

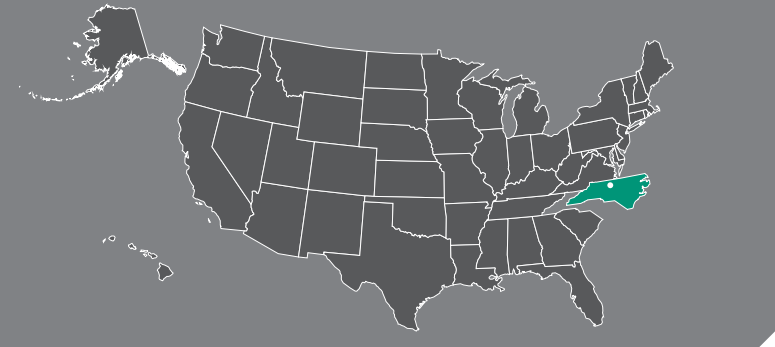
# HUD PD&R Housing Market Profiles

## Greensboro-High Point, North Carolina



### Quick Facts About Greensboro-High Point

- **Current sales market conditions: balanced.**
- **Current apartment market conditions: slightly soft.**
- **The city of Greensboro is home to the International Civil Rights Center and Museum and hosted some of the most well-known and influential sit-ins of the civil rights movement.**

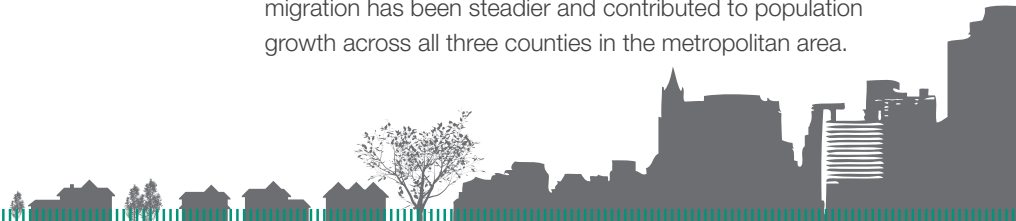


By Adam Tubridy | As of January 1, 2016

### Overview

The Greensboro-High Point metropolitan area consists of Guilford, Randolph, and Rockingham Counties in central North Carolina. The metropolitan area was the world's largest producer of denim in the early 20th century and, although manufacturing's share of employment has declined, the metropolitan area still has one of the most manufacturing-intensive economies in the nation. In addition to manufacturing, the service-providing industries of health care, transportation, and administrative services form the economic base of the metropolitan area.

- As of January 1, 2016, the estimated population of the Greensboro-High Point metropolitan area is 754,500, reflecting an average annual increase of 5,350, or 0.7 percent, since 2010.
- Population growth peaked from 2004 to 2008 at an average of 10,900 people, or 1.6 percent, annually because of job growth from 2003 through 2007. Net in-migration accounted for approximately 72 percent of the population growth during this period but has accounted for only 58 percent since 2010.
- Since 2010, approximately one-half of all net in-migration has been domestic and one-half has been international. Local economic conditions have greatly influenced domestic net migration into the metropolitan area, which has been entirely the result of migrants moving to Guilford County, particularly the cities of Greensboro and High Point. By contrast, international migration has been steadier and contributed to population growth across all three counties in the metropolitan area.



Job growth occurred in nearly every nonfarm employment sector in the Greensboro-High Point area.

