

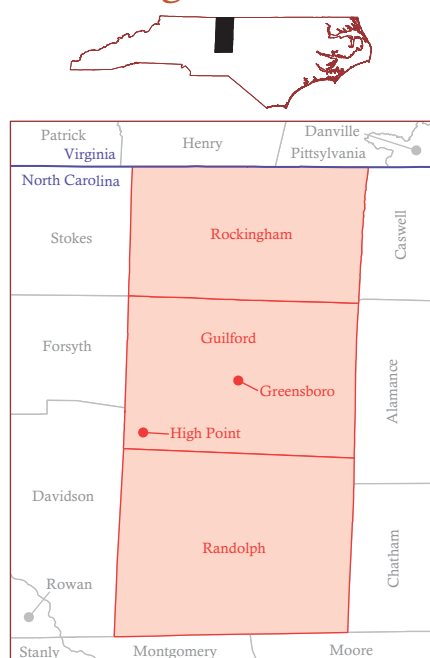


Greensboro-High Point, North Carolina

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2015



Housing Market Area



The Greensboro-High Point Housing Market Area (HMA) is coterminous with the Greensboro-High Point, NC Metropolitan Statistical Area and consists of Guilford, Randolph, and Rockingham Counties in central North Carolina. The HMA was the world's largest producer of denim in the early 20th century and still has one of the most manufacturing-intensive economies in the nation.

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Summary

Economy

The economy of the Greensboro-High Point HMA has improved since 2011 after the number of nonfarm payrolls declined by 33,400 jobs, or 9.0 percent, from 2008 through 2010. During the 12 months ending September 2015, nonfarm payrolls increased by 9,300 jobs, or 2.7 percent, to 356,500 jobs, while the unemployment rate decreased from 6.9 to 5.8 percent. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 3,600 jobs, or 1.0 percent, annually.

Sales Market

The sales housing market in the HMA is currently balanced, with an overall estimated sales vacancy rate of 1.8 percent, down from 2.7 percent in 2010. During the 12 months ending August 2015, total sales of new and existing homes increased 11 percent, to 10,700 homes, and the average home sales price increased 3 percent, to \$157,200, from the preceding 12 months (CoreLogic, Inc., with adjustments by the analyst). During the next 3 years, demand is expected for 5,250 new homes (Table 1). The 420 homes currently under construction and a portion of the 13,750 other vacant units, which may reenter the market, will satisfy some of the demand.

Rental Market

Rental housing market conditions in the HMA are currently slightly soft, with an overall vacancy rate of 8.5 percent, down from 11.8 percent in 2010. The apartment market is balanced, with an apartment vacancy rate of 6.3 percent in the second quarter of 2015 (MPF Research). During the next 3 years, demand is expected for 2,250 new market-rate rental units (Table 1). The approximately 1,025 rental units currently under construction will satisfy a portion of that demand.

Table 1. Housing Demand in the Greensboro-High Point HMA During the Forecast Period

	Greensboro-High Point HMA	
	Sales Units	Rental Units
Total demand	5,250	2,250
Under construction	420	1,025

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2015. A portion of the estimated 13,750 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

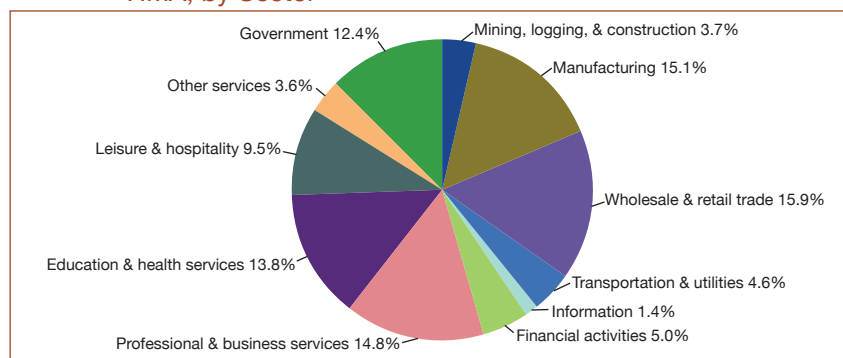
Economic Conditions

Textile and furniture manufacturing were historically the primary sources of employment in the Greensboro-High Point HMA, but employment in these industries in the HMA has declined since the 1980s because of increased international competition and the use of labor-saving technology. From the end of 1990 (the first year manufacturing data are available) through 2010, the number of manufacturing jobs decreased in 17 out of 20 years, losing 39,900 jobs, or 42 percent of the entire sector. Between 2001 (the first year of manufacturing industry-level data availability) and 2010, the number of jobs in the textile and furniture manufacturing industries declined 64 and 31 percent, respectively. Despite these declines, in 2010, manufacturing still accounted for 15 percent of all nonfarm payrolls in the HMA; the Greensboro-High Point 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). By comparison, manufacturing jobs accounted for 28 percent of all nonfarm payrolls in the HMA in 1990. Since 2011, manufacturing in the HMA has rebounded because of increased employment in nontraditional, capital-intensive manufacturing

