

HUD PD&R Housing Market Profiles

Greensboro-High Point, North Carolina



Quick Facts About Greensboro-High Point

- **Current sales market conditions: balanced**
- **Current rental market conditions: balanced**
- **Greensboro is situated among the gently rolling hills in the Piedmont Region of North Carolina, midway between the Blue Ridge and Great Smoky Mountains to the west and the Atlantic beaches and Outer Banks to the east.**



By Steve Walker | As of March 1, 2020

Overview

The Greensboro-High Point metropolitan area (hereafter, Greensboro metropolitan area)—which consists of Guilford, Randolph, and Rockingham Counties—is in central North Carolina and is coterminous with the Greensboro-High Point, NC Metropolitan Statistical Area (MSA). The city of Greensboro, in Guilford County, is the economic center and the most populous city of the metropolitan area, with nearly 38 percent of the metropolitan area population. The manufacturing sector share of employment has declined since 2000, but the metropolitan area still has one of the most manufacturing-intensive economies in the nation. The manufacturing sector has diversified to include innovative and aerospace manufacturing and is currently the second largest sector in the metropolitan area; the sector accounts for 15 percent of all jobs.

- As of March 1, 2020, the population of the metropolitan area is estimated at 778,500.
- Population growth averaged 6,300 people, or 0.8 percent, annually from 2013 to 2016. Since 2016, however, population growth is estimated to have slowed to an average of 5,125 people, or 0.7 percent, annually, partially due to a slowing of nonfarm payroll growth.

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- Net natural increase has slowed recently, in part because of the growing proportion of people at retirement age, generally defined as residents ages 60 and older. From 2013 to 2018, the retirement age cohort was the fastest growing, up an average of 1.4 percent, or 2,375 people, annually. The

proportion of the population ages 60 and older accounted for 23 percent of the population in 2018, up from 21 percent in 2013 (2013 and 2018 American Community Survey [ACS] 1-year estimates).

Economy

The economy of the Greensboro metropolitan area has expanded each year since the local downturn from 2008 through 2010, although job growth has slowed since 2017. From 2011 through 2016, nonfarm payrolls increased an average of 3,600 jobs, or 1.0 percent, annually. Job growth slowed by approximately 70 percent in 2017 and 2018, however, with average annual gains of only 1,100 jobs, or 0.3 percent, each year.

During the 3 months ending February 2020—

- Nonfarm payrolls rose to 363,700, an increase of 600 jobs, or 0.2 percent from a year ago, following a gain of 4,100 jobs, or 1.1 percent, during the 3 months ending February 2019. By comparison, from the 3 months ending February 2017 to the 3 months ending February 2018, payrolls increased by 300 jobs, or 0.1 percent.
- Five payroll sectors, all of which were service-providing sectors, added jobs. The most significant gains were in

the leisure and hospitality, transportation and utilities, and education and health services sectors, which increased by 1,000, 800, and 700 jobs, or 2.8, 4.1, and 1.4 percent, respectively.

- Six payroll sectors, including both goods-producing sectors and four of the nine service-providing sectors, had no gains or declined. The professional and business services sector had the largest decrease, down by 1,500 jobs, or 3.1 percent. A layoff in the first quarter of 2020 of approximately 220 workers at Deluxe Corporation—a business service company that provides personal and business checks, website development, and social media management—contributed to the loss.
- The unemployment rate declined to 3.9 percent, down from 4.3 percent during the 3 months ending February 2019. This rate is the lowest unemployment rate for the metropolitan area during a 3-month period since a low of 3.6 percent during the 3 months ending February 2000.

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Five sectors in the Greensboro metropolitan area added jobs during the 3 months ending February 2020.

