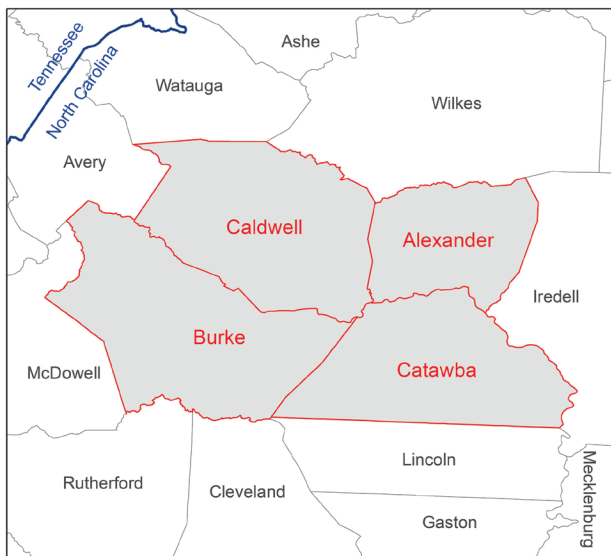




Hickory-Lenoir-Morganton, North Carolina

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of June 1, 2018



Housing Market Area

The Hickory-Lenoir-Morganton Housing Market Area (hereafter, Hickory HMA), in northwestern North Carolina, is coterminous with the Hickory-Lenoir-Morganton, NC Metropolitan Statistical Area, which consists of Alexander, Burke, Caldwell, and Catawba Counties. The HMA is in the piedmont of the Blue Ridge Mountains, an area of abundant hardwood, and is known for its skilled furniture craftsmanship.

Summary

Economy

Following the local economic downturn, from 2007 through 2009, economic conditions in the Hickory HMA have been relatively strong since 2010, although nonfarm payroll growth decelerated recently. During the 12 months ending May 2018, nonfarm payroll gains slowed, increasing by 1,600 jobs, or 1.1 percent, to 153,900,

compared with a 3,900-job, or 2.6-percent, increase during the same period 1 year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 0.4 percent annually. Table DP-1, at the end of this report, provides additional employment data.

Sales Market

The sales housing market in the HMA is balanced, with a vacancy rate currently estimated at 1.9 percent, down from 2.3 percent in April 2010. New and existing home sales totaled 6,300 during the 12 months ending April 2018, up by 420 homes, or 7 percent, from the previous 12 months. During the forecast

period, demand is estimated for 2,150 new homes (Table 1). The 240 homes currently under construction in the HMA will satisfy some of the demand.

Rental Market

The rental housing market in the HMA is currently balanced. The current rental vacancy rate is estimated at 7.0 percent, down from 11.6 percent during 2010. The apartment market is tight, with a 1.9-percent vacancy rate during May 2018, down from 8.3 percent in 2010 (Reis, Inc.). During the forecast period, demand is expected for 950 rental units. The 140 units currently under construction are expected to satisfy some of the demand (Table 1).

Market Details

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Table 1. Housing Demand in the Hickory HMA* During the Forecast Period

		Sales Units	Rental Units
Hickory HMA*	Total demand	2,150	950
	Under construction	240	140

*Hickory-Lenoir-Morganton HMA

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2018. The forecast period is June 1, 2018, to June 1, 2021.

