

HOUSING NEEDS ASSESSMENT

Carteret County,
North Carolina

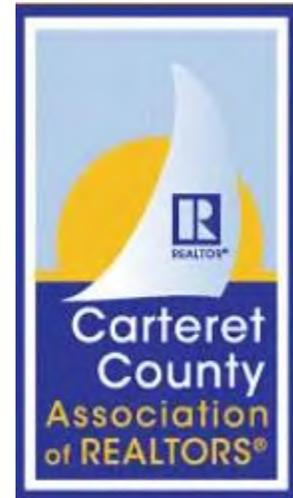
2021



BOWEN
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RESEARCH

ACKNOWLEDGEMENTS

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We would also like to thank all property owners, leasing agents, employers and stakeholders that provided valuable data and information for this assessment. A full list of sources can be found in Addendum I.

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I. INTRODUCTION

A. PURPOSE

Carteret County Economic Development Foundation and Carteret County Association of REALTORS® retained Bowen National Research in January 2021 for the purpose of conducting a Housing Needs Assessment of Carteret County, North Carolina.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for Carteret County and its citizens to understand the current market conditions and projected changes that are expected to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of present-day Carteret County.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of all major housing components within the market (rental housing alternatives and for-sale/ownership).
- Provide housing gap estimates by tenure and income segment.
- Evaluate ancillary factors that affect housing market conditions and development (e.g., commuting/migration patterns, community services, development opportunities, and residential development costs).
- Provide a case study of communities impacted by major highway expansions and focus on key demographic and housing trends. This data was used to provide alternative demographic projections for the subject market, assuming the Interstate 42 project is primarily completed to Carteret County as expected in 2025.
- Collect community input from area employers and community stakeholders in the form of an online survey and interviews.

By accomplishing the study's objectives, government officials, area stakeholders, and area employers can: (1) better understand the county's evolving housing market, (2) establish housing priorities, (3) modify or expand local government housing policies, and (4) enhance and/or expand the county's housing market to meet current and future housing needs.

B. METHODOLOGIES

The following methods were used by Bowen National Research:

Study Area Delineation

The primary geographic scope of this study focused on Carteret County. As such, the Primary Study Area (PSA) is the area within the limits of Carteret County. We also provided various metrics for four submarkets within the county including Beach, Central, East and West submarkets. State and national data was used, when available, as a base of comparison for selected data sets. Maps of the study areas are provided in Section III of this report.

Demographic Information

Demographic data for population, households, and housing was secured from ESRI, the 2000 and 2010 U.S. Census, the U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report and in Addendum I. Estimates and projections of key demographic data for 2020 and 2025 were also provided.

Employment Information

Employment information was obtained and evaluated for various geographic areas that were part of this overall study. This information included data related to wages by occupation, employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. Bowen National Research also conducted numerous interviews with local stakeholders familiar with the area's employment characteristics and trends. Information regarding the potential impact COVID-19 had on local employment was also evaluated.

Other Housing Factors

We have evaluated other factors that impact housing, including employee commuting patterns, resident mobility patterns, availability of common community services, residential development costs, and residential development opportunities. This data was provided for the overall county and, when applicable, compared with state and national data.

Housing Component Definitions

This study focuses on rental and for-sale housing components. Rentals include multifamily apartments (generally five+ units per building), non-conventional rentals such as single-family homes, duplexes, units over storefronts, etc., and senior care housing (independent living, assisted living, nursing homes, etc.). For-sale housing includes individual homes, mobile homes and projects within subdivisions.

Housing Supply Documentation

From March through May of 2021, Bowen National Research conducted telephone research, as well as online research, of the area's housing supply. Additionally, market analysts from Bowen National Research traveled to the area in early May of 2021, conducting research on the housing properties identified in this study, as well as obtaining other on-site information relative to this analysis. The following data was collected on each multifamily rental property:

1. Property Information: Name, address, total units, and number of floors
2. Owner/Developer and/or Property Manager: Name and telephone number
3. Population Served (i.e., seniors vs. family, low-income vs. market-rate, etc.)
4. Available Amenities/Features: Both in-unit and within the overall project
5. Years Built and Renovated (if applicable)
6. Vacancy Rates
7. Distribution of Units by Bedroom Type
8. Square Feet and Number of Bathrooms by Bedroom Type
9. Gross Rents or Price Points by Bedroom Type
10. Property Type
11. Quality Ratings
12. GPS Locations

For-Sale housing data included details on home price, year built, location, number of bedrooms/bathrooms, price per-square-foot and other property attributes. Data was analyzed for both historical transactions and currently available residential units.

Housing Demand

Based on the current demographic data for 2020 and projected data for 2025 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new units the PSA (Carteret County) can support. The following summarizes the metrics used in our demand estimates.

- *Rental Housing* – We included renter household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support and step-down support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all surveyed rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- *For-Sale Housing* – We included owner household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support and step-down support as the demand components in our estimates for new for-sale housing units. As part of this analysis, we accounted for vacancies reported among all surveyed rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data for Carteret County and its various submarkets. Bowen National Research relied on a variety of data sources to generate this report (see Addendum I). These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval of the Carteret County Economic Development Foundation, the Carteret County Association of REALTORS®, or Bowen National Research is strictly prohibited.

II. EXECUTIVE SUMMARY

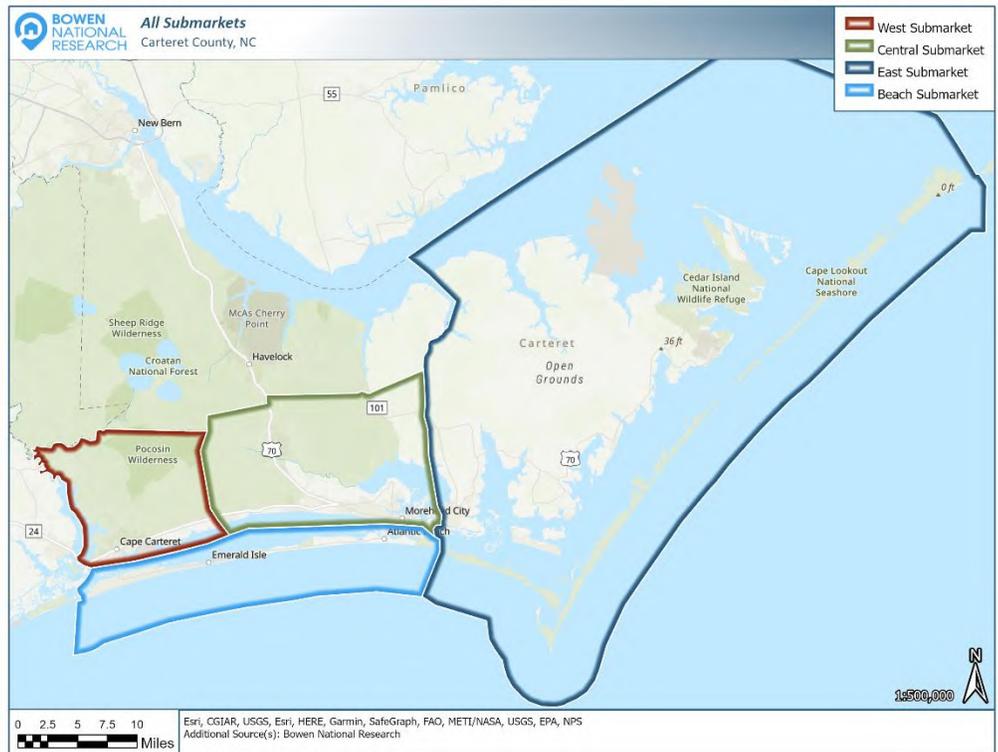
The purpose of this report is to evaluate the housing needs of Carteret County, North Carolina. To that end, we conducted a Housing Needs Assessment that considers the following:

- Demographic Characteristics and Trends
- Economic Conditions and Initiatives
- Existing Housing Stock Costs, Availability, Conditions and Features
- Various Other Housing Factors (Commuting Patterns, Migration Patterns, Community Services, Development Opportunities and Residential Development Costs)
- Case Study of Highway Expansion Impact on Area Growth
- Quantified Housing Gap Estimates
- Stakeholder and Employer Survey Results

Based on these metrics, we were able to identify housing needs by affordability and tenure (rental vs. ownership) and provide recommendations on possible ways to address local housing issues. This Executive Summary provides key findings and recommended strategies to address housing needs.

Geographic Study Areas

This report focuses on the Primary Study Area (PSA), which consists of Carteret County. Additional information is provided for the Submarket Study Areas (SSAs), which consist of four sections of the county (Beach, East, Central and West). A map illustrating the study areas is shown on the right. Enlarged maps are included starting on page III-3 of this report.

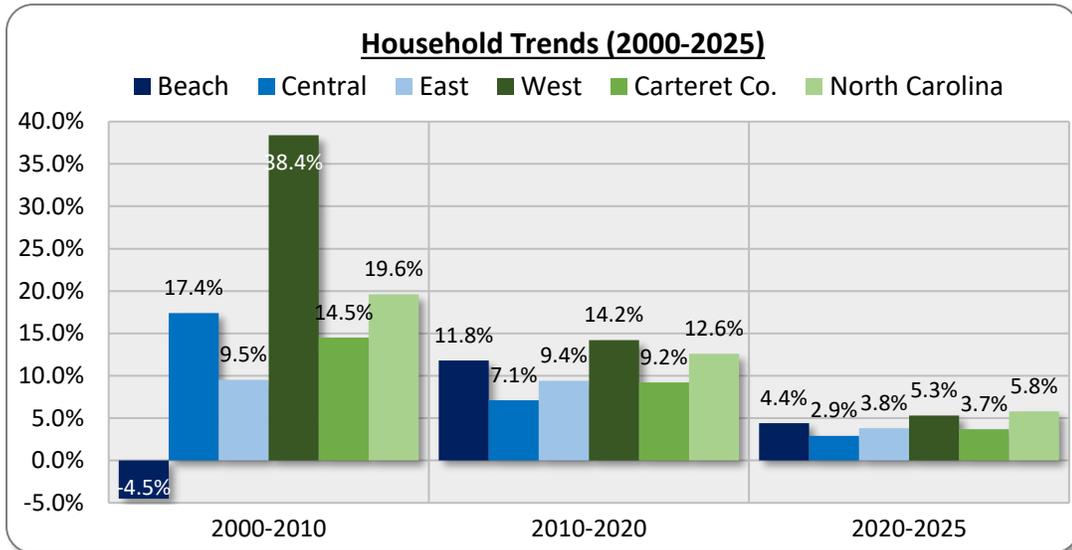


Demographics

The five-year demographic projections included in much of this report are provided by multiple demographic firms and assume recent demographic trends and patterns will continue into the immediate future. Such projections do not account for various private and public sector investments and projects either under way or planned for the area. This includes the I-42 expansion that will extend into Carteret County and is scheduled for completion by 2025. As shown in the case studies in Addendum D of this report, other eastern North Carolina counties have experienced substantial demographic and economic growth following the completion of interstate highways, with case study counties experiencing ten-year household growth rates ranging from 22.4% to 47.6%. While such growth is not illustrated in the following demographics, we have incorporated both the low and high growth rates in the Housing Gap Estimates shown in Section VIII of this report.

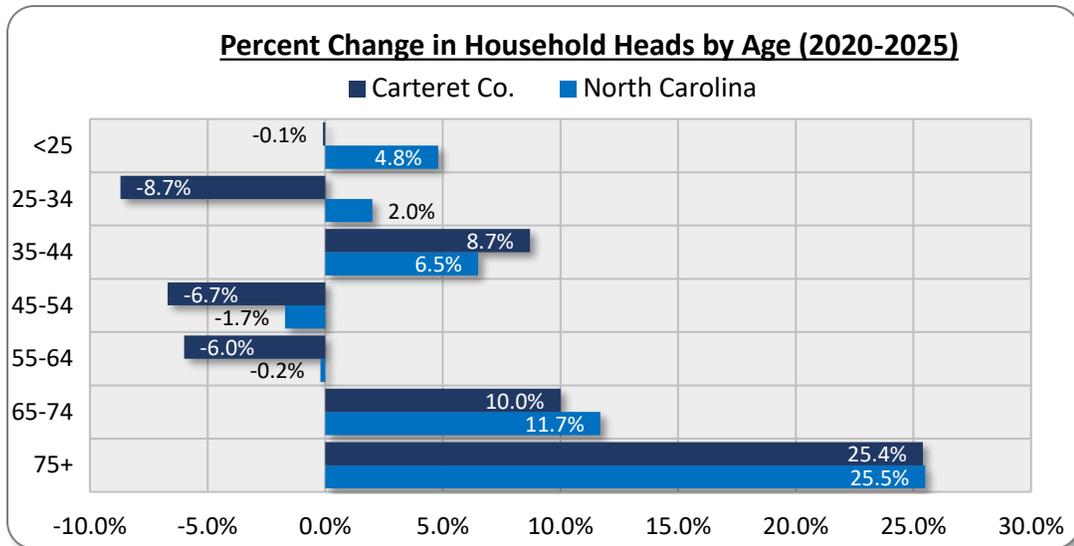
Population and Household Growth in Carteret County have been Very Positive since 2010 and are Projected to Continue to Grow Through 2025 – Between 2010 and 2020, the PSA (Carteret County) *population* base increased by over 5,800 people, representing an increase of 8.8%. During the same time, the number of *households* within the PSA increased by 2,664, or 9.2%. Over the next five years, it is projected that the PSA population will increase by 2,555 (3.5%), while the number of households are projected to increase by 1,155 (3.7%). While all four submarkets are expected to grow, the largest raw population and household increases are expected to occur in the Central Submarket, likely in and around Morehead City and Newport, and the largest percentage increases are anticipated in the West Submarket. Regardless, with positive demographic growth trends expected to occur throughout the county, the housing needs are expected to increase across all geographic areas of the county. This positive demographic growth will contribute to the demand for additional housing in the PSA.

Carteret County's population and household growth have been positive and are expected to remain positive for the foreseeable future; The projected demographic growth will add to the demand for housing throughout the county.



Owner- and Renter-Household Growth are Projected to be Positive – Between 2020 and 2025 within the PSA, both renter- and owner-occupied households are projected to increase. The number of *renter*-occupied households is expected to increase by 300 (3.6%), while the number of *owner*-occupied households is expected to increase by 855 (3.7%). Each of the individual submarkets is expected to experience both renter and owner household growth during the five-year projection period. The growth in PSA households by tenure will add to the need for both rental and for-sale product.

Household Growth is Projected to be Positive Among Aging Millennials (ages 35 to 44) and Seniors (ages 65 and older) Through 2025, Adding to the Need for Housing to Meet the Specific Needs of These Age Cohorts – Over the next five years (2020 to 2025), aside from an 8.7% increase in households ages 35 to 44, the most notable growth in the PSA is projected to occur among households ages 65 and older. Specifically, households in the PSA ages 75 and older are projected to increase by 1,207 (25.4%), while households ages 65 to 74 are projected to increase by 652 (10.0%). An increase in senior households (ages 65 and older) is projected for all submarkets between 2020 and 2025. As a result, the PSA will likely require housing that accommodates the increasing number of senior households ages 65 and older in the market, including seniors aging in place and seniors moving to the area. This will likely include one- and two-bedroom units that consider accessibility/mobility design aspects, marketable amenity packages, and product within locations that are easily accessible and/or are within walkable communities.



Mirroring national trends, Carteret County is expected to experience notable growth among aging millennials (ages 35 to 44) and seniors (ages 65 and older) between 2020 and 2025. This expected growth will drive the demand for more maintenance-free housing such as apartments and condominiums, amenity-rich projects, and product that enables seniors to downsize and millennials to raise growing families.

Household Growth by Household Size and Tenure is Expected to Occur in Smaller Renter Households and Larger Owner Households – Over the next five years (2020 to 2025), most PSA renter household growth is expected to occur among one- and two-person households. While all owner household sizes are expected to experience notable growth, four- and five-person households are expected to experience the greatest growth through 2025. Based on these anticipated trends, there will likely be a growing need for smaller (studio to two-bedroom) rental units and larger (three-bedroom or greater) for-sale housing units in the market.

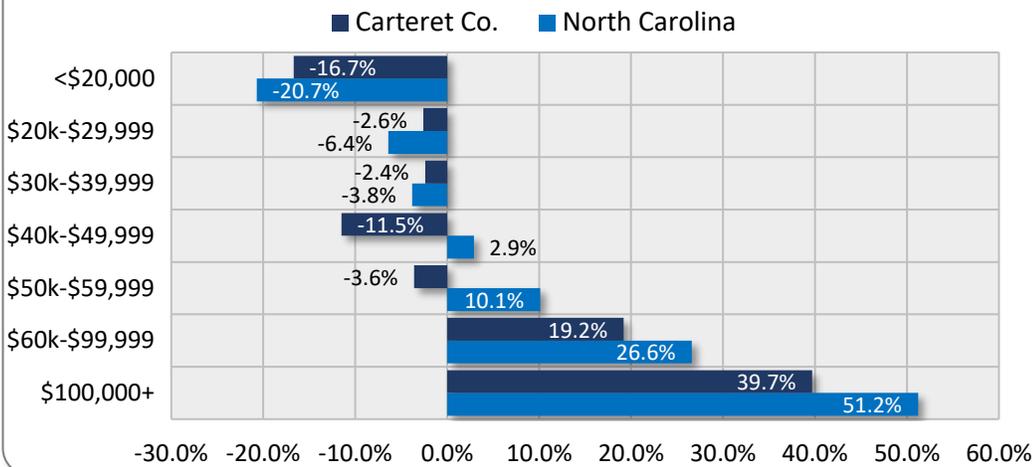
While Most Carteret County Renter and Owner Household Growth is Projected to Occur Among Higher Income Households, Low-Income Households Comprise the Majority of Renter Households – The PSA (Carteret County) is projected to experience *renter* household growth among households earning \$60,000 or more over the next five years, with most growth occurring among households earning \$100,000 or more. This represents a development opportunity for higher end market-rate product. As of 2020, over half (51.0%) of all renter households in the PSA have incomes below \$40,000. While rents of \$1,000 per month are generally affordable to these households, there appears to be very limited availability among this more affordable product. In 2020, while over one-half (55.4%) of *owner* households in the PSA earn \$60,000 or more, the PSA is projected to experience rapid growth within the income segment of \$100,000 or more. Projections indicate a growth of 1,792 households, or a 27.9% increase within the segment. This growth among moderate- and higher-income households will drive demand for for-sale product generally priced at \$200,000 and higher.

Households by Tenure & Income

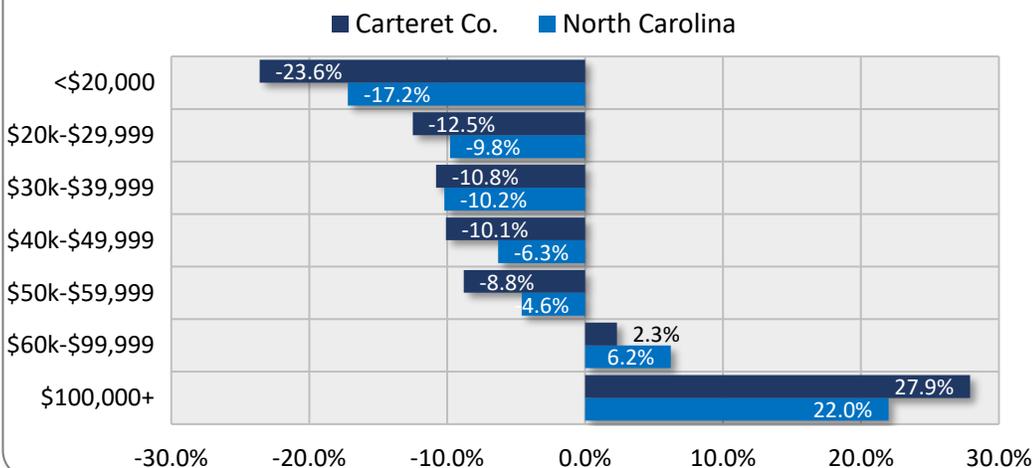
While most of the projected growth of *renter* households in Carteret County is expected to occur among higher income households (earning above \$60,000 annually), leading to increased demand for market-rate rental housing, most renter households will still earn below \$40,000 by 2025. As such, *affordable* rental alternatives will remain a critical component to the local housing market.

Owner household growth is projected to occur among households earning \$60,000 or more a year during the next five years in Carteret County. This growth will add to the demand for for-sale product generally priced at \$200,000 or greater. However, the lack of available supply priced below \$300,000 will pose a challenge for many households, including first-time homebuyers.

Percent Change in Renter Households by Income (2020-2025)



Percent Change in Owner Households by Income (2020-2025)



Economy & Workforce

Prior to COVID-19, Key Economic Metrics in Carteret County had been Positive During Much of the Preceding Decade – Excluding the COVID-19 influenced economy of 2020, the PSA economy has exhibited many positive characteristics over the past several years, with the employment base growing and the unemployment rate declining in each of the past 10 years. The latest year-end (2019) unemployment rate of 4.0% within the county represented a 10-year low and is a good indication of the strength of the local job market. In-place employment (people working within Carteret County) has grown by 1,793 jobs over the past 10 full years, reflecting a 7.9% increase. The Carteret County unemployment rate increased to 12.9% in April 2020 but dropped to 5.2% by December of 2020 and 3.6% in April 2021. As such, it appears that the local economy has nearly fully recovered from the effects of COVID-19 and is trending in a positive direction.

The Local Economy is Well Balanced, which Adds to the Economic Stability and Strength of Carteret County – Several of the area’s largest employers are within the Government, Health Care, and Education job sectors. These particular job sectors are typically more resistant to economic fluctuations and enable the local economy to withstand unusual economic downturns. Given tourism’s influence on this coastal community, two of the larger employment industries within the county include Accommodation & Food Services (11.5%) and Retail Trade (12.4%). While both of these sectors were adversely impacted by COVID-19, local sources indicate that these sectors have recovered well over the past several months and that as the market heads into its peak tourism season these sectors should return to or even exceed historical performance levels.

Despite the Impact of Recent (2020) Job Losses (Both Temporary and Permanent), Millions of Dollars in Investments and New Jobs Planned for the Area Should Contribute to Economic Growth – According to a variety of local sources, the area is expected to undergo tens of millions of dollars in both public and private sector investments that will add jobs to the area and increase economic activity for the foreseeable future. One of the most notable investments in the area is the ongoing expansion of U.S. Highway 70/Interstate 42. Once complete, the highway will operate between Raleigh and Carteret County as Interstate 42. The completion of this connector is significant because it provides a direct route from the growing Research Triangle Region to Carteret County, and is expected to increase the number of visitors and the number of residents. Most of this project is expected to be complete before 2030 (Kinston Bypass excepted), with several key segments, including the Havelock Bypass and James City segment, complete by 2024. By the end of 2025, there will be no stoplights between the Lenoir/Craven County line and the Craven/Carteret County line, and traffic will move through that corridor at interstate speeds, significantly reducing transit times to and from Carteret County. The I-42 project, together with other large-scale investments, including large investments at both Camp Lejeune and MCAS Cherry Point, will significantly increase the demand for all types of housing in the market, as well as increase prices.

Additional economic data and analysis is included in Section V of this report.

Housing Supply

While Carteret County Rents are Comparable to State Averages and Home Values are Higher in the County than in the State, a Notable Number of Renters and Owners are Considered Housing Cost Burdened –The PSA’s (Carteret County)

Housing Affordability Remains a Challenge for Many Area Households

With nearly 8,000 housing cost burdened households in the county, affordable housing alternatives should be part of future housing solutions.

estimated median home value of \$214,964 is well above the state’s estimated value of \$175,782. However, the average gross rent of \$954 for the PSA is slightly below, but very comparable to, the state’s average gross rent of \$979. Cost burdened households are those that pay more than 30% of their income toward their housing costs (rent or mortgage). While the shares of cost burdened households in the county are very comparable to the state averages, there are an estimated 3,169 renter households and 4,751 owner households that are cost burdened. With nearly 8,000 housing cost burdened households in the county, affordable housing remains a challenge for many households.

Household Income, Housing Costs and Affordability								
	2020 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Beach	3,803	\$69,092	\$377,345	\$1,229	37.7%	22.9%	23.4%	9.8%
Central	15,150	\$54,704	\$186,981	\$919	42.2%	22.2%	20.4%	7.7%
East	8,113	\$56,238	\$188,696	\$838	34.3%	18.8%	19.4%	6.4%
West	4,468	\$69,316	\$237,339	\$1,213	32.5%	25.0%	12.7%	10.1%
Carteret County	31,534	\$58,570	\$214,964	\$954	38.8%	22.0%	19.6%	8.1%
North Carolina	4,215,474	\$55,916	\$175,782	\$979	43.3%	19.9%	20.6%	7.9%

Source: American Community Survey (2015-2019); ESRI

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

Limited availability among multifamily apartment rentals in Carteret County creates a challenge for the area but also represents a development opportunity for additional product.

Apartment Rentals are in High Demand and There is Pent-Up Demand for Housing that Serves Very Low- and Low-Income Renter Households – Overall, demand for multifamily rental housing is very strong within the PSA (Carteret County), given that only five of the 1,919 surveyed units were vacant, resulting in an overall 99.7% occupancy rate. In typical, well-balanced rental housing markets, the occupancy rate generally falls between 94% and 96%. As such, the local market’s 99.7% is extremely high and indicates that the market is likely suffering from a significant shortage of multifamily rental housing. While all of the identified vacancies are located in the Central Submarket, this submarket’s overall occupancy rate is still very high at 99.6%. Meanwhile, the East Submarket’s surveyed multifamily supply is fully occupied and several projects have wait lists, indicating there is pent-up demand for such product. According to a representative with the Coastal Community Action Association, there are approximately 399 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 131 people currently on the waiting list for additional Vouchers. Given the 100.0% occupancy among all affordable rentals (Tax Credit and government subsidized) in the overall PSA, along with the long Voucher wait list, there is clear pent-up demand for affordable product throughout the county. As such, there appears to be a development opportunity for a variety of rental products.



**Preserve at Carteret Place
New (2018) Market-Rate Apartments
(Fully Occupied)**

The table below summarizes the surveyed multifamily rental supply by project type.

PSA - Carteret County				
Project Type	Projects	Total Units	Vacant Units	Occupancy
Market-rate	20	1,088	5	99.5%
Market-rate/Government-Subsidized	1	49	0	100.0%
Tax Credit	11	464	0	100.0%
Government-Subsidized	6	318	0	100.0%
Total	38	1,919	5	99.7%

Additional details of the area’s multifamily rental housing supply is provided in Section VI of this report.

Carteret County has Approximately 37 Vacant Non-Conventional Rentals, Most of Which have Rents Above Multifamily Rentals – Typically, non-conventional rentals are those with four or fewer units within a single structure, such as a single-family home or duplex. Such housing represents over four-fifths (81.3%) of Carteret County’s renter-occupied housing stock. Bowen National Research identified 37 non-conventional rentals in the PSA that were listed as *available* for rent, resulting in an extremely high occupancy rate of 99.4%. The available non-conventional rentals identified in the county primarily consist of two- and three-bedroom units, with per unit rents ranging from \$700 to \$3,100 for these bedroom types. Despite the fact that the average year built indicates much of this non-conventional product is at least three decades old, the average collected rent by bedroom type for the most common bedroom types is \$1,015 for a two-bedroom unit and \$1,797 for a three-bedroom unit. When typical tenant utility costs (at least \$200) are also considered, the inventoried non-conventional units have *gross* average rents well over \$1,200 and are higher than many of the apartments surveyed in the area. As such, it is unlikely that many low-income residents would be able to afford non-conventional rental housing in the area. Based on this analysis, while the inventory of available non-conventional rentals is limited, the typical rents for such product indicate that such housing is not a viable alternative for most lower income households.

Non-Conventional Rentals have Limited Availability and are Unaffordable to Lower-Income Households

The 37 available non-conventional rentals in Carteret County result in an occupancy rate of 99.4%, reflective of limited availability. Most of the available rentals are not affordable to households earning below \$40,000.

The Presence of Vacation Rentals Appears to be Increasing, While the Permanent Rental Housing Stock is Shrinking - Carteret County is greatly influenced by tourism, vacation rentals, and second homes. According to ACS estimates, there were 16,509 vacant (not a permanent/primary residence) seasonal or recreational housing units in the county in 2019, which is an increase of 1,107 units or 7.2% from 2010 estimates. The total number of *all housing units*, regardless of type or use, increased during this period by 2,040, an increase of 4.2%. While the *share* of seasonal/recreational housing units as a percentage of all housing units increased slightly (32.9% vs. 32.0%) during this nine-year period, the *rate of increase* of seasonal/recreational homes is greater than the overall growth rate of all housing units (7.2% vs. 4.2%). It is also important to point out that while the estimated number of non-seasonal/non-recreational housing units continues to grow (32,777 total units in 2010 to 33,710 total units in 2019), the growth *rate* of such housing (2.9%) is less than the growth rate among seasonal/recreational housing. Lastly, while the number of *occupied rental units* had gone virtually unchanged between 2010 and 2019, the *total* number of rental units (both occupied and vacant) has *decreased* significantly during this time period. The total number of 10,008 rental units in 2010 decreased to 8,760 in 2019, a reduction of 1,248 units, or a decrease of 12.5%. While the decrease may be due to a variety of factors (e.g., rentals being converted to owner-occupied units, units lost due to natural disaster, units lost due to demolition or conversion to

non-residential uses, etc.) it is likely that many permanent rental units have been converted to short-term vacation rentals given the rental premiums that can be attained for such units. As such, it will be important that existing rental housing be preserved and additional rental units be built to help compensate for the loss of permanent rental housing alternatives in recent years.

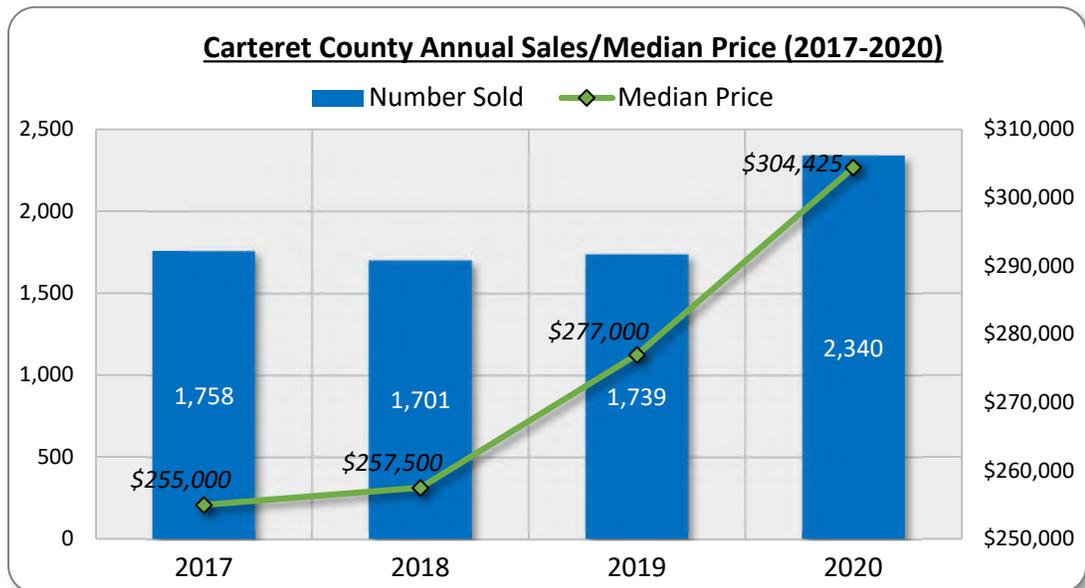
For-Sale Market Metrics are Reflective of a Strong Housing Market

Carteret County's recent home sales show increasing home sale prices and volume of sales over the past couple of years.

Historic For-Sale Housing Trends within Carteret County Reveal Increased Sales Volume and Rising Prices

– Within the PSA (Carteret County), the number of homes sold on an annual basis has increased in each of the past two years, increasing at an *annual* rate of 2.2% in 2019 then escalating by 34.6% in 2020. The median price of homes sold within the PSA also increased over each of the past three years, at an average annual rate of 7.2%. The median household income in the PSA increased at an annual rate of 2.7% over the past decade. As such, on a broad scale, the increase of home prices appears to be greatly outpacing household income growth on an annual basis. It is worth pointing out

that the annual *rate of increase* among the median sales price has increased at a greater annual rate than each preceding year since 2017. While many of the preceding metrics are positive indicators of the strong level of demand for for-sale product in the county, they also indicate that rapidly increasing home prices may begin to make buying a home unattainable for many low- and moderate-income households.



While Carteret County Offers For-Sale Product at a Variety of Price Points, the Relatively Small Inventory Provides Limited Choices for Existing and Future Residents and May Limit the Area’s Ability to Grow –

There were 202 housing units listed as being available for purchase in the PSA (Carteret County) in early May of 2021. When the overall owner-occupied inventory is considered, these 202 units represent a vacancy/availability rate of just 0.9%. In healthy, well-balanced markets, the vacancy/availability rate is typically between 2.0% and 3.0%. As such, it is clear the inventory of available for-sale housing is extremely limited in the county. Nearly three out of four available for-sale homes within the PSA are priced above \$300,000. At this price point, a household would have to have a minimum annual

Available For-Sale Housing by Price			
PSA (Carteret County)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to \$99,999	6	3.0%	65
\$100,000 to \$149,999	7	3.5%	56
\$150,000 to \$199,999	17	8.4%	66
\$200,000 to \$249,999	11	5.4%	85
\$250,000 to \$299,999	15	7.4%	79
\$300,000+	146	72.3%	133
Total	202	100.0%	116

income of around \$100,000. Based on 2020 household income estimates, only 9.3% of renter households and 27.6% of current homeowners in the county could afford product priced at \$300,000, which comprises 72.3% of the available inventory. Despite the fact that most households cannot afford most of the available product, housing units are being sold relatively fast with an average number of days on market of 116 for the overall county. The very limited available supply of product priced under \$300,000 is likely contributing to the shorter sales period for such product, as most of it is sold in less than 80 days. Regardless, with only 202 homes available for purchase and only 56 priced under \$300,000, it is likely that the PSA has difficulty attracting new households and accommodating the needs of current county residents. This may limit economic and job growth potential as well as limit the growth of commercial opportunities within Carteret County.

Senior Care Residential Facilities are Recovering from Issues Primarily Associated with COVID-19 and Projected Senior Household Growth will Add to the Demand for Such Housing in the Foreseeable Future –

A total of five senior care facilities, containing a total of 319 marketed beds/units, were identified and surveyed. While these do not represent all senior care facilities in the county, they are representative of market norms and represent a good base from which to evaluate the senior care housing market. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities - PSA (Carteret County)						
Project Type	Projects	Marketed Beds/Units	Vacant	Occupancy Rate	National Occupancy Rate*	Base Monthly Rent Range
Adult Care Homes	2	99	15	84.8%	90.7%	\$2,750-\$6,600
Nursing Homes	3	220	50	77.3%	88.0%	\$6,813-\$10,646
Total	5	319	65	78.6%	-	\$2,750-\$10,646

*Source: American Seniors Housing Association: The State of Seniors Housing
 Note: In some cases, daily rates were converted to monthly rates

The county is reporting overall occupancy rates ranging from 77.3% (nursing homes) to 84.8% (adult care homes). While the county's occupancy rates for both surveyed property types are below the national averages (note: national data is based on pre-COVID-19 market conditions), they appear to be recovering from the initial impact of COVID-19. Given the significant projected growth among seniors over the next several years, several senior care projects are in the development pipeline. These positive trends indicate that there may be an opportunity to develop additional senior care housing in the market.

Community Input Indicates that Area's Housing Shortage is Adversely Impacting Local Employers and Limiting Economic Growth, but that Some Employers want to be Part of the Solution – A total of 29 community stakeholders participated in online surveys that provided valuable insight as to local housing challenges and opportunities. The respondents included a variety of community leaders and some of the area's largest employers. Key findings illustrated the consensus that rental housing was of the greatest need, including affordable workforce housing and senior housing, with over 80.0% of respondents indicating that housing *affordability* and *limited availability* of housing were often experienced in the market. Most respondents indicated that common barriers limiting housing development include cost of land, availability of land, cost of infrastructure, and cost of labor/materials. Most *employers* surveyed (54.5%) stated that in the past couple of years they have experienced difficulty attracting and/or retaining employees due to housing related issues and challenges. Most employer respondents noted that unaffordable rental housing was ranked as the greatest housing challenge, while unaffordable for-sale housing was a major concern. Several employers indicated that they would do additional hiring if more housing was available and affordable to their employees. Some employers indicated they would be willing to be part of the housing solution, offering a wide range of possible roles they could play in such efforts. Additional survey responses are provided in *Section IX: Community Input*.

Overall PSA (Carteret County) Housing Needs

As discussed in Section VIII of this report, numerous factors contribute to the housing demand within a market. This includes household growth, units required for a balanced market, replacement of substandard housing and units required to meet the needs of commuters. In an effort to determine if there are any housing gaps in the market, we compared the preceding demand drivers with the existing and planned residential product in the market. This analysis was done at various affordability levels and for both rental and for-sale housing alternatives. Details of this analysis, including our methodology and assumptions, are included in Section VIII.

The following table summarizes the approximate potential number of new residential units that could be supported in the PSA (Carteret County) over the next 10 years. It should be noted that we provided three different sets of housing gap estimates. The first set, Base Estimates, considers the standard demographic projections provided by ESRI and assumes historical and typical demographic characteristics and trends. The second (conservative) and third (optimal) sets, Highway Impact Estimates, account for the potential impact the ongoing I-42 highway project could have on local demographics once it is completed over the next few years.

PSA (Carteret County) Housing Gap Estimates (2020 to 2030) – Number of Units Needed				
Housing Segment		Base Estimates	Highway Impact Estimates – Conservative	Highway Impact Estimates – Optimal
Rentals	Very Low-Income Rental Housing (\leq \$925/Month Rent)	85	1,234	2,435
	Low-Income/Workforce Rental Housing (\$926-\$1,481/Month Rent)	231	550	898
	Moderate-Income Rental Housing (\$1,482-\$2,219/Month Rent)	671	974	1,196
	High-Income Market-Rate Rental Housing (\$2,220+/Month Rent)	226	302	777
	TOTAL UNITS	1,213	3,060	5,306
For-Sale	Entry-Level For-Sale Homes (\leq \$118,666)	-1,078	832	2,554
	Low-Income For-Sale Homes (\$118,667-\$189,866)	1,112	2,671	3,373
	Moderate-Income For-Sale Homes \$189,867-\$284,800)	2,088	3,346	4,182
	High-Income Upscale For-Sale Housing (\$284,801+)	849	1,341	3,934
	TOTAL UNITS	2,971	8,190	14,043

Note: Number of units assumes product is marketable, affordable and in a marketable location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

As the preceding estimates illustrate, it is projected that the 10-year **rental** housing gap will range between 1,213 units (assuming and applying normal demographic trends) to 5,306 units (should the impact of the I-42 highway project fully materialize). The **for-sale** housing gaps are larger, ranging from 2,971 units to 14,043 units, under the same assumptions as the rental units. It is likely that the actual housing gap will fall closer to the higher end of these ranges.

These estimates are based on current government policies and incentives, recent and projected demographic trends, current and anticipated economic trends, and available and planned residential units. Numerous factors impact a market's ability to support new housing product. This is particularly true of individual housing projects or units. Certain design elements, pricing structures, target market segments (e.g., seniors, workforce, families, etc.), product quality and location all influence the actual number of units that can be supported. Demand estimates could exceed those shown in the preceding table if the community changes policies or offers incentives to encourage people to move into the market or for developers to develop new housing product.

A section entitled Action Plan Recommendations and Best Practices is provide in Section X of this report. This section provides possible steps the public and private sectors may want to consider implementing to address local housing issues. Numerous examples of Best Practices are also provided to illustrate specific programs, incentives, outreach efforts and other initiatives that may serve as models for Carteret County.

III. COMMUNITY OVERVIEW AND STUDY AREAS

A. CARTERET COUNTY OVERVIEW

This report focuses on the housing needs of Carteret County, North Carolina, with supplemental analysis of four submarkets within the county (discussed on the following page). The county is located on the eastern boundary of North Carolina along the Atlantic Ocean and is approximately 161 miles southeast of Raleigh, North Carolina and approximately 118 miles northeast of Wilmington, North Carolina. The county was recognized as a county in 1739. While several State Highways (NC 12, 24, 58 and 101) serve the county, U.S. Highway 70 serves as the primary arterial highway in the county and is undergoing a major expansion that will result in it becoming Interstate 42 within the next few years. Today, the county contains approximately 1,330 square miles and has over 54 persons per square mile (state average is 217 persons per-square-mile).

Carteret County was home to approximately 72,345 people in 2020, increasing by 5,876 people or by 8.8% since 2010. The county has 11 incorporated towns, with the three largest including Morehead City, Newport and Beaufort (county seat). A large number of the commercial, government, healthcare and employment opportunities are located in the county's largest town, Morehead City. The county offers numerous recreational opportunities including parks, museums and beaches. Because of the extensive beaches in the area known as the Crystal Coast, the area is a very popular locale for tourism and second homes. This tourism contributes significantly to the local economy and helps to support many of the area's restaurants, retailers, and hotels. The U.S. Marines, Navy and Coast Guard all have facilities in or immediately proximate to Carteret County, including major Marine Corps bases Camp Lejeune in Onslow County and MCAS Cherry Point in Craven County. Although not based in Carteret County, these two Marine Corps facilities drive significant housing demand in Carteret County. This demand is expected to increase in the future with anticipated Department of Defense investments substantially exceeding one billion dollars in the next decade.

Based on 2020 estimates, almost three-quarters (73.9%) of the county's housing units are owner-occupied. Nearly two-thirds (63.7%) of rental units are within structures of four or fewer units, while 82.8% of owner-occupied units are within these smaller structures (primarily single-family homes). It is worth pointing out that over 4,700 housing structures (1,441 renter-occupied and 3,255 owner-occupied) are mobile home units. As shown in the supply section (Section VI) of this report, the market offers a wide variety of price points and rents, though availability is limited at certain affordability levels. Additional information regarding the county's demographic characteristics and trends, economic conditions, housing supply, and other factors that impact housing are included throughout this report.

B. STUDY AREAS – MARKET AREA DELINEATIONS

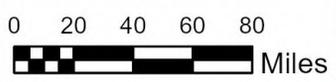
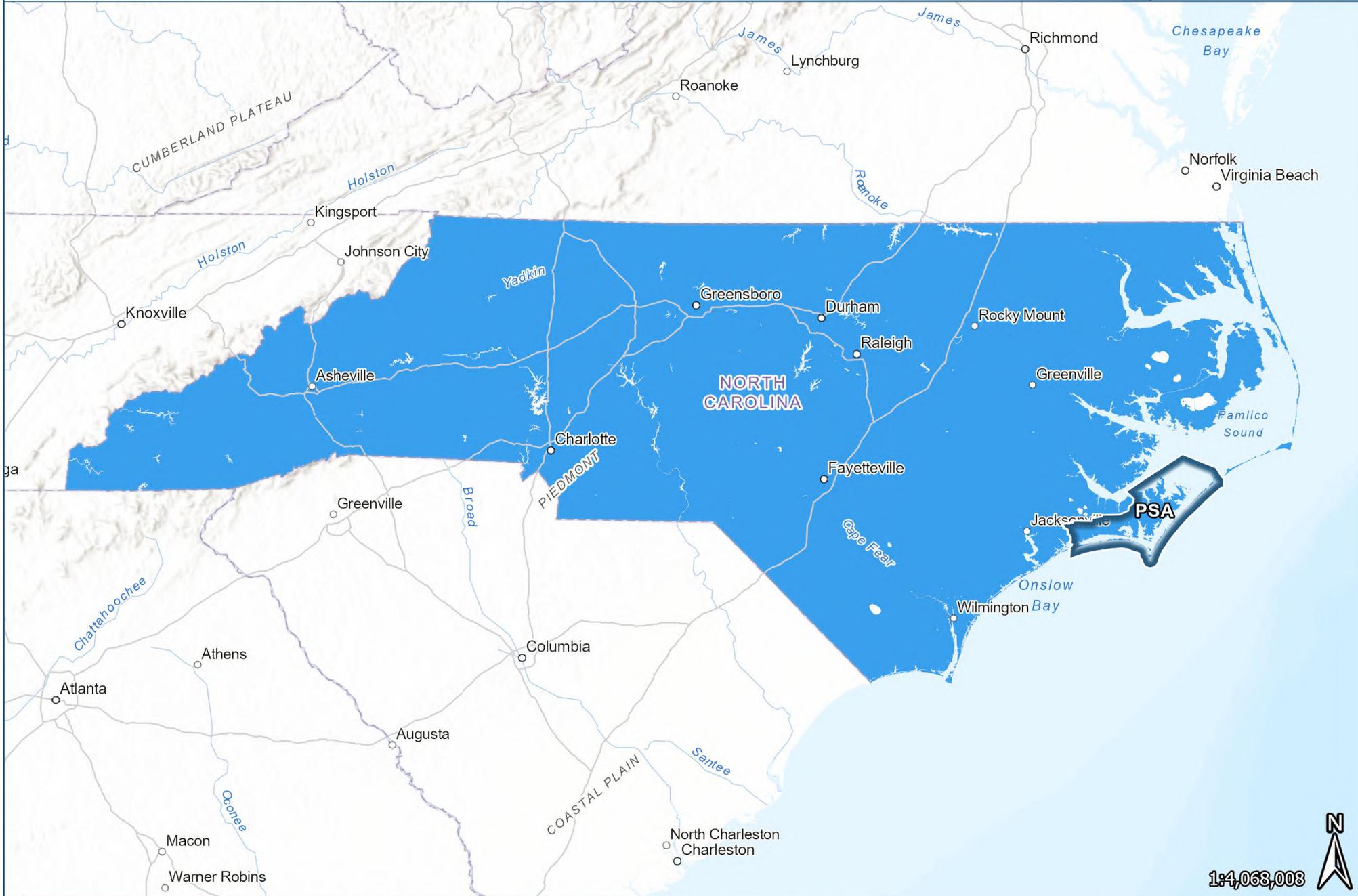
This report addresses the residential housing needs of Carteret County. To this end, we focused our evaluation on the demographic and economic characteristics, as well as the existing housing stock, of the overall county. Because there are distinct differences between different areas within the county, we have also provided some additional information and analysis on four individual submarkets within the county. In order to provide an additional base of comparison, we have provided some data on the overall state of North Carolina and the overall United States, when applicable.

The following summarizes the various study areas used in this analysis.

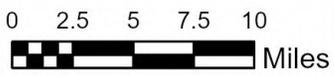
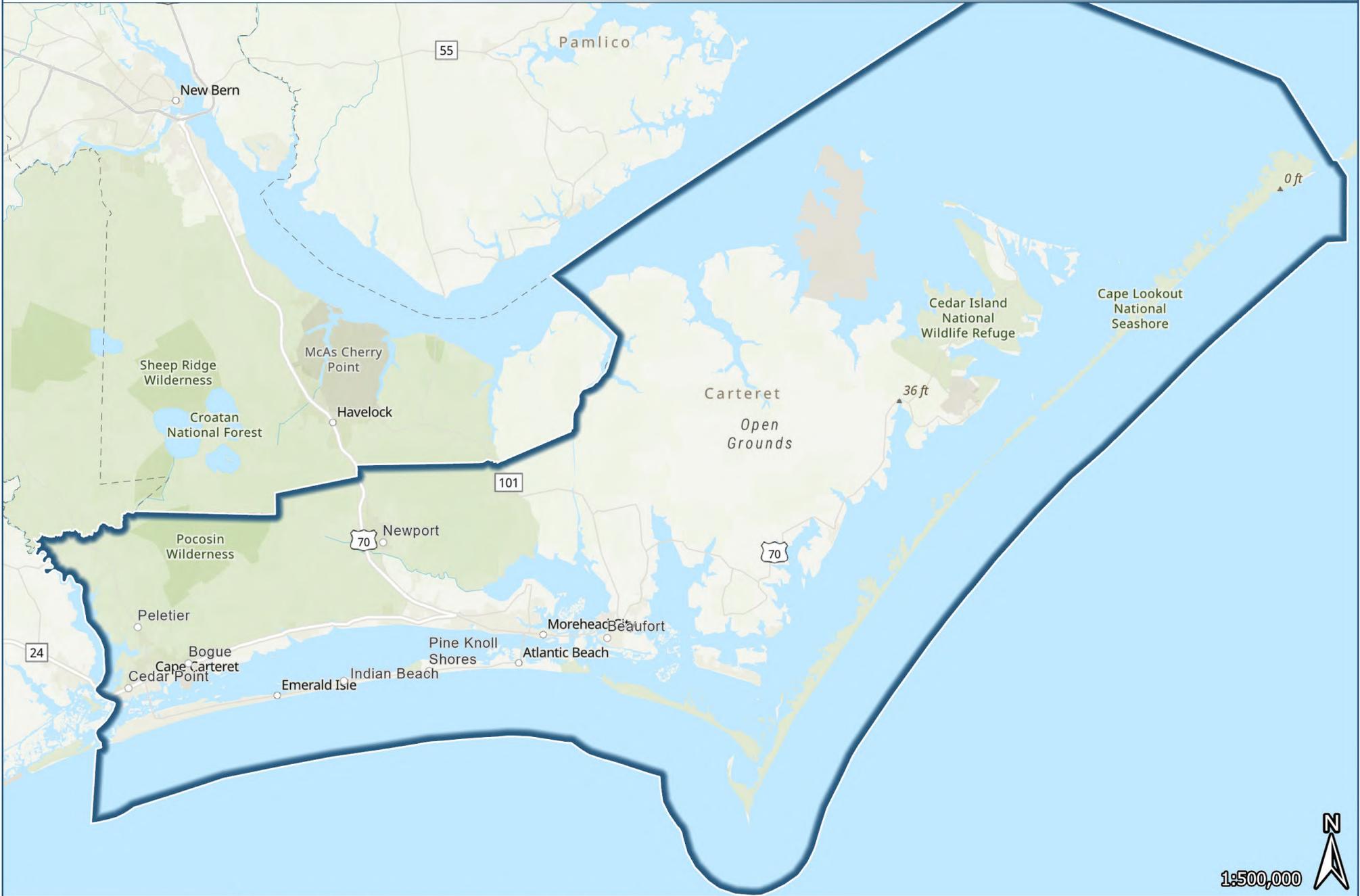
Primary Study Area – The Primary Study Area (PSA) includes the entirety of Carteret County.

Submarket Study Areas – The Submarket Study Areas (SSAs) are four separate areas that were established by the Carteret County Economic Development Foundation. These areas include the Beach Submarket, as well as dividing the balance of the county into approximate thirds for the East, Central and West submarkets.

Maps delineating the boundaries of the various study areas are shown on the following pages.

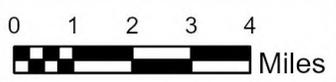
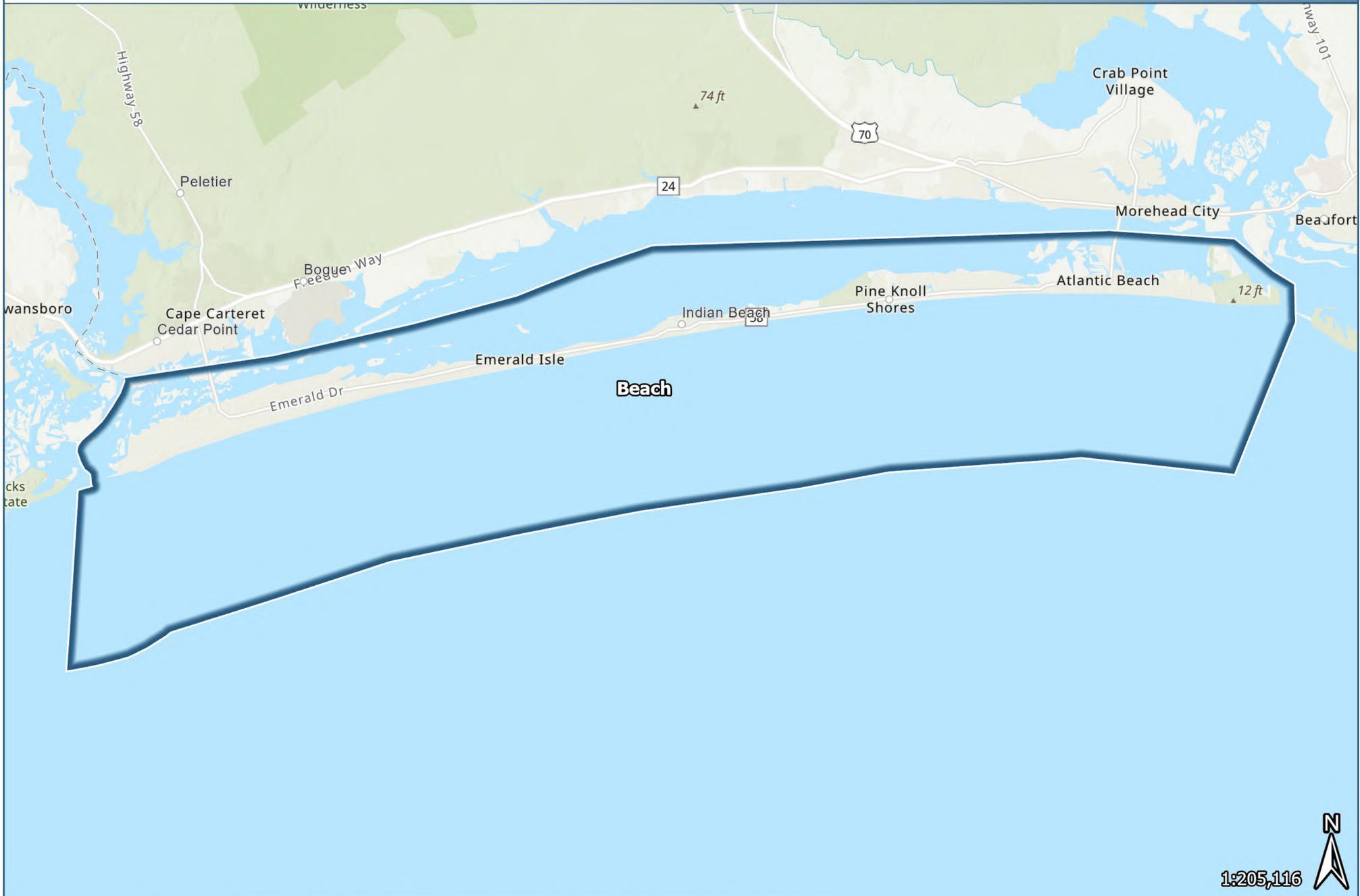


Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodastystyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research



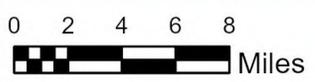
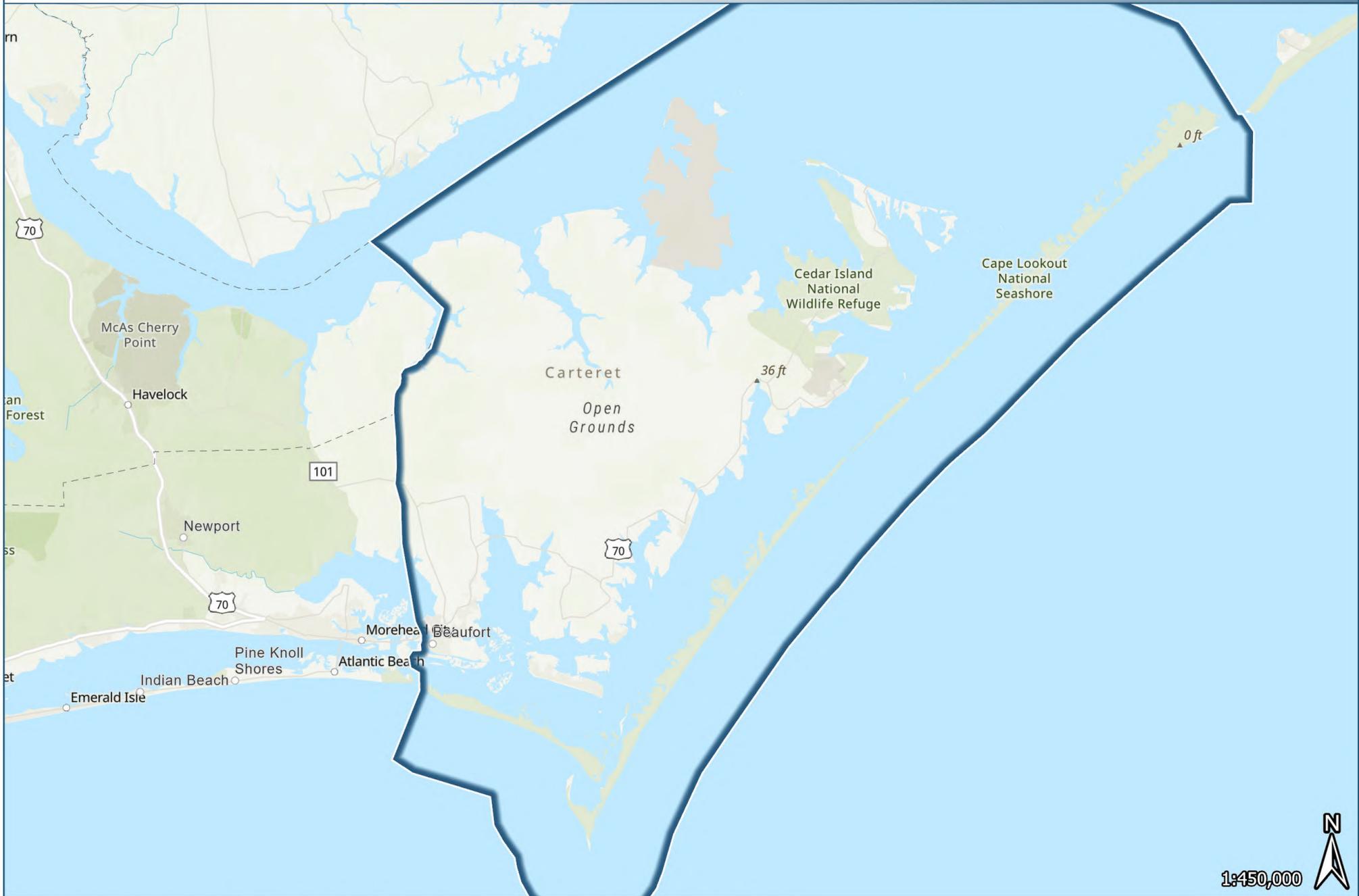
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Additional Source(s): Bowen National Research





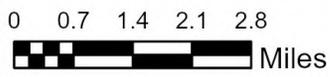
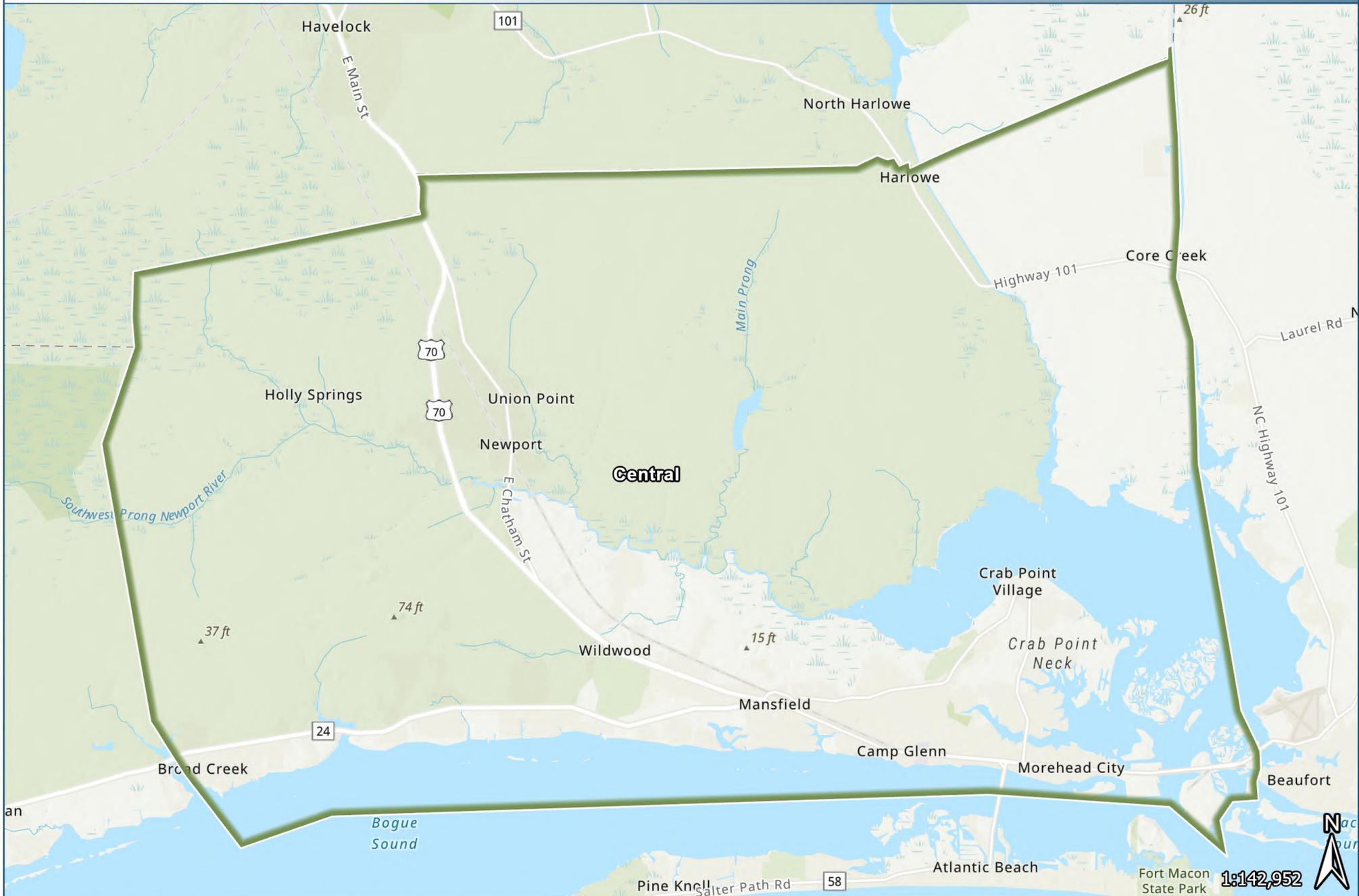
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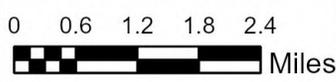
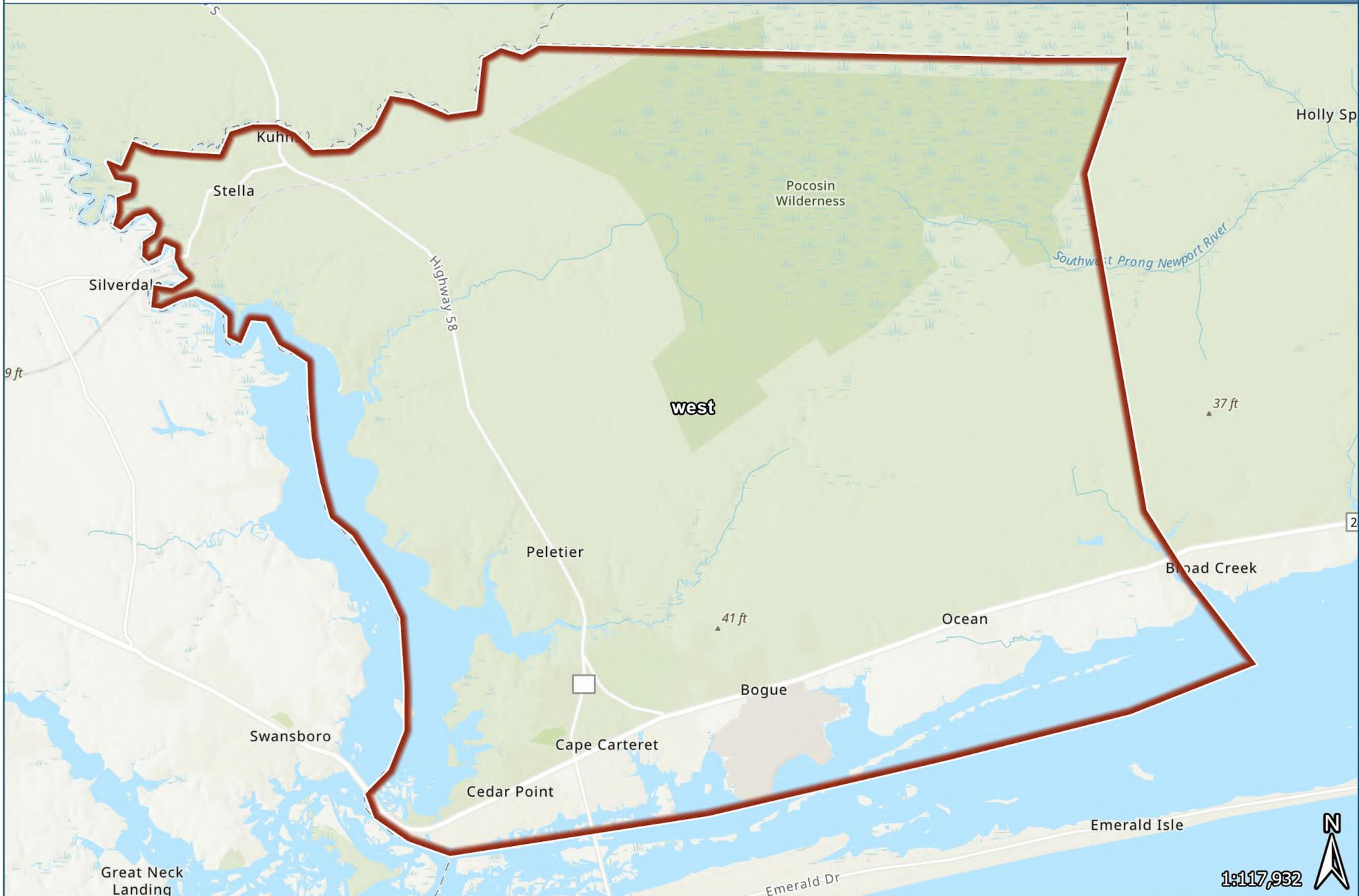


Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research





Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodastystyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research



Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodastystyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research

IV. DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

This section of the report evaluates key demographic characteristics for the Primary Study Area (PSA, Carteret County), the four submarkets within Carteret County (Beach, Central, East, and West submarkets), and North Carolina (statewide). Through this analysis, unfolding trends and unique conditions are often revealed regarding populations and households residing in the selected geographic areas. Demographic comparisons among these geographies provide insights into the human composition of housing markets. Critical questions, such as the following, can be answered with this information:

- Who lives in Carteret County and what are these people like?
- In what kinds of household groupings do Carteret County residents live?
- What share of people rent or own their Carteret County residence?
- Are the number of people and households living in Carteret County increasing or decreasing over time?
- How do Submarket Study Area residents compare with each other?

This section is comprised of three major parts: population characteristics, household characteristics, and demographic theme maps. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence. Demographic theme maps graphically show varying levels (low to high concentrations) of a demographic characteristic across a geographic region.

The expansion of U.S. Highway 70/Interstate 42 is underway between Raleigh and Carteret County. Most of this new Interstate, to be known as Interstate 42, is expected to be complete by 2025 and fully built out by 2031. We conducted a case study (Addendum D) of other communities that were impacted by major highway expansions, focusing on the demographic impact on such communities. Trends from this analysis were used to develop alternative demographic projections. These projections are included at the end of this section and only include total population, total households and households by income.

It is important to note that the upgrading of U.S. 70 to Interstate 42 is not a hypothetical future scenario. Many sections of the new interstate are already complete or under construction, and the balance of the corridor is funded in the state Transportation Improvement Plan. The baseline projections contained in the charts in this section do not reflect the impacts of the new interstate, because our modeling methodology does not factor in future events. Therefore, for planning purposes we recommend that local governments place great emphasis on the Alternative Demographic Projections described on pages IV-23 through IV-25.

It is important to note that 2000 and 2010 demographics are based on U.S. Census data (actual count), while 2020 and 2025 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. The accuracy of these estimates depends on the realization of certain assumptions:

- Economic projections made by secondary sources materialize;
- Governmental policies with respect to residential development remain consistent;
- Availability of financing for residential development (i.e., mortgages, commercial loans, subsidies, Tax Credits, etc.) remains consistent;
- Sufficient housing and infrastructure are provided to support projected population and household growth.

Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections/estimates.

It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding.

B. POPULATION CHARACTERISTICS

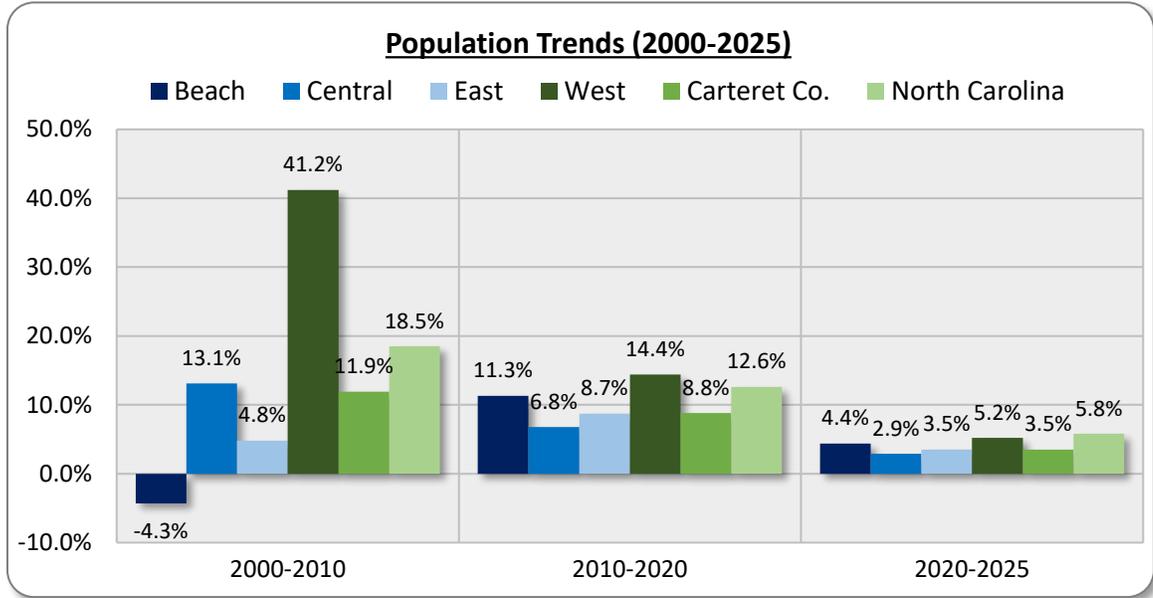
Population by numbers and percent change (growth or decline) for selected years is shown in the following table:

	Total Population									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
Beach	7,174	6,868	-306	-4.3%	7,645	777	11.3%	7,978	333	4.4%
Central	29,648	33,537	3,889	13.1%	35,833	2,296	6.8%	36,865	1,032	2.9%
East	15,889	16,644	755	4.8%	18,088	1,444	8.7%	18,714	626	3.5%
West	6,672	9,420	2,748	41.2%	10,779	1,359	14.4%	11,343	564	5.2%
Carteret County	59,383	66,469	7,086	11.9%	72,345	5,876	8.8%	74,900	2,555	3.5%
North Carolina	8,049,282	9,535,457	1,486,175	18.5%	10,736,851	1,201,394	12.6%	11,357,274	620,423	5.8%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within the PSA (Carteret County) increased by 5,876 (8.8%). During this period, the largest population increase was within the Central Submarket with overall growth of 2,296 residents, accounting for 39.1% of the population growth within the PSA. The West and Beach submarkets exhibited the greatest *percentage* increases in populations at 14.4% and 11.3%, respectively. It is projected that the population within the PSA will increase by 2,555 (3.5%) over the next five years. Approximately 40% of this growth is expected to occur within the Central Submarket, which is projected to increase by 2.9%, while the rest of the submarkets are expected to experience individual growth rates of around 4.0% during this time.

The following graph compares the percent change in population since 2000 for the PSA (Carteret County) and its submarkets, along with the state.



Population by age cohorts for selected years is shown in the following table:

		Population by Age							Median Age
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	
Beach	2010	1,284 (18.7%)	624 (9.1%)	672 (9.8%)	952 (13.9%)	1,427 (20.8%)	1,161 (16.9%)	748 (10.9%)	54.1
	2020	1,161 (15.2%)	703 (9.2%)	722 (9.4%)	836 (10.9%)	1,529 (20.0%)	1,676 (21.9%)	1,018 (13.3%)	58.0
	2025	1,159 (14.5%)	586 (7.3%)	827 (10.4%)	797 (10.0%)	1,459 (18.3%)	1,855 (23.3%)	1,295 (16.2%)	59.9
	Change 2020-2025	-2 (-0.2%)	-117 (-16.6%)	105 (14.5%)	-39 (-4.7%)	-70 (-4.6%)	179 (10.7%)	277 (27.2%)	N/A
Central	2010	9,526 (28.4%)	3,951 (11.8%)	4,236 (12.6%)	5,355 (16.0%)	4,890 (14.6%)	3,172 (9.5%)	2,407 (7.2%)	42.9
	2020	9,059 (25.3%)	4,571 (12.8%)	4,182 (11.7%)	4,534 (12.7%)	5,629 (15.7%)	4,598 (12.8%)	3,260 (9.1%)	45.2
	2025	9,134 (24.8%)	4,368 (11.8%)	4,511 (12.2%)	4,317 (11.7%)	5,271 (14.3%)	5,169 (14.0%)	4,095 (11.1%)	46.0
	Change 2020-2025	75 (0.8%)	-203 (-4.4%)	329 (7.9%)	-217 (-4.8%)	-358 (-6.4%)	571 (12.4%)	835 (25.6%)	N/A
East	2010	3,944 (23.7%)	1,647 (9.9%)	1,972 (11.8%)	2,787 (16.7%)	2,840 (17.1%)	1,978 (11.9%)	1,476 (8.9%)	47.9
	2020	3,807 (21.0%)	1,914 (10.6%)	1,945 (10.8%)	2,361 (13.1%)	3,222 (17.8%)	2,850 (15.8%)	1,989 (11.0%)	51.2
	2025	3,899 (20.8%)	1,718 (9.2%)	2,148 (11.5%)	2,199 (11.8%)	3,075 (16.4%)	3,164 (16.9%)	2,511 (13.4%)	52.3
	Change 2020-2025	92 (2.4%)	-196 (-10.2%)	203 (10.4%)	-162 (-6.9%)	-147 (-4.6%)	314 (11.0%)	522 (26.2%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

N/A – Not Applicable

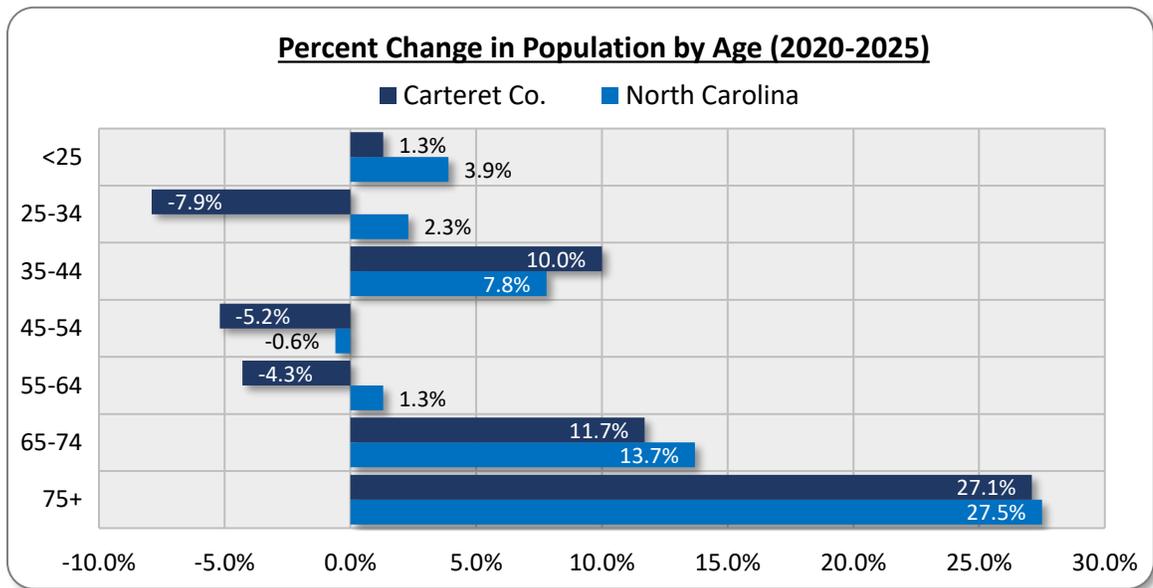
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		Population by Age							
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Median Age
West	2010	2,577 (27.4%)	932 (9.9%)	1,112 (11.8%)	1,554 (16.5%)	1,530 (16.2%)	1,063 (11.3%)	652 (6.9%)	45.6
	2020	2,569 (23.8%)	1,186 (11.0%)	1,187 (11.0%)	1,392 (12.9%)	1,907 (17.7%)	1,606 (14.9%)	932 (8.6%)	48.7
	2025	2,623 (23.1%)	1,040 (9.2%)	1,354 (11.9%)	1,337 (11.8%)	1,946 (17.2%)	1,797 (15.8%)	1,246 (11.0%)	49.9
	Change 2020-2025	54 (2.1%)	-146 (-12.3%)	167 (14.1%)	-55 (-4.0%)	39 (2.0%)	191 (11.9%)	314 (33.7%)	N/A
Carteret County	2010	17,329 (26.1%)	7,154 (10.8%)	7,992 (12.0%)	10,648 (16.0%)	10,687 (16.1%)	7,375 (11.1%)	5,284 (7.9%)	45.7
	2020	16,594 (22.9%)	8,374 (11.6%)	8,037 (11.1%)	9,124 (12.6%)	12,286 (17.0%)	10,730 (14.8%)	7,200 (10.0%)	48.8
	2025	16,814 (22.4%)	7,711 (10.3%)	8,840 (11.8%)	8,650 (11.5%)	11,752 (15.7%)	11,985 (16.0%)	9,148 (12.2%)	49.9
	Change 2020-2025	220 (1.3%)	-663 (-7.9%)	803 (10.0%)	-474 (-5.2%)	-534 (-4.3%)	1,255 (11.7%)	1,948 (27.1%)	N/A
North Carolina	2010	3,220,249 (33.8%)	1,246,589 (13.1%)	1,327,149 (13.9%)	1,368,642 (14.4%)	1,138,754 (11.9%)	697,563 (7.3%)	536,511 (5.6%)	37.3
	2020	3,363,404 (31.3%)	1,454,788 (13.5%)	1,362,896 (12.7%)	1,388,502 (12.9%)	1,396,775 (13.0%)	1,074,150 (10.0%)	696,336 (6.5%)	38.9
	2025	3,494,506 (30.8%)	1,488,396 (13.1%)	1,469,605 (12.9%)	1,380,830 (12.2%)	1,415,500 (12.5%)	1,220,856 (10.7%)	887,581 (7.8%)	39.6
	Change 2020-2025	131,102 (3.9%)	33,608 (2.3%)	106,709 (7.8%)	-7,672 (-0.6%)	18,725 (1.3%)	146,706 (13.7%)	191,245 (27.5%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

N/A – Not Applicable

In 2020, the median age for the PSA (Carteret County) was 48.8 years, significantly higher than the North Carolina median age of 38.9 years. Most notably, the Beach Submarket exhibited a median age of 58.0 years, indicating a high proportion of senior-aged residents. By 2025, the greatest *change* in population by age within the PSA is projected to occur among persons age 65 or older, which is expected to increase by 3,203 (17.9%). Much of this increase is attributed to seniors aging in place. However, the projected increase in this age cohort exceeds the overall projected population increase for the PSA, indicating an influx of retirement age residents within Carteret County. These trends indicate an increasing need for senior-oriented housing for all submarkets within the PSA. While the region is projected to experience a decline in the 45 to 54 and 55 to 64 age groups, this decline is primarily attributed to older adults aging in place and transition into higher age groups. With recent trends of empty nesters (age 55+) migrating into the area to work and live due to the COVID-influenced work-from-home phenomenon, we anticipate these older adults will likely experience growth in the years ahead.



Population by race for 2010 is shown in the following table:

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
Beach	Number	6,606	51	57	73	81	6,868
	Percent	96.2%	0.7%	0.8%	1.1%	1.2%	100.0%
Central	Number	29,234	2,244	377	843	838	33,536
	Percent	87.2%	6.7%	1.1%	2.5%	2.5%	100.0%
East	Number	14,724	1,466	65	135	255	16,645
	Percent	88.5%	8.8%	0.4%	0.8%	1.5%	100.0%
West	Number	8,782	279	81	145	133	9,420
	Percent	93.2%	3.0%	0.9%	1.5%	1.4%	100.0%
Carteret County	Number	59,346	4,041	580	1,195	1,307	66,469
	Percent	89.3%	6.1%	0.9%	1.8%	2.0%	100.0%
North Carolina	Number	6,528,925	2,048,627	208,962	542,744	206,199	9,535,457
	Percent	68.5%	21.5%	2.2%	5.7%	2.2%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

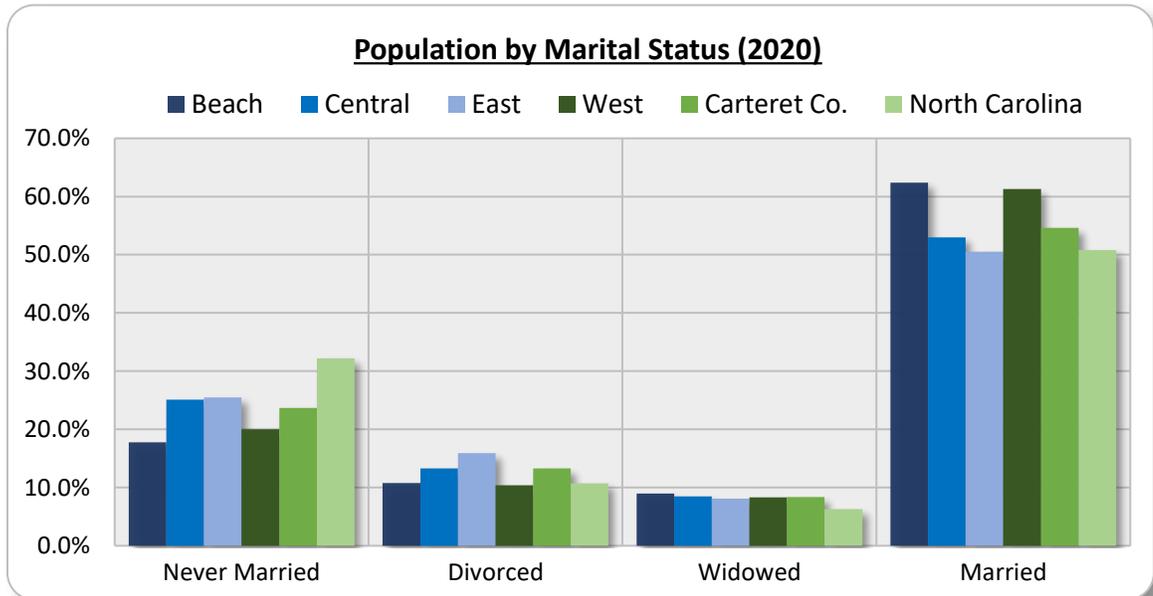
Within the PSA (Carteret County), 89.3% of residents identify as "White Alone," which is a significantly higher share than the 68.5% in the state overall. Over 96% of residents within the Beach Submarket identified as "White Alone," which was the highest share within the PSA. The balance of the PSA exhibited a comparatively more diverse population with 88.5% identifying as "White Alone."

Population by marital status for 2020 is shown in the following table:

		Population by Marital Status				
		Not Married			Married	Total
		Never Married	Divorced	Widowed		
Beach	Number	1,245	756	630	4,359	6,990
	Percent	17.8%	10.8%	9.0%	62.4%	100.0%
Central	Number	7,643	4,051	2,594	16,117	30,405
	Percent	25.1%	13.3%	8.5%	53.0%	100.0%
East	Number	4,029	2,515	1,274	7,975	15,793
	Percent	25.5%	15.9%	8.1%	50.5%	100.0%
West	Number	1,831	948	759	5,600	9,138
	Percent	20.0%	10.4%	8.3%	61.3%	100.0%
Carteret County	Number	14,748	8,270	5,257	34,052	62,327
	Percent	23.7%	13.3%	8.4%	54.6%	100.0%
North Carolina	Number	2,825,210	940,726	550,472	4,452,677	8,769,085
	Percent	32.2%	10.7%	6.3%	50.8%	100.0%

Source: ESRI; Urban Decision Group; Bowen National Research

Over half (54.6%) of the population in the PSA (Carteret County) is married, a higher share than the state (50.8%). The highest share of married residents is within the Beach Submarket (62.4%) and West Submarket (61.3%). The share of “Never Married” (23.7%) within the PSA is significantly below the state percentage of 32.2%. Given that married households are more likely to be dual-income households that have a greater chance to be able to afford higher housing costs, the areas with lower shares of married households may find it difficult to meet housing costs.

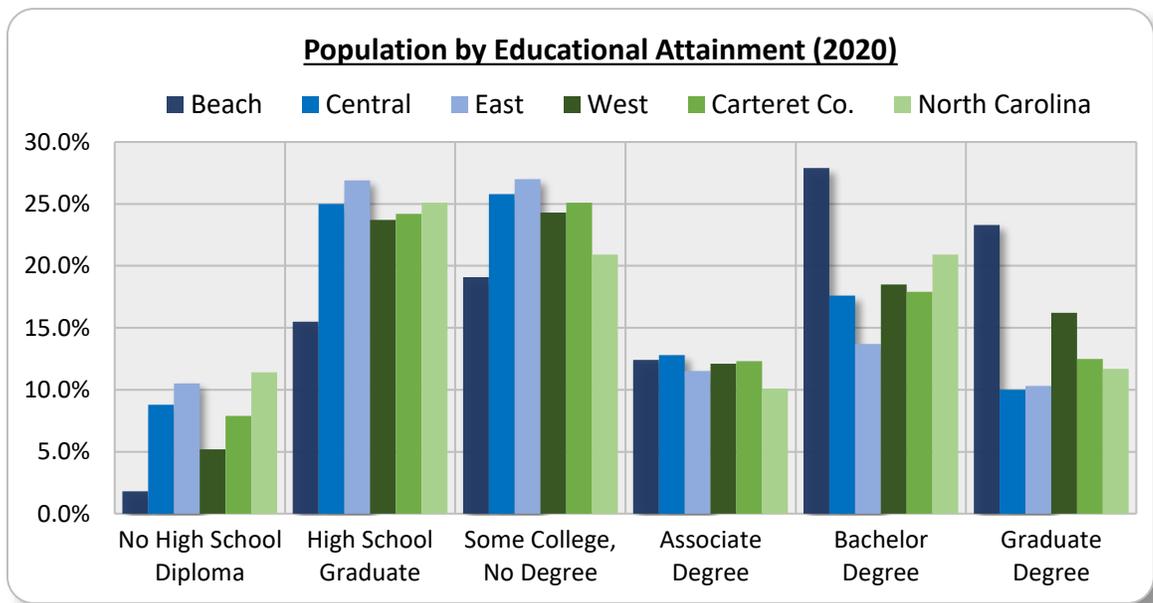


Population by highest educational attainment for 2020 is shown below:

		Population by Educational Attainment						
		No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total
Beach	Number	116	1,002	1,237	806	1,809	1,514	6,484
	Percent	1.8%	15.5%	19.1%	12.4%	27.9%	23.3%	100.0%
Central	Number	2,363	6,688	6,916	3,432	4,711	2,665	26,774
	Percent	8.8%	25.0%	25.8%	12.8%	17.6%	10.0%	100.0%
East	Number	1,499	3,845	3,862	1,649	1,950	1,477	14,281
	Percent	10.5%	26.9%	27.0%	11.5%	13.7%	10.3%	100.0%
West	Number	426	1,947	1,993	993	1,520	1,331	8,210
	Percent	5.2%	23.7%	24.3%	12.1%	18.5%	16.2%	100.0%
Carteret County	Number	4,404	13,480	14,009	6,879	9,991	6,988	55,751
	Percent	7.9%	24.2%	25.1%	12.3%	17.9%	12.5%	100.0%
North Carolina	Number	837,047	1,850,904	1,541,890	743,337	1,538,976	861,292	7,373,447
	Percent	11.4%	25.1%	20.9%	10.1%	20.9%	11.7%	100.0%

Source: ESRI; Urban Decision Group; Bowen National Research

Interestingly, the share (42.7%) of adults with a post-secondary degree in the PSA (Carteret County) is equal to the share in the state of North Carolina. Most notably, over half of the adults within the Beach Submarket hold a bachelor's degree or higher. In addition, the PSA's share of residents with "No High School Diploma" (7.9%) is below the 11.4% statewide average. However, this share is slightly higher in the East Submarket (10.5%). While the lack of formal education often limits an individual's earning capacity, Carteret County residents are well educated. This should contribute to earning capacity and housing affordability.



