

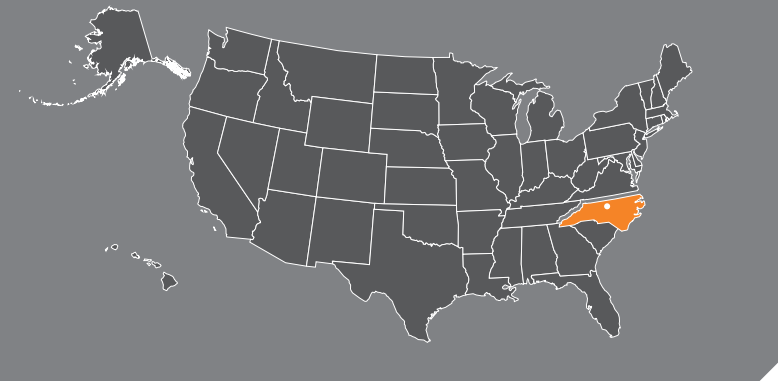
# HUD PD&R Housing Market Profiles

## Greensboro—Winston-Salem—High Point, North Carolina



### Quick Facts About Greensboro—Winston-Salem—High Point

- Current sales market conditions: slightly soft.
- Current rental market conditions: soft.
- Branch Banking and Trust Company, which is based in Winston-Salem and is one of the largest financial service holding companies in the nation, plans to open an operations center in the city of Greensboro in 2013 that is expected to add 1,700 jobs after it is fully operational.



By Adam Tubridy | As of May 1, 2013

### Overview

The Greensboro—Winston-Salem—High Point Housing Market Area (hereafter, the Greensboro HMA), which is a combination of the Greensboro-High Point, NC, and the Winston-Salem, NC Metropolitan Statistical Areas (MSAs), includes seven counties in central North Carolina, 70 miles west of Raleigh and 90 miles northeast of Charlotte. The HMA is often referred to as the Piedmont Triad because the three primary cities, Greensboro, High Point, and Winston-Salem, form a triangle.

- As of May 1, 2013, the estimated population was 1.23 million, an increase of 9,400, or 0.8 percent, annually since 2010 compared with the increase of 17,450, or 1.5 percent, recorded annually from 2005 through 2009.
- Since 2010, net in-migration has averaged 6,125 people annually, down from an average of 13,000 people from 2004 through 2008 because of weak labor market conditions.
- Greensboro, Winston-Salem, and High Point, the largest cities in the HMA, with populations of 277,080, 234,349, and 106,586, respectively, account for 50 percent of the HMA population (2012 Census Bureau population estimates).



The unemployment rate in the Greensboro HMA decreased despite a drop in the number of nonfarm payrolls.

	3 Months Ending		Year-Over-Year Change	
	April 2012 (thousands)	April 2013 (thousands)	Absolute (thousands)	Percent
<b>Total nonfarm payrolls</b>	547.7	547.2	- 0.5	- 0.1
Goods-producing sectors	92.4	91.0	- 1.4	- 1.5
Mining, logging, and construction	20.3	19.9	- 0.4	- 2.1
Manufacturing	72.1	71.2	- 0.9	- 1.3
Service-providing sectors	455.3	456.2	0.9	0.2
Wholesale and retail trade	81.8	83.6	1.8	2.2
Transportation and utilities	25.3	25.8	0.5	2.0
Information	7.3	7.2	- 0.1	- 1.8
Financial activities	30.1	29.5	- 0.5	- 1.8
Professional and business services	76.7	74.9	- 1.8	- 2.3
Education and health services	92.1	92.8	0.7	0.7
Leisure and hospitality	50.3	50.9	0.7	1.3
Other services	19.5	19.5	0.1	0.3
Government	72.2	71.9	- 0.3	- 0.5
Unemployment rate	9.4%	9.0%		

