

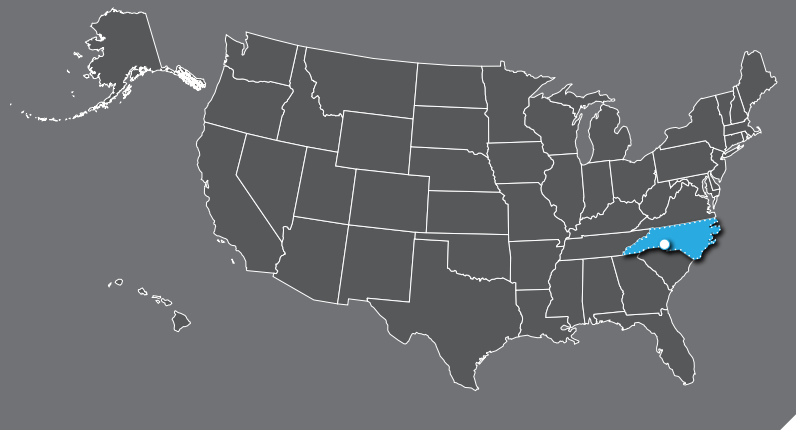
# HUD PD&R Housing Market Profiles

## Charlotte-Concord-Gastonia, North Carolina-South Carolina



### Quick Facts About Charlotte

- Current sales market conditions: slightly tight
- Current apartment market conditions: soft
- The Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area is a popular tourist destination for stock car racing fans because it is home to Charlotte Motor Speedway and the NASCAR (National Association for Stock Car Auto Racing, LLC) Hall of Fame.



Charlotte, North Carolina

By [Karen M. Ostrye](#) | As of January 1, 2024

### Overview

The Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area (hereafter, Charlotte metropolitan area) is on the southern border of mid-North Carolina and crosses into neighboring South Carolina. The metropolitan area consists of Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union Counties and the most populous city in North Carolina and Chester, Lancaster, and York Counties in South Carolina. The metropolitan area is home to 17 Fortune 1000 companies' headquarters and is a national business and financial center and regional hub for transportation, warehousing, and distribution.

As of January 1, 2024, the population of the Charlotte metropolitan area is estimated at nearly 2.82 million—an average annual increase of 47,600, or 1.8 percent, since 2020.

- Population growth averaged 36,100 people, or 1.6 percent, annually from 2010 to 2014 in the wake of the Great Recession (U.S. Census Bureau decennial census counts and population estimates as of July 1). From 2014 to 2017, population growth averaged 48,850 people, or 2.0 percent, annually as the local economic recovery strengthened.

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Since 2017, population growth has slowed compared with the middle of the past decade. From 2017 through 2023, the population increased by an average of 46,100, or 1.7 percent, annually.

- Net in-migration has accounted for an increasing share of population growth in the metropolitan area. From 2010 to 2014, net in-migration averaged 23,600 people annually, representing 65 percent of the population growth,

accompanied by net natural increase of 12,500 people. Net in-migration averaged 36,100 people, or 78 percent of the population growth, from 2014 to 2020, and net natural increase averaged 10,450 people annually. Since 2017, net in-migration has averaged 37,700 people annually, representing 82 percent of population growth. During the period, net natural increase slowed to 8,400 people, partially attributable to increased deaths from COVID-19.

## Economic Conditions

The economy in the Charlotte metropolitan area expanded during the past year, but the rate of job growth decelerated compared with a year ago. As of the fourth quarter of 2023, nonfarm payrolls in the metropolitan area increased by 32,700 jobs, or 2.4 percent, from a year earlier to 1.37 million jobs; that increase followed an increase of 47,000 jobs, or 3.6 percent, as of the fourth quarter of 2022. By comparison, nonfarm payrolls increased an average of 3.0 percent annually from 2011 through 2019, before the COVID-19 pandemic downturn. The metropolitan area had recovered all jobs lost during the early months of the pandemic by October 2021. The leisure and hospitality sector, the fastest growing sector as of the fourth quarter of 2023, was the hardest hit by the 2020 recession, representing nearly 40 percent of jobs lost in the metropolitan area. The sector declined by 59,600 jobs, or 42 percent, during March and April 2020 (monthly data, not seasonally adjusted).