Source: Estimates by analyst

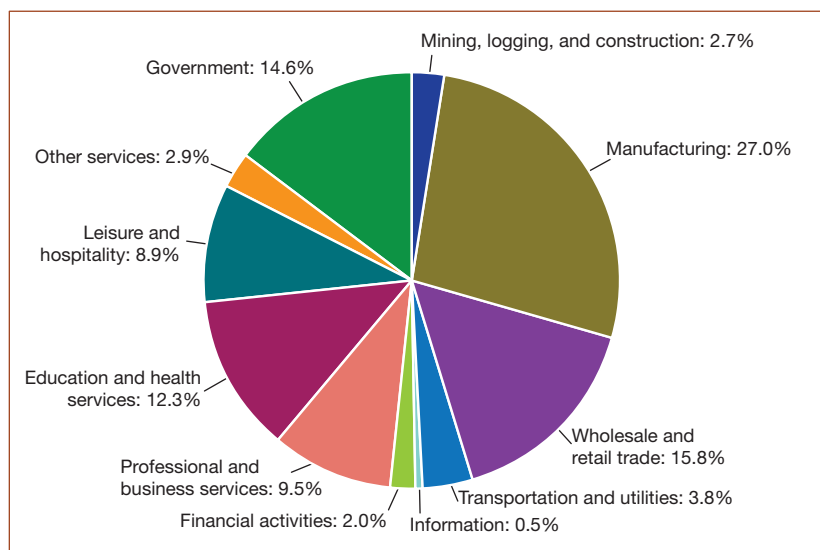
Economic Conditions

The Hickory HMA is a major North Carolina production hub for furniture. Payrolls in the furniture manufacturing industry account for approximately 35 percent of manufacturing jobs in the HMA and 10 percent of nonfarm jobs overall. The manufacturing sector, with 41,500 jobs, or 27.0 percent of nonfarm payrolls during the 12 months ending May 2018, is the largest sector in the HMA (Figure 1). By comparison, the manufacturing sector comprises 8.5 percent of nonfarm jobs nationally. Currently, wholesale and retail trade is the second largest sector in the HMA closely followed by

the government sector, at 15.8 and 14.6 percent of nonfarm jobs, respectively. Since 2000, education and health services, which is the fourth largest sector, had the highest growth rate at 27 percent (Figure 2). The recent acquisition and expansion of Frye Regional Medical Center by Duke LifePoint Healthcare coupled with the aging population in the HMA has contributed to this growth.

Economic conditions in the HMA generally worsened during the previous decade. The average unemployment rate in the HMA increased from 2.9 in 2000 to 14.2 percent in 2009 before declining

Figure 1. Current Nonfarm Payroll Jobs in the Hickory HMA*, by Sector

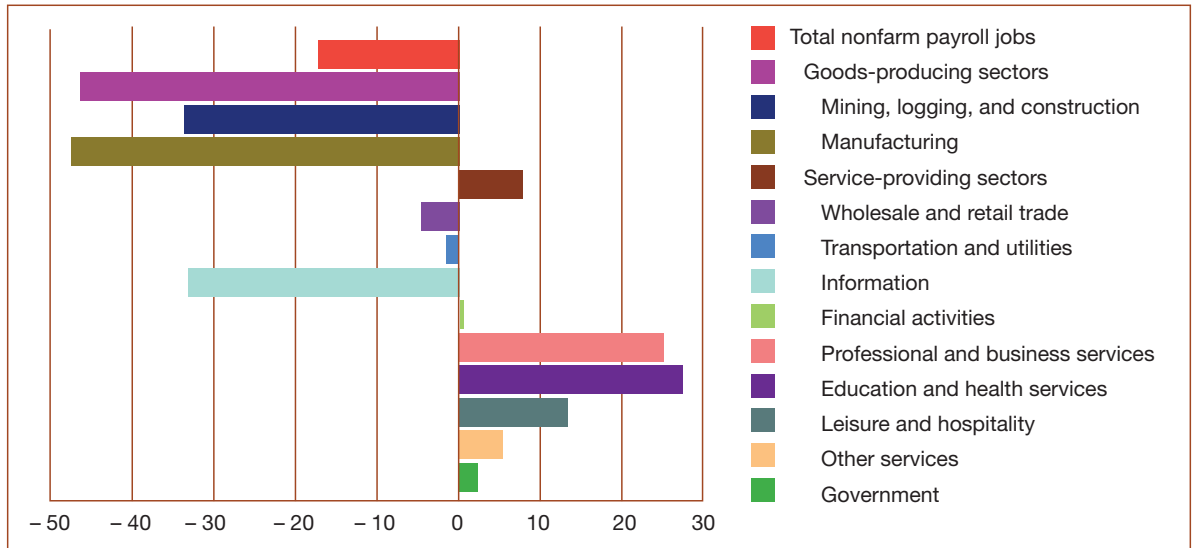


*Hickory-Lenoir-Morganton HMA

Note: Based on 12-month averages through May 2018.

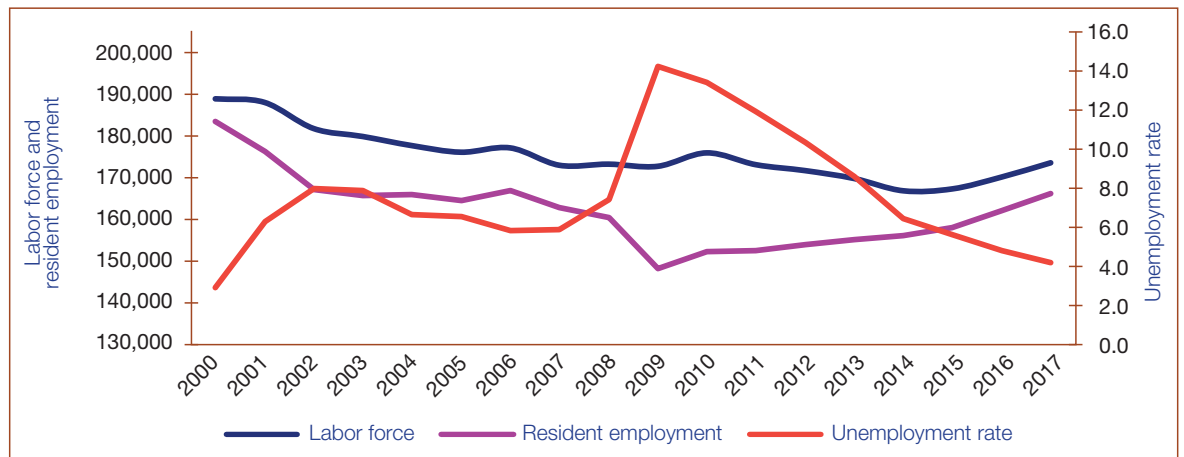
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Hickory HMA*, Percentage Change, 2000 to Current