Source: U.S. Bureau of Labor Statistics

## Economic Conditions

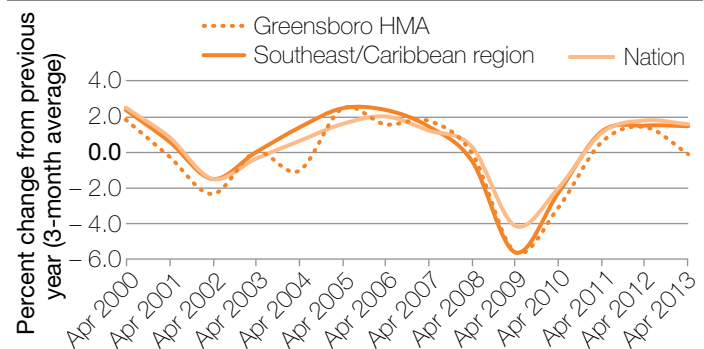
Economic conditions in the Greensboro HMA slowly improved during 2011 and 2012. Nonfarm payrolls increased by 4,200 jobs, or 0.8 percent, annually after they decreased by 16,000 jobs, or 2.8 percent, annually from 2008 through 2010.

During the 3 months ending April 2013—

- The economic recovery slowed, with nonfarm payrolls averaging 547,200 jobs, relatively unchanged from the same 3-month period a year earlier.
- The retail trade subsector, leisure and hospitality sector, and education and health services sector led payroll growth, with increases of 1,500, 700, and 700 jobs, or 2.7, 1.3, and 0.7 percent, respectively.
- The greatest payroll losses occurred in the professional and business services and the manufacturing sectors, which decreased by 1,800 and 900 jobs, or 2.3 and 1.3 percent, respectively.
- The average unemployment rate decreased to 9.0 percent from 9.4 percent a year before.

Textile, tobacco, and furniture manufacturing was historically the main source of employment in the HMA, but the manufacturing sector has declined since the 1970s because of decreased demand and greater international competition. The sector's share of nonfarm employment fell from 26 percent in 1990 to 20 percent in 2000 and to only 13 percent in 2012. Three manufacturers, however—

## Job growth in the Greensboro HMA slowed in late 2012.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

## Largest employers in the Greensboro HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Wake Forest Baptist Medical Center	Education and health services	14,000
Novant Health	Education and health services	9,375
Cone Health	Education and health services	3,400

Note: Excludes local school districts and large retail chains.  
Source: Piedmont Triad Partnership

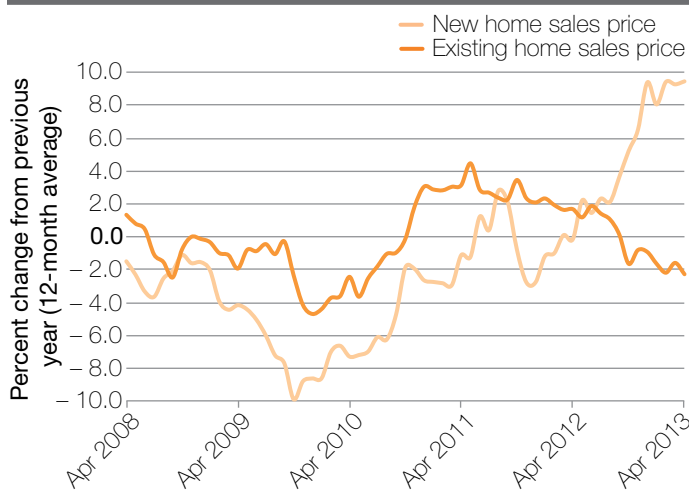
Deere-Hitachi Construction Machinery Corporation, Herbalife International, Inc. (a nutrition company), and Ashley Furniture Industries, Inc.—each expect to add at least 300 manufacturing jobs during the next several years.



## Sales Market Conditions

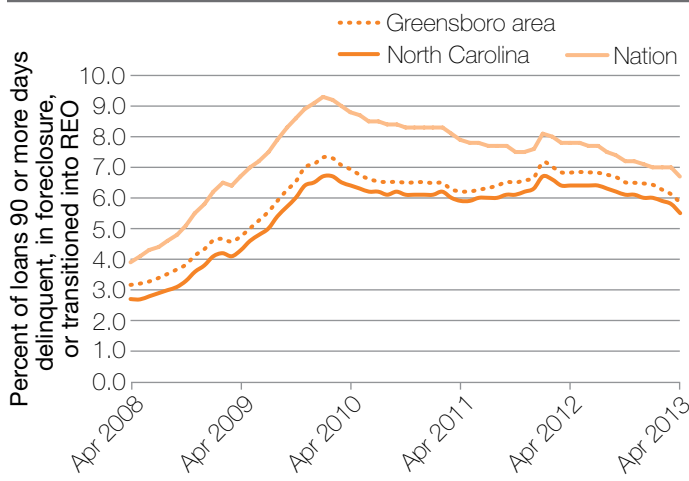
The sales housing market in the Greensboro HMA is currently slightly soft, with an estimated vacancy rate of 2.6 percent compared with the rate of 2.8 percent recorded in April 2010. During the 12 months ending April 2013, existing home sales totaled 11,900, an increase of 2,000 homes, or 20 percent, from the same period a year earlier. The average existing home sales price decreased 2 percent, to \$159,500, during the same period. By comparison, the existing home sales price averaged \$160,100 from 2007 through 2011. During the 12 months ending April 2013, new home sales totaled

### Existing home prices in the Greensboro HMA have not had large decreases or increases.



Note: Includes single-family homes, townhomes, and condominiums. Source: Hanley Wood, LLC

### The Greensboro HMA has a lower rate of distressed loans than the nation.



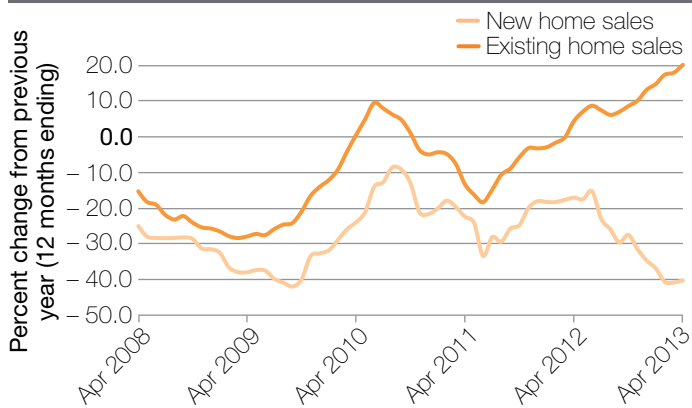
REO = Real Estate Owned. Source: LPS Applied Analytics

630, a decrease of 430 homes, or 40 percent, from the same period a year earlier, and the average new home sales price increased 10 percent, to \$206,700.

- Existing home sales fell from 2008 through 2011 at an average rate of 12 percent, or 1,700 homes, annually, but recovered in 2012, increasing 13 percent, or by 1,275 homes, to 10,900.
- New home sales prices fell by an average of \$8,025, or 4 percent, annually from 2008 through 2011 as excess housing inventory was absorbed slowly in a weak sales market.
- New home sales fell at an average annual rate of 27 percent, or 610 sales, from 2007 through 2012.
- As of April 2013, 5.8 percent of home loans were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 6.8 percent in April 2012 (LPS Applied Analytics).

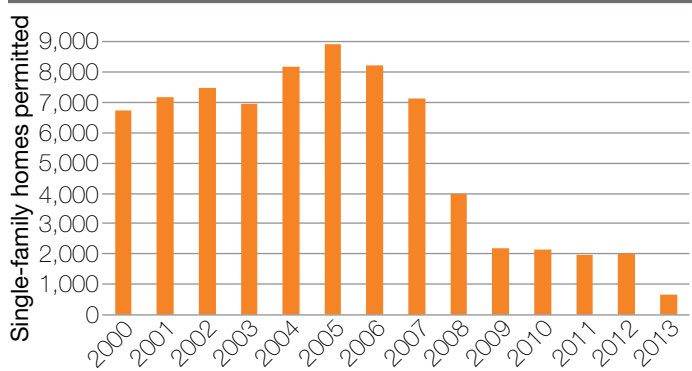
continued on page 4

### Although existing home sales began to increase during 2012, new home sales continued to decrease in the Greensboro HMA.



Note: Includes single-family homes, townhomes, and condominiums. Source: Hanley Wood, LLC

### Single-family building activity has remained low in the Greensboro HMA since 2008.



Note: Includes preliminary data from January 2013 through April 2013. Source: U.S. Census Bureau, Building Permits Survey



continued from page 3

During the 3 months ending April 2013, approximately 520 single-family homes were permitted, an increase of 30 homes compared with the number permitted during the 3 months ending April 2012 (preliminary data). Building activity, as measured by the number of homes permitted, was relatively steady from 2009 through 2012, with an average of 2,075 homes permitted annually.

