

City of Hendersonville

November 18, 2024

# Housing Needs Assessment

Strategic Housing Plan Steering Committee



# UNC School of Government



UNC Chapel Hill's School of Government is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.



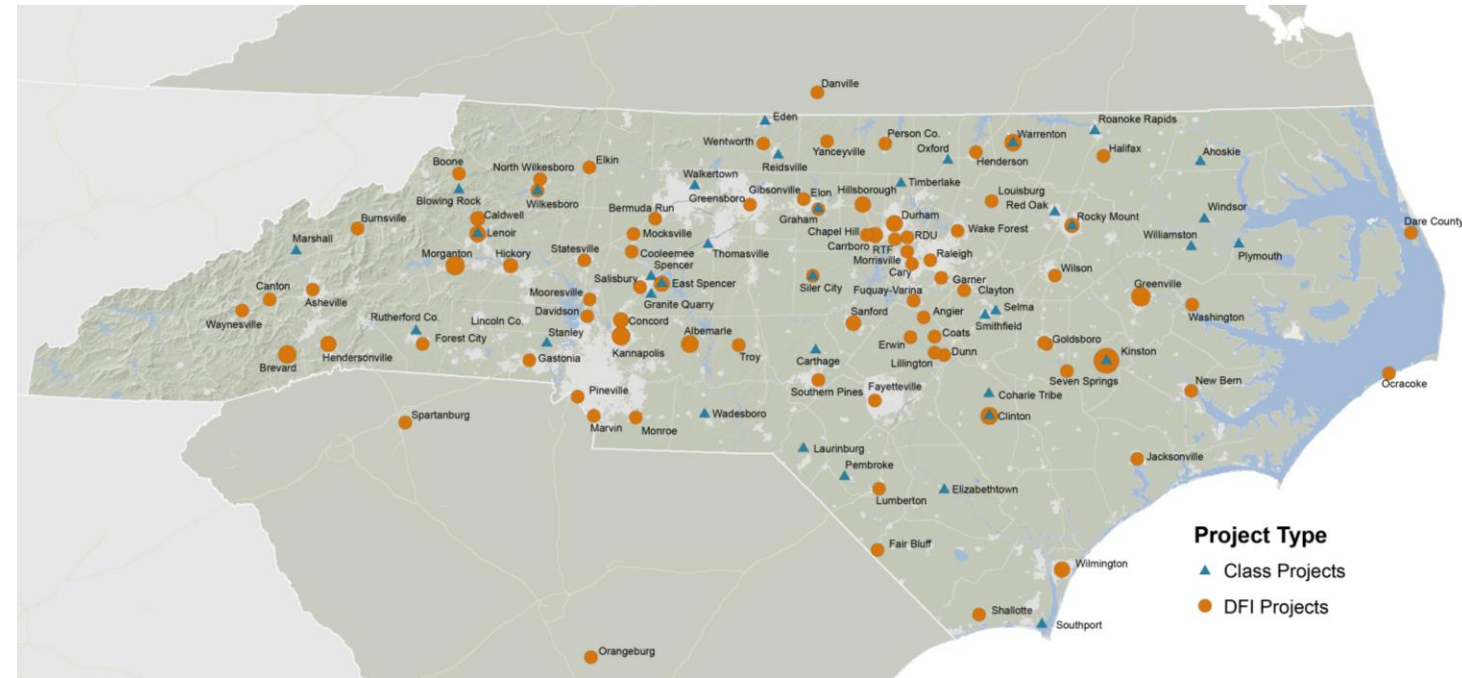
SCHOOL OF GOVERNMENT

## Development Finance Initiative

DFI, a program of UNC Chapel Hill's School of Government (SOG), partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise.

SOG is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.

Values: Nonpartisan, policy-neutral, responsive



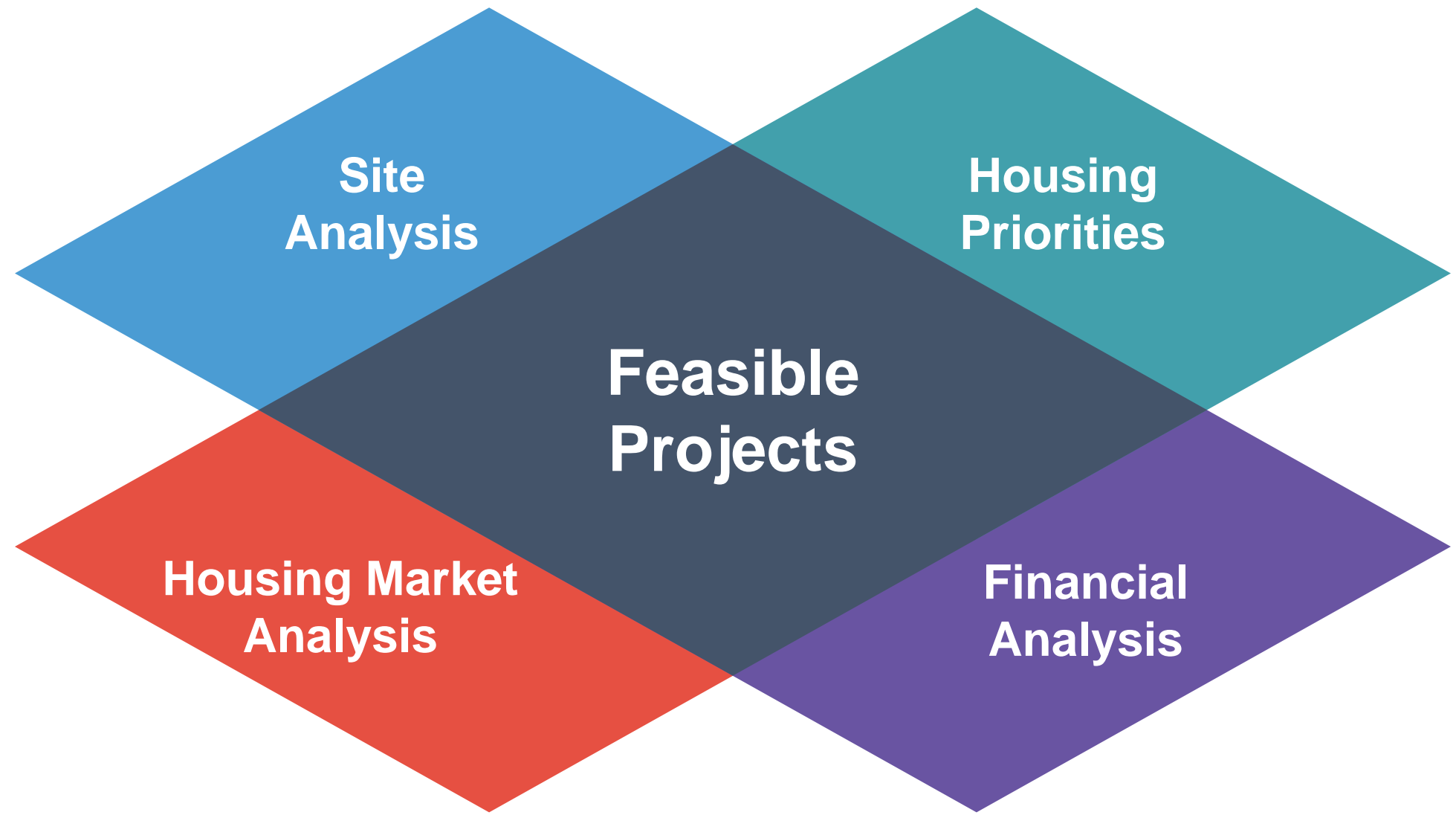
### Project Team

Project Lead: Frank Muraca

Associate Director: Sarah Odio

DFI Director: Marcia Perritt

# DFI Opportunity Site Identification Process



# Stakeholder engagement before Helene

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- Looking Glass Realty
- Henderson County Public Schools
- Interfaith Assistance Ministry
- Hendersonville Housing Authority
- UNC Health Pardee
- WNCSource
- Kimberly Clark Corp
- Elkamet Inc
- Demmel Inc
- Habitat for Humanity
- Providence Construction
- Housing Assistance Corp

# Summary

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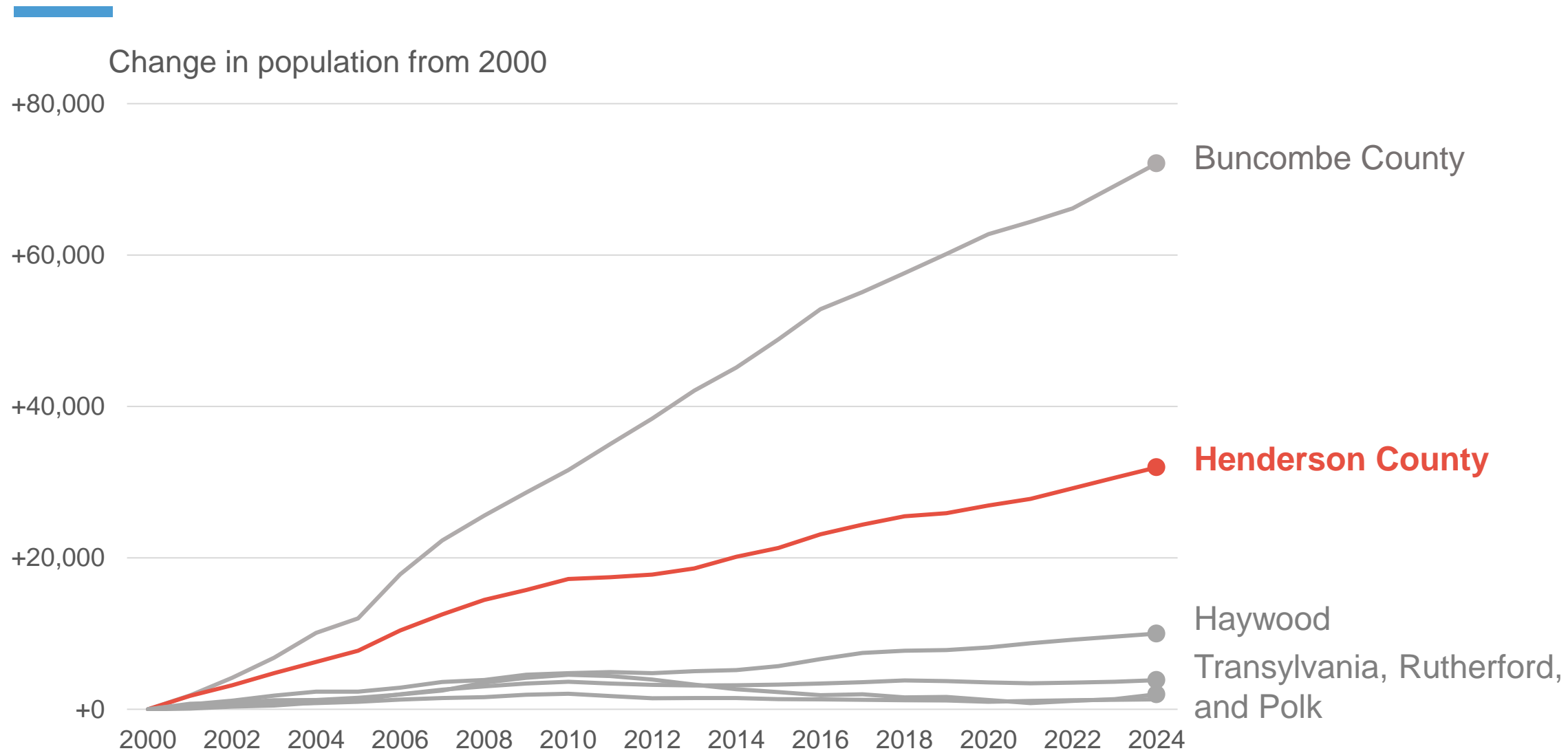
- To meet current and future housing demand, Henderson County needs an estimated 10,000 new housing units within the next five years. At least 2,000 of these units are needed in Hendersonville for low-to-moderate income households.
- Hendersonville's housing supply was constrained even before Hurricane Helene. Over the past decade, household growth in Hendersonville outpaced new housing construction by about 2 to 1, and rental and for-sale vacancies dropped below 2%.
- Various household types in Hendersonville live in unaffordable or low-quality housing, over 80% of which are low-to-moderate income.
- According to state estimates, approximately 126,000 housing units were damaged by Hurricane Helene across western North Carolina. Within the city, the lowest income neighborhoods have the greatest exposure to flood hazards.