* Hickory-Lenoir-Morganton HMA
 Note: Current is based on 12-month averages through May 2018.
 Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Hickory HMA*, 2000 Through 2017



* Hickory-Lenoir-Morganton HMA
 Source: U.S. Bureau of Labor Statistics

to 13.4 percent in 2010 (Figure 3). From 2001 through 2006, nonfarm payrolls fell by an average of 3,800 jobs, or 2.2 percent, annually, with declines in nearly every year. From 2007 through 2009, as the effects of the Great Recession reached the HMA, declines accelerated to 6,300 jobs, or 4.0 percent, lost annually. Losses began to ease in 2010 with nonfarm payrolls declining by 1,800, or 1.2 percent from the previous year. From 2001 through 2010, modest job gains in the service-providing sectors were not enough to offset

manufacturing losses. The only sectors with noticeable additions during this period were the education and health services sector, which increased by an average of 400 jobs, or 2.4 percent, annually, and the government sector, which added an average of 200 jobs, or 1.0 percent, annually. During the decade, there were significant declines in the goods-producing sectors. Manufacturing sector payrolls fell by more than one-half, from 79,200 jobs in 2000 to 37,000 jobs in 2010, an average decline of 4,200 jobs, or

7.3 percent, a year. This decline was mostly due to off-shoring and consolidation in the furniture and textile manufacturing industries. Broyhill Furniture Industries, Inc., formerly headquartered in Lenoir, NC, announced a series of layoffs and closures totaling more than 3,000 jobs in North Carolina during this contraction.

In 2011, the economy began to recover and modest employment growth resumed, the first significant job additions in the HMA since 2006. Nonfarm payrolls increased by 200 jobs, or 0.1 percent, largely because of gains in the professional and business services sector, which grew by 1,200 jobs, or 10.2 percent. The manufacturing sector also added jobs for the first time in more than a decade, increasing by 300 jobs, or 0.8 percent. During 2012, the HMA economy continued to stabilize, with nonfarm payrolls increasing by 700, or 0.5 percent, to 143,300 jobs.

From 2013 through 2016, payroll growth accelerated, and the HMA grew by an average of 1,800 jobs, or 1.3 percent, annually. During this time, the manufacturing sector led payroll growth. Despite continued losses in the furniture and textile industries, the manufacturing sector grew by an average of 800 jobs, or 1.9 percent, annually. Some of this job creation was by small companies in the growing plastic manufacturing industry in the HMA. R&D Plastics of Hickory added a new production line in late 2013, expanding its facility by 20,000 square feet and adding 16 jobs. Despite overall losses in the textile industry, some textile companies expanded in the HMA. Carolina Nonwovens, LLC built a new textile manufacturing facility in the vacant lot created by the demolition of the old Carolina Mills factory, investing

\$13 million and adding 62 jobs to double its workforce. Other factories left behind in the wake of the consolidation of the textile and furniture manufacturing industries began to be repurposed. Exela Pharma Sciences, a pharmaceutical manufacturer, expanded into the old Broyhill headquarters, as part of a growing life-science economy in North Carolina. The proximity of the HMA to interstate routes 40 and 85 created gains in the transportation and utilities sector, averaging 100 jobs, or 2.4 percent, annually. Cargo Integrated Logistics expanded into the old Thomasville furniture facility in Conover. Transportation Insights, LLC, another logistics company, moved its headquarters into the 1930 Art Moderne-style Lyerly Full Fashioned Mill site. This factory, which was in the National Register of Historic Places, had been vacant for more than a decade before the restoration brought it back into service. Blue Bloodhound opened its trucking software platform in the restored 1929 Whisnant Hosiery Mill, creating approximately 200 jobs. This mixed-use space in historic Hickory, now called Moretz Mill, is in the National Register of Historic Places and includes offices and health and wellness facilities. Leisure and hospitality was the second largest growth sector during this time, increasing by an average of 500 jobs, or 3.9 percent, annually, to 13,500, in part, because new restaurants and entertainment venues were added in many renovated historic structures. During 2015, tourism generated \$252 million in expenditures in Catawba County, a 4.5-percent increase from the previous year (VisitNC).