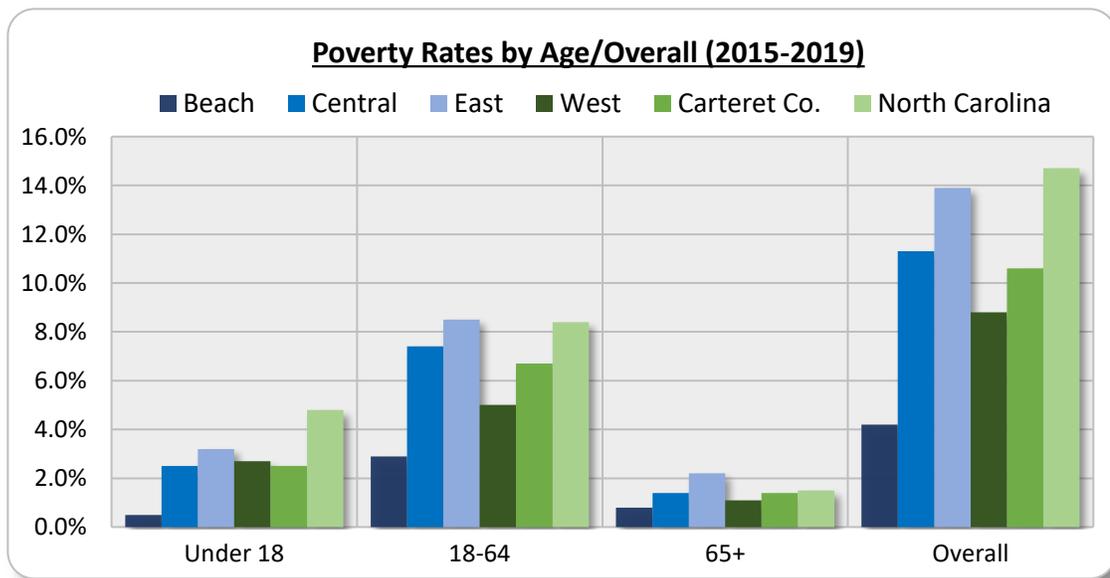
Population by poverty status is shown in the following table:

		Population by Poverty Status by Age						Total Population	Summary – Population by Poverty Status	
		Income below poverty level			Income at or above poverty level				Number	Percent
		<18	18 to 64	65+	<18	18 to 64	65+			
Beach	Number	38	215	55	807	3,680	2,500	7,295	308	4.2%
	Percent	0.5%	2.9%	0.8%	11.1%	50.4%	34.3%			
Central	Number	838	2,455	467	5,315	17,617	6,659	33,351	3,760	11.3%
	Percent	2.5%	7.4%	1.4%	15.9%	52.8%	20.0%			
East	Number	505	1,329	338	1,829	7,601	4,100	15,702	2,172	13.9%
	Percent	3.2%	8.5%	2.2%	11.6%	48.4%	26.1%			
West	Number	312	569	120	2,277	5,900	2,201	11,379	1,001	8.8%
	Percent	2.7%	5.0%	1.1%	20.0%	51.8%	19.3%			
Carteret County	Number	1,693	4,568	980	10,228	34,797	15,460	67,723	7,241	10.6%
	Percent	2.5%	6.7%	1.4%	15.1%	51.4%	22.8%			
North Carolina	Number	478,877	843,693	145,021	1,782,521	5,292,085	1,442,694	9,984,891	1,467,591	14.7%
	Percent	4.8%	8.4%	1.5%	17.9%	53.0%	14.4%			

Source: U.S. Census Bureau, 2015-2019 American Community Survey; Urban Decision Group; Bowen National Research

Over 7,200 people in the PSA (Carteret County) suffer from poverty, however, this reflects a considerably lower poverty rate than compared to the state (10.6% vs. 14.7%). Within the individual submarkets, the East Submarket has the highest share (13.9%) of people living in poverty, with a notable share also within the Central Submarket (11.3%). Although the overall poverty rate for the PSA is relatively low compared to the state, over one-fifth of children within the East Submarket (21.6%) live in poverty. Overall, 14.2% of children in the county live in poverty. The more than 7,200 people living in poverty in the county indicates the importance affordable housing.

The following graph compares the poverty rates by age/overall for the PSA (Carteret County) and its submarkets, along with the statewide share.



Population by migration (previous residence one year prior to survey) for years 2015-2019 is shown in the following table:

		Population by Migration					
		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad	Total
Beach	Number	6,085	597	375	305	23	7,385
	Percent	82.4%	8.1%	5.1%	4.1%	0.3%	100.0%
Central	Number	28,334	2,748	1,441	1,150	68	33,741
	Percent	84.0%	8.1%	4.3%	3.4%	0.2%	100.0%
East	Number	14,112	913	495	555	56	16,131
	Percent	87.5%	5.7%	3.1%	3.4%	0.3%	100.0%
West	Number	9,914	323	711	329	18	11,295
	Percent	87.8%	2.9%	6.3%	2.9%	0.2%	100.0%
Carteret County	Number	58,445	4,580	3,021	2,339	165	68,550
	Percent	85.3%	6.7%	4.4%	3.4%	0.2%	100.0%
North Carolina	Number	8,605,385	790,135	380,289	320,013	52,997	10,148,819
	Percent	84.8%	7.8%	3.7%	3.2%	0.5%	100.0%

Source: U.S. Census Bureau, 2015-2019 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

Approximately, one in six (14.7%) Carteret County residents moved within the past year, slightly less transient than the state average. The Beach Submarket was the most transient submarket within the PSA with 17.6% of residents moving within the last year, and nearly 10% of those migrating from outside the county. The Central Submarket was the second most transient submarket proportionately (16.0%), however, this submarket accounted for over half (53.5%) of the overall migration within the PSA. These statistics indicate a comparatively stable housing market with regards to the PSA.

Population densities for selected years are shown in the following table:

		Population Densities			
		Year			
		2000	2010	2020	2025
Beach	Population	7,174	6,868	7,645	7,978
	Area in Square Miles	123.56	123.56	123.56	123.56
	Density	58.1	55.6	61.9	64.6
Central	Population	29,648	33,537	35,833	36,865
	Area in Square Miles	140.65	140.65	140.65	140.65
	Density	210.8	238.4	254.8	262.1
East	Population	15,889	16,644	18,088	18,714
	Area in Square Miles	974.22	974.22	974.22	974.22
	Density	16.3	17.1	18.6	19.2
West	Population	6,672	9,420	10,779	11,343
	Area in Square Miles	86.48	86.48	86.48	86.48
	Density	77.2	108.9	124.6	131.2
Carteret County	Population	59,383	66,469	72,345	74,900
	Area in Square Miles	1,330.41	1,330.41	1,330.41	1,330.41
	Density	44.6	50.0	54.4	56.3
North Carolina	Population	8,049,282	9,535,457	10,736,851	11,357,274
	Area in Square Miles	49,336.79	49,336.79	49,336.79	49,336.79
	Density	163.1	193.3	217.6	230.2

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

With 54 persons per square mile in 2020, the PSA (Carteret County) has a density which is approximately four times less than the state of North Carolina. Conversely, the density within the Central Submarket is approximately 255 persons per square mile which exceeds the state density. The relatively high density within the Central Submarket likely suggests demand for multi-family housing units specifically within this specific submarket.

C. HOUSEHOLD CHARACTERISTICS

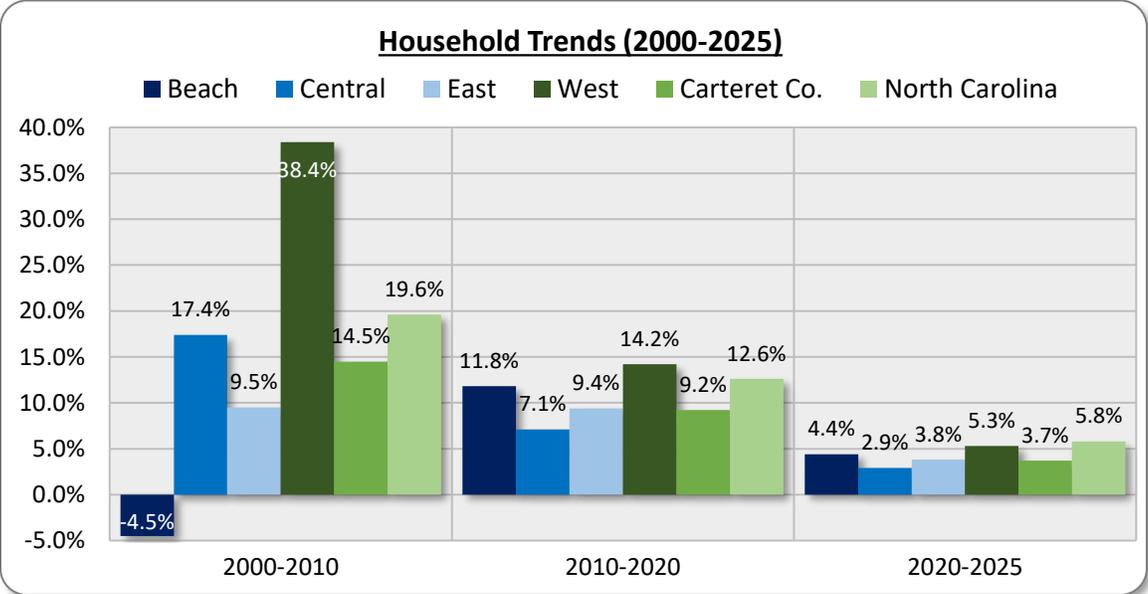
Households by numbers and percent change (growth or decline) for selected years are shown in the following table:

	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2020 Estimated	Change 2010-2020		2025 Projected	Change 2020-2025	
			Number	Percent		Number	Percent		Number	Percent
Beach	3,562	3,402	-160	-4.5%	3,803	401	11.8%	3,972	169	4.4%
Central	12,049	14,142	2,093	17.4%	15,150	1,008	7.1%	15,593	443	2.9%
East	6,767	7,413	646	9.5%	8,113	700	9.4%	8,420	307	3.8%
West	2,827	3,913	1,086	38.4%	4,468	555	14.2%	4,704	236	5.3%
Carteret County	25,204	28,870	3,666	14.5%	31,534	2,664	9.2%	32,689	1,155	3.7%
North Carolina	3,131,002	3,745,144	614,142	19.6%	4,215,474	470,330	12.6%	4,461,326	245,852	5.8%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

There are approximately 31,534 households within the PSA (Carteret County) in 2020. The number of households in the PSA grew between 2010 and 2020, increasing by 2,664 (9.2%). A significant portion of this overall growth was within the Central Submarket, accounting for an increase of 1,008 households, or 37.8% of the entire county’s growth. The West and Beach submarkets witnessed the most growth proportionally with 14.2% and 11.8% increases over past decade, respectively. Over the next five years, the submarkets within the PSA are projected to see more evenly distributed growth, with a total of 1,155 households expected to be added within the PSA.

The graph below compares the percent change in households between 2000 and 2025 for the study areas:



Household heads by age cohorts for selected years are shown in the following table:

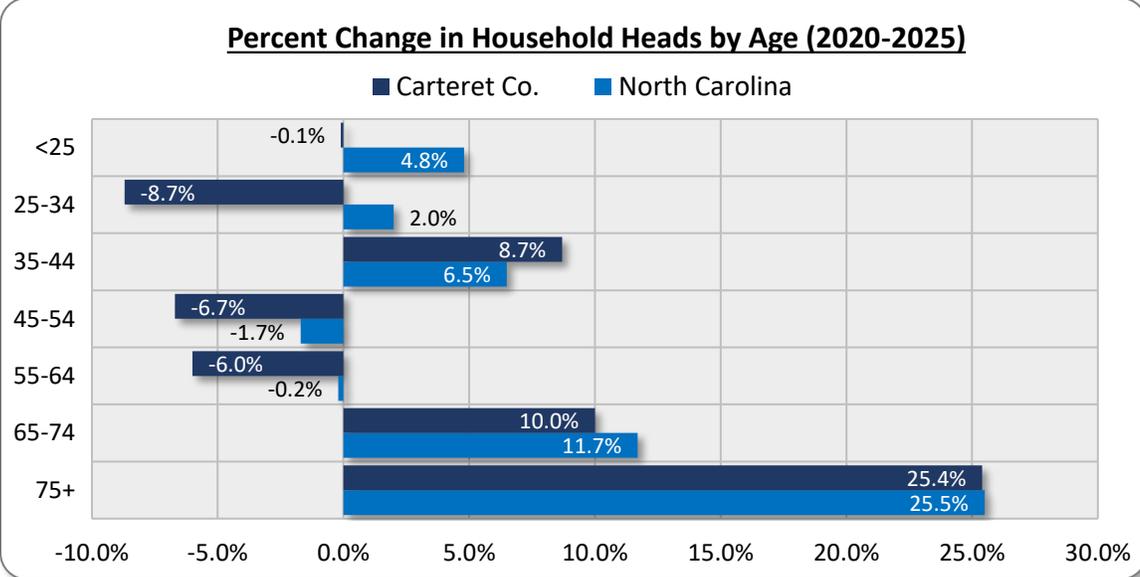
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Beach	2010	134 (3.9%)	297 (8.7%)	381 (11.2%)	532 (15.6%)	820 (24.1%)	718 (21.1%)	520 (15.3%)
	2020	102 (2.7%)	326 (8.6%)	398 (10.5%)	452 (11.9%)	855 (22.5%)	992 (26.1%)	678 (17.8%)
	2025	100 (2.5%)	266 (6.7%)	451 (11.4%)	425 (10.7%)	801 (20.2%)	1,082 (27.2%)	847 (21.3%)
	Change 2020-2025	-2 (-2.0%)	-60 (-18.4%)	53 (13.3%)	-27 (-6.0%)	-54 (-6.3%)	90 (9.1%)	169 (24.9%)
Central	2010	554 (3.9%)	1,827 (12.9%)	2,178 (15.4%)	2,987 (21.1%)	2,936 (20.8%)	2,022 (14.3%)	1,638 (11.6%)
	2020	475 (3.1%)	2,018 (13.3%)	2,050 (13.5%)	2,425 (16.0%)	3,230 (21.3%)	2,817 (18.6%)	2,135 (14.1%)
	2025	472 (3.0%)	1,910 (12.2%)	2,186 (14.0%)	2,274 (14.6%)	2,978 (19.1%)	3,125 (20.0%)	2,648 (17.0%)
	Change 2020-2025	-3 (-0.6%)	-108 (-5.4%)	136 (6.6%)	-151 (-6.2%)	-252 (-7.8%)	308 (10.9%)	513 (24.0%)
East	2010	219 (3.0%)	681 (9.2%)	1,012 (13.7%)	1,561 (21.1%)	1,664 (22.4%)	1,282 (17.3%)	994 (13.4%)
	2020	197 (2.4%)	755 (9.3%)	954 (11.8%)	1,275 (15.7%)	1,826 (22.5%)	1,789 (22.1%)	1,317 (16.2%)
	2025	196 (2.3%)	679 (8.1%)	1,041 (12.4%)	1,173 (13.9%)	1,721 (20.4%)	1,959 (23.3%)	1,651 (19.6%)
	Change 2020-2025	-1 (-0.5%)	-76 (-10.1%)	87 (9.1%)	-102 (-8.0%)	-105 (-5.8%)	170 (9.5%)	334 (25.4%)
West	2010	116 (3.0%)	414 (10.6%)	571 (14.6%)	827 (21.1%)	862 (22.0%)	659 (16.8%)	464 (11.9%)
	2020	99 (2.2%)	496 (11.1%)	581 (13.0%)	704 (15.8%)	1,018 (22.8%)	942 (21.1%)	628 (14.1%)
	2025	102 (2.2%)	428 (9.1%)	652 (13.9%)	660 (14.0%)	1,016 (21.6%)	1,026 (21.8%)	820 (17.4%)
	Change 2020-2025	3 (3.0%)	-68 (-13.7%)	71 (12.2%)	-44 (-6.3%)	-2 (-0.2%)	84 (8.9%)	192 (30.6%)
Carteret County	2010	1,023 (3.5%)	3,220 (11.2%)	4,143 (14.4%)	5,907 (20.5%)	6,286 (21.8%)	4,681 (16.2%)	3,610 (12.5%)
	2020	871 (2.8%)	3,595 (11.4%)	3,984 (12.6%)	4,856 (15.4%)	6,929 (22.0%)	6,540 (20.7%)	4,759 (15.1%)
	2025	870 (2.7%)	3,283 (10.0%)	4,330 (13.2%)	4,532 (13.9%)	6,516 (19.9%)	7,192 (22.0%)	5,966 (18.3%)
	Change 2020-2025	-1 (-0.1%)	-312 (-8.7%)	346 (8.7%)	-324 (-6.7%)	-413 (-6.0%)	652 (10.0%)	1,207 (25.4%)
North Carolina	2010	192,967 (5.2%)	588,689 (15.7%)	712,155 (19.0%)	771,238 (20.6%)	673,801 (18.0%)	443,532 (11.8%)	362,762 (9.7%)
	2020	188,328 (4.5%)	658,786 (15.6%)	710,998 (16.9%)	755,199 (17.9%)	793,602 (18.8%)	655,490 (15.5%)	453,071 (10.7%)
	2025	197,326 (4.4%)	671,766 (15.1%)	756,883 (17.0%)	742,510 (16.6%)	791,843 (17.7%)	732,460 (16.4%)	568,538 (12.7%)
	Change 2020-2025	8,998 (4.8%)	12,980 (2.0%)	45,885 (6.5%)	-12,689 (-1.7%)	-1,759 (-0.2%)	76,970 (11.7%)	115,467 (25.5%)

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, within the PSA (Carteret County), households of the ages of 65 and older comprise over one-third (35.8%) of households by age, while a notable share (22.0%) is between the ages of 55 and 64. Overall, households ages 55 and older represent nearly three-fifths (57.8%) of households by age within the PSA, reflecting a higher share when compared to the state (45.0%). Furthermore, in the next five years, households ages 55 and older are projected to increase and represent 60.2% of households within the PSA. These additional 1,446 households reflect an 7.9% increase within this age cohort, which would suggest an increased demand for senior-oriented housing within the PSA.

Over the next five years (2020 to 2025), aside from an 8.7% increase in households ages 35 to 44, the most notable growth in the PSA is projected to occur among households ages 65 and older. Specifically, households in the PSA ages 75 and older are projected to increase by 1,207 (25.4%), while households ages 65 to 74 are projected to increase by 652 (10.0%). An increase in senior households (ages 65 and older) is projected for all submarkets between 2020 and 2025. As a result, the PSA will likely require housing that accommodates the increasing number of senior households ages 65 and older in the market, including seniors aging in place and seniors moving to the area. As stated earlier in this section, while households between the ages of 45 and 54 and between 55 and 64 are projected to decline, we believe the recent influx of these households taking advantage of early retirement or remote work opportunities will result in positive growth and increase demand for housing to accommodate such households.

The following graph illustrates the projected change of households by age for each submarket between 2020 and 2025.



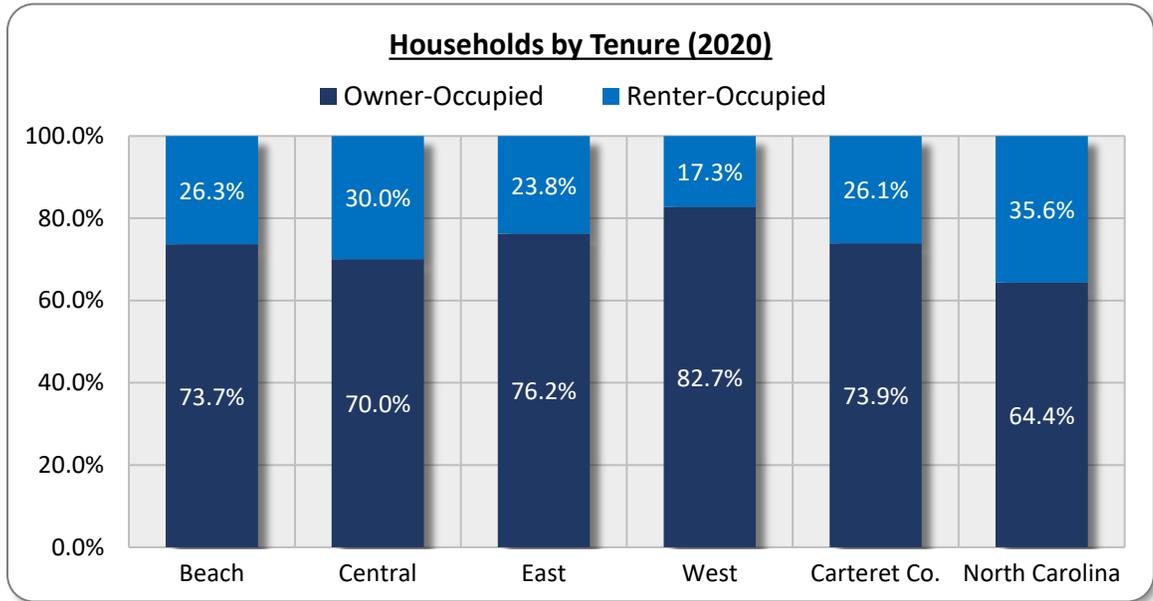
Households by tenure for selected years are shown in the following table:

		Households by Tenure							
		2000		2010		2020		2025	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
Beach	Owner-Occupied	2,798	78.5%	2,406	70.7%	2,802	73.7%	2,947	74.2%
	Renter-Occupied	764	21.5%	996	29.3%	1,001	26.3%	1,025	25.8%
	Total	3,562	100.0%	3,402	100.0%	3,803	100.0%	3,972	100.0%
Central	Owner-Occupied	8,875	73.7%	9,648	68.2%	10,609	70.0%	10,896	69.9%
	Renter-Occupied	3,174	26.3%	4,494	31.8%	4,540	30.0%	4,697	30.1%
	Total	12,049	100.0%	14,142	100.0%	15,149	100.0%	15,593	100.0%
East	Owner-Occupied	5,308	78.4%	5,414	73.0%	6,183	76.2%	6,418	76.2%
	Renter-Occupied	1,459	21.6%	1,999	27.0%	1,930	23.8%	2,002	23.8%
	Total	6,767	100.0%	7,413	100.0%	8,113	100.0%	8,420	100.0%
West	Owner-Occupied	2,336	82.6%	3,134	80.1%	3,696	82.7%	3,884	82.6%
	Renter-Occupied	491	17.4%	779	19.9%	772	17.3%	820	17.4%
	Total	2,827	100.0%	3,913	100.0%	4,468	100.0%	4,704	100.0%
Carteret County	Owner-Occupied	19,316	76.6%	20,602	71.4%	23,290	73.9%	24,145	73.9%
	Renter-Occupied	5,888	23.4%	8,268	28.6%	8,244	26.1%	8,544	26.1%
	Total	25,204	100.0%	28,870	100.0%	31,534	100.0%	32,689	100.0%
North Carolina	Owner-Occupied	2,172,307	69.4%	2,497,891	66.7%	2,714,950	64.4%	2,858,568	64.1%
	Renter-Occupied	958,695	30.6%	1,247,253	33.3%	1,500,524	35.6%	1,602,758	35.9%
	Total	3,131,002	100.0%	3,745,144	100.0%	4,215,474	100.0%	4,461,326	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, 73.9% of households in the PSA (Carteret County) are owner-occupied and the remaining 26.1% are renter-occupied. The Central Submarket has the highest share of renter-occupied housing at 30.0%, followed by the Beach Submarket at 26.3%. The overall mix of households by tenure is projected to remain similar through 2025. Within the Central Submarket, there is expected to be an increase of 157 renter-occupied households which represents slightly above half (52.3%) of the overall growth within the PSA for this type of housing. The remaining submarkets are also expected to have increases in renter-occupied and owner-occupied households over the next five years. These trends indicate that there will be an increasing need for all types of housing within the PSA.

The graph below illustrates household tenure within the study areas for 2020:



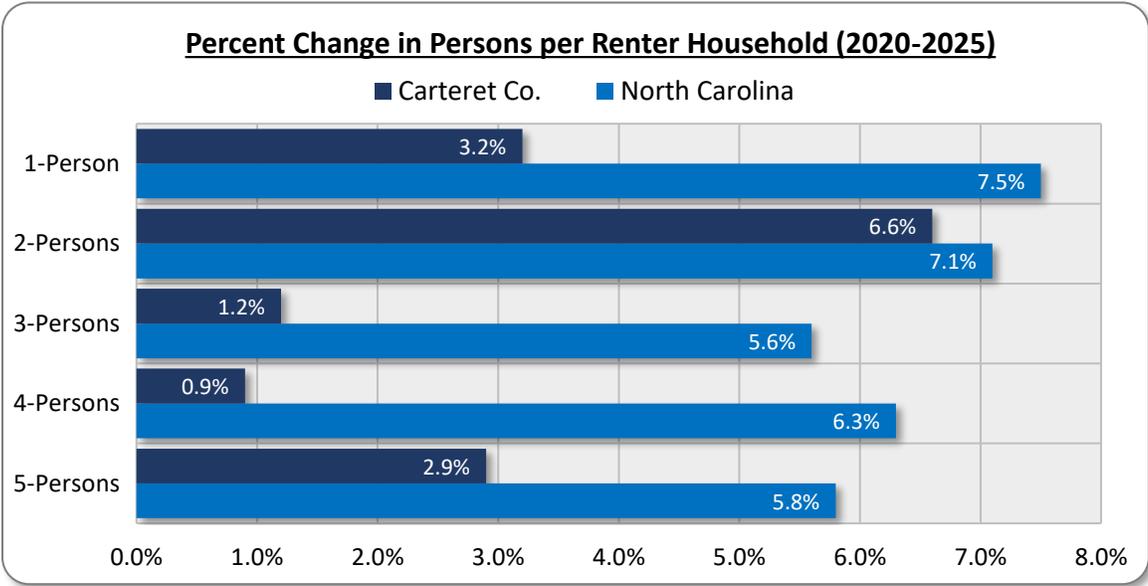
Renter households by size for selected years are shown in the following table (Note: Due to the margin of error for smaller geographies like the submarkets, we have only provided overall county and state data):

		Persons Per Renter Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Carteret County	2010	3,344 (40.4%)	2,059 (24.9%)	1,549 (18.7%)	823 (10.0%)	493 (6.0%)	8,268 (100.0%)	2.16
	2020	3,171 (38.5%)	2,495 (30.3%)	1,307 (15.9%)	788 (9.6%)	483 (5.9%)	8,244 (100.0%)	2.14
	2025	3,271 (38.3%)	2,659 (31.1%)	1,323 (15.5%)	795 (9.3%)	497 (5.8%)	8,544 (100.0%)	2.13
North Carolina	2010	452,503 (36.3%)	344,491 (27.6%)	208,665 (16.7%)	139,817 (11.2%)	101,776 (8.2%)	1,247,253 (100.0%)	2.27
	2020	557,145 (37.1%)	426,749 (28.4%)	233,181 (15.5%)	163,707 (10.9%)	119,742 (8.0%)	1,500,524 (100.0%)	2.24
	2025	598,789 (37.4%)	457,145 (28.5%)	246,185 (15.4%)	173,990 (10.9%)	126,650 (7.9%)	1,602,758 (100.0%)	2.23

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

With an average renter household size of 2.14 in 2020, one- and two-person households represent 68.8% of renter households within the PSA (Carteret County). Over the next five years, two-person households are projected to increase by 164 (6.6%) in the PSA, reflecting the highest rate of growth by household size. The PSA’s growth rate for single renter households is projected to increase by 3.1%. While the projected renter household growth among all household sizes will increase the demand for a variety of bedroom types, the greater growth among smaller household sizes will likely lead to an increased need for smaller bedroom types (one- and two-bedroom units).

The following graph shows the projected change in persons per *renter* household for Carteret County and the state between 2020 and 2025:



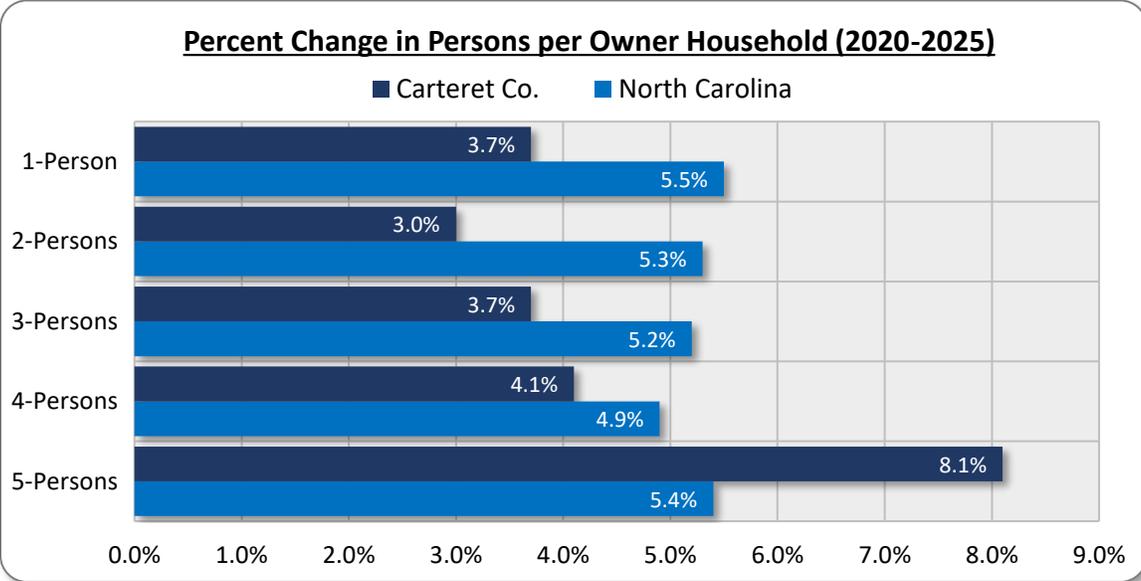
Owner households by size for Carteret County and the state for selected years are shown in the following table (Note: Due to the margin of error for smaller geographies like the submarkets, we have only provided overall county and state data):

		Persons Per Owner Household					Total	Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person		
Carteret County	2010	5,328 (25.9%)	9,139 (44.4%)	3,008 (14.6%)	2,138 (10.4%)	989 (4.8%)	20,602 (100.0%)	2.24
	2020	6,249 (26.8%)	10,187 (43.7%)	3,270 (14.0%)	2,345 (10.1%)	1,239 (5.3%)	23,290 (100.0%)	2.23
	2025	6,478 (26.8%)	10,496 (43.5%)	3,390 (14.0%)	2,441 (10.1%)	1,339 (5.5%)	24,145 (100.0%)	2.24
North Carolina	2010	585,506 (23.4%)	969,931 (38.8%)	411,902 (16.5%)	339,963 (13.6%)	190,589 (7.6%)	2,497,891 (100.0%)	2.43
	2020	649,416 (23.9%)	1,066,161 (39.3%)	436,835 (16.1%)	352,401 (13.0%)	210,137 (7.7%)	2,714,950 (100.0%)	2.41
	2025	685,438 (24.0%)	1,122,746 (39.3%)	459,452 (16.1%)	369,532 (12.9%)	221,400 (7.7%)	2,858,568 (100.0%)	2.41

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

With an average owner household size of 2.23 in 2020, one- and two-person owner households represent 70.5% of the PSA’s owner households. This is a slightly higher rate compared to renter households, who are otherwise similarly distributed. Over the next five years, owner households are projected to increase among all size types. The largest overall quantity increase will be among the two-person households with 309 (3.0%), followed by one-person households with 229 (3.7%). Interestingly, the largest growth *rate* will occur among the five-person households with 100 additional households (8.1%). This indicates an increased demand for available for-sale type housing of all sizes.

The following graph shows the projected change in persons per *owner* household for Carteret County and the state between 2020 and 2025:



The distribution of households by income is illustrated below:

		Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Beach	2010	146 (4.3%)	334 (9.8%)	316 (9.3%)	323 (9.5%)	295 (8.7%)	361 (10.6%)	909 (26.7%)	718 (21.1%)
	2020	84 (2.2%)	208 (5.5%)	292 (7.7%)	327 (8.6%)	323 (8.5%)	382 (10.0%)	996 (26.2%)	1,191 (31.3%)
	2025	71 (1.8%)	191 (4.8%)	262 (6.6%)	301 (7.6%)	295 (7.4%)	353 (8.9%)	1,022 (25.7%)	1,479 (37.2%)
	Change 2020-2025	-13 (-15.5%)	-17 (-8.2%)	-30 (-10.3%)	-26 (-8.0%)	-28 (-8.7%)	-29 (-7.6%)	26 (2.6%)	288 (24.2%)
Central	2010	1,024 (7.2%)	2,083 (14.7%)	1,693 (12.0%)	1,618 (11.4%)	1,583 (11.2%)	1,336 (9.4%)	3,141 (22.2%)	1,664 (11.8%)
	2020	650 (4.3%)	1,269 (8.4%)	1,722 (11.4%)	1,690 (11.2%)	1,585 (10.5%)	1,400 (9.2%)	3,844 (25.4%)	2,989 (19.7%)
	2025	559 (3.6%)	1,179 (7.6%)	1,563 (10.0%)	1,526 (9.8%)	1,435 (9.2%)	1,299 (8.3%)	4,110 (26.4%)	3,922 (25.2%)
	Change 2020-2025	-91 (-14.0%)	-90 (-7.1%)	-159 (-9.2%)	-164 (-9.7%)	-150 (-9.5%)	-101 (-7.2%)	266 (6.9%)	933 (31.2%)
East	2010	616 (8.3%)	1,136 (15.3%)	876 (11.8%)	848 (11.4%)	824 (11.1%)	740 (10.0%)	1,588 (21.4%)	785 (10.6%)
	2020	395 (4.9%)	839 (10.3%)	851 (10.5%)	739 (9.1%)	717 (8.8%)	828 (10.2%)	2,156 (26.6%)	1,590 (19.6%)
	2025	341 (4.0%)	788 (9.4%)	785 (9.3%)	687 (8.2%)	644 (7.6%)	762 (9.0%)	2,338 (27.8%)	2,079 (24.7%)
	Change 2020-2025	-54 (-13.7%)	-51 (-6.1%)	-66 (-7.8%)	-52 (-7.0%)	-73 (-10.2%)	-66 (-8.0%)	182 (8.4%)	489 (30.8%)
West	2010	272 (7.0%)	501 (12.8%)	377 (9.6%)	379 (9.7%)	390 (10.0%)	426 (10.9%)	992 (25.4%)	576 (14.7%)
	2020	112 (2.5%)	247 (5.5%)	352 (7.9%)	377 (8.4%)	374 (8.4%)	441 (9.9%)	1,141 (25.5%)	1,429 (31.9%)
	2025	94 (2.0%)	227 (4.8%)	315 (6.7%)	351 (7.5%)	335 (7.1%)	401 (8.5%)	1,141 (24.2%)	1,844 (39.2%)
	Change 2020-2025	-18 (-16.1%)	-20 (-8.1%)	-37 (-10.5%)	-26 (-6.9%)	-39 (-10.4%)	-40 (-9.1%)	0 (0.0%)	415 (29.0%)
Carteret County	2010	2,047 (7.1%)	4,045 (14.0%)	3,261 (11.3%)	3,171 (11.0%)	3,096 (10.7%)	2,869 (9.9%)	6,637 (23.0%)	3,744 (13.0%)
	2020	1,242 (3.9%)	2,560 (8.1%)	3,217 (10.2%)	3,137 (9.9%)	2,998 (9.5%)	3,049 (9.7%)	8,136 (25.8%)	7,195 (22.8%)
	2025	1,071 (3.3%)	2,400 (7.3%)	2,937 (9.0%)	2,883 (8.8%)	2,682 (8.2%)	2,819 (8.6%)	8,605 (26.3%)	9,292 (28.4%)
	Change 2020-2025	-171 (-13.8%)	-160 (-6.3%)	-280 (-8.7%)	-254 (-8.1%)	-316 (-10.5%)	-230 (-7.5%)	469 (5.8%)	2,097 (29.1%)
North Carolina	2010	327,794 (8.8%)	497,938 (13.3%)	465,377 (12.4%)	429,006 (11.5%)	374,518 (10.0%)	313,588 (8.4%)	764,413 (20.4%)	572,510 (15.3%)
	2020	261,029 (6.2%)	412,837 (9.8%)	419,502 (10.0%)	423,578 (10.0%)	386,305 (9.2%)	345,674 (8.2%)	939,596 (22.3%)	1,026,953 (24.4%)
	2025	231,797 (5.2%)	379,200 (8.5%)	385,522 (8.6%)	392,634 (8.8%)	377,248 (8.5%)	346,773 (7.8%)	1,052,819 (23.6%)	1,295,333 (29.0%)
	Change 2020-2025	-29,232 (-11.2%)	-33,637 (-8.1%)	-33,980 (-8.1%)	-30,944 (-7.3%)	-9,057 (-2.3%)	1,099 (0.3%)	113,223 (12.1%)	268,380 (26.1%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The PSA (Carteret County) has a diverse mix of households by income level that is proportionately similar to the distribution for the overall state of North Carolina. By 2025, projections indicate an overall shift toward higher income levels within the county, which are also consistent with projections for the state.

However, within individual submarkets there are a few areas to note. Within the West and Beach submarkets, there is a high share of households earning over \$100,000 annually (31.9% and 31.3%, respectively). These percentages are projected to significantly increase over the next five years.

Median household income for selected years is shown in the following table:

	Median Household Income				
	2010 Census	2020 Estimated	% Change 2010-2020	2025 Projected	% Change 2020-2025
Beach	\$57,950	\$69,092	19.2%	\$77,875	12.7%
Central	\$44,125	\$54,704	24.0%	\$61,998	13.3%
East	\$42,797	\$56,238	31.4%	\$62,912	11.9%
West	\$50,880	\$69,316	36.2%	\$79,402	14.6%
Carteret County	\$46,172	\$58,570	26.9%	\$66,138	12.9%
North Carolina	\$44,071	\$55,916	26.9%	\$63,889	14.3%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The median household income of the PSA (Carteret County) for 2020 is estimated to be \$58,570, which is 4.7% above the North Carolina median income of \$55,916. In 2020, the only submarket with a median income below the state level is the Central Submarket with a median income of \$54,704. The East Submarket median income (\$56,238) was very comparable to that of the state (\$55,916). Meanwhile, both the Beach and West submarkets are the most affluent areas with median incomes close to \$70,000.

Between 2020 and 2025, the median household income within the PSA is projected to increase by 12.9% to \$66,138. While all submarkets are projected to see increases, a significant portion of this overall increase will occur within the West and Beach submarkets. The projected increases for both the Central Submarket (13.3%) and East Submarket (11.9%) fall below the projection for the state (14.3%) and will result in both submarkets falling below the projected state median income of \$63,889. It is important to point out that the percent changes in median household income in the preceding table illustrate a 10-year estimated change (2010 to 2020) and a five-year projected change (2020 to 2025). Despite the differences in the duration of time periods, it appears income growth for all study areas are projected to slow slightly over the next five years. A variety of factors are likely contributing to this expected decline (seniors retiring, fewer dual income households, etc.). Regardless, household income growth is expected to be very positive within the county.

The distribution of *renter* households by income is illustrated below:

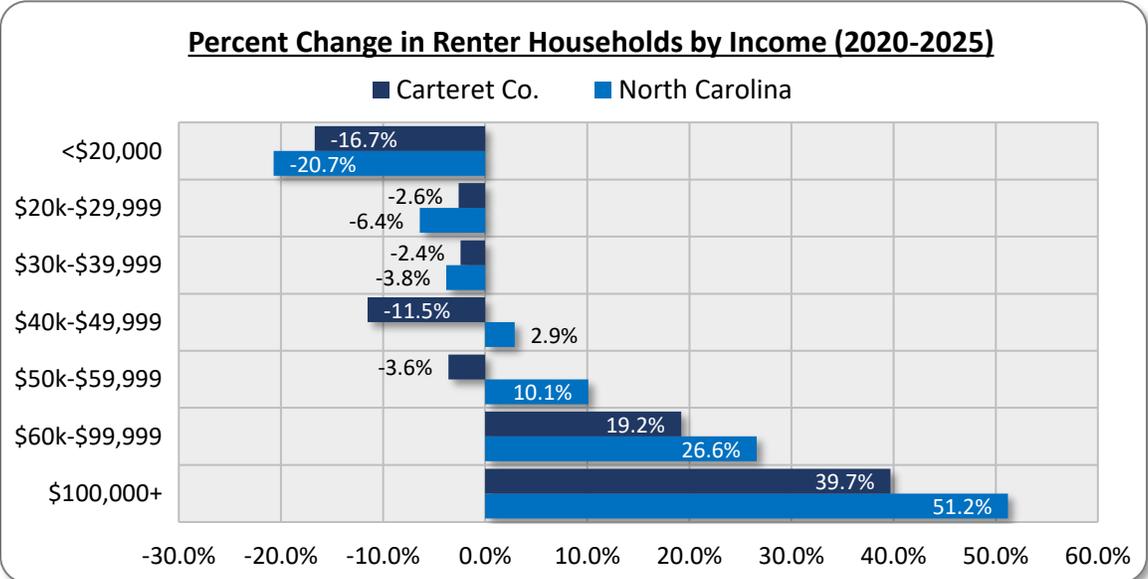
		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Beach	2010	92 (9.2%)	186 (18.7%)	143 (14.4%)	132 (13.3%)	111 (11.2%)	82 (8.2%)	170 (17.0%)	80 (8.0%)
	2020	51 (5.1%)	111 (11.1%)	124 (12.3%)	118 (11.8%)	108 (10.8%)	102 (10.2%)	234 (23.4%)	154 (15.4%)
	2025	43 (4.2%)	103 (10.1%)	118 (11.5%)	115 (11.2%)	97 (9.5%)	97 (9.5%)	264 (25.7%)	188 (18.3%)
	Change 2020-2025	-8 (-15.3%)	-8 (-7.0%)	-6 (-4.7%)	-3 (-2.6%)	-11 (-9.7%)	-5 (-4.7%)	30 (12.7%)	34 (22.2%)
Central	2010	602 (13.4%)	1,084 (24.1%)	710 (15.8%)	603 (13.4%)	547 (12.2%)	270 (6.0%)	520 (11.6%)	160 (3.6%)
	2020	387 (8.5%)	668 (14.7%)	720 (15.9%)	604 (13.3%)	523 (11.5%)	369 (8.1%)	885 (19.5%)	384 (8.5%)
	2025	341 (7.2%)	642 (13.7%)	709 (15.1%)	590 (12.6%)	479 (10.2%)	362 (7.7%)	1,073 (22.8%)	501 (10.7%)
	Change 2020-2025	-47 (-12.0%)	-26 (-3.9%)	-11 (-1.5%)	-14 (-2.3%)	-44 (-8.4%)	-7 (-2.0%)	188 (21.2%)	118 (30.6%)
East	2010	319 (16.0%)	514 (25.7%)	313 (15.7%)	265 (13.3%)	237 (11.9%)	114 (5.7%)	196 (9.8%)	40 (2.0%)
	2020	201 (10.4%)	373 (19.3%)	292 (15.1%)	210 (10.9%)	188 (9.7%)	167 (8.7%)	372 (19.3%)	128 (6.6%)
	2025	176 (8.8%)	355 (17.7%)	285 (14.3%)	208 (10.4%)	166 (8.3%)	160 (8.0%)	460 (23.0%)	191 (9.5%)
	Change 2020-2025	-25 (-12.4%)	-17 (-4.7%)	-6 (-2.1%)	-2 (-0.9%)	-22 (-11.8%)	-7 (-4.1%)	89 (23.8%)	63 (49.1%)
West	2010	125 (16.1%)	198 (25.4%)	115 (14.7%)	85 (10.9%)	93 (12.0%)	50 (6.5%)	92 (11.8%)	21 (2.7%)
	2020	52 (6.8%)	99 (12.8%)	107 (13.8%)	93 (12.1%)	70 (9.1%)	75 (9.7%)	169 (21.9%)	106 (13.8%)
	2025	45 (5.5%)	93 (11.4%)	103 (12.5%)	94 (11.5%)	75 (9.2%)	73 (8.9%)	194 (23.7%)	143 (17.4%)
	Change 2020-2025	-7 (-14.1%)	-6 (-5.9%)	-4 (-3.9%)	1 (0.8%)	5 (7.4%)	-2 (-2.4%)	25 (14.5%)	37 (34.3%)
Carteret County	2010	1,141 (13.8%)	1,984 (24.0%)	1,278 (15.5%)	1,097 (13.3%)	991 (12.0%)	519 (6.3%)	972 (11.8%)	286 (3.5%)
	2020	691 (8.4%)	1,254 (15.2%)	1,235 (15.0%)	1,019 (12.4%)	896 (10.9%)	718 (8.7%)	1,663 (20.2%)	768 (9.3%)
	2025	606 (7.1%)	1,200 (14.0%)	1,203 (14.1%)	995 (11.6%)	794 (9.3%)	692 (8.1%)	1,982 (23.2%)	1,073 (12.6%)
	Change 2020-2025	-85 (-12.4%)	-54 (-4.3%)	-32 (-2.6%)	-24 (-2.4%)	-103 (-11.5%)	-25 (-3.6%)	319 (19.2%)	305 (39.7%)
North Carolina	2010	195,722 (15.7%)	268,627 (21.5%)	209,385 (16.8%)	164,802 (13.2%)	128,213 (10.3%)	77,748 (6.2%)	154,325 (12.4%)	48,430 (3.9%)
	2020	161,345 (10.8%)	236,913 (15.8%)	212,157 (14.1%)	192,798 (12.8%)	165,117 (11.0%)	116,102 (7.7%)	270,455 (18.0%)	145,637 (9.7%)
	2025	141,476 (8.8%)	217,084 (13.5%)	198,530 (12.4%)	185,406 (11.6%)	169,929 (10.6%)	127,802 (8.0%)	342,290 (21.4%)	220,242 (13.7%)
	Change 2020-2025	-19,869 (-12.3%)	-19,829 (-8.4%)	-13,627 (-6.4%)	-7,391 (-3.8%)	4,812 (2.9%)	11,700 (10.1%)	71,834 (26.6%)	74,604 (51.2%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, over one-third (38.6%) of all *renter* households in the PSA (Carteret County) have annual incomes below \$30,000. This proportion is slightly below the state share of 40.7%. Within individual submarkets, the East Submarket (44.8%) and Central Submarket (39.1%) have the highest shares of renter households with annual incomes below \$30,000. Although this income cohort is projected to decrease in the next five years by 5.7% within the PSA, it should be noted that the proportion within the PSA (35.2%) will exceed that of the state (34.7%). Projections indicate that the East Submarket will have the highest share of low-income renter households (40.8%), followed by the Central Submarket (36.0%). As such, affordable rental housing will play an important role in these local submarkets.

Higher income renter households (earning \$60,000+ annually) accounted for 29.5% of all income segments within the PSA in 2020. This income cohort is expected to see significant growth over the next five years in each submarket of the PSA. By 2025, nearly 36% of all renter households within the PSA will earn over \$60,000 annually. The largest share will fall within the Beach Submarket (44.0%); however, the greatest increase will occur within the Central Submarket which projects an increase of 306 households, or a 24.1% increase. It is likely that many of these higher income households choose to not purchase a home or delay the decision to purchase a home for several factors, such as wanting a more maintenance free lifestyle, not having the assets for a down payment, wanting the flexibility to move quickly if needed, and the limited amount of available product.

The following graph illustrates the percent change in renter household income between 2020 and 2025.



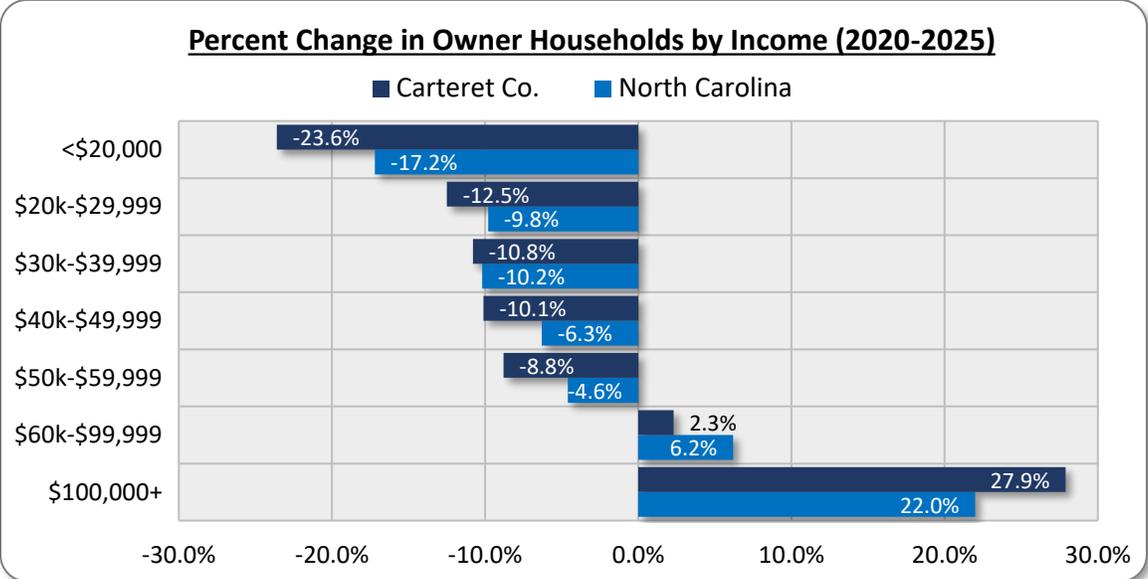
The distribution of *owner* households by income is included below:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Beach	2010	54 (2.3%)	148 (6.1%)	173 (7.2%)	191 (7.9%)	184 (7.6%)	279 (11.6%)	739 (30.7%)	638 (26.5%)
	2020	33 (1.2%)	97 (3.5%)	168 (6.0%)	209 (7.4%)	215 (7.7%)	280 (10.0%)	762 (27.2%)	1,037 (37.0%)
	2025	28 (1.0%)	88 (3.0%)	144 (4.9%)	186 (6.3%)	198 (6.7%)	256 (8.7%)	758 (25.7%)	1,291 (43.8%)
	Change 2020-2025	-5 (-15.7%)	-9 (-9.5%)	-24 (-14.4%)	-23 (-11.0%)	-17 (-8.1%)	-24 (-8.6%)	-4 (-0.5%)	254 (24.5%)
Central	2010	422 (4.4%)	999 (10.4%)	983 (10.2%)	1,015 (10.5%)	1,036 (10.7%)	1,066 (11.1%)	2,621 (27.2%)	1,504 (15.6%)
	2020	263 (2.5%)	601 (5.7%)	1,002 (9.4%)	1,086 (10.2%)	1,062 (10.0%)	1,031 (9.7%)	2,959 (27.9%)	2,605 (24.6%)
	2025	218 (2.0%)	537 (4.9%)	854 (7.8%)	936 (8.6%)	956 (8.8%)	937 (8.6%)	3,037 (27.9%)	3,421 (31.4%)
	Change 2020-2025	-44 (-16.9%)	-64 (-10.7%)	-148 (-14.8%)	-150 (-13.8%)	-106 (-10.0%)	-94 (-9.1%)	78 (2.6%)	815 (31.3%)
East	2010	297 (5.5%)	622 (11.5%)	563 (10.4%)	583 (10.8%)	587 (10.8%)	626 (11.6%)	1,392 (25.7%)	745 (13.8%)
	2020	194 (3.1%)	466 (7.5%)	559 (9.0%)	529 (8.6%)	529 (8.6%)	661 (10.7%)	1,784 (28.8%)	1,462 (23.6%)
	2025	165 (2.6%)	433 (6.7%)	500 (7.8%)	479 (7.5%)	478 (7.4%)	602 (9.4%)	1,878 (29.2%)	1,888 (29.4%)
	Change 2020-2025	-29 (-14.9%)	-34 (-7.2%)	-60 (-10.7%)	-50 (-9.5%)	-51 (-9.6%)	-59 (-9.0%)	93 (5.2%)	426 (29.1%)
West	2010	147 (4.7%)	303 (9.7%)	262 (8.4%)	294 (9.4%)	297 (9.5%)	376 (12.0%)	900 (28.7%)	555 (17.7%)
	2020	60 (1.6%)	148 (4.0%)	245 (6.6%)	284 (7.7%)	304 (8.2%)	366 (9.9%)	972 (26.3%)	1,323 (35.7%)
	2025	49 (1.3%)	134 (3.4%)	212 (5.5%)	257 (6.6%)	260 (6.7%)	328 (8.4%)	947 (24.4%)	1,701 (43.7%)
	Change 2020-2025	-11 (-17.8%)	-14 (-9.6%)	-33 (-13.4%)	-27 (-9.4%)	-44 (-14.5%)	-38 (-10.4%)	-25 (-2.5%)	378 (28.6%)
Carteret County	2010	906 (4.4%)	2,061 (10.0%)	1,983 (9.6%)	2,074 (10.1%)	2,105 (10.2%)	2,350 (11.4%)	5,665 (27.5%)	3,458 (16.8%)
	2020	551 (2.4%)	1,306 (5.6%)	1,982 (8.5%)	2,118 (9.1%)	2,102 (9.0%)	2,331 (10.0%)	6,473 (27.8%)	6,427 (27.6%)
	2025	465 (1.9%)	1,200 (5.0%)	1,734 (7.2%)	1,888 (7.8%)	1,888 (7.8%)	2,127 (8.8%)	6,623 (27.4%)	8,219 (34.0%)
	Change 2020-2025	-86 (-15.5%)	-106 (-8.1%)	-248 (-12.5%)	-230 (-10.8%)	-213 (-10.1%)	-205 (-8.8%)	150 (2.3%)	1,792 (27.9%)
North Carolina	2010	132,072 (5.3%)	229,311 (9.2%)	255,992 (10.2%)	264,204 (10.6%)	246,305 (9.9%)	235,840 (9.4%)	610,088 (24.4%)	524,080 (21.0%)
	2020	99,684 (3.7%)	175,924 (6.5%)	207,345 (7.6%)	230,780 (8.5%)	221,188 (8.1%)	229,572 (8.5%)	669,141 (24.6%)	881,316 (32.5%)
	2025	90,321 (3.2%)	162,116 (5.7%)	186,992 (6.5%)	207,228 (7.2%)	207,319 (7.3%)	218,971 (7.7%)	710,529 (24.9%)	1,075,091 (37.6%)
	Change 2020-2025	-9,363 (-9.4%)	-13,808 (-7.8%)	-20,353 (-9.8%)	-23,553 (-10.2%)	-13,869 (-6.3%)	-10,601 (-4.6%)	41,389 (6.2%)	193,776 (22.0%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, over one-half (55.4%) of *owner* households in the PSA (Carteret County) earn \$60,000+, while 16.5% earn less than \$30,000. Between 2020 and 2025, the PSA is projected to experience rapid growth within the income segment of \$100,000+. Projections indicate a growth of 1,792 households, or a 27.9% increase within the segment. Overall, owner households in the PSA are projected to increase by 854, or 3.7%. The graph below illustrates owner household income growth between 2020 and 2025.

Owner households by income in 2020 are similarly distributed among the four submarkets. The East Submarket has the largest proportion (19.6%) of low-income household owners (earning less than \$30,000 annually). The largest proportion of high-income household owners (earning \$100,000+ annually) are within the Beach Submarket (37.0%) and West Submarket (35.7%).



D. ALTERNATIVE DEMOGRAPHIC PROJECTIONS

As stated earlier in this section, a highway expansion project will create Interstate 42 from Raleigh to Carteret County. This expansion, when primarily complete in 2025, is expected to have a notable impact on the economics, demographics and housing in the region. For the purposes of this analysis, we have conducted a case study on several other communities that were impacted by major highway expansion projects. Using trend data from this case study (see Addendum D), we have developed alternative demographics for population, households and households by income for the study areas.

The following table summarizes key population, household, income and job growth trends from 1990 (the year I-40 was completed) to 2000. The *average changes* for the combined six counties are compared with the *lowest and highest rates* of change among the six subject counties and with overall North Carolina average changes.

Case Study Communities (1990-2000)					
County	Rank*	Population Change	Household Change	Household Income Change	Number of Jobs Change
Wake	2	48.3%	46.0%	51.8%	44.9%
Johnston	1	50.0%	47.6%	62.4%	46.2%
Sampson	5	27.2%	27.1%	61.3%	24.7%
Duplin	6	22.7%	22.4%	51.8%	20.8%
Pender	3	42.4%	44.5%	54.3%	45.9%
New Hanover	4	33.3%	41.6%	47.0%	32.9%
Case Study Counties Average		37.3%	38.2%	54.8%	35.9%
<i>Low</i>		22.7%	22.4%	47.0%	20.8%
High		50.0%	47.6%	62.4%	46.2%
<i>North Carolina</i>		21.4%	24.4%	48.8%	20.4%

*Rank based on greatest change during 10-year period among four categories combined

Numerous factors influenced the growth rates of the various metrics considered in the previous table. The number of access points the new interstate offered, the existing infrastructure in place, employment opportunities, community investment, land use policies, existing education system (primary and secondary), housing affordability, quality of life, taxes, and countless other factors likely played some role in influencing the growth of each of the six subject counties. Given the actual growth trends in Carteret County will ultimately be influenced by similar factors as those previously cited, many of which are unpredictable and subjective, it is difficult to accurately project the growth that should occur in the county as a result of the I-42 highway project. For the purposes of this analysis, we have conservatively used the lowest rate of change (shown in red in the preceding table) as a guide when projecting selected demographic sets used for our Housing Gap Estimates in Section VIII.

It is important to note that the Highway Impact Projections shown in the following table show a wide-range of potential Carteret County growth because we used both the most conservative (lowest rate) and the optimal (highest rate) in our I-40 comparative analysis. Because Carteret County is a coastal county and a popular vacation, retirement, and remote working destination, population, household and employment growth could more closely resemble the growth that occurred in Pender and New Hanover counties.

The following table compares the baseline demographic projections (that do not account for the I-42 expansion project) and a supplemental demographic sets of projections that account for the I-42 highway expansion. It should be noted that the Highway Impact Projections assume two scenarios of household growth rates, with one set that is conservative and another that is more optimistic.

**Carteret County – Projections
(2020-2030)**

Projection Type	Population Change	Household Change	Household Income Change	Number of Jobs Change
Base Projection*	7.1%	7.3%	25.8%	10.3%
Highway Impact Projections - Conservative**	22.7%	22.4%	47.0%	20.8%
Highway Impact Projections – Optimal***	50.0%	47.6%	62.4%	46.2%

*Based on demographic ESRI projections

**Conservative Estimate – Based on Bowen National Research estimates using the *lowest* 10-year historical growth trends of the six subject case study communities

***Optimal Estimate – Based on Bowen National Research estimates using the *highest* 10-year historical growth trends of the six subject case study communities

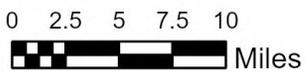
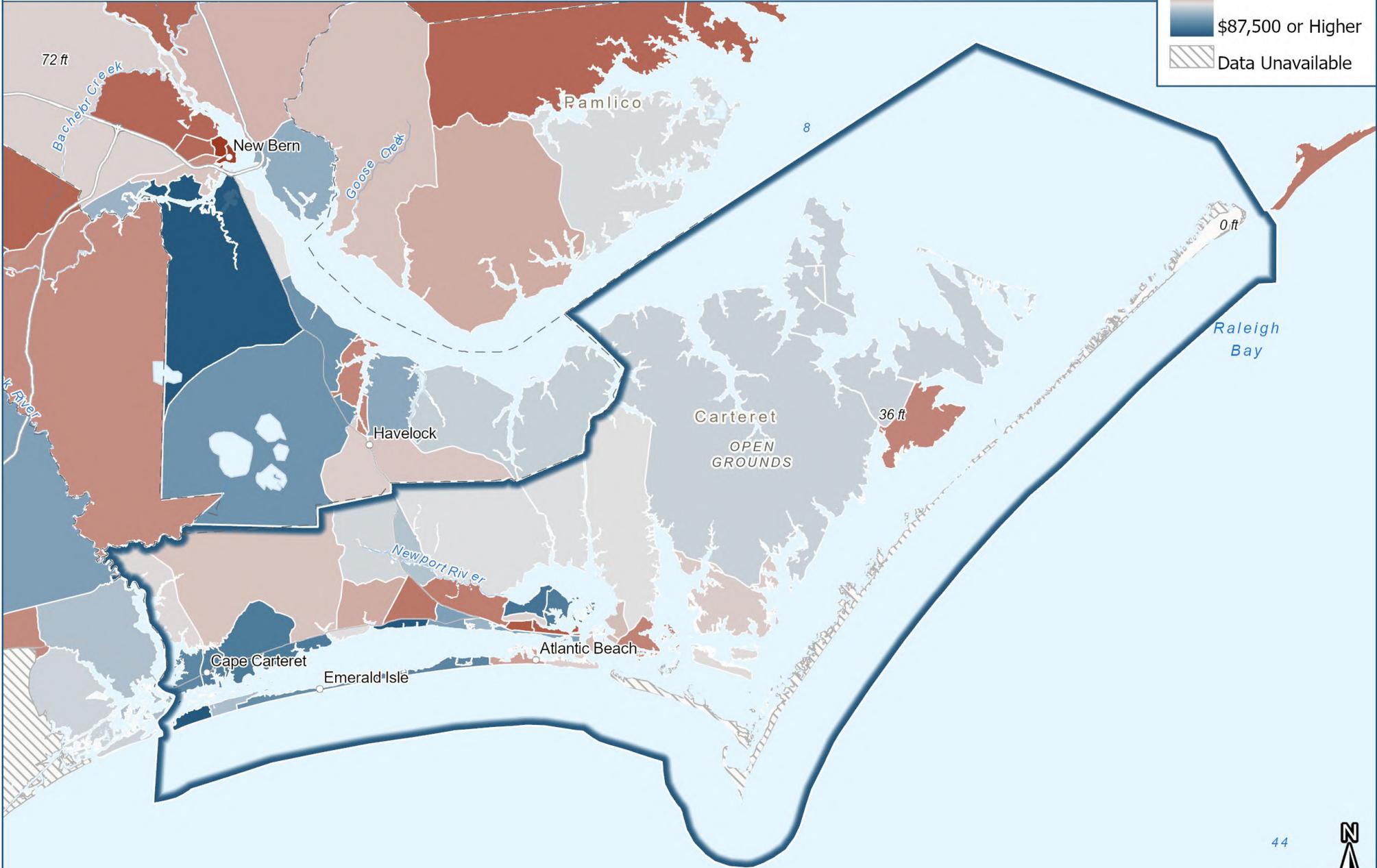
These preceding projections were used in our Housing Gap Estimates shown in Section VIII.

E. DEMOGRAPHIC THEME MAPS

The following demographic theme maps for the study areas are presented after this page:

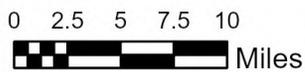
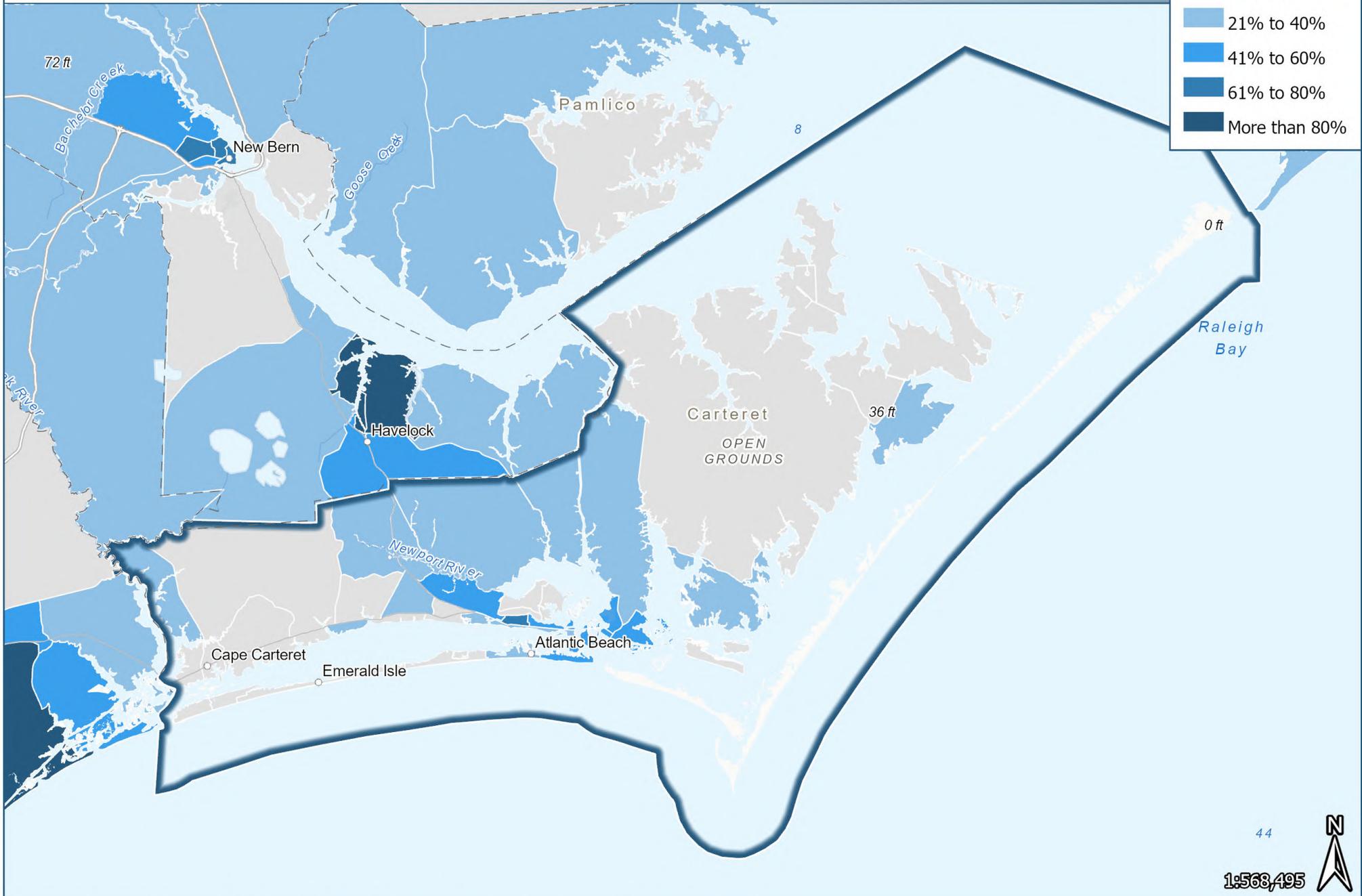
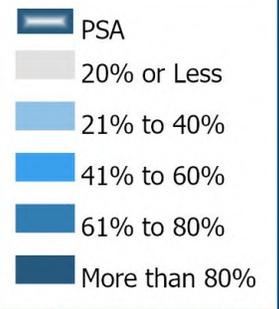
- Median Household Income
- Renter Household Share
- Owner Household Share
- Older Adult Population Share (55 + years)
- Younger Adult Population Share (20 to 34 years)
- Population Density

The demographic data used in these maps is based on U.S. Census, American Community Survey (ACS) and ESRI data sets.

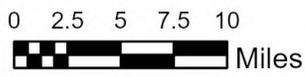
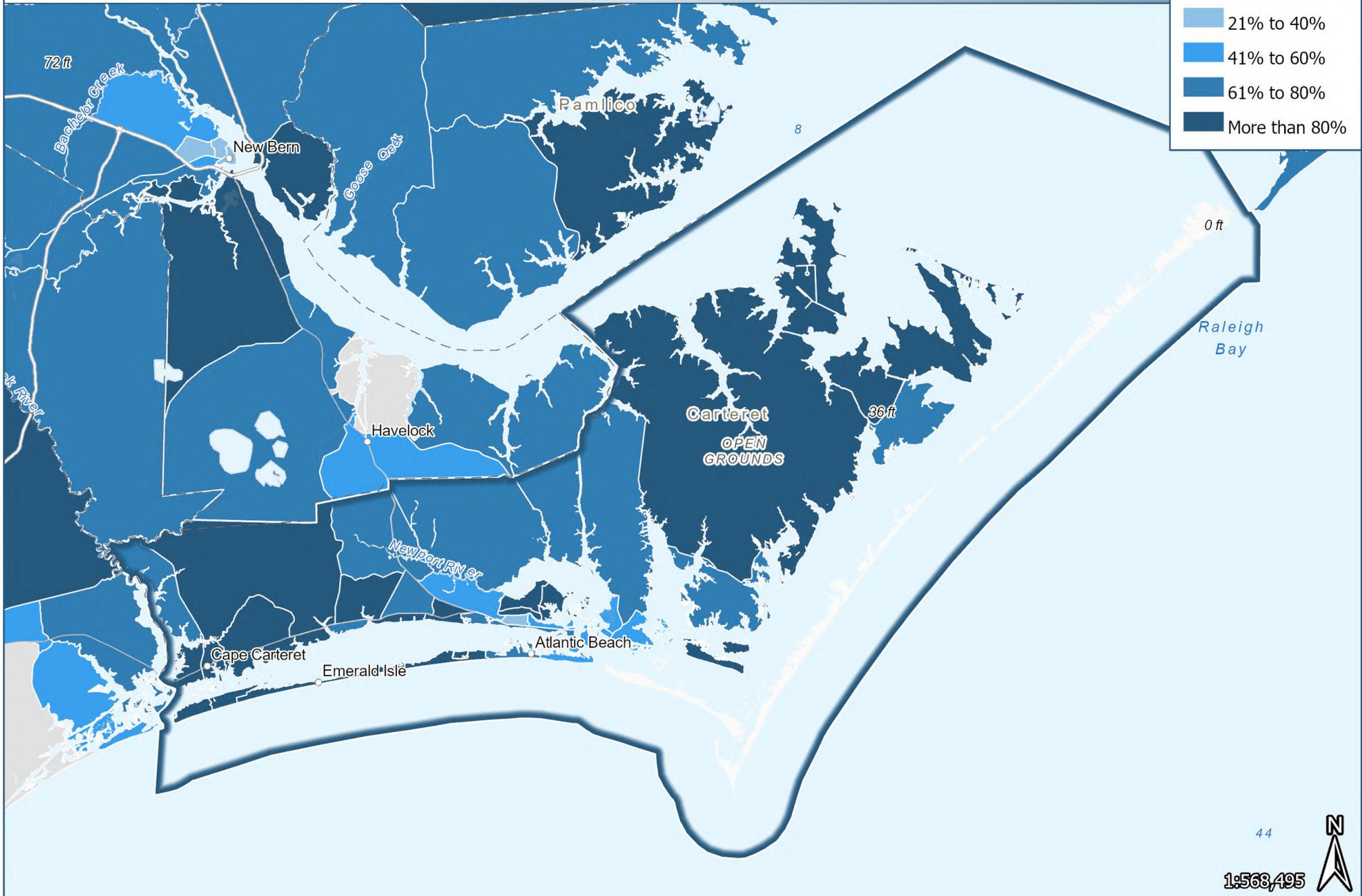
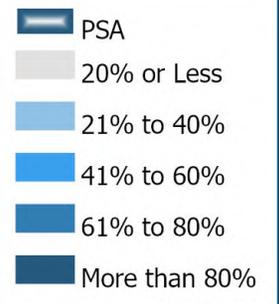


Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research, ACS 2019 (5-year)

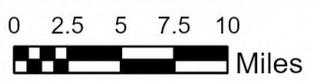
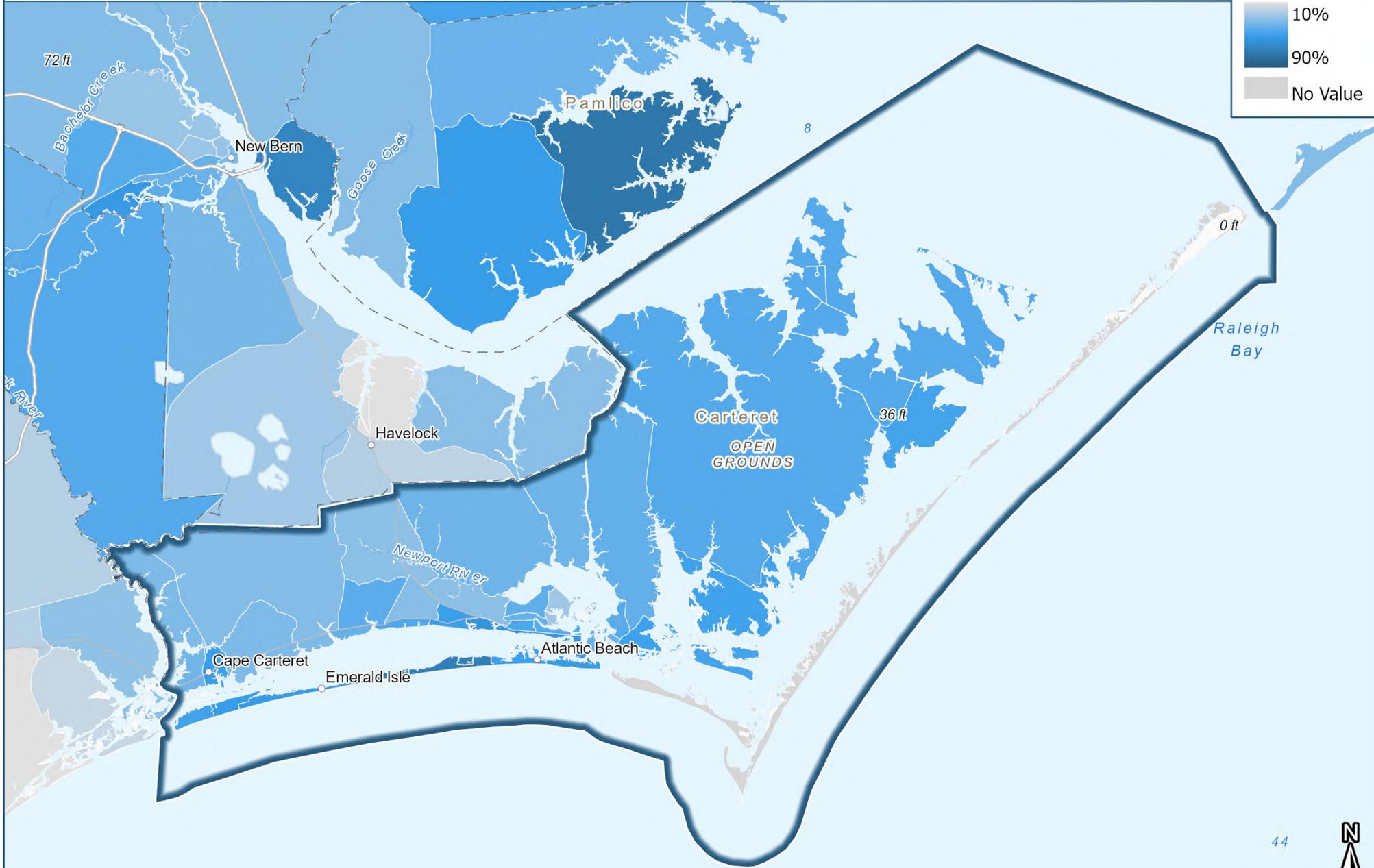
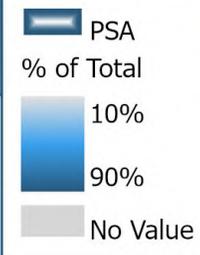




Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
 Additional Source(s): Bowen National Research, ACS 2019 (5-year)

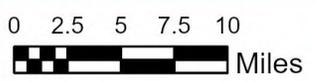
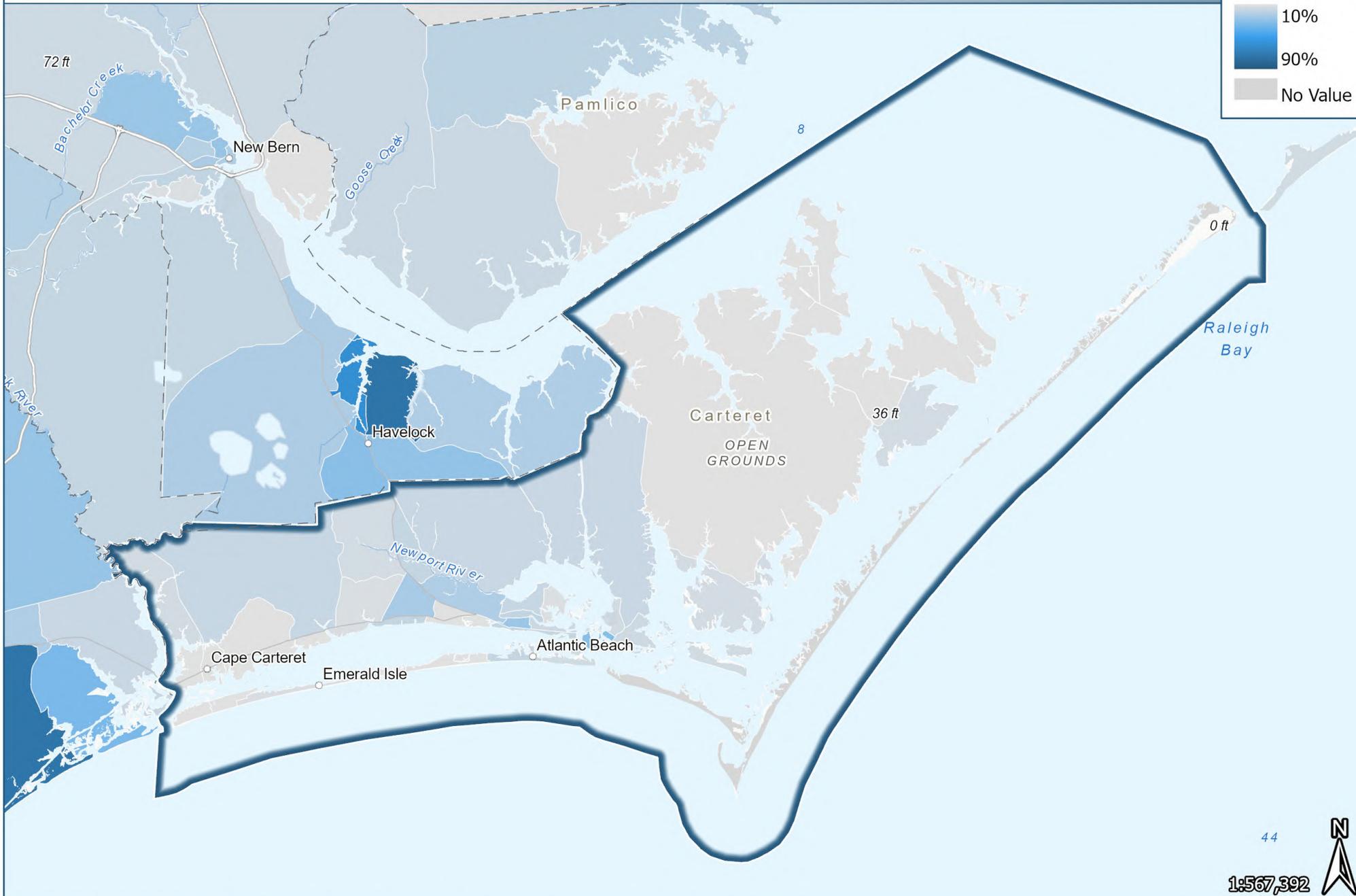
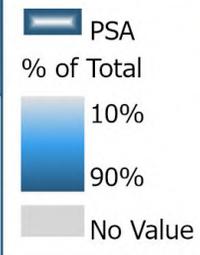


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 Additional Source(s): Bowen National Research, ACS 2019 (5-year)



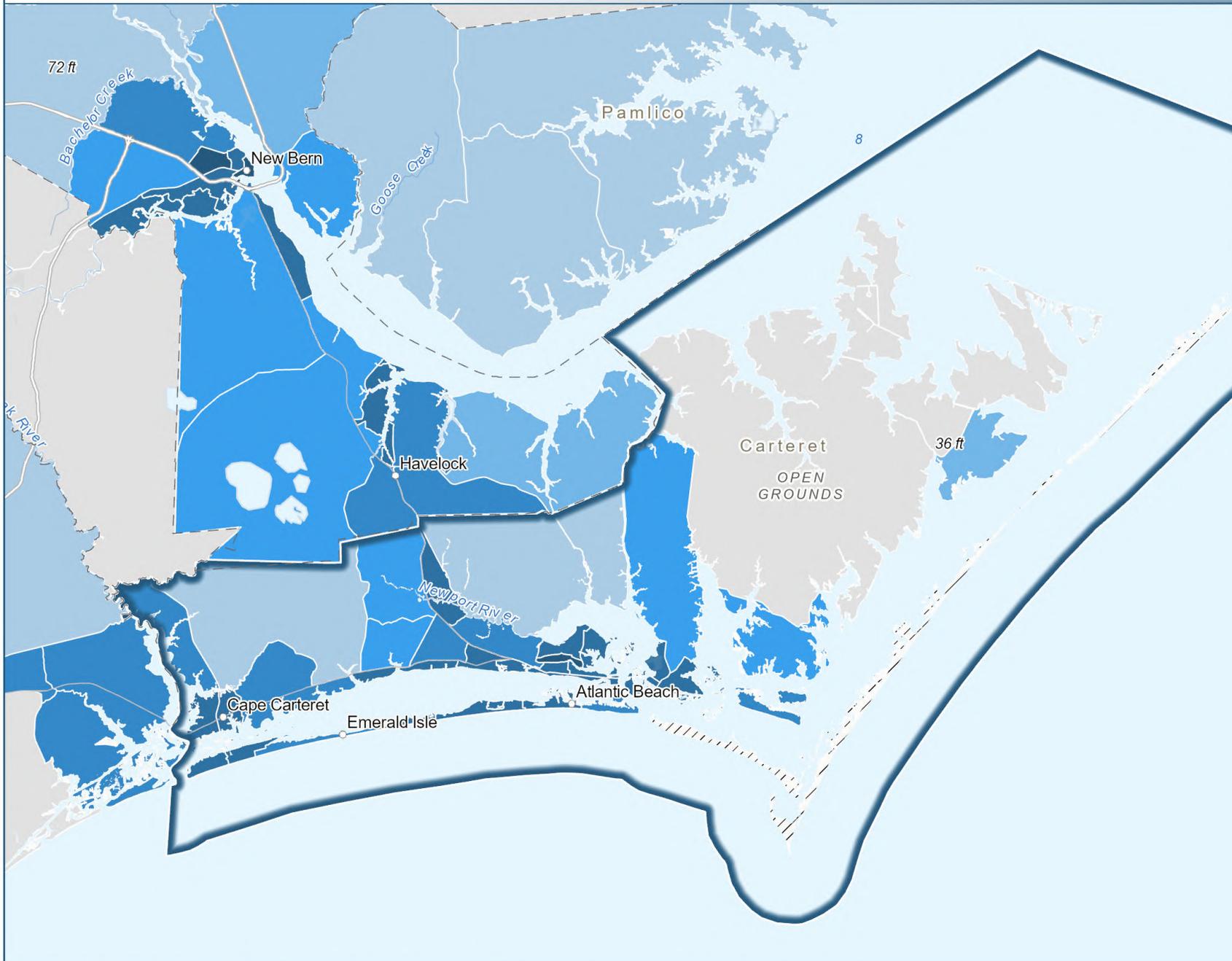
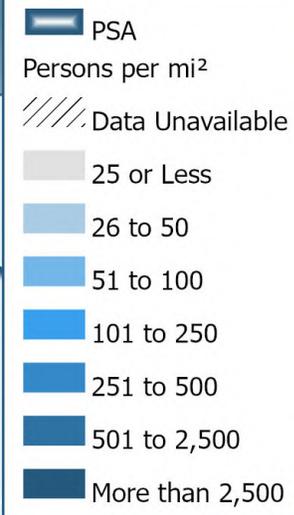
Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
 Additional Source(s): Bowen National Research, ACS 2019 (5-year)
 Method: ([MalePops55Older] + [FemalePops55Older]) / [TotalPops]





Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
 Additional Source(s): Bowen National Research, ACS 2019 (5-year)
 Method: ([MalePops20to34] + [FemalePops20to34]) / [TotalPops]





Raleigh Bay

Carteret
OPEN
GROUNDS

New Bern

Havelock

Atlantic Beach

Cape Carteret

Emerald Isle

Pamlico

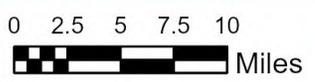
72 ft

8

36 ft

44

1:568,495



Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
 Additional Source(s): Bowen National Research, ACS 2019 (5-year)
 Method: [TotalPopulation] / ([LandAreaSqMeters] * 0.0000003861)

V. ECONOMIC ANALYSIS

A. INTRODUCTION

The need for housing within a given geographic area is influenced by the number of households choosing to live there. Although the number of households in Carteret County at any given time is a function of many factors, one of the primary reasons for residency is job availability. In this section, the workforce and employment trends that affect the PSA (Carteret County) are examined and compared to the North Carolina and United States aggregate numbers. Data comprising the PSA's four submarkets (Beach, Central, East, and West) is also included and analyzed.

B. WORKFORCE ANALYSIS

The PSA has an employment base of over 38,000 individuals within a broad range of employment sectors. Each submarket within the Carteret County PSA contains a unique combination of industries which require employees of varying skills and education levels. The following evaluates key economic metrics within the various study areas considered in this report. It should be noted that based on the availability of various economic data metrics, some information is presented only for the selected geographic areas, which include the PSA (Carteret County), the individual submarkets, the Southeast Coastal North Carolina Nonmetropolitan Area, and/or the state of North Carolina, depending upon the availability of such data.

Employment Characteristics and Trends

Carteret County is located in the Southeast Coastal North Carolina Nonmetropolitan Area. Typical wages by job category for this area are compared with those of North Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Southeast Coastal North Carolina Nonmetropolitan Area	North Carolina
Management Occupations	\$99,150	\$124,620
Business and Financial Occupations	\$63,710	\$78,250
Computer and Mathematical Occupations	\$81,080	\$91,920
Architecture and Engineering Occupations	\$72,140	\$80,980
Community and Social Service Occupations	\$46,380	\$48,390
Art, Design, Entertainment and Sports Medicine Occupations	\$49,130	\$58,130
Healthcare Practitioners and Technical Occupations	\$71,540	\$78,770
Healthcare Support Occupations	\$25,690	\$29,320
Protective Service Occupations	\$38,710	\$42,330
Food Preparation and Serving Related Occupations	\$21,480	\$24,180
Building and Grounds Cleaning and Maintenance Occupations	\$26,130	\$28,570
Personal Care and Service Occupations	\$27,630	\$28,620
Sales and Related Occupations	\$39,100	\$44,320
Office and Administrative Support Occupations	\$35,650	\$39,580
Construction and Extraction Occupations	\$40,220	\$43,690
Installation, Maintenance and Repair Occupations	\$45,180	\$49,580
Production Occupations	\$34,680	\$37,590
Transportation and Moving Occupations	\$32,530	\$35,300

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$21,480 to \$49,130 within the Southeast Coastal North Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,524. Wages within the area are typically lower than the overall state wages. On average, white-collar professions in the study area earn 16.9% less than those within the state, and blue-collar jobs earn 10.1% less than the average state wages. Within the nonmetropolitan area, wages by occupation vary widely and are reflective of a diverse job base that covers a wide range of industry sectors and job skills, as well as diverse levels of education and experience. Because employment is distributed among a variety of professions with diverse income levels, there are likely a variety of housing needs by affordability level. However, with a third of the job sectors cited in the preceding table having a typical annual wage below \$36,000, it is likely that local wages are contributing to the demand for affordable housing alternatives. Household income, which was illustrated and evaluated earlier in this report, has been considered in our housing gap estimates shown later in this study.