	3 Months Ending		Year-Over-Year Change	
	December 2014 (thousands)	December 2015 (thousands)	Absolute (thousands)	Percent
<b>Total nonfarm payrolls</b>	355.0	365.7	10.7	3.0
Goods-producing sectors	67.1	67.0	-0.1	-0.1
Mining, logging, and construction	13.4	13.1	-0.3	-2.2
Manufacturing	53.8	53.9	0.1	0.2
Service-providing sectors	287.9	298.6	10.7	3.7
Wholesale and retail trade	56.7	59.1	2.4	4.2
Transportation and utilities	16.7	17.0	0.3	1.8
Information	5.0	4.9	-0.1	-2.0
Financial activities	17.8	18.5	0.7	3.9
Professional and business services	51.3	56.0	4.7	9.2
Education and health services	49.1	51.2	2.1	4.3
Leisure and hospitality	32.7	33.2	0.5	1.5
Other services	12.7	12.8	0.1	0.8
Government	45.8	45.9	0.1	0.2
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	5.5	5.5		

Note: Numbers may not add to totals because of rounding.  
Source: U.S. Bureau of Labor Statistics

## Economic Conditions

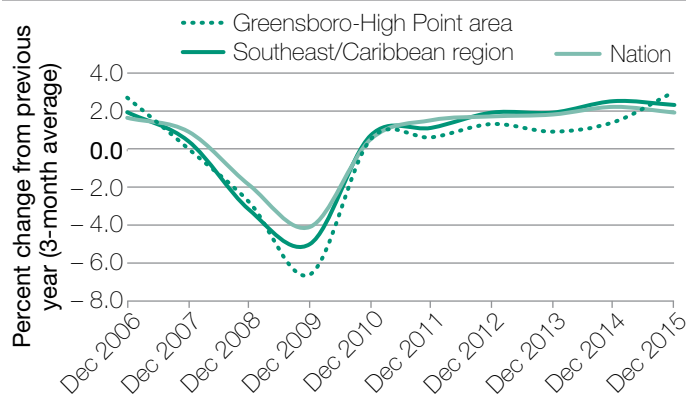
Economic conditions in the Greensboro-High Point metropolitan area have improved since 2010 after the number of nonfarm payrolls declined by 33,400 jobs, or 9.0 percent, from 2007 through 2010. By comparison, in the same period, nonfarm payrolls in the Southeast/Caribbean region and the nation declined 7.8 and 5.6 percent, respectively. The manufacturing sector accounted for over 35 percent of all job losses during these years despite accounting for only 17 percent of all nonfarm payrolls in 2007. Despite these declines, in 2010, the metropolitan area had the fifth highest concentration of manufacturing jobs in the country among the nation's 100 largest metropolitan areas ("Locating American Manufacturing," The Brookings Institution).

During the fourth quarter of 2015—

- Nonfarm payrolls increased for the sixth consecutive fourth quarter, increasing by 10,700 jobs, or 3.0 percent, compared with the number of jobs during the fourth quarter of 2014. Despite sustained economic growth, the number of nonfarm payrolls in the metropolitan area is still 2.9 percent below the 2007 prerecession peak on an annualized basis.

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## Nonfarm payroll growth in the Greensboro-High Point area accelerated in 2015.



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

## Largest employers in the Greensboro-High Point area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Moses H. Cone Health System	Education and health services	5,000+
United Healthcare	Education and health services	2,501–5,000
University of North Carolina at Greensboro	Government	2,501–5,000

Note: Excludes local school districts.  
Source: Greensboro Partnership for Economic Development

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- The professional and business services sector added the most jobs, increasing by 4,700 jobs, or 9.2 percent, to 56,000 jobs. Nearly 90 percent of this growth occurred in the administrative and support and waste management and remediation services industry, which includes temporary employment agencies and call centers.
- The education and health services sector increased by 2,100 jobs, or 4.3 percent, to 51,200. Contributing to this growth was Moses H. Cone Health System, the largest employer in the metropolitan area, which created a Medicare preferred-provider organization, HealthTeam Advantage, in the fourth quarter of 2015. In addition, Bethany Medical Center, in the city of High Point, broke ground on a new, 17,000-square-foot building and hired 50 employees in September 2015.

- The unemployment rate averaged 5.5 percent, unchanged from the fourth quarter of 2014. The last time the metropolitan area's unemployment rate did not decline on a year-over-year basis was the third quarter of 2010.