During the 12 months ending May 2018, nonfarm payrolls in the HMA increased by 1,600 jobs, or

1.1 percent, to 153,900 jobs. Job growth was strongest in the manufacturing sector, which grew by 600 jobs, or 1.5 percent (Table 2). The January 2018 opening of a new optical fiber, cable, and solutions manufacturing facility in the city of Newton by Corning Optical Communications, one of the largest employers in the HMA (Table 3), contributed to gains in the manufacturing sector and resulted in approximately 200 new jobs. Cable manufacturers Corning, CommScope, Inc., and Prysmian Group, are part of a group of high-tech companies in the HMA, which has data centers for Apple Inc., Google LLC, Facebook Inc., The Walt Disney

Company, AT&T Inc., and others. Many smaller companies, such as Axjo America, Inc., which recently invested \$11 million in production of fiber optic reels for spooling equipment, are also in this network. Despite this growth, textiles and furniture industries continued to struggle. After layoffs earlier in the year, Gildan Activewear, Inc. announced plans to close its plant in Hildebran in the fall, totaling 165 jobs lost. This loss will be partially offset by Bassett Furniture, which announced the creation of 40 jobs by the end of 2018 in its new outdoor furniture line. Job growth was also strong in the wholesale and retail trade sector, which

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Hickory HMA*, by Sector

	12 Months Ending		Absolute Change	Percent Change
	May 2017	May 2018		
Total nonfarm payroll jobs	152,300	153,900	1,600	1.1
Goods-producing sectors	44,800	45,600	800	1.8
Mining, logging, and construction	3,900	4,100	200	5.1
Manufacturing	40,900	41,500	600	1.5
Service-providing sectors	107,500	108,300	800	0.7
Wholesale and retail trade	23,900	24,300	400	1.7
Transportation and utilities	5,600	5,900	300	5.4
Information	900	800	- 100	- 11.1
Financial activities	3,100	3,100	0	0.0
Professional and business services	14,600	14,600	0	0.0
Education and health services	18,700	19,000	300	1.6
Leisure and hospitality	13,800	13,700	- 100	- 0.7
Other services	4,400	4,400	0	0.0
Government	22,500	22,500	0	0.0

* Hickory-Lenoir-Morganton HMA

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through May 2017 and May 2018.

Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Hickory HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Catawba Valley Medical Center	Education and health services	1000+
GKN Driveline	Manufacturing	1000+
Corning Optical Communications	Manufacturing	1000+
CommScope	Manufacturing	1000+
Duke LifePoint/Frye Regional	Education and health services	1000+
Wal-Mart Associates, Inc.	Transportation and utilities	1000+
Merchant Distributors	Wholesale and retail trade	1000+
Bernhardt Furniture Company	Manufacturing	1000+
HSM Solutions	Manufacturing	500-999
Target Stores Distribution Center	Wholesale and retail trade	500-999

* Hickory-Lenoir-Morganton HMA

Note: Excludes local school districts.

Source: Western Piedmont Council of Governments

increased by 400 jobs, or 1.7 percent, to 24,300 jobs. The education and health services and transportation and utilities sectors each grew by 300 jobs, or 1.6 and 5.4 percent, respectively, during the 12 months ending May 2018. Frye Regional Medical Center, one of the largest employers in the HMA, completed a \$15 million expansion of its emergency department during the period, nearly doubling capacity from 26,000 to 40,000 patients.

During the forecast period, nonfarm payrolls are expected to increase an average of 0.4 percent annually. Job growth is expected to moderate while the local economy expands at a slower pace. This is partly due to the lack of skilled workers available as unemployment continues to fall in the HMA. Growth is expected to occur primarily in the goods-producing sectors, with continued small increases in most service-providing sectors.