	3 Months Ending		Year-Over-Year Change	
	February 2019 (Thousands)	February 2020 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	363.1	363.7	0.6	0.2
Goods-Producing Sectors	69.5	68.8	-0.7	-1.0
Mining, Logging, & Construction	15.6	15.5	-0.1	-0.6
Manufacturing	53.9	53.3	-0.6	-1.1
Service-Providing Sectors	293.6	294.9	1.3	0.4
Wholesale & Retail Trade	57.6	57.4	-0.2	-0.3
Transportation & Utilities	19.5	20.3	0.8	4.1
Information	4.6	4.7	0.1	2.2
Financial Activities	18.6	19.1	0.5	2.7
Professional & Business Services	48.5	47.0	-1.5	-3.1
Education & Health Services	51.6	52.3	0.7	1.4
Leisure & Hospitality	36.1	37.1	1.0	2.8
Other Services	12.4	12.4	0.0	0.0
Government	44.6	44.5	-0.1	-0.2
Unemployment Rate	4.3%	3.9%		

Note: Numbers may not add to totals due to rounding.

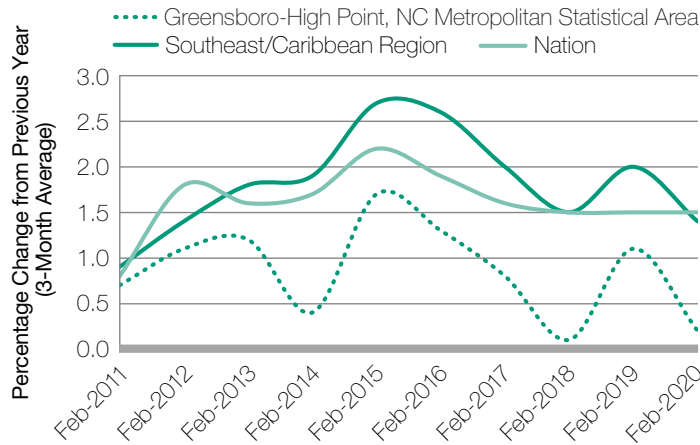
Source: U.S. Bureau of Labor Statistics



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Strong job growth is expected to continue in the leisure and hospitality sector and the education and health services sector. In late 2020, a 150-room Aloft hotel is expected to

During the 3 months ending February 2020, job growth in the Greensboro metropolitan area lagged the rate of growth in the region and the nation.



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

begin construction in downtown Greensboro. The hotel will be located south of the First National Bank Field—the stadium for the Greensboro Grasshoppers, which is the single-A minor league baseball team for the Pittsburgh Pirates. Also located in downtown Greensboro, the Steven Tanger Center for the Performing Arts, a 3,000-seat capacity state-of-the-arts performance facility that is replacing the old War Memorial Auditorium, is currently under construction and is expected to be open in the spring of 2020. In the first quarter of 2020, Moses Cone Hospital will open a new 200,000-square-foot facility, which is part of a \$100 million expansion planned for the next 5 years.

Largest Employers in the Greensboro Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Cone Health	Education & Health Services	13,085
LabCorp	Education & Health Services	5,200
U.S. Postal Service	Government	3,500

Note: Excludes local school districts.
Source: Greensboro Chamber of Commerce

Sales Market Conditions

The sales housing market in the Greensboro metropolitan area is currently balanced, with an estimated 1.2-percent sales vacancy rate, down from 2.7 percent in 2010 when the market was soft. Market conditions have improved since the housing market downturn that occurred from 2008 through 2010 because much of the excess inventory that resulted from the foreclosure crisis has been absorbed. As of March 1, 2020, the available inventory of homes represents a 2.7-months supply, down from 3.0 months in March 2019 and 11.8 months in April 2010 (CoreLogic, Inc.). During March 2017, 2.9 percent of home loans in the metropolitan area were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, compared with rates of 2.5 and 2.6 percent in North Carolina and the nation, respectively (CoreLogic, Inc.). As of March 1, 2020, the rate of seriously delinquent loans and REO properties in the metropolitan area was 1.7, down from 2.2 percent a year earlier; the current rate is above the 1.3-percent rate for North Carolina and the nation.

During the 12 months ending February 2020—

- During the 12 months ending February 2020, new and existing home sales (including single-family homes, townhomes, and condominiums) totaled 10,850. This number of sales is up 4 percent from the 10,400 homes sold during the previous 12-month period and 92 percent above a recent low

of 5,650 homes sold in 2011 (Metrostudy, A Hanley Wood Company, with adjustments by the analyst).

- New home sales totaled 980, the same number of homes sold a year earlier. The average sales price for a new home was \$285,600, an increase of 8 percent from a year earlier.
- Existing home sales increased 5 percent to 9,850, compared with the 9,400 homes sold during the previous 12-month period.
- The average sales price for existing homes was \$197,000, an increase of 2 percent from \$192,500 a year earlier and 28 percent higher than the recent low of \$153,800 in 2009.

Homebuilding activity, as measured by the number of single-family homes permitted, has generally trended upward in the metropolitan area since the early 2010s. From 2011 through 2015, an average of 1,350 single-family homes were permitted, compared with an average of 1,900 homes annually from 2016 through 2019.

- During the 12 months ending February 2020, permits were issued for 1,975 single-family homes, up 4 percent from 1,900 homes permitted during the 12 months ending February 2019.
- Of the single-family homes permitted in the metropolitan area in the past 12 months, 76 percent, or 1,500, were in Guilford County; 16 percent, or 320 homes, were in Randolph

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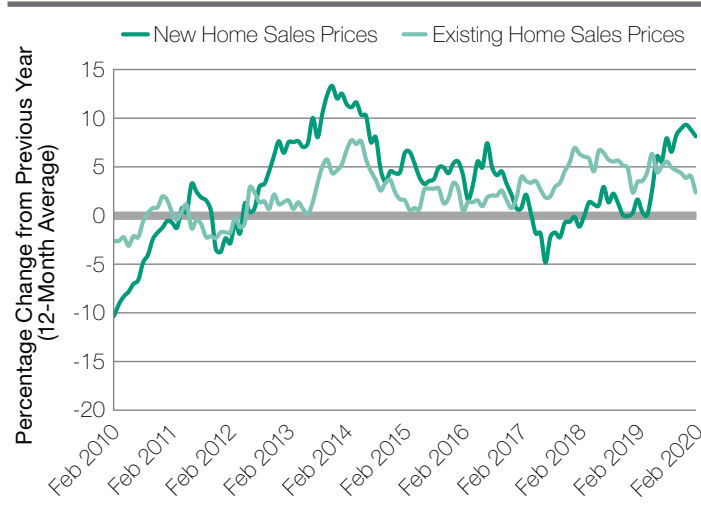


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County; and the remaining 8 percent, or 150 homes, were in Rockingham County.

- Located in Guilford County, 30 minutes northwest of downtown Greensboro, is the Shiloh neighborhood. The

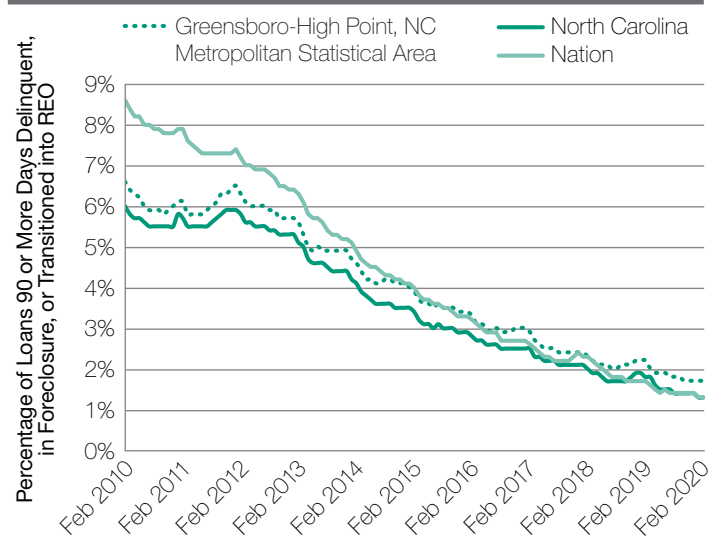
The new home sales price in the Greensboro metropolitan area has grown at a faster rate than average existing home sales prices during the past year.



Note: Includes single-family homes, townhomes, and condominiums. Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst

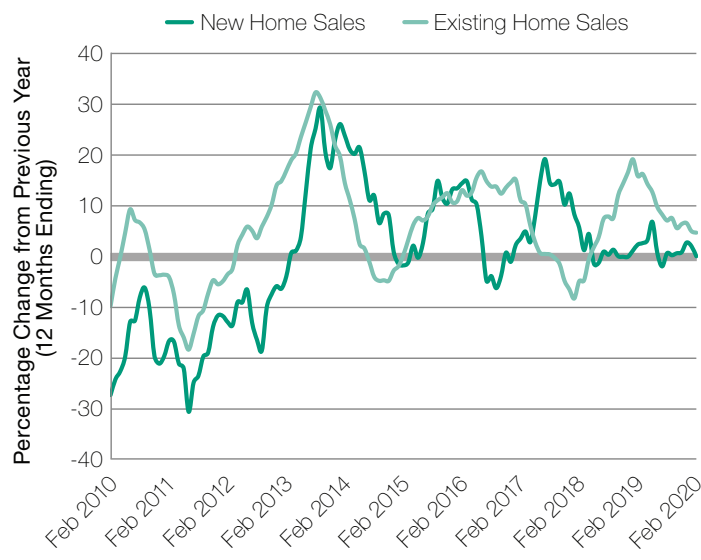
first phase of 15 homes is currently under construction and will have approximately 63 homes when complete in 2021. Homes in the development range from 2,150 to 2,650 square feet and list prices range from \$349,000 to \$395,000.

The rate of seriously delinquent mortgages and REO properties in the Greensboro metropolitan area has been above the national rate since 2018.



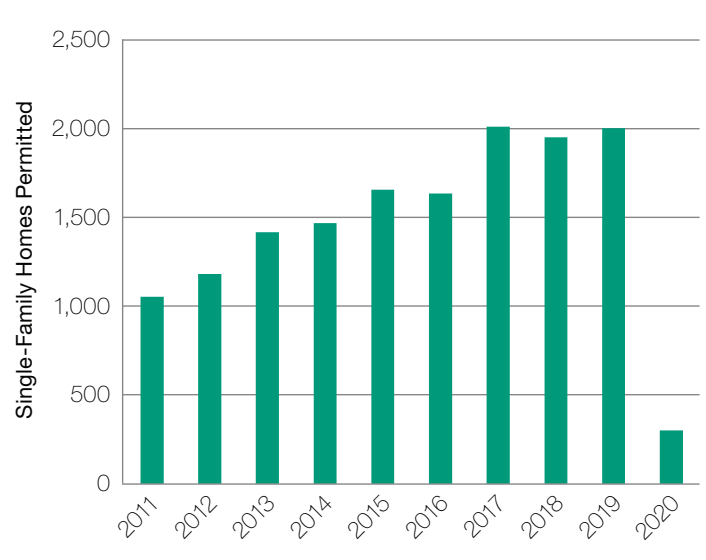
REO = real estate owned. Source: CoreLogic, Inc.

Existing home sales have grown at a faster rate than new home sales since 2018 in the Greensboro metropolitan area.



Note: Includes single-family homes, townhomes, and condominiums. Source: Metrostudy, A Hanley Wood Company, with adjustments by the analyst

The number of single-family homes permitted in the Greensboro metropolitan area has generally increased since 2012.