like aviation, electronics, and consumer goods manufacturing. From 2011 through 2014, the manufacturing sector increased each year, adding an average of 700 jobs, or 1.3 percent, annually. The Honda Aircraft Company developed the HondaJet light business jet in the city of Greensboro, completed its manufacturing center in late 2011 and a customer service and maintenance facility in 2013, and currently employs approximately 1,200 people in the HMA. In addition, Lenovo, a computer manufacturer, opened a 300-employee manufacturing and logistics center in Whitsett in 2013, and Procter and Gamble opened a \$100 million expansion at their plant in Greensboro in 2014, which added 200 employees. During the 12 months ending September 2015, the manufacturing sector continued to expand, adding 500 jobs, or 0.9 percent, increasing payrolls to 53,900 jobs. The manufacturing sector is currently the second largest economic sector in the HMA (Figure 1). During the next 3 years, Technimark, a plastics manufacturer, is expected to expand its plant in Ashboro, adding 160 jobs, and the Honda Aircraft Company plans to add an additional 150 jobs.

Economic conditions in the HMA have improved every year since 2011 after the number of nonfarm payrolls declined by 33,400, or 9.0 percent, from 2008 through 2010. Approximately 54 percent of the job losses during this period occurred in the goods-producing sectors of manufacturing and mining, logging, and construction. Job growth began in 2011 and continued in 2012, averaging 2,500 jobs, or 0.7 percent, annually. During this period, the professional and business services sector led growth, adding an average of 1,600 jobs, or 3.5 percent,

Figure 1. Current Nonfarm Payroll Jobs in the Greensboro-High Point HMA, by Sector



Note: Based on 12-month averages through September 2015.

Source: U.S. Bureau of Labor Statistics

annually because of increased employment at temporary help agencies and the creation of 250 jobs at a new consumer service center for Li & Fung USA, a global supply chain management firm. Job growth accelerated to 3,400 jobs, or 1.0 percent, from 2013 through 2014, primarily based on increased payrolls in the wholesale and retail trade, professional and business services, and leisure and hospitality sectors and stabilization of the local government sector after 3 years of job losses. During the 12 months ending September 2015, job growth accelerated to 9,300, or 2.7 percent, to 356,500 jobs (Table 2). Approximately one-half of

all job growth since 2014 has come from the professional and business services sector because of increased employment at temporary help agencies and because APAC Customer Services and Conduit Global opened new call centers that employ 500 and 300 people, respectively. Job growth has caused the unemployment rate to decline since 2011; the unemployment rate during the 12 months ending September 2015 was 5.8 percent, down from 6.9 percent during the previous 12-month period. The current unemployment rate is less than the average of 11.1 percent annually from 2009 through 2011 but remains higher than the prerecession low, which averaged 4.8 percent during the 2-year period of 2006 and 2007. Figure 2 shows trends in the labor force, resident employment, and the unemployment rate from 2000 through 2014.

The proximity of the HMA 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 firms to locate their warehousing and logistics operations in the HMA. Ralph Lauren, a clothing manufacturer, is currently building a 843,000-square-foot distribution center in High Point that is expected to employ 500 people when complete, and FFF Enterprises, a distributor of vaccines and other pharmaceuticals, began operations at a new distribution center in Kernersville that is expected to create approximately 160 jobs when fully operational in late 2015. These job gains will help offset the loss of 130 jobs caused by the closure of a Kmart distribution center