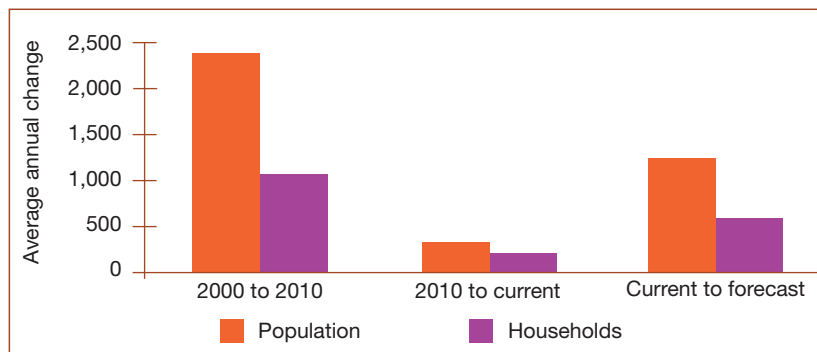
Population and Households

The current population of the Hickory HMA is estimated at 368,000, an average increase of 310, or 0.1 percent, annually since 2010 (Figure 4). Average net in-migration of 430

people a year accounted for all the population growth during this period, more than offsetting an average net natural decline (resident births minus resident deaths) of 120 people annually (Figure 5). The most populous county in the HMA is Catawba County, with an estimated current population of 158,600, accounting for 43 percent of the population of the HMA. Burke County is the second largest county with an estimated 89,550 residents, or approximately 24 percent of the HMA population.

During the 2000s, the HMA population increased by an average of 2,375, or 0.7 percent, annually. The average annual migration and net natural increase during this period was 1,250 and 1,125, respectively. Population growth in the HMA was particularly strong from 2004 to 2008 (U.S. Census Bureau population estimates, as of July 1). During this period, despite declines in the manufacturing sector, the population increased by an average of 3,200, or 0.9 percent, annually, with net in-migration accounting for more than two-thirds of the total increase, and net natural change averaging 1,050 a year. Job growth in the service-providing sectors, which averaged 1,600 jobs, or 1.5 percent, annually, contributed to in-migration during this period.

Figure 4. Population and Household Growth in the Hickory HMA*, 2000 to Forecast

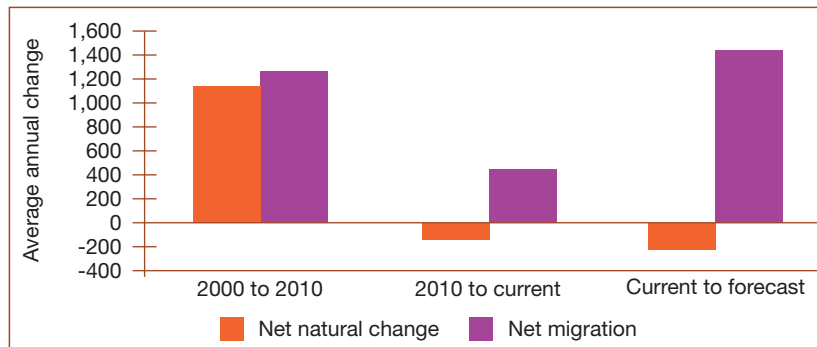


* Hickory-Lenoir-Morganton HMA

Notes: The current date is June 1, 2018. The forecast date is June 1, 2021.

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

Figure 5. Components of Population Change in the Hickory HMA*, 2000 to Forecast



* Hickory-Lenoir-Morganton HMA

Notes: The current date is June 1, 2018. The forecast date is June 1, 2021.

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

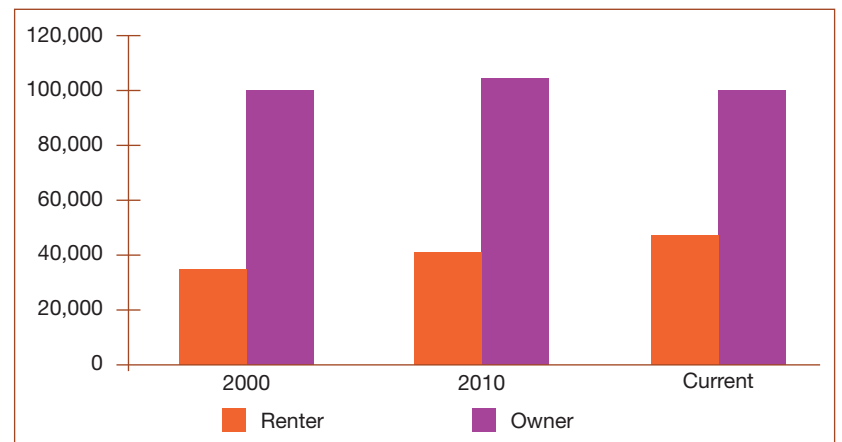
By comparison, the population decreased by an average of 580, or 0.2 percent, annually from 2009 to 2014, the result of average annual net out-migration of 700 people and net natural change slowing to an average increase of 120 people annually. Because of stronger economic conditions in recent years, population growth increased to an average of 1,350, or 0.4 percent, annually from 2014 to the current date resulting from net immigration of 1,580 people a year. Population growth has occurred during this time despite an average net natural decline of approximately 230 people annually. This net natural decline since 2000 is likely due to the aging of the population in the HMA. According to data from North Carolina Center for Health Statistics, in 2000, 15 percent of the population was age 62 or over and 25 percent of the population was ages 18-35. In 2016, the portion of the population 62 and over was 22 percent, and those between 18 and 35 comprised 20 percent of the overall population. Older members of the population are aging in place, and fewer young families are moving into the HMA.