As of the fourth quarter of 2023, the sector was 5 percent above the prepandemic level of the fourth quarter of 2019.

As of the fourth quarter of 2023—

- The leisure and hospitality sector added more jobs than any other sector, with 13,600 jobs, or 9.6 percent, compared with a year earlier. Some of this increase can be attributed to the staffing of the DoubleTree by Hilton Charlotte City Center, which opened in November 2023. Growth in the sector is expected to continue with the opening of Element Charlotte Uptown hotel in April 2024.
- The education and health services sector added 10,400 jobs, or 7.4 percent, from a year ago. Atrium Health, the largest employer in the metropolitan area, has completed more than \$1 billion in capital expenditures during the past 5 years. Current projects include a Charlotte medical school

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**In the Charlotte metropolitan area, 9 of the 11 payroll sectors added jobs as of the 3 months ending December 2023 compared with a year ago.**

	3 Months Ending		Year-Over-Year Change	
	December 2022 (Thousands)	December 2023 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	1,336.0	1,368.7	32.7	2.4
Goods-Producing Sectors	185.8	182.7	-3.1	-1.7
Mining, Logging, & Construction	74.5	75.1	0.6	0.8
Manufacturing	111.3	107.6	-3.7	-3.3
Service-Providing Sectors	1,150.2	1,186.0	35.8	3.1
Wholesale & Retail Trade	202.2	204.3	2.1	1.0
Transportation & Utilities	78.3	79.9	1.6	2.0
Information	26.4	26.3	-0.1	-0.4
Financial Activities	121.2	124.1	2.9	2.4
Professional & Business Services	229.7	231.1	1.4	0.6
Education & Health Services	140.0	150.4	10.4	7.4
Leisure & Hospitality	141.5	155.1	13.6	9.6
Other Services	48.4	48.5	0.1	0.2
Government	162.4	166.2	3.8	2.3
<b>Unemployment Rate</b>	3.3%	3.2%		

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

Source: U.S. Bureau of Labor Statistics



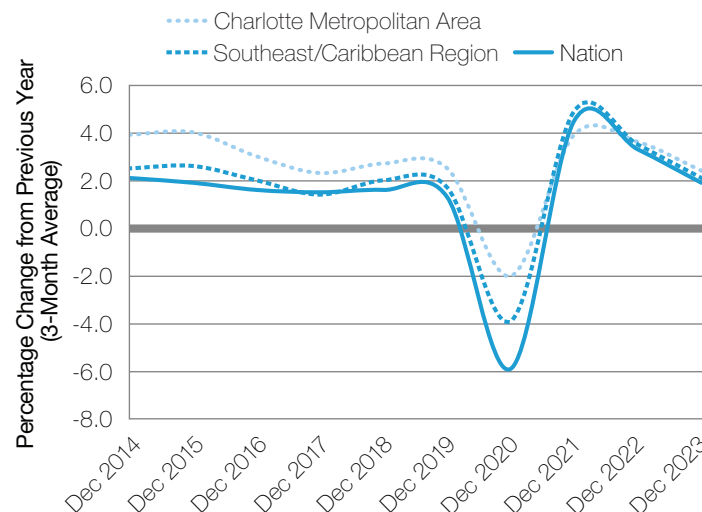
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that will begin accepting students in 2024 and a \$450 million care tower that is expected to be complete in 2025.