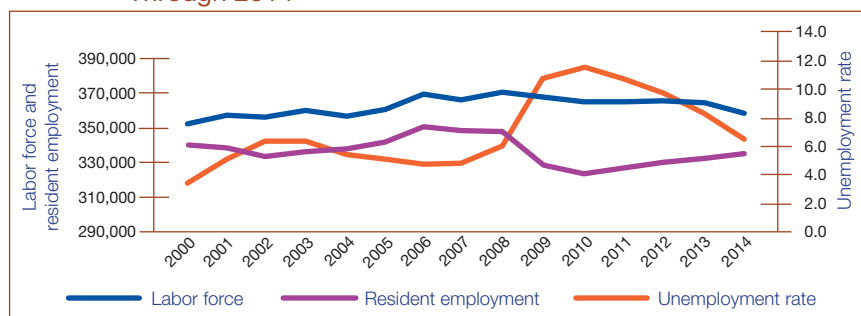
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Greensboro-High Point HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	September 2014	September 2015		
Total nonfarm payroll jobs	347,200	356,500	9,300	2.7
Goods-producing sectors	66,400	67,100	700	1.1
Mining, logging, & construction	13,000	13,200	200	1.5
Manufacturing	53,400	53,900	500	0.9
Service-providing sectors	280,700	289,400	8,700	3.1
Wholesale & retail trade	55,900	56,800	900	1.6
Transportation & utilities	16,200	16,600	400	2.5
Information	5,000	4,900	-100	-2.0
Financial activities	18,000	18,000	0	0.0
Professional & business services	48,300	52,900	4,600	9.5
Education & health services	47,800	49,200	1,400	2.9
Leisure & hospitality	32,500	34,000	1,500	4.6
Other services	12,600	12,700	100	0.8
Government	44,500	44,400	-100	-0.2

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2014 and September 2015.

Source: U.S. Bureau of Labor Statistics

Figure 2. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Greensboro-High Point HMA, 2000 Through 2014



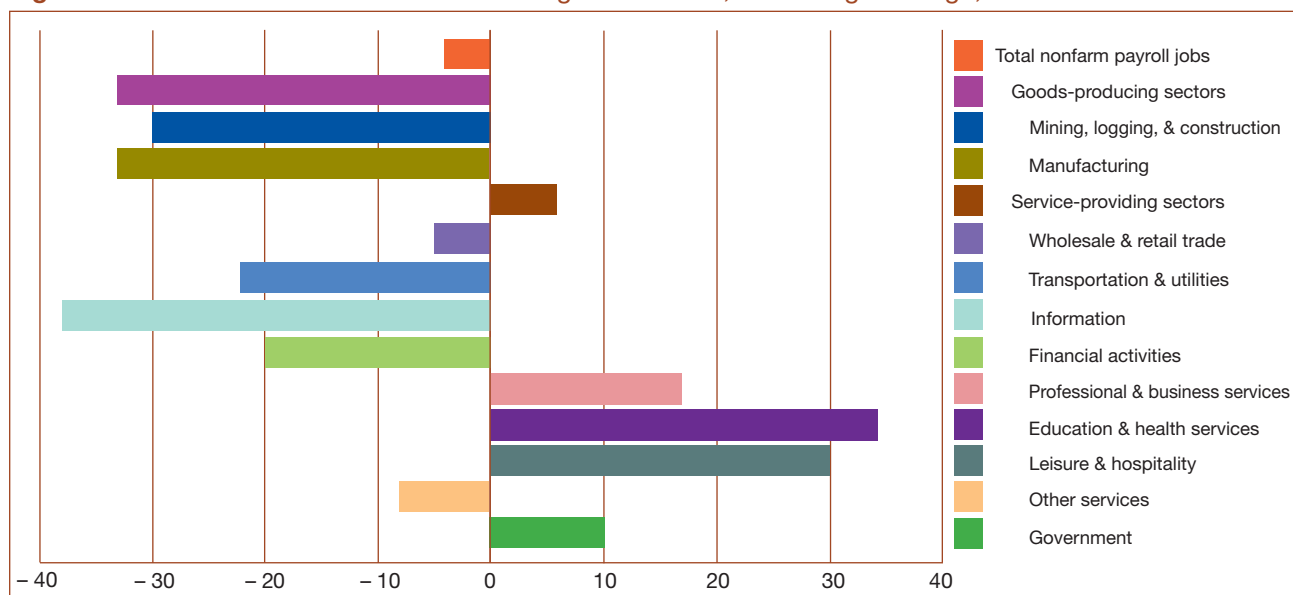
Source: U.S. Bureau of Labor Statistics

in mid-2015. Economic growth in this industry cluster depends heavily on strong economic conditions elsewhere in the nation; after several years of job losses, the wholesale and retail trade sector added 1,000 jobs, or 1.8 percent, annually from 2012 through 2014. This trend continued during the 12 months ending September 2015, with the wholesale and retail trade sector growing by 900 jobs, or 1.6 percent, to 56,800 jobs. Growth in the transportation and utilities sector has been slower than in the wholesale and retail trade sector. From 2003 to 2009, the number of jobs in this sector declined by an average of 400, or 2.2 percent, annually but has increased or remained stable every year since 2010. During the 12 months ending September 2015, the transportation and utilities sector increased by 400 jobs, or 2.5 percent, to 16,600 jobs. FedEx Corporation has a ground transport sort facility in Kernersville and an air-cargo facility that employ approximately 570 and 400 people, respectively, and United Parcel Service, Inc. (UPS) has the fifth busiest ground transport sort facility in

Greensboro. The U.S. Postal Service, part of the government sector, also has a bulk mail facility in Greensboro that employs approximately 900 workers and that plans to add approximately 200 additional employees in 2016.