# Hendersonville in regional context





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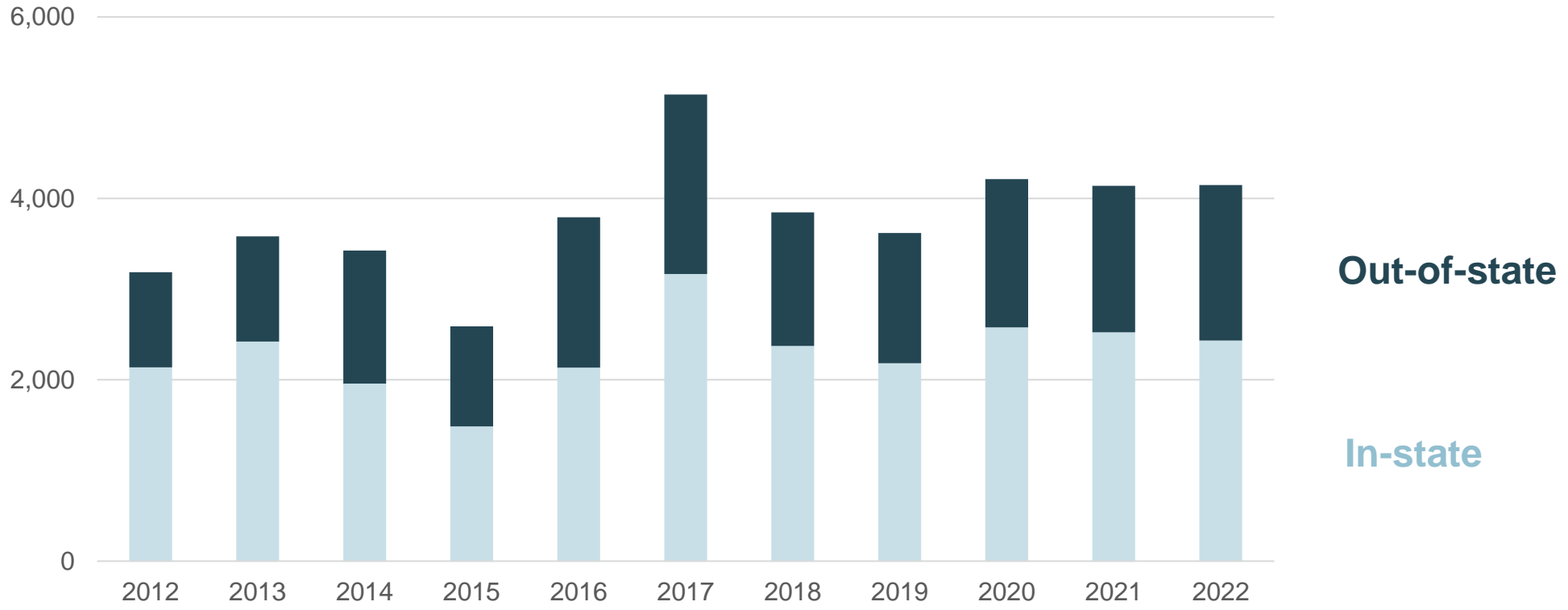
Source: NC OSBM



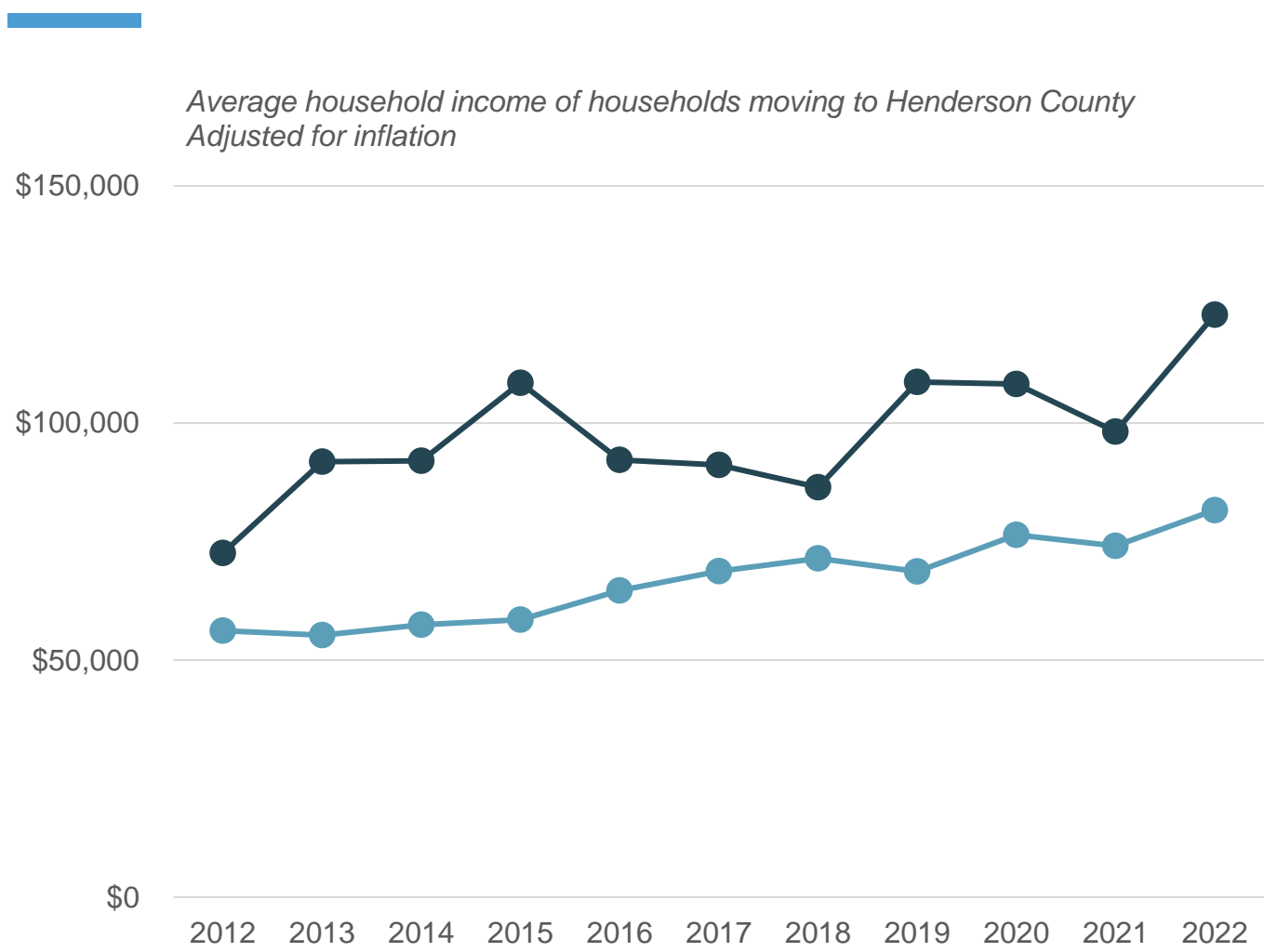
# In recent years, 40% of households moving to Henderson County are from out-of-state



*Households moving to Henderson County from:*



# Households moving from out-of-state have higher incomes than in-state households



The average household income of households moving from out-of-state in 2022 was over \$120,000.

Households moving from in-state have average household incomes of \$80,000.

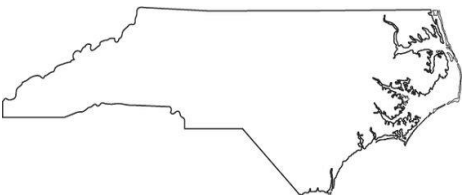
Source: IRS SOI

# Nearly half of Hendersonville households are over 65 years old

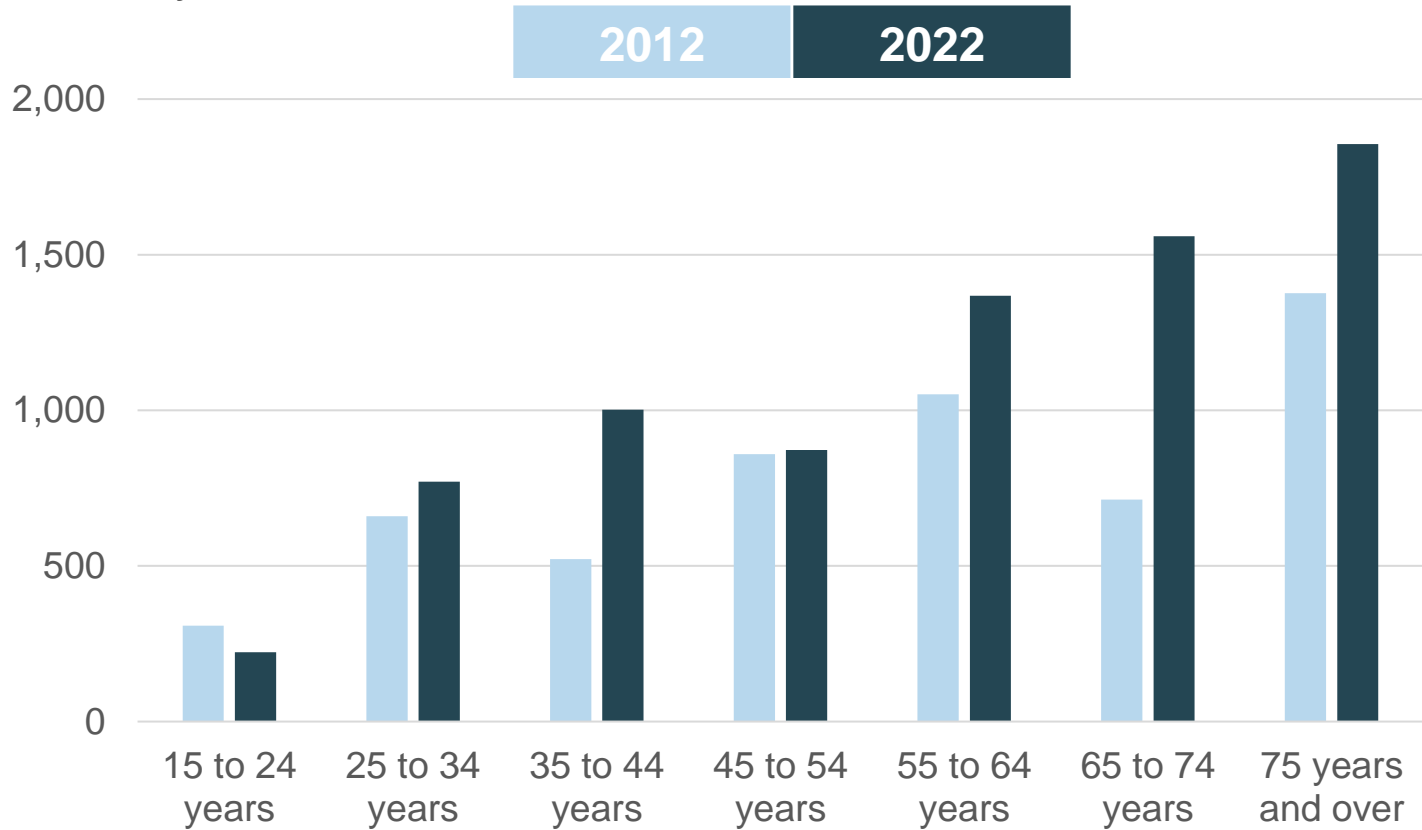
# 45%

## Households in Hendersonville over the age of 65

Statewide: 26%



Number of households by age bracket  
City of Hendersonville



Source: ACS 2012, 2022 (5-Year Estimates)