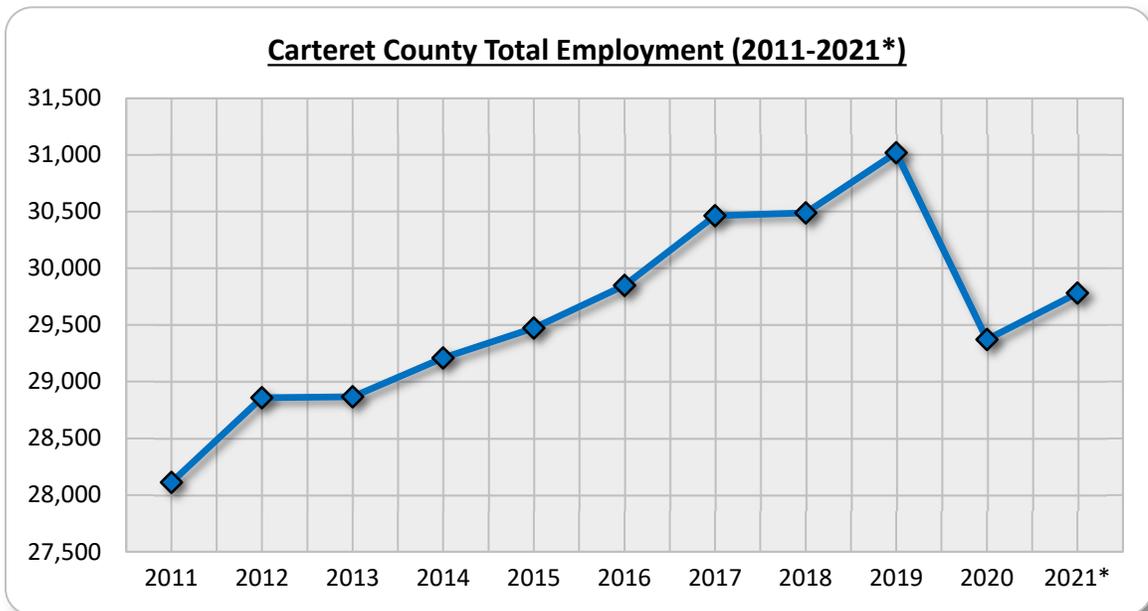
Total employment reflects the number of employed persons who live within the county regardless of where they work. The following illustrates the total employment base for Carteret County, the state of North Carolina and the United States.

Year	Total Employment					
	Carteret County		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	28,112	-	4,180,071	-	141,714,419	-
2012	28,859	2.7%	4,271,383	2.2%	143,548,588	1.3%
2013	28,867	0.0%	4,336,379	1.5%	144,904,568	0.9%
2014	29,208	1.2%	4,410,647	1.7%	147,293,817	1.6%
2015	29,472	0.9%	4,493,882	1.9%	149,540,791	1.5%
2016	29,850	1.3%	4,598,456	2.3%	151,934,228	1.6%
2017	30,464	2.1%	4,705,369	2.3%	154,214,749	1.5%
2018	30,488	0.1%	4,786,177	1.7%	156,134,717	1.2%
2019	31,019	1.7%	4,885,611	2.1%	158,154,548	1.3%
2020	29,373	-5.3%	4,587,407	-6.1%	148,639,745	-6.0%
2021*	29,781	1.4%	4,719,962	2.9%	150,431,608	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through February

Prior to 2020, the employment base in Carteret County increased each year over the past 10 years by a total of 2,907 (10.3%), compared to the statewide increase of 16.9% during this time. During 2020, the employment base declined by 1,646 (5.3%) from the preceding year. Much of this decline is attributed to the economic impact of the COVID-19 pandemic. Although statistics for 2021 are reflective of trends over a short period of time, the Carteret County economy witnessed employment base growth of 408 (1.4%) through February, indicating a recovery rate comparable to that of the United States for the same period.



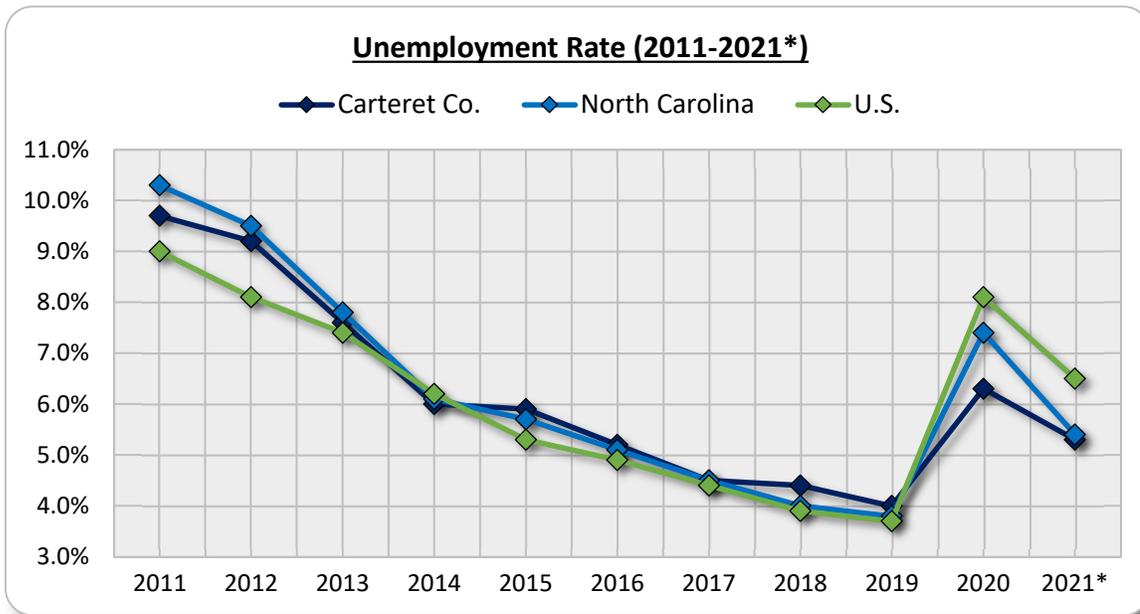
*Through February

Unemployment rates for Carteret County, the state of North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate		
	Carteret County	North Carolina	United States
2011	9.7%	10.3%	9.0%
2012	9.2%	9.5%	8.1%
2013	7.6%	7.8%	7.4%
2014	6.0%	6.1%	6.2%
2015	5.9%	5.7%	5.3%
2016	5.2%	5.1%	4.9%
2017	4.5%	4.5%	4.4%
2018	4.4%	4.0%	3.9%
2019	4.0%	3.8%	3.7%
2020	6.3%	7.4%	8.1%
2021*	5.3%	5.4%	6.5%

Source: Department of Labor, Bureau of Labor Statistics
 *Through February

Between 2011 and 2019, unemployment rates in the county steadily declined from 9.7% to 4.0%, which was very comparable to the state unemployment rates during the same period. The unemployment rate for 2020 was 6.3%, and although this was the highest rate recorded since 2013, this was primarily a result of the economic impact of COVID-19. Through February 2021, the rate has dropped to 5.3% which falls below both the North Carolina and United States unemployment rates for the same period. Although the one percentage point decrease in unemployment is less than the two percentage points decline of North Carolina, it is a positive sign of a recovering local economy.



*Through February

In order to get a better sense of the initial impact the COVID-19 pandemic had on the local economy and subsequent recovery, we evaluate monthly unemployment rates from September 2019 to February 2021. The following table illustrates the monthly unemployment rate in Carteret County for the most recent 18-month period for which data is currently available.

Unemployment Rate	
Month	Carteret County
September 2019	3.3%
October 2019	3.4%
November 2019	3.4%
December 2019	3.3%
January 2020	4.1%
February 2020	3.7%
March 2020	4.2%
April 2020	12.9%
May 2020	11.6%
June 2020	6.7%
July 2020	6.7%
August 2020	5.1%
September 2020	5.4%
October 2020	5.1%
November 2020	5.0%
December 2020	5.2%
January 2021	5.3%
February 2021	5.1%
March 2021	4.0%
April 2021	3.6%

Source: Department of Labor, Bureau of Labor Statistics

Between September 2019 and March 2020, the unemployment rate remained between 3.3% and 4.2%. The unemployment rate reached 12.9% in April 2020, which was the result of the beginning of COVID-19 stay-at-home orders which impacted many non-essential businesses, as well as reduced capacity and production at many businesses. The reopening of non-essential businesses in Carteret County resulted in an unemployment rate that declined from April 2020 to February 2021. However, the county's April 2021 monthly unemployment rate of 3.6% was lower than any of the monthly rates registered in 2020, illustrating the county's full economic recovery from the impact caused by the COVID-19 pandemic.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Carteret County.

In-Place Employment Carteret County			
Year	Employment	Change	Percent Change
2010	21,938	-	-
2011	21,412	-526	-2.4%
2012	22,058	646	3.0%
2013	22,097	39	0.2%
2014	22,444	347	1.6%
2015	22,752	308	1.4%
2016	23,099	347	1.5%
2017	23,510	411	1.8%
2018	23,456	-54	-0.2%
2019	23,681	225	1.0%
2020*	22,576	-1,105	-4.7%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

The preceding table illustrates in-place employment (people working within Carteret County) has grown by 1,743 jobs since 2010 (excluding 2020), reflecting a 7.9% increase. Through September of 2020 (the latest date for which in-place employment data is available), in-place employment declined by 4.7%, reflecting a net loss of 1,105 jobs. This decline is reflective of the effects of COVID-19. However, as shown previously in this section, the economy has been recovering over the past several months and is expected to experience positive job growth.

Employment Outlook & New Developments

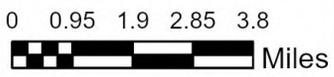
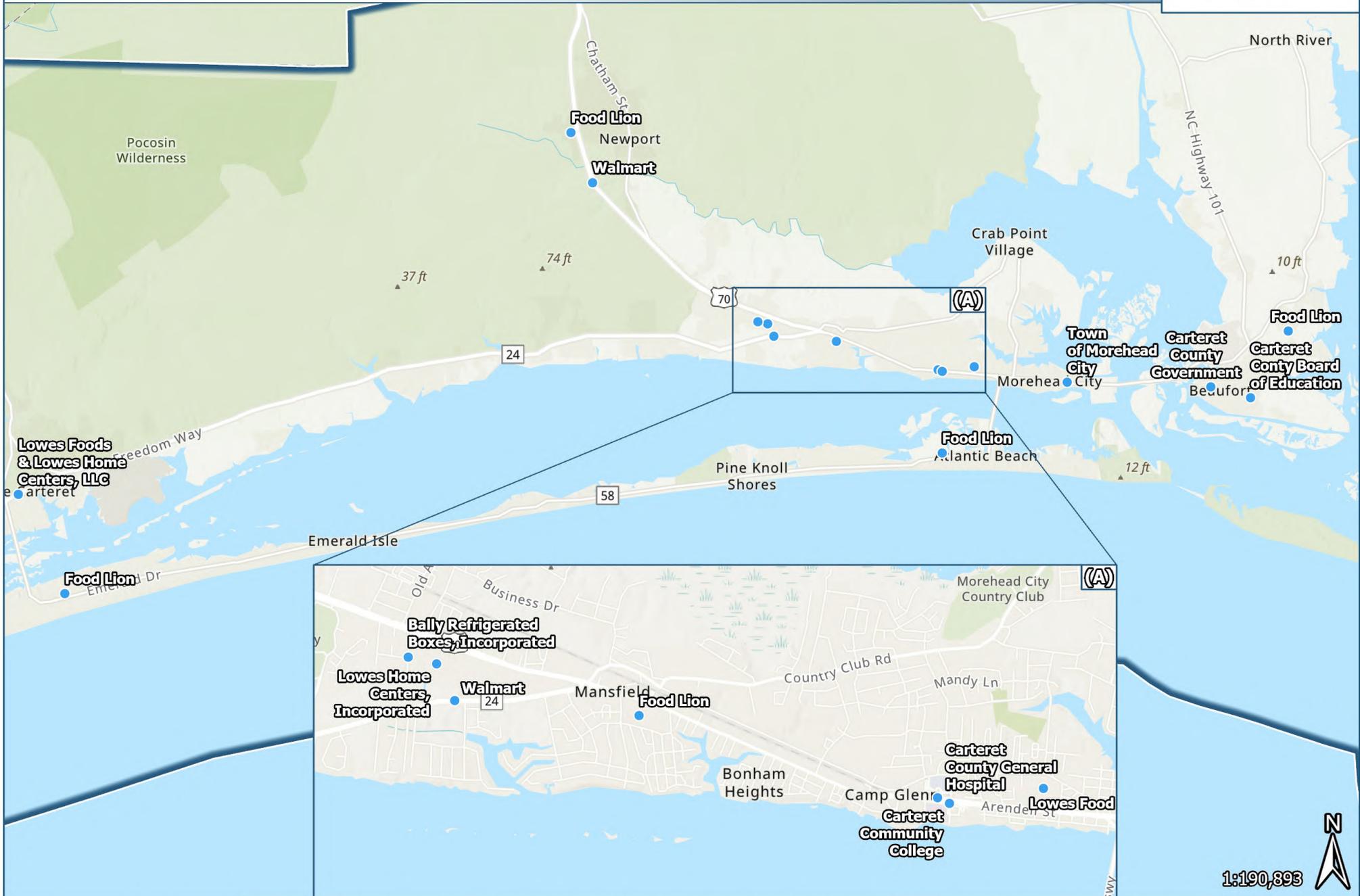
The ten largest employers within the Carteret County area are summarized in the following table:

Employer Name	Business Type	Total Employed
Carteret County Board of Education	Government	1,000+
Carteret County General Hospital	Health Care	1,000+
Carteret County Government	Government	500-999
Walmart Associates, Incorporated	Retail	250-499
Lowes Home Centers, Incorporated	Retail	250-499
Food Lion	Grocery	250-499
Carteret Community College	Education	250-499
Lowes Foods, LLC	Grocery	100-249
Bally Refrigerated Boxes, Incorporated	Manufacturer	100-249
Town of Morehead City	Government	100-249

Source: Carteret County Economic Development Foundation, Inc. 3rd Quarter 2020

Major employers in the area are primarily engaged in the provision of education, healthcare services, government, retail, and food service. The diversity of major employers helps to partially insulate the area from significant economic downturns and cyclical employment shifts. This appears to be confirmed by the fact that Carteret County's annual unemployment rate of 6.3% in 2020 was below the rates for the state of North Carolina (7.4%) and the United States (8.1%).

A map delineating the location of the area's largest employers is included on the following page.



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS, Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA
 Additional Source(s): Bowen National Research

According to a representative with Carteret County Economic Development Foundation, Incorporated, the economy is improving despite setbacks in recent years. The following summarizes key factors negatively impacting the local market.

- In 2018 and 2019, the county suffered significant property damage and economic setbacks due to Hurricane Florence and Hurricane Dorian but over time the area was able to recover.
- In 2020, due to COVID-19, the governor issued a stay-at-home order for March and April. Due to the order, several sectors such as theaters, fitness centers, bars, and restaurants were impacted financially. The unemployment rate had a significant spike and there were dislocations and several closures in the restaurant and bar industries.

According to local sources, Morehead City is the retail hub of the county and where most of the large shopping centers, big box retailers, hospitals, and medical offices are located. Residential development is widespread throughout the county with multiple new single-family subdivisions in Beaufort and Newport.

According to online and local sources, officials have been concerned about the labor workforce shortage they are facing due to strong economic growth and the economic impact the pending Interstate 42 project will have. Once the Interstate 42 project is complete, officials expect a notable increase in new businesses and an increase of visitors. Officials have partnered with a media company in the Triad area and are using articles and videos to spark interest so residents may consider moving to the coast. Officials are also looking into technology solutions so workers can work remotely regardless of where they live.

The former Beaufort Elementary School was vacant for many years until a local developer purchased it in 2015. Plans were to redevelop it into condominiums, but those plans fell through. Since then, the former school has been resold and, in December 2020, the new owners requested a meeting with the Beaufort Board of Commissioners to obtain feedback on their vision and concerns with redeveloping the property. To date no final plans have been decided. In addition, the former Atlantic Veneer campus in Beaufort, consisting of approximately 100 acres (including 10 acres on Taylors Creek) is being actively marketed for sale and redevelopment.

The United States Military has an enormous impact on the economy in Carteret County. Marine Corps base Camp Lejeune, located in adjacent Onslow County, and Marine Corps Air Station Cherry Point, located in adjacent Craven County, both contribute significantly to the region's economy. A 2017 MCAS Cherry Point Economic Impact study concluded that 14,027 Carteret County residents were connected with Cherry Point, including active and retired military, active and retired civilians, and family members. According to local sources, the military's impact to the local economy is expected to increase greatly over the next ten years.

The F-35 jet is expected to make its debut in Cherry Point (Craven County) beginning in 2022. The Department of Defense announced plans to build a new \$44 million repair facility, specifically to make repairs to the lift fan on the new jets. This development is expected to contribute to the economic development in the Carteret County community.

Below are recent notable economic developments and announcements within the Carteret County area.

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
Parker Boats and Correct Craft Beaufort	N/A	30	Completed a 10,000 square-foot expansion in summer 2020; Also in 2020, Correct Craft completed the acquisition of Parker Boats which included a capital investment of \$1.7 million
Jarrett Bay Boatworks Beaufort	N/A	N/A	In 2020, began improvements to help meet demand including new lift and forklift; 2 million pounds of rock to improve the yard's working base; new order system for better efficiency; and purchased additional land
Bally Refrigerated Boxes, Incorporated Newport	\$3.4 million	49	In 2020, acquired a vacant 100,000 square-foot manufacturing building; Job creation over two years
Morehead City Town Hall Morehead City	\$7.6 million	N/A	Under construction; ECD mid-2021

ECD – Estimated Construction Date

N/A – Not Available

Investments at both Parker Boats and Correct Craft and Bally Refrigerated Boxes are estimated to create approximately 80 new jobs over the next two years. In addition, a \$7.6 million project at Morehead City Town Hall is currently underway which will require construction related jobs until completion and stimulate the local economy during this phase.

Infrastructure:

Carteret County is unique in the aspect that it is largely coastal with heavily wooded land. According to local sources, the only areas suitable for development are the areas close to the highways. Several areas cannot support traditional development due to difficulties providing infrastructure such as sewage and drainage systems.

A \$47.9 million project is currently in the development phase for the replacement of two bridges that connect the town of Straits and Harkers Island. Construction is to begin in fall 2021 and be complete in 2025. In addition, design is underway for the replacement of the two-lane Newport River bridge connecting Morehead City and Radio Island with a four-lane bridge. Right-of-way is scheduled for 2025, and construction is scheduled for 2027.

A proposed expansion of U.S. Highway 70/Interstate 42 is planned for the eastern portion of North Carolina. Once complete, the highway will operate between Raleigh and Carteret County as Interstate 42. The completion of this connection is significant because it provides a direct route from the growing Research Triangle Region to Carteret County, which is expected to increase the number of visitors and the number of residents. Most of this project is expected to be complete by 2025. Additional details are included in Addendum D.

WARN (layoff notices):

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed on April 13, 2021. According to the North Carolina Department of Commerce there have been no WARN notices reported for Carteret County over the past 12 months.

Tourism:

Local sources indicate that tourism is the largest industry in Carteret County. Annual economic impact is estimated over \$350 million. In July and August 2020, the tourism sector saw a record high in visitation due to families moving into their second homes and more people choosing to vacation at the beach despite COVID-19. The occupancy tax collection increased by 20% during the 2020 calendar year and the fiscal year-to-date (July 1, 2020 to current) has increased over 35%.

The record tourist season also drove higher retail sales and the real estate market has remained strong. Starting in 2020, the area has seen an increase in demand for new boats and boating activities. Several boat manufacturers, boat repair companies, and many marinas in the county have seen an increase in business.

According to data provided by Carteret County Economic Development, the area's economic recovery and relative strength is also evidenced by the county's record collections in occupancy taxes, retail sales taxes, and real estate excise taxes over the past year. The monthly tax collections since 2019 for each of these categories is provided in the following tables.

Occupancy Tax Collections			
Month	2019	2020	2021
January	\$166,758	\$149,611	\$299,728
February	\$153,976	\$159,825	\$232,390
March	\$241,029	\$118,784	\$476,558
April	\$367,881	\$40,377	\$768,260
May	\$558,112	\$533,963	-
June	\$1,353,693	\$1,582,344	-
July	\$1,713,895	\$2,416,802	-
August	\$1,565,054	\$1,830,611	-
September	\$609,741	\$1,000,631	-
October	\$412,273	\$548,136	-
November	\$240,881	\$401,504	-
December	\$144,501	\$186,056	-
Total	\$7,527,794	\$8,968,644	-

Source: Carteret County Economic Development

Monthly Carteret Retail Sales Collections			
Month	2019	2020	2021
January	\$5,023,057	\$4,901,921	\$5,661,029
February	\$4,381,189	\$4,133,573	\$5,074,056
March	\$4,166,188	\$4,009,896	\$4,762,350
April	\$5,410,929	\$4,597,164	\$6,616,527
May	\$5,557,428	\$4,018,919	-
June	\$6,158,511	\$5,690,553	-
July	\$7,322,192	\$7,871,950	-
August	\$7,192,594	\$7,980,866	-
September	\$6,497,902	\$6,777,600	-
October	\$5,360,809	\$6,370,701	-
November	\$5,097,203	\$5,692,924	-
December	\$4,444,672	\$5,167,853	-
Total	\$66,612,674	\$67,213,920	-

Source: Carteret County Economic Development

Monthly Real Estate Excise Taxes Carteret County, NC			
Month	2019	2020	2021
January	\$89,473	\$113,824	\$239,771
February	\$104,421	\$131,243	\$210,742
March	\$129,704	\$152,879	\$296,349
April	\$182,855	\$133,858	\$333,440
May	\$227,350	\$153,356	\$282,058
June	\$185,158	\$174,169	-
July	\$147,007	\$300,851	-
August	\$211,848	\$275,834	-
September	\$136,544	\$280,269	-
October	\$165,246	\$274,742	-
November	\$119,546	\$252,364	-
December	\$138,225	\$342,485	-
Total	\$1,837,377	\$2,585,874	-

Source: Carteret County Economic Development

Given the region's influence from tourism-related industries (retail and lodging), as well as from the real estate market, the area's economy has not only recovered strongly from the impacts of COVID-19, but it has also shown significant growth in the tax collections tied to these industries that exceed historical trends.

VI. HOUSING SUPPLY ANALYSIS

This housing supply analysis includes a variety of housing alternatives. Understanding the historical trends, market performance, characteristics, composition, and current housing choices provide critical information as to current market conditions and future housing potential. The housing data presented and analyzed in this section includes primary data collected directly by Bowen National Research and secondary data sources including American Community Survey (ACS), U.S. Census housing information and data provided by various government entities and real estate professionals.

While there are a variety of housing options offered in the Primary Study Area (PSA, Carteret County), we focused our analysis on the most common housing alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Rental properties consisting of multifamily apartments (generally with 20 or more units) were identified and surveyed. A sample survey of non-conventional rentals (typically with four or less units in a structure) was also conducted and analyzed.
- **For-Sale Housing** – For-sale housing alternatives, both recent sales activity and currently available supply, were inventoried. This data included single-family homes, condominiums, mobile homes, and other traditional housing alternatives. It includes stand-alone product as well as homes within planned developments or projects.
- **Senior Care Housing** – We surveyed senior care facilities that provide both shelter and care housing alternatives to seniors requiring some level of personal care (e.g., dressing, bathing, medical reminders, etc.) and medical care. This includes independent living, assisted living and nursing homes.

For the purposes of this analysis, the housing supply information is presented for the Primary Study Area (PSA, Carteret County) and its submarkets. When applicable, local housing data is compared with the state of North Carolina and the nation.

Maps illustrating the location of various housing types are included throughout this section.

A. OVERALL HOUSING SUPPLY (SECONDARY DATA)

This section of analysis on the area housing supply is based on secondary data sources such as the U.S. Census, American Community Survey and ESRI, and is provided for the PSA (Carteret County), the county’s four individual submarkets, and the state of North Carolina, when applicable.

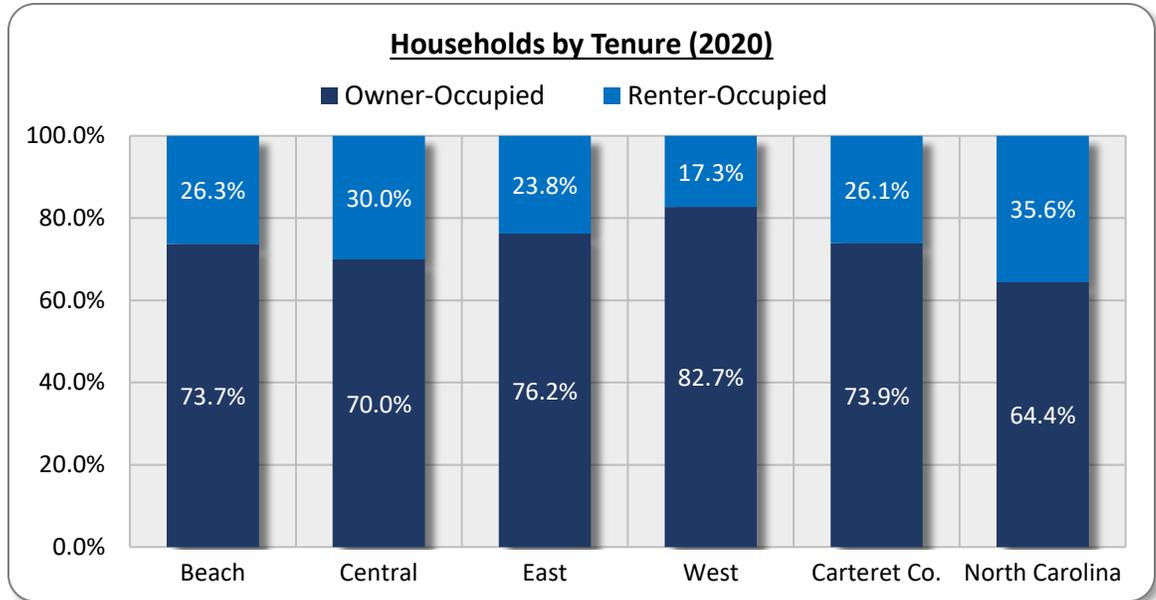
Housing Characteristics

The distribution of the area housing stock by tenure within each study area in 2020 is summarized in the following table:

		Households by Tenure - 2020		
		Owner-Occupied	Renter-Occupied	Total
Beach	Number	2,802	1,001	3,803
	Percent	73.7%	26.3%	100.0%
Central	Number	10,609	4,540	15,149
	Percent	70.0%	30.0%	100.0%
East	Number	6,183	1,930	8,113
	Percent	76.2%	23.8%	100.0%
West	Number	3,696	772	4,468
	Percent	82.7%	17.3%	100.0%
Carteret County	Number	23,290	8,244	31,534
	Percent	73.9%	26.1%	100.0%
North Carolina	Number	2,714,950	1,500,524	4,215,474
	Percent	64.4%	35.6%	100.0%

Source: ESRI; Urban Decision Group; Bowen National Research

Based on the 2020 ESRI estimates, of the 31,534 total occupied housing units in the PSA (Carteret County), nearly three-quarters are owner occupied while the balance consists of rentals (26.1%). This distribution of product by tenure is more heavily weighted toward owner-occupied housing than the state of North Carolina, though owner-occupied housing represents the majority in both the county and the state. While the shares of housing by tenure within the county’s submarkets are similar to each other, the West Submarket has the lowest share (17.3%) of rental housing, which is about half the state average.



The following table compares key housing age and conditions of each study area and the state based on 2015-2019 American Community Survey (ACS) data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room) or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated for each study area by tenure in the following table. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Beach	159	22.3%	251	8.6%	7	1.0%	8	0.3%	713	0.0%	9	0.3%
Central	952	21.0%	2,082	21.0%	60	1.3%	216	2.2%	102	2.2%	53	0.5%
East	897	42.0%	1,542	30.8%	0	0.0%	29	0.6%	84	3.9%	0	0.0%
West	69	8.8%	302	7.9%	7	0.9%	11	0.3%	12	1.6%	2	0.1%
Carteret County	2,076	25.4%	4,178	19.3%	74	0.9%	264	1.2%	198	2.4%	64	0.3%
North Carolina	345,494	25.0%	586,767	22.7%	59,009	4.3%	32,558	1.3%	21,333	1.5%	13,640	0.5%

Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

In terms of housing age or condition, the only notable issue within the county appears to be associated with older housing stock. However, with only about a quarter of the rental units and one-fifth of the owner units built prior to 1970, the age of the local housing stock is very comparable to the state's averages of this older product. The share of substandard housing units, generally considered those either overcrowded and/or lacking complete plumbing or kitchens, are not unusually high in the county. Regardless, there are over 300 overcrowded units in the county and over 250 units lacking complete indoor plumbing or kitchens. So, while not great in share, there still remain a few hundred households that have housing quality issues. Modernization and repairs of existing stock may need to be a housing priority for the county.

The following table compares key household income, housing cost, and housing affordability metrics of each study area and the state. It should be noted that cost burdened households are those paying over 30% of their income toward housing costs, while severe cost burdened households are those that pay over 50% of their income toward housing.

	Household Income, Housing Costs and Affordability							
	2020 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Beach	3,803	\$69,092	\$377,345	\$1,229	37.7%	22.9%	23.4%	9.8%
Central	15,150	\$54,704	\$186,981	\$919	42.2%	22.2%	20.4%	7.7%
East	8,113	\$56,238	\$188,696	\$838	34.3%	18.8%	19.4%	6.4%
West	4,468	\$69,316	\$237,339	\$1,213	32.5%	25.0%	12.7%	10.1%
Carteret County	31,534	\$58,570	\$214,964	\$954	38.8%	22.0%	19.6%	8.1%
North Carolina	4,215,474	\$55,916	\$175,782	\$979	43.3%	19.9%	20.6%	7.9%

Source: American Community Survey (2015-2019); ESRI

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The PSA's (Carteret County) median home value of \$214,964 is well above the state's estimated value of \$175,782. However, the average gross rent of \$954 for the PSA is slightly below but very comparable to the state's average gross rent of \$979. While the shares of cost burdened and severe cost burdened households in the county are very comparable to the state averages, there are an estimated 3,169 renter households and 4,751 owner households that are cost burdened. With nearly 8,000 housing cost burdened households in the county, affordable housing alternatives should be part of future housing solutions.

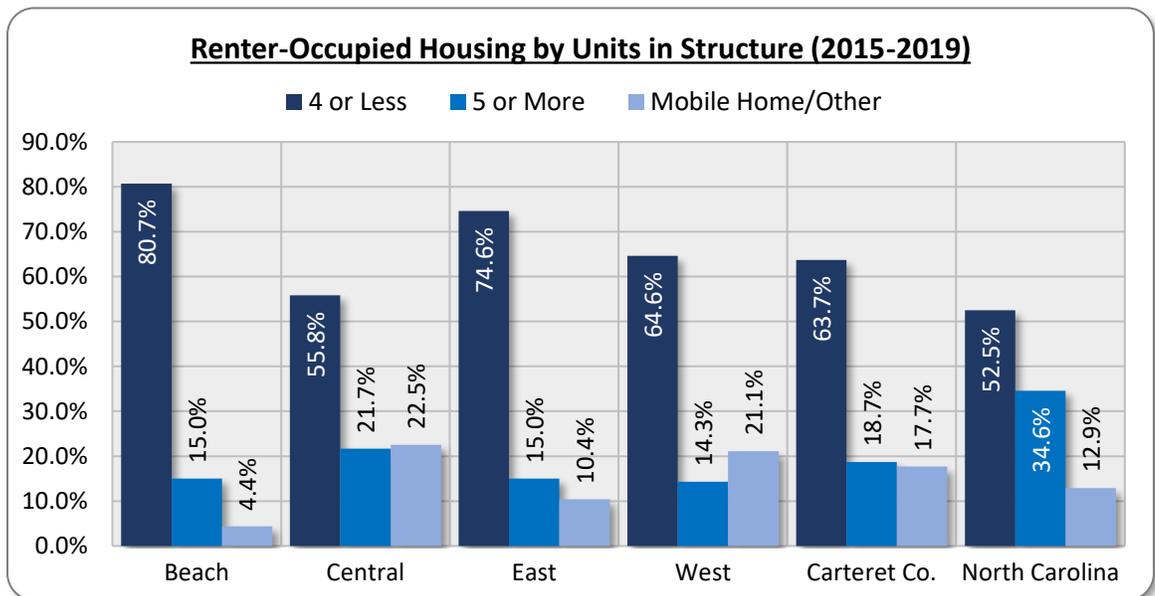
Among the various preceding metrics, there appears to be distinct differences between some of the submarkets. The highest median household incomes, highest home values and highest average gross rents are within the Beach and West submarkets. Owners that are considered cost burdened are also within these two submarkets. Meanwhile, the Central Submarket has the highest share (42.2%) of renter cost burdened households, which is comparable to the state share of 43.3%. Most of the county's cost burdened households are in the Central Submarket, with 1,913 cost burdened renters and 2,197 cost burdened owners. As such, housing affordability appears to be impacting a large segment of the Central Submarket's households.

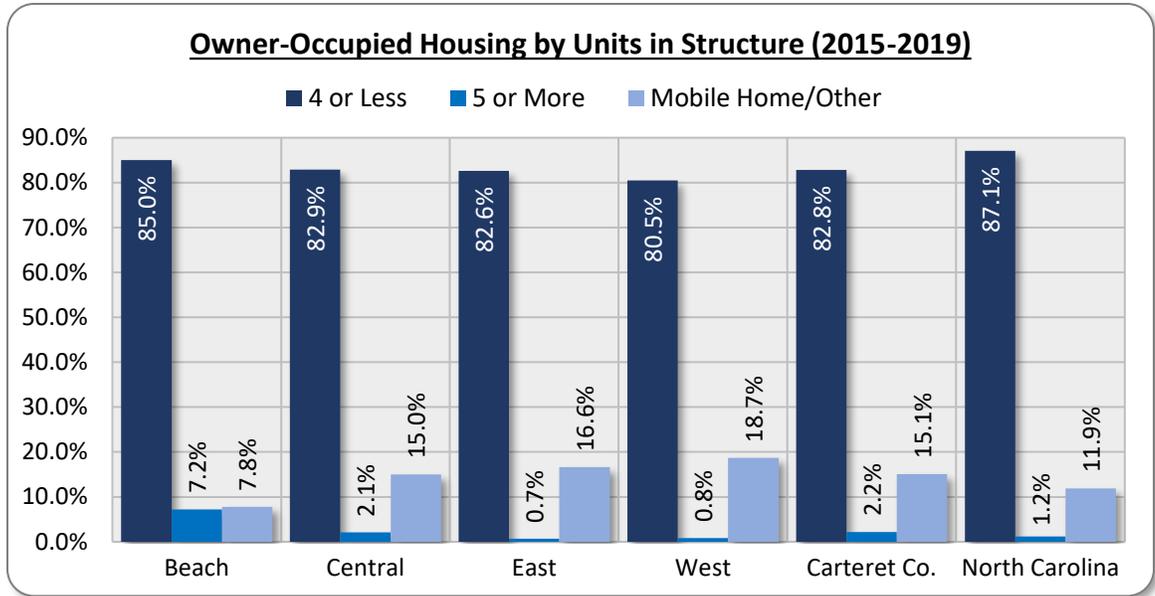
Based on the 2015-2019 American Community Survey (ACS) data, the following is a distribution of all occupied housing by units in structure by tenure (renter or owner) for each study area.

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 or Less	5 or More	Mobile Home/ Other	Total	4 or Less	5 or More	Mobile Home/ Other	Total
Beach	Number	575	107	31	713	2,461	206	225	2,892
	Percent	80.7%	15.0%	4.4%	100.1%	85.0%	7.2%	7.8%	100.0%
Central	Number	2,527	983	1,023	4,533	8,212	201	1,489	9,902
	Percent	55.8%	21.7%	22.5%	100.0%	82.9%	2.1%	15.0%	100.0%
East	Number	1,591	321	221	2,133	4,147	38	833	5,018
	Percent	74.6%	15.0%	10.4%	100.0%	82.6%	0.7%	16.6%	99.9%
West	Number	507	112	166	785	3,041	29	708	3,778
	Percent	64.6%	14.3%	21.1%	100.0%	80.5%	0.8%	18.7%	100.0%
Carteret County	Number	5,201	1,523	1,441	8,165	17,861	474	3,255	21,590
	Percent	63.7%	18.7%	17.7%	100.1%	82.8%	2.2%	15.1%	100.1%
North Carolina	Number	725,949	476,236	1,773,63	1,379,548	2,250,571	29,484	305,879	2,585,934
	Percent	52.5%	34.6%	12.9%	100.0%	87.1%	1.2%	11.9%	100.2%

Source: American Community Survey (2015-2019); ESRI

Nearly two-thirds (63.7%) of the *rental* units in the PSA (Carteret County) are within structures of four units or less, while less than one-fifth (18.7%) of the units consist of multifamily structures with five or more units. These are notably different than the state’s share of 52.5% for structures with four or fewer units and 34.6% of multifamily structures. As such, it appears the PSA has a disproportionately low share of multifamily rentals. The distribution of units per structure among *owner*-occupied units in the PSA is similar to state averages. It is worth pointing out that the PSA’s mobile home shares among renter households (17.7%) and owner households (15.1%) are slightly higher than the state averages.





B. HOUSING SUPPLY ANALYSIS (BOWEN NATIONAL SURVEY)

1. Introduction

Bowen National Research conducted research and analysis of various housing alternatives within the PSA (Carteret County). This analysis includes rental housing, for-sale and owner-occupied housing, and senior care facilities.

Overall, our firm surveyed, inventoried, and evaluated housing data on 38 multifamily apartment projects, 37 available non-conventional rentals (e.g., single-family home, duplex, mobile home, etc.), vacation rentals, over 7,700 for-sale housing units (both recently sold and available for purchase), and senior care housing (e.g., nursing homes and assisted living).

The following provides details of the local housing market, based on product type (e.g., multifamily rentals, non-conventional rentals, for-sale housing and senior care facilities).

2. Multifamily Rental Housing

Between March and May of 2021, Bowen National Research surveyed (both by telephone and in-person) 38 multifamily rental housing projects within the PSA (Carteret County). While these rentals do not represent all multifamily rental housing projects in the market, they provide significant insight as to the market conditions of commonly offered multifamily rental product. We believe this survey represents a good base from which characteristics and trends of multifamily rental housing can be evaluated and from which conclusions can be drawn. It is important to point out that this inventory of rentals does *not* include non-conventional (small multifamily projects or single-family home) rentals. These alternatives are addressed later in this section.

Projects identified, inventoried, and surveyed operate under a number of affordable housing programs including Low-Income Housing Tax Credit (LIHTC), HUD Section 8, and other federal housing programs, as well as market-rate. Definitions of each housing program are included in Addendum H: Glossary.

Managers and leasing agents at each project were surveyed to collect a variety of property information including vacancies, rental rates, design characteristics, amenities, utility responsibility, and other features. Each project was also personally visited and rated based on quality and upkeep. Each surveyed property was photographed and mapped as part of this survey. Data collected during our survey is presented in aggregate format for the Primary Study Area (PSA, Carteret County) and its submarkets. It should be noted, however, that all 38 surveyed multifamily projects were located within two of the submarkets (Central and East). While this survey did not include any multifamily product in the Beach or West submarkets, this does not mean such product does not exist. It does indicate, however, that such product was small (few units), we were unable to reach management for such projects, and/or contacts at the properties were not willing to participate in the survey.

The table below summarizes the surveyed multifamily rental supply by project type and includes data for two submarkets (Central and East submarkets) and the overall PSA (Carteret County).

Project Type	Projects	Total Units	Vacant Units	Occupancy
Central				
Market-rate	15	913	5	99.5%
Market-rate/Government-Subsidized	1	49	0	100.0%
Tax Credit	6	260	0	100.0%
Government-Subsidized	3	154	0	100.0%
Total	25	1,376	5	99.6%
East				
Market-rate	5	175	0	100.0%
Tax Credit	5	204	0	100.0%
Government-Subsidized	3	164	0	100.0%
Total	13	543	0	100.0%
PSA - Carteret County				
Market-rate	20	1,088	5	99.5%
Market-rate/Government-Subsidized	1	49	0	100.0%
Tax Credit	11	464	0	100.0%
Government-Subsidized	6	318	0	100.0%
Total	38	1,919	5	99.7%

Overall, demand for multifamily rental housing is very strong within the PSA, given that only five of the 1,919 surveyed units were vacant, resulting in an overall 99.7% occupancy rate. In typical, well-balanced rental housing markets, the occupancy rate generally falls between 94% and 96%. As such, the local market's 99.7% is extremely high and indicates that the market is likely suffering from a significant shortage of multifamily rental housing. While all of the identified vacancies are located in the Central Submarket, this submarket's overall occupancy rate is still very high at 99.6%. Meanwhile, the East Submarket's surveyed multifamily supply is fully occupied and several projects have wait lists, indicating there is pent-up demand for such product. Given the 100.0% occupancy among all affordable rentals (Tax Credit and government subsidized) in the overall PSA, there is clear pent-up demand for such product throughout the county.

Based on this survey of rental housing, there does not seem to be any softness among multifamily rentals in the PSA. As such, there appears to be a development opportunity for a variety of rental products. Each multifamily rental housing segment is evaluated in detail in this section.

Market-Rate Apartments

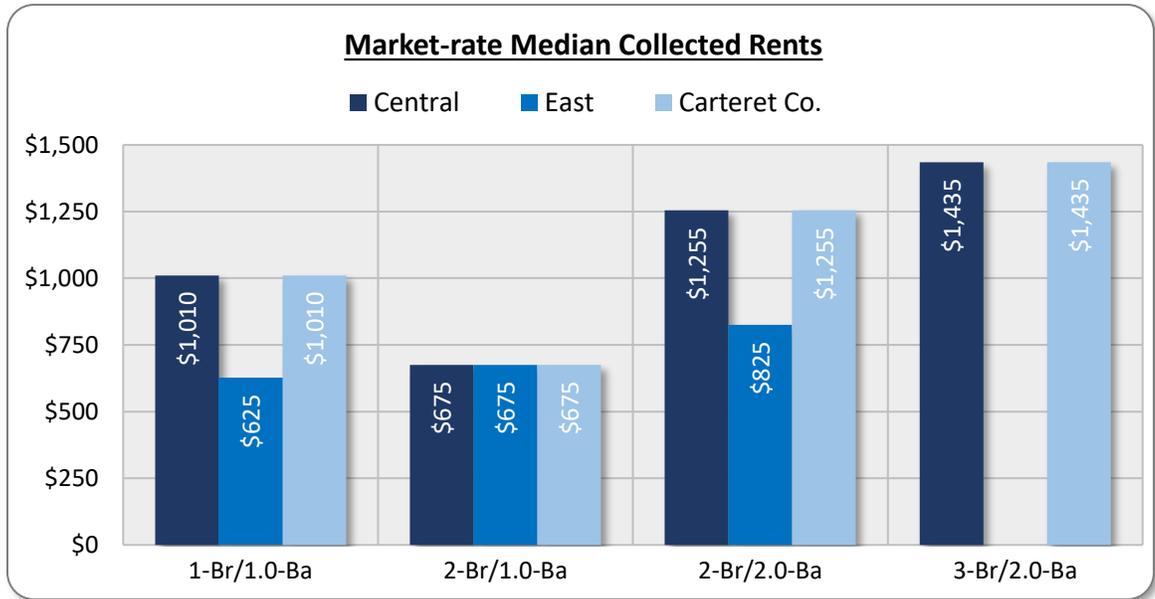
A total of 21 market-rate multifamily projects were surveyed in the PSA (Carteret County). Overall, these properties contain 1,090 market-rate units, of which only five are vacant. The following table summarizes the market-rate units by bedroom/bathroom type.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
Central						
Studio	1.0	6	0.7%	0	0.0%	\$520
One-Bedroom	1.0	227	24.8%	1	0.4%	\$1,010
One-Bedroom	1.5	16	1.7%	0	0.0%	\$1,269
Two-Bedroom	1.0	100	10.9%	0	0.0%	\$675
Two-Bedroom	1.5	105	11.5%	1	1.0%	\$850
Two-Bedroom	2.0	345	37.7%	2	0.6%	\$1,255
Two-Bedroom	2.5	7	0.8%	0	0.0%	\$785
Three-Bedroom	1.5	25	2.7%	0	0.0%	\$895
Three-Bedroom	2.0	60	6.6%	1	1.7%	\$1,435
Three-Bedroom	2.5	24	2.6%	0	0.0%	\$1,494
Total Market-Rate		915	100.0%	5	0.5%	-
East						
One-Bedroom	1.0	7	4.0%	0	0.0%	\$625
Two-Bedroom	1.0	8	4.6%	0	0.0%	\$675
Two-Bedroom	1.5	137	78.3%	0	0.0%	\$850
Two-Bedroom	2.0	14	8.0%	0	0.0%	\$825
Three-Bedroom	2.5	5	2.9%	0	0.0%	\$825
Three-Bedroom	3.5	4	2.3%	0	0.0%	\$1,600
Total Market-Rate		175	100.0%	0	0.0%	-
Carteret County						
Studio	1.0	6	0.6%	0	0.0%	\$520
One-Bedroom	1.0	234	21.5%	1	0.4%	\$1,010
One-Bedroom	1.5	16	1.5%	0	0.0%	\$1,269
Two-Bedroom	1.0	108	9.9%	0	0.0%	\$675
Two-Bedroom	1.5	242	22.2%	1	0.4%	\$850
Two-Bedroom	2.0	359	32.9%	2	0.6%	\$1,255
Two-Bedroom	2.5	7	0.6%	0	0.0%	\$785
Three-Bedroom	1.5	25	2.3%	0	0.0%	\$895
Three-Bedroom	2.0	60	5.5%	1	1.7%	\$1,435
Three-Bedroom	2.5	29	2.7%	0	0.0%	\$1,494
Three-Bedroom	3.5	4	0.4%	0	0.0%	\$1,600
Total Market-Rate		1,090	100.0%	5	0.5%	-

The PSA's overall vacancy rate of 0.5% (99.5% occupancy rate) is extremely low. It is worth pointing out that several market-rate properties maintain wait lists, with the largest individual project wait list having 15 households and all properties have a combined 37 households waiting for available market-rate housing. This is indicative of a very strong level of pent-up demand for market-rate rental housing.

The unit mix by bedroom type within the PSA (Carteret County) includes shares of 23.6% for studio/one-bedroom units, 65.6% for two-bedroom units, and 10.9% for three-bedroom units. The share of two-bedroom units is slightly high, but demand for such product is strong. The slightly lower shares of one- and three-bedroom units may indicate a development opportunity for such product.

The following graph illustrates median market-rate rents among common bedroom types offered in the PSA.



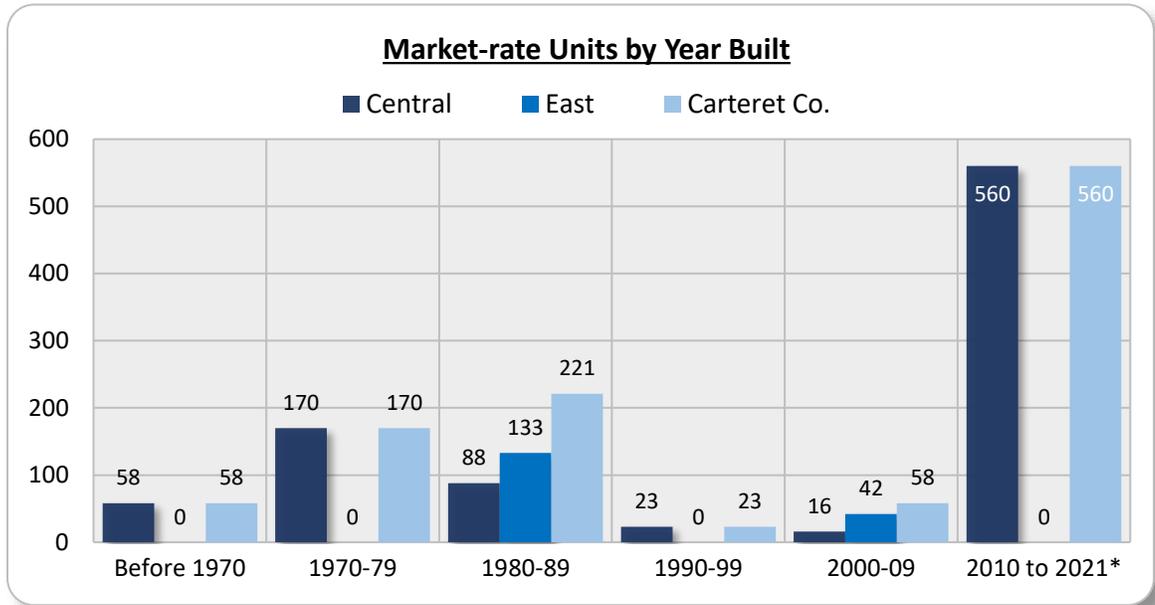
The following table summarizes the distribution of market-rate product surveyed by year built for the PSA (Carteret County):

Year Built – Market-Rate			
Year Built	Projects	Units	Vacancy Rate
Central			
Before 1970	2	58	0.0%
1970 to 1979	4	170	1.2%
1980 to 1989	3	88	0.0%
1990 to 1999	2	23	0.0%
2000 to 2009	1	16	0.0%
2010 to 2021*	4	560	0.5%
East			
Before 1970	0	0	-
1970 to 1979	0	0	-
1980 to 1989	3	133	0.0%
1990 to 1999	0	0	-
2000 to 2009	2	42	0.0%
2010 to 2021*	0	0	-
Carteret County			
Before 1970	2	58	0.0%
1970 to 1979	4	170	1.2%
1980 to 1989	6	221	0.0%
1990 to 1999	2	23	0.0%
2000 to 2009	3	58	0.0%
2010 to 2021*	4	560	0.5%

*As of April

The largest shares of market-rate product in the PSA (Carteret County) were built since 2010, though a notable portion was built between 1970 and 1990. Despite the large amount of market-rate product developed in the county over the past decade, virtually all of it is occupied and a strong level of demand remains for additional market-rate product.

The distribution of surveyed market-rate units in the PSA (Carteret County) by development period is shown in the following graph.



*As of April

Representatives of Bowen National Research personally visited the surveyed rental projects within the market and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e., aesthetic appeal, building appearance, landscaping and grounds appearance).

The following is a distribution of the surveyed market-rate supply by quality rating.

Quality Rating – Market-rate							
Market-rate Properties				Median Collected Rent			
Quality Rating	Projects	Total Units	Vacancy Rate	Studio	One-Br.	Two-Br.	Three-Br.
Central							
A	2	200	0.0%	-	\$1,214	\$1,324	\$1,494
B+	2	360	0.8%	-	\$1,065	\$1,255	\$1,435
B	9	313	0.6%	\$520	\$650	\$850	\$895
B-	1	16	0.0%	-	-	\$723	-
C+	1	24	0.0%	-	\$650	-	-
C	1	2	0.0%	-	-	\$745	\$883
East							
B+	1	28	0.0%	-	-	\$1,025	\$1,600
B	3	51	0.0%	-	\$625	\$675	-
B-	1	96	0.0%	-	-	\$850	\$825
Carteret County							
A	2	200	0.0%	-	\$1,214	\$1,324	\$1,494
B+	3	388	0.8%	-	\$1,065	\$1,255	\$1,435
B	12	364	0.5%	\$520	\$650	\$850	\$895
B-	2	112	0.0%	-	-	\$785	\$825
C+	1	24	0.0%	-	\$650	-	-
C	1	2	0.0%	-	-	\$745	\$883

The vast majority of the surveyed market-rate supply in the PSA (Carteret County) consists of product with a quality rating “B” or higher, indicating the market has a large inventory of good to higher quality market-rate apartment product. As the preceding table illustrates, there is a clear rent premium for higher quality product. Demand for product is high among all quality levels.

Tax Credit Apartments

Tax Credit housing is developed under the Low-Income Housing Tax Credit (LIHTC) program. Typically, these units serve households with incomes of up to 60% of Area Median Household Income (AMHI), though recent legislation allows for some units to target households with incomes of up to 80% of AMHI. A total of 11 surveyed multifamily projects with 464 units operate under the programmatic restrictions of the Tax Credit program.

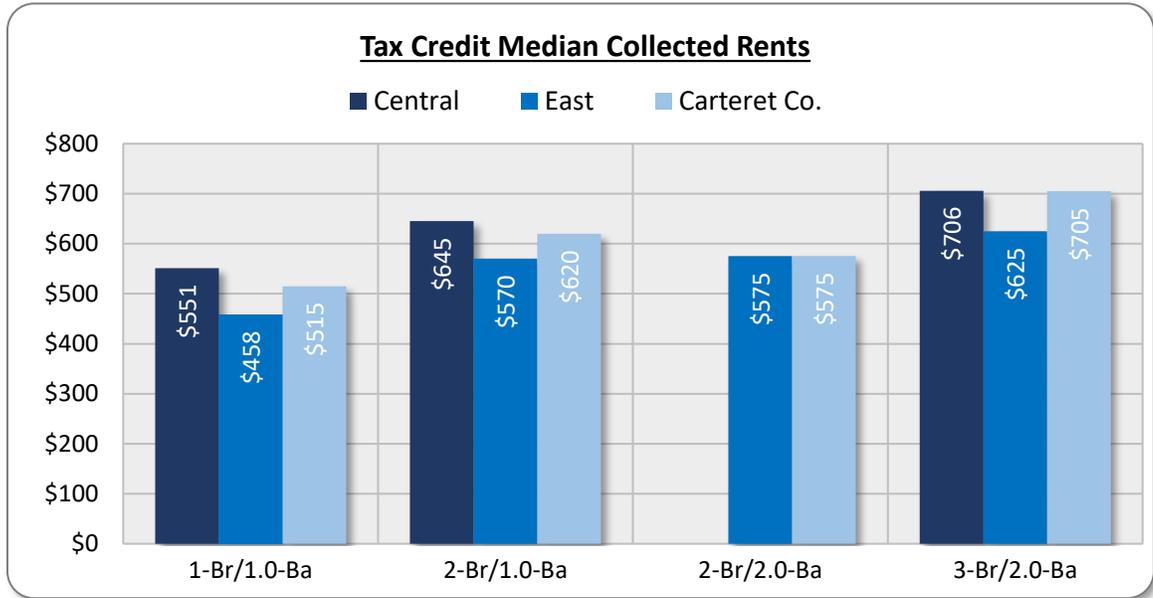
The following table summarizes the breakdown of non-subsidized Tax Credit units surveyed within the PSA (Carteret County) and its submarkets (Central and East submarkets).

Non-Subsidized Tax Credit						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
Central						
One-Bedroom	1.0	119	45.8%	0	0.0%	\$551
Two-Bedroom	1.0	92	35.4%	0	0.0%	\$645
Three-Bedroom	2.0	49	18.8%	0	0.0%	\$706
Total Tax Credit		260	100.0%	0	0.0%	-
East						
One-Bedroom	1.0	64	31.4%	0	0.0%	\$458
Two-Bedroom	1.0	53	26.0%	0	0.0%	\$570
Two-Bedroom	1.5	21	10.3%	0	0.0%	\$490
Two-Bedroom	2.0	24	11.8%	0	0.0%	\$575
Three-Bedroom	2.0	42	20.6%	0	0.0%	\$625
Total Tax Credit		204	100.0%	0	0.0%	-
Carteret County						
One-Bedroom	1.0	183	39.4%	0	0.0%	\$515
Two-Bedroom	1.0	145	31.3%	0	0.0%	\$620
Two-Bedroom	1.5	21	4.5%	0	0.0%	\$490
Two-Bedroom	2.0	24	5.2%	0	0.0%	\$575
Three-Bedroom	2.0	91	19.6%	0	0.0%	\$705
Total Tax Credit		464	100.0%	0	0.0%	-

There is pent-up demand for this type of housing, as 10 of the 11 Tax Credit projects maintain a wait list with as many as 25 households. In total, there appear to be approximately 128 households waiting for units at Tax Credit projects in the county.

While the 464 Tax Credit units in the PSA (Carteret County) primarily consist of two-bedroom units (41.0%), the market has a slightly disproportionately high share (39.4%) distribution of one-bedroom units, when compared to other markets. Regardless, demand for all bedroom types among the Tax Credit supply is strong, given there are no vacancies among any of the bedroom types. The median rents by bedroom type among the Tax Credit product are significantly lower than the rents of corresponding bedroom types among the market-rate supply. As such, Tax Credit housing is a value in the overall market, which is likely contributing to its strong level of demand.

The following graph illustrates median Tax Credit rents among common bedroom types offered in the PSA.



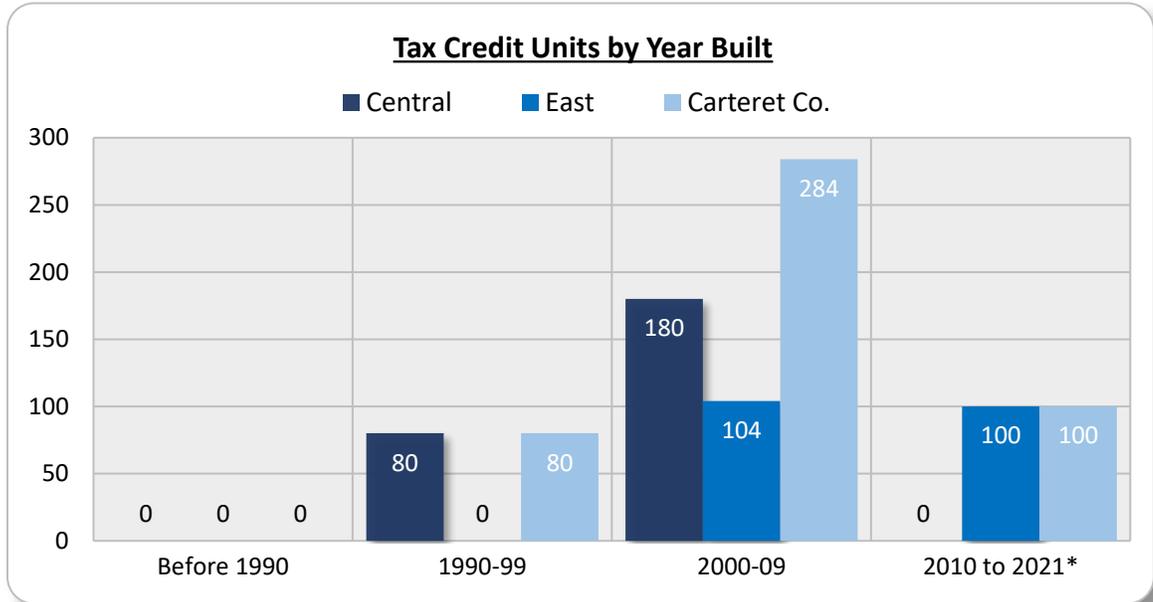
The following is a distribution of Tax Credit product surveyed by year built for the PSA (Carteret County) and the Central and East submarkets (Note: The Tax Credit program started in 1986):

Year Built – Non-Subsidized Tax Credit			
Year Built	Projects	Units	Vacancy Rate
Central			
Before 1970	0	0	-
1970 to 1979	0	0	-
1980 to 1989	0	0	-
1990 to 1999	2	80	0.0%
2000 to 2009	4	180	0.0%
2010 to 2021*	0	0	-
East			
Before 1970	0	0	-
1970 to 1979	0	0	-
1980 to 1989	0	0	-
1990 to 1999	0	0	-
2000 to 2009	3	104	0.0%
2010 to 2021*	2	100	0.0%
Carteret County			
Before 1970	0	0	-
1970 to 1979	0	0	-
1980 to 1989	0	0	-
1990 to 1999	2	80	0.0%
2000 to 2009	7	284	0.0%
2010 to 2021*	2	100	0.0%

*As of April

Most of the surveyed Tax Credit units were built between 2000 and 2009. There are no Tax Credit vacancies regardless of development period.

The distribution of Tax Credit units in the PSA by year built is shown in the following graph:



*As of April

Representatives of Bowen National Research personally visited the surveyed rental projects within the market and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e., aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of the Tax Credit properties by quality rating.

Quality Rating - Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
Central			
B	6	260	0.0%
East			
B+	4	160	0.0%
B	1	44	0.0%
Carteret County			
B+	4	160	0.0%
B	7	304	0.0%

The surveyed Tax Credit projects in the county are all rated a "B" or "B+," indicating that the non-subsidized Tax Credit product is in good condition. Regardless of quality, demand for affordable housing is strong in the PSA.

Government-Subsidized Housing

A total of seven projects were identified within the PSA (Carteret County) that offer at least some units that operate with a government subsidy. Government- subsidized housing typically requires residents to pay 30% of their adjusted gross income toward rent and generally qualifies households with incomes of up to 50% of AMHI.

The government-subsidized units surveyed within the PSA and the Central and East submarkets are summarized as follows.

Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Central					
One-Bedroom	1.0	98	48.8%	0	0.0%
Two-Bedroom	1.0	48	23.9%	0	0.0%
Two-Bedroom	1.5	33	16.4%	0	0.0%
Three-Bedroom	1.5	22	10.9%	0	0.0%
Total Subsidized		201	100.0%	0	0.0%
East					
One-Bedroom	1.0	56	34.1%	0	0.0%
Two-Bedroom	1.0	50	30.5%	0	0.0%
Two-Bedroom	1.5	32	19.5%	0	0.0%
Three-Bedroom	1.5	26	15.9%	0	0.0%
Total Subsidized		164	100.0%	0	0.0%
Carteret County					
One-Bedroom	1.0	154	42.2%	0	0.0%
Two-Bedroom	1.0	98	26.8%	0	0.0%
Two-Bedroom	1.5	65	17.8%	0	0.0%
Three-Bedroom	1.5	48	13.2%	0	0.0%
Total Subsidized		365	100.0%	0	0.0%

The seven subsidized projects within the PSA contain 365 units and are 100% occupied. All seven of the subsidized projects have wait lists that contain an overall total of 76 households, with the longest individual project wait list of 25 households and eight months. Based on this research, it is evident that there is pent-up demand for housing that is affordable to very low-income renter households (making 50% or less of AMHI). Because of the very limited options available, many very low-income households must consider other rental housing alternatives such as the non-subsidized multifamily housing options or non-conventional housing options (e.g., single-family homes and duplexes, or even mobile homes).

According to a representative with the Coastal Community Action Association, there are approximately 399 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 131 people currently on the waiting list for additional Vouchers. The waiting list is open. Annual turnover is estimated at 36 households. The long wait list reflects the continuing need for Housing Choice Voucher assistance. Given there were no available Tax Credit units and very few available market-rate apartment units identified in the market, it is likely that many voucher holders are unable to find housing that will accept their vouchers.

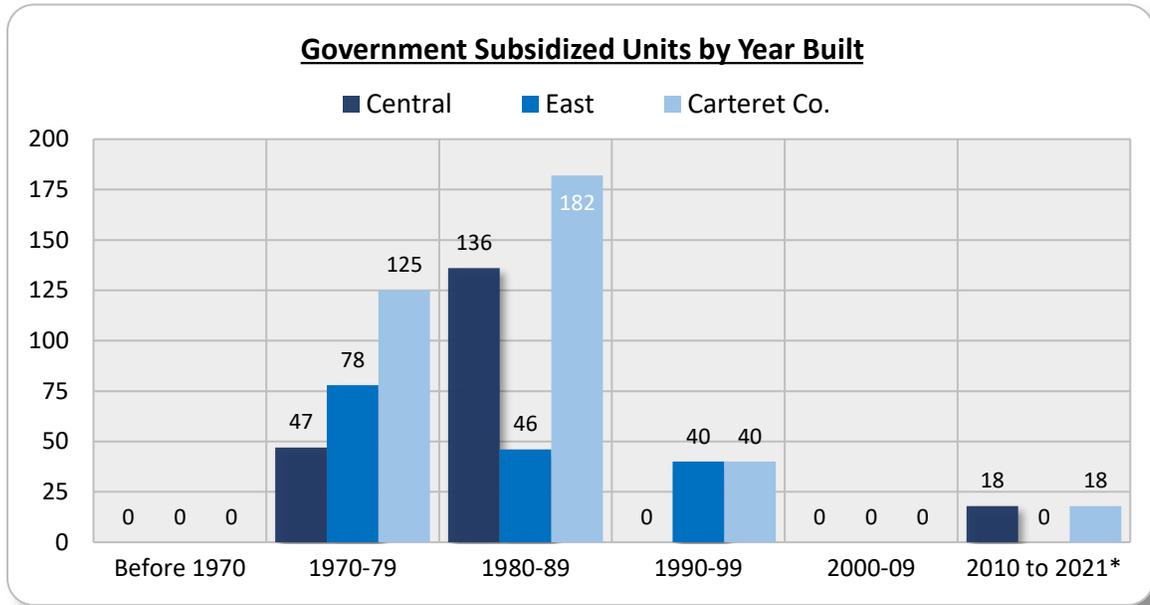
The following table summarizes the distribution of government-subsidized product surveyed by year built for the PSA and its submarkets:

Year Built – Government-Subsidized			
Year Built	Projects	Units	Vacancy Rate
Central			
Before 1970	0	0	-
1970 to 1979	1	47	0.0%
1980 to 1989	2	136	0.0%
1990 to 1999	0	0	-
2000 to 2009	0	0	-
2010 to 2021*	1	18	0.0%
East			
Before 1970	0	0	-
1970 to 1979	1	78	0.0%
1980 to 1989	1	46	0.0%
1990 to 1999	1	40	0.0%
2000 to 2009	0	0	-
2010 to 2021*	0	0	-
Carteret County			
Before 1970	0	0	-
1970 to 1979	2	125	0.0%
1980 to 1989	3	182	0.0%
1990 to 1999	1	40	0.0%
2000 to 2009	0	0	-
2010 to 2021*	1	18	0.0%

*As of April

Most of the overall PSA’s (Carteret County) subsidized apartment supply was built between 1970 and 1989, reflective of an older housing stock that may need modernized and/or repaired.

The graph below illustrates the inventory of surveyed government-subsidized units by development period for the PSA:



*As of April

Representatives of Bowen National Research personally visited the surveyed rental projects within the market and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e., aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of subsidized housing by quality rating.

Quality Rating - Government-Subsidized			
Quality Rating	Projects	Units	Vacancy Rate
Central			
B+	1	18	0.0%
B	1	100	0.0%
C+	1	36	0.0%
C	1	47	0.0%
East			
B	1	124	0.0%
C+	2	40	0.0%
Carteret County			
B+	1	18	0.0%
B	2	224	0.0%
C+	3	76	0.0%
C	1	47	0.0%

Most of the PSA’s (Carteret County) subsidized rental units are within a “B” rated property or higher. This rating is representative of a project in good condition. Only 47 subsidized units, representing 12.9% of the surveyed subsidized units, were rated “C.” Such product may require some improvements or repairs.

We also evaluated the potential number of existing subsidized affordable housing units that are at risk of losing their affordable status. A total of seven properties in the county operate as a subsidized project under a current HUD contract. Because these contracts have a designated renewal date, it is important to understand if any of these projects are at risk of an expiring contract in the near future that could result in the reduction of affordable rental housing stock (Note: Properties with recently scheduled HUD contract renewal/expiration dates are shown in red).

Expiring HUD Contracts Carteret County, NC						
Property Name	City	Total Units	Assisted Units	Renewal Date	Program Type	Program Group
ARC/HDS CARTERET CO GH #2	Beaufort	7	6	2/4/2021	202/162 NC	PAC 202/811
ARC/HDS CARTERET CO GH	Newport	6	5	5/1/2021	202/8 NC	Sec. 202
CARTERET COURT APTS.	Beaufort	78	78	2/15/2026	515/8 NC	S8 FmHA
CRYSTAL COAST APTS.	Morehead City	50	47	12/31/2031	Preservation	S8 Preservation
EKKLESIA II	Morehead City	20	20	11/4/2020	PRAC 202	PRAC 202/811
EKKLESIA	Morehead City	80	80	3/30/2033	202/8 NC	Sec. 202
CAC OF CARTERET CO.	Morehead City	9	8	10/31/2021	PRAC 811	PRAC 202/811

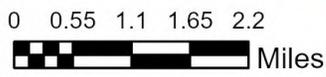
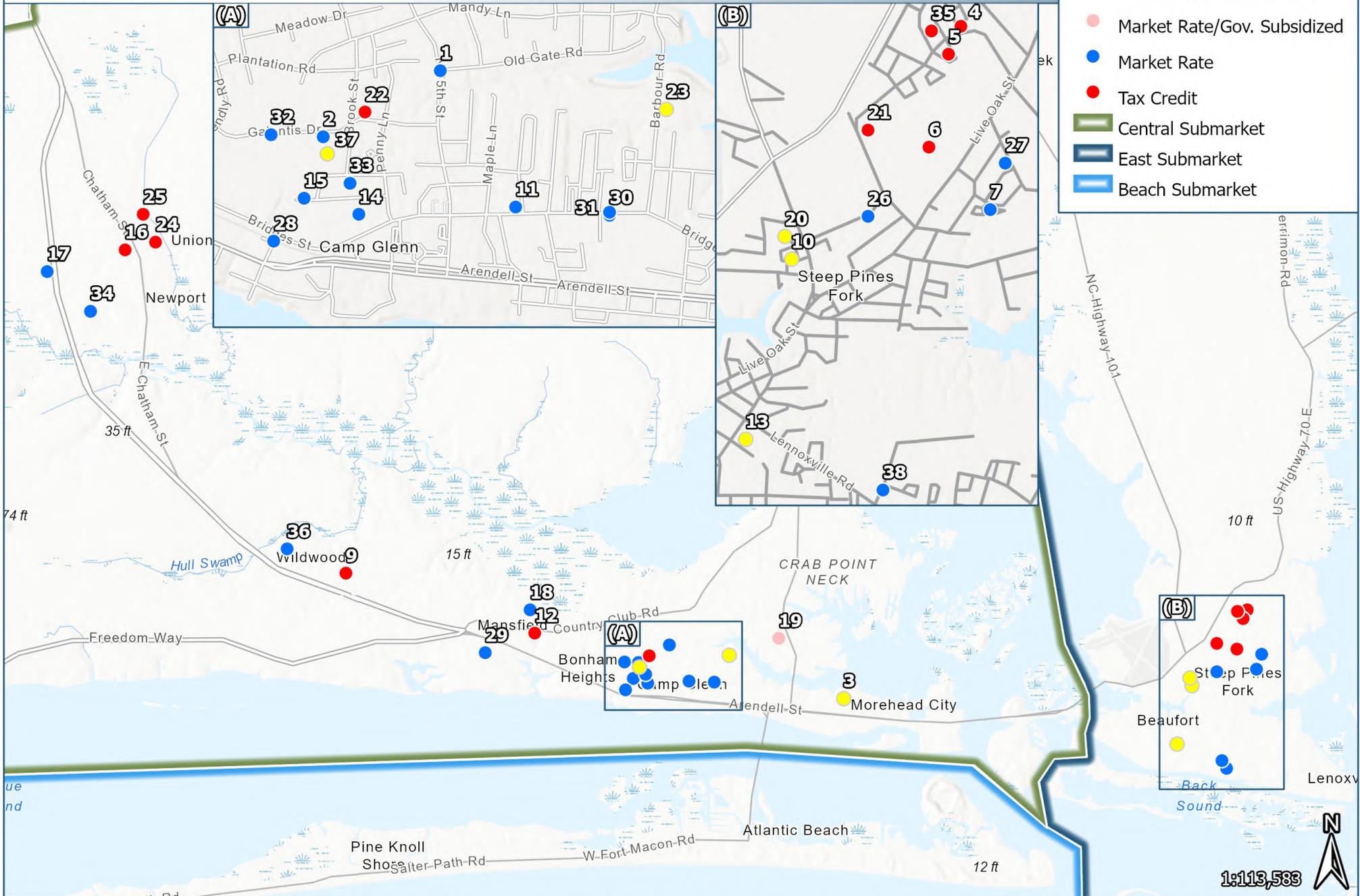
Source: HUDUser.gov Assistance & Section 8 Contracts Database (Updated 10.30.20); Bowen National Research

While all HUD supported projects are subject to annual appropriations by the federal government, it appears that three projects have an overall renewal date within the next five years (by 2026) and are at *potential* risk of losing their government assistance in the near future. It is worth pointing out that two of these projects had their HUD contracts scheduled for expiration/renewal in the past six months and may have already expired. Given the high occupancy rates and wait lists among the market’s surveyed subsidized properties, it will be important for the area’s low-income residents that the projects with pending expiring HUD contracts be preserved in order to continue to house some of the market’s most economically vulnerable residents.

A map illustrating the location of all multifamily apartments surveyed within the overall PSA is included on the following page.

Apartment Type

- Government Subsidized
- Market Rate/Gov. Subsidized
- Market Rate
- Tax Credit
- Central Submarket
- East Submarket
- Beach Submarket



Esri, NASA, NGA, USGS, Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA
 Additional Source(s): Bowen National Research

3. Non-Conventional Rental Housing

Non-conventional rentals are generally considered rental units consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. Typically, these rentals are older, offer few amenities and lack on-site management and maintenance. For the purposes of this analysis, we have assumed that rental properties consisting of four or less units are non-conventional rentals. Based on the American Community Survey, the number of units within renter-occupied structures is summarized below:

		Renter-Occupied Housing by Units in Structure		
		4 or Less*	5 or More	Total
Beach	Number	606	107	713
	Percent	85.0%	15.0%	100.1%
Central	Number	3,550	983	4,533
	Percent	78.3%	21.7%	100.0%
East	Number	1,812	321	2,133
	Percent	85.0%	15.0%	100.0%
West	Number	673	112	785
	Percent	85.7%	14.3%	100.0%
Carteret County	Number	6,642	1,523	8,165
	Percent	81.3%	18.7%	100.1%

*Includes single-family homes, duplexes, fourplexes, and mobile homes

As the preceding table illustrates, non-conventional rentals with four or fewer units per structure dominate the local housing market, as they represent over four-fifths (81.3%) of rental units in the PSA (Carteret County). This characteristic appears to exist in each of the submarkets, as each submarket generally has about 80% of its rental product in smaller, non-conventional alternatives, such as a house, mobile home, etc.

The following summarizes monthly gross rents (per unit) for area rental alternatives. While this data includes all rentals and may include some multifamily apartments, most of the local market's rental supply consists of non-conventional rentals. Therefore, it is reasonable to assume that the following provides some insight on the composition of non-conventional rental housing rents. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

Gross Rents by Market										
Gross Rent	PSA (County)		Beach		Central		East		West	
	Number of Units	Percent of Units								
Less than \$300	392	4.8%	0	0.0%	175	3.9%	217	10.2%	0	0.0%
\$300-\$500	597	7.3%	0	0.0%	396	8.7%	123	5.8%	78	9.9%
\$500-\$750	1,637	20.0%	77	10.8%	1,058	23.3%	449	21.1%	54	6.9%
\$750-\$1,000	1,884	23.1%	153	21.5%	1,123	24.8%	465	21.8%	143	18.2%
\$1,000-\$1,500	2,123	26.0%	263	36.9%	1,149	25.3%	470	22.0%	240	30.6%
\$1,500-\$2,000	550	6.7%	90	12.6%	306	6.7%	25	1.2%	128	16.3%
\$2,000+	189	2.3%	47	6.6%	57	1.3%	34	1.6%	51	6.5%
No Cash Rent	793	9.7%	83	11.6%	270	6.0%	350	16.4%	90	11.5%
Total	8,165	100.0%	713	100.0%	4,534	100.0%	2,133	100.0%	784	100.0%

Source: American Community Survey 2015-2019; Urban Decision Group

As the preceding table illustrates, the largest share (26.0%) of PSA (Carteret County) rental units has rents between \$1,000 and \$1,500. More than a third (35.0%) of all PSA rentals have rents above \$1,000, demonstrating that higher priced product exists and the potential exists in the market to achieve such premiums. Regardless of the higher-end segment, it appears most (55.2%) of the rents in the PSA are below \$1,000. A comparison of submarkets illustrates that the Beach and West submarkets have higher shares of higher end product priced over \$1,000, representing shares of 56.1% and 53.4% of the respective submarkets' rental supply.

In February through April of 2021, Bowen National Research identified 37 non-conventional rentals in the PSA that were listed as *available* for rent. These properties were identified through a variety of online sources. Additionally, staff of Bowen National Research interviewed several real estate property management companies and conducted on-site research to identify listings of available rentals. Through this extensive research, we believe that we have identified most vacant non-conventional rentals in the PSA. While these rentals do not represent all non-conventional rentals, these units are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other features of non-conventional rentals. The available non-conventional rentals in the county are summarized in the following table.

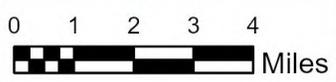
Available Non-Conventional Rentals							
Bedroom Type	Units	Average Number of Baths	Average Year Built	Average Square Feet	Rent Range	Average Rent	Average Rent Per Square Foot
Studio	0	-	-	-	-	-	-
One-Bedroom	3	1.0	1955	589	\$895 - \$1,350	\$1,115	\$1.69
Two-Bedroom	13	1.4	1979	971	\$700 - \$1,500	\$1,015	\$1.04
Three-Bedroom	17	2.1	1984	1,547	\$865 - \$3,100	\$1,797	\$1.19
Four-Bedroom	4	2.9	1991	2,625	\$1,375 - \$2,500	\$2,010	\$0.76

*Monthly Collected Rent Per Unit is used for comparison purposes.

The available non-conventional rentals identified in the county primarily consist of two- and three-bedroom units, with per unit rents ranging from \$700 to \$3,100 for these bedroom types. Despite the fact that the average year built indicates much of this non-conventional product is at least three decades old, the average collected rent by bedroom type for the most common bedroom types is \$1,015 for a two-bedroom unit and \$1,797 for a three-bedroom unit. When typical tenant utility costs (at least \$200) are also considered, the inventoried non-conventional units have *gross* average rents well over \$1,200 and are higher than many of the apartments surveyed in the area. As such, it is unlikely that many low-income residents would be able to afford non-conventional rental housing in the area. Based on this analysis, while the inventory of available non-conventional rentals is limited, the typical rents for such product indicate that such housing is not a viable alternative for most lower income households.

A map delineating the location of identified non-conventional rentals currently available to rent in the area is included on the following page.

- Non-Conv. Rental
- ▬ West Submarket
- ▬ Central Submarket
- ▬ East Submarket
- ▬ Beach Submarket



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, CGIAR, USGS
Additional Source(s): Bowen National Research



4. Vacation Rentals

Carteret County is greatly influenced by tourism, vacation rentals and second homes. While data specifically categorizing a home as a second home is not available, American Community Survey (ACS) collects information on vacant housing units by housing type. One of the categories is “Seasonal or Recreational” housing units. According to ACS estimates, there were 16,509 vacant (not a permanent/primary residence) seasonal or recreational housing units in the county in 2019. These units represent 80.7% of all *vacant* units in the county. The following table illustrates the number and share (as compared to all housing units) of seasonal/recreational units for 2010 (Census) and 2019 (ACS).

Housing Classified as Seasonal or Recreational Units Carteret County, North Carolina			
2010 Census		2019 ACS Estimates	
Total Units	Share of All Units	Total Units	Share of All Units
15,402	32.0%	16,509	32.9%

Source: American Community Survey Five-Year Estimates (2015-2019)

Based on the preceding information, it appears that the number of seasonal/recreational housing units in the county increased from 15,402 in 2010 to 16,509 in 2019, an increase of 1,107 units or 7.2% since 2010. The total number of all housing units, regardless of type or use, increased during this period by 2,040, an increase of 4.2%. While the share of seasonal/recreational housing units as a percentage of all housing units increased slightly (32.9% vs. 32.0%), the *rate of increase* of seasonal/recreational homes is greater than the overall growth rate of all housing units (7.2% vs. 4.2%). Therefore, it appears that seasonal/recreational housing is becoming a greater part of the overall housing market. However, it is important to point out that while the estimated number of non-seasonal/non-recreational housing units continues to grow (32,777 units in 2010 to 33,710 units in 2019), the growth rate of such housing (2.9%) is less than the growth rate among seasonal/recreational housing. As such, as Carteret County is expected to continue to experience population and household growth in the years ahead and the current inventory has limited availability, the county will want to ensure that permanent resident housing is developed at a pace to keep up with the anticipated growth of the area.

We conducted a review of *advertised* vacation rentals listed on VRBO.com that were *available* for the week of September 27, 2021 to October 1, 2021. It is important to keep in mind that the number of listings provided at specific times fluctuates throughout the year, as does their rates. As such, this analysis provides a snapshot of product available during a few days in early fall of 2021. Using a parameter of a family with two adults and two children, we identified over 550 vacation rentals. Following is a chart summarizing the number of available rentals identified by daily rate.

Available Vacation Rentals – Carteret County Week of September 27, 2021 to October 1, 2021	
Number of Rentals	Daily Pricing
450	\$100 - \$300
104	\$310 - \$700
6	\$710 - \$1,250

Source: VRBO.com

The daily rental rates for the identified vacation rental units range from \$100 to \$1,250 per day, which is equivalent to approximately \$3,040 to \$38,020 per month. Additionally, the time period we ran a query for is outside of peak season for the region; therefore, daily rates are much higher in the summer months. As a result, the rates shown above are some of the lower rates of the year. At a base monthly rent of \$3,040, these vacation rentals do not represent a viable permanent housing option for most households. These rates do, however, illustrate the premiums that such rentals can achieve and indicate likely motivation for people to build vacation rentals and/or convert existing housing stock into a vacation rental. This is not unusual for a market that is heavily influenced by tourism like Carteret County.

To better understand whether or not long-term/permanent rentals are being converted to vacation rentals, we reviewed the total number of renter-occupied units and the total number of vacant rental units in 2010 and compared them with 2019 ACS estimates.

Rental Units (Occupied and Vacant) Carteret County, North Carolina					
2010 Census			2019 ACS Estimates		
Occupied	Vacant	Total	Occupied	Vacant	Total
8,268	1,740	10,008	8,165	595	8,760

Source: American Community Survey Five-Year Estimates (2015-2019)

As the preceding table illustrates, while the number of occupied rental units had gone virtually unchanged between 2010 and 2019, the *total* number of rental units (both occupied and vacant) has decreased significantly during this time period. The total number of 10,008 units in 2010 decreased to 8,760 in 2019, a reduction of 1,248 units, or a decrease of 12.5%. While the decrease may be due to a variety of factors (e.g., rentals being converted to owner-occupied units, units lost due to natural disaster, units lost due to demolition or conversion to non-residential uses, etc.) it is likely that many permanent rental units have been converted to short-term vacation rentals. As such, it will be important that existing rental housing be preserved and additional rental units be built to help compensate for the loss of permanent rental housing units in recent years.

C. FOR-SALE HOUSING SUPPLY

1. Introduction

Bowen National Research obtained for-sale housing data from the local Multiple Listing Service provider for the PSA (Carteret County). The *historical* and *available* for-sale data which we collected and analyzed includes the distribution of housing by number of bedrooms, price point, and year built. While this sales/listing data does not include all for-sale residential transactions or supply in the study areas, it does consist of the majority of such product and therefore, it is representative of market norms for for-sale housing product.

The following table summarizes the available and recently sold homes for each study area:

For-Sale Housing Supply		
Sold*		
Study Area	Listings	Median Price
Beach	2,494	\$360,000
Central	2,395	\$225,000
East	1,342	\$229,000
West	1,307	\$270,000
Carteret County	7,538	\$275,375
Available**		
Study Area	Listings	Median Price
Beach	63	\$525,000
Central	66	\$499,450
East	44	\$454,950
West	29	\$275,000
Carteret County	202	\$472,250

Source: NCRMLS (North Carolina Regional MLS)

*Sales from Jan. 1, 2017 to Dec. 31, 2020

**As of May 3, 2021

Within the PSA (Carteret County), over 7,500 homes were sold during the four-year period between 2017 and 2020 with a median price of \$275,375. This equates to an annual average of 1,885 homes sold. The largest volume of homes sold has been within the Beach Submarket, with 2,494 homes sold representing one-third (33.1%) of the county's historical sales. This submarket also has the highest median sales price at \$360,000. A nearly equal number of 2,395 homes have sold within the Central Submarket, also representing about a third (31.8%) of the county's sales activity.

The 2017 to 2020 period included two hurricanes: Florence in September 2018 and Dorian in September 2019. Hurricane Florence had a particularly adverse impact on housing of all types in Carteret County due to the damage caused by large volumes of wind-driven rain over several consecutive days. The impacts of Hurricane Florence depressed for-sale inventories and real estate sales in the 4th quarter of 2018 and throughout 2019. Conversely, the COVID-19 pandemic caused increased demand for coastal properties in 2020, which has continued into 2021. Consequently, 2020 sales likely reflect both a pent-up demand for sellers caused by new inventory resulting from the completion of Hurricane Florence repairs, and a heightened demand by buyers seeking coastal/resort homes and condominiums as a result of the pandemic.

The *available* for-sale housing stock consists of 202 units with a median list price of \$472,250. There are two available inventory metrics most often used to evaluate the health of a for-sale housing market. This includes *Months Supply of Inventory* (MSI) and availability rate. Overall, based on the average annual absorption rate of 1,885 homes, the county's 202 homes listed as available for purchase represent 1.3 months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). The PSA's 1.3 months of inventory is low and indicates limited available supply. When comparing the 202 units with the overall inventory of owner-occupied units, the PSA has a vacancy/availability rate of 0.9%, which is well below the normal range of 2.0% to 3.0% for a well-balanced for-sale/owner-occupied market. This is an indication of a likely shortage of for-sale housing.

2. Historical For-Sale Analysis

Through the local Multiple Listing Service, we identified 7,538 housing units within the PSA (Carteret County) that were sold between January 2017 and December 2020. Most of identified recently sold for-sale product within the county consists of single-family homes. While there are likely some other for-sale residential units available for purchase, the for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in each study area.

In an effort to better understand the health of a for-sale housing market, it is important to understand numerous historical metrics of the for-sale housing supply, including trends in both annual home sales volume (number of homes sold) and annual median home sales price since 2017 (excludes 2021). The following table illustrates the annual sales activity from 2017 to 2020 for each study area:

Sales History by Year (2017 through 2020)				
Beach				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2017	594	-	\$323,500	-
2018	550	-7.4%	\$290,000	-10.4%
2019	533	-3.1%	\$370,000	27.6%
2020	817	53.3%	\$405,000	9.5%
Central				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2017	553	-	\$212,450	-
2018	538	-2.7%	\$210,000	-1.2%
2019	577	7.2%	\$227,500	8.3%
2020	727	26.0%	\$238,690	4.9%
East				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2017	307	-	\$187,000	-
2018	301	-2.0%	\$208,000	11.2%
2019	345	14.6%	\$247,500	19.0%
2020	389	12.8%	\$268,000	8.3%
West				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2017	304	-	\$247,965	-
2018	312	2.6%	\$259,000	4.5%
2019	284	-9.0%	\$277,250	7.0%
2020	407	43.3%	\$288,740	4.1%
Carteret County				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2017	1,758	-	\$255,000	-
2018	1,701	-3.2%	\$257,500	4.1%
2019	1,739	2.2%	\$277,000	7.6%
2020	2,340	34.6%	\$304,425	9.9%

Source: NCRMLS (North Carolina Regional MLS)

Within the PSA (Carteret County), the number of homes sold on an annual basis has increased in each of the past two years, increasing at an *annual* rate of 2.2% in 2019 then escalating by 34.6% in 2020. The median price of homes sold within the PSA also increased over each of the past three years, at an average annual rate of 7.2%. The median household income in the PSA increased at an annual rate of 2.7% over the past decade. As such, on a broad scale, home prices appear to be greatly outpacing household income growth on an annual basis. It is worth pointing out that the *annual rate of increase* among the median sales price has increased at a greater annual rate than each preceding year since 2017. While many of the preceding metrics are positive indicators of the strong level of demand for for-sale product in the county, they also indicate that rapidly increasing home prices may begin to make buying a home unattainable for many low- and moderate-income households.

While all four submarkets have experienced notable growth in housing prices over the past four years, the Beach Submarket had the largest increase in median list price, increasing by \$81,500 since 2017 to a county-high of \$405,000 in 2020. The greatest percent increase occurred in the East Submarket, as this submarket has seen a 43.3% increase in median list price since 2017. Regardless, the relatively rapid increase in median list prices has placed greater challenges on many households to be able to afford a home within the county.

The distribution of homes recently sold *by price point* for each study area is summarized in the following table.