Note: Includes preliminary data from January 2019 through February 2020. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst



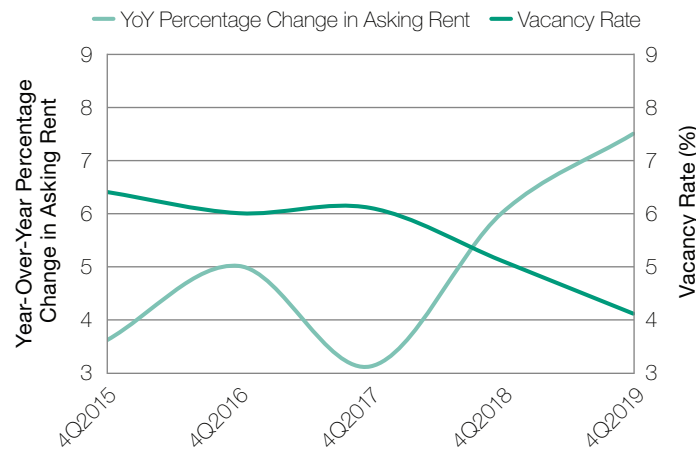
Rental Market Conditions

As of March 1, 2020, overall rental housing market conditions are currently balanced in the Greensboro metropolitan area, with an estimated 5.1-percent vacancy rate for all rental units (including single-family homes, townhomes, mobile homes, and apartments); this rate is down from an 11.8-percent vacancy rate in 2010 when market conditions were soft. The vacancy rate declined partly because of a shift from homeownership to renting that began during the housing crisis. Renter households currently account for approximately 38 percent of all households in the metropolitan area, up from 35 percent in 2010. Approximately 41 percent of renter households in the metropolitan area live in single-family homes, 13 percent live in buildings with two to four units, and 46 percent live in multifamily buildings with five or more units, typically apartments (2018 ACS 1-year estimates).

During the fourth quarter of 2019—

- The apartment market in the Greensboro metropolitan area was balanced, with a vacancy rate of 4.1 percent, down from 5.1 percent a year earlier and down from the 6.6-percent rate during the fourth quarter of 2014 (RealPage, Inc.).
- The average rent for apartments in the metropolitan area was \$879, an increase of 7 percent from the average of \$818 during the fourth quarter of 2018, after increases averaging approximately 4 percent a year from 2014 through 2017.
- The highest vacancy rate was in the RealPage, Inc.-defined High Point market area, located southwest of downtown Greensboro, which had a 5.0-percent vacancy rate, up from 3.9 percent a year earlier, and the average rent increased 5 percent to \$821.

The apartment vacancy rate in the Greensboro metropolitan area has declined during the past year while rent growth has increased.



4Q = fourth quarter. YoY = year-over-year. Source: RealPage, Inc.

- The highest rents were in the RealPage, Inc.-defined Burlington market area, which averaged \$956, up 7 percent from a year earlier. The average vacancy rate decreased to 4.3 percent, compared with 5.2 percent a year earlier.

Multifamily construction activity, as measured by the number of units permitted, has mostly trended upward from 2011 through 2018, with a decrease in 2015. Permit levels have been above 900 units permitted each year since 2011.

- During the 12 months ending February 2020, 1,125 multifamily units were permitted in the metropolitan area, down from 1,225 units permitted during the 12 months ending February 2019 (preliminary data).
- From 2011 through 2015, an average of 1,150 multifamily units were permitted, annually, compared with 1,200 units from 2016 through 2019.
- Recent apartment construction includes the 300-unit Carroll at Bellemeade, which was completed during the second quarter of 2019. The community is located in downtown Greensboro across the street from First National Bank Field. One-bedroom units in the development range from 678 to 846 square feet with rents of \$1,100 to \$1,900 and two-bedroom units range from 955 to 1379 square feet with rents ranging from \$1,585 to \$3,080.
- The Hawthorne at Friendly is a 188-unit complex that is located in the growing Midtown area of Greensboro and was completed in 2019. The complex has studio, one-bedroom, two-bedroom, and three-bedroom units with rents that start at \$1,195, \$1,415, \$1,800, and \$3,250, respectively.

Multifamily permitting in the Greensboro metropolitan area peaked in 2014 and has remained strong since a drop in 2015.



Note: Includes preliminary data from January 2019 through February 2020. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

