study communities to obtain their insights and observations as it relates to the possibility of traditional long-term rentals (e.g. apartments, houses, duplexes, etc.) being converted into vacation housing. The following is a summary of key findings from our stakeholder interviews:

Asheville Region

- Vacation rentals are in high demand, with the peak season ranging from April through December, equating to a nine-month rental season; Some of the region's vacation rentals, most often bed and breakfast rentals, close from January to March as a result of the decreased interest in vacation rentals during this time; With a very strong vacation housing market, property owners may consider converting traditional long-term rentals to vacation rentals.
- While a majority of vacation rentals are in the more rural, mountain areas of the region, some vacation rentals are within more developed areas, despite the fact that some communities have restrictions on vacation rentals being in traditional residential neighborhood; As such, some developed residential areas may be considered areas from which residential conversions could occur.
- It was stated by some stakeholders that while local communities have restrictions on short-term/vacation rentals, they are typically not enforced. Additionally, it is believed that many housing units that are converted to vacation rentals likely do not be local code requirements. Therefore, without enforcement of regulations and codes, properties owners considering the conversion housing units to vacation rentals are generally not concerned about regulations or costs associated with having the units meet local government requirements. It was suggested that better enforcement of city regulations and codes be implemented, to either curb such conversion activity or get units converted to meet city standards.
- It appears that *some* homes are being converted from traditional long-term rentals to vacation rentals, typically in the form of single-family homes as single unit rentals or, at times, into a bed and breakfast rental alternative; While sources could not estimate the frequency such conversions occur, they believe it happens on an occasional basis and could diminish the available inventory for traditional, long-term renters;

- While the majority of stakeholders indicated that there is some activity of converting housing to vacation rentals, it appears that these are typically not homes or housing units that would be considered affordable to most low-income households. Stakeholders believe that a majority of the homes being converted to vacation rentals are the second homes of individuals seeking the opportunity to make additional money and typically were never long-term rentals.

Case Study Regions

- Vacation rentals in the each of the case study areas are in high demand;
- Seasonal/Short-term rental's peak seasons in the case study areas appear to be much shorter than the Asheville region, generally from May to September. As such, it appears that the financial viability of relying on seasonal rentals may be less beneficial in the case study areas than the Asheville area.
- Vacation rentals are generally higher quality product in unique setting (i.e. mountains, near water or other outdoor recreation areas, etc.), which may make it difficult for many homes to be converted from traditional long-term rentals and into higher-end vacation rentals.
- Market demand for traditional long-term rentals are generally high and while conversions of existing housing to vacation rentals do occur, they are not on a scale that is greatly impacting their markets.

In addition to individual interviews in the Asheville region, we also conducted an online survey, of which approximately 40 area stakeholders provided responses relating to a variety of topics. The survey questions and results are included in *Addendum C: Stakeholder Instrument* within the overall *Housing Needs Assessment*. However, one area of focus included questions relative to long-term rentals being converted to vacation rentals. The following is a summary of key findings:

In your opinion, how frequently do you believe area rentals (apartments, single-family homes, etc.) are being rented to vacationers (AirBnB, etc.) rather than as permanent housing?		
Answer Options	Response Percent	Response Count
Never	0.0%	0
Rarely	27.0%	10
Occasionally	54.1%	20
Often	18.9%	7
<i>answered question</i>		37

A majority (54.1%) of stakeholder respondents indicated that area long-term rentals are being rented as vacation units on an occasional basis, with over a quarter indicating that it “rarely” occurs and 18.9% indicating that it occurs “often”. Despite the variety of responses, it appears that area stakeholders believe such conversions to vacation rentals is occasionally occurring.

Respondents were asked to indicate the mostly likely motivation behind conversions of long-term rentals to vacation rentals. Their responses are below.

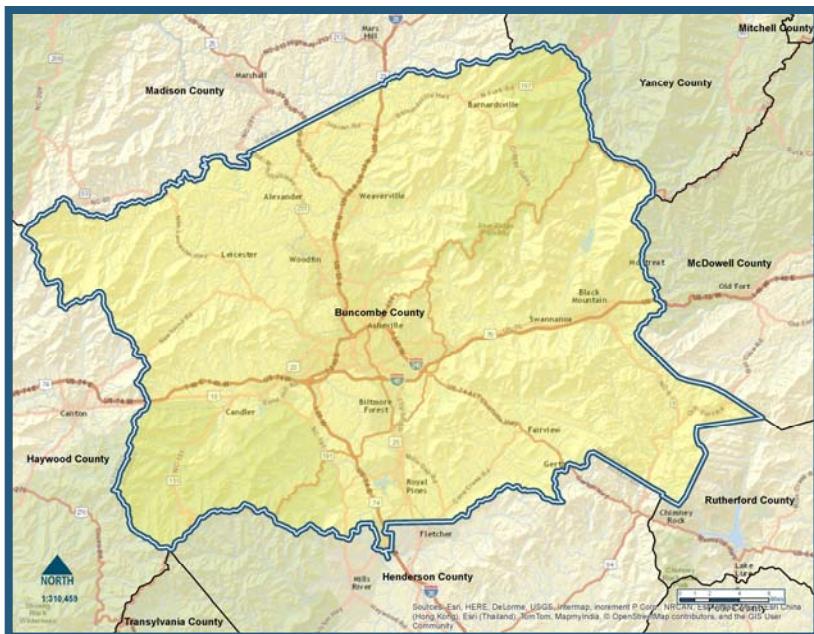
Why do you believe people are renting their accessory units and apartments as vacation rentals? (Select all that apply)		
Answer Options	Response Percent	Response Count
Prospect of Increased Rental Income Profit	55.6%	20
Prospect of Increased Rental Income Needed to Afford Their Primary Residence	16.7%	6
Fewer Problems than with Permanent Tenants	16.7%	6
More Demand	11.1%	4
Other (please specify)		4
<i>answered question</i>		36

Based on the preceding responses, it appears that the primary driver of the conversion from traditional, long-term housing to vacation housing is the “prospect of increased rental income profit.”

Conclusions: Based on local market data, vacation rental rates are generally four times higher than traditional long-term rentals. As such, there appears to be an incentive for property owners to consider converting traditional long-term housing into vacation rentals. While this report does not attempt to quantify the number of such conversions, according to area stakeholders there appears to be “occasional” conversions of traditional rentals to vacation rentals. While this reduces the region’s housing inventory for long-term or permanent residents, it is believed that such conversions are not being done on a large scale. Further, based on a demographic analysis of the concentration of vacation rentals and median household incomes, it appears that most existing vacation rentals are not within low income areas. Regardless, in a market with limited availability among its traditional long-term rental housing supply, particularly among its low-income multifamily apartments, conversions of housing to vacation rentals reduces the supply available to long-term residents, thereby exacerbating the challenges households have in finding housing they want and can afford.

Buncombe County

Housing Needs Assessment



BUNCOMBE COUNTY

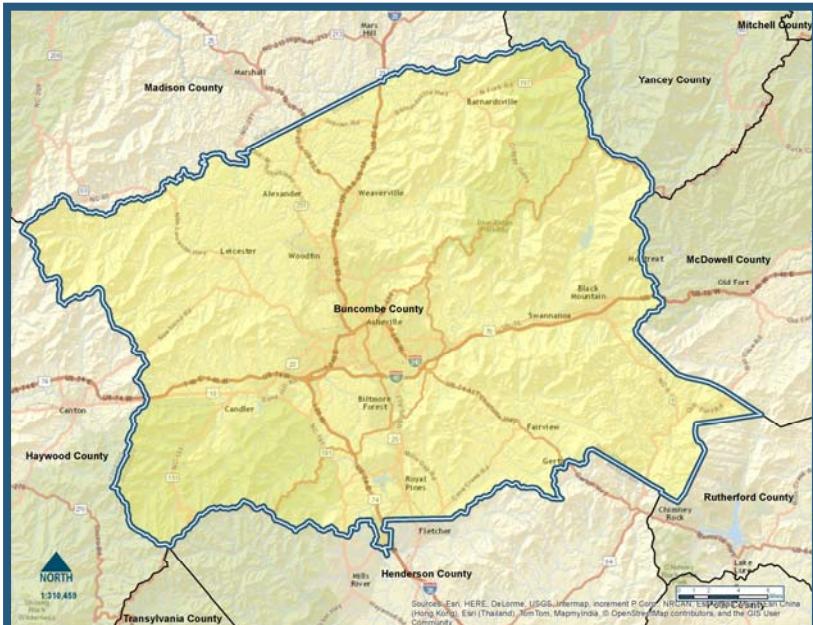
A. INTRODUCTION

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

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

B. COUNTY OVERVIEW

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



C. DEMOGRAPHICS

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

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

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

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

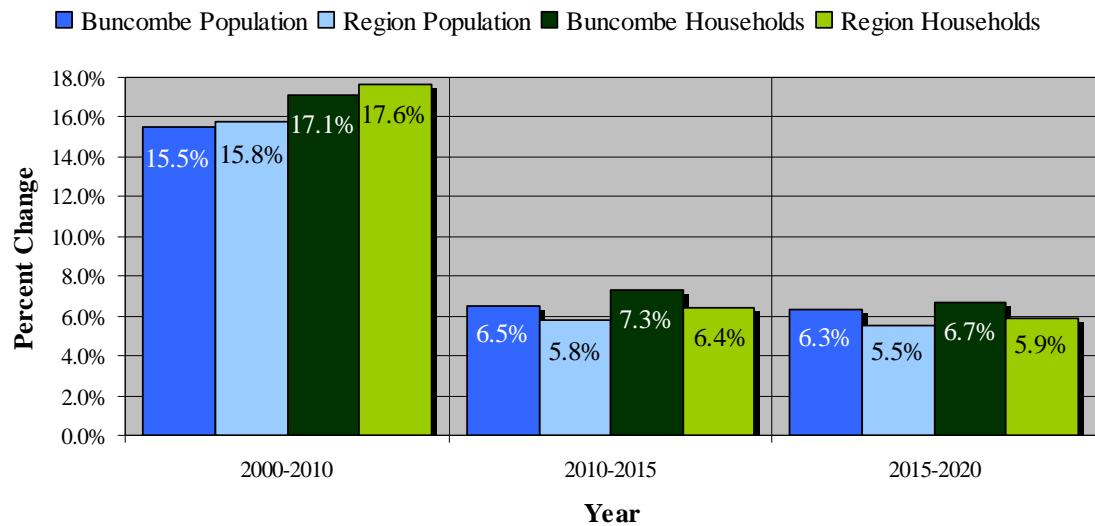
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

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

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

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

Buncombe County/Region Population & Household Trends



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

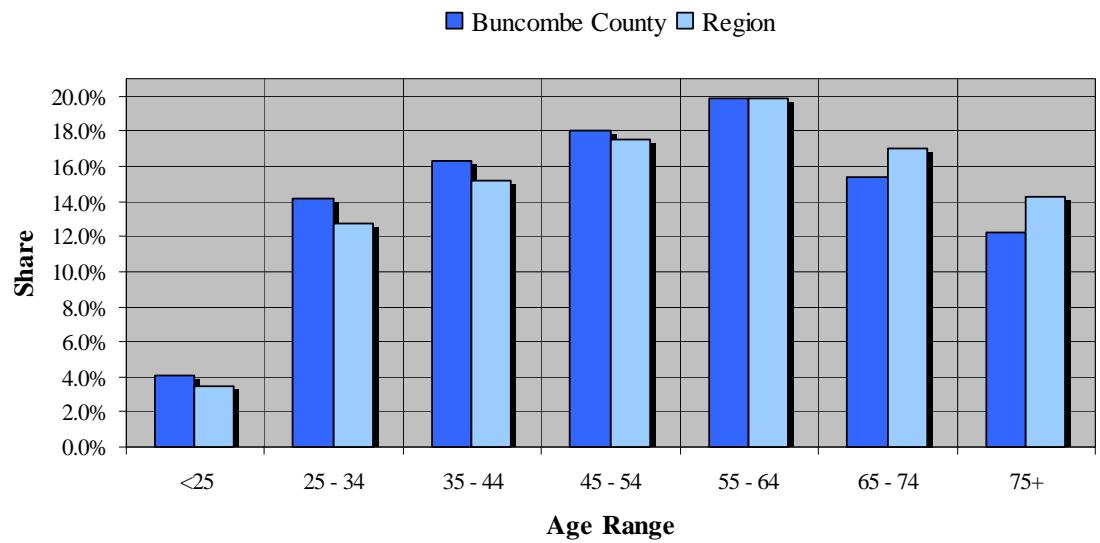
The distribution of households by age for Buncombe County is compared with the overall region in the table below.

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

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

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

Buncombe County/Region Household Heads by Age (2015)

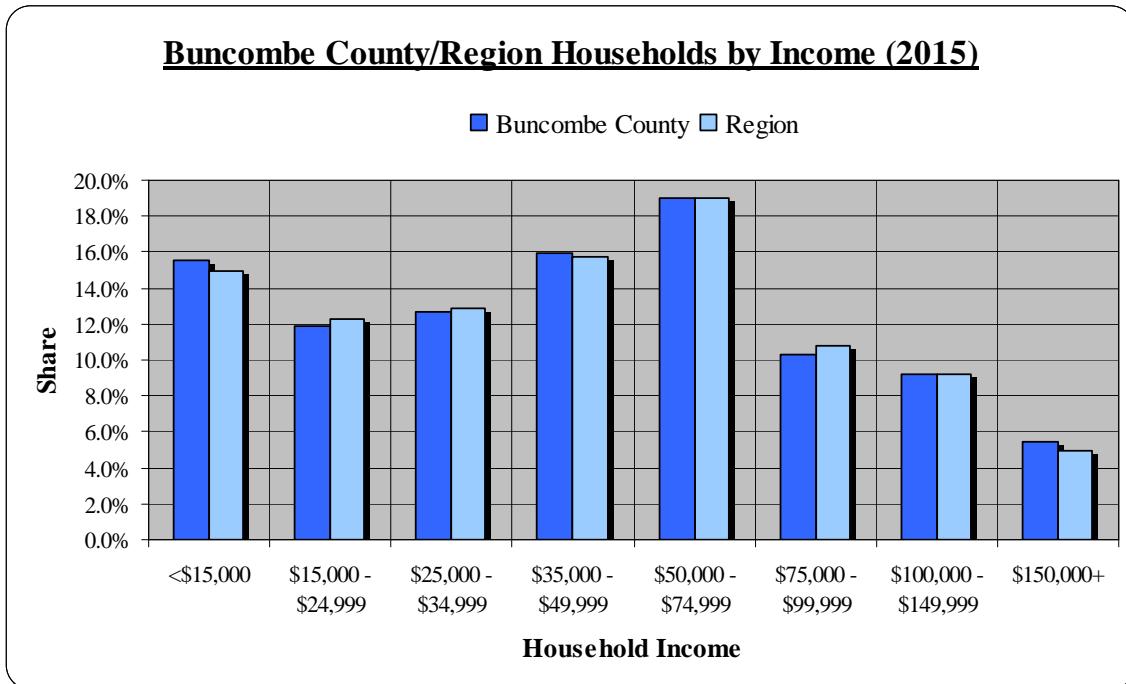


Households by income for selected years are shown in the following table:

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

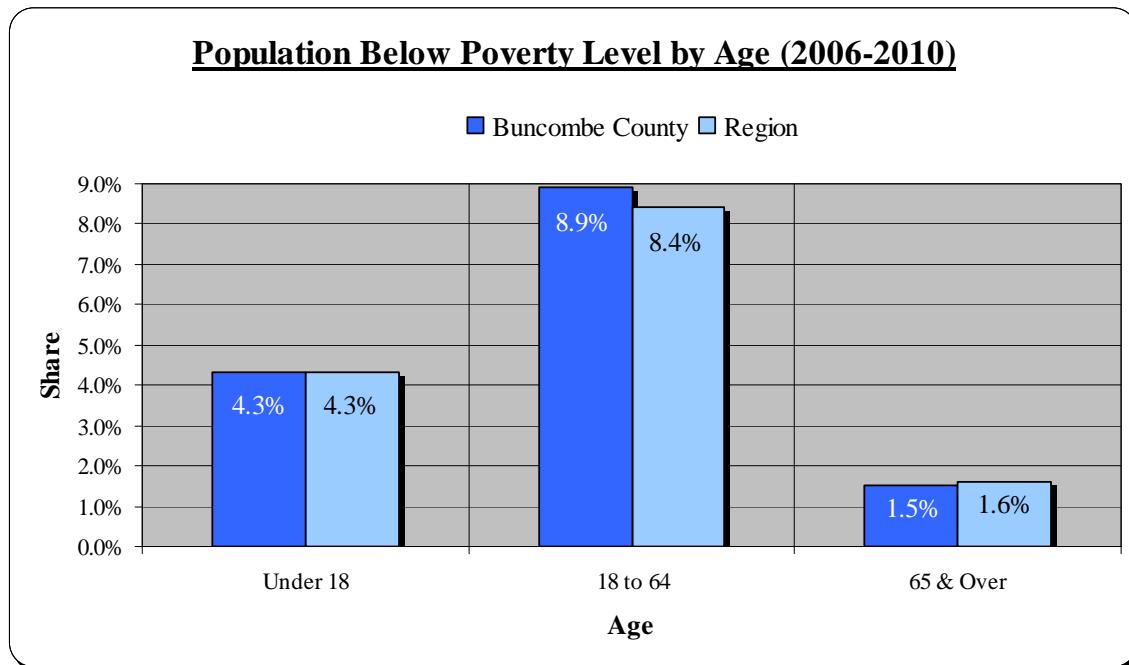
Population by poverty status for years 2006-2010 is shown in the following table:

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

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

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

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



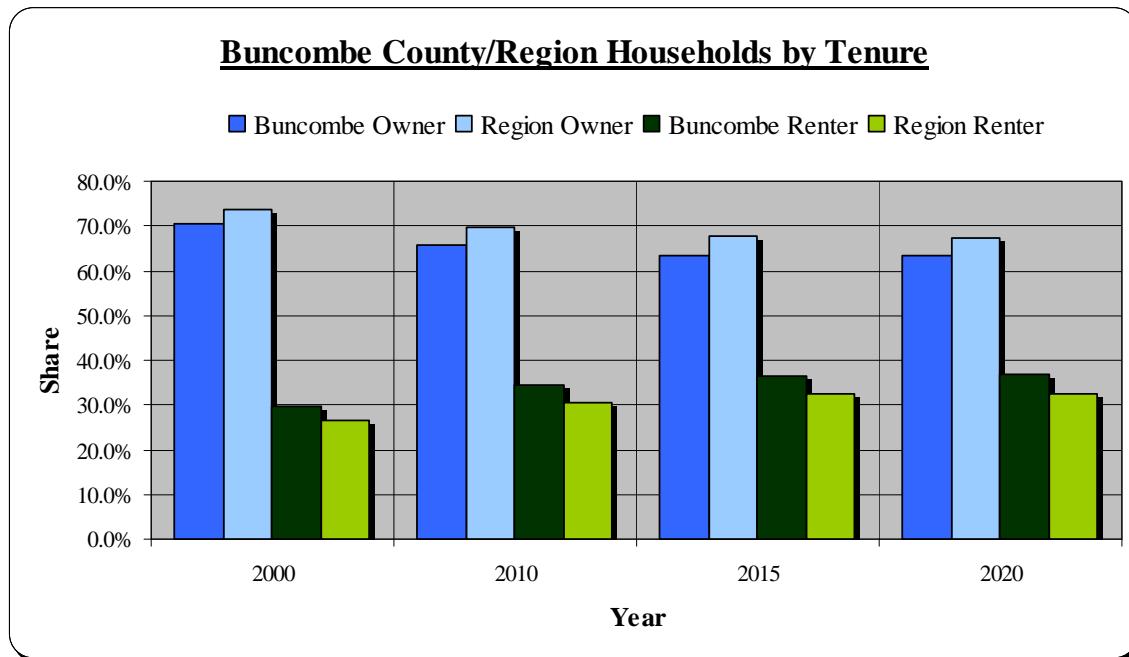
Households by tenure for selected years for the county and state are shown in the following table:

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

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

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

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



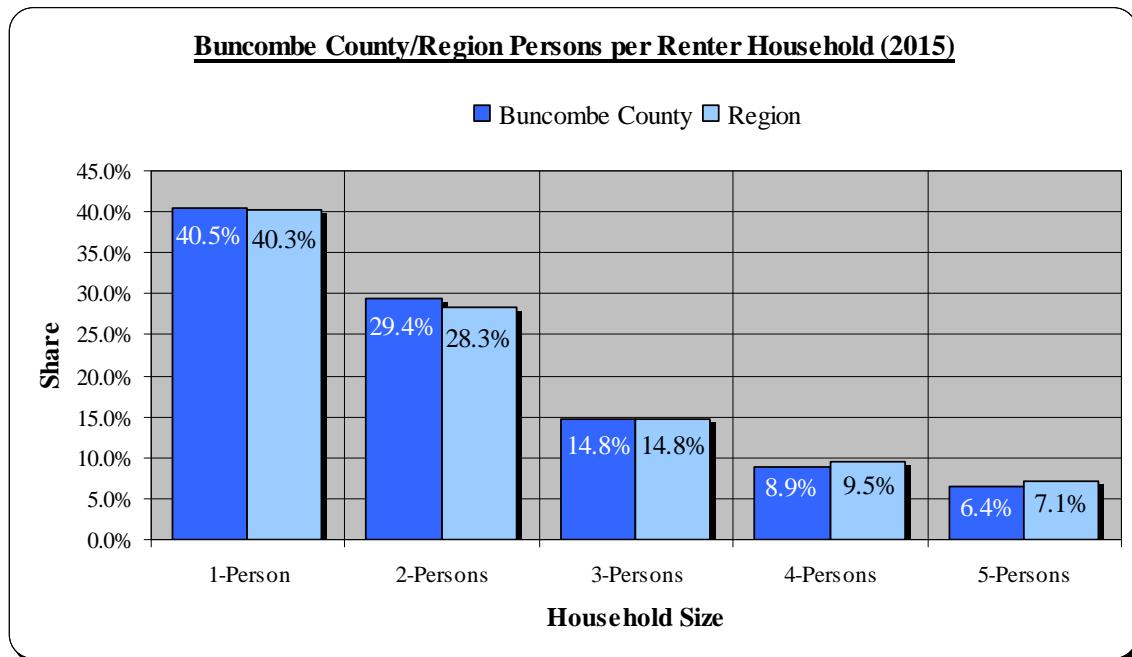
Renter households by size for selected years are shown in the following table:

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

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

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

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



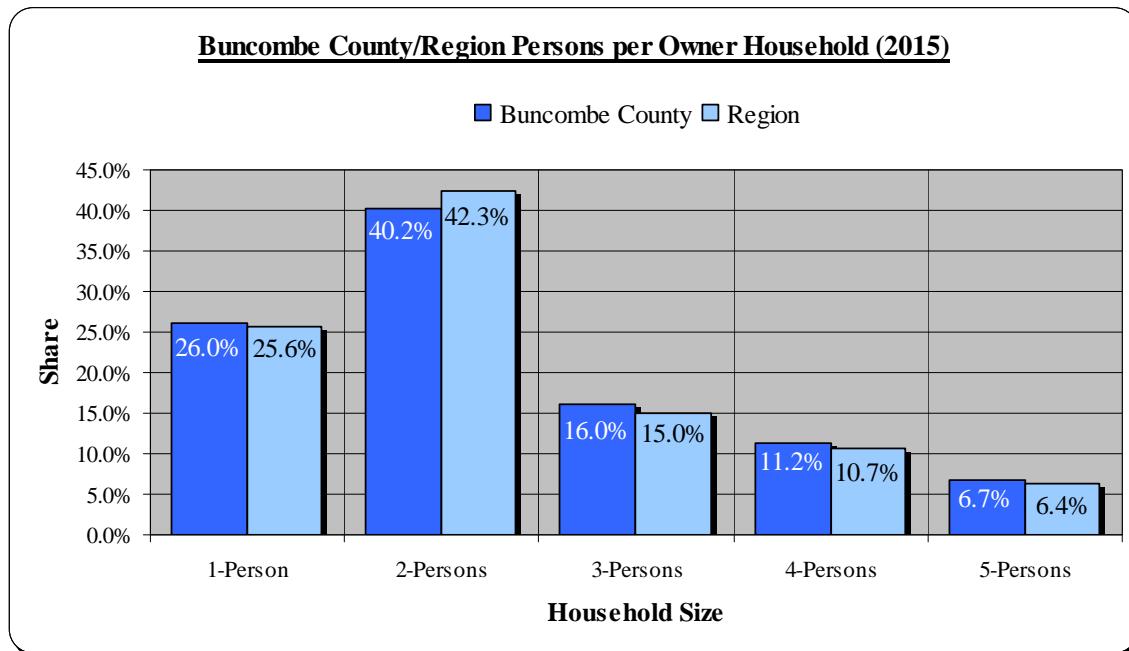
Owner households by size for selected years are shown on the following table:

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

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

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

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



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

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

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

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

Notes: Some housing issues overlap with other issues

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

D. ECONOMICS

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

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

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

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

E.P.E. - Average Employees Per Establishment

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

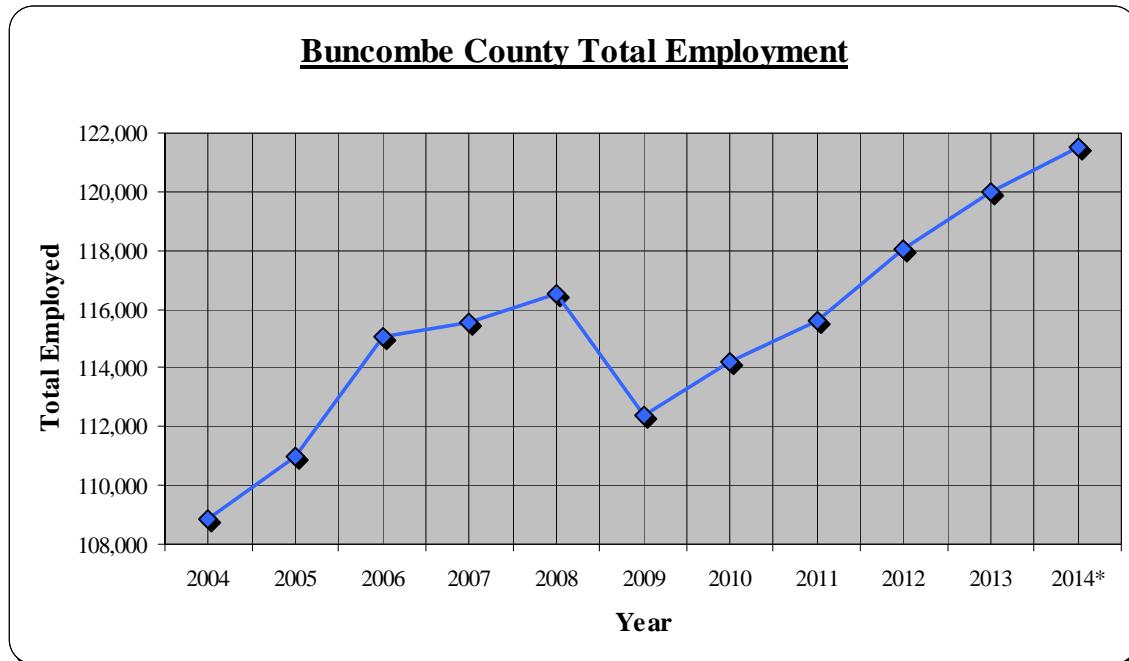
The labor force within the county is very diversified and balanced with no industry sector representing more than 11.3% of the overall county's employment base. The largest employment sectors in the county are within Retail Trade (11.3%), Manufacturing (9.1%), and Administrative, Support, Waste Management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

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

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

Source: Department of Labor; Bureau of Labor Statistics

*Through August



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

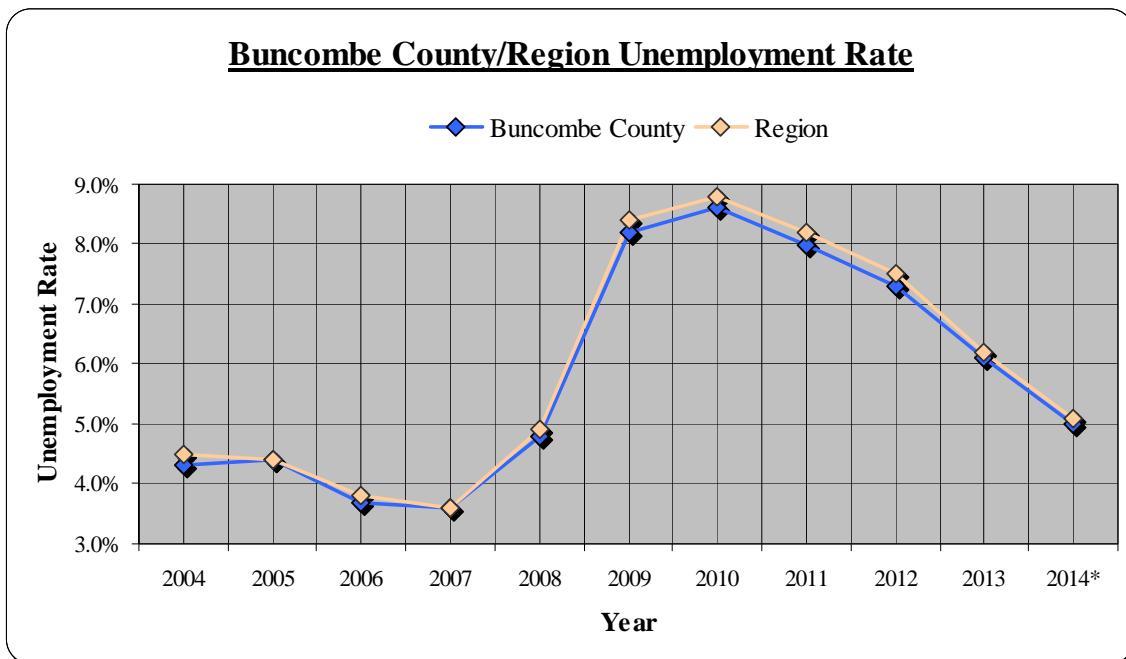
Unemployment rates for Buncombe County, the region, North Carolina and the United States are illustrated as follows:

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

Source: Department of Labor, Bureau of Labor Statistics

*Through August

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tourism:

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

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

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

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

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

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

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

WARN (layoff notices):

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

E. HOUSING SUPPLY

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

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

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

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

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

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

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

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

a. Rental Housing

Multifamily Rental Housing

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*As of December

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

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

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

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

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

Non-Conventional Rental Housing

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

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

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

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

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

Vacation Rental Housing

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

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

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

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

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

Home Stay Rentals

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

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

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

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

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

Mobile Home Rentals

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

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

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

b. Owner For-Sale Housing

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

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

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

Source: Multiple Listing Service and Bowen National Research

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

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

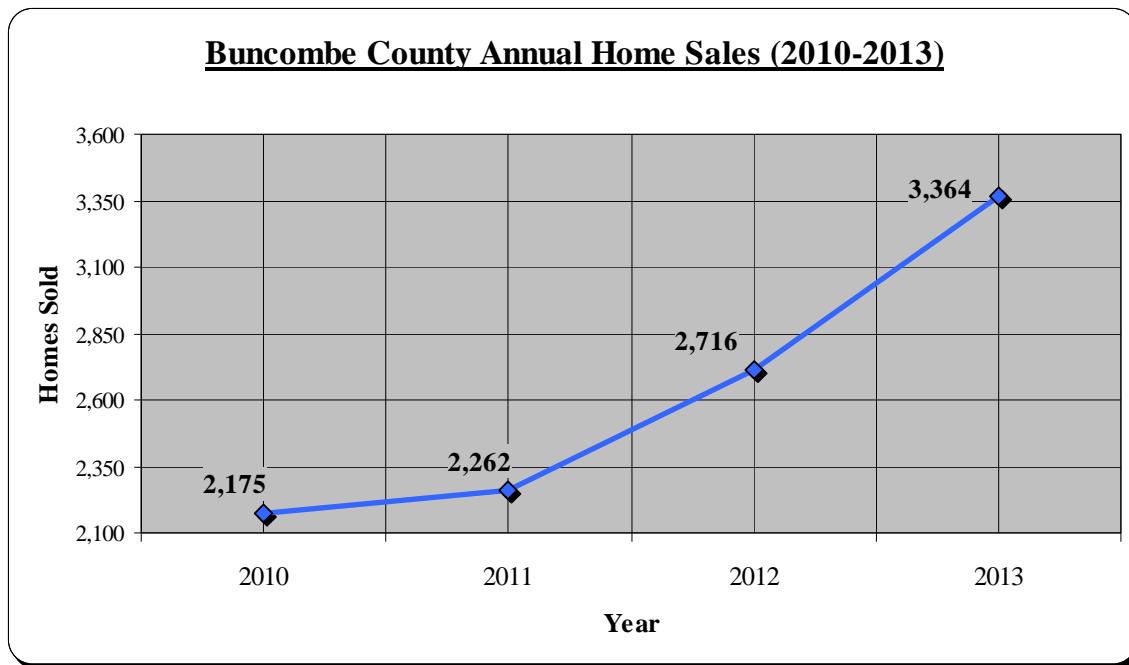
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	2,175	-	\$199,900	-
2011	2,262	4.0%	\$188,000	-6.0%
2012	2,716	20.1%	\$196,000	4.3%
2013	3,364	23.9%	\$206,608	5.4%
2014*	3,060	-9.0%	\$215,000	4.1%

Source: Multiple Listing Service and Bowen National Research

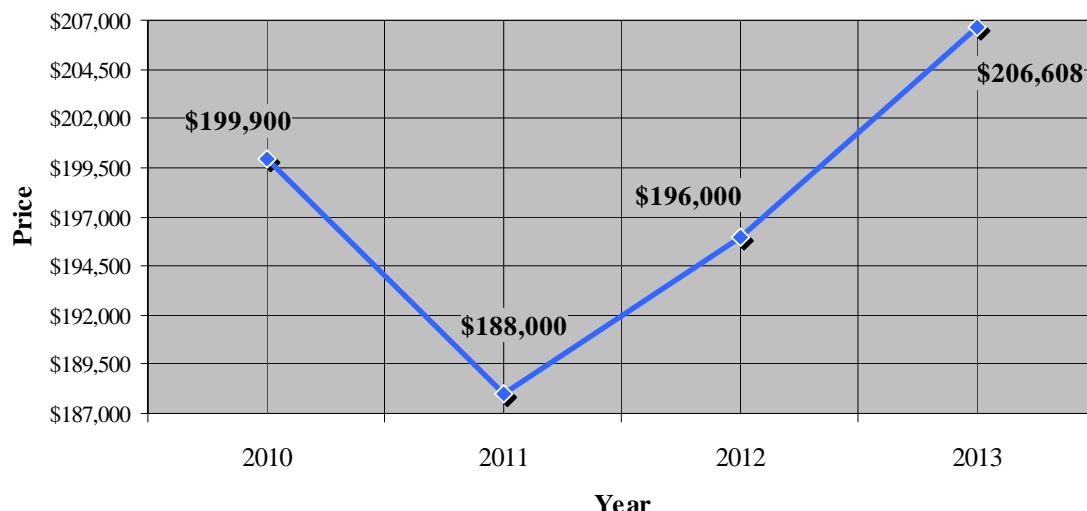
*Through Nov. 21, 2014

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

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



Buncombe County Annual Median Sales Price (2010-2013)



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

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

Source: Multiple Listing Service and Bowen National Research

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

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

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

Source: Multiple Listing Service and Bowen National Research



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

c. Senior Care Facilities

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

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

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

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

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

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

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

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

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

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

d. Planned & Proposed Residential Development

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

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

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

(Continued)

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

SFH – Single-Family Homes

TH – Townhomes

F. HOUSING GAP ESTIMATES

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

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

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

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

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

Rental Housing Gap Analysis

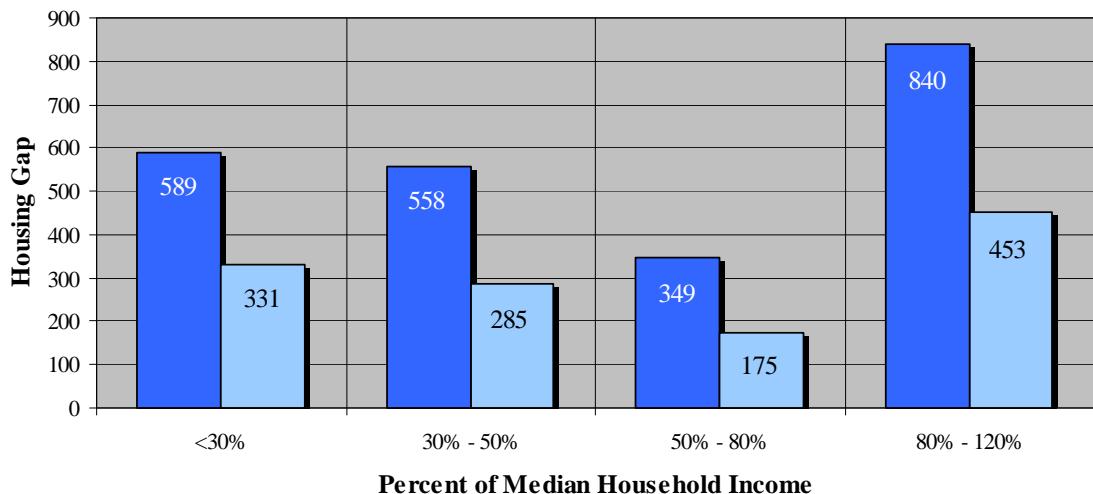
The tables below summarize the rental housing gap estimates by the various income segments for family and senior households.

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

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

Asheville/Buncombe County Rental Housing Gap by Income

■ Family Households ■ Senior Households



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

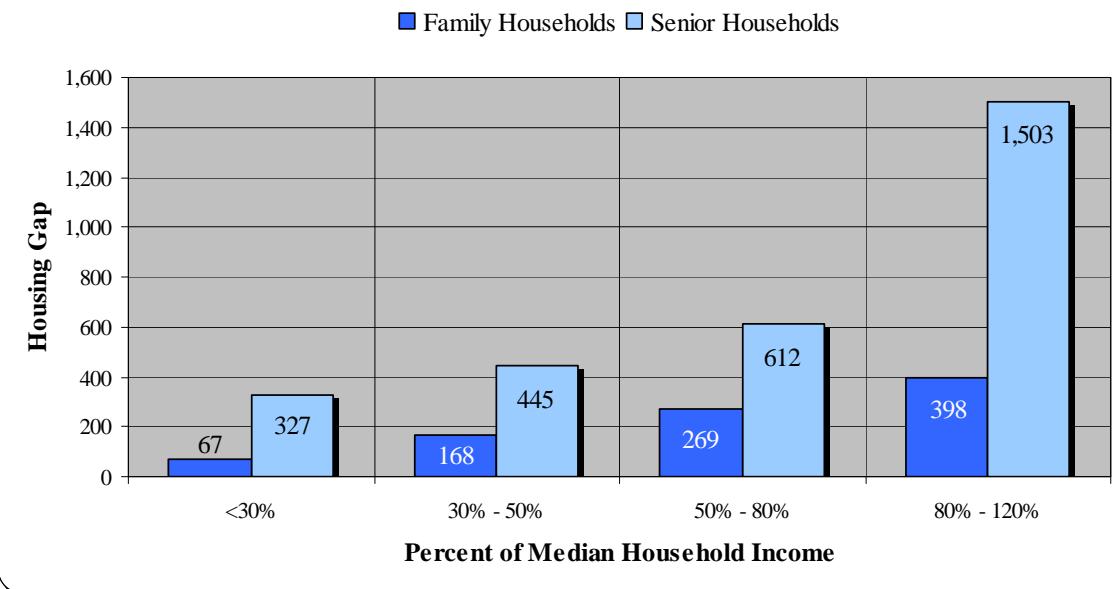
Owner Housing Gap Analysis

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

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

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

Asheville/Buncombe County Owner Housing Gap by Income



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

Senior Care Housing Need Estimates

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

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

ADL – Activities of Daily Living

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

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

G. STAKEHOLDER SURVEY & INTERVIEWS

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

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

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

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

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

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

H. SPECIAL NEEDS HOUSING

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

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

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

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

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

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

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

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

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

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

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

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

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

I. CONCLUSIONS

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

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

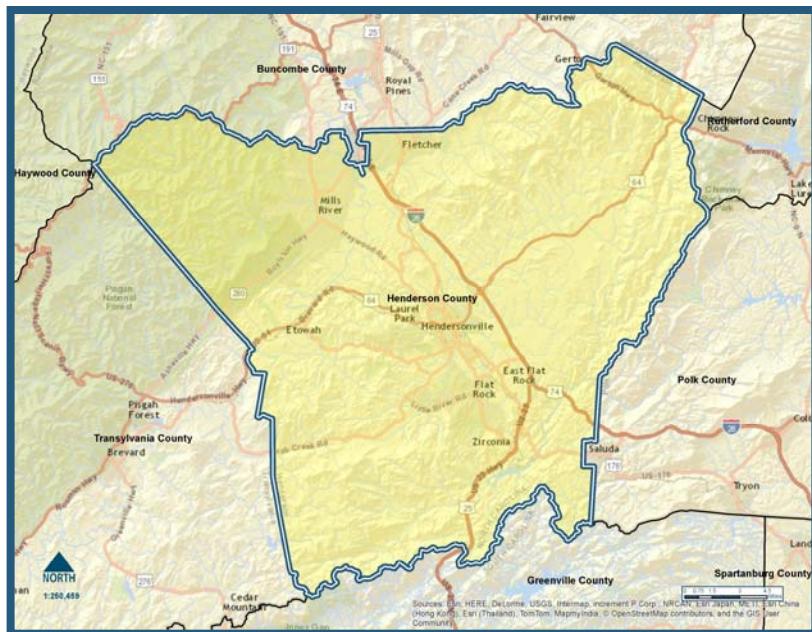
- **Owner Housing (for-sale)** – For-sale housing prices have increased over the past two years, while the number of homes sold annually has increased in each of the past three years. The for-sale housing market is considered to be strong. Nearly one-fourth of available for-sale housing is among product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

J. SOURCES

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

Henderson County

Housing Needs Assessment



HENDERSON COUNTY

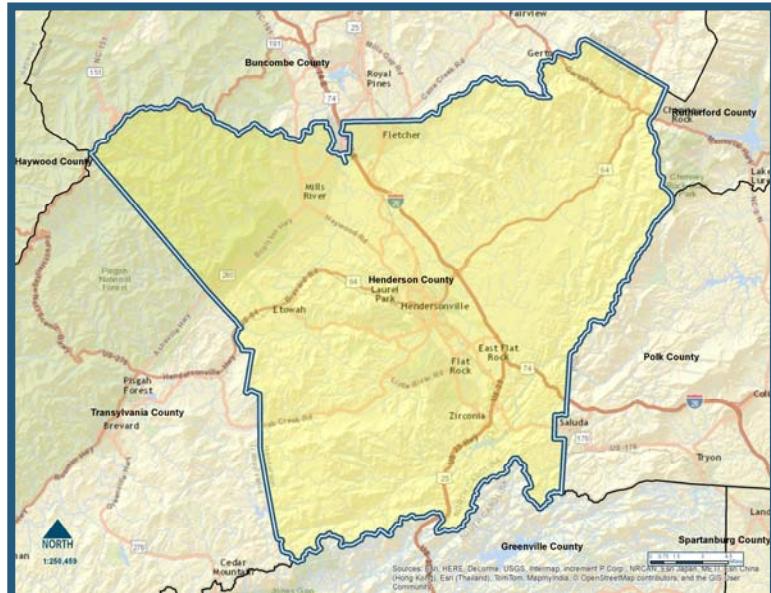
A. INTRODUCTION

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

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

B. COUNTY OVERVIEW

Henderson County is located within the southeast portion of the study region. It encompasses a total of 375 square miles. Primary thoroughfares within the county include Interstate Highway 26 and U.S. Routes 25, 64, 74, 74A, and 76. Notable natural landmarks and public attractions include Historic Downtown Hendersonville, Flat Rock Playhouse, Dupont State Forest, The Western North Carolina Air Museum, Pisgah National Forest, Historic Johnson Farm, and Bullington Gardens. The county had a 2010 total population of 106,740 and 45,180 total households. Hendersonville, with a 2010 population of 106,740, is the largest community in the county. The primary employment sectors and their corresponding shares of the county's total employment are Retail Trade (11.3%), Manufacturing (8.3%), and Health Care & Social Assistance (8.3%). Additional details regarding demographics, economics, 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 Henderson County. Through this analysis, unfolding trends and unique conditions are revealed regarding populations and households residing in the county. Demographic comparisons provide insights into the human composition of housing markets.

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

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

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

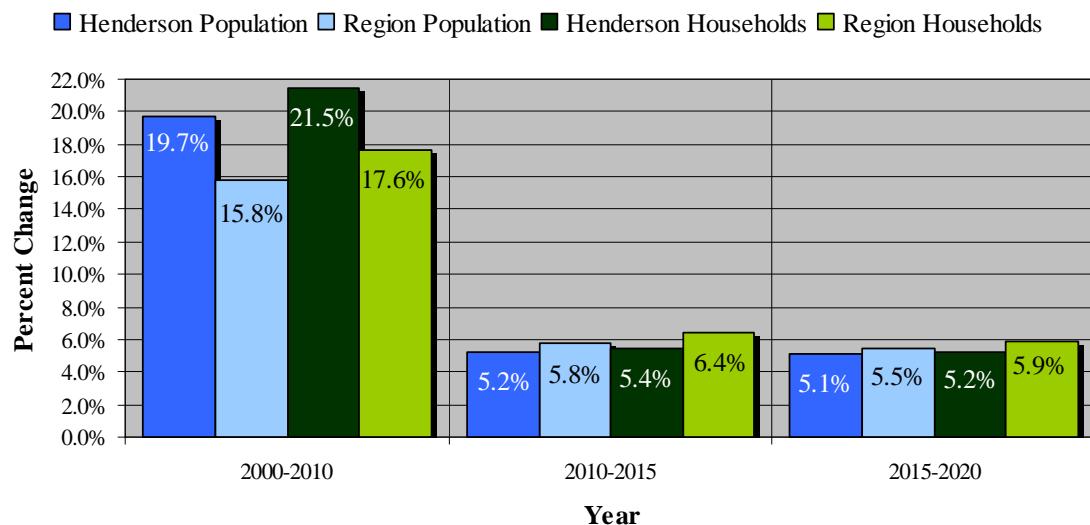
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

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

	Total Population		Total Households	
	Henderson County	Region	Henderson County	Region
2000 Census	89,173	344,472	37,414	143,510
2010 Census	106,740	398,912	45,448	168,748
Change 2000-2010	17,567	54,440	8,034	25,238
Percent Change 2000-2010	19.7%	15.8%	21.5%	17.6%
2015 Projected	112,242	421,899	47,918	179,521
Change 2010-2015	5,502	22,987	2,470	10,773
Percent Change 2010-2015	5.2%	5.8%	5.4%	6.4%
2020 Projected	117,928	445,283	50,413	190,027
Change 2015-2020	5,686	23,384	2,495	10,506
Percent Change 2015-2020	5.1%	5.5%	5.2%	5.9%

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

Henderson County/Region Population & Household Trends



Henderson County experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 5,502 (5.2%) and 2,470 (5.4%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 5,686 (5.1%) and 2,495 (5.2%), respectively. These positive projected demographic trends are generally similar to the projected trends within the region.