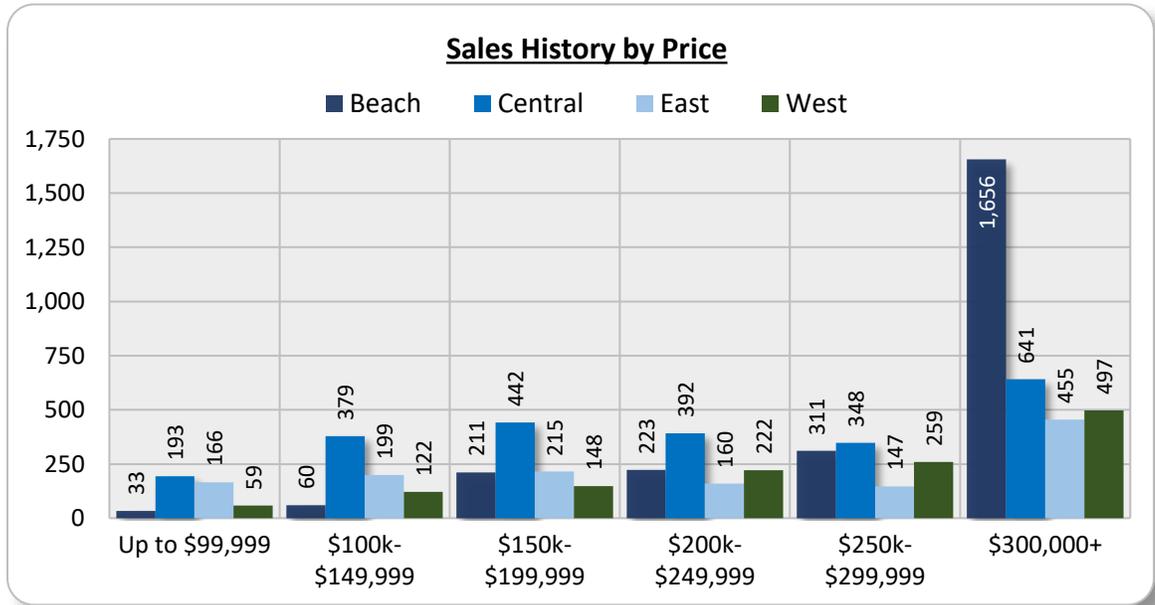
Sales History by Price (Jan. 1, 2017 to Dec. 31, 2020)			
Beach			
List Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	33	1.3%	155
\$100,000 to \$149,999	60	2.4%	132
\$150,000 to \$199,999	211	8.5%	136
\$200,000 to \$249,999	223	8.9%	120
\$250,000 to \$299,999	311	12.5%	142
\$300,000+	1,656	66.4%	120
Total	2,494	100.0%	125
Central			
List Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	193	8.1%	85
\$100,000 to \$149,999	379	15.8%	78
\$150,000 to \$199,999	442	18.5%	67
\$200,000 to \$249,999	392	16.4%	66
\$250,000 to \$299,999	348	14.5%	80
\$300,000+	641	26.8%	115
Total	2,395	100.0%	85
East			
List Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	166	12.4%	153
\$100,000 to \$149,999	199	14.8%	112
\$150,000 to \$199,999	215	16.0%	98
\$200,000 to \$249,999	160	11.9%	98
\$250,000 to \$299,999	147	11.0%	144
\$300,000+	455	33.9%	138
Total	1,342	100.0%	125
West			
List Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	59	4.5%	114
\$100,000 to \$149,999	122	9.3%	104
\$150,000 to \$199,999	148	11.3%	103
\$200,000 to \$249,999	222	17.0%	87
\$250,000 to \$299,999	259	19.8%	79
\$300,000+	497	38.0%	89
Total	1,307	100.0%	91
Carteret County			
List Price	Number Sold	Percent of Supply	Average Days on Market
Up to \$99,999	451	6.0%	119
\$100,000 to \$149,999	760	10.1%	95
\$150,000 to \$199,999	1,016	13.5%	93
\$200,000 to \$249,999	997	13.2%	88
\$250,000 to \$299,999	1,065	14.1%	107
\$300,000+	3,249	43.1%	117
Total	7,538	100.0%	106

Source: NCRMLS (North Carolina Regional MLS)

Over two-fifths (43.1%) of recently sold product within the PSA (Carteret County) was priced above \$300,000, while just over one-quarter (27.3%) was priced between \$200,000 and \$299,999. Nearly a quarter (23.6%) of recently sold product was priced between \$100,000 and \$199,999. As such, while most sales activity has been within higher end product, the market has had relatively balanced sales activity among the various price points. It is worth pointing out that product priced between \$100,000 and \$249,999 has generally sold the quickest, as the three price segments that fall within this price band each have an average number of days on market of less than 100. This is reflective of the high level of demand for these more affordable homes.

The Central Submarket appears to have the most balanced sales activity among the various price points. This balanced inventory is likely a contributor to the fact that this market also has the lowest average number of days on market (85) when compared with the three other submarkets.

The distribution of recent home sales *by price point* within the various study areas is illustrated in the following graph.



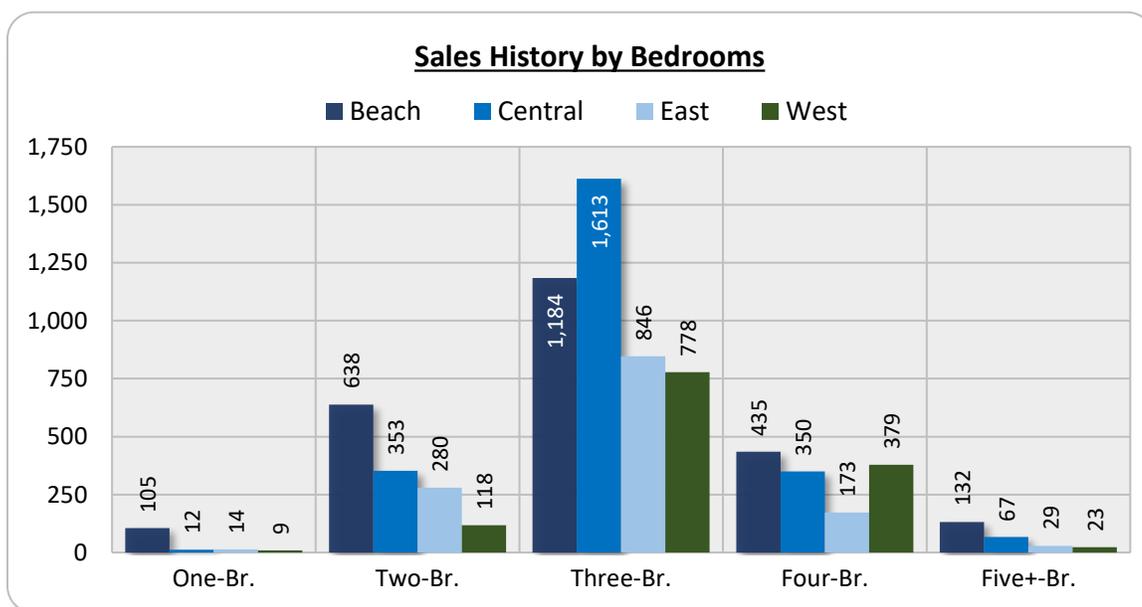
The following table illustrates recent home sales *by bedroom type*:

Sales History by Bedrooms (Jan. 1, 2017 to Dec. 31, 2020)								
Beach								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	105	1.25	549	1978	\$42,000 - \$275,000	\$142,000	\$253.83	144
Two-Br.	638	2.0	1,140	1990	\$38,000 - \$795,000	\$265,000	\$242.37	121
Three-Br.	1,184	2.75	1,722	1990	\$101,432 - \$1,410,000	\$369,251	\$236.75	116
Four-Br.	435	3.5	2,349	1991	\$169,000 - \$2,050,000	\$560,000	\$253.87	143
Five+-Br.	132	5.0	3,329	1994	\$150,000 - \$2,700,000	\$853,750	\$294.14	144
Total	2,494	2.75	1,718	1990	\$38,000 - \$2,700,000	\$360,000	\$242.37	125
Central								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	12	1.25	841	1971	\$32,500 - \$330,000	\$98,450	\$129.38	169
Two-Br.	353	2.0	1,233	1984	\$22,000 - \$639,000	\$149,000	\$125.00	78
Three-Br.	1,613	2.5	1,809	1989	\$17,500 - \$2,200,000	\$217,500	\$125.00	81
Four-Br.	350	3.25	2,587	1991	\$60,000 - \$2,500,000	\$304,250	\$125.03	102
Five+-Br.	67	4.0	3,496	1995	\$40,000 - \$2,100,000	\$386,500	\$124.04	111
Total	2,395	2.5	1,880	1989	\$17,500 - \$2,500,000	\$225,000	\$125.00	85
East								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	14	1.0	684	1951	\$34,500 - \$280,000	\$122,000	\$134.25	168
Two-Br.	280	1.75	1,247	1976	\$25,000 - \$750,000	\$147,625	\$134.02	113
Three-Br.	846	2.5	1,816	1988	\$15,000 - \$1,860,000	\$235,000	\$136.24	119
Four-Br.	173	3.0	2,426	1981	\$42,750 - \$2,500,000	\$315,000	\$132.56	170
Five+-Br.	29	4.25	3,284	1944	\$100,000 - \$2,650,000	\$776,000	\$216.67	155
Total	1,342	2.5	1,796	1983	\$15,000 - \$2,650,000	\$229,000	\$136.24	125
West								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	9	1.0	825	1980	\$114,000 - \$385,000	\$130,000	\$184.66	86
Two-Br.	118	2.0	1,122	1990	\$22,000 - \$525,000	\$148,500	\$123.61	99
Three-Br.	778	2.5	1,944	2001	\$16,000 - \$870,000	\$249,950	\$132.96	88
Four-Br.	379	3.25	2,664	2010	\$53,000 - \$950,000	\$334,900	\$123.82	93
Five+-Br.	23	4.25	3,570	2012	\$265,740 - \$800,000	\$439,900	\$118.02	98
Total	1,307	2.75	2,100	2003	\$16,000 - \$950,000	\$270,000	\$129.62	91
Carteret County								
Bedrooms	Number Sold	Average Baths	Average Square Feet	Average Year Built	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	140	1.25	605	1975	\$32,500 - \$385,000	\$140,000	\$238.15	145
Two-Br.	1,389	2.0	1,184	1985	\$22,000 - \$795,000	\$200,000	\$182.22	107
Three-Br.	4,421	2.5	1,811	1991	\$15,000 - \$2,200,000	\$269,900	\$143.16	99
Four-Br.	1,337	3.25	2,511	1995	\$42,750 - \$2,500,000	\$379,500	\$144.66	122
Five+-Br.	251	4.5	3,390	1990	\$40,000 - \$2,700,000	\$689,800	\$201.85	132
Total	7,538	2.5	1,850	1991	\$15,000 - \$2,700,000	\$275,375	\$150.80	106

Source: NCRMLS (North Carolina Regional MLS)

The median price of product in the PSA (Carteret County) is \$275,375 and the average days on market is 106. Much of the recent sales activity in the PSA involves the resale of older homes, as evidenced by the fact that the average year built of recently sold homes is 1991. Three-bedroom homes have been the dominant unit type among for-sale product in the PSA, representing 58.7% of home sales over the past four years. This share is similar to other markets. Three-bedroom units have also sold the quickest (average days on market of 99) among the various bedroom types. The median sales prices of four-bedroom homes (\$379,500) and five-bedroom homes (\$689,800) are notably higher than three-bedroom units. Such pricing makes it difficult for many larger family households to afford buying a home.

The distribution of recent home sales *by bedroom type* within the various study areas is shown in the following graph:



Recent home sales *by year built* for each study area are enumerated below:

Sales History by Year Built (Jan. 1, 2017 to Dec. 31, 2020)							
Beach							
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	16	4/2.75	1,744	\$150,000 - \$1,475,000	\$490,000	\$307.09	72
1950 to 1959	46	3/2.25	1,457	\$53,000 - \$1,600,000	\$312,000	\$242.70	88
1960 to 1969	43	3/2.0	1,490	\$42,000 - \$1,500,000	\$295,000	\$202.38	126
1970 to 1979	334	3/2.5	1,459	\$60,000 - \$1,968,000	\$297,500	\$237.23	132
1980 to 1989	968	3/2.5	1,412	\$38,000 - \$2,050,000	\$321,000	\$245.23	114
1990 to 1999	436	3/3.0	1,986	\$101,432 - \$1,925,000	\$401,925	\$243.15	118
2000 to 2009	437	3/3.5	2,251	\$172,000 - \$2,350,000	\$440,000	\$243.15	134
2010 to present	214	3/3.5	1,976	\$71,000 - \$2,700,000	\$417,500	\$236.53	168
Total	2,494	3/2.75	1,718	\$38,000 - \$2,700,000	\$360,000	\$242.37	125
Central							
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	176	3/2.0	1,564	\$36,500 - \$2,100,000	\$195,500	\$129.65	89
1950 to 1959	102	3/1.75	1,432	\$32,500 - \$2,500,000	\$143,500	\$112.60	97
1960 to 1969	135	3/2.25	1,808	\$25,500 - \$2,000,000	\$179,900	\$114.42	77
1970 to 1979	189	3/2.5	1,733	\$31,000 - \$1,205,000	\$193,000	\$119.71	99
1980 to 1989	410	3/2.5	1,722	\$24,000 - \$1,900,000	\$187,950	\$118.24	85
1990 to 1999	463	3/2.5	1,882	\$22,000 - \$1,850,000	\$208,500	\$124.41	74
2000 to 2009	622	3/2.75	2,026	\$17,500 - \$2,200,000	\$263,500	\$126.58	90
2010 to present	298	3/3.0	2,258	\$105,000 - \$1,900,000	\$286,905	\$135.47	78
Total	2,395	3/2.5	1,880	\$17,500 - \$2,500,000	\$225,000	\$125.00	85
East							
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	201	3/2.0	1,677	\$15,000 - \$2,650,000	\$194,500	\$136.24	131
1950 to 1959	87	3/1.75	1,512	\$20,000 - \$1,495,000	\$129,000	\$100.00	149
1960 to 1969	62	3/1.75	1,599	\$26,250 - \$675,000	\$146,500	\$87.76	149
1970 to 1979	98	3/2.0	1,552	\$35,000 - \$1,300,000	\$181,500	\$115.90	134
1980 to 1989	160	3/2.25	1,700	\$19,000 - \$2,132,212	\$186,000	\$119.56	116
1990 to 1999	154	3/2.5	1,910	\$19,900 - \$1,835,900	\$267,820	\$136.15	126
2000 to 2009	321	3/2.5	1,992	\$25,000 - \$2,125,000	\$228,000	\$129.56	103
2010 to present	259	3/2.75	1,869	\$105,900 - \$2,395,000	\$309,000	\$170.21	138
Total	1,342	3/2.5	1,796	\$15,000 - \$2,650,000	\$229,000	\$136.24	125
West							
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	10	2/1.75	1,423	\$65,000 - \$435,400	\$171,000	\$132.40	118
1950 to 1959	8	3/2.0	1,468	\$80,750 - \$690,000	\$235,515	\$159.92	45
1960 to 1969	39	3/2.0	1,687	\$114,000 - \$849,900	\$226,500	\$144.00	113
1970 to 1979	39	3/2.25	1,727	\$30,000 - \$665,000	\$220,000	\$133.93	109
1980 to 1989	108	3/2.25	1,613	\$16,000 - \$700,000	\$214,000	\$131.08	110
1990 to 1999	208	3/2.5	1,682	\$38,200 - \$810,000	\$200,500	\$137.20	115
2000 to 2009	405	3/2.75	2,162	\$53,000 - \$950,000	\$265,000	\$124.38	79
2010 to present	490	4/3.0	2,419	\$62,500 - \$843,017	\$305,000	\$131.26	83
Total	1,307	3/2.25	2,100	\$16,000 - \$950,000	\$270,000	\$129.62	91

Source: NCRMLS (North Carolina Regional MLS)

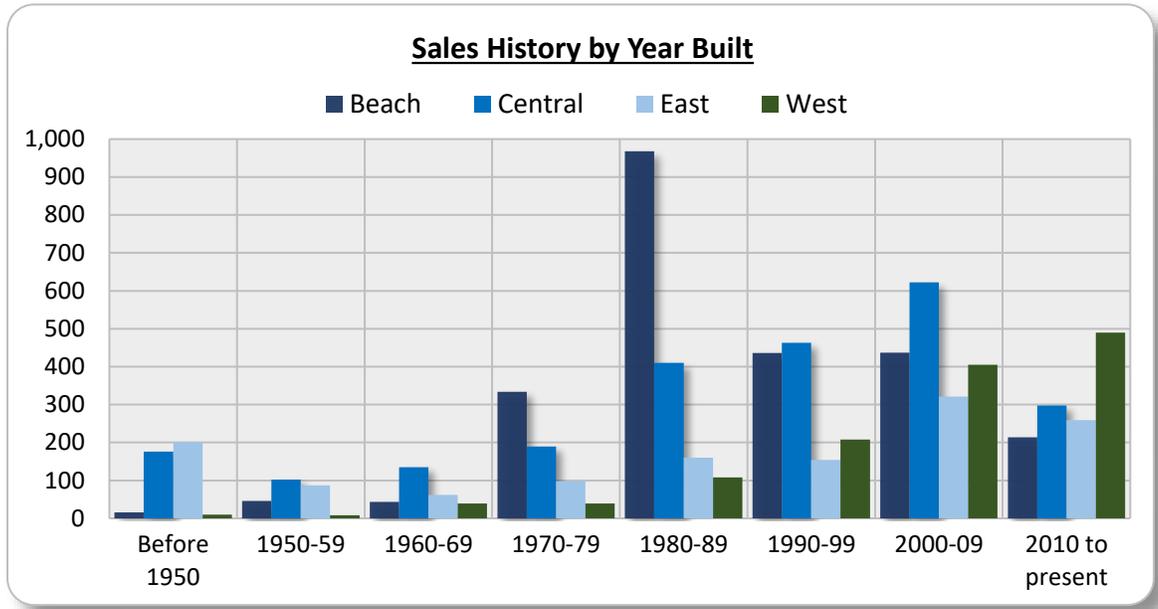
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Carteret County							
Year Built	Number Sold	Average Beds/Baths	Average Square Feet	Price Range	Median Sales Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	403	3/2.0	1,624	\$15,000 - \$2,650,000	\$199,900	\$134.62	110
1950 to 1959	243	3/2.0	1,467	\$20,000 - \$2,500,000	\$158,400	\$124.52	112
1960 to 1969	279	3/2.0	1,695	\$25,500 - \$2,000,000	\$189,000	\$123.39	106
1970 to 1979	660	3/2.25	1,567	\$30,000 - \$1,968,000	\$231,450	\$172.06	122
1980 to 1989	1,646	3/2.5	1,531	\$16,000 - \$2,132,212	\$262,250	\$200.94	107
1990 to 1999	1,261	3/2.75	1,889	\$19,900 - \$1,925,000	\$280,000	\$149.71	102
2000 to 2009	1,785	3/3.0	2,106	\$17,500 - \$2,350,000	\$294,000	\$139.33	101
2010 to present	1,261	3/3.0	2,193	\$62,500 - \$2,700,000	\$309,500	\$145.70	107
Total	7,538	3/2.5	1,850	\$15,000 - \$2,700,000	\$275,375	\$150.80	106

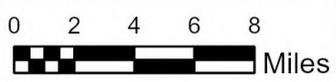
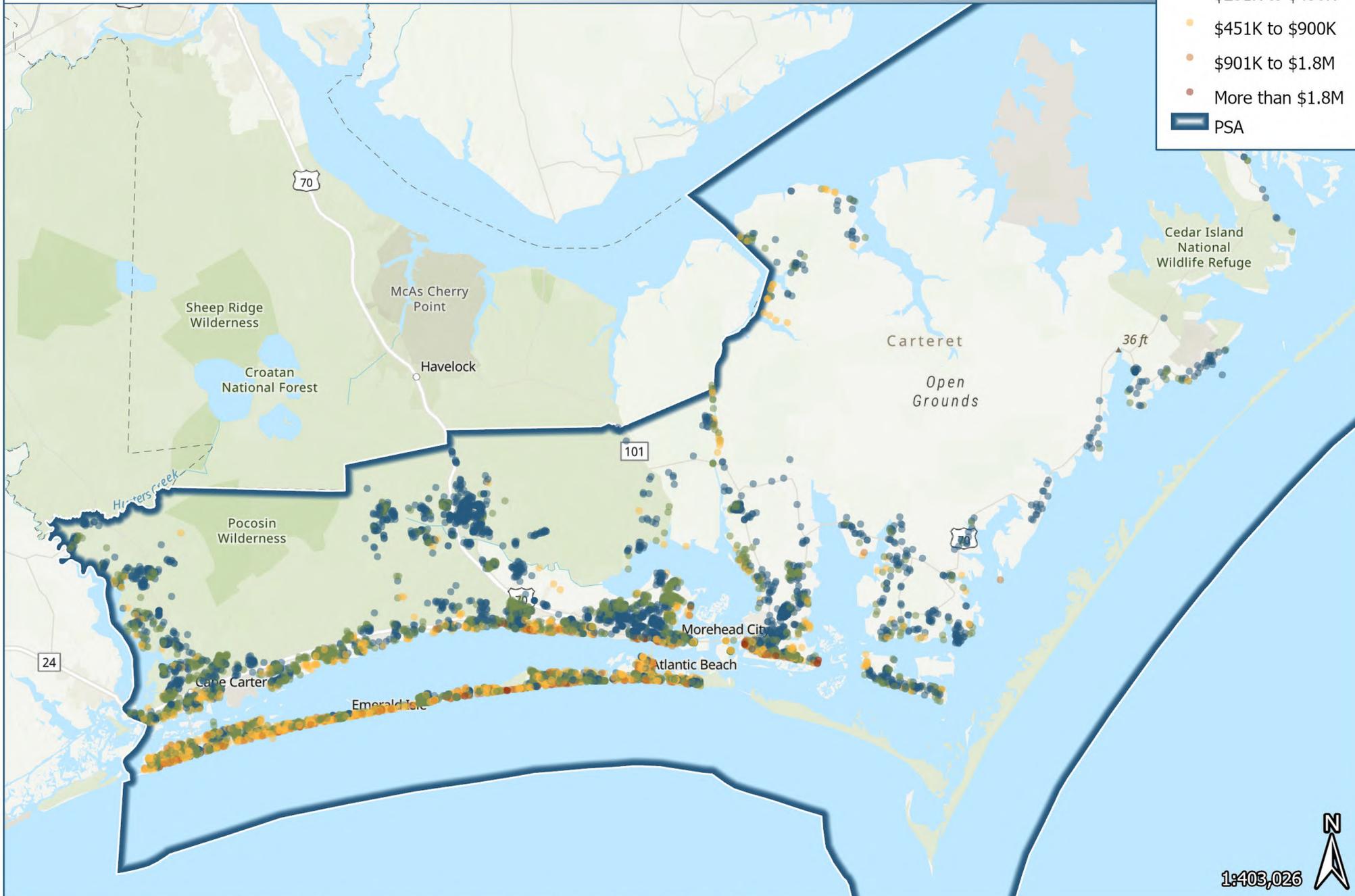
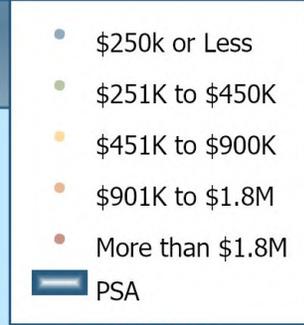
Source: NCRMLS (North Carolina Regional MLS)

Over three-fourths (79.0%) of the homes sold in the PSA (Carteret County) were built since 1980. Among the various development periods of this more modern product, the lowest median sales price was \$262,250 (homes built between 1980 and 1989). The homes built since 2010 have a median sales price of \$309,500. Older product built prior to 1970 has median sales prices below \$200,000. The preceding metrics are indications that modern housing is priced well above older product, making it a challenge for households generally earning below \$65,000 to afford modern for-sale housing product. While the Central Submarket is dominated by more modern product, it also has a more balanced inventory of older housing stock. This more balanced product by age is likely contributing to the greater number of lower priced homes and more rapid sales period within this submarket.

The distribution of recent home sales *by year built* within the various study areas is shown in the following graph:



A map illustrating the location of all homes sold since 2017 within the various study areas is included on the following page.



Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research



3. Available For-Sale Housing Supply

Utilizing data from the local Multiple Listing Service, we identified 202 housing units within the overall county that were listed as *available* for purchase as of May 3, 2021. Virtually all of the product we evaluated included single-family home listings, while a limited number of townhomes and condominiums were identified. While it is likely that some other for-sale residential units are available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in Carteret County.

The available for-sale housing *by bedroom type* within the various study areas is summarized in the following table:

Available For-Sale Housing by Bedrooms (As of May 3, 2021)								
Beach								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	6	1.0	606	1973	\$190,000 - \$1,475,000	\$199,450	\$399.09	58
Two-Br.	10	2.0	1,240	1991	\$195,000 - \$695,000	\$447,500	\$354.87	54
Three-Br.	22	2.5	1,767	2004	\$325,000 - \$1,599,000	\$411,000	\$250.67	289
Four-Br.	11	3.5	2,094	1991	\$494,000 - \$2,440,000	\$795,000	\$416.58	61
Five+-Br.	14	5.0	3,694	1994	\$649,900 - \$2,750,000	\$1,450,000	\$429.85	134
Total	63	3.0	2,058	1995	\$190,000 - \$2,750,000	\$525,000	\$348.19	155
Central								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	1	1.0	400	1958	\$50,000	\$50,000	\$125.00	32
Two-Br.	6	1.5	992	1968	\$80,000 - \$479,900	\$125,000	\$137.59	102
Three-Br.	43	3.0	2,259	1992	\$99,900 - \$3,850,000	\$499,000	\$205.69	98
Four-Br.	14	4.0	3,441	1987	\$390,000 - \$3,499,000	\$729,788	\$257.26	124
Five+-Br.	2	4.5	2,791	1948	\$359,500 - \$2,300,000	\$1,329,750	\$407.02	27
Total	66	3.0	2,383	1987	\$50,000 - \$3,850,000	\$499,450	\$212.15	100
East								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	1	1.0	676	1954	\$73,900	\$73,900	\$109.32	301
Two-Br.	5	1.75	1,129	1954	\$159,500 - \$459,900	\$325,000	\$361.51	74
Three-Br.	31	2.75	2,069	1988	\$75,000 - \$2,995,000	\$450,000	\$223.21	83
Four-Br.	5	4.0	3,322	1958	\$550,000 - \$2,695,000	\$899,900	\$231.29	193
Five+-Br.	2	3.5	2,888	1940	\$250,000 - \$945,000	\$597,500	\$187.75	370
Total	44	2.75	2,110	1978	\$73,900 - \$2,995,000	\$454,950	\$226.01	113

Source: NCRMLS (North Carolina Regional MLS)

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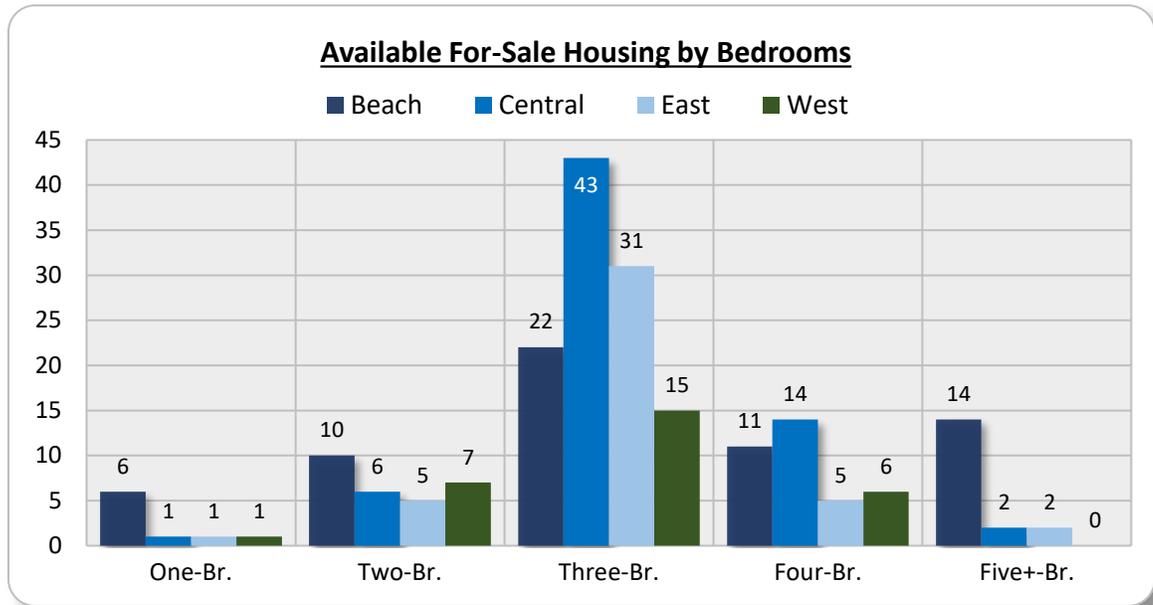
Available For-Sale Housing by Bedrooms (As of May 3, 2021)								
West								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	1	1.0	490	1986	\$189,900	\$189,900	\$387.55	8
Two-Br.	7	2.0	1,401	1979	\$164,900 - \$389,000	\$219,900	\$188.27	111
Three-Br.	15	2.5	1,936	1996	\$120,000 - \$1,395,000	\$269,900	\$192.22	68
Four-Br.	6	3.0	2,598	2017	\$275,000 - \$618,900	\$484,450	\$174.93	40
Total	29	2.5	1,894	1996	\$120,000 - \$1,395,000	\$275,000	\$192.22	71
Carteret County								
Bedrooms	Number Available	Average Baths	Average Square Feet	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	9	1.0	578	1971	\$50,000 - \$1,475,000	\$196,900	\$387.55	76
Two-Br.	28	2.0	1,207	1976	\$80,000 - \$695,000	\$279,700	\$249.37	82
Three-Br.	111	2.75	2,065	1994	\$75,000 - \$3,850,000	\$440,000	\$225.00	128
Four-Br.	36	3.75	2,872	1989	\$275,000 - \$3,499,000	\$736,800	\$275.58	100
Five+-Br.	18	4.75	3,504	1983	\$250,000 - \$2,750,000	\$1,300,000	\$416.16	148
Total	202	3.0	2,152	1989	\$50,000 - \$3,850,000	\$472,250	\$249.01	116

Source: NCRMLS (North Carolina Regional MLS)

There were 202 housing units listed as being available for purchase in the PSA (Carteret County) in early May of 2021. When the overall owner-occupied inventory is considered, these 202 units represent a vacancy/availability rate of just 0.9%. In healthy, well-balanced markets, the vacancy/availability rate is typically between 2.0% and 3.0%. As such, it is clear the inventory of available for-sale housing is extremely limited in the county. While available units are dispersed among each of the submarkets, the West Submarket has the smallest available inventory of just 29 units.

The median list price in the overall PSA is \$472,250. Conservatively assuming a 5% down payment, a household would have to earn approximately \$150,000 annually to afford a median-priced home. Within the PSA, only 10.5% of owner households and 3.4% of renter households would have the income to buy a median-priced home. As such, homebuying is unattainable for the vast majority of households in the market. While coastal/beach front-influenced areas like the Beach Submarket with a median list price of \$525,000 can often influence or skew pricing for the overall county, it appears that high home prices among available houses is fairly universal across the county. The lowest median list price by submarket is in the West Submarket at \$275,000, while the East Submarket is at \$454,950 and the Central Submarket is at \$499,450. Conservatively assuming a household could afford a down payment of 5%, even at the lowest median price of \$275,000 in the West Submarket a household would have to have an annual income of at least \$87,000. This would make buying a typical home unaffordable to the majority of households in the market.

The distribution of available homes *by bedroom type* within the study areas is shown in the following graph:



The table below summarizes the distribution of available for-sale residential units by *price point* within the various study areas:

Available For-Sale Housing by Price (As of May 3, 2021)															
List Price	Beach			Central			East			West			PSA (Carteret County)		
	# Avail	% of Total	Avg DOM	# Avail	% of Total	Avg DOM	# Avail	% of Total	Avg DOM	# Avail	% of Total	Avg DOM	# Avail	% of Total	Avg DOM
Up to \$99K	0	0.0%	-	4	6.1%	22	2	4.5%	151	0	0.0%	-	6	3.0%	65
\$100K to \$149K	0	0.0%	-	4	6.1%	79	2	4.5%	11	1	3.4%	55	7	3.5%	56
\$150K to \$199K	5	7.9%	88	3	4.5%	52	4	9.1%	100	5	17.2%	25	17	8.4%	66
\$200K to \$249K	2	3.2%	42	2	3.0%	142	2	4.5%	66	5	17.2%	87	11	5.4%	85
\$250K to \$299K	2	3.2%	3	5	7.6%	132	2	4.5%	11	6	20.7%	84	15	7.4%	79
\$300K+	54	85.7%	172	48	72.7%	107	32	72.7%	127	12	41.4%	77	146	72.3%	133
Total	63	100.0%	155	66	100.0%	100	44	100.0%	113	29	100.0%	71	202	100.0%	116

Source: NCRMLS (North Carolina Regional MLS)
DOM – Days on Market

Nearly three out of four available for-sale homes within the PSA (Carteret County) are priced above \$300,000. At this price point, a household would have to have a minimum annual income of around \$100,000. Based on 2020 household income estimates, only 9.3% of renter households and 27.6% of current homeowners in the county could afford product priced at \$300,000, which comprises 72.3% of the available inventory. Despite the fact that most households cannot afford most of the available product, housing units are being sold relatively fast with an average number of days on market of 116 for the overall county. The very limited available supply of product priced under \$300,000 is likely contributing to the shorter sales period for such product, as most of it is sold in less than 80 days. Regardless, with only 202 homes available for purchase and only 56 priced under \$300,000, it is likely that the PSA has difficulty attracting new households and accommodating the needs of current county residents. This may limit economic and job growth potential as well as limit the growth of commercial opportunities within Carteret County.

The distribution of available for-sale housing for each study area *by price point* is illustrated in the following graph:



The distribution of available homes by year built within the various study areas is summarized in the following table:

Available For-Sale Housing by Year Built (As of May 3, 2021)							
Beach							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	2	3/1.5	1,376	\$195,000 - \$449,900	\$322,450	\$369.27	320
1950 to 1959	2	5/3.5	2,089	\$499,900 - \$649,900	\$574,900	\$317.41	158
1960 to 1969	2	5/3.0	2,500	\$325,000 - \$1,880,000	\$1,102,500	\$382.79	24
1970 to 1979	10	2/1.75	1,045	\$190,000 - \$1,200,000	\$229,900	\$390.02	51
1980 to 1989	9	3/2.5	1,852	\$279,500 - \$2,395,000	\$789,000	\$474.16	49
1990 to 1999	7	4/4.0	2,818	\$450,000 - \$1,750,000	\$885,000	\$332.35	58
2000 to 2009	17	4/4.0	2,620	\$399,999 - \$2,500,000	\$879,000	\$378.38	101
2010 to present	14	3/2.75	1,883	\$375,000 - \$2,750,000	\$375,000	\$250.00	409
Total	63	3/3.0	2,058	\$190,000 - \$2,750,000	\$525,000	\$348.19	155
Central							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	7	4/2.0	2,166	\$147,000 - \$1,665,000	\$524,900	\$213.63	50
1950 to 1959	5	2/1.75	1,380	\$50,000 - \$695,000	\$150,000	\$125.00	48
1960 to 1969	4	3/2.75	2,024	\$100,000 - \$1,950,000	\$334,500	\$203.90	205
1970 to 1979	8	3/2.5	1,673	\$99,900 - \$574,000	\$277,450	\$173.10	98
1980 to 1989	8	4/3.0	2,248	\$99,000 - \$2,300,000	\$333,750	\$139.14	103
1990 to 1999	5	3/3.0	2,317	\$375,000 - \$849,000	\$399,900	\$165.07	163
2000 to 2009	15	3/3.75	3,162	\$259,900 - \$3,499,000	\$674,575	\$222.01	103
2010 to present	14	3/3.75	2,623	\$299,900 - \$3,850,000	\$525,000	\$216.41	89
Total	66	3/3.0	2,383	\$50,000 - \$3,850,000	\$499,450	\$212.15	100
East							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	7	3/2.75	2,108	\$250,000 - \$1,850,000	\$550,000	\$318.05	95
1950 to 1959	2	2/1.5	1,088	\$73,900 - \$239,000	\$156,450	\$134.33	157
1960 to 1969	5	3/2.0	1,293	\$175,000 - \$495,000	\$377,500	\$283.51	61
1970 to 1979	5	3/2.0	1,437	\$129,900 - \$450,000	\$189,000	\$155.38	66
1980 to 1989	4	3/2.25	1,755	\$399,500 - \$2,995,000	\$539,500	\$389.54	71
1990 to 1999	5	3/3.25	2,389	\$205,000 - \$1,695,000	\$470,000	\$240.54	172
2000 to 2009	9	3/3.25	2,644	\$75,000 - \$2,695,000	\$595,000	\$227.01	175
2010 to present	7	3/3.5	2,784	\$449,000 - \$949,900	\$530,000	\$213.20	87
Total	44	3/2.75	2,110	\$73,900 - \$2,995,000	\$454,950	\$226.01	113
West							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	1	2/2.0	1,675	\$165,000	\$165,000	\$98.51	32
1950 to 1959	0	-	-	-	-	-	-
1960 to 1969	2	3/1.5	1,156	\$250,000 - \$300,000	\$275,000	\$237.57	221
1970 to 1979	1	3/3.0	2,454	\$315,000	\$315,000	\$128.36	9
1980 to 1989	6	2/1.75	1,137	\$164,900 - \$309,900	\$204,900	\$205.68	23
1990 to 1999	6	3/2.25	1,935	\$165,000 - \$1,200,000	\$242,400	\$180.58	106
2000 to 2009	5	3/2.5	2,144	\$120,000 - \$779,900	\$389,000	\$236.24	112
2010 to present	8	4/3.0	2,417	\$235,000 - \$1,395,000	\$379,450	\$179.84	29
Total	29	3/2.5	1,894	\$120,000 - \$1,395,000	\$275,000	\$192.22	71

Source: NCRMLS (North Carolina Regional MLS)

(Continued)

Available For-Sale Housing by Year Built (As of May 3, 2021)							
Carteret County							
Year Built	Number Available	Average Beds/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Before 1950	17	3/2.25	2,020	\$147,000 - \$1,850,000	\$459,900	\$231.29	99
1950 to 1959	9	3/2.0	1,472	\$50,000 - \$695,000	\$239,000	\$159.33	96
1960 to 1969	13	3/2.25	1,683	\$100,000 - \$1,950,000	\$325,000	\$241.94	124
1970 to 1979	24	3/2.0	1,395	\$99,900 - \$1,200,000	\$244,950	\$262.21	68
1980 to 1989	27	3/2.5	1,796	\$99,000 - \$2,995,000	\$400,000	\$237.99	62
1990 to 1999	23	3/3.0	2,386	\$165,000 - \$1,750,000	\$450,000	\$244.27	118
2000 to 2009	46	4/3.5	2,750	\$75,000 - \$3,499,000	\$662,238	\$277.74	117
2010 to present	43	3/3.25	2,370	\$235,000 - \$3,850,000	\$514,900	\$237.12	182
Total	202	3/3.0	2,152	\$50,000 - \$3,850,000	\$472,250	\$249.01	116

Source: NCRMLS (North Carolina Regional MLS)

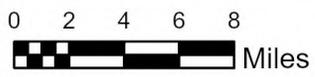
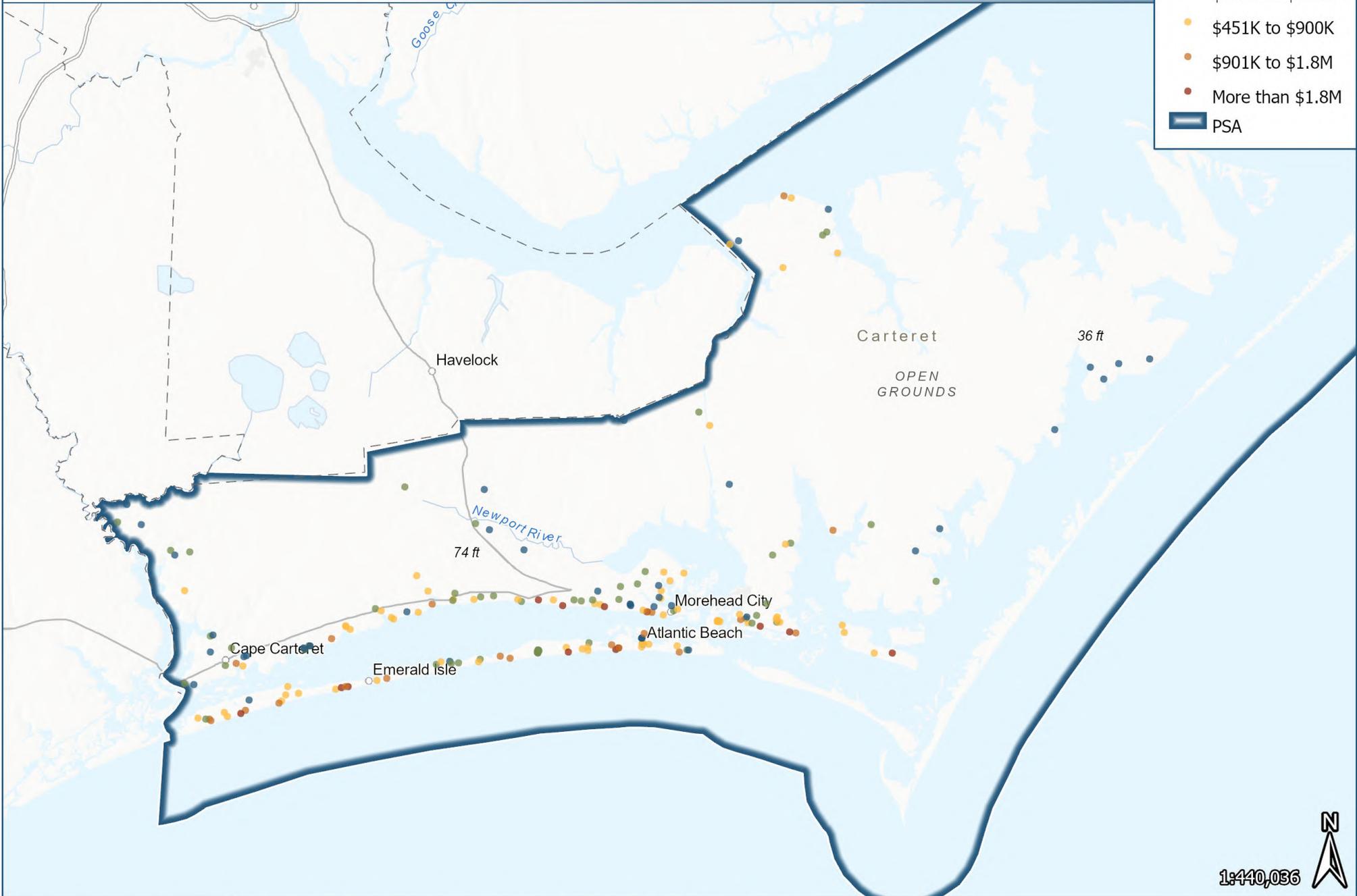
Nearly one half (44.1%) of the of the available for-sale housing product in the PSA (Carteret County) was built since 2000, reflective of a relatively modern owner housing stock. The median list price for product built between 2000 and 2009 is \$662,238, while product built since 2010 has a median list price of \$514,900. These homes appear to be selling relatively slowly, with an average number of days on market well above the county’s average of 116 days. Regardless, it appears that most modern (built since 2000) available for-sale product is unaffordable to households earning less than \$150,000.

The distribution of available homes within the various study areas *by year built* is shown in the graph below:



A map illustrating the location of available for-sale homes within the various study areas is included on the following page.

- \$250k or Less
- \$251K to \$450K
- \$451K to \$900K
- \$901K to \$1.8M
- More than \$1.8M
- PSA



Esri, CGIAR, USGS, Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS
Additional Source(s): Bowen National Research



D. SENIOR CARE HOUSING ALTERNATIVES

Carteret County, like areas throughout the country, has a large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 65 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs). As part of this analysis, we evaluated four levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. This includes independent living, multi-unit assisted housing, adult care homes, and nursing care. These housing types, from least assisted to most assisted, are summarized below.

Independent Living is a housing alternative that includes a residential unit, typically an apartment or cottage that offers an individual living area, kitchen, and sleeping room. The fees generally include the cost of the rental unit, some utilities, and services such as laundry, housekeeping, transportation, meals, etc. This housing type is also often referred to as congregate care. Physical assistance and medical treatment are not offered at such facilities. We were unable to survey any independent living properties in the market.

Multi-unit Assisted Housing with Services (referred to as *multi-unit assisted* throughout this report) is a housing alternative that provides unlicensed care services along with the housing. Such housing offers residents the ability to obtain personal care services and nursing services through a home care or hospice agency that visit the subject site to perform such services. Management at the subject project arrange services that correspond to an individualized written care plan. We were unable to survey any multi-unit assisted housing projects in the market.

Adult Care Homes are state licensed residences for aged and disabled adults who may require 24-hour supervision and assistance with personal care needs. People in adult care homes typically need a place to live, with some help with personal care (such as dressing, grooming and keeping up with medications), and some limited supervision. Medical care may be provided on occasion but is not routinely needed. Medication may be given by designated, trained staff. This type of facility is very similar to what is commonly referred to as “assisted living.” These facilities generally offer limited care that is designed for seniors who need some assistance with daily activities but do not require nursing care.

Nursing Homes provide nursing care and related services for people who need nursing, medical, rehabilitation or other special services. These facilities are licensed by the state and may be certified to participate in the Medicaid and/or Medicare programs. Certain nursing homes may also meet specific standards for sub-acute care or dementia care.

We referenced the Medicare.com and the North Carolina Department of Health websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified most licensed facilities in the county, though not all were surveyed as part of this Housing Needs Assessment.

A total of five senior care facilities, containing a total of 319 marketed beds/units, were identified and surveyed. While these do not represent all senior care facilities in the county, they are representative of market norms and represent a good base from which to evaluate the senior care housing market. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities - PSA (Carteret County)						
Project Type	Projects	Marketed Beds/Units	Vacant	Occupancy Rate	National Occupancy Rate*	Base Monthly Rent Range
Adult Care Homes	2	99	15	84.8%	90.7%	\$2,750-\$6,600
Nursing Homes	3	220	50	77.3%	88.0%	\$6,813-\$10,646
Total	5	319	65	78.6%	-	\$2,750-\$10,646

*Source: American Seniors Housing Association: The State of Seniors Housing
 Note: In some cases, daily rates were converted to monthly rates

The county is reporting overall occupancy rates ranging from 77.3% (nursing homes) to 84.8% (adult care homes). While the county’s occupancy rates for both surveyed property types are below the national averages (note: national data is based on pre-COVID-19 market conditions), they appear to be recovering from the initial impact of COVID-19. Given the significant projected growth among seniors over the next several years, several senior care projects are in the development pipeline. These positive trends indicate that there may be an opportunity to develop additional senior care housing in the market.

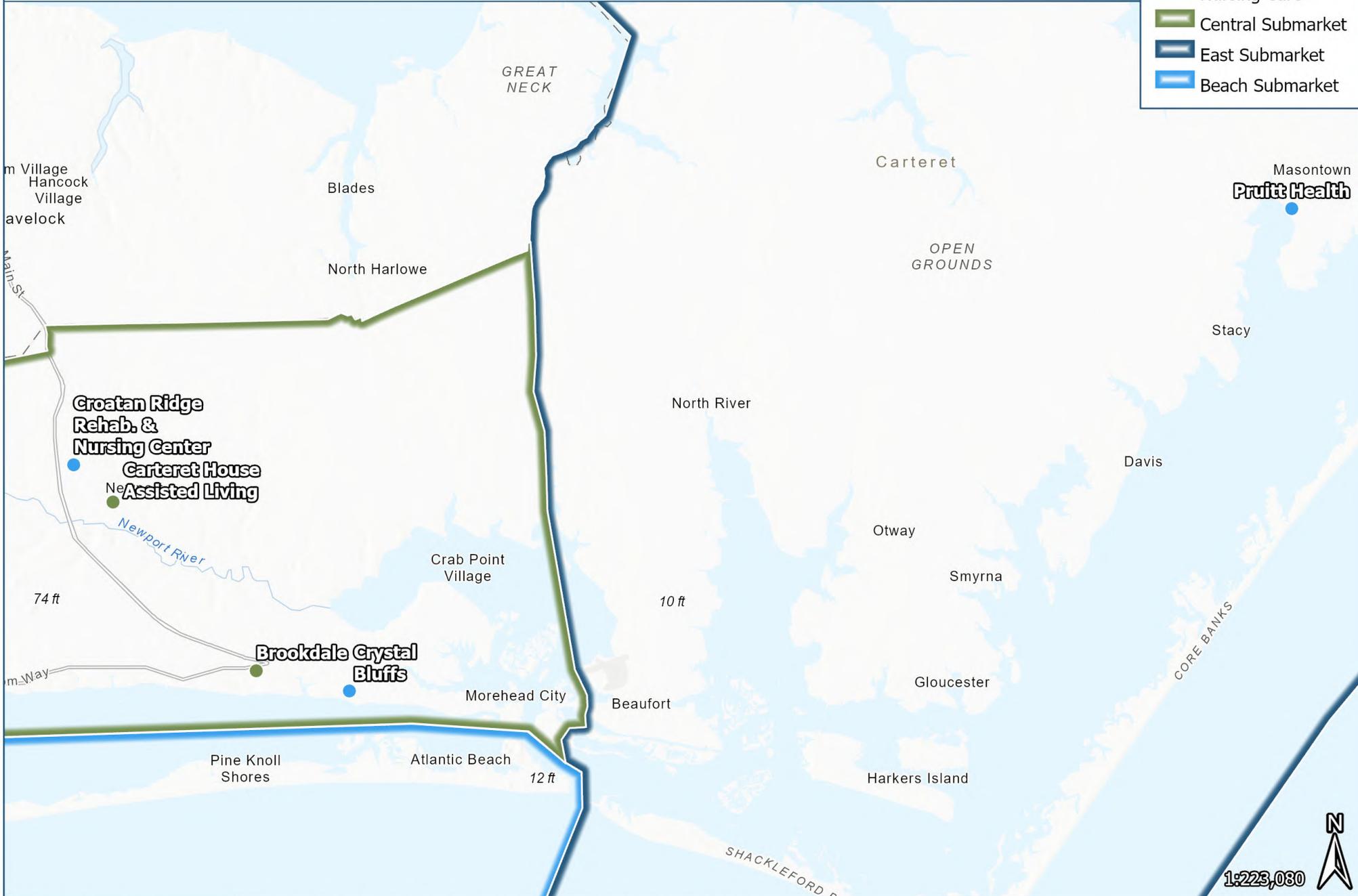
Notable senior care residential development and investment is under way or planned for the area and includes the following:

- PruittHealth will build a new 104-bed skilled nursing facility on U.S. 70 to replace the current leased PruittHealth facility in Sealevel (which has one wing closed due entirely due to a staff shortage exacerbated by the remoteness of the location). Groundbreaking on the new facility is expected this summer. This will not result in a net change of PruittHealth beds.
- The 42 Certificate of Occupancy beds formerly allocated to Snug Harbor on Nelson Bay (which closed following Hurricane Florence), have been acquired by an out-of-state provider that has plans to build a new Carteret County facility.

- The 122 beds allocated to Harborview Health Care Center are currently in limbo because Harborview closed following Hurricane Florence and the owners are evaluating their options for the beds.
- Ridge Care Senior Living plans to construct a 72-unit independent senior living facility in Morehead City following a recent rezoning approved by the Morehead City Town Council.

The monthly fees for senior care housing should be considered as a base of comparison for the future projects considered in the county. It is important to note that many of the senior care facilities with services accept Medicaid payments from eligible residents, reducing their costs. A summary of the individual senior care facilities surveyed in the county is included in Addendum C. A map illustrating the location of surveyed senior care facilities in the overall market area is included on the following page.

- Assisted Living
- Nursing Care
- Central Submarket
- East Submarket
- Beach Submarket



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, CGIAR, USGS
 Additional Source(s): Bowen National Research



E. PLANNED & PROPOSED

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline within the county. Understanding the number of residential units and the type of housing being considered for development in the market can assist in determining how these projects are expected to meet the housing needs of the county.

The following table illustrates single-family and multifamily building permits issued within Carteret County during the past 10 years.

Building Permits for Carteret County										
Permits	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*
Multifamily	362	13	0	5	34	8	220	14	45	26
Single-Family	245	264	258	225	311	321	411	364	448	293
Total Units	607	277	258	230	345	329	631	378	493	319

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

*Preliminary data through December 2020

Of the 3,867 housing units permitted during the past 10 years, four-fifths (81.2%) were single-family homes. On average, the total number of permits issued during this time in Carteret County increased by 2.2% annually. Since the peak level of permits issued in 2017, permit activity within the county has declined slightly, although the average since 2017 has remained above the average between 2011 and 2017. It will be important to monitor residential permit activity in the next several months for any potential slowdown that may result from potential impacts of COVID-19.

Multifamily Rental Housing

Based on our interviews with planning representatives, it was determined that there are five rental housing projects either under construction or planned within or near the PSA (Carteret County). These developments are summarized as follows:

Project Name & Address	Type	Units	Developer	Status/Details
Vinings at Wildwood Phase II 133 Wildwood Road Newport	Market-rate	60	Standard Constructors, Incorporated	Approved: Construction to begin in fall 2021; 24 one-bedroom and 36 two-bedroom units
Moorland Cove 4506 Country Club Road Morehead City	Tax Credit	60	Pendergraph Development, LLC	Allocated in 2020; 30 HOME fund units will be set aside at 30% or 50% AMHI; Rents will range from \$317 to \$695; Remaining units will be set aside at 60% AMHI; Two one-bedroom rent \$595; 14 two-bedroom rent \$675; 14 three-bedroom rent \$725; No construction observed during the time of this study; ECD 2022
Elijah's Landing 3200 Bridges Street Morehead City	Tax Credit	168	Community Affordable Housing Equity Corporation	Allocated in 2020; 30 one-bedrooms at 60% AMHI \$596; 78 two-bedrooms at 60% AMHI \$745; 60 three-bedrooms at 60% AMHI \$882; To begin construction August or September 2021; ECD spring 2023
Retreat at Carteret Place 3839 Galantis Drive Morehead City	Market-rate	63	Brown Investment Properties	Under Construction: One-bedroom units estimated rent \$1,500; Two-bedroom units estimated rent \$1,900; ECD fall 2022
Eastport at the Park II 738 Professional Park Drive Beaufort	Tax Credit	48	East Carolina Community Development, Incorporated	Allocated in 2020; 24 two-bedrooms; six at 40% AMHI \$485; six at 50% AMHI \$585; six at 70% AMHI \$835 and six at 80% AMHI \$935; 24 three-bedrooms; six at 40% AMHI \$568; six at 50% AMHI \$668; six at 70% AMHI \$918; six at 80% AMHI \$988; No construction observed during the time of this study; ECD mid-to-late 2022
Ridge Care 301 Highway 24 Morehead City	N/A	72	Ridge Care Senior Living	Proposed: Morehead City approved rezoning request in 2021; One- and two-bedrooms; Possible additional units in the future

ECD – Estimated completion date

AMHI – Area Median Household Income

N/A – Not available

Senior Living Projects

Subdivision Name	Product Type	Beds	Developer	Status/ Details
PruittHealth 2415 Highway 70 Beaufort	Assisted Living	104	PruittHealth	Approved: To start infrastructure within 3 months; ECD 12/2022
N/A 272 U.S.-70 Nelson Bay	Assisted Living	42	N/A	Planned: Snug Harbor on Nelson Bay closed in 2019 due to damages from Hurricane Florence and Hurricane Dorian; A new provider has acquired and plans to build a new facility

ECD – Estimated completion date

N/A – Not available

For-Sale Housing Single-Family Home, Condominiums, and Townhomes

There are currently more than 10 confirmed for-sale housing projects planned and/or under construction in the PSA (Carteret County). These projects are summarized in the table that follows:

Subdivision Name	Product Type	Lots	Developer	Status/ Details
Crystal View North Phase 2 109 Knollwood Drive Atlantic Beach	Condominium	12	Sparkman Enterprises	Approved: Building permits have been issued but construction has not started; Two-bedrooms; \$320,000s
Beau Coast 525 Front Street Beaufort	Single-Family Homes & Townhomes	795	Preston Development Company	Under Construction: Three to four-bedrooms; 1,524 to 2,639 square feet; \$200,000 to \$600,000
Sea Grove 117 Sea Grove Lane Beaufort	Single-Family Homes & Townhomes	25	Streamline Developers	Under Construction: Three to four-bedrooms; 1,570 to 1,900 square feet; \$350,000 to \$390,000
Front Street Village 2450 Lennoxville Road Beaufort	Single-Family Homes	34	Charles Oliver	Planned: Meeting with Planning Department to be held in May 2021; Three-bedrooms; If approved, construction could start in fall 2021; No pricing has been decided
Beaufort Club 420 Taylorwood Drive Beaufort	Single-Family Homes	N/A	N/A	Under Construction: Additional phase to an existing subdivision; One three-bedroom currently available; 1,890 square feet; \$400,000; Lots are selling between \$53,000 and \$145,000
Gallants Point 138 Gallants Point Road Beaufort	Single-Family Homes	16	Bluewater	Approved: Lots ranging from \$325,00 to \$575,000

N/A-Not Available

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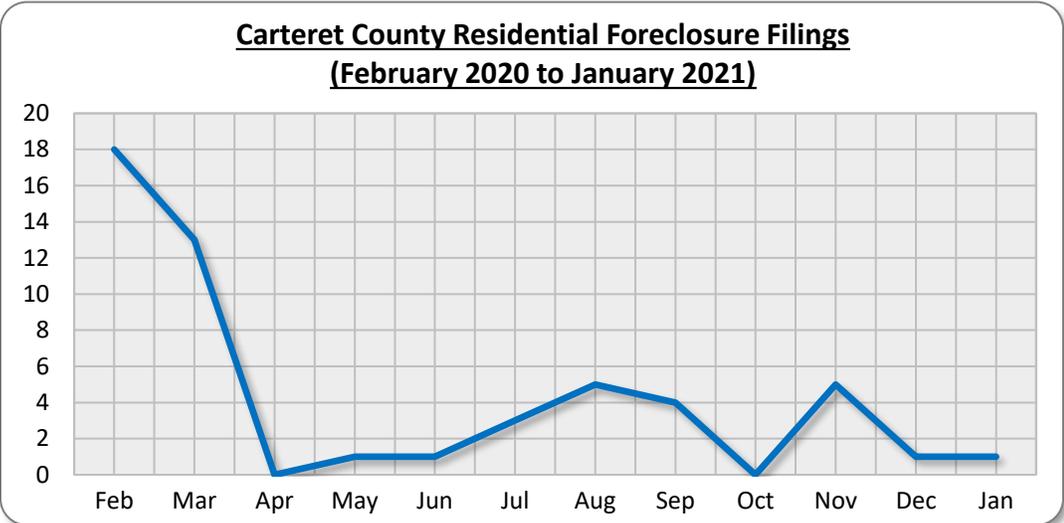
Subdivision Name	Product Type	Lots	Developer	Status/ Details
Inlet Cove at Radio Island Phase I 96 Old Towne Yacht Club Drive & Marine Drive Beaufort	Townhomes	61	RIDCO, Corporation	Approved: In early 2021 Morehead City Planning Board approved final plat; Three-bedrooms with optional fourth bedroom; \$530,000 to \$620,000
Salt Creek Phase I & II 115 Henderson Drive Newport	Single-Family Homes	77	Ray Murdoch	Under Construction: Three to four-bedrooms; 1,618 to 3,129 square feet; \$297,000 to \$375,000;
Bogue Watch 201 Bogue Watch Drive Newport	Single-Family Homes	N/A	Landeavor, LLC	Under Construction: Three to four-bedrooms; 2,150 to 3,000 square feet; \$500,000 to \$600,000+
Park Villas 175 Old Murdoch Road Newport	Single-Family Homes	54	Ray Murdoch	Approved: Preliminary plat has been approved; Additional 61 lots for phase II in planning stages; No other information available
Ballentine Grove Phase 1 Cagle Road and Highway 24 Newport	Single-Family Homes	54	Salt Creek Holdings, LLC	Preliminary Plat: Approved in 2021
Sunset Cove Subdivision 1272 Wetherington Landing Road White Oak Township	Single-Family Homes	18	Harold & Robin Comer	Approved: Preliminary plat has been approved; No other information available
Village West 205 Islander Drive Emerald Isle	Condominiums & Townhomes	28	A-Team Enterprises, LLC	Under Construction: Phase I ECD July 2021; Phase II planned with 18 units; Two to three-bedrooms; \$400,000+
Maritime Woods 126 Evergreen Lane Pine Knoll Shores	Single-Family Homes	10	Baker & Smith Properties, LLC	Under Construction: Three-bedrooms; 1,500 square feet; \$410,000 to \$450,000

N/A-Not Available

F. FORECLOSURE & DELINQUENCY TRENDS

Residential foreclosures are an important factor to consider when assessing the health of a local housing market. According to RealtyTrac.com, between February 2020 and January 2021 in Carteret County, there were 52 foreclosure filings, reflecting an average of 4.3 filings per month. Three-fifths of these foreclosures were filed in February and March. While it appears that foreclosure activity has had a minimal impact on the Carteret County market in the past year, the federal moratorium on residential foreclosures has perhaps artificially diminished the number of filings since April 2020. It will be important to monitor such activity over the near future, particularly given the recent economic impact of COVID-19 on markets around the United States.

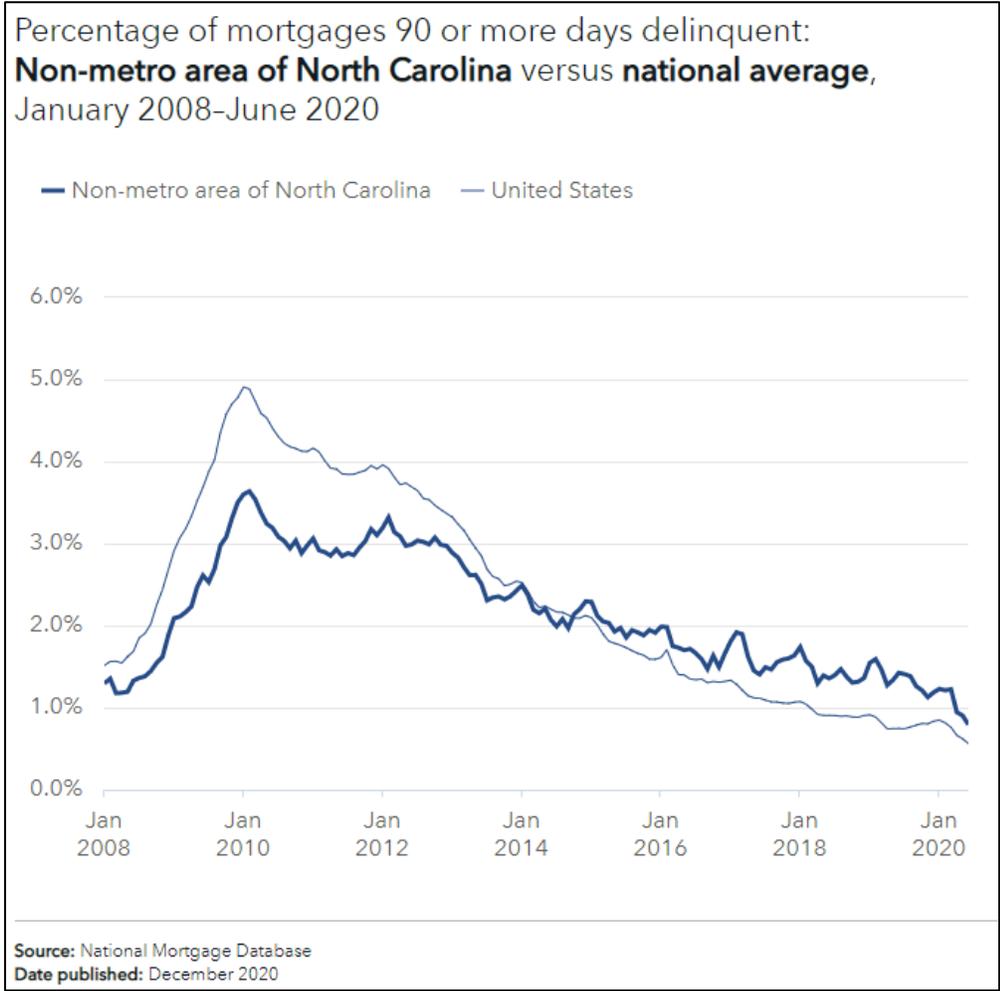
Residential foreclosure activity during the last 12 months is illustrated below.



Source: RealtyTrac.com

Severe mortgage delinquency (payments 90 days or more delinquent) often trails foreclosure trends. In the non-metro area of North Carolina (local data unavailable), mortgage payment delinquency has trended downward since 2010, though has remained above the national rate in each month since October 2014. According to the Consumer Financial Protection Bureau and the National Mortgage Database, 0.8% of mortgages in the non-metro area of North Carolina (local data unavailable) were severely delinquent in June 2020, below the statewide and the national rates of 0.6%. To the extent that mortgage delinquencies foreshadow foreclosures to come, we anticipate local foreclosure activity to mirror national trends.

The percentage of mortgages 90 or more days delinquent (severely delinquent) for the non-metro area of North Carolina compared to the national average between January 2008 and June 2020 is illustrated in the following chart.



VII. OTHER HOUSING MARKET FACTORS

A. INTRODUCTION

Factors other than demography, employment, and supply (all analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance, and are discussed relative to the PSA (Carteret County) and compared with the state and national data, when applicable:

- Personal Mobility
- Migration Patterns
- Community Services
- Development Opportunities
- Residential Development Costs

B. PERSONAL MOBILITY

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. If traffic jams create long commuting times or public transit service is not available for carless people, their quality of life is diminished. Factors that lower resident satisfaction weaken housing markets. Typically, people travel frequently outside of their residences for three reasons: 1) to commute to work, 2) to run errands or 3) to recreate.

Commuting Mode and Time

The following tables show two commuting pattern attributes (mode and time) for each study area:

		Commuting Mode						Total
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	
Beach	Number	2,383	148	6	168	132	377	3,214
	Percent	74.1%	4.6%	0.2%	5.2%	4.1%	11.7%	100.0%
Central	Number	12,730	1,683	89	107	298	655	15,562
	Percent	81.8%	10.8%	0.6%	0.7%	1.9%	4.2%	100.0%
East	Number	5,748	600	61	107	202	297	7,015
	Percent	81.9%	8.6%	0.9%	1.5%	2.9%	4.2%	100.0%
West	Number	4,315	287	0	7	18	202	4,829
	Percent	89.4%	5.9%	0.0%	0.1%	0.4%	4.2%	100.0%
Carteret County	Number	25,176	2,719	156	389	650	1,531	30,621
	Percent	82.2%	8.9%	0.5%	1.3%	2.1%	5.0%	100.0%
North Carolina	Number	3,850,705	436,089	48,284	85,749	61,767	276,146	4,758,740
	Percent	80.9%	9.2%	1.0%	1.8%	1.3%	5.8%	100.0%

Source: U.S. Census Bureau, 2015-2019 American Community Survey

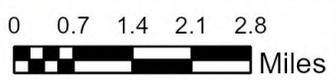
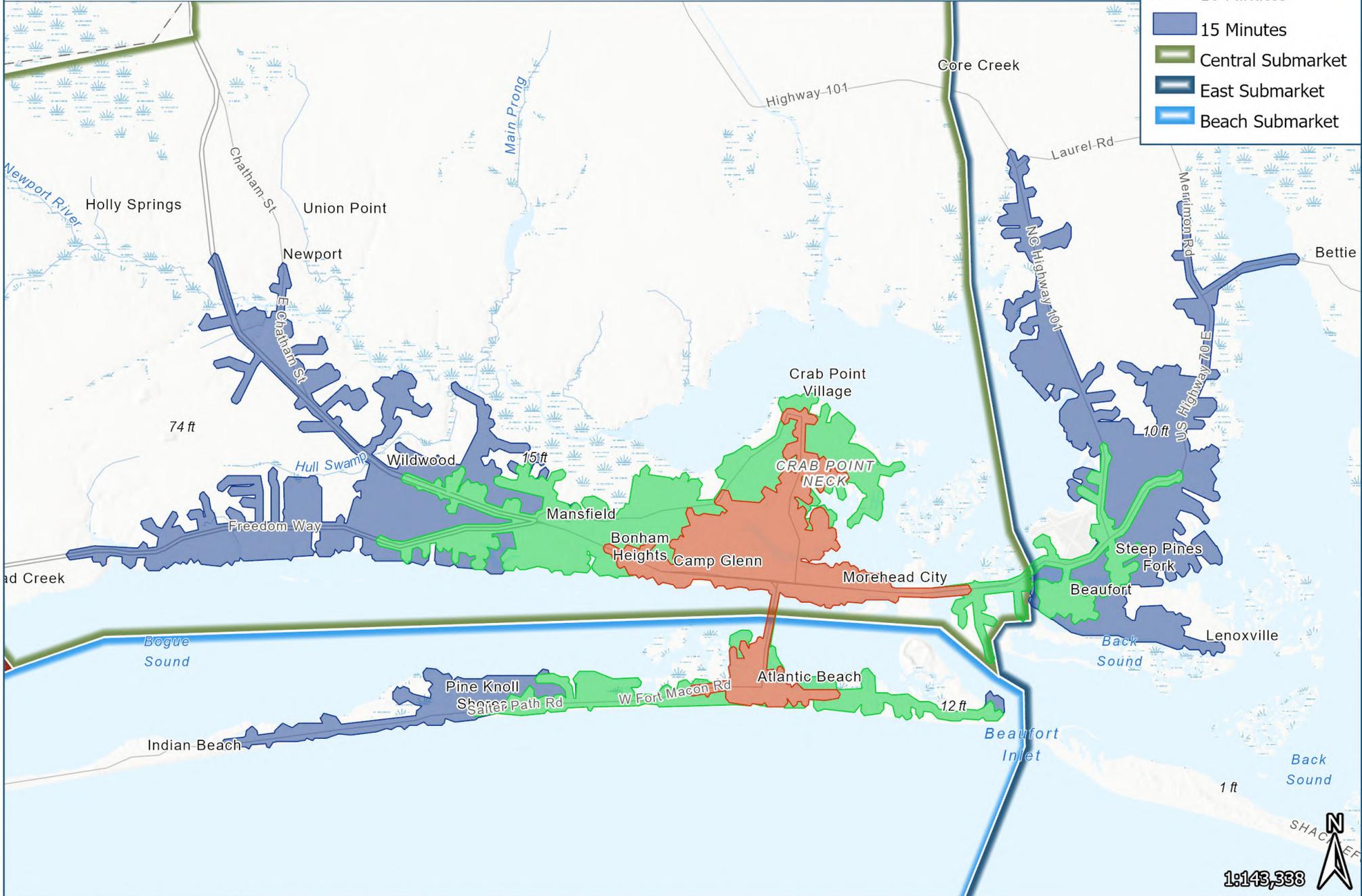
		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Beach	Number	1,007	841	547	179	263	377	3,214
	Percent	31.3%	26.2%	17.0%	5.6%	8.2%	11.7%	100.0%
Central	Number	5,776	5,554	2,282	629	665	655	15,561
	Percent	37.1%	35.7%	14.7%	4.0%	4.3%	4.2%	100.0%
East	Number	2,017	2,282	1,435	466	518	297	7,015
	Percent	28.8%	32.5%	20.5%	6.6%	7.4%	4.2%	100.0%
West	Number	1,148	1,345	1,443	434	260	202	4,832
	Percent	23.8%	27.8%	29.9%	9.0%	5.4%	4.2%	100.0%
Carteret County	Number	9,947	10,022	5,707	1,708	1,706	1,531	30,621
	Percent	32.5%	32.7%	18.6%	5.6%	5.6%	5.0%	100.0%
North Carolina	Number	1,191,177	1,783,433	900,938	324,314	282,732	276,146	4,758,740
	Percent	25.0%	37.5%	18.9%	6.8%	5.9%	5.8%	100.0%

Source: U.S. Census Bureau, 2015-2019 American Community Survey

Noteworthy observations from the preceding tables follow:

- The share (91.1%) of commuters in the PSA (Carteret County) that either drive alone or carpool is nearly identical to the share (90.1%) of the same commuting modes in the state. With the exception of the Beach Submarket, all submarkets within the county have similar commuting mode characteristics. When compared with the other submarkets, the Beach Submarket has higher shares walking to work (5.2%), commuting by other means (4.1%) and working from home (11.7%).
- Nearly two-thirds (65.2%) of PSA commuters have travel times of less than 30 minutes, indicating the very short commuting times that a majority of county residents have, which is slightly higher than the state's share (62.5%). While most commute time attributes are similar between the various submarkets, the Beach Submarket had the highest share (8.2%) of commuters with drive times of 60 or more minutes. This is not unusual for a beach community, which often has less accessible routes to work due to the dynamics of most beach communities.

Based on the preceding analysis, it is clear that a high share of PSA (Carteret County) residents have relatively short commutes and they rely on their own vehicles or carpools to work. A drive-time map showing travel times from the geographic center of Morehead City follows this page.

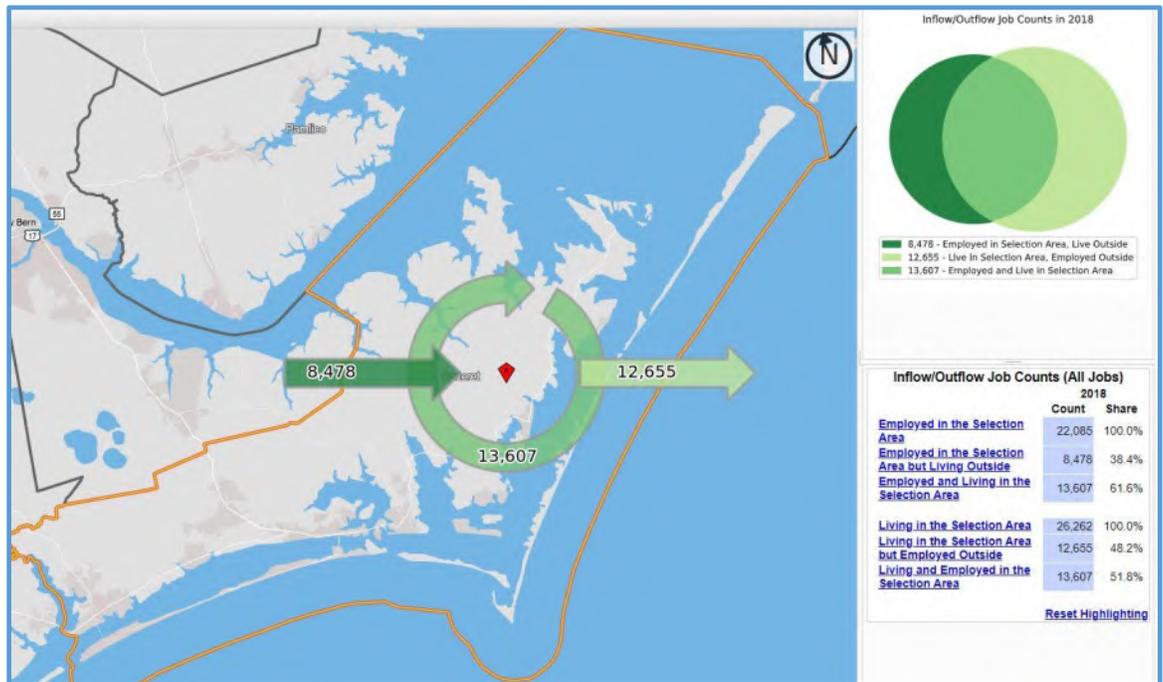


Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA
Additional Source(s): Bowen National Research



Commuting Patterns

According to 2018 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the total 26,262 working residents of Carteret County, 13,607 (51.8%) stay in the county for work, while the remaining 12,655 (48.2%) leave the county to seek employment opportunities. Meanwhile, 8,478 people commute into the county from surrounding areas. These 8,478 non-residents represent 38.4% of the people employed in the county and represent a notable base of potential support for future residential development. The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters.



Characteristics of Carteret County commuting flow in 2018 are illustrated in the table below.

Carteret County, NC: Commuting Flow Analysis by Earnings, Age and Industry Group (2018, All Jobs)						
Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	2,822	22.3%	2,518	29.7%	2,752	20.2%
Ages 30 to 54	6,396	50.5%	4,160	49.1%	6,810	50.0%
Ages 55 or older	3,437	27.2%	1,800	21.2%	4,045	29.7%
Earning <\$1,250 per month	3,407	26.9%	2,763	32.6%	3,948	29.0%
Earning \$1,251 to \$3,333	4,643	36.7%	3,662	43.2%	5,719	42.0%
Earning \$3,333+ per month	4,605	36.4%	2,053	24.2%	3,940	29.0%
Goods Producing Industries	1,364	10.8%	1,055	12.4%	1,672	12.3%
Trade, Transportation, Utilities	3,361	26.6%	2,363	27.9%	2,291	16.8%
All Other Services Industries	7,930	62.7%	5,060	59.7%	9,644	70.9%
Total Worker Flow	12,655	100.0%	8,478	100.0%	13,607	100.0%

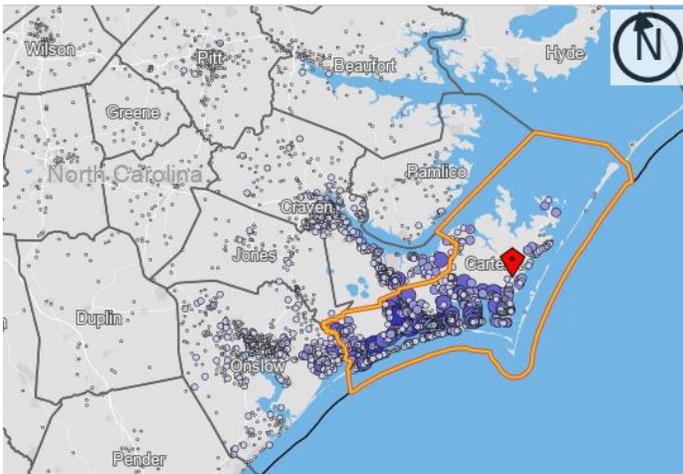
Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics

Note: Figures do not include contract employees and self-employed workers

Based on the preceding data, of the county’s 8,478 in-commuters, nearly four-fifths (78.8%) are under age 55, three-quarters (75.8%) earn \$3,333 or less monthly (less than \$40,000 annually), and three-fifths (59.7%) work in the “All Other Services” industry. These trends are reflected in the distribution of the same characteristics for resident workers and outgoing workers, though in-commuters are relatively younger and earn a lower income.

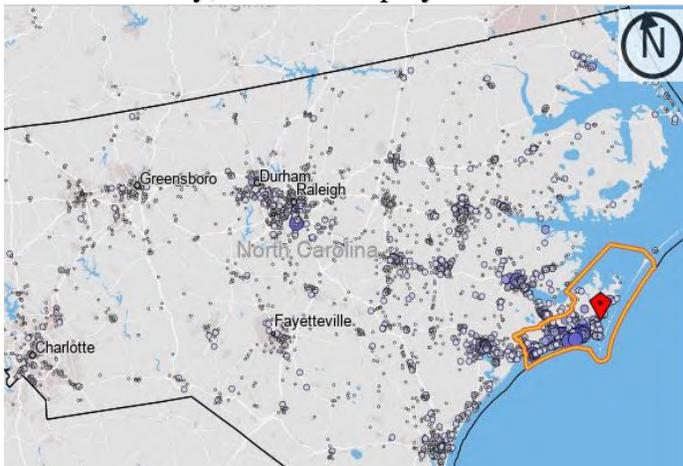
The following maps and corresponding tables illustrate the physical home location of people working in Carteret County, as well as the concentration of jobs within Carteret County and the state of North Carolina.

Carteret County, Home Location



Top 10 - Place of Residence All Jobs (2018)		
Community	Number	Share
Morehead City	2,084	9.4%
Beaufort	991	4.5%
Havelock	869	3.9%
Newport	793	3.6%
Emerald Isle	561	2.5%
Jacksonville	486	2.2%
Broad Creek	418	1.9%
New Bern	340	1.5%
Atlantic Beach	284	1.3%
Harkers Island	273	1.2%
All Other Locations	14,986	27.9%
Total	22,085	100.0%

Carteret County, Place of Employment



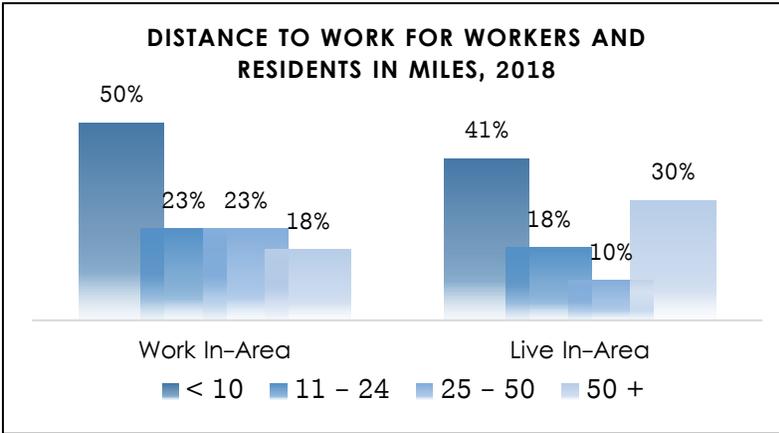
Top 10 - Place of Employment All Jobs (2018)		
Community	Number	Share
Morehead City	5,735	21.8%
Beaufort	1,936	7.4%
Jacksonville	1,150	4.4%
New Bern	1,118	4.3%
Raleigh	967	3.7%
Havelock	758	2.9%
Atlantic Beach	730	2.8%
Emerald Isle	715	2.7%
Greenville	686	2.6%
Newport	501	1.9%
All Other Locations	11,966	45.6%
Total	26,262	100.0%

Note: Places in green are within Carteret County

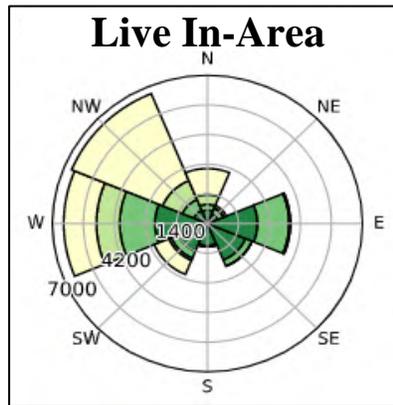
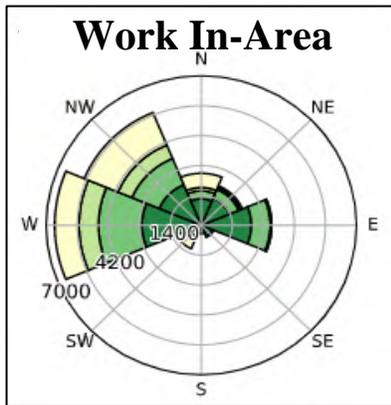
Of the 22,085 people who work in Carteret County, 13,607 (61.6%) also *live* in the county, with the largest share of working residents *living* in Morehead City (9.4%), Beaufort (4.5%), and Newport (3.6%). The largest shares of county residents work in Morehead City (21.8%) and Beaufort (7.4%). Notable shares of residents commute to communities outside of the county to places like Jacksonville (4.4%), New Bern (4.3%), and Raleigh (3.7%). Two of the three largest shares of people who commute into Carteret County for work come from Havelock (3.9%) and New

Bern (1.5%) in Craven County, adjacent northwest, and a notable share (2.2%) comes from Jacksonville in Onslow County, approximately 74 miles southwest.

The following illustrates the direction and distance in which workers travel within, to and from Carteret County. *Work In-Area* illustrates distance for workers employed in the county regardless of where they live, while *Live In-Area* illustrates distance for residents regardless of where they work.



Two in five (41.0%) of Carteret County residents have commutes of less than 10 miles and 30.0% travel more than 50 miles to their place of employment. A higher share (50.1%) of people working in Carteret County commute less than 10 miles and a lower share (18.0%) commute more than 50 miles.



In part due to the coastal county location, three-quarters (74.2%) of workers and 69.1% of Carteret County residents traveling more than 50 miles to work travel west and northwest toward the New Bern and Raleigh-Durham areas. The Raleigh-Durham areas are generally higher cost-of-living areas, likely contributing to residents choosing to commute considerable distances.

Public Transit Availability

Carteret County Area Transportation System (CCATS) provides public transportation within Carteret County, operating on a demand-response basis. Without any fixed routes, all transportation must be scheduled in advance, either by 11:00 a.m. the previous business day for in-county travel or 24-hours in advance for out-of-county travel. Demand response routes connect the unincorporated areas of Carteret County and an additional six surrounding counties along the route to the Raleigh-Durham area. For routes outside of the county limits, per person prices each way are \$20 to Havelock, \$40 to New Bern, \$45 to Pollocksville, \$50 to Jacksonville, \$80 to Greenville, and \$100 to Wilmington.

Per person prices each way for routes within county limits are detailed below.

From To	Cape Carteret / Emerald Isle	Newport City	Morehead City	Beaufort	Merrimon	Smyrna	Atlantic	Cedar Island
Cape Carteret / Emerald Isle	\$3.00	\$4.00	\$4.00	\$5.00	\$6.00	\$6.00	\$7.00	\$7.00
Newport City	\$4.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	\$7.00
Morehead City	\$4.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	\$6.00
Beaufort	\$5.00	\$4.00	\$4.00	\$3.00	\$4.00	\$4.00	\$5.00	\$6.00
Merrimon	\$6.00	\$5.00	\$5.00	\$4.00	\$3.00	\$3.00	\$4.00	\$5.00
Smyrna	\$6.00	\$5.00	\$5.00	\$4.00	\$3.00	\$3.00	\$4.00	\$4.00
Atlantic	\$7.00	\$6.00	\$6.00	\$5.00	\$5.00	\$4.00	\$3.00	\$3.00
Cedar Island	\$7.00	\$7.00	\$6.00	\$6.00	\$5.00	\$4.00	\$3.00	\$3.00

Source: CCATS brochure

Additionally, county residents have access to a daily charter bus connecting to the Amtrak Train Station in Wilson. The trip from the Train Depot in Morehead City to Wilson takes just over three hours with stops in Havelock, New Bern, and Greenville both ways. It should also be noted that ferry boat transportation provides accessibility to Eastern North Carolina (i.e., Ocracoke, Hatteras, and the Outer Banks).

C. MIGRATION PATTERNS

Unlike the preceding section that evaluated workers' commuting patterns, this section addresses where people move to and from, referred to as migration patterns. For the purposes of this analysis, the Census Bureau's Population Estimates Program (PEP) is considered the most reliable source for the total *volume* of domestic migration. To evaluate migration *flows* between counties and mobility patterns by age and income at the county level, we use the U.S. Census Bureau's migration estimates published by the American Community Survey (ACS) for 2019 (latest year available). It is important to note that while county administrative boundaries are likely imperfect reflections of commuter sheds, moving across a county boundary is often an acceptable distance to make a meaningful difference in a person's local housing and labor market environment.

The following table illustrates the cumulative change in total population for Carteret County between April 2010 and July 2019.

Components of Population Change for Carteret County April 1, 2010 to July 1, 2019				
Change*		Components of Change		Domestic Migration
Number	Percent	Natural Increase	Net Migration	% of Growth
3,010	4.5%	-1,967	4,989	88.5%

Source: U.S. Census Bureau, Population Division, March 2020

*Includes a residual (-12) representing the change that cannot be attributed to any specific demographic component

Carteret County experienced a population increase between April 2010 and July 2019 of 3,010, representing a 4.5% change. Domestic migration has accounted for a vast majority (88.5%) of population growth in Carteret County during the past decade, with international migration accounting for the remaining 11.5%. As such, Carteret County’s net population growth has been primarily driven by domestic in-migration. Natural increase (the overall number of births vs. deaths) was -1,967 for Carteret County, which was offset by the total net migration of 4,989 resulting in the overall positive net change of 3,010.

The following table details the *rates* and *shares* of domestic in-migration by three select age cohorts for Carteret County from 2009 to 2019.