# Housing Needs



# Who is “Low-Income” in Hendersonville?

AMI for Four-Person Household: \$86,100

| AMI  | One Person | Two Person | Three Person | Four Person |
|------|------------|------------|--------------|-------------|
| 100% | \$65,400   | \$74,800   | \$84,100     | \$86,100    |
| 80%  | \$52,320   | \$59,840   | \$67,280     | \$74,800    |
| 60%  | \$39,240   | \$44,880   | \$50,460     | \$56,100    |
| 50%  | \$32,700   | \$37,400   | \$42,050     | \$46,750    |
| 30%  | \$19,620   | \$22,440   | \$25,230     | \$28,050    |

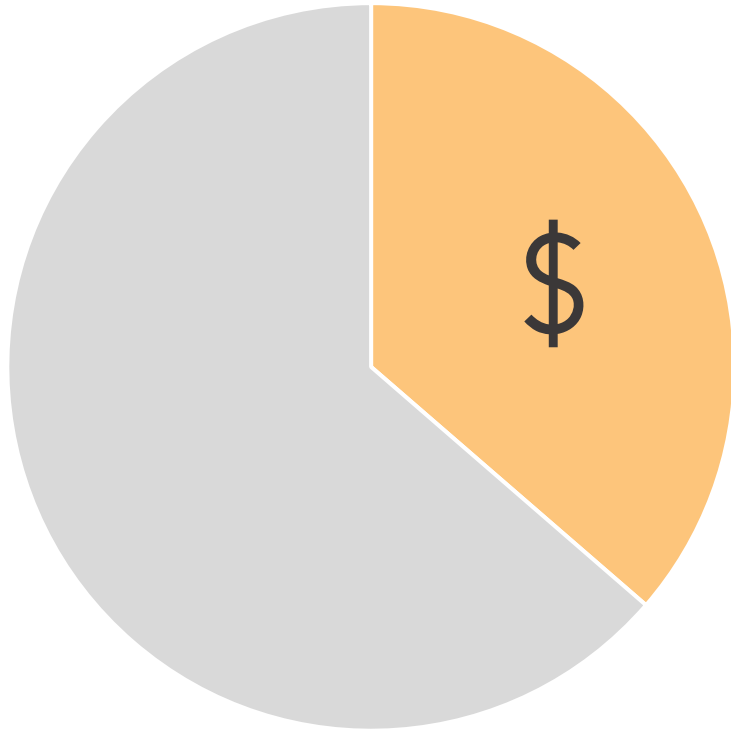
Source: HUD 2024 for Asheville MSA

# Affordable Housing Costs by AMI

| AMI  | Studio  | 1 Bedroom | 2 Bedroom | 3 Bedroom |
|------|---------|-----------|-----------|-----------|
| 100% | \$1,635 | \$1,753   | \$2,103   | \$2,430   |
| 80%  | \$1,308 | \$1,402   | \$1,682   | \$1,944   |
| 60%  | \$981   | \$1,051   | \$1,261   | \$1,458   |
| 50%  | \$817   | \$876     | \$1,051   | \$1,215   |
| 30%  | \$490   | \$525     | \$630     | \$729     |

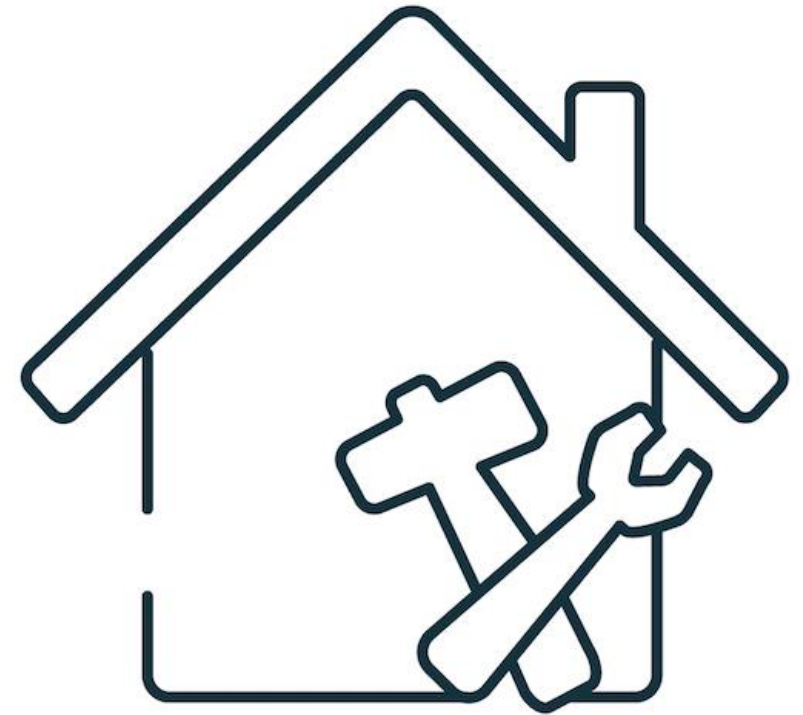
# Housing need is both **cost** and **quality**

Households have housing need if housing-related expenses are **more than 30% of the household's income.**



*Housing-related expenses include rent or mortgage payments, plus insurance, and utilities.*

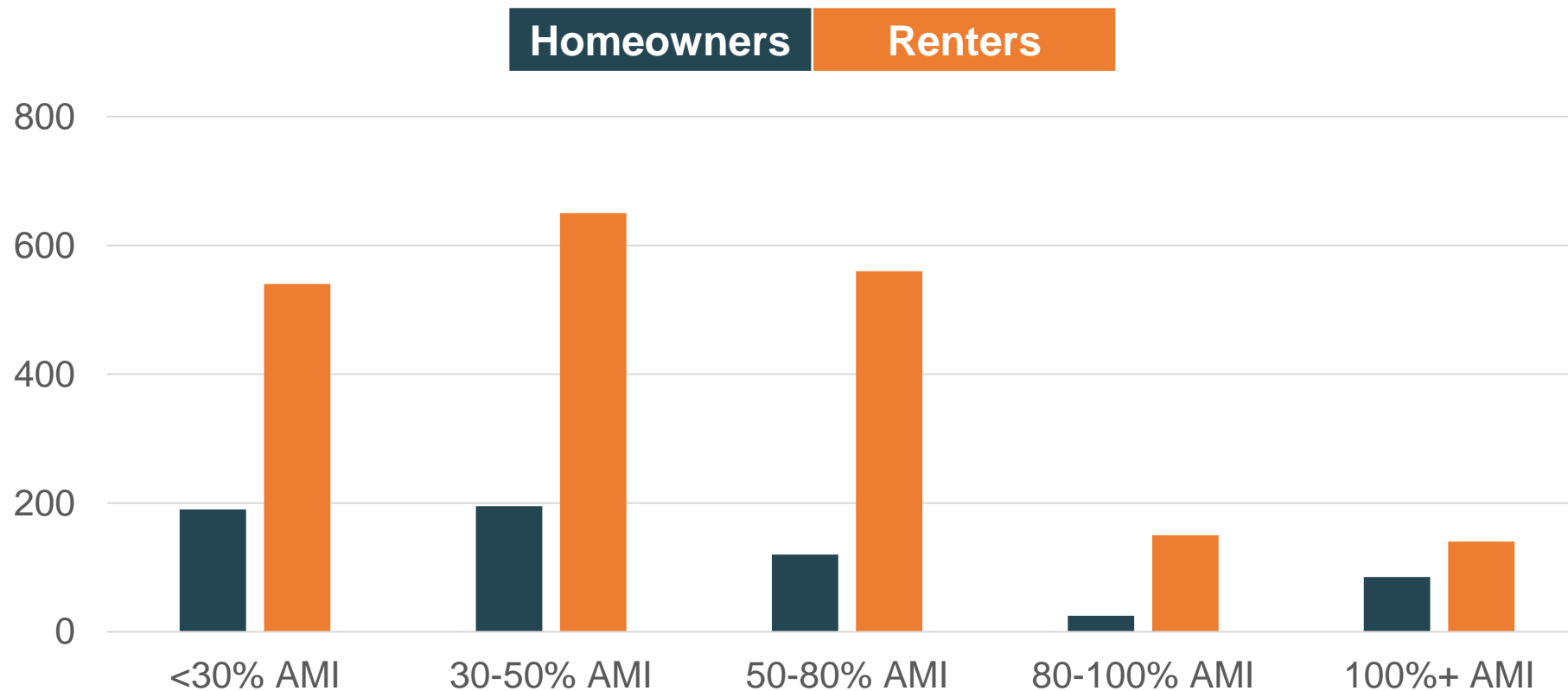
Households have housing needs if they live in **poor quality** or **overcrowded** housing.





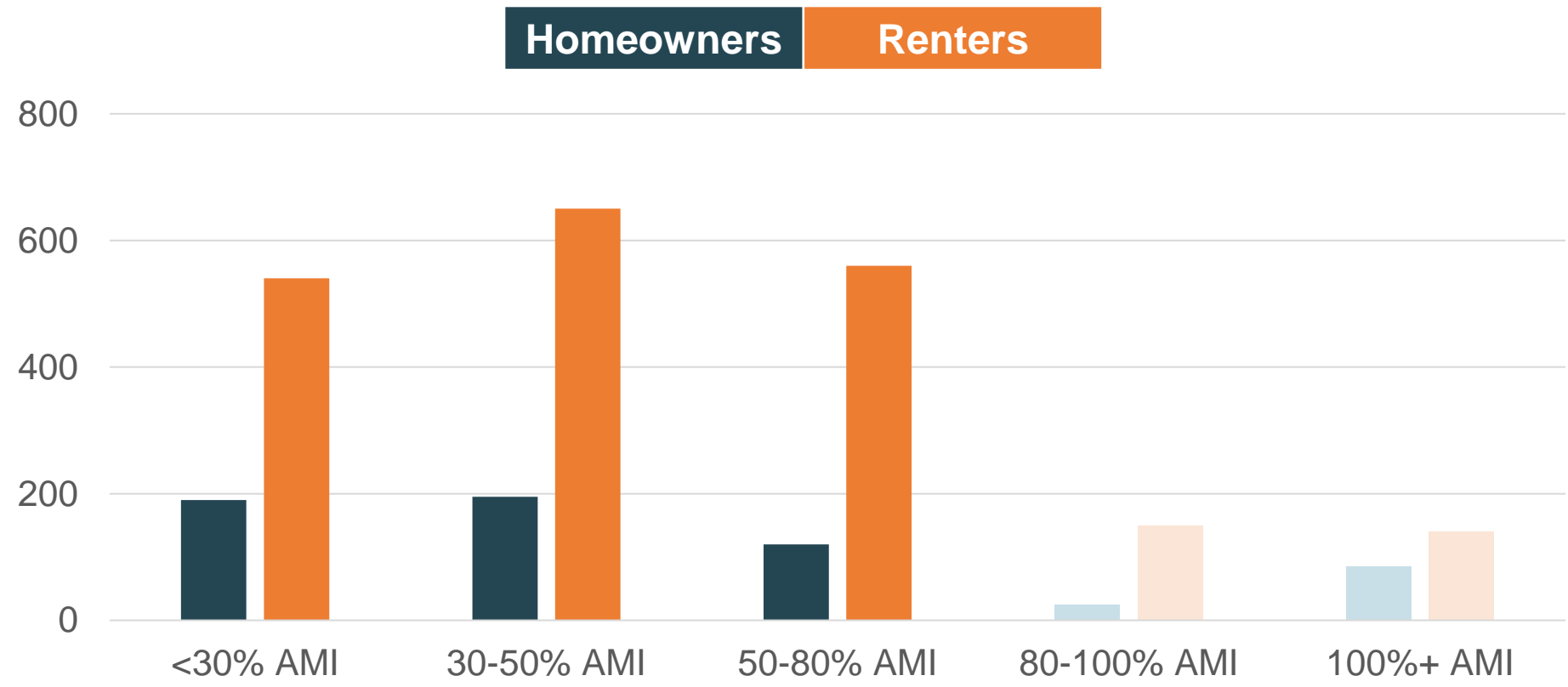
# At least 2,000 renters and 600 homeowners have housing needs in Hendersonville