- The transportation and utilities sector added 1,600 jobs, or 2.0 percent, compared with a 1.9-percent loss the previous year. Job increases in this sector are expected to continue with the addition of a \$584 million, 1.4 million-square-foot Macy's, Inc. distribution center, which will add 2,800 jobs upon opening in mid-2024.
- The manufacturing sector declined by 3,700 jobs, or 3.3 percent, from a year earlier. Some of this decline can be attributed to the closure of the Gildan Yarns factory in the city of Salisbury, North Carolina. The Charlotte metropolitan area once was a textile manufacturing center but has been transitioning to include a more diverse manufacturing range, including biomedical and energy manufacturing. Silfab Solar Inc. plans to invest \$150 million in a new solar cell manufacturing plant in the town of Fort Mill, South Carolina, that is expected to begin operations in the fall of 2024 and add 800 jobs.
- The unemployment rate declined to 3.2 percent from 3.3 percent during the same period a year earlier.

The financial activities and the professional and business services sectors added 2,900 and 1,400 jobs, or 2.4 and 0.6 percent, respectively, as of the fourth quarter of 2023. The Charlotte metropolitan area is a national business and financial center and home to 17 Fortune 1000 companies' headquarters. The professional and business services sector is the largest payroll sector in the metropolitan area, representing 17 percent of all payrolls. The metropolitan area is the second largest banking center in the country, behind the New York metropolitan area, as measured by total assets under management (Charlotte Regional Business Alliance). Two of the top three employers in the metropolitan area are in the financial activities sector, which represents 9 percent of all payrolls in the metropolitan

### Nonfarm payrolls in the Charlotte metropolitan area have increased at a faster pace than in the region and the nation during the past year.



Source: U.S. Bureau of Labor Statistics

### Largest Employers in the Charlotte Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Atrium Health	Education & Health Services	37,000
Wells Fargo & Company	Financial Activities	30,000
Bank of America, N.A.	Financial Activities	15,000

Note: Excludes local school districts.

Source: Charlotte Regional Business Alliance

area compared with 6 percent for the nation. Credit Karma headquarters moved into the Charlotte metropolitan area during the past year, adding 450 jobs. The Bank of London is expected to add 350 jobs with the addition of its headquarters in the metropolitan area by the end of 2026.

## Sales Market Conditions

The sales housing market in the Charlotte metropolitan area is slightly tight, with an overall sales vacancy rate estimated at 1.7 percent as of January 1, 2024, up from 1.3 percent in April 2020, when conditions were tighter. Demand began to ease in early 2022 when interest rates started to rise. The average interest rate for a 30-year fixed-rate mortgage was 7.0 percent during December 2023 compared with 6.5 percent during December 2022 and 3.1 percent during December 2021 (Freddie Mac). Potential sellers with low mortgage interest rates have refrained from listing their homes, limiting the supply of for-sale housing,

which has caused conditions to be slightly tight. The percentage of home loans in the metropolitan area that were seriously delinquent or had transitioned to real estate owned (REO) status was 0.7 percent as of December 2023—down from 1.0 percent a year ago and well below the recent high of 3.9 percent in September 2020 (CoreLogic, Inc.). The current rate for the metropolitan area is the lowest it has been since before 2000 and is slightly lower than the respective rates of 0.8 and 1.0 percent for North Carolina and the nation.

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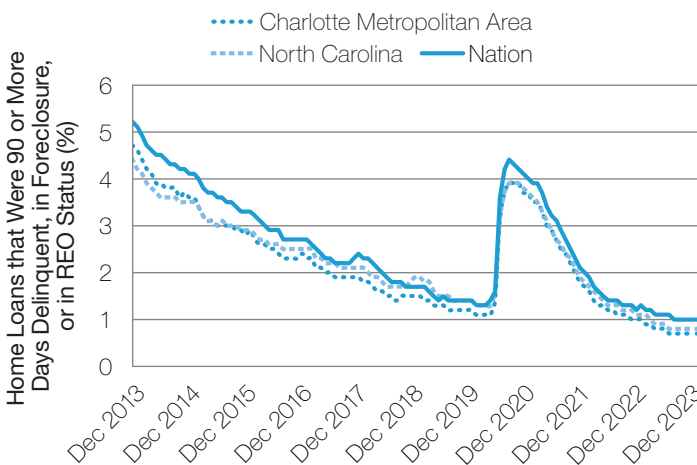


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During 2023—

- Existing home sales decreased 25 percent to 42,350 homes. During 2021, home sales increased 16 percent to 67,950 but fell 17 percent during 2022, when interest rates increased.
- Fewer homes on the market contributed to the average existing home sales price increasing 6 percent to \$412,900, following an increase of 12 percent during 2022.
- New home sales fell 12 percent compared with a year earlier to 11,350 homes sold, following a decrease of 8 percent during the previous year. Slower home sales growth was partly due to increases in mortgage interest rates.

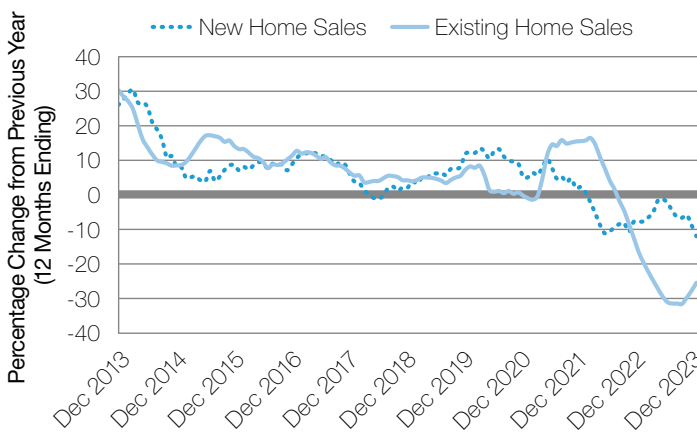
The rate of seriously delinquent mortgages and REO properties is at a historical low in the Charlotte metropolitan area after a sharp uptick during the early stages of the pandemic.



REO = real estate owned.

Source: CoreLogic, Inc., with adjustments by the analyst

During 2023, new and existing home sales in the Charlotte metropolitan area decreased, continuing a trend that started in 2022.



Note: Data include new and existing single-family homes, townhomes, and condominiums.

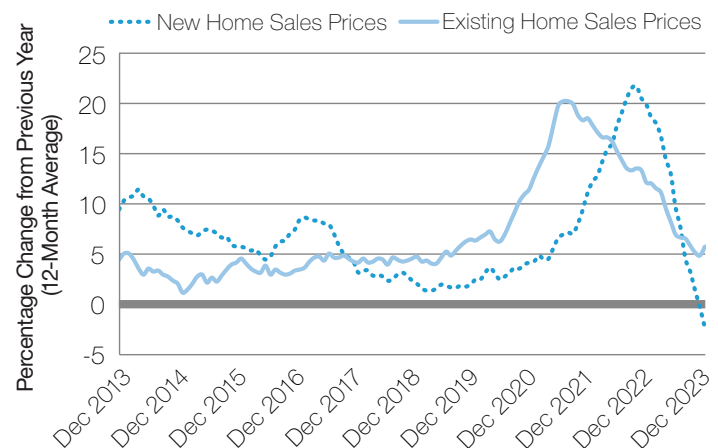
Source: CoreLogic, Inc., with adjustments by the analyst

- The average price of a new home declined 2 percent to \$469,800, compared with an increase of 20 percent during the previous year, partly due to rising building material costs.

Homebuilding has mostly trended upward since 2016 in response to increasing net in-migration. A strong economic recovery from the COVID-19 pandemic contributed to a recent peak in home construction in 2021. During 2023, approximately 19,150 sales units were permitted, down less than 1 percent from 19,250 in 2022.

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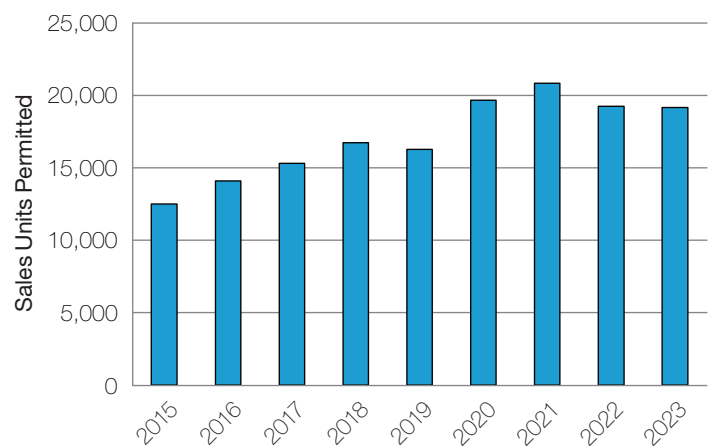
New and existing home sales price growth in the Charlotte metropolitan area slowed dramatically during the past year because sales declined in response to higher interest rates.



Note: Data include new and existing single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

After trending upward through 2021, construction of new sales units slowed slightly in the Charlotte metropolitan area during the past 2 years.



Sources: U.S. Census Bureau, Building Permits Survey; 2015–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- Homebuilding activity averaged 17,550 units permitted each year from 2018 through 2020 before rising to a recent peak of 20,850 units permitted in 2021, when demand for new sales units was strong and mortgage interest rates were at historic lows.
- Development has been particularly strong in and around the city of Charlotte. Several single-family home communities are underway, including the Edgewood Preserve subdivision north of the city of Charlotte near the interchange of Interstates 485 and 77. Approximately 11 of the 86 single-

family homes planned in the development have sold. The community offers two- to four-bedroom homes ranging in size from 1,300 to 2,600 square feet, respectively, with prices starting at \$320,000.

- Ashe Downs is a 74-townhome community in the town of Fort Mill, South Carolina, near the North Carolina border, with prices starting at \$330,000. Approximately 60 of these 1,400- to 1,600-square-foot, three-bedroom homes with one-car garages have sold.

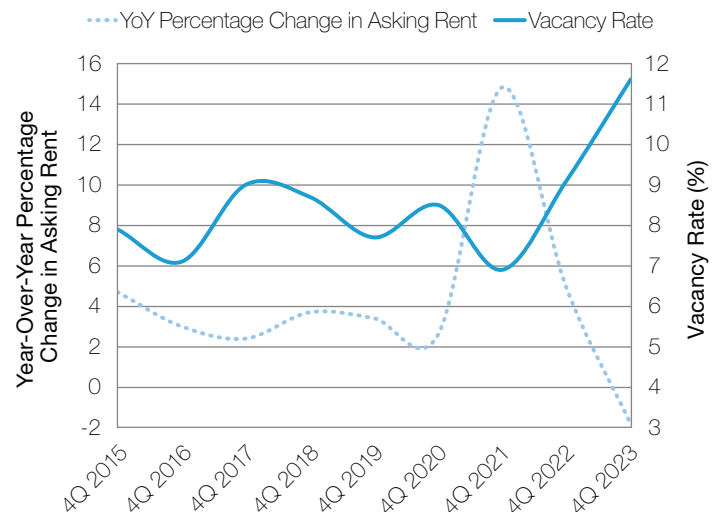
## Apartment Market Conditions

Apartment market conditions in the metropolitan area are currently soft, with a vacancy rate of 11.6 percent as of the fourth quarter of 2023, up from 9.1 percent a year earlier (CoStar Group). The 6.9-percent vacancy rate as of the fourth quarter of 2021 was the lowest rate for any fourth quarter since 2013 because strong population growth led to high renter household growth. The vacancy rate increased in 2022 because nearly 12,000 new apartment units were added to the existing inventory compared with an average of 9,200 during the previous 5 years. Increased demand resulted in sharp rent growth in the metropolitan area during 2021 following a period of moderate gains during the late 2010s, but slowing absorption led to a decline in rents during 2023.

As of the fourth quarter of 2023—

- The average apartment rent decreased 2 percent to \$1,558 from a year earlier, following a 5-percent year-over-year increase as of the fourth quarter of 2022.
- The average apartment rents of the largest seven CoStar Group-defined market areas in the metropolitan area ranged from \$1,424 in the East Charlotte market area—which is east of Interstate 277 and extends east of Interstate 485 and includes some older apartments—to \$2,046 in the South End market area, southwest of the Charlotte city center. The South End market is densely developed with many amenities and employment centers, including Atrium Health Carolinas Medical Center.
- The lowest average apartment vacancy rate of the largest seven market areas was in the South Charlotte market area, the largest market, representing 17 percent of all apartments in the metropolitan area. The market extends to the South Carolina border to the south and Union County to the east. The vacancy rate was 10.3 percent as of the fourth quarter of 2023, up from 7.2 percent as of the fourth quarter of 2022, partly because of the addition of more than 1,000 new units.

### Strong multifamily construction contributed to rising apartment vacancy rates and declining rents in the Charlotte metropolitan area during the past year.



4Q = fourth quarter. YoY = year-over-year.  
Source: CoStar Group

- The North Charlotte market area, which represents approximately 7 percent of the apartment units in the metropolitan area, has the highest vacancy rate at 13.3 percent compared with 11.5 percent as of the fourth quarter of 2022. New units have been added to this area in recent years, partly because of the extension of the light rail in 2018.

Rental construction activity, as measured by the number of rental units permitted, was strong during 2022 but declined 36 percent during 2023 to 12,950 units. Builders have responded to higher vacancy rates by slowing rental production, allowing many recently completed units to be absorbed.

- Rental construction activity in the metropolitan area increased to 9,025 units a year from 2015 through 2018 compared

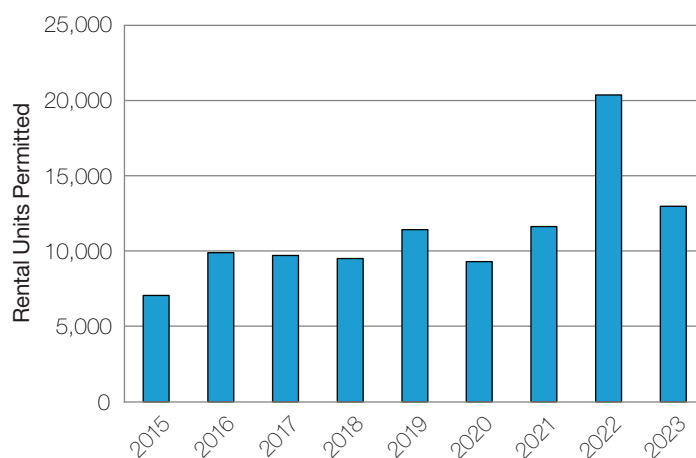
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with 4,900 units from 2010 through 2014. When developers responded to increased apartment demand following strong net in-migration, rental construction increased to an average of 10,750 units annually from 2019 through 2021 and reached a recent high of 20,350 units in 2022.

- Recent rental construction in the Lower South End market area accounted for approximately 21 percent of the new rental units completed in the metropolitan area in 2023. Recently completed properties in the market area include Hawkins Press, a 426-unit apartment development near the light rail between New Bern and East/West Stations that is now leasing. Rents range from \$1,631 to \$3,742 for one- to three-bedroom units.
- Approximately 5 percent of the new rental units added to the metropolitan area in 2023 were in Lancaster County. The northern tip of this South Carolina county is approximately 20 miles southwest of downtown Charlotte. The Caroline is a 294-unit community in the village of Indian Land, South Carolina, with studio to three-bedroom apartments ranging from \$1,343 to \$2,956.
- Recent rental construction intended for seniors accounted for approximately 6 percent of the new rental units completed in the metropolitan area in 2023. Gilfield Park is

**Rental construction was more subdued during the past year in the Charlotte metropolitan area after a recent peak in 2022.**



Sources: U.S. Census Bureau, Building Permits Survey; 2015–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

a recently completed 80-unit, income-restricted community approximately 3 miles north of downtown Charlotte, with rents based on 80 percent of the area median income for residents aged 55 years or older.

## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including only those that are stabilized.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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