The proximity of the metropolitan area to major markets in the South, Midwest, and Mid-Atlantic regions of the nation and relatively low operating costs have attracted a cluster of firms that specialize in transportation and logistics. The presence of these firms has encouraged manufacturing and wholesale and retail trade sector firms to locate their warehousing and logistics operations in the metropolitan area. Significant employers in this industry cluster include FedEx Corporation, United Parcel Service, Inc. (or UPS), and the U.S. Postal Service, each of which have over 1,000 employees in the metropolitan area.

## Sales Market Conditions

The sales housing market in the Greensboro-High Point metropolitan area is balanced, with an estimated sales vacancy rate of 1.8 percent, down from 2.7 percent in 2010. Since 2012, home sales have increased faster than the inventory of homes for sale, lowering the sales vacancy rate and creating upward pressure on home prices. As of December 2015, the metropolitan area had 3.5 months of unsold, available inventory, down from 4.1 months in December 2014; in the same period, the number of active residential listings declined from 3,800 to 3,000 homes (Yahoo!-Zillow Real Estate Network).

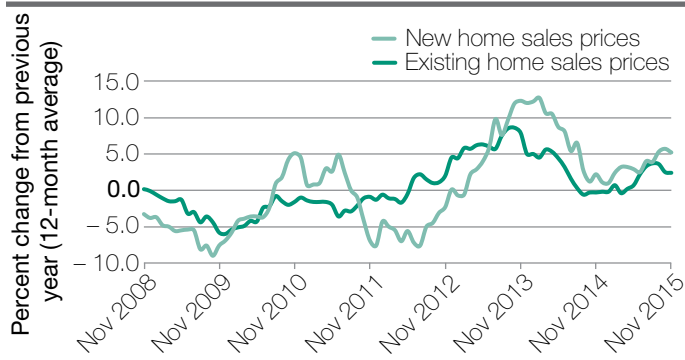
During the 12 months ending November 2015—

- Sales of existing homes totaled 9,800, up 11 percent from a year earlier; existing home sales increased an average of 13 percent annually from 2011 through 2014, while the housing market recovered (CoreLogic, Inc., with adjustments by the analyst).

- The average sales price for existing homes was \$149,200, an increase of 2 percent compared with the average price during the 12 months ending November 2014. During the housing crisis and subsequent recovery, existing home prices in the metropolitan area declined and increased, respectively, by less than one-half of the national average. Existing home prices in the metropolitan area are now 4 percent higher than during the prerecession peak during 2007.
- New home sales increased 5 percent, to 1,100 homes, from the previous 12-month period. The recovery of the new home sales market has lagged the existing home sales market; new home sales volume began to increase only in 2014.

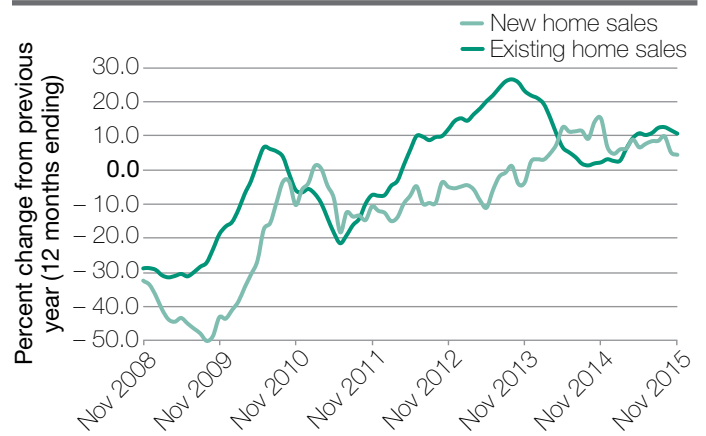
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### Existing home sales prices in the Greensboro-High Point area have not increased or declined by more than 10 percent annually since 2000.