*Number of Hendersonville households that are cost burdened or living in substandard or overcrowded housing*



# 1,750 renters and 500 homeowners with housing needs are low-to-moderate income

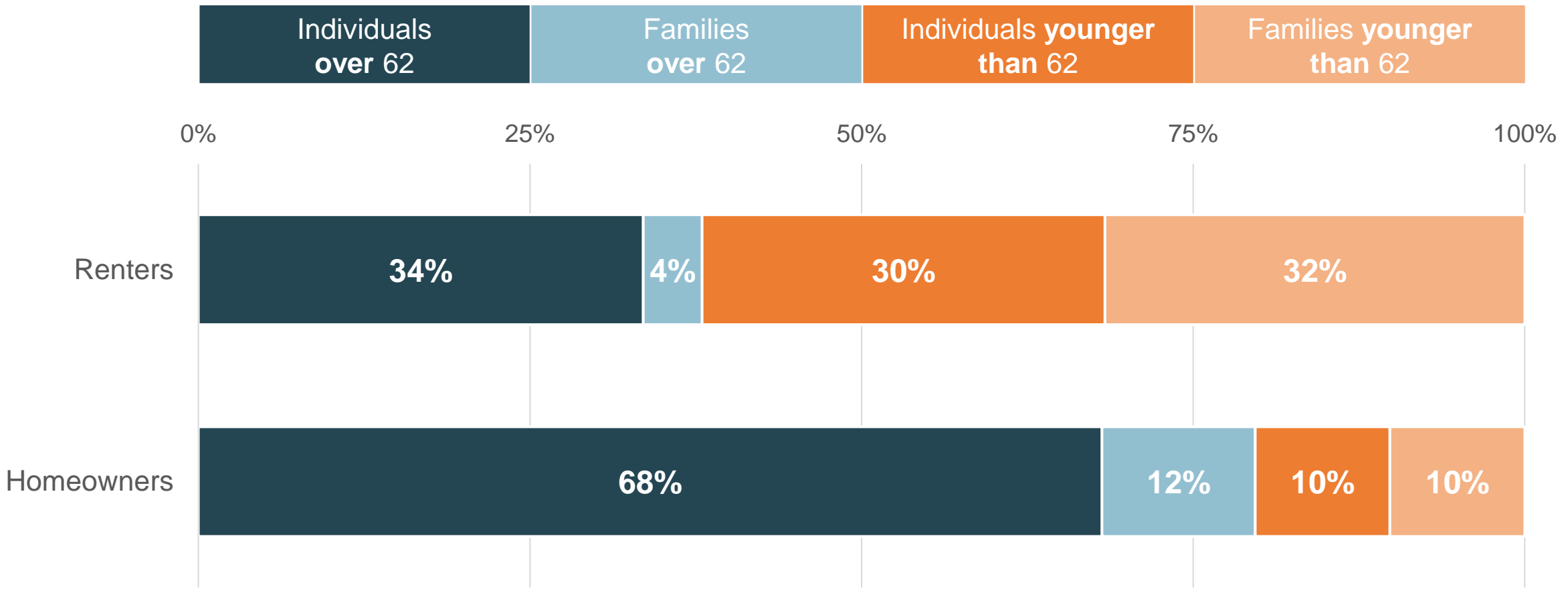
*Number of Hendersonville households that are cost burdened or living in substandard or overcrowded housing*



Source: HUD CHAS 2021

# Various household types in Hendersonville have housing needs

*LMI households with housing need by household type*



Source: HUD CHAS 2021

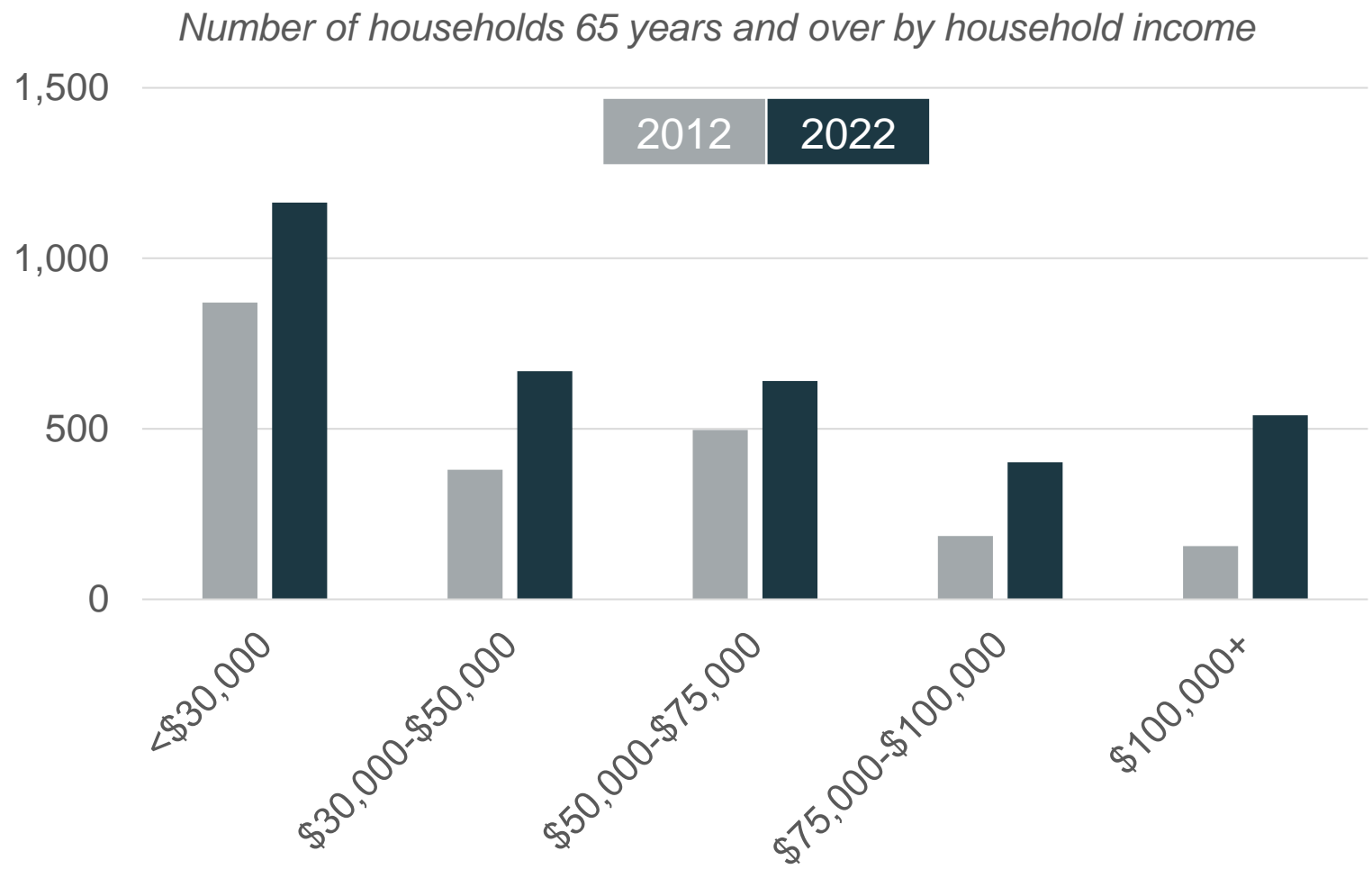
# A third of Hendersonville households over 65 have incomes of \$30,000 or less

**Individuals over 62**



**825**  
Households with housing needs

64%  
Renters



Annual Income including earnings from employment, social security, pensions, retirement income, public assistance, and interest from estates

### Families younger than 62

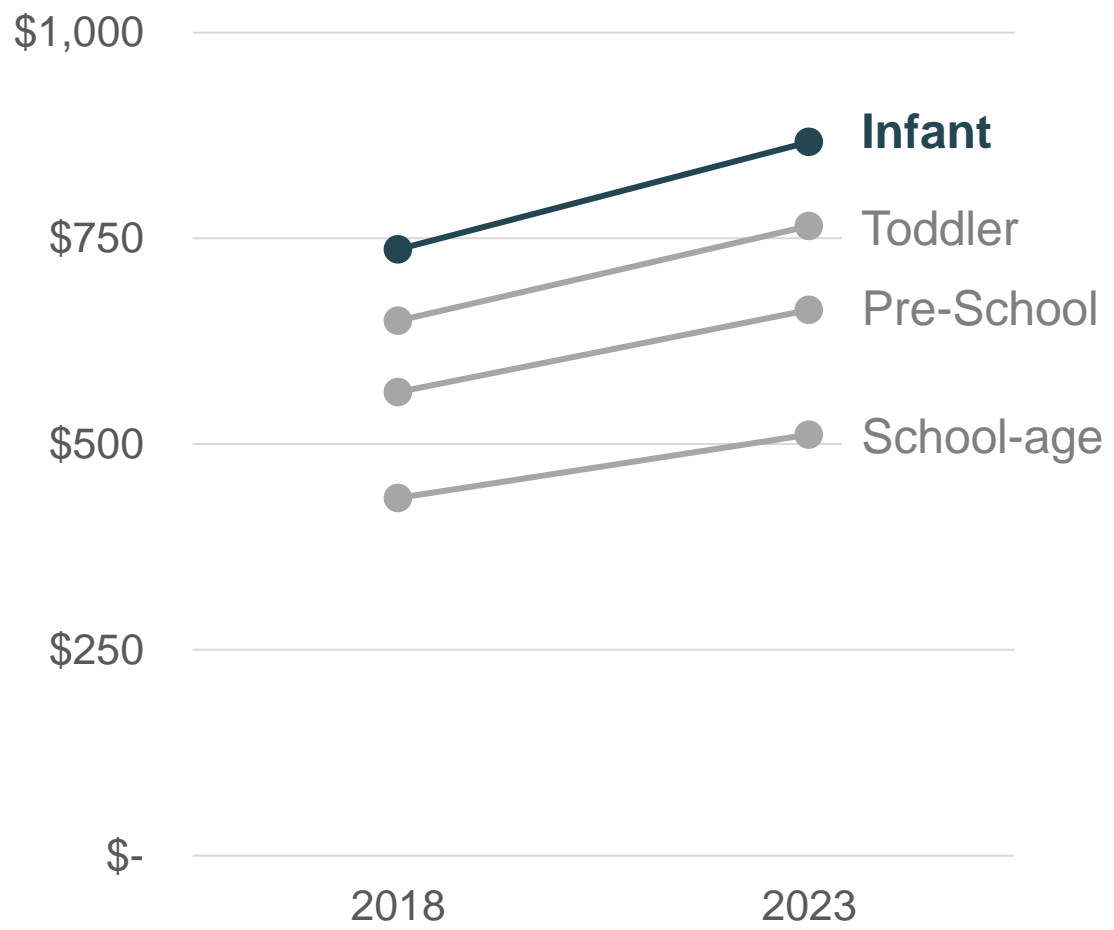


**550**  
Households with housing needs

92%  
Renters

## Average cost of childcare in Henderson County is about 1/4 of the monthly budget for a household earning 50% AMI, or \$42,000 a year