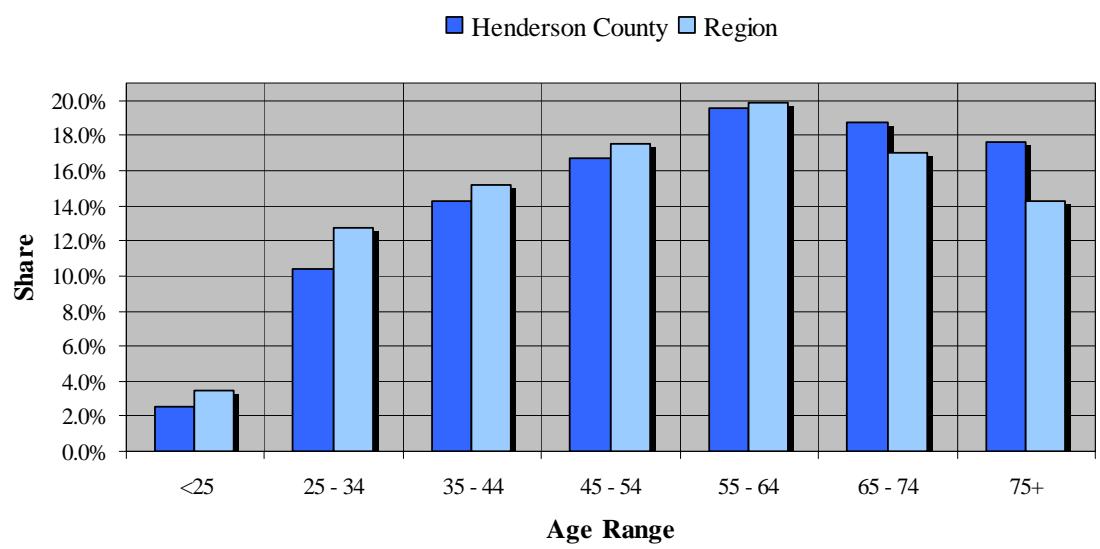
The distribution of households by age for Henderson County is compared with the overall region in the table below.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Henderson County	2010	1,175 (2.6%)	4,999 (11.0%)	6,913 (15.2%)	8,208 (18.1%)	8,805 (19.4%)	7,661 (16.9%)	7,687 (16.9%)
	2015	1,187 (2.5%)	4,989 (10.4%)	6,837 (14.3%)	8,012 (16.7%)	9,408 (19.6%)	9,031 (18.8%)	8,453 (17.6%)
	2020	1,193 (2.4%)	4,910 (9.7%)	6,790 (13.5%)	7,973 (15.8%)	9,984 (19.8%)	10,137 (20.1%)	9,425 (18.7%)
	Change 2015-2020	6 (0.5%)	-79 (-1.6%)	-47 (-0.7%)	-39 (-0.5%)	576 (6.1%)	1,106 (12.2%)	972 (11.5%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (19.6%) of households by age in Henderson County will be within the 55 to 64 age cohort. Between 2015 and 2020, it is projected that the number of households between the ages of 65 and 74 will increase the most, adding 1,106 (12.2%) households during this time. Henderson County will also experience notable growth among householders between the ages of 55 and 64, and among those age 75 and older between 2015 and 2020.

Henderson County/Region Household Heads by Age (2015)

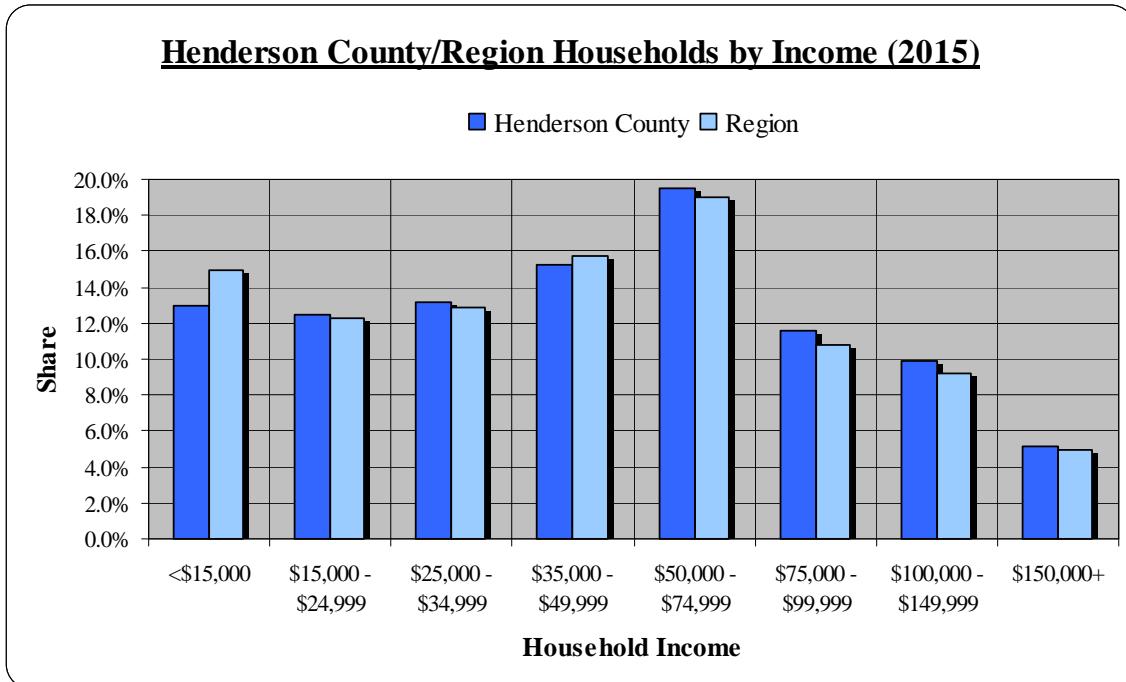


Households by income for selected years are shown in the following table:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000-\$149,999	\$150,000+	Total
Henderson County	2015	6,248 (13.0%)	5,977 (12.5%)	6,329 (13.2%)	7,274 (15.2%)	9,364 (19.5%)	5,535 (11.6%)	4,757 (9.9%)	2,434 (5.1%)	47,918 (100.0%)
	2020	6,635 (13.2%)	6,627 (13.1%)	6,392 (12.7%)	8,014 (15.9%)	9,596 (19.0%)	5,662 (11.2%)	4,990 (9.9%)	2,497 (5.0%)	50,413 (100.0%)
	Change	387 (6.2%)	649 (10.9%)	63 (1.0%)	740 (10.2%)	232 (2.5%)	127 (2.3%)	234 (4.9%)	63 (2.6%)	2,495 (5.2%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that 19.5% of Henderson County households will have annual incomes between \$50,000 and \$74,999. It is projected that between 2015 and 2020, the greatest increase in households by income level in Henderson County will be among those with incomes between \$35,000 and \$49,999. Most household income segments below \$50,000 are projected to experience noticeable growth between 2015 and 2020. As such, the low-income household segment is projected to experience the greatest growth, adding to the need for affordable housing.



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

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Henderson County	2015	3,059 (24.0%)	2,353 (18.4%)	2,431 (19.1%)	1,900 (14.9%)	2,012 (15.8%)	550 (4.3%)	328 (2.6%)	121 (0.9%)	12,754 (100.0%)
	2020	3,140 (23.3%)	2,899 (21.5%)	2,899 (21.5%)	2,063 (15.3%)	1,993 (14.8%)	474 (3.5%)	274 (2.0%)	152 (1.1%)	13,473 (100.0%)
	Change	81 (2.6%)	546 (23.2%)	47 (1.9%)	163 (8.6%)	-19 (-0.9%)	-76 (-13.8%)	-54 (-16.6%)	31 (25.5%)	719 (5.6%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Henderson County	2015	3,189 (9.1%)	3,625 (10.3%)	3,898 (11.1%)	5,374 (15.3%)	7,352 (20.9%)	4,985 (14.2%)	4,429 (12.6%)	2,313 (6.6%)	35,164 (100.0%)
	2020	3,495 (9.5%)	3,728 (10.1%)	3,914 (10.6%)	5,950 (16.1%)	7,603 (20.6%)	5,188 (14.0%)	4,717 (12.8%)	2,345 (6.3%)	36,940 (100.0%)
	Change	306 (9.6%)	103 (2.9%)	16 (0.4%)	576 (10.7%)	251 (3.4%)	203 (4.1%)	288 (6.5%)	32 (1.4%)	1,776 (5.1%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (24.0%) of renter households in 2015 is projected to be among households with incomes below \$15,000. In fact, the three largest shares of renter households by income are all below \$35,000. These renter households comprise nearly two-thirds of all renter households. The largest share (20.9%) of owner-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$15,000 and \$24,999, while the greatest owner-occupied household growth is projected to occur among households with incomes between \$35,000 and \$49,999.

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

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	904	24.0%	968	23.3%	1,886	9.1%	2,095	9.5%
\$15,000 - \$24,999	695	18.4%	894	21.5%	2,144	10.3%	2,235	10.1%
\$25,000 - \$34,999	719	19.1%	764	18.4%	2,305	11.1%	2,346	10.6%
\$35,000 - \$49,999	562	14.9%	636	15.3%	3,179	15.3%	3,567	16.1%
\$50,000 - \$74,999	595	15.8%	614	14.8%	4,349	20.9%	4,558	20.6%
\$75,000 - \$99,999	163	4.3%	146	3.5%	2,948	14.2%	3,110	14.0%
\$100,000 - \$149,999	97	2.6%	84	2.0%	2,620	12.6%	2,828	12.8%
\$150,000+	36	0.9%	47	1.1%	1,368	6.6%	1,406	6.3%
Total	3,769	100.0%	4,155	100.0%	20,798	100.0%	22,145	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	650	24.0%	692	23.3%	1,427	9.1%	1,589	9.5%
\$15,000 - \$24,999	500	18.4%	639	21.5%	1,622	10.3%	1,695	10.1%
\$25,000 - \$34,999	517	19.1%	546	18.4%	1,744	11.1%	1,779	10.6%
\$35,000 - \$49,999	404	14.9%	455	15.3%	2,405	15.3%	2,705	16.1%
\$50,000 - \$74,999	427	15.8%	439	14.8%	3,290	20.9%	3,457	20.6%
\$75,000 - \$99,999	117	4.3%	105	3.5%	2,230	14.2%	2,359	14.0%
\$100,000 - \$149,999	70	2.6%	60	2.0%	1,982	12.6%	2,145	12.8%
\$150,000+	26	0.9%	33	1.1%	1,035	6.6%	1,066	6.3%
Total	2,710	100.0%	2,968	100.0%	15,734	100.0%	16,796	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	335	24.0%	343	23.3%	573	9.1%	628	9.5%
\$15,000 - \$24,999	257	18.4%	317	21.5%	651	10.3%	670	10.1%
\$25,000 - \$34,999	266	19.1%	271	18.4%	700	11.1%	704	10.6%
\$35,000 - \$49,999	208	14.9%	226	15.3%	965	15.3%	1,070	16.1%
\$50,000 - \$74,999	220	15.8%	218	14.8%	1,321	20.9%	1,367	20.6%
\$75,000 - \$99,999	60	4.3%	52	3.5%	896	14.2%	933	14.0%
\$100,000 - \$149,999	36	2.6%	30	2.0%	796	12.6%	848	12.8%
\$150,000+	13	0.9%	17	1.1%	415	6.6%	422	6.3%
Total	1,396	100.0%	1,473	100.0%	6,317	100.0%	6,642	100.0%

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

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

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

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Henderson County	Number	94,914	3,224	1,022	5,561	2,019	106,740
	Percent	88.9%	3.0%	1.0%	5.2%	1.9%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%

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

The largest share of population by race within the county is among the “White Alone” segment, which represents 88.9% of the county’s population, which is near the overall region’s share.

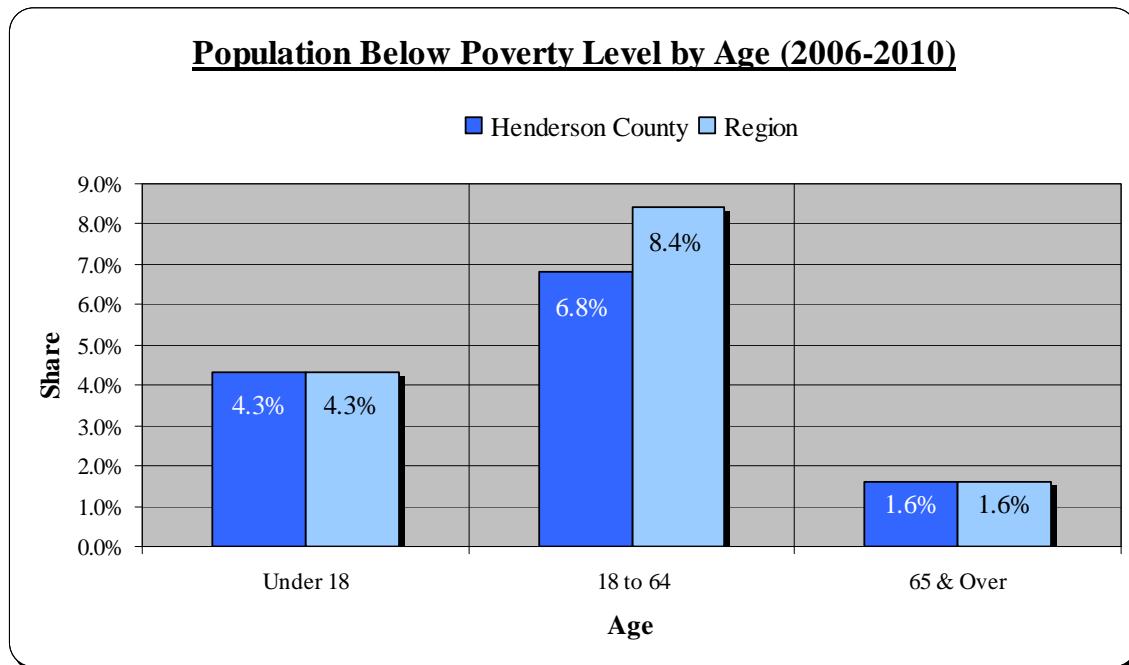
Population by poverty status for years 2006-2010 is shown in the following table:

		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	Total
Henderson County	Number	4,588	7,290	1,718	17,653	54,877	20,614	106,740
	Percent	4.3%	6.8%	1.6%	16.5%	51.4%	19.3%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

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

Over 12.7% of the county’s population lives in poverty. One in five children (under the age of 18) within the county live in poverty. Nearly 12.0% of the county’s population between the ages of 18 and 64 lives in poverty, while 7.7% of seniors age 65 and older live in poverty. Given the more than 13,000 people living in poverty within the county, affordable housing remains an important issue.

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



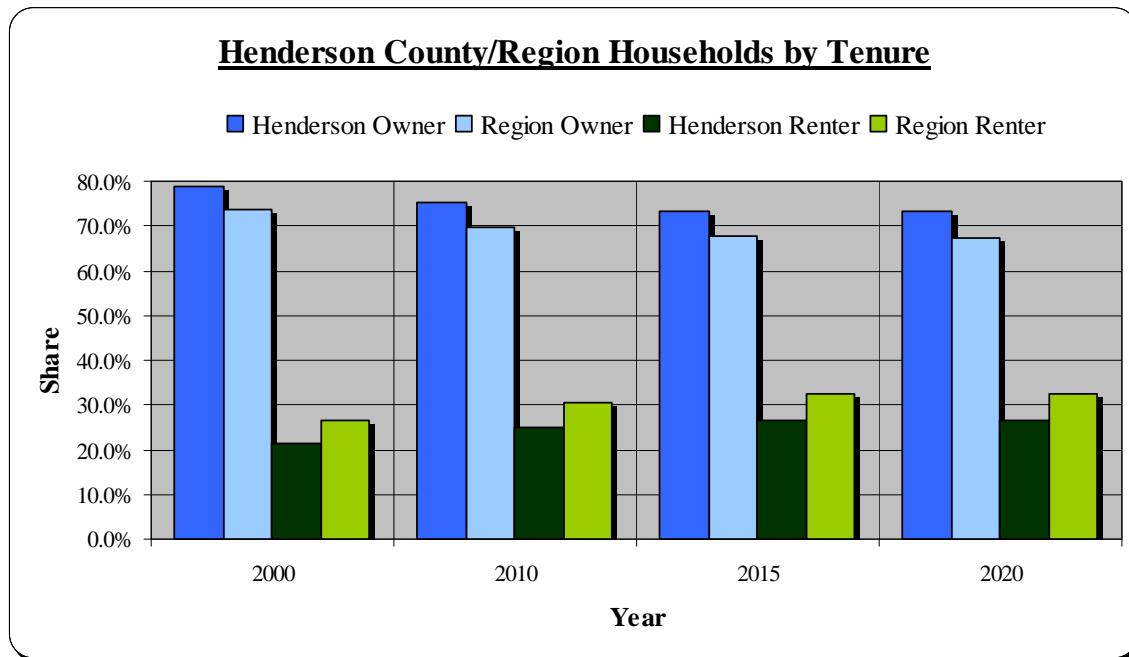
Households by tenure for selected years for the county and state are shown in the following table:

Households by Tenure									
	Household Type	2000		2010		2015		2020	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Henderson County	Owner-Occupied	29,487	78.8%	34,143	75.1%	35,164	73.4%	36,940	73.3%
	Renter-Occupied	7,927	21.2%	11,305	24.9%	12,754	26.6%	13,473	26.7%
	Total	37,414	100.0%	45,448	100.0%	47,918	100.0%	50,413	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the county, the share of owner-occupied households was over 75% in 2000 and 2010, while the share of renter-occupied households has been under 25%. It is projected that between 2015 and 2020, the number of owner-occupied households will increase by 1,776, while renter households will increase by 719.

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



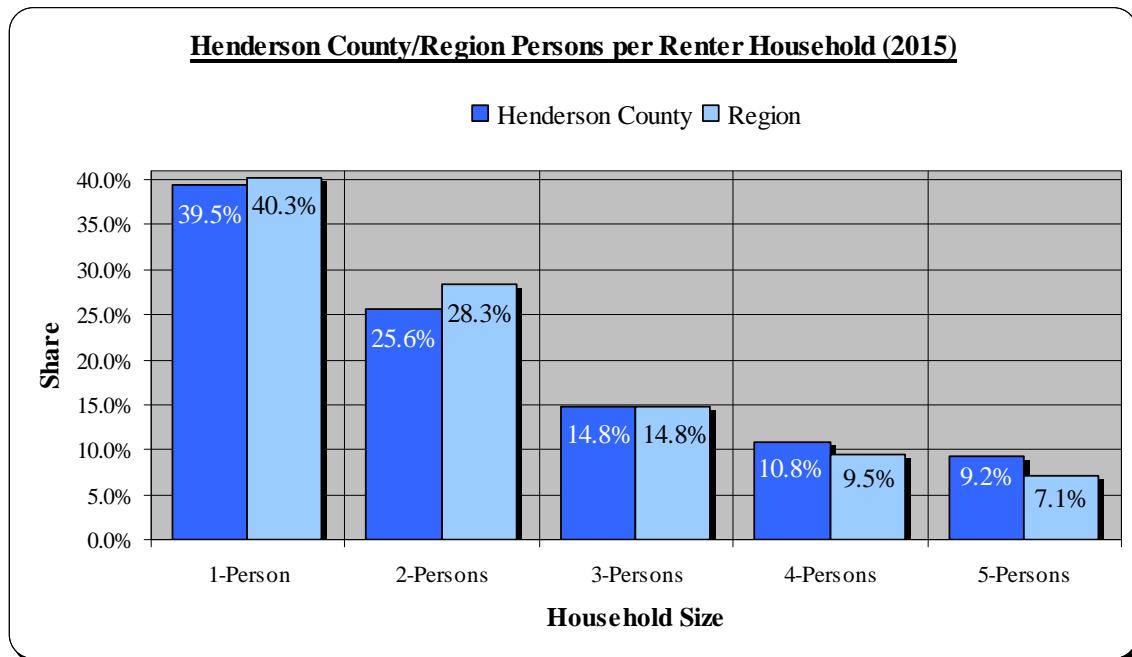
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Henderson County	2010	4,426 (39.1%)	2,933 (25.9%)	1,670 (14.8%)	1,235 (10.9%)	1,041 (9.2%)	11,305 (100.0%)	1.84
	2015	5,041 (39.5%)	3,270 (25.6%)	1,892 (14.8%)	1,378 (10.8%)	1,172 (9.2%)	12,754 (100.0%)	1.82
	2020	5,375 (39.9%)	3,419 (25.4%)	2,012 (14.9%)	1,430 (10.6%)	1,236 (9.2%)	13,473 (100.0%)	1.80
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66

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

In 2015, the combined share of county renter households with one- and two-persons is projected to be nearly two-thirds of all renter households. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 334, or 6.6%. This coincides with the slight projected decrease in the median household size from 1.82 in 2015 to 1.80 in 2020.

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



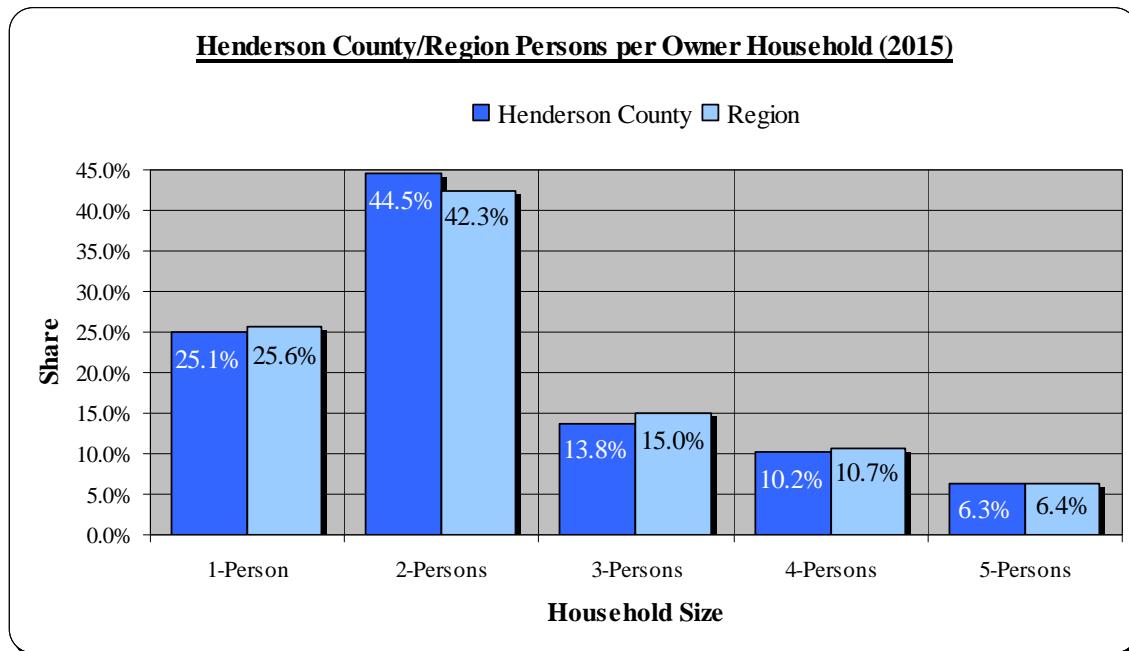
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Henderson County	2010	8,532 (25.0%)	15,407 (45.1%)	4,589 (13.4%)	3,490 (10.2%)	2,125 (6.2%)	34,143 (100.0%)	2.11
	2015	8,838 (25.1%)	15,657 (44.5%)	4,858 (13.8%)	3,584 (10.2%)	2,227 (6.3%)	35,164 (100.0%)	2.12
	2020	9,369 (25.4%)	16,322 (44.2%)	5,155 (14.0%)	3,734 (10.1%)	2,360 (6.4%)	36,940 (100.0%)	2.12
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15

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

In 2015, one- and two-person owner-occupied households combined are projected to represent more than two-thirds of the owner-occupied household base within the county. At the same time, approximately 14% of the county's owner-occupied households will be three-persons, over 10% will be four-persons, and over 6% will be five-person or larger. These shares are not expected to change much through 2020.

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



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

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

Housing Issue	Housing Issues by Tenure			
	Renter-Occupied		Owner-Occupied	
	Number	Percent	Number	Percent
Incomplete Plumbing	67	0.6%	28	0.1%
Overcrowded	422	3.6%	471	1.4%
Severe Overcrowded	74	0.6%	80	0.2%
Cost Burdened	5,429	46.7%	7,824	23.3%
Severe Cost Burdened	2,327	20.0%	3,178	9.4%

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

Notes: Some housing issues overlap with other issues

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

D. ECONOMICS

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

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

NAICS Group	Employment by Industry (Employees)			
	Henderson County Number	Henderson County Percent	Region Number	Region Percent
Agriculture, Forestry, Fishing & Hunting	656	1.3%	2,090	1.0%
Mining	50	0.1%	145	0.1%
Utilities	34	0.1%	549	0.3%
Construction	3,019	6.2%	11,460	5.2%
Manufacturing	4,081	8.3%	18,891	8.6%
Wholesale Trade	2,527	5.2%	7,349	3.4%
Retail Trade	5,509	11.3%	24,464	11.2%
Transportation & Warehousing	1,415	2.9%	4,359	2.0%
Information	485	1.0%	2,671	1.2%
Finance & Insurance	1,124	2.3%	5,054	2.3%
Real Estate & Rental & Leasing	1,201	2.5%	5,922	2.7%
Professional, Scientific & Technical Services	1,789	3.7%	10,754	4.9%
Management of Companies & Enterprises	32	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	2,939	6.0%	16,789	7.7%
Educational Services	2,051	4.2%	10,852	5.0%
Health Care & Social Assistance	4,069	8.3%	17,371	7.9%
Arts, Entertainment & Recreation	533	1.1%	2,526	1.2%
Accommodation & Food Services	3,519	7.2%	14,188	6.5%
Other Services (Except Public Administration)	3,008	6.2%	11,453	5.2%
Public Administration	2,627	5.4%	13,768	6.3%
Nonclassifiable	8,239	16.8%	37,742	17.3%
Total	48,907	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

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

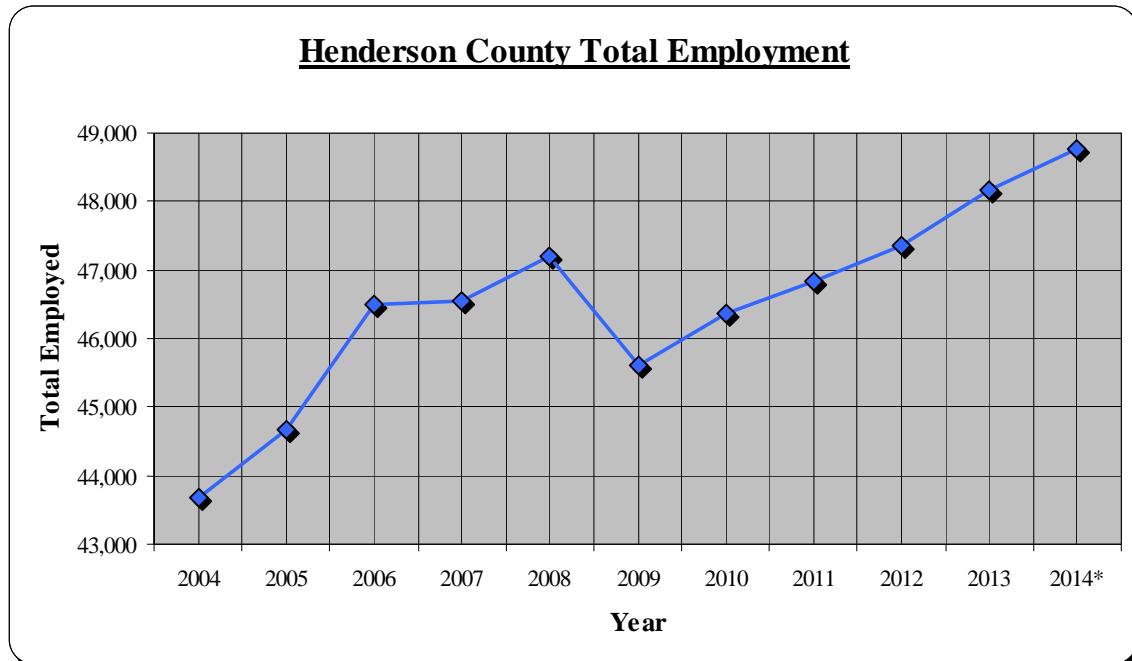
The labor force within the county is very diversified and balanced with no industry sector representing more than 11.3% of the overall county's employment base. The largest employment sectors in the county are within Retail Trade (11.3%), Manufacturing (8.3%), and Health Care & Social Assistance (8.3%). Overall, Henderson County has a distribution of employment by job sector that is similar to the region.

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

Year	Total Employment							
	Henderson County		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	43,676	-	173,140	-	4,031,081	-	139,967,126	-
2005	44,682	2.3%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	46,489	4.0%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	46,545	0.1%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	47,206	1.4%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	45,612	-3.4%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	46,358	1.6%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	46,831	1.0%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	47,368	1.1%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	48,160	1.7%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	48,776	1.3%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August



Henderson County lost approximately 3.4% of its employment base in 2009, which is slightly less than the decrease experienced in the overall region. The county's employment base has increased in each of the past five years. There are more people employed in the county than there were prior to the recession. The positive job growth over the past few years is an indication of a healthy and expanding economy.

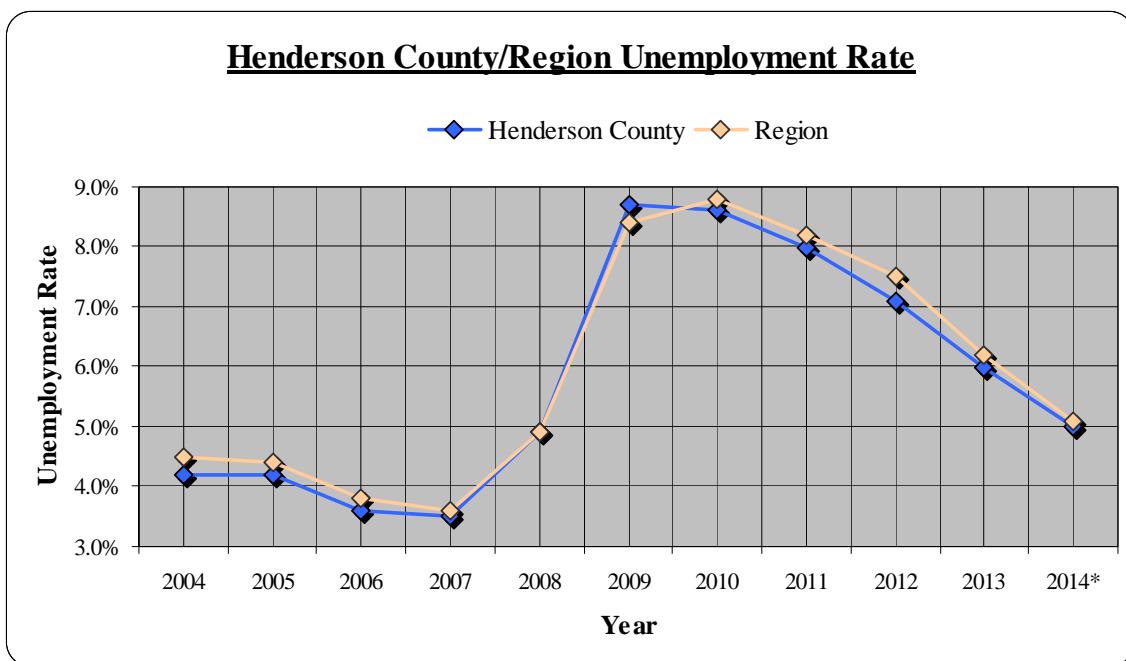
Unemployment rates for Henderson County, the region, North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate			
	Henderson County	Region	North Carolina	United States
2004	4.2%	4.5%	5.5%	5.6%
2005	4.2%	4.4%	5.3%	5.2%
2006	3.6%	3.8%	4.8%	4.7%
2007	3.5%	3.6%	4.8%	4.7%
2008	4.9%	4.9%	6.3%	5.8%
2009	8.7%	8.4%	10.4%	9.3%
2010	8.6%	8.8%	10.8%	9.7%
2011	8.0%	8.2%	10.2%	9.0%
2012	7.1%	7.5%	9.2%	8.1%
2013	6.0%	6.2%	8.0%	7.4%
2014*	5.0%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The county's unemployment rate has generally mirrored regional trends. After reaching a decade high unemployment rate of 8.7% in 2009, the county's unemployment rate has declined in the county in each of the past five years.



The ten largest employers within Henderson County are summarized as follows:

Employer Name	Business Type
Henderson County Board of Public Education	Education
Park Ridge Health	Health Care
Margaret R. Pardee Memorial Hospital	Health Care
Ingles Markets, Inc.	Supermarkets
County of Henderson	Government
Wilsonart, LLC	Countertop Manufacturers
Continental Automotive Systems, Inc.	Automotive Supplier
Walmart	Retail/Grocery
Meritor Heavy Vehicle Systems, LLC	Global Supplier of Axle, Brakes and Suspension Parts
Blue Ridge Community College	Education

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

According to a representative with the Henderson County Partnership for Economic Development, the Henderson County economy is growing and improving. According to economic development representatives, there has been a 12% increase in the labor force and 8.5% increase in business growth since 2013, while the unemployment rate has decreased.

The town of Fletcher, located in northern Henderson County, and 13 miles south of Asheville, is the home to numerous manufacturers and successful businesses. Hendersonville is in the center of the county and is the county seat. The city is famous for the Historic Downtown Hendersonville with dining, shopping, parks and a business district. Laurel Park is west of Hendersonville and has established itself as a small residential community. Laurel Park is known for Jump Off Rock, a panoramic view of the Blue Ridge Mountains. Mills River was incorporated in 2003 and is just minutes from the Pisgah National Forest, the Asheville Airport and I-26.

Empire Distributors of North Carolina announced that they planned to invest approximately \$20 million in a new building and equipment in Mills River and add approximately 15 jobs. Empire is a distributor of beer, wine and liquor and has over 700 employees in eight cities in the South including Asheville, Charlotte, Raleigh, Winston-Salem and Atlanta. It also has a plant in Arden near U.S. Highway 25.

In January of 2014, ASG (AGI Shorewood) announced that it will expand its manufacturing operations in Henderson County. The company plans to create 50 new jobs and invest more than \$8.5 million in East Flat Rock. ASG is a global packaging company that specializes in the development of innovative solutions for the consumer products segment. The company plans to invest \$8.55 million over 2 years. The existing 136,000 square-foot manufacturing building will be expanded. ASG anticipates that the expansion will help the East Flat Rock facility achieve heightened production efficiencies and increase manufacturing volume.

In March of 2014, Continental AG celebrated the opening of a \$35 million expansion at its production plant in Henderson County which will result in 40 new jobs over the next five years. Continental is based in Germany and the Fletcher plant currently employs approximately 626 people. The company manufactures vehicle brakes, chassis and brake calipers.

In April of 2014, Elkamet Incorporated announced that they would be expanding their manufacturing operations in Henderson County. The company plans to create 20 new jobs and invest more than \$2.5 million over the next three years in East Flat Rock. Elkamet currently employs 54 full-time employees at this current facility.

Sierra Nevada's new Mills River brewery opened in April of 2014. The brewery was to add a tasting room that was to open this past summer. Future plans call for a restaurant, taproom and indoor and outdoor music areas. Sierra Nevada plans to make 350,000 barrels of beer a year at the Mills River location and bottles and cases of the brewery's popular Pale Ale and Torpedo IPA are already being filled and shipped. There are about 70 full-time employees working at the brewery and that number is expected to increase to 125 to 150 full- and part-time employees.

Mona Lisa Foods, located in Edneyville in Henderson County, is planning to invest \$2.2 million in a new building and \$2 million in new equipment at its current plant on St. Pauls Road. The move could add 12 to 29 employees in the next three years.

In May of 2014, a group of Hendersonville businessmen opened a 4,500 square-foot cidery in the South Crossing Business Park in Flat Rock. Flat Rock Cider Works is the first Henderson County company to move into the fast growing hard-cider market with the introduction of their Naked Apple Hard Cider brand. Empire Distributors will distribute Naked Apple initially in Western North Carolina with a planned roll out across the rest of the state by late 2015.

In July of 2014, Kyocera celebrated the creation of a new, wholly-owned subsidiary, Kyocera Precision Tools Incorporated (KPTI). The creation of the new company follows a consolidation of Kyocera's North American cutting tool operations. The recently formed company will be headquartered in Hendersonville. The Kyocera campus currently employs 187 persons in Henderson County, of which 75 employees are affiliated with the newly formed KPTI.

Tourism:

Hendersonville and Henderson County have many attractions in the area to interest visitors coming to North Carolina. The area has historic attractions as well as State and National Forest beauty to attract tourists to the area. Historic Downtown Hendersonville was entered into the National Register of Historic Places in 1988. It has become a vital part of the community's economic and cultural growth and offers a wide array of shopping, antique stores, galleries, museums and restaurants. The Downtown hosts many activities including the North Carolina Apple Festival held during Labor Day weekend, as well as art shows, an antique show, car shows and parades throughout the year.

The Henderson County Heritage Museum is housed in the Historic Henderson County Courthouse on Main Street. It offers public displays, artifacts, lectures, collections, archives, libraries, demonstrations, and other similar exhibitions relating to the history, culture, and heritage of the founding settlement and development of Henderson County. The museum celebrates veterans of all wars and has a notable Civil War Display.

Historic Hendersonville Train Depot has been restored and now houses the Apple Valley Model Railroad Club.

The DuPont State Recreational Forest encompasses 10,268 acres in Henderson and Transylvania counties. It is situated in the Little River Valley and includes waterfalls and 80 miles of roads and trails wandering through the mountainous terrain. The forested land was purchased by the state of North Carolina after DuPont sold its industrial operation in 1996 and 1997. The surrounding land became the DuPont State Forest.

The Pisgah National Forest has 501,691 acres stretching across the eastern edge of Western North Carolina's mountains. The forest offers hiking trails, fishing, camping, picnic sites and spectacular waterfalls. Some of the Pisgah National Forest attractions include Looking Glass Falls, Sliding Rock, Pisgah Forest State Fish Hatchery, and the North Mills River Recreational Area. The North Mills River Recreational Area is located just 13 miles from Downtown Hendersonville. Jump Off Rock is a scenic overlook which provides a panoramic view of rolling pastures and the Blue Ridge and Pisgah mountain ranges and is a popular attraction.

The Flat Rock Playhouse, which is officially designated The State Theatre of North Carolina, and is a notable area attraction, is committed to teaching the performing arts to children and adults. Flat Rock Playhouse opened a satellite theater in Historic Hendersonville in 2011.

Also located in Flat Rock is the Carl Sandburg Home National Historic Site. Carl Sandburg was an American poet, historian, author and lecturer and spent the final 22 years of his life at his estate named Connemara. The home, originally built in 1838, displays the Sandburg's furnishings as well as Sandburg's collection of 12,000 books.

According to the North Carolina Tourism Department of Commerce, domestic tourism in Henderson County generated an economic impact of \$233.25 million in 2013. This was a 6.78% change from 2012. Also in 2013, Henderson County ranked 15th in travel impact among North Carolina's 100 counties. More than 2,050 jobs in Henderson County were directly attributable to travel and tourism. Travel generated a \$40.52 million payroll in 2013.

WARN (layoff notices):

According to the North Carolina Workforce Development website (www.nccommerce.com), there have been no WARN notices of large-scale layoffs or closures reported for the Henderson County area since January 2013. However, in September of 2014, Wilsonart announced that it would be laying off 57 people from its manufacturing facility in Henderson County. The reason given for the layoffs is that some positions were eliminated after some older skills are no longer needed. Wilsonart is a laminate manufacturer and will have 900 employees after this current layoff. The layoffs are nation wide.

E. HOUSING SUPPLY

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

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

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

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

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

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	1,444	34	2.4%	\$270-\$1,625
Non-Conventional Rentals	N/A	34	N/A	\$380-\$3,800
Home Stays	N/A	16	N/A	\$275-\$550
Vacation Rentals	N/A	50	N/A	\$2,250-\$34,995
Mobile Home Rentals	2,741*	N/A	N/A	\$475-\$550
Owner For-Sale Housing	6,438**	1,005	3.6%*	\$5,500-\$5.0 Mil.
Senior Care Housing	1,616	56	3.5%	\$1,371-\$6,174
<i>Independent Living</i>	325	4	1.2%	\$1,371*
<i>Multi-Unit Assisted Housing</i>	444	5	1.1%	\$1,525*
<i>Adult Care Homes</i>	376	38	10.1%	\$1,600*
<i>Nursing Homes</i>	471	9	1.9%	\$6,174*

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

With the exception of the adult care homes, all surveyed housing segments appear to have vacancy rates of 3.6% or lower. This indicates that these housing segments are in high demand. While the adult care homes have a vacancy rate of 10.1%, this is not considered an unusually high vacancy rate for this type of senior care housing. Overall, the county's housing market is performing well, as demand is strong for virtually all housing alternatives. The 2.4% vacancy rate of surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the county.

a. Rental Housing

Multifamily Rental Housing

We identified and personally surveyed 30 conventional housing projects containing a total of 1,444 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify trends in the multifamily rental market. These rentals have a combined occupancy rate of 97.6%, a high rate for rental housing. Among these projects, 23 are non-subsidized (market-rate and Tax Credit) projects containing 1,203 units. These non-subsidized units are 97.2% occupied. There are four additional units under construction in the Site PMA. The remaining seven projects contain 241 government-subsidized units, which are 100.0% occupied.

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

The inventory of 30 *surveyed* multifamily rental housing projects contains a total of 1,444 units within Henderson County. Of these units, 1,010 of the units are market-rate, 193 are Tax Credit and 205 are government-subsidized. The remaining units are within a mixed-income project. The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Surveyed Multifamily Apartments				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	18	1,010	34	96.6%
Tax Credit	5	193	0	100.0%
Tax Credit/Government-Subsidized	1	36	0	100.0%
Government-Subsidized	6	205	0	100.0%
Total	30	1,444	34	97.6%

As the preceding table illustrates, these rentals have a combined occupancy rate of 97.6%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartments in Henderson County. In fact, these projects have wait lists of up to 30 households, which provides evidence that there is pent up demand for multifamily rental housing in the Henderson County area.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	9	0.9%	0	0.0%	\$330
One-Bedroom	1.0	418	41.2%	18	4.3%	\$745
Two-Bedroom	1.0	51	5.0%	0	0.0%	\$508
Two-Bedroom	1.5	18	1.8%	0	0.0%	\$895
Two-Bedroom	2.0	380	37.5%	14	3.7%	\$900
Two-Bedroom	2.5	14	1.4%	0	0.0%	\$785
Three-Bedroom	1.0	2	0.2%	0	0.0%	\$650
Three-Bedroom	2.0	112	11.0%	2	1.8%	\$1,155
Three-Bedroom	2.5	10	1.0%	0	0.0%	\$1,625
Total Market-rate		1,014	100.0%	34	3.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	79	41.8%	0	0.0%	\$399
Two-Bedroom	1.0	66	34.9%	0	0.0%	\$485
Two-Bedroom	2.0	4	2.1%	0	0.0%	\$610
Three-Bedroom	2.0	40	21.2%	0	0.0%	\$577
Total Tax Credit		189	100.0%	0	0.0%	-

The market-rate units are 96.6% occupied and the Tax Credit units are 100.0% occupied. While both occupancies are high, the Tax Credit occupancy rate of 100.0% and the wait lists maintained at the Tax Credit projects indicate that there is pent-up demand for this product type.

Median collected rents by bedroom type range from \$330 to \$1,625 for the market-rate units and from \$399 to \$610 for Tax Credit units. It is important to note that none of the surveyed non-subsidized multifamily projects offer four-bedroom or larger units. As such, there appear to be no multifamily rental options for most family households, particularly larger families, seeking housing within Henderson County. As a result, family households seeking four-bedroom rental alternatives in Henderson County choose from non-conventional rentals, which typically have higher rents, fewer amenities and are of lower quality than multifamily options.

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

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	32	88.9%	0	0.0%
Two-Bedroom	1.0	4	11.1%	0	0.0%
Total Subsidized Tax Credit		36	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	93	45.4%	0	0.0%
Two-Bedroom	1.0	50	24.4%	0	0.0%
Two-Bedroom	1.5	28	13.7%	0	0.0%
Three-Bedroom	1.0	26	12.7%	0	0.0%
Three-Bedroom	1.5	4	2.0%	0	0.0%
Four-Bedroom	1.0	4	2.0%	0	0.0%
Total Subsidized		205	100.0%	0	0.0%

The subsidized Tax Credit units and the government-subsidized units are 100.0% occupied. The seven surveyed government-subsidized projects in Henderson County operate under a variety of programs including the HUD Section 8, 202 and 811 programs and the Rural Development Section 515 program. All seven subsidized projects surveyed in the market maintain waiting lists ranging from approximately 2 to 10 households, or as long as five years in duration. As such, there is clear pent-up demand for housing for very low-income households in Henderson County.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	6	78	12.8%
1970 to 1979	3	129	0.0%
1980 to 1989	7	206	0.0%
1990 to 1999	4	66	0.0%
2000 to 2005	5	455	1.5%
2006	0	0	-
2007	1	40	0.0%
2008	1	30	3.3%
2009	0	0	-
2010	0	0	-
2011	0	0	-
2012	2	416	3.8%
2013	0	0	-
2014*	1	24	0.0%

*As of December

The largest share of apartments surveyed was built between 1980 and 1989. These older apartments have a vacancy rate of 0.0%. A total of 510 conventional apartment units have been added in the county since 2005. As such, the existing multifamily rental housing stock is considered to be well balanced.

Representatives of Bowen National Research personally visited each of the surveyed properties within Henderson County and rated the exterior quality of each property. We rated each surveyed property on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution by quality rating, units, and vacancies for all surveyed rental housing product in Henderson County.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	390	4.4%
A-	3	355	2.0%
B+	1	6	0.0%
B-	2	126	0.0%
C+	1	2	0.0%
C	6	102	1.0%
C-	2	20	10.0%
D	1	13	53.8%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	56	0.0%
A-	1	64	0.0%
B+	1	40	0.0%
B-	1	4	0.0%
C-	1	25	0.0%

Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	24	0.0%
B	1	36	0.0%
B-	1	42	0.0%
C+	2	85	0.0%
C	2	54	0.0%

Vacancies are generally low among all program types and quality levels. The double digit vacancy rates among the C- and D rated properties indicate that these lower quality units are the least marketable. All affordable (Tax Credit and subsidized) rental units are occupied regardless of quality.

Non-Conventional Rental Housing

Henderson County has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, a total of 34 individual units were identified and surveyed. While this does not include all non-conventional rentals in the market, we believe these properties are representative of the typical non-conventional rental housing alternatives in the market. Information regarding the bedroom/bathroom configuration, year built, amenities, collected rent and total square footage was collected and evaluated when available.