The education and health services sector has been the fastest-growing sector since 2000 (Figure 3), with hospitals representing three of the largest employers in the HMA (Table 3). Approximately 90 percent of the jobs in this sector are in the healthcare and social assistance industry; the University of North Carolina-Greensboro and North Carolina Agricultural and Technical State University (NC A&T) are included in the government sector. Most of the education and health services sector's growth since 2000 occurred from 2001 through 2006, when the sector added an average of 1,500 jobs, or 3.7 percent, annually but slowed to only 300, or 0.6 percent, from 2007 through 2014. The Moses H. Cone Health System, the largest employer in the HMA, built a \$200 million, 263,000-square-foot expansion from

Figure 3. Sector Growth in the Greensboro-High Point HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through September 2015.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Greensboro-High Point HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Moses H. Cone Health System	Education & health services	5,000+
United Healthcare	Education & health services	2,501–5,000
University of North Carolina-Greensboro	Government	2,501–5,000
U.S. Postal Service	Government	2,501–5,000
Bank of America Corporation	Financial activities	1,501–2,500
High Point Regional Hospital	Education & health services	1,501–2,500
Lorillard Tobacco Co.	Manufacturing	1,501–2,500
North Carolina Agricultural and Technical State University	Government	1,501–2,500
United Parcel Service, Inc.	Transportation & utilities	1,501–2,500
Procter & Gamble Co.	Manufacturing	1,001–1,500

Note: Excludes local school districts and governments.

Source: Greensboro Partnership for Economic Development

2011 through 2014, contributing to job growth in the sector. During the 12 months ending September 2015, the sector expanded by 1,400 jobs, or 2.9 percent, to 49,200 jobs, higher than any year since 2006. Small-scale hiring at existing firms, rather than a few large expansions, caused this increase in job growth.

The leisure and hospitality sector was the second fastest-growing sector since 2000. Food service jobs accounted for approximately 80 percent of jobs in this sector. The leisure and hospitality sector lost an average of 900 jobs, or 2.9 percent, from 2008 through 2010 because declining economic conditions caused consumers to reduce discretionary spending. As the number of non-farm payrolls in the HMA increased

and the unemployment rate decreased, this trend reversed, and the number of leisure and hospitality jobs grew by an average of 700, or 2.2 percent, from 2011 through 2014. During the 12 months ending September 2015, growth in this sector accelerated to 1,500 jobs, or 4.6 percent, to 34,000 jobs.

During each year of the 3-year forecast period, nonfarm payrolls are expected to increase at a fairly constant rate, averaging an increase of 3,600 jobs, or 1.0 percent, annually. Job growth is expected to be broad based and occur in the goods-producing sectors of manufacturing and construction and in the service-providing sectors of professional and business services and wholesale and retail trade.

Population and Households

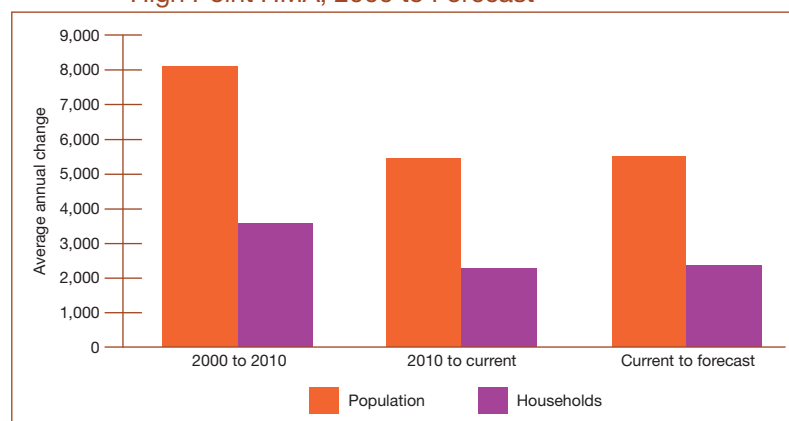
As of October 1, 2015, the estimated population of the Greensboro-High Point HMA is 753,200, an average annual increase of approximately 5,350, or 0.7 percent, from the April 1, 2010 population of

723,801 (Table DP-1 at the end of this report provides information on population growth in the HMA from 2000 to the current date). Approximately 50 percent of the population in the HMA lives in the cities of Greensboro and