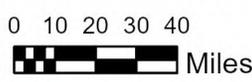
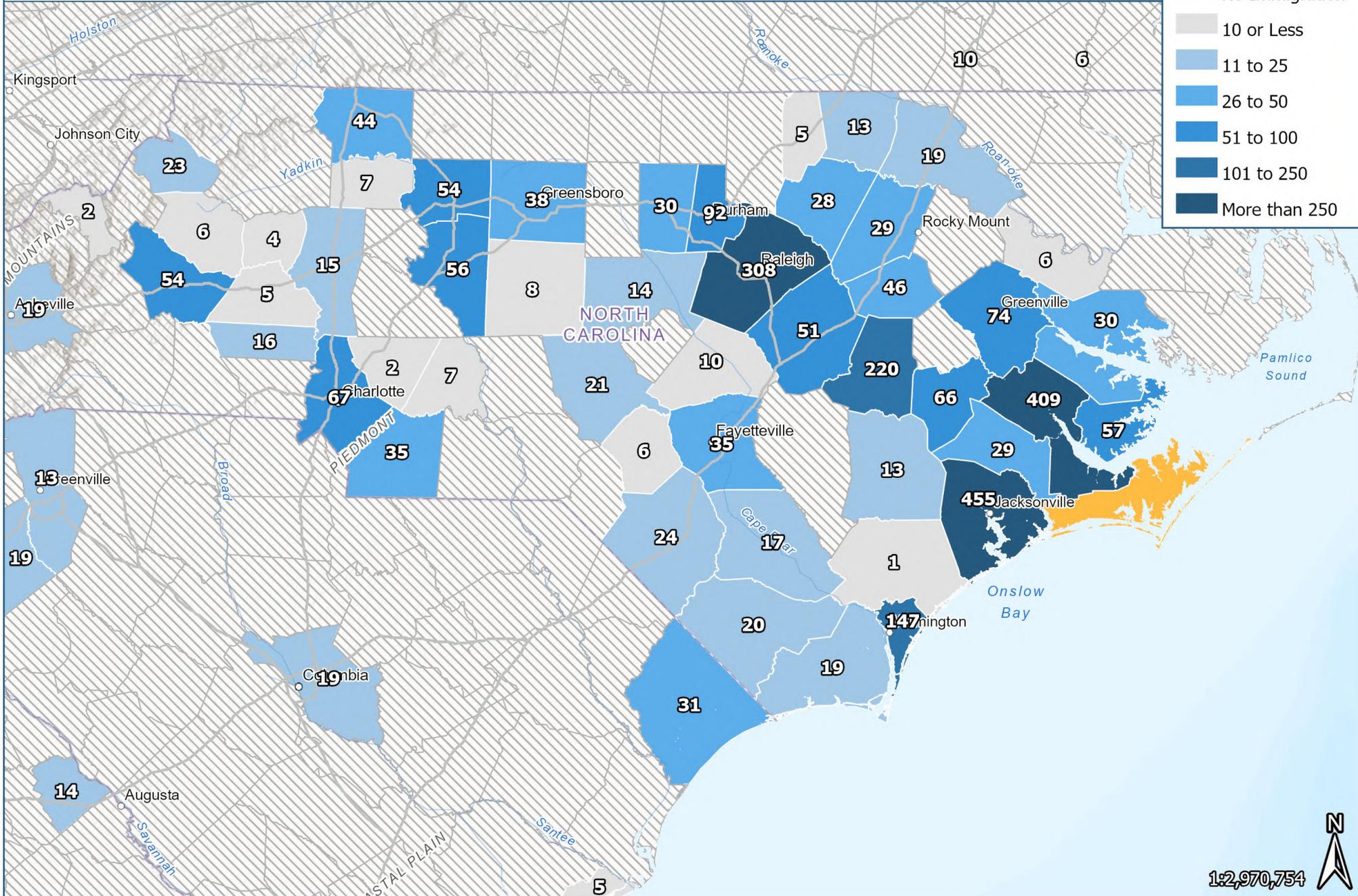
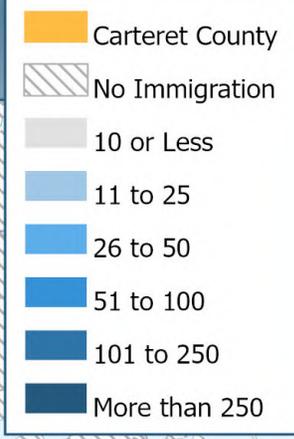
Carteret County, North Carolina Domestic County Population In-Migrants by Age, 2009 to 2019		
Age	2009-2014	2015-2019
1 to 24	33.1%	33.5%
25 to 64	57.7%	54.4%
65+	9.2%	12.1%
Median Age	27.9	39.4

Source: U.S. Census Bureau, 2014 and 2019 5-Year American Community Survey Estimates; Bowen National Research

The previous table illustrates that from 2009 to 2014, over 57% of Carteret County’s domestic in-migrants (people moving into Carteret County) consisted of people between the ages of 25 and 64. There was also a significant share of in-migrants under the age of 25 (33.1%). By 2019, the share of in-migrants between the ages of 25 and 64 was slightly lower (54.4%) when compared to 2014 figures. Note that the share of in-migrants age 65 and older increased between 2014 and 2019 from 9.2% to 12.1%. By 2019, in-migrants under the age of 25 represented nearly 34% of all in-migrants to Carteret County. By 2019, the median age of in-migrants moving to Carteret County was 39.4 years, a much higher median age than the median age of 27.9 years in 2014.

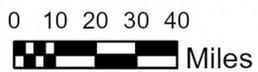
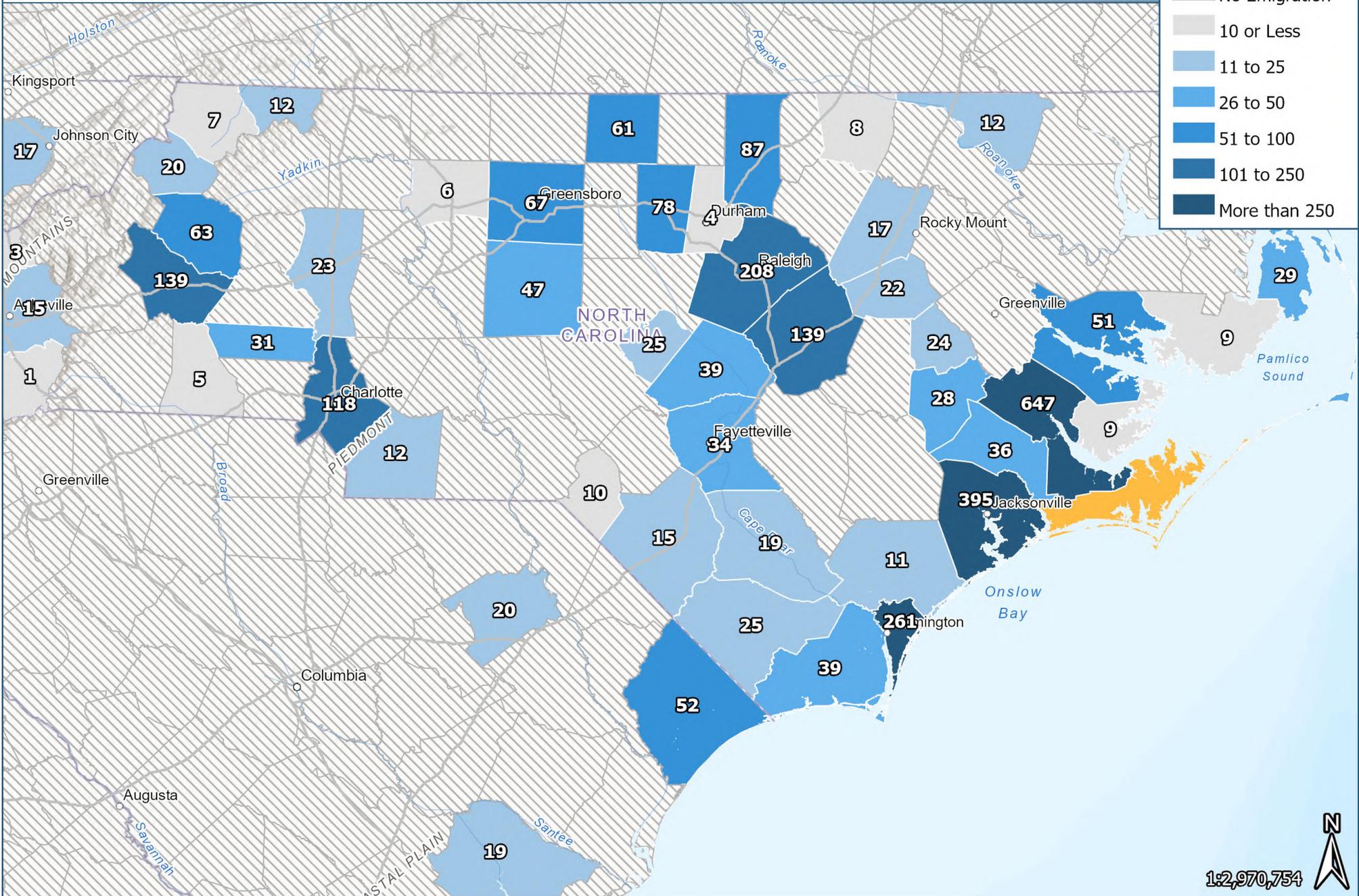
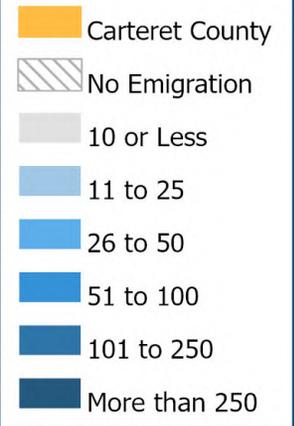
While cumulative estimates illustrate that domestic migration constituted over 88% of the county's population growth between 2010 and 2019, an examination of inter-regional movements illustrates that Carteret County benefits from both interstate migration as well as migration from abroad. According to ACS 2014-2018 five-year estimates, Carteret County's *net* migration (the *difference* between in- and out-migration) is positive by about 470 people for the time period. Migrants outside North Carolina, but within the United States, account for an increase of about 439 people, migrants from different counties within North Carolina account for a decrease of about 212 people, and migrants from abroad account for an increase of about 243 people.

Maps illustrating immigration flow by county to Carteret County and emigration flow by county from Carteret County for 2019 are shown on the following pages.



Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS
 Additional Source(s): Bowen National Research





Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, NPS, Esri, USGS
 Additional Source(s): Bowen National Research



To further illustrate the migration patterns of Carteret County, we summarized the top 10 counties from which Carteret County both draws and loses residents in the following table.

Carteret County: County-to-County Net Population Migration Top 10 Origin and Destination Counties					
In-Migration			Out-Migration		
Importing County	Number	Percent	Exporting County	Number	Percent
Onslow County, NC	455	8.7%	Craven County, NC	647	13.6%
Craven County, NC	409	7.8%	Onslow County, NC	395	8.3%
Wake County, NC	308	5.9%	New Hanover County, NC	261	5.5%
Wayne County, NC	220	4.2%	Newport News, VA	235	4.9%
New Hanover County, NC	147	2.8%	Wake County, NC	208	4.4%
Orange County, VA	99	1.9%	Hartford County, MD	141	3.0%
Ocean County, NJ	98	1.9%	Burke County, NC	139	2.9%
Prince William County, VA	93	1.8%	Johnston County, NC	139	2.9%
Durham County, NC	92	1.8%	Mecklenburg County, NC	118	2.5%
Madison County, NY	79	1.5%	Brevard County, FL	94	2.0%
Total In-Migration	5,223	100.0%	Total Out-Migration	4,753	100.0%

Source: U.S. Census Bureau, 2019 5-Year American Community Survey; Bowen National Research

As the preceding table illustrates, the top 10 in-migration counties account for 36.8% of the total inflow for the county, while the top 10 out-migration counties account for 50.0% of the outflow. A majority of the top in-migration and out-migration counties are located in the state of North Carolina, which is driven by geographic proximity. Interestingly, while Craven County, North Carolina ranks as the second highest for in-migration, it also ranks first for out-migration and results in a net loss of people for Carteret County. Interstate migration, especially along the eastern coast, and migration from mostly Asia and Europe also play an important role in the overall population growth of the county.

Geographic mobility by *per-person* income is distributed as follows:

Carteret County: Income Distribution by Mobility Status for Population Age 15 Years+						
2019 Inflation Adjusted Individual Income	Moved within same county		Moved from different county, same state		Moved from different state	
	Number	Percent	Number	Percent	Number	Percent
<\$10,000	597	17.8%	482	21.0%	375	20.0%
\$10,000 to \$14,999	374	11.2%	174	7.6%	174	9.3%
\$15,000 to \$24,999	650	19.4%	433	18.9%	289	15.4%
\$25,000 to \$34,999	492	14.7%	399	17.4%	266	14.2%
\$35,000 to \$49,999	514	15.4%	281	12.3%	257	13.8%
\$50,000 to \$64,999	244	7.3%	211	9.2%	195	10.4%
\$65,000 to \$74,999	190	5.7%	50	2.2%	77	4.1%
\$75,000+	288	8.6%	266	11.6%	237	12.7%
Total	3349	100.0%	2295	100.0%	1869	100.0%

Source: U.S. Census Bureau, 2019 5-Year American Community Survey; Bowen National Research

Approximately half of the population that moved either within Carteret County or from outside the county earned less than \$25,000 per-person per year. Specifically, this lower income segment represented 48.4% of the Carteret County population that moved within the county, 47.4% of the people moving to the county from another North Carolina county, and 44.8% of people moving to the county from outside the state, excluding migrants from abroad. By comparison, 21.5% of migrants within the county, 23.0% of migrants within the state but from a different county, and 27.2% of interstate migrants earned more than \$50,000 annually.

Based on our evaluation of population growth between 2010 and 2019, Carteret County experienced considerable shares of growth from people moving into the county from outside North Carolina. The number of people moving into the county has surpassed the decrease in natural growth trends (deaths outpacing births), indicating that without in-migration, Carteret County's population total would contract. Based on ACS 2015-2019 estimates, in-migrants are generally younger, less affluent, and are more likely to be renters compared to existing residents. These migration trends will influence on-going housing needs in the county.

D. COMMUNITY SERVICES

The location, type, and number of community attributes (both services and amenities) can have a significant impact on housing market performance and the ability of a market to support existing and future residential development. Typically, a geographic area served by an abundance of amenities and services should be more desirable than one with minimal offerings, and its housing market should perform better accordingly. As a result, community attributes were examined in Carteret County as part of this Housing Needs Assessment.

Carteret County is located in the eastern portion of North Carolina. The county is located along the Atlantic Ocean and is part of an area commonly referred to as the Crystal Coast. Carteret County is bordered by Pamlico County, Craven County, and Jones County to the north, Onslow County to the west, and Hyde County to the northeast. Carteret County includes eleven incorporated municipalities that together represent approximately 50% of the county population. The other 50% reside in unincorporated areas outside of municipal limits. The eleven municipalities are (listed alphabetically, with estimated July 2019 NC Office of State Budget and Management populations listed in parentheses) are: Atlantic Beach (1,492), Beaufort (4,281), Bogue (744), Cape Carteret (2,231), Cedar Point (1,509), Emerald Isle (3,822), Indian Beach (129), Morehead City (9,517), Newport (4,795), Peletier (747), and Pine Knoll Shores (1,341).

Each of the larger towns has a notable supply of community services for its residents. The following is a summary of community services in each of the larger towns and areas.

Morehead City

The town of Morehead City, the largest incorporated community in the county, is approximately 42.0 miles east of Jacksonville, North Carolina and approximately 96.0 miles northeast of Wilmington, North Carolina. Morehead City is located along U.S. Highway 70, which serves as the main commercial arterial in Carteret County. A variety of community services are accessible for county residents such as gas stations, convenience stores, grocery stores, discount department stores, pharmacies, banks, and restaurants. Grocery stores serving the Morehead City area include Walmart Supercenter, Harris Teeter, Lowes Foods, Food Lion, and Lidl. Several local and chain restaurants are also located along U.S. Highway 70 and within shopping centers along this highway. Major shopping centers include Governor's Station, Morehead Marketplace, Cypress Bay Plaza, and Crystal Coast Plaza. Cypress Bay Plaza and the surrounding area includes Belk, Best Buy, Staples, and Lowe's Home Improvement as major stores. Crystal Coast Plaza includes Dick's Sporting Goods, T.J. Maxx, and several fast-casual restaurants.

Morehead City also has a notable supply of recreational facilities including several parks, boat ramps, and the Morehead City Recreation Center. Police and fire protection is provided by the Morehead City Police and Fire departments, respectively. Carteret Health Care, the local hospital, is located in the eastern portion of Morehead City. The Leo Mann Jr. Enrichment Center serves as the senior center for Carteret County. This senior center offers a variety of games, activities, and social services and is open to county residents aged 50 and older. A nutrition program providing daily meals is offered to county residents aged 60 and older.

Beaufort

The town of Beaufort, which serves as the seat of government for Carteret County, is approximately 4.0 miles east of downtown Morehead City. Beaufort has a historic downtown district that is a popular draw for both area residents and tourists. Downtown Beaufort includes several local restaurants and retailers. U.S. Highway 70 Business (Live Oak Street) also contains several community services for Beaufort residents, including grocery stores, restaurants, gas stations, pharmacies, and discount department stores. Notable stores in Beaufort include Food Lion, Piggly Wiggly, Roses, Dollar General, and Dollar Tree. Recreational and cultural amenities include the Harvey W. Smith Watercraft Center, the North Carolina Maritime Museum, and the Beaufort Train Depot. Larger retailers, including Walmart Supercenter, are located in Morehead City. The nearest hospital (Carteret Health Care) is also located in Morehead City.

Newport

The town of Newport is located approximately 10.0 miles northwest of downtown Morehead City. Community services are primarily located along U.S. Highway 70. Major stores in Newport include Walmart Neighborhood Market, Food Lion, and Dollar General. Police and fire protection services are provided by the Town of Newport. Recreational and cultural amenities include the Newport Historical Museum, Newport Community Park, and Fort Benjamin Park Recreation Center. Several local and chain restaurants are also available to town residents.

Beach Communities

The southern portion of Carteret County consists of beach communities along Bogue Banks, a barrier island along the Atlantic Ocean. Communities on Bogue Banks include Atlantic Beach, Pine Knoll Shores, Indian Beach, Salter Path, and Emerald Isle. All five communities are linked by State Route 58, which serves as the main arterial throughout the barrier island. Atlantic Beach is located on the eastern portion of the barrier island and has direct access to Morehead City via the Atlantic Beach Bridge. Fort Macon State Park, a popular area for fishing and swimming, is located on the far east end of Atlantic Beach. The town of Atlantic Beach also includes several restaurants and retailers that cater to residents and tourists. Public beach access points are also located throughout the town.

Pine Knoll Shores is immediately west of Atlantic Beach on the Bogue Banks barrier island. This town includes the North Carolina Aquarium at Pine Knoll Shores, Theodore Roosevelt Natural Area, and beach access points. Indian Beach, located west of Pine Knoll Shore, is a small town primarily consisting of single-family homes and condominium buildings. Salter Path is an unincorporated community located within the Indian Beach area that consists of a mix of residential and commercial land uses.

The town of Emerald Isle, the largest of the five beach communities, is located on the western portion of the Bogue Banks barrier island. Emerald Isle consists of a mix of single-family homes and rental properties that primarily cater to seasonal tourists. Emerald Isle also has several beach access points via residential neighborhoods and the Bogue Inlet Fishing Pier. Community services in Emerald Isle include Publix and Food Lion shopping centers, multiple gas stations and convenience stores, a community center, and numerous retail stores and restaurants that cater to residents and tourists. The town also has a recreation trail that extends east to west along Coast Guard Road and State Route 58. Emerald Isle is connected to the mainland portion of Carteret County via the Emerald Island Causeway, a bridge that provides direct access to State Route 24 in Cedar Point and Cape Carteret.

Western Carteret County

The western portion of Carteret County primarily consists of Cape Carteret and Cedar Point, two towns located along State Route 24. Cape Carteret is located east of State Route 58 and consists of residential and commercial land uses. Notable stores in Cape Carteret include Lowe's Home Improvement and Lowes Foods. Several restaurants are also located along State Route 24. Star Hill Golf Club is located in the northern portion of Cape Carteret, while the eastern portion of the town is adjacent to the United States Marine Corps Landing Field.

Cedar Point is a town located west of State Route 58. The northern portion of the town is primarily residential and largely consists of newer single-family homes. Commercial businesses are located along State Route 24, including gas stations, convenience stores, restaurants, and a variety of local retailers. The southern portion of Cedar Point consists of established single-family neighborhoods and mobile home parks. Note that the towns of Cedar Point and Cape Carteret have similar proximity to Jacksonville (Onslow County) and Morehead City, as both areas are typically within a 30-minute drive.

County-wide Amenities and Services

Carteret County is served by the Carteret County Public School System. This school district consists of a pre-school center, a primary school, eight elementary schools, six middle schools, four high schools, and an alternative school for grades six through twelve. Carteret County Public School System had an enrollment of nearly 8,000 students throughout all grade levels for the 2019-2020 school year. Carteret County Public Schools are among the best in the state of North Carolina, with the highest-ranked high schools in 2019 and the second-highest SAT scores in 2020. Carteret County's outstanding public schools are believed to be one reason that many families are choosing to relocate to Carteret County. Carteret Community College, part of the North Carolina Community College System, has an enrollment of approximately 1,900 students for curriculum studies and approximately 4,500 students in continuing education programs. This community college has several programs of study at its Morehead City campus including Business, Culinary & Hospitality, Healthcare, Public Safety, and Marine Trades. Carteret Community College was ranked by SmartAsset as the fourth best community college in America in 2020.

Carteret County Parks and Recreation operates several county-owned recreation facilities, including several parks, two recreation centers, two beach access locations, and a fishing pier. Western Park Community Center, located in Cedar Point, includes a rental hall and indoor classrooms for various programs. Fort Benjamin Park Recreation Center, located in Newport, includes a band shell for cultural events and an indoor facility with rental space, a game room, and a classroom. Western Park Community Center and Fort Benjamin Park Recreation Center each include outdoor recreation space that includes sports fields/courts and playgrounds.

Carteret County Area Transportation System (CCATS) offers curb-to-curb transit service for county residents and visitors. Public transportation scheduled in advance is available between cities/towns using this transit service. One-way fares between cities/towns range from \$3 to \$7 based on origin and destination. CCATS also provides transportation to cities located outside the county, including Jacksonville, New Bern, and Wilmington. One-way rates outside the county range from \$20 to \$100 based on destination.

Public safety services are provided by the Carteret County Sheriff's Office for police protection services. Several towns in Carteret County also operate their own police departments. A total of 14 emergency medical service/fire departments operates in Carteret County within defined service areas. Medical facilities in Carteret County consist of Carteret Health Care, a 135-bed hospital with an emergency department, along with urgent care centers, medical clinics, and physician's offices. Carteret Health Care is one of the top 100 community hospitals in the United States and is the only North Carolina hospital that is part of the Mayo Clinic Care Network. Carteret County's outstanding health care system is one of the reasons that Carteret County has been ranked sixth among the country's retirement hot spots. Pharmacies are located in several towns throughout Carteret County.

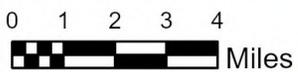
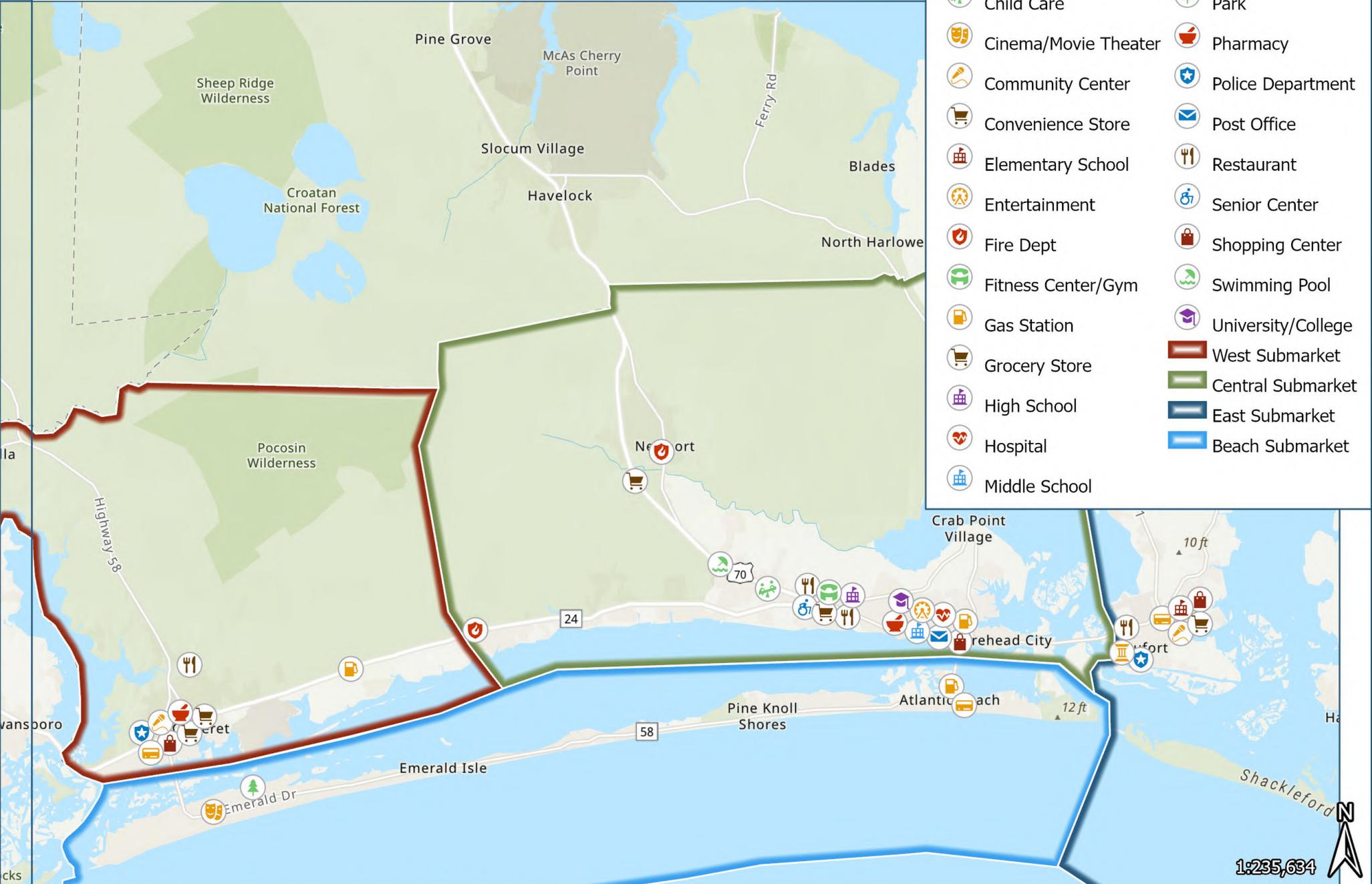
In summary, Carteret County provides a notable level of community services that are typically required by most residents. Several towns in the county include a basic level of community services for their residents, including grocery stores, pharmacies, gas stations, convenience stores, and restaurants. An expanded selection of community services for the smaller towns in the county is typically available in Morehead City, which serves as the largest town and commercial center for Carteret County. Community services within Carteret County are primarily located along U.S. Highway 70, the main east-west commercial arterial. The planned expansion of U.S. Highway 70/Interstate 42 in Carteret County has the potential to expand the current supply of community services in future years.

Carteret County consistently has the lowest property tax rate of any North Carolina County. For the 2021-22 fiscal year, the county's property tax rate is \$0.33 per \$100 valuation. The second lowest county rate is \$0.36 (Swain County), and the highest county rate is \$1.00 (Scotland County). The low county rate, combined with low municipal rates throughout the county, make Carteret County one of the most tax-advantaged counties in North Carolina in which to own real property.

Carteret County is a growing county, and this growth will be accelerated with the construction of I-42, the expansions of Camp Lejeune and MCAS Cherry Point, and other investments. This growth will not only result in the demand for construction of new housing, but also the demand for new services, including schools, health care facilities, emergency services, parks and recreation facilities, and other public services. All local governments in the county should anticipate this demand for new and expanded services and begin planning accordingly now.

Maps of notable community services within the study areas are included on the following pages.

- | | | | |
|--|----------------------|--|--------------------|
| | Bank | | Museum |
| | Child Care | | Park |
| | Cinema/Movie Theater | | Pharmacy |
| | Community Center | | Police Department |
| | Convenience Store | | Post Office |
| | Elementary School | | Restaurant |
| | Entertainment | | Senior Center |
| | Fire Dept | | Shopping Center |
| | Fitness Center/Gym | | Swimming Pool |
| | Gas Station | | University/College |
| | Grocery Store | | West Submarket |
| | High School | | Central Submarket |
| | Hospital | | East Submarket |
| | Middle School | | Beach Submarket |



Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, Esri, NASA, NGA, USGS
 Additional Source(s): Bowen National Research

1:235,634



E. DEVELOPMENT OPPORTUNITIES

Housing markets expand when the number of households increases, either from immigration or from new household formations. In order for a given market to grow, households must find acceptable and available housing units (either newly created or pre-existing). If acceptable units are not available, households will not enter the housing market and the market may stagnate or decline. Rehabilitation of occupied units does not expand housing markets, although it may improve them. For new housing to be created, land and/or existing buildings (suitable for residential use) must be readily available, properly zoned, and feasibly sized for development. The absence of available residential real estate can prevent housing market growth, unless unrealized zoning densities (units per acre) are achieved on existing properties.

Market growth strategies that recommend additional or newly created housing units should have one or more of the following real estate options available: 1) land without buildings, including surface parking lots (new development), 2) unusable buildings (demolition-redevelopment), 3) reusable non-residential buildings (adaptive-reuse), and 4) vacant reusable residential buildings (rehabilitation). Reusable residential buildings should be unoccupied prior to acquisition and/or renovation, in order for their units to be “newly created” within the market. In addition to their availability, these real estate offerings should be residentially zoned (or capable of achieving same) and of a feasible size for profitability.

Through data provided by local government entities, as well as online and on-the-ground research conducted in April of 2021, Bowen National Research identified and inspected potential sites. Real estate listings and information from the county tax assessor were also used to supplement information collected for this report. It should be noted that these potential housing properties were selected without complete knowledge of availability, price, or zoning status and that the vacancy and for-sale status was not confirmed. Although this search was not exhaustive, it does represent a list of the most obvious real estate opportunities in the PSA (Carteret County). The investigation resulted in 52 properties being identified. Of these properties, eight contain an existing building that is not necessarily vacant and may require demolition and new construction or adaptive reuse. The remaining 44 properties were vacant parcels of land that could support residential development of notable size. It should be noted that smaller parcels (generally less than one acre) and infill lots were excluded from this inventory.

Information on the housing development opportunity sites is presented in the following table:

Carteret County – Development Opportunity Sites						
Map Code	Street Address	Town/City	Year Built	Building Size	Land Size (Acres)	Zoning
1	1000 Morris Marina Rd.	Atlantic Beach	-	-	32.4	Commercial
2	718 Atlantic Beach Cswy	Atlantic Beach	-	-	0.94	Commercial/Residential
3	0 Acreage North River	Beaufort	-	-	111.9	R
4	0 Old North River	Beaufort	-	-	41.8	R-15M
5	0 The Hills Lane	Beaufort	-	-	27.5	Residential
6	318 Brenda Ln.	Beaufort	-	-	171	Commercial
7	103 Fairview Dr.	Beaufort	1986	3,962	0.4	Commercial
8	411 Front St.	Beaufort	1996	5,627	0.38	H-BD
9	Hwy 101	Beaufort	-	-	33.1	R-20
10	674 Hwy 101	Beaufort	-	-	60.2	R-20
11	790 Hwy 101	Beaufort	-	-	47	R-20
12	Hwy 70 North River	Beaufort	-	-	40.9	R-20
13	1706 Live Oak St.	Beaufort	-	-	0.6	CC
14	1809 Live Oak St.	Beaufort	-	-	6	Commercial
15	1980 & 1990 Live Oak St. (Hwy 70 East Howland Rock)	Beaufort	-	-	42.3	R-20
16	435 Merrimon Rd.	Beaufort	-	-	80.6	B-1 & B-15M
17	Lot 3 Merrimon Rd.	Beaufort	-	-	80.1	B-1 & R-15M
18	143 & 149 Pinners Point Rd./0 Live Oak St.	Beaufort	-	-	30.7	N/A
19	105 Professional Park Dr.	Beaufort	1999	18,000	3.7	Transitional-Mixed Use
20	415 Silver Dollar Rd.	Beaufort	-	-	79.5	N/A
21	500 Steep Point Rd./Marshall Land	Beaufort	-	-	59.4	R-20
22	920 Cedar Point Blvd.	Cedar Point	-	-	2.6	B-1
23	1069 Cedar Point Blvd.	Cedar Point	1990	6,200	1	Commercial
24	236 Old Hwy 58	Cedar Point	1985	1,706	0.66	B-1
25	246 Old Hwy 58	Cedar Point	-	-	1.6	Commercial
26	104 Branson Ln.	Gloucester	-	-	17.3	Residential
27	0 Hwy 101	Harlowe	-	-	35	R
28	205, 911 & 919 Hardesty Farm Rd./Hardesty Loop Rd.	Harlowe	-	-	124	R
29	1108 Lake N Shore Dr.	Morehead City	-	-	73.3	R-20/FP
30	2603 Three Iron St.	Morehead City	-	-	75	R-20
31	SIRS of NC (3 Parcels on Country Club)	Morehead City	-	-	16.8	R-15-CZ
32	300 Bryan St.	Morehead City	-	-	N/A	R-20
33	End of West Haven Blvd.	Morehead City	-	-	31.5	R-10
34	5653 Hwy 70	Morehead City	-	-	66	R-20
35	1601 North 20th St.	Morehead City	-	-	37.9	R-15 CU
36	North 20th St. & Country Club Rd.	Morehead City	-	-	35.9	R-20
37	101 Roanoke Ave.	Morehead City	1950	2,400	2	Specialty
38	0 Acreage N of Hwy 101	Newport	-	-	45.6	N/A
39	Hwy 70 and NC SR 1247	Newport	-	-	7.2	Commercial Highway
40	5675 Hwy 70/West side of U.S. 70	Newport	-	-	514.7	CH, R-20

Sources: Carteret County and other local government sources, Loop Net and Bowen National Research

*Unable to map

N/A – Not Applicable or Not Available

Note: Total land area includes total building area

(Continued)

Carteret County – Development Opportunity Sites

Map Code	Street Address	Town/City	Year Built	Building Size	Land Size (Acres)	Zoning
41	144 Mason Ln.	Newport	1950	972	30.9	Commercial
42	1106 Newport Loop	Newport	-	-	41.1	R-15/R-20
43	5387 North Carolina 24	Newport	-	-	0.9	B-1
44*	North Hwy 24	Newport	-	-	16	B-3
45	215 Pearson Cir.	Newport	-	-	17.8	R-15M
46	8 Roberts Estates Newport	Newport	-	-	29.6	Residential
47	1250 Roberts Rd.	Newport	-	-	20.6	Residential
48*	Roberts Rd.	Newport	-	-	0.9	Commercial
49	600 Time Warner Dr./East side of U.S. 70	Newport	-	-	38.8	CH, R-20
50	300 Wetherington Landing Rd.	Stella	-	-	130	None
51	1117 Cedar Point Blvd.	Swansboro	1960	2,500	1.15	Commercial
52	755 Hwy 58	Swansboro	-	-	47.2	R-20

Sources: Carteret County and other local government sources, Loop Net and Bowen National Research

*Unable to map

N/A – Not Applicable or Not Available

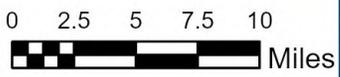
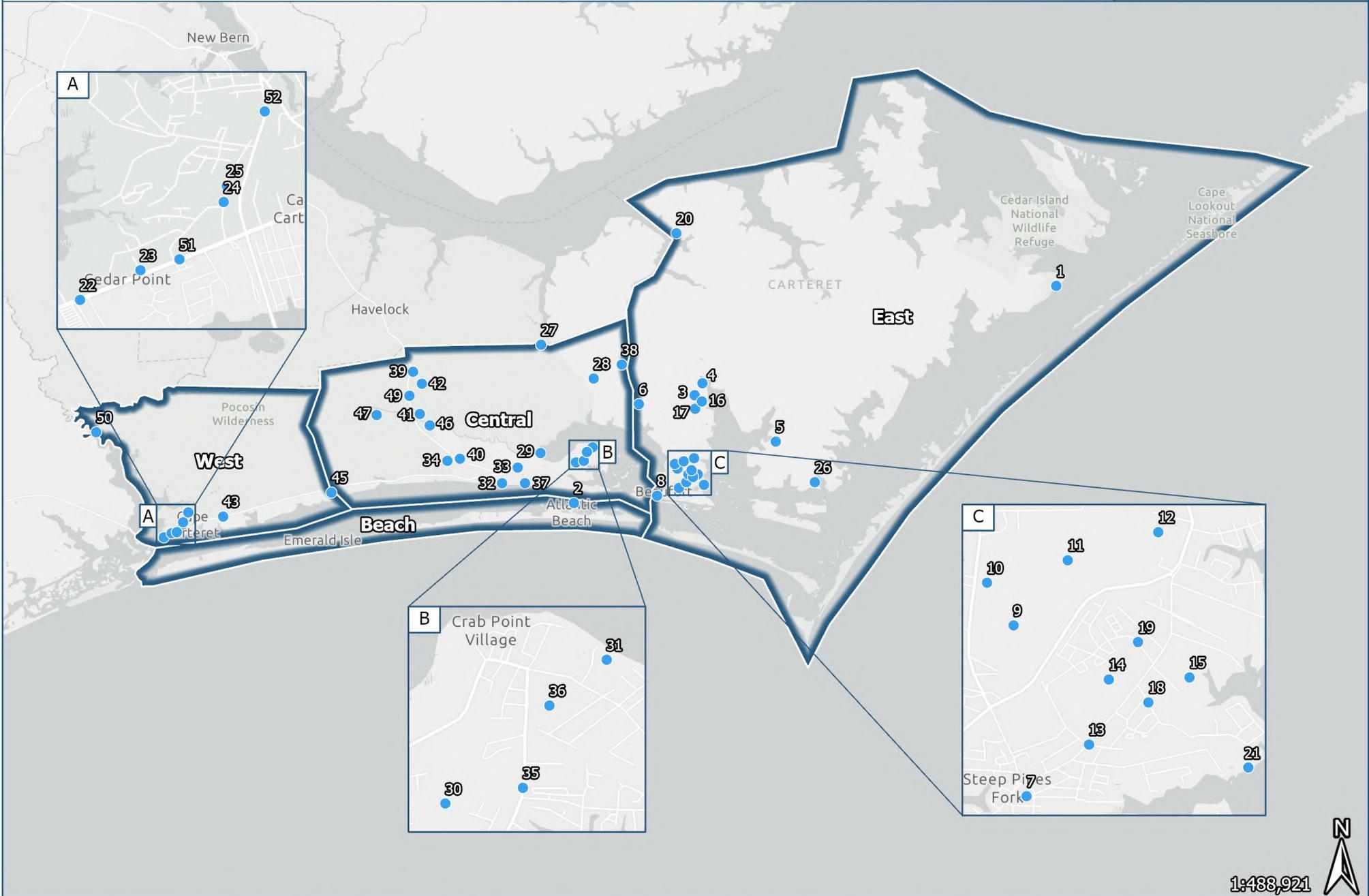
Note: Total land area includes total building area

In summary, the presence of residential development opportunities (properties capable of delivering new housing units) within the PSA (Carteret County) does not appear to be an obstacle to increasing the number of housing units. Our cursory investigation for potential housing sites within the PSA (both land and buildings) identified 52 properties capable of accommodating several hundred new dwelling units. These identified properties listed in the preceding table represent over 2,400 acres of land, which also includes over 38,000 square feet of existing structure area. A total of 36 of vacant parcels have more than 10 acres each, providing the ability to do very large residential projects, including single-family homes or multifamily housing. The existing buildings range in size from 972 square feet to 18,000 square feet, enabling the redevelopment of such structures into small multifamily projects with about four units and a relatively large project with close to 40 units. However, not all of these properties are available and/or are feasible (availability and feasibility of identified properties were beyond the scope of this study).

Given that there are sufficient housing development opportunities within the PSA to support an increase in residential development, the location within the PSA where new residential units will have the greatest chance of success is the next critical question. The desirability of a particular neighborhood or location is generally influenced by proximity to work, school, entertainment venues, recreational amenities (including beaches and navigable waterways), retail services, and drinking and eating establishments. Several of the lots and buildings identified for potential residential development sites are located in the towns of Beaufort, Cedar Point, Morehead City and Newport. Considering the location of key community services and access to public transportation, it is our opinion that sites in or closer to these particular jurisdictions of the county are likely most conducive to new residential units.

The availability of infrastructure, including water, sewer, roads, electric power, natural gas, and broadband, is a critical factor in determining where real estate development occurs. Only three Carteret County municipalities (Newport, Morehead City, and Beaufort) have municipal sewer utilities. The balance of the county is served with individual septic tanks or privately owned package treatment plants. Because higher densities and taller, multi-floor structures are directly correlated with lower housing costs, the three municipalities with municipal sewer utilities have a unique opportunity to accommodate housing that is affordable and attainable for many workers in Carteret County currently facing a lack of housing options. For example, developers of Low-Income Housing Tax Credit properties are generally unwilling to submit applications for projects that are not served by public water and sewer utilities. Any county housing action plan will need the engagement of municipal leaders, particularly in the three municipalities with sewer utilities.

The following page includes a map illustrating the location of the 52 potential housing development opportunity properties. The Map ID number in the summary table is used to locate each property on the following map as well as in the individual profiles of the identified locations, which are provided in Addendum E.



Esri, HERE, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA
Additional Source(s): Bowen National Research



F. RESIDENTIAL DEVELOPMENT COSTS

The cost of housing greatly influences residential development, housing choices, and market strength. Factors such as land costs, labor costs, utility installation costs, taxes and assessments can all affect development costs. A summary of factors influencing residential development costs in Carteret County is provided in this section.

Land costs, including acquisition costs and taxes, factor into the development of real estate. When land costs are bundled into construction costs, a greater picture emerges of overall development costs. Availability of land suitable for development, which typically includes access to utilities and municipal water and sewer, also affects land costs. A search for vacant land for sale on Realtor.com indicated 775 active listings in Carteret County as of March 2021. Active listings for land range from \$12,500 for a 0.35-acre lot in Beaufort to \$5,100,000 for a 3.5-acre parcel in Pine Knoll Shores. Note that most active listings of at least \$400,000 are located along or near coastal areas of the county, while several vacant lots under one acre are available in inland locations for under \$50,000. Vacant residential lots in lower price ranges generally require substantial site work (i.e., removal of trees, land grading) in order to be ready for development.

A search for recent multifamily land sales in Carteret County was also conducted. A total of three land sales were found at locations where multifamily projects were recently completed, currently under construction, or in the development pipeline. A listing of these recent multifamily land sales is displayed in the following table:

Address (Property)	City	Zip	Sale Date	Sale Price	Acres	Price per Acre
506 Campen Road (Eastport at the Park I & II)	Beaufort	28516	04/06/2015	\$165,000*	4.48	\$36,830
3140-3200 Bridges Street (Elijah's Landing)	Morehead City	28557	06/24/2020	\$1,200,000	11.64	\$103,093
3904 Guardian Avenue (Midtown at Guardian)	Morehead City	28557	06/27/2014	\$250,000	2.05	\$121,951

*Sale price calculated based on revenue stamps from warranty deed.

The three land sales displayed in the table above range from \$36,830 to \$121,951 per acre. Note that the most recent land sale of \$103,093 per acre is for Elijah's Landing, a planned apartment property. Note that the lowest land sales price of \$36,830 at 506 Campen Road was for a property that only included partial street frontage at the time of sale. After the sale and construction of the first phase of Eastport at the Park, Campen Road was connected with Professional Park Drive, which significantly improved access for this property. This lack of access in 2016 may explain its lower sales price relative to the other two land sales, which ranged from \$103,093 to \$121,951 per acre.

A search was also conducted to locate multifamily land listings in Carteret County. As no active listings for multifamily land were located in the county, we expanded our search to include adjacent counties. This search uncovered the following relevant multifamily land listings:

- In the city of Jacksonville (Onslow County), 20.33 acres of residential land on Carolina Forest Boulevard is listed for sale at \$2,750,000. This site is pre-approved for a 264-unit apartment property to be named Legacy at Carolina Forest. This parcel is priced at \$135,268 per acre.
- In the city of New Bern (Craven County), a 34.36-acre site at 300 Washington Post Road is listed for sale at \$2,250,000. This site consists of a 28.90-acre parcel that does not have road frontage and an adjacent 5.46-acre commercial parcel that includes road frontage. The 28.90-acre parcel is approved for a 312-unit apartment property. This 34.36-acre site is priced at \$65,483 per acre.
- In the city of New Bern (Craven County), a 3.5-acre wooded site at 1100 Pine Tree Drive is listed for sale at \$250,000. The property listing indicates that it is suitable for a small multifamily development among other potential uses. This 3.5-acre site is priced at \$71,429 per acre.

Based on property listings of multifamily land as part of this analysis, it appears that recent land sales in Carteret County are within the price range of multifamily land currently offered for sale in adjacent counties.

The county housing market was also significantly impacted from the effects of Hurricane Florence, which made landfall in nearby Wrightsville Beach in September 2018. The State of North Carolina paid out over \$2.27 billion statewide to address housing damage and infrastructure repairs. At the county level, the significant number of homes damaged due to Hurricane Florence reduced the available supply of homes in the market. The current housing shortage affecting the United States has further exacerbated this housing supply issue in the county. According to information provided by the Carteret County Planning Department, approximately one-third of the Carteret County population resides within a Special Flood Hazard Area (SFHA). Land prone to flooding is not able to be readily developed, further reducing the supply of available land for future housing projects. In addition, existing structures within an area prone to flooding are required to carry flood insurance, which can further increase the cost of existing homes in the market. Further, a Land Suitability Analysis conducted by Carteret County notes that a significant portion of interior land under the jurisdiction of the county planning department is designated as Least Suitable or Low Suitability for development. By comparison, land designated as having Medium or High Suitability for development is located along or near coastal areas, most notably the North River, Newport River, and Bogue Sound.

Land costs are often significantly higher in coastal areas compared to inland areas for a variety of reasons. The most notable reason is the low supply of available coastal land relative to high buyer demand. The coastal portion of Carteret County, situated on a barrier island known as Bogue Banks, includes the communities of Atlantic Beach, Pine Knoll Shores, Salter Path, Indian Beach, and Emerald Isle. These coastal communities largely cater to tourists during the summer months and have a notable number of second homes.

Labor costs and availability of skilled and qualified labor are also important factors for development costs. Carteret County is part of the Southeast Coastal North Carolina Nonmetropolitan Area according to the Bureau of Labor Statistics (BLS). According to BLS data, the median hourly wage for Construction and Extraction Occupations in the Southeast Coastal North Carolina Nonmetropolitan Area is \$17.28 per hour. This is a slightly lower median hourly wage than the \$18.81 median hourly wage for Construction and Extraction Occupations in the state of North Carolina. Median hourly wages for construction occupations range from \$9.36 for Helpers of Pipelayers, Plumbers, Pipefitters, and Steamfitters to \$28.35 for First-Line Supervisors. Note that Construction and Extraction Occupations only account for approximately 44 out of every 1,000 jobs in the Southeast Coastal North Carolina Nonmetropolitan Area, and also account for a slightly lower share (approximately 40 out of every 1,000 jobs) statewide. The Construction sector accounts for a very low share of the county and state job market, likely contributing to a shortage of skilled and qualified workers for construction projects. This shortage of skilled and qualified workers can often result in increased costs for construction projects, which in turn can result in higher home prices for buyers. This appears to be a trend impacting much of the United States. However, median wages for construction workers appear to be slightly lower relative to the state as a whole.

The following table illustrates the employment number and share and corresponding typical annual wages for detailed occupations within the Construction & Extraction sector by MSA. Note that only data for detailed occupational groups that were available for each MSA are shown in the following table. Carteret County is located in the Southeast Coastal North Carolina Nonmetropolitan Area.

Typical Wages by Detailed Construction & Extraction Occupations

Occupation Type	Southeast Coastal North Carolina Nonmetropolitan Area			New Bern, North Carolina MSA			Jacksonville, North Carolina MSA			North Carolina		
	Includes Carteret County			Craven County Jones County Pamlico County			Onslow County					
	Employment		Mean Wage	Employment		Mean Wage	Employment		Mean Wage	Employment		Mean Wage
	Number	Share		Number	Share		Number	Share		Number	Share	
First-Line Supervisors of Construction Trades and Extraction Workers	1,490	14.2%	\$63,210	210	11.8%	\$54,660	360	16.3%	\$54,890	30,070	16.8%	\$62,980
Carpenters	820	7.8%	\$33,670	170	9.6%	\$38,270	170	7.7%	\$35,100	16,970	9.5%	\$39,280
Cement Masons and Concrete Finishers	260	2.5%	\$43,240	N/A	N/A	\$37,060	--	--	--	5,770	3.2%	\$39,440
Construction Laborers	2,100	20.1%	\$31,130	150	8.4%	\$31,200	540	24.4%	\$31,330	25,820	14.4%	\$32,660
Paving, Surfacing, and Tamping Equipment Operators	N/A	N/A	\$38,120	--	--	--	--	--	--	1,270	7.1%	\$38,090
Operating Engineers and Other Construction Equipment Operators	860	8.2%	\$39,730	220	12.4%	\$45,170	170	7.7%	\$40,560	14,290	8.0%	\$42,250
Electricians	1,050	10.0%	\$46,210	90	5.1%	\$49,520	130	5.9%	\$49,730	18,190	10.2%	\$45,930
Pipelayers	270	2.6%	\$33,950	--	--	--	50	2.3%	\$33,890	3,450	19.3%	\$36,770
Plumbers, Pipefitters, and Steamfitters	610	5.8%	\$37,940	90	5.1%	\$41,570	240	10.9%	\$48,290	12,160	6.8%	\$45,120
Helpers-Electricians	N/A	N/A	\$34,380	50	2.8%	\$27,050	50	2.3%	\$29,340	5,260	2.9%	\$32,260
Helpers-Pipelayers, Plumbers, Pipefitters, and Steamfitters	350	3.3%	\$23,290	--	--	--	--	--	--	3,790	2.1%	\$30,160
Construction and Building Inspectors	110	1.1%	\$49,450	N/A	N/A	\$50,920	50	2.3%	\$32,940	5,060	2.8%	\$60,220
Total Construction and Extraction Occupations	10,470	100.0%	\$40,220	1,780	100.0%	\$44,090	2,210	100.0%	\$41,140	178,710	100.0%	\$43,690

N/A – Not Available. Estimates not released for category by BLS.

-- indicates that category not listed for MSA by BLS.

Based on a competitive analysis of wages in the construction sector depicted in the preceding table, Carteret County typically has slightly lower wages for entry-level and mid-level construction occupations than adjacent counties (Pamlico, Craven, Jones, Onslow) as well as the state of North Carolina as a whole. However, supervisory construction positions appear to have wages above what is generally paid in adjacent counties. As entry-level and mid-level construction positions typically make up a large portion of projects, lower median wages for these positions allow residential development costs to be competitive with adjacent counties in the region.

Utility costs for natural gas and electric service, specifically the cost to tap into or run utility service at a specific location, also factors into overall development costs. Fees paid by the developer or contractor to establish natural gas and electric service are typically passed on to the buyer upon completion of a single-family house, condominium unit, or townhouse. The total price of a new residential home or unit often includes tap fees for water, sewer, electric and natural gas utilities, which can vary by location. In Carteret County, electric service is provided by Carteret-Craven Electric Co-op for member households in the western and central portions of the county and Duke Energy Progress for cities and towns in the eastern portion of the county. Piedmont Natural Gas is the natural gas utility provider in Carteret County. Rates assessed by Carteret-Craven Electric Co-op for residential electric service include a base charge of \$22.80 per month and energy charges ranging from \$0.0901 to \$0.0998 per kilowatt-hour. A minimum deposit of \$250 is required by the co-op to establish residential electric service in a new home. Connection fees ranging from \$15 to \$25 also apply. Duke Energy Progress customers in Carteret County pay a base charge of \$14 per month and energy charges ranging from \$0.09650 to \$0.10123 per kilowatt-hour for residential service. Duke Energy Progress also requires new residential customers to pay a deposit, although this deposit can be waived pending a satisfactory credit check. Piedmont Natural Gas, a subsidiary of Duke Energy, bills a \$10 per month service charge to residential customers. Natural gas rates for residential customers range from \$1.18218 to \$1.24297 per therm within its North Carolina service territory.

Government Development Fees in the form of permit fees charged by city or county governments also factor into development costs. The Carteret County Department of Planning and Development charges a base fee of \$75 plus \$0.18 per square foot for any home constructed within the county planning jurisdiction. For a 2,000 square-foot home, the total fee would be \$435. For commercial buildings, the Carteret County Department of Planning and Development charges a base fee of \$125 plus \$0.20 per square foot. For a 10,000 square-foot building, the total fee would be \$2,125. The fee schedule published by the Department of Planning and Development also shows miscellaneous fees for a variety of additional components, including electrical, plumbing, solar panels, swimming pools, and security alarms. Commercial permits are also required for change of occupancy, sign installation, sprinkler systems, and fences. A comparison of typical fees (shown later in this section) reveals that Carteret County's development fees for such things as residential water impact/tap fees and building permit fees are within the range of

such fees for adjacent counties or the region. The towns of Morehead City, Newport, and Beaufort are outside the jurisdiction of the Carteret County Planning and Development Department, and therefore have their own fee schedules for development projects. These fees were not evaluated as part of this analysis.

Taxes and assessments applied to the development of real estate can also factor into overall development costs. Property taxes vary by county in North Carolina, based on municipality, school district, fire and police protection services, and special taxing districts. Each county establishes its own base tax rate for all residents, then additional taxes and assessments are applied based on municipality, school district location, and special tax districts (if applicable). According to information provided by the North Carolina Department of Revenue (NCDOR), the base property tax rate in Carteret County is \$0.3300 for every \$100 in valuation. For a home valued at \$300,000, the property taxes would be \$990. By comparison, the base property tax rates in adjacent counties ranges from a low of \$0.5494 in Craven County to a high of \$0.7700 in Jones County (per \$100 in valuation). Using the same \$300,000 home as an example, the annual property tax bill would range from \$1,648.20 to \$2,310 in adjacent counties. This is a significant difference in property taxes between Carteret County and adjacent counties. Note that the \$0.3300 base property tax rate for Carteret County is the lowest among all North Carolina counties. This lower tax enables Carteret County to compete well within the region and likely contributes to the growth of the county. Municipal property taxes in Carteret County, which are paid by property owners who own property within municipal boundaries, are paid in addition to county property taxes. Municipal property tax rates vary considerably in the county and range from \$0.05 to \$0.46.

New Construction Costs (Single-Family Development)

In order to make a valid and accurate comparison between the cost of construction and sales prices of completed homes in Carteret County, it is necessary to look at the differences between the two figures. One way to make this comparison is by looking at the sales market for recently built residential homes. According to market data provided by Realtor.com, there were 1,464 homes listed for sale in Carteret County in February 2021. It should be noted that this includes all listed homes, including homes classified as “contingent” meaning that the unit is under contract. This is different than the inventory considered in the for-sale housing supply analysis in Section VI of this report that excluded such listings. The median sales price for a home was approximately \$282,500 and the median list price for a home was approximately \$299,900. The median list price is approximately \$204 per square foot, while the sales price to list price ratio was 97.53%, reflective of a market that favors sellers. Bearing in mind recent list prices and sale-to-list price ratio in the market, plus potential appreciation in the spring market, it is estimated that the typical home listed for sale in the market is approximately \$300,000. Using a range of available newer homes for sale between \$275,000 and \$325,000, the typical newer home is a two-story, four-bedroom/2.5-bath home that is approximately 2,300 square feet.

According to RSMMeans construction data, it costs approximately \$285,000 (\$123.91 per square foot) to build a new, average-quality, two-story, four-bedroom/2.0-bath, 2,300 square-foot, single-family dwelling on a slab foundation. This cost, which has been adjusted to reflect regional attributes, includes average interior finishes, a wood frame exterior, an attached garage, site work, central air conditioning, and contractor fees. The \$285,000 cost does not include the cost of land, city fees, financing, insurance, architecture fees, or profit. The inclusion of any or all of these additional features significantly increases the overall cost of a new home. Note that typical newer homes in this price range are listed for \$120 to \$150 per square foot, with an average list price of \$132 per square foot. The estimated cost to build a new home is at the low end of newer homes currently listed on the market and below the average list price per square foot. Based on this analysis, it would appear a new single-family home would need to be priced well above \$300,000 to make it financially viable for a developer to construct such housing in the county.

New Construction Costs (Multifamily Development)

Construction costs were also calculated for a two-story walkup multifamily building, which is the typical structure for newer apartment buildings in the region. According to RSMMeans construction data, the cost to construct a new 1,000 square-foot unit in an eight-unit walk-up multifamily building is approximately \$145,000 per unit (\$145 per square foot). This cost includes minimal common area, fire suppression, wood frame exterior, average interior finishes, kitchen appliances (including washer/dryer) and contractor fees. It does not include the cost of site work, parking structures, elevators, land, city fees, financing, or architect and developer fees. While numerous factors affect the development costs and ultimately the rents charged at a project, using market industry standards such as Fannie Mae assumptions, new rental product would likely need to charge rents at least around \$1,200 per month to make the project financially viable. This assumes no government assistance (subsidy or tax credits), tax abatements, donated land, or other tools are implemented to offset development costs.

RSMMeans also publishes location factors for numerous markets in the United States including several cities in North Carolina. Location factors are meant to be applied to the cost of construction in local markets compared to the national average (1.00). RSMMeans did not have a specific location factor for Carteret County. Therefore, the location factor for Kinston was used, as it was the nearest city to Carteret County that had a location factor listed. The overall location factor used for Carteret County (from Kinston) is .839 for 2020 multifamily construction data.

Note that residential construction throughout the United States is currently affected by cost of materials and labor shortages. Data supplied by RSMeans for residential construction costs may not be reflective of current materials and labor shortages. Recent news reports have stated that the increased cost of lumber has added over \$30,000 to a price of a typical new home. For these reasons, the price of a new home or apartment building may not be reflective of current conditions. Therefore, estimated costs for construction of residential buildings and homes should be depicted as being on the low end given these recent materials costs and labor shortages.

Conclusion

The cost of housing greatly influences residential development, housing choices, and market strength. Factors such as government development fees, labor costs, land costs, and construction and material costs can all affect total development costs. A summary of selected factors influencing residential development costs in Carteret County relative to the broader region is provided in this section. In order to compare differences between Carteret County and adjacent counties pertaining to development factors outlined in this report, a table comparing selected costs pertaining to residential development is listed below:

Selected Residential Development Costs Comparison		
Category	Carteret County*	Adjacent County or Region
Government Development Fees		
Residential Water Impact/Tap Fee (up to 1-inch tap)	\$1,000 - \$1,150	\$950 - \$1,125
Building Permit Fee (Residential – 2,000 sf home)	\$435	\$280 - \$820
Building Permit Fee (Commercial – 10,000 sf building)	\$1,900	\$1,640 - \$2,125
Labor Costs		
Typical Construction & Extraction Annual Wages	\$40,220	\$41,140 - \$44,090
Land Costs		
Price Range per Acre**	\$37k-\$122k/Acre	\$65k-\$135k/Acre
Average Weighted Price per Acre	\$88,883/Acre	\$92,783/Acre
Property Taxes (Base Millage Rates)	\$0.3300	\$0.5499 - \$0.7700
Construction Costs (Single-Family Home)***	0.94 (Single-family)	0.91 – 0.99 (Single-family)

Note: Fees shown in the preceding table are for illustration purposes and vary due to numerous aspects associated with the specific location, quality of finishes, the size of the project and other project variables

*Some information may not be available on a county-only level; In such cases, we used the next largest geographical area (e.g., metropolitan statistical area)

**Price per acre figures rounded to the nearest \$1,000.

***Reflective of 2020 Estimates for nearest geography (Kinston, NC), index relative to national average of 1.0. Adjacent county or region range reflects RSMeans location indices for various North Carolina cities.

Based on the preceding cursory analysis, it appears that residential development costs in Carteret County are generally within the range of regional and state norms. Selected costs associated with government fees, labor wages, and general construction costs in Carteret County do not appear to put the county at a competitive disadvantage in the region. In fact, taxes and labor costs in Carteret County appear to be lower than comparable areas and likely add to the appeal of developing in the market. Despite this, given that current development costs drive minimum estimated rental rates above \$1,200 per month and for-sale housing prices well above \$300,000 per unit in order to make a project financially viable, it appears that development costs pose a challenge for the development of more affordable housing alternatives within the market.

VIII. HOUSING GAP ESTIMATES

INTRODUCTION

This section of our report provides 10-year housing gap estimates for both rental and for-sale housing within the PSA (Carteret County). The assessment includes demand from a variety of sources and focuses on the housing demand potential of Carteret County, though consideration is given to potential support that may originate from outside the county. Because the county will likely be impacted by the I-42 highway project that is currently underway in the region, we have provided a supplemental set of housing gap estimates that account for this highway project.

Housing to meet the needs of both current and future households in the market will most likely involve multifamily, duplex and single-family housing alternatives. There are a variety of financing mechanisms that can support the development of rental housing alternatives such as federal and state government programs, as well as conventional financing through private lending institutions. These different financing alternatives often have specific income and rent restrictions, which affect the market they target.

We have evaluated the market's ability to support rental housing based on three levels of income/affordability. While there may be overlap among these levels due to program targeting and rent levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double counting demand. We have used HUD's published income and rent limits for the Carteret County, North Carolina MSA.

The following table summarizes the income segments used in this analysis to estimate potential housing demand.

Household Income/Wage & Affordability Levels				
Percent AMHI	Income Range*	Hourly Wage**	Affordable Rents***	Affordable Prices^
≤ 50%	≤ \$35,600	≤ \$17.11	≤ \$925	≤ \$118,666
51%-80%	\$35,601-\$56,960	\$17.12-\$27.38	\$926-\$1,481	\$118,667-\$189,866
81%-120%	\$56,961-\$85,440	\$27.39-\$41.08	\$1,482-\$2,219	\$189,867-\$284,800
121%+	\$85,441+	\$41.09+	\$2,220+	\$284,801+

AMHI – Area Median Household Income

* Based on HUD limits for the Carteret County, North Carolina MSA (4-person limit)

** Assumes full-time employment 2,080 hours/year (Assumes one wage earner household)

*** Based on assumption tenants pay up to 30% of income toward rent

^Based on assumption homebuyer can afford to purchase home priced three times annual income after 20% down payment

While different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, those who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners and management impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management qualifying procedures (i.e., review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available to households.

Regardless, we have used the preceding income segmentations as the ranges that a typical project would use to qualify residents, based on their household income. Ultimately, any new product added to the market will be influenced by many decisions made by the developer and management. This includes eligibility requirements, design type, location, rents, amenities and other features. As such, our estimates assume that the rents, quality, location, design and features are marketable and will appeal to most renters.

1. Rental Housing Needs

The primary sources of demand for new rental housing include the following:

- New Housing Needed to Meet Projected Household Growth
- Additional Units Required for a Balanced Market
- Replacement of Substandard Housing
- External (Outside County) Commuter Support
- Step-Down Support

Since the focus of this report is on the specific housing needs of Carteret County, we have focused the rental housing demand estimates on the metrics that only impact the PSA (Carteret County).

New Renter Household Growth

The first source of demand is generally easily quantifiable and includes the net change in renter households between the baseline year of 2020 and the projection year of 2030.

Units Required for a Balanced Market

The second demand component considers the number of units a market requires to offer balanced market conditions, including some level of vacancies. Healthy markets require approximately 4% to 6% of the rental market to be available in order to allow for inner-market mobility and

encourage competitive rental rates. Markets with vacancy rates below a healthy rate often suffer from rapid rent increases, minimal tenant turnover (which may result in deferred maintenance), and residents being forced into housing situations that do not meet their housing needs. Markets with low vacancy rates often require additional units, while markets with high vacancy rates often indicate a surplus of rental housing. The vacancy rates by program type and/or affordability level used to determine if there is a deficit or surplus of rental units are based on our survey of area rental alternatives. We used a vacancy rate of 5% to establish balanced market conditions.

Replacement Housing

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing and/or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on Census demographic data included in this report, approximately 2.4% of renter households living in Carteret County are living in substandard housing (e.g., lacking complete plumbing or are overcrowded). Lower income households more often live in substandard housing conditions than higher income households.

External Commuter Support

Market support can originate from households not currently living in the market. This is particularly true for people who work in Carteret County but commute from outside of the county and would consider moving to Carteret County, if adequate and affordable housing that met residents' specific needs was offered. Currently, there are few *available* housing options in the market. As such, external market support will likely be created if new housing product is developed in Carteret County.

Based on our experience in evaluating rental housing in markets throughout the country, it is not uncommon for new product to attract as much as 20% of its support from outside the county limits. As a result, we have assumed that a portion of the demand for new housing will originate from the more than 8,478 commuters traveling into the PSA (Carteret County) from areas outside of the county.

Step-Down Support

It is not uncommon for households of certain income levels (typically, higher income households) to rent a unit at a lower rent level despite the fact they can afford a higher rent. Using housing cost and income data reported by American Community Survey (ACS), we have applied a portion of this step-down support to lower income demand estimates.

Note: In terms of the development pipeline, we only included residential rental units that are confirmed as planned or under construction. Conversely, we have excluded projects that have not secured financing, are under preliminary review or have not established a specific project concept (e.g., number of units, rents, target market, etc.). Any vacant housing units are accounted for in the “Units Required for a Balanced Market” portion of our demand estimates.

We have provided two sets of housing gap projections. The first set, referred to as “Base Projections,” uses the standard demographic projections assuming normal economic trends and conditions, no notable changes in local government policies or taxes, and normal migration patterns materialize. The second set of projections, referred to as “Highway Impact Projections,” uses historical trend data from case study research of various highway-impacted counties in eastern North Carolina that was conducted as part of this study.

**Rental Housing Gap Estimates
Base Projections**

Carteret County, North Carolina				
Rental Housing Gap Estimates (2020-2030)				
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Monthly Rent Range	≤\$925	\$926-\$1,481	\$1,482-\$2,219	\$2,220+
Household Growth	-370	-262	390	844
Balanced Market*	169	74	44	41
Replacement Housing**	180	44	15	8
External Market Support^	324	77	26	8
Step-Down Support	-50	406	319	-675
Less Pipeline Units	-168	-108	-123	0
Overall Units Needed	85	231	671	226

*Based on Bowen National Research’s survey of area rentals

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

**Rental Housing Gap Estimates
Highway Impact Projections (Conservative)**

Carteret County, North Carolina				
Rental Housing Gap Estimates (2020-2030)				
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Monthly Rent Range	≤\$925	\$926-\$1,481	\$1,482-\$2,219	\$2,220+
Household Growth	470	151	676	1,152
Balanced Market*	169	74	44	41
Replacement Housing**	180	44	15	8
External Market Support^	324	77	26	8
Step-Down Support	259	312	336	-907
Less Pipeline Units	-168	-108	-123	-0
Overall Units Needed	1,234	550	974	302

*Based on Bowen National Research's survey of area rentals

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

**Rental Housing Gap Estimates
Highway Impact Projections (Optimal)**

Carteret County, North Carolina				
Rental Housing Gap Estimates (2020-2030)				
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Monthly Rent Range	≤\$925	\$926-\$1,481	\$1,482-\$2,219	\$2,220+
Household Growth	1,416	616	997	1,498
Balanced Market*	169	74	44	41
Replacement Housing**	180	44	15	8
External Market Support^	324	77	26	8
Step-Down Support	406	135	237	-778
Less Pipeline Units	-60	-48	-123	0
Overall Units Needed	2,435	898	1,196	777

*Based on Bowen National Research's survey of area rentals

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

Based on the preceding demand estimates using base projections, it is clear that there is a notable level of rental housing demand among all household income levels within Carteret County over the 10-year projection period. Overall, there is a housing need for 1,213 additional rental units in the county over the next 10 years. Over half of this need is for housing that is affordable to households earning between \$56,961 and \$85,440 annually. There is also a housing need for 85 to 231 units among the other three affordability levels. Without the addition of new rental product similar to the numbers cited in the first table, the area will not meet the growing and changing housing needs of the market.

The supplemental demand projections, which account for the potential impact the ongoing I-42 highway expansion project could have on the county's demographics, indicate that there is a potential for a far greater number of rental housing units needed in the market. Assuming the demographic projections materialize, the 10-year rental housing gap will increase to 3,060 units (conservative modeling) to as many as 5,306 (optimal modeling). While the housing gap among all affordability levels will increase, it is estimated that roughly 60% of the rental housing gap in both scenarios will be for households earning up to 80% of Area Median Household Income (AMHI).

Based on the demographics of the market, including projected household growth estimates and projected changes in household compositions (e.g., household size, ages, etc.), it appears that approximately one-quarter to one-third of the demand for new rental housing could be specifically targeted to meet the needs of area seniors, though a project could be built to meet the housing needs of both seniors and families concurrently. For general-occupancy projects, a unit mix of around 25% to 35% one-bedroom units, 40% to 60% two-bedroom units, and 10% to 20% three-bedroom units should be the general goal for future rental housing. Senior-oriented projects should consider unit mixes closer to 50% for both one- and two-bedroom units each.

It is critical to understand that these estimates represent potential units of demand by targeted income level. The actual number of rental units that can be supported will ultimately be contingent upon a variety of factors including the location of a project, proposed features (i.e., rents, amenities, bedroom type, unit mix, square footage, etc.), product quality, design (i.e., townhouse, single-family homes, or garden-style units), management and marketing efforts. As such, each targeted segment outlined in the previous table may be able to support more or less than the number of units shown in the table. The potential number of units of support should be considered a general guideline to residential development planning.

It is also important to point out that our housing gap estimates do not consider households that are "cost burdened," representing those households that pay a disproportionately high share (over 30%) of their income toward housing costs. While these households are likely struggling to meet their housing expenses, they are considered adequately housed for the purposes of this analysis. Were such households considered, the overall rental housing gap would potentially increase by an additional 3,169 housing units in the PSA. It is likely that cost burdened households are concentrated among the lowest income households.

2. For-Sale Housing Gap Estimates

This section of the report addresses the gap for for-sale housing alternatives in the PSA (Carteret County). Like the rental housing demand analysis, the for-sale housing analysis considers individual household income segments and corresponding housing price ranges.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home. There are also cases in which a household purchases a less expensive home although they could afford a higher purchase price. The actual support for new housing will ultimately be based on a variety of product factors such as price points, square footages, amenities, design, quality of finishes, and location. Considering these variations, this broad analysis provides the basis in which to estimate the *potential* demand of new for-sale housing within the PSA (Carteret County).

There are a variety of market factors that impact the demand for new homes within an area. In particular, area and neighborhood perceptions, quality of school districts, socioeconomic characteristics, mobility patterns, demolition and revitalization efforts, and availability of existing homes all play a role in generating new home sales. Support can be both internal (households moving within the market) and external (households new to the market).

Overall, we have considered the following specific sources of demand for new for-sale housing in the PSA (Carteret County).

- Household Growth
- Units Required for a Balanced Market
- Replacement Housing for Functionally Obsolete/Substandard Housing
- External Market Support of Commuters from Outside the County
- Step-Down Support

New Household Growth

In this report, owner household growth projections from 2020 to 2030 are based on ESRI estimates. This projected growth was evaluated for each of the targeted income segments. It should be noted that changes in the number of households within a specific income segment does not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Furthermore, should additional for-sale housing become available, either through new construction or conversion of rental units, demand for new for-sale housing could increase.

Units Required for a Balanced Market

Typically, healthy for-sale housing markets should have approximately 2% to 3% of its inventory vacant. Such vacancies allow for inner-market mobility, such as households upsizing or downsizing due to changes in family composition or income, and for people to move into the market. When markets have too few vacancies, housing prices often escalate at an abnormal rate, homes can get neglected, and potential homebuyers can leave a market. Conversely, an excess of homes can lead to stagnant or declining home prices, property neglect, or lead to such homes being converted to rentals. For the purposes of this analysis, we have assumed up to a 3.0% vacancy rate for a balanced market and accounted for for-sale housing units currently available for purchase in the market.

Replacement Housing

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on Census data, an average of 1.2% of owner households in Carteret County live in substandard housing (e.g., lack complete indoor plumbing or are overcrowded). This share has been adjusted among lower and higher income households.

External Market Support

Market support can originate from households *not* currently living in the market but that commute into it for work on a regular basis. As shown in section VII of this report, over 8,478 people commute into Carteret County. These people represent potential future residents that may move to the county if adequate, desirable and marketable housing was developed in the county. For the purposes of this analysis, we have used a conservative demand ratio of up to 20% to estimate the demand that could originate from outside of Carteret County.

Step-Down Support

It is not uncommon for households of a certain income level (typically higher income households) to purchase a home at a lower price point despite the fact they can afford a higher priced home. Using housing cost and income data reported by American Community Survey (ACS), we have applied a portion of this step-down support to lower income demand estimates.

Note: In terms of the development pipeline, we only included for-sale residential units currently in the development pipeline that are planned or under construction and do not have a confirmed buyer, such as a condominium unit or a spec home, in our demand estimates. Conversely, we have excluded single-family home lots that may have been platted or are being developed, as such lots do not represent actual housing *units* that are available for purchase. Any vacant housing units are accounted for in the “Units Required for a Balanced Market” portion of our demand estimates.

We have provided two sets of housing gap projections. The first set, referred to as “Base Projections,” uses the standard demographic projections assuming normal economic trends and conditions, no notable changes in local government policies or taxes, and normal migration patterns materialize. The second set of projections, referred to as “Highway Impact Projections,” uses historical trend data from case study research of various highway-impacted counties in eastern North Carolina that was conducted as part of this study.

**For-Sale Housing Gap Estimates
Base Projections**

	Carteret County, North Carolina			
	For-Sale Housing Gap Estimates (2020-2030)			
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Price Point	≤\$118,666	\$118,667-\$189,866	\$189,867-\$284,800	\$284,801+
Household Growth	-1,138	-914	66	3,694
Balanced Market*	144	117	121	115
Replacement Housing**	121	56	29	26
External Market Support^	212	185	140	142
Step-Down Support	-417	1,668	1,732	-2,983
Less Pipeline Units	0	0	0	-145
Overall Units Needed	-1,078	1,112	2,088	849

*Based on MLS inventory of available homes

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

**For-Sale Housing Gap Estimates
Highway Impact Projections (Conservative)**

Carteret County, North Carolina				
For-Sale Housing Gap Estimates (2020-2030)				
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Price Point	≤\$118,666	\$118,667-\$189,866	\$189,867-\$284,800	\$284,801+
Household Growth	-12	131	1,147	5,661
Balanced Market*	144	117	121	115
Replacement Housing**	121	56	29	26
External Market Support^	212	185	140	142
Step-Down Support	367	2,182	1,909	-4,458
Less Pipeline Units	0	0	0	-145
Overall Units Needed	832	2,671	3,346	1,341

*Based on MLS inventory of available homes

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

**For-Sale Housing Gap Estimates
Highway Impact Projections (Optimal)**

Carteret County, North Carolina				
For-Sale Housing Gap Estimates (2020-2030)				
Percent of Median Income	≤50%	51%-80%	81%-120%	121%+
Household Income Range	≤\$35,600	\$35,601-\$56,960	\$56,961-\$85,440	\$85,441+
Price Point	≤\$118,666	\$118,667-\$189,866	\$189,867-\$284,800	\$284,801+
Household Growth	1,254	1,288	2,363	7,875
Balanced Market*	144	117	121	115
Replacement Housing**	121	56	29	26
External Market Support^	212	185	140	142
Step-Down Support	823	1,727	1,529	-4,079
Less Pipeline Units	0	0	0	-145
Overall Units Needed	2,554	3,373	4,182	3,934

*Based on MLS inventory of available homes

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing/or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Carteret County

Using the base projections from the first table, the overall for-sale housing gap in the county is for approximately 2,971 units over the 10-year projection period. While most price segments and affordability levels have some level of need, the greatest gap appears to be for housing priced between \$189,867 and \$284,800. There does not appear to be a housing gap for units priced under \$118,666. It should be pointed out that the lack of product at all price levels will increase demand for lower priced units, as many buyers may “step down” to a lower price point.

The supplemental demand projections, which account for the potential impact the ongoing I-42 highway expansion project could have on the county's demographics, indicate that there is a potential for a far greater number of for-sale housing units needed in the market. Assuming the demographic projections materialize, the 10-year for-sale housing gap will increase to 8,190 units (conservative modeling) to as many as 14,043 units (optimal modeling). This is nearly triple to ten times the for-sale housing gap under the base projections scenario, illustrating the significant impact the ongoing I-42 highway project could have on the area's housing needs. While the housing gap among all affordability levels will increase, it is estimated that a majority of the for-sale housing gap will be for households earning between 50% and 120% of Area Median Household Income (AMHI). Such households could generally afford for-sale housing priced between \$118,000 and \$284,000.

In most markets, if there is support for new housing at a particular price point or concept and such product is not offered in a specific area, households may leave the area and seek this housing alternative elsewhere, defer their purchase decision, or seek another housing alternative. Additionally, households considering relocating to the PSA (Carteret County) may not move to the PSA if the housing product offered does not meet their needs in terms of pricing, quality, product design, or location. Within the PSA, there appears to be a notable deficit of product priced under \$300,000. As such, the PSA housing stock may not be able to meet current or future demand, which may limit the market's ability to serve many of the households seeking to purchase a home in the PSA. Regardless, we believe opportunities exist to develop a variety of product types at a variety of price points. The addition of such housing will better enable the PSA to attract and retain residents (including local employees), as well as seniors, families and younger adults.

In terms of product design, we believe a variety of product could be successful in Carteret County. Based on current and projected demographics, as well as the available inventory of for-sale housing (Note: Very few one- and two-bedroom units were identified as being available for purchase), we believe a combination of one- and two-bedroom condominium units could be successful, particularly if they are located in or near the more walkable areas of Carteret County. Additionally, detached or attached single-story cottage-style condominium product, primarily consisting of two-bedroom units, could be successful in attracting/serving area seniors, particularly those seeking to downsize from their single-family homes. Attached townhouse/row house design would likely appeal to younger adult/millennial households. Larger, traditional detached single-family homes catering to families could be successful in this market. Such product should primarily consist of three-bedroom units, with a smaller share of four-bedroom units.

It is also important to point out that our housing gap estimates do not consider households that are “cost burdened,” representing those households that pay a disproportionately high share (over 30%) of their income toward housing costs. While these households are likely struggling to meet their housing expenses, they are considered adequately housed for the purposes of this analysis. Were such households considered, the overall owner housing gap would potentially increase by 4,751 units in the PSA (Carteret County). It is likely that cost burdened households are concentrated among the lowest income households.

Overall, there is potential support for a variety of residential development alternatives in the PSA (Carteret County). It is important to understand that the housing demand estimates shown in this report assume no major changes occur in the local economy and that the demographic trends and projections provided in this report materialize. As such, our demand estimates should be considered conservative and serve as a baseline for development potential. Should new product be developed, it is reasonable to believe that people will consider moving to Carteret County, assuming the housing is aggressively marketed throughout the region.

IX. COMMUNITY INPUT RESULTS AND ANALYSIS

A. INTRODUCTION

To gain information, perspective and insight about Carteret County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research (BNR) conducted targeted surveys of two specific groups: Stakeholder and Employers. The surveys were generally conducted during April and May of 2021 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

The surveys were conducted through the SurveyMonkey.com website. In total, 29 survey responses were received from a broad cross section of experience and areas of knowledge. The survey instruments used for this report are included in Addendum F.

The following is a summary of the two surveys conducted by our firm.

Stakeholder Survey – A total of 18 respondents representing community leaders (stakeholders) from a broad field of expertise participated in a survey that inquired about common housing issues, housing needs, barriers to development, and possible solutions or initiatives that could be considered to address housing on a local level.

Employer Survey – A total of 11 respondents representing some of the county's largest employers participated in a survey that inquired about general employee composition, housing situations and housing needs, as well as identifying the ways and degree housing impacts local employers.

Key findings from each survey are included on the following pages.

B. STAKEHOLDER SURVEY RESULTS

Associates of Bowen National Research solicited input from 18 stakeholders throughout Carteret County, North Carolina regarding the local housing market. Input from stakeholders was provided in the form of an online survey. The 18 total respondents represent a wide range of industries that deal with housing issues, including local government and municipal officials, non-profit organizations, economic development organizations, housing developers, general contractors, and property management companies. The highest number of respondents (seven) noted that all of Carteret County was considered a primary service area for their business or organization. Four respondents noted that their business or organization represented Beaufort, while the towns of Atlantic Beach, Morehead City, and Newport were noted by two respondents each. The purpose of these surveys was to gather input regarding the need for specific types and styles of housing, price ranges that housing should target, and if there is a lack of housing or housing assistance within Carteret County. The following is a summary of key input gathered.

Housing Needs & Issues

- Stakeholders were asked to rank the degree of overall housing need within specific areas of Carteret County. The specific areas listed are Atlantic Beach, Beaufort, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Morehead City, Newport, Peletier, and Pine Knoll Shores. The largest share of respondents (64.7%) noted that there is high demand for housing in Beaufort and Morehead City, while most respondents noted high overall demand for housing in Newport. Few respondents noted overall moderate demand for housing in any area, while none of the respondents indicated lack of demand for housing in any of the listed areas. Note that most respondents indicated that they were not knowledgeable about overall housing need in the following areas: Atlantic Beach, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Peletier, and Pine Knoll Shores.
- Stakeholders were asked to rank the degree of overall housing need within proximity or close to various locations. The locations listed in the survey are along a highway/major roadway, along or close to a waterway, in a rural area, within walkable proximity to daily needs/job centers, close to schools, close to public transportation, close to a hospital, and close to a grocery store. At least 70.0% of respondents noted high demand for housing close to a grocery store, within walkable proximity to daily needs/job centers, and close to schools. Most respondents noted high demand for housing along or close to a waterway. At least 75.0% of respondents noted moderate demand for housing in a rural area and along a highway/major roadway.

- Stakeholders were asked what level of demand exists for several housing types within their respective service areas. The listed housing types are rental, for-sale (homeowner), housing for single persons/young professionals, workforce housing, senior apartments (independent living), senior care facilities (assisted-living and nursing care), and seasonal/employer-sponsored housing. Nearly all respondents (94.1%) indicated high demand for rental housing, while over two-thirds of respondents indicated high demand for workforce housing, for-sale housing, and housing for single persons/young professionals. Most stakeholders indicated high demand for senior housing, while nearly half of stakeholders indicated moderate demand for senior housing. Most respondents also noted moderate demand for senior care facilities and seasonal/employer-sponsored housing.
- Stakeholders were asked to rank the need for several housing *styles* in Carteret County. Respondents were asked if there is low, moderate, or high demand for the following housing styles: apartments, duplex/triplex/townhomes, condominiums, for-sale detached single-family homes, and mobile homes/manufactured housing. A total of 75.0% of respondents indicated high need for for-sale detached single-family homes, while over two-thirds of respondents noted high need for apartments and duplex/triplex/townhomes. Half of respondents noted moderate demand for mobile homes/manufactured housing, while 40.0% of respondents indicated moderate demand for condominium units.
- Stakeholders were asked what the level of housing demand is by income level within their respective service areas. At least two-thirds of respondents indicated high demand for households earning \$75,000 or less, while most respondents indicated high housing demand for those earning over \$75,000. Nearly half of respondents also indicated moderate demand for households earning over \$75,000.
- Stakeholders were asked to what degree specific housing issues are experienced in their respective service areas. The specific housing issues listed in the survey are blight (vacant/uninhabitable housing), flood zone designation, high crime, lack of developable land, lack of public water and/or sewer, lack of septic/soil limitations, limited access to public transit, and overcrowded schools. Most respondents indicated that lack of developable land and flood zone designation were often viewed as factors that affect housing. Two-thirds of respondents noted that blight, high crime, and lack of septic/soil limitations were sometimes viewed as factors that affect housing, while most respondents indicated that overcrowded schools were not considered to be a factor.

- Stakeholders were asked to what degree a variety of housing issues are experienced among households in the market. A list of 14 housing issues were provided as part of this question, and respondents were asked to indicate whether each listed issue was often, somewhat, or not a problem at all. Over 80.0% of respondents indicated that housing affordability and limited availability of housing were often experienced in the market. At least 60.0% of respondents also indicated that the cost of flood insurance, the cost of wind/hail insurance, and the cost of homeowners insurance were also often experienced as issues. At least two-thirds of respondents noted that overcrowded conditions, substandard housing, cost of renters insurance, and foreclosure were somewhat experienced as issues in the housing market.
- Stakeholders were also asked what level of priority should be given to the following types of housing construction: adaptive reuse, new construction of apartments, new construction of condominium/townhouse units, new construction of manufactured housing, new construction of single-family homes, and renovation/revitalization of existing housing. At least two-thirds of respondents indicated that new construction of apartments and single-family homes should be given high priority in the market, while over half of respondents noted that high priority should be given to adaptive reuse and renovation/revitalization of existing housing. Nearly half of respondents also indicated that renovation/revitalization of existing housing should be given moderate priority in the market, while half of all respondents noted that new construction of manufactured housing should be given low priority.
- Stakeholders were asked what level of priority should be given to the following types of incentives or housing assistance programs: homebuyer assistance, project-based rental subsidy, Tax Credit financing, other rental housing assistance (i.e., Vouchers), and other homeowner assistance. Over two-thirds of respondents indicated that other rental housing assistance (i.e., Vouchers) should be given high priority, while at least half of respondents indicated that homeowner and homebuyer assistance programs should be given high priority. Over half of respondents also indicated that homebuyer assistance programs should be given moderate priority in the market.
- Stakeholders were asked if there are any specific housing development programs that should be given priority as it relates to housing development in their respective service areas. A total of seven (7) stakeholders provided open-ended responses to this question. Responses primarily addressed the need for income-based affordable apartments. One respondent noted that Carteret County needs to increase availability of income-based apartments for families with young children, grandparents, and college students. Another respondent stated that the area housing stock is older and much of it is still damaged due to Hurricane Florence. One other respondent noted that “rentals are beyond the reach of the minimum wage workers serving in the restaurants and hotels.”

- Stakeholders were asked if there are any specific housing development programs at the local or state level that are not currently in their respective areas that should be explored. Four (4) respondents provided open-ended statements. Responses included the following:
 - “We have programs offered in our area but the waiting lists are long due to increase(d) demand and low housing availability.”
 - “Unaware of what is available to lower middle-class homeowners.”
 - “Decent affordable housing to serve the 30% to 50% AMI (households) be it rental or homeownership.”
 - “Public sector land banking for workforce housing.”

- Stakeholders were asked which common barriers or obstacles exist in their service areas that they believe limit residential development. A list of 18 potential barriers or obstacles were provided as part of this question, and respondents were asked to select all that applied. The most common selections were as follows: cost of land – 14 respondents (87.5% of all respondents), availability of land – 11 respondents (68.8%), cost of infrastructure – 11 respondents (68.8%), and cost of labor/materials – 10 respondents (62.5%).

- As a follow-up question, respondents were asked to provide open-ended statements as to how these obstacles or barriers to residential development could be reduced or eliminated. A total of seven (7) respondents provided statements. Notable statements from respondents are listed below:
 - “We would need the support of property owners and the support (of) people in the community to understand the need for increasing affordable housing in Carteret County.”
 - “Incentive programs for landowners and developers to plan for affordable housing for lower wealth families.”
 - “A responsive county government that is protective of Down East and helps make it, once again, a viable place in which to live.”
 - “There is a lack of availability of specialized contractors such as engineers, surveyors, real estate lawyers, and fortified housing inspectors.”
 - “If it’s a Tax Credit development, you could look at reimbursing fees to the developer as a way of contributing towards promotion of affordable housing in the area.”
 - “Need more water and sewer availability. Need local governments to understand correlation between regulations and higher housing costs.”
 - “Reduction in municipal service costs and local taxes.”

