

ROCKINGHAM COUNTY, NC HOUSING OVERVIEW

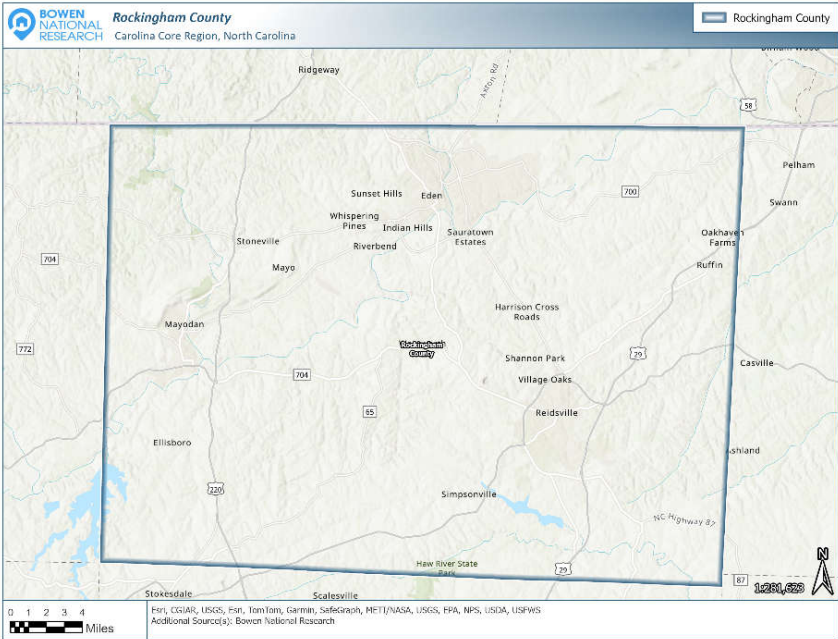
In June 2024, Bowen National Research completed a 21-county Housing Needs Assessment of the Carolina Core Region in the state of North Carolina. In conjunction with the regional Housing Needs Assessment, individual housing overviews were also prepared for select counties within the region. This housing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

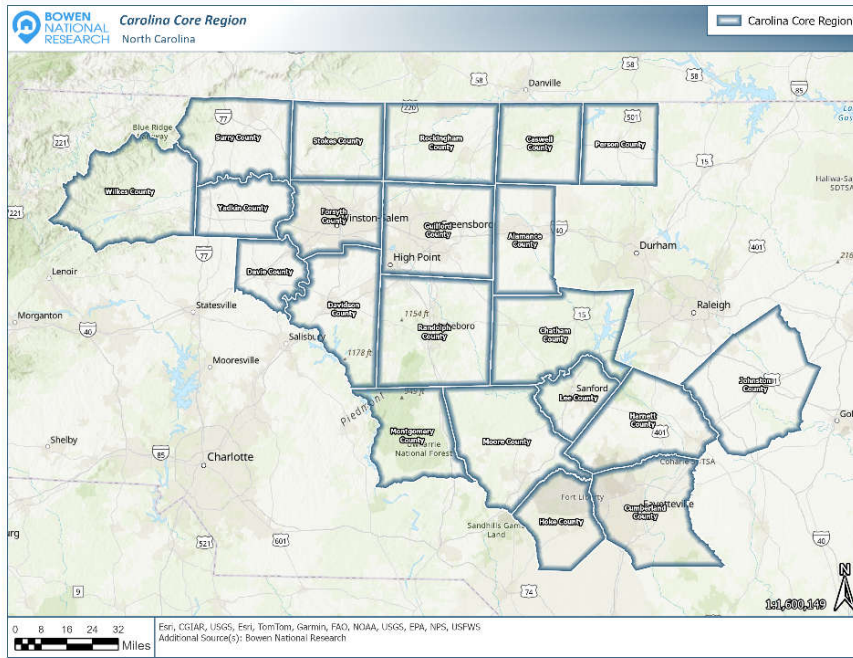
The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this overview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

A. INTRODUCTION

Rockingham County is located in the Piedmont Triad region of North Carolina. The state of Virginia borders the county to the north. The county seat (Wentworth) is approximately 28 miles north of downtown Greensboro and approximately 40 miles northeast of downtown Winston-Salem. Rockingham County contains approximately 573 square miles and has an estimated population of 90,539 in 2023. Interstate 73 and U.S. Highways 29, 158, 220, and 311 serve as the primary thoroughfares for the county. The cities of Eden and Reidsville are the two largest municipalities by population in Rockingham County. Other notable population centers within the county include Madison, Mayodan and Stoneville.