Currently, 146,150 households reside in the Hickory HMA, an

average annual increase of 200, or 0.1 percent, since 2010. During the 2000s, the number of households increased by an average of 1,050, or 0.8 percent, annually, slightly outpacing population growth. The slowing rate of household formation was accompanied by a slight decline in the homeownership rate, while the HMA recovered from the effects of the recent contraction. The homeownership rate is currently estimated at 68.1 percent, down from 71.9 percent in 2010 and 74.3 percent in 2000. This decline is partly due to tighter lending standards and widespread job losses during the Great Recession. Figure 6 shows the number of households in the HMA by tenure for 2000, 2010, and the current period.

During the 3-year forecast period, the population of the HMA is expected to grow by an average of 1,225, or 0.3 percent, annually. Net in-migration is expected to occur at an average pace of 1,425 people annually during the period, with an average annual net natural decrease of 200 people. The number of households is anticipated to increase by an average of 580, or 0.4 percent, during the same period.

Figure 6. Number of Households by Tenure in the Hickory HMA*, 2000 to Current



* Hickory-Lenoir-Morganton HMA

Notes: The current date is June 1, 2018.

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

Housing Market Trends

Sales Market

Sales housing market conditions in the Hickory HMA are currently balanced with an average vacancy rate estimated at 1.9 percent, down from 2.3 in April 2010. Home sales have increased since 2012, in part, because of recent economic growth and increased net in-migration compared with earlier in the decade. During the 12 months ending April 2018, total home sales (including new and existing single-family homes, townhomes, and condominiums) increased by 420, or 7 percent, to 6,300 homes sold in the HMA compared with sales a year earlier, and the average home sales price increased by \$11,800, or 9 percent, from the previous year to \$150,700 (CoreLogic with adjustments by the analyst). The inventory of homes for sale represented approximately a 4.7-month supply in April 2018, down from 5.7 months a year earlier.

Despite the economic contraction during the 2000s, home sales in the HMA increased from 2001 through 2006, by an average of 1,000 homes, or 26 percent, annually to 8,000 homes in 2006. During the same period, the sales price increased to \$138,750, an average annual increase of \$8,750, or 8 percent. In the wake of the Great Recession unemployment began to increase. Manufacturing jobs continued to fall, and mortgage lending standards tightened. Sales volume declined by 920, or 16 percent, annually to 3,400 homes in 2011, and the average sale price dropped 3 percent, or \$4,350, annually to \$117,000. These trends began to reverse by the end of 2012, and job growth contributed to an average annual increase in home sales of

500 homes, or 12 percent, from 2012 through 2016. Average sales price increased by an average of 4 percent annually during this period to \$140,200 in 2016.

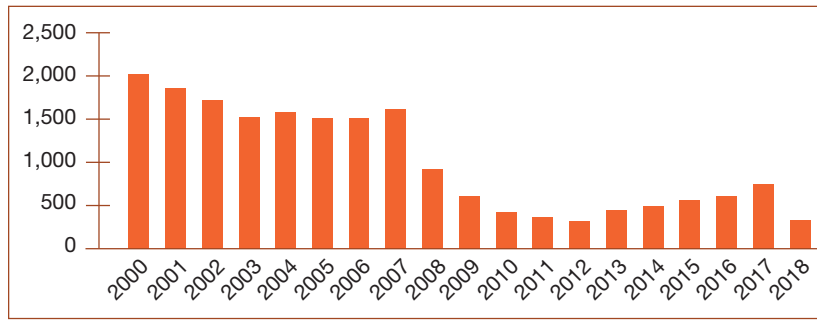
In April 2018, 2.1 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status, down from 2.5 percent a year earlier and from the peak of 6.4 percent in January 2010. REO sales and short sales accounted for 4.9 percent of existing home sales during the 12 months ending April 2018, down from 7.4 percent a year earlier and from the peak level of 20.9 percent during the 12 months ending May 2011. Recent economic expansion accounts for some of this absorption. REO properties are generally sold at a lower price than regular resales. In 2011, the average home sales price for regular resales (excluding REO and short sales) was \$120,100, and the average REO price was \$70,500. In 2011, REOs accounted for approximately 15 percent of existing homes sold compared with 3 percent during the 12 months ending April 2018.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, has generally mirrored activity in the sales market. During the 12 months ending May 2018, 660 homes were permitted, relatively unchanged from the previous 12 months (preliminary data). From 2000 through 2007, single-family home construction in the HMA averaged 1,650 homes annually before declining each year to a low of 290 homes permitted in 2012 in response to the housing market downturn

Housing Market Trends

Sales Market *Continued*

Figure 7. Single-Family Homes Permitted in the Hickory HMA*, 2000 to Current



* Hickory-Lenoir-Morganton HMA

Notes: Includes townhomes. Current includes data through May 2018.

Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and analyst estimates; 2017-2018 preliminary data and analyst estimates

and continued weak economic conditions. From 2013 through 2017, as economic conditions improved, building activity rose an average of 20 percent each year to 725 homes permitted. Figure 7 shows the number of single-family homes permitted in the HMA since 2000.

Since 2010, homebuilding has been concentrated in the southeast portion of the HMA toward Lake Norman, the northwest portion of the HMA toward Lake James and the Blue Ridge Mountains. These are also popular retirement areas. Homebuilding is also strong around the city of Hickory. Hickory was named one of the best small cities in 2018 by National Geographic Magazine. Located near Lake Norman on the eastern boundary of Catawba County, Bridgewater at Sherrills Ford broke ground in 2017 and will contain a mixture of commercial, office, and residential spaces, including patio homes, townhouses, and apartments. Single-family homes are now selling with two- and three-bedroom, two-bathroom homes priced from \$236,000 to \$300,000. Currently, 158 homes are built, with more under construction and potential to create up to 775 residences in total.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Hickory HMA* During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
128,000	199,999	530	25.0
200,000	249,999	430	20.0
250,000	299,999	530	25.0
300,000	349,999	320	15.0
350,000	and higher	320	15.0

* Hickory-Lenoir-Morganton HMA

Notes: Numbers may not add to totals because of rounding. The 240 homes currently under construction in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

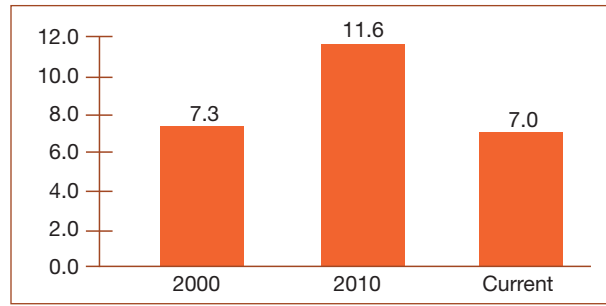
During the next 3 years, demand is expected for an estimated 2,150 new homes in the HMA. The 240 homes currently under construction will satisfy some of the demand. Demand is expected to be evenly distributed during the 3 years of the forecast and concentrated among homes priced below \$300,000. Table 4 shows the estimated demand for market-rate sales housing by price range.

Rental Market

The rental housing market in the Hickory HMA is balanced. The rental vacancy rate for all renter-occupied homes, including renter-occupied single-family homes, townhomes, mobile homes, and apartments, is estimated at 7 percent as of June 1, 2018. Rental market conditions have improved since April 2010, when the overall rental vacancy rate was 11.6 percent and conditions were soft (Figure 8). Single-family rental units in the HMA comprised approximately 40 percent of the total number of occupied rental units in 2016 compared with 38 percent in 2010. (ACS 1-year data) Nationally, single-family rental units have increased from

Housing Market Trends
 Rental Market *Continued*

Figure 8. Rental Vacancy Rates in the Hickory HMA*, 2000 to Current



* Hickory-Lenoir-Morganton HMA
 Note: The current date is June 1, 2018.
 Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

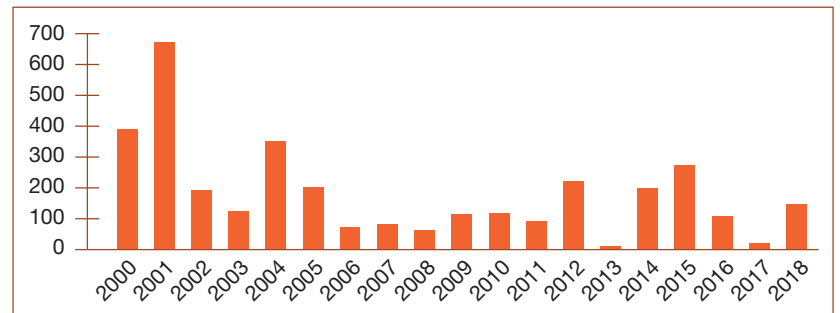
26 percent in 2010 to 28 percent in 2016. Limited multifamily construction activity and an increase in net in-migration to the HMA since 2014 have contributed to the decline in rental vacancies.