- As a final question, stakeholders were asked, in their opinion, to what extent do local property tax rates (i.e., county/municipal/fire district) impact the demand for housing in Carteret County compared to other coastal communities. The largest number of respondents (six) noted that local property tax rates had moderate impact on demand for housing, while only three respondents indicated that there was significant impact. Five respondents indicated that they did not know whether local property taxes impacted housing demand in the county relative to other coastal communities.

C. EMPLOYER SURVEY RESULTS

A total of 11 respondents from Carteret County employers participated in an online survey that inquired about general employee composition, housing situations and housing needs, as well as to what ways and to what degree housing impacts local employers. Employers that responded to the survey represent a variety of business types, including education, manufacturing, retail, healthcare, hospitality/lodging, boat building/repair, entertainment, utilities, and wholesale trade.

Employers were asked where in Carteret County their primary place of business was located. The largest number of respondents (four) stated that their business was based in Morehead City. Respondents also stated that their businesses were located in Beaufort (two respondents), Newport (two respondents), Cape Carteret (one respondent), and Emerald Isle (one respondent). One additional respondent noted that the business is in an unincorporated area outside of Beaufort.

The 11 respondents represent companies and businesses with a combined total of 3,468 employees. Nine of the 11 companies represented in the employer survey are mostly comprised of full-time employees. Four of the 11 companies are wholly comprised of full-time employees, while two additional companies have at least 90% full-time employees. Four additional companies have part-time staffing of at least 20%, while two companies have seasonal staffing made up of at least 20% of its workforce. Nine of 11 employers stated that at least 75% of their employees reside in Carteret County, while only one employer stated that less than 50% of its employees lived in the county. The average share of workers that lived in the county among all 11 employers was 78.%. The typical drive-time to work for employees at most companies surveyed was 15 to 29 minutes.

The purpose of this survey was to gather input regarding general employee composition and help identify employee housing situations and housing needs within Carteret County. The following is a summary of key input gathered.

- Employers were asked to estimate how many new jobs their company or entity will create in Carteret County over the next three years based on annual wages. Respondents were asked to estimate job creation based on the following ranges: less than 10 jobs, 10 to 30 jobs, 31 to 50 jobs, or more than 50 jobs. Overall, most employers estimated that they would create less than 10 jobs over the next three years, regardless of annual wages. However, most employers stating they would create less than 10 jobs noted that these jobs would likely pay over \$75,000 per year. Employers that indicated they would create over 50 jobs in the next three years would pay \$50,000 per year or less for these positions.
- Most employers surveyed (54.5%) stated that in the past couple of years they have experienced difficulty attracting and/or retaining employees due to housing related issues and challenges. Employers were also asked to rank the degree (low, moderate or high) of which housing issues and challenges are experienced by their employees. Of the 15 housing issues/challenges listed as part of the question, most respondents (eight) noted that unaffordable rental housing was ranked highest, while the next highest issue of concern was unaffordable for-sale housing (six respondents). Most respondents noted that lack of deposit/down payment for housing was a moderate concern among employees, while most respondents also noted that residential foreclosure was of low concern. Furthermore, most employers surveyed reported that their employees are affected by the aforementioned housing issues year-round, while a lesser share of employers noted that employees are affected by housing issues on a seasonal or sporadic basis.
- Employers were asked in what ways, if any, are housing issues that employees or prospective employees face impacting their company. Employers were asked to select all housing issues that applied from the following: difficulty attracting employees, difficulty retaining employees, adds to company costs, adversely impacts company morale, adversely impacts productivity, difficult to stay in business, unable or grow/expand business, or unknown. Of the 10 employers that provided responses to this question, six noted that housing issues made it difficult to retain employees, while five indicated that housing issues made it difficult to attract employees. Three employers noted that housing issues made it unable to grow or expand their respective businesses, while three additional employers answered “unknown” to this question.
- Employers were asked if additional housing were provided in Carteret County that adequately served the needs of employees, to what degree would this increase the likelihood that their company would employ more people in the next three years. Employers were asked to respond by selecting from the following: much more likely, somewhat likely, not likely/no impact, or unknown. Of the 11 respondents, five indicated that it is not likely or would have no impact on the decision to hire more people for their businesses.

Three respondents indicated that they were much more likely to hire additional employees, while two respondents noted that they would be somewhat likely to add employees over the next three years.

- Employers were asked if housing were not an issue in hiring, how many employees would they hire within the next five years. Employers were asked to indicate how many employees they would hire within one-year to five-year time horizons. Of the eight employers that responded to the questions, all eight noted that they would hire additional employees within one year. These eight employers noted that they would hire a combined total of 153 additional employees within one year, for an average of approximately 19 employees per firm. Five employers each noted that they would hire employees within two years and three years, respectively, for an overall combined total of 195 employees within two years and 263 employees within three years. Four employers noted that they were willing to hire a combined total of 220 employees within the next four years if housing was not an issue in hiring.
- Employers were asked to describe any type of housing assistance their company offers to employees. Nine of the 11 respondents indicated that they do not provide any type of housing assistance. One of the nine respondents that does not currently provide housing assistance indicated that they have discussed offering a relocation bonus for anyone moving in from outside the general area. One respondent indicated that they offer relocation assistance, while one additional respondent noted that they will provide pre-employment travel expenses and reimbursement of living expenses for up to three months at the discretion of the CEO.
- Employers were asked what type of assistance, if any, would they consider providing to employees to assist with housing. Respondents were asked to select all choices that applied from the following: homebuyer down payment assistance, rental assistance, housing relocation services, housing relocation reimbursement, partnering in/developing employee housing, or none. Five of the 11 respondents indicated that they would consider providing housing relocation reimbursement to employees, while four employers noted that they would provide housing relocation services to employees. Four respondents stated that they would not provide any of the listed choices as assistance to employees, while three employers noted that they would provide rental assistance. Two employers provided open-ended responses to this question. One employer stated that “We are looking to build attainable housing for our employees and/or the community,” while one other employer stated that they were willing to provide disaster recovery relief to employees.

- Employers were asked to classify the level of importance for any future government housing programs, policies, or incentives that could be implemented to assist employees with housing or addressing the market's housing issues. Respondents were asked to designate each of the following programs/policies/incentives as least important, somewhat important, or most important: homebuyer assistance, renter assistance, housing assistance for public employees, new housing development/redevelopment, direct government investment in land for workforce housing, and development of more public housing. Seven of the 11 respondents indicated that renter assistance was most important, while six respondents noted that new housing development/redevelopment was most important. Four respondents indicated that direct government investment in land for workforce housing was somewhat important, while three respondents noted that housing assistance for public employees was least important.

Housing Needs for Employees

- Employers were asked to rank the degree of need (low, moderate and high) for housing for their employees in terms of product type. Respondents were asked to rank the degree of need for the following types of housing: affordable rental housing (under \$750 per month), moderate market-rate rental housing (\$750 to \$1,250 per month), higher-end market-rate rental housing (above \$1,250 per month), entry-level/workforce for-sale housing (priced below \$200,000), moderate for-sale housing (\$200,000 to \$300,000), and higher-end for-sale housing (priced above \$300,000). Six of 11 respondents noted that there was high need for moderate market-rate rental housing between \$750 and \$1,250 per month, while five respondents noted high need for affordable rental housing under \$750 per month. Four respondents indicated moderate need for affordable rental housing under \$750 per month as well as entry level/workforce for-sale housing priced below \$200,000. Eight of 11 respondents indicated low need for higher-end for-sale housing (priced above \$300,000), while seven respondents indicated that there was low need for higher-end market-rate rental housing priced above \$1,250 per month.
- Employers were asked to rank the degree of need for housing for their employees in terms of product type. Respondents were asked to assign low, moderate, or high need to the following housing product types: multifamily apartments, dormitories/shared living, duplex/townhome (owner), duplex/townhome (rental), condominiums (owner), condominiums (rental), single-family homes (owner), single-family homes (rental), mobile homes, and short-term/seasonal housing. Six of the 11 respondents indicated high need for owner-occupied single-family homes, while five respondents noted high need for renter-occupied single-family homes. Five respondents indicated moderate need for owner-occupied condominiums, duplexes, and townhomes. Low need was assigned to multifamily apartments, dormitories/shared living spaces, and short-term seasonal housing by five respondents.

- In closing, employers were asked if they had any additional comments regarding housing issues and needs that impact employees within Carteret County. Eight employers provided open-ended responses to this question. Three of the eight respondents stated “no” or “none” to this question. The remaining five responses are listed below:
 - “More affordable and attainable housing is needed. It is an issue when recruiting employees from other areas. Builder incentives must be explored.”
 - “The vast majority of the difficulty for our employees are those coming into the profession seeking affordable housing. The cost of living is difficult for our new teachers coming right out of college.”
 - “Our workforce is primarily seasonal students, living at home.”
 - “Looking forward to any solutions.”
 - “Housing is not the issue. Paying extended unemployment and the stimulus checks are the issue.”

X. ACTION PLAN RECOMMENDATIONS AND BEST PRACTICES

Based on the findings contained in this report, we have prepared Action Plan Recommendations that can serve as a guide for local governments and stakeholders to develop a customized Action Plan of their own that best facilitates community goals, aligns with public and private sector objectives, and meets both legal and financial limitations that may exist. To assist in developing its own customized Action Plan, we have provided Carteret County with a summary of several southeast United States communities' or regions' initiatives that have been implemented or are planned that may serve as a model to follow. Carteret County is encouraged to research and contact communities with initiatives that Carteret County may ultimately want to implement.

A. ACTION PLAN RECOMMENDATIONS

The following outlines possible actions or initiatives that should be considered for implementation to help address housing issues in Carteret County. Because many of the following recommendations involve complicated processes, local governments will want to seek professional and legal counsel on selected items before pursuing certain initiatives. It is important to point out that financial, legal and other factors may limit local governments from implementing some of the following recommendations. As a result, local governments may need to have scaled-down or phased-in versions of some initiatives. Additionally, not all of these recommendations need to be implemented simultaneously to effectuate change. In the end, the following recommendations should be used as a guide to develop a formal Action Plan for Carteret County. Specific examples of various initiatives implemented by other communities are provided in the Best Practices portion of this section.

IMPORTANT: Given the shortage of housing availability in Carteret County, certain efforts should be given priority while others could be part of long-range planning efforts. As such, local governments and stakeholders should make the establishment of short-term (two-year) housing initiatives a top priority.

Action/Initiative	Description
Goal Setting	
<i>Define Overall Purpose & Priorities</i>	Define overall objectives or purposes behind housing efforts. This can be in the form of a Mission Statement, press release or informal outline of the objectives/purposes behind the plan and can include general goals, economic impact, and social/cultural benefits. Advocates/stakeholders may want to establish initial housing priorities.
<i>Establish Housing Production Goals</i>	Set short-term (annual or two-year) and long-term (five- or ten-year) housing production goals by the number and type of housing units to be built and/or preserved. Targeted populations (e.g., seniors, families, etc.) to be served could be part of stated goals.
<i>Establish Housing Funding Goals</i>	Using the preceding housing production goals as a guide, some level of analysis should be done to estimate the funding requirements to meet such goals.
<i>Develop Action Plan</i>	Based on the Housing Production Goals and Housing Funding Goals, begin to develop a formal Action Plan that would serve as the road map to achieving stated goals.
Policy Considerations	
<i>Increase or Incentivize Density</i>	Consider increasing population density within targeted areas and/or for targeted product type; Consider some form of density bonuses for projects that include targeted housing product.
<i>Re-evaluate/Reimagine Building & Design Standards</i>	Re-evaluate current building and design standards and consider flexible requirements (e.g., property setbacks, parking, etc.).
<i>Lot Splits</i>	Evaluate process allowing lot splits to increase buildable land with existing infrastructure.
<i>Accessory Dwelling Units</i>	Evaluate zoning that would allow property owner to add new housing addition or convert existing space into residential use.
Development Assistance	
<i>Infrastructure Assistance</i>	Consider including or expanding infrastructure to help reduce developer costs.
<i>Fee Changes</i>	Assess residential development fees and consider reducing, waiving, or reimbursing government fees.
<i>Expediting Permitting/Rezoning Process</i>	Implement a residential building permit process and/or rezoning process that expedites timelines for targeted products.
<i>Land Banking</i>	Explore land bank process to determine if it makes sense to establish a land bank to acquire, prepare and convey properties for residential development use.
<i>Promote Available Sites</i>	Buildable sites should be inventoried and promoted to encourage residential development. This may be part of land banking efforts.
<i>Predevelopment Assistance</i>	Local governments can be proactive in providing predevelopment assistance for developers to help facilitate development and offset some development costs. This may include site prep work, paying for appraisal/feasibility studies, or other preliminary costs often incurred by developers.

Action/Initiative	Description
Financial Resources	
<i>Bond Issuance</i>	Evaluate the possibility of issuing a housing bond to help pay for residential development for targeted product types.
<i>Housing Trust Fund (HTF)</i>	Explore establishing a housing trust fund to help support affordable residential development and preservation. The HTF could be funded through a housing bond, impact fees, proceeds from the conveyance of land, etc.
<i>Tax Increment Financing (TIF) Districts</i>	Consider establishing TIF districts to help stimulate investment and development within targeted areas.
<i>Promote/Leverage Qualified Opportunity Zones (QOZs)</i>	QOZs provide tax incentives for investment and development within predetermined areas (two within Carteret County). Efforts should be made to actively promote these QOZs to potential developers and investors.
<i>Explore Other Funding Sources</i>	Local governments should explore other public funding sources and private sector development partners (e.g., developers, employers, foundations, etc.) that can provide resources to address housing.
Resident Assistance	
<i>Home Repair/Weatherization</i>	Local governments should look at establishing a home repair/weatherization program that provides funding to qualifying residents to help with eligible home repairs and weatherization. This can be in the form of a short-term revolving loan or forgivable grant.
<i>First-Time Homebuyer Down Payment</i>	Consider establishing a first-time homebuyer program for qualifying households to help with home purchase down payment, likely in the form of a grant.
Outreach	
<i>Develop Outreach Plan</i>	Develop a plan that helps to identify potential development partners, determines mechanics for outreach efforts, and establishes roles/responsibilities for outreach efforts. The plan may include retaining a housing professional to facilitate outreach plans.
<i>Identify Development Partners</i>	Investigate various resources to develop a list of potential development partners including private sector developers, nonprofit groups, supportive services providers, foundations, employers, etc.
<i>Promote/Advertise Opportunities</i>	Through publications, trade shows, social media and other outlets, promote housing needs and development opportunities within the county to attract development and investment. The community may want to organize a housing forum that brings together government, private sector stakeholders, housing experts, and others to help promote opportunities.

Action/Initiative	Description
Education	
<i>Develop Housing Education Plan</i>	Develop an overarching housing education plan that has a unified objective and message. The program could include educating landlords, elected officials, stakeholders and residents (homebuyers, homeowners, and renters). Such efforts should include removing affordable housing stigmas, informing the public on the benefits of housing, promote resources and programs to help address housing, etc. Such efforts could be through a housing forum or workshops, annual reports, social media or other methods.
<i>Learn From Others</i>	Given the complexity of housing issues, it is recommended that local governments and stakeholders research other communities and the efforts they have made to address housing. Learning from others can guide efforts in addressing local housing issues.
<i>Keep Community Informed</i>	It will be important to periodically update the community on housing challenges, recent housing initiatives, and future housing plans. Such efforts can include an annual report, a formal presentation in public venues, press releases, social media and other means of communication.

B. BEST PRACTICES

Carteret County can benefit from learning of the efforts to address housing issues made by other communities. To that end, we provided information on some best practices incorporated by several other communities that include such things as establishing goals, providing incentives and assistance, providing/promoting development opportunities, and conducting education and outreach efforts. To simplify the results of these case studies, we provided summaries grouped as 1.) Programs, Initiatives, and Incentives and 2.) Outreach and Education. Carteret County will want to research and/or contact communities regarding certain initiatives to learn more about specific experiences and understand the processes these communities went through. Carteret County is also encouraged to look at other communities for additional ideas and knowledge.

1. Programs, Initiatives, and Incentives

Asheville/Buncombe County, North Carolina

Housing Trust Fund - Housing Trust Fund is a program that assists in creating diverse and affordable housing choices. It enables the City of Asheville to repurpose city-owned land for development that supports housing affordability by providing low-cost financial assistance to incentivize the development and preservation of affordable housing within the city limits. The maximum loan amount available to each developer from the Housing Trust Fund is \$20,000 per affordable unit, and the maximum

loan per project is \$1,000,000, unless otherwise approved by City Council due to unique features. The program is available to for-profit or nonprofit developers who plan to construct new affordable for-sale or rental housing, rehabilitate existing multifamily housing, or convert property to affordable housing. A minimum of 20% of the total project units must be affordable for the proposed development to be eligible for financing. The Housing Trust Fund started in September 2000. The loans available are repayable at a low interest rate of 2%.

THRIVE Asheville Program (Landlord Tenant Partnership) – This program turns coronavirus relief funds into landlord incentives. Landlords receive a \$2,400 stipend to cover costs of joining the Housing Choice Voucher program. The program provides landlords with tenant coaches for culturally competent resident experiences. The program uses Housing Choice Vouchers to move public housing tenants into private rentals.

Urgent Repair Program - Urgent Repair Program finances emergency home repairs for North Carolina homeowners who are elderly or have special needs and whose incomes are below 50% of Area Median Income. The program allows assistance in the form of an interest-free, deferred loan, which is forgiven at \$2,000 a year to pay for necessary repairs. Funding is provided by the North Carolina Housing Finance Agency (NCHFA).

Essential Single-Family Rehabilitation (ESFR) - ESFR finances major repairs for North Carolina homeowners who are elderly or have disabilities and whose incomes are at or below 80% of Area Median Income. Funds are provided by NCHFA and their partners within local governments or nonprofit agencies. Assistance is provided in the form of a secured, interest-free, deferred loan, which is forgiven at \$5,000 a year to pay for necessary repairs.

Renter Relief Fund - Renter relief fund came about after COVID-19 impacted so many communities. Community developer Mountain Housing Opportunities created the program in August 2020 to provide financial assistance to low-income families residing in the Asheville area. The money provided in the program is from donations made through Mountain Housing Opportunities.

The Department of Energy's Weatherization Assistance Program - This program reduces the energy burden on low-income families by installing cost-effective, energy efficiency measures. The Weatherization Program serves every county in the nation through its network of state and local agencies. This program provides help to families with income up to 200% of the poverty level.

Safe at Home - This program is offered through Mountain Projects, a community action agency. The goal is to provide help to homeowners that are 60 years old or older with minor home repairs, as well as heating assistance during winter months. Other eligible repairs make the home safer, such as ramps, grab bars, doors, etc. There are limited funds with this program and large jobs such as roofs are not eligible. Funds are provided through grants made available through the Affordable Housing Services Program.

Down Payment Assistance Program - The program started in 2019. This year funding hit \$1 million in affordable housing bond money and \$400,000 in partnership with the Federal Home Loan Bank of Atlanta. The program is for first-time homebuyers who earn less than 80% of Area Median Income and are purchasing a home within Asheville city limits. The program is available to qualifying city employees, police officers, firefighters, and Asheville city school employees.

Single-Family Rehab (SFR) Program – The North Carolina Housing Finance Agency provides the funding for this program. The goal of SFR is to make a long-term positive impact on the state’s stock of standard affordable housing by encouraging the comprehensive rehabilitation of existing, moderately deteriorated, single-family, owner-occupied housing units occupied by lower income (less than 80% of Area Median Income) households with one or more elderly or disabled full-time household members or owner-occupied units with lead hazards and a child six years old or younger. Assistance is in the form of a secured but interest-free, deferred loan, which is forgiven at \$5,000 a year to pay for necessary repairs. There is a three-year funding cycle for the program. Approved applicants are currently awarded a set-aside of \$190,000 for home rehabilitation costs, with the potential of receiving additional funds on a first come, first-served basis.

Community Partners Loan Pool (CPLP) Program - The Community Partners Loan Pool program is a down payment assistance program for low- and moderate-income home buyers. The agency utilizes HOME funds from the U.S. Department of Housing and Urban Development to support CPLP. Eligible applicants include nonprofit developers of affordable homes for home buyers, nonprofit agencies with a home buyer education and/or counseling program, and public agencies that administer a homeownership program. Assistance is structured as a 0% interest, deferred second mortgage. The term of the loan matches the term of the first mortgage. The loan has no monthly payment and is typically repaid when the home is sold or at the end of the loan term. The North Carolina Housing Finance Agency has budgeted \$10 million for the CPLP in 2021. Eligible household income cannot exceed 80% of the Area Median Income for the county in which they intend to purchase a home. Down payment assistance includes up to 20% of the sale price, not to exceed \$30,000 (effective May 1, 2018), when

combined with a North Carolina Home Advantage Mortgage or up to 10% of the purchase price when combined with a USDA's Section 502 loan.

Aging in Place Housing - Habitat for Humanity's new affordable homeownership program is specifically for aging adults (age 55 and older). These single-level Aging in Place homes will be built with bathroom grab bars, zero steps, and other design details that enable homeowners to age with safety and dignity. The design and construction of Aging in Place homes is possible through Habitat for Humanity and their partnership with the Deerfield Charitable Foundation. The new housing will be located in Habitat for Humanity's new neighborhood in West Asheville and will have mixed use with additional single-family homes and townhouses. Applicants must have lived and/or worked in Buncombe County for a minimum of 12 months prior to application. Income must be stable and fall between 40% to 80% of Housing and Urban Development's Area Median Income. This program was initiated this year but is no longer accepting applications due to overwhelming response.

Low Interest Construction Loan Program - Buncombe County Affordable Housing Services program provides funding for construction loans. The loans are used to support development of projects containing single-family homes and/or multifamily rental units. Construction loans issued for ownership units will be repaid over a five-year term with 2% interest. Multifamily units will be repaid over 15 years at 2%.

Land Use Incentive Grant (LUIG) - The Land Use Incentive Grant (LUIG) is a point-based development incentive program. LUIG provides monetary incentives based on each developer's points earned through a number of predetermined qualifications. The maximum points earned is 200 points, with every 10 points worth a rebate of one year of city property taxes above a property's pre-developmental total. The project must be located within the city of Asheville and be considered to have convenient access to work, schools and services. The maximum amount granted to a project is \$80,000 per affordable unit. Twenty percent of a development's units must meet the city's affordability standards for households earning 80% or less of the Area Median Income. At least 10% of the units must accept rental assistance, including Housing Choice Vouchers. The final number granted is adjusted and approved by the City Council.

Abandoned Manufactured Home Removal Program - The Abandoned Manufactured Home Removal Program is sponsored by Buncombe County. The purpose of the program is to assist property owners in the removal and disposal of blighted manufactured homes. To qualify, the property must be privately owned and the owner must maintain ownership for 12 months. If a new manufactured home is built on the property, it must be for a qualifying household earning less than 80% of Area Median Income. This program is free to qualifying property owners.

Historic Tax Credits - The North Carolina Historic Rehabilitation Tax Credits Investment Program was adopted in January 2016. With this new program the State Historic Preservation Office allows incentives for those individuals who rehabilitate historic buildings for either residential (non-income producing) or income producing projects. The credits are tier-based including bonus credits. The bonus credits are available as Development Tier bonuses or Targeted Investment bonuses. Both bonuses are available at 5% of qualified rehabilitation expenditures not to exceed \$20 million. The rehabilitation must follow the standards set by the Historic Preservation Office. The state also provides 15% credit for non-income producing historic properties. Maximum credit allowed for income producing properties is \$4.5 million.

Development Notification Tool - The Development Notification Tool is an online tool residents can use to stay informed about developments coming into the Asheville area. The site, which operates through the City of Asheville's SimpliCity portal, is an information hub for upcoming development. It allows residents to understand the development process and how they can get involved. The site breaks down developments into five different categories of large-scale developments to help further residents' understanding of what is happening in their area. Residents can also sign up to receive notifications anytime there is an application submission. The Development Notification Tool was developed and released in 2019.

Beaufort County, South Carolina

First-Time Homebuyers Assistance and Down Payment Assistance - The South Carolina State Housing Finance and Development Authority works with lenders, home builders, and government officials to provide assistance for first-time homebuyers in the state. South Carolina Housing enables 30-year, fixed-rate FHA, VA, USDA or conventional loans with down payment assistance up to \$7,000. Local lenders make the mortgages, according to South Carolina Housing guidelines. Loan costs include a 1% origination fee.

MultiFamily Tax-Exempt Bond - South Carolina Housing's Multifamily Tax-Exempt Bond Financing Program provides permanent real estate financing for property being developed for multifamily rental use. Financing is available to either for-profit or nonprofit housing sponsors for new construction, acquisition with rehabilitation, and rehabilitation. Twenty percent or more of the units must be set aside for households whose combined gross income is 50% or less of the U.S. Department of Housing and Urban Development's area median gross income, or 40% or more of the residential units for those with combined gross income of 60% or less of the U.S. Department of Housing and Urban Development's area median gross income adjusted for family size.

Small Rental Housing Development Program - The Small Rental Housing Development Program's purpose is to integrate small numbers of affordable housing units into neighborhoods and communities. This program is available to any development that will develop affordable housing per state and federal regulations. The program is funded through several other sources in the 2021 funding cycle. Those sources include the HOME Investment Partnership Program (\$5,335,192), National Housing Trust Fund Program (\$2,700,000) and the South Carolina Housing Trust Fund Program (\$20,000,000).

Neighborhood Initiative Program - The goal of the Neighborhood Initiative Program is to stabilize property values through the removal of vacant and run-down properties in strategically targeted areas to prevent future foreclosures for existing property owners. The program assists communities by stemming the decline of home values and acting as a catalyst to initiate redevelopment and revitalization in areas suffering from decline. The Neighborhood Initiative Program is a joint venture of South Carolina Housing and the South Carolina Housing Corporation. It is funded through grants made available by the Community Development Block Program. The program is not accepting any more applications at this time.

Community Development Block Grant Program - The South Carolina Department of Commerce administers this program which provides grants to eligible local governments that do not directly receive funding from the U.S. Department of Housing and Urban Development. The grants provide resources for community development such as construction of public infrastructure, public facilities, and public improvements; public services; activities relating to energy conservation and renewable energy resources; and assistance to local governments to help locate new or expand existing business and industry and create or retain jobs. Allocated funds equal \$20,000,000 a year for five years.

South Carolina Housing Trust Fund - The South Carolina Housing Trust Fund is a state funded program designed to provide financial assistance in the development, rehabilitation and acquisition of affordable housing for low-income households throughout the state. This includes single-family homes, group homes for the disabled, and emergency shelters for battered women and their children. The Housing Trust Fund is unique in that it gets resources from multiple municipalities and donors. Each participating municipality provides a certain amount to the nonprofit trust fund to be distributed for affordable housing needs. Other funds for the trust come from grant funds, private donations, and money from local foundations. Available funding in the 2021 funding cycle for the South Carolina Housing Trust Fund amounts to \$3 million per year.

HOME Investment Partnership Program - The HOME Investment Partnership Program promotes partnerships between the U.S. Department of Housing and Urban Development, state and local governments, and those in the nonprofit and for-profit sectors who build, own, manage, finance, and support affordable housing initiatives. HOME provides the flexibility needed to fund a wide range of affordable housing initiatives through creative and unique housing partnerships. The HOME Program was created under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. It is used for single-family and multifamily housing activities, which may include providing homeownership and rental assistance, building or rehabilitating housing for rent or ownership for eligible households, and providing tenant-based rental assistance to subsidize rent for low-income persons. Fund amounts total \$7,000,000 a year.

HUD Good Neighbor Next Door - The Department of Housing and Urban Development offers a substantial incentive in the form of a discount of 50% from the list price of the home. The home must be located within HUD revitalization areas and in return, an eligible buyer must commit to live in the property for 36 months as their principal residence. This program is offered to law enforcement officers, teachers, firefighters, and emergency medical technicians that would contribute to community revitalization while becoming homeowners.

Inclusionary Zone Ordinance - The county's community development code offers incentives for the voluntary provision of affordable housing. In the county's Regional Center Mixed Use District, the code waives maximum population density and minimum lot size requirements and offers reduced impact fees in exchange for the provision of 30% affordable units deed-restricted for 20 years, or 20% affordable units deed-restricted for 25 years. Rental units must be affordable to households at or below 80% of Area Median Income. For-sale units must be affordable to households at or below 100% of Area Median Income. Standards require affordable units to be comparable to and integrated with market-rate units within the development.

Density Bonuses - Below market density bonuses of 50% to 100% (depending on zoning district) are available for housing developments where at least 50% of the units are built with a local, state, or federal subsidy or a private non-profit sponsor for households earning less than 80% of the countywide median income. Market density bonuses of 10% for single-family cluster developments and 20% for planned community and multifamily are available where half the units are affordable.

Family Compound Density Bonuses - This density bonus is primarily for rural areas in the county that have an affordable housing need. Properties eligible for these bonuses must be established family dwelling units that are arranged in a historic cluster pattern. The property must have been in the family for no less than 50 years and additional units must have been built by persons related by blood, marriage or adoption.

Lady Island Redevelopment District - The county created the Lady Island Redevelopment District in 2004 to encourage development and redevelopment of vacant and underutilized land. It allows single-family townhouses, duplexes, small apartment buildings, and accessory dwellings. Density requirements were eliminated to remove building barriers. The only requirements necessary are minimum lot size, sidewalks, trails, community facilities and affordable housing.

Emergency Solutions Grants - The South Carolina Department of Administration, Office of Economic Opportunity oversees this program. The grants fund projects that include supportive services to homeless individuals and families, outreach to unsheltered homeless, emergency shelter/transitional housing, homelessness prevention and re-housing assistance to those who have become homeless. Funding amounts to \$2.5 million a year.

Emergency Rental Assistance South Carolina Stay Program - The South Carolina Stay program for rental and mortgage relief opened in February 2021 and is currently closed to new applications. Through Community Development Block Grants made available through the U.S. Department of Housing and Urban Development and the South Carolina Department of Commerce, approximately \$25 million in CARES Act funding will be made available for rental and mortgage assistance to eligible low-income families in South Carolina. Income must be at or below 80% of county median income adjusted by family size. Qualifying individuals must have experienced lost wages due to layoff, reduced hours as a result of an employer going out of business or a reduction of staff, or inability to work due to infection with COVID-19 and required quarantine or a quarantine of a family member. The South Carolina Stay program may pay for up to six months of rental or mortgage payments, up to \$7,500, for eligible applicants.

South Carolina Stay Plus Program - Eligible applicants may receive up to 12 months of assistance with late rent and/or utility payments dating back to March 13, 2020. The program can also assist individuals and families who have been temporarily or permanently displaced due to COVID-19. South Carolina Stay Plus funds can be used to pay for rent and utility deposits, moving expenses, rental fees, and/or application or screening fees related to obtaining another permanent residence. The Stay Plus Program is available to 39 counties. Anderson, Berkeley, Charleston, Greenville,

Horry, Richland, and Spartanburg counties are not included in the South Carolina Stay Plus program and have provided their own rental assistance programs. Assistance is available for households that qualify for unemployment, have a high risk of homelessness, and have an income at or below 80% of the county median income adjusted by family size. Priority will be given to households with an income at or below 50% of the median income and those with an individual who has been unemployed for more than 90 days. Funding for the program is made available through the U.S. Department of Treasury's Emergency Rental Assistance Program.

The Lowcountry Affordable Housing Coalition (LAHC) - LAHC consists of governmental, nonprofit, and private organizations striving to make housing more affordable within the Lowcountry, with a primary focus on assisting residents of Beaufort County. It serves as a forum for bringing member organizations together to share ideas, coordinate projects, and foster interagency cooperation. This coalition is affiliated with the Beaufort County Human Services Alliance and is a Together for Beaufort County coalition. The mission of the LAHC is to provide every Lowcountry resident the opportunity to live in an affordable, safe, sustainable, and sanitary home.

Attainable Housing Regional Housing Trust Fund Committee - In 2019, a Housing Trust Fund subcommittee was formed to share costs in order to hire a consultant to address affordable housing needs in the county and develop a housing trust fund. The county provided \$65,000 toward the consulting fees. Other contributing jurisdictions included: Town of Hilton Head \$25,000; Town of Bluffton \$15,000; Jasper County \$10,000; City of Hardeeville \$5,000; City of Beaufort \$5,000; Town of Port Royal \$5,000; and Town of Yemassee \$1,000.

Bluffton Affordable Housing Committee - The seven-member Affordable Housing Committee is tasked with assisting and advising the Town Council on the establishment of affordable housing development projects and initiatives as well as defining Bluffton's affordable housing goals, guidelines, policies, and funding mechanisms. The committee is made up of two Town Council members, a mortgage lender, a realtor, and three representatives from community organizations. The main goal is to promote affordable housing efforts in the town of Bluffton.

Hilton Head Island Workforce Housing Program (WHP) - The Workforce Housing Program (WHP) comes as an amendment of the Land Management Ordinance approved in February 2021. The WHP's purpose is to incentivize developers through regulations on density bonus, affordability period, income and employment eligible households, deed restrictions, sale prices, and rental rates. To qualify, units must have at least one household member employed full time in the Town of Hilton Head Island. Households must meet the income requirements of 60% to 80% of

Area Median Income for rental units and 80% to 100% of Area Median Income for owner-occupied units. The maximum density developers can have under the proposal is 12 units per acre, with at least half being workforce housing units. New development that includes at least 10% workforce housing units can receive a 20% bonus floor area ratio, can include up to 50% micro efficiency and studio units, and reduce the minimum size of residential units by 20%.

Beaufort-Jasper Regional Housing Trust Fund - The Beaufort-Jasper Regional Housing Trust Fund is currently being created (presented for consideration in June of 2021) for housing units for households at or below 120% of Area Median Income, with a strong focus on households at or below 60% of Area Median Income. The goal is to provide workforce housing for the growing Beaufort-Jasper economy. The Trust wants to leverage outside funding from banks, corporations, philanthropic institutions, and federal, state and local governments.

Bluffton Workforce Housing Program - In 2019, Bluffton established the Workforce Homeownership Program through modifications to the Unified Development Ordinance. Developers proposing new unit developments are required to include 20% workforce housing units. Affordable units are considered for households whose income is 60% to 100% of Area Median Income for Beaufort County. To encourage the construction of owner-occupied workforce affordable housing, incentives to developers include density bonuses and fee reductions based on the percent of dwelling units that are workforce/affordable units.

Bluffton Neighborhood Assistance Program - Bluffton established the Neighborhood Assistance Program to assist low- and moderate-income residents of Bluffton with property repairs and improvements. To qualify for assistance, applicants must have an income which does not exceed 60% of the Area Median Income for Beaufort County. All home repairs aim to make homes safe and dry in accordance with building code and to address weatherization needs through the Town of Bluffton Community Development Office. A total of \$23,236 was spent on assistance in 2020. The proposed budget for 2021 includes \$150,000 for minor home repairs, \$15,000 for abatement/demolition of unsafe structures, \$10,000 for tree mitigation, \$5,000 for property clean-up, \$9,000 for private road repair, and \$1,000 for E-911.

Beaufort (City) Redevelopment Incentive Program - The Beaufort Redevelopment Incentive Program was established in 1998 to increase the occupancy of empty/vacant commercial buildings, encourage greater development and density in downtown Beaufort, encourage development of student housing and affordable housing, and encourage annexation of property into Beaufort's city limits. The program will reimburse property owners for city taxes and offer three years of tax refunds for the difference in the taxes between pre- and post-rehabilitation.

Beaufort (City) Lowcountry Housing Trust - In July 2021 the City of Beaufort adopted the Lowcountry Housing Trust. The trust is responsible for funds provided by the City of Beaufort for affordable housing projects located in the City of Beaufort. Given the newness of the Housing Trust, no activity appears to have taken place at this time. For more information, visit www.lowcountryhousingtrust.org

Charleston County/Charleston, South Carolina

Rental Assistance Demonstration (RAD) - The Rental Assistance Demonstration program allows public housing agencies and owners of HUD-assisted properties to convert units to project-based Section 8 programs. By joining the program it gives owners of three HUD "legacy" programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements. Rental contribution would stay at 30% of the household's adjusted gross income. Most needed repairs made as part of RAD are likely to be small and tenants are able to maintain residency but there are some situations that the tenant would have to move out during the rehabilitation. The RAD program is offered through North Charleston Housing Agency and was approved in 2019.

Veterans Affairs Supportive Housing Program (VASH) - The Veterans Affairs Supportive Housing (VASH) Program combines Housing Choice Voucher rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs. Veterans Affairs provides these services for participating Veterans at VA medical centers and community-based outreach clinics. The Housing Authority of the City of Charleston is currently able to assist 120 VASH participants.

Family Self-Sufficiency (FSS) Program - The Housing Authority of the City of Charleston operates a Family Self-Sufficiency Program throughout its jurisdiction. The purpose of the program is to assist unemployed and underemployed persons to achieve economic independence from government assistance programs. The program coordinates support services from public and private sectors in order to aid participants in obtaining job skills and training. The Charleston Housing Authority provides opportunities for participants to attend educational workshops and seminars to learn about employment and educational opportunities, parenting, health, career, financial issues, and homeownership. Families participating in FSS may accumulate funds in an escrow account. These funds are generated as a result of periodic increases in earned income by the FSS participant. Each time a change in income is reported by the participant to the Charleston Housing Authority, a recalculation of their monthly escrow is determined. The balance of the escrow account is eventually distributed to the family. All current Housing Choice Voucher families are eligible to participate.

Homeownership Program - The Homeownership Program started in 2000 and provides assistance to eligible families interested in purchasing a dwelling unit to be occupied by the tenant family. Applicants must be eligible for a Housing Choice Voucher and must be a first-time home buyer and be able to pay a minimum 3% down payment (with a minimum of 1% coming from the family's own resources). Applicants must also be located within Charleston Housing Authority's jurisdiction. The amount of home ownership assistance will be calculated using a modified Voucher Payment Standard approach. Housing Choice Voucher Homeownership assistance may be paid for a period of up to fifteen years for mortgages of twenty years or longer and up to ten years for mortgages of less than twenty years. Program eligibility is based on lower income limits at 80% of the Area Median Income and very low-income limits at 50% of the Area Median Income.

Homeownership Initiative - The Homeownership Initiative was developed in 2002 in response to the imbalance between household incomes and housing costs in downtown Charleston. Target neighborhoods are Cannonborough, Elliotborough, Eastside, Westside, Rosemont and H, F and I streets. The Homeownership Initiative provides a combination of newly constructed and rehabilitated homes for sale to low- and moderate-income families. The program targets households earning 50% to 120% of the Area Median Income. The City of Charleston acquires and transfers properties to nonprofit housing development organizations that then develop and sell the homes to eligible participants. The City of Charleston then coordinates with different agencies to provide financial assistance for down payments or closing costs.

Local Bond Fund - In November 2017, voters in the city of Charleston approved a \$20 million bond to support an affordable housing project with diverse multifamily rental developments to include townhouses, apartments, renovated units, single-family detached units, infill houses, and the adaptive reuse of existing buildings. The Local Bond Funds target developments located in proximity to an active or planned public transit stop or terminal, grocery store, doctor's office/medical office, and other key services. Individuals and families with incomes at the full spectrum of need with incomes between 30% and 120% of Area Median Income will qualify. Bond Funds target developments that have energy efficient and environmentally friendly strategies implemented throughout the development.

Substantial Rehabilitation Program - The Substantial Rehabilitation Program provides financial assistance to homeowners with major housing repair needs. The owner is required to provide a minimum of 20% of the cost of construction from private sources. Clients may qualify for the maximum loan amount of \$80,000 from city funds. The loan amount will be structured over a 20-to-30-year term.

Roof Replacement Program - The Roof Replacement Program is provided for homeowners who earn 80% and below the Area Median Income. With this program, low- and moderate-income homeowners within the city of Charleston are able to fix code related items including roof covering, flashing, sheathing and roof structure, soffits and gutters. Participants are required to repay half of the cost of the roof replacement. Monthly payments are made over a 10-year loan term with payments calculated at 3% interest rate. The owner will make monthly payments during the first five years of the loan. The loan can be up to \$14,000. During the second five years of the loan, no payments are made and the remaining balance of the loan is forgiven at the end of the 10-year loan term.

Low-Income Home Energy Assistance Program (LIHEAP) - The Low-Income Home Energy Assistance Program (LIHEAP) provides home energy assistance to help eligible low-income households meet their home heating and/or cooling needs. The program provides utility bill payment assistance, energy crisis assistance, weatherization and energy-related home repairs. LIHEAP is a federal emergency assistance block grant funded by the U.S. Department of Health and Human Services. LIHEAP determines income eligibility based on the Federal Poverty Guidelines. Funds are made available to families once a year. Financial assistance can be up to \$1,000 and participants must live within Charleston County.

Wilmington / New Hanover County, North Carolina

Home Ownership Pool Loan - The City of Wilmington offers the Home Ownership Pool. This loan program is for families whose income is less than 80% of the Area Median Income. Essentially, the program targets low- to moderate-income households looking to achieve the benefit of home ownership. The program provides a loan based on a 100% loan-to-value ratio. Maximum loan amounts are \$220,000 for new homes and \$210,000 for existing homes. Property must be purchased within the city limits of Wilmington.

North Carolina Opportunity Zones - The Opportunity Zones Program provides tax incentives for qualified investors to re-invest unrealized capital gains into low-income communities throughout the state, and across the country. Low-income census tracts are areas where the poverty rate is 20% or greater and/or family income is less than 80% of the Area Median Income. These Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act. Investments made by qualified entities receive three key federal tax incentives to encourage investment in low-income communities including permanent exclusion from taxable income of long-term capital gains, step-up in basis for capital gains reinvested in an Opportunity Fund, and temporary tax deferral for capital gains reinvested in an Opportunity Fund. Qualified Opportunity Funds must be purchased after 12/31/2017 with any prior ownership limited to 20% of the fund.

Workforce Housing Gap Rental Assistance - New Hanover County has developed a two-year pilot program that is intended to help close the gap between income and rent. This program will launch in August 2021 and provide direct payments to qualified, pre-selected property management companies and landlords to help residents earning 60% to 120% of the Area Median Income with a monthly subsidy of \$200 per month for single-person households and \$300 per month for multiple-person households.

Housing Rehabilitation Loan (HRL) Program - The City of Wilmington offers the Housing Rehabilitation Loan Program for homeowners living within the city limits to fix up their homes. The program objective is to preserve affordable housing stock by providing an affordable loan for housing repairs to low- to moderate-income homeowners. There are several options within the program including loans for minor repairs, such as a new roof, air conditioner repair and paint up to \$10,000. No payment is required for a period of three years. Another option within the Housing Rehabilitation Loan Program is for major repairs. The Major Housing Rehabilitation Forgivable Loan is for city residents who have owned and occupied their home a minimum of 12 months and meet income limit requirements. Loan proceeds may be used to make needed repairs to the home and improve the dwelling and/or remove health and safety hazards. The maximum loan amount is \$75,000 at a 0% interest rate. The loan term is typically 20 years. Another option within the HRL is the Fully Amortized Housing Rehabilitation Loan. Under this program, loans of up to a maximum of \$95,000 are provided, including a 15% contingency for existing construction as well as loans for up to \$115,000 including a 15% contingency maximum for demolition and reconstruction shall be available to homeowners whose income does not exceed 80% of Area Median Income. Loans may be used to repair and improve the dwelling and/or remove health and safety hazards. Closing costs may also be included in the loan.

Rehabilitation Incentive Loan – The loans in this program target small developers, investors, nonprofits and others interested in providing small scale rental projects. The purpose of the loan is to provide funding for small scale and scattered site projects, bring badly deteriorated housing units back into the rental housing stock, and to provide permanent supportive housing for special populations as defined by HUD. The maximum loan amount is \$125,000 or 90% of the appraised value with a 0% interest rate amortized over a period not to exceed 360 months. Properties are required to rent to low- to moderate-income households (80% of Area Median Income or below) using HOME rent limits. Funding can be used for purchase and/or rehabilitation of vacant units.

Emergency Rental Assistance Program - The New Hanover County Emergency Rental Assistance Program provides assistance to households that have been impacted financially because of the COVID-19 pandemic. Eligible households may receive assistance for rent, utilities, internet, and other housing costs. Eligibility requirements include having one or more individuals who have qualified for unemployment benefits, experienced a reduction in household income, or incurred significant costs or experienced other financial hardship because of the COVID-19 pandemic. Household income requirements are set at or below 80% of the Area Median Income. Households may receive up to 12 months of assistance. Priority will be given to households that make 50% or less of the Area Median Income. This program is a result of direct allocation to the county from the COVID-19 relief package included in the federal Consolidated Appropriations Act of 2021. The New Hanover County Board of Commissioners voted to accept the \$7.1 million in funding to administer the program on March 15, 2021. The program began March 29, 2021.

Crisis Intervention Program (CIP) - The Crisis Intervention Program is a year-round program offered through the North Carolina Department of Health and Human Services. CIP assists people experiencing a heating or cooling crisis. A household is considered in crisis if it is currently experiencing, or is in danger of experiencing, a life threatening or health related emergency and assistance is not available from another source. This program is dedicated to households that have income equal to or less than 150% of the federal poverty level.

2. Outreach and Education

Charleston, West Virginia

After having a Housing Needs Assessment completed in 2020 that focused on downtown market-rate (apartments and condominiums) development opportunities, the Charleston Area Alliance created a snapshot report to share important details from the study with the public. This public relations document was initially released as part of a news article to promote the study's findings, illustrate the development opportunities within the downtown area, provide examples of successful downtown residential development, and ultimately promote and encourage new investment and residential development in the downtown area. The Alliance also posted the Housing Needs Assessment in its entirety for community access on their website.

You can see the article release here:

<https://charlestonareaalliance.org/charleston-area-alliance-releases-findings-from-market-rate-housing-needs-report/>

Public access to the Housing Needs Assessment is found here:

<https://charlestonareaalliance.org/community-development/#downtown>

Morgantown, West Virginia

After completion of a city-wide Housing Needs Assessment in the summer of 2020, the City of Morgantown responded quickly to address key issues cited in the study. Morgantown launched a Landlord Incentive Program (LIP) for Homeless Individuals in September of 2020. This program was detailed in a brochure posted on the city website. In addition to creating the LIP program, Morgantown also initiated a special committee on Addressing Unsheltered Homelessness. The committee meetings are broadcast on a local channel as well as streamed on the city website.

Details of the LIP program are provided here:

<http://www.morgantownwv.gov/DocumentCenter/View/3493/Landlord-Incentive-Program-for-Housing-Homeless-Individuals-FINAL-20200902?bidId=>

More information on the committee can be found here:

<https://www.morgantownwv.gov/543/Homeless-and-Addiction-Strategy>

Asheville, North Carolina

In November 2019, Asheville held a City Manager's Development Forum to promote the city's efforts to support housing. The meeting was open to the public to attend. During this meeting, key members of city development departments shared information regarding housing needs and initiatives. The city discussed the newly rolled out Development Notification Tool that is available on the city website for residents to learn about upcoming developments. The meeting information was shared with the public here: <https://www.ashevillenc.gov/news/asheville-city-manager-development-forum-set-for-friday/>

In addition to their own city meeting, Asheville Community Development Directors also attended an annual housing retreat in the nearby city of Rocky Mount. At this retreat, Asheville presented its affordable housing findings and initiatives to guide Rocky Mount in exploring affordable housing solutions. More information on that retreat can be found here:

https://www.rockymounttelegram.com/news/local/council-studies-ashevilles-affordable-housing-programs/article_3c9d926f-c390-5f5a-a819-5f5e6e9a9fe0.html

Franklin County, Virginia

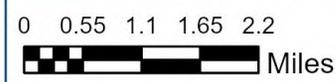
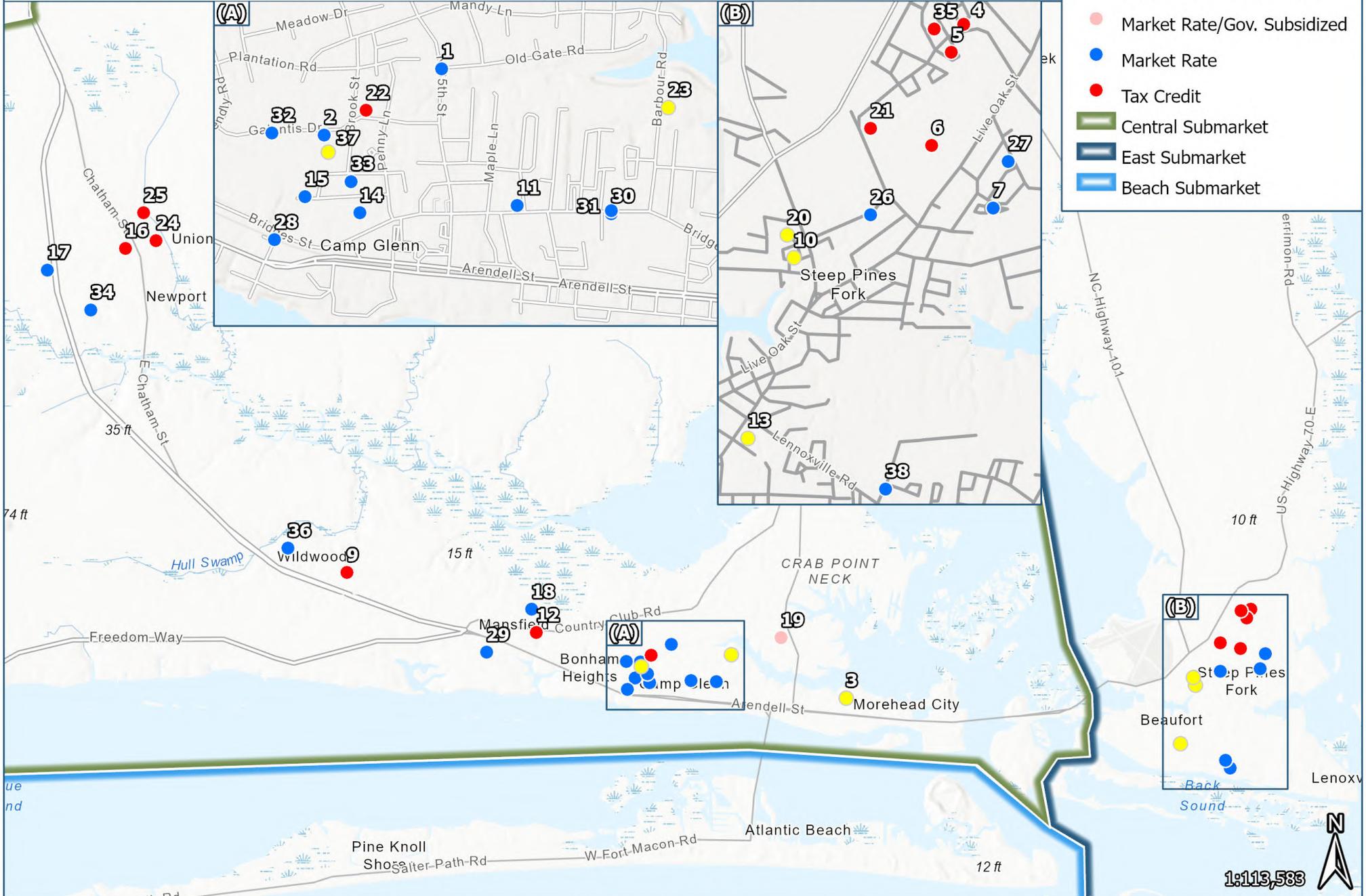
Franklin County held a Housing Summit in June of 2021. This day-long event included numerous speakers covering a wide range of topics including housing needs, financing, land use, community assets, and real estate trends. It was attended by more than 50 stakeholders from both the public and private sectors. The event included a round table discussion and provided information on government contacts and processes. Additionally, attendees participated in a survey related to area development. A link to the event is found here: <https://www.franklincountyva.gov/734/Housing>

ADDENDUM A:

**FIELD SURVEY OF
CONVENTIONAL RENTALS**

Apartment Type

- Government Subsidized
- Market Rate/Gov. Subsidized
- Market Rate
- Tax Credit
- Central Submarket
- East Submarket
- Beach Submarket



Esri, NASA, NGA, USGS, Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, INCREMENT P, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, State of North Carolina DOT, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA
 Additional Source(s): Bowen National Research

1:113,533



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate
1	35 North	MRR	B	1989	40	0	100.0%
2	3821 Galantis Dr	MRR	B	2009	16	0	100.0%
3	Bayview Homes	GSS	B+	2011	18	0	100.0%
4	Beaufort Manor I	TAX	B+	2006	35	0	100.0%
5	Beaufort Manor II	TAX	B+	2007	25	0	100.0%
6	Beaufort Spring	TAX	B+	2015	48	0	100.0%
7	Beaufort Towne I, II, III	MRR	B-	1985	96	0	100.0%
8	Beaufort Village	MRR	B+	2009	28	0	100.0%
9	Blue Point Bay	TAX	B	2005	64	0	100.0%
10	Brentwood Village Apts.	GSS	C+	1980	46	0	100.0%
11	Bridges North	MRR	B-	1994	16	0	100.0%
12	Camellia Court	TAX	B	1998	44	0	100.0%
13	Carteret Court Apts.	GSS	C+	1978	78	0	100.0%
14	Carteret Oaks	MRR	B	1979	8	0	100.0%
15	Carteret Towne	MRR	C+	1984	24	0	100.0%
16	Castle Glen	TAX	B	2008	32	0	100.0%
17	Compass Landing Apts.	MRR	B+	2011	192	3	98.4%
18	Country Club	MRR	B	1972	128	2	98.4%
19	Crystal Coast	MRG	C	1975	49	0	100.0%
20	Eagles Bay	GSS	B	1997	40	0	100.0%
21	Eastport at the Park I	TAX	B+	2016	52	0	100.0%
22	Edenbridge	TAX	B	2007	40	0	100.0%
23	Ekklesia I & II	GSS	B	1983	100	0	100.0%
24	Elm Green	TAX	B	1998	36	0	100.0%
25	Kings Mill	TAX	B	2001	44	0	100.0%
26	Mariners Cove	MRR	B	1985	25	0	100.0%
27	Meadowlark	MRR	B	2003	14	0	100.0%
28	Midtown at Guardian	MRR	A	2016	32	0	100.0%
29	Mitchell Village	MRR	B	1966	8	0	100.0%
30	Oak Lane Apts.	MRR	B	1993	7	0	100.0%
31	Orlandah Court	MRR	B	1978	32	0	100.0%
32	Preserve at Carteret Place	MRR	A	2018	168	0	100.0%
33	Professional Park	MRR	B	1983	24	0	100.0%
34	Tower Apts.	MRR	B	1969	50	0	100.0%
35	Troon	TAX	B	1999	44	0	100.0%
36	Vinings at Wildwood	MRR	B+	2011	168	0	100.0%

Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate
37	Westwood Square	GSS	C+	1989	36	0	100.0%
38	Willis Court	MRR	B	1984	12	0	100.0%

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

1	35 North 541 N. 35th, Morehead City, NC 28557	Contact: Dottie Phone: (252) 499-9141
		
Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1989 BR: 1, 2 Vacant Units: 0 Waitlist: 3 HH AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: None Notes:		

2	3821 Galantis Dr 3821 Galantis Dr, Morehead City, NC 28557	Contact: Debby Phone: (252) 726-1437
Picture Not Available		
Total Units: 16 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2009 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:		

3	Bayview Homes 1300 Bay St., Morehead, NC 28557	Contact: Caimyn Phone: (252) 726-4401
		
Total Units: 18 UC: 0 Occupancy: 100.0% Stories: 1, 2 Year Built: 2011 BR: 2 Vacant Units: 0 Waitlist: Shared; 5-8 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Public Housing		

4	Beaufort Manor I 1300 Beaufort Manor Dr., Beaufort, NC 28516	Contact: Kiersten Phone: (252) 728-5702
		
Total Units: 35 UC: 0 Occupancy: 100.0% Stories: 1, 2 Year Built: 2006 BR: 2, 3 Vacant Units: 0 Waitlist: 2-br; 3 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit		

5	Beaufort Manor II 1300 Beaufort Manor Dr., Beaufort, NC 28516	Contact: Kiersten Phone: (252) 728-5702
		
Total Units: 25 UC: 0 Occupancy: 100.0% Stories: 1, 2 Year Built: 2007 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 1 & 2-br; 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit		

<ul style="list-style-type: none"> ✔ Comparable Property ◆ Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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6	Beaufort Spring 1792 Live Oak St., Beaufort, NC 28516	Contact: Teresa Phone: (252) 838-1387
		Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 w/Elevator Year Built: 2015 BR: 1, 2 Vacant Units: 0 Waitlist: 17 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit

7	Beaufort Towne I, II, III 201 Glenda Dr., Beaufort, NC 28516	Contact: Michelle Phone: (252) 728-2940
		Total Units: 96 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1985 BR: 2, 3 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Phase II opened in 2004-2006; Rent range due to upgrades & phase

8	Beaufort Village 1605 Lennoxville Rd., Beaufort, NC 28516	Contact: Debby Phone: (252) 726-1437
		Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2009 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

9	Blue Point Bay 201 Old Murdoch Rd., Newport, NC 28570	Contact: Cathy Phone: (252) 222-0015
		Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2005 BR: 2, 3 Vacant Units: 0 Waitlist: 9 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit

10	Brentwood Village Apts. 208 Brentwood Dr., Beaufort, NC 28516	Contact: Teasia Phone: (252) 728-4557
		Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1980 BR: 1, 2 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: RD 515, has RA (45 units)

<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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11	Bridges North 3320 Bridges St., Moorehead City, NC 28557	Contact: Derek Phone: (252) 726-7679
	Total Units: 16 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1994 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	

12	Camellia Court 4609 Country Club Rd., Morehead City, NC 28557	Contact: Karen Phone: (252) 808-0322
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1998 BR: 1, 2 Vacant Units: 0 Waitlist: 25 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (17 units)	

13	Carteret Court Apts. 510 Carteret Ave., Beaufort, NC 28516	Contact: Cassie Phone: (252) 728-2679
	Total Units: 78 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1978 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 24 HH AR Year: Target Population: Family Yr Renovated: 2008 Rent Special: None Notes: HUD Section 8	

14	Carteret Oaks 3725 Guardian Ave, Morehead City, NC 28557	Contact: Debby Phone: (252) 726-1437
Picture Not Available	Total Units: 8 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1979 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	

15	Carteret Towne 3803 Guardian Ave., Morehead City, NC 28557	Contact: Debby Phone: (252) 726-1437
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1984 BR: 1 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

16	Castle Glen 1800 Pollard Ct., Newport, NC 28570	Contact: Name not given Phone: (252) 223-3573
		<p>Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2008 BR: 1, 2 Vacant Units: 0 Waitlist: 16 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit</p>

17	Compass Landing Apts. 900 Old Fashioned Way, Newport, NC 28570	Contact: Stacy Phone: (252) 223-0388
		<p>Total Units: 192 UC: 0 Occupancy: 98.4% Stories: 3 Year Built: 2011 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor level</p>

18	Country Club 4600 Country Club Rd., Morehead City, NC 28557	Contact: Don Phone: (252) 241-8751
		<p>Total Units: 128 UC: 0 Occupancy: 98.4% Stories: 2 Year Built: 1972 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>

19	Crystal Coast 2109 Mayberry Loop Rd., Morehead City, NC 28557	Contact: Ali Phone: (252) 726-8042
		<p>Total Units: 49 UC: 1 Occupancy: 100.0% Stories: 2 Year Built: 1975 BR: 2, 3 Vacant Units: 0 Waitlist: GSS; 25 HH AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: None Notes: Market-rate (3 units); HUD Section 8; One unit under renovation</p>

20	Eagles Bay 100 Eagles Bay Ct, Beaufort, NC 28516	Contact: Greg Phone: (252) 728-6221
		<p>Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1997 BR: 1 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Senior 62+, Disabled Yr Renovated: Rent Special: None Notes: RD 515, has RA (33 units)</p>

<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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21	Eastport at the Park I 506 Campen Rd., Beaufort, NC 28516	Contact: Melissa Phone: (252) 838-9370
		<p>Total Units: 52 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2016 BR: 2, 3 Vacant Units: 0 Waitlist: 25 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Home Funds (6 units)</p>

22	Edenbridge 501 Brooks St., Morehead City, NC 28557	Contact: Kathy Phone: (252) 726-9201
		<p>Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 w/Elevator Year Built: 2007 BR: 1, 2 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit</p>

23	Ekklesia I & II 405 Barbour Rd., Morehead City, NC 28557	Contact: Debbie Phone: (252) 726-0076
		<p>Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1983 BR: 1, 2 Vacant Units: 0 Waitlist: 6-8 mos AR Year: Target Population: Senior 62+, Disabled Yr Renovated: Rent Special: None Notes: HUD Section 8 (80 units); HUD Section 811 PRAC (20 units) designated as supportive housing for disabled senior tenants</p>

24	Elm Green 100 Elm Green Loop Dr., Newport, NC 28570	Contact: Kelly Phone: (252) 223-1266
		<p>Total Units: 36 UC: 12 Occupancy: 100.0% Stories: 2 Year Built: 1998 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2020 Rent Special: None Notes: Tax Credit; HOME Funds (16 units); 12 units under renovation, expect completion 6/2021</p>

25	Kings Mill 1200 Daughters Dr., Newport, NC 28570	Contact: Dottie Phone: (252) 223-6311
		<p>Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2001 BR: 1, 2 Vacant Units: 0 Waitlist: 11 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (12 units)</p>

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

26	Mariners Cove 107 Carraway Dr., Beaufort, NC 28516	Contact: Debby Phone: (252) 726-1437
		Total Units: 25 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1985 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

27	Meadowlark 300 Eastern Ave, Beaufort, NC 28516	Contact: Michele Phone: (252) 728-2940
		Total Units: 14 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2003 BR: 2 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

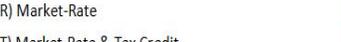
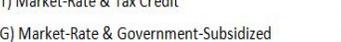
28	Midtown at Guardian 3904 Guardian Ave., Morehead City, NC 28557	Contact: Lisa Phone: (252) 499-9614
		Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2016 BR: 1, 2 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

29	Mitchell Village 4914 Bogue Ave, Morehead City, NC 28557	Contact: Debby Phone: (252) 726-1437
	Picture Not Available	Total Units: 8 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1966 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

30	Oak Lane Apts. 3101 Bridges St., Morehead City, NC 28557	Contact: Cindy Phone: (252) 726-2151
		Total Units: 7 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1993 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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31	Orlandah Court 3115 Bridges St., Morehead City, NC 28557	Contact: Debby Phone: (252) 726-1437
	Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1978 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
32	Preserve at Carteret Place 4005 Galantis Dr., Morehead City, NC 28557	Contact: Analiese Phone: (252) 565-0646
	Total Units: 168 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 11 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing 4/2018, opened 8/2018, stabilized occupancy 3/2019	
33	Professional Park 3725-3813 Symi Cir, Morehead City, NC 28557	Contact: Derick Phone: (844) 827-2817
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1983 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
34	Tower Apts. 353 Howard Blvd, Newport, NC 28570	Contact: Johnna Phone: (252) 223-4278
Picture Not Available	Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1969 BR: 0, 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
35	Troon 300 Troon Way, Beaufort, NC 28516	Contact: Cathy Phone: (252) 504-6109
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1999 BR: 1, 2 Vacant Units: 0 Waitlist: 8 HH AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit: HOME Funds (44 units)	

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

36	Vinings at Wildwood 133 Wildwood Rd, Newport, NC 28570	Contact: Ebony Phone: (844) 294-1083
37	Westwood Square 411 Brooks St., Morehead City, NC 28557	Contact: Danielle Phone: (252) 247-4666
38	Willis Court 211 Leonda Dr., Beaufort, NC 28516	Contact: Debby Phone: (252) 726-1437

	Total Units: 168 UC: 60 Occupancy: 100.0% Stories: 3 Year Built: 2011 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 60 ph II units planned, construction to begin Fall 2021
	Total Units: 36 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1989 BR: 1, 2 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: RD 515, has RA (27 units)
	Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

Source: Coastal Community Action
Effective: 12/2019

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	61	85	109	133	170	194	61	85	109	133	170	194
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	31	44	57	69	88	101	31	44	57	69	88	101
	Electric	31	44	57	69	88	101	31	44	57	69	88	101
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	52	73	93	114	145	166	52	73	93	114	145	166
Cooking	Natural Gas	10	14	18	22	28	32	10	14	18	22	28	32
	Bottled Gas	10	14	18	22	28	32	10	14	18	22	28	32
	Electric	5	7	9	11	14	16	5	7	9	11	14	16
Other Electric		34	40	46	52	61	67	34	40	46	52	61	67
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		8	12	15	18	23	27	8	12	15	18	23	27
Water Heating	Natural Gas	27	38	48	59	75	86	27	38	48	59	75	86
	Bottled Gas	27	38	48	59	75	86	27	38	48	59	75	86
	Electric	16	22	28	35	44	50	16	22	28	35	44	50
	Oil	24	34	44	54	69	78	24	34	44	54	69	78
Water		36	49	61	68	84	93	36	49	61	68	84	93
Sewer		39	58	78	88	118	128	39	58	78	88	118	128
Trash Collection		18	18	18	18	18	18	18	18	18	18	18	18
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

* Estimated- not from source

ADDENDUM B:
NON-CONVENTIONAL RENTAL SURVEY

Address	City	County	ZIP	Type	Price	Square Foot	Price Per Square Foot	Bed	Bath	Year Built	Source
2007 Joslyn Drive	Morehead City	Carteret	28557	Single-family home	\$2,400	1,800	\$1.33	3	2.0	1988	Trulia
604 North Forty Road #1	Morehead City	Carteret	28557	Apartment	\$1,700	1,690	\$1.01	3	2.0	1984	Zumper
3200 Mandy Lane	Morehead City	Carteret	28557	Single-family home	\$1,400	1,144	\$1.22	3	2.0	1986	Zumper
213 Harbor Drive	Morehead City	Carteret	28557	Single-family home	\$1,700	2,500	\$0.68	3	2.5	1976	Zumper
3200 Crystal Oaks Lane #120	Morehead City	Carteret	28557	Townhome	\$850	1,050	\$0.81	2	2.0	1986	Homes.com
1002 Fisher Street	Morehead City	Carteret	28557	Single-family home	\$1,175	1,294	\$0.91	3	1.0	1910	Rent.com
3309 Bridges Street #1	Morehead City	Carteret	28557	Condo	\$950	836	\$1.14	2	1.0	1985	Rent.com
404 North 13 Street	Morehead City	Carteret	28557	Single-family home	\$1,200	1,230	\$0.98	3	2.0	2016	Rent.com
300 North 15th Street	Morehead City	Carteret	28557	Single-family home	\$1,250	936	\$1.34	3	1.0	1984	Zumper
1005 Els Court	Morehead City	Carteret	28557	Single-family home	\$1,865	2,500	\$0.75	4	3.0	2007	Rent.com
2711 Homes Drive	Morehead City	Carteret	28557	Single-family home	\$1,300	1,168	\$1.11	3	1.0	1942	Homes.com
2010 Mayberry Loop Road #105B	Morehead City	Carteret	28557	Condo	\$850	992	\$0.86	2	1.5	2010	Zumper
308 North 14th Street Unit A	Morehead City	Carteret	28557	Single-family home	\$895	572	\$1.56	1	1.0	1935	Homes.com
303 Barbour Road Unit 902	Morehead City	Carteret	28557	Condo	\$1,150	992	\$1.16	2	2.0	1996	Homes.com
501 Cedar Street #B	Beaufort	Carteret	28516	Apartment	\$700	-	-	2	1.0	-	Zumper
103 Ronnie Road	Beaufort	Carteret	28516	Mobile Home	\$795	696	\$1.14	2	1.0	1983	Trulia
129 Little Bay Drive	Cedar Point	Carteret	28584	Single-family home	\$2,300	3,178	\$0.72	4	3.0	2012	Homes.com
650 Cedar Point Boulevard	Cedar Point	Carteret	28584	Condo	\$1,100	900	\$1.22	2	2.0	1990	Rent.com
108 Abaco Drive East	Cedar Point	Carteret	28584	Single-family home	\$1,850	2,109	\$0.88	3	3.0	2017	Homes.com
106 Beach Haven Cove	Cedar Point	Carteret	28584	Single-family home	\$2,500	2,656	\$0.94	4	3.0	2004	Homes.com
8702 Ocean View Drive #2	Emerald Isle	Carteret	28594	Apartment	\$1,500	-	-	2	1.0	1970	Homes.com
9256 Osprey Ridge Drive	Emerald Isle	Carteret	28594	Single-family home	\$1,800	1,300	\$1.38	3	2.0	1996	Rent.com
705 Emerald Drive	Emerald Isle	Carteret	28594	Apartment	\$1,100	605	\$1.82	1	1.0	1975	Zumper
101 Wyndward Court	Emerald Isle	Carteret	28594	Single-family home	\$3,100	2,290	\$1.35	3	2.0	1989	Rent.com
510 Emerald Drive	Emerald Isle	Carteret	28594	Apartment	\$950	850	\$1.12	2	1.0	1972	Hotpads.com
207 Aberlady Bay Down	Emerald Isle	Carteret	28594	Duplex	\$1,250	-	-	2	2.0	1998	Zumper

Address	City	County	ZIP	Type	Price	Square Foot	Price Per Square Foot	Bed	Bath	Year Built	Source
7203 Sound Drive	Emerald Isle	Carteret	28594	Apartment	\$1,350	-	-	1	1.0	-	Home & Land
111 Ocean Oaks Drive	Emerald Isle	Carteret	28594	Single-family home	\$2,300	1,344	\$1.71	3	3.0	1984	Homes.com
106 Starfish Court	Emerald Isle	Carteret	28594	Single-family home	\$2,800	2,108	\$1.33	3	3.5	1986	Homes.com
247 Shore Drive	Salter Path	Carteret	28512	Single-family home	\$2,695	2,000	\$1.35	3	2.5	1980	Rent.com
400 Dobbs Street	Atlantic Beach	Carteret	28512	Single-family home	\$1,400	1,800	\$0.78	2	2.0	1957	Homes.com
204 Water Oak Drive	Newport	Carteret	28570	Single-family home	\$1,875	1,728	\$1.09	3	3.0	2019	Homes.com
901 Lightwood Drive	Newport	Carteret	28570	Single-family home	\$1,150	750	\$1.53	3	2.0	1985	Trulia
1591 NC-24	Newport	Carteret	28570	Single-family home	\$1,000	946	\$1.06	2	1.0	1949	Rent.com
319 Newport Loop Road	Newport	Carteret	28570	Single-family home	\$1,375	2,166	\$0.63	4	2.5	1940	Trulia
2108-A Thompson Drive	Newport	Carteret	28570	Single-family home	\$700	650	\$1.08	2	1.0	1950	Homes.com
358 White Oak Drive	Newport	Carteret	28570	Modular Home	\$865	900	\$0.96	3	2.0	1984	Homes.com

ADDENDUM C:
SENIOR CARE HOUSING SURVEY

Assisted Living

Map ID	Facility Name	Address	City	ST	ZIP	Year Built	Lic. Beds	Marketed Beds*	Occ. Rate	Waiting List	Monthly Base Rates	
											Low	High
A-1	Brookdale	107 Bryan St.	Morehead City	NC	28557	1999	72	45 units	93.3%	None	\$4,600	\$6,600
A-2	Carteret House Assisted Living	3020 Market St.	Newport	NC	28570	1970	54	54	77.8%	None	\$2,750	\$2,750
-	Carteret Landing Assisted Living & Memory Care	221 Friendly Rd.	Morehead City	NC	28557	2016	N/A	N/A	N/A	N/A	Unable to Survey	Unable to Survey
-	Graham's Senior Living Homes	107 Graham Ln.	Beaufort	NC	28516	2016	11	11	100.0%	None	Unable to Survey	Unable to Survey

*Facility may have less marketed beds than licensed beds due to the ability to have multiple people in one room

Nursing Care

Map ID	Facility Name	Address	City	ST	ZIP	Year Built	Licensed Beds	Marketed Beds*	Occ. Rate	Waiting List	Monthly Rates	
											Low	High
N-1	Crystal Bluffs	4010 Bridges Street	Morehead City	NC	28557	1990	92	92	69.6%	None	\$8,973	\$10,646
N-2	Pruitt Health	468 Highway 70 East	Sea Level	NC	28577	1960	104	65	92.3%	None	\$7,284	\$7,626
N-3	Croatan Ridge Rehab. & Nursing Center	210 Foxhall Road	Newport	NC	28570	1998	63	63	73.0%	None	\$6,813	\$7,118

*Facility may have less marketed beds than licensed beds due to the ability to have multiple people in one room

ADDENDUM D:
HIGHWAY CASE STUDY

Highway Case Study (proposed U.S. Highway 70/Interstate 42 expansion)

As discussed briefly in Section V (Economic Analysis), a proposed expansion of U.S. Highway 70/Interstate 42 is planned for the eastern portion of North Carolina. In 2016, the State of North Carolina received permission to designate U.S. Highway 70 between Raleigh and Carteret County as Interstate 42. This new interstate will merge with existing portions of U.S. Highway 70 in Carteret County. The U.S. Highway 70/Interstate 42 expansion starts in Johnston County (southeast of Raleigh) and will terminate in Carteret County. This expansion would reconfigure existing sections of U.S. Highway 70 to a limited-access highway as well as create new sections of highway in select areas. The new highway will be referred to as Interstate 42 upon its expected completion in 2029. The expected completion of Interstate 42 is significant because it will provide a direct route from the growing Research Triangle Region to Carteret County. As a result, the project is expected to have a significant impact on Carteret County’s demographics, economics, and housing. Therefore, this section of the report provides a case study of other North Carolina counties that were impacted by major highway expansions/extensions. The results of this analysis are then used to derive alternate demographics for Carteret County in Section IV (see page IV-23) of this report.

The following table summarizes phases of the U.S. Highway 70/Interstate 42 expansion project, along with a status of work completed or planned as of April 2021.

U.S. Highway 70/Interstate 42 Corridor Project			
Location (County)	Investment	Scope of Work	Status
Wilson’s Mills (Johnston County)	\$91 million	Upgrade of a 4.7-mile section of U.S. Highway 70 to interstate highway standards.	In Development: Project started spring 2021. Estimated completion in fall 2024.
Pine Level (Johnston County)	N/A	N/A	Completed
U.S. Highway 70 Bypass to State Route 1229 (Wayne County)	\$254.8 million	Upgrade of a 6.7-mile section of U.S. Highway 70 to interstate highway standards.	Planned: Right-of-way acquisition to start in 2025. Construction to start in 2027.
Goldsboro Bypass (Wayne County)	N/A	Final section of 20-mile Goldsboro bypass completed. Earlier sections of the 20-mile bypass were completed in 2011 and 2015.	Completed: 2016.
Jim Sutton Road (Lenoir County)	N/A	N/A	Planned: Right-of-way acquisition in 2026. Construction to start in 2028.
Kinston Bypass (Lenoir County)	\$381.1 million	A 22-mile four-lane freeway extending from the La Grange area to the Jones County-Craven County line.	Planned: Right-of way acquisition to start in 2026. Construction to begin in 2029.
Glenburnie Road – New Bern (Craven County)	N/A	Interchange improvements at U.S. Highway 70 and Glenburnie Road in New Bern.	Planned: Right-of-way acquisition to start in 2027.
James City (Craven County)	\$327.6 million	Improvement of a 5.1-mile section of U.S. Highway 70 in James City.	In Development: Project started spring 2021. Estimated completion in late 2023.
Taberna Way & Thurman Road (Craven County)	\$320+ million	Traffic improvements along 5.1 miles east of Thurman Road to the Neuse River Bridge in James City	In Development: Estimated completion in 2023.

Source: North Carolina Department of Transportation (NCDOT)

N/A – Not Available

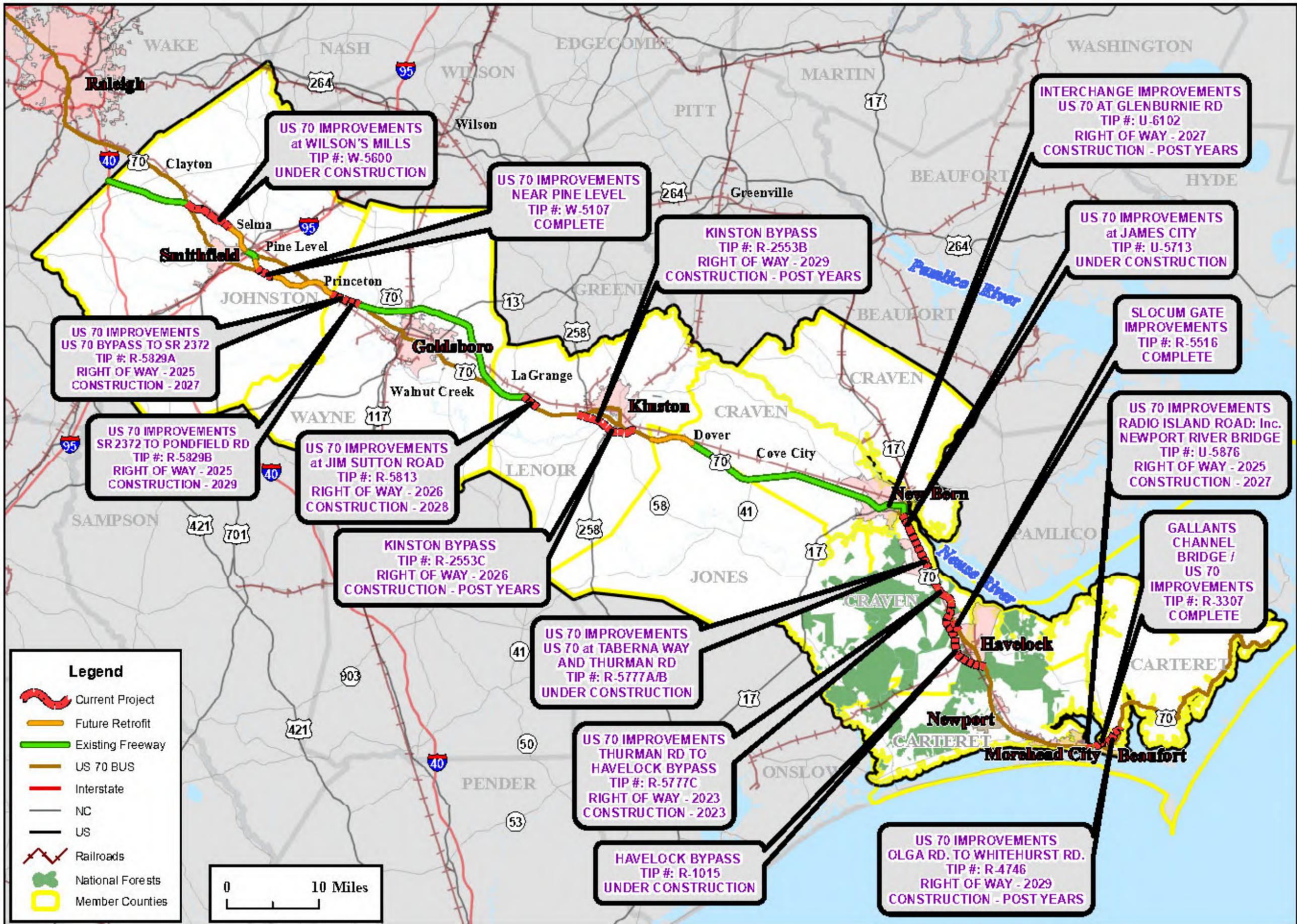
(Continued)

U.S. Highway 70/Interstate 42 Corridor Project			
Location (County)	Investment	Scope of Work	Status
Thurman Road to Havelock Bypass (Craven County)	\$180.5+ million	U.S. Highway 70 improvements from Thurman Road to the Havelock Bypass location. Two construction alternatives being considered that would increase overall cost of this segment.	Planned: Right-of-way acquisition to start spring 2023. Construction to start in late 2023.
Slocum Gate (Craven County)	N/A	N/A	Completed
Havelock Bypass (Craven County) (Carteret County)	\$167.2 million	Four-lane highway bypass will be located on southwest side of Havelock and about 10 miles south of Craven-Carteret County line.	Under Construction: Construction started fall 2019. Estimated completion in 2024.
Gallants Channel Bridge (Carteret County)	\$66.4 million	Bridge replacement on U.S. 70 over Gallants Channel in Beaufort that connects to Morehead City; Portions of U.S. 70 widened to four lanes; New bridge on Turner Street	Completed: 2019
Radio Island Road Newport River Bridge (Carteret County)	N/A	N/A	Planned: Right-of-way acquisition in 2025. Construction to start in 2027.
Olga Road to Whitehurst Drive – Beaufort (Carteret County)	N/A	N/A	Planned: Right-of-way acquisition to take place in 2029.

Source: North Carolina Department of Transportation (NCDOT)

N/A – Not Available

A map of the proposed route created by the North Carolina Department of Transportation (NCDOT) is included on the following page.



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
PROJECT DEVELOPMENT AND PROJECT MANAGEMENT UNIT

US 70 CORRIDOR
NC DOT PROJECT LOCATIONS
WAKE, JOHNSTON, WAYNE, LENOIR, JONES, CRAVEN, CARTERET COUNTIES



Date: April 2021

Figure 1

As part of this analysis, Bowen National Research conducted research on the Interstate 40 expansion project completed between Raleigh and Wilmington, North Carolina in 1990. The purpose of this research is to determine what impact this completed project had on population, household growth, and employment growth within counties where the highway expansion took place. A summary of this highway expansion is included below:

Interstate 40 expansion (Raleigh to Wilmington)

Interstate 40 was expanded from Raleigh to Wilmington in 1990. The 122-mile project, which cost approximately \$417 million dollars, reduced the typical drive-time from Raleigh to Wilmington by approximately one hour. The highway expansion occurred within the following counties: Wake, Johnston, Sampson, Duplin, Pender, and New Hanover. A significant increase in population, households, and total employment (jobs) occurred in all six counties during the ten-year period immediately after the highway project was completed.

A focus on the completed Interstate 40 expansion is significant for the following reasons: 1) This project originated in the Raleigh area, as will the Interstate 42 expansion. 2) A significant portion of tourist and visitor traffic into Wilmington originates from Interstate 40 (via Raleigh). The proposed expansion of U.S. Highway 70/Interstate 42 from Johnston County (south of Raleigh) to Carteret County may also result in a significant increase in visitor traffic, as the expansion will greatly improve access to beaches and other tourist areas in Carteret County. The completed expansion of Interstate 40 from Raleigh to Wilmington, though it happened over 30 years ago, is likely a good comparable project due to proximity and similar characteristics.

The Interstate 40 expansion route occurred within the following counties:

Wake County

Wake County consists of the city of Raleigh and adjacent suburban areas that make up part of the Research Triangle Region. As of 2021, Wake County is the most populous county in the state of North Carolina. The Interstate 40 expansion to Wilmington (New Hanover County) started in the southeast portion of Wake County, providing access to the suburban communities of Garner and Auburn. In 1990, when the Interstate 40 expansion was completed, Wake County had a population of less than 500,000. By the year 2000, Wake County had a population of 627,846, representing a 48.3% increase in county population between 1990 and 2000. Total households in the county increased by 46.0% during the same period. Wake County has continued to increase in population and households through 1999, largely due to its central location within the Research Triangle Region.

Johnston County

Johnston County is located within the Raleigh Metropolitan Statistical Area (MSA). The county seat of Smithfield is located approximately 30.0 miles southeast of downtown Raleigh. Interstate 40 is located along the far western portion of the county, providing direct access to the southern portion of the Garner area (State Route 42). Interstate 40 also has highway exits in the Benson area near the Interstate 95 interchange. In 1990, Johnston County had a population of 81,306 and 31,566 total households. By 2000, the county population increased by 50.0% to 121,965 people, while total households increased by 47.6% to 46,595. Based on these figures, it appears that the southward expansion of Interstate 40 into Johnston County was a major contributing factor for population, household, and employment growth. Of the six counties along the Interstate 40 expansion route, it appears that Johnston County benefitted most from the highway expansion after 1990.

Sampson County

Interstate 40 is located in the far northeast portion of Sampson County. The northern portion of Interstate 40 has two exits near the town of Newton Grove and one exit near the town of Faison in Duplin County. The southern Newton Grove exit (U.S. Highway 701) and the exit near Faison (State Route 403) both provide direct access to the county seat (Clinton). Sampson County increased its population by 27.2% and its total households by 27.1% between 1990 and 2000. However, population and household growth slowed significantly from 2000 through 2019. Population growth in Sampson County was negligible (0.1%) between 2010 and 2019, while households declined by 2.5% during the same period.

Duplin County

Interstate 40 is located in the western and southern portions of Duplin County. There are several highway exits in the county, including State Route 24 (town of Warsaw), U.S. Highway 117 (town of Magnolia), State Route 903/State Route 24 (town of Kenansville), West Charity Road (town of Rose Hill), and State Route 11/County Road 1150 (towns of Teachey and Wallace). Duplin County increased its population by 22.7% and its total households by 22.4% between 1990 and 2000. Population and household growth continued at a significant pace through 2010 but slowed significantly between 2010 and 2019. Population growth between 2010 and 2019 was only 0.6%, while households decreased by 4.6% during the same period.

Pender County

Pender County is part of the Wilmington Metropolitan Statistical Area (MSA). The county seat (Burgaw) is approximately 24.0 miles north of downtown Wilmington. Interstate 40 is located in the central portion of the county, with exits along U.S. Highway 117, State Route 53 (town of Burgaw) and State Route 210 (Rocky Point). Interstate 40 provides direct access to Wilmington for Pender County residents and commuters. Pender County greatly benefitted from the expansion of Interstate 40 between 1990 and 2000. In 1990, Pender County had a population of 28,885 within 11,112 total households. By 2000, the county population increased by 42.4% to 41,082, and total households increased by 44.5% to 16,054. The expansion of Interstate 40, coupled with proximity to the Wilmington area, is likely responsible for the significant growth in population and households during this period. As of 2019, Pender County continues to experience significant population and household growth.

New Hanover County

New Hanover County is the end point for Interstate 40 in the state of North Carolina. This highway primarily provides access to Wilmington, the county's largest city and seat of government. Interstate 40 exits include Holly Shelter Road (Castle Hayne), Interstate 140/State Route 140 (northern Wilmington bypass), and U.S. Highway 117 (city of Wilmington). Note that Interstate 40 ends at the U.S. Highway 117 exit, and that U.S. Highway 117 continues south and west through Wilmington as a limited-access highway. New Hanover County experienced significant population and household growth from 1990 to 2000. The New Hanover County population increased by 33.3% to 160,307, while total households increased by 41.6% to 68,183. Population and household growth in New Hanover County has remained strong through 2019.

Compared with the six counties listed above, the state of North Carolina experienced population growth of 21.4% and total household growth of 24.4% between 1990 and 2000. While the statewide population and household growth figures during this period are significant, all six counties along the Interstate 40 expansion route exceeded statewide population and household growth figures between 1990 and 2000.

Tables showing population and household growth for counties along the Interstate 40 expansion route are listed below:

	Total Population									
	1990 Census	2000 Census	Change 1990-2000		2010 Census	Change 2000-2010		2019 Estimated	Change 2010-2019	
			Number	Percent		Number	Percent		Number	Percent
Wake County	423,380	627,846	204,466	48.3%	900,993	273,147	43.5%	1,111,761	210,768	24.0%
Johnston County	81,306	121,965	40,659	50.0%	168,878	46,913	38.5%	209,339	40,461	23.4%
Sampson County	47,297	60,161	12,864	27.2%	63,431	3,270	5.4%	63,531	100	0.1%
Duplin County	39,995	49,063	9,068	22.7%	58,505	9,442	19.2%	58,741	236	0.6%
Pender County	28,885	41,082	12,227	42.4%	52,217	11,135	27.1%	63,060	10,843	20.8%
New Hanover County	120,284	160,307	40,023	33.3%	202,667	42,360	26.4%	234,473	31,806	15.7%
North Carolina	6,628,237	8,049,282	1,421,045	21.4%	9,535,457	1,486,175	18.5%	10,488,084	952,627	10.0%

Source: 1990, 2000, 2010 Census; American Community Survey (2019); Bowen National Research

	Total Households									
	1990 Census	2000 Census	Change 1990-2000		2010 Census	Change 2000-2010		2019 Estimated	Change 2010-2019	
			Number	Percent		Number	Percent		Number	Percent
Wake County	165,743	242,040	76,297	46.0%	325,486	83,446	34.5%	400,172	74,686	22.9%
Johnston County	31,566	46,595	15,029	47.6%	61,909	15,314	32.9%	68,968	7,059	11.4%
Sampson County	17,526	22,273	4,747	27.1%	24,005	1,732	7.8%	23,416	-589	-2.5%
Duplin County	14,925	18,267	3,342	22.4%	22,495	4,228	23.1%	21,466	-1,029	-4.6%
Pender County	11,112	16,054	4,942	44.5%	20,333	4,279	26.7%	21,740	1,407	6.9%
New Hanover County	48,139	68,183	20,044	41.6%	86,046	17,863	26.2%	95,638	9,592	11.1%
North Carolina	2,517,026	3,132,013	614,987	24.4%	3,745,155	613,142	19.6%	3,965,982	220,827	5.9%

Source: 1990, 2000, 2010 Census; American Community Survey (2019); Bowen National Research

All six counties along the route of the Interstate 40 expansion experienced significant household and population growth between 1990 and 2000. Wake County and Johnston County, each along the northern portion of the Interstate 40 expansion, experienced the most significant population and household growth during this period. Wake County experienced population growth of 48.3% and household growth of 46.0% between 1990 and 2000, while Johnston County experienced population growth of 50.0% and household growth of 47.6% during this period. Pender County and New Hanover County, each located at the southern end of the I-40 expansion, experienced household growth of over 40.0% between 1990 and 2000. Each of these counties significantly outpaced population and household growth in the state of North Carolina during this period.