Change in average monthly cost of childcare in Henderson County



Source: U.S. Department of Labor

## Families younger than 62

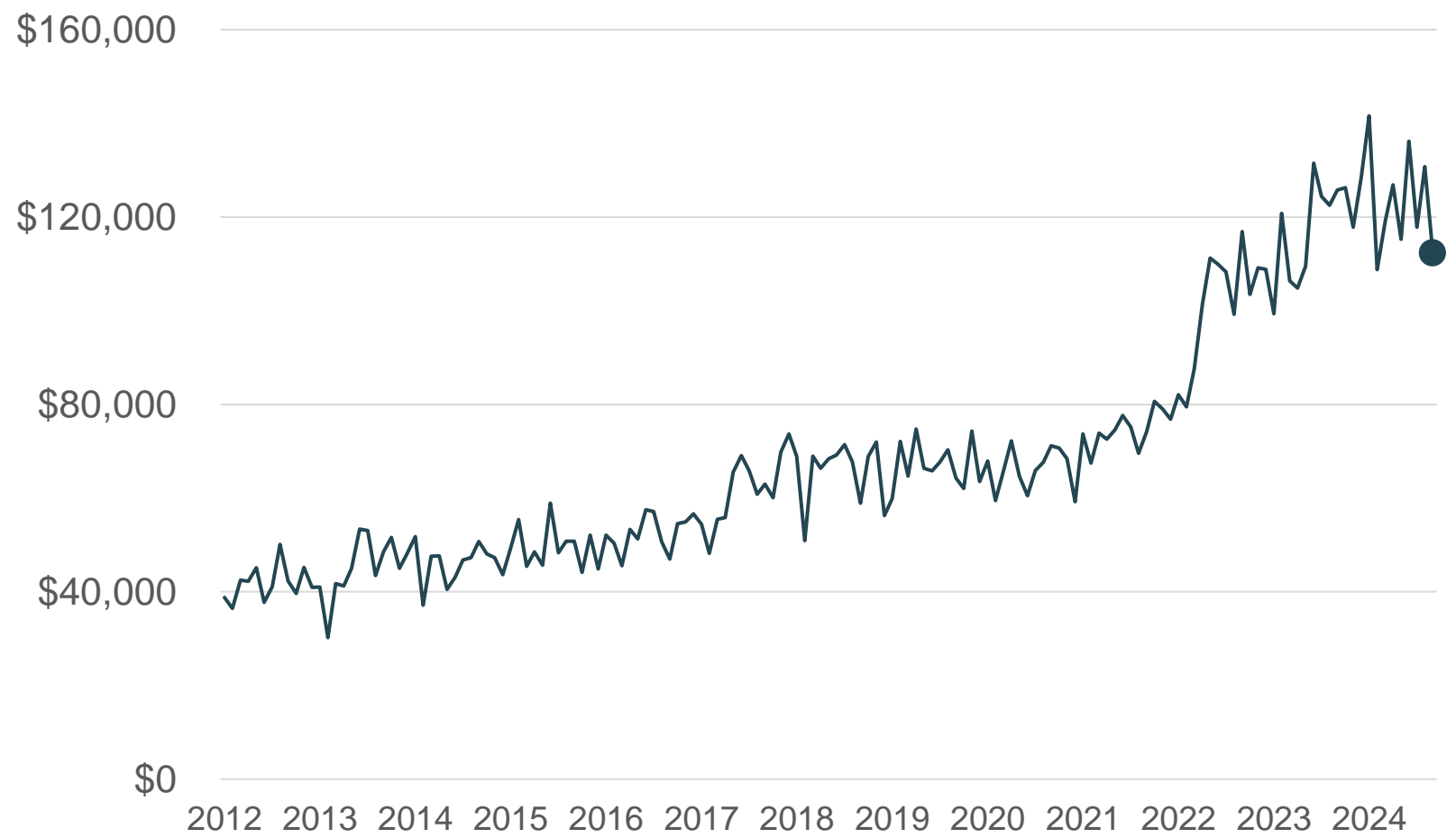


**550**  
Households with housing needs

92%  
Renters

# Prospective homebuyers need to make at least \$120,000 to afford the median home for sale in Hendersonville

*Minimum income needed to afford the median priced home in Hendersonville  
Adjusted for inflation*



Source: DFI analysis. Redfin. St. Louis Federal Reserve. BLS.

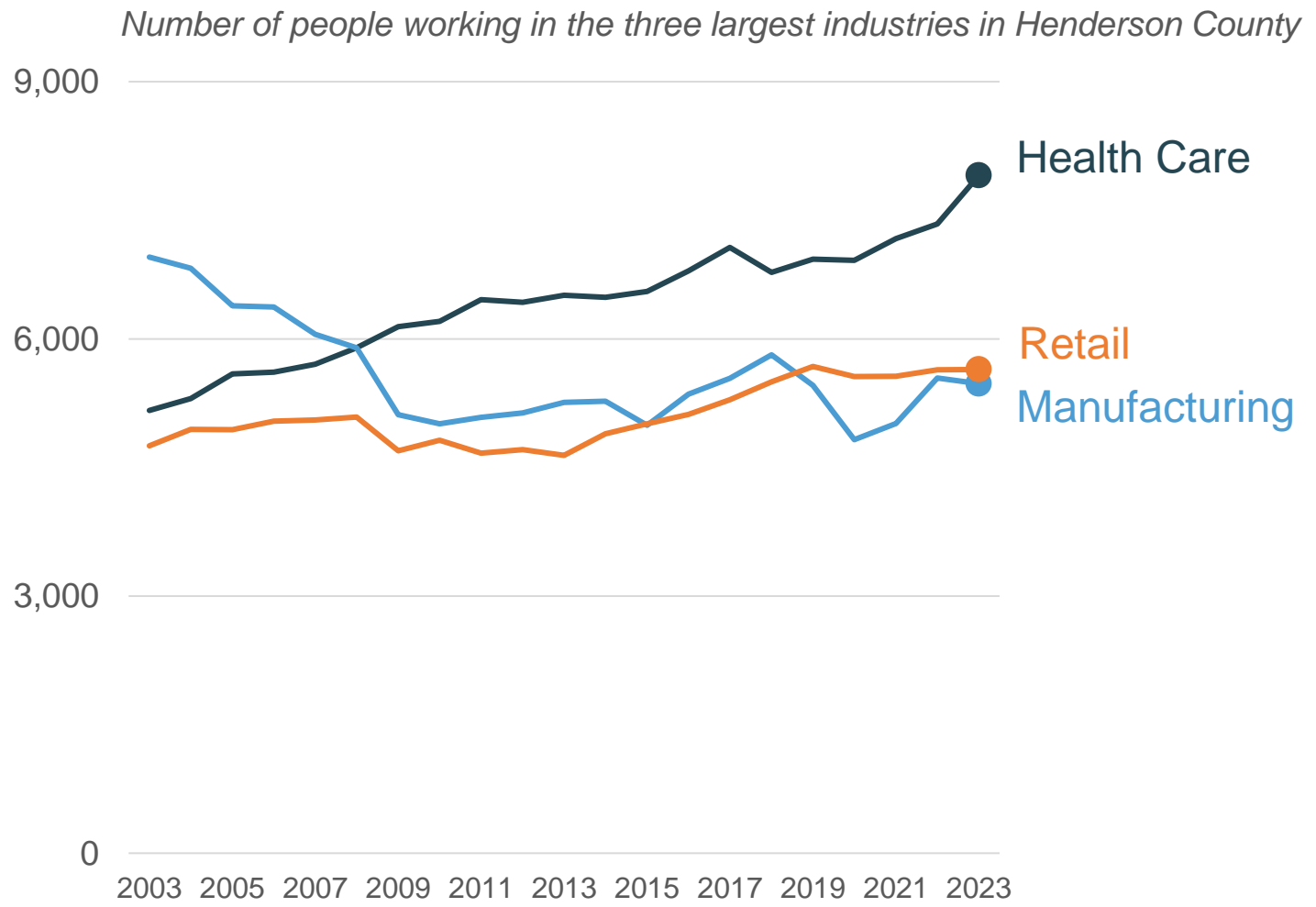
### Individuals younger than 62



**500**  
Households with housing needs

92%  
Renters

## The average wage of Henderson County's largest industries is less than 80% AMI for a one-person household



Source: NC Commerce



# Hendersonville's Housing Supply



# Henderson County has demand for nearly 10,000 housing units over the next five years

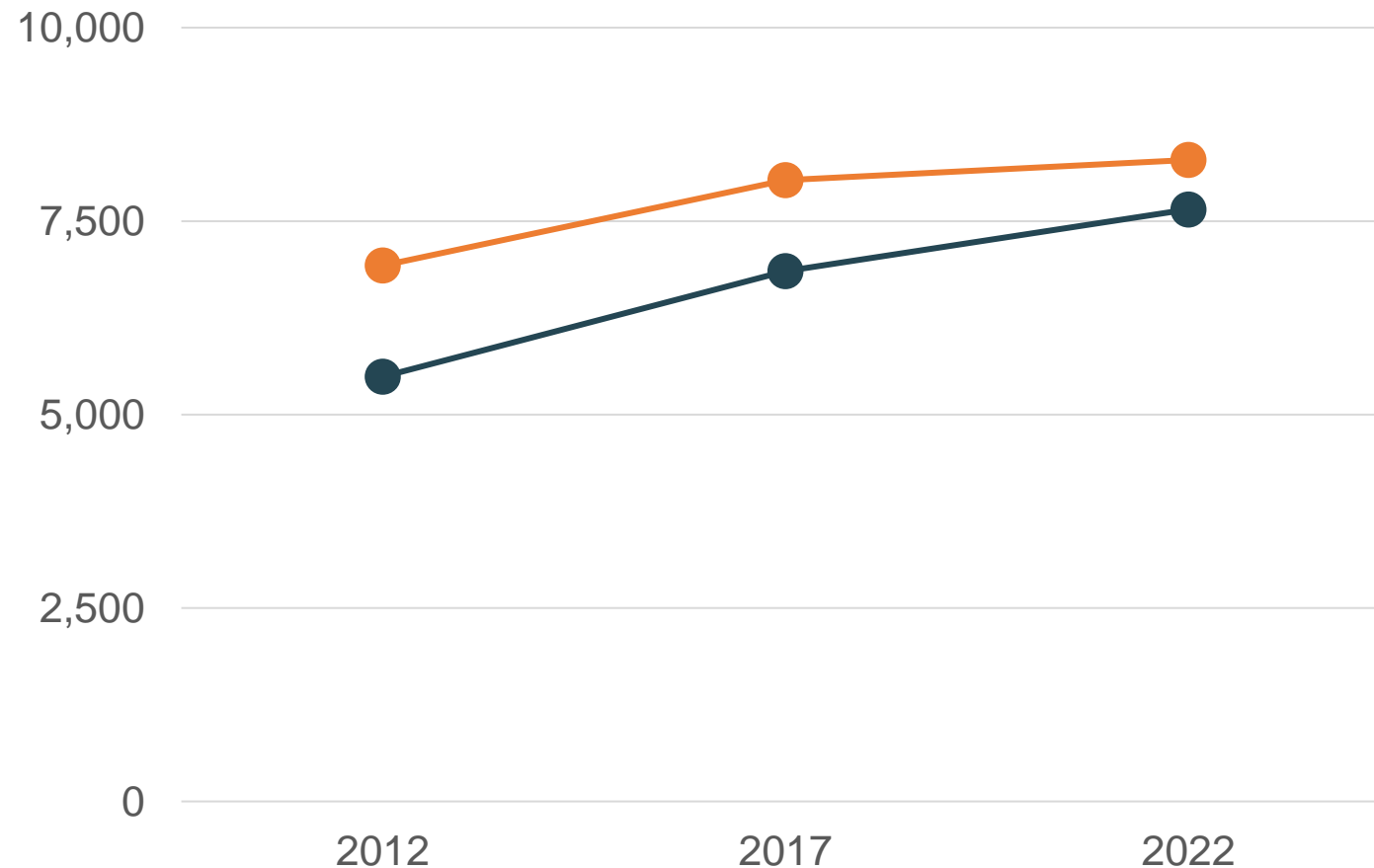


*Need for **at least 2,200 units** affordable to LMI households in City of Hendersonville*