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

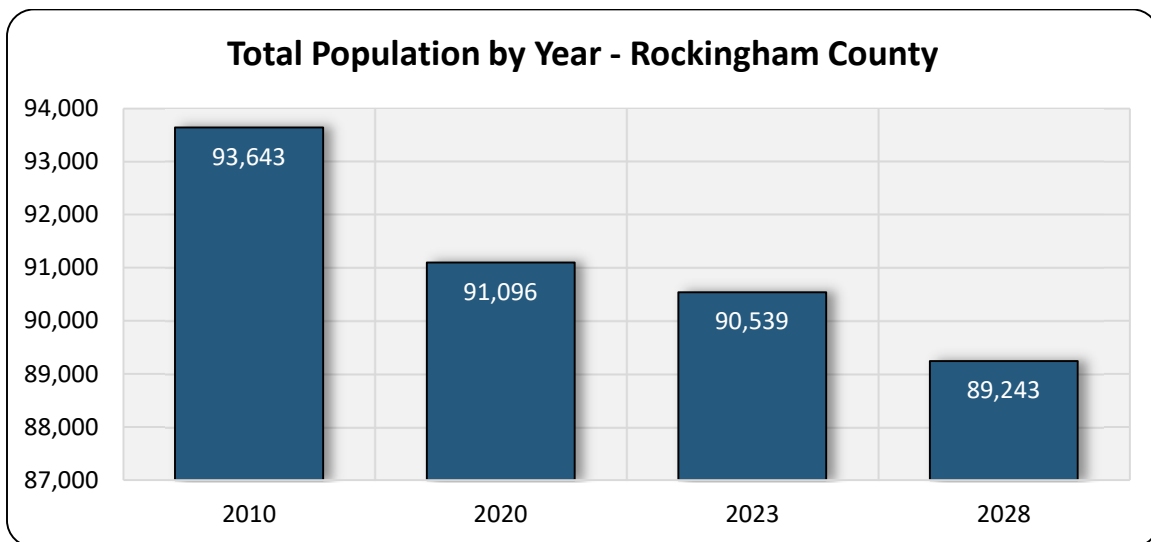




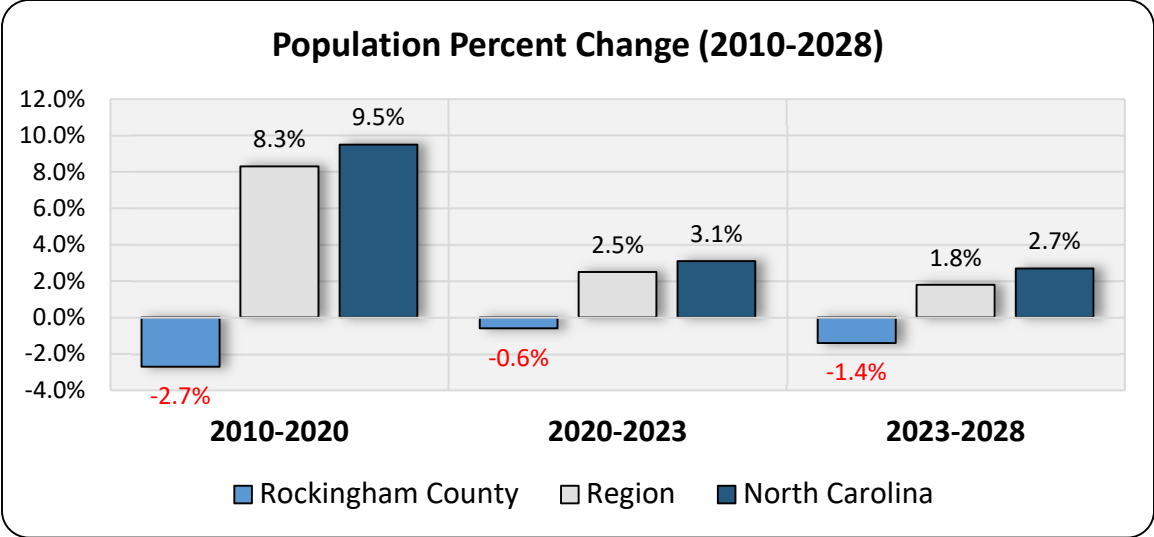
B. DEMOGRAPHIC ANALYSIS

This section of the report evaluates key demographic characteristics for Rockingham 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 Rockingham County and the projected population changes between 2023 and 2028 for each of the study areas.



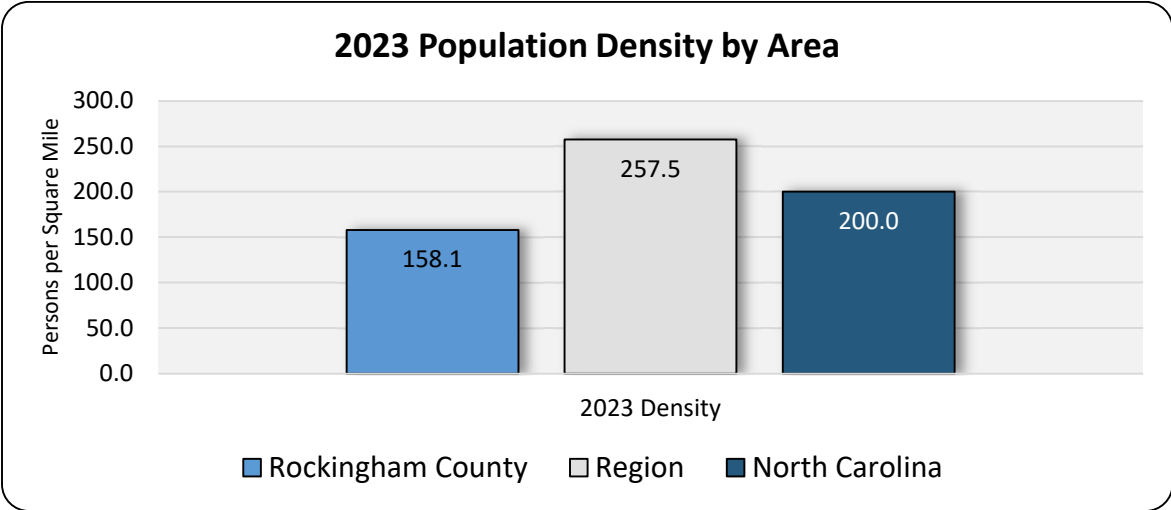
Source: 2010, 2020 Census; ESRI; Bowen National Research



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

The population in Rockingham County decreased by 3,104 (3.3%) between 2010 and 2023. By comparison, the Carolina Core Region (11.0%) and state of North Carolina (12.9%) each experienced population increases during this period. Over the next five years, the population in Rockingham County is projected to decrease by an additional 1.4%, whereas a 1.8% population increase is projected for the region.