The following table aggregates the 34 non-conventional rental units surveyed in Henderson County by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	1	\$625	\$625	\$0.66
Two-Bedroom	6	\$775 - \$965	\$850	\$0.75
Three-Bedroom	22	\$380 - \$3,800	\$1,250	\$0.71
Four-Bedroom+	5	\$1,300 - \$1,750	\$1,500	\$0.71
Total	34			

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$380 to \$3,800. The median rents are \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,250 for a three-bedroom unit and \$1,500 for a four-bedroom unit. The median rent per square foot by bedroom type ranges from \$0.66 to \$0.75.

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 the facts that a much larger share of the non-conventional product was built prior to 1980 and their amenity packages are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

Vacation Rental Housing

Henderson County has a large number of vacation rentals which can come in the form of cabins, detached single-family homes, condominiums, etc. As a result, we have conducted a sample survey of vacation rentals within the county. Overall, a total of 50 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 50 vacation rental units surveyed in the county by bedroom type. It is important to note that while most vacation rentals charge daily or weekly rents, we have converted all rents to monthly rents to more easily compare with other rental alternatives in the market.

Vacation Rental Supply			
Bedroom	Units	Rent Range	Median Rent
One-Bedroom	7	\$2,250 - \$4,500	\$3,075
Two-Bedroom	20	\$2,460 - \$14,235	\$4,163
Three-Bedroom	19	\$3,000 - \$31,710	\$4,500
Four-Bedroom+	4	\$3,900 - \$34,995	\$8,625
Total	50		

As the preceding table illustrates, the rents for vacation rentals identified range from \$2,250 to \$34,995. The median monthly rents are \$3,075 for a one-bedroom unit, \$4,163 for a two-bedroom unit, \$4,500 for a three-bedroom unit, and \$8,625 for a four-bedroom or larger unit.

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

Home Stay Rentals

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

The following table aggregates the 16 home stay rental units surveyed in the county by bedroom type.

Surveyed Home Stay Rental Supply		
Units	Rent Range	Median Rent
16	\$275 - \$550	\$400

As the preceding table illustrates, the monthly rents for home stay rentals identified range from \$275 to \$550. The median rent is \$400.

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

Mobile Home Rentals

Bowen National Research identified 41 mobile home parks in Henderson County through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and Craigslist. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we attempted to conduct telephone interviews with park operators.

Surveyed park operators indicated that lot rents range from \$110 to \$325 per month. In terms of lot rents and vacancy trends, responses varied between “stayed the same” and “increased” for both lot rents and vacancies. Respondents reported typical occupancy rates of 90% to 95%, with two parks reporting 100% occupancy. Mobile home park operators commented that the quality varies based on the ownership/management of the park, but that typically the parks are in good to fair condition. A windshield survey of select mobile home parks in the county yielded a range of “B” to “C-” quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in good to fair condition.

Bowen National Research asked respondents if there are any issues or problems associated with operating or maintaining a mobile home park in the area, or what recommendations the respondents may have that the local government could do to aid in mobile home park living. Mobile home park operators reported that there is a lack of collaboration between park owners and the local government, as well as NIMBYism from public and private entities.

b. Owner For-Sale Housing

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

There were 6,438 homes sold and 1,005 homes currently available in Henderson County. Approximately, an average of 1,218 homes are sold each year within Henderson County. The 1,005 available homes in Henderson County represent 27.4% of all identified available for-sale homes in the region. The following table summarizes the available and recently sold (since January 2010) housing stock for Henderson County.

Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	1,005	\$273,000
Sold	6,438	\$178,000

Source: Multiple Listing Service and Bowen National Research

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

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

Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	989	-	\$185,000	-
2011	962	-2.7%	\$169,000	-8.6%
2012	1,332	38.5%	\$169,000	0.0%
2013	1,587	19.1%	\$180,000	6.5%
2014*	1,568	-1.2%	\$185,550	3.1%

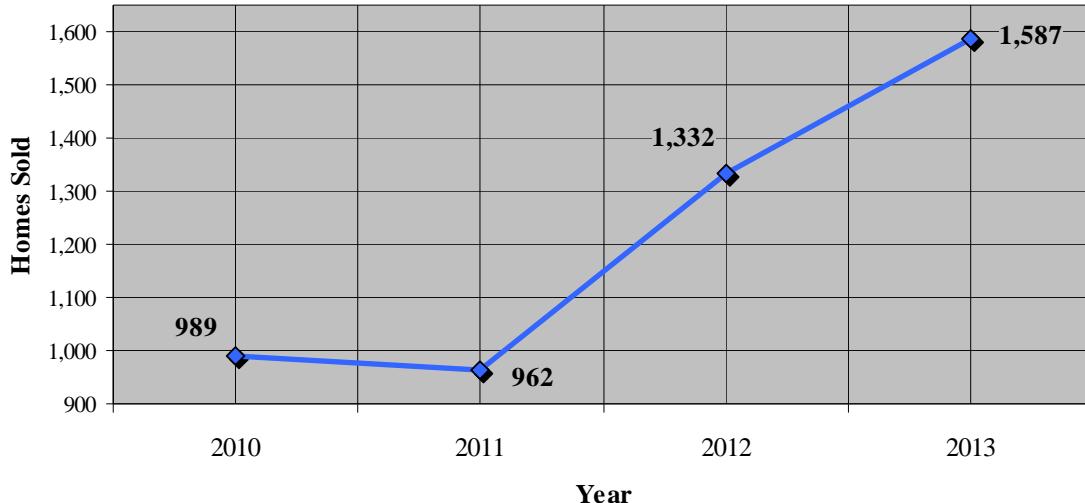
Source: Multiple Listing Service and Bowen National Research

*Through Nov. 21, 2014

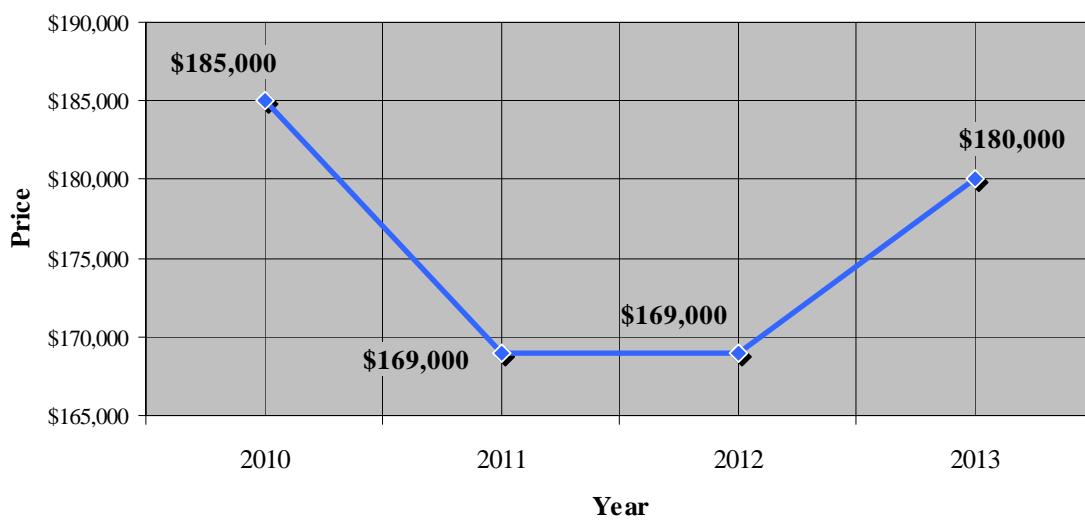
Excluding the partial year of 2014, annual residential for-sales activity within the county has ranged between 962 in 2011 and 1,587 in 2013. The annual sales activity has grown each of the past two full years. The county is currently on pace to sell approximately 1,730 residential units for all of 2014, which would be a five-year high. The county has experienced fluctuations in median sales prices over the past three years, but has trended upward over the past two years with annual growth rates above 3.0% during this time. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in Henderson County.

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

Henderson County Annual Home Sales (2010-2013)



Henderson County Annual Median Sales Price (2010-2013)



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

Available Owner For-Sale Housing						
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price
Henderson County	1,005	27.4%	\$19,900	\$5,000,000	\$382,273	\$273,000
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418

Source: Multiple Listing Service and Bowen National Research

Within Henderson County, the available homes have a median list price of \$273,000, which is less than the region median list price of \$290,418. The average number of days on market for available product in Henderson County is 216, which is less than the region average of 244.

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

List Price	Available Owner For-Sale Housing by Price Point			Region		
	Henderson County			Region		
	Median Price	Units	Share	Median Price	Units	Share
<\$100,000	\$72,000	57	5.7%	\$79,700	190	5.2%
\$100,000 - \$199,999	\$158,000	235	23.4%	\$159,900	821	22.4%
\$200,000 - \$299,999	\$249,900	300	29.8%	\$249,900	934	25.4%
\$300,000 - \$399,999	\$349,900	146	14.5%	\$350,000	543	14.8%
\$400,000 - \$499,999	\$454,000	74	7.4%	\$450,000	319	8.7%
\$500,000+	\$725,000	193	19.2%	\$797,200	862	23.5%

Source: Multiple Listing Service and Bowen National Research

Henderson County Available For-Sale Housing by Price



Nearly one-third of the available for-sale supply in Henderson County is priced between \$200,000 and \$299,999. These homes would generally be available to households with incomes between \$60,000 and \$100,000. Nearly a quarter of the available product is priced between \$100,000 and \$199,999, indicating that there is a good base of homes generally affordable to households with incomes between \$30,000 and \$60,000. Only 5.7% of all available homes are priced below \$100,000, which would be generally affordable to households with incomes under \$30,000. Based on our on-site evaluation of the county's housing stock and an analysis of secondary data on such housing, it appears that much of the housing inventory was built prior to 1970 and is of fair quality. As a result, while it may be deemed that there is some for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

c. Senior Care Facilities

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

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

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

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

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

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

Within the county, a total of 19 senior care facilities were surveyed containing a total of 1,616 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	1	325	4	1.2%
Multi-Unit Assisted Housing	4	444	5	1.1%
Adult Care Homes	7	376	38	10.1%
Nursing Homes	7	471	9	1.9%
Total	19	1,616	56	3.5%

The Henderson County senior care market is reporting overall vacancy rates between 1.1% (multi-unit assisted housing) to 10.1% (assisted living). With the exception of adult care homes, the vacancy rates among housing are relatively low and indicate that there is a good level of demand for such housing in the county. While the adult care homes have a 10.1% vacancy rate, this is not considered unusual for these types of facilities. Overall, demand for senior care housing in the county appears to be strong and indicates that there may be an opportunity to develop additional senior care housing in this county, particularly when considering the projected senior household growth for the next few years.

Base monthly fees for independent living units start at \$1,371, multi-unit assisted housing start at \$1,525 a month, adult care homes start at \$1,600, and nursing care facilities have a base monthly fee starting near \$6,174. These fees are slightly lower than most senior care housing fees in the region.

d. *Planned & Proposed Residential Development*

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

Based on our interviews with local building and planning representatives within Henderson County, it was determined that there are multiple housing projects planned within the county. These projects are tabulated in the following table.

Project Name & Location	City	Units/ Lots	Type	Developer	Status
The Seasons at Crane Creek	Fletcher	192	Rental, Market-Rate	Triangle Real Estate	Plans Approved
Braewood Homes West Blue Ridge Road	Flat Rock	77	For-Sale, Single-Family	N/A	Plan Approved
Wolf Chase Homes Half Moon Trail	Hendersonville	8	For-Sale, Single-Family	Windsor Aughtry Company	Plans Approved
Hickory Nut Forest Fern Grove Lane	Gerton	23	For-Sale, Single-Family	Little Bearwallow Mountain, LLC	Plans Approved
Winchester House 1744 Meadowbrook Terrace	Hendersonville	40 beds	Adult Care Home	N/A	Under Review, Replacement Housing

F. HOUSING GAP ESTIMATES

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

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

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

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

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

Rental Housing Gap Analysis

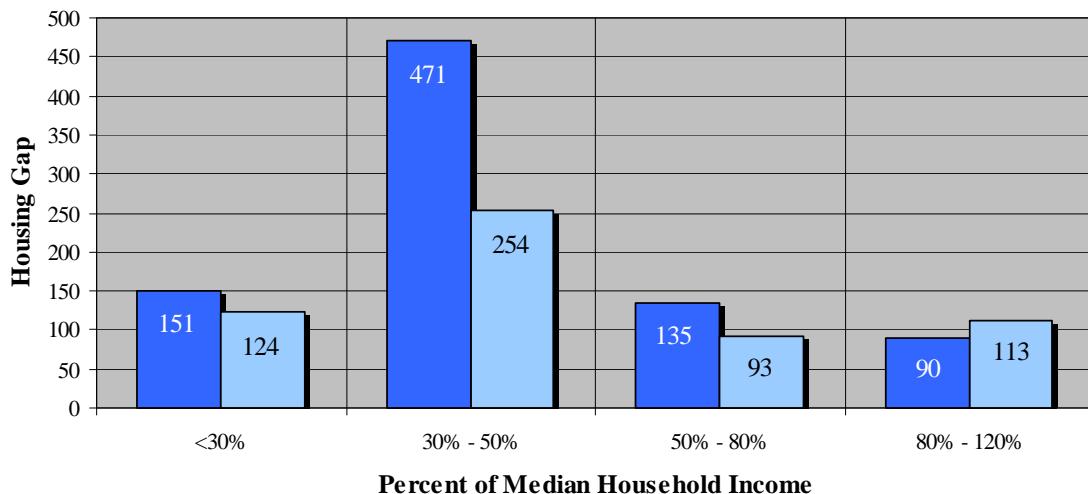
The tables below summarize the rental housing gap estimates by the various income segments for family and senior households.

Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	17	347	2	51	417
Balanced Market	56	52	56	73	237
Substandard Housing	78	72	77	100	327
Development Pipeline	0	0	0	-134	-134
Total Housing Gap	151	471	135	90	847

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	64	199	45	93	401
Balanced Market	25	23	20	33	101
Substandard Housing	35	32	28	45	140
Development Pipeline	0	0	0	-58	-58
Total Housing Gap	124	254	93	113	584

Henderson County Rental Housing Gap by Income

■ Family Households ■ Senior Households



Based on the preceding table, the largest area rental housing gap by income level is within the 30% to 50% AMHI level among both families and seniors. However, notable housing gaps exist within each of the other income levels.

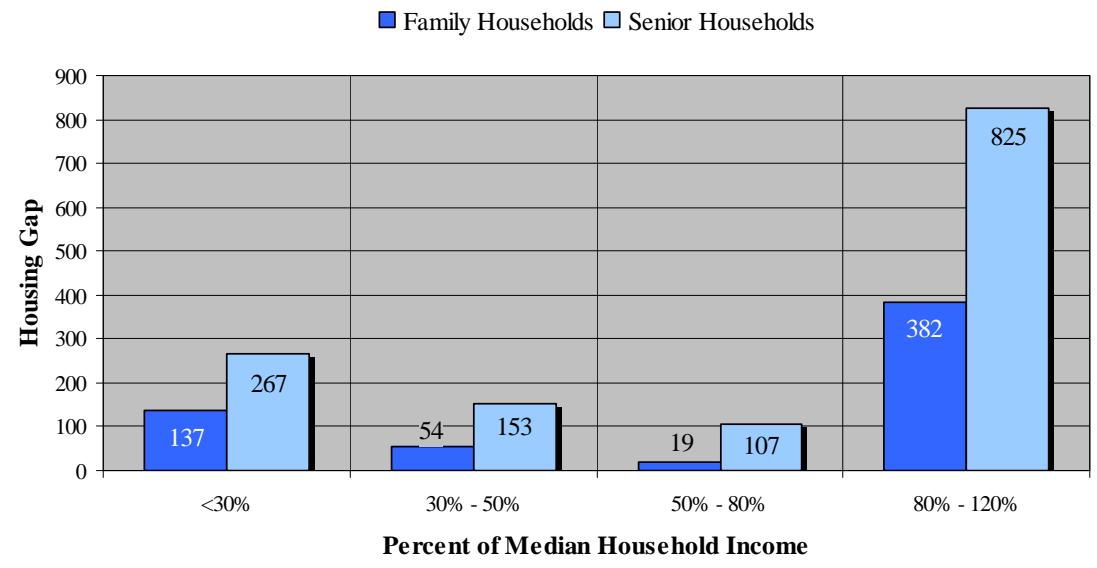
Owner Housing Gap Analysis

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

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	97	12	-25	230	314
Balanced Market	20	21	22	76	139
Substandard Housing	20	21	22	76	139
Development Pipeline	0	0	0	0	0
Total Housing Gap	137	54	19	382	592

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	209	91	41	597	938
Balanced Market	29	31	33	114	207
Substandard Housing	29	31	33	114	207
Development Pipeline	0	0	0	0	0
Total Housing Gap	267	153	107	825	1,352

Henderson County Owner Housing Gap by Income



As shown in the preceding owner housing gap analysis, the greatest housing gap for families and seniors with incomes between 80% and 120% of AMHI. While the housing gap estimates show a large gap for senior housing that is affordable to households making less than 30% of AMHI, this is likely attributed to many existing seniors aging in place. While many of these particular households are likely housed in the market, they will likely need senior-oriented housing that will enable them to downsize in the years ahead. While not shown in this analysis, there is likely a housing need for households with incomes above 120% of AMHI.

Senior Care Housing Need Estimates

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

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	36,556
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	= 2,705
Plus External Market Support (20%)	+ 541
Equals Total Senior Care Support Base	= 3,246
Less Existing Supply	- 2,149
Less Development Pipeline	- 80
Equals Potential Senior Care Beds Needed by 2020	= 1,017

ADL – Activities of Daily Living

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

Based upon age 62 and older population characteristics and trends, and applying the estimated ratio of persons requiring ADL assistance and taking into account the existing and planned senior housing supply, we estimate that there will be 1,017 households with a person requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020. Not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Regardless, the 1,017 seniors estimated above represent the potential need for additional senior care housing in the county.

G. STAKEHOLDER SURVEY & INTERVIEWS

Associates of Bowen National Research solicited input from nearly more than 40 stakeholders throughout the region. Their input was provided in the form of an online survey and telephone interviews. Of these respondents, 10 serve the Henderson County area. Considered leaders within their field and active in the community, they represent a wide range of industries, including government, real estate, and social assistance. The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within the region. The following is a summary of the key input gathered.

Stakeholders were asked is there is a specific area of the county where housing should be developed. Respondents indicated that housing should be developed along major transit corridors or close to transit with access to the downtown for employment, as well as in the eastern end of the county. Rental housing was overwhelmingly ranked as the *type* of housing having the greatest need, followed by for-sale housing and housing for single-person/young professionals and senior independent living. Respondents indicated that the housing *style* most needed in the area is single-family homes, followed by apartments. Respondents also believe that adaptive reuse should be prioritized over new construction and renovation/revitalization. When asked to rank the need for housing for each income level, respondents evenly ranked incomes of less than \$25,000 and incomes between \$25,000 and \$50,000 with the greatest need. The

most significant housing issue within the county, as indicated by respondents, was rent burdened/affordability, followed by limited availability and lack of public transportation.

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance was given the highest priority, followed by homebuyer assistance. Tax Credit financing and “other” rental housing assistance (such as Vouchers) were evenly ranked in third place. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land and availability of land were most commonly cited, followed by financing. Respondents provided various ways to overcome these barriers, including increased collaboration between the local government and developers, improved infrastructure and transit, and government incentives for developing. One respondent noted that while the mountainous terrain of the region is a draw, it also creates challenges, and strategies for land acquisition and density should be explored.

If a respondent was knowledgeable about homelessness in the county, they were asked to rank the need for housing for various homeless groups. Each of the homeless groups were ranked almost evenly: homeless individuals, families, veteran, youth, and chronically homeless. Respondents indicated that the most needed type of housing to serve the homeless population are emergency shelters, increased Voucher assistance and Single Room Occupancy (SRO). The most commonly cited obstacle to developing homeless housing was public perception/NIMBYism. Respondents believe that public education to alleviate the perception of homeless housing and supportive housing services that promote self sufficiency should be a focus in the county.

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

H. SPECIAL NEEDS HOUSING

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

Henderson County is located within HUD's designated Continuum of Care (CoC) area known as *North Carolina Balance of State (BoS)*. CoCs around the United States are required to collect data for a point-in-time during the last week of each year. The last published as *North Carolina BoS* point-in-time survey was conducted in January 2014. This includes counts of persons who are classified as homeless, as well as an inventory of the housing specifically designated for the homeless population. According to the 2014 point-in-time survey for *Henderson County* there are approximately 150 persons who are classified as homeless on any given day in Henderson County. The following table summarizes the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the county.

Homeless Population & Subpopulation- Henderson County						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Persons in Households without Children	44	1	0	2	7	54
Persons in Households with 1 Adult & 1 Child	11	8	0	35	14	68
Persons in Household with only Children	1	0	0	0	0	1
# of Persons Chronically & Formerly Chronically Homeless	16	0	0	0	0	16
Persons with Serious Mental Illness	0	0	0	2	0	2
Persons with Substance Abuse Disorder	0	0	0	1	0	1
Persons w/ AIDS/HIV	0	0	0	0	0	0
Victims of Domestic Violence	0	0	0	7	0	7
Veterans	0	0	0	1	0	1
Ex-Offenders	0	0	0	0	0	0
Persons exiting Behavioral Health/Healthcare System	0	0	0	0	0	0
Total	72	9	0	48	21	150

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

PSH and CH Beds Duplicated

Project Type	Beds by Population Category							Seasonal Beds	*Overflow Beds	Total Beds
	Households with Children	Single Male & Female	Veteran	*Chronically Homeless	Domestic Violence	Youth	AIDS/HIV			
Emergency Shelter	22	75	0	0	11	0	0	0	0	108
Transitional Housing	2	0	0	0	11	0	0	0	0	13
*Permanent Supportive Housing	14	7	0	12	0	0	0	0	0	33
Rapid Re-housing	35	2	0	0	0	0	0	0	0	37
Safe Haven	0	0	0	0	0	0	0	0	0	0
Total Beds By Population	73	84	0	12	22	0	0	0	0	191

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

PSH and CH Beds Duplicated

Based on the 2014 North Carolina Balance of the State Housing Inventory Count Summary, the utilization (occupancy) rate for homeless housing beds in Henderson County is 56.9%. This utilization rate and the fact that 21 persons remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population. Homeward Bound of Asheville and other local service providers appear to be actively engaged in assisting the homeless in Henderson County through various outreach and housing programs that are targeted towards its homeless population.

Specifically within Henderson County, one area service provider noted that on average there are approximately 100 individuals living in emergency shelters or transitional housing on any given night. There may be enough emergency shelters in Henderson County to meet the demand as they are usually not at full capacity; however, there needs to be more transitional and permanent supportive housing options and resources for homeless individuals as well as families as most facilities are always full. It was also noted that the lack of public transportation options in Henderson County makes it difficult for homeless persons to seek/obtain employment. Regardless, with an estimated population of 150 and nearly a dozen homeless persons unsheltered, homelessness remains a challenge in Henderson County and is an ongoing housing need.

The following table summarizes the various special needs populations within the county that were considered in this report.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	85	Persons with Disabilities (PD)	15,993
Victims of Domestic Violence (VDV)	795	Elderly (Age 62+) (E62)	14,211
Persons with Substance Abuse (PSA)	50	Frail Elderly (Age 62+) (FE62)	2,705
Adults with a Mental Illness (MI)	2,559	Ex-offenders (Parole/Probation) (EOP)	150
Adults with Severe Mental Illness (SMI)	63	Unaccompanied Youth (UY)	8
Co-Occurring Disorders (COD)	1,068	Veterans	11,305
Multi-Generational Households (MH)	1,556		

Excluding the homeless population, the largest number of special needs persons is among the elderly (age 62+), those with disabilities, and veterans. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Special needs facilities and services are offered by Homeward Bound, Disability Partners, Western North Carolina AIDS Project, Mainstay, Black Mountain Home for Youth & Children, Youth Villages, Goodwill of Henderson, NC TASC Services-Hendersonville, Western Highlands LME, Hendersonville Rescue Mission, House of Hope Western NC, and various mental health facilities as well as various nursing and residential care homes. According to various services provides knowledgeable about housing for various homeless and special needs groups in Henderson County the most needed was transitional housing and group homes.

I. CONCLUSIONS

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

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 5,686 (5.1%), which is nearly identical to the growth rate (5.5%) of the overall region. During this same time, household growth of 2,495 (5.2%) is projected to occur in the county, which is slightly slower than the region's projected growth rate of 5.9%.
- **Household Heads by Age** – The county's senior households age 65 and older will increase by 2,654 (8.4%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing.
- **Households by Income and Tenure** – While the greatest projected *renter* household growth between 2015 and 2020 will be among those with incomes between \$15,000 and \$24,999, most renter household segments making less than \$50,000 will experience notable growth. The greatest *owner* household growth during this time is projected to occur among those making between \$35,000 and \$49,999. As such, the county will have diverse housing needs.
- **Rental Housing** – Henderson County has a well-balanced supply of rental alternatives. However, it is noteworthy that the multifamily rental housing supply is operating at an overall 97.6% occupancy rate, which is very high. More importantly, there are no vacancies among the 430 surveyed affordable (Tax Credit and government-subsidized) rental units in the county. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the county. Based on the housing gap estimates, it appears that the greatest projected rental housing needs will be for those with incomes between 30% and 50% of AMHI, though all income segments have notable gaps.
- **Owner Housing (for-sale)** – For-sale housing prices have remained generally stable over the past four years, while the number of homes sold annually has increased in each of the past three years, including the projections for 2014. The for-sale housing market is considered to be strong. Nearly one-third of the available supply is priced between \$200,000 and \$299,999 and another quarter priced between \$100,000 and \$199,999. These shares of available supply are similar to the entire region. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 80% and 120% of AMHI, though all income segments have notable gaps.

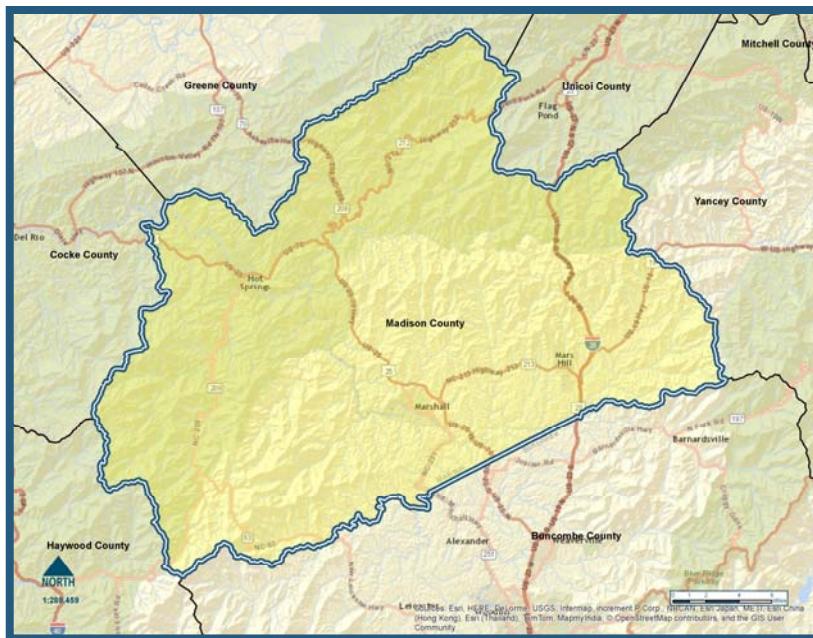
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 96.5% (3.5% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 1,017 senior care beds will be needed to meet the future needs of area seniors.
- **Special Needs Populations:** While there are many special needs populations within the county that likely require housing assistance, it appears that the largest special needs populations in the county are the elderly (age 62+), those with disabilities, and veterans.

J. SOURCES

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

Madison County

Housing Needs Assessment



MADISON COUNTY

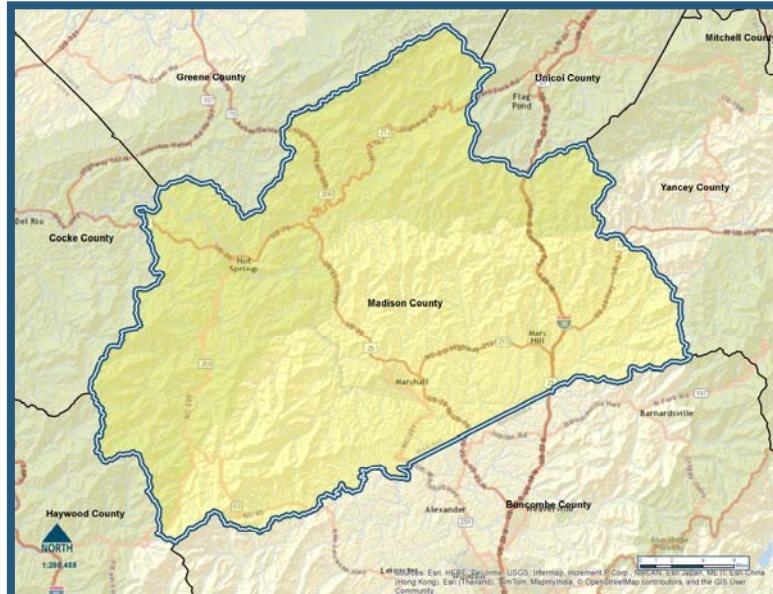
A. INTRODUCTION

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

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

B. COUNTY OVERVIEW

Madison County is located within the northern portion of the study region. It encompasses a total of 452 square miles. Primary thoroughfares within the county include Interstate Highway 26, U.S. Highways 19, 23, 23A, 25 and 70. Notable natural landmarks and public attractions include Pisgah National Forest, Appalachian Trail Hiking Trails, Mars Hill University, and Ebbs Chapel Performing Arts Center. The county had a 2010 total population of 20,764 and 8,494 total households. The town of Marshal serves as the county seat, while other notable towns include Hot Springs and Mars Hill. The primary employment sectors and their corresponding shares of the county's total employment are Educational Services (11.4%), Manufacturing (9.1%), Public Administration (8.0%) and Retail Trade (7.9%). Additional details regarding demographics, economics, 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 Madison 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 demographic theme maps. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence.

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

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

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

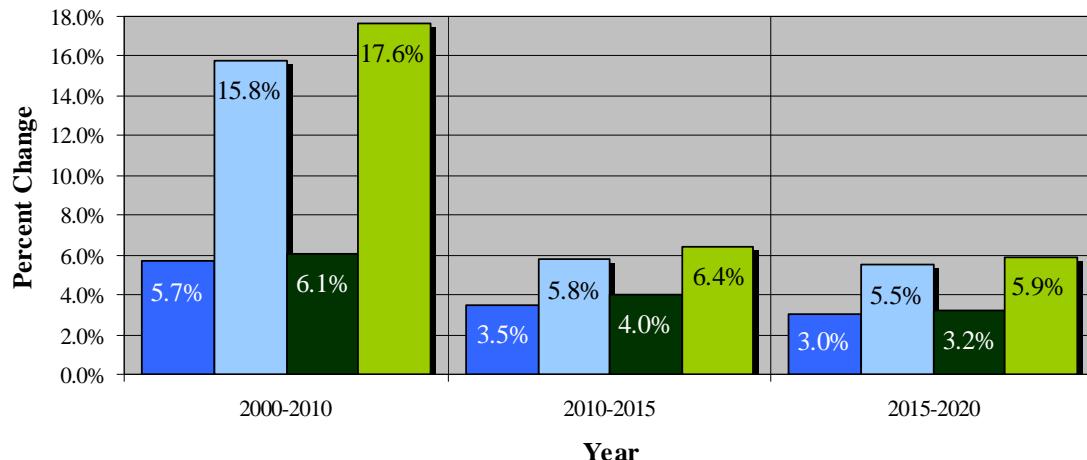
Overall population and household trends in Madison County and the region are shown in the following table:

	Total Population		Total Households	
	Madison County	Region	Madison County	Region
2000 Census	19,647	344,472	8,005	143,510
2010 Census	20,764	398,912	8,494	168,748
Change 2000-2010	1,117	54,440	489	25,238
Percent Change 2000-2010	5.7%	15.8%	6.1%	17.6%
2015 Projected	21,498	421,899	8,835	179,521
Change 2010-2015	734	22,987	341	10,773
Percent Change 2010-2015	3.5%	5.8%	4.0%	6.4%
2020 Projected	22,134	445,283	9,116	190,027
Change 2015-2020	636	23,384	281	10,506
Percent Change 2015-2020	3.0%	5.5%	3.2%	5.9%

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

Madison County/Region Population & Household Trends

■ Madison Population ■ Region Population ■ Madison Households ■ Region Households



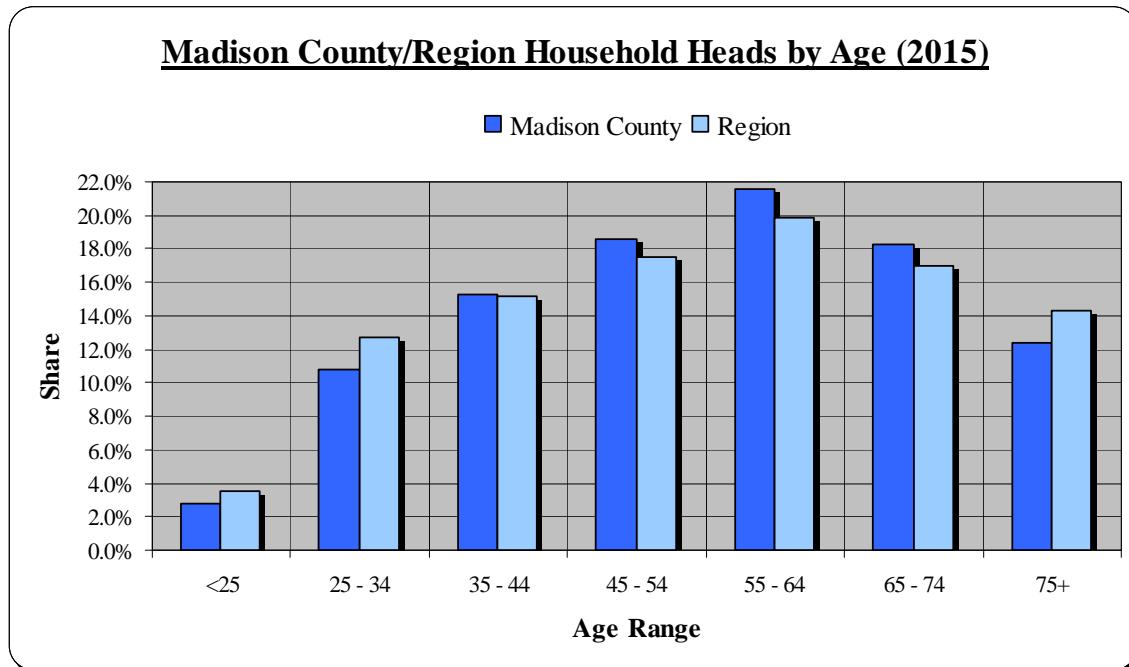
Madison County experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 734 (3.5%) and 341 (4.0%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 636 (3.0%) and 281 (3.2%), respectively. These positive projected demographic trends are expected to be just over one-half of the projected trends within the region.

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

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Madison County	2010	255 (3.0%)	937 (11.0%)	1,396 (16.4%)	1,697 (20.0%)	1,849 (21.8%)	1,300 (15.3%)	1,060 (12.5%)
	2015	249 (2.8%)	958 (10.8%)	1,356 (15.3%)	1,647 (18.6%)	1,907 (21.6%)	1,619 (18.3%)	1,099 (12.4%)
	2020	246 (2.7%)	950 (10.4%)	1,280 (14.0%)	1,612 (17.7%)	1,900 (20.8%)	1,907 (20.9%)	1,221 (13.4%)
	Change 2015-2020	-3 (-1.2%)	-8 (-0.8%)	-76 (-5.6%)	-35 (-2.1%)	-7 (-0.4%)	288 (17.8%)	122 (11.1%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (21.6%) of households by age in Madison County will be within the 55 to 64 age cohort. Between 2015 and 2020, it is projected that the number of households between the ages of 65 and 74 will increase the most, adding 288 (17.8%) households during this time. Households age 75 and older are projected to increase by 122 (11.1%) between 2015 and 2020.

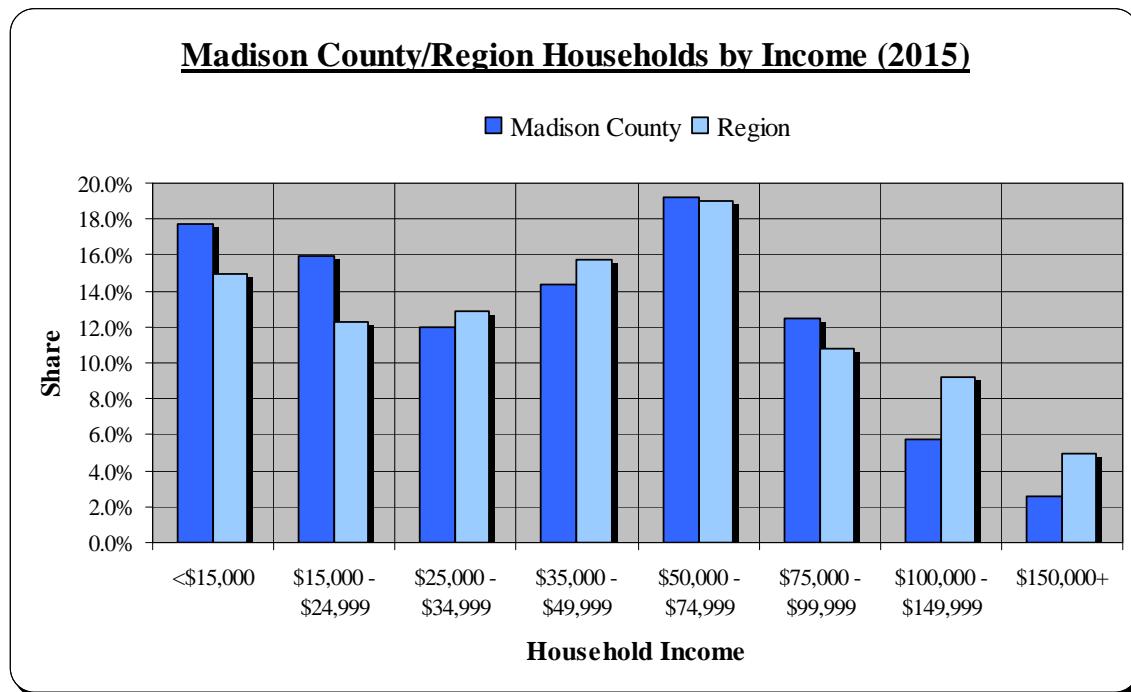


Households by income for selected years are shown in the following table:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000-\$149,999	\$150,000+	Total
Madison County	2015	1,561 (17.7%)	1,402 (15.9%)	1,063 (12.0%)	1,271 (14.4%)	1,701 (19.2%)	1,107 (12.5%)	501 (5.7%)	230 (2.6%)	8,835 (100.0%)
	2020	1,701 (18.7%)	1,343 (14.7%)	1,112 (12.2%)	1,344 (14.7%)	1,797 (19.7%)	1,017 (11.2%)	543 (6.0%)	259 (2.8%)	9,116 (100.0%)
	Change	140 (9.0%)	-59 (-4.2%)	49 (4.7%)	74 (5.8%)	96 (5.7%)	-90 (-8.1%)	42 (8.4%)	28 (12.3%)	281 (3.2%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that nearly one-half of Madison County households will have annual incomes below \$35,000. It is projected that between 2015 and 2020, the greatest increase in households by income level in Madison County will be among those with incomes below \$15,000, while most household income segments are expected to experience some level of growth. This will likely add to a broad range of housing needs over the next few years.



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

		Renter Households by Income									Total
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+		
Madison County	2015	681 (31.1%)	496 (22.7%)	262 (12.0%)	285 (13.0%)	322 (14.7%)	141 (6.4%)	0 (0.0%)	0 (0.0%)	2,187 (100.0%)	
	2020	650 (28.6%)	451 (19.9%)	451 (19.9%)	298 (13.1%)	281 (12.3%)	144 (6.3%)	44 (1.9%)	0 (0.0%)	2,272 (100.0%)	
	Change	-30 (-4.5%)	-45 (-9.1%)	142 (54.0%)	13 (4.6%)	-41 (-12.8%)	3 (2.3%)	44 (100.0%)	0 (0.0%)	85 (3.9%)	
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)	
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)	
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)	

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000-\$149,999	\$150,000+	Total
Madison County	2015	880 (13.2%)	906 (13.6%)	801 (12.0%)	986 (14.8%)	1,379 (20.7%)	966 (14.5%)	501 (7.5%)	230 (3.5%)	6,648 (100.0%)
	2020	1,051 (15.4%)	891 (13.0%)	709 (10.4%)	1,046 (15.3%)	1,517 (22.2%)	872 (12.7%)	499 (7.3%)	259 (3.8%)	6,844 (100.0%)
	Change	171 (19.4%)	-14 (-1.6%)	-92 (-11.5%)	60 (6.1%)	138 (10.0%)	-93 (-9.6%)	-2 (-0.4%)	28 (12.3%)	196 (2.9%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (31.1%) of renter households in 2015 is projected to be among households with incomes below \$15,000 while the largest share (20.7%) of owner-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$25,000 and \$34,999, and among homeowners with incomes also below \$15,000, with notable homeowner growth also projected to occur among households with incomes between \$50,000 and \$74,999. The large increase in owner households making below \$15,000 annually is primarily attributed to senior homeowners aging in place and reaching retirement age and thereby experiencing a decline in income.

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

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	241	31.1%	219	28.6%	495	13.2%	610	15.4%
\$15,000 - \$24,999	176	22.7%	152	19.9%	509	13.6%	518	13.0%
\$25,000 - \$34,999	93	12.0%	136	17.8%	450	12.0%	412	10.4%
\$35,000 - \$49,999	101	13.0%	100	13.1%	554	14.8%	608	15.3%
\$50,000 - \$74,999	114	14.7%	94	12.3%	775	20.7%	881	22.2%
\$75,000 - \$99,999	50	6.4%	49	6.3%	543	14.5%	507	12.7%
\$100,000 - \$149,999	-	0.0%	15	1.9%	282	7.5%	290	7.3%
\$150,000+	-	0.0%	-	0.0%	129	3.5%	150	3.8%
Total	774	100.0%	765	100.0%	3,736	100.0%	3,975	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	168	31.1%	153	28.6%	353	13.2%	438	15.4%
\$15,000 - \$24,999	122	22.7%	106	19.9%	364	13.6%	372	13.0%
\$25,000 - \$34,999	65	12.0%	95	17.8%	322	12.0%	296	10.4%
\$35,000 - \$49,999	70	13.0%	70	13.1%	396	14.8%	436	15.3%
\$50,000 - \$74,999	79	14.7%	66	12.3%	554	20.7%	633	22.2%
\$75,000 - \$99,999	35	6.4%	34	6.3%	388	14.5%	364	12.7%
\$100,000 - \$149,999	-	0.0%	10	1.9%	201	7.5%	208	7.3%
\$150,000+	-	0.0%	-	0.0%	92	3.5%	108	3.8%
Total	540	100.0%	536	100.0%	2,670	100.0%	2,855	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	71	31.1%	48	28.6%	111	13.2%	146	15.4%
\$15,000 - \$24,999	52	22.7%	34	19.9%	114	13.6%	124	13.0%
\$25,000 - \$34,999	28	12.0%	30	17.8%	101	12.0%	99	10.4%
\$35,000 - \$49,999	30	13.0%	22	13.1%	125	14.8%	146	15.3%
\$50,000 - \$74,999	34	14.7%	21	12.3%	174	20.7%	211	22.2%
\$75,000 - \$99,999	15	6.4%	11	6.3%	122	14.5%	121	12.7%
\$100,000 - \$149,999	-	0.0%	3	1.9%	63	7.5%	69	7.3%
\$150,000+	-	0.0%	-	0.0%	29	3.5%	36	3.8%
Total	230	100.0%	169	100.0%	840	100.0%	953	100.0%

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

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

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

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Madison County	Number	20,035	240	70	150	269	20,764
	Percent	96.5%	1.2%	0.3%	0.7%	1.3%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%

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

The largest share of population by race within the county is among the “White Alone” segment, which represents 96.5% of the county’s population, which is above the region’s average.

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

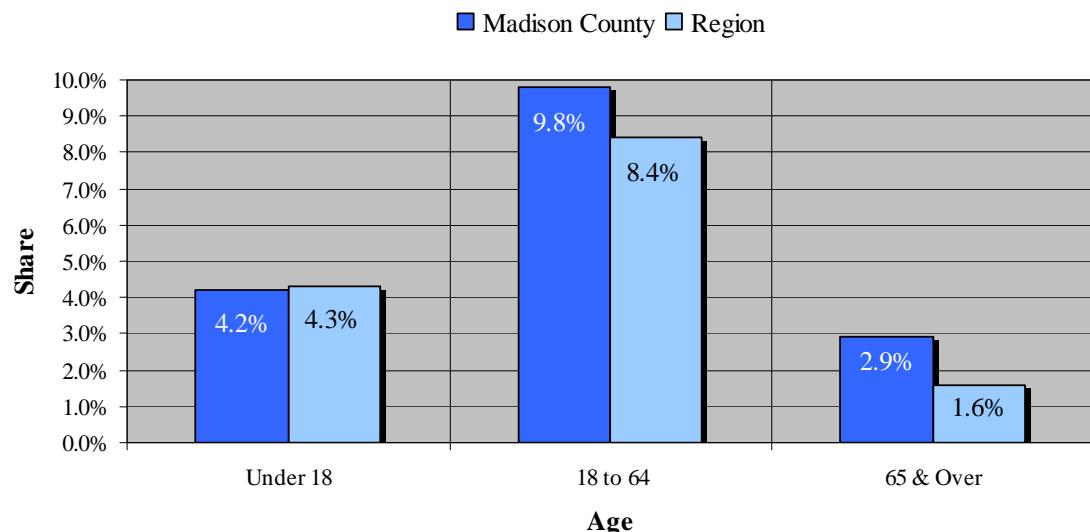
		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Madison County	Number	867	2,044	596	3,485	10,683	3,089	20,764
	Percent	4.2%	9.8%	2.9%	16.8%	51.5%	14.9%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

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

Nearly 17% of the county’s population lives in poverty. One in five children (under the age of 18) within the county live in poverty. Approximately 16.1% of the county’s population between the ages of 18 and 64 lives in poverty, while 16.2% of seniors age 65 and older live in poverty.