# New construction is not keeping up with household growth



*Households and Housing Units* in the City of Hendersonville



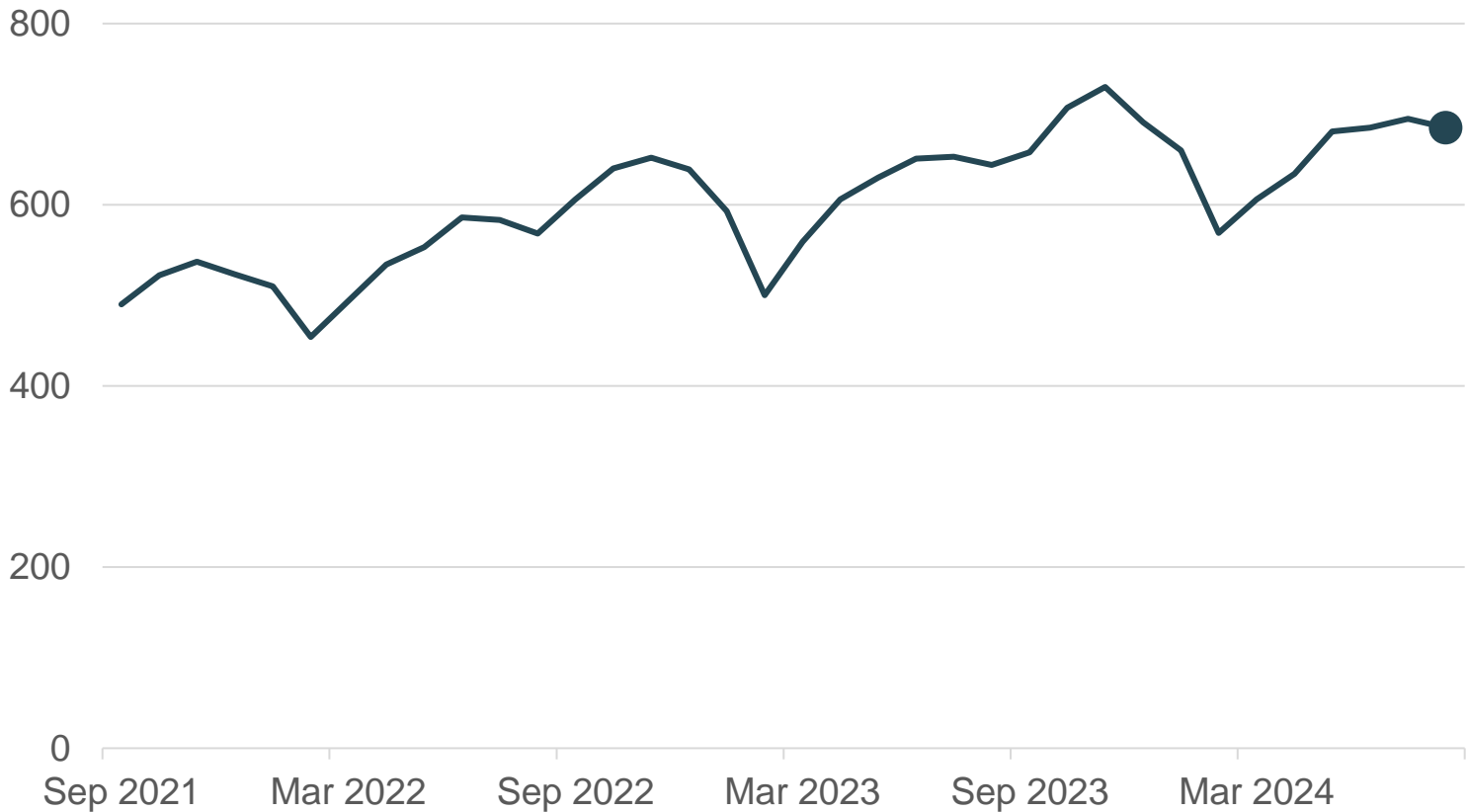
Since 2012, The **number of housing units increased by 20%...**

...while the number of **households increased by 40%.**

# Short-term rentals make up an estimated 5% of Hendersonville's housing stock

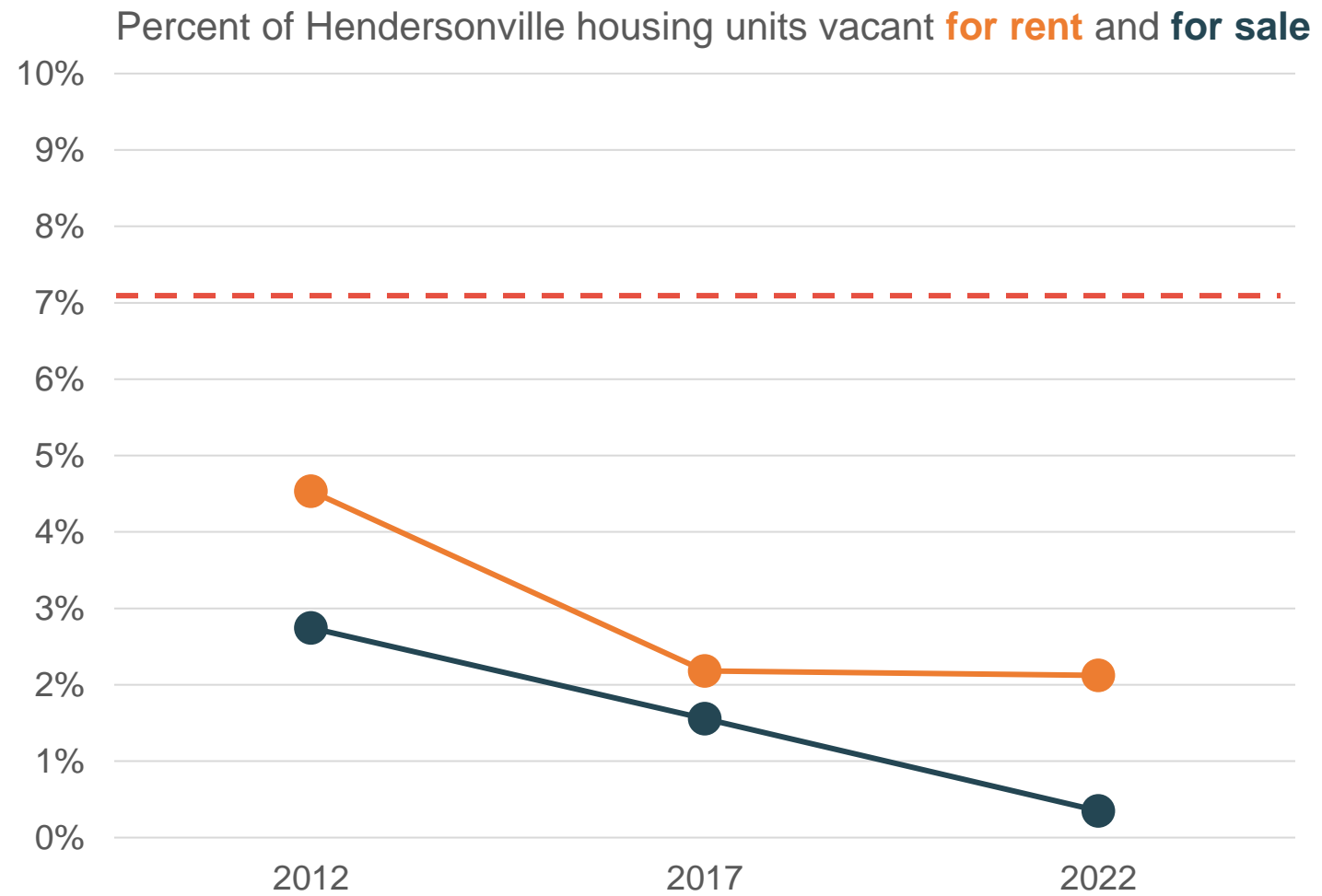


*Number of units listed on Airbnb & VRBO  
Hendersonville Submarket*



Source: AirDNA

# Population growth and limited new supply has pushed down vacancy rates

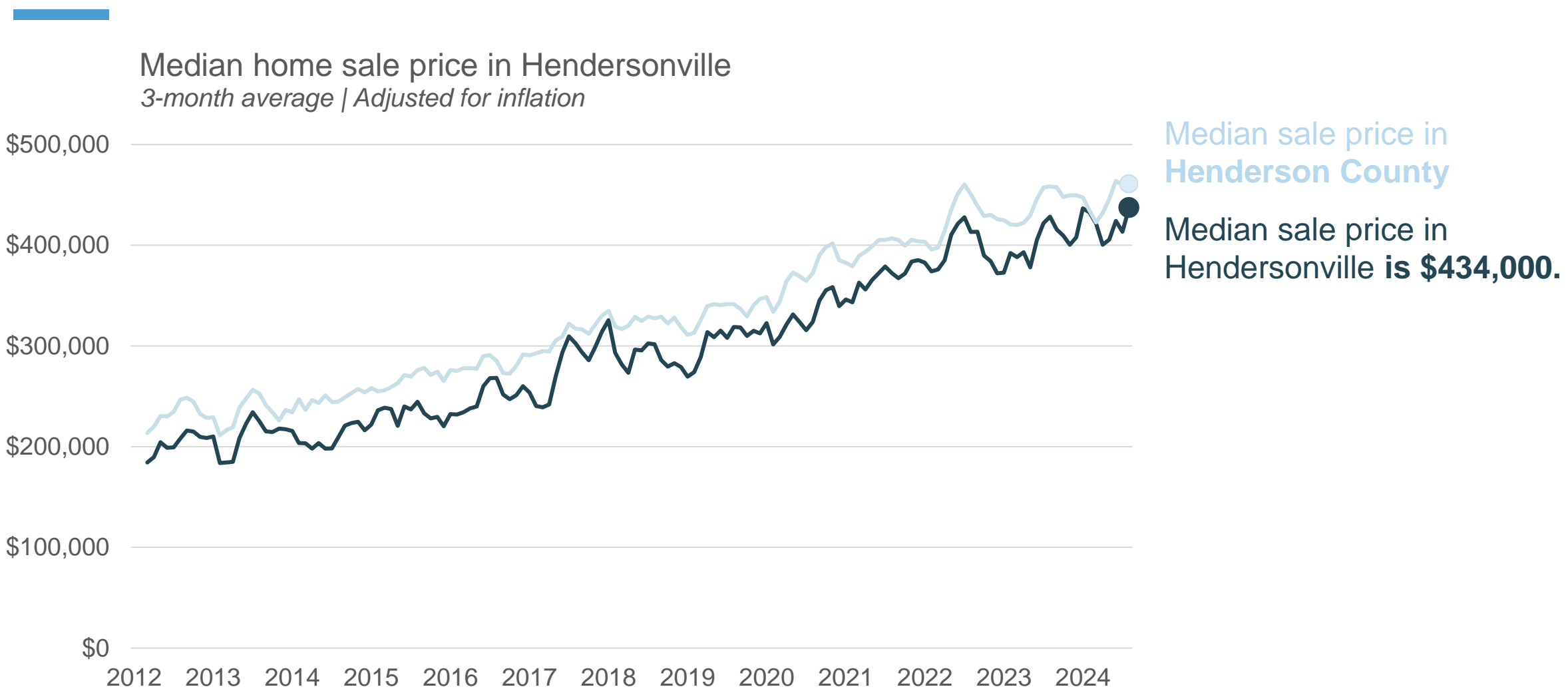


**2%** of housing units are vacant and for rent

**<1%** of housing units are vacant and for sale

Source: ACS (5-Year Estimates)