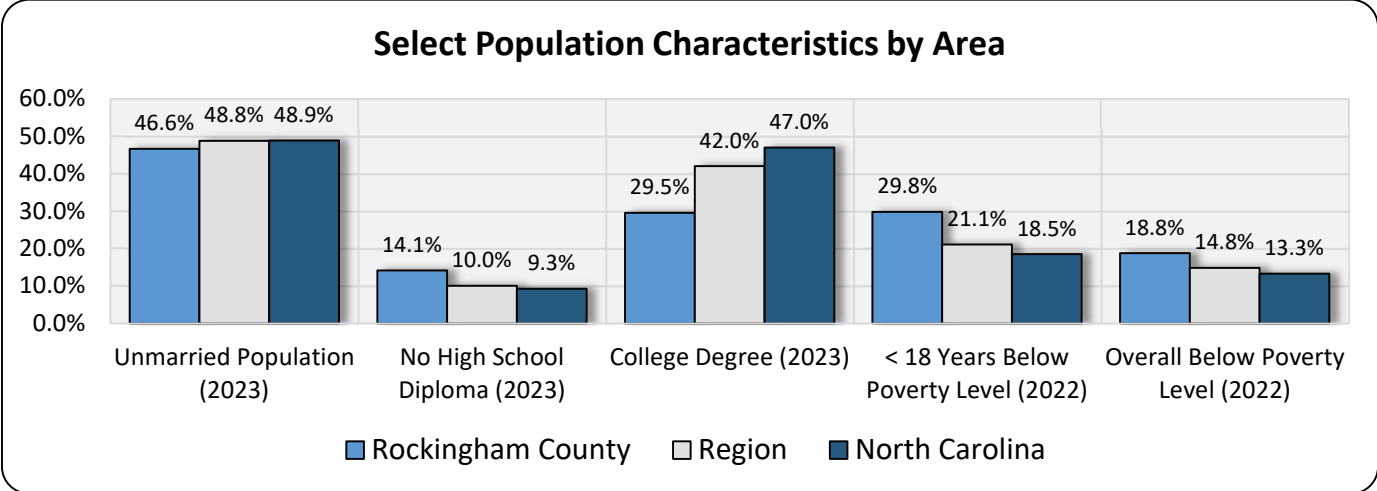
The following graph illustrates the *population density* for each study area in 2023.



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

With a population density of 158.1 persons per square mile, Rockingham 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).

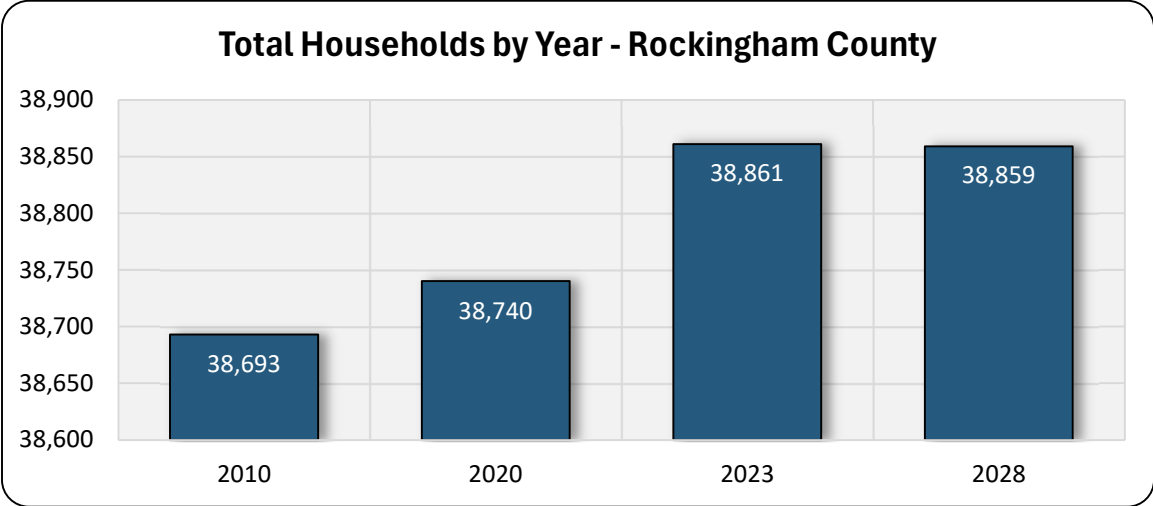
The following graph illustrates *select population characteristics* that typically influence housing affordability for each of the study areas. Note that data included within the graph is derived from multiple sources (2020 Census, ESRI, American Community Survey) and is provided for the most recent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



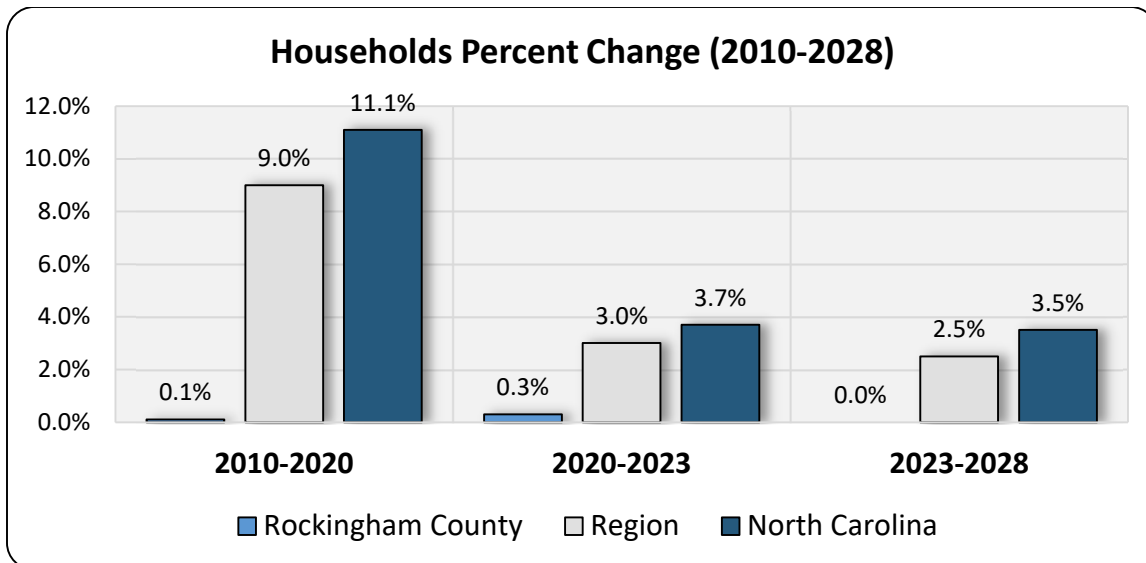
Source: U.S. Census Bureau; 2020 Census; 2018-2022 American Community Survey; ESRI; Bowen National Research

As the data illustrates, Rockingham County has a lower share of unmarried persons (46.6%) compared to the Carolina Core Region and state of North Carolina. The county has a higher share of the population without a high school diploma (14.1%) and a lower share of individuals with a college degree (29.5%) compared to the region and the state. Rockingham County also has higher shares of children and individuals living below the poverty level when compared to the region and state.

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



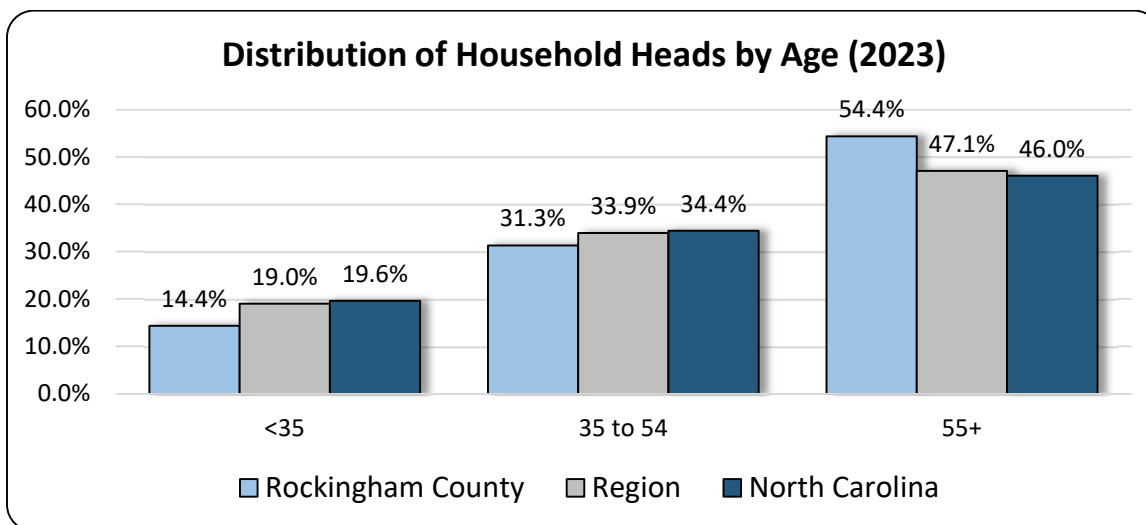
Source: 2010, 2020 Census; ESRI; Bowen National Research



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

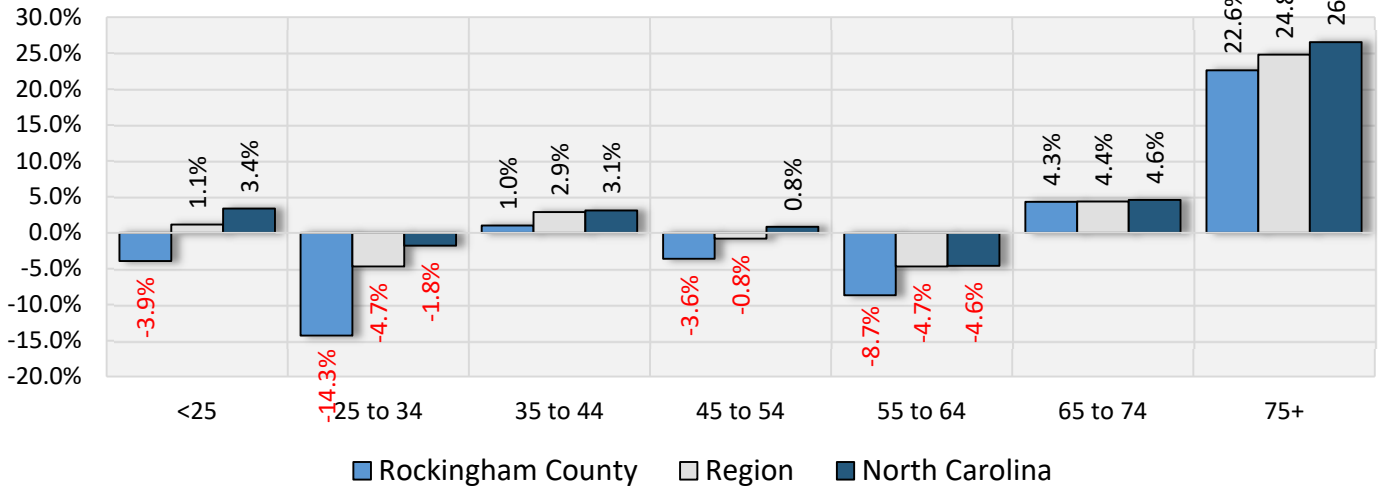
The number of households in Rockingham County increased by 168 (0.4%) between 2010 and 2023. This represents a much smaller percent increase as compared to the region (12.2%) and state (15.2%) during this period. Over the next five years, the share of households in Rockingham County is projected to decrease by less than 0.1% (two households), By comparison, a 2.5% increase in households is 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

Projected Percent Change in Household Heads by Age (2023-2028)

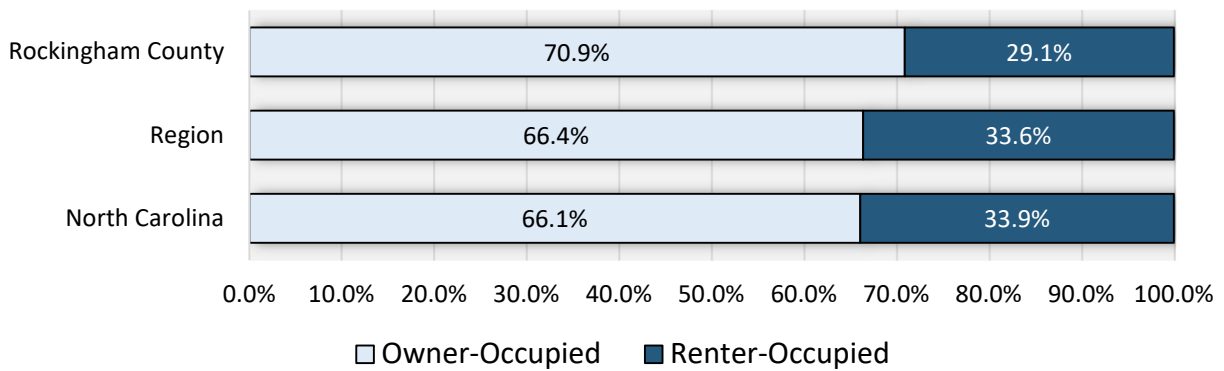


Source: ESRI; Bowen National Research

Overall, the data shows that Rockingham County has a higher share of households aged 55 or older (54.4%) when compared to the Carolina Core Region and the state of North Carolina. Households aged 75 or older are projected to increase by 22.6% in Rockingham County over the next five years, while households between the ages of 65 and 74 are projected to increase by 4.3%. A slight increase in households is also projected among those between the ages of 35 and 44. All remaining age groups are projected to experience household decreases during the next five years, with the most notable decreases among households between the ages of 25 and 34 (14.3%) and households between the ages of 55 and 64 (8.7%).

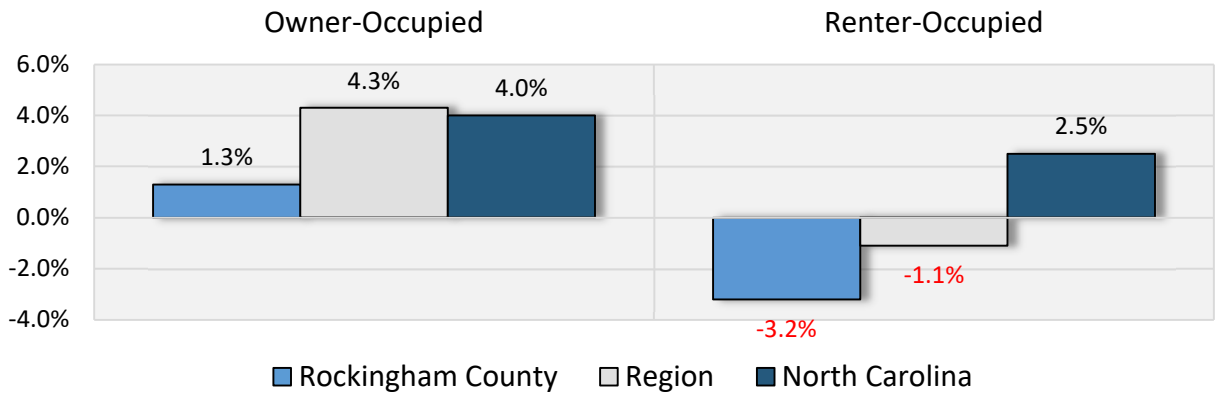
The following graphs compare the share of *households by tenure* (renters and owners) for 2023 and the projected *percent change* in households by tenure between 2023 and 2028 for each of the study areas.

Households by Tenure (2023)



Source: 2010 Census; ESRI; Bowen National Research

Projected Percent Change in Households by Tenure (2023-2028)

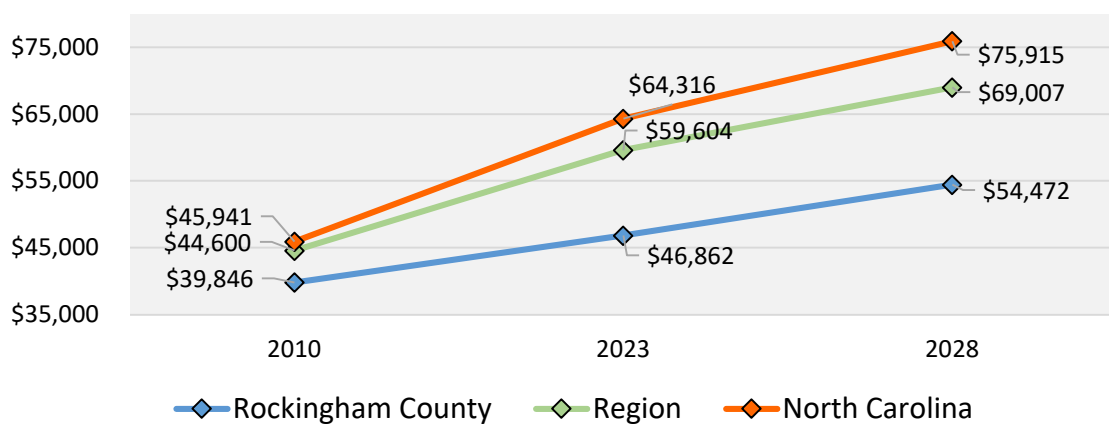


Source: 2010 Census; ESRI; Bowen National Research

Rockingham County has a slightly higher share (70.9%) of owner households compared to the region and state. Over the next five years, it is projected that the number of owner households in Rockingham County will increase by 1.3%, while the number of renter households will decline by 3.2%. The projected increase in owner households is lower compared to the region and state, while the projected decrease in renter households is higher than 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 Rockingham 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.

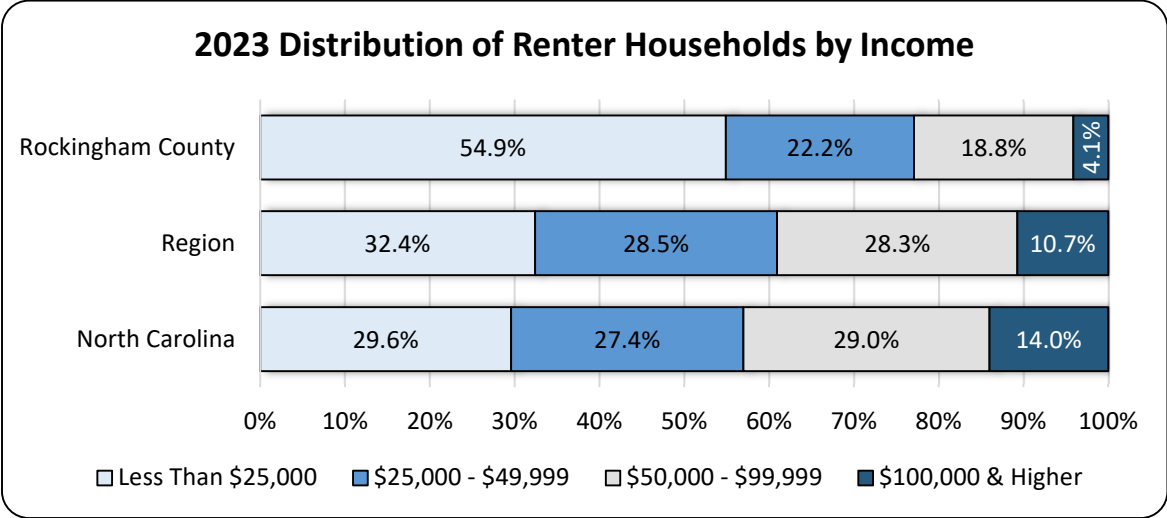
Median Household Income by Year



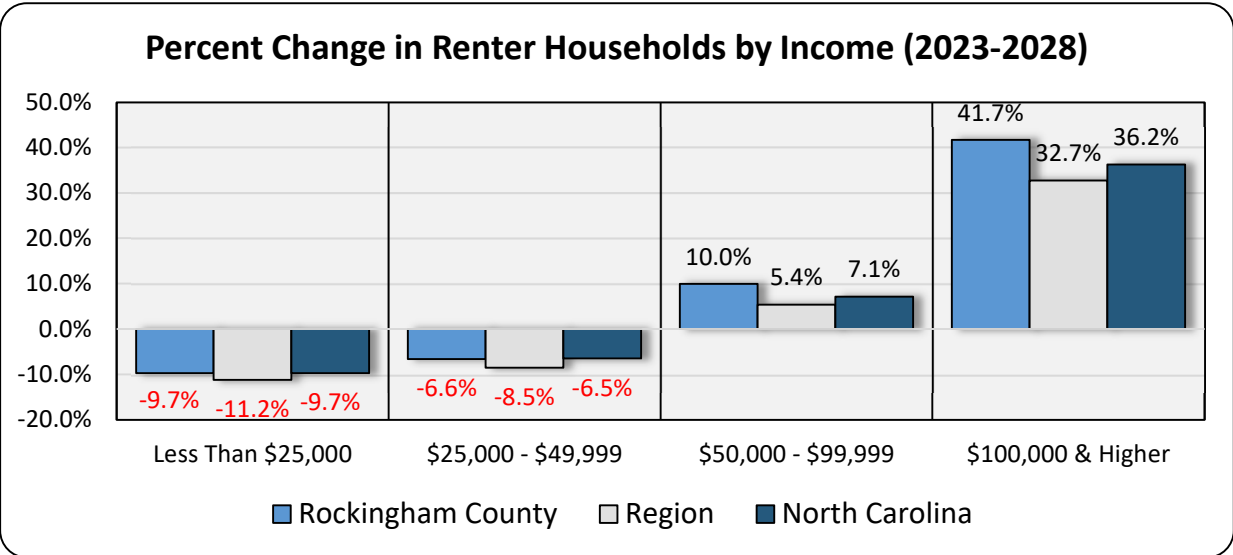
Source: 2010 Census; ESRI; Bowen National Research

As the preceding illustrates, the 2023 median household income in Rockingham County (\$46,862) is 21.3% lower than the region’s median household income (\$59,604) and 27.1% lower than the statewide median household income of \$64,316. Over the next five years, it is projected that the median household income in Rockingham County will increase to \$54,472. However, the projected median household income in the county will remain well 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.



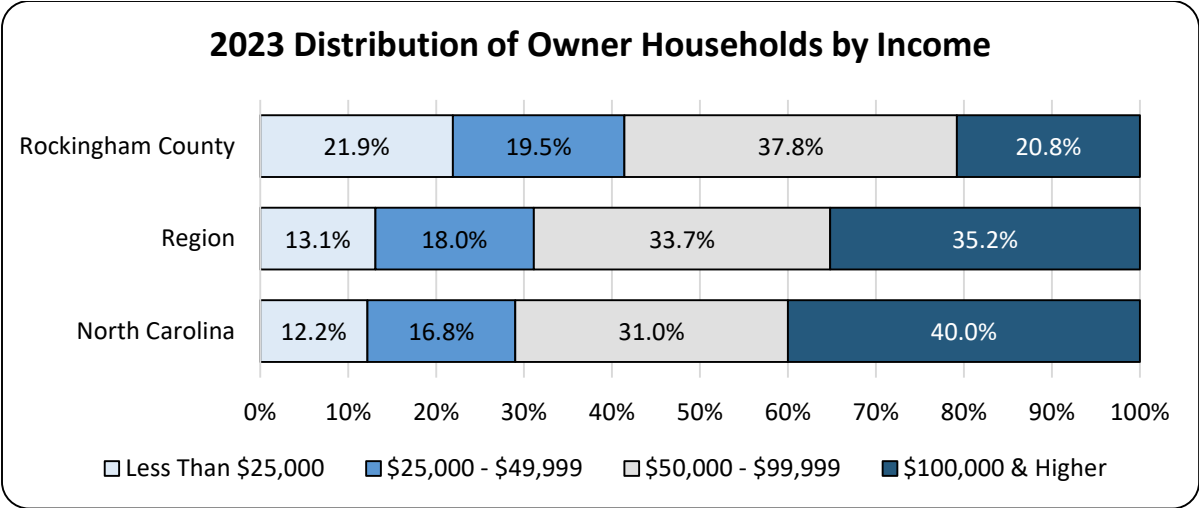
Source: 2020 Census; ESRI; Bowen National Research