High Point. Population growth in the HMA peaked from 2004 to 2008 at an average of 10,900 people, or 1.6 percent, because of job growth from 2003 through 2007 (U.S. Census Bureau, July 1 estimates). In-migration accounted for approximately 72 percent of the population growth during this period. Population growth declined each year from 2008 to 2011, to a low of only 5,025 people from 2010 to 2011. The weak labor market in the HMA, which attracted fewer domestic migrants, caused most of this decline; net migration averaged 7,850 people from 2004 to 2008 but only 2,725 people from 2009 to 2011. Even from 2010 to 2011, however, the year of the

lowest population growth, net migration still accounted for slightly more than one-half of all population growth. From 2011 to the current date, population growth has been relatively low, averaging an increase of 5,450 people annually. Average net migration increased to 3,275 people because of improved economic conditions, but this increase was mostly offset by decreased net natural change (resident births minus resident deaths). Guilford County, which includes the central cities of Greensboro and High Point, has accounted for all population growth in the HMA since 2010. The population of the HMA is expected to increase at an average annual rate of 5,425, or 0.7 percent, during the 3-year forecast period (Figure 4).

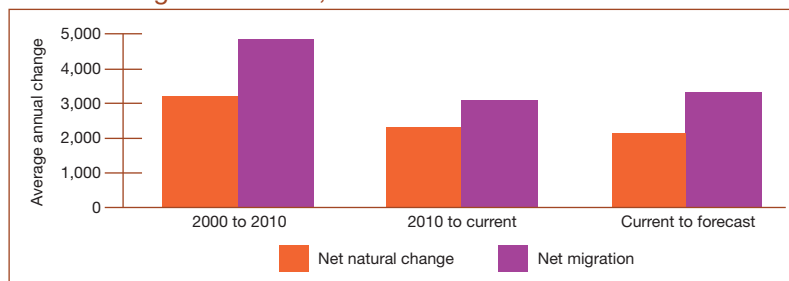
Figure 4. Population and Household Growth in the Greensboro-High Point HMA, 2000 to Forecast



Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Greensboro-High Point HMA, 2000 to Forecast



Notes: The current date is October 1, 2015. The forecast date is October 1, 2018.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

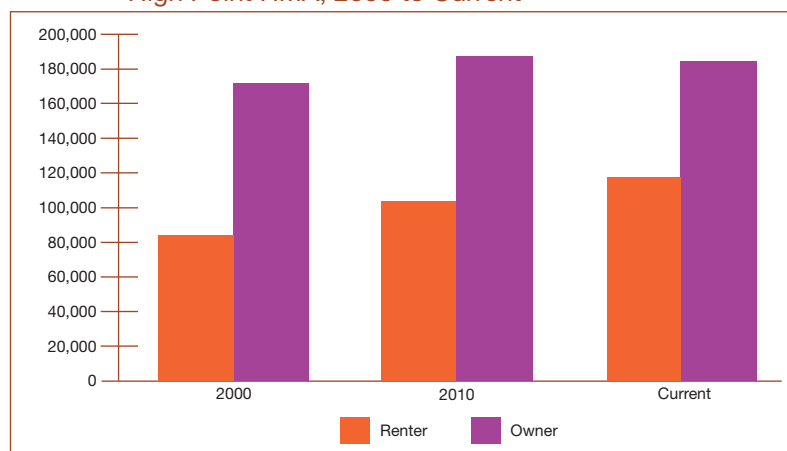
Since 2010, net migration has caused approximately 57 percent of all population growth (Figure 5), of which about one-half was international in origin and one-half was domestic. Local economic conditions highly influence domestic net migration into the HMA, which is entirely the result of migrants moving into the cities of Greensboro, High Point, and elsewhere in Guilford County, but international migration has been steadier and contributed to population growth in the outlying counties of Randolph and Rockingham and also Guilford County. Most net domestic migration into the HMA comes from the northeast or smaller metropolitan areas and rural counties in the Carolinas and Virginia (2009–2013 American Community Survey 5-year data).

The HMA is home to an estimated 302,900 households, an increase of 2,225 households, or 0.8 percent, annually since 2010. By comparison, household growth averaged 3,450

Population and Households *Continued*

households, or 1.3 percent, annually, from 2000 to 2010; nearly all the decline was the result of lower population

Figure 6. Number of Households by Tenure in the Greensboro-High Point HMA, 2000 to Current



Note: The current date is October 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

growth. The homeownership rate has declined from 64.3 to 60.9 percent since 2010 (Figure 6) because of the weak labor market, high numbers of foreclosures, and tight credit market during the first years of the decade. From 2000 to 2010, renter households accounted for approximately 55 percent of household growth, but, since 2010, they have accounted for all household growth. The number of households in the HMA is expected to grow by 2,275, or 0.7 percent, annually during the next 3 years, to 309,700 households, with renter households expected to account for approximately 95 percent of new households.