The apartment market is tight with a 1.9-percent average vacancy rate during May 2018 down from 3.1 percent a year earlier (Reis, Inc.) The average apartment market rent during May 2018 increased 3 percent to \$692, from \$670 a year earlier. Apartment market conditions have generally followed economic trends in the HMA. In 2009, while the unemployment rate increased to the double-digits, apartment vacancy rates increased to a high of 12.7 percent, and average rents fell 4 percent from the previous year. More recently, increased net in-migration in the

wake of the economic expansion contributed to a decline in average apartment vacancy rates from 5.4 percent in 2014 to 2.0 percent in 2017. Rents increased at an annual rate of 2 percent from an average of \$646 in 2014 to \$681 in 2017.

Multifamily building activity, as measured by the number of multifamily units permitted, remained relatively limited during the past year. During the 12 months ending May 2018, 140 units were permitted, an increase from the previous 12 months when no permits were issued (preliminary data). From 2000 through 2005, multifamily construction in the HMA averaged 310 units permitted annually (Figure 9). By comparison, from 2006 through 2011, during the housing market downturn, multifamily construction activity was extremely limited, declining to an average of only 85 units annually. Increases in occupancy and rent levels, combined with an expanding economy in the HMA, contributed to a slight increase in multifamily construction activity from 2012 through 2016, when an average of 150 units were permitted annually. Approximately 70 percent of multifamily units constructed since 2012 have been for subsidized, mixed-income, or Low-Income Housing Tax

Figure 9. Multifamily Units Permitted in the Hickory HMA*, 2000 to Current



* Hickory-Lenoir-Morganton HMA
 Notes: Excludes townhomes. Current includes data through May 2018.
 Sources: U.S. Census Bureau, Building Permits Survey; 2000-2016 final data and analyst estimates; 2017-2018 preliminary data and analyst estimates

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Hickory HMA* During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
800 to 999	40	950 to 1,149	45	1,150 to 1,349	15
1,000 to 1,199	190	1,150 to 1,349	210	1,350 to 1,549	70
1,200 to 1,399	110	1,350 to 1,549	130	1,550 to 1,749	45
1,400 to 1,599	20	1,550 to 1,749	20	1,750 or more	15
1,600 or more	20	1,750 or more	20		
Total	380	Total	430	Total	140

* Hickory-Lenoir-Morganton HMA

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 140 units currently under construction will likely satisfy some of the estimated demand. The forecast period is June 1, 2018, to June 1, 2021.

Source: Estimates by analyst

Credit (LIHTC) units. Currently, two LIHTC developments are underway which are targeted for completion in early 2019. Meridian Pointe, in Denver on the eastern boundary of Catawba County, and Pond View, in Hildebran on the eastern edge of Burke County, are expected to provide 80 and 60 units, respectively.

During the 3-year forecast period, demand is estimated for

950 new rental units (Table 1). The 140 units currently under construction are likely to satisfy some of this demand during the first year of the forecast period. Rents for new units are expected to start at \$800 for one-bedroom units, \$950 for two-bedroom units, and \$1,150 for three-bedroom units with the greatest demand for two-bedroom units at rents ranging from \$1,150 to \$1,349 (Table 5).

Data Profile

Table DP-1. Hickory HMA* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	183,393	152,449	167,200	- 1.8	1.3
Unemployment rate	2.9%	13.4%	4.0%		
Total nonfarm payroll jobs	185,900	142,400	153,900	- 2.6	1.1
Total population	341,851	365,497	368,000	0.7	0.1
Total households	133,966	144,504	146,150	0.8	0.1
Owner households	99,497	103,966	99,500	0.4	- 0.5
Percent owner	74.3%	71.9%	68.1%		
Renter households	34,469	40,538	46,650	1.6	1.7
Percent renter	25.7%	28.1%	31.9%		
Total housing units	144,874	162,613	164,600	1.2	0.1
Sales vacancy rate	1.5%	2.3%	1.9%		
Rental vacancy rate	7.3%	11.6%	7.0%		
Median Family Income	\$44,475	\$52,467	\$52,226	1.7	- 0.1

* Hickory-Lenoir-Morganton HMA

Notes: Median Family Incomes are for 1999, 2009, and 2016. Employment data represent annual averages for 2000, 2010, and the 12 months through May 2018.

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: 6/1/2018—Estimates by the analyst
 Forecast period: 6/1/2018–5/31/2021—Estimates by the analyst

The metropolitan statistical area definition noted in this report is based upon 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 this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), 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_Hickory_Lenoir_MorgantonNC_18.pdf.

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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 the Economic and Market Analysis Division within HUD. 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.