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

Population Below Poverty Level by Age (2006-2010)



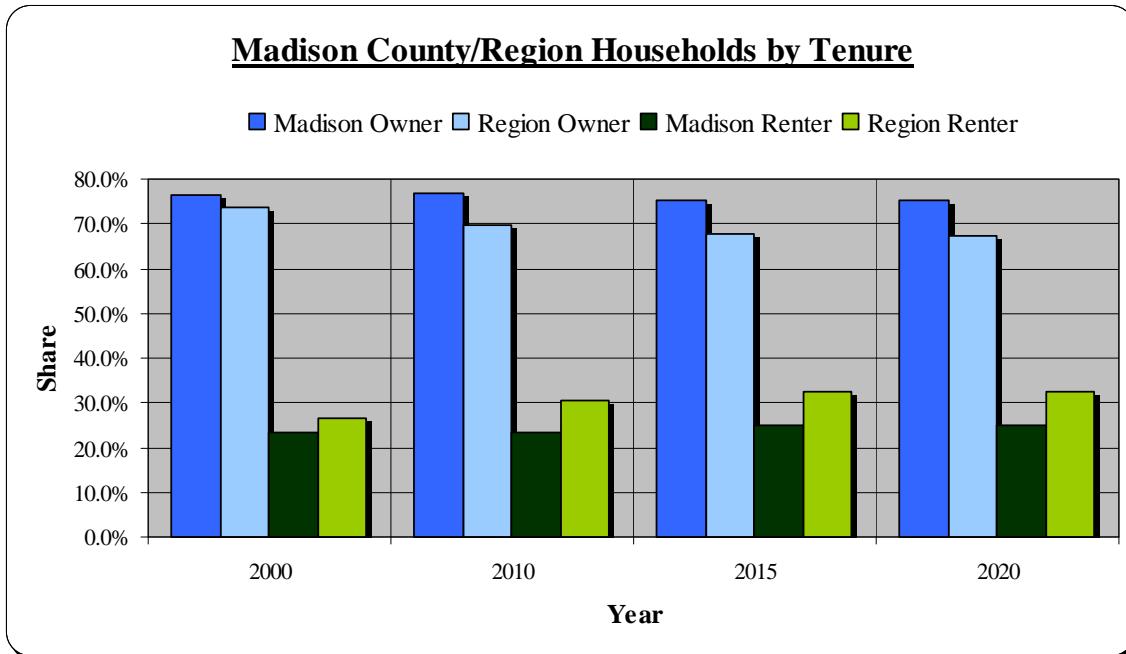
Households by tenure for selected years for the county and state are shown in the following table:

Household Type	Households by Tenure								
	2000		2010		2015		2020		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Madison County	Owner-Occupied	6,134	76.6%	6,514	76.7%	6,648	75.2%	6,844	75.1%
	Renter-Occupied	1,871	23.4%	1,980	23.3%	2,187	24.8%	2,272	24.9%
	Total	8,005	100.0%	8,494	100.0%	8,835	100.0%	9,116	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the county, the share of owner-occupied households was over 75% in 2000 and 2010, while the share of renter-occupied households has been under 25%. It is projected that between 2015 and 2020, the number of owner-occupied households will increase by 196 (2.9%) and the number of renter-occupied households will increase by 85 or by 3.9%. As such, demand for additional housing originating from owner-household growth will outpace renter-household growth by more than a two-to-one margin.

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



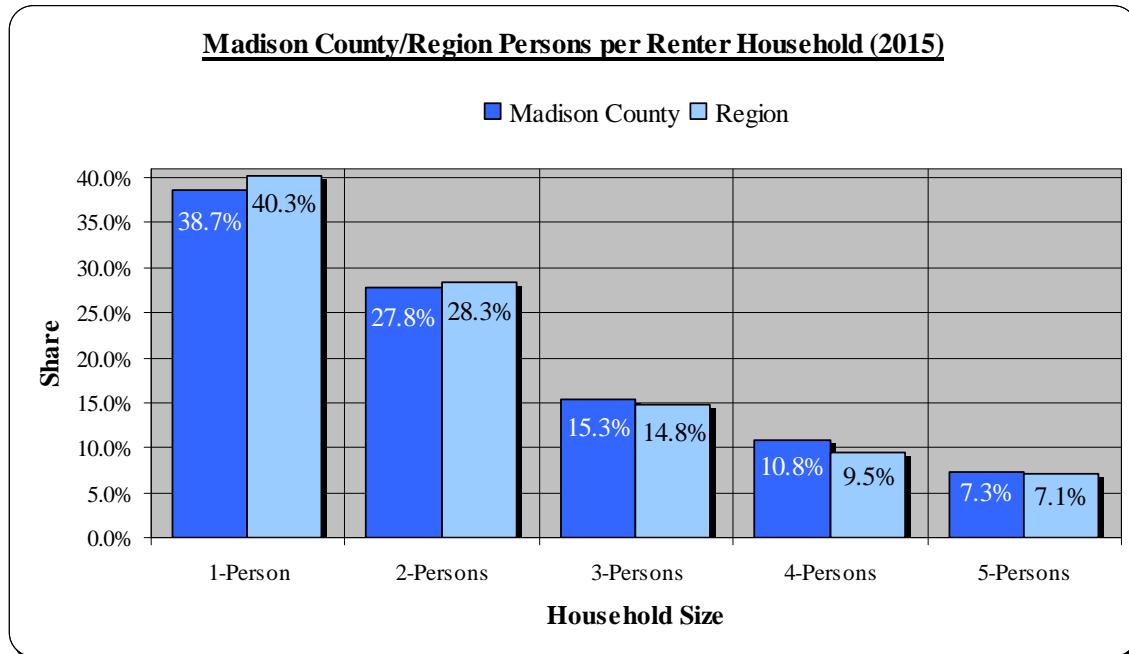
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Madison County	2010	759 (38.3%)	556 (28.1%)	302 (15.3%)	218 (11.0%)	145 (7.3%)	1,980 (100.0%)	1.83
	2015	847 (38.7%)	609 (27.8%)	335 (15.3%)	236 (10.8%)	160 (7.3%)	2,187 (100.0%)	1.81
	2020	885 (39.0%)	627 (27.6%)	348 (15.3%)	242 (10.7%)	169 (7.4%)	2,272 (100.0%)	1.80
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66

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

In 2015, the combined share of the county's renter households with one- and two-persons was 66.5%, while three-person or larger renter households will represent over 30% of the total renter households. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 38, or 4.5%. The median household size is expected to remain essentially unchanged from between 2015 and 2020.

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



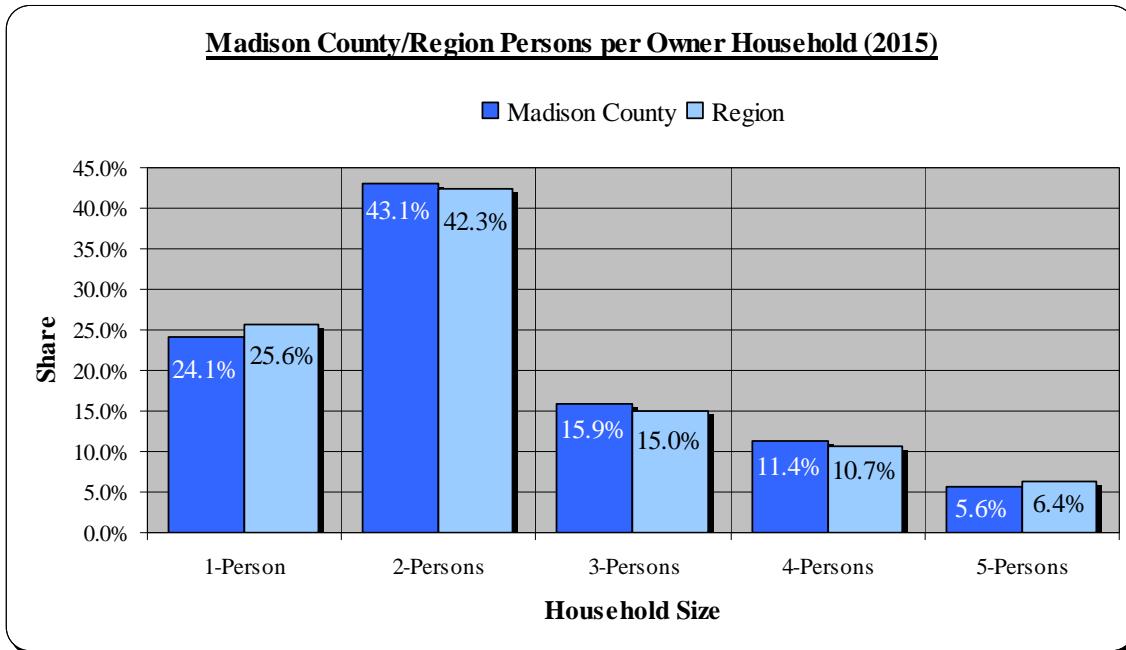
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Madison County	2010	1,538 (23.6%)	2,838 (43.6%)	1,028 (15.8%)	751 (11.5%)	360 (5.5%)	6,514 (100.0%)	2.21
	2015	1,599 (24.1%)	2,867 (43.1%)	1,057 (15.9%)	755 (11.4%)	371 (5.6%)	6,648 (100.0%)	2.20
	2020	1,663 (24.3%)	2,934 (42.9%)	1,092 (16.0%)	770 (11.3%)	385 (5.6%)	6,844 (100.0%)	2.20
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15

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

Generally, one- and two-person owner-occupied households in 2015 are projected to each represent a combined 67.2% of the owner-occupied household base within the county. At the same time, approximately 16% of the county's owner-occupied households will consist of three-persons, over 11% will be four-persons, and nearly 6% will be five-person or larger. These shares are not expected to change much through 2020.

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



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

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

Housing Issue	Housing Issues by Tenure			
	Renter-OCCUPIED		Owner-OCCUPIED	
	Number	Percent	Number	Percent
Incomplete Plumbing	0	0.0%	32	0.5%
Overcrowded	102	4.9%	65	1.1%
Severe Overcrowded	12	0.6%	0	0.0%
Cost Burdened	636	30.8%	1,404	22.9%
Severe Cost Burdened	199	9.6%	726	11.8%

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

Notes: Some housing issues overlap with other issues

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

D. ECONOMICS

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

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

NAICS Group	Employment by Industry (Employees)			
	Madison County		Region	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	154	2.4%	2,090	1.0%
Mining	0	0.0%	145	0.1%
Utilities	72	1.1%	549	0.3%
Construction	296	4.7%	11,460	5.2%
Manufacturing	574	9.1%	18,891	8.6%
Wholesale Trade	83	1.3%	7,349	3.4%
Retail Trade	501	7.9%	24,464	11.2%
Transportation & Warehousing	139	2.2%	4,359	2.0%
Information	75	1.2%	2,671	1.2%
Finance & Insurance	87	1.4%	5,054	2.3%
Real Estate & Rental & Leasing	123	2.0%	5,922	2.7%
Professional, Scientific & Technical Services	227	3.6%	10,754	4.9%
Management of Companies & Enterprises	2	0.0%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	463	7.3%	16,789	7.7%
Educational Services	716	11.4%	10,852	5.0%
Health Care & Social Assistance	432	6.9%	17,371	7.9%
Arts, Entertainment & Recreation	77	1.2%	2,526	1.2%
Accommodation & Food Services	134	2.1%	14,188	6.5%
Other Services (Except Public Administration)	297	4.7%	11,453	5.2%
Public Administration	505	8.0%	13,768	6.3%
Nonclassifiable	1,345	21.3%	37,742	17.3%
Total	6,302	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

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

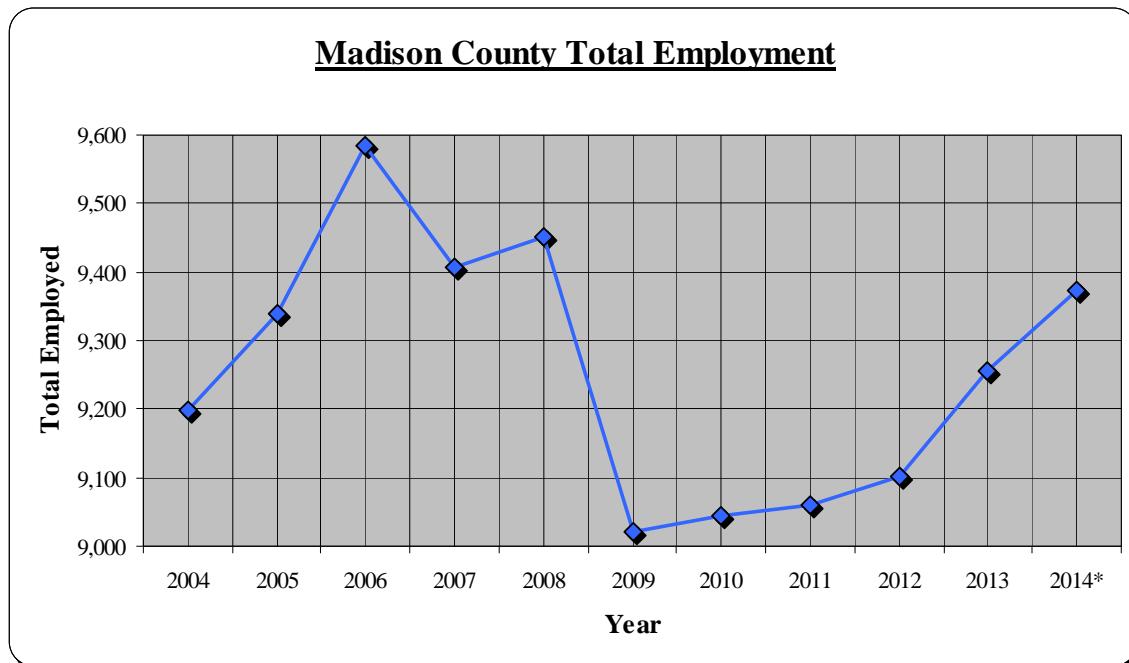
The labor force within the county is very diversified and balanced with no industry sector representing more than 11.4% of the overall county's employment base. The largest employment sectors in the county are within Educational Services (11.4%), Manufacturing (9.1%), Public Administration (8.0%) and Retail Trade (7.9%).

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

Year	Madison County		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	9,199	-	173,140	-	4,031,081	-	139,967,126	-
2005	9,338	1.5%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	9,584	2.6%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	9,406	-1.9%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	9,451	0.5%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	9,022	-4.5%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	9,045	0.3%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	9,060	0.2%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	9,103	0.5%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	9,255	1.7%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	9,373	1.3%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August



Madison County lost more than 500 jobs, representing 5.9% of its employment base between 2006 and 2009, which is a greater percent decline than experienced in the overall region. The county's employment base has increased in each of the past five years.

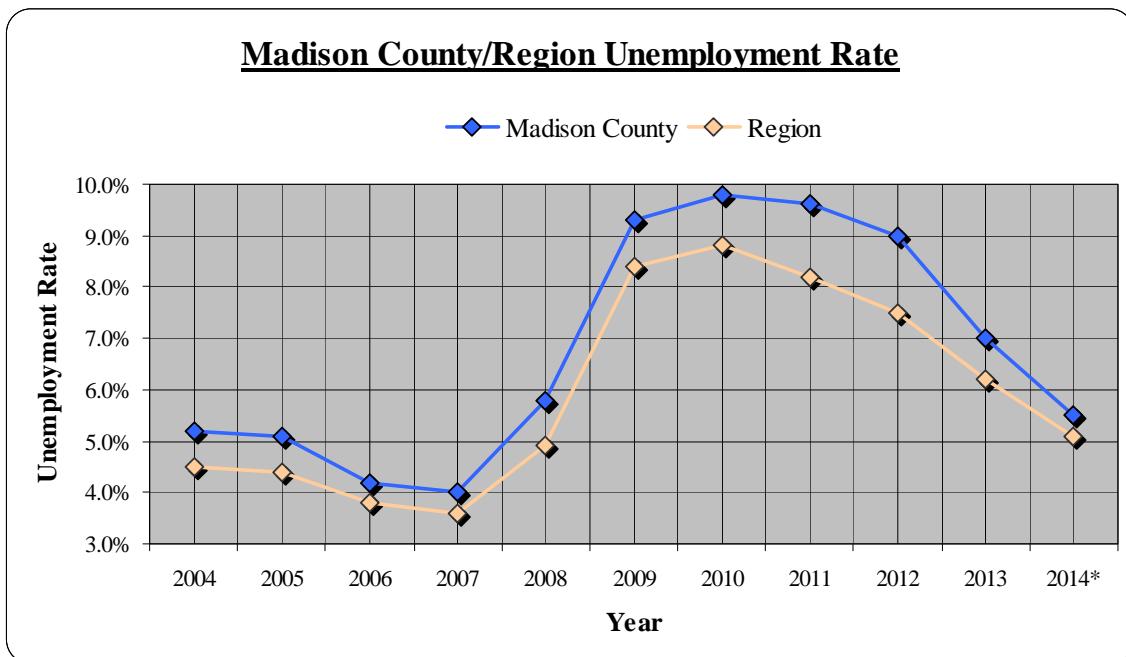
Unemployment rates for Madison County, the region, North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate			
	Madison County	Region	North Carolina	United States
2004	5.2%	4.5%	5.5%	5.6%
2005	5.1%	4.4%	5.3%	5.2%
2006	4.2%	3.8%	4.8%	4.7%
2007	4.0%	3.6%	4.8%	4.7%
2008	5.8%	4.9%	6.3%	5.8%
2009	9.3%	8.4%	10.4%	9.3%
2010	9.8%	8.8%	10.8%	9.7%
2011	9.6%	8.2%	10.2%	9.0%
2012	9.0%	7.5%	9.2%	8.1%
2013	7.0%	6.2%	8.0%	7.4%
2014*	5.5%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The unemployment rate in Madison County has remained between 4.0% and 9.8%, slightly above the state average since 2004. After reaching a decade high unemployment rate of 9.8% in 2010, the county's unemployment rate has declined in the county in each of the past four years.



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

Employer Name	Business Type
Madison County Schools	Education
Mars Hill College	Education
Madison County	County Government
Ingles Markets Inc.	Grocers
Printpack Inc.	Packaging Solutions
Hot Springs Health Program	Health Services
Madison Manor Nursing Home	Heath Care
Blue Ridge Group Homes	Health Services
Elderberry Health Care	Health Care
French Broad Electric	Cooperative Utility

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

According to the representative with the Madison County Economic Development Board, the Madison County economy is slowly growing. The representative stated that about 60% of the workforce travel to Buncombe County/Asheville area to work. He mentioned that it is a short drive, about 25 minutes, and there are many more job opportunities in that area.

In October of 2014, Mars Hill University held a groundbreaking ceremony for its next building project, a three-story, state-of-the-art complex, designed to hold classrooms and retail spaces. The Troy and Pauline Day Hall is the planned future home of Mars Hill's undergraduate business program which continues to be the largest department at the university. The new complex will sit on the corner of Main Street and College Street in Mars Hill and is expected to be completed by summer 2016. In October of 2013, Mars Hill announced funding for the Ferguson Health Sciences Facility which will house the university's planned bachelors of nursing program. Construction for this project will begin in spring of 2015.

In November of 2014, Plow & Hearth announced that it is planning a \$4.5 million expansion at its Madison County headquarters to consolidate operations, add 25 new jobs and expand by 84,000 square feet. The plans include warehouse space for Plow & Hearth and headquarters for its sister company, Viva Terra. Plow & Hearth began with a small retail store in Madison in 1980. Its parent company, PH International, is one of the largest employers in Madison County.

The representative from Madison County Economic Development Board said that Mars Hill is an area where development is currently popular. He commented that there is water and sewer services available for new construction and because of this, a new BoJangles restaurant and a 48-unit apartment complex are being built. Mars Hill University is planning a new building project as well. In 2007, the North Carolina Department of Environment and Natural Resources (NCDENR) placed a moratorium on any water extensions by the town of Marshall for two reasons: inadequate water supply capacity and failing distribution system with inadequately sized lines that were longer than 1,000 feet in length. Because of this moratorium, there is not much new construction in the town of Marshall.

Tourism:

There are over 50,000 acres of national forest and wild rivers in Madison County. The Pisgah National Forest along the Blue Ridge Parkway and the Cherokee National Forest with its whitewater, waterfalls and winding footpaths feature provide attractions and recreational opportunities. This Blue Ridge attraction in Western North Carolina is also home to the world's oldest river, the French Broad River. There are also natural mineral water baths in the town of Hot Springs. There are numerous outdoor recreational opportunities like hiking, rafting, bicycling, fishing and in the winter there is skiing, snowboarding and tubing.

There is also indoor entertainment with many musicians and local artists at local venues, studios, galleries and festivals throughout the year. The Spring events are the Fiddler's Tribute Concert, Trailfest, Madison Championship Rodeo, and French Broad River Festival. Many of these events have been planned for the area for the past 15 to 17 years. The Summer events are the Southern Appalachian Repertory Theatre, Madison County Championship Rodeo, Bluff Mountain Festival, Marshall Rodeo, Hot Dogget 100 Bicycle Ride, Skirmish at Warm Springs Encampment (Civil War reenactment), and the Blackberry Festival. Fall events scheduled for the area are the French Broad Brew Fest, Art on the Island Festival, Bascom Lamar Lunsford Music Festival, Madison County Heritage Festival and Madison County Fair.

According to North Carolina Tourism Department of Commerce, domestic tourism in Madison County generated an economic impact of \$32.53 million in 2013. Also in 2013, Madison County ranked 70th in travel impact among North Carolina's 100 counties. More than 310 jobs in Madison County were directly attributable to travel and tourism. Travel generated a \$6.19 million payroll in 2013.

The representative stated that tourism is very important and is a major source of revenue for many businesses in the area like motels/hotels, restaurants and retail. Many people who come to the Asheville area for vacations, take smaller day trips to Madison County for rafting, hiking, skiing, or renting a mountain cabin.

WARN (layoff notices):

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

E. HOUSING SUPPLY

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

The housing structures included in this analysis are:

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

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

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

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	177	0	0.0%	N/A
Non-Conventional Rentals	N/A	3	N/A	\$600-\$800
Home Stays	N/A	4	N/A	\$250-\$350
Vacation Rentals	N/A	50	N/A	\$2,970-\$18,855
Mobile Home Rentals	488*	N/A	N/A	\$450-\$500
Owner For-Sale Housing	589**	252	2.2%*	\$12,000-\$2.6 Mil.
Senior Care Housing	116	7	6.0%	\$3,986+
<i>Independent Living</i>	0	-	-	-
<i>Multi-Unit Assisted Housing</i>	0	-	-	-
<i>Adult Care Homes</i>	56	7	12.5%	\$3,986+
<i>Nursing Homes</i>	60	0	0.0%	\$5,322+

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

With the exception of the adult care homes, all housing segments appear to have vacancy rates of 6.0% or lower. This indicates that these housing segments are in high demand. While the adult care homes have a vacancy rate of 12.5% this is not considered an unusually high vacancy rate for this type of senior care housing. Overall, the county's housing market is performing well, as demand is strong for virtually all housing alternatives. The lack of any vacancies among the surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the county.

a. Rental Housing

Multifamily Rental Housing

We identified and personally surveyed five conventional housing projects containing a total of 177 units within the county. This survey was conducted to establish the overall strength of the rental market and to identify trends in rental housing. These rentals have a combined occupancy rate of 100.0%, an extremely high rate for rental housing. It is important to note that our survey illustrates occupancy rates that only factor in physical vacancies, which are vacant units that are currently ready to rent and does not account for economic vacancies, which are vacant units that cannot be rented due to a variety of factors (e.g. units being renovated or prepared for future occupants, uninhabitable units, etc.). Definitions of each housing program are included in *Addendum D: Glossary of the Asheville, North Carolina Region Housing Needs Assessment*.

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.

The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Surveyed Multifamily Rental Housing				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit/Government-Subsidized	1	34	0	100.0%
Government-Subsidized	4	143	0	100.0%
Total	5	177	0	100.0%

As the preceding table illustrates, these rentals have a combined occupancy rate of 100.0%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartments in Madison County. In fact, these projects have wait lists of up to 100 households, which provides evidence that there is pent up demand for multifamily rental housing in the Madison County area. It is of note that we did not identify any market-rate multifamily supply in the county. It appears that all multifamily rentals operate under the Tax Credit or HUD programs, and that market-rate rental housing is primarily among non-conventional rentals (e.g. houses, duplexes, etc.) or mobile homes.

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

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	32	94.1%	0	0.0%
Two-Bedroom	1.0	2	5.9%	0	0.0%
Total Subsidized Tax Credit		34	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	46	32.2%	0	0.0%
Two-Bedroom	1.0	58	40.6%	0	0.0%
Three-Bedroom	1.0	22	15.4%	0	0.0%
Three-Bedroom	1.5	12	8.4%	0	0.0%
Four-Bedroom	1.5	5	3.5%	0	0.0%
Total Subsidized		143	100.0%	0	0.0%

The surveyed government-subsidized projects in Madison County operate under a variety of programs including the HUD Sections 202 and 811 programs, as Public Housing and the Rural Development Section 515 program. Overall, there are no vacant government-subsidized units in Madison County, resulting in a combined 100% occupancy rate. This is an extremely high occupancy rate. Of the five subsidized projects in the market, four maintain waiting lists with up to 100 households. As such, there is clear pent-up demand for housing for very low-income households in Madison County.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	2	97	0.0%
1970 to 1979	0	0	-
1980 to 1989	2	46	0.0%
1990 to 1999	1	34	0.0%
2000 to 2005	0	0	-
2006	0	0	-
2007	0	0	-
2008	0	0	-
2009	0	0	-
2010	0	0	-
2011	0	0	-
2012	0	0	-
2013	0	0	-
2014*	0	0	-

*As of December

The largest share of apartments surveyed was built prior to 1970, with all surveyed units built prior to 2000. All of these apartments are occupied. While there have been no new units added to the county's inventory in over 15 years, there is currently a 48-unit LIHTC project under construction that is scheduled for completion sometime in 2015.

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

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

Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
B	4	143	0.0%
B-	1	34	0.0%

All of the surveyed multifamily properties were rated either “B” or “B-“, indicated that the existing multifamily supply is generally considered to be in good condition.

Non-Conventional Rental Housing

Madison County has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Only two individual units were identified and surveyed in the county. 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 non-conventional rental units surveyed in Madison County by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	1	\$750	\$750	\$1.11
Two-Bedroom	0	-	-	-
Three-Bedroom	2	\$600 - \$800	\$700	\$0.60
Four-Bedroom+	0	-	-	-
Total	2			

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$600 to \$800. The median rents are \$750 for a one-bedroom unit and \$700 for a three-bedroom unit, with a median rent per square foot range of \$0.60 to \$1.11.

Most non-conventional rentals require tenants to pay all utilities. As a result, tenants are likely paying an additional \$100 to \$200 in utility costs on top of the rental rates. When also considering that the non-conventional rentals are more than 20 years old 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 limited number of non-conventional housing alternatives.

Vacation Rental Housing

Madison County has a large number of vacation rentals which can come in the form of cabins, detached single-family homes, condominiums, etc. As a result, we have conducted a sample survey of vacation rentals within the county. Overall, a total of 50 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 50 vacation rental units surveyed in the county by bedroom type. It should be noted that while vacation rentals are typically rented on a daily or weekly basis, we have shown all rents on a monthly basis to more easily compare with other rental options in the market.

Surveyed Vacation Rental Supply			
Bedroom	Units	Rent Range	Median Rent
One-Bedroom	17	\$2,970 - \$5,775	\$4,500
Two-Bedroom	15	\$3,015 - \$5,670	\$4,275
Three-Bedroom	12	\$3,300 - \$9,450	\$4,838
Four-Bedroom+	6	\$3,750 - \$18,855	\$8,063
Total	50		

Source: www.homeaway.com; Bowen National Research

*Monthly Rents (most rentals are rented on a daily or weekly rate, but were converted to a monthly rent for an easier comparison with long-term rentals)

As the preceding table illustrates, the rents for vacation rentals identified range from \$2,970 to \$18,855. The median rents are \$4,500 for a one-bedroom unit, \$4,275 for a two-bedroom unit, \$4,838 for a three-bedroom unit, and \$8,063 for a four-bedroom or larger unit.

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

Home Stay Rentals

A home stay rental is generally considered a bedroom that are rented to tenants and typically excludes a full rental unit. Tenants in the home stay rental often have shared access to common areas such as bathrooms and kitchens. Madison County has a small number of home stay rentals. As a result, we have conducted a sample survey of home stay rentals within the county.

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

Surveyed Home Stay Rental Supply		
Units	Rent Range	Median Rent
4	\$250 - \$350	\$313

As the preceding table illustrates, the monthly rents for home stay rentals identified range from \$250 to \$350. The median monthly rent for the surveyed home stay units is \$313.

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

Mobile Home Parks

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

According to mobile home park operators, typical mobile home rents range from \$450 to \$500 per month, which are among some of the lower mobile home rents in the region. Based on a windshield survey of select mobile home parks in the county yielded overall "C-" quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in fair to poor condition.

b. Owner For-Sale Housing

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

There were 589 homes sold and 252 homes currently available in Madison County. Approximately, an average of 112 homes are sold each year within Madison County. The 252 available homes in Madison County represent 6.9% of all identified available for-sale homes in the region. The following table summarizes the available and recently sold (since January 2010) housing stock for Madison County.

Madison County - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	252	\$270,445
Sold	589	\$168,000

Source: Multiple Listing Service and Bowen National Research

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

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

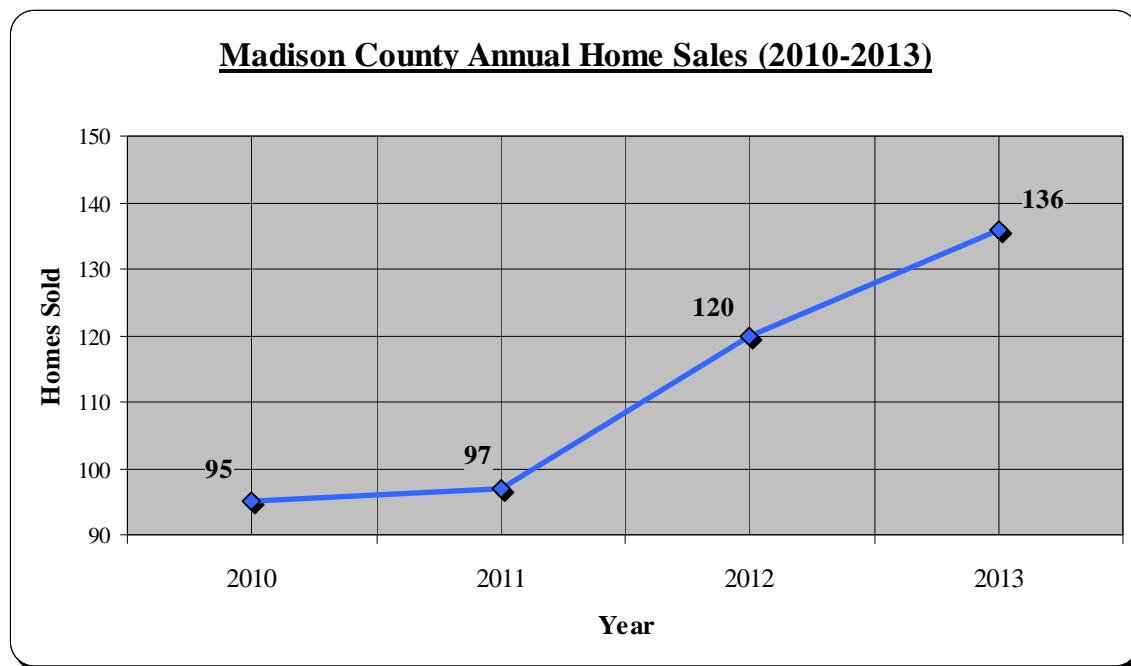
Madison County Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	95	-	\$165,000	-
2011	97	2.1%	\$167,000	1.2%
2012	120	23.7%	\$165,000	-1.2%
2013	136	13.3%	\$167,500	1.5%
2014*	141	3.7%	\$171,000	2.1%

Source: Multiple Listing Service and Bowen National Research

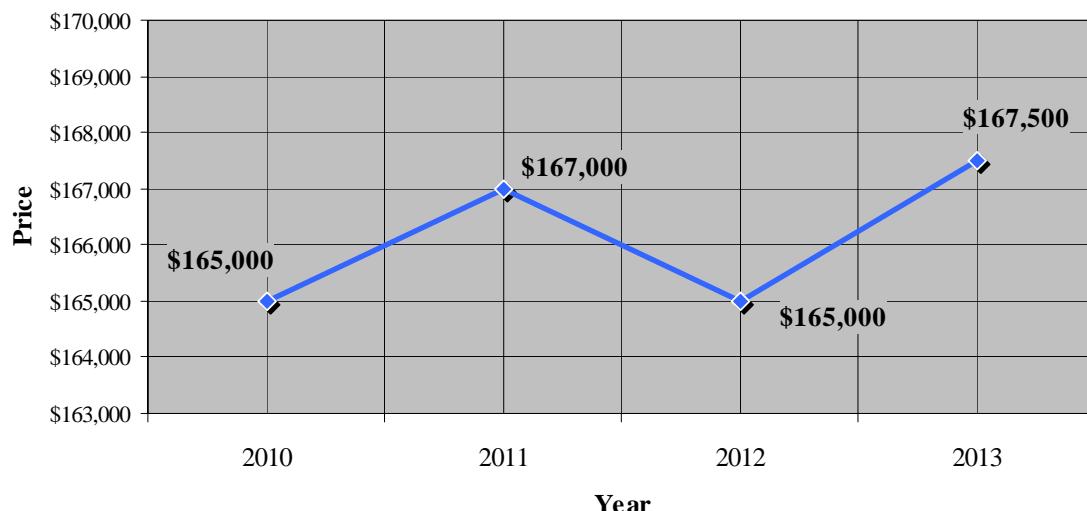
*Through Nov. 21, 2014

Excluding the partial year of 2014, annual residential for-sale activity within the county has ranged between 95 in 2010 and 136 in 2013. The annual sales activity has grown each of the past four full years. The county is currently on pace to sell approximately 150 residential units for all of 2014. The county has experienced fluctuations in median sales prices over the past three years, but has trended upward in 2013 and 2014. The positive trends among sales volume and sales prices, although modest, are good indications of a healthy and stable for-sale housing market in Madison County.

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



Madison County Annual Median Sales Price (2010-2013)



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

	Available Owner For-Sale Housing						
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price	Average Days On Market
Madison County	252	6.9%	\$39,900	\$2,300,000	\$343,583	\$270,445	339
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418	244

Source: Multiple Listing Service and Bowen National Research

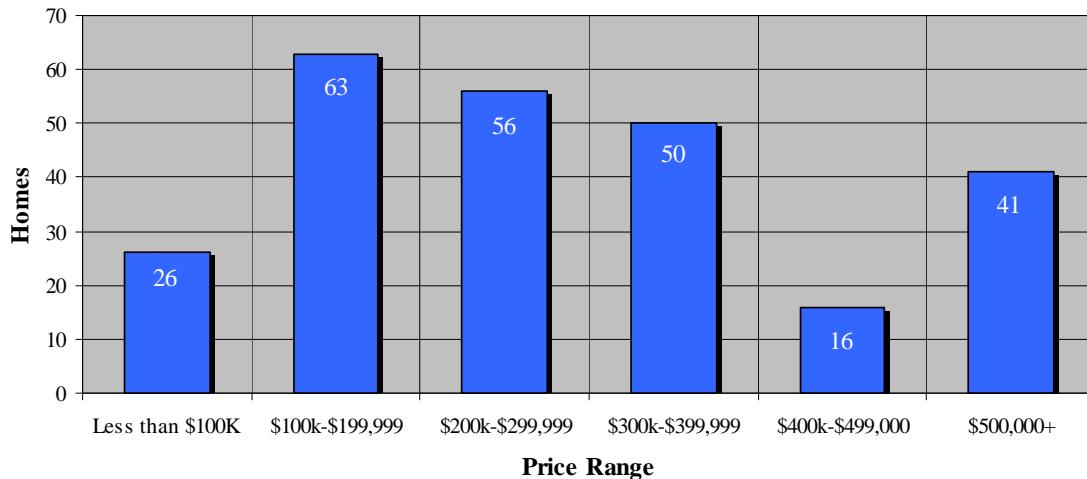
Within Madison County, the available homes have a median list price of \$270,445, which is more than the region median list price of \$290,418. The average number of days on market for available product in Madison County is 339, which is significantly longer than the region average of 244.

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

	Available Owner For-Sale Housing by Price Point						
	Madison County			Region			
List Price	Median Price	Units	Share	Median Price	Units	Share	
<\$100,000	\$79,900	26	10.3%	\$79,700	190	5.2%	
\$100,000 - \$199,999	\$158,975	63	25.0%	\$159,900	821	22.4%	
\$200,000 - \$299,999	\$249,900	56	22.2%	\$249,900	934	25.4%	
\$300,000 - \$399,999	\$357,000	50	19.8%	\$350,000	543	14.8%	
\$400,000 - \$499,999	\$448,000	16	6.4%	\$450,000	319	8.7%	
\$500,000+	\$695,000	41	16.3%	\$797,200	862	23.5%	

Source: Multiple Listing Service and Bowen National Research

Madison County Available For-Sale Housing by Price



One-fourth of the available for-sale supply in Madison County is priced between \$100,000 and \$199,999. These homes would generally be available to households with incomes between \$30,000 and \$60,000. More than a fifth of the available product is priced between \$200,000 and \$299,999, indicating that there is a good base of homes generally affordable to households with incomes between \$60,000 and \$100,000. Only 10.6% of all available homes are priced below \$100,000, which would be generally affordable to households with incomes under \$30,000. Based on our on-site evaluation of the county's housing stock and an analysis of secondary data on such housing, it appears that much of the housing inventory was built prior to 1970 and of fair quality. As a result, while it may be deemed that there is some for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

c. Senior Care Facilities

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

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

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

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

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

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

Within the county, a total of two senior care facilities were surveyed containing a total of 116 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	0	0	-	-
Multi-Unit Assisted Housing	0	0	-	-
Adult Care Homes	1	56	7	12.5%
Nursing Homes	1	60	0	0.0%
Total	2	116	7	6.0%

The Madison County senior care market is reporting overall vacancy rates between 0.0% (nursing homes) and 12.5% (adult care homes). Combined, the surveyed senior care facilities have a 6.0% vacancy rate. The 12.5% vacancy rate among the adult care homes is not unusually high for such housing, particularly in a rural market. The lack of available nursing home units indicates that there is possible demand for additional beds of nursing care. There were no independent living or multi-unit assisted housing units identified in the county, which may indicate a potential opportunity for such housing in the county.

The base monthly fee for adult care homes start at around \$3,986 a month and nursing care facilities have a base monthly fee starting at \$5,322. The adult care home fees are higher than most in the region, while the nursing home beds fees are among the lowest.

d. Planned & Proposed Residential Development

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

Based on our interviews with local building and planning representatives, it was determined that there was one housing project planned within Madison County. Mars Hill Commons Apartments is a Tax Credit project under construction on Mars Hill Commons Lane in Mars Hill. Mountain Housing Opportunities and Partnership Property Management are the developers of this 48-unit project that will consist of one-, two- and three-bedroom units when completed in the summer of 2015.

F. HOUSING GAP ESTIMATES

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

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

Housing Gap Analysis Components	
Rental Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Unit Required for Balanced Market	• Unit Required for Balanced Market
• Substandard Housing	• Substandard Housing
• Pipeline Development*	• Pipeline Development*

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

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

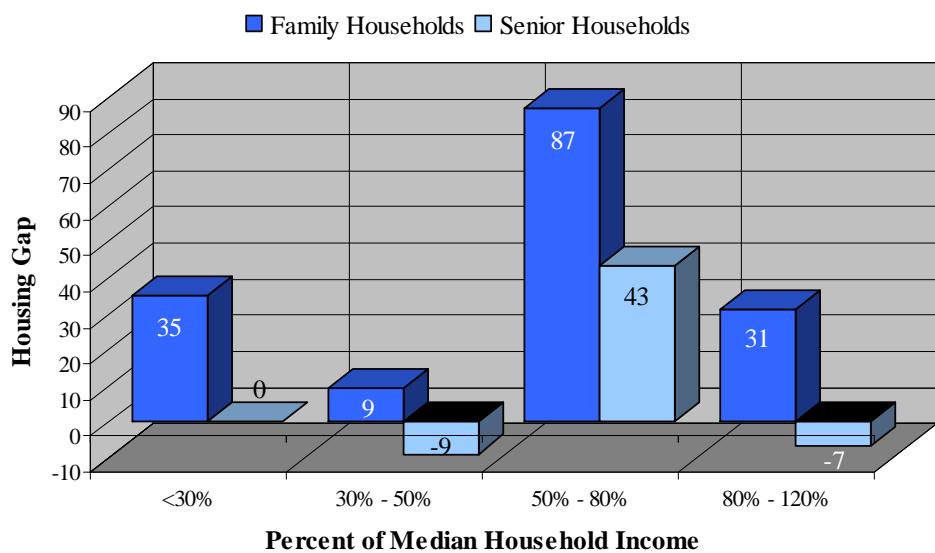
Rental Housing Gap Analysis

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

Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-8	-21	99	-7	63
Balanced Market	22	15	7	19	63
Substandard Housing	21	15	15	19	70
Development Pipeline	0	0	-34	0	-34
Total Housing Gap	35	9	87	31	162

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-22	-24	43	-21	-24
Balanced Market	11	8	7	10	36
Substandard Housing	11	7	7	4	29
Development Pipeline	0	0	-14	0	-14
Total Housing Gap	0	-9	43	-7	27

Madison County Rental Housing Gap by Income



Based on the preceding table, the largest are rental housing gap by income level is within the 50% to 80% AMHI level among both families and seniors. The housing gap for family rentals is six times greater than the senior rental housing gap.

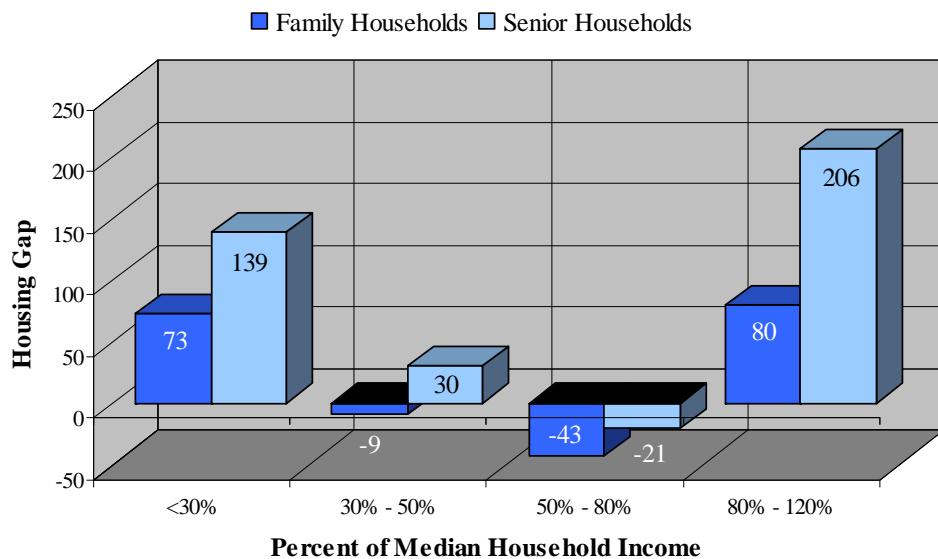
Owner Housing Gap Analysis

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

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000- \$24,999)	50%-80% (\$25,000- \$34,999)	80%-120% (\$35,000- \$75,000)	Total
New Households (2015-2020)	56	-23	-54	38	17
Balanced Market	12	10	8	30	60
Substandard Housing	5	4	3	12	24
Development Pipeline	0	0	0	0	0
Total Housing Gap	73	-9	-43	80	101

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000- \$24,999)	50%-80% (\$25,000- \$34,999)	80%-120% (\$35,000- \$75,000)	Total
New Households (2015-2020)	115	9	-38	160	246
Balanced Market	17	15	12	30	74
Substandard Housing	7	6	5	16	34
Development Pipeline	0	0	0	0	0
Total Housing Gap	139	30	-21	206	354

Madison County Owner Housing Gap by Income



As shown in the preceding owner housing gap analysis, the greatest housing gap for families and seniors with incomes between 80% and 120% of AMHI.

Senior Care Housing Need Estimates

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

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	6,058
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	= 448
Plus External Market Support (20%)	+ 90
Equals Total Senior Care Support Base	= 538
Less Existing Supply	- 216
Less Development Pipeline	-0
Potential Senior Care Beds Needed by 2020	= 322

ADL – Activities of Daily Living

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

Based upon age 62 and older population characteristics and trends, and applying the estimated ratio of persons requiring ADL assistance and taking into account the existing and planned senior housing supply, we estimate that there will be 322 households with a person requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020. Not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Regardless, the 322 seniors estimated above represent the potential need for additional senior care housing in the county.

G. STAKEHOLDER SURVEY & INTERVIEWS

Associates of Bowen National Research solicited input from nearly more than 40 stakeholders throughout the region. Their input was provided in the form of an online survey and telephone interviews. Of these respondents, 10 serve the Madison County area. Considered leaders within their field and active in the community, they represent a wide range of industries, including government, economic development, real estate, and social assistance. The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within the region. The following is a summary of the key input gathered.

Respondents were asked to rank the *type* of housing having the greatest need within the county. All housing types, with the exception of student, were ranked almost evenly as being needed, including rental, for-sale, single-person/young professional, senior independent living, homeless, special needs, and senior care. Respondents indicated that the housing *style* most needed in the area is apartments, followed by single-family homes and manufactured housing/mobile homes. When asked to rank the need for housing for each income level, respondents evenly ranked incomes of less than \$25,000 and incomes between \$25,000 and \$50,000 with the greatest need. The most significant housing issues within the county, as indicated by respondents, are rent burdened/affordability, lack of public transportation, and substandard housing.

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance and “other” rental housing assistance were given the highest priority, followed by Tax Credit financing and project-based rental subsidy. While no respondents provided a type of “other” assistance that should be offered, one respondent indicated that there is a need for additional Public Housing within the county. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land and availability of land were most commonly cited. Two respondents commented that a lack of funding is also a problem. One respondent noted that while the mountainous terrain of the region is a draw, it also creates challenges, and strategies for land acquisition and density should be explored.

If a respondent was knowledgeable about homelessness in the county, they were asked to rank the need for housing for various homeless groups. Homeless individuals, families, and veterans were ranked the highest in terms of housing need. Respondents indicated that the most needed type of housing to serve the homeless population is increased Voucher assistance, followed by emergency shelters. The most commonly cited obstacles to developing homeless housing were the high cost of development/lack of funding, lack of housing assistance/social services, NIMBYism and governmental “red tape”. Multiple respondents believe there is a need for increased supportive service programs and permanent supportive housing for area homeless persons.

If a respondent was knowledgeable about special needs groups in the county, they were asked to rank the need for housing for various special needs groups. The most commonly indicated groups were persons with mental illness, persons with physical/developmental disabilities, persons suffering from alcohol/ substance abuse, and ex-offenders. Respondents believe that transitional housing, group homes, and emergency shelters would best serve these populations. The lack of community support and funding (specifically, the loss of the HUD 811 program and the continuum of care new construction bonus) were cited as the most common obstacles to developing special needs housing.

H. SPECIAL NEEDS HOUSING

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

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

According to a representative with the North Carolina Coalition to End Homelessness Madison County does not have an active homeless service sector and as such has never reported a sheltered or unsheltered PIT count. A representative from Pisgah Legal Services stated that it's hard to estimate how many people in Madison County are homeless and there is only one shelter in the county however it is for domestic violence victims. Madison County could benefit from a small shelter facility with no more than five beds to assist the few people who become homeless. Several other representatives with the local housing authorities that serve Madison County stated that there is a need for shelter services as they get people who are homeless coming in looking for immediate assistance and there is none available. There is a need for more permanent housing in the area as much of the product typically affordable to the

homeless population is often old and in substandard condition. Additionally, there is a need for subsidized housing as the three housing authorities in the area that administer Section 8 have extensive waiting lists. Furthermore, Mountain Housing Opportunities is in the process of developing the first LIHTC development, Mars Hill Commons, in Madison County which will consist of 48-units and is set to open in 2015. While not specifically for the homeless, the project will create an affordable housing option that is currently lacking in the area.