Housing Market Trends

Sales Market

The sales housing market in the Greensboro-High Point HMA is currently balanced, with an overall estimated sales vacancy rate of 1.8 percent, down from 2.7 percent in 2010. Since 2012, homes sales have increased faster than available homes have come on the market, lowering the sales vacancy rate and creating upward pressure on home prices. As of August 2015 (the most recent data available), the HMA had 3.1 months of unsold, available inventory, down from 5.4 months in August 2014; in the same period, however, the number of active residential listings declined from 4,675 to 3,250 homes (Yahoo!-Zillow Real Estate Network). By comparison, 6,420 listings and 10.5 months of inventory were available in August 2010.

The number of existing home sales (including single-family homes, townhomes, and condominiums) has increased every year since 2012, causing the available inventory to decline and the sales vacancy rate to decrease. An average of 13,250 existing homes sold from 2004 through 2006 when economic conditions and population growth were strong; then the market declined by an average of 1,625 homes sold, or 15 percent, from 2007 through 2010 to an average of 6,525 homes sold during 2010 and 2011 because of poor economic conditions and stricter lending standards (CoreLogic, Inc., with adjustments by the analyst). As the number of homes sold decreased, both the number and percentage of distressed sales (real estate owned [REO] and short sales) increased

substantially. Although less than 5 percent of all existing homes sold in 2005 were distressed, by 2010 this percentage had increased to 21 percent. The home sales market began to recover in 2012 following the return of substantial job growth in 2011. Total sales of existing homes increased by 870, or 14 percent, during 2012 and by 1,575, or 22 percent, in 2013 before slowing to an increase of 240, or 3 percent, in 2014 when the number of distressed sales declined 21 percent. During the 12 months ending August 2015, the number of existing home sales was 9,575, an increase of 11 percent compared with the number of sales during the preceding 12-month period. During the past 24-month period, all the increase in existing sales came from conventional transactions. The percentage of loans that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status was 3.9 percent during September 2015, down from 4.7 percent in September 2014 (Black Knight Financial Services, Inc.). By comparison, 3.6 and 4.2 percent of loans in North Carolina and the nation, respectively, were seriously delinquent or in REO status. The current percentage of seriously delinquent loans and REO properties represents a significant improvement in the sales market since January 2010, when the rate peaked at 7.4 percent.

Existing home prices in the Greensboro-High Point HMA remained relatively stable throughout the national housing crisis and subsequent recovery. During 2007 and 2008, the average existing home price was \$144,200, but the sales price declined by an average of \$5,600, or 4 percent, annually from 2009 through 2010, reaching a low of an average of \$132,800 in 2011 and

2012 (CoreLogic, Inc., with adjustments by the analyst). By comparison, the average price of an existing home in the nation declined by more than twice as much during the housing downturn. The stability of home prices in the HMA is the result of the relatively low price of new housing in the HMA and the slower rate of price increases in the first half of the 2000s; from 2001 through 2007, existing home prices in the HMA increased an average of more than 3 percent a year, less than one-half as much as the nation, and, during 2007, the average existing home price remained 42 percent lower in the HMA than in the nation. Existing home prices started to increase in 2012 because of increasing home sales and decreasing available inventory. During 2012 and 2013, the average existing home price increased 5 percent, or by \$6,825, annually but was relatively unchanged in 2014. Increasing numbers of distressed sales constrained existing home price increases in 2012 and 2013, but the number of distressed sales began to decline in 2014. The average existing home sales price was \$149,500 during the 12 months ending August 2015, up 3 percent from the preceding 12 months. The average prices of distressed sales and conventional resales were \$106,300 and \$158,100, respectively. Average existing home prices are highest in the towns of Oak Ridge and Summerfield, northwest of the city of Greensboro (Trulia, Inc.).

The volume of new home sales has recovered at a slower rate than existing home sales because population growth has remained low and because of a higher-than-usual number of vacant, for-sale existing homes. New home sales peaked in 2005 and 2006, two of the years with highest population

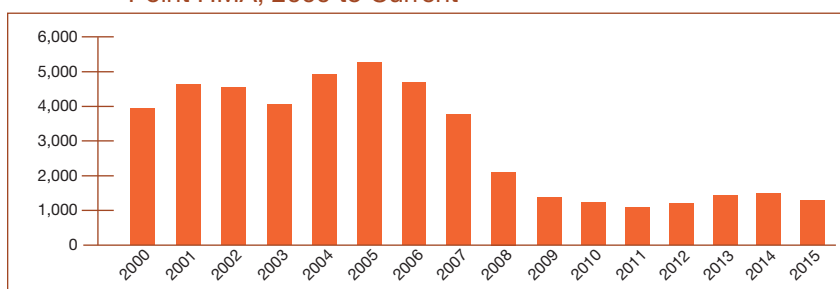
growth since 2000, when an average of 3,625 new homes sold annually; they then declined by an average of 540 homes, or 22 percent, from 2007 through 2011, when the home sales market weakened to an average of 950 homes sold from 2011 through 2013. The number of new home sales began to increase at a substantial rate in 2014, increasing 6 percent, to 1,025, and accelerated to a 10-percent gain during the 12 months ending August 2015, to 1,100 homes sold. The average sales price of a new home peaked in 2007 at \$219,100; it then declined an average of 4 percent annually from 2008 through 2011, to an average of \$188,800 in 2011 and 2012. New home sales prices increased an average of 7 percent in 2013 and 2014 and 3 percent during the 12 months ending August 2015, to \$223,400.

Improved sales market conditions have contributed to increased single-family home construction activity, as measured by the number of single-family homes permitted, since bottoming out in 2011 (Figure 7). 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. Strengthening economic conditions in

the HMA caused single-family home construction to increase by an average of 130 homes, or 12 percent, from 2012 through 2014. During the 12 months ending September 2015, single-family home construction continued to increase, with approximately 1,600 homes permitted, an increase of 190 homes, or 14 percent, compared with the number of homes permitted during the previous 12 months (preliminary data). 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.

During the 3-year forecast period, demand is expected for an estimated 5,250 new homes in the HMA, with increasing demand during the second and third years of the forecast period (Table 1). The 420 homes currently under construction and a portion of the 13,750 other vacant units that may reenter the sales market will satisfy some of the demand. Demand is expected to be greatest in the \$150,000-to-\$249,999 price range. Table 4 shows the estimated demand for market-rate sales housing by price range.

Figure 7. Single-Family Homes Permitted in the Greensboro-High Point HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through September 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Sales Market *Continued***Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Greensboro-High Point HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,300	25.0
150,000	199,999	1,300	25.0
200,000	249,999	1,300	25.0
250,000	299,999	520	10.0
300,000	349,999	260	5.0
350,000	399,999	260	5.0
400,000	and higher	260	5.0

Notes: The 420 homes currently under construction and a portion of the estimated 13,750 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

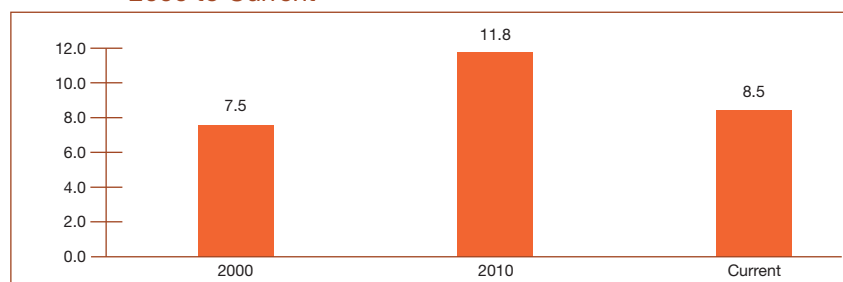
Rental Market

Rental housing market conditions in the Greensboro-High Point HMA are currently slightly soft, with an overall estimated vacancy rate of 8.5 percent, down from 11.8 percent in 2010 (Figure 8). The rental 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.

Approximately 55 percent of all renter households in the HMA live in apartments. The apartment market has tightened since 2013 despite increasing apartment construction because of households' increasing preference for renting. The apartment vacancy rate in the HMA was 6.3 percent during the second quarter of 2015, down from 7.2 percent during the second

quarter of 2014 (MPF Research). By comparison, the apartment vacancy rate was 9.7 percent during the second quarter of 2010 but has steadily declined since early 2013. During the second quarter of 2015, the average asking rent increased 2 percent from the same quarter a year ago, to \$725; the second quarter of 2015 was the third consecutive second quarter of annual increases in the average asking rent, which averaged \$16, or 2 percent, because landlords were able to raise rents while maintaining sufficient occupancy. The MPF-defined High Point market area had the lowest average asking rent of \$672 because of the relative distance from jobs in the cities of Greensboro and Winston-Salem and an increased preference to live close to downtown areas. The average rents in the HMA were \$622, \$718, and \$1,044 for one-, two-, and three-bedroom apartments, respectively. Single-family homes and townhomes make up approximately 35 percent of the rental market, and mobile homes comprise the remaining 10 percent of the rental market.