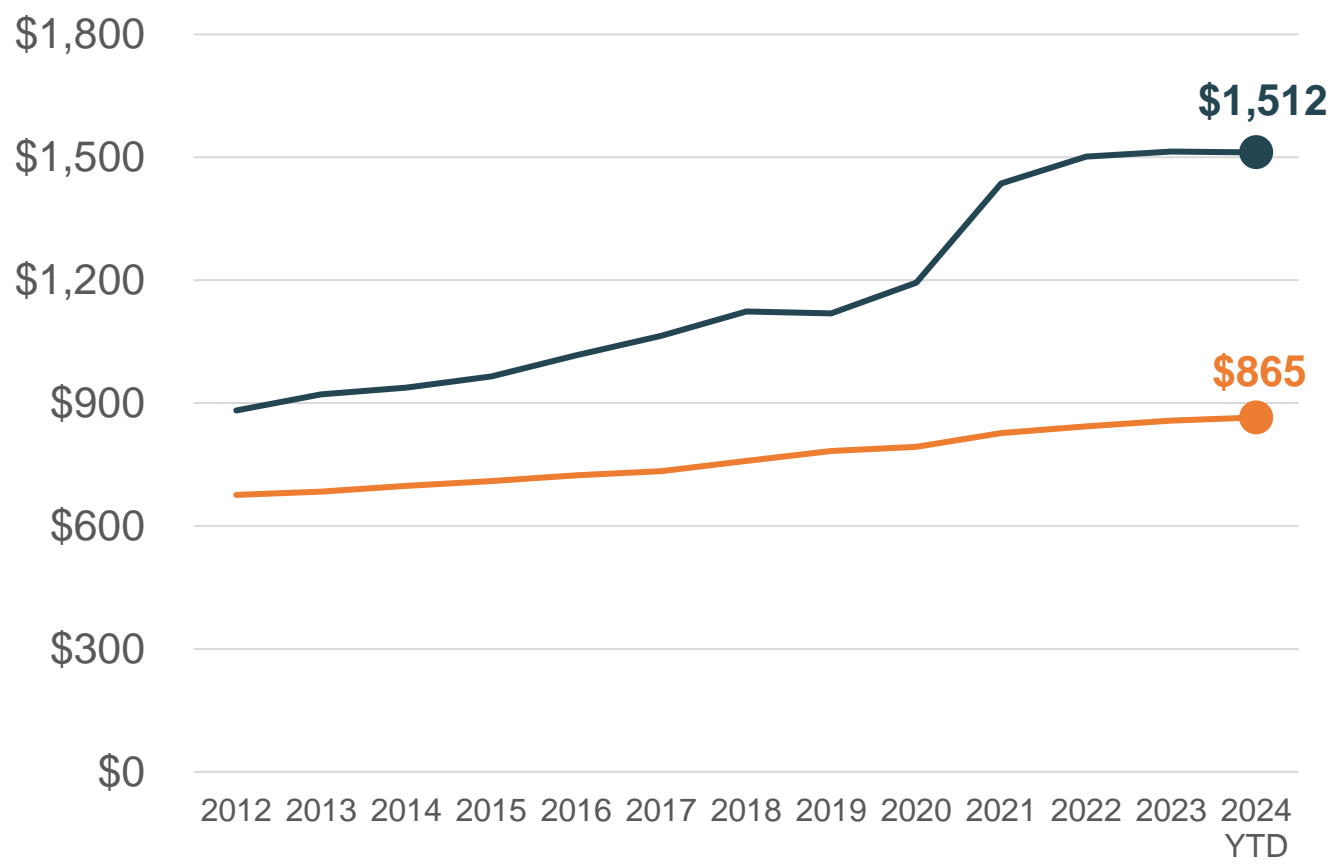
# For the past year, median home prices in Hendersonville exceeded \$400,000



Source: Redfin

# Rents among Class A & B properties increased 25% post-COVID

Average rent by building type among market-rate multifamily properties in Hendersonville



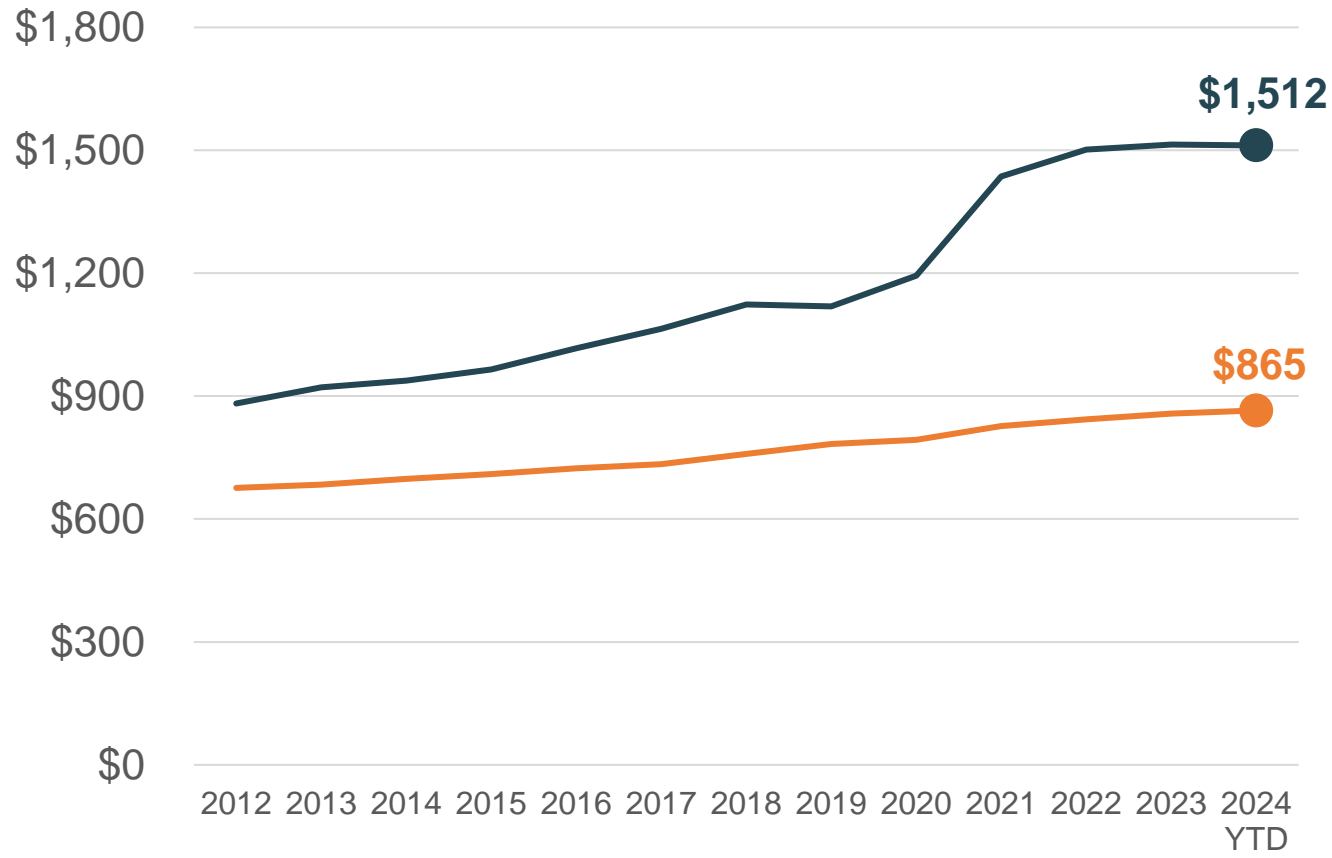
Rents among **Class A & B** properties increased 25% post-COVID and are affordable to households making over 80% AMI.

Rents among **Class C** properties have not increased as quickly, but likely have challenges with quality and safety.



# The median Class C rental unit is nearly 50 years old

Average rent by building type among market-rate multifamily properties in Hendersonville



The median year built of **Class A & B units is 2004...**

...while the median year built of **Class C units is 1976.**

Despite large differences in quality, the vacancy rate among both property types is 3%.

# An estimated 5,700 housing units are in the Henderson County pipeline

| Type                       | For Sale     | For Rent     |
|----------------------------|--------------|--------------|
| Affordable                 | 169          | 163          |
| Market Rate                | 3,066        | 2,333        |
| <b>Total</b>               | <b>3,235</b> | <b>2,496</b> |
| <i>% in Hendersonville</i> | <i>35%</i>   | <i>83%</i>   |

Source: Henderson County Planning Department & Hendersonville Housing Dashboard.  
Projects recently completed, under construction, entitled, or in pre-entitlement.

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**Cantrell Hills**  
*Affordable at households earning 130% AMI or \$110,000  
 \$450,000+ / 3-bedroom*

*Source: Henderson County Planning Department & Hendersonville Housing Dashboard.  
 Projects recently completed, under construction, entitled, or in pre-entitlement.*

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**The Summit at Hendersonville**  
*Affordable to households earning 80% AMI or \$65,400*  
 \$1,350 / 1-bedroom  
 \$1,650 / 2-bedroom  
 \$2,000 / 3-bedroom

Source: Henderson County Planning Department & Hendersonville Housing Dashboard.  
 Projects recently completed, under construction, entitled, or in pre-entitlement.