The following table summarizes the various special needs populations within the county that were considered in this report.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	14	Persons with Disabilities (PD)	3,686
Victims of Domestic Violence (VDV)	419	Elderly (Age 62+) (E62)	6,058
Persons with Substance Abuse (PSA)	13	Frail Elderly (Age 62+) (FE62)	448
Adults with Mental Illness (MI)	1,921	Ex-offenders (Parole/Probation) (EOP)	35
Adults with Severe Mental Illness (SMI)	13	Unaccompanied Youth (UY)	9
Co-Occurring Disorders (COD)	322	Veterans	1,435
Multi-Generational Households (MGH)	334		

The largest number of special needs persons is among the elderly (age 62+), persons with disabilities, adults with mental illness, and veterans. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Notable facilities are offered by Pisgah Legal Services, Smokey Mountain Center, Disability Partners, Western North Carolina AIDS Project, My Sister's Place, Black Mountain Homes for Youth & Children, Church of the Holy Spirit, Salvation Army-Clyde, Western Highland LME, Blue Ridge Homes- Madison, and October Road, Inc., and various senior care facilities. It should be noted that while most of these facilities and organizations are located in Buncombe County services are offered to persons residing within Madison County.

According to various services providers knowledgeable about housing for various homeless and special needs groups in Madison County the most needed are transitional housing, group homes, and emergency shelters. It was also noted that housing for persons with mental illness, persons with physical/developmental disabilities, persons suffering from alcohol/ substance abuse, and ex-offenders were in great need.

I. CONCLUSIONS

Overall demographic trends are projected to be positive within Madison County over the next five years, which is expected to contribute to the continued strength of the housing market within the county during this time period. Some key findings based on our research of Madison County are summarized as follows:

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 636 (3.0%), which is just over one half the growth rate (5.5%) of the overall region. During this same time, household growth of 281 (3.2%) is projected to occur in the county, which is slightly more than half the region's projected growth rate of 5.9%.
- **Household Heads by Age** – Madison County's senior households age 65 and older will increase by 410 (13.1%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing. This projected growth will likely lead to a need for additional family-oriented and/or workforce housing.
- **Households by Income and Tenure** – While the greatest projected *renter* household growth (142, 54.0%) between 2015 and 2020 will be among those with incomes between \$25,000 and \$34,999, the largest share (31.1%) of *renter* households will be among those making less than \$15,000 by 2020. The greatest *owner* household growth (171, 19.4%) during this time is projected to occur among those making less than \$15,000. Approximately, two-thirds of the projected growth among the owner households making less than \$15,000 is attributed to seniors reaching retirement age and experiencing decreases in their incomes. Notable growth is project to occur among homeowners making between \$50,000 and \$74,999, which is expected to add 138 households, which represents a 10.0% increase.
- **Rental Housing** – Madison County has a relatively limited supply of rental alternatives. All multifamily rental units we identified and surveyed are occupied and a limited number of non-conventional rentals, home stays and mobile home rentals were identified as being available for rent. Of the more than 100 affordable (Tax Credit and government-subsidized) units in the county, all are occupied and have wait list as high as 100 households. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the county. Based on the housing gap estimates, it appears that the greatest projected rental housing needs will be for those with incomes between 50% and 80% of AMHI, even with a new Tax Credit project in the development pipeline.

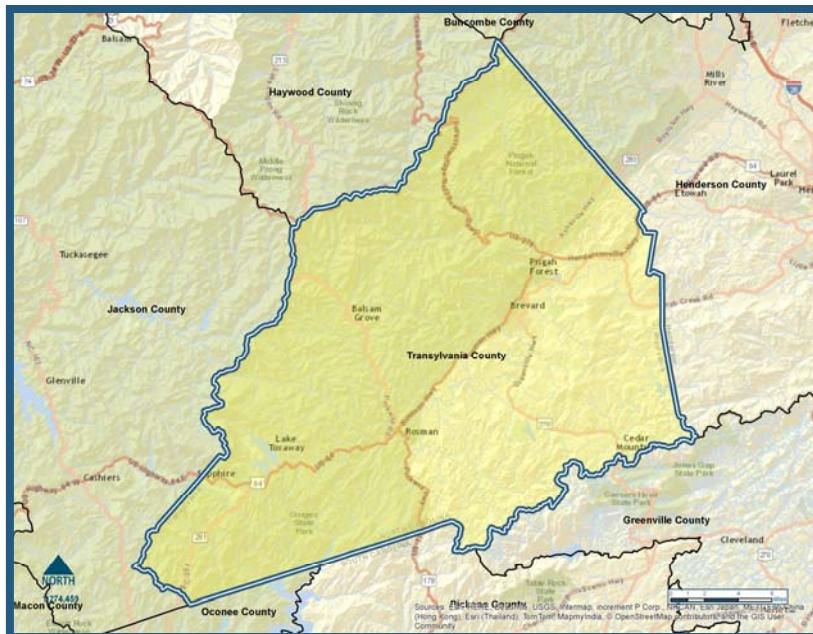
- **Owner Housing (for-sale)** – For-sale housing prices have increased in three of the last four years (including 2014), while the number of homes sold annually has increased in each of the past three years. The for-sale housing market is considered to be strong. While the largest share (25.0%) of available for-sale housing is among product priced between \$100,000 and \$199,999, a nearly equal share (22.2%) of all available product is priced between \$200,000 and \$299,999. These shares of available supply are similar to the entire region. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 80% and 120% of AMHI.
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 94.0% (6.0% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 322 senior care beds will be needed to meet the future needs of area seniors.
- **Special Needs Populations:** While there are many special needs populations within the county that likely require housing assistance, it appears that the largest special needs populations in the county are the elderly (age 62+), persons with disabilities, adults with mental illness, and veterans.

J. SOURCES

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

Transylvania County

Housing Needs Assessment



TRANSYLVANIA COUNTY

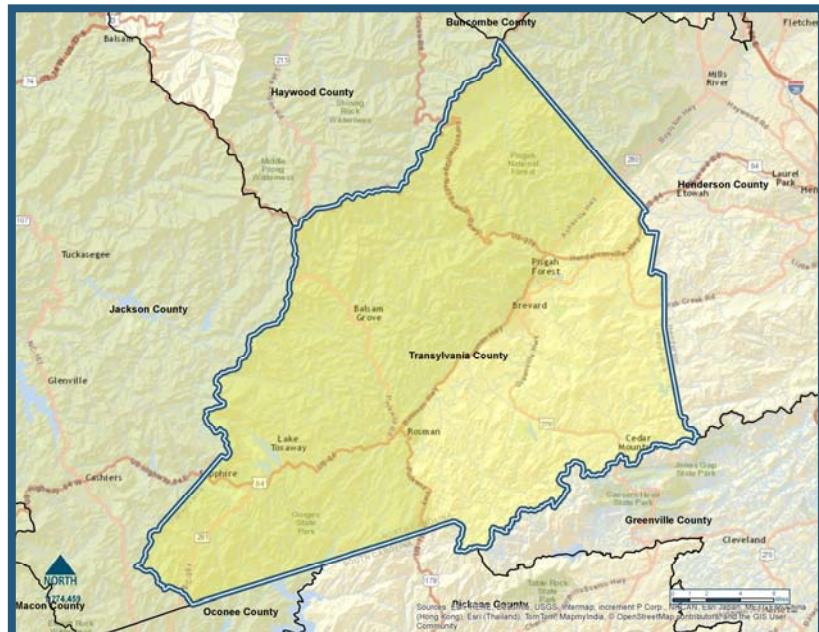
A. INTRODUCTION

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

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

B. COUNTY OVERVIEW

Transylvania County is located within the southwest portion of the study region. It encompasses a total of 381 square miles. Primary thoroughfares within the county include U.S. Highways 64, 178, and 276. Notable natural landmarks and public attractions include Brevard Music Center, Blue Ridge Community College, Blue Ridge Parkway, Dupont State Park, Looking Glass Falls, Pisgah National Forest, and Brevard Little Theater. The county had a 2010 total population of 33,090 and 14,394 total households. Brevard, with a 2010 population of 7,609, is the largest community in the county and also serves as the county seat. The primary employment sectors and their corresponding shares of the county's total employment are Retail Trade (11.2%), Health Care & Social Assistance (8.4%) and Public Administration (7.7%). Additional details regarding demographics, economics, 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 Transylvania 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 household income data. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence.

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

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

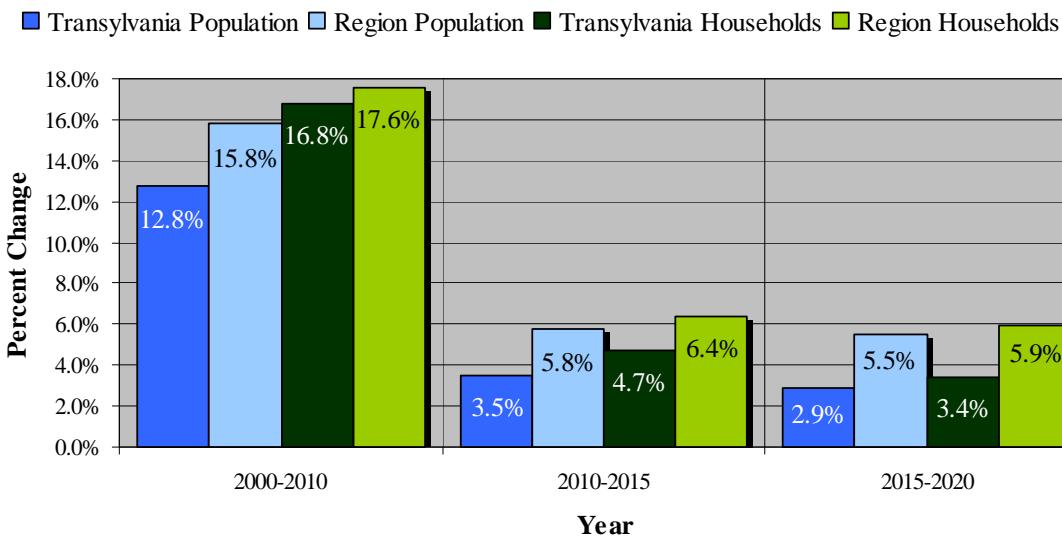
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

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

	Total Population		Total Households	
	Transylvania County	Region	Transylvania County	Region
2000 Census	29,334	344,472	12,320	143,510
2010 Census	33,090	398,912	14,394	168,748
Change 2000-2010	3,756	54,440	2,074	25,238
Percent Change 2000-2010	12.8%	15.8%	16.8%	17.6%
2015 Projected	34,243	421,899	15,073	179,521
Change 2010-2015	1,153	22,987	679	10,773
Percent Change 2010-2015	3.5%	5.8%	4.7%	6.4%
2020 Projected	35,225	445,283	15,584	190,027
Change 2015-2020	982	23,384	511	10,506
Percent Change 2015-2020	2.9%	5.5%	3.4%	5.9%

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

Transylvania County/Region Population & Household Trends



Transylvania County experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 1,153 (3.5%) and 679 (4.7%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 982 (2.9%) and 511 (3.4%), respectively. These positive projected demographic trends are expected to be slower than the projected trends within the region.

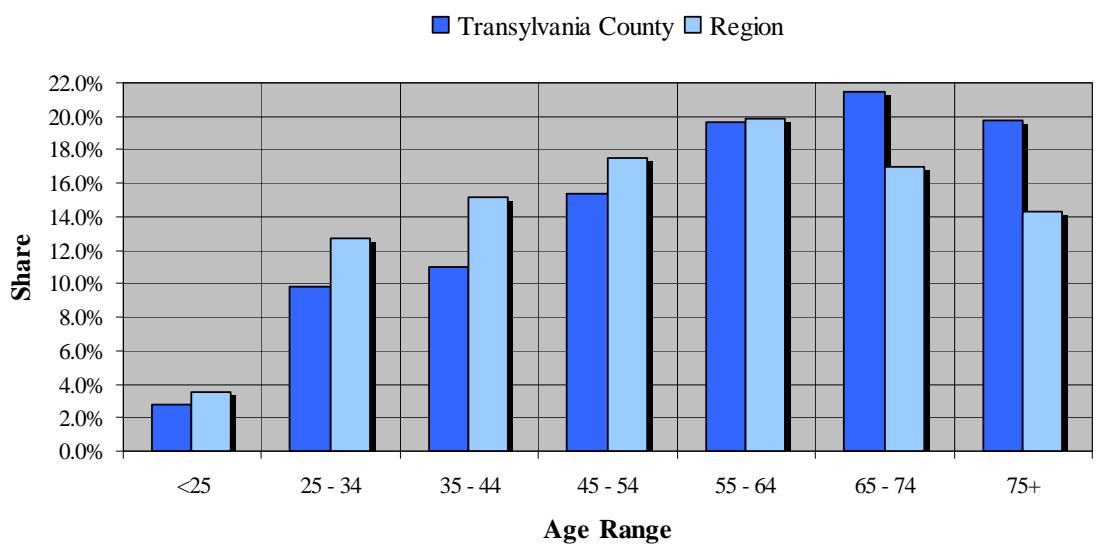
The distribution of households by age for Transylvania County is compared with the overall region in the table below.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Transylvania County	2010	463 (3.2%)	1,359 (9.4%)	1,700 (11.8%)	2,480 (17.2%)	2,914 (20.2%)	2,836 (19.7%)	2,642 (18.4%)
	2015	427 (2.8%)	1,482 (9.8%)	1,654 (11.0%)	2,316 (15.4%)	2,975 (19.7%)	3,235 (21.5%)	2,985 (19.8%)
	2020	389 (2.5%)	1,521 (9.8%)	1,659 (10.6%)	2,095 (13.4%)	3,038 (19.5%)	3,540 (22.7%)	3,343 (21.4%)
	Change 2015-2020	-38 (-8.9%)	39 (2.6%)	5 (0.3%)	-221 (-9.5%)	63 (2.1%)	305 (9.4%)	358 (12.0%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (21.5%) of households by age in Transylvania County will be within the 55 to 64 age cohort. Between 2015 and 2020, it is projected that the number of households age 75 and older and between the ages of 65 and 74 will increase the most during this time. Overall, Transylvania County will add a projected 663 (9.6%) households age 65 and older between 2015 and 2020. Such growth will increase the need for senior-oriented housing for the foreseeable future.

Transylvania County/Region Household Heads by Age (2015)

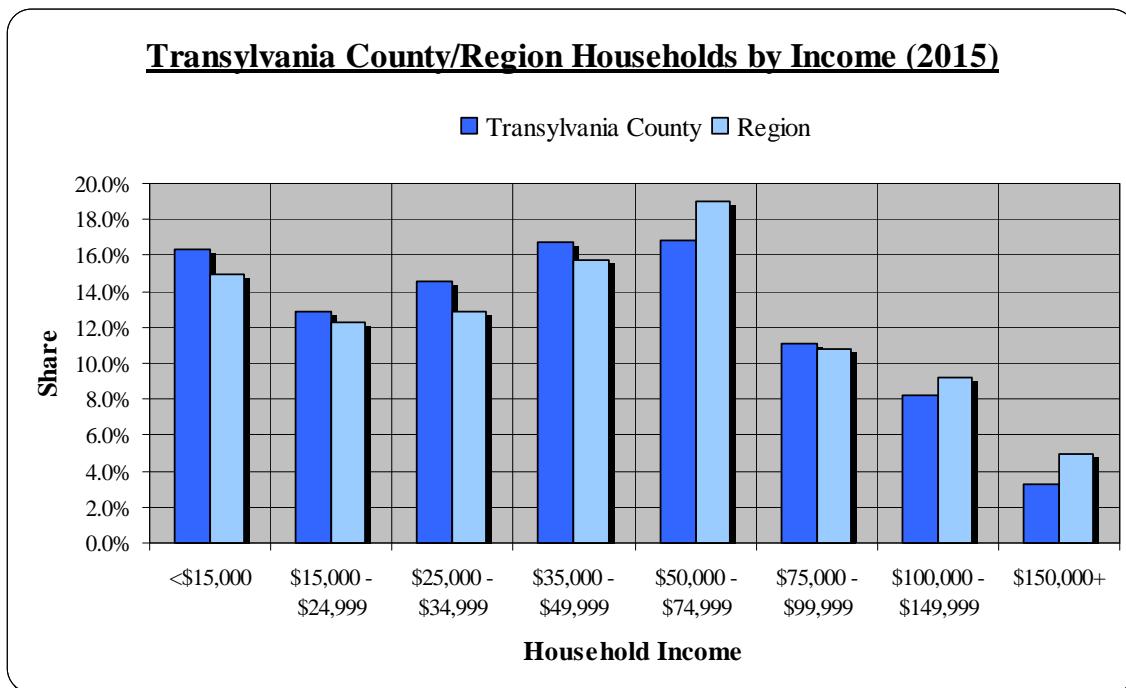


Households by income for selected years are shown in the following table:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000-\$149,999	\$150,000+	Total
Transylvania County	2015	2,454 (16.3%)	1,950 (12.9%)	2,200 (14.6%)	2,521 (16.7%)	2,532 (16.8%)	1,679 (11.1%)	1,238 (8.2%)	500 (3.3%)	15,074 (100.0%)
	2020	2,246 (14.4%)	2,021 (13.0%)	2,216 (14.2%)	2,808 (18.0%)	2,676 (17.2%)	1,957 (12.5%)	1,198 (7.7%)	473 (3.0%)	15,593 (100.0%)
	Change	-207 (-8.4%)	71 (3.6%)	16 (0.7%)	287 (11.4%)	144 (5.7%)	277 (16.5%)	-41 (-3.3%)	-28 (-5.6%)	519 (3.4%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that over 40% of Transylvania County households will have annual incomes below \$35,000. However, the largest household income segment in 2015 will be households with incomes between \$50,000 and \$74,999, which will represent 16.8% of the total household base. It is projected that between 2015 and 2020, the greatest increase in households by income level in Transylvania County will be among those with incomes between \$35,000 and \$49,999, with notable growth also projected to occur among all household income segments between \$50,000 and \$74,999 as well as between \$75,000 and \$99,999.



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

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Transylvania County	2015	1,222 (30.7%)	815 (20.5%)	742 (18.7%)	411 (10.3%)	489 (12.3%)	136 (3.4%)	139 (3.5%)	24 (0.6%)	3,978 (100.0%)
	2020	1,081 (26.2%)	876 (21.2%)	876 (21.2%)	598 (14.5%)	384 (9.3%)	176 (4.3%)	132 (3.2%)	0 (0.0%)	4,126 (100.0%)
	Change	-141 (-1.5%)	61 (7.4%)	139 (18.8%)	188 (45.7%)	-106 (-1.6%)	40 (29.1%)	-7 (-4.7%)	-24 (-100.0%)	148 (3.7%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Transylvania County	2015	1,232 (11.1%)	1,135 (10.2%)	1,458 (13.1%)	2,110 (19.0%)	2,042 (18.4%)	1,543 (13.9%)	1,100 (9.9%)	476 (4.3%)	11,096 (100.0%)
	2020	1,165 (10.2%)	1,145 (10.0%)	1,334 (11.6%)	2,210 (19.3%)	2,292 (20.0%)	1,781 (15.5%)	1,066 (9.3%)	473 (4.1%)	11,459 (100.0%)
	Change	-66 (-5.4%)	10 (0.9%)	-124 (-8.5%)	99 (4.7%)	250 (12.2%)	238 (15.4%)	-34 (-3.1%)	-4 (-0.8%)	363 (3.3%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (26.2%) of *renter* households in 2020 is projected to be among households with incomes below \$15,000, while the largest share (20.0%) of *owner*-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest *renter* household growth is projected to occur among households with incomes between \$35,000 and \$49,999, as well as among those with incomes between \$25,000 and \$34,999. The greatest homeowner growth is projected to occur among those with incomes between \$50,000 and \$74,999, during this same time.

Given the large and growing base of older adult households in the county, it is important to evaluate the demographic trends of households by tenure for householders by age for income groups in the county. The data is presented for the overall county for 2015 and 2020 in the following tables.

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	308	30.7%	296	26.2%	806	11.1%	786	10.2%
\$15,000 - \$24,999	205	20.5%	240	21.2%	742	10.2%	772	10.0%
\$25,000 - \$34,999	187	18.7%	242	21.4%	953	13.1%	900	11.6%
\$35,000 - \$49,999	103	10.3%	169	14.9%	1,380	19.0%	1,490	19.3%
\$50,000 - \$74,999	123	12.3%	103	9.1%	1,335	18.4%	1,558	20.2%
\$75,000 - \$99,999	34	3.4%	48	4.3%	1,009	13.9%	1,201	15.5%
\$100,000 - \$149,999	35	3.5%	32	2.9%	719	9.9%	703	9.1%
\$150,000+	6	0.6%	-	0.0%	311	4.3%	319	4.1%
Total	1,002	100.0%	1,131	100.0%	7,256	100.0%	7,728	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	220	30.7%	215	26.2%	638	11.1%	620	10.2%
\$15,000 - \$24,999	147	20.5%	174	21.2%	588	10.2%	609	10.0%
\$25,000 - \$34,999	134	18.7%	176	21.4%	755	13.1%	709	11.6%
\$35,000 - \$49,999	74	10.3%	123	14.9%	1,093	19.0%	1,175	19.3%
\$50,000 - \$74,999	88	12.3%	75	9.1%	1,058	18.4%	1,228	20.2%
\$75,000 - \$99,999	24	3.4%	35	4.3%	799	13.9%	947	15.5%
\$100,000 - \$149,999	25	3.5%	24	2.9%	570	9.9%	554	9.1%
\$150,000+	4	0.6%	-	0.0%	247	4.3%	251	4.1%
Total	716	100.0%	822	100.0%	5,747	100.0%	6,091	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	121	30.7%	109	26.2%	250	11.1%	247	10.2%
\$15,000 - \$24,999	80	20.5%	88	21.2%	231	10.2%	243	10.0%
\$25,000 - \$34,999	73	18.7%	89	21.4%	296	13.1%	283	11.6%
\$35,000 - \$49,999	41	10.3%	62	14.9%	429	19.0%	468	19.3%
\$50,000 - \$74,999	48	12.3%	38	9.1%	415	18.4%	489	20.2%
\$75,000 - \$99,999	13	3.4%	18	4.3%	314	13.9%	377	15.5%
\$100,000 - \$149,999	14	3.5%	12	2.9%	224	9.9%	221	9.1%
\$150,000+	2	0.6%	-	0.0%	97	4.3%	100	4.1%
Total	393	100.0%	416	100.0%	2,255	100.0%	2,428	100.0%

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

Based on the data from the preceding page, the primary senior (age 55+) household growth between 2015 and 2020 is projected to occur among renters within incomes between \$25,000 and \$50,000 and among owners with incomes between \$35,000 and \$75,000. As a result, there will likely be a growing need through at least 2020 for additional renter and owner housing at a variety of price points that meets the needs of the county's senior population.

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

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Transylvania County	Number	30,577	1,292	144	518	559	33,090
	Percent	92.4%	3.9%	0.4%	1.6%	1.7%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%

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

The largest share of population by race within the county is among the “White Alone” segment, which represents 92.4% of the county’s population. This is slightly higher than the region.

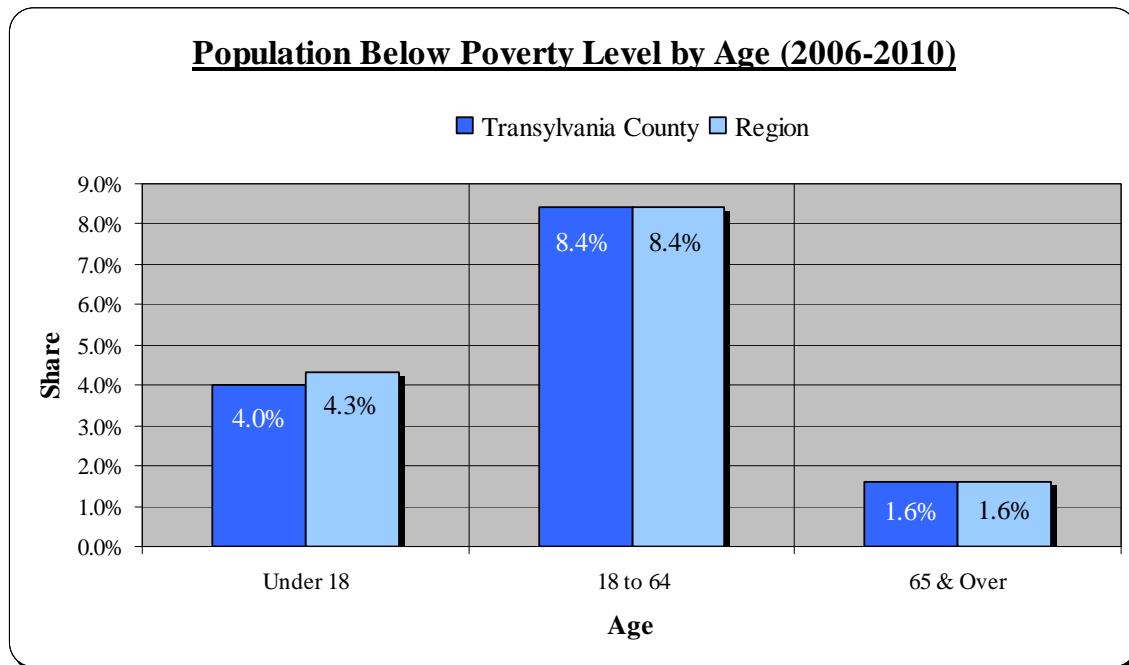
Population by poverty status for years 2006-2010 is shown in the following table:

		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Transylvania County	Number	1,339	2,779	516	4,375	16,098	7,982	33,090
	Percent	4.0%	8.4%	1.6%	13.2%	48.6%	24.1%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

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

Approximately 14% of the county’s population lives in poverty. Nearly one in four children (under the age of 18) within the county live in poverty. Approximately 14.7% of the county’s population between the ages of 18 and 64 lives in poverty, while only 6.1% of seniors age 65 and older live in poverty.

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



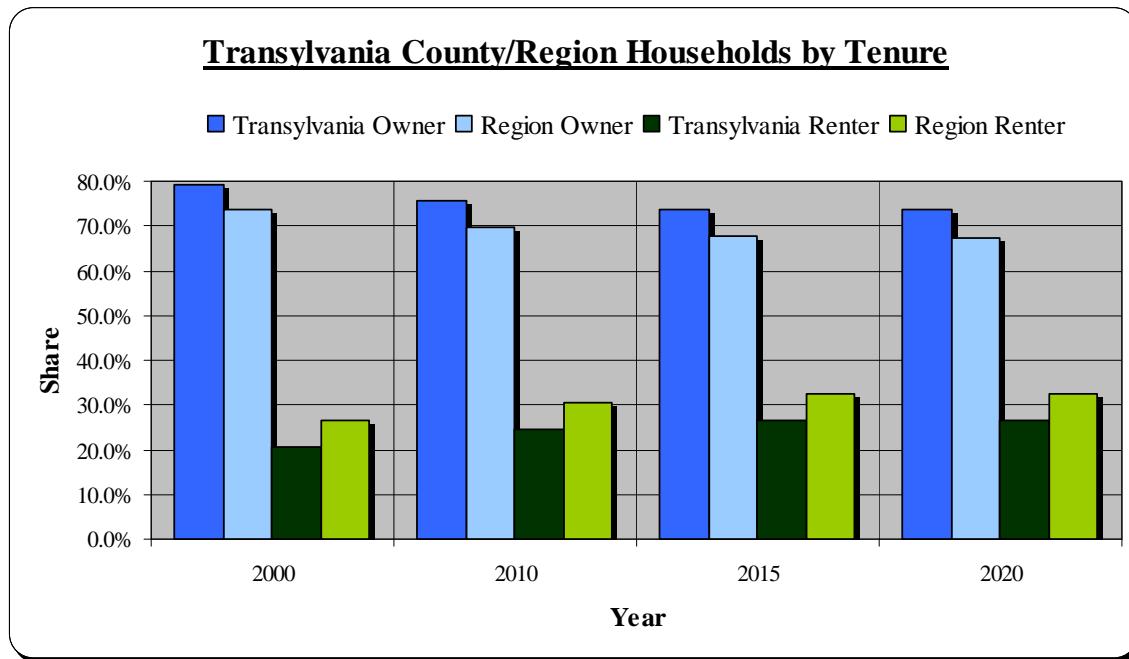
Households by tenure for selected years for the county and region are shown in the following table:

Household Type	Households by Tenure								
	2000		2010		2015		2020		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Transylvania County	Owner-Occupied	9,781	79.4%	10,873	75.5%	11,096	73.6%	11,459	73.5%
	Renter-Occupied	2,539	20.6%	3,521	24.5%	3,978	26.4%	4,126	26.5%
	Total	12,320	100.0%	14,394	100.0%	15,073	100.0%	15,584	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the county, the share of owner-occupied households was over 75% in 2000 and 2010, while the share of renter-occupied households has been under 25%. It is projected that between 2015 and 2020, the number of owner-occupied households will increase by 363 (3.3%), while the number of renter-occupied households will increase by 148 (3.7%).

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



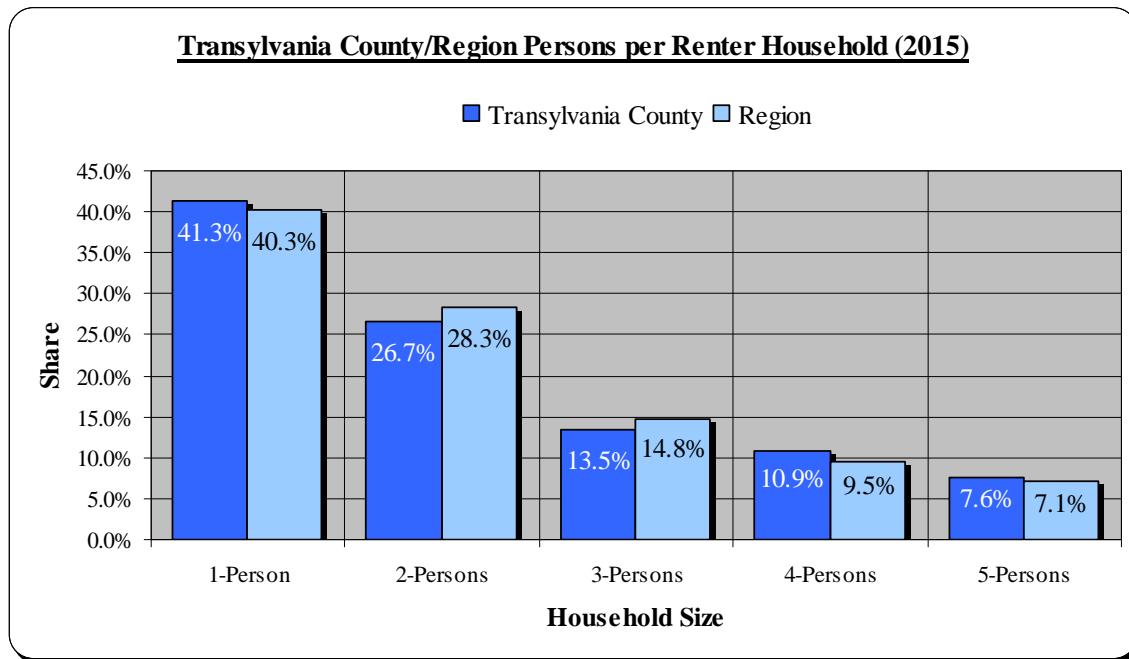
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Transylvania County	2010	1,432 (40.7%)	950 (27.0%)	475 (13.5%)	389 (11.0%)	276 (7.8%)	3,521 (100.0%)	1.69
	2015	1,641 (41.3%)	1,063 (26.7%)	536 (13.5%)	434 (10.9%)	304 (7.6%)	3,978 (100.0%)	1.65
	2020	1,724 (41.8%)	1,094 (26.5%)	556 (13.5%)	443 (10.7%)	308 (7.5%)	4,126 (100.0%)	1.62
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66

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

In 2010, the share of county renter households with one- and two-persons was just over two-thirds of all renter households, while three-person or larger renter households represented over 30% of the total renter households. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 83, or 5.1%. This contributes to the projected decrease in the median household size from 1.65 in 2010 to 1.62 in 2020.

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



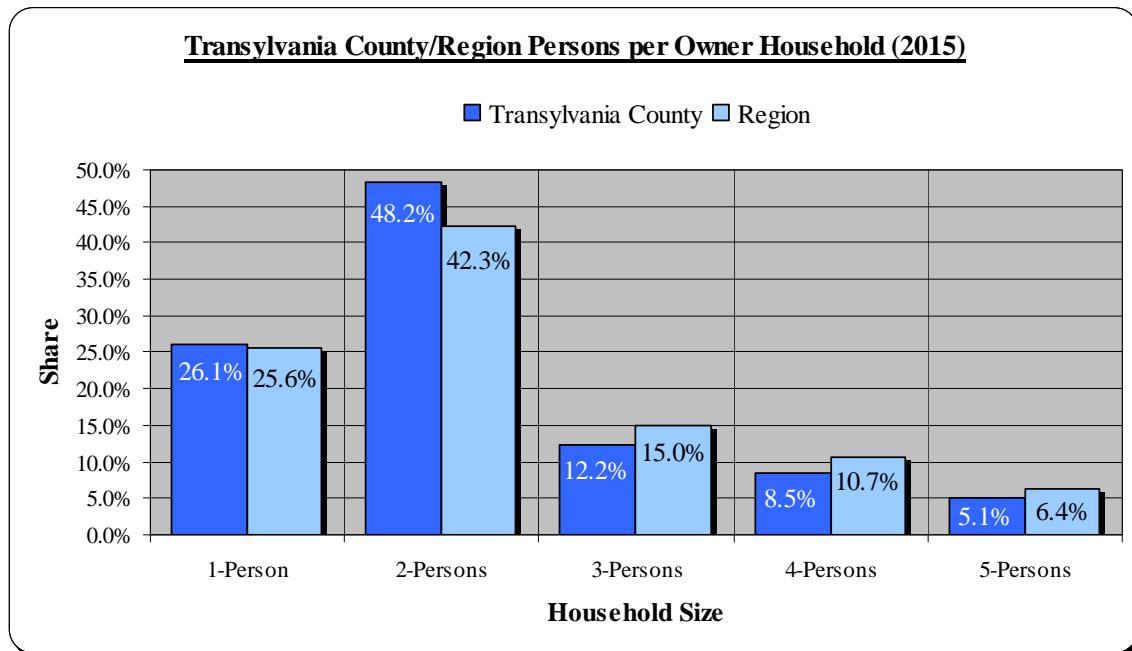
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Transylvania County	2010	2,750 (25.3%)	5,299 (48.7%)	1,326 (12.2%)	934 (8.6%)	564 (5.2%)	10,873 (100.0%)	2.01
	2015	2,894 (26.1%)	5,348 (48.2%)	1,354 (12.2%)	939 (8.5%)	561 (5.1%)	11,096 (100.0%)	1.99
	2020	3,060 (26.7%)	5,484 (47.9%)	1,398 (12.2%)	950 (8.3%)	566 (4.9%)	11,459 (100.0%)	1.97
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15

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

Generally, one- and two-person owner-occupied households are projected to represent a combined three-fifths of the owner-occupied household base within the county in 2015. At the same time, approximately 12% of the county's owner-occupied households have consisted of three-persons, less than 9% have been four-persons, and over 5% have been five-person or larger. These shares are not expected to change much through 2020. Generally, Transylvania County has a higher share of smaller household sizes than the overall region.

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



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

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

Housing Issue	Housing Issues by Tenure			
	Renter-Occupied		Owner-Occupied	
	Number	Percent	Number	Percent
Incomplete Plumbing	0	0.0%	35	0.3%
Overcrowded	62	1.9%	103	1.0%
Severe Overcrowded	5	0.2%	48	0.4%
Cost Burdened	1,322	39.9%	1,969	18.5%
Severe Cost Burdened	626	18.9%	855	8.0%

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

Notes: Some housing issues overlap with other issues

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

D. ECONOMICS

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

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

NAICS Group	Employment by Industry (Employees)			
	Transylvania County		Region	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	88	0.7%	2,090	1.0%
Mining	0	0.0%	145	0.1%
Utilities	25	0.2%	549	0.3%
Construction	866	7.0%	11,460	5.2%
Manufacturing	507	4.1%	18,891	8.6%
Wholesale Trade	181	1.5%	7,349	3.4%
Retail Trade	1,388	11.2%	24,464	11.2%
Transportation & Warehousing	108	0.9%	4,359	2.0%
Information	136	1.1%	2,671	1.2%
Finance & Insurance	325	2.6%	5,054	2.3%
Real Estate & Rental & Leasing	486	3.9%	5,922	2.7%
Professional, Scientific & Technical Services	523	4.2%	10,754	4.9%
Management of Companies & Enterprises	13	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	657	5.3%	16,789	7.7%
Educational Services	771	6.2%	10,852	5.0%
Health Care & Social Assistance	1,043	8.4%	17,371	7.9%
Arts, Entertainment & Recreation	494	4.0%	2,526	1.2%
Accommodation & Food Services	838	6.8%	14,188	6.5%
Other Services (Except Public Administration)	644	5.2%	11,453	5.2%
Public Administration	954	7.7%	13,768	6.3%
Nonclassifiable	2,306	18.7%	37,742	17.3%
Total	12,353	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

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

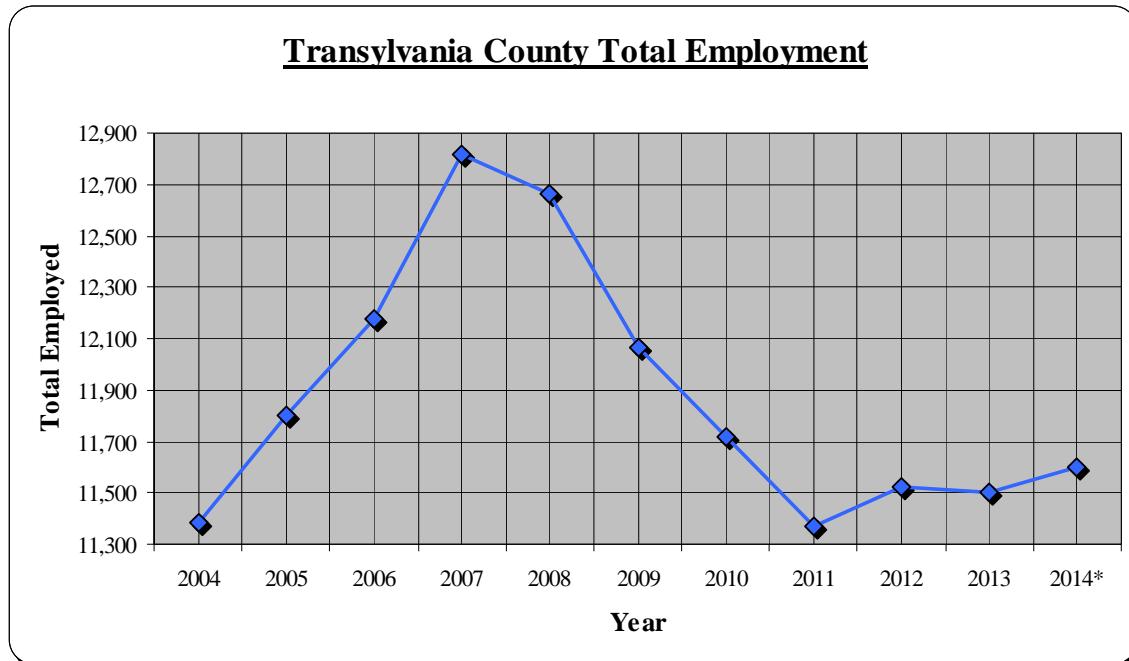
The labor force within the county is very diversified and balanced with no industry sector representing more than 11.2% of the overall county's employment base. The largest employment sectors in the county are within Retail Trade (11.2%), Health Care & Social Assistance (8.4%) and Public Administration (7.7%). Overall, Transylvania County has a distribution of employment by job sector that is similar to the region.

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

Year	Total Employment							
	Transylvania County		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	11,386	-	173,140	-	4,031,081	-	139,967,126	-
2005	11,800	3.6%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	12,174	3.2%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	12,815	5.3%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	12,661	-1.2%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	12,065	-4.7%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	11,719	-2.9%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	11,373	-3.0%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	11,524	1.3%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	11,505	-0.2%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	11,600	0.8%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August



Unlike the other counties within the region, Transylvania County lost jobs in five of the past seven years and has not fully recovered all jobs since the last recession. Overall, the county has experienced a net loss of 1,215 or 9.5% of its job base since 2007. On a positive note, the county's job base has expanded in two of the past three years.

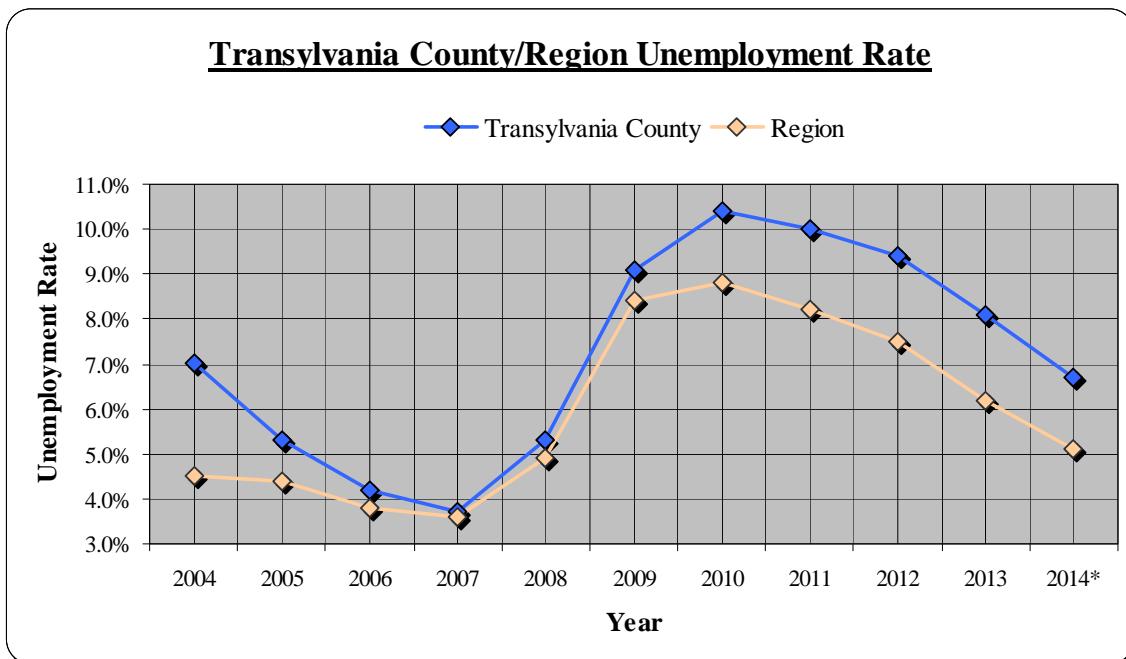
Unemployment rates for Transylvania County, the region, North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate			
	Transylvania County	Region	North Carolina	United States
2004	7.0%	4.5%	5.5%	5.6%
2005	5.3%	4.4%	5.3%	5.2%
2006	4.2%	3.8%	4.8%	4.7%
2007	3.7%	3.6%	4.8%	4.7%
2008	5.3%	4.9%	6.3%	5.8%
2009	9.1%	8.4%	10.4%	9.3%
2010	10.4%	8.8%	10.8%	9.7%
2011	10.0%	8.2%	10.2%	9.0%
2012	9.4%	7.5%	9.2%	8.1%
2013	8.1%	6.2%	8.0%	7.4%
2014*	6.7%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The unemployment rate in Transylvania County has remained between 3.7% and 10.4%, well above the region, state and national averages, since 2004. After reaching a decade high unemployment rate of 10.4% in 2010, the unemployment rate has declined in the county in each of the past four years.



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

Employer Name	Business Type
Transylvania County Schools	Education
Transylvania Community Hospital, Inc.	Health Care
Transylvania County	County Government
Ingles Markets Inc.	Supermarkets
Brevard College	Education
Town of Brevard	Town Government
Gaia Herbs Inc.	Organic Herb Grower/Manufacturing
Walmart	Retail/Grocery
M B Industries Inc.	Manufacturer of OEM Parts for Industry
Lowes Home Centers, Inc.	Hardware/Building Products

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

According to the representative with Transylvania County Planning and Economic Development, the Transylvania County economy is growing. Transylvania County is the home of Brevard College and Brevard Music Center. Brevard College is a small private United Methodist liberal arts college located in Brevard and the current enrollment is approximately 705 students. It is listed in the top ten employers within the county.

The Brevard Music Center is a summer institute and festival located in the town of Brevard. It enrolls about four hundred students, age fourteen and older, who participate in orchestra and other large ensembles, an opera program, play chamber music, study composition and private lessons. A faculty of 60 is drawn from orchestras, conservatories, and universities. The season runs from the last week of June through the first week of August. Three performance venues, including the 1800-seat Whittington-Pfohl Auditorium, host more than 80 public concerts that attract audiences of some 50,000 persons. With an annual budget of more than \$3 million, the Center contributes substantially to the economy of western North Carolina.

In August of 2014, Sigma Plastics Group announced that it will restore the former Excelsior Rosman plant in Transylvania County and create 80 new jobs. The company plans to expand manufacturing operations and invest \$5.5 million over the next three years. The new expansion will be called New Excelsior Incorporated and will be a manufacturer of extruded polyethylene films and bags in North America. In addition to the 80 new jobs, New Excelsior has already hired back approximately 50 former plant employees.

In September of 2014, Gaia Herbs, an organic herbal supplement company based in Transylvania County, announced that they will be expanding their operations. What began with a 200 square-foot office outside Boston, Massachusetts in 1987, has evolved into a 350-acre farm off Island Ford Road. Transylvania County is Gaia Herbs' global headquarters, with nearly 150 employees in-house and sales representatives and other employees spread throughout the country.

Tourism:

According to a representative with Transylvania County Planning and Economic Development, tourism in the county is substantial and continues to grow each year. Transylvania County is also known as the "Land of Waterfalls" in both DuPont State Forest and Pisgah National Forest. The county's unique geography has 250 waterfalls within a few miles of each other, including Whitewater Falls (highest falls east of the Rocky Mountains) and Looking Glass Falls, most of which are easily accessible. In addition, there are local outfitters that will lead guided tours if you are not able to do a self-guided tour. DuPont State Forest is also home to Bridal Veil Falls, Grassy Creek Falls, High Falls, Triple Falls, and Hooker Falls. Possibly the most popular falls, Bridal Veil Falls draw tourists to the area. These 120-foot falls can be enjoyed from many angles including an observation deck, flat rocks at the base of the waterfall and even underneath the falls. These falls, combined with the two forests in the area, provide Transylvania county with nearly 20 summer camps. Every summer, these camps are filled with children.