- Construction activity peaked from 2004 through 2006, at an average of 8,420 homes permitted annually.
- In response to soft conditions in the sales market, developers reduced single-family homebuilding at an average annual rate of 44 percent during 2008 and 2009.
- New home sales prices start at \$80,000, with most homes sold at prices between \$100,000 and \$200,000.

## Rental Market Conditions

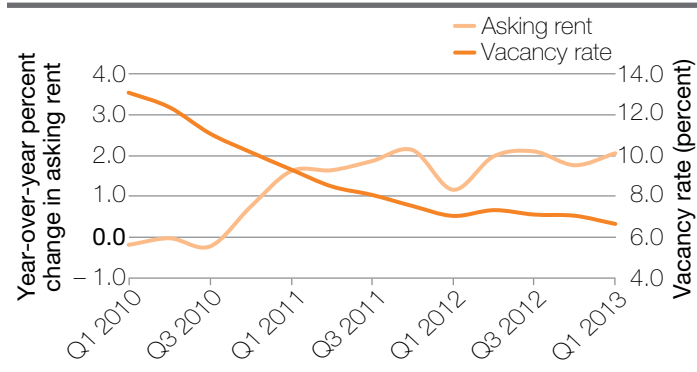
Overall rental housing market conditions in the Greensboro HMA are currently soft, with an estimated vacancy rate of 8.4 percent.

- The apartment market is slightly soft, with a vacancy rate of 6.7 percent during the first quarter of 2013, down from 7.0 percent during the first quarter of 2012 (Reis, Inc.).
- The average asking rent increased 2 percent during the first quarter of 2013 from the first quarter of 2012, to \$683.
- The average apartment rent by number of bedrooms was \$600, \$700, and \$900 for one-, two-, and three-bedroom apartments, respectively.
- Single-family and mobile homes account for approximately 50 percent of all rental units in the HMA (2011 American Community Survey 1-year data).

Unlike single-family home construction, multifamily construction activity did not drop significantly in 2008, averaging 1,225 units permitted from 2008 through 2011, but permitting declined during the past year.

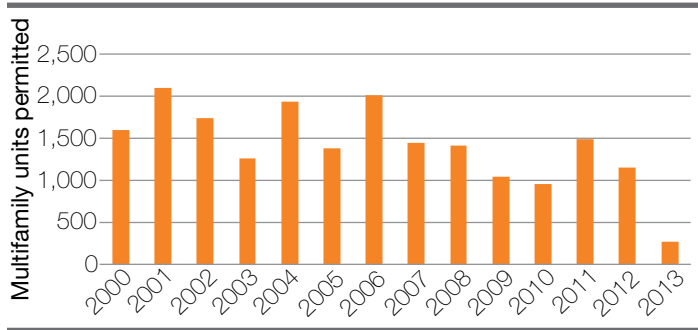
- During the 12 months ending April 2013, approximately 810 units were permitted compared with the 1,675 units permitted during the previous 12-month period (preliminary data).
- Multifamily construction slowed in 2009 and 2010 because of high rental vacancy rates, with an average of 1,000 units permitted annually, but construction increased to average 1,325 units permitted annually in 2011 and 2012 as the rental market tightened.
- Each of the two MSAs that comprise the HMA accounted for approximately one-half of the units permitted in the past 12 months.
- From 2000 through 2009, approximately 15 percent of all multifamily units permitted were condominiums, but almost no condominium development has occurred since 2010.
- Winston Factory Lofts, a converted historic factory in downtown Winston-Salem, opened in April 2013 with rents starting at \$875 for a one-bedroom unit and \$1,245 for a two-bedroom unit.

### Apartment vacancy rates have declined in the Greensboro HMA.



Source: Reis Inc.

### Multifamily building activity has remained steady in the Greensboro HMA.



Note: Includes preliminary data from January 2013 through April 2013. Source: U.S. Census Bureau, Building Permits Survey