	Median Household Income									
	1990 Census	2000 Census	Change 1990-2000		2010 Census	Change 2000-2010		2019 Estimated	Change 2010-2019	
			Number	Percent		Number	Percent		Number	Percent
Wake County	\$36,222	\$54,988	\$18,766	51.8%	\$63,770	\$8,782	16.0%	\$80,591	\$16,821	26.4%
Johnston County	\$25,169	\$40,872	\$15,703	62.4%	\$49,745	\$8,873	21.7%	\$59,865	\$10,120	20.3%
Sampson County	\$19,709	\$31,793	\$12,084	61.3%	\$35,740	\$3,947	12.4%	\$42,151	\$6,411	17.9%
Duplin County	\$19,695	\$29,890	\$10,195	51.8%	\$32,816	\$2,926	9.8%	\$41,764	\$8,948	27.3%
Pender County	\$23,270	\$35,902	\$12,632	54.3%	\$44,338	\$8,436	23.5%	\$57,240	\$12,902	29.1%
New Hanover County	\$27,320	\$40,172	\$12,852	47.0%	\$48,553	\$8,381	20.9%	\$54,891	\$6,338	13.1%
North Carolina	\$26,329	\$39,184	\$12,855	48.8%	\$45,570	\$6,386	16.3%	\$54,602	\$9,032	19.8%

Source: 1990, 2000, 2010 Census; American Community Survey (2019); Bowen National Research

Median household income increased significantly within the six counties located along the Interstate 40 expansion route between 1990 and 2000. Johnston County and Sampson County, both located southeast of the Raleigh area, increased their median household income by over 60.0% between 1990 and 2000. Wake County, Duplin County, and Pender County each experienced an increase of more than 50.0% in median household income during this period. By comparison, the state of North Carolina experienced an increase of 48.8% of its median household income between 1990 and 2000. Although experiencing lower rates of growth, median household income has continued to increase within these six counties through 2019.

	Total Employment (Bureau of Labor Statistics)									
	1990	2000	Change 1990-2000		2010	Change 2000-2010		2020	Change 2010-2020	
			Number	Percent		Number	Percent		Number	Percent
Wake County	250,694	363,259	112,565	44.9%	444,490	81,231	22.4%	564,164	119,674	26.9%
Johnston County	43,238	63,230	19,992	46.2%	74,005	10,775	17.0%	95,118	21,113	28.5%
Sampson County	22,202	27,686	5,484	24.7%	26,218	-1,468	-5.3%	27,281	1,063	4.1%
Duplin County	18,146	21,925	3,779	20.8%	23,089	1,164	5.3%	23,827	738	3.2%
Pender County	12,756	18,615	5,859	45.9%	21,340	2,725	14.6%	26,864	5,524	25.9%
New Hanover County	63,436	84,302	20,866	32.9%	96,115	11,813	14.0%	114,948	18,833	19.6%
North Carolina	3,313,857	3,991,254	677,397	20.4%	4,123,044	131,790	3.3%	4,710,183	587,139	14.2%

Source: Bureau of Labor Statistics

Total employment numbers increased by at least 20.0% in all six counties between 1990 and 2000. Additionally, all six counties within the Interstate 40 expansion footprint had higher increases in total employment than the state of North Carolina during this period. Wake County, Johnston County, and Pender County have each continued to experience significant employment growth through 2020, despite economic effects from the COVID-19 pandemic. Employment growth in Sampson County and Duplin County slowed significantly compared with the period between 1990 and 2000, which showed employment growth of over 20.0% for both counties.

Conclusion

The Interstate 40 highway expansion in eastern North Carolina, though occurring over 30 years ago, helped demonstrate that improved proximity to an interstate highway can result in increased population, households, and total employment for affected counties. In particular, Johnston County and Pender County, both suburban counties for Raleigh and Wilmington, respectively, experienced significant population and household growth between 1990 and 2000. Population and household growth in both counties continued through 2019, the last year estimated Census statistics were available for these areas. Due to the current housing shortage and low levels of residential construction taking place throughout the United States, it is highly unlikely that Carteret County will experience the type of growth that counties along Interstate 40 experienced between 1990 and 2000. However, it is expected that some level of increase in population and household growth will take place, provided that available housing can be provided to accommodate this expected growth.

The following table summarizes key population, household, income and job growth trends from 1990 (the year I-40 was completed) to 2000. The *average changes* for the combined six counties are compared with the *lowest and highest rates* of change among the six subject counties and with overall North Carolina average changes.

Case Study Communities (1990-2000)					
County	Rank*	Population Change	Household Change	Household Income Change	Number of Jobs Change
Wake	2	48.3%	46.0%	51.8%	44.9%
Johnston	1	50.0%	47.6%	62.4%	46.2%
Sampson	5	27.2%	27.1%	61.3%	24.7%
Duplin	6	22.7%	22.4%	51.8%	20.8%
Pender	3	42.4%	44.5%	54.3%	45.9%
New Hanover	4	33.3%	41.6%	47.0%	32.9%
Case Study Counties Average		37.3%	38.2%	54.8%	35.9%
Low		22.7%	22.4%	47.0%	20.8%
High		50.0%	47.6%	62.4%	46.2%
North Carolina		21.4%	24.4%	48.8%	20.4%

*Rank based on greatest change during 10-year period among four categories combined

Numerous factors influenced the growth rates of the various metrics considered in the previous table. The number of access points the new interstate offered, the existing infrastructure in place, employment opportunities, community investment, land use policies, existing education system (primary and secondary), housing affordability, quality of life, taxes, and countless other factors likely played some role in influencing the growth of each of the six subject counties. Given the actual growth trends in Carteret County will ultimately be influenced by similar factors as those previously cited, many of which are unpredictable and subjective, it is difficult to accurately project the growth that should occur in the county as a result of the I-42 highway project. For the purposes of this analysis, we have conservatively used the lowest rate of change (shown in red in the preceding table and the highest rate of change shown in blue in the preceding table) when projecting selected demographic sets used for our Housing Gap Estimates in Section VIII. The following table compares the baseline demographic projections (that do not account for the I-42 expansion project) and a supplemental demographic sets of projections that account for the I-42 highway expansion. It should be noted that the Highway Impact Projections assume household growth rates will be somewhere between three to ten times of ESRI's current projections.

**Carteret County – Projections
(2020-2030)**

Projection Type	Population Change	Household Change	Household Income Change	Number of Jobs Change
Base Projection*	7.1%	7.3%	25.8%	10.3%
Highway Impact Projections - Conservative**	22.7%	22.4%	47.0%	20.8%
Highway Impact Projections – Optimal***	50.0%	47.6%	62.4%	46.2%

*Based on demographic ESRI projections

**Conservative Estimate – Based on Bowen National Research estimates using the *lowest* 10-year historical growth trends of the six subject case study communities

***Optimal Estimate – Based on Bowen National Research estimates using the *highest* 10-year historical growth trends of the six subject case study communities

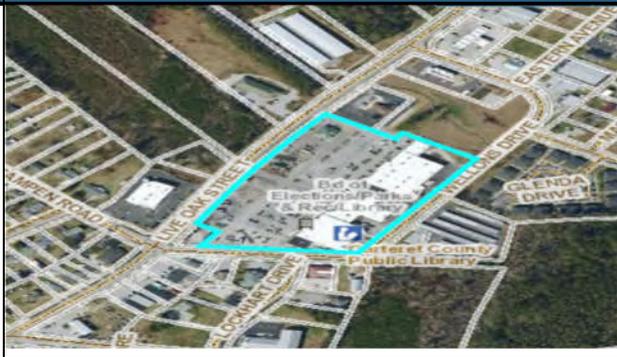
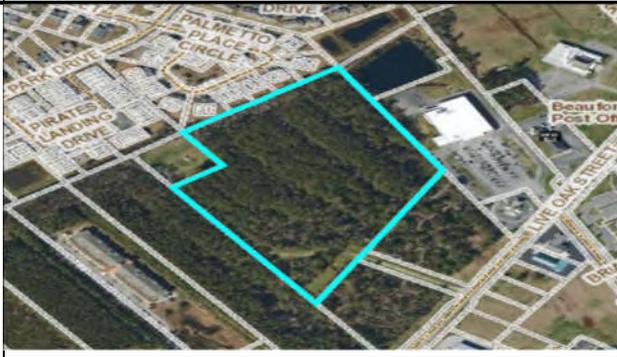
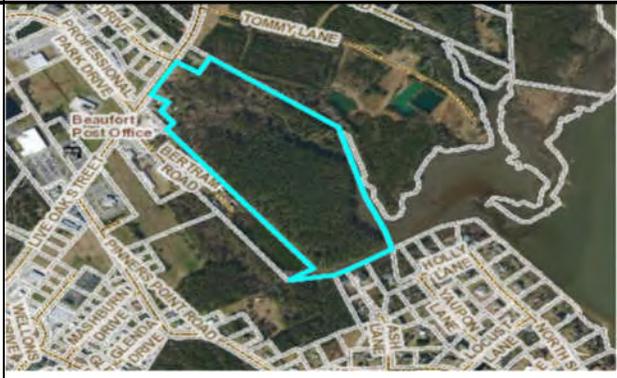
These preceding projections were used in our Housing Gap Estimates shown in Section VIII.

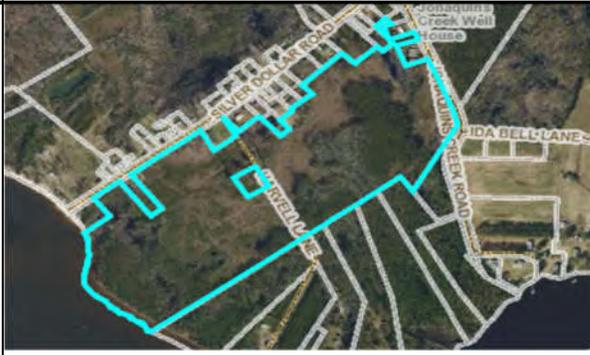
ADDENDUM E:
HOUSING DEVELOPMENT
OPPORTUNITY PROFILES

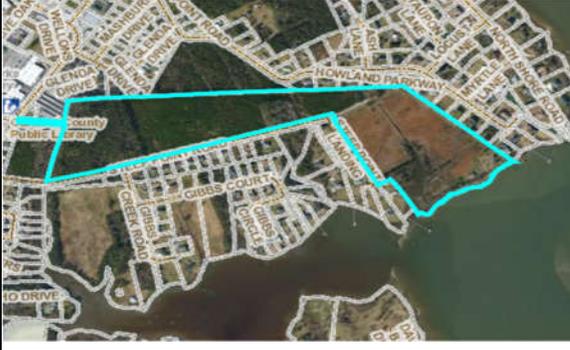
Map ID	Photo	Property Details	
1		Location	1000 Morris Marina Rd., Atlantic Beach
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	32.4 Acres
		Zoning	Commercial
2		Location	718 Atlantic Beach Cswy, Atlantic Beach
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	0.94 Acre
		Zoning	Commercial/Residential
3		Location	0 Acreage North River, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	111.9 Acres
		Zoning	R
4		Location	0 Old North River, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	41.8 Acres
		Zoning	R-15M

Map ID	Photo	Property Details	
5		Location	0 The Hills Lane, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	27.5 Acres
		Zoning	Residential
6		Location	318 Brenda Ln., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	171 Acres
		Zoning	Commercial
7		Location	103 Fairview Dr., Beaufort
		Year Built	1986
		Building Size (Square Feet)	3,962
		Land Size	0.4 Acre
		Zoning	Commercial
8		Location	411 Front St., Beaufort
		Year Built	1996
		Building Size (Square Feet)	5,627
		Land Size	0.38 Acre
		Zoning	H-BD

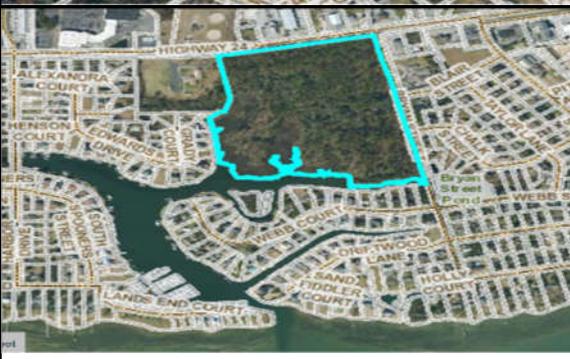
Map ID	Photo	Property Details	
9		Location	Hwy 101, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	33.1 Acres
		Zoning	R-20
10		Location	674 Hwy 101, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	60.2 Acres
		Zoning	R-20
11		Location	790 Hwy 101, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	47 Acres
		Zoning	R-20
12		Location	Hwy 70 North River, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	40.9 Acres
		Zoning	R-20

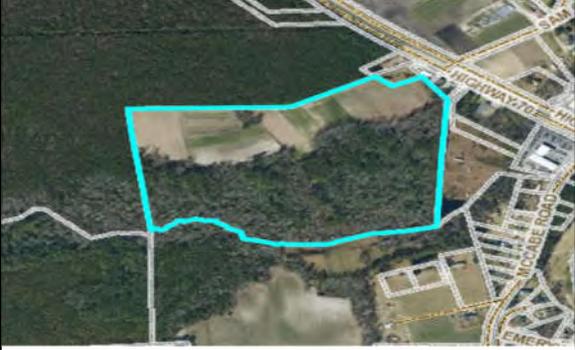
Map ID	Photo	Property Details	
13		Location	1706 Live Oak St., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	0.6 Acre
		Zoning	CC
14		Location	1809 Live Oak St., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	6 Acres
		Zoning	Commercial
15		Location	1980 & 1990 Live Oak St. (Hwy 70 East Howland Rock), Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	42.3 Acres
		Zoning	R-20
16		Location	435 Merrimon Rd., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	80.6 Acres
		Zoning	B-1 & B-15M

Map ID	Photo	Property Details	
17		Location	Lot 3 Merrimon Rd., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	80.1 Acres
		Zoning	B-1 & R-15M
18		Location	143 & 149 Pinners Point Rd./0 Live Oak St., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	30.7 Acres
		Zoning	N/A
19		Location	105 Professional Park Dr., Beaufort
		Year Built	1999
		Building Size (Square Feet)	18,000
		Land Size	3.7 Acres
		Zoning	Transitional-Mixed Use
20		Location	415 Silver Dollar Rd., Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	79.5 Acres
		Zoning	N/A

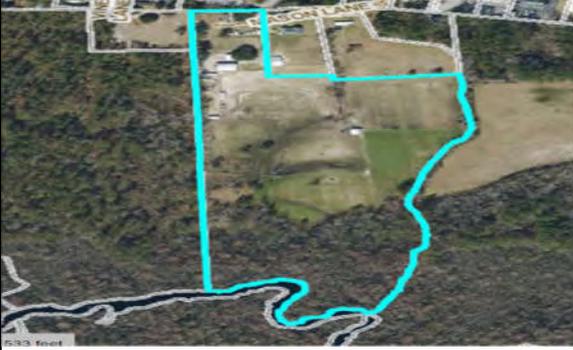
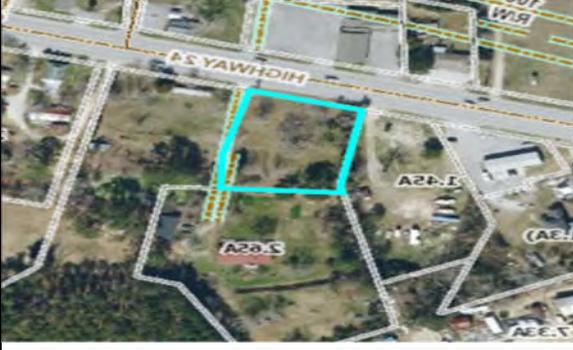
Map ID	Photo	Property Details	
21		Location	500 Steep Point Rd./Marshall Land, Beaufort
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	59.4 Acres
Zoning	R-20		
22		Location	920 Cedar Point Blvd., Cedar Point
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	2.6 Acres
Zoning	B-1		
23		Location	1069 Cedar Point Blvd., Cedar Point
		Year Built	1990
		Building Size (Square Feet)	6,200
		Land Size	1 Acre
Zoning	Commercial		
24		Location	236 Old Hwy 58, Cedar Point
		Year Built	1985
		Building Size (Square Feet)	1,706
		Land Size	0.66 Acre
Zoning	B-1		

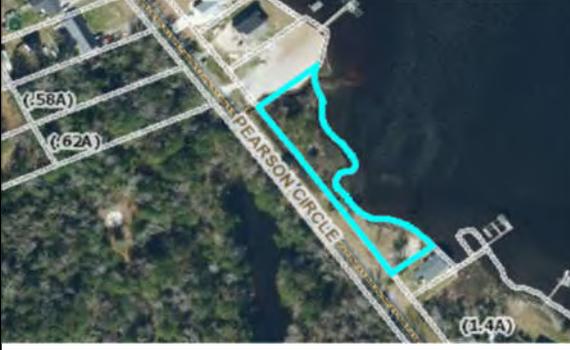
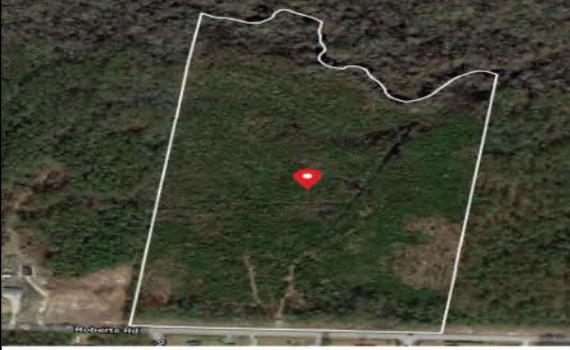
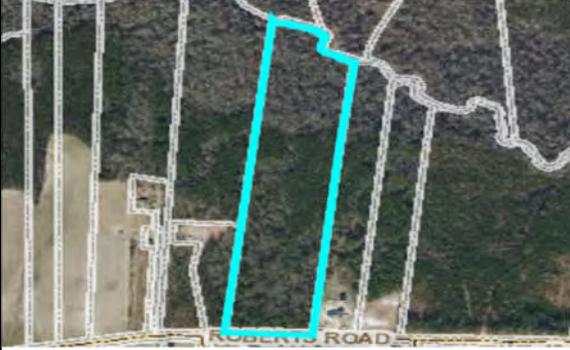
Map ID	Photo	Property Details	
25		Location	246 Old Hwy 58, Cedar Point
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	1.6 Acres
		Zoning	Commercial
26		Location	104 Branson Ln., Gloucester
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	17.3 Acres
		Zoning	Residential
27		Location	0 Hwy 101, Harlowe
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	35 Acres
		Zoning	R
28		Location	205, 911 & 919 Hardesty Farm Rd./Hardesty Loop Rd., Harlowe
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	124 Acres
		Zoning	R

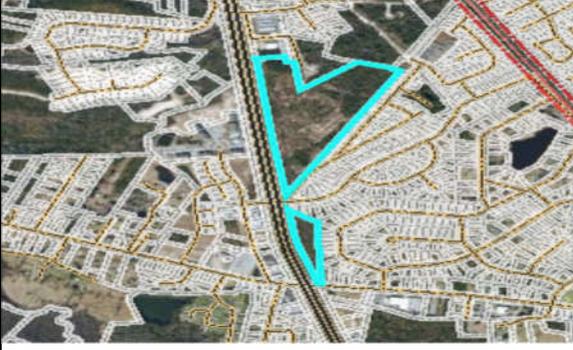
Map ID	Photo	Property Details	
29		Location	1108 Lake N Shore Dr., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	73.3 Acres
		Zoning	R-20/FP
30		Location	2603 Three Iron St., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	75 Acres
		Zoning	R-20
31		Location	SIRS of NC (3 Parcels on Country Club), Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	16.8 Acres
		Zoning	R-15-CZ
32		Location	300 Bryan St., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	N/A
		Zoning	R-20

Map ID	Photo	Property Details	
33		Location	End of West Haven Blvd., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	31.5 Acres
		Zoning	R-10
34		Location	5653 Hwy 70, Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	66 Acres
		Zoning	R-20
35		Location	1601 North 20th St., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	37.9 Acres
		Zoning	R-15 CU
36		Location	North 20th St. & Country Club Rd., Morehead City
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	35.9 Acres
		Zoning	R-20

Map ID	Photo	Property Details	
37		Location	101 Roanoke Ave., Morehead City
		Year Built	1950
		Building Size (Square Feet)	2,400
		Land Size	2 Acres
		Zoning	Specialty
38		Location	0 Acreage N of Hwy 101, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	45.6 Acres
		Zoning	N/A
39		Location	Hwy 70 and NC SR 1247, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	7.2 Acres
		Zoning	Commercial Highway
40		Location	5675 Hwy 70/West side of U.S. 70, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	514.7 Acres
		Zoning	CH, R-20

Map ID	Photo	Property Details	
41		Location	144 Mason Ln., Newport
		Year Built	1950
		Building Size (Square Feet)	972
		Land Size	30.9 Acres
		Zoning	Commercial
42		Location	1106 Newport Loop, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	41.1 Acres
		Zoning	R-15/R-20
43		Location	5387 North Carolina 24, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	0.9 Acre
		Zoning	B-1
44		Location	North Hwy 24, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	16 Acres
		Zoning	B-3

Map ID	Photo	Property Details	
45		Location	215 Pearson Cir., Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	17.8 Acres
		Zoning	R-15M
46		Location	8 Roberts Estates Newport, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	29.6 Acres
		Zoning	Residential
47		Location	1250 Roberts Rd., Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	20.6 Acres
		Zoning	Residential
48		Location	Roberts Rd., Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	0.9 Acre
		Zoning	Commercial

Map ID	Photo	Property Details	
49		Location	600 Time Warner Dr./East side of U.S. 70, Newport
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	38.8 Acres
		Zoning	CH, R-20
50		Location	300 Wetherington Landing Rd., Stella
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	130 Acres
		Zoning	None
51		Location	1117 Cedar Point Blvd., Swansboro
		Year Built	1960
		Building Size (Square Feet)	2,500
		Land Size	1.15 Acres
		Zoning	Commercial
52		Location	755 Hwy 58, Swansboro
		Year Built	-
		Building Size (Square Feet)	-
		Land Size	47.2 Acres
		Zoning	R-20

ADDENDUM F:
COMMUNITY SURVEY RESULTS

STAKEHOLDER SURVEY

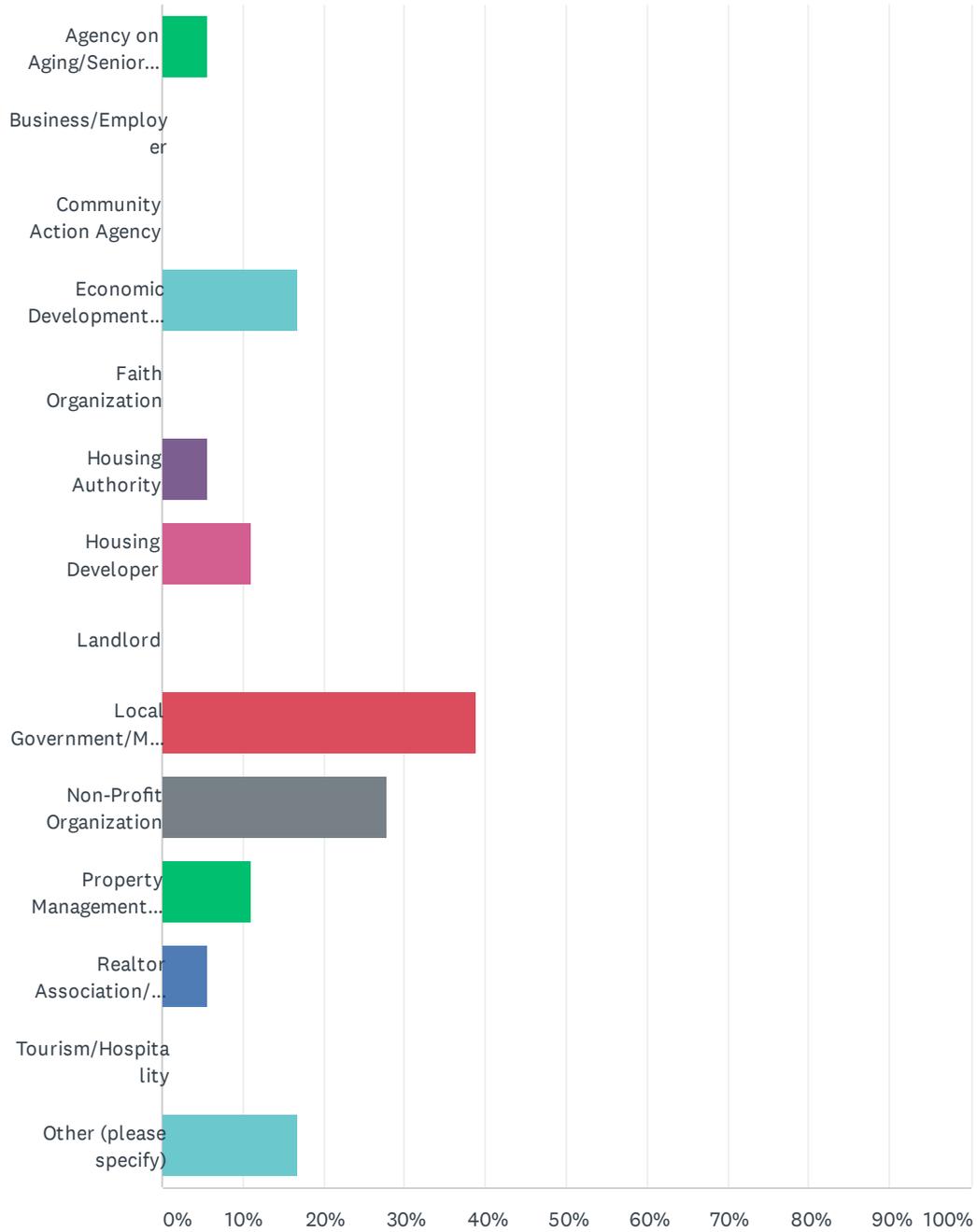
Q1 Please provide your contact information, should we need to follow-up with this response.

Answered: 18 Skipped: 0

ANSWER CHOICES	RESPONSES	
Name	100.00%	18
Organization	94.44%	17
Email Address	94.44%	17
Phone Number	100.00%	18

Q2 What type of organization do you represent (select all that apply)?

Answered: 18 Skipped: 0

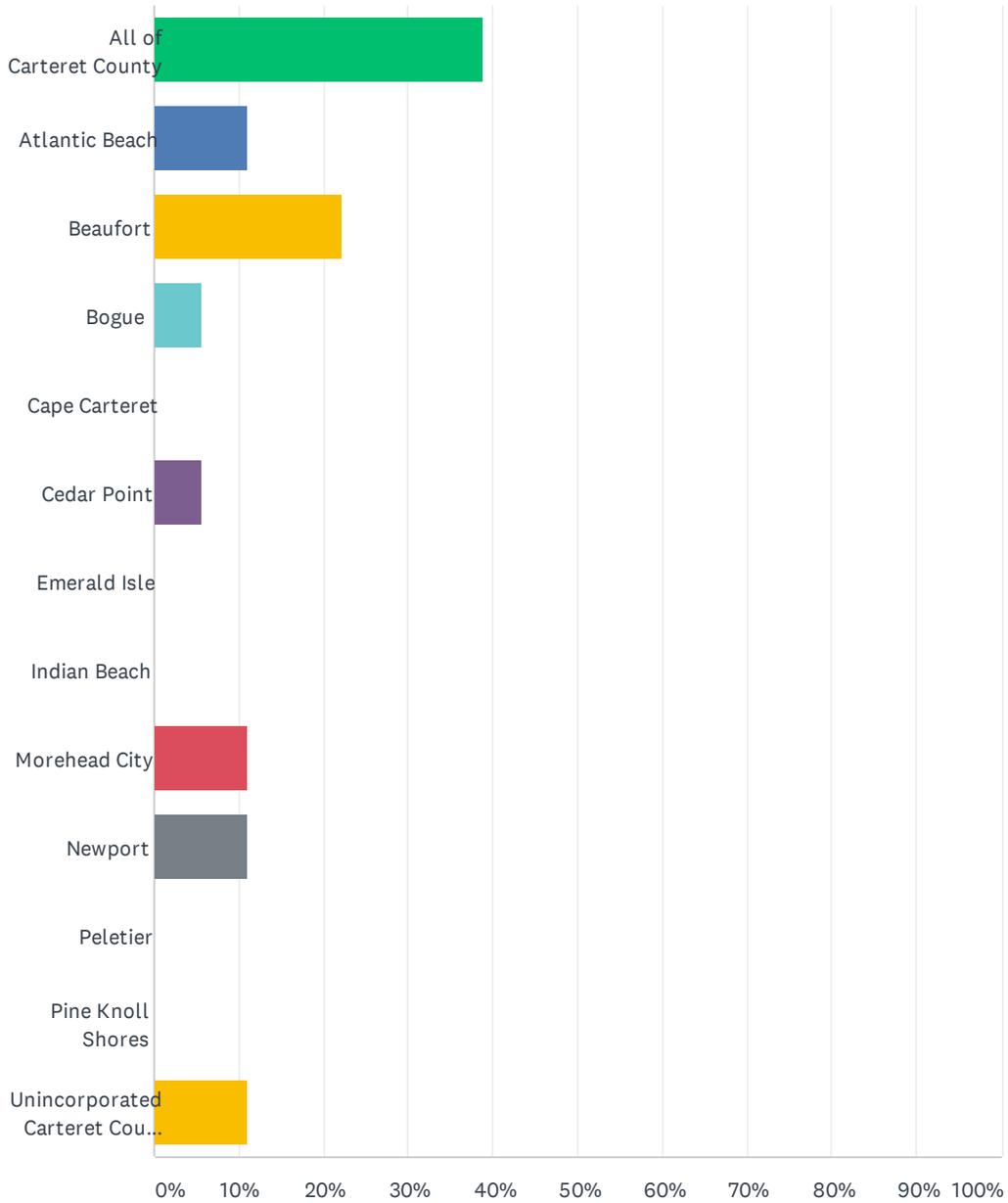


Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

ANSWER CHOICES	RESPONSES	
Agency on Aging/Senior Services	5.56%	1
Business/Employer	0.00%	0
Community Action Agency	0.00%	0
Economic Development Organizations	16.67%	3
Faith Organization	0.00%	0
Housing Authority	5.56%	1
Housing Developer	11.11%	2
Landlord	0.00%	0
Local Government/Municipal Official	38.89%	7
Non-Profit Organization	27.78%	5
Property Management Company	11.11%	2
Realtor Association/Board of Realtors	5.56%	1
Tourism/Hospitality	0.00%	0
Other (please specify)	16.67%	3
Total Respondents: 18		

Q3 What sector of the county does your organization represent? (Select all that apply)

Answered: 18 Skipped: 0

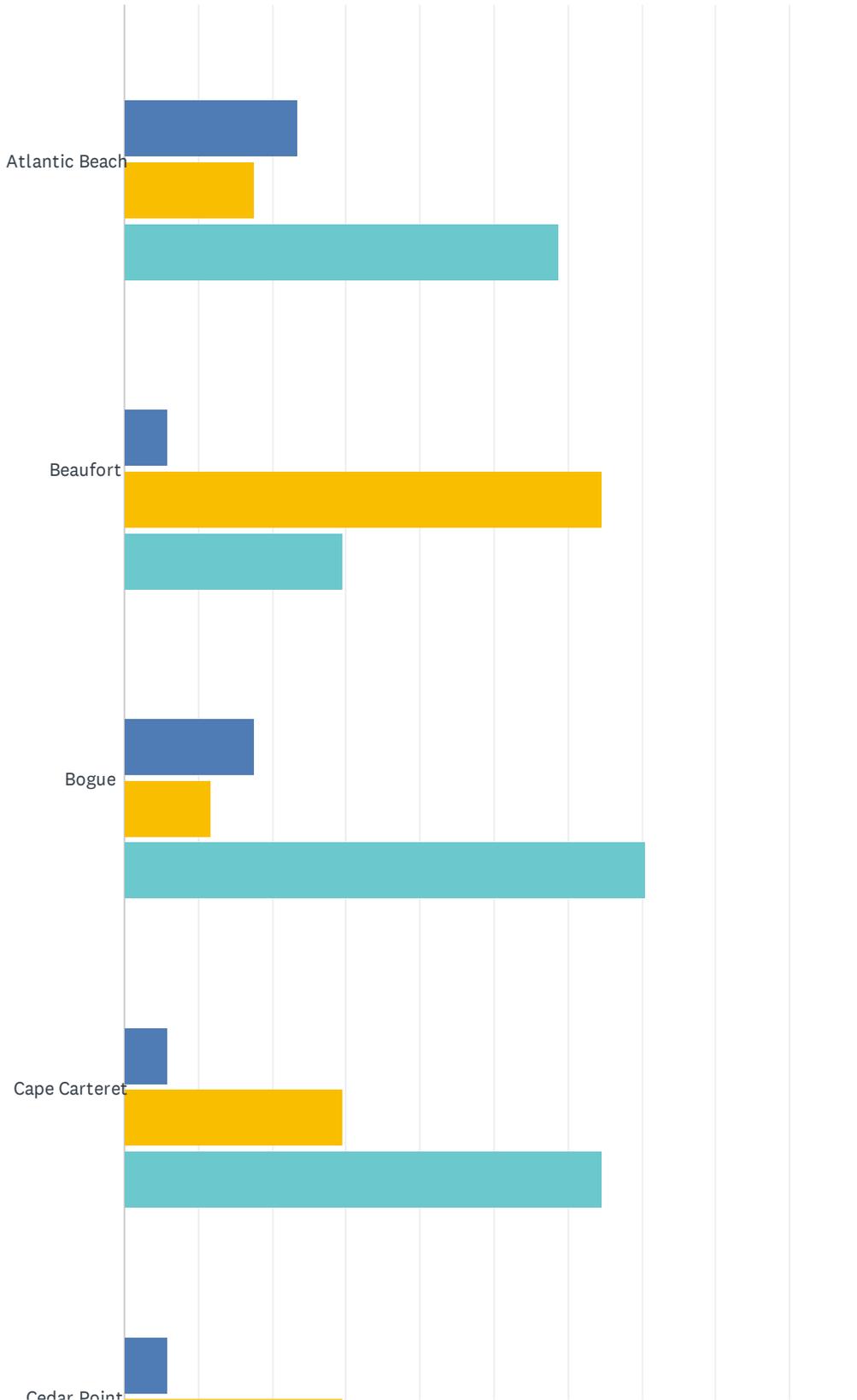


Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

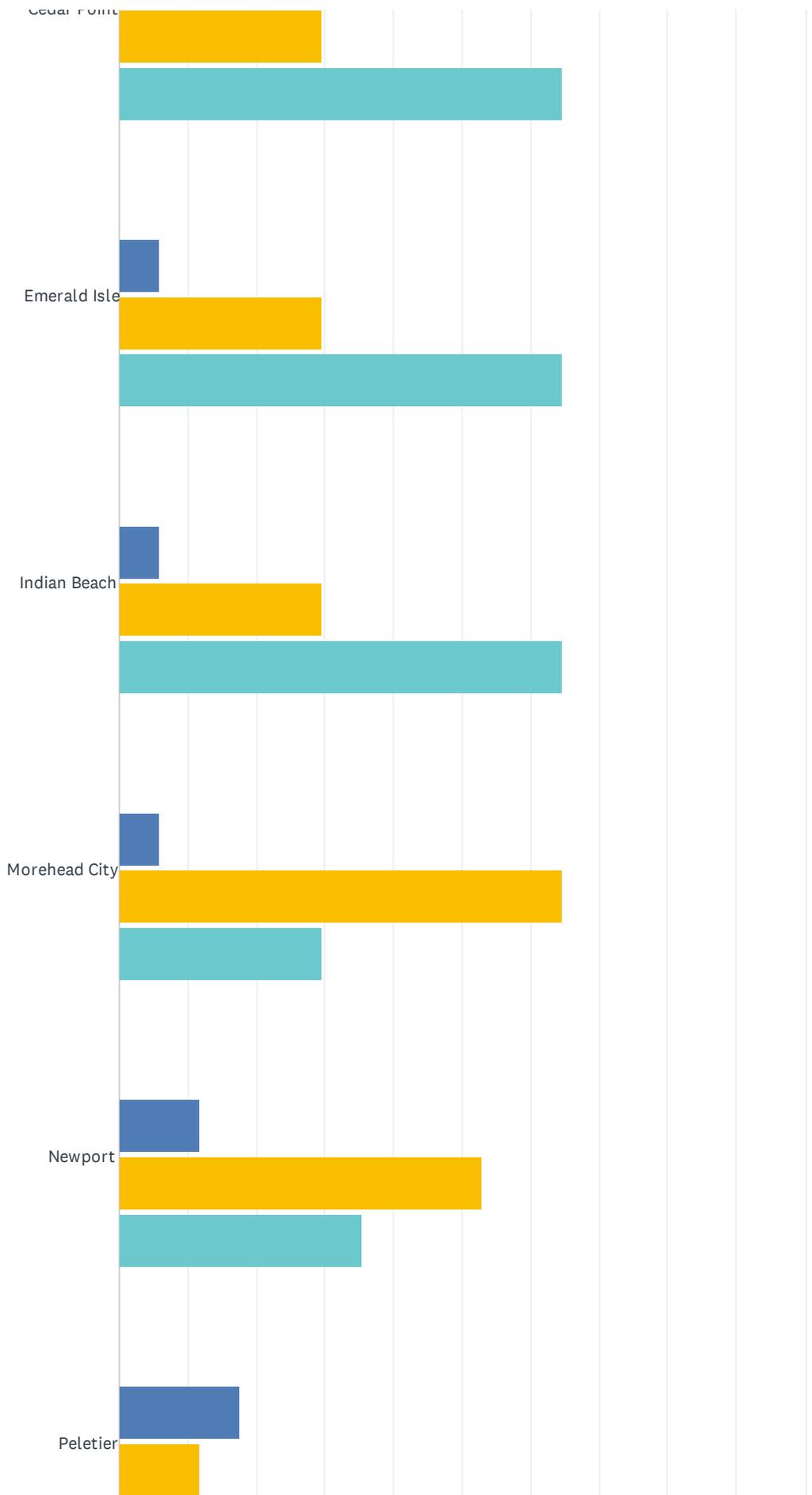
ANSWER CHOICES	RESPONSES	
All of Carteret County	38.89%	7
Atlantic Beach	11.11%	2
Beaufort	22.22%	4
Bogue	5.56%	1
Cape Carteret	0.00%	0
Cedar Point	5.56%	1
Emerald Isle	0.00%	0
Indian Beach	0.00%	0
Morehead City	11.11%	2
Newport	11.11%	2
Peletier	0.00%	0
Pine Knoll Shores	0.00%	0
Unincorporated Carteret County (specify below)	11.11%	2
Total Respondents: 18		

Q4 Rank the degree of overall housing need within each of the following areas of the county:

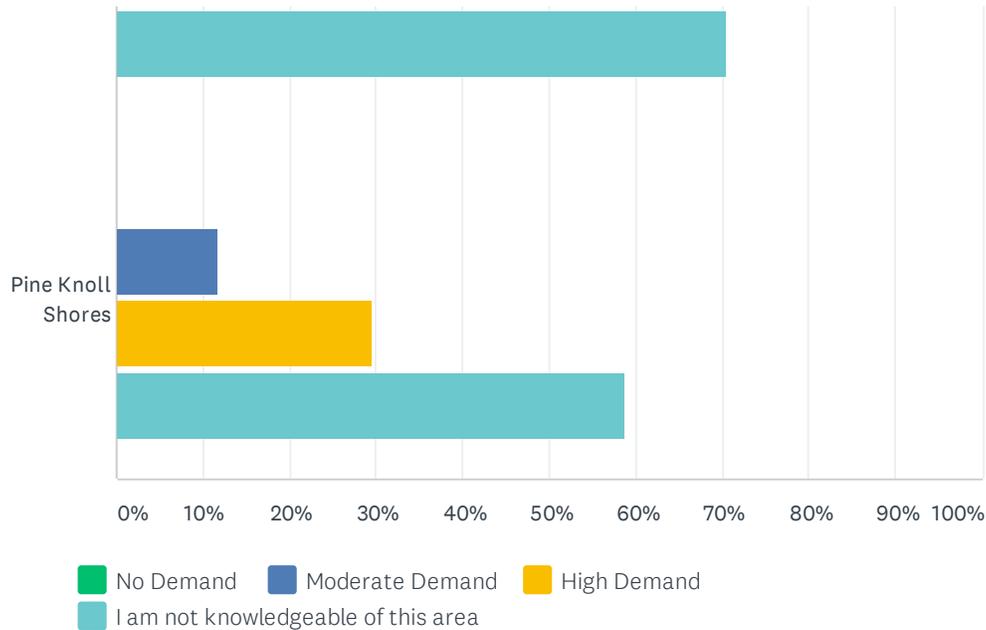
Answered: 17 Skipped: 1



Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



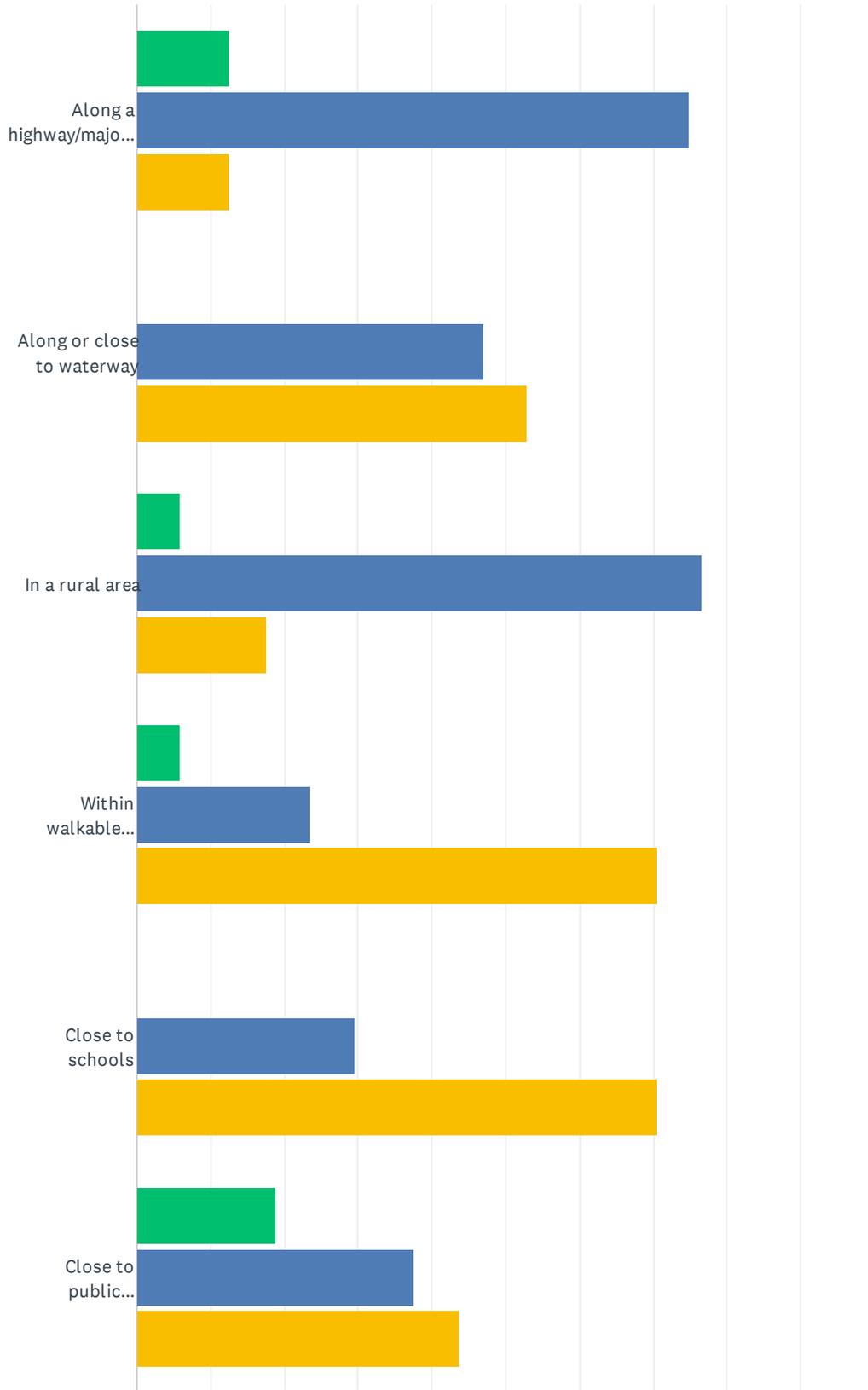
Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



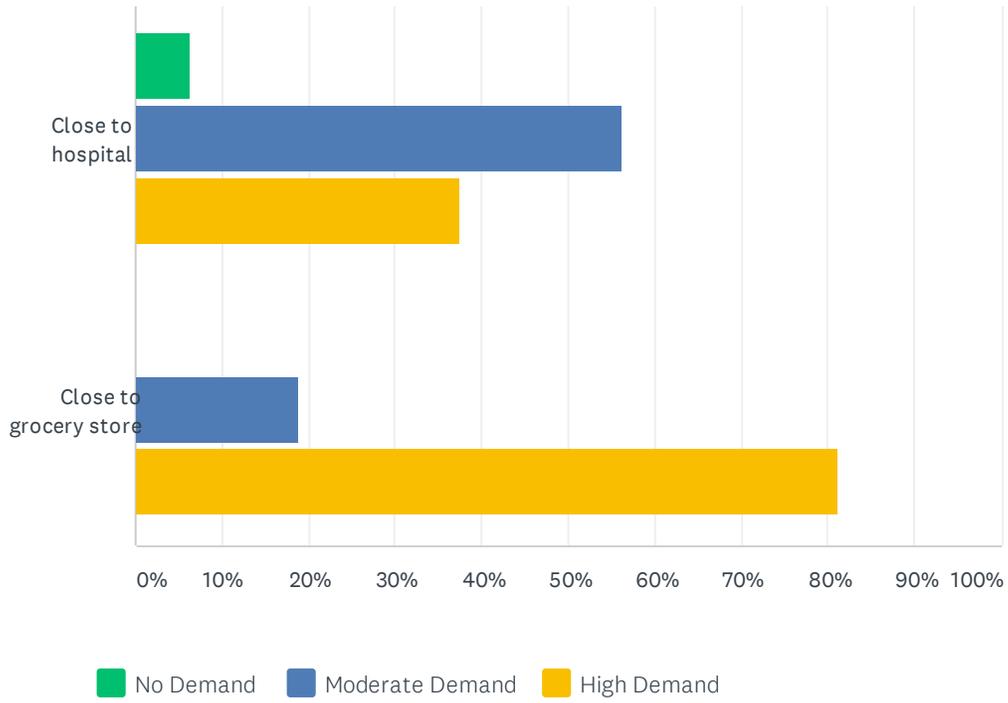
	NO DEMAND	MODERATE DEMAND	HIGH DEMAND	I AM NOT KNOWLEDGEABLE OF THIS AREA	TOTAL	WEIGHTED AVERAGE
Atlantic Beach	0.00% 0	23.53% 4	17.65% 3	58.82% 10	17	3.35
Beaufort	0.00% 0	5.88% 1	64.71% 11	29.41% 5	17	3.24
Bogue	0.00% 0	17.65% 3	11.76% 2	70.59% 12	17	3.53
Cape Carteret	0.00% 0	5.88% 1	29.41% 5	64.71% 11	17	3.59
Cedar Point	0.00% 0	5.88% 1	29.41% 5	64.71% 11	17	3.59
Emerald Isle	0.00% 0	5.88% 1	29.41% 5	64.71% 11	17	3.59
Indian Beach	0.00% 0	5.88% 1	29.41% 5	64.71% 11	17	3.59
Morehead City	0.00% 0	5.88% 1	64.71% 11	29.41% 5	17	3.24
Newport	0.00% 0	11.76% 2	52.94% 9	35.29% 6	17	3.24
Pelletier	0.00% 0	17.65% 3	11.76% 2	70.59% 12	17	3.53
Pine Knoll Shores	0.00% 0	11.76% 2	29.41% 5	58.82% 10	17	3.47

Q5 Rank the degree of overall housing need within proximity to/or close to the following:

Answered: 17 Skipped: 1



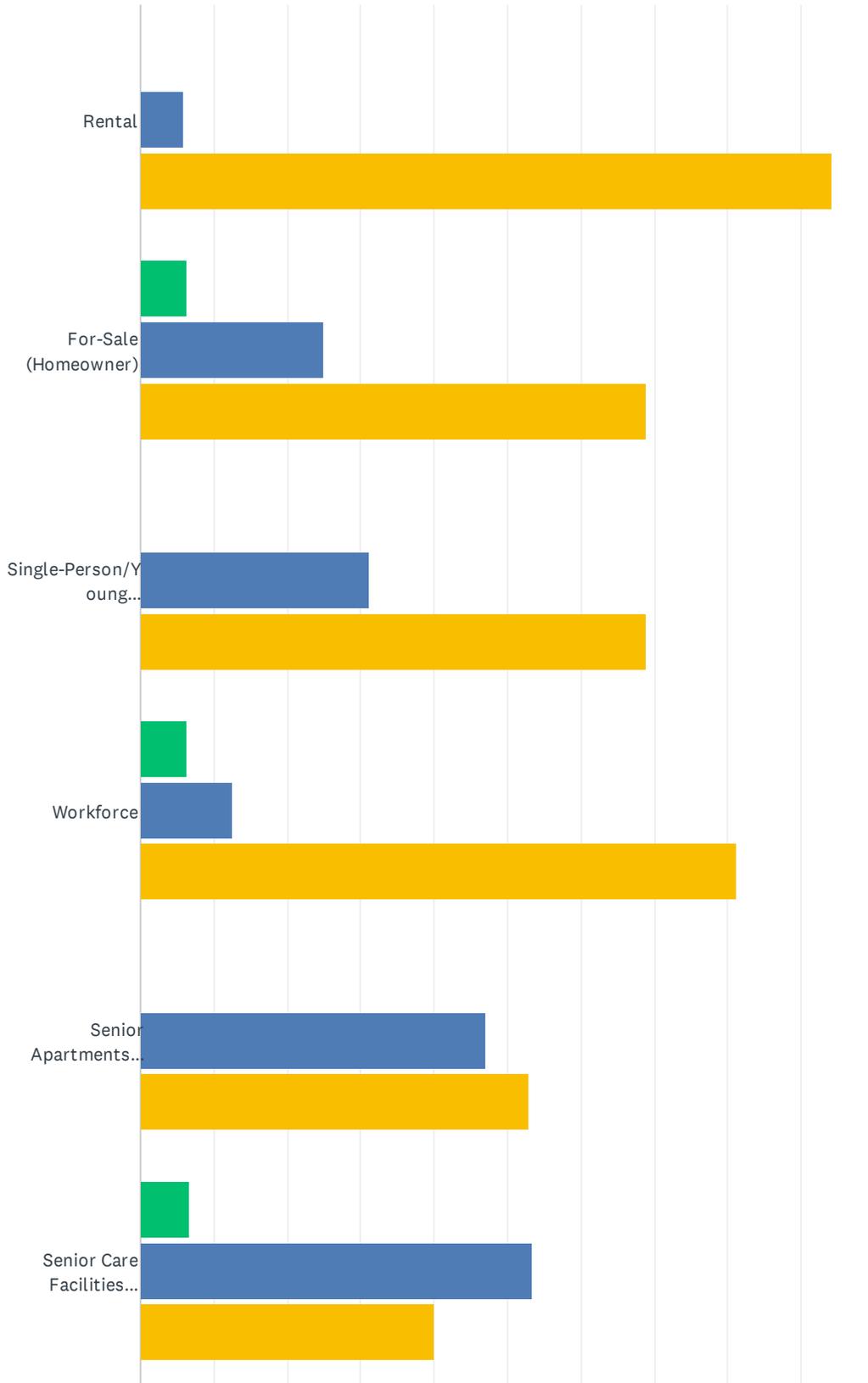
Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



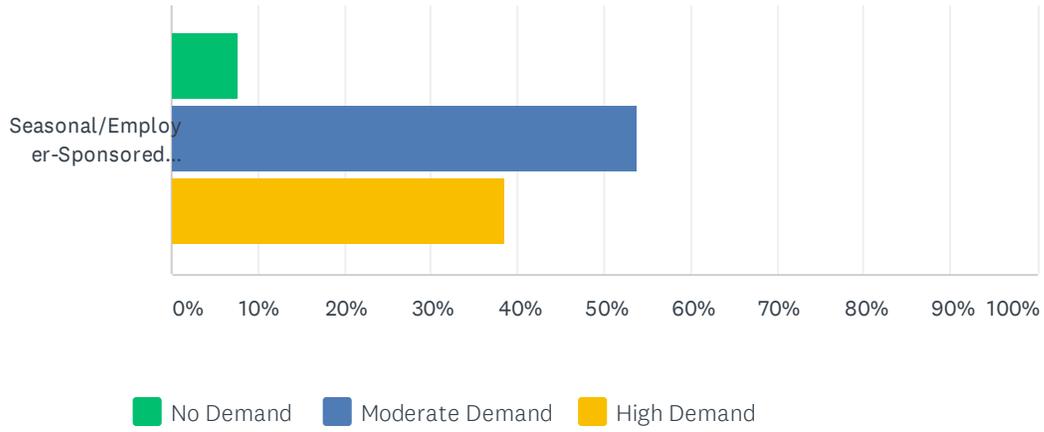
	NO DEMAND	MODERATE DEMAND	HIGH DEMAND	TOTAL	WEIGHTED AVERAGE
Along a highway/major roadway	12.50% 2	75.00% 12	12.50% 2	16	2.00
Along or close to waterway	0.00% 0	47.06% 8	52.94% 9	17	2.53
In a rural area	5.88% 1	76.47% 13	17.65% 3	17	2.12
Within walkable proximity to daily needs/job centers	5.88% 1	23.53% 4	70.59% 12	17	2.65
Close to schools	0.00% 0	29.41% 5	70.59% 12	17	2.71
Close to public transportation	18.75% 3	37.50% 6	43.75% 7	16	2.25
Close to hospital	6.25% 1	56.25% 9	37.50% 6	16	2.31
Close to grocery store	0.00% 0	18.75% 3	81.25% 13	16	2.81

Q6 What level of demand is there for each of the following housing types in your service area?

Answered: 17 Skipped: 1



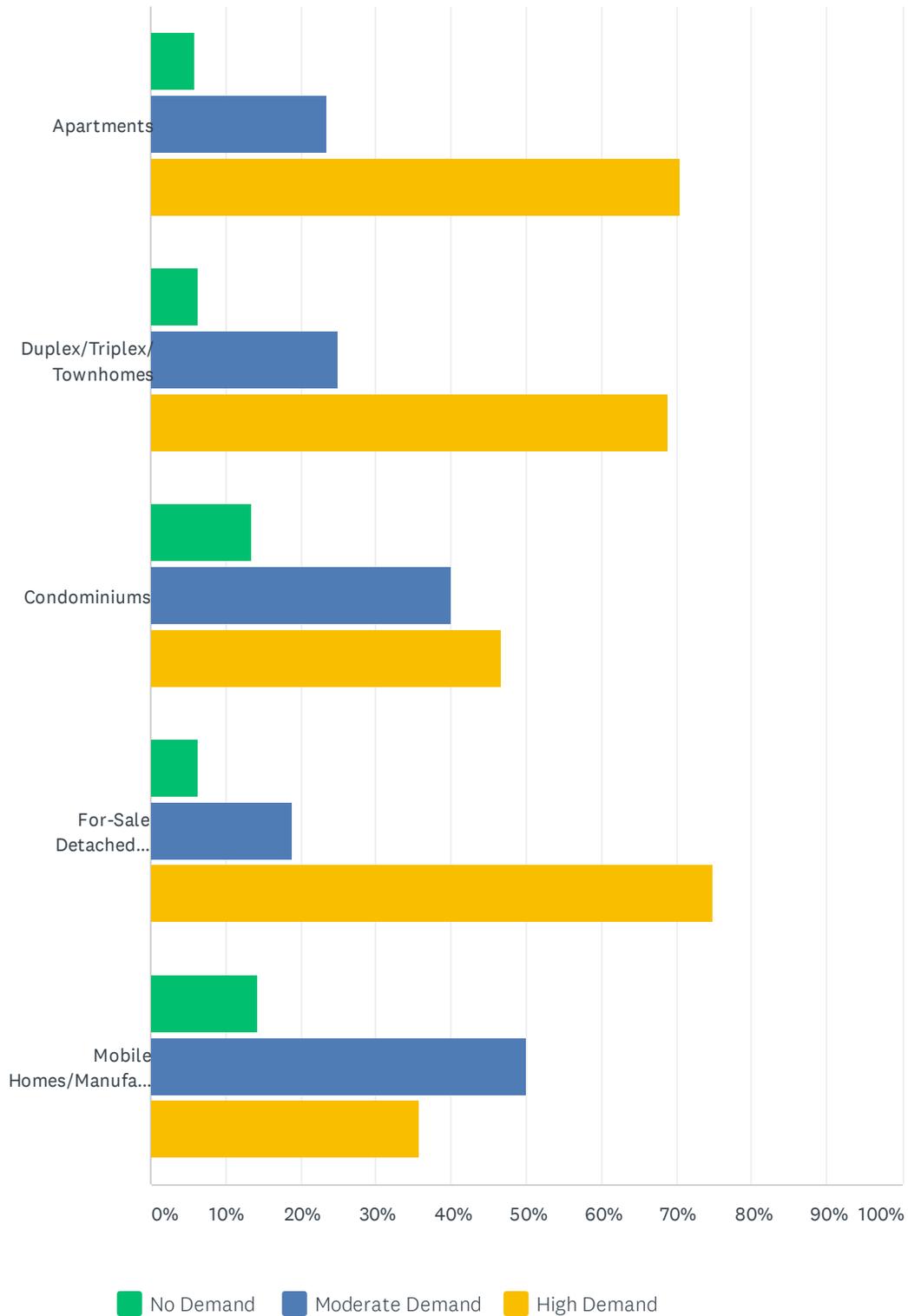
Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



	NO DEMAND	MODERATE DEMAND	HIGH DEMAND	TOTAL	WEIGHTED AVERAGE
Rental	0.00% 0	5.88% 1	94.12% 16	17	2.94
For-Sale (Homeowner)	6.25% 1	25.00% 4	68.75% 11	16	2.63
Single-Person/Young Professionals	0.00% 0	31.25% 5	68.75% 11	16	2.69
Workforce	6.25% 1	12.50% 2	81.25% 13	16	2.75
Senior Apartments (Independent Living)	0.00% 0	47.06% 8	52.94% 9	17	2.53
Senior Care Facilities (Assisted and Nursing)	6.67% 1	53.33% 8	40.00% 6	15	2.33
Seasonal/Employer-Sponsored Housing	7.69% 1	53.85% 7	38.46% 5	13	2.31

Q7 What is the level of demand for each of the housing styles in your service area?

Answered: 17 Skipped: 1

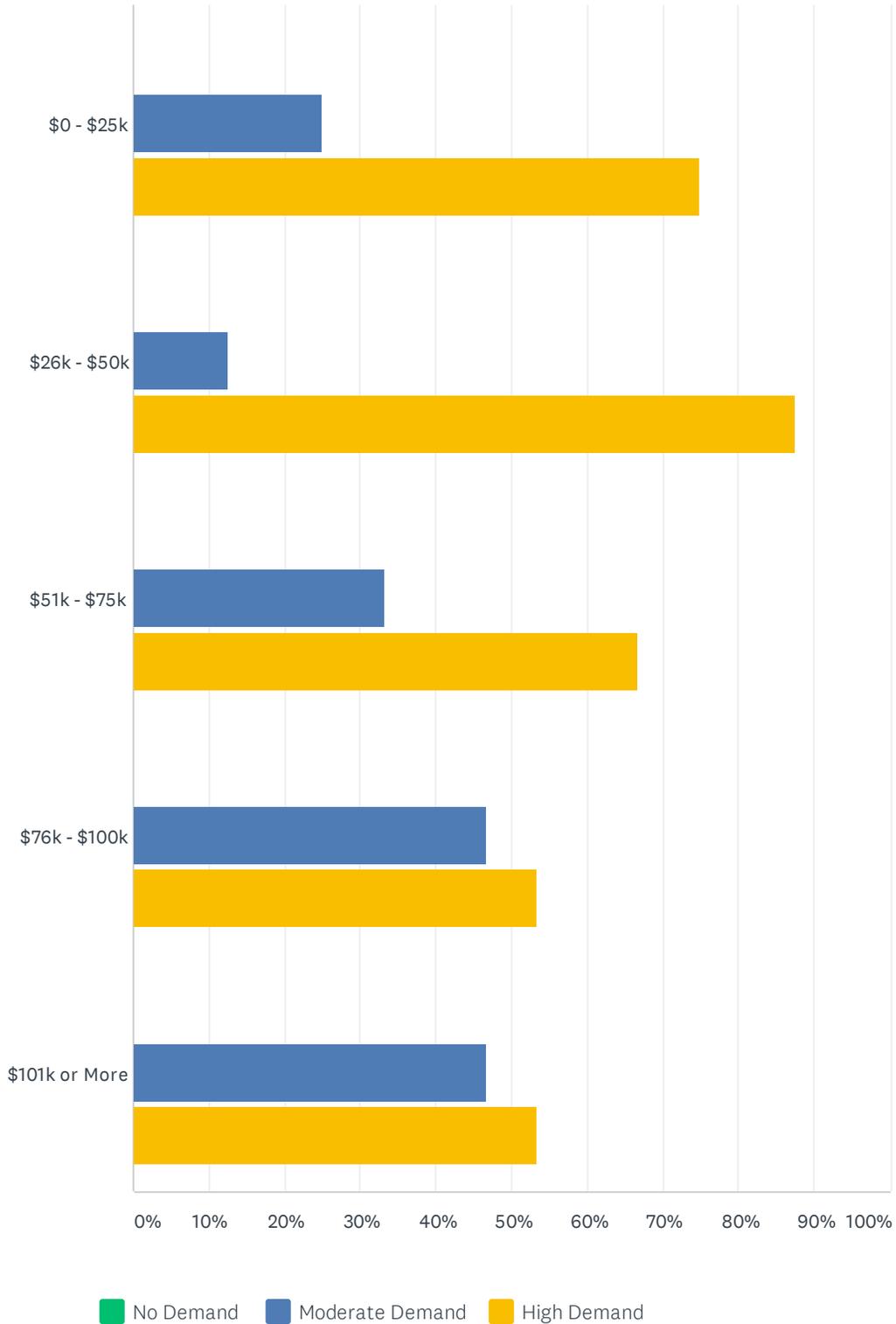


Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

	NO DEMAND	MODERATE DEMAND	HIGH DEMAND	TOTAL	WEIGHTED AVERAGE
Apartments	5.88% 1	23.53% 4	70.59% 12	17	2.65
Duplex/Triplex/Townhomes	6.25% 1	25.00% 4	68.75% 11	16	2.63
Condominiums	13.33% 2	40.00% 6	46.67% 7	15	2.33
For-Sale Detached Single-Family Homes	6.25% 1	18.75% 3	75.00% 12	16	2.69
Mobile Homes/Manufactured Housing	14.29% 2	50.00% 7	35.71% 5	14	2.21

Q8 What is the level of demand for housing for each household income level in your service area?

Answered: 16 Skipped: 2

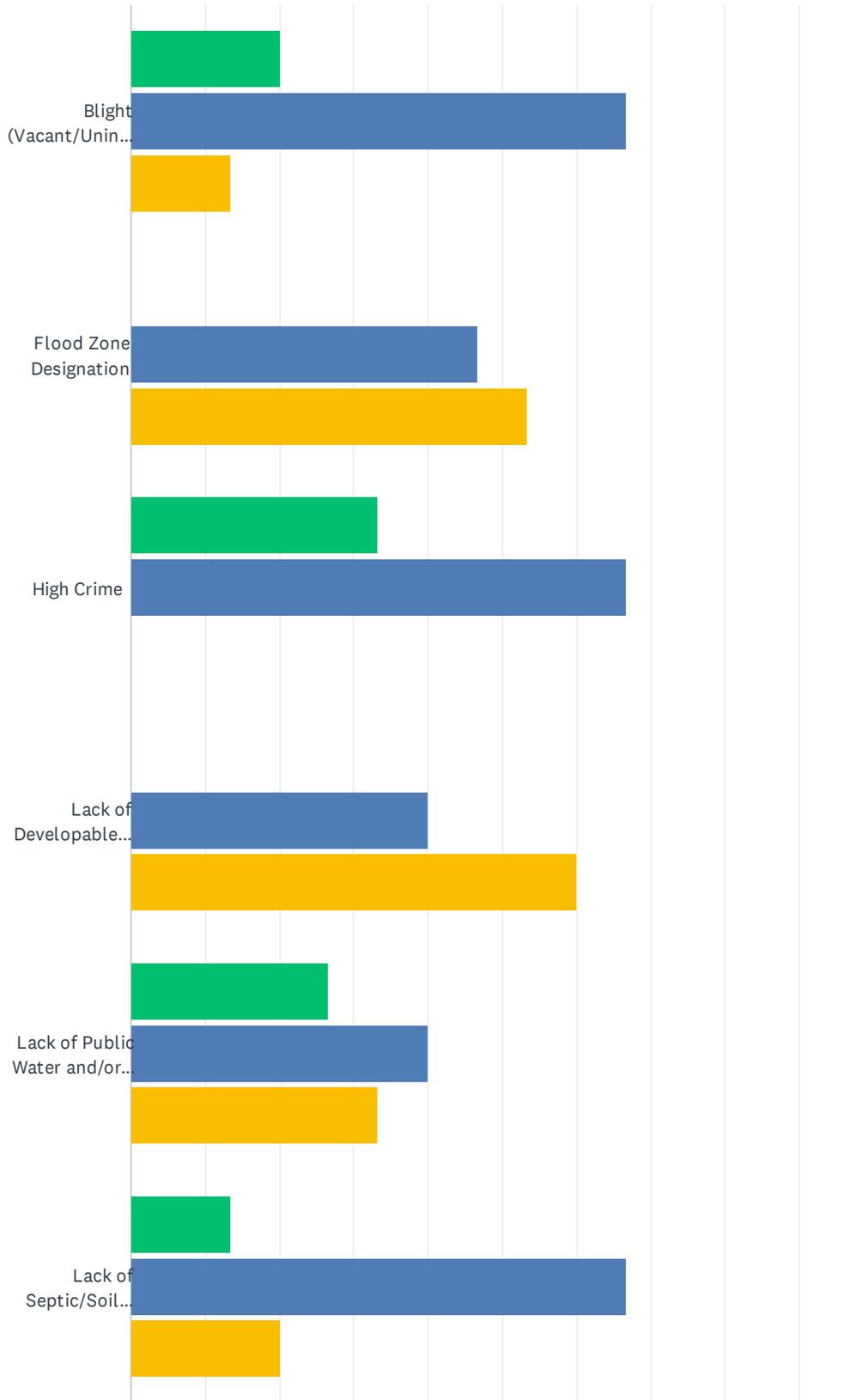


Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

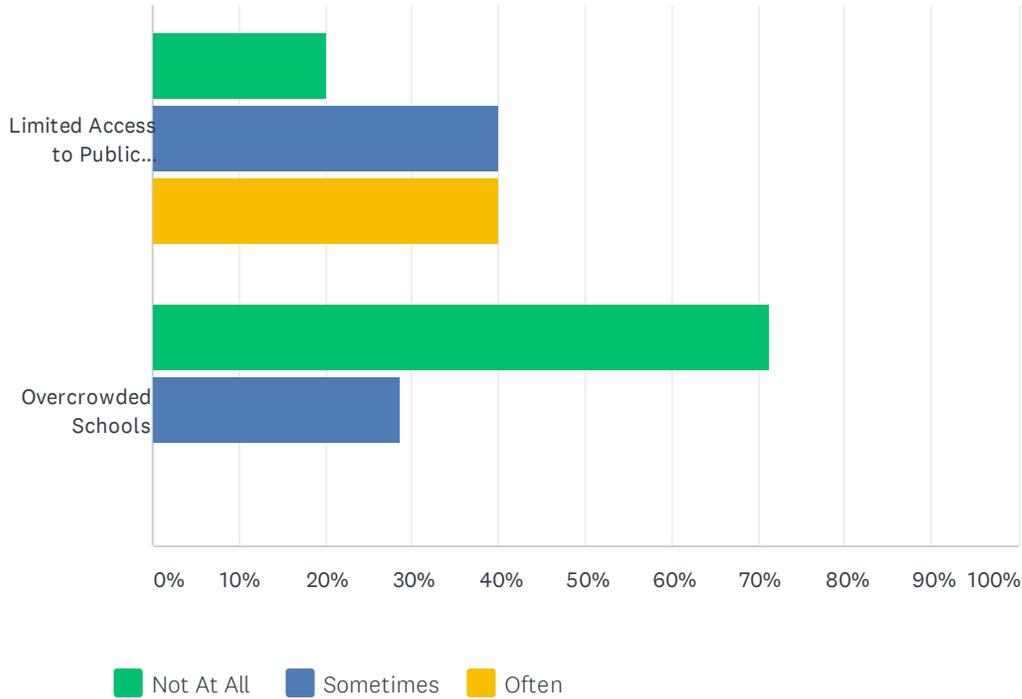
	NO DEMAND	MODERATE DEMAND	HIGH DEMAND	TOTAL	WEIGHTED AVERAGE
\$0 - \$25k	0.00% 0	25.00% 4	75.00% 12	16	2.75
\$26k - \$50k	0.00% 0	12.50% 2	87.50% 14	16	2.88
\$51k - \$75k	0.00% 0	33.33% 5	66.67% 10	15	2.67
\$76k - \$100k	0.00% 0	46.67% 7	53.33% 8	15	2.53
\$101k or More	0.00% 0	46.67% 7	53.33% 8	15	2.53

Q9 To what degree do each of the following effect housing in your service area?

Answered: 15 Skipped: 3



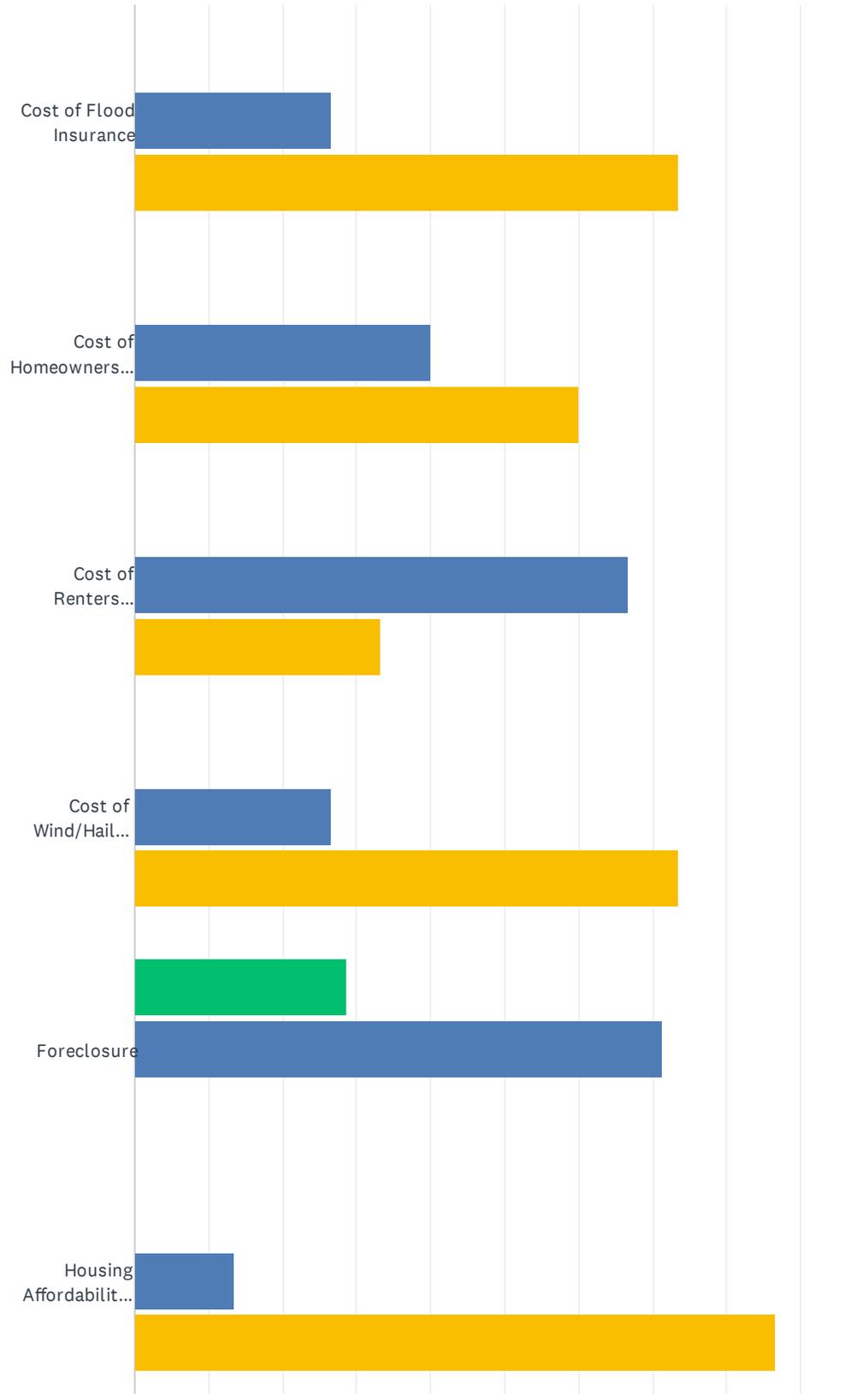
Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



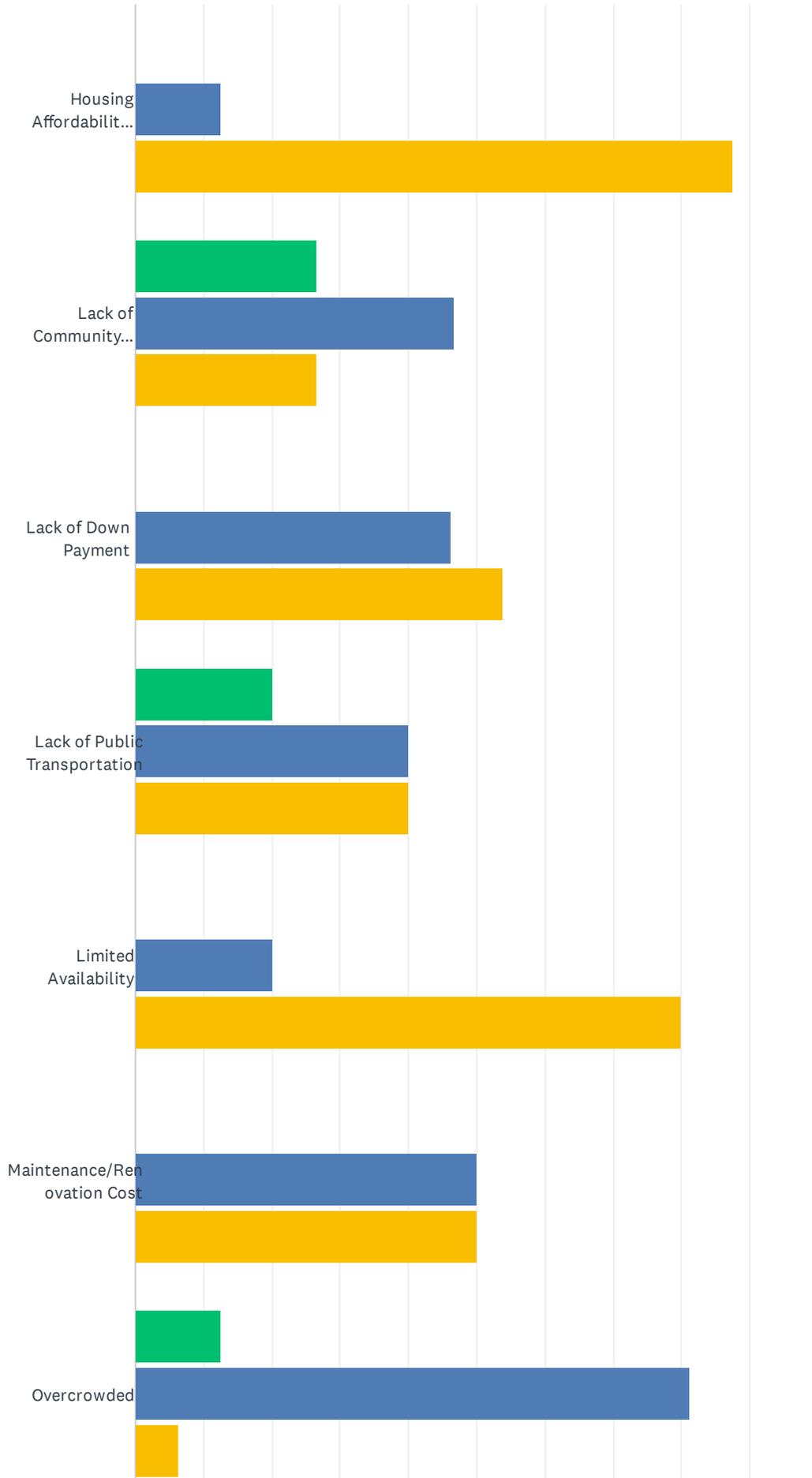
	NOT AT ALL	SOMETIMES	OFTEN	TOTAL	WEIGHTED AVERAGE
Blight (Vacant/Uninhabitable)	20.00% 3	66.67% 10	13.33% 2	15	1.93
Flood Zone Designation	0.00% 0	46.67% 7	53.33% 8	15	2.53
High Crime	33.33% 5	66.67% 10	0.00% 0	15	1.67
Lack of Developable Land	0.00% 0	40.00% 6	60.00% 9	15	2.60
Lack of Public Water and/or Sewer	26.67% 4	40.00% 6	33.33% 5	15	2.07
Lack of Septic/Soil Limitations	13.33% 2	66.67% 10	20.00% 3	15	2.07
Limited Access to Public Transit	20.00% 3	40.00% 6	40.00% 6	15	2.20
Overcrowded Schools	71.43% 10	28.57% 4	0.00% 0	14	1.29

Q10 To what degree are each of the following issues experienced for various income segments in your service area?

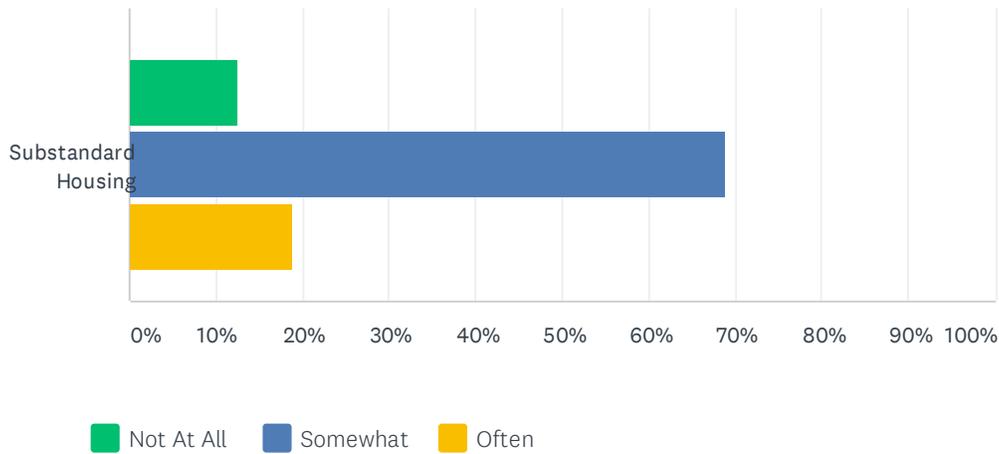
Answered: 16 Skipped: 2



Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

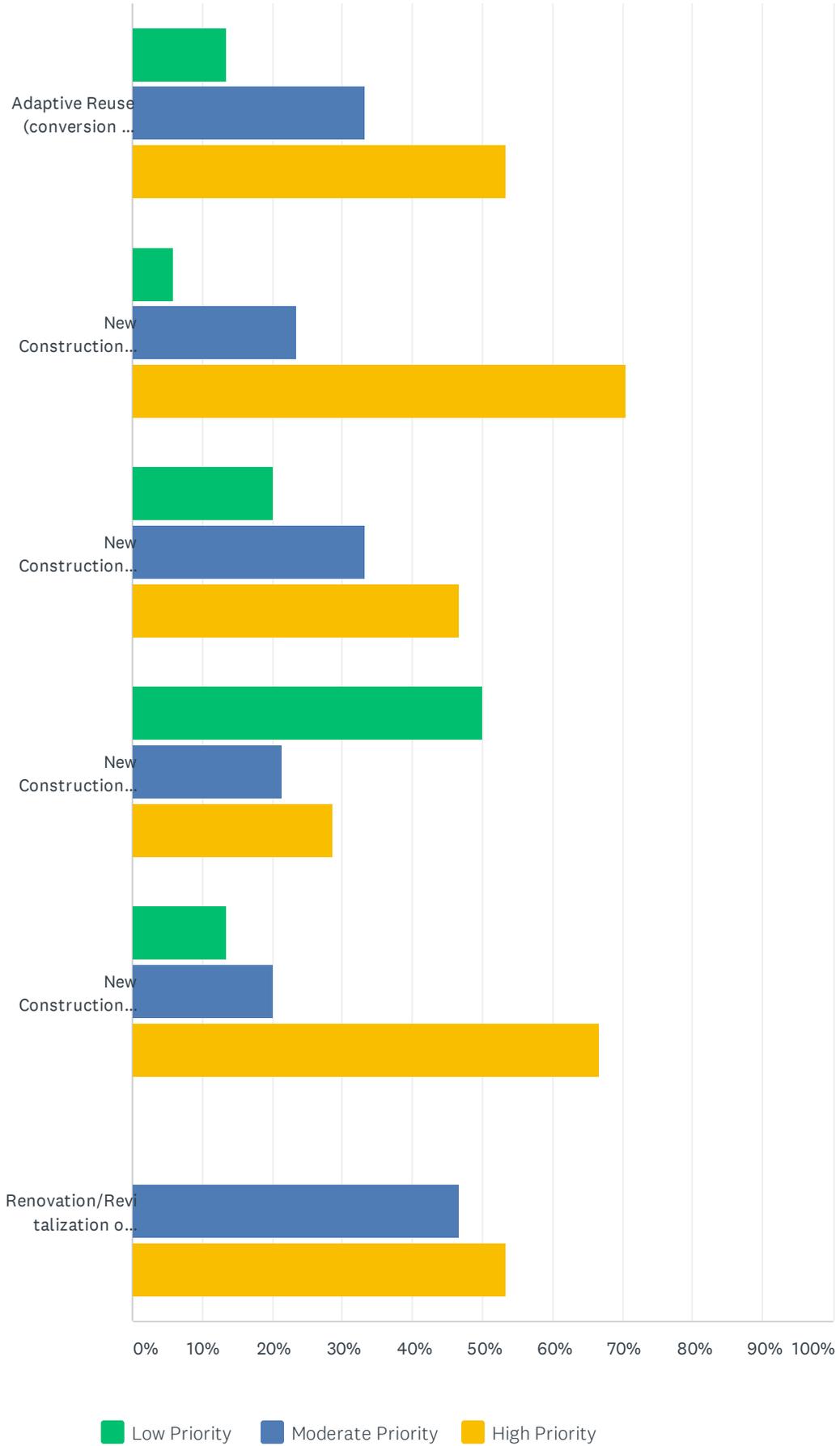


	NOT AT ALL	SOMEWHAT	OFTEN	TOTAL	WEIGHTED AVERAGE
Cost of Flood Insurance	0.00% 0	26.67% 4	73.33% 11	15	2.73
Cost of Homeowners Insurance	0.00% 0	40.00% 6	60.00% 9	15	2.60
Cost of Renters Insurance	0.00% 0	66.67% 10	33.33% 5	15	2.33
Cost of Wind/Hail Insurance	0.00% 0	26.67% 4	73.33% 11	15	2.73
Foreclosure	28.57% 4	71.43% 10	0.00% 0	14	1.71
Housing Affordability-Buyers	0.00% 0	13.33% 2	86.67% 13	15	2.87
Housing Affordability-Renters	0.00% 0	12.50% 2	87.50% 14	16	2.88
Lack of Community Services	26.67% 4	46.67% 7	26.67% 4	15	2.00
Lack of Down Payment	0.00% 0	46.15% 6	53.85% 7	13	2.54
Lack of Public Transportation	20.00% 3	40.00% 6	40.00% 6	15	2.20
Limited Availability	0.00% 0	20.00% 3	80.00% 12	15	2.80
Maintenance/Renovation Cost	0.00% 0	50.00% 7	50.00% 7	14	2.50
Overcrowded	12.50% 2	81.25% 13	6.25% 1	16	1.94
Substandard Housing	12.50% 2	68.75% 11	18.75% 3	16	2.06

Q11 What level of priority should be given to each of the development types for housing development?

Answered: 17 Skipped: 1

Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

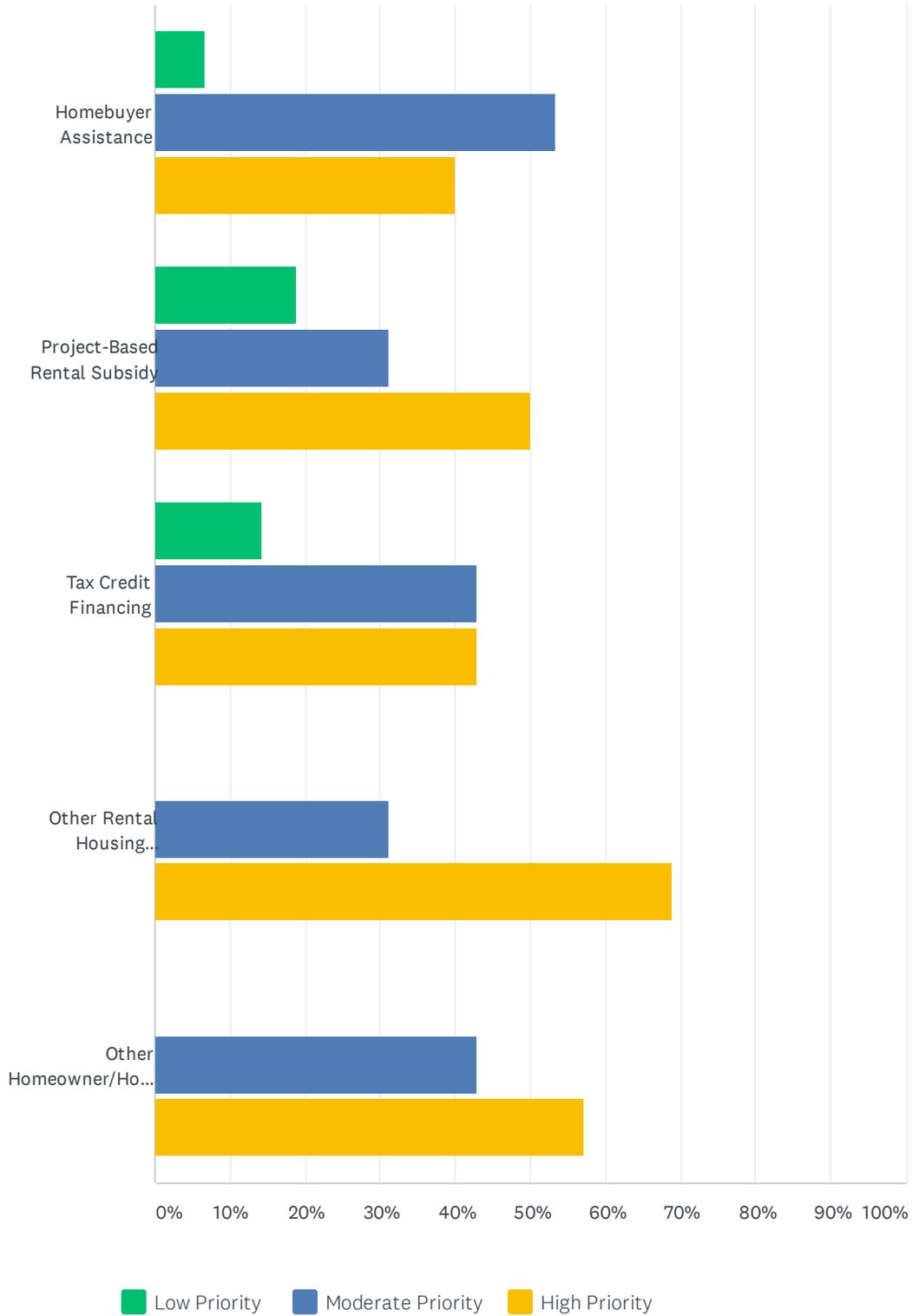


Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

	LOW PRIORITY	MODERATE PRIORITY	HIGH PRIORITY	TOTAL	WEIGHTED AVERAGE
Adaptive Reuse (conversion of vacant buildings into housing)	13.33% 2	33.33% 5	53.33% 8	15	2.40
New Construction (Apartments)	5.88% 1	23.53% 4	70.59% 12	17	2.65
New Construction (Condos/Townhomes)	20.00% 3	33.33% 5	46.67% 7	15	2.27
New Construction (Manufactured Housing)	50.00% 7	21.43% 3	28.57% 4	14	1.79
New Construction (Single-Family)	13.33% 2	20.00% 3	66.67% 10	15	2.53
Renovation/Revitalization of Existing Housing	0.00% 0	46.67% 7	53.33% 8	15	2.53

Q12 What level of priority should be given to each of the funding types for housing development?

Answered: 17 Skipped: 1



Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

	LOW PRIORITY	MODERATE PRIORITY	HIGH PRIORITY	TOTAL	WEIGHTED AVERAGE
Homebuyer Assistance	6.67% 1	53.33% 8	40.00% 6	15	2.33
Project-Based Rental Subsidy	18.75% 3	31.25% 5	50.00% 8	16	2.31
Tax Credit Financing	14.29% 2	42.86% 6	42.86% 6	14	2.29
Other Rental Housing Assistance (i.e. Vouchers)	0.00% 0	31.25% 5	68.75% 11	16	2.69
Other Homeowner/Homebuyer Assistance	0.00% 0	42.86% 6	57.14% 8	14	2.57

Q13 Are there any specific housing development programs that should be given priority as it relates to housing development in your service area?

Answered: 7 Skipped: 11

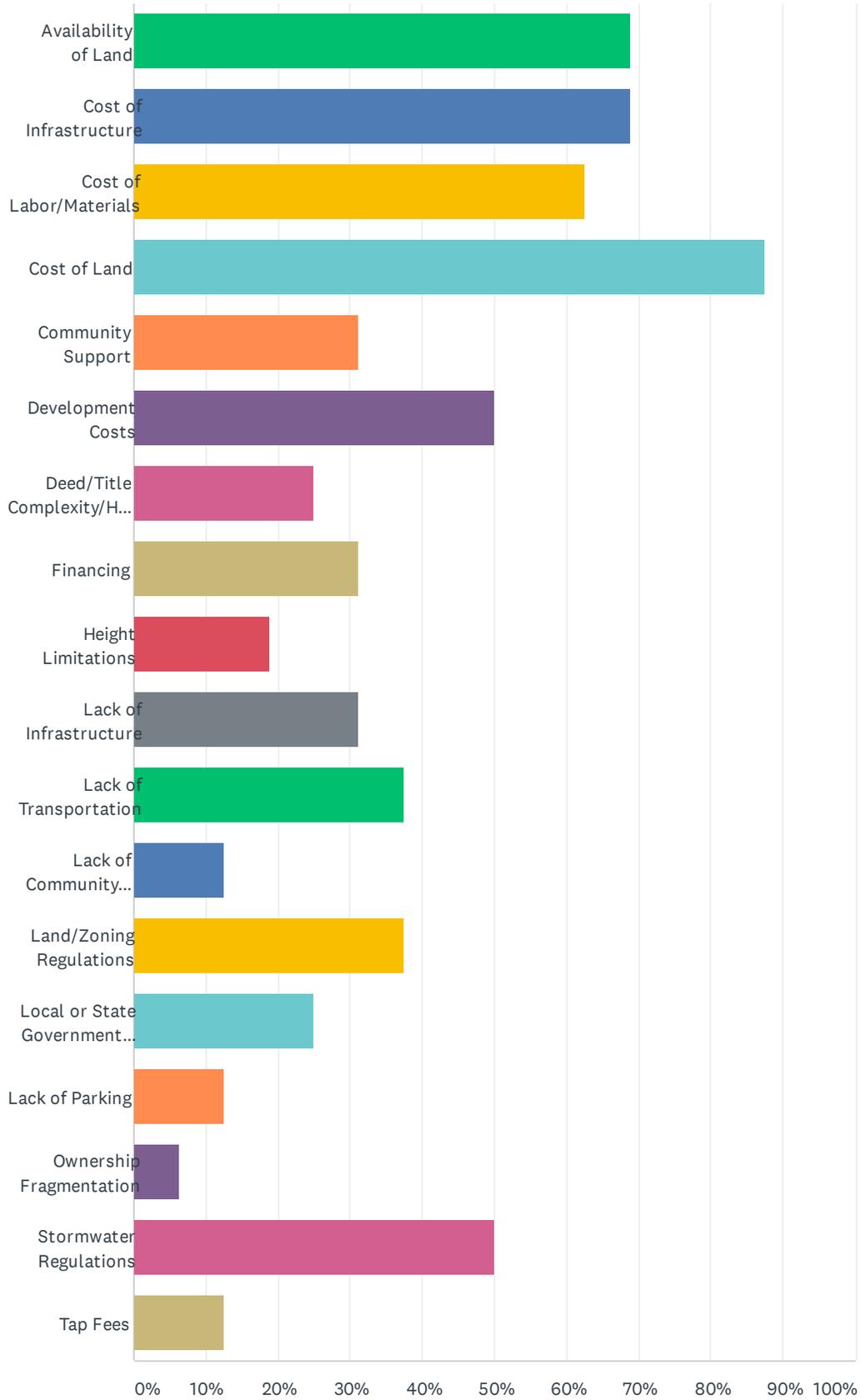
Q14 Are there are specific housing development programs (local or state level) that are not currently offered in your service area and should be explored?

Answered: 4 Skipped: 14

Q15 What common barriers or obstacles exist in your service area that you believe limit residential development ? (select all that apply)

Answered: 16 Skipped: 2

Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview



Carteret County, North Carolina Housing Needs Assessment Stakeholder Interview

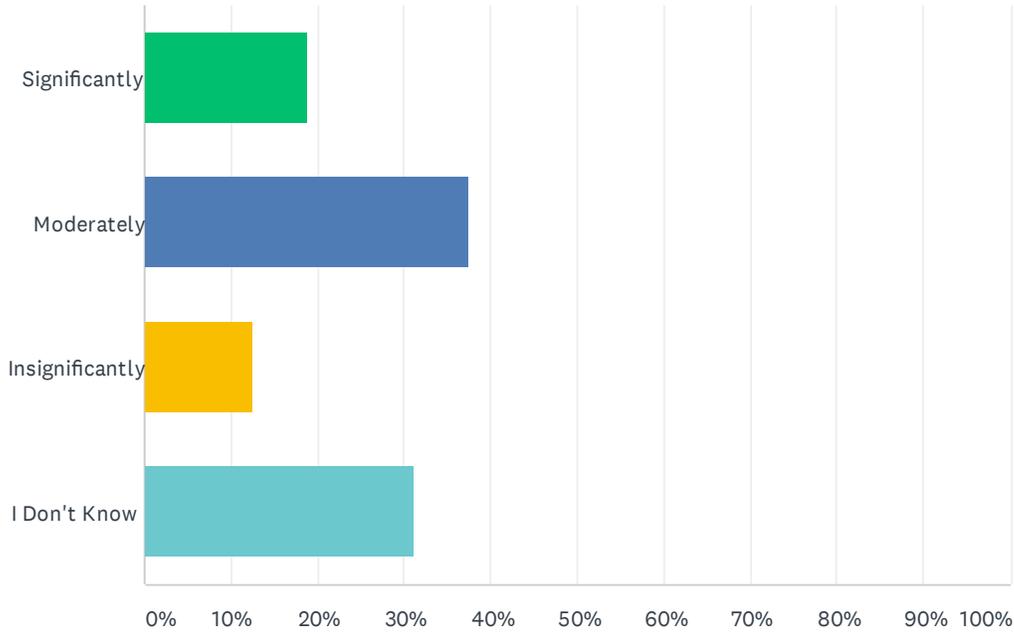
ANSWER CHOICES	RESPONSES	
Availability of Land	68.75%	11
Cost of Infrastructure	68.75%	11
Cost of Labor/Materials	62.50%	10
Cost of Land	87.50%	14
Community Support	31.25%	5
Development Costs	50.00%	8
Deed/Title Complexity/Heirs	25.00%	4
Financing	31.25%	5
Height Limitations	18.75%	3
Lack of Infrastructure	31.25%	5
Lack of Transportation	37.50%	6
Lack of Community Services	12.50%	2
Land/Zoning Regulations	37.50%	6
Local or State Government Regulations ("red tape")	25.00%	4
Lack of Parking	12.50%	2
Ownership Fragmentation	6.25%	1
Stormwater Regulations	50.00%	8
Tap Fees	12.50%	2
Total Respondents: 16		

Q16 How do you believe these obstacles/barriers could be reduced or eliminated? (Responses will be limited to 500 characters)

Answered: 7 Skipped: 11

Q17 In your opinion, to what extent do local property tax rates (county/municipal/fire district) impact the demand for housing in Carteret County as compares to other coastal communities?

Answered: 16 Skipped: 2



ANSWER CHOICES	RESPONSES	
Significantly	18.75%	3
Moderately	37.50%	6
Insignificantly	12.50%	2
I Don't Know	31.25%	5
TOTAL		16

EMPLOYER SURVEY

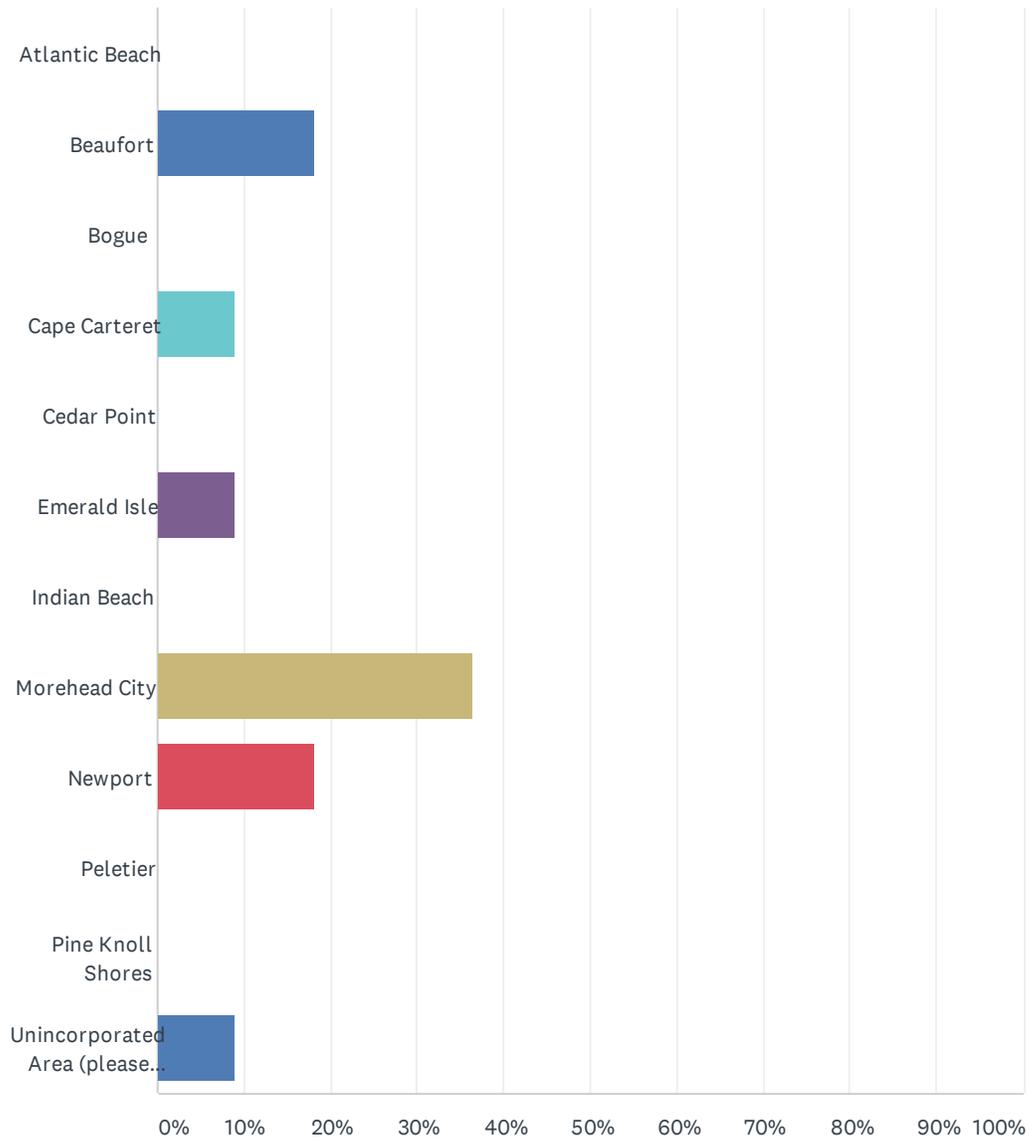
Q1 Provide Your Contact Information

Answered: 11 Skipped: 0

ANSWER CHOICES	RESPONSES	
Name	100.00%	11
Company	100.00%	11
Address	100.00%	11
Address 2	0.00%	0
City/Town	100.00%	11
State/Province	0.00%	0
ZIP/Postal Code	0.00%	0
Country	0.00%	0
Email Address	100.00%	11
Phone Number	100.00%	11

Q2 In which community is your primary place of business located within Carteret County (within incorporated limits only)?

Answered: 11 Skipped: 0

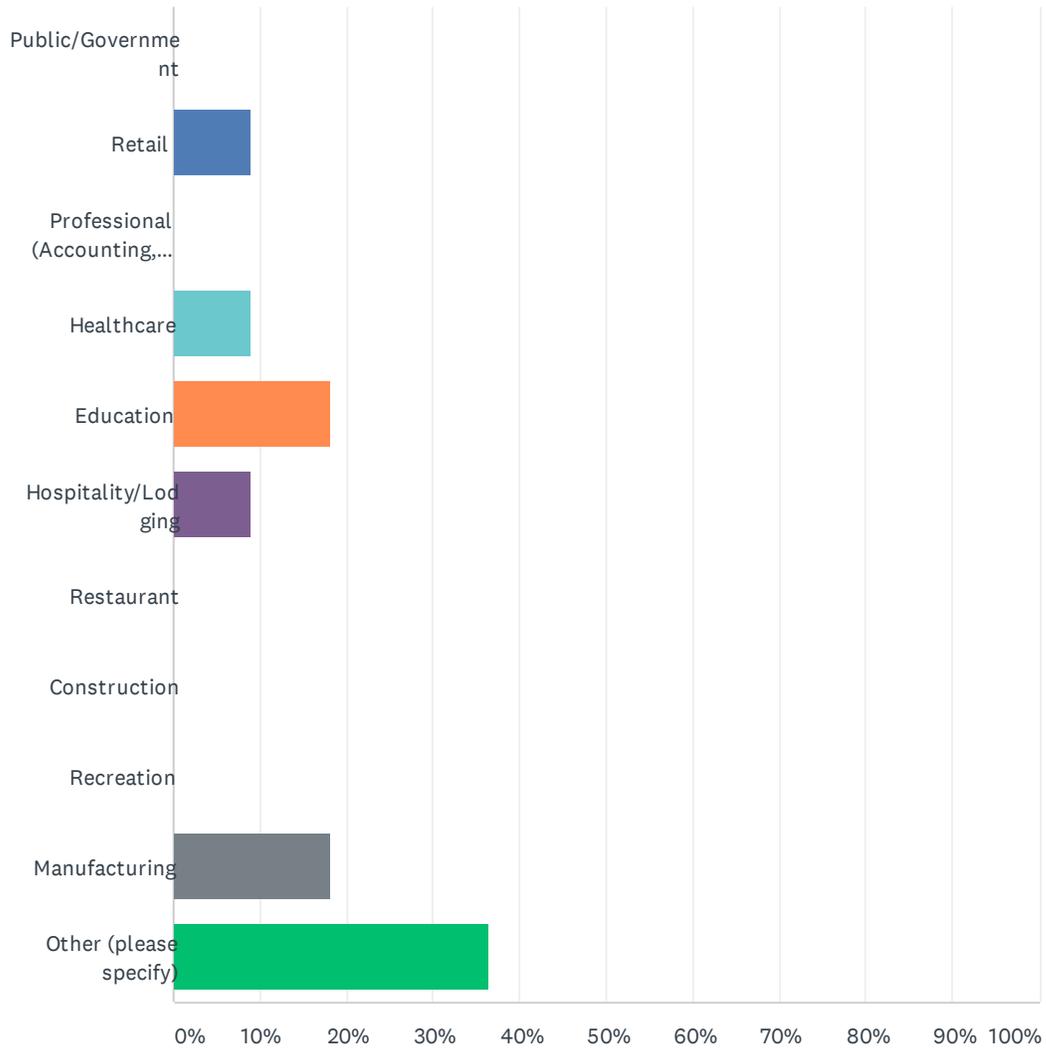


Carteret County, NC Employer Survey

ANSWER CHOICES	RESPONSES	
Atlantic Beach	0.00%	0
Beaufort	18.18%	2
Bogue	0.00%	0
Cape Carteret	9.09%	1
Cedar Point	0.00%	0
Emerald Isle	9.09%	1
Indian Beach	0.00%	0
Morehead City	36.36%	4
Newport	18.18%	2
Peletier	0.00%	0
Pine Knoll Shores	0.00%	0
Unincorporated Area (please specify name of unincorporated community)	9.09%	1
Total Respondents: 11		

Q3 Describe the primary type of company you represent.

Answered: 11 Skipped: 0



Carteret County, NC Employer Survey

ANSWER CHOICES	RESPONSES	
Public/Government	0.00%	0
Retail	9.09%	1
Professional (Accounting, Legal, Etc.)	0.00%	0
Healthcare	9.09%	1
Education	18.18%	2
Hospitality/Lodging	9.09%	1
Restaurant	0.00%	0
Construction	0.00%	0
Recreation	0.00%	0
Manufacturing	18.18%	2
Other (please specify)	36.36%	4
TOTAL		11

Q4 Approximately how many people do you employ in Carteret County?

Answered: 11 Skipped: 0

Q5 Approximately what percentage of your employees are part-time, full-time and seasonal?

Answered: 11 Skipped: 0

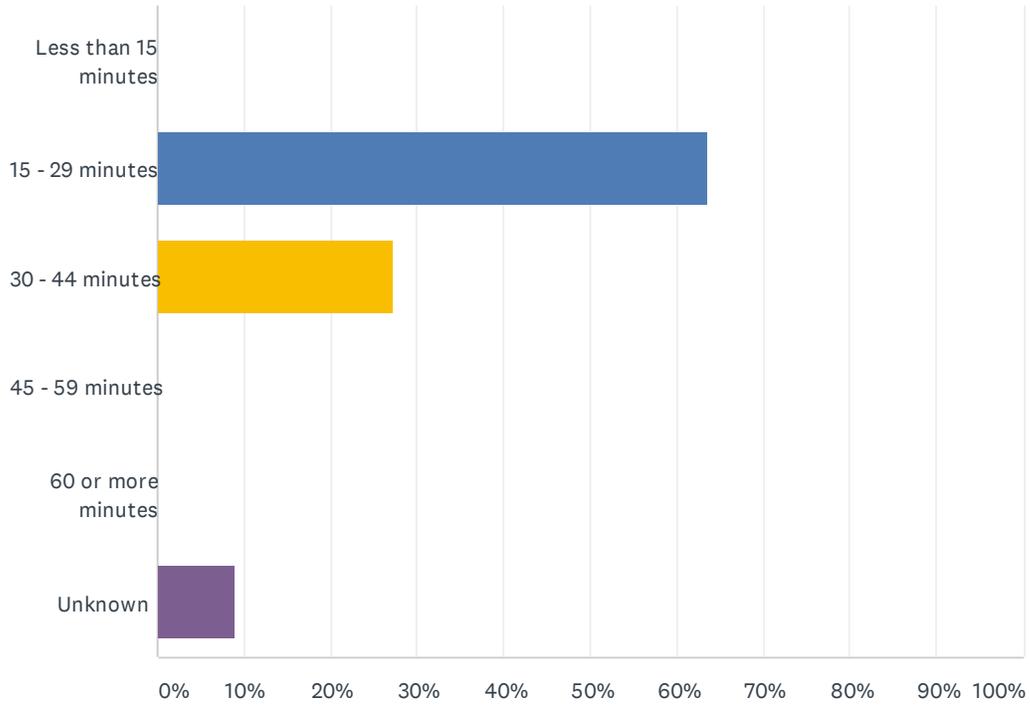
ANSWER CHOICES	RESPONSES	
% Part-Time	72.73%	8
% Full-Time	100.00%	11
% Seasonal	63.64%	7

Q6 Approximately what percentage of your employees live in Carteret County?

Answered: 11 Skipped: 0

Q7 To the best of your ability, provide the estimated drive time for most of your employees' commute to work on a daily basis.

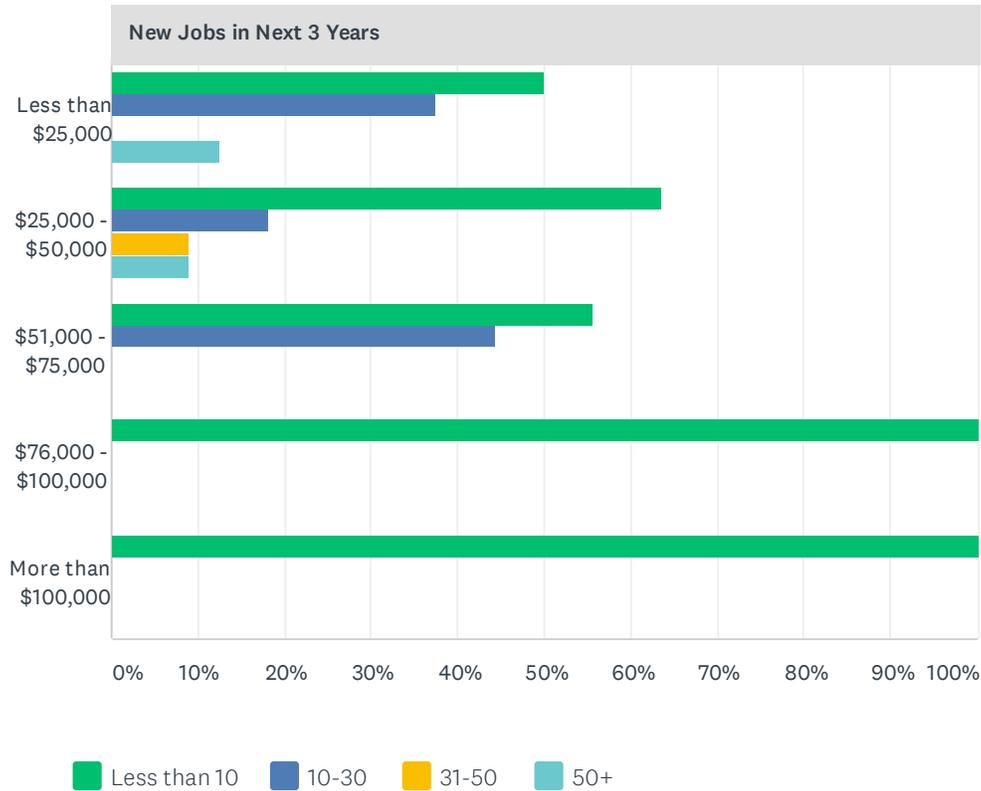
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
Less than 15 minutes	0.00%	0
15 - 29 minutes	63.64%	7
30 - 44 minutes	27.27%	3
45 - 59 minutes	0.00%	0
60 or more minutes	0.00%	0
Unknown	9.09%	1
TOTAL		11

Q8 Over the next three years, how many new jobs do you believe your company/entity will create in Carteret County, estimating the number of jobs by annual wages?

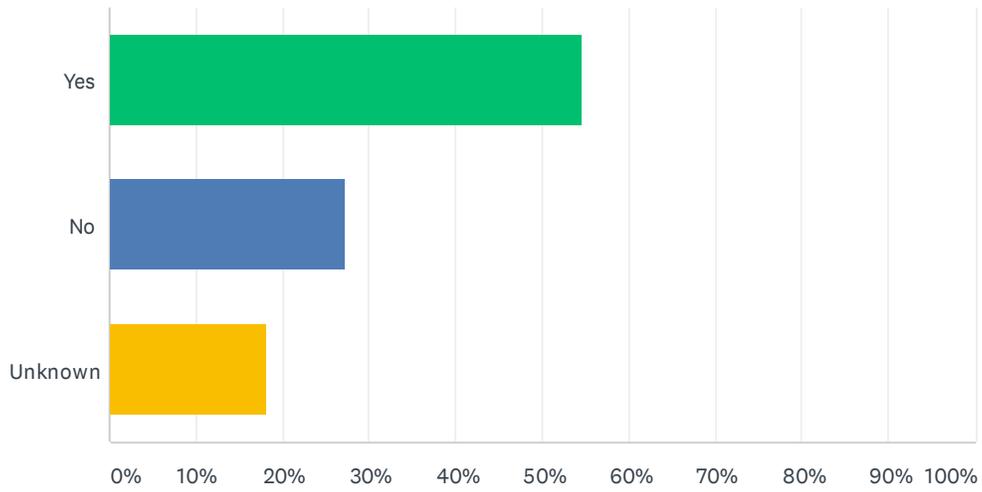
Answered: 11 Skipped: 0



New Jobs in Next 3 Years						
	LESS THAN 10	10-30	31-50	50+	TOTAL	
Less than \$25,000	50.00%	37.50%	0.00%	12.50%		
	4	3	0	1		8
\$25,000 - \$50,000	63.64%	18.18%	9.09%	9.09%		
	7	2	1	1		11
\$51,000 - \$75,000	55.56%	44.44%	0.00%	0.00%		
	5	4	0	0		9
\$76,000 - \$100,000	100.00%	0.00%	0.00%	0.00%		
	8	0	0	0		8
More than \$100,000	100.00%	0.00%	0.00%	0.00%		
	7	0	0	0		7

Q9 Have you had difficulty attracting or retaining employees due to housing related issues in the past couple of years?

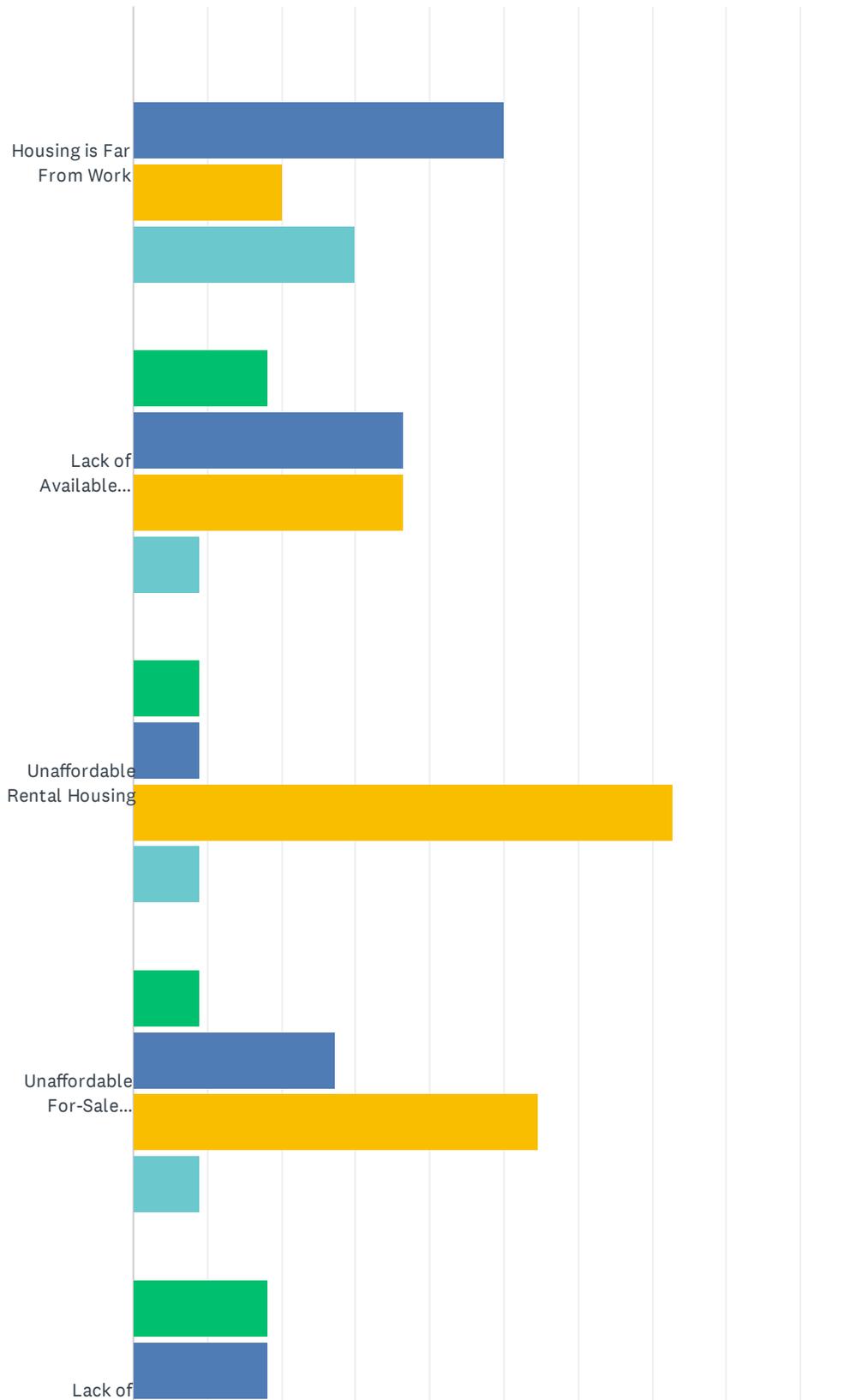
Answered: 11 Skipped: 0



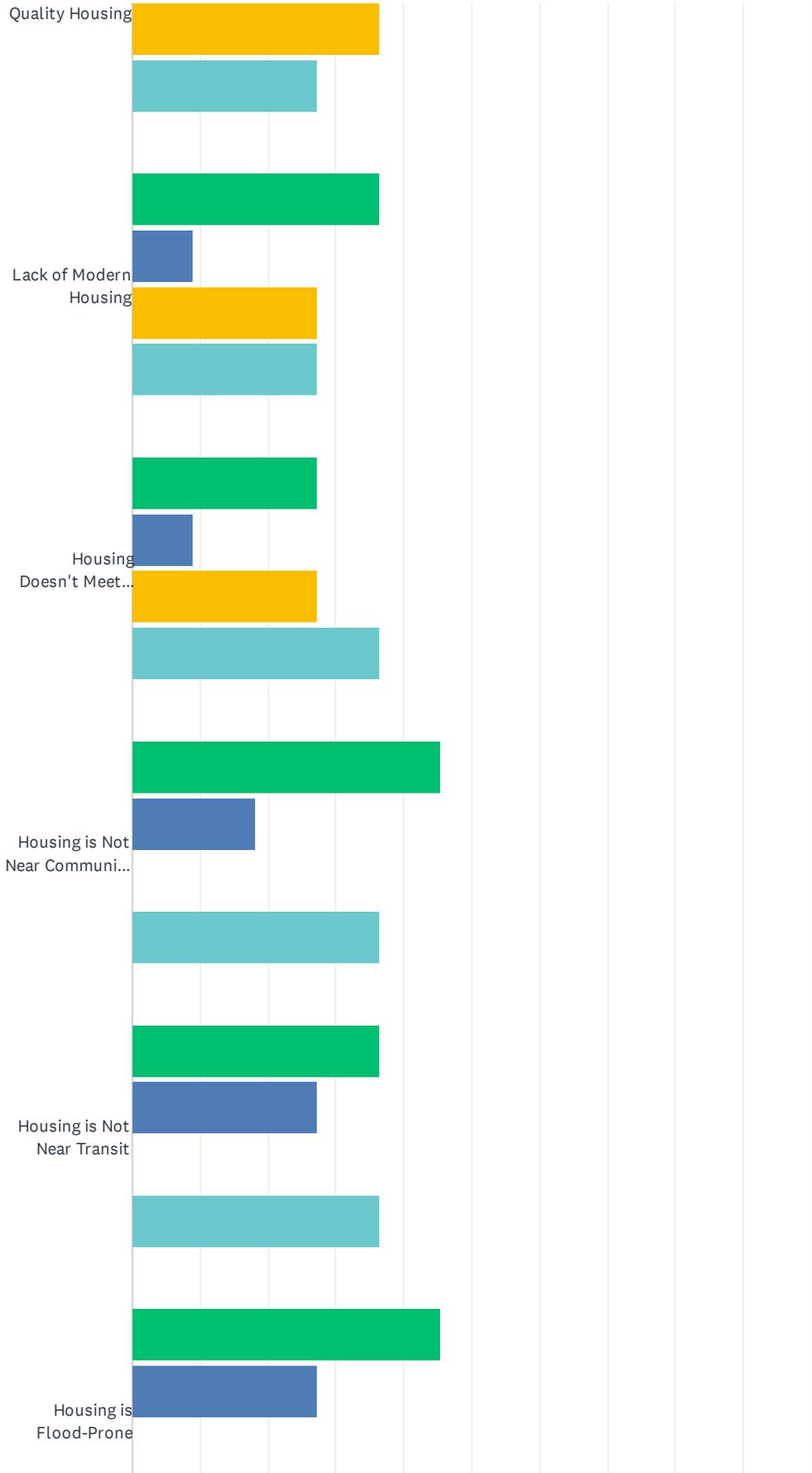
ANSWER CHOICES		RESPONSES	
Yes		54.55%	6
No		27.27%	3
Unknown		18.18%	2
TOTAL			11

Q10 Rank the degree in which the housing issues/challenges below are experienced by your employees:

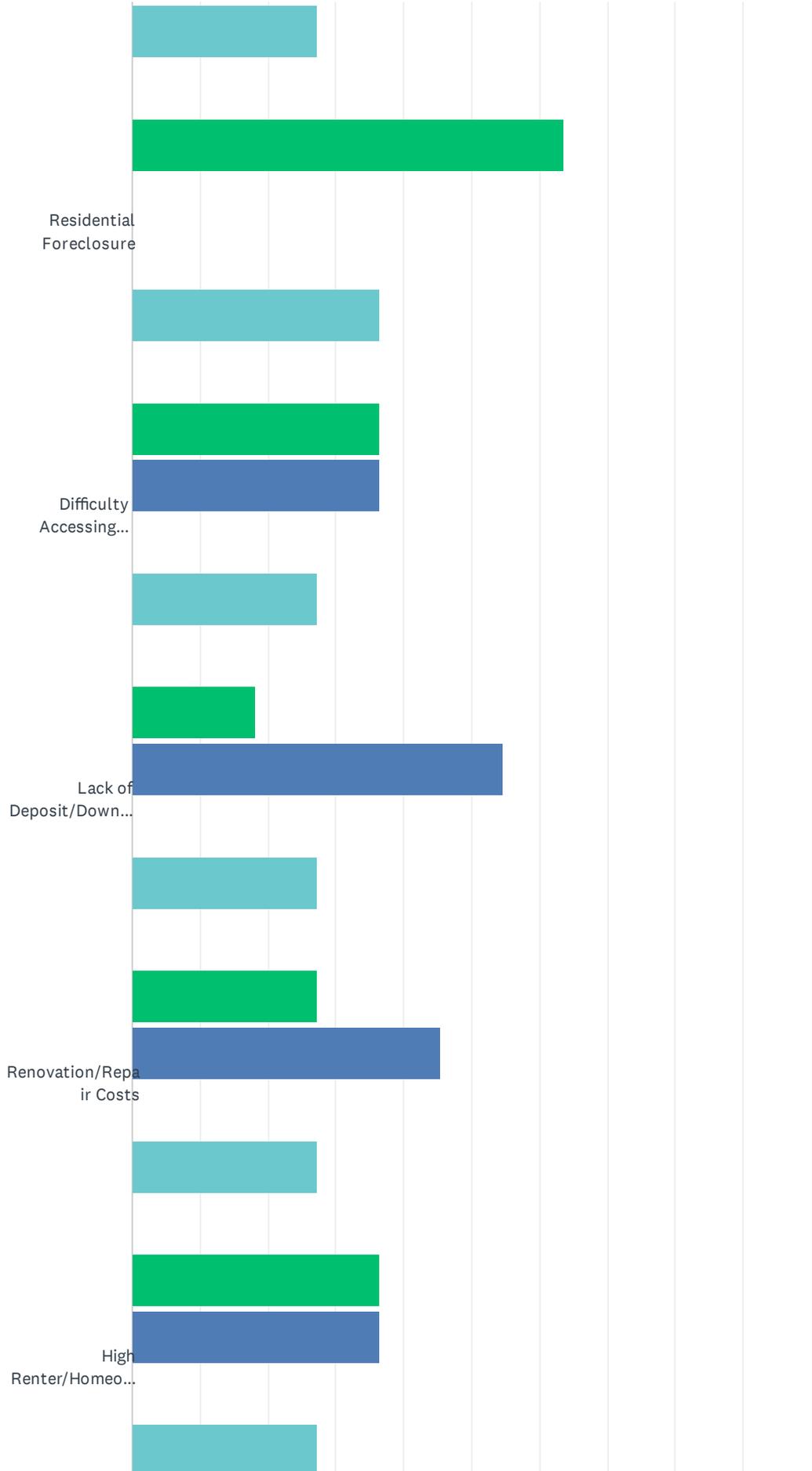
Answered: 11 Skipped: 0



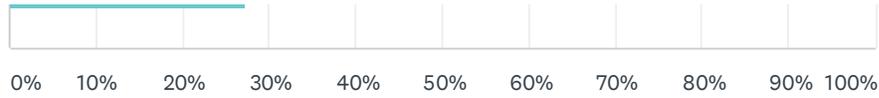
Carteret County, NC Employer Survey



Carteret County, NC Employer Survey



Carteret County, NC Employer Survey

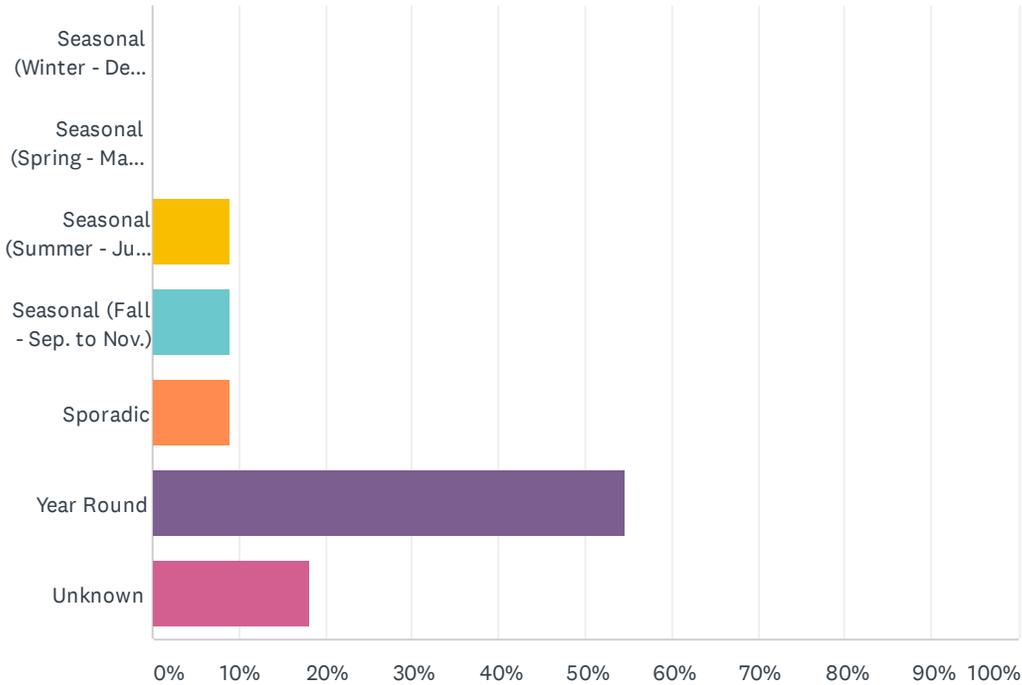


■ Low
 ■ Moderate
 ■ High
 ■ N/A

	LOW	MODERATE	HIGH	N/A	TOTAL	WEIGHTED AVERAGE
Housing is Far From Work	0.00% 0	50.00% 5	20.00% 2	30.00% 3	10	2.29
Lack of Available Housing	18.18% 2	36.36% 4	36.36% 4	9.09% 1	11	2.20
Unaffordable Rental Housing	9.09% 1	9.09% 1	72.73% 8	9.09% 1	11	2.70
Unaffordable For-Sale Housing	9.09% 1	27.27% 3	54.55% 6	9.09% 1	11	2.50
Lack of Quality Housing	18.18% 2	18.18% 2	36.36% 4	27.27% 3	11	2.25
Lack of Modern Housing	36.36% 4	9.09% 1	27.27% 3	27.27% 3	11	1.88
Housing Doesn't Meet Employee's Needs	27.27% 3	9.09% 1	27.27% 3	36.36% 4	11	2.00
Housing is Not Near Community Services	45.45% 5	18.18% 2	0.00% 0	36.36% 4	11	1.29
Housing is Not Near Transit	36.36% 4	27.27% 3	0.00% 0	36.36% 4	11	1.43
Housing is Flood-Prone	45.45% 5	27.27% 3	0.00% 0	27.27% 3	11	1.38
Residential Foreclosure	63.64% 7	0.00% 0	0.00% 0	36.36% 4	11	1.00
Difficulty Accessing Financing/Credit	36.36% 4	36.36% 4	0.00% 0	27.27% 3	11	1.50
Lack of Deposit/Down Payment	18.18% 2	54.55% 6	0.00% 0	27.27% 3	11	1.75
Renovation/Repair Costs	27.27% 3	45.45% 5	0.00% 0	27.27% 3	11	1.63
High Renter/Homeowner Insurance Costs	36.36% 4	36.36% 4	0.00% 0	27.27% 3	11	1.50

Q11 How frequently are the most common housing issues in the previous question experienced by your employees?

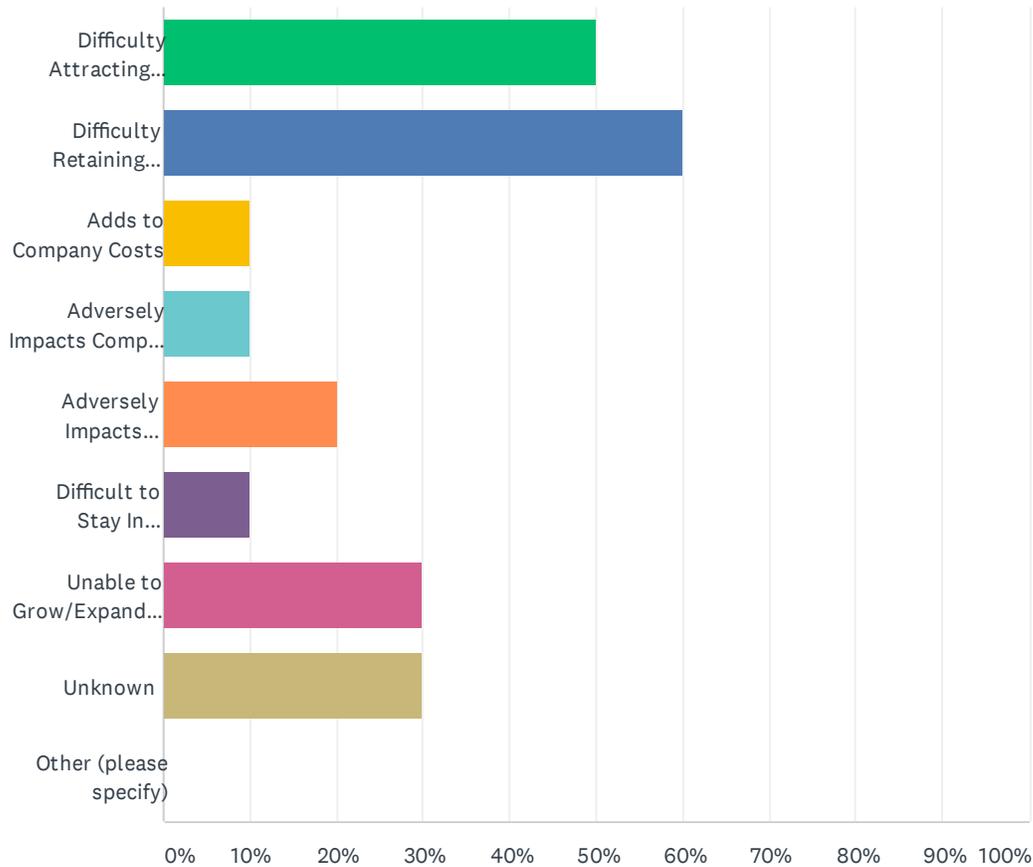
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
Seasonal (Winter - Dec. to Feb.)	0.00%	0
Seasonal (Spring - Mar. to May)	0.00%	0
Seasonal (Summer - Jun. to Aug.)	9.09%	1
Seasonal (Fall - Sep. to Nov.)	9.09%	1
Sporadic	9.09%	1
Year Round	54.55%	6
Unknown	18.18%	2
TOTAL		11

Q12 In what ways, if any, are the housing issues that your employees or prospective employees face impacting your company? (Select all that apply)

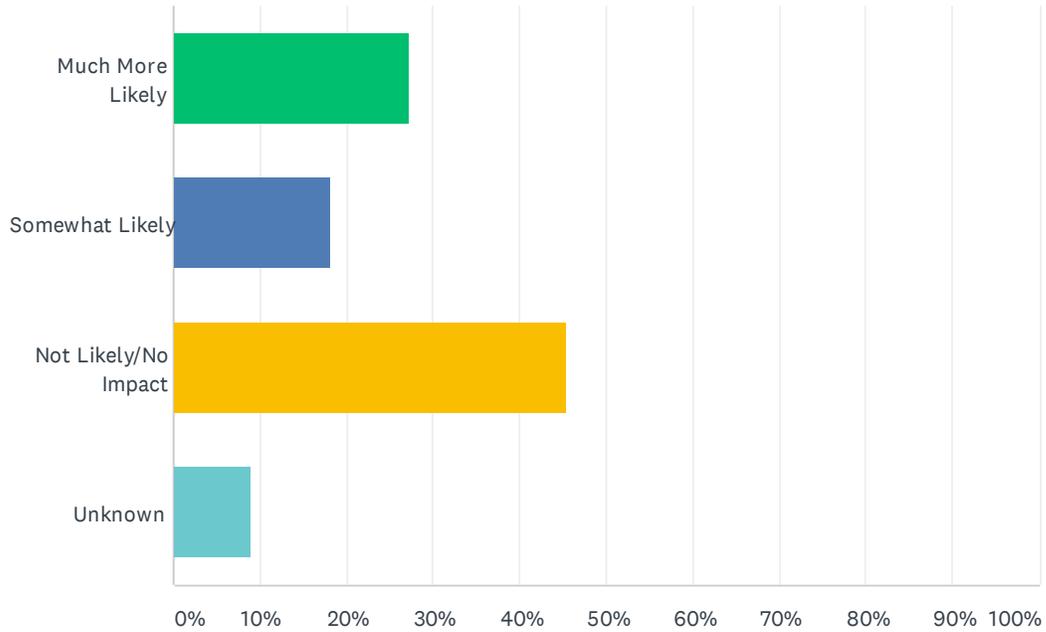
Answered: 10 Skipped: 1



ANSWER CHOICES	RESPONSES	
Difficulty Attracting Employees	50.00%	5
Difficulty Retaining Employees	60.00%	6
Adds to Company Costs	10.00%	1
Adversely Impacts Company Morale	10.00%	1
Adversely Impacts Productivity	20.00%	2
Difficult to Stay In Business	10.00%	1
Unable to Grow/Expand Business	30.00%	3
Unknown	30.00%	3
Other (please specify)	0.00%	0
Total Respondents: 10		

Q13 If additional housing was provided in Carteret County that adequately served the needs of employees, to what degree would this increase the likelihood that your company would employ more people in the next three years?

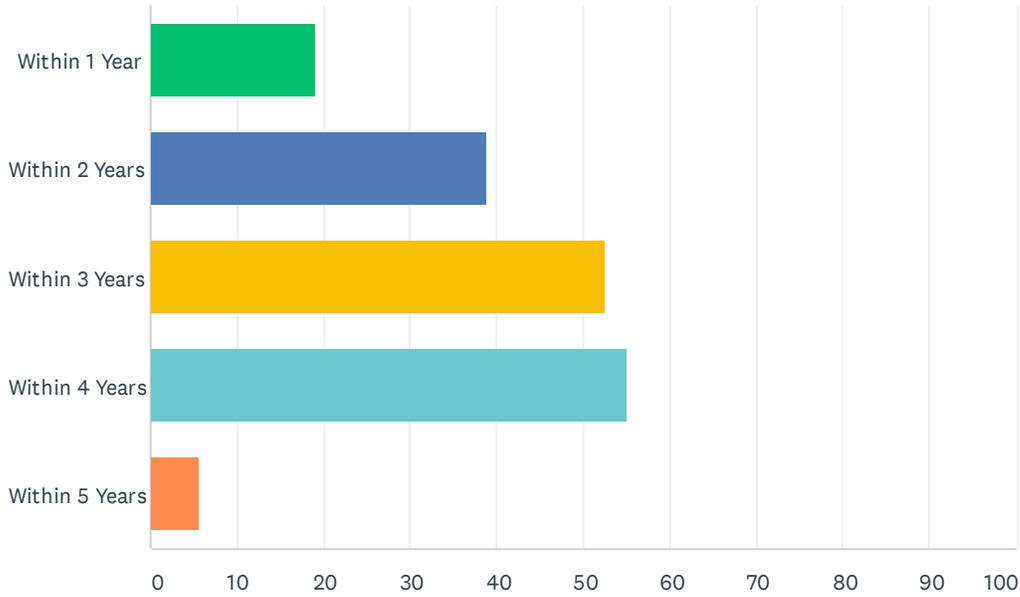
Answered: 11 Skipped: 0



ANSWER CHOICES	RESPONSES	
Much More Likely	27.27%	3
Somewhat Likely	18.18%	2
Not Likely/No Impact	45.45%	5
Unknown	9.09%	1
TOTAL		11

Q14 If housing was not an issue in hiring, how many additional employees would you hire:

Answered: 8 Skipped: 3



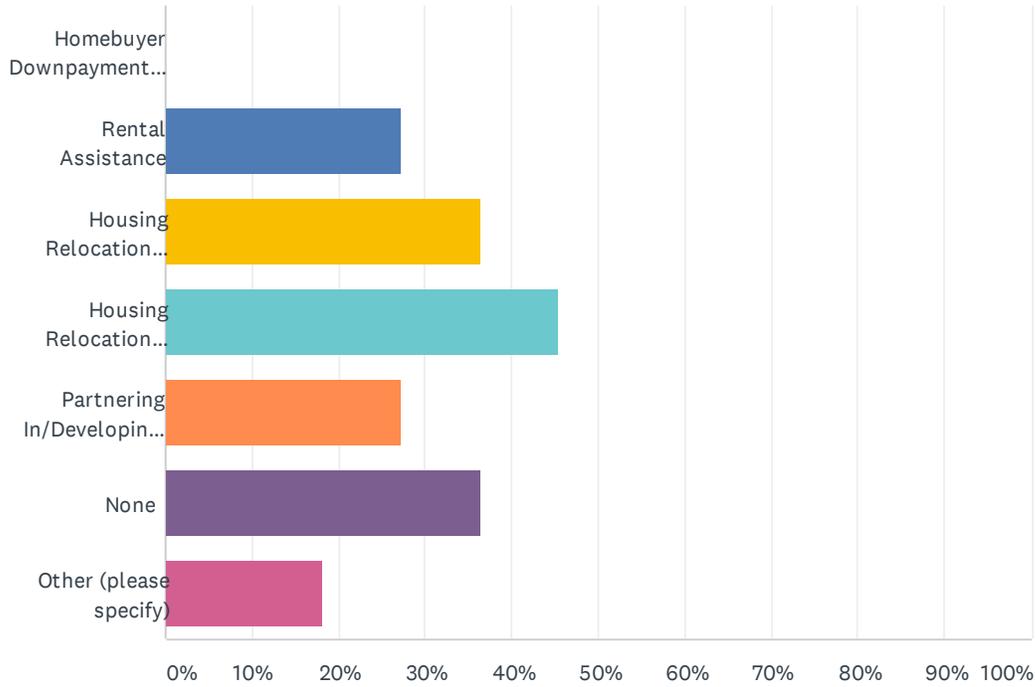
ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Within 1 Year	19	153	8
Within 2 Years	39	195	5
Within 3 Years	53	263	5
Within 4 Years	55	220	4
Within 5 Years	6	17	3
Total Respondents: 8			

Q15 Describe any type of housing assistance your company offers to its employees (e.g. down payment assistance, housing subsidy, etc.). If none are offered, please state “none”.

Answered: 11 Skipped: 0

Q16 What type of assistance, if any, would you consider providing to your employees to assist them with housing? (Select all that apply)

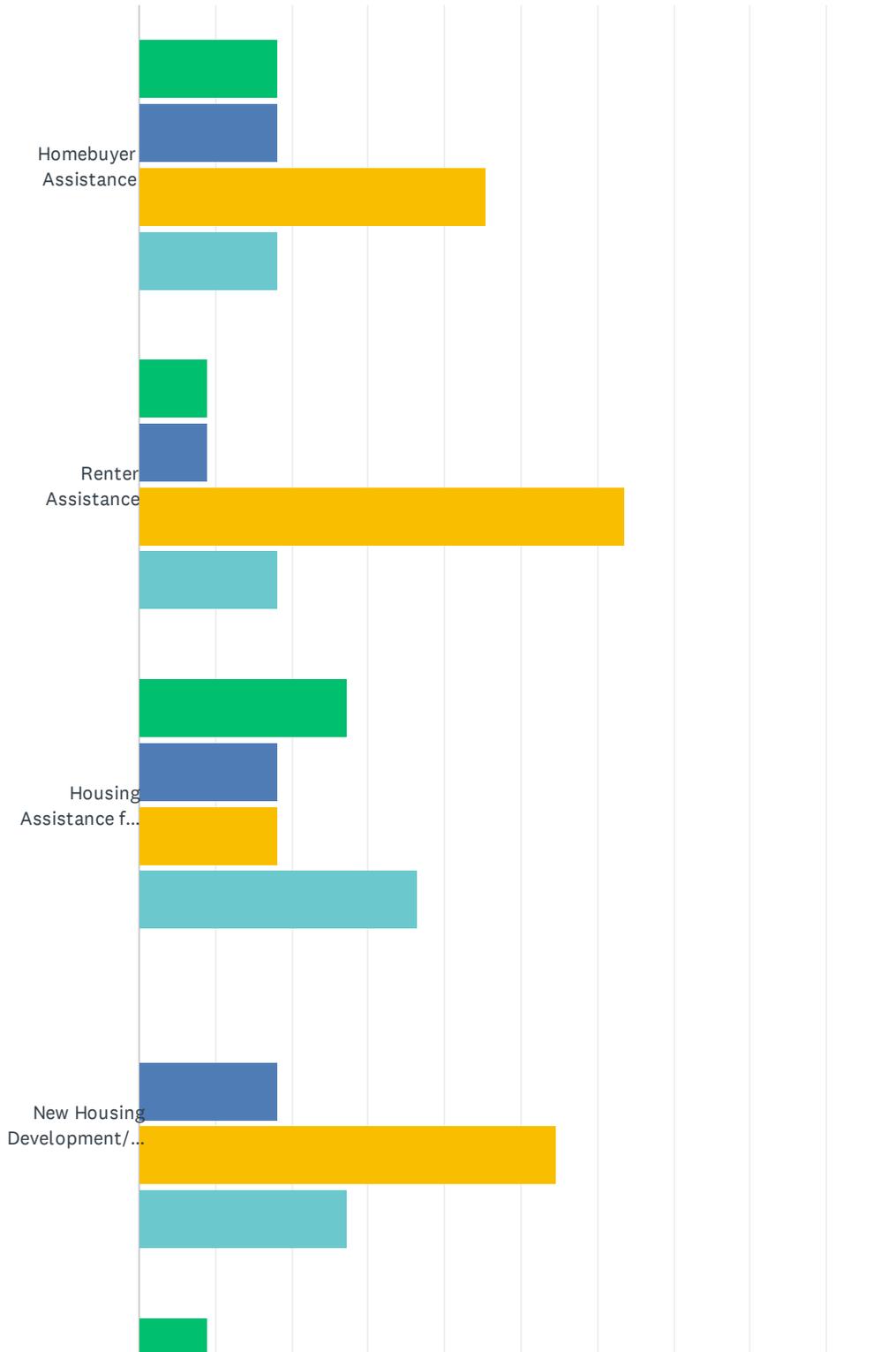
Answered: 11 Skipped: 0



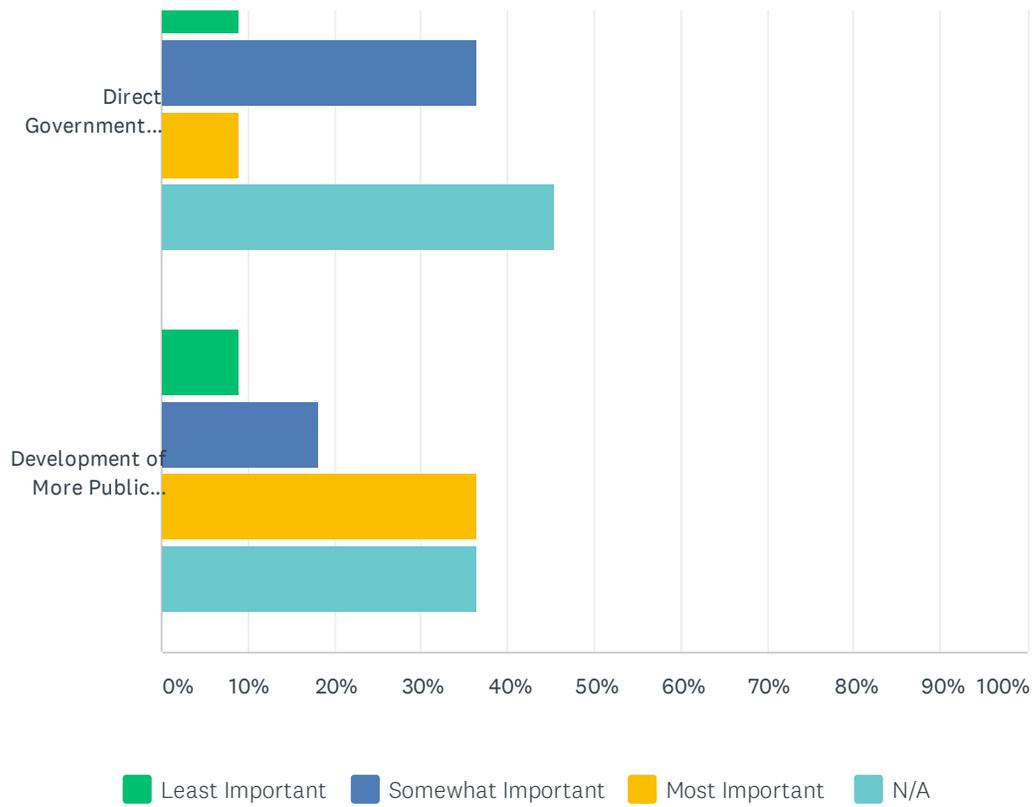
ANSWER CHOICES	RESPONSES	
Homebuyer Downpayment Assistance	0.00%	0
Rental Assistance	27.27%	3
Housing Relocation Services	36.36%	4
Housing Relocation Reimbursement	45.45%	5
Partnering In/Developing Employee Housing	27.27%	3
None	36.36%	4
Other (please specify)	18.18%	2
Total Respondents: 11		

Q17 What is the level of importance for the area of focus of any future government housing programs, policies or incentives that could be implemented to assist employees with housing or addressing the market's housing issues?

Answered: 11 Skipped: 0



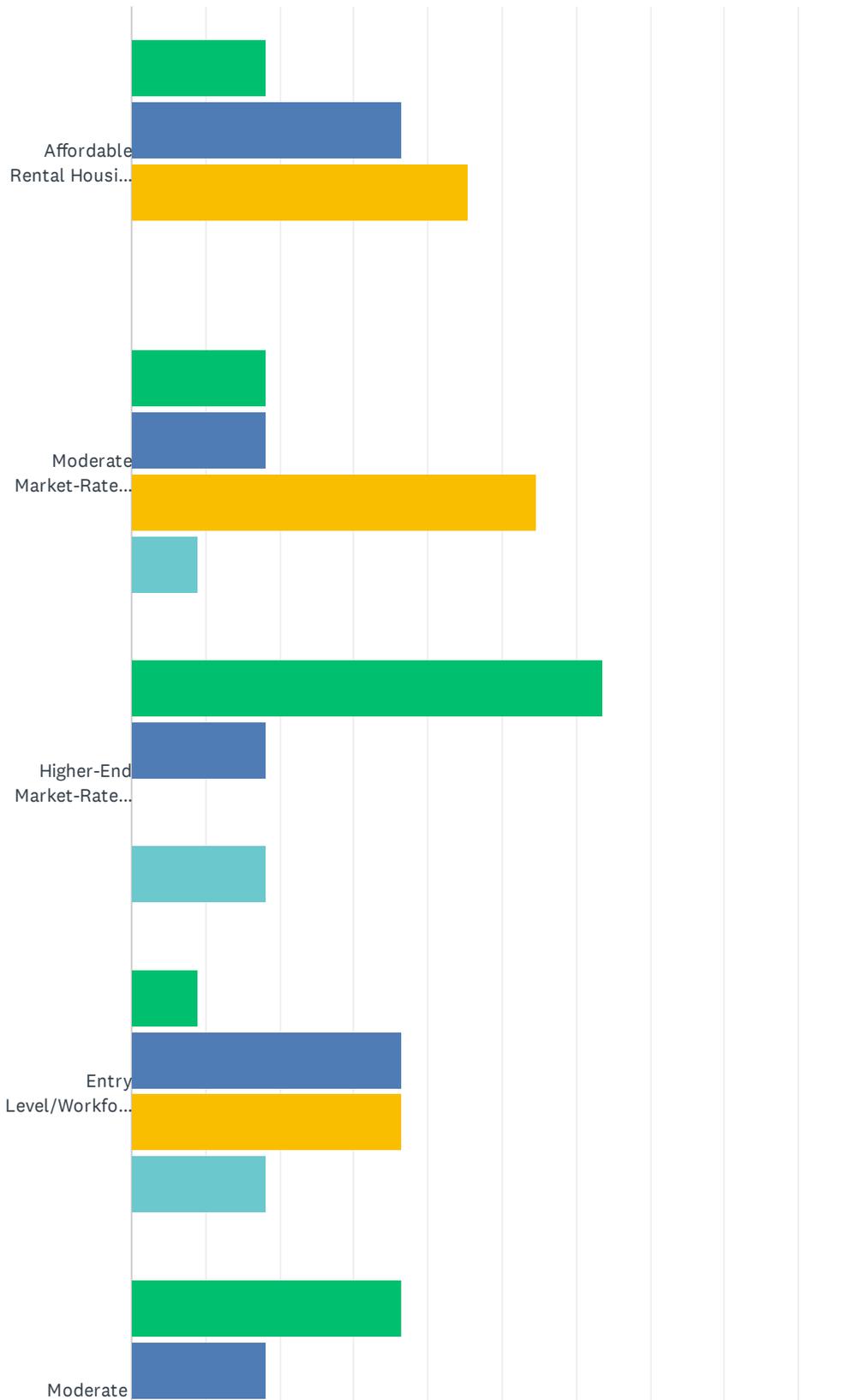
Carteret County, NC Employer Survey



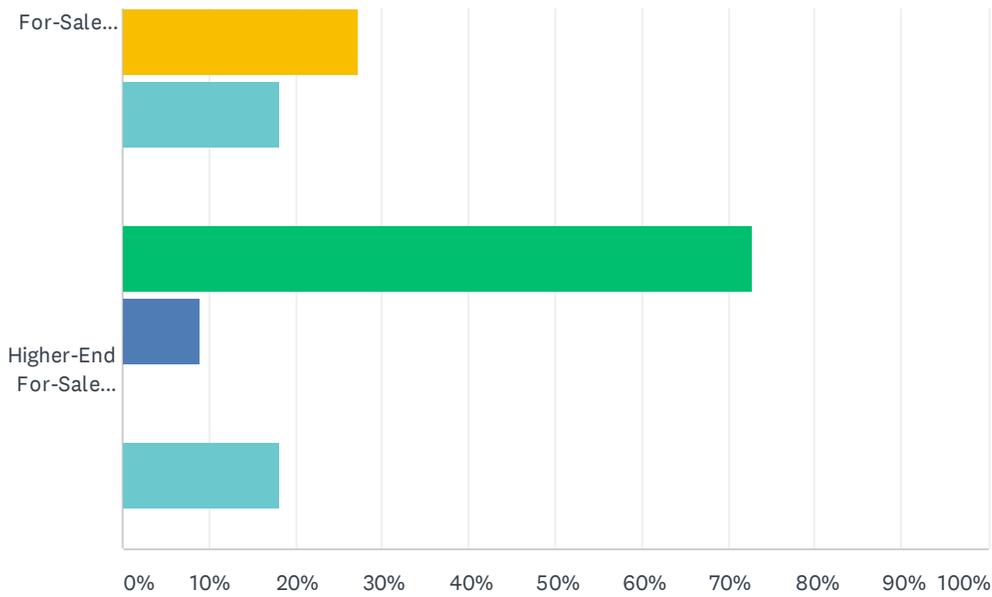
	LEAST IMPORTANT	SOMEWHAT IMPORTANT	MOST IMPORTANT	N/A	TOTAL	WEIGHTED AVERAGE
Homebuyer Assistance	18.18% 2	18.18% 2	45.45% 5	18.18% 2	11	2.33
Renter Assistance	9.09% 1	9.09% 1	63.64% 7	18.18% 2	11	2.67
Housing Assistance for Public Employees (Police, Fire, Teachers, Etc.)	27.27% 3	18.18% 2	18.18% 2	36.36% 4	11	1.86
New Housing Development/ Redevelopment	0.00% 0	18.18% 2	54.55% 6	27.27% 3	11	2.75
Direct Government Investment in Land for Workforce Housing (Land Banking)	9.09% 1	36.36% 4	9.09% 1	45.45% 5	11	2.00
Development of More Public Housing	9.09% 1	18.18% 2	36.36% 4	36.36% 4	11	2.43

Q18 Rank the degree of need for housing for your employees in terms of product pricing.

Answered: 11 Skipped: 0



Carteret County, NC Employer Survey

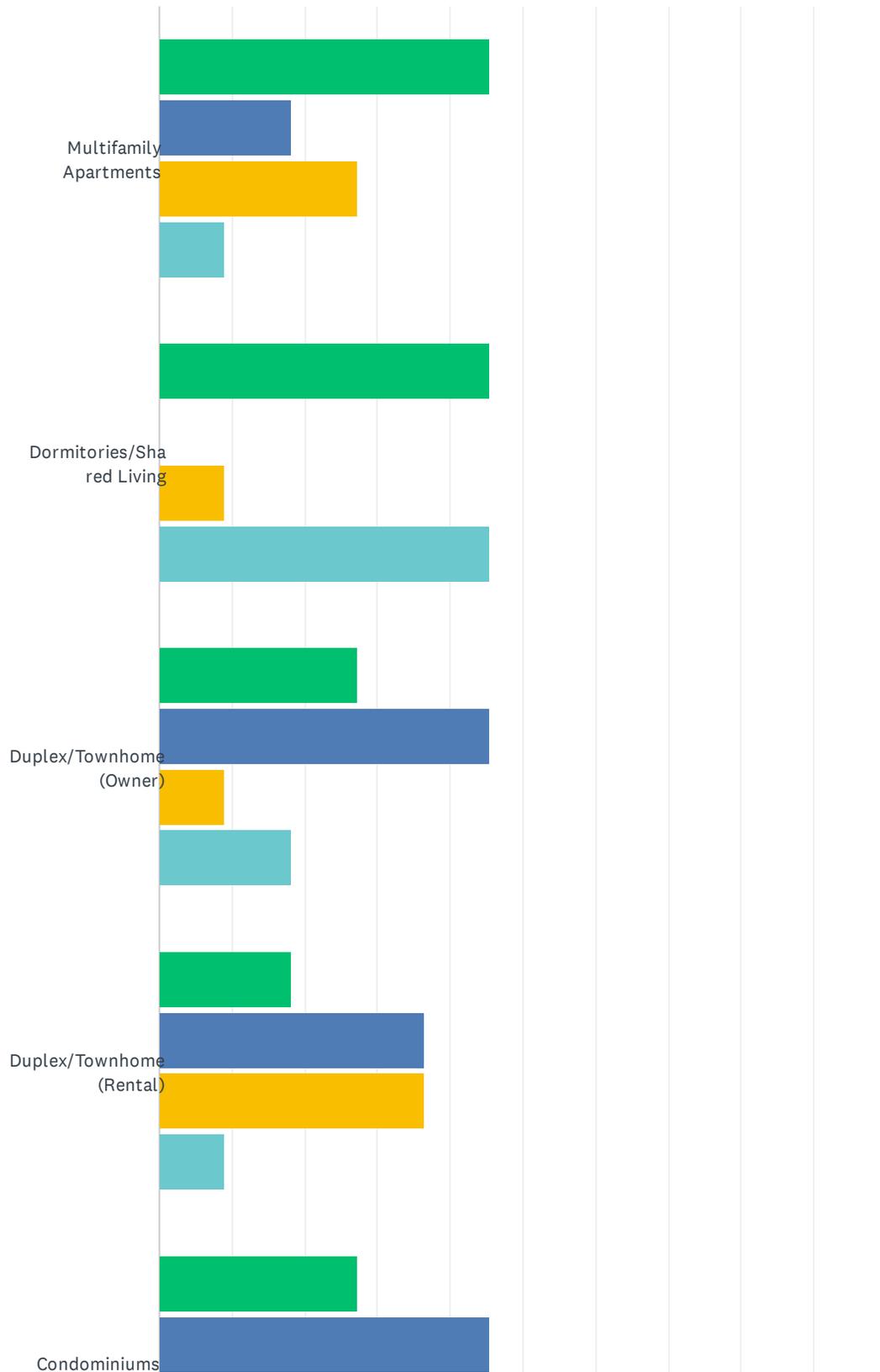


■ Low Need
 ■ Moderate Need
 ■ High Need
 ■ N/A

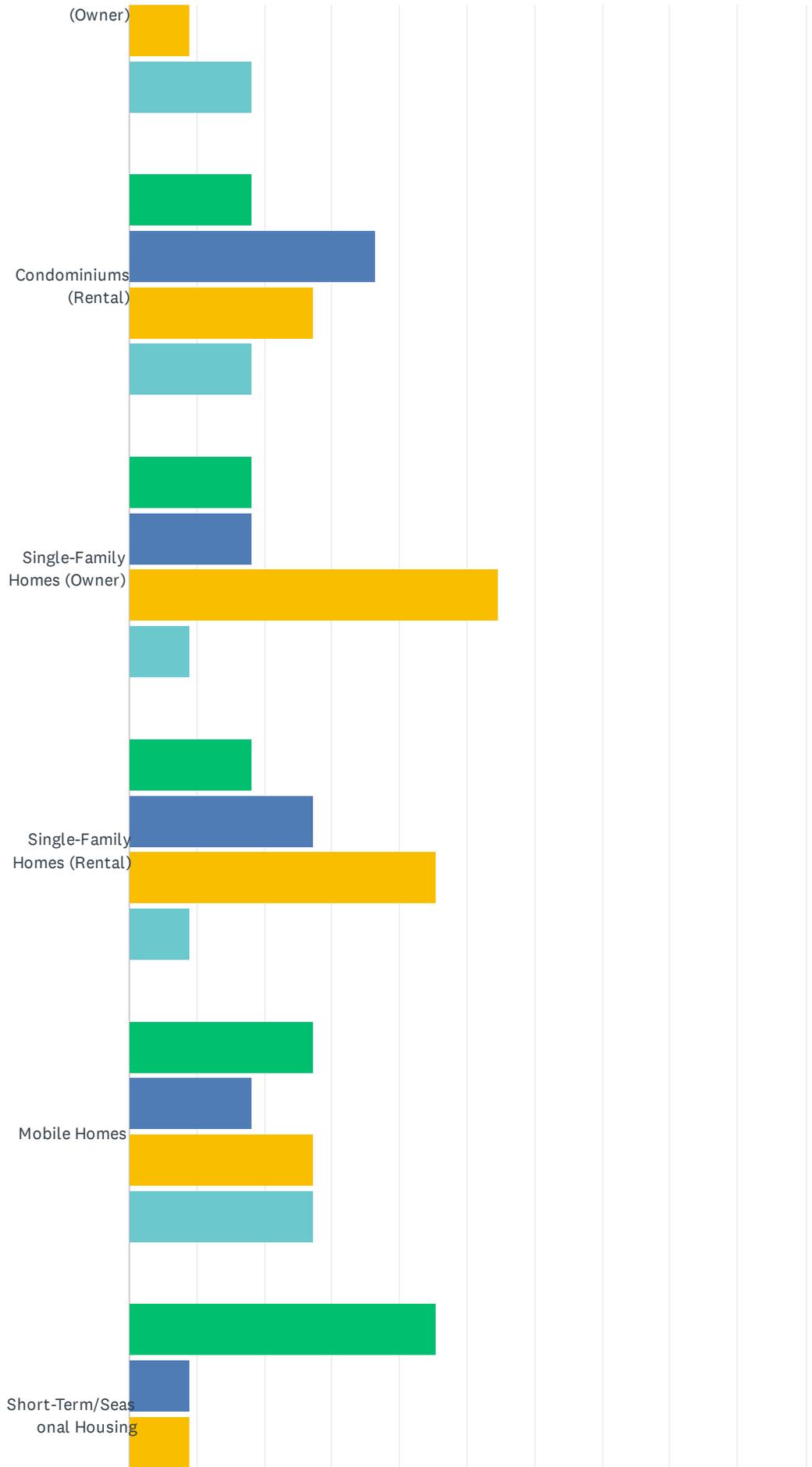
	LOW NEED	MODERATE NEED	HIGH NEED	N/A	TOTAL	WEIGHTED AVERAGE
Affordable Rental Housing (Under \$750/month)	18.18% 2	36.36% 4	45.45% 5	0.00% 0	11	2.27
Moderate Market-Rate Rental Housing (\$750-\$1,250/month)	18.18% 2	18.18% 2	54.55% 6	9.09% 1	11	2.40
Higher-End Market-Rate Rental Housing (Above \$1,250/month)	63.64% 7	18.18% 2	0.00% 0	18.18% 2	11	1.22
Entry Level/Workforce For-Sale Housing (Below \$200,000)	9.09% 1	36.36% 4	36.36% 4	18.18% 2	11	2.33
Moderate For-Sale Housing (\$200,000-\$300,000)	36.36% 4	18.18% 2	27.27% 3	18.18% 2	11	1.89
Higher-End For-Sale Housing (Above \$300,000)	72.73% 8	9.09% 1	0.00% 0	18.18% 2	11	1.11

Q19 Rank the degree of need for housing for your employees in terms of product type.

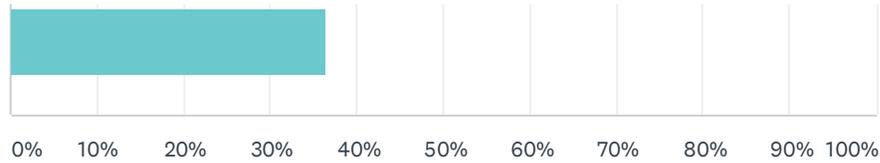
Answered: 11 Skipped: 0



Carteret County, NC Employer Survey



Carteret County, NC Employer Survey



■ Low Need
 ■ Moderate Need
 ■ High Need
 ■ N/A

	LOW NEED	MODERATE NEED	HIGH NEED	N/A	TOTAL	WEIGHTED AVERAGE
Multifamily Apartments	45.45% 5	18.18% 2	27.27% 3	9.09% 1	11	1.80
Dormitories/Shared Living	45.45% 5	0.00% 0	9.09% 1	45.45% 5	11	1.33
Duplex/Townhome (Owner)	27.27% 3	45.45% 5	9.09% 1	18.18% 2	11	1.78
Duplex/Townhome (Rental)	18.18% 2	36.36% 4	36.36% 4	9.09% 1	11	2.20
Condominiums (Owner)	27.27% 3	45.45% 5	9.09% 1	18.18% 2	11	1.78
Condominiums (Rental)	18.18% 2	36.36% 4	27.27% 3	18.18% 2	11	2.11
Single-Family Homes (Owner)	18.18% 2	18.18% 2	54.55% 6	9.09% 1	11	2.40
Single-Family Homes (Rental)	18.18% 2	27.27% 3	45.45% 5	9.09% 1	11	2.30
Mobile Homes	27.27% 3	18.18% 2	27.27% 3	27.27% 3	11	2.00
Short-Term/Seasonal Housing	45.45% 5	9.09% 1	9.09% 1	36.36% 4	11	1.43

Q20 Do you have any additional comments regarding housing issues and needs that impact employees within Carteret County?

Answered: 8 Skipped: 3

Addendum G: Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study includes the highest standards. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has national experience and knowledge to assist in evaluating a variety of product types and markets.

Primary Contact and Report Author



Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing

agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Trustee of the National Council of Housing Market Analysts (NCHMA).

Housing Needs Assessment Experience		
Location	Client	Completion Year
Lake County, MI	FiveCap, Inc.	2011
Greene County, PA	Greene County Department of Economic Development	2011
Pittsburgh, PA	Hill House Economic Development Corporation	2011
Rock Island, IL	Rock Island Housing Authority	2013
Morgantown, WV	Main Street Morgantown	2013
Springfield, IL	The Greater Springfield Chamber of Commerce	2013
Spring Lake, NC	Cumberland County Community Development	2014
Joplin, MO	City of Joplin, Planning & Community Development Department	2014
Fort Wayne, IN	City of Fort Wayne Office of Housing & Neighborhood Services	2014
Nederland, CO	Town of Nederland, Colorado	2014
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2014
Statewide, VT	Vermont Department of Housing & Community Development	2015
Asheville, NC	City of Asheville Community and Economic Development Department	2015
Charleston, WV	Charleston Area Alliance	2015
Cleveland, OH	Detroit Shoreway Community Development Organization	2015
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2015
Penobscot Nation Reservation, ME	Penobscot Nation Housing Department	2016

(Continued)

Housing Needs Assessment Experience		
Location	Client	Completion Year
Preble County, OH	H.I.T. Foundation	2016
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2016
Canonsburg, PA	MV Residential Development LLC	2017
Harrisburg, PA	MV Residential Development LLC	2017
Spokane Indian Reservation, WA	Spokane Indian Housing Authority	2017
St. Johnsbury, VT	Town of St. Johnsbury	2017
Yellow Springs, OH	Village of Yellow Springs	2017
Dublin, GA	City of Dublin Purchasing Departments	2018
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2018
Beaufort County, SC	Beaufort County	2018
Burke County, NC	Burke County Board of REALTORS	2018
Ottawa County, MI	HOUSING NEXT	2018
Bowling Green, KY	City of Bowling Green Kentucky	2019
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2019
Zanesville, OH	City of Zanesville Department of Community Development	2019
Buncombe County, NC	City of Asheville Community and Economic Development Department	2019
Cleveland County, NC	Cleveland County Government	2019
Frankstown Twp., PA	Woda Cooper Companies, Inc.	2019
Taylor County, WV	Taylor County Development Authority	2019
Lac Courte Oreilles Reservation, WI	Lac Courte Oreilles Ojibwa Community College	2019
Owensboro, KY	City of Owensboro	2019
Asheville, NC	City of Asheville Community and Economic Development Department	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2020
Youngstown, OH	Youngstown Neighborhood Development Corporation (YNDC)	2020
Richlands, VA	Town of Richlands, Virginia	2020
Elkin, NC	Elkin Economic Development Department	2020
Grand Rapids, MI	Grand Rapids Area Chamber of Commerce	2020
Morgantown, WV	City of Morgantown	2020
Erwin, TN	Unicoi County Economic Development Board	2020
Ferrum, VA	County of Franklin (Virginia)	2020
Charleston, WV	Charleston Area Alliance	2020
Wilkes County, NC	Wilkes Economic Development Corporation	2020
Oxford, OH	City of Oxford - Community Development Department	2020
New Hanover County, NC	New Hanover County Finance Department	2020
Ann Arbor, MI	Smith Group, Inc.	2020
Austin, IN	Austin Redevelopment Commission	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2021
Giddings, TX	Giddings Economic Development Corporation	2021
Georgetown County, SC	Georgetown County	2021

The following individuals provided research and analysis assistance:

Christopher T. Bunch, Market Analyst, has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

June Davis, Office Manager of Bowen National Research, has 31 years of experience in market feasibility research. Ms. Davis has overseen production on over 25,000 market studies for projects throughout the United States.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Jody LaCava, Market Analyst, has researched housing trends throughout the United States since 2012. She is knowledgeable about various rental housing programs and for-sale housing development. In addition, she is able to analyze economic trends and pipeline data, as well as conduct in-depth interviews with local stakeholders and property managers.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

No subconsultants were used as part of this assessment.

Addendum H: Glossary

Various key terms associated with issues and topics evaluated in this report are used throughout this document. The following provides a summary of the definitions for these key terms. It is important to note that the definitions cited below include the source of the definition, when applicable. Those definitions that were not cited originated from the National Council of Housing Market Analysts (NCHMA).

Area Median Household Income (AMHI) is the median income for families in metropolitan and non-metropolitan areas, used to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80% of the area median income, a common maximum income level for participation in HUD programs. (Bowen National Research, Various Sources)

Available rental housing is any rental product that is currently available for rent. This includes any units identified through Bowen National Research survey of over 100 affordable rental properties identified in the study areas, published listings of available rentals, and rentals disclosed by local realtors or management companies.

Basic Rent is the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and the HUD Section 223 (d) (3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Contract Rent is (1) the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease (HUD & RD) or (2) the monthly rent agreed to between a tenant and a landlord (Census).

Cost overburdened households are those renter households that pay more than 30% or 35% (depending upon source) of their annual household income toward rent. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a rent burden.

Elderly Person is a person who is at least 62 years of age as defined by HUD.

Elderly or Senior Housing is housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low-income is a person or household with income below 30% of Area Median Income adjusted for household size.

Fair Market Rent (FMR) are the estimates established by HUD of the gross rents (contract rent plus tenant paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Frail Elderly is a person who is at least 62 years of age and is unable to perform at least three “activities of daily living” comprising of eating, bathing, grooming, dressing or home management activities as defined by HUD.

Garden apartments are apartments in low-rise buildings (typically two to four stories) that feature low density, ample open space around buildings, and on-site parking.

Gross Rent is the monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all tenant paid utilities.

Household is one or more people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher (Section 8 Program) is a Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant’s contribution of 30% of adjusted gross income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant’s income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing unit is a house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Section 8 Program is a federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants’ adjusted income.

HUD Section 202 Program is a federal program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of the Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 236 Program is a federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of Area Median Income who pay rent equal to the greater of Basic Rent or 30% of their adjusted income. All rents are capped at a HUD approved market rent.

HUD Section 811 Program is a federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

Income Limits are the Maximum Household Income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI.

Low-Income Household is a person or household with gross household income between 50% and 80% of Area Median Income adjusted for household size.

Low-Income Housing Tax Credit is a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 80% or less of Area Median Income, and that the rents on these units be restricted accordingly.

Market vacancy rate (physical) is the average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage. Bowen National Research considers only these vacant units in its rental housing survey.

Mixed income property is an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low-income tax credit property with income limits of 30%, 50% and 60%).

Moderate Income is a person or household with gross household income between 40% and 60% of Area Median Income adjusted for household size.

Multifamily are structures that contain more than two housing units.

New owner-occupied household growth within a market is a primary demand component for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2020 and 2025. The 2010 households by income level are based on ESRI estimates applied to 2010 Census estimates of total households for each study area. The 2020 and 2025 estimates are based on growth projections by income level by ESRI. The difference between the two household estimates represents the new owner-occupied households that are projected to be added to a study area between 2020 and 2025. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

Non-Conventional Rentals are structures with four or fewer rental units.

Overcrowded housing is often considered housing units with 1.01 or more persons per room. These units are often occupied by multi-generational families or large families that are in need of more appropriately sized and affordable housing units. For the purposes of this analysis, we have used the share of overcrowded housing from the American Community Survey.

Pipeline housing is housing that is currently under construction or is planned or proposed for development. We identified pipeline housing during our telephone interviews with local and county planning departments and through a review of published listings from housing finance entities such as NCHFA, HUD and USDA.

Population trends are changes in population levels for a particular area over a specific period of time which is a function of the level of births, deaths, and net migration.

Potential support is the equivalent to the *housing gap* referenced in this report. The *housing gap* is the total demand from eligible households that live in certain housing conditions (described in Section VIII of this report) less the available or planned housing stock that was inventoried within each study area.

Project-based rent assistance is rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low-Income Conventional Public Housing is a HUD program administered by local (or regional) Housing Authorities which serves Low- and Very Low-Income households with rent based on the same formula used for HUD Section 8 assistance.

Rent burden is gross rent divided by adjusted monthly household income.

Rent burdened households are households with rent burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

Replacement of functionally obsolete housing is a demand consideration in most established markets. Given the limited development of new housing units in the study area, homebuyers are often limited to choosing from the established housing stock, much of which is considered old and/or often in disrepair and/or functionally obsolete. There are a variety of ways to measure functionally obsolete housing and to determine the number of units that should be replaced. For the purposes of this analysis, we have applied the highest share of any of the following three metrics: cost burdened households, units lacking complete plumbing facilities, and overcrowded units. This resulting housing replacement ratio is then applied to the existing (2020) owner-occupied housing stock to estimate the number of for-sale units that should be replaced in the study areas.

Restricted rent is the rent charged under the restrictions of a specific housing program or subsidy.

Single-Family Housing is a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Standard Condition: A housing unit that meets HUD's Section 8 Housing Quality Standards.

Subsidized Housing is housing that operates with a government subsidy often requiring tenants to pay up to 30% of their adjusted gross income toward rent and often limiting eligibility to households with incomes of up to 50% or 80% of the Area Median Household Income. (Bowen National Research)

Subsidy is monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.

Substandard housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and in disrepair that it should be replaced. For the purposes of this analysis, we have used the share of households living in substandard housing from the American Community Survey.

Substandard conditions are housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Tenant is one who rents real property from another.

Tenant paid utilities are the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Tenure is the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) is a single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Vacancy Rate – Economic Vacancy Rate (physical) is the maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Very Low-Income Household is a person or household with gross household income between 30% and 50% of Area Median Income adjusted for household size.

Windshield Survey references an on-site observation of a physical property or area that considers only the perspective viewed from the "windshield" of a vehicle. Such a survey does not include interior inspections or evaluations of physical structures.