Located in the Blue Ridge Mountains and approximately 45 minutes from Asheville, the Brevard Music Center (BMC), allows young musicians the opportunity to develop their musical talents and draws popular guest artists for their annual summer music series. Each summer more than 400 students, ages 14 through post-college, join professional musicians for seven weeks. In addition to the instruction, there are summer concerts and fall concerts. The 2014 season featured more than 80 performances and BMC will open its 2015 season with the debut of violinist Itzhak Perlman.

With tourism so active in the area, there are many hotels, bed and breakfasts, inns, hotels, cabins and cottages for lodging as well as restaurants for dining with more coming into the area.

According to the North Carolina Tourism Department of Tourism, domestic tourism in Transylvania County generated an economic impact of \$84.26 million in 2013. This was a 4.1% change from 2012. Also in 2013, Transylvania County ranked 44th in travel impact among North Carolina's 100 counties. More than 740 jobs in Transylvania County were directly attributed to travel and tourism.

WARN (layoff notices):

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

E. HOUSING SUPPLY

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

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

- **Rental Housing** – Multifamily rentals, typically with three or more units were inventoried and surveyed. Additionally, rentals with fewer than three units, which were classified as non-conventional rentals, were identified and surveyed. Other rentals such as vacation homes, home stays (short-term room rentals), and mobile homes were evaluated.
- **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. Both historical (homes sold between January of 2010 and November of 2014) and available for-sale homes were evaluated.
- **Senior Care Housing** – Facilities providing housing for seniors requiring some level of care, such as independent living, multi-unit assisted housing, adult care homes, and nursing homes, were surveyed and analyzed.

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

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

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	507	4	0.8%	\$340-\$1,650
Non-Conventional Rentals	N/A	4	N/A	\$585-\$1,750
Home Stays	N/A	4	N/A	\$350-\$695
Vacation Rentals	N/A	50	N/A	\$2,700-\$39,900
Mobile Home Rentals	935*	N/A	N/A	\$425-\$600
Owner For-Sale Housing	1,726**	678	3.8%*	\$7,500-\$8.5 Million
Senior Care Housing	443	38	5.0%	\$1,925+
<i>Independent Living</i>	-	-	-	-
<i>Multi-Unit Assisted Housing</i>	194	8	4.3%	\$1,925+
<i>Adult Care Homes</i>	124	15	12.1%	\$2,550+
<i>Nursing Homes</i>	125	15	12.0%	\$6,752+

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

With the exception of the adult care homes and the nursing homes, all housing segments appear to have vacancy rates of 5.0% or lower. This indicates that these housing segments are in high demand. While the adult care homes and nursing homes have vacancy rates of 12.1% and 12.0% respectively, these are not considered unusually high vacancy rates for these types of senior care housing. Overall, the county's housing market is performing well, as demand is strong for virtually all housing alternatives. The 0.8% vacancy rate of surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the county.

a. Rental Housing

Multifamily Rental Housing

A total of 17 multifamily housing projects containing a total of 507 units within the county were surveyed. These rentals have a combined occupancy rate of 99.2%, a very high rate for rental housing. Among these projects, seven are non-subsidized (market-rate and Tax Credit) projects containing 146 units. These non-subsidized units are 97.3% occupied. The remaining ten projects contain 361 government-subsidized units, which are 100.0% occupied. It is important to note that our survey illustrates occupancy rates that only factor in physical vacancies, which are vacant units that are currently ready to rent and does not account for economic vacancies, which are vacant units that cannot be rented due to a variety of factors (e.g. units being renovated or prepared for future occupants, uninhabitable units, etc.). Definitions of each housing program are included in *Addendum D: Glossary of the Asheville, North Carolina Region Housing Needs Assessment*.

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.

The inventory of 17 *surveyed* multifamily rental housing projects contains a total of 507 units within Transylvania County. Of these units, 25 of the units are market-rate, 121 are Tax Credit and 259 are government-subsidized. The remaining units are within mixed-income projects. The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	4	25	4	84.0%
Tax Credit	3	121	0	100.0%
Tax Credit/Government-Subsidized	3	102	0	100.0%
Government-Subsidized	7	259	0	100.0%
Total	17	507	4	99.2%

As the preceding table illustrates, these rentals have a combined occupancy rate of 99.2%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartment properties in Transylvania County. In fact, 12 of these projects have wait lists of up to one year in duration, which provides evidence that there is pent up demand for multifamily rental housing in the Transylvania County area.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Rent
One-Bedroom	1.0	8	32.0%	0	0.0%	\$525
Two-Bedroom	1.0	12	48.0%	1	8.3%	\$650
Two-Bedroom	2.0	2	8.0%	1	50.0%	\$950
Three-Bedroom	2.0	2	8.0%	1	50.0%	\$975
Three-Bedroom	2.5	1	4.0%	1	100.0%	\$950
Total Market-rate		25	100.0%	4	16.0%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Rent
One-Bedroom	1.0	12	9.9%	0	0.0%	\$415
Two-Bedroom	1.0	39	32.2%	0	0.0%	\$448
Two-Bedroom	2.0	36	29.8%	0	0.0%	\$405
Three-Bedroom	1.5	4	3.3%	0	0.0%	\$476
Three-Bedroom	2.0	30	24.8%	0	0.0%	\$565
Total Tax Credit		121	100.0%	0	0.0%	-

The market-rate units are 84.0% occupied and the Tax Credit units are 100.0% occupied. It should be noted that the 84.0% occupancy rate among market-rate units is attributed to only four vacancies and is not indicative of a lack of demand for such product. Conversely, there are no vacancies among the surveyed LIHTC supply and most of these projects have wait lists. As such, there remains a need for additional affordable multifamily housing in the county.

Median collected rents by bedroom type range from \$525 to \$975 for the market-rate units and from \$405 to \$565 for Tax Credit units. It is important to note that none of the surveyed non-subsidized multifamily projects offered four-bedroom or larger units. As such, there appear to be no or limited non-subsidized multifamily rental options for most of the larger family households seeking housing within Transylvania County. As a result, family households seeking four-bedroom rental alternatives in Transylvania County likely choose from non-conventional rentals, which typically have higher rents (when considering utility costs), fewer amenities and are often of lower quality than multifamily options.

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

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	87	85.3%	0	0.0%
Two-Bedroom	1.0	3	2.9%	0	0.0%
Two-Bedroom	2.0	12	11.8%	0	0.0%
Total Subsidized Tax Credit		102	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	24	9.3%	0	0.0%
One-Bedroom	1.0	70	27.0%	0	0.0%
Two-Bedroom	1.0	114	44.0%	0	0.0%
Three-Bedroom	1.5	23	8.9%	0	0.0%
Three-Bedroom	2.0	16	6.2%	0	0.0%
Four-Bedroom	2.0	12	4.6%	0	0.0%
Total Subsidized		259	100.0%	0	0.0%

The subsidized Tax Credit units and the government-subsidized units are 100.0% occupied. Management of these properties are reporting wait lists of up to 12 households or one year in duration. As such, there is a clear pent-up demand for government-subsidized rental housing affordable to very low-income households.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	1	20	5.0%
1970 to 1979	3	100	0.0%
1980 to 1989	4	159	0.0%
1990 to 1999	2	52	0.0%
2000 to 2005	3	32	6.2%
2006	1	40	0.0%
2007	0	0	-
2008	0	0	-
2009	0	0	-
2010	0	0	-
2011	1	62	0.0%
2012	0	0	-
2013	1	40	0.0%
2014*	1	2	50.0%

*As of December

The majority of surveyed multifamily apartments were built between 1970 and 1989. These older apartments have a vacancy rate of 0.0%. Virtually all units built since 2006 are occupied, indicating that the market has responded well to new multifamily rental product.

Representatives of Bowen National Research personally visited each of the surveyed rental projects within Transylvania County and rated the quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of units and vacancies by quality rating for all surveyed rental housing product in Transylvania County.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	2	50.0%
B+	1	2	50.0%
B	1	1	100.0%
C	1	20	5.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	62	0.0%
B	1	40	0.0%
B-	1	19	0.0%
Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	40	0.0%
B	1	29	0.0%
C+	1	33	0.0%
C	4	137	0.0%
C- or Lower	3	122	0.0%

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

Non-Conventional Rental Housing

Transylvania County has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, a total of 13 individual units were identified and surveyed. While this does not include all non-conventional rentals in the market, we believe these properties are representative of the typical non-conventional rental housing alternatives in the county.

The following table aggregates the 13 non-conventional rental units surveyed in Transylvania County by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	1	\$750	\$750	N/A
Two-Bedroom	5	\$585 - \$700	\$600	N/A
Three-Bedroom	2	\$850 - \$900	\$875	N/A
Four-Bedroom+	5	\$750 - \$1,750	\$1,000	\$0.53
Total	13			

N/A – Not Available

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$585 to \$1,750. The median rents are \$750 for a one-bedroom unit, \$600 for a two-bedroom unit, \$875 for a three-bedroom unit and \$1,000 for a four-bedroom unit.

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 the facts that a much larger share of the non-conventional product was built prior to 1980 and their amenity packages are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

Vacation Rental Housing

Transylvania County has a large number of vacation rentals which can come in the form of cabins, detached single-family homes, condominiums, etc. As a result, we have conducted a sample survey of vacation rentals within the county. Overall, a total of 50 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. Information regarding the bedroom/bathroom configuration, year built, amenities, collected rent and total square footage was collected and evaluated when available.

The following table aggregates the 50 vacation rental units surveyed in the county by bedroom type. (Note: While vacation rentals are rented on a variety of periods, such as daily and weekly, all rents have been converted to monthly rates to more easily compare with conventional, long-term rentals).

Surveyed Vacation Rental Supply				
Bedroom	Units	Rent Range	Median Rent	
One-Bedroom	2	\$2,700 - \$3,750	\$3,225	
Two-Bedroom	20	\$2,625 - \$8,700	\$3,825	
Three-Bedroom	15	\$2,985 - \$11,700	\$6,675	
Four-Bedroom+	13	\$4,500 - \$39,900	\$9,405	
Total	50			

Source: www.homeaway.com; Bowen National Research

*Monthly Rents (most rentals are rented on a daily or weekly rate, but were converted to a monthly rent for an easier comparison with long-term rentals)

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

Home Stay Rentals

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

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

Surveyed Home Stay Rental Supply		
Units	Rent Range	Median Rent
4	\$350 - \$695	\$425

Source: Craiglist.com; Bowen National Research

As the preceding table illustrates, the rents for home stay rentals identified range from \$350 to \$695. The county's median rent is \$425 per unit. This median rent is very comparable to the overall region.

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

Mobile Home Rentals

Bowen National Research identified 61 mobile home parks in Transylvania County through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and Craigslist. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we attempted to conduct telephone interviews with park operators.

According to local mobile home park operators, the current lot rents are around \$240 per month, and the typical rent for a mobile home on a lot ranges from \$425 to \$600 per month, dependent upon size and condition of the unit. The parks are typically 95% to 98% occupied. These numbers are generally similar to other mobile home parks in the region. The respondents also stated that they believe lot rents have increased over the past several years, while occupancy rates have generally stayed the same. A windshield survey of select mobile home parks in the county yielded "C" to "C-" quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in fair condition.

Bowen National Research asked the mobile home park operators if there are any issues or problems associated with operating or maintaining a mobile home park in the area, or what recommendations the respondents may have that the local government could do to aid in mobile home park living. The respondents stated that an increase in Section 8 Voucher assistance would help, and also more playgrounds and the addition of planned/organized activities for children at area mobile home parks to increase appeal for families.

b. Owner For-Sale Housing

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

There were 1,726 homes sold and 678 homes currently available in Transylvania County. Approximately, an average of 329 homes are sold each year within Transylvania County. The 678 available homes in Transylvania County represent 18.5% of all identified available for-sale homes in the region. The following table summarizes the available and recently sold (since January 2010) housing stock for Transylvania County.

Transylvania County - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	678	\$299,700
Sold	1,726	\$185,000

Source: Multiple Listing Service and Bowen National Research

The following table includes a summary of annual for-sale residential transactions that occurred within Transylvania County since 2010. It should be noted that the 2014 sales data is only through November of that year. It is our opinion that an evaluation of sales activity after 2009 is representative of true market conditions following the recession.

Transylvania County Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	270	-	\$199,950	-
2011	286	5.9%	\$175,000	-12.5%
2012	366	28.0%	\$174,750	-0.1%
2013	393	7.4%	\$181,500	3.9%
2014*	411	4.6%	\$187,000	3.0%

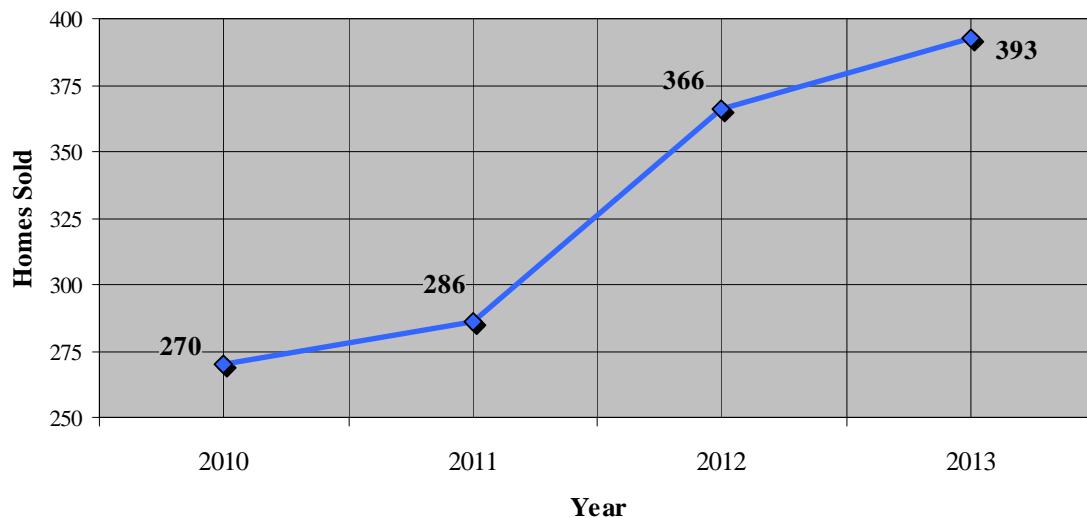
Source: Multiple Listing Service and Bowen National Research

*Through Nov. 21, 2014

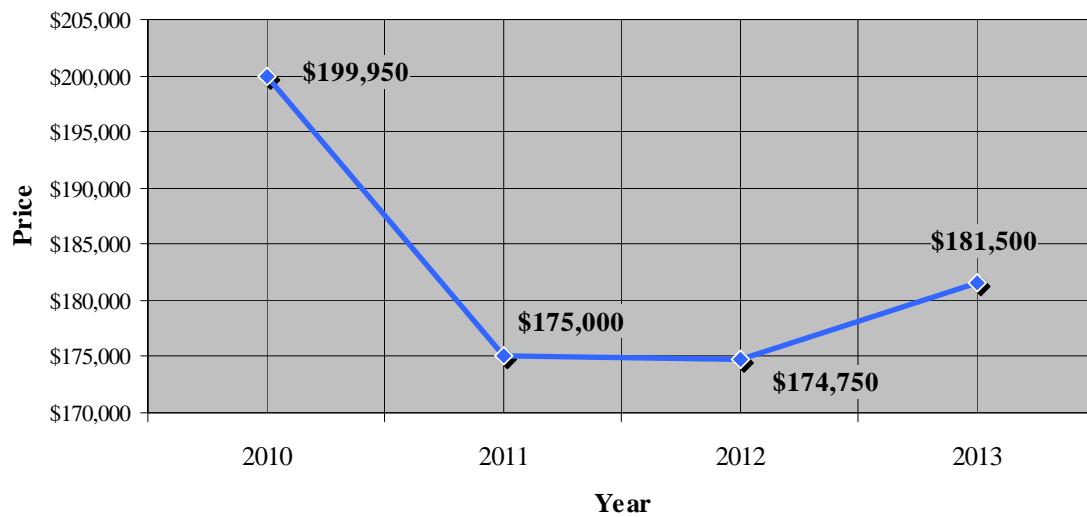
Excluding the partial year of 2014, annual residential for-sales activity within the county has ranged between 270 in 2010 and 393 in 2013. The annual sales activity has grown each of the past four full years. The county has already sold more homes though November of this year than at any full year since 2010 and is currently on pace to sell approximately 450 residential units for all of 2014. The county has experienced fluctuations in median sales prices over the past five years, but has trended upward over the past two years. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in Transylvania County.

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

Transylvania County Annual Home Sales (2010-2013)



Transylvania County Annual Median Sales Price (2010-2013)



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

	Available Owner For-Sale Housing						
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price	Average Days On Market
Transylvania County	678	18.5%	\$46,250	\$8,500,000	\$506,092	\$299,700	393
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418	244

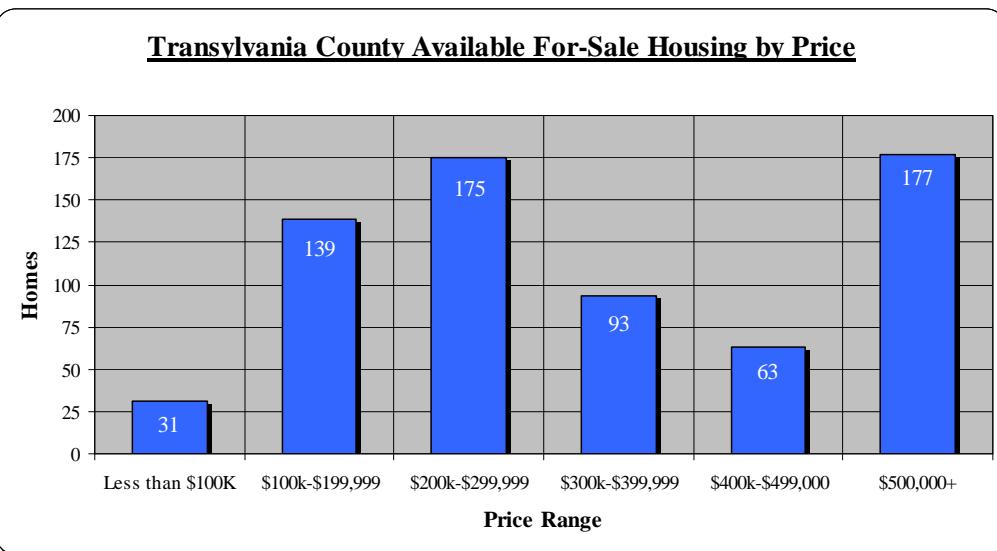
Source: Multiple Listing Service and Bowen National Research

Within Transylvania County, the available homes have a median list price of \$299,700, which is slightly more than the region median list price of \$290,418. The average number of days on market for available product in Transylvania County is 393, which is significantly longer than the region average of 244. This is not surprising given the fact that over one-fourth of the available supply in the county is priced over \$500,000, which typically takes longer to sell due to the smaller number of higher income households that could afford such product.

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

List Price	Available Owner For-Sale Housing by Price Point					
	Transylvania County			Region		
	Median Price	Units	Share	Median Price	Units	Share
<\$100,000	\$78,000	31	4.6%	\$79,700	190	5.2%
\$100,000 - \$199,999	\$159,000	139	20.5%	\$159,900	821	22.4%
\$200,000 - \$299,999	\$249,000	175	25.8%	\$249,900	934	25.4%
\$300,000 - \$399,999	\$359,000	93	13.7%	\$350,000	543	14.8%
\$400,000 - \$499,999	\$450,000	63	9.3%	\$450,000	319	8.7%
\$500,000+	\$849,000	177	26.1%	\$797,200	862	23.5%

Source: Multiple Listing Service and Bowen National Research



The highest share (26.1%) of the available for-sale supply in Transylvania County is priced over \$500,000. These homes would generally be available to households with incomes of \$150,000 or higher. More than a quarter (25.8%) of the available product is priced between \$200,000 and \$299,999, indicating that there is a good base of homes generally affordable to households with incomes between \$60,000 and \$100,000. Only 4.6% of all available homes are priced below \$100,000, which would be generally affordable to households with incomes under \$30,000. Based on our on-site evaluation of the county's housing stock and an analysis of secondary data on such housing, it appears that much of the housing inventory was built prior to 1970 and is of fair quality. As a result, while it may be deemed that there is some for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

c. Senior Care Facilities

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

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

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

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

facilities generally offer limited care that is designed for seniors who need some assistance with daily activities but do not require nursing care.

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

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

Within the county, a total of five senior care facilities were surveyed containing a total of 443 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	0	0	-	-
Multi-Unit Assisted Housing	2	194	8	4.3%
Adult Care Homes	2	124	15	12.1%
Nursing Homes	1	125	15	12.0%
Total	5	443	38	5.0%

The Transylvania County senior care market is reporting overall vacancy rates between 4.3% (multi-unit assisted housing) to 12.1% (assisted living). The 4.3% vacancy rate among multi-unit assisted housing is relatively low and indicates that there is a good level of demand for such housing in the county. While the adult care homes and nursing homes have double-digit vacancy rates, these are not considered unusual for these types of facilities. As such, demand for these types of senior care housing facilities within the county is typical. Overall, demand for senior care housing in the county appears to be strong and indicates that there may be an opportunity to develop additional senior care housing in this county, particularly when considering the projected senior household growth for the next few years.

Base monthly fees for multi-unit assisted housing start at \$1,925 a month, adult care homes start at \$2,550 and nursing care facilities have a base monthly fee starting near \$6,752. These fees are slightly higher than most senior care housing fees in the region.

d. Planned & Proposed Residential Development

In order to access housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline for Transylvania 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. However, according to local building and planning officials, there is currently nothing planned regarding new housing, and no notable economic development or infrastructure projects planned within Transylvania County.

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

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

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

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

The demand factors for each housing segment at the various income stratifications are combined. Any product confirmed to be in the development pipeline is deducted from the various demand estimates, yielding a housing gap estimate. This gap analysis is conducted for both renters and owners, as well as for seniors (age 55+) and family households. These gaps represent the number of new households that may need

housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as overcrowded or substandard housing conditions. Data used for these various demand components originates from the demographic analysis portion of this study.

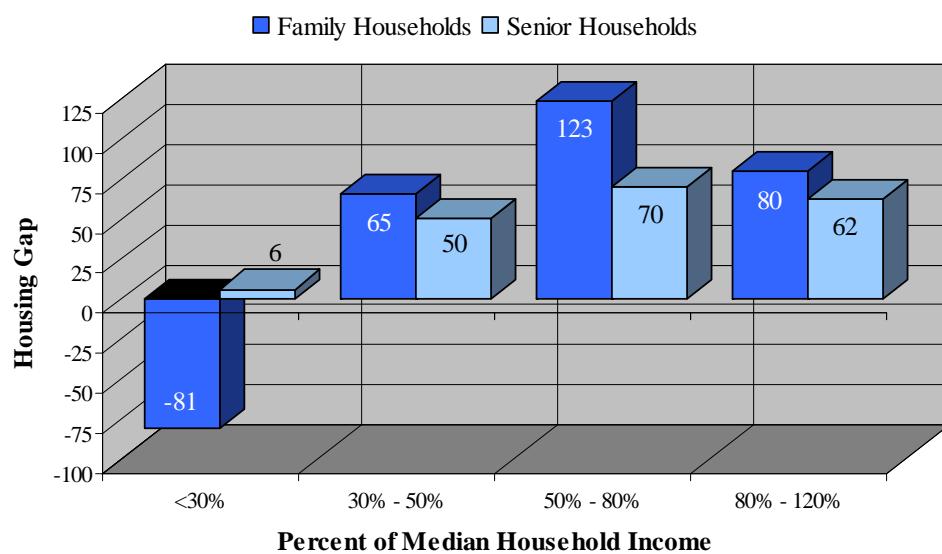
Rental Housing Gap Analysis

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

Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-129	26	84	36	17
Balanced Market	33	27	27	30	117
Substandard Housing	15	12	12	14	53
Development Pipeline	0	0	0	0	0
Total Housing Gap	-81	65	123	80	187

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-12	35	55	46	124
Balanced Market	12	10	10	11	43
Substandard Housing	6	5	5	5	21
Development Pipeline	0	0	0	0	0
Total Housing Gap	6	50	70	62	188

Transylvania County Rental Housing Gap by Income



Based on the preceding table, the largest are rental housing gap by income level is within the 50% to 80% AMHI level among both families and seniors. However, notable housing gaps exist within the 30% to 50% AMHI level and the 80% to 120% AMHI level as well. There does not appear to be a housing deficit for units affordable to households with incomes of 30% of AMHI or lower. However, based on our survey of rental housing, government-subsidized housing that targets very low-income households is fully occupied and maintains long wait lists. As such, despite the lack of a quantitative housing gap deficit shown for very low-income housing in the preceding table, we believe there will be a continued need for such housing. This is particularly true when considering that nearly 40% of area renters are rent burdened and would benefit from additional affordable housing in the county.

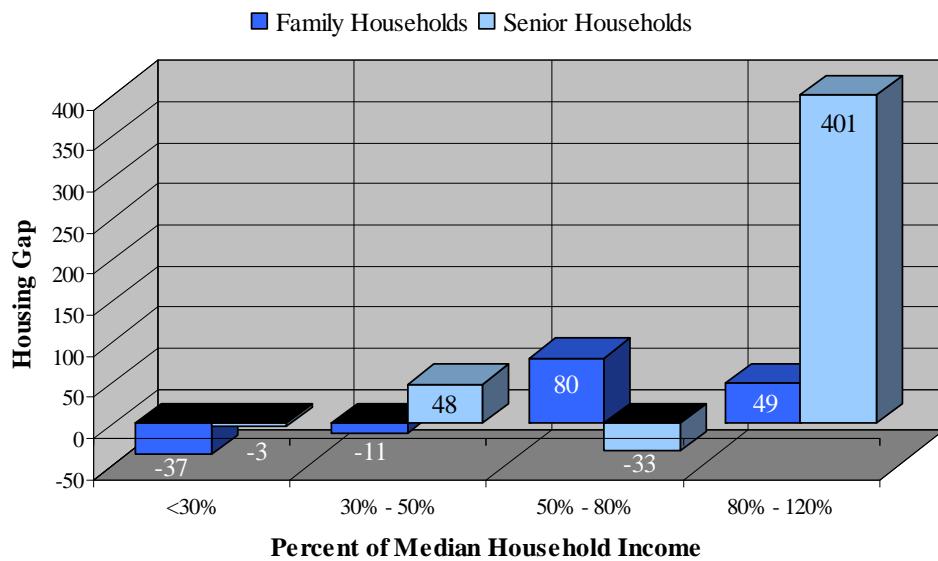
Owner Housing Gap Analysis

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

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-46	-20	71	16	21
Balanced Market	5	5	5	18	33
Substandard Housing	4	4	4	15	27
Development Pipeline	0	0	0	0	0
Total Housing Gap	-37	-11	80	49	81

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	-20	30	-53	333	290
Balanced Market	9	9	11	37	66
Substandard Housing	8	9	9	31	57
Development Pipeline	0	0	0	0	0
Total Housing Gap	-3	48	-33	401	413

Transylvania County Owner Housing Gap by Income



As shown in the preceding owner housing gap analysis, the greatest housing gap for families is for households with incomes between 50% and 80% of AMHI, while seniors with incomes between 80% and 120% of AMHI have the greatest gap among seniors.

Senior Care Housing Need Estimates

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

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	12,617
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	= 934
Plus External Market Support (20%)	+ 187
Equals Total Senior Care Support Base	= 1,121
Less Existing Supply	- 443
Less Development Pipeline	-0
Potential Senior Care Beds Needed by 2020	= 678

ADL – Activities of Daily Living

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

Based upon age 62 and older population characteristics and trends, and applying the estimated ratio of persons requiring ADL assistance and taking into account the existing and planned senior housing supply, we estimate that there will be 678 households with a person requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020. Not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Regardless, the 678 seniors estimated above represent the potential need for additional senior care housing in the county.

G. STAKEHOLDER SURVEY & INTERVIEWS

Associates of Bowen National Research solicited input from nearly more than 40 stakeholders throughout the region. Their input was provided in the form of an online survey and telephone interviews. Of these respondents, 10 serve the Transylvania County area. Considered leaders within their field and active in the community, they represent a wide range of industries, including government, economic development, real estate, and social assistance. The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within the county. The following is a summary of the key input gathered.

Stakeholders were asked if there is a specific area of the county where housing should be developed. Rental housing was ranked as the *type* of housing having the greatest need, followed by for-sale housing and housing for single-person/young professionals. Respondents indicated that the housing *style* most needed in the area is single-family, followed by duplex/triplex/townhomes. When asked to rank the need for housing for each income level, respondents ranked incomes between \$25,000 and \$50,000 with the greatest need, followed by incomes below \$25,000 and incomes between \$51,000 and \$75,000, respectively. The most significant housing issues within the county, as indicated by respondents, are rent burdened/affordability and limited availability.

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance and “other” rental housing assistance were given the highest priority, followed by Tax Credit financing. No respondents provided a type of “other” assistance that should be offered. One respondent indicated that there is a need for one-bedroom units, while another noted that supervised living is needed within the county. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land was most commonly cited, followed by financing and local government regulations. Suggestions for overcoming these obstacles included greater coordination between the city of Brevard, the town of Rosman and the county, as well as additional funding and streamlined development processes. One respondent noted that while the mountainous terrain of the region is a draw, it also creates development challenges, and strategies for land acquisition and density should be explored.

If a respondent was knowledgeable about homelessness in the county, they were asked to rank the need for housing for various homeless groups. All homeless groups (homeless individuals, families, veterans, chronically homeless and youth) were ranked fairly evenly in terms of housing need. Respondents indicated that the most needed type of housing to serve the homeless population is transitional housing, followed by increased Voucher assistance and emergency shelters. The most commonly cited obstacles to developing homeless housing were NIMBYism and governmental “red tape”. Multiple respondents believe there is a need for increased supportive service programs, public education, and local government incentives for the development of housing for area homeless persons.

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

H. SPECIAL NEEDS HOUSING

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

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

According to the 2014 point-in-time survey for *Transylvania County* there are approximately 115 persons who are classified as homeless on any given day in Transylvania County. The following tables summarize the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the county.

Homeless Population & Subpopulation–Transylvania County						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Persons in Households without Children	9	0	0	0	72	81
Persons in Households with 1 Adult & 1 Child	8	0	0	0	4	12
Persons in Household with only Children	0	0	0	0	0	0
# of Persons Chronically & Formerly Chronically Homeless	3	0	0	0	7	10
Persons with Serious Mental Illness	0	0	0	0	0	0
Persons with Substance Abuse Disorder	0	0	0	0	0	0
Persons w/ AIDS/HIV	0	0	0	0	0	0
Victims of Domestic Violence	12	0	0	0	0	12
Veterans	0	0	0	0	0	0
Ex-Offenders	0	0	0	0	0	0
Persons exiting Behavioral Health/Healthcare System	0	0	0	0	0	0
Total	32	0	0	0	83	115

Homeless Housing Inventory – Transylvania County										
Project Type	Beds by Population Category							Seasonal Beds	*Overflow Beds	Total Beds
	Households with Children	Single Male & Female	Veteran	Chronically Homeless	Domestic Violence	Youth	AIDS/HIV			
Emergency Shelter	8	10	0	0	13	0	0	0	1	32
Transitional Housing	0	0	0	0	0	0	0	0	0	0
Permanent Supportive Housing	0	0	0	0	0	0	0	0	0	0
*Rapid Re-housing	0	0	0	0	0	0	0	0	0	0
Safe Haven	0	0	0	0	0	0	0	0	0	0
Total Beds By Population	8	10	0	0	13	0	0	0	1	32

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

*Haven of Transylvania operates a RRH program and can provide assistance up to 34 individuals however this number is not reflected in the count as it was not providing assistance during the PIT count.

Based on the 2014 North Carolina Balance of the State Housing Inventory Count Summary, the utilization (occupancy) rate for homeless housing beds in Transylvania County is 90.6%. This utilization rate and the fact that 83 (72.1%) persons remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population. One local service provider noted that the homeless population in the area would greatly benefit from more emergency shelter beds for families as well as permanent supportive housing for persons with a mental illness. Approximately 85% of homeless persons in Transylvania County suffer from an addiction or mental illness at the time these individuals are referred to Meridian Health Services. There are also various outreach programs available through Salvation Army and Bread of Life Sharing House which assist in meeting the homeless population's basic needs in Transylvania County.

Specifically, within Transylvania County one area service provider noted that on average there are approximately 125 to 150 individuals living in emergency shelters or transitional housing on any given night. However, that number is believed to be greater due to persons couch surfing that would not be accounted for in the annual PIT counts as rural homelessness often is less visible. It was also noted that the lack of transportation in the area also hinders the homeless and low-income families from seeking jobs and access to other supportive services. Regardless, with an estimated population of 115 and nearly a dozen homeless persons unsheltered, homelessness remains a challenge in Transylvania County and is an ongoing housing need.

The following table summarizes the various special needs populations within the county that were considered in this report.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	32	Persons with Disabilities (PD)	5,861
Victims of Domestic Violence (VDV)	273	Elderly (Age 62+) (E62)	12,617
Persons with Substance Abuse (PSA)	32	Frail Elderly (Age 62+) (FE62)	934
Adults with Mental Illness (MI)	1,151	Ex-offenders (Parole/Probation) (EOP)	48
Adults with Severe Mental Illness (SMI)	14	Unaccompanied Youth (UY)	3
Co-Occurring Disorders (COD)	399	Veterans	3,349
Multi-Generational Households (MGH)	460	Source: See Region Housing Needs Assessment	

The largest number of special needs persons is among the elderly (age 62+), those with disabilities, veterans, persons with mental illness and multi-generational households. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Notable facilities are offered by Haven of Transylvania County, Disability Partners, Transylvania Association for Disabled Citizens, Western North Carolina AIDS Project, SAFE of Transylvania County/Stacey's House, Eliada Homes, Western Highlands LME, Mountain Laurel Community Services, Counseling Centers of Brevard, Trails Carolina and various nursing and residential care homes which meet the needs of victims of domestic violence, persons with substance abuse, persons with a mental illness, disabled persons, ex-offenders, unaccompanied youth, persons living with HIV/AIDS and elderly persons. It should be noted that while most of these facilities are located in Buncombe County, services are offered to persons residing within Transylvania County.

I. CONCLUSIONS/KEY FINDINGS

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

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 982 (2.9%), which is just over one half the growth rate (5.5%) of the overall region. During this same time, household growth of 511 (3.4%) is projected to occur in the county, which is slightly more than half the region's projected growth rate of 5.9%.
- **Household Heads by Age** – Transylvania County's senior households age 65 and older will increase by 663 (9.6%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing. While modest, it is projected that households between the ages of 25 and 44 will increase by approximately 44 households, which will likely lead to a need for additional family-oriented and/or workforce housing.
- **Households by Income and Tenure** – While the greatest projected *renter* household growth between 2015 and 2020 will be among those with incomes between \$35,000 and \$50,000, the largest share of *renter* households will be among those making less than \$35,000 by 2020. The greatest *owner* household growth during this time is projected to occur among those making between \$50,000 and \$75,000. As such, the county will have diverse housing needs.
- **Rental Housing** – Transylvania County has a well-balanced supply of rental alternatives. However, it is noteworthy that the multifamily rental housing supply is operating at an overall 99.2% occupancy rate, which is very high. More importantly, there are no vacancies among the 482 surveyed affordable (Tax Credit and government-subsidized) rental units in the county. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the county. Based on the housing gap estimates, it appears that the greatest projected rental housing needs will be for those with incomes between 50% and 80% of AMHI.
- **Owner Housing (for-sale)** – For-sale housing prices have remained generally stable over the past three years, while the number of homes sold annually has increased in each of the past three years. The for-sale housing market is considered to be strong. While the largest share of available for-sale housing is among product priced over \$500,000, nearly half of all available product is priced between \$100,000 and \$300,000. These shares of available supply are similar to the entire region. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 50% and 80% of AMHI for family households and between 80% and 120% of AMHI for senior households.
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 95.0% (5.0% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 678 senior care beds will be needed to meet the future needs of seniors.

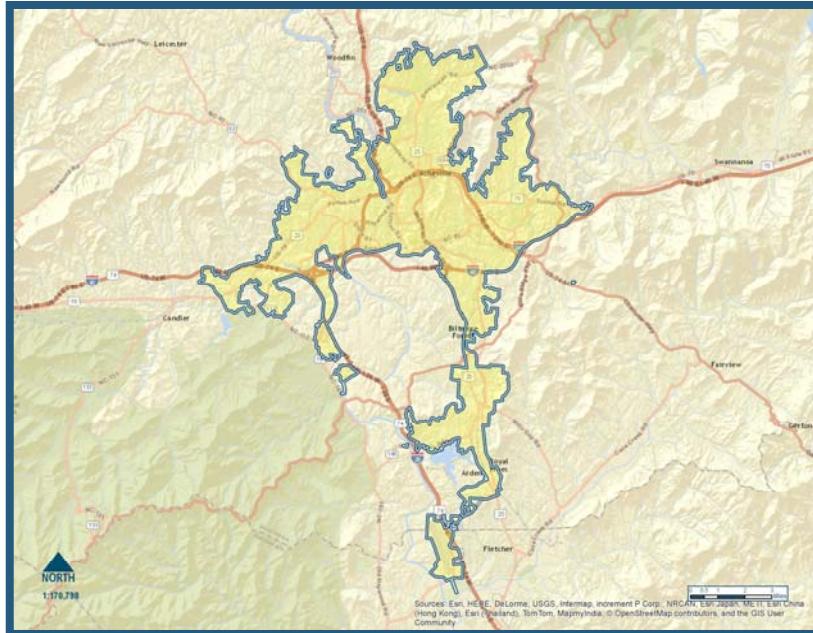
- **Special Needs Populations** - While there are many special needs populations within the county that likely require housing assistance, it appears that the largest special needs populations in the county are the elderly (age 62+), those with disabilities, veterans, persons with mental illness and multi-generational households.

J. SOURCES

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

City of Asheville

Housing Needs Assessment



ASHEVILLE

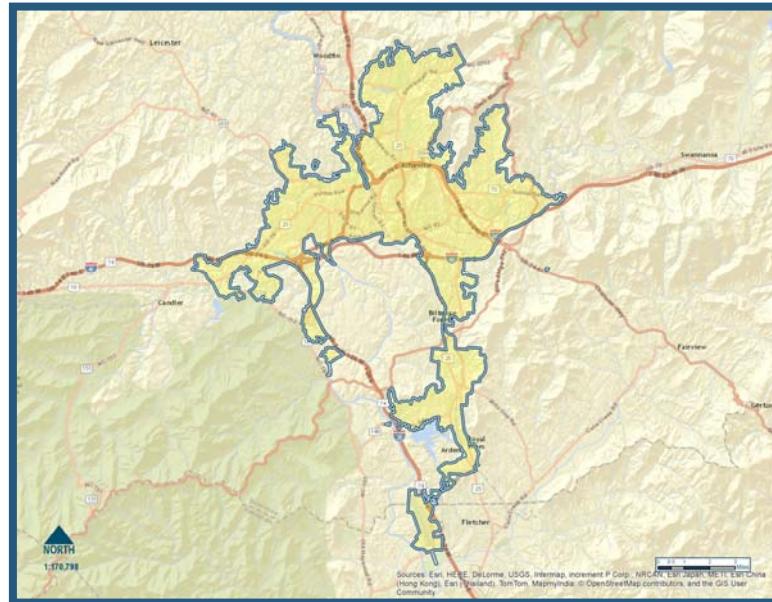
A. Introduction

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

To provide a base of comparison, various metrics of Asheville were compared with overall four-county region that includes the counties of Buncombe, Henderson, Madison and Transylvania. A detailed comparison of the city of Asheville in relation with four subject counties is provided in the region analysis portion of the Asheville Overall Housing Needs Assessment.

B. City Overview

Asheville is located within Buncombe County and is the county seat. The city is the region's largest city and the 11th largest city in the state, and serves as the employment, retail, and cultural center of the overall region. It encompasses a total of 45.3 square miles. Primary thoroughfares within or near the city include U.S. Highways 23, 25 and 74, and Interstate Highways 26, 40 and 240. Notable city attractions include the Asheville Central Business District, U.S. Cellular Center (Civic Center), Grove Arcade, Asheville Community Theatre, Pack Square Cultural District, Botanical Gardens at Asheville, University of North Carolina-Asheville as well as numerous parks, entertainment venues and museums.



The county had a 2010 total population of 83,393 and 37,380 total households. The primary employment sectors and their corresponding shares of the city's total employment are Retail Trade (13.0%), Health Care & Social Assistance (9.9%), and Public Administration (9.0%). Additional details regarding demographics, economics, 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 Asheville. Through this analysis, unfolding trends and unique conditions are revealed regarding populations and household income data. Demographic comparisons provide insights into the human composition of housing markets.

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

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

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

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

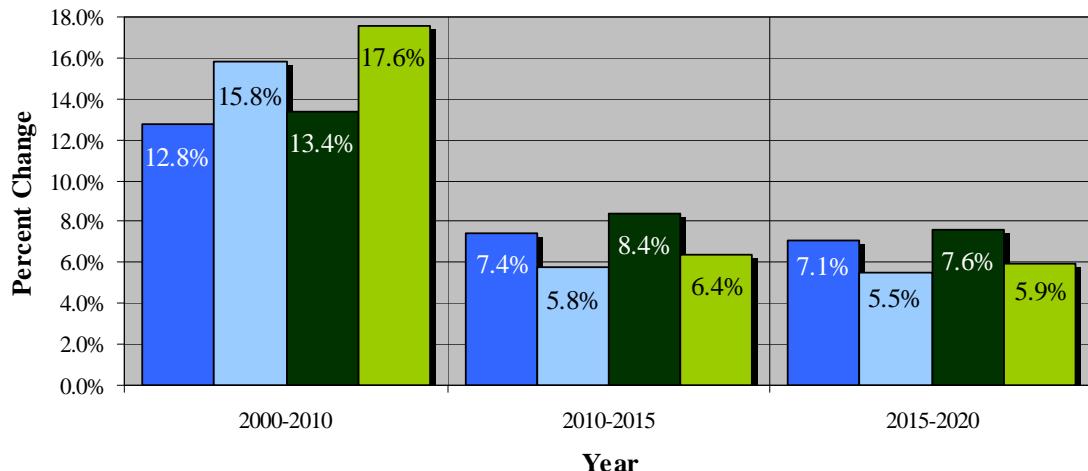
Population and household numbers for selected years within Asheville and the region are shown in the following table:

	Total Population		Total Households	
	Asheville	Region	Asheville	Region
2000 Census	73,909	344,472	32,957	143,510
2010 Census	83,393	398,912	37,380	168,748
Change 2000-2010	9,484	54,440	4,423	25,238
Percent Change 2000-2010	12.8%	15.8%	13.4%	17.6%
2015 Projected	89,571	421,899	40,503	179,521
Change 2010-2015	6,178	22,987	3,123	10,773
Percent Change 2010-2015	7.4%	5.8%	8.4%	6.4%
2020 Projected	95,945	445,283	43,589	190,027
Change 2015-2020	6,374	23,384	3,086	10,506
Percent Change 2015-2020	7.1%	5.5%	7.6%	5.9%

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

Asheville/Region Population & Household Trends

■ Asheville Population ■ Region Population ■ Asheville Households ■ Region Households



Asheville experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 6,178 (7.4%) and 3,123 (8.4%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 6,374 (7.1%) and 3,086 (7.6%), respectively. These positive projected demographic trends are expected to be faster than the projected trends within the region.

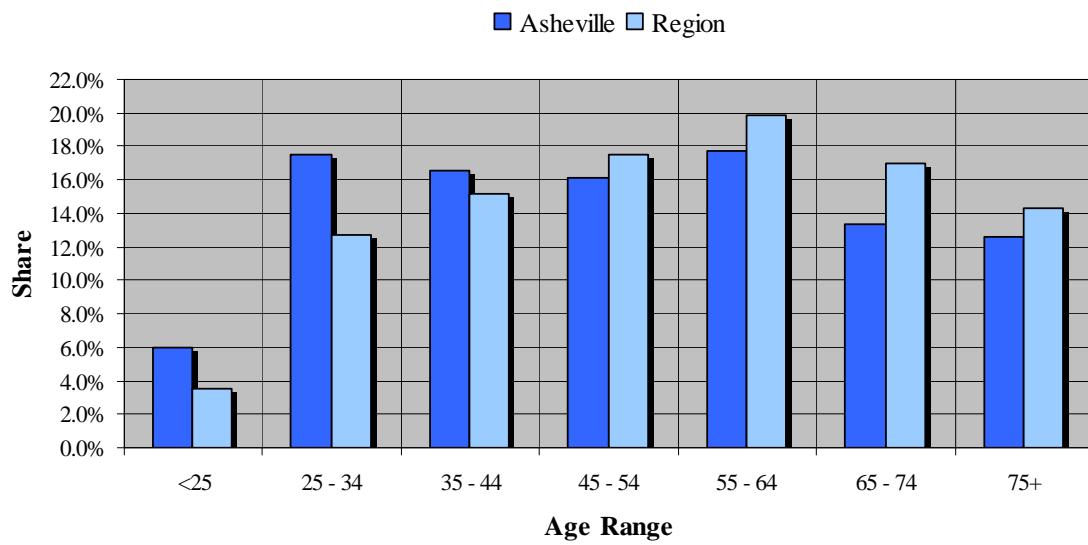
The distribution of households by age for Asheville is compared with the overall region in the table below.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Asheville	2010	2,410 (6.4%)	6,833 (18.3%)	6,355 (17.0%)	6,468 (17.3%)	6,499 (17.4%)	4,151 (11.1%)	4,663 (12.5%)
	2015	2,441 (6.0%)	7,102 (17.5%)	6,736 (16.6%)	6,529 (16.1%)	7,187 (17.7%)	5,422 (13.4%)	5,086 (12.6%)
	2020	2,446 (5.6%)	7,343 (16.8%)	6,907 (15.8%)	6,759 (15.5%)	7,783 (17.9%)	6,526 (15.0%)	5,826 (13.4%)
	Change 2015-2020	5 (0.2%)	241 (3.4%)	171 (2.5%)	230 (3.5%)	596 (8.3%)	1,104 (20.4%)	740 (14.5%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (17.7%) of households by age in Asheville will be within the 55 to 64 age cohort, with a notable share (17.5%) also among households between the ages of 25 and 34. Between 2015 and 2020, it is projected that greatest increase in the number of households will be among those between the ages of 65 and 74, increasing by 1,104 (20.4%) households during this time. With the exception of households under the age of 25, Asheville is projected to add a notable number of households among all age segments from 2015 to 2020. This broad growth will add to a diverse need of product over the next few years.

Asheville/Region Household Heads by Age (2015)

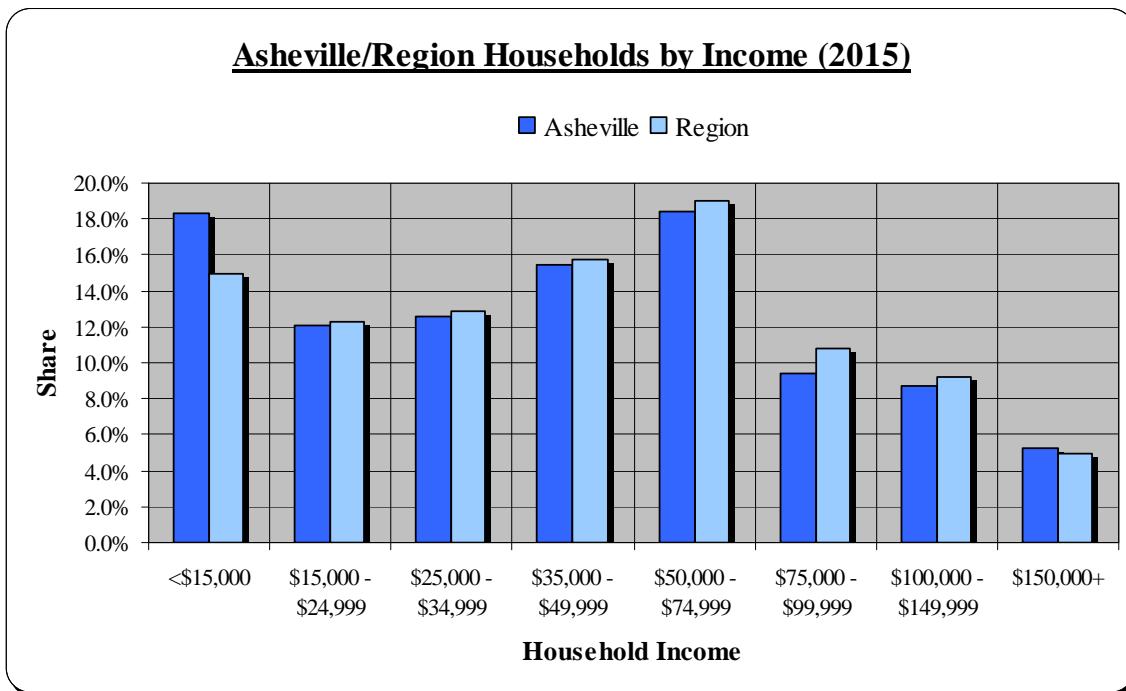


Households by income for selected years are shown in the following table:

		Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000-\$149,999	\$150,000+	Total
Asheville	2015	7,403 (18.3%)	4,887 (12.1%)	5,091 (12.6%)	6,234 (15.4%)	7,462 (18.4%)	3,799 (9.4%)	3,508 (8.7%)	2,120 (5.2%)	40,504 (100.0%)
	2020	7,775 (17.8%)	5,462 (12.5%)	5,305 (12.2%)	6,705 (15.4%)	8,064 (18.5%)	3,818 (8.8%)	4,060 (9.3%)	2,401 (5.5%)	43,590 (100.0%)
	Change	372 (5.0%)	574 (11.8%)	214 (4.2%)	471 (7.6%)	602 (8.1%)	19 (0.5%)	552 (15.7%)	281 (13.2%)	3,086 (7.6%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that approximately 43% of Asheville households will have annual incomes below \$35,000, with the largest share (18.4%) of households having incomes between \$50,000 and \$74,999. It is projected that between 2015 and 2020, most income segments will experience notable growth, with the greatest increase in households by income level expected to occur among those with incomes between \$50,000 and \$74,999. Based on these demographic projections, it is anticipated that the housing needs by household income segment will be diverse and likely contribute to a broad range of housing product that will be needed to meet the needs of Asheville's residents.



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

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Asheville	2015	5,588 (27.2%)	3,202 (15.6%)	3,086 (15.0%)	3,121 (15.2%)	3,323 (16.2%)	1,208 (5.9%)	793 (3.9%)	227 (1.1%)	20,548 (100.0%)
	2020	5,929 (26.6%)	3,525 (15.8%)	3,525 (15.8%)	3,641 (16.3%)	3,571 (16.0%)	1,221 (5.5%)	963 (4.3%)	395 (1.8%)	22,296 (100.0%)
	Change	341 (6.1%)	323 (10.1%)	-35 (-1.1%)	519 (16.6%)	248 (7.5%)	13 (1.1%)	170 (21.5%)	168 (74.2%)	1,748 (8.5%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Asheville	2015	1,815 (9.1%)	1,685 (8.4%)	2,005 (10.0%)	3,112 (15.6%)	4,139 (20.7%)	2,592 (13.0%)	2,715 (13.6%)	1,893 (9.5%)	19,956 (100.0%)
	2020	1,846 (8.7%)	1,937 (9.1%)	2,254 (10.6%)	3,064 (14.4%)	4,493 (21.1%)	2,598 (12.2%)	3,097 (14.5%)	2,005 (9.4%)	21,294 (100.0%)
	Change	31 (1.7%)	251 (14.9%)	249 (12.4%)	-48 (-1.6%)	354 (8.6%)	6 (0.2%)	382 (14.1%)	112 (5.9%)	1,338 (6.7%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (27.2%) of renter households in 2015 is projected to be among households with incomes less than \$15,000, while the largest share (20.7%) of owner-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$35,000 and \$49,000, though all household income segments below \$25,000 are projected to have notable growth. The greatest owner-occupied household growth is projected to occur among homeowners with incomes between \$100,000 and \$149,999, as well as among households with incomes between \$50,000 and \$74,999.

Given the large and growing base of older adult households in the region, it is important to evaluate Asheville's demographic trends of senior households by income and tenure for 2015 and 2020.

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	1,656	27.2%	1,781	25.3%	940	9.1%	997	8.8%
\$15,000 - \$24,999	949	15.6%	1,178	16.7%	872	8.4%	1,022	9.0%
\$25,000 - \$34,999	914	15.0%	1,073	15.2%	1,038	10.0%	1,227	10.9%
\$35,000 - \$49,999	925	15.2%	1,206	17.1%	1,611	15.6%	1,795	15.9%
\$50,000 - \$74,999	985	16.2%	1,023	14.5%	2,143	20.7%	2,364	20.9%
\$75,000 - \$99,999	358	5.9%	380	5.4%	1,342	13.0%	1,449	12.8%
\$100,000 - \$149,999	235	3.9%	280	4.0%	1,406	13.6%	1,515	13.4%
\$150,000+	67	1.1%	126	1.8%	980	9.5%	927	8.2%
Total	6,088	100.0%	7,046	100.0%	10,332	100.0%	11,296	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	1,190	27.2%	1,299	25.3%	666	9.1%	707	8.8%
\$15,000 - \$24,999	682	15.6%	859	16.7%	619	8.4%	724	9.0%
\$25,000 - \$34,999	657	15.0%	782	15.2%	736	10.0%	870	10.9%
\$35,000 - \$49,999	664	15.2%	879	17.1%	1,143	15.6%	1,273	15.9%
\$50,000 - \$74,999	707	16.2%	746	14.5%	1,520	20.7%	1,676	20.9%
\$75,000 - \$99,999	257	5.9%	277	5.4%	952	13.0%	1,027	12.8%
\$100,000 - \$149,999	169	3.9%	204	4.0%	997	13.6%	1,074	13.4%
\$150,000+	48	1.1%	92	1.8%	695	9.5%	657	8.2%
Total	4,374	100.0%	5,137	100.0%	7,328	100.0%	8,009	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	524	27.2%	542	25.3%	278	9.1%	281	8.8%
\$15,000 - \$24,999	300	15.6%	359	16.7%	258	8.4%	288	9.0%
\$25,000 - \$34,999	289	15.0%	327	15.2%	307	10.0%	346	10.9%
\$35,000 - \$49,999	293	15.2%	367	17.1%	476	15.6%	506	15.9%
\$50,000 - \$74,999	312	16.2%	311	14.5%	634	20.7%	667	20.9%
\$75,000 - \$99,999	113	5.9%	116	5.4%	397	13.0%	409	12.8%
\$100,000 - \$149,999	74	3.9%	85	4.0%	416	13.6%	427	13.4%
\$150,000+	21	1.1%	38	1.8%	290	9.5%	261	8.2%
Total	1,927	100.0%	2,146	100.0%	3,055	100.0%	3,187	100.0%

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

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

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

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Asheville	Number	66,355	10,941	1,108	2,820	2,168	83,392
	Percent	79.6%	13.1%	1.3%	3.4%	2.6%	100.0%
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%

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

The largest share of population by race within Asheville is among the “White Alone” segment, which represents 79.6% of the city’s population, lower than the overall region.

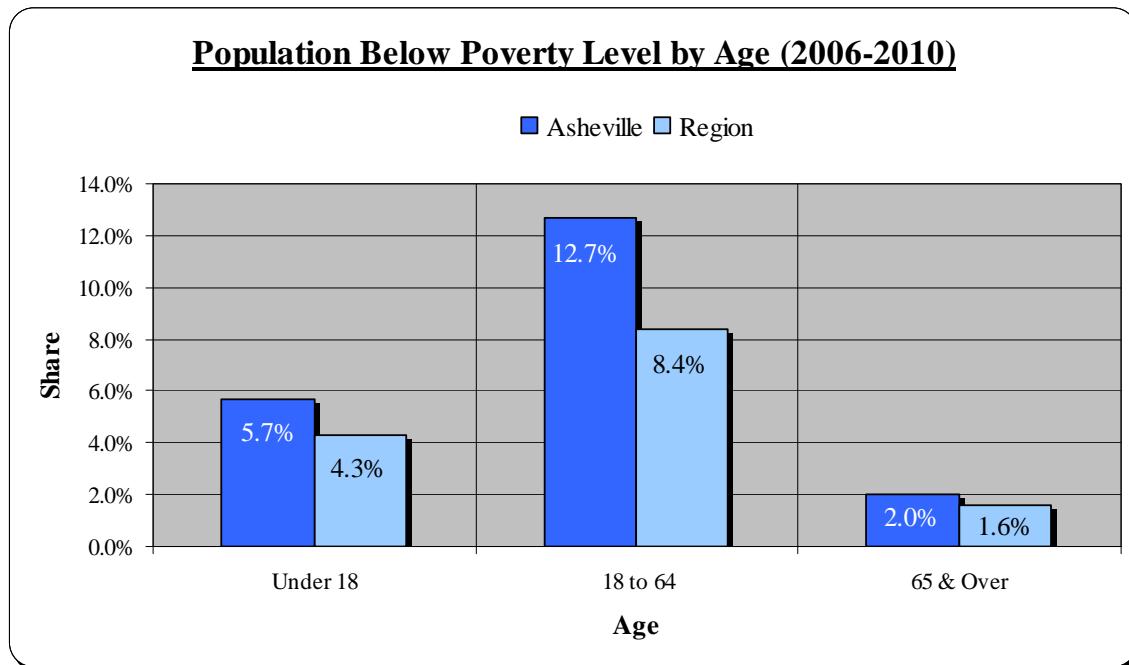
Population by poverty status for years 2006-2010 is shown in the following table:

		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Asheville	Number	4,775	10,565	1,637	11,641	43,787	10,989	83,393
	Percent	5.7%	12.7%	2.0%	14.0%	52.5%	13.2%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

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

Over 20.4% of the city’s population lives in poverty. Nearly one in three children (under the age of 18) within the city lives in poverty. Approximately 19.4% of the city’s population between the ages of 18 and 64 lives in poverty, while only 13.0% of seniors age 65 and older live in poverty.

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



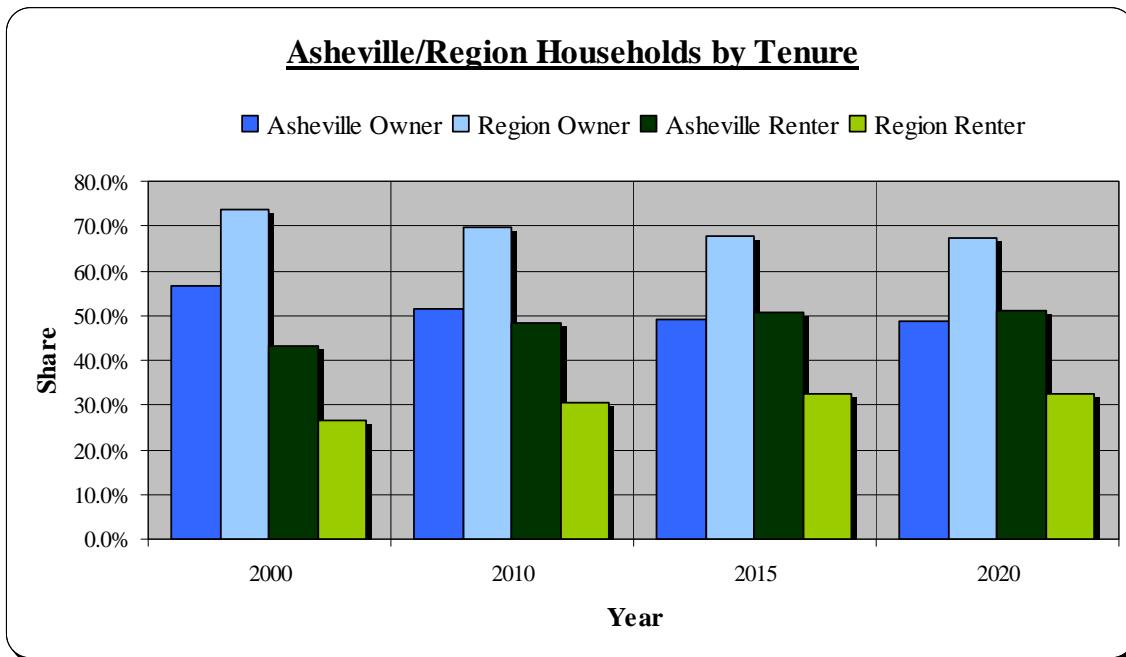
Households by tenure for selected years for the city and region are shown in the following table:

	Household Type	Households by Tenure							
		2000		2010		2015		2020	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Asheville	Owner-Occupied	18,692	56.7%	19,270	51.6%	19,956	49.3%	21,294	48.9%
	Renter-Occupied	14,265	43.3%	18,110	48.4%	20,548	50.7%	22,296	51.1%
	Total	32,957	100.0%	37,380	100.0%	40,503	100.0%	43,589	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the city of Asheville, the share of owner-occupied households was slightly more than one-half of all occupied units in 2000 and 2010, while the share of renter-occupied households has been under 50%. It is projected that in 2015 and 2020, the share of units by tenure will be split nearly evenly between renters and owners. Between 2015 and 2020, 1,338 (6.7%) owner households and 1,748 (8.5%) renter households will be added to the market. This projected growth will add to the need for both for-sale and rental product over the next few years.

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



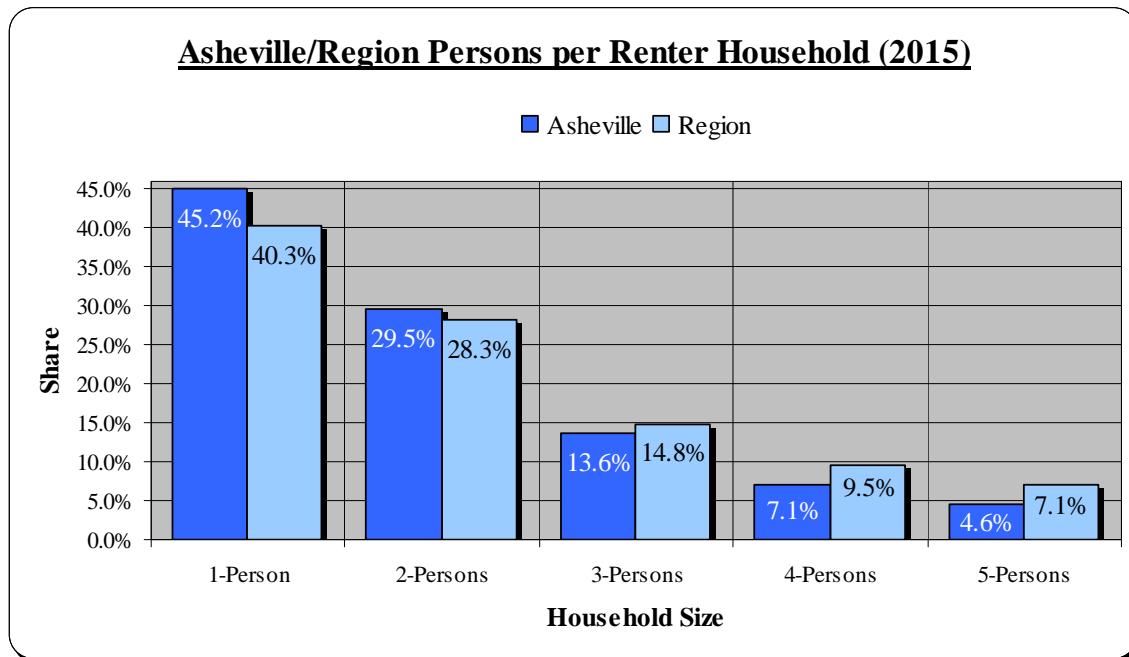
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Asheville	2010	8,081 (44.6%)	5,405 (29.8%)	2,451 (13.5%)	1,324 (7.3%)	850 (4.7%)	18,110 (100.0%)	1.36
	2015	9,295 (45.2%)	6,052 (29.5%)	2,789 (13.6%)	1,466 (7.1%)	945 (4.6%)	20,548 (100.0%)	1.32
	2020	10,207 (45.8%)	6,504 (29.2%)	3,022 (13.6%)	1,561 (7.0%)	1,002 (4.5%)	22,296 (100.0%)	1.29
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66

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

In 2015, nearly 75% of all renter households have one or two persons. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 912, or 9.8%. This coincides with the projected decrease in the median household size from 1.32 in 2010 to 1.29 in 2020.

The following graph compares renter household size shares for the city and the region in 2015:



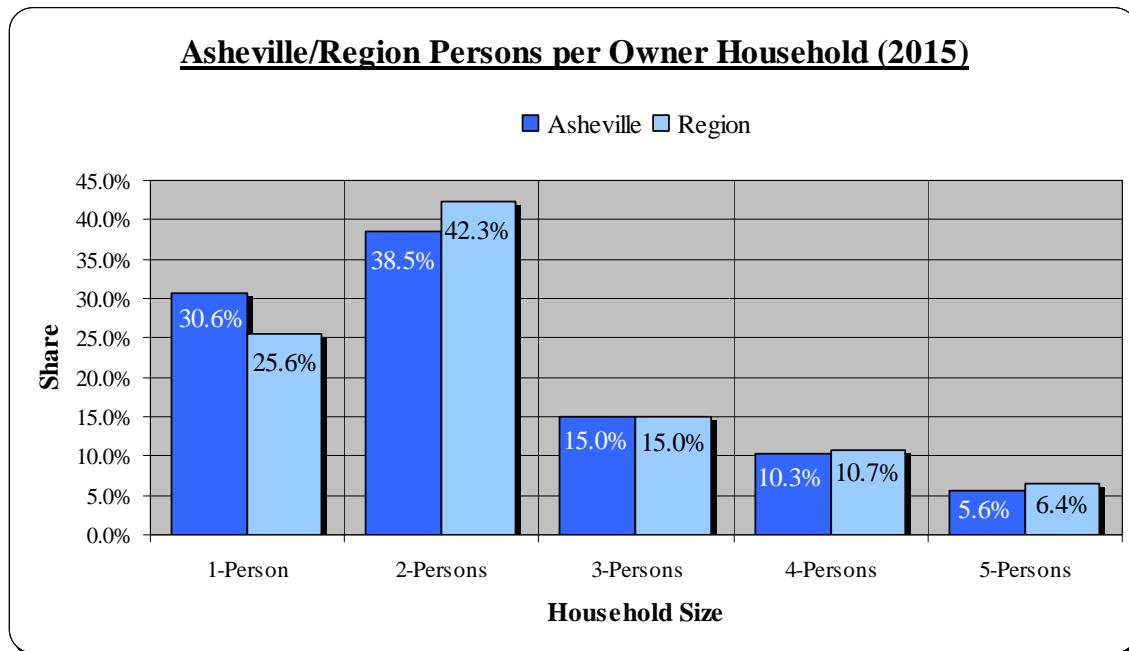
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Asheville	2010	5,756 (29.9%)	7,507 (39.0%)	2,891 (15.0%)	2,026 (10.5%)	1,090 (5.7%)	19,270 (100.0%)	2.03
	2015	6,101 (30.6%)	7,679 (38.5%)	3,002 (15.0%)	2,057 (10.3%)	1,115 (5.6%)	19,956 (100.0%)	2.01
	2020	6,629 (31.1%)	8,131 (38.2%)	3,206 (15.1%)	2,154 (10.1%)	1,174 (5.5%)	21,294 (100.0%)	1.99
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15

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

Generally, one- and two-person owner-occupied households are projected to represent a combined two-thirds of the owner-occupied household base within the city in 2015. At the same time, approximately one-third of all owner households are projected to contain three or more persons. These shares are not expected to change much through 2020.

The following graph compares owner household size shares for the city and region in 2015:



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

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

Housing Issue	Housing Issues by Tenure			
	Renter-Occupied		Owner-Occupied	
	Number	Percent	Number	Percent
Incomplete Plumbing	115	0.6%	37	0.2%
Overcrowded	644	3.6%	211	1.1%
Severe Overcrowded	229	1.3%	119	0.6%
Cost Burdened	7,892	43.6%	5,663	29.6%
Severe Cost Burdened	3,819	21.1%	2,208	11.5%

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

Notes: Some housing issues overlap with other issues

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

D. Economics

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

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

NAICS Group	Employment by Industry (Employees)			
	Asheville		Region	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	148	0.2%	2,090	1.0%
Mining	70	0.1%	145	0.1%
Utilities	114	0.1%	549	0.3%
Construction	2,407	2.9%	11,460	5.2%
Manufacturing	5,320	6.3%	18,891	8.6%
Wholesale Trade	2,719	3.2%	7,349	3.4%
Retail Trade	10,942	13.0%	24,464	11.2%
Transportation & Warehousing	1,363	1.6%	4,359	2.0%
Information	1,320	1.6%	2,671	1.2%
Finance & Insurance	2,330	2.8%	5,054	2.3%
Real Estate & Rental & Leasing	2,365	2.8%	5,922	2.7%
Professional, Scientific & Technical Services	5,207	6.2%	10,754	4.9%
Management of Companies & Enterprises	97	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	7,055	8.4%	16,789	7.7%
Educational Services	4,262	5.0%	10,852	5.0%
Health Care & Social Assistance	8,379	9.9%	17,371	7.9%
Arts, Entertainment & Recreation	821	1.0%	2,526	1.2%
Accommodation & Food Services	5,981	7.1%	14,188	6.5%
Other Services (Except Public Administration)	4,006	4.7%	11,453	5.2%
Public Administration	7,561	9.0%	13,768	6.3%
Nonclassifiable	11,962	14.2%	37,742	17.3%
Total	84,429	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

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

The labor force within the city is very diversified and balanced with no industry sector representing more than 13.0% of the overall city's employment base. The largest employment sectors in the city are within Retail Trade (13.0%), Health Care & Social Assistance (9.9%), and Public Administration (9.0%). Overall, Asheville has a distribution of employment by job sector that is higher than, but similar to, the region.

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

Year	Total Employment							
	Asheville		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	34,972	-	173,140	-	4,031,081	-	139,967,126	-
2005	35,603	1.8%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	36,641	2.9%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	36,573	-0.2%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	36,859	0.8%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	36,163	-1.9%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	38,874	7.5%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	39,335	1.2%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	40,252	2.3%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	40,925	1.7%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	41,449	1.3%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August



Asheville lost approximately 696 jobs representing 1.9% of its employment base in 2009, which is significantly less than the decrease experienced in the overall region during this same time. The city's employment base has increased by 5,286 jobs, an increase of 4.6% since 2009.

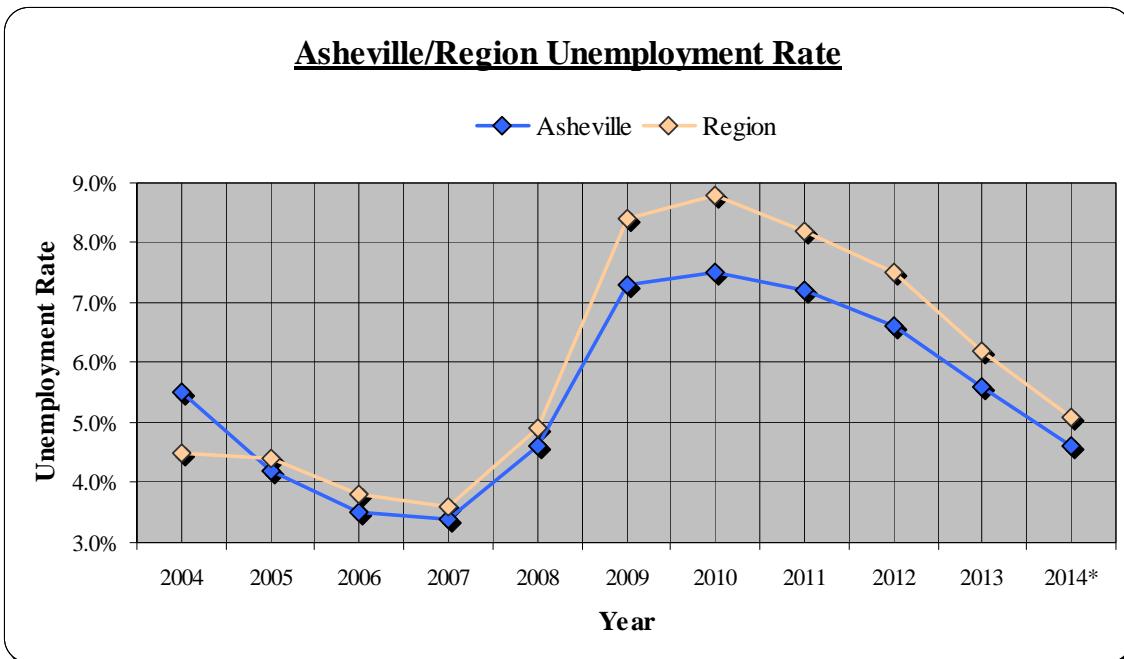
Unemployment rates for Asheville, the region, North Carolina and the United States are illustrated as follows:

Unemployment Rate				
Year	Asheville	Region	North Carolina	United States
2004	5.5%	4.5%	5.5%	5.6%
2005	4.2%	4.4%	5.3%	5.2%
2006	3.5%	3.8%	4.8%	4.7%
2007	3.4%	3.6%	4.8%	4.7%
2008	4.6%	4.9%	6.3%	5.8%
2009	7.3%	8.4%	10.4%	9.3%
2010	7.5%	8.8%	10.8%	9.7%
2011	7.2%	8.2%	10.2%	9.0%
2012	6.6%	7.5%	9.2%	8.1%
2013	5.6%	6.2%	8.0%	7.4%
2014*	4.6%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The unemployment rate in Asheville has remained between 3.4% and 7.5%, well below the state average, since 2004. After reaching a decade high unemployment rate of 7.5% in 2010, the unemployment rate has declined in the city in each of the past five years. This decline in the unemployment rate and the job growth that has occurred over the past few years are very positive signs and clear indications of a healthy and expanding economy. This job growth trend combined with projected demographic growth will lead to greater demand for housing over the foreseeable future.



The 14 largest employers within the Asheville/Buncombe County are summarized in the following table with the employers headquartered in Asheville denoted with an asterisk (*). The others are located in cities/towns that are in Buncombe County.

Employer Name	Business Type
Memorial Mission Hospital*	Health Care
Buncombe County Board of Education	Education
Ingles Markets, Inc.*	Grocery
Charles George Veterans Administration Medical Center*	Federal Government/Health Care
County of Buncombe	County Government
Walmart	Retail/Grocery
City of Asheville*	City Government
Eaton Corporation	Power Management Company
Asheville Buncombe Technical*	Education
Community CarePartners, Inc.*	Health Services
The Biltmore Company*	Leisure and Hospitality
Omni Hotels Management Corporation*	Leisure and Hospitality
Asheville City Schools*	Education
University of North Carolina, Asheville*	Education

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

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

The Downtown Asheville Historic District is reminiscent of late 19th and early 20th century architecture. The downtown draws tourists due to its cultural diversity, preservation efforts and rich heritage. Plans have been made for additional hotels and lodging in the area to accommodate tourists. In April of 2014, owners of the BB&T building in downtown Asheville announced that they will build a 120-room hotel on the site of the current building's parking garage. After the hotel is completed in about 18 months, work will begin on the conversion of the main building into an upscale hotel with 150 to 170 rooms. Six floors with vacation rentals and condominiums for sale will be located above the hotel in the BB&T building. Officials say that the new hotel will be an AC Hotel by Marriott, which is considered an upper moderate tier hotel. The building will be at least nine stories tall and will offer ground-floor retail and parking space. There are at least four other downtown hotel projects in different stages of development. One of the new hotels that opened in 2012 is the Aloft Hotel by the McKibbon Hotel Group. It is a 63,521 square-foot hotel that features 115 loft-style rooms including a third floor outdoor pool and hotel dining.

Located along the French Broad River, the River Arts District (RAD) offers artist studios in 22 former factories and historical buildings. There are more than 180 working studios with showrooms and galleries open every day, all year round. The area serves as an employment center within the city.

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

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

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

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

Also in May 2014, the W.P. Hickman Company announced the expansion of its Asheville-based operations with a \$3 million investment in a new production facility. The third generation family-owned and operated company is the premier American manufacturer of metal roof edge systems for commercial construction. The company moved its headquarters and manufacturing facilities to the newly renovated facility in Arden. The 80,000 square feet allows the facility to increase its production. The expansion will also enable the company to add additional positions to the existing staff of 52.

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

Also in February 2014, Jacob Holm Industries, a global nonwoven manufacturer, announced the expansion of its manufacturing facility in Candler with over \$45.9 million investment in facilities and equipment. The total project could exceed \$60 million when it is complete. The investment will bring 66 new positions to

accommodate the addition of a new product line. The company originally located to Buncombe County in 2005 and currently employs 82 workers. Jacob Holm Industries offers high quality products for personal care, home care, hygiene, packaging and industrial markets.

Tourism:

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

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

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

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

- The Collider, a project of the Asheville-Buncombe Sustainable Community Initiatives, was awarded \$150,000 for creation of a state-of-the-art business and conference facility in downtown which will host primarily mid-week corporate events and leverage the growing demand for expertise from the nearby National Climatic Data Center.

Much of the tourism in Buncombe County is in the Asheville area with one of the biggest tourist attractions being the Biltmore Estate. The Biltmore House, the main house on the estate, is a mansion built by George Washington Vanderbilt II between 1889 and 1895 and it is the largest privately owned house in the United States with 135,280 square feet of living space and 205 rooms. It is still owned by one of Vanderbilt's descendants and it stands today as one of the most prominent remaining examples of the Gilded Age and English Landscape garden styles in the United States. The Biltmore House was opened to the public in March 1930, then in 1956 the home was opened permanently as a house museum. Visitors can see the 70,000 gallon indoor swimming pool, bowling alley, early 20th century exercise equipment, two-story library, and other rooms filled with artworks, furniture and antiques. The grounds include 75 acres of formal gardens, a winery and the Inn on Biltmore Estate, which is a luxury 210-room hotel. The estate remains a major tourist attraction and has almost one million visitors each year. The estate is owned by the Biltmore Company, which is listed in the top area employers above, and is controlled by Vanderbilt's grandson. In 1964, the Biltmore Estate was designated a National Historic Landmark.

The Omni Grove Park Inn is a 101 year old historic resort hotel in Asheville. The Inn features 55,000 square feet of event, banquet, convention and meeting space. This includes an 18,000-square-foot Grand Ballroom and an 8,800-square-foot Heritage Ballroom. The inn has 510 guest rooms, 42 meeting rooms and suites, as well as pre-function areas, outdoor terraces, patios and balconies. The resort has been expanded over the years under the direction of the owners, and continues to be a popular tourist attraction. KSL Resorts acquired The Grove Park Inn in 2012 for \$120 million. They sold it to Omni Hotels in 2013, and it was renamed The Omni Grove Park Inn and it is one the larger employers in the area.

The Omni Grove Park Inn Golf Course is surrounded by the Blue Ridge Mountains and is considered one of the top golf courses in North America. The par-70 course was designed in 1926 out of rolling hills with tree-lined fairways. The course was restored in 2001. Also at the Omni Grove Park Inn, is the Nantahala Outdoor Center, which offers white river rafting, kayak and canoe trips, mountain biking, hiking, climbing and fishing opportunities. There are tour guided and self guided activities and lessons for all of the outdoor activities.

Located next to the Omni Grove Park Inn is the Grovewood Gallery, which showcases 9,000 square feet of handmade American crafts by more than 500 artists. The gallery is known for its second-floor studio furniture collection and outdoor sculpture gardens. The property also includes the Estes-Winn Antique Car Museum, the North Carolina Homespun Museum and the Grovewood Café.

The downtown area of Asheville is filled with historic buildings, Art Deco architecture, restaurants, bookstores, shops and over 30 art galleries. The Grove Arcade, located downtown, was built in 1920 and features boutiques, craft exhibits, artist galleries and dining for every taste or preference. It also offers live music, tours and an outdoor market.

Asheville is in the heart of the Blue Ridge National Heritage Area. Some of the defining landscapes in this National Heritage Area include the deepest gorge in the Eastern United States, Linville Gorge; the oldest river in North America, the New River; the most visited National Park lands in the country, The Great Smoky Mountain National Park and the Blue Ridge Parkway; the highest mountain east of the Rockies, Mt. Mitchell; and America's largest home, the Biltmore.

In addition to the outdoor recreation, art and craft galleries, museums, historic inns and homes, there are many music festivals in the Asheville area. In the summer there are live concerts at the Biltmore Estate. Also in the summer is the Moogfest which is held in Asheville for five days. This festival is most certainly held in Asheville because that is where the Moog Music Factory, which designs and manufactures Moog synthesizers and other electronic instruments, is located. Other music festivals are Festival of Native Peoples held every summer at the Cherokee Indian Fairgrounds; Folkmoot USA, which is a festival of folk music and dance; the Mountain Dance and Folk Festival is also held in July; and Shindig of the Green, which has featured bluegrass song and dance for 4 decades in the summer. In November of each year, the National Gingerbread House Competition is held at the Omni Grove Park Inn and 2015 will be the 22nd year of this popular competition.

WARN (layoff notices):

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

E. Housing Supply

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

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

- **Rental Housing** – Multifamily rentals, typically with three or more units were inventoried and surveyed. Additionally, rentals with fewer than three units, which were classified as non-conventional rentals, were identified and surveyed. Other rentals such as vacation homes, home stays (short-term room rentals), and mobile homes were evaluated.
- **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. Both historical (homes sold between January of 2010 and November of 2014) and available for-sale homes were evaluated.
- **Senior Care Housing** – Facilities providing housing for seniors requiring some level of care, such as independent living, multi-unit assisted housing, adult care homes, and nursing homes, were surveyed and analyzed.

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

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

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	9,232	82	0.9%	\$222-\$2,550
Non-Conventional Rentals	N/A	35	N/A	\$575-\$3,200
Home Stays	N/A	46	N/A	\$475
Vacation Rentals	N/A	227	N/A	\$1,620-\$75,705
Mobile Home Rentals	986*	N/A	N/A	\$595-\$795
Owner For-Sale Housing	7,355**	715	3.7*	\$9,500-\$4.9 Mil.
Senior Care Housing	1,238	57	4.6%	\$1,189+
<i>Independent Living</i>	364	15	4.1%	\$1,189+
<i>Multi-Unit Assisted Housing</i>	-	-	-	-
<i>Adult Care Homes</i>	313	11	3.5%	\$1,975+
<i>Nursing Homes</i>	561	31	5.5%	\$6,083+

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

All housing segments appear to have vacancy rates of 5.5% or lower. This indicates that these housing segments are in high demand. Overall, the city's housing market is performing well, as demand is strong for virtually all housing alternatives. The 0.9% vacancy rate of surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the city.

a. Rental Housing

Multifamily Rental Housing

We identified and personally surveyed 80 conventional housing projects containing a total of 9,232 units within the city of Asheville. This survey was conducted to establish the overall strength of the rental market and to identify trends in the rental housing supply. These rentals have a combined occupancy rate of 99.1%, an extremely high rate for rental housing. Among these projects, 58 are non-subsidized (market-rate and Tax Credit) projects containing 6,541 units. These non-subsidized units are 98.7% occupied. The remaining 22 projects contain 2,691 government-subsidized units, which are 100.0% occupied. It is important to note that our survey illustrates occupancy rates that only factor in physical vacancies, which are vacant units that are currently ready to rent and does not account for economic vacancies, which are vacant units that cannot be rented due to a variety of factors (e.g. units being renovated or prepared for future occupants, uninhabitable units, etc.). Definitions of each housing program are included in *Addendum D: Glossary of the Asheville, North Carolina Region Housing Needs Assessment*.

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

The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Surveyed Multifamily Apartments				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	44	5,790	82	98.6%
Market-rate/Tax Credit	1	160	0	100.0%
Market-rate/Government-Subsidized	1	123	0	100.0%
Tax Credit	13	586	0	100.0%
Tax Credit/Government-Subsidized	2	200	0	100.0%
Government-Subsidized	19	2,373	0	100.0%
Total	80	9,232	82	99.1%

As the preceding table illustrates, these rentals have a combined occupancy rate of 99.1%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartments in Asheville. In fact, 58 of these projects are fully occupied with wait lists of up to 200 households and up to eight years in duration, which provides evidence that there is pent up demand for multifamily rental housing in the Asheville area.

The following tables summarize the breakdown of non-subsidized *units* surveyed by program within the city.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	117	2.0%	2	1.7%	\$720
One-Bedroom	1.0	1,897	32.3%	24	1.3%	\$836
Two-Bedroom	1.0	895	15.2%	16	1.8%	\$800
Two-Bedroom	1.5	314	5.3%	2	0.6%	\$915
Two-Bedroom	2.0	1,769	30.1%	32	1.8%	\$1,008
Three-Bedroom	1.0	65	1.1%	0	0.0%	\$795
Three-Bedroom	1.5	146	2.5%	0	0.0%	\$1,000
Three-Bedroom	2.0	626	10.7%	6	1.0%	\$1,225
Three-Bedroom	2.5	19	0.3%	0	0.0%	\$1,720
Four-Bedroom	1.5	6	0.1%	0	0.0%	\$711
Four-Bedroom	2.0	16	0.3%	0	0.0%	\$1,005
Total Market-rate		5,870	100.0%	82	1.4%	-

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	2.2%	0	0.0%	\$222
One-Bedroom	1.0	298	44.4%	0	0.0%	\$467
Two-Bedroom	1.0	250	37.3%	0	0.0%	\$536
Three-Bedroom	1.0	58	8.6%	0	0.0%	\$658
Three-Bedroom	2.0	38	5.7%	0	0.0%	\$539
Four-Bedroom	1.5	10	1.5%	0	0.0%	\$706
Four-Bedroom	2.0	2	0.3%	0	0.0%	\$335
Total Tax Credit		671	100.0%	0	0.0%	-

The market-rate units are 98.6% occupied and the Tax Credit units are 100.0% occupied. While both occupancy rates are high, the 100.0% occupancy rate among the Tax Credit units and the wait lists for these units indicate that there is pent-up demand for such units.

Median collected rents by bedroom type range from \$711 to \$720 for the market-rate units and from \$222 to \$706 for Tax Credit units. It is important to note that very few of the identified multifamily projects offer four-bedroom or larger units. As such, there appear to be no multifamily rental options for larger family households seeking housing within Asheville. As a result, family households seeking four-bedroom rental alternatives in Asheville most likely must choose from non-conventional rentals, which typically have higher rents, fewer amenities and are of lower quality than many multifamily options.

There are 22 multifamily projects that were surveyed in Asheville that operate with a government-subsidy. The distribution of units and vacancies by bedroom type among government-subsidized projects (both with and without Tax Credits) in Asheville is summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	37	18.5%	0	0.0%
Two-Bedroom	1.0	89	44.5%	0	0.0%
Three-Bedroom	1.0	54	27.0%	0	0.0%
Four-Bedroom	1.5	20	10.0%	0	0.0%
Total Subsidized Tax Credit		200	100.0%	0	0.0%

Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	442	17.7%	0	0.0%
One-Bedroom	1.0	773	31.0%	0	0.0%
Two-Bedroom	1.0	577	23.2%	0	0.0%
Two-Bedroom	1.5	49	2.0%	0	0.0%
Three-Bedroom	1.0	426	17.1%	0	0.0%
Three-Bedroom	1.5	56	2.2%	0	0.0%
Four-Bedroom	1.0	92	3.7%	0	0.0%
Four-Bedroom	1.5	50	2.0%	0	0.0%
Four-Bedroom	2.0	4	0.2%	0	0.0%
Five-Bedroom	1.5	22	0.9%	0	0.0%
Total Subsidized		2,491	100.0%	0	0.0%

The subsidized Tax Credit units and the government-subsidized units are 100.0% occupied. The 22 surveyed government-subsidized projects in Asheville operate under a variety of HUD and Rural Development programs. Overall, there are no vacant units among the 2,691 surveyed government-subsidized units in Asheville. The lack of vacant units and long wait lists at most government-subsidized properties indicate that there is pent-up demand for rental housing affordable to very low-income households in Asheville.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	21	1,514	0.6%
1970 to 1979	14	2,366	0.4%
1980 to 1989	12	1,888	0.6%
1990 to 1999	7	728	1.6%
2000 to 2005	13	1,451	2.3%
2006	1	50	0.0%
2007	0	0	0.0%
2008	0	0	0.0%
2009	3	412	1.5%
2010	1	60	0.0%
2011	2	352	0.0%
2012	2	317	0.0%
2013	1	52	0.0%
2014*	2	22	0.0%

*As of December

The largest share of apartments surveyed was built between 1970 and 1979. These older apartments have a vacancy rate of 0.4%. More than 1,000 multifamily apartment units have been added to the market during the past five years. It should be noted that there are few vacancies among the newest projects built in Asheville. Overall, product at all development periods is performing well with low vacancy rates.

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

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	2	377	0.0%
A	9	1,791	2.1%
A-	2	56	0.0%
B+	10	1,776	0.8%
B	10	1,467	1.2%
B-	4	215	3.3%
C+	2	64	4.7%
C	3	72	0.0%
C-	2	52	1.9%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	132	0.0%
A-	5	279	0.0%
B+	3	140	0.0%
B-	1	96	0.0%
C	2	24	0.0%
Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	302	0.0%
B	5	444	0.0%
B-	4	445	0.0%
C+	2	128	0.0%
C	6	736	0.0%
C-	3	616	0.0%

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

Non-Conventional Rental Housing

Asheville has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the city. Overall, a total of 35 individual units were identified and surveyed. While this does not include all non-conventional rentals in the market, we believe these properties are representative of the typical non-conventional rental housing alternatives in the market.

The following table aggregates the 35 non-conventional rental units surveyed in Asheville by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	3	\$575 - \$1,000	\$950	\$0.80
Two-Bedroom	9	\$800 - \$1,600	\$950	\$1.04
Three-Bedroom	17	\$975 - \$2,500	\$1,200	\$0.92
Four-Bedroom+	6	\$1,295 - \$3,200	\$2,225	\$0.93
Total	35			

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$575 to \$3,200. The median rents are \$950 for a one-and two-bedroom units, \$1,200 for a three-bedroom unit and \$2,225 for a four-bedroom unit. The median rent per square foot by bedroom type ranges from \$0.80 to \$1.04.

The rental rates of non-conventional rentals are generally higher than most market-rate multifamily apartments surveyed in the market. The rent differential is even greater when utilities are considered, as most non-conventional rentals require tenants to pay all utilities. When also considering the facts that a much larger share of the non-conventional product was built prior to 1970 and their amenity packages are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

Vacation Rental Housing

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

The following table aggregates the 277 vacation rental units surveyed in the city by bedroom type.

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

Source: www.homeaway.com; Bowen National Research

*Monthly Rents (most rentals are rented on a daily or weekly rate, but were converted to a monthly rent for an easier comparison with long-term rentals)

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

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

Home Stay Rentals

A home stay rental is generally considered a bedroom that are rented to tenants and typically excludes a full rental unit. Tenants in the home stay rental often have shared access to common areas such as bathrooms and kitchens. The city of Asheville has a large number of home stay rentals which can come in the form of apartments, detached single-family homes, duplexes, condominiums, etc. As a result, we have conducted a sample survey of home stay rentals within the city. Overall, a total of 46 individual home stay rental “units” were identified and surveyed. While this likely does not include all home stay rentals in the market, we believe these properties are representative of the typical home stay rental housing alternatives in the market.

The following table aggregates the 46 home stay rental units surveyed in the city.

Surveyed Home Stay Rental Supply		
Units	Rent Range	Median Rent
46	\$300 - \$710	\$475

As the preceding table illustrates, the rents for home stay rentals identified range from \$300 to \$710. The median rent is \$475.

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

Mobile Home Parks

Bowen National Research identified 34 mobile home parks in Asheville through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and Craigslist. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we attempted to conduct telephone interviews with park operators to gather rental property data.

Surveyed park operators stated that lot rents range from \$265 to \$410 per month. Lot rents vary dependent upon the need for a single-, double- or triple-wide lot. One mobile home park leases mobile homes on the lot as well, ranging from \$595 to \$795 per month, depending on size. Park operators reported that lot rents and occupancies have increased or stayed the same in recent years. Respondents reported typical occupancy rates of 80% to 90%, with one park reporting a 100% occupancy rate. Park operators commented that the quality varies based on the ownership/management of the park, but that typically the parks are in fair condition. A windshield survey of select mobile home parks in the city yielded "B" to "C-" quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in good to fair condition.

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

b. Owner For-Sale Housing

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

There were 7,355 homes sold since January 2010 and 715 homes currently available in Asheville. The 715 available homes in Asheville represent 19.5% of all identified available for-sale homes in the region. The following table summarizes the available and recently sold housing stock for Asheville.

Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	715	\$325,000
Sold	7,355	\$205,000

Source: Multiple Listing Service and Bowen National Research

The median homes sales price since 2010 is \$205,000, while the median price among available homes is \$325,000. It should be noted that the region wide average difference between list price and actual sales price is around 6.3%, representing the typical discount in list prices.

The sales trends from 2010 to 2014 are summarized below.

Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	1,185	-	\$202,000	-
2011	1,231	3.9%	\$190,000	-5.9%
2012	1,482	20.4%	\$195,000	2.6%
2013	1,819	22.7%	\$210,230	7.8%
2014*	1,638	-10.0%	\$218,000	3.7%

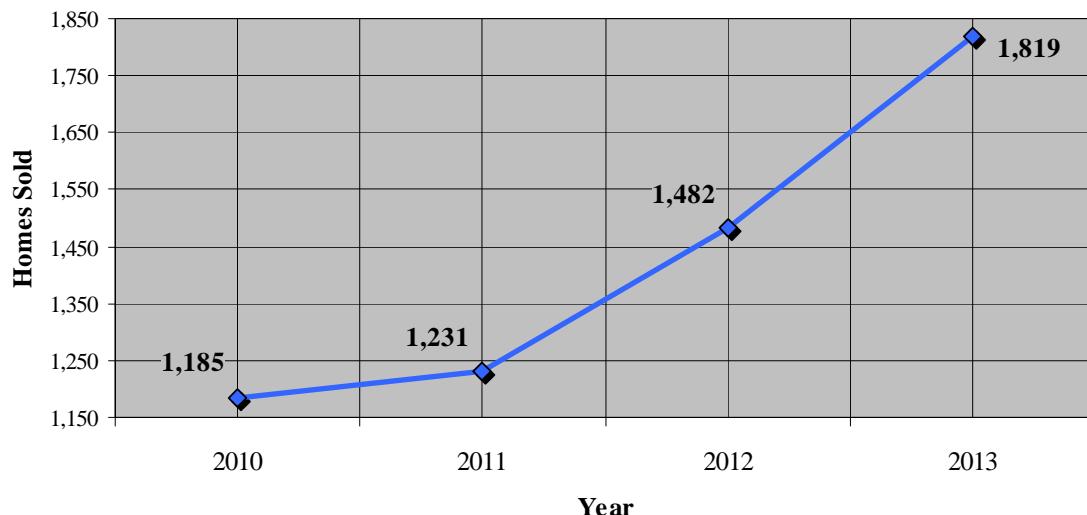
Source: Multiple Listing Service-NNEREN and Bowen National Research

*Through Nov. 21, 2014

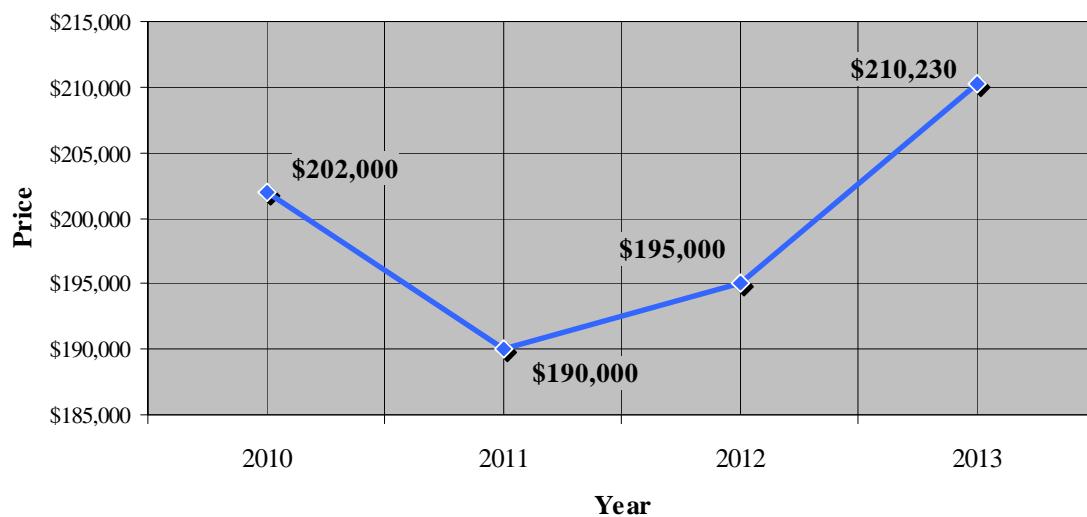
Excluding the partial year of 2014, the number of homes that have sold per year in Asheville has increased in each of the past three years, with increases of over 20% in each of the past two years. The median sales prices have increased in each of the past two full years. The increases in sales volume and sales prices are positive indications of the strength of Asheville's for-sale housing market.

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

Asheville Annual Home Sales (2010-2013)



Asheville Annual Median Sales Price (2010-2013)



The following table summarizes the distribution of Asheville homes sold by year built.

Sales History by Year Built – (Sold Between January 1, 2010 to November 21, 2014)						
Year Built	Number Sold	Average Bedrooms/Bath s	Average Square Feet	Price Range	Median Sales Price	Average Days on Market
1939 or earlier	1,404	3/1.75	1,780	\$17,500 - \$4,200,000	\$197,629	126
1940 to 1950	402	3/1.5	1,425	\$20,500 - \$1,000,000	\$160,000	106
1951 to 1960	650	3/2.0	1,630	\$20,000 - \$1,825,000	\$181,450	126
1961 to 1970	742	3/2.0	1,702	\$43,900 - \$1,250,000	\$178,000	131
1971 to 1980	446	3/2.25	1,911	\$9,500 - \$920,000	\$189,900	142
1981 to 1990	803	3/2.5	1,887	\$15,000 - \$1,350,000	\$187,250	168
1991 to 2000	852	3/2.5	2,229	\$24,900 - \$2,225,000	\$240,000	163
2001 to present	2,056	3/2.5	1,947	\$30,000 - \$3,400,000	\$239,900	176
Total	7,355	3/2.25	1,858	\$9,500 - \$4,200,000	\$205,000	149

While the historical sales have included product from a broad range of development periods, over one-fourth of all homes sold since 2010 have been built since 2001. The median home price for this newer product is \$239,900, significantly higher than the overall market's sales price of \$205,000. It is worth noting that the older product built prior to 1970 is selling on average a shorter period of time than newer product. This is likely due, in part, to the affordability of these older homes.

The following table illustrates the distribution of historical sales by price range.

Summary of Home Sales by Price (January 1, 2010 to December 31, 2013)			
Sale Price	Number of Homes	Percent of Supply	Average Days on Market
Up to \$99,999	712	9.7%	146
\$100,000 to \$199,999	2,850	38.8%	136
\$200,000 to \$299,999	1,827	24.8%	144
\$300,000 to \$399,999	928	12.6%	140
\$400,000 to \$499,999	436	5.9%	162
\$500,000+	602	8.2%	237
Total	7,355	100.0%	149

As the preceding table demonstrates, nearly 40% of the homes sold since 2010 are priced between \$100,000 and \$199,999, and nearly one-quarter of the sold homes were priced between \$200,000 and \$299,999. Clearly, these ranges appear to be where the majority of Asheville's home sales activity is occurring.

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

Available Owner For-Sale Housing						
	Total Units	% Share of State	Low List Price	High List Price	Average List Price	Median List Price
Asheville	425	4.9%	\$40,000	\$2,650,000	\$354,715	\$269,000
Region	8,691	100.0%	\$7,900	\$12,500,000	\$355,875	\$245,000

Source: Multiple Listing Service and Bowen National Research

Within Asheville, the available homes have a median list price of \$269,000, which is more than the region median list price of \$245,000. The average number of days on market for available product in Asheville is 203, which is nearly identical to the region average of 208. As such, the city of Asheville's available supply is in line with the region's available inventory.

Asheville's available for-sale supply by bedroom type is illustrated as follows:

Summary of Available For-Sale Housing Supply by Bedrooms								
Bedrooms	Number of Homes Listed	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price Sq. Ft.	Average Days on Market
One-Br.	10	1.0	758	1978	\$62,000 - \$359,000	\$108,000	\$142.48	76
Two-Br.	117	1.5	1,244	1968	\$45,000 - \$1,100,000	\$177,500	\$142.68	145
Three-Br.	378	2.25	2,034	1985	\$31,999 - \$2,895,000	\$279,900	\$137.61	187
Four-Br.	157	3.0	3,378	1981	\$123,000 - \$3,800,000	\$528,000	\$156.31	186
Five+Br.	53	4.25	5,613	1977	\$259,000 - \$4,979,000	\$995,000	\$177.27	236
Total	715	2.5	2,447	1981	\$31,999 - \$4,979,000	\$325,000	\$132.82	182

The largest number of available homes is among the three-bedroom units, which is typical for most markets. As expected, the median home prices increase as additional bedrooms, bathrooms and square footage is included. It is worth noting, however, that the median list price for four-bedroom units is significantly higher than the three-bedroom units. This may pose a challenge for larger, lower income families.

The available inventory of for-sale housing by price point is as follows:

Summary of Available For-Sale Housing Supply by Price			
Sale Price	Number of Homes	Percent of Supply	Average Days on Market
Up to \$99,999	22	3.1%	163
\$100,000 to \$199,999	178	24.9%	172
\$200,000 to \$299,999	146	20.4%	126
\$300,000 to \$399,999	106	14.8%	237
\$400,000 to \$499,999	65	9.1%	129
\$500,000+	198	27.7%	222
Total	715	100.0%	182

As the preceding table illustrates, the largest share (27.7%) of the available for-sale housing stock is priced over \$500,000. However, notable shares of for-sale product are priced between \$100,000 and \$199,999 and between \$200,000 and \$299,999, representing shares of 24.9% and 20.4%, respectively. As such, the Asheville for-sale housing market has a diverse inventory of available product by price point. The shortest days on market is among product priced between \$200,000 and \$299,999, which likely indicates the high level of demand for product at this price point.



c. Senior Care Facilities

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

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

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

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

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

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

Within the city of Asheville, a total of 13 senior care facilities were surveyed containing a total of 1,238 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	1	364	15	4.1%
Multi-Unit Assisted Housing	-	-	-	-
Adult Care Homes	6	313	11	3.5%
Nursing Homes	6	561	31	5.5%
Total	13	1,238	57	4.6%

The Asheville senior care market is reporting overall vacancy rates between 3.5% (adult care homes) to 5.5% (nursing homes). All of the vacancy rates among surveyed senior housing are relatively low. Overall, demand for senior care housing in the city appears to be strong and indicates that there may be an opportunity to develop additional senior care housing in the city, particularly when considering the projected senior household growth for the next few years.

The base monthly fee for independent living units is \$1,189 a month, adult care homes start at \$1,975, and nursing care facilities have a base monthly fee starting near \$6,083. These fees are slightly lower than most senior care housing fees in the region.

d. Planned & Proposed Residential Development

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

Based on our interviews with local building and planning representatives, it was determined that there are multiple housing projects planned within the city of Asheville. It should also be noted that there are no large single-family home subdivisions in planned Asheville as there is not much land available for large subdivisions. Most subdivisions appear to be less than 20 lots. These planned developments, by location, are summarized as follows:

Project Name & Location	City	Units/Lots	Type	Developer	Status
Biltmore Village Apts. Fairview Road	Asheville	N/A	Rental	Fairview Land, LLC	Under Review
White Oak Apts. 275 Hazel Mill	Asheville	104	Rental Garden-Style	White Oak Grove, LLC	Under Review
Greystone Village Apts. Sardis Road	Asheville	108	Rental, Affordable	Winston-Salem Industry for the Blind	Under Review
Chrysler Lofts 150 Coxe Ave.	Asheville	48	Rental, Market-Rate	Coxe Avenue Properties, LLC	Under Review
Dillingham Woods Dillingham rd./Thrones Ln.	Asheville	22	For-Sale, Townhomes	Hill Ventures, LLC	Under Review
Haywood Village 919 Haywood Rd.	Asheville	12	For-Sale, Townhomes	Village of Haywood Developers	Under Review
182 Cumberland Group Home 182 Cumberland	Asheville	N/A	Supportive Housing	Flynn Christian Fellowship Homes	Under Review
Klepper Drive Subdivision Klepper Drive	Asheville	6	For-Sale, Single-Family	N/A	Under Review
Mountain Song Lane Subdivision Mountain Song Lane	Asheville	2	For-Sale, Single-Family	N/A	Under Review
Bridle Path Subdivision Bridle Path	Asheville	7	For-Sale, Single-Family	N/A	Under Review
Brynne Drive Subdivision Brynne Drive	Asheville	14	For-Sale, Single-Family	N/A	Under Review
Burk Street Subdivision Burk Street	Asheville	10	For-Sale, Single-Family	Farmbound Holdings, LLC	Under Review
Palisades Apartments 15 Mills Gap Road	Asheville	224	Rental, Market-Rate	Southwood Realty	Under Construction
Givens Gerber Park Apts. 40 Gerber Road	Asheville	120	Rental, Affordable	Opportunities South, LLC	Begin Construction 3/2015
Carmel Ridge 711 Leichester Way	Asheville	80	Rental, Affordable	Greenway Residential Development	Under Construction
Retreat at Hunt Hill 32 Ardmion Park	Asheville	180	Rental, Market-Rate	Kassinger Development	Under Construction

(Continued)

Project Name & Location	City	Units/Lots	Type	Developer	Status
Creekside Apartments II Wesley Drive	Asheville	24	Rental, Senior Living	Givens Estates	Planned
Aventine Apartments Long Shoals Road	Asheville	312	Rental, Market-Rate	Flournoy Construction	Under Construction
Villas at Fallen Spruce 15 Fallen Spruce	Asheville	55	Rental, Affordable	Mountain Housing Opportunities	Under Construction
Eagle Market Place Apts. 19 Eagle Street	Asheville	62	Rental, Affordable	Mountain Housing Opportunities	Under Construction
RAD Lofts Roberts St./Clingman Ave.	Asheville	209	Rental, Market-Rate	Delphi Development	Begin Construction Spring 2014

SFH – Single-Family Homes

TH – Townhomes

F. HOUSING GAP ESTIMATES

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

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

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

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

The demand factors for each housing segment at the various income stratifications are combined. Any product confirmed to be in the development pipeline is deducted from the various demand estimates, yielding a housing gap estimate. This gap analysis is conducted for both renters and owners, as well as for seniors (age 55+) and family households. These gaps represent the number of new households that may need housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as overcrowded or substandard housing conditions. It is important to note that because Asheville represents a large portion of Buncombe County and serves as the county seat and the center for employment, entertainment, and culture for the entire county, housing demand within the city of Asheville is impacted by the overall county's housing supply and demographics. As a result, we have used demographic and housing supply data from Buncombe County in the following housing gap estimates. The data for these estimates can be found in the *Buncombe County* chapter of the *Region Housing Analysis*.

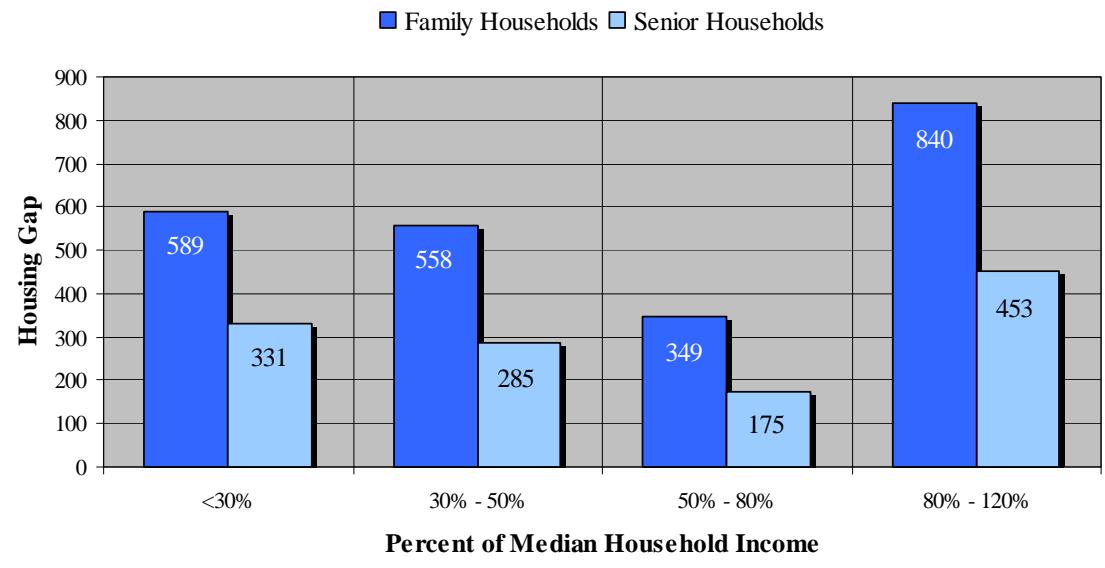
Rental Housing Gap Analysis

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

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

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

Asheville/Buncombe County Rental Housing Gap by Income



Based on the preceding analysis, the largest rental housing gap by income level is within the 80% to 120% AMHI level among both families and seniors. However, notable housing gaps exist within the under 30% AMHI level and between the 30% and 50% AMHI level. The overall rental housing gap for families is nearly double the senior housing gap. As shown in this analysis, there is a notable housing gap among all income segments, both among seniors and families. As such, Asheville will require a variety of housing products by various price points that target families and seniors.

Owner Housing Gap Analysis

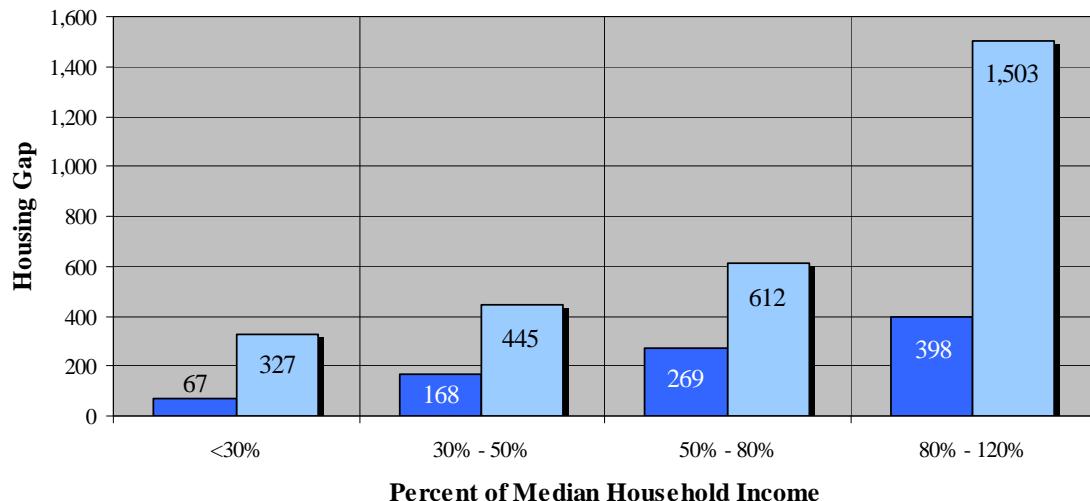
The tables below summarize the *owner* housing gap estimates by the various income segments for family and senior households.

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

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

Asheville/Buncombe County Owner Housing Gap by Income

■ Family Households ■ Senior Households



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

Senior Care Housing Need Estimates

Senior care housing encompasses a variety of alternatives including multi-unit assisted housing, adult care homes, and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. While this study focuses on the housing characteristics and needs of the city of Asheville, demand estimates for senior care housing must take into consideration the entire Buncombe County area, as senior care housing facilities typically draw support from broad areas such as a county. As a result, we have included both the potential demographic support and the existing senior care housing supply (both surveyed and non-surveyed) of the entire Buncombe County area in our demand estimates. The following attempts to quantify the estimated senior care housing need in Asheville/Buncombe County.

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

ADL – Activities of Daily Living

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

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

G. STAKEHOLDER SURVEY & INTERVIEWS

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

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

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance was given the highest priority, followed by “other” rental housing assistance (such as Vouchers) and homebuyer assistance. Respondents indicated that housing development programs that should be explored include emergency repair, and property tax incentives and support for home owners, as well as increased LIHTC and other affordable housing options, such as CDBG funding. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land and availability of land were most commonly cited, followed by financing. Respondents provided various ways to overcome these barriers, including increased collaboration between the local government and developers, creating a land bank, a better zoning and permitting process, improvements to public transit and infrastructure, and tax abatements. One respondent suggested that a committee of both public and private housing professionals should be created that is dedicated to the process of developing affordable housing for all housing sectors.

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

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

Respondents were asked how frequently they believe area rentals are being rented to vacationers rather than as permanent housing. The majority of respondents (54.0%) believe that this is happening occasionally, while only 19.0% believe this is happening often. The most commonly cited reason as to why this is happening occasionally is the prospect of increased rental income/profit for the owner/landlord. Respondents were asked to what degree they believe individual rooms rented out in the area. More than half (53.0%) believe this is an occasional event, while only 12.0% believe this is happening often. Respondents estimate that a room in the area rents from between \$300 and \$2,000 per month, with the most commons responses falling in the \$300 to \$600 per month range.

Respondents were asked to rank the importance of having access to public transit for various populations and groups. Respondents ranked renters, special needs groups and low-income households as having the greatest need for proximity to public transit, followed by seniors and families. When asked the farthest distance a resident could live from an access point for public transportation before it becomes inconvenient, typical responses were 0.25 to 0.5 miles for families, 0.25 miles for seniors and 0.25 to 0.5 miles for special needs/homeless. In regard to what strategies the city of Asheville should consider in an effort to reduce transportation cost burdens for residents, respondents ranked providing additional access points to public transit and encouraging residential development near public transit access points as the highest.

H. SPECIAL NEEDS HOUSING

Because Asheville is located within Buncombe County and the special needs populations and the services provided to them are throughout the county, we have primarily evaluated the special needs population on a county level. Besides the traditional demographics and housing supply evaluated earlier in this report, we also identified special needs populations within Buncombe County. This section of the report addresses demographic and housing supply information for the homeless population and the other special needs populations within the county.

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

According to the 2014 point-in-time survey for *Asheville/Buncombe County* there are approximately 3,801 persons who are classified as homeless on any given day in Asheville and Buncombe County. The following tables summarize the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the county.

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

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

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

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

Specifically, within Asheville/Buncombe County one area service provider noted, on average there are approximately 500 to 550 individuals living in emergency shelters or transitional housing on any given night. There are enough emergency shelters in Asheville/Buncombe County to meet the demand as with plenty of seasonal and overflow beds in the winter months. However it was mentioned that there is a significant need for transitional housing for families. Additionally, there needs to be more permanent housing options available to the homeless population in Asheville/Buncombe County. The current affordable housing developments available in Asheville are not accessible to the homeless population due to stringent credit restrictions and high AMHI income qualifications. It was also noted that the rate of current affordable housing development in the area is not keeping up with the demand as another 50 to 100 units could be developed and still not meet the housing need. Regardless, with an estimated population of 3,801 and over a hundred homeless persons unsheltered, homelessness remains a challenge in Asheville/Buncombe County and is an ongoing housing need.

The following table summarizes the various special needs populations within the county that were considered in this report. It should be noted that city level data was available for certain special needs groups, which is denoted as “*” in the following table.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	542	*Persons with Disabilities (PD)	11,324
Victims of Domestic Violence (VDV)	1,368	Elderly (Age 62+) (E62)	22,320
Persons with Substance Abuse (PSA)	371	Frail Elderly (Age 62+) (FE62)	1,652
Adults with Mental Illness (MI)	10,794	Ex-offenders (Parole/Probation) (EOP)	622
Adults with Severe Mental Illness (SMI)	200	Unaccompanied Youth (UY)	67
Co-Occurring Disorders (COD)	5,068	*Veterans	6,836
*Multi-Generational Households (MGH)	658		

*City level data (all other data shown for Buncombe County)

Excluding the homeless population, the largest number of special needs persons is among the elderly (age 62+), those with disabilities, persons with a mental illness and veterans. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Notable facilities are offered by Homeward Bound, Disability Partners, Western North Carolina AIDS Project, Helpmate, Eliada Homes Black Mountain Home for Children & Youth, Asheville Re-Entry Network, NC TASC Services-Asheville, Western Highland LME, Oxford House Asheville-Buncombe Christian Ministry, Buncombe County Council on Aging, and various mental health facilities as well as senior care housing.

It should also be noted that there are several community initiatives that serve persons experiencing homelessness in the Asheville area such as: a) discounted bus tickets/passes, b) crisis intervention training and crisis stabilization units c) Buncombe County Human Services Wet Shelters, d) SOAR and e) Spare Change for Real Change. More information regarding these programs can be found on the city of Asheville's Community Development website:

<http://www.asheville.gov/departments/communitydevelopment>

I. Conclusions

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

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 6,371 (7.1%), which is faster than the growth rate (5.5%) of the overall region. During this same time, household growth of 3,086 (7.6%) is projected to occur in the city, which is also faster than the region's projected growth rate of 5.9%.
- **Household Heads by Age** – The city's senior households age 55 and older will increase by 2,440 (12.1%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing. It is projected that households between the ages of 25 and 54 will increase by approximately 642 (3.1%) households, which will likely lead to a need for additional family-oriented and/or workforce housing.
- **Households by Income and Tenure** – Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$35,000 and \$49,000, though all household income segments below \$25,000 are projected to have notable growth. The greatest owner-occupied household growth is projected to occur among homeowners with incomes between \$100,000 and \$149,999, as well as among households with incomes between \$50,000 and \$74,999. As such, the city will have diverse housing needs.
- **Rental Housing** – Asheville has a well-balanced supply of rental alternatives. However, it is noteworthy that the multifamily rental housing supply is operating at an overall 99.1% occupancy rate, which is very high. More importantly, there are no vacancies among the 3,362 surveyed affordable (Tax Credit and government-subsidized) rental units in the city. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the city. Based on the housing gap estimates, the largest rental housing gap by income level is within the 80% to 120% AMHI level among both families and seniors. However, notable housing gaps exist within the under 30% AMHI level and between the 30% and 50% AMHI level. The overall rental housing gap for families is nearly double the senior housing gap.

- **Owner Housing (for-sale)** – The number of homes that have sold per year in Asheville has increased in each of the past three years, with increases of over 20% in each of the past two years. The median sales prices have increased in each of the past two full years. The for-sale housing market is considered to be strong. The largest share (27.7%) of the available for-sale housing stock is priced over \$500,000. However, notable shares of for-sale product are priced between \$100,000 and \$199,999 and between \$200,000 and \$299,999, representing shares of 24.9% and 20.4%, respectively. As such, the Asheville for-sale housing market has a diverse inventory of available product by price point. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 80% and 120% of AMHI.
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 95.4% (4.6% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 1,977 senior care beds will be needed to meet the future needs of seniors. It should be noted that this estimate includes all of Buncombe County.
- **Special Needs Populations:** While there are many special needs populations within the city that likely require housing assistance, it appears that the largest special needs populations in the city are the elderly (age 62+), those with disabilities, persons with a mental illness and veterans.

J. SOURCES

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

Addendum A: Sources

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- 2000 and 2010 U.S. Census
- 2007-2011 CHAS
- 2009 FBI Uniform Crime Reports
- American Community Survey
- American Seniors Housing Assn.: *The State of Seniors Housing 2011*
- Asheville Chamber of Commerce and Economic Development Coalition of Buncombe County
- Asheville Re-Entry Network
- Asheville/Buncombe County Continuum of Care
- Brevard Housing Authority
- Council on Aging
- Craigs List: www.CraigsList.com
- Disability Partners of Asheville
- ESRI Demographics
- Helpmate
- Henderson County Partnership for Economic Development
- Hendersonville Housing Authority
- Home Away: www.HomeAway.com
- Homeward Bound
- Housing Authority of Asheville
- InfoGroup
- Madison County Housing Authority
- Madison County Visitor Center/Madison County Economic Development Board
- Mainstay
- Management for each property included in the survey
- Medicare: www.Medicare.com
- MH Village: www.mhvillage.com
- Multiple Listing Service
- My Sister's Place
- North Carolina Alcohol and Drug Abuse Treatment Centers
- North Carolina Balance of the State Continuum of Care
- North Carolina Coalition to End Homelessness
- North Carolina Council for Women
- North Carolina Department of Health & Human Services
- North Carolina Department of Public Safety Rehabilitative Programs & Services
- North Carolina Division of Adult Correction and Rehabilitation Programs
- North Carolina Division of Health Service Regulation
- North Carolina Division of Mental Health
- North Carolina LINKS Program

- Novogradac, Inc.
- Planning Representatives for each Planning Jurisdiction
- Realty Trac: www.realtytrac.com
- Ribbon Demographics HISTA Data
- SAFE of Transylvania County
- Senior Housing Facility Representatives
- SOCDS Building Permits Database
- Technical Assistance Collaborative (TAC); *Priced Out in 2012*
- Transylvania County Planning and Economic Development/Brevard/Transylvania Chamber of Commerce and Transylvania Tourism Development Authority
- U.S. Department of Agriculture; Rural Development Multi-Family Housing Rentals
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor, Bureau of Labor Statistics
- Urban Decision Group (UDG)
- Various Stakeholders
- Western Carolina Community Action
- Western Highlands Local Management Entity (LME)
- Western North Carolina AIDS Project (WNCAP)

Addendum B: Qualifications

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen serves on the Standards Committee of the National Council of Housing Market Analysts (NCHMA) and has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Vice President and Market Analyst, has conducted market research since 2006 in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

Craig Rupert, an Associate Project Director, has conducted on-site market analysis in both urban and rural markets throughout the United States. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Jack Wiseman, an Associate Project Director, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Stephanie Viren is the Field Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Christine Atkins, In-House Research Coordinator, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Greg Gray, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

Lisa Wood, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

June Davis, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

All analysts of Bowen National Research undergo continuous education through programs and seminars provided by the National Council of Housing Market Analysts (NCHMA) and at various state finance agency conferences throughout the year.

Addendum C: Stakeholder Interview Instrument

Asheville Housing Study & Analysis-Stakeholder Interview

Bowen National Research has been retained by the City of Asheville's Community Development Division to conduct a study of the region's housing needs. Specifically, our analysis is being conducted for Buncombe, Henderson, Madison and Transylvania counties. As part of this study, we are conducting interviews with community leaders and organizations to gather valuable data and insight into the regional area and the factors that impact housing. Your responses will remain confidential and only aggregate results will be presented in our report.

1. Please provide your contact information, should we need to follow up with this response.

Answer Options	Response Percent	Response Count
Name	100.0%	41
Organization	100.0%	41
Email Address	100.0%	41
Phone Number	100.0%	41
<i>answered question</i>	41	
<i>skipped question</i>		1

2. What type of organization do you represent (select all that apply)?

Answer Options	Response Percent	Response Count
Agency on Aging/Senior Services	7.5%	3
Community Action Agency	2.5%	1
Disabled/Special Needs Service Provider	15.0%	6
Economic Development Organizations	15.0%	6
Homeless Service Provider	12.5%	5
Housing Authority	12.5%	5
Housing Developer	40.0%	16
Landlord	10.0%	4
Local Government/Municipal Official	32.5%	13
Property Management Company	7.5%	3
Realtor Association/Board of Realtors	2.5%	1
<i>answered question</i>	40	
<i>skipped question</i>		2

3. What county(ies) does your entity serve or operate within (select all that apply)?

Answer Options	Response Percent	Response Count
Buncombe	76.2%	32
Henderson	23.8%	10
Madison	23.8%	10
Transylvania	23.8%	10
<i>answered question</i>	42	
<i>skipped question</i>		0

Housing Needs & Issues

4. On a scale of 1 to 3 (3 being the highest), rank the degree of overall housing demand in each of the areas below, regardless of style and type.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	I am not knowledgeable of this area	Rating Average	Response Count
Asheville	0	3	33	4	3.03	40
Black Mountain	0	14	13	13	2.98	40
Brevard	1	9	8	23	3.29	41
Hendersonville	1	6	12	22	3.34	41
Buncombe County (excluding Asheville and Black Mountain)	0	9	26	5	2.90	40
Henderson County (excluding Hendersonville)	1	11	6	23	3.24	41
Madison County	3	9	5	23	3.20	40
Transylvania County (excluding Brevard)	3	7	4	26	3.33	40
<i>answered question</i>						42
<i>skipped question</i>						0

5. If there is a *specific* area within one of the cities or county areas noted in the above question where housing development should be focused, please specify it in the box below. Please be as *specific* as possible.

See stakeholder summaries for results of this question.

6. On a scale of 1 to 3 (3 being the highest), rank the degree of need for *each* of the following housing types in your service area.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	Rating Average	Response Count
Rental	1	9	32	2.74	42
For-Sale (Homeowner)	1	23	16	2.38	40
Single-Person/Young Professionals	3	16	19	2.42	38
Student	18	15	5	1.66	38
Senior Apartments (Independent Living)	5	17	17	2.31	39
Senior Care Facilities (Assisted and Nursing)	7	16	14	2.19	37
Homeless	7	12	20	2.33	39
Special Needs (Disabled, AIDS/HIV, Ex-Offenders, Etc.)	7	12	17	2.28	36
<i>answered question</i>					
<i>skipped question</i>					

7. On a scale of 1 to 3 (3 being the highest), rank the degree of need for each of the following housing styles in your service area.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	Rating Average	Response Count
Apartments	3	8	29	2.65	40
Duplex/Triplex/Townhomes	8	18	14	2.15	40
Condominiums	16	20	3	1.67	39
Detached Houses (Single-Family Homes)	3	19	19	2.39	41
Mobile Homes/ Manufactured Housing	15	19	6	1.78	40
Individual Rooms (aka Home Stays)	15	17	2	1.62	34
<i>answered question</i>					41
<i>skipped question</i>					1

8. On a scale of 1 to 3 (3 being the highest), rank the need for housing in your service area for each *household* income level.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	Rating Average	Response Count
\$0 - \$25k	3	1	38	2.83	42
\$26k - \$50k	1	6	35	2.81	42
\$51k - \$75k	4	17	21	2.40	42
\$76k - \$100k	14	16	11	1.93	41
\$101k or More	23	11	7	1.61	41
<i>answered question</i>					42
<i>skipped question</i>					0

9. On a scale of 1 to 3 (3 being the highest), rank the degree to which each of the following housing issues are experienced in your service area.

Answer Options	1 (Not at All)	2 (Somewhat)	3 (Often)	Rating Average	Response Count
Foreclosure	1	37	3	2.05	41
Limited Availability	0	11	31	2.74	42
Overcrowded Housing	10	16	15	2.12	41
Lack of Community Services (grocery, doctor, etc.)	12	17	13	2.02	42
Rent Burdened/Affordability	0	7	35	2.83	42
Substandard Housing (quality/condition)	2	24	16	2.33	42
Lack of Public Transportation	3	16	22	2.46	41
<i>answered question</i>					42
<i>skipped question</i>					0

10. Rank the priority that should be given to each of the following construction types of housing in your service area. (Note: As you make a selection, the list will reprioritize itself)

Answer Options	1	2	3	Rating Average	Response Count
Adaptive Resuse (i.e. Warehouse Conversion)	2	12	28	2.62	42
Renovation/Revitalization	17	20	5	1.71	42
New Construction	23	10	9	1.67	42
<i>answered question</i>				42	
<i>skipped question</i>				0	

11. Rank the priority that should be given to each of the funding types for housing development in your area. (Note: As you make a selection, the list will reprioritize itself)

Answer Options	1	2	3	4	5	Rating Average	Response Count
Homebuyer Assistance	9	10	8	7	6	2.78	40
Project-Based Rental Subsidy	10	12	9	6	3	2.50	40
Tax Credit Financing	15	4	13	6	2	2.40	40
Other Rental Housing Assistance (i.e. Vouchers)	4	10	7	14	5	3.15	40
Other Homeowner Assistance	2	4	3	7	24	4.18	40
<i>answered question</i>						40	
<i>skipped question</i>						2	

12. Are there any *specific* housing development programs that should be given priority as it relates to housing development in your service area?

See stakeholder summaries for results of this question.

13. Are there any *specific* housing development programs (local or state level) that are *not currently offered* in your service area and should be explored?

See stakeholder summaries for results of this question.

Barriers to Housing Development

14. What common barriers or obstacles exist in your service area that you believe limit residential development (select all that apply)?

Answer Options	Response Percent	Response Count
Availability of Land	73.8%	31
Cost of Labor/Materials	45.2%	19
Cost of Land	95.2%	40
Community Support	33.3%	14
Financing	61.9%	26
Lack of Infrastructure	45.2%	19
Lack of Transportation	54.8%	23
Lack of Community Services	21.4%	9
Local Government Regulations ("red tape")	47.6%	20
Other (please specify)		7
<i>answered question</i>		42
<i>skipped question</i>		0

15. How do you believe these obstacles/barriers could be reduced or eliminated? (Responses will be limited to 500 characters)

See stakeholder summaries for results of this question.

Homelessness

16. Are you knowledgeable about homeless housing needs in your service area?

Answer Options	Response Percent	Response Count
Yes	56.1%	23
No	43.9%	18
<i>answered question</i>		41
<i>skipped question</i>		1

17. On a scale of 1 to 3 (3 being the highest), rank the need for housing in your service area for each *homeless* group below.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	Rating Average	Response Count
Homeless Individuals	2	15	16	2.42	33
Homeless Families	3	13	17	2.42	33
Homeless Veterans (and their families)	6	14	13	2.21	33
Homeless Youth	7	17	9	2.06	33
Chronically Homeless	7	15	11	2.12	33
<i>answered question</i>				33	
<i>skipped question</i>					9

18. Rank the types of housing for the homeless you believe are most needed in your service area.
 (Note: As you make a selection, the list will reprioritize itself)

Answer Options	1	2	3	4	5	Rating Average	Response Count
Emergency Shelters	5	6	6	7	10	3.32	34
Permanent Supportive Housing	18	7	5	2	2	1.91	34
Single-Room Occupancy	3	6	8	9	8	3.38	34
Transitional Housing	7	9	6	8	4	2.79	34
Voucher Assistance	1	6	9	8	10	3.59	34
<i>answered question</i>						34	
<i>skipped question</i>						8	

19. What are the obstacles to the development of housing for homeless populations in your service area?

See stakeholder summaries for results of this question.

20. Provide any recommendations on ways to address the needs of the homeless populations in your service area?

See stakeholder summaries for results of this question.

21. Is there anything specific that we should be aware of regarding homelessness or homeless housing needs in your service area? (Responses will be limited to 500 characters)

See stakeholder summaries for results of this question.

Special Needs

22. Are you knowledgeable about special needs housing in your service area?

Answer Options	Response Percent	Response Count
Yes	45.0%	18
No	55.0%	22
	<i>answered question</i>	40
	<i>skipped question</i>	2

23. On a scale of 1 to 3 (3 being the highest), rank the need for housing in your service area for each special needs group below.

Answer Options	1 (Low Demand)	2 (Moderate Demand)	3 (High Demand)	Rating Average	Response Count
AIDS/HIV	8	15	2	1.76	25
Alcohol/Substance Abuse	1	9	15	2.56	25
Ex-Offenders	4	12	9	2.20	25
Physical/Development Disabilities	1	11	13	2.48	25
Mental Illness	1	10	15	2.54	26
Unaccompanied Youth/ Youth Aging Out of Foster Care	2	15	8	2.24	25
Other* (Specify group below)	1	4	4	2.33	9
*If Other, please specify group:					4
				<i>answered question</i>	26
				<i>skipped question</i>	16

24. Rank the types of housing for special needs you believe are most needed in your service area.
(Note: As you make a selection, the list will reprioritize itself)

Answer Options	1	2	3	4	Rating Average	Response Count
Emergency Shelter	9	4	7	8	2.50	28
Group Homes	3	8	10	7	2.75	28
Permanent Supportive Housing	14	5	4	5	2.00	28
Transitional Housing	2	11	7	8	2.75	28
					<i>answered question</i>	28
					<i>skipped question</i>	14

25. What are the obstacles to the development of housing for special needs populations in your service area?

See stakeholder summaries for results of this question.

26. Provide any recommendations on ways to address the needs of the special needs populations in your service area?

See stakeholder summaries for results of this question.

27. Is there anything specific that we should be aware of regarding special needs populations or special needs housing in your service area? (Responses will be limited to 500 characters)

See stakeholder summaries for results of this question.

Vacation Rentals and Home Stays

28. In your opinion, how frequently do you believe area rentals (apartments, single-family homes, etc.) are being rented to vacationers (AirBnB, etc.) rather than as permanent housing?

Answer Options	Response Percent	Response Count
Never	0.0%	0
Rarely	25.6%	10
Occasionally	53.8%	21
Often	20.5%	8
<i>answered question</i>		39
<i>skipped question</i>		3

29. Why do you believe people are renting their accessory units and apartments as vacation rentals? (Select all that apply)

Answer Options	Response Percent	Response Count
Prospect of Increased Rental Income Profit	57.9%	22
Prospect of Increased Rental Income Needed to Afford Their Primary Residence	15.8%	6
Fewer Problems than with Permanent Tenants	15.8%	6
More Demand	10.5%	4
Other (please specify)		5
<i>answered question</i>		38
<i>skipped question</i>		4

30. In your opinion, to what degree are individual rooms (often referred to as "home stays") rented out in the area?

Answer Options	Response Percent	Response Count
Never	2.7%	1
Rarely	32.4%	12
Occasionally	51.4%	19
Often	13.5%	5
<i>answered question</i>		37
<i>skipped question</i>		5

31. In your opinion, what monthly rent do you estimate is typical for a home stay rental?

See stakeholder summaries for results of this question.

Transportation

32. On a scale of 1 to 3 (3 being the highest), indicate your opinion on how important having access to public transportation is for the following groups.

Answer Options	1 (Not Important)	2 (Somewhat Important)	3 (Very Important)	Rating Average	Response Count
Renters	1	9	29	2.72	39
Homeowners	9	23	7	1.95	39
Families	3	21	15	2.31	39
Seniors	2	10	27	2.64	39
Single-Persons/Young Professionals	4	25	10	2.15	39
Low-Income Households	0	2	37	2.95	39
Moderate-Income Households	2	33	4	2.05	39
High-Income Households	29	9	1	1.28	39
People Currently Living in Asheville	2	14	20	2.50	36
People Currently Living Outside of Asheville and Commuting In	5	18	13	2.22	36
Special Needs Populations (homeless, disabled, etc.)	0	5	34	2.87	39
<i>answered question</i>					39
<i>skipped question</i>					3

33. Provide your opinion on the farthest distance a resident of each type below could live from an access point (e.g. bus stop) for public transportation before it becomes inconvenient. Enter the distance in miles, using 1/4 mile increments (e.g. 1.50, 2.25, 3.00, etc.)

Answer Options	Response Percent	Response Count
Family Households	100.0%	37
Senior Households	100.0%	37
Special Needs/Homeless Households	100.0%	37
<i>answered question</i>	37	
<i>skipped question</i>		5

34. What strategies do you believe the city of Asheville should consider in an effort to reduce transportation cost burdens for residents? (Select all that apply)

Answer Options	Response Percent	Response Count
Provide additional access points for public transit	88.6%	31
Create/expand ride share programs	65.7%	23
Create/expand senior dial-a-ride programs	65.7%	23
Encourage residential development near public transit access points	82.9%	29
Increase "bikeability" within the city	57.1%	20
Increase "walkability" within the city	65.7%	23
Provide lower-cost parking options	37.1%	13
Other (please specify)		3
<i>answered question</i>	35	
<i>skipped question</i>		7

Addendum D: Glossary

Various key terms associated with issues and topics evaluated in this report are used throughout this document. The following provides a summary of the definitions for these key terms. It is important to note that the definitions cited below include the source of the definition, when applicable. Those definitions that were not cited originated from the National Council of Housing Market Analysts (NCHMA).

Area Median Household Income (AMHI) is the median income for families in metropolitan and non-metropolitan areas, used to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80 percent of the area median income, a common maximum income level for participation in HUD programs. (Bowen National Research, Various Sources)

Available rental housing is any rental product that is currently available for rent. This includes any units identified through Bowen National Research survey of over 100 affordable rental properties identified in the study areas, published listings of available rentals, and rentals disclosed by local realtors or management companies.

Basic Rent is the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and the HUD Section 223 (d) (3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Contract Rent is (1) the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease (HUD & RD) or (2) the monthly rent agreed to between a tenant and a landlord (Census).

Co-Occurring Disorders is the presence of two or more disabling conditions such as mental illness, substance abuse, HIV/AIDS, and others.

Cost overburdened households are those renter households that pay more than 30% or 35% (depending upon source) of their annual household income towards rent. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a rent burden.

Elderly Person is a person who is at least 62 years of age as defined by HUD.

Elderly or Senior Housing is housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low-income is a person or household with income below 30% of Area Median Income adjusted for household size.

Fair Market Rent (FMR) are the estimates established by HUD of the gross rents (contract rent plus tenant paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Frail Elderly is a person who is at least 62 years of age and is unable to perform at least three “activities of daily living” comprising of eating, bathing, grooming, dressing or home management activities as defined by HUD.

Garden apartments are apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross Rent is the monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all tenant paid utilities.

Household is one or more people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher (Section 8 Program) is a Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted gross income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant's income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing unit is a house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Section 8 Program is a Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program is a Federal program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of the Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 236 Program is a Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of Area Median Income who pay rent equal to the greater of Basic Rent or 30% of their adjusted income. All rents are capped at a HUD approved market rent.

HUD Section 811 Program is a Federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

Income Limits are the Maximum Household Income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI.

Low-Income Household is a person or household with gross household income between 50% and 80% of Area Median Income adjusted for household size.

Low-Income Housing Tax Credit is a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on these units be restricted accordingly.

Market vacancy rate (physical) is the average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage. Bowen National Research considers only these vacant units in its rental housing survey.

Mixed income property is an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low-income tax credit property with income limits of 30%, 50% and 60%).

Moderate Income is a person or household with gross household income between 40% and 60% of Area Median Income adjusted for household size.

Multifamily are structures that contain more than two housing units.

New owner-occupied household growth within a market is a primary demand component for demand for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2015 and 2020. The 2010 households by income level are based on ESRI estimates applied to 2010 Census estimates of total households for each study area. The 2015 and 2020 estimates are based on growth projections by income level by ESRI. The difference between the two household estimates represents the new owner-occupied households that are projected to be added to a study area between 2015 and 2020. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

Overcrowded housing is often considered housing units with 1.01 or more persons per room. These units are often occupied by multi-generational families or large families that are in need of more appropriately-sized and affordable housing units. For the purposes of this analysis, we have used the share of overcrowded housing from the American Community Survey.

Pipeline housing is housing that is currently under construction or is planned or proposed for development. We identified pipeline housing during our telephone interviews with local and county planning departments and through a review of published listings from housing finance entities such as IHFA, HUD and USDA.

Population trends are changes in population levels for a particular area over a specific period of time which is a function of the level of births, deaths, and net migration.

Potential support is the equivalent to the *housing gap* referenced in this report. The *housing gap* is the total demand from eligible households that live in certain housing conditions (described in Section VIII of this report) less the available or planned housing stock that was inventoried within each study area.

Project-based rent assistance is rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low-Income Conventional Public Housing is a HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low-Income households with rent based on the same formula used for HUD Section 8 assistance.

Rent burden is gross rent divided by adjusted monthly household income.

Rent burdened households are households with rent burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

Replacement of functionally obsolete housing is a demand consideration in most established markets. Given the limited development of new housing units in the study area, homebuyers are often limited to choosing from the established housing stock, much of which is considered old and/or often in disrepair and/or functionally obsolete. There are a variety of ways to measure functionally obsolete housing and to determine the number of units that should be replaced. For the purposes of this analysis, we have applied the highest share of any of the following three metrics: cost burdened households, units lacking complete plumbing facilities, and overcrowded units. This resulting housing replacement ratio is then applied to the existing (2013) owner-occupied housing stock to estimate the number of for-sale units that should be replaced in the study areas.

Restricted rent is the rent charged under the restrictions of a specific housing program or subsidy.

Single-Family Housing is a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special needs population is a specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.

Standard Condition: A housing unit that meets HUD's Section 8 Housing Quality Standards.

Subsidized Housing is housing that operates with a government subsidy often requiring tenants to pay up to 30% of their adjusted gross income toward rent and often limiting eligibility to households with incomes of up to 50% or 80% of the Area Median Household Income. (Bowen National Research)

Subsidy is monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.

Substandard housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and in disrepair that it should be replaced. For the purposes of this analysis, we have used the share of households living in substandard housing from the American Community Survey.

Substandard conditions are housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Tenant is one who rents real property from another.

Tenant paid utilities are the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Tenure is the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) is a single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Unaccompanied Youth persons under 25 years of age, or families with children and youth, who do not qualify as homeless under this definition, but who are homeless under section 387 of the Runaway and Homeless Youth Act, Violence Against Women Act, or McKinney-Vento homeless Assistance Act as defined by HUD.

Vacancy Rate – Economic Vacancy Rate (physical) is the maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Very Low-Income Household is a person or household with gross household income between 30% and 50% of Area Median Income adjusted for household size.