# Estimated impact from Hurricane Helene





# Hurricane Helene

- According to state estimates, approximately 126,000 housing units in western NC were damaged by Hurricane Helene
- As of October 21, 4,600 homeowners and 2,500 renters have been approved for FEMA Individual Assistance in Hendersonville ZIP Codes



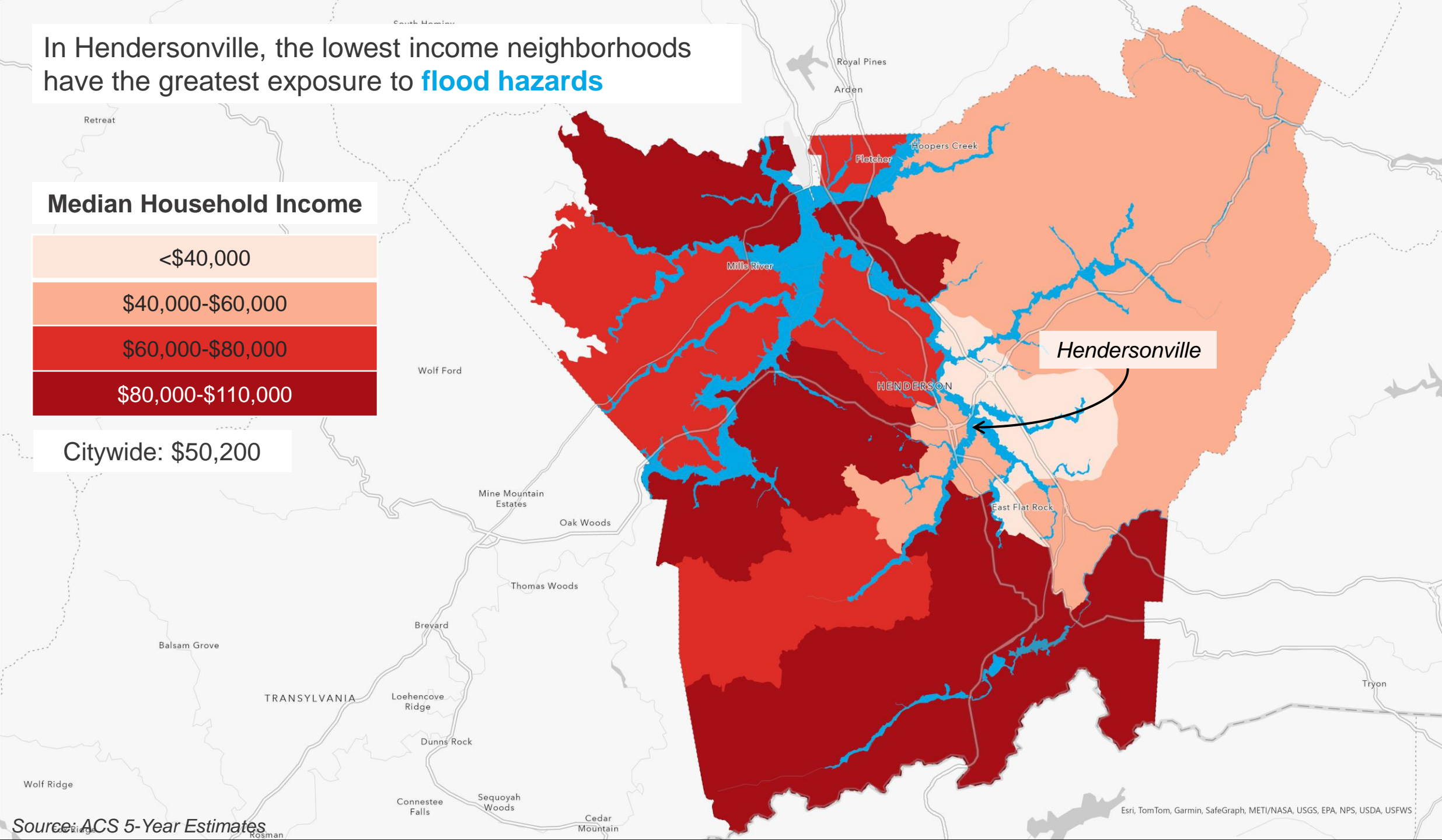


In Hendersonville, the lowest income neighborhoods have the greatest exposure to **flood hazards**

**Median Household Income**



Citywide: \$50,200





# Clear Creekside Drive

*Estimated 30 units impacted by Helene*

*100- and 500-Year  
Flood Zones*

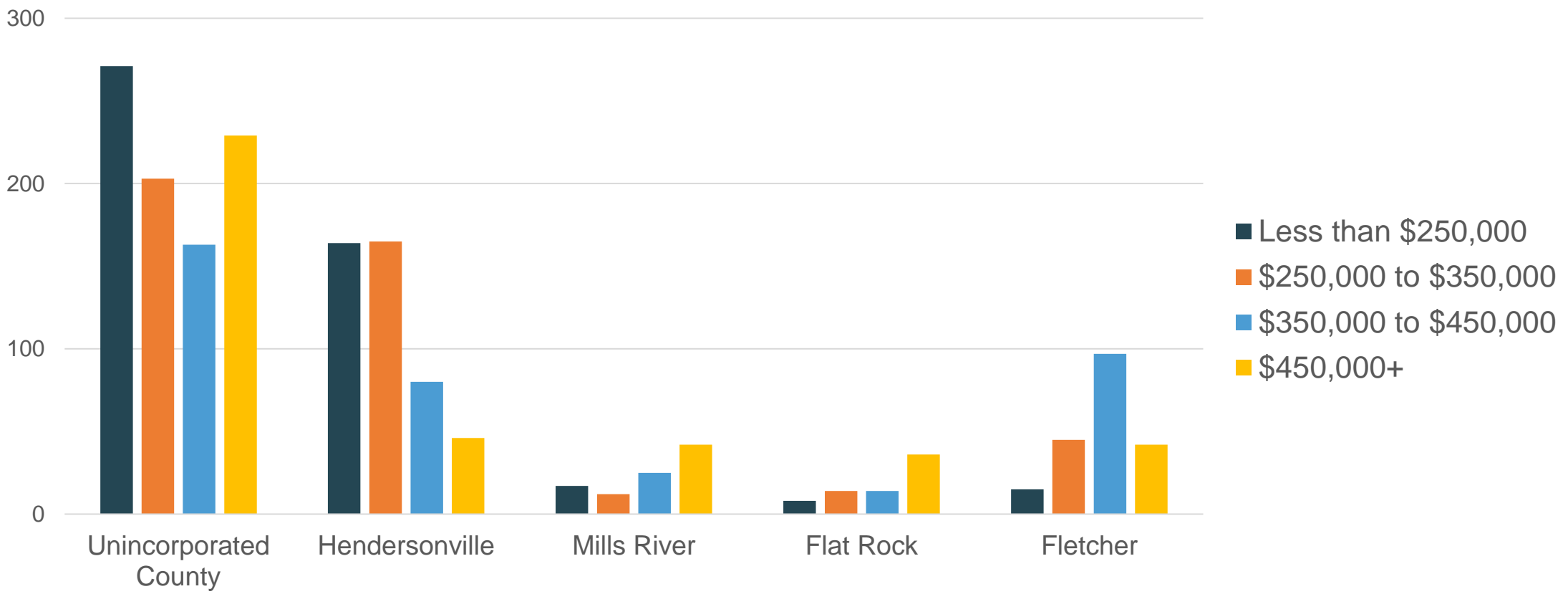
*Estimated flooding  
from Hurricane Helene*

Homes in this neighborhood sell for \$300-\$350K and are affordable to households making between 60% and 80% of AMI.



# An estimated 1,700 single-family homes were exposed to Helene flooding

*Estimated number of single-family and modular homes within 30 meters of the flood zone by municipality and tax assessed value*



Source: DFI analysis of data from NC FRIS & Henderson County Tax Assessor



# Universal at Lakewood

*Estimated flooding from Hurricane Helene*

*100- and 500-Year Flood Zones*

Universal at Lakewood was built in 2022 and affordable to renters making 80% AMI. At the time of the storm, the vacancy rate was less than 1%.





# Units managed by the Hendersonville Housing Authority

100- and 500-Year Flood Zones

*Estimated flooding from Hurricane Helene*

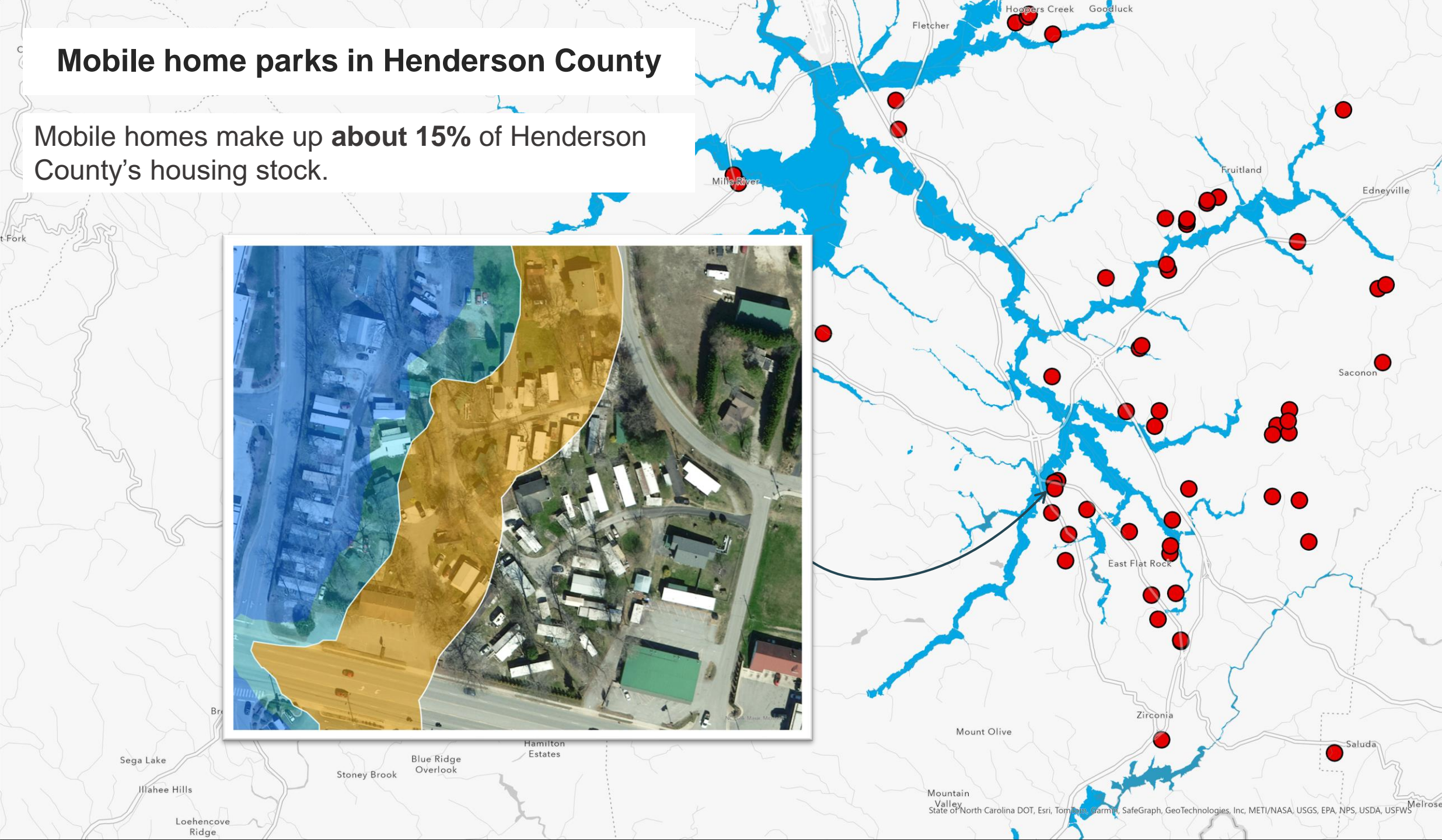
Robinson Terrace

44 housing authority units in Lincoln Circle and Robinson Terrace were taken off-line by Hurricane Helene, approximately 12% of the housing authority's stock within the City.



# Mobile home parks in Henderson County

Mobile homes make up **about 15%** of Henderson County's housing stock.



State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS

# Summary

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- Hendersonville's housing supply was constrained even before Hurricane Helene. Over the past decade, household growth in Hendersonville outpaced new housing construction by about 2 to 1, and rental and for-sale vacancies dropped below 2%.
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# Discussion

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- Are any of the findings presented today surprising or unexpected? What's missing?
- Do these findings reflect what you have seen and/or heard from residents in the city?
- From your perspective, how has Hurricane Helene impacted your housing priorities for the City?



SCHOOL OF GOVERNMENT

Development Finance Initiative

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL