RANDOLPH COUNTY, NC HOUSING OVERVIEW

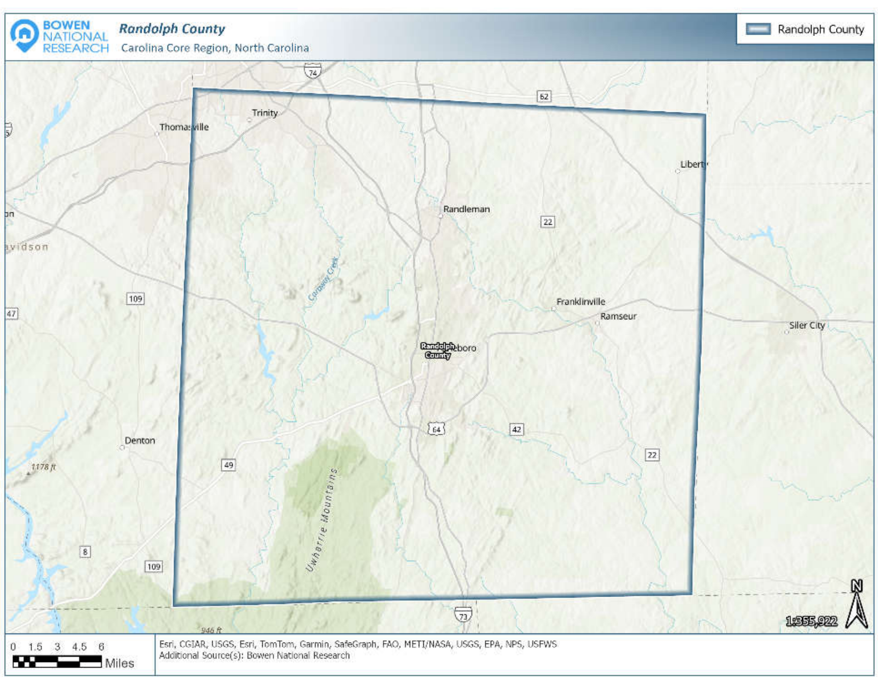
In June 2024, Bowen National Research completed a 21-county Housing Needs Assessment of the Carolina Core Region in the state of North Carolina. In conjunction with the regional Housing Needs Assessment, individual housing overviews were also prepared for select counties within the region. This housing overview includes a summary of demographic, economic and housing metrics specific to Randolph County, North Carolina. To provide a base of comparison, various metrics of Randolph County are compared with overall region and statewide numbers.

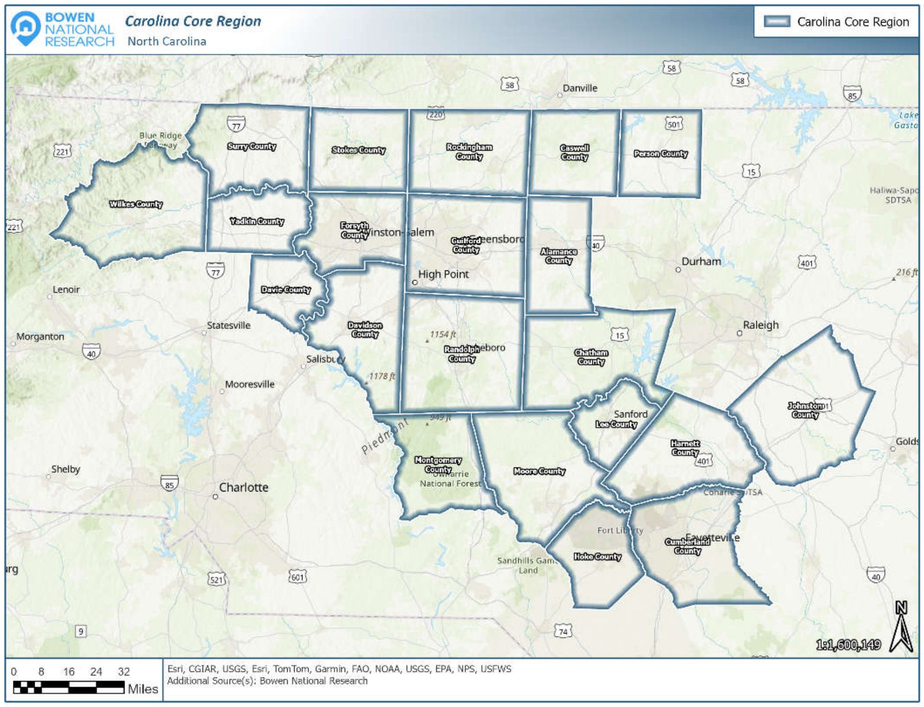
The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this overview assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

A. INTRODUCTION

Randolph County is located in the Piedmont Triad region of North Carolina. The county seat and largest municipality (Asheboro) is approximately 27 miles south of downtown Greensboro and approximately 71 miles west of downtown Raleigh. Randolph County contains approximately 790 square miles and has an estimated population of 145,284 in 2023. Interstates 73, 74, and 85 and U.S. Highways 64, 220, and 421 serve as the primary thoroughfares for the county. Other notable population centers within the county include Randleman, Trinity, Liberty, Franklinville, and Ramseur as well as portions of Archdale.

The following maps illustrate Randolph County and the Carolina Core Region.

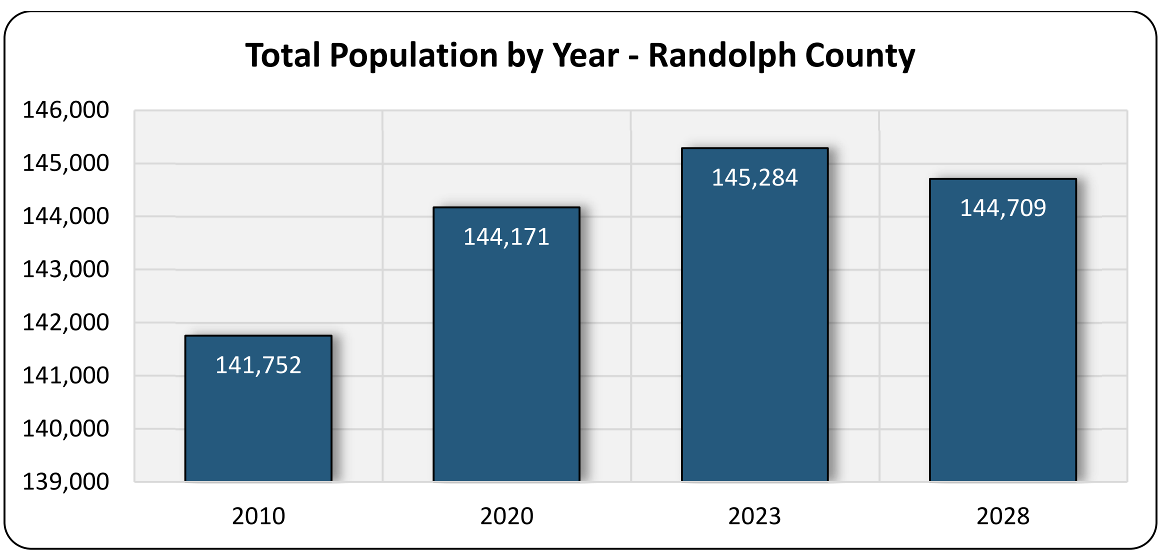




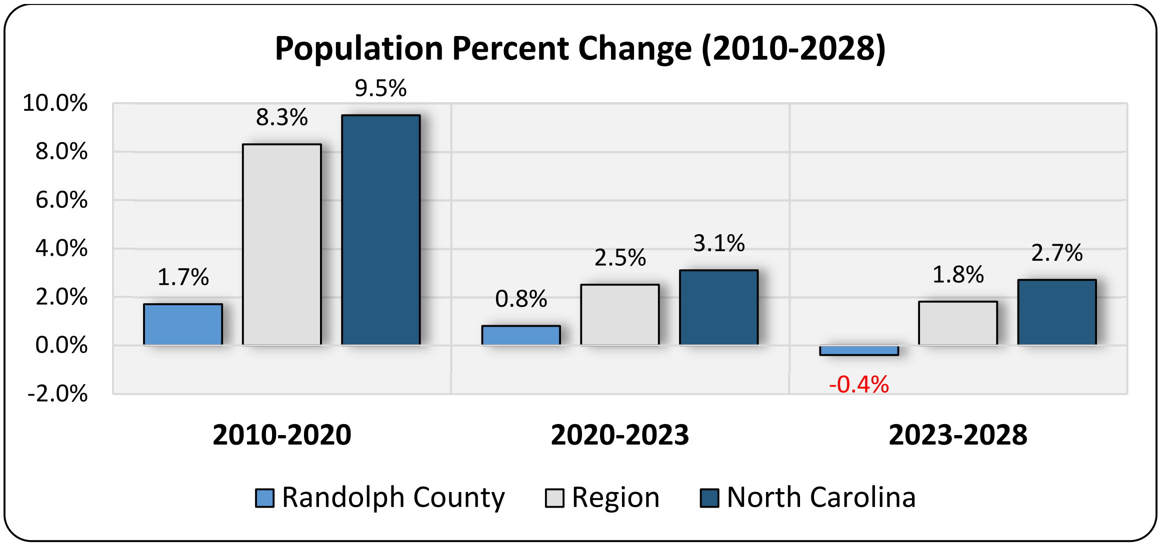
B. DEMOGRAPHIC ANALYSIS

This section of the report evaluates key demographic characteristics for Randolph County. Demographic comparisons provide insights into the human composition of housing markets. It should be noted that some total numbers and percentages may not match the totals within or between tables/graphs in this section due to rounding.

The following graphs illustrate ***total population*** by year for Randolph County and the projected population changes between 2023 and 2028 for each of the study areas.



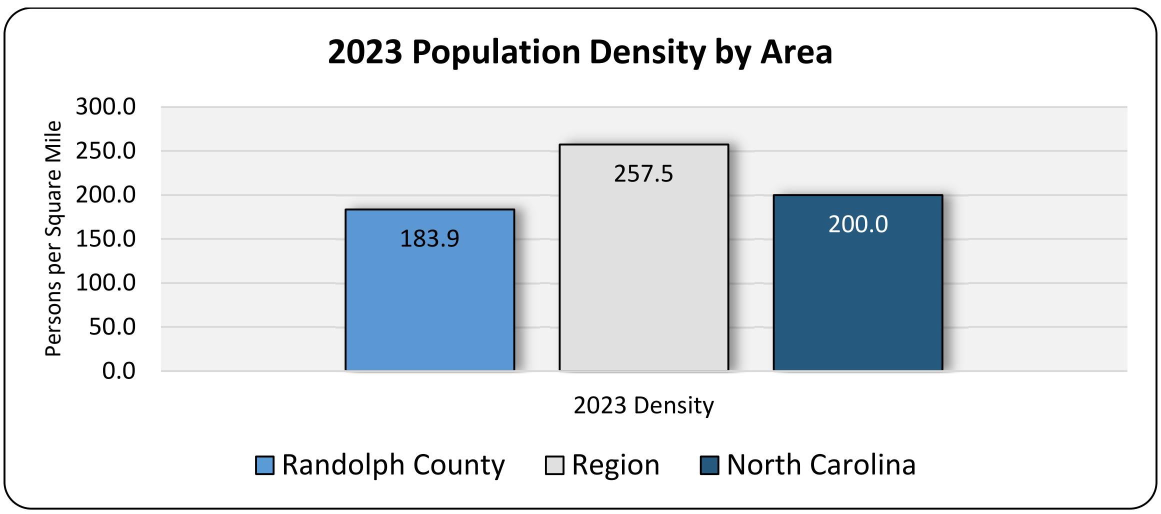
Source: 2010, 2020 Census; ESRI; Bowen National Research



Source: 2010, 2020 Census; ESRI; Bowen National Research

The population in Randolph County increased by 3,532 (2.5%) between 2010 and 2023. This represents a smaller percent increase as compared to the region (11.0%) and state (12.9%) during this period. Over the next five years, the population in Randolph County is projected to decrease by 0.4%. By comparison, the population in the Carolina Core region is projected to increase by 1.8% during this period.

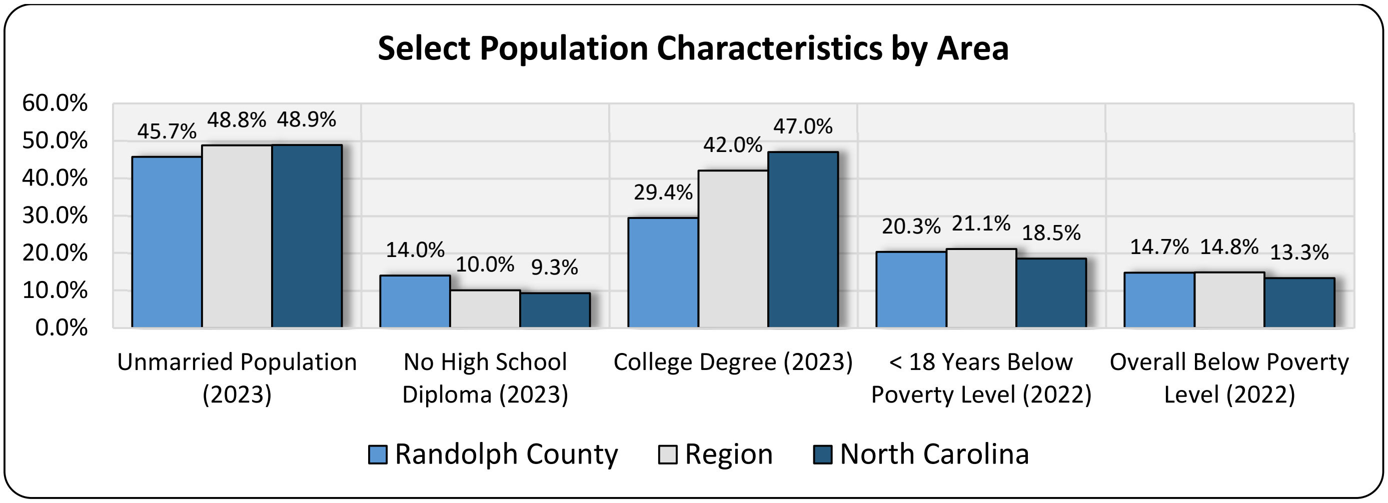
The following graph illustrates the ***population density*** for each study area in 2023.



Source: 2010, 2020 Census; ESRI; Bowen National Research

With a population density of 183.9 persons per square mile, Randolph County is less densely populated than the Carolina Core Region (257.5 persons per square mile) and state of North Carolina (200.0 persons per square mile).

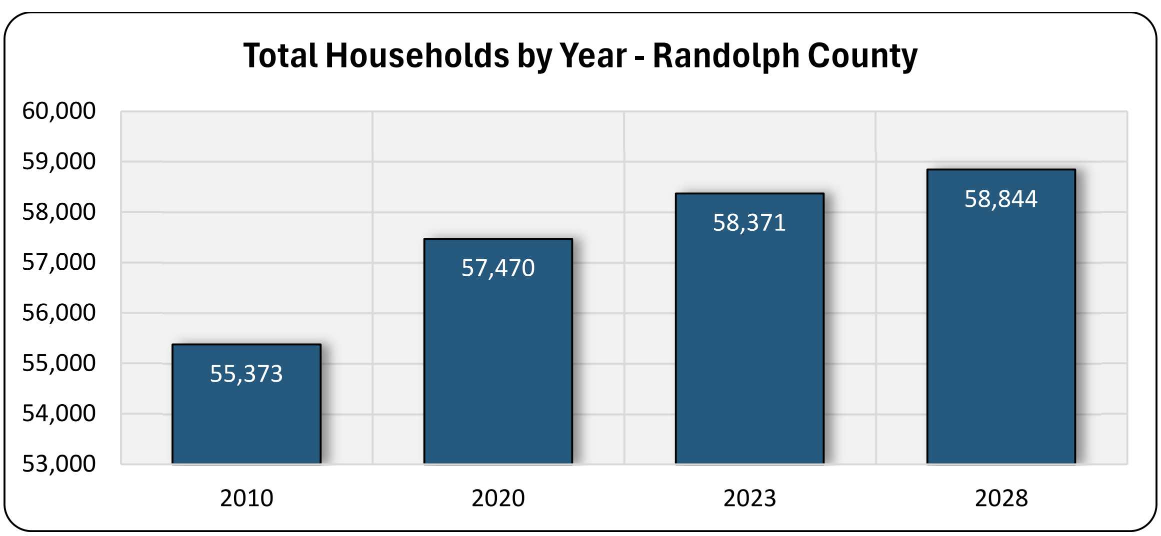
The following graph illustrates ***select population characteristics*** that typically influence housing affordability for each of the study areas. Note that data included within the graph is derived from multiple sources (2020 Census, ESRI, American Community Survey) and is provided for the most recent time period available for the given source.



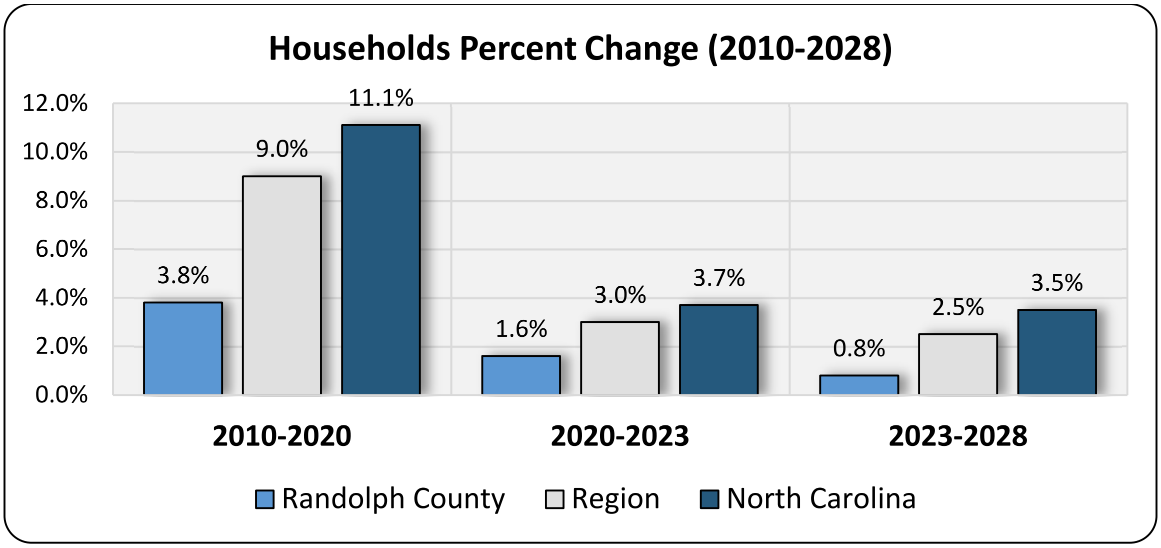
Source: U.S. Census Bureau; 2020 Census; 2018-2022 American Community Survey; ESRI; Bowen National Research

As the data illustrates, Randolph County has a lower share of unmarried persons (45.7%) compared to the Carolina Core Region and the state of North Carolina. The county has a higher share of the population without a high school diploma (14.0%) and a lower share of individuals with a college degree (29.4%) compared to the region and state. Randolph County also has higher rates of children and individuals living below the poverty level when compared to the state.

The following graphs illustrate the number of ***total households*** in Randolph County by year and the projected percent changes in households between 2023 and 2028 for each of the study areas.



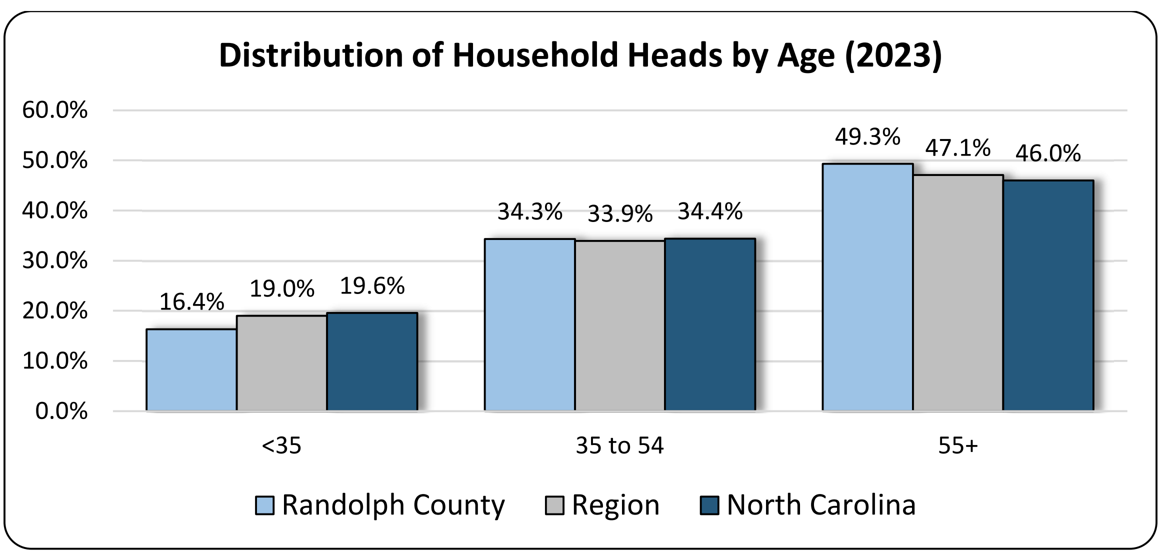
Source: 2010, 2020 Census; ESRI; Bowen National Research



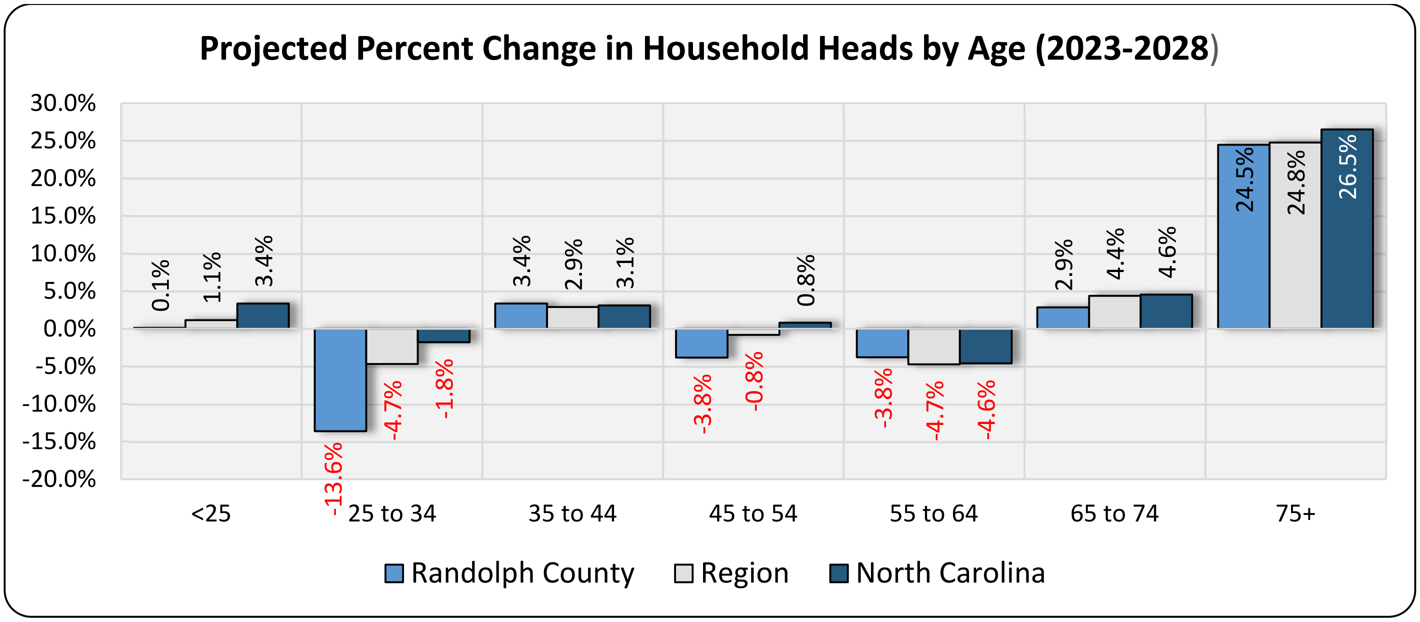
Source: 2010, 2020 Census; ESRI; Bowen National Research

The number of households in Randolph County increased by 2,998 (5.4%) between 2010 and 2023. This represents a smaller percent increase as compared to the region (12.2%) and state (15.2%) during this period. Over the next five years, the number of households in Randolph County is projected to increase by 473 households (0.8%), which represents a smaller percentage increase compared to the 2.5% increase projected for the region. While household growth can heavily influence the total housing needs of a market, factors such as households living in substandard or cost-burdened housing, people commuting into the area for work, pent-up demand, and availability of existing housing all affect housing needs. These factors are addressed throughout this overview.

The following graphs compare the share of ***household heads by age*** for each of the study areas in 2023 and the projected changes in household heads by age cohort between 2023 and 2028.



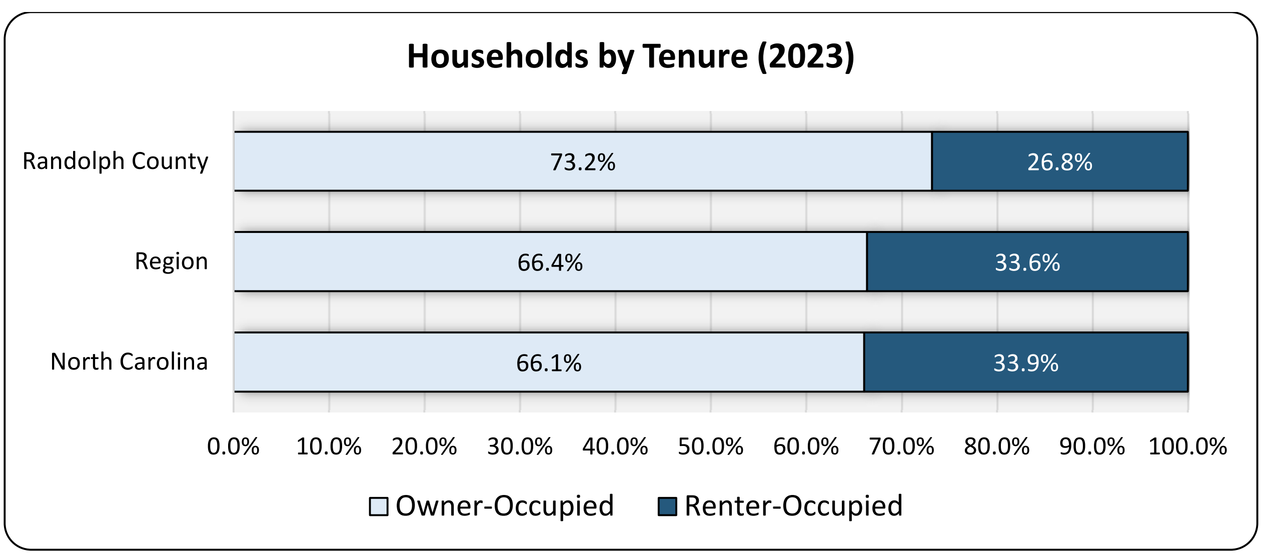
Source: ESRI; Bowen National Research



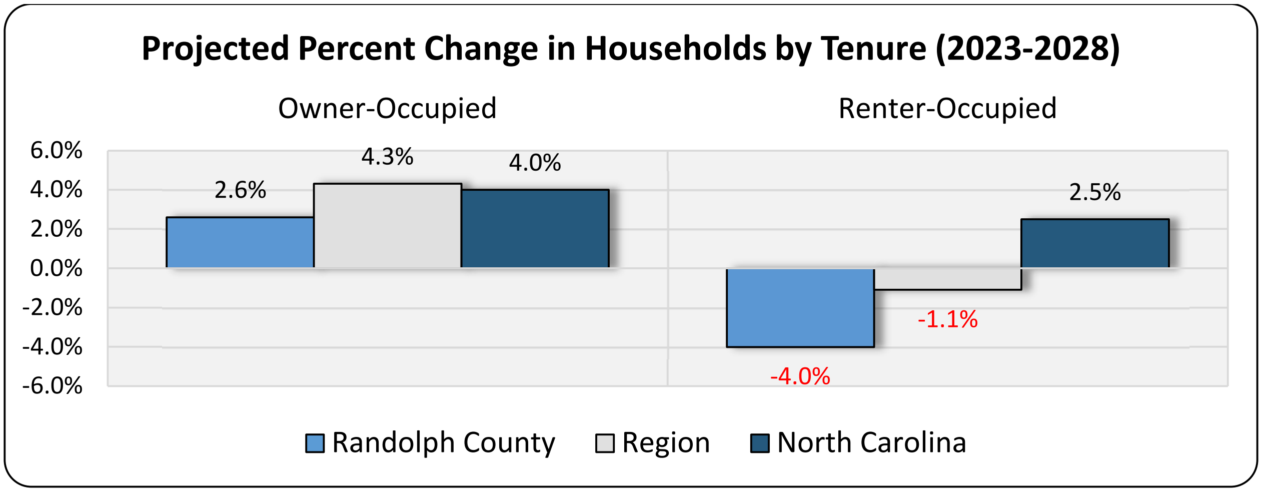
Source: ESRI; Bowen National Research

Overall, the data shows that Randolph County has a slightly higher share of households aged 55 or older (49.3%) when compared to the Carolina Core Region and the state of North Carolina. Households aged 75 or older are projected to increase by 24.5% in Randolph County over the next five years, while households between the ages of 65 and 74 are projected to increase by 2.9% during this period. Note that households between the ages of 35 and 44 are also projected to increase in the county during the next five years. However, a significant decrease in households ages 25 to 34 is projected for Randolph County during this period.

The following graphs compare the share of ***households by tenure*** (renters and owners) for 2023 and the projected *percent* change in households by tenure between 2023 and 2028 for each of the study areas.



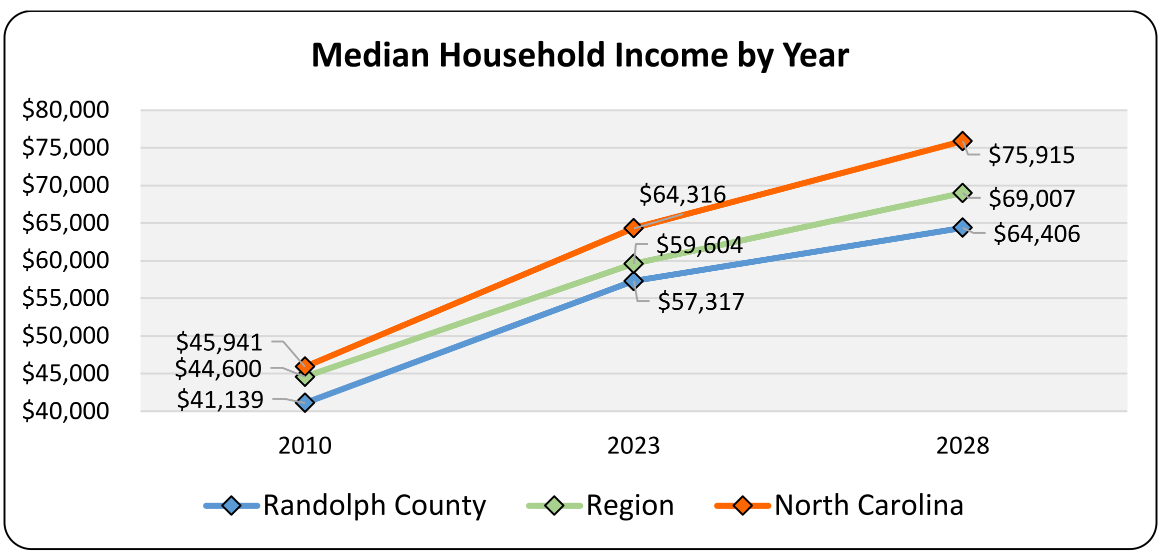
Source: 2010 Census; ESRI; Bowen National Research



Source: 2010 Census; ESRI; Bowen National Research

Randolph County has a higher share (73.2%) of owner households compared to the Carolina Core Region and the state of North Carolina. Over the next five years, it is projected that the number of owner households in Randolph County will increase by 2.6%, while the number of renter households will decline by 4.0%. Owner households are projected to grow at a slower rate compared to the region and state, while renter households are projected to decline at a faster rate compared to both areas. Despite the projected decrease in renter households, demand for rental housing will remain due to factors such as existing pent-up demand, substandard housing, and housing cost burden. The *increase* among owner households in Randolph County will likely contribute to an increase in demand within the for-sale housing market over the next five years.

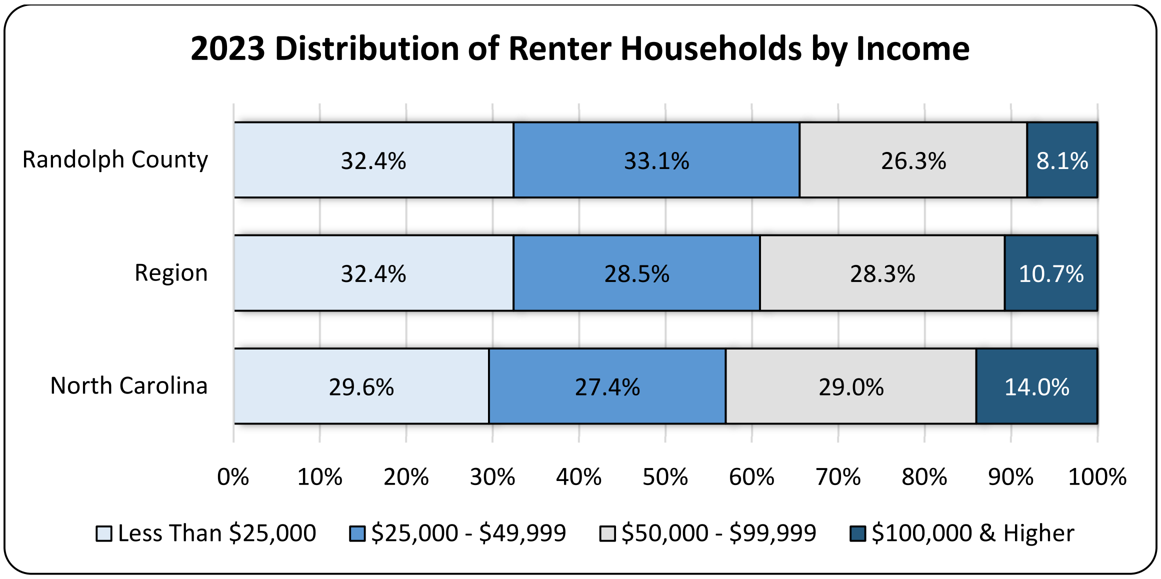
The following compares the ***median household income*** for each of the study areas from 2010 to 2028.



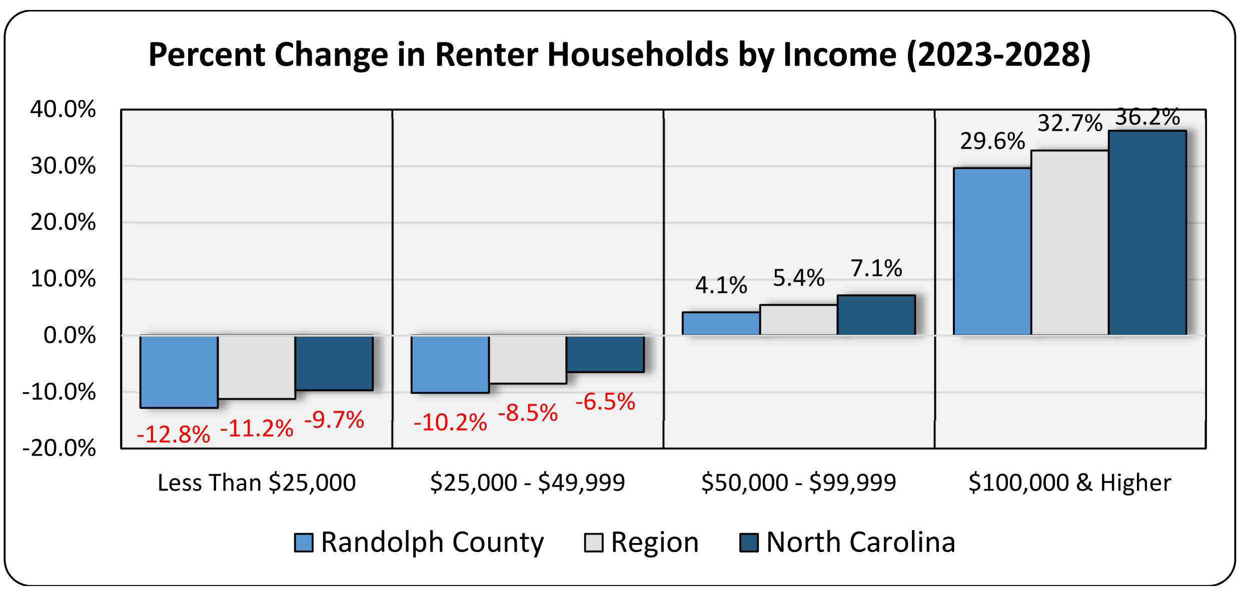
Source: 2010 Census; ESRI; Bowen National Research

As the preceding illustrates, the 2023 median household income in Randolph County ($57,317) is 3.8% lower than the median household income for the Carolina Core Region ($59,604) and 10.9% lower than the statewide median household income of $64,316. Over the next five years, it is projected that the median household income in Randolph County will increase to $64,406. However, the median household income in the county is projected to remain below that of the region ($69,007) and state ($75,915).

The following graphs compare ***renter households by income*** for 2023 and the projected *percent* change in renter households by income between 2023 and 2028 for each of the study areas.



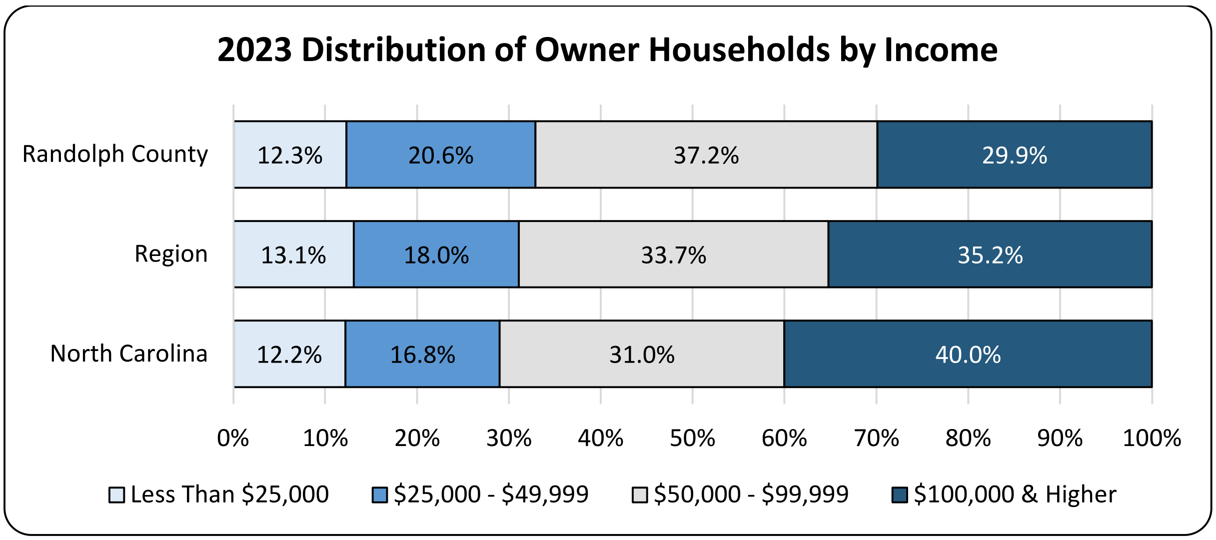
Source: 2020 Census; ESRI; Bowen National Research



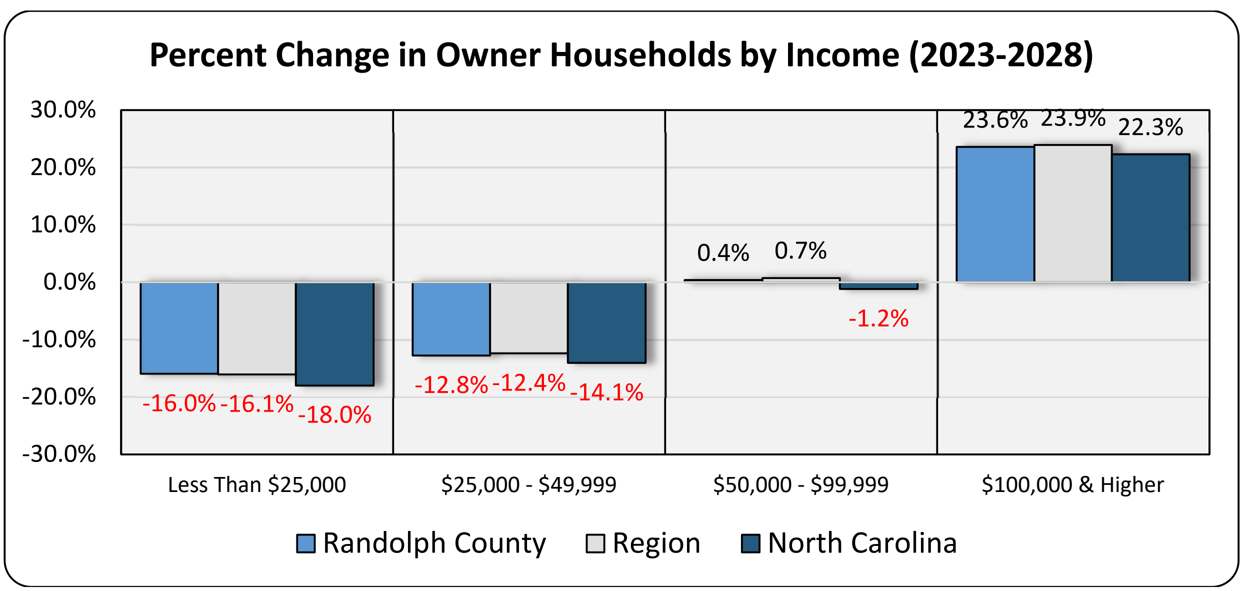
Source: 2020 Census; ESRI; Bowen National Research

In 2023, Randolph County has a higher overall share (65.5%) of renter households with incomes below $50,000 when compared to the Carolina Core Region and the state of North Carolina. Between 2023 and 2028, the most significant growth of renter households is projected to occur among those earning $100,000 and higher (29.6%), while those earning between $50,000 and $99,999 are also projected to increase by 4.1%. Note that renter households earning below $50,000 are projected to decrease in the county, region, and state during the next five years. Although renter households earning less that $50,000 are projected to decrease, a significant share of renter households in the county will continue to earn less than $50,000 annually in 2028.

The following graphs compare ***owner households by income*** for 2023 and the projected *percent* change in owner households by income between 2023 and 2028 for each of the study areas.



Source: 2020 Census; ESRI; Bowen National Research



Source: 2020 Census; ESRI; Bowen National Research

In 2023, Randolph County has a larger share of owner households with incomes between $50,000 and $99,999 and a smaller share of owner households earning $100,000 and higher when compared to the Carolina Core Region and the state. Between 2023 and 2028, the most significant growth of owner households is projected to occur among those earning $100,000 and higher (23.6%), while owner households earning between $50,000 and $99,999 are projected to increase by 0.4%. Note that owner households earning below $50,000 are projected to decrease in the county, region, and state during the next five years.

The following table illustrates the ***components of population change*** for Randolph County, the Carolina Core Region and the state of North Carolina between April 2010 and July 2020.

Estimated Components of Population Change by Area April 1, 2010 to July 1, 2020								
	Population		Change*		Components of Change			
Area	2010	2020	Number	Percent	Natural Change	Domestic Migration	International Migration	Net Migration
Randolph County	141,825	144,557	2,732	1.9%	939	1,523	406	1,929
Region	2,609,144	2,843,723	234,579	9.0%	81,927	110,477	41,435	151,912
North Carolina	9,535,762	10,600,823	1,065,061	11.2%	322,122	548,965	188,694	737,659

Source: U.S. Census Bureau, Population Division, October 2021

*Each geography includes residuals representing the change that cannot be attributed to any specific demographic component

The population increase within Randolph County from 2010 to 2020 was a combination of natural increase (more births than deaths), domestic migration, and international migration. While all three components were positive in the county, domestic migration (1,523) was the largest individual component.

The following table illustrates the top five ***regional inflow and outflow*** migration counties for Randolph County. Note that counties that directly border Randolph County are highlighted in red text.

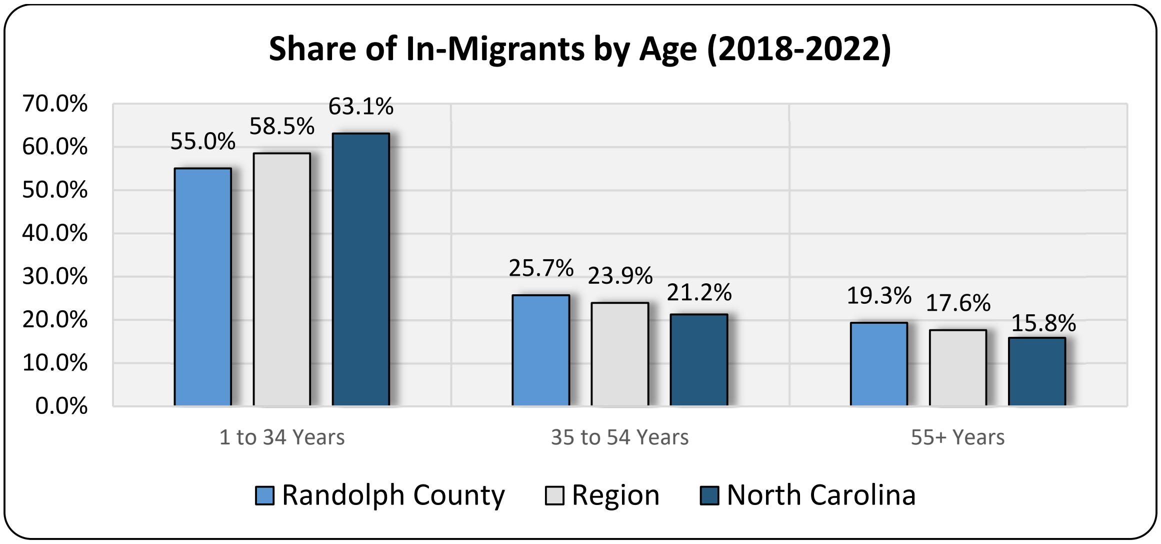
County-to-County Regional Migration (2016-2020)* Top Five Inflow and Outflow Counties – Randolph County, North Carolina			
Inflow		Outflow	
County	Percent	County	Percent
Guilford County, NC	46.1%	Guilford County, NC	16.8%
Davidson County, NC	12.6%	Davidson County, NC	14.2%
Alamance County, NC	5.3%	Moore County, NC	11.9%
Moore County, NC	3.9%	Forsyth County, NC	5.7%
Pitt County, NC	3.3%	Mecklenburg County, NC	5.6%

Source: U.S. Census Bureau, 2020 5-Year American Community Survey; Bowen National Research

*Regional migration data only includes counties within Georgia, North Carolina, South Carolina, Tennessee, and Virginia

As the preceding illustrates, 71.2% of in-migration for Randolph County is among the top five inflow counties listed, while 54.2% of the outflow is among the top five outflow counties. Note that several counties listed among the top five inflow and outflow counties border Randolph County. In addition, Forsyth County (Winston-Salem) and Mecklenburg County (Charlotte) are among the top five outflow counties.

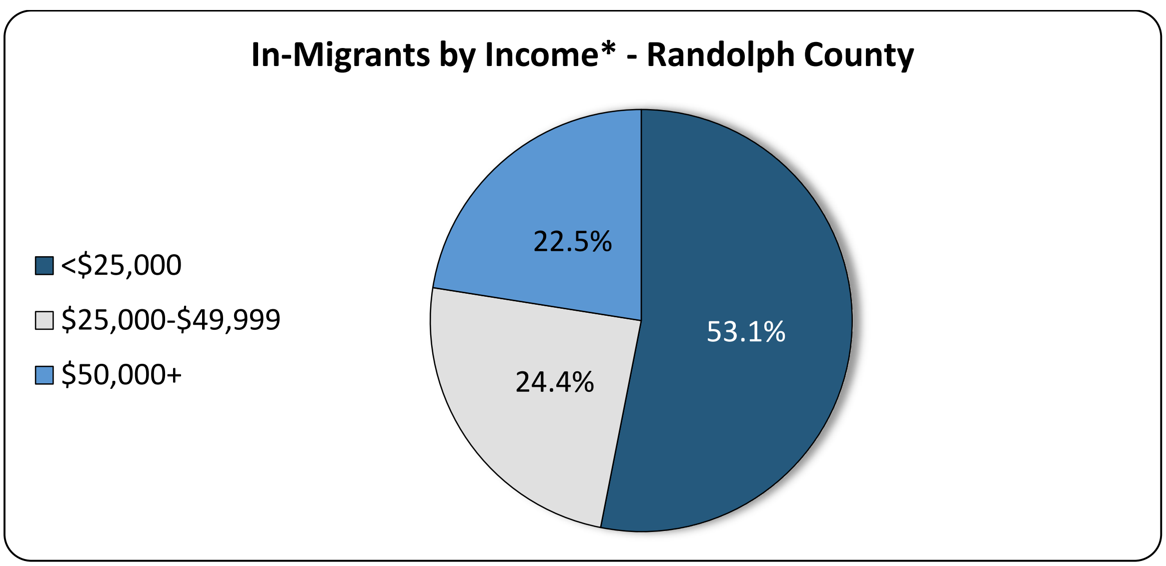
The following graph illustrates the distribution of ***domestic in-migrants by age*** for each study area from 2018 to 2022.



Source: U.S. Census Bureau, 2022 5-Year ACS Estimates (S0701); Bowen National Research

As the preceding data illustrates, 55.0% of in-migrants to Randolph County are under 35 years of age, while over one-quarter of in-migrants (25.7%) are between the ages of 35 and 54. Note that the county has a higher share (19.3%) of older in-migrants (aged 55 and older) compared to the Carolina Core Region and North Carolina.

The following graph summarizes the distribution of ***in-migrants by income*** level for Randolph County. Note that this data is provided for the county *population*, not households, ages 15 and above and reflects *annual averages* based on five-year ACS estimates (2018-2022).



Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

As the preceding data illustrates, over one-half (53.1%) of in-migrants to Randolph County earn less than $25,000 annually, while 24.4% of in-migrants earn between $25,000 and $49,999. As such, housing affordability is likely an important factor for a significant share of in-migrants to the county.

C. ECONOMY AND WORKFORCE ANALYSIS

Labor Force

The following table illustrates ***the employment base by industry*** for Randolph County, the Carolina Core Region, and the state of North Carolina. The top five industries by share of employment for each area are highlighted in **red** text.

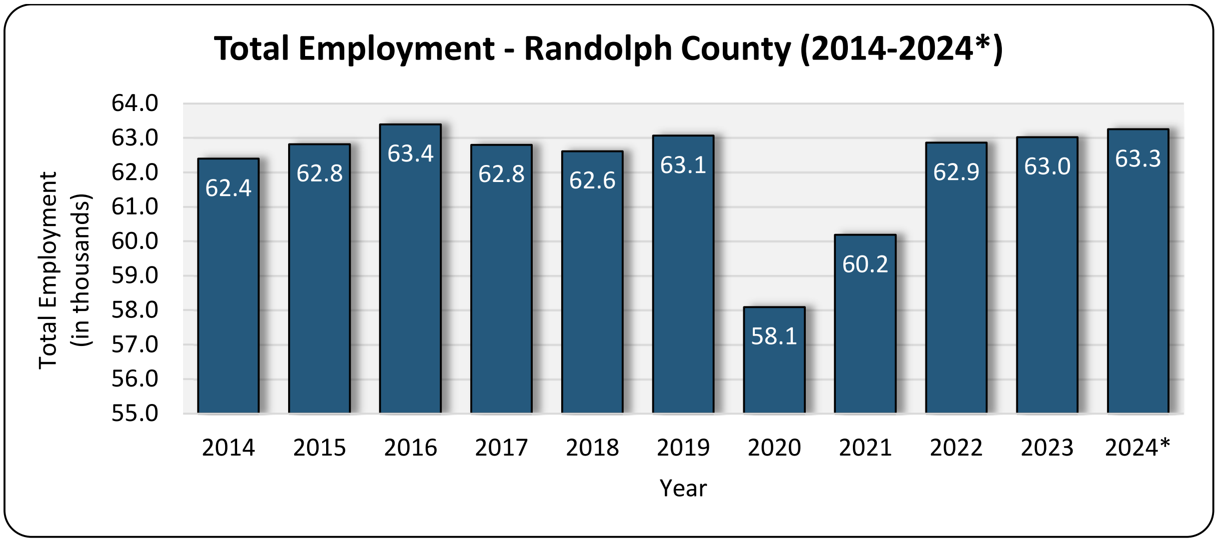
	Employment by Industry					
	Randolph County		Region		North Carolina	
NAICS Group	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	378	0.7%	3,723	0.3%	25,956	0.6%
Mining	84	0.2%	672	0.1%	3,118	0.1%
Utilities	95	0.2%	2,374	0.2%	21,553	0.5%
Construction	2,053	3.9%	52,575	4.7%	227,268	5.0%
Manufacturing	**13,681**	**25.8%**	**125,210**	**11.2%**	**410,950**	**9.0%**
Wholesale Trade	3,543	6.7%	48,624	4.3%	185,068	4.1%
Retail Trade	**5,670**	**10.7%**	**149,964**	**13.4%**	**607,690**	**13.3%**
Transportation & Warehousing	858	1.6%	27,079	2.4%	104,390	2.3%
Information	1,066	2.0%	21,264	1.9%	110,199	2.4%
Finance & Insurance	875	1.7%	32,818	2.9%	137,360	3.0%
Real Estate & Rental & Leasing	749	1.4%	27,490	2.5%	131,253	2.9%
Professional, Scientific & Technical Services	1,759	3.3%	58,439	5.2%	280,490	6.1%
Management of Companies & Enterprises	68	0.1%	1,396	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	754	1.4%	21,888	2.0%	99,112	2.2%
Educational Services	**4,210**	**7.9%**	**97,925**	**8.7%**	**359,838**	**7.9%**
Health Care & Social Assistance	**5,681**	**10.7%**	**174,236**	**15.5%**	**714,438**	**15.6%**
Arts, Entertainment & Recreation	770	1.5%	16,565	1.5%	82,250	1.8%
Accommodation & Food Services	**3,798**	**7.2%**	**109,066**	**9.7%**	**439,039**	**9.6%**
Other Services (Except Public Administration)	3,257	6.1%	71,518	6.4%	283,770	6.2%
Public Administration	3,496	6.6%	70,009	6.2%	303,079	6.6%
Non-classifiable	142	0.3%	8,207	0.7%	28,041	0.6%
Total	52,987	100.0%	1,121,042	100.0%	4,566,687	100.0%

Source: 2010 Census; ESRI; Bowen National Research

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each market. These employees, however, are included in our labor force calculations because their places of employment are located within each market.

Randolph County has an employment base of nearly 53,000 individuals within a broad range of employment sectors. The labor force within the county is based primarily in five sectors: Manufacturing (25.8%), Health Care and Social Assistance (10.7%), Retail Trade (10.7%), Educational Services (7.9%) and Accommodation and Food Services (7.2%). These are also the top five industries within the region and state. Combined, the top five job sectors represent 62.3% of the county employment base. While many occupations within the manufacturing, education, and healthcare sectors offer competitive wages, it is important to understand that a significant number of the support occupations in these industries, as well as within the retail trade and accommodation and food services sectors, typically have lower average wages which can contribute to demand for affordable housing.

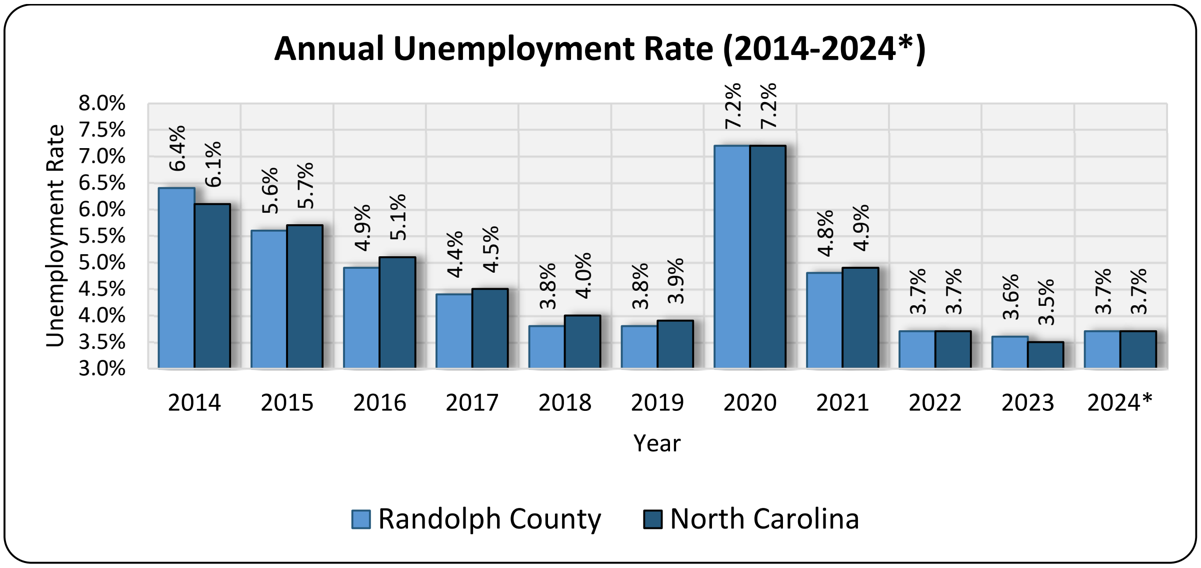
Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the ***total employment*** base for Randolph County between 2014 and 2024.



Source: Department of Labor; Bureau of Labor Statistics
*Through March

As the preceding illustrates, total employment within Randolph County fluctuated between 2014 and 2019. In 2020, total employment in the county decreased by approximately 5,000 jobs, which can be largely attributed to the economic impact of the COVID-19 pandemic. Since 2020, total employment in the county increased each year. As of March 2024, total employment in Randolph County is at 100.3% of the 2019 level.

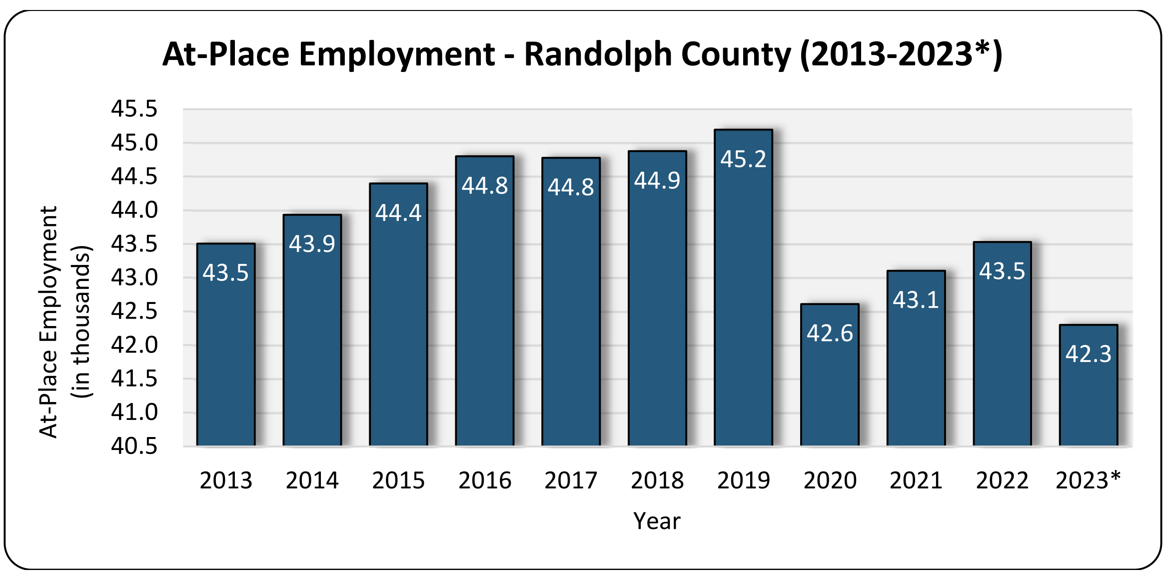
The following illustrates the ***annual unemployment rate*** for Randolph County and the state of North Carolina from 2014 to 2024.



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

As the preceding data shows, the unemployment rate in Randolph County steadily declined from 6.4% in 2014 to 3.8% in 2019. The unemployment rate significantly increased (to 7.2%) in 2020 due to the economic effects of the COVID-19 pandemic. After the increase in 2020, the unemployment rate declined in each subsequent year through 2023. As of March 2024, the unemployment rate in Randolph County is 3.7%.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total ***at-place employment*** base for Randolph County from 2013 to 2023.



Source: Department of Labor; Bureau of Labor Statistics
*Through September

As the preceding illustrates, at-place employment within Randolph County increased or stayed the same each year between 2013 and 2019. At-place employment decreased significantly in the county in 2020 during the COVID-19 pandemic. Note that at-place employment in the county has yet to recover all of the jobs lost during 2020. As of September 2023, at-place employment within the county is at 93.6% of the 2019 level. Overall, this reflects a decrease of approximately 2,900 jobs in Randolph County between 2019 and September 2023.

Commuting Data

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. In addition, the individuals commuting into a market from neighboring markets represent a potential base of support for future residential development.

The following table summarizes two ***commuting pattern attributes*** (mode and time) for Randolph County.

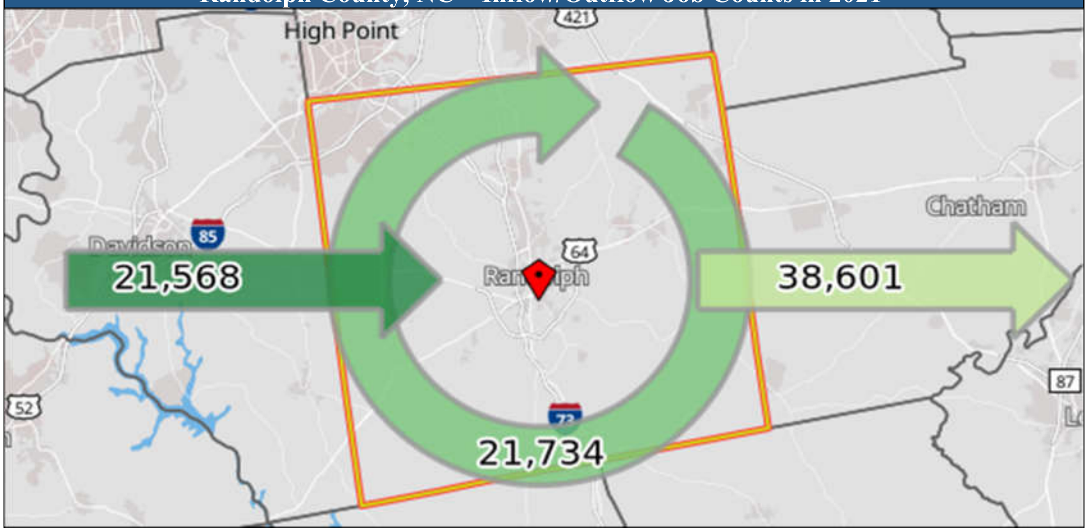
Commuting Attributes Randolph County, North Carolina							
Mode							
	Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Number	52,867	7,037	57	240	634	3,274	64,109
Percent	82.5%	11.0%	0.1%	0.4%	1.0%	5.1%	100.0%
Time							
	Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Number	16,224	24,699	13,180	3,978	2,754	3,274	64,109
Percent	25.3%	38.5%	20.6%	6.2%	4.3%	5.1%	100.0%

Source: ESRI; Bowen National Research

As the preceding illustrates, the vast majority (93.5%) of individuals in Randolph County utilize their own vehicles or carpool to work. In addition, approximately 63.8% of commuters in the area have relatively short commute times (less than 30 minutes) to their place of employment.

The following illustrates the overall ***commuter flow*** for Randolph County based on 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES) data.

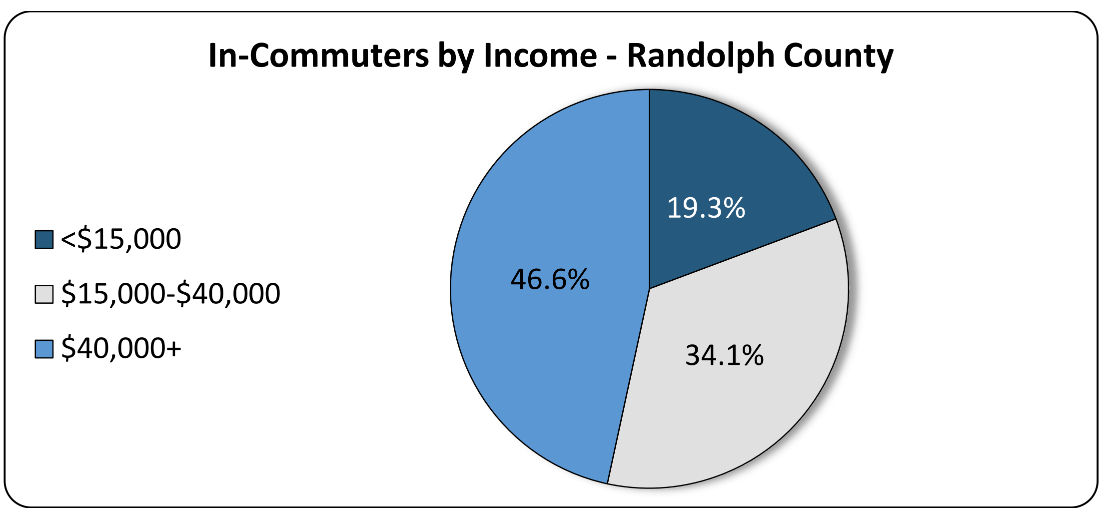
Randolph County, NC – Inflow/Outflow Job Counts in 2021



Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES); Bowen National Research

Of the approximately 43,302 employed persons in Randolph County, 21,568 persons (49.8%) originate from outside the county, while the remaining share (50.2%) live within the county. Note that 38,601 residents commute outside the county for employment. The 21,568 non-residents who work in the county represent a substantial base of potential support for future residential development within the county.

The following illustrates the distribution of ***in-commuters by annual income*** for Randolph County.

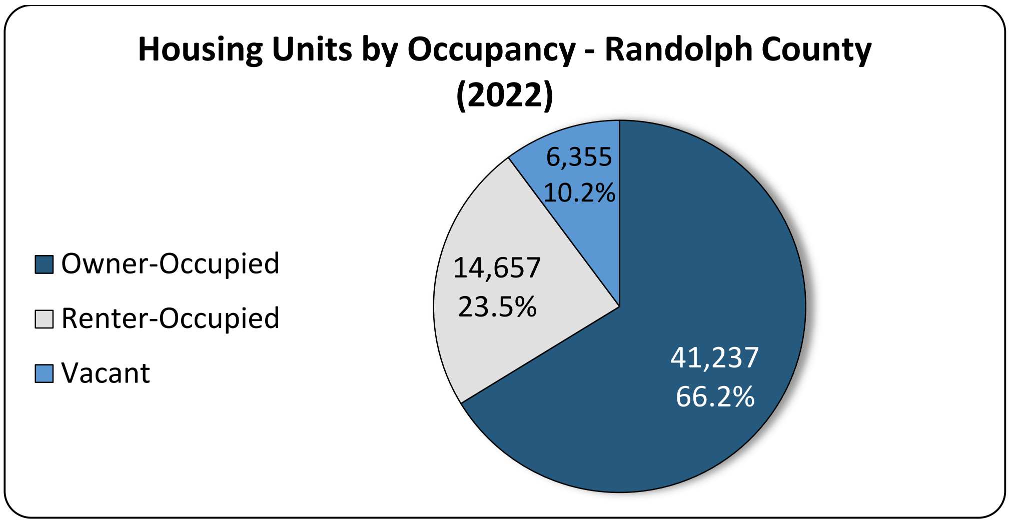


Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES); Bowen National Research

The preceding shows that the largest share (46.6%) of in-commuters to Randolph County earn $40,000 or more annually, while 34.1% of in-commuters earn between $15,000 and $40,000. The remaining share (19.3%) of in-commuters earns less than $15,000 annually. Due to the range of incomes, a variety of housing types could be developed to potentially attract some of the 21,568 in-commuters to live within Randolph County.

D. HOUSING METRICS

The estimated distribution of the area ***housing stock by occupancy/tenure status*** for Randolph County for 2022 is illustrated in the following graph:



Source: American Community Survey (2018-2022); ESRI; Bowen National Research

Among the 62,249 total housing units in Randolph County, 66.2% are owner occupied and 23.5% are renter occupied. The remaining share (10.2%) of housing units in the county are vacant. It should be noted that vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units.

The following table compares key ***housing age and conditions*** based on 2018-2022 American Community Survey 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 by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions (2022)											
	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
Randolph County	4,523	30.9%	10,412	25.2%	737	5.0%	554	1.3%	894	6.1%	321	0.8%
Region	99,880	27.0%	178,181	24.2%	13,835	3.7%	11,160	1.5%	6,734	1.8%	3,473	0.5%
North Carolina	324,950	23.4%	581,740	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

In Randolph County, 30.9% of the renter-occupied housing units and 25.2% of the owner-occupied housing units were built prior to 1970. Both shares are slightly higher than the regional and statewide shares of older housing units. In addition, the share of overcrowded renter households (5.0%) and the share of renter households with incomplete plumbing and kitchen facilities (6.1%) are higher than the regional and statewide shares of such housing. Overall, there are approximately 1,631 renter households and 875 owner households in Randolph County living in substandard housing conditions.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	Total HH (2023)	Median HH Income (2023)	Median Home Value (2023)	Median Gross Rent (2022)	Share of Cost Burdened HH (2022)*		Share of Severe Cost Burdened HH (2022)**	
					Renter	Owner	Renter	Owner
Randolph County	58,371	$57,317	$170,951	$813	40.2%	16.1%	18.1%	7.2%
Region	1,154,900	$59,604	$219,542	$970	43.8%	18.8%	20.8%	7.7%
North Carolina	4,313,434	$64,316	$262,945	$1,093	43.6%	18.9%	20.8%	7.7%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research
HH – Households
*Paying more than 30% of income toward housing costs; **Paying more than 50% of income toward housing costs

The estimated median home value in Randolph County of $170,951 is 22.1% lower than the median home value for the region and 35.0% lower than the statewide median home value. The median gross rent of $813 in the county is 16.2% lower than the region's median gross rent and 25.6% lower than the statewide gross rent. With a median household income of $57,317 in Randolph County, approximately 40.2% of renter households and 16.1% of owner households are housing cost burdened. As a result, there are nearly 5,900 renter households and over 6,600 owner households in Randolph County that are housing cost burdened, of which over 5,600 *total* households are severe cost burdened (paying more than 50% of income toward housing costs). As such, affordable housing alternatives should be an integral part of future housing solutions.

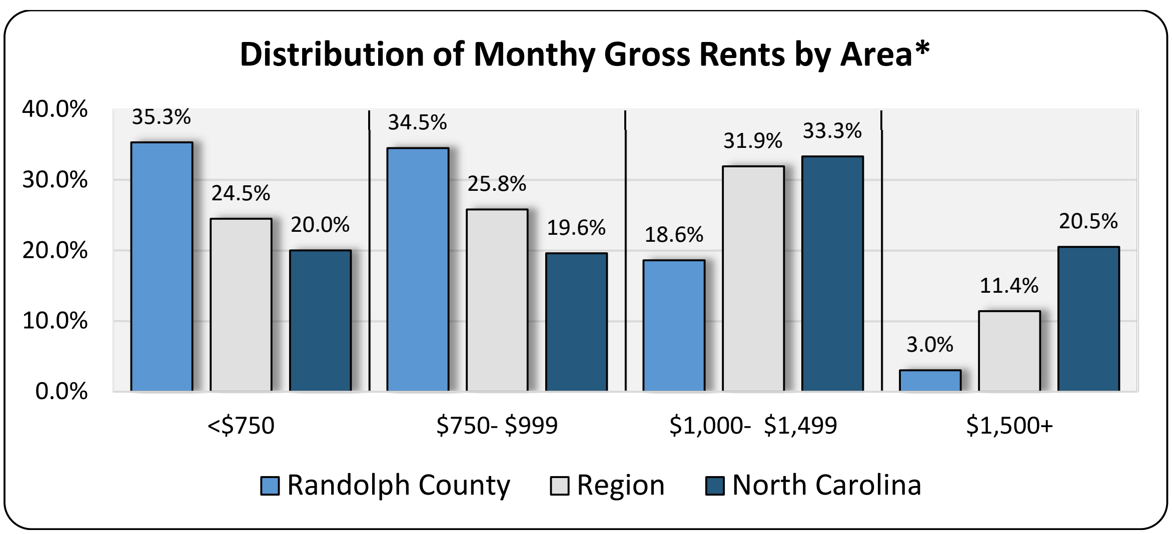
Based on the 2018-2022 American Community Survey (ACS) data, the following is a distribution of all occupied housing by ***units in structure by tenure*** (renter or owner) for the county, region, and state.

		Renter-Occupied Housing by Units in Structure (2022)				Owner-Occupied Housing by Units in Structure (2022)			
		4 Units or Less	5 Units or More	Mobile Home/Other	Total	4 Units or Less	5 Units or More	Mobile Home/Other	Total
Randolph County	Number	8,232	3,127	3,298	14,657	33,424	98	7,715	41,237
	Percent	56.2%	21.3%	22.5%	100.0%	81.1%	0.2%	18.7%	100.0%
Region	Number	199,433	125,963	43,953	369,349	653,854	6,376	76,147	736,377
	Percent	54.0%	34.1%	11.9%	100.0%	88.8%	0.9%	10.3%	100.0%
North Carolina	Number	707,628	519,370	160,273	1,387,271	2,396,187	31,813	289,961	2,717,961
	Percent	51.0%	37.4%	11.6%	100.0%	88.2%	1.2%	10.7%	100.0%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

In Randolph County, 78.7% of the *rental* units in Randolph County are within structures of four units or less or mobile homes. Overall, the county has a smaller share (21.3%) of multifamily rental housing (five or more units within a structure) when compared to the region (34.1%) and state (37.4%). The county also has a larger share of renter-occupied and owner-occupied mobile home units compared to the regional and state shares of such housing.

The following graph illustrates the ***distribution of monthly gross rents*** (per unit) for rental alternatives within the county, region, and the state. Note that this data includes both multifamily rentals and non-conventional rentals. However, with over three-quarters (78.7%) of all rental units in the county classified as non-conventional (four units or less within a structure), this data provides insight into the overall distribution of rents among the non-conventional rental supply. Note that gross rents include tenant-paid rents and tenant-paid utilities.



Source: American Community Survey (2018-2022); ESRI; Bowen National Research
*Excludes rentals classified as "No Cash Rent"

As the preceding illustrates, the largest share (35.3%) of Randolph County rental units have gross rents below $750, while 34.5% of rental units have gross rents between $750 and $999. Combined, nearly 70% of rental units in the county have gross rents below $1,000 per month. By comparison, only 3.0% of rental units in the county have gross rents of $1,500 or more.

Bowen National Research's Survey of Housing Supply

Multifamily Rental Housing

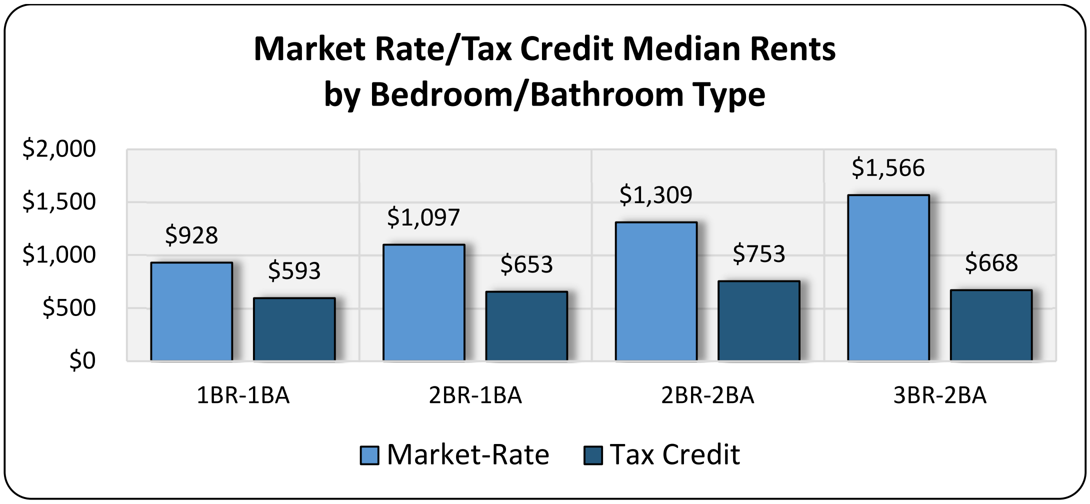
A field survey of multifamily rental properties was conducted as part of the Carolina Core Region Housing Needs Assessment. The following table summarizes the surveyed ***multifamily rental supply by project type*** for Randolph County and the Carolina Core Region. Note that vacancy rates below the optimal range of 4% to 6% are illustrated in red text.

Surveyed Multifamily Rental Housing Supply by Area and Project Type					
Project Type	**Projects Surveyed***	**Total Units**	**Vacant Units**	**Vacancy Rate**	**Wait Lists**
Randolph County					
Market-Rate	19	1,799	64	3.6%	5-90 HH
Tax Credit	4	202	4	2.0%	4-25 HH; 4-12 Mo.
Government Subsidized	7	389	3	0.8%	2-5 HH; 24 Mo.
Total	**30**	**2,390**	**71**	**3.0%**	**2-90 HH; 4-24 Mo.**
Carolina Core Region					
Market-Rate	418	75,832	5,081	6.7%	1-100 HH; 2-12 Mo.
Tax Credit	136	8,253	85	1.0%	1-400 HH; 1-48 Mo.
Government Subsidized	226	12,416	25	0.2%	2-8,000 HH; 1-36 Mo.
Total	**761**	**96,501**	**5,191**	**5.4%**	**1-8,000 HH; 1-36 Mo.**

Source: Bowen National Research
*Total projects surveyed may not equal sum of individual types due to projects having multiple unit types

In Randolph County, a total of 30 apartment properties were surveyed, comprising a total of 2,390 units. Overall, the multifamily units are 97.0% occupied, with a total of 71 vacancies. The overall occupancy rate of 97.0% is slightly above the 94% to 96% range that is generally considered to be a healthy occupancy rate for multifamily rental markets. Note that Tax Credit and government-subsidized units have extremely high occupancy rates (98.0% and 99.2%, respectively) and have a combined total of seven vacant units. The high occupancy rates and presence of wait lists, specifically among the project types that target lower income households, are evidence of pent-up demand for affordable multifamily rentals within Randolph County and likely represent a development opportunity.

The following graph illustrates the ***median rent by bedroom/bathroom type*** for the surveyed *market-rate* and *Tax Credit* units in Randolph County.



Source: Bowen National Research

As the preceding illustrates, the median rent for a typical market-rate unit in Randolph County is significantly higher than the median rent for a Tax Credit unit with the same bedroom/bathroom configuration. The median rent difference between market-rate and Tax Credit units surveyed in the county ranges from $335 for a one-bedroom/1.0-bathroom unit to $898 for a three-bedroom/2.0-bathroom unit. With a lack of available Tax Credit and government-subsidized units in the county, this indicates low-income households that must seek rental alternatives among the market-rate supply are likely to become housing cost burdened, or simply may not have sufficient income available to secure a market-rate unit in the county.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, and mobile homes and account for 78.7% of the total rental units in Randolph County.

During January and February 2024, Bowen National Research conducted an online survey and identified 22 non-conventional rentals that were listed as *available* for rent in Randolph County. While these rentals do not represent all non-conventional rentals, they 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 and the number of bedrooms of non-conventional rentals in the area.

The following table illustrates the individual vacancy rates, which compares the number of identified *vacant* non-conventional rentals to the *total number* of non-conventional rentals based on the American Community Survey, for the subject county and the region as a whole.

Surveyed Non-Conventional Rentals Overview			
Area	Non-Conventional Rentals*	Identified Vacant Units	Vacancy Rate
Randolph County	11,530	22	0.2%
Region	243,386	1,043	0.4%

Source: American Community Survey (2018-2022); ESRI; Bowen National Research
*ACS reported number of rental units within structures of four units or less and mobile homes

With a total of 22 available units identified, Randolph County has an overall vacancy rate of 0.2% for non-conventional rentals, which is a slightly lower rate compared to the Carolina Core Region. This is well below the optimal range of 4% to 6% for non-conventional rentals and indicates a lack of available supply in the county.

A summary of the available ***non-conventional rental*** units in Randolph County, which includes bedroom type, rent range, and median rent per square foot, follows:

Surveyed Non-Conventional Rental Supply – Randolph County				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	2	\$775 - \$775	\$775	\$0.77
Two-Bedroom	7	\$800 - \$1,300	\$1,100	\$1.39
Three-Bedroom	10	\$1,195 - \$2,000	\$1,425	\$1.06
Four-Bedroom	3	\$1,625 - \$1,825	\$1,799	\$0.92
Total	22			

Source: Zillow; Apt.com; Trulia; Realtor.com; Facebook; Rent.com

Among the available non-conventional rentals in Randolph County, the largest share (45.5%) by bedroom type consists of three-bedroom units. The three-bedroom units have a median rent of \$1,425 (\$1.06 per square foot) and an overall rent range of \$1,195 to \$2,000. When typical utility costs (\$200 or more) are considered, the typical three-bedroom non-conventional rental in Randolph County has a gross rent of approximately \$1,625. This is a substantially higher rent as compared to rent for three-bedroom multifamily Tax Credit units in the county, which have a median collected rent of \$668. As such, it is unlikely that most low-income households would be able to afford the typical non-conventional rental in the area, even if such a unit were readily available.

For-Sale Housing

The following table summarizes the *available* (as of May 31, 2024) and *recently sold* (between January 2020 and May 2024) for-sale housing stock for Randolph County and the Carolina Core Region.

Owner For-Sale/Sold Housing Supply		
Type	**Number of Homes**	**Median Price**
Randolph County		
Available*	113	$300,000
Sold**	4,995	$212,000
Carolina Core Region		
Available*	3,966	$339,250
Sold**	164,742	$268,965

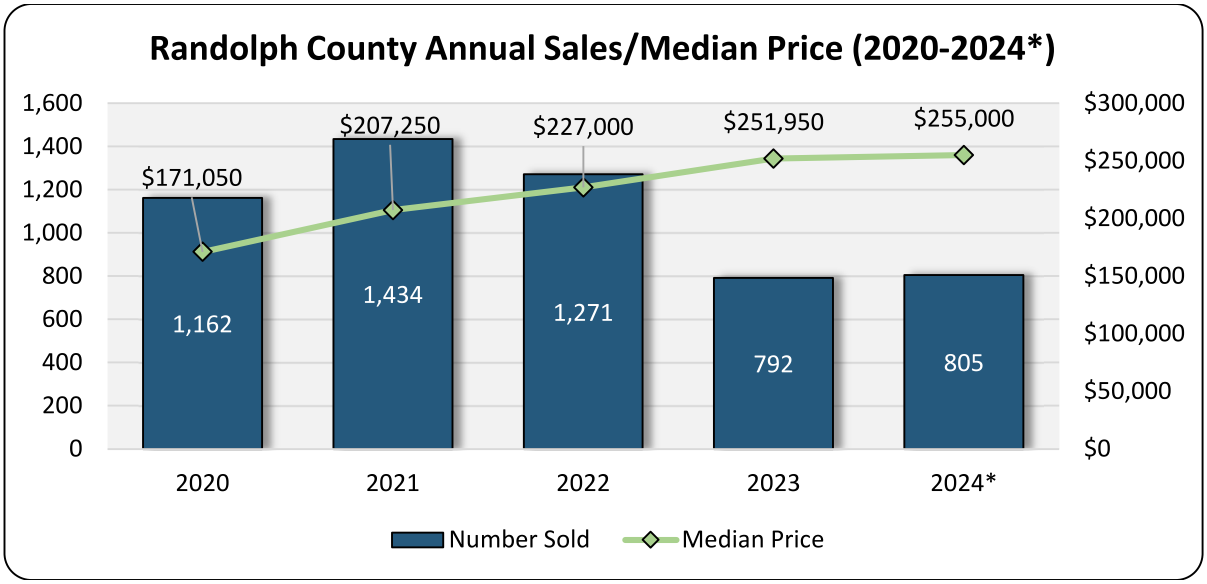
Source: Redfin.com & Bowen National Research
* As of May 31, 2024
**Sales from January 1, 2020 to May 31, 2024

The available for-sale housing stock in Randolph County as of May 31, 2024 consists of 113 total units with a median list price of $300,000. This is lower than the median list price of the available for-sale homes in the region. Historical sales from January 2020 to May 2024 in Randolph County consisted of 4,995 homes with a median sales price of $212,000.

The following table and graph summarize ***historical*** ***sales volume*** and ***median sales price*** by year from January 2020 through May 2024.

Sales History/Median Sales Price by Year – Randolph County (January 1, 2020 to May 31, 2024)				
Year	**Number Sold**	**Percent Change**	**Median Sales Price**	**Percent Change**
2020	1,162	-	$171,050	-
2021	1,434	23.4%	$207,250	21.2%
2022	1,271	-11.4%	$227,000	9.5%
2023	792	-37.7%	$251,950	11.0%
2024*	336 (805)	1.6%	$255,000	1.2%

Source: Redfin.com & Bowen National Research
*As of May 31, 2024; Volume projected through the remainder of 2024 (in parenthesis)



*2024 full year volume projection

As the preceding illustrates, home sales in Randolph County increased by 23.4% between 2020 and 2021. Since 2021, volume decreased in each subsequent year, though projections indicate that sales volume will increase by 1.6% by the end of 2024. It should be noted that the current year's projection is based solely on transactions year-to-date, which may not account for seasonality in the market that can influence the projection. While volume decreased annually in recent years, the median sales price of homes sold in the county increased substantially. Collectively, the median sales price of homes sold in Randolph County increased by 49.1% between January 2020 and May 2024.

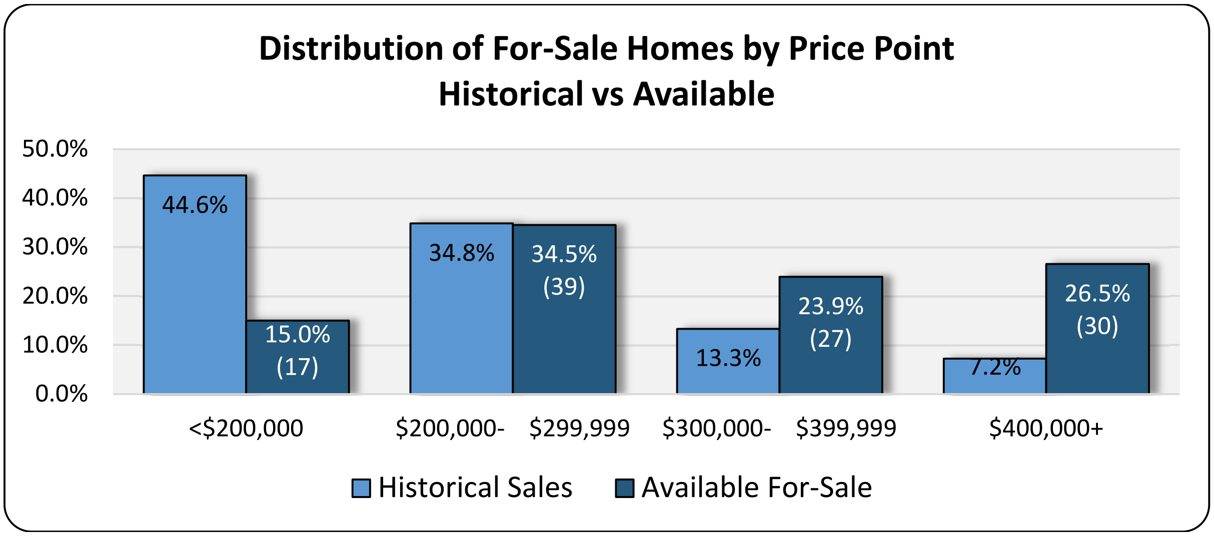
The following table provides various housing market metrics for the *available* for-sale homes in Randolph County as of May 31, 2024.

Available For-Sale Housing – Randolph County (As of May 31, 2024)							
Total Available Units	% Share of Region	Availability Rate	Months Supply of Inventory	Average List Price	Median List Price	Average Days on Market	Average Year Built
113	2.8%	0.3%	1.2	$460,124	$300,000	59	1978

Source: Redfin.com & Bowen National Research

The 113 available for-sale homes in Randolph County equate to an availability rate of 0.3% when compared to the 41,237 owner-occupied units in the county. Note that an average of 94 homes sold each month in the county during the historical sales period (January 2020 through May 2024). Based on recent sales history, this inventory represents 1.2 *Months Supply of Inventory* (MSI). Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase and there should be between four and six months of available inventory to allow for inner-market mobility and household growth. The available for-sale homes have an average number of days on market of 59 days and an average year built of 1978. Overall, the data illustrates that there is limited availability of for-sale homes and that available homes are typically on the market for a short period of time, which has likely contributed, at least in part, to the notable increase in for-sale pricing since 2020.

The following graph compares the distribution of *historical* and *available* for-sale residential units by ***price point*** for Randolph County:



Source: Redfin.com & Bowen National Research

As the preceding illustrates, homes priced at $200,000 or below accounted for 44.6% of all home sales during the historical sales period. However, homes priced at $200,000 or below account for only 15.0% of *available* units for sale in the county. By comparison, homes priced at $300,000 or above account for over one-half (50.4%) of available for-sale units. During the historical sales period, homes priced at $300,000 or above only accounted for 20.5% of sold units. As such, for-sale housing affordability has declined in recent years, which likely creates affordability issues for much of the area workforce and may limit the ability of the area to attract new households.

The following table summarizes the distribution of *available* for-sale homes by ***bedroom type*** for Randolph County.

Available For-Sale Housing Units by Bedroom Type Randolph County (As of May 31, 2024)							
One-Bedroom		Two-Bedroom		Three-Bedroom		Four-Bedroom+	
Number (Share)	Median List Price	Number (Share)	Median List Price	Number (Share)	Median List Price	Number (Share)	Median List Price
1 (0.9%)	$225,000	10 (8.8%)	$222,450	74 (65.5%)	$285,000	28 (24.8%)	$497,000

Source: Redfin.com & Bowen National Research

As shown in the preceding table, the largest share (65.5%) of the available for-sale housing product in the county is comprised of three-bedroom units, while four-bedroom or larger units represent the next largest share (24.8%). Three-bedroom units have a median list price of $285,000, while four-bedroom or larger units have a median list price of $497,000. While available one- and two-bedroom units have lower median list prices, these units comprise less than 10% of the available inventory.

E. HOUSING GAP

Based on ESRI household projections from 2024 to 2029, which is the most up-to-date version available, 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 housing units that are needed (housing gap) in Randolph County. 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 of substandard housing, commuter/external market support, severe cost-burdened households, step-down support, and the impact of potential job growth as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that are needed by different income segments and rent levels.

- For-Sale Housing – We considered potential demand from owner household growth, the number of units required for a balanced market, the need for replacement of substandard housing, commuter/external market support, severe cost-burdened households, step-down support, and the impact of potential job growth in our estimates for new for-sale housing. As part of this analysis, we accounted for vacancies reported among all surveyed for-sale alternatives. We concluded this analysis by providing the number of units that are needed by different income segments and price points.

Randolph County has an overall housing gap of 10,640 units, with a gap of 3,037 rental units and a gap of 7,603 for-sale units. The following table summarizes the rental and for-sale housing gaps by income and affordability levels for Randolph County.

	Randolph County Housing Gap Estimates (2024 to 2029)					
Percent AMHI*	**≤50%**	**51%-80%**	**81%-120%**	**121%-150%**	**151%+**	**Total Housing Gap**
Household Income	≤ $41,500	$41,501-$66,400	$66,401-$99,600	$99,601-$124,500	$124,501+	
Rent Range	≤ $1,038	$1,039-$1,660	$1,661-$2,490	$2,491-$3,113	$3,114+	
Price Range	≤ $138,333	$138,334-$221,333	$221,334-$332,000	$332,001-$415,000	$415,001+	
Rental Housing Gap	1,282	659	486	436	174	**3,037**
For-Sale Housing Gap	980	1,394	1,310	2,245	1,674	**7,603**

Source: Bowen National Research
AMHI – Area Median Household Income
* Based on HUD limits for Randolph County (4-person limit)

As the preceding table illustrates, the projected housing gaps over the next five years encompass a variety of affordability levels for both rental and for-sale housing product. It appears the greatest *rental* housing gap in the county is for the lowest housing affordability segment (rents of less than $1,039 that are affordable to households earning up to 50% of AMHI). The greatest *for-sale* housing gap in the county is for homes priced between $332,001 and $415,000 that are affordable to households earning between 121% and 150% of AMHI. Although development within Randolph County should be prioritized to the housing product showing the greatest gaps, it appears efforts to address housing should consider most rents and price points across the housing spectrum. The addition of a variety of housing product types and affordability levels would enhance the subject county's ability to attract potential workers and help meet the changing and growing housing needs of the local market.

F. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

A SWOT analysis often serves as the framework to evaluate an area's competitive position and to develop strategic planning. It considers internal and external factors, as well as current and future potential. Ultimately, such an analysis is intended to identify core strengths, weaknesses, opportunities, and threats that can lead to strategies that can be developed and implemented to address local housing issues.

The following is a summary of key findings from this SWOT analysis for Randolph County.

SWOT Analysis	
Strengths	**Weaknesses**
• Positive household growth • Positive components of population change (natural change and domestic/international migration) • Positive household income growth projections • Unemployment rate consistent with state averages	• Negative projected population growth • Extremely low vacancy rates among Tax Credit and subsidized rental units • Low availability rates for non-conventional rentals and for-sale housing • Projected decline in renter households • Higher rates of renters living in substandard housing conditions compared to the region and state • At-place employment not fully recovered from job losses sustained during 2020
Opportunities	**Threats**
• Housing need of 3,037 rental units • Housing need of 7,603 for-sale units • Attract some of the 21,568 commuters coming into the county for work to live in the county • Relatively young base of in-migrants with a variety of income levels.	• Rising cost of for-sale housing • Slightly older average housing inventory subject to deterioration/neglect • County risks losing some of 38,000+ residents that commute out of the county for employment

Randolph County experienced notable positive household growth since 2010, and household growth is projected to continue over the next five years. However, the county population is projected to decline over the next five years. Total employment and at-place employment have each increased since 2020, although at-place employment in the county has yet to recover all jobs lost during the COVID-19 pandemic. The county has extremely low vacancy rates among multifamily and non-conventional rentals and a low availability rate within the for-sale housing market. These availability issues combined with rising for-sale costs, an aging inventory of housing with a slightly higher share of housing condition issues, and a significant number of residents commuting outside the county for employment increase the likelihood of households relocating outside the county. However, the county has a total housing gap of 10,640 units and 21,568 commuters coming into the county daily for employment. This represents a significant development opportunity which could contribute to positive household growth in the county.