Multifamily building activity, as measured by the number of units permitted, has been lower than the 2004-through-2008 average since 2009 but has

Figure 8. Rental Vacancy Rates in the Greensboro-High Point HMA, 2000 to Current

Note: The current date is October 1, 2015.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Rental Market *Continued*

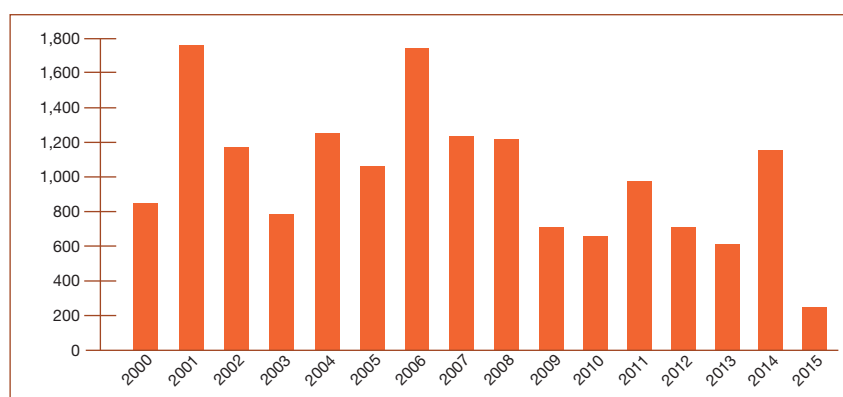
fluctuated from year to year and shows no clear, present trend (Figure 9). An average of 1,300 multifamily units were permitted from 2004 through 2008, when the labor market of the HMA was consistently strong but declined to an average of 690 in 2009 and 2010, when job losses mounted and the unemployment rate reached more than 11 percent. From 2011 through 2014, multifamily construction averaged 870 units annually but displayed no clear pattern. During the 12 months ending September 2015, approximately 680 multifamily units

were permitted, down 300 units, or 31 percent, from the previous 12 months (preliminary data). From 2000 through 2009, nearly 15 percent of all multifamily units permitted were intended for owner occupancy, but condominium construction has been nearly nonexistent since 2010.

An estimated 1,025 multifamily units are currently under construction in the HMA. Most of the apartment properties under construction are garden style, market-rate properties in and around the city of Greensboro. 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. Affordable and subsidized rental housing is also being constructed in the HMA. 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.

During the next 3 years, demand is expected for 2,250 new market-rate rental units in the HMA, with constant demand across all 3 years of the forecast period (Table 1). The 1,025 units currently under construction will meet a portion of this demand. Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

Figure 9. Multifamily Units Permitted in the Greensboro-High Point HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through September 2015.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Greensboro-High Point HMA During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700 to 899	340	800 to 999	500	1,000 to 1,199	130
900 to 1,099	170	1,000 to 1,199	340	1,200 to 1,399	130
1,100 to 1,299	110	1,200 to 1,399	200	1,400 to 1,599	110
1,300 or more	55	1,400 to 1,599	55	1,600 to 1,799	45
		1,600 or more	20	1,800 to 1,999	15
				2,000 or more	10
Total	670	Total	1,125	Total	450

Notes: Numbers may not add to totals because of rounding. The 1,025 units currently under construction will likely satisfy some of the estimated demand. Monthly rent does not include utilities or concessions. The forecast period is October 1, 2015, to October 1, 2018.

Source: Estimates by analyst

Data Profile

Table DP-1. Greensboro-High Point HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	340,452	323,429	342,600	- 0.5	1.2
Unemployment rate	3.5%	11.5%	5.8%		
Nonfarm payroll jobs	373,100	336,600	356,500	- 1.0	1.2
Total population	643,430	723,801	753,200	1.2	0.7
Total households	256,315	290,694	302,900	1.3	0.8
Owner households	171,738	186,999	184,600	0.9	- 0.2
Percent owner	67.0%	64.3%	60.9%		
Renter households	84,577	103,695	118,300	2.1	2.4
Percent renter	33.0%	35.7%	39.1%		
Total housing units	275,021	322,754	331,000	1.6	0.5
Owner vacancy rate	1.7%	2.7%	1.8%		
Rental vacancy rate	7.5%	11.8%	8.5%		
Median Family Income	NA	\$58,500	\$55,100	NA	- 1.2

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2015. Median Family Incomes are for 2009 and 2014. The current date is October 1, 2015.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 10/1/2015—Analyst's estimates
 Forecast period: 10/1/2015–10/1/2018—
 Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_Greensboro-HighPointNC_16.pdf.

Contact Information

Adam Tubridy, Economist
 Seattle HUD Regional Office
 206-220-5339
adam.b.tubridy@hud.gov

This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.