Note: Includes single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc., with adjustments by the analyst

### The numbers of new and existing homes sold in the Greensboro-High Point area have increased since 2014.



Note: Includes single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc., with adjustments by the analyst



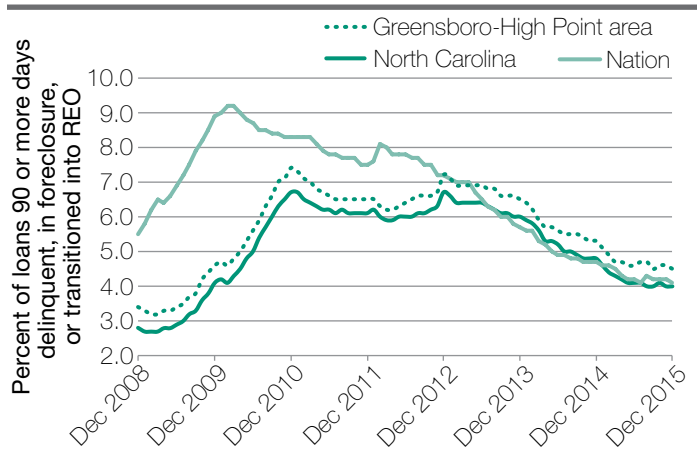
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- The average sales price for a new home increased 5 percent, to \$225,700. The average sales price of a new home grew 12 percent in 2013 but only 1 percent in 2014.

Improved sales and labor market conditions have contributed to increased single-family home construction activity, as measured by the number of single-family homes permitted, since permitting bottomed out in 2011.

- The number of single-family homes permitted increased 13 percent, to 1,650, during 2015 (preliminary data) compared with

**The percentage of seriously delinquent loans and REO properties in the Greensboro-High Point area was similar to the North Carolina and national percentages.**

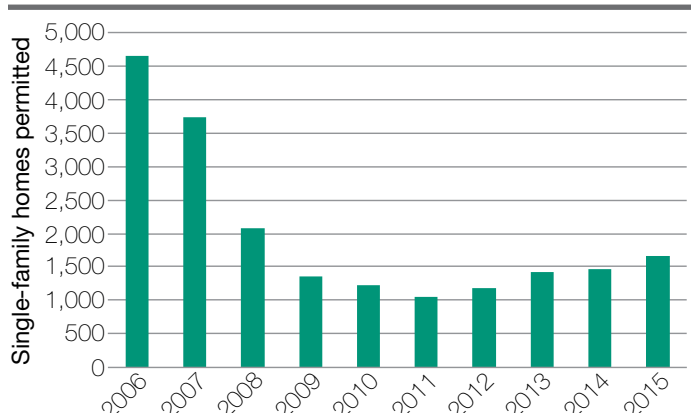


REO = real estate owned.  
Source: Black Knight Financial Services, Inc.

the 1,475 homes permitted during 2014. Single-family home permitting increased an average of 12 percent annually from 2011 through 2014.

- Single-family homebuilding peaked during 2004 and 2005 at an average of 5,050 homes permitted annually, then declined by an average of 690 homes permitted, or 23 percent, from 2006 through 2011 because of decreasing new home sales.
- Most new home construction is occurring in subdivisions in and around the cities of Greensboro and High Point. Reedy Fork Northwood in northeast Greensboro, a 152-site addition to the Reedy Fork planned community, offers three- and four-bedroom homes priced between \$150,000 and \$210,000.

**Single-family building levels in the Greensboro-High Point area remained below prerecession levels.**



Note: Includes preliminary data from January 2015 through December 2015.  
Source: U.S. Census Bureau, Building Permits Survey

**Apartment Market Conditions**

Apartment market conditions in the Greensboro-High Point metropolitan area are currently slightly soft. The rental housing market has improved since 2010 because a strengthening labor market and stricter lending requirements have contributed to a decreased homeownership rate and an increased demand for rental housing.

- The estimated vacancy rate for all rental units (including single-family homes, manufactured homes, and apartment units) is 8.5 percent as of January 1, 2016, a decrease from 11.8 percent in 2010.
- The apartment vacancy rate in the metropolitan area was 5.8 percent during the fourth quarter of 2015, down from 6.6 percent during the fourth quarter of 2014. By comparison, the apartment vacancy rate was 8.3 percent during the fourth quarter of 2010 but has declined since early 2013 (MPF Research).

- The average asking rent increased 2 percent from the same quarter a year ago, to \$736. Annual rent growth has averaged 2 percent since 2010, while both the nation and the MPF Research-defined Southern Region have averaged annual rent increases of 4 percent.

- The average rents during the fourth quarter of 2015 were \$635, \$730, and \$1,045 for one-, two-, and three-bedroom apartments, respectively.

Since 2009, multifamily building activity, as measured by the number of units permitted, has been lower than the 2004-through-2008 average but has fluctuated from year to year and shows no clear contemporary trend.

- During 2015, approximately 550 multifamily units were permitted (preliminary data) compared with the 1,150 units permitted during 2014.

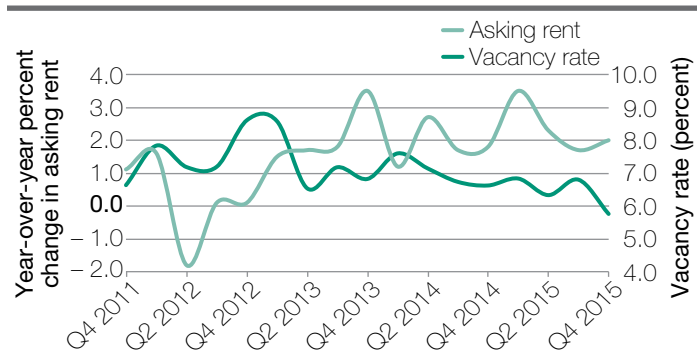
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- An average of 1,300 multifamily units were permitted annually from 2004 through 2008, when the labor market of the metropolitan area was consistently strong, but permitting declined to an average of 810 units annually from 2009 through 2014. Multifamily construction activity was limited by population growth that was approximately one-half of the 2004-through-2008 average.
- An estimated 1,025 apartment units are currently under construction in the metropolitan area. All apartment development is occurring in and around the city of Greensboro in Guilford County.

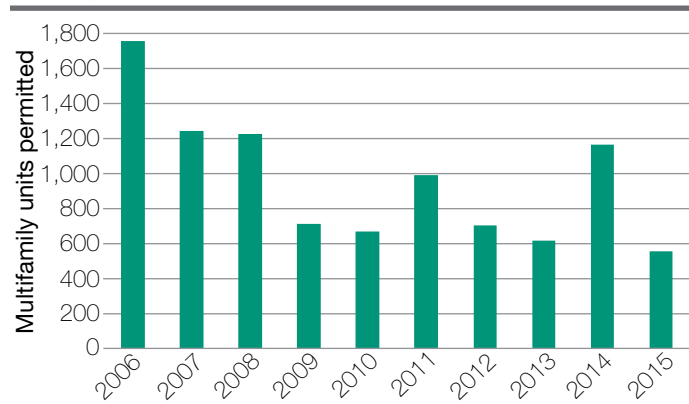
**Rent growth in the Greensboro-High Point area has been modest but positive since 2013.**



Source: MPF Research

- The Plantation at Pleasant Ridge in northwest Greensboro is currently building a second phase. This 144-unit addition, which is expected to be complete in the spring of 2016, offers one-, two-, and three-bedroom units starting at \$845, \$995, and \$1,170, respectively.
- Hope Court, a 16-unit affordable rental housing development, is currently under construction in southwest Greensboro. The property is expected to open in 2016 and will be restricted to tenants earning less than 50 percent of the Area Median Income.

**Multifamily permitting in the Greensboro-High Point area declined in 2015 after elevated construction activity in 2014.**



Note: Includes preliminary data from January 2015 through December 2015. Source: U.S. Census Bureau, Building Permits Survey