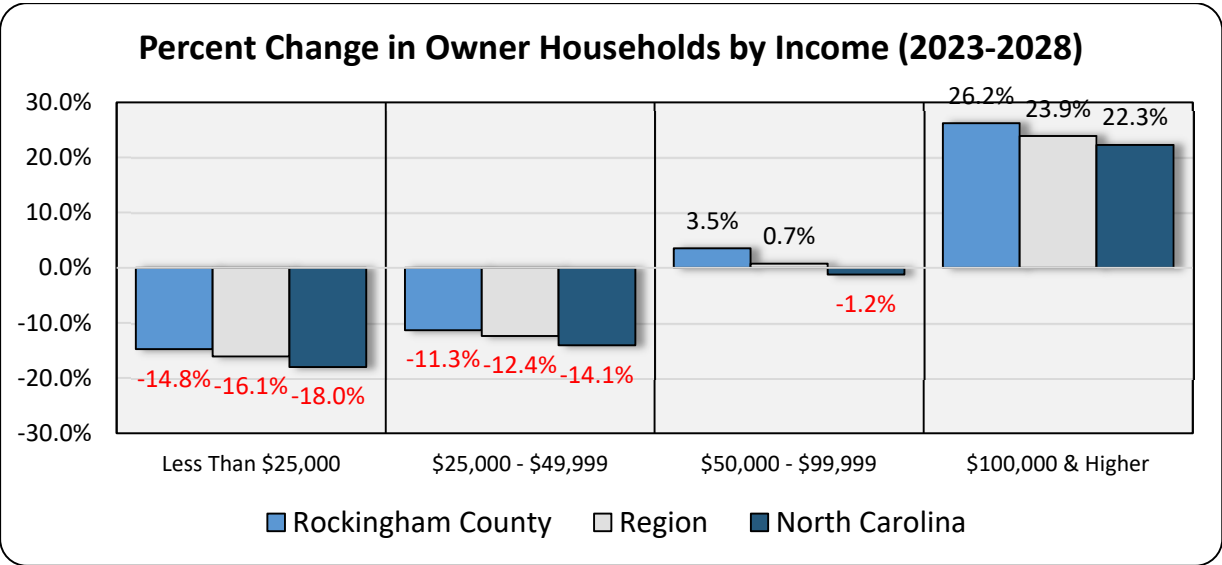
Source: 2020 Census; ESRI; Bowen National Research

In 2023, over one-half (54.9%) of renter households in Rockingham County have incomes of less than \$25,000, which is a much higher share of very low-income renter households when compared to the Carolina Core Region (32.4%) and the state of North Carolina (29.6%). Between 2023 and 2028, the most significant growth of renter households is projected to occur among those earning \$100,000 or higher (41.7%), while those earning between \$50,000 and \$99,999 are also projected to increase by 10.0%. Note that renter households earning less than \$50,000 are projected to decrease in the county, region, and state during the next five years. Despite the decrease in renter households earning less than \$50,000, 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, Rockingham County has a higher share (41.4%) of owner 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 owner households is projected to occur among those earning \$100,000 and higher (26.2%), while owner households earning between \$50,000 and \$99,999 are projected to increase by 3.5%. Note that owner households earning less than \$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 Rockingham 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

Area	Population		Change*		Components of Change			
	2010	2020	Number	Percent	Natural Change	Domestic Migration	International Migration	Net Migration
Rockingham County	93,663	91,285	-2,378	-2.5%	-2,268	-157	116	-41
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

Based on the preceding data, the population decrease within Rockingham County from 2010 to 2020 was primarily due to natural decrease (more deaths than births), which was the largest individual component of population change. Domestic migration in the county was also negative during this period, while international migration to the county was positive.

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

County-to-County Regional Migration (2016-2020)*
Top Five Inflow and Outflow Counties – Rockingham County, North Carolina

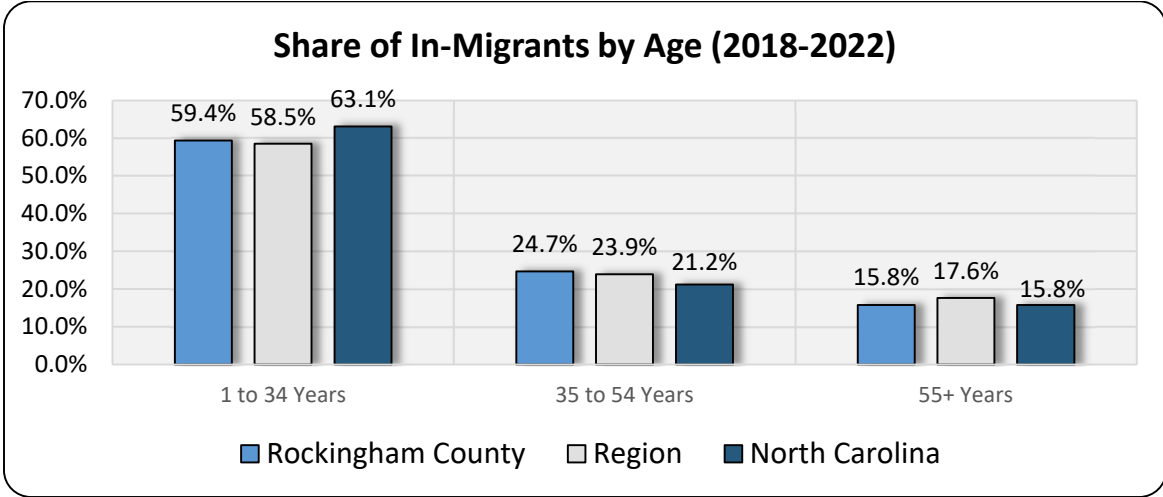
Inflow		Outflow	
County	Percent	County	Percent
Guilford County, NC	36.4%	Guilford County, NC	20.9%
Forsyth County, NC	14.4%	Caswell County, NC	8.6%
Randolph County, NC	6.5%	Forsyth County, NC	8.3%
Stokes County, NC	5.2%	Alamance County, NC	5.8%
Brunswick County, NC	3.5%	Union County, NC	4.1%

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, 66.0% of in-migration for Rockingham County is among the top five inflow counties listed, while 47.7% of the outflow is among the top five outflow counties. Several counties which directly border Rockingham County are among the top five inflow and outflow counties. Guilford County, which includes the city of Greensboro, is the top inflow and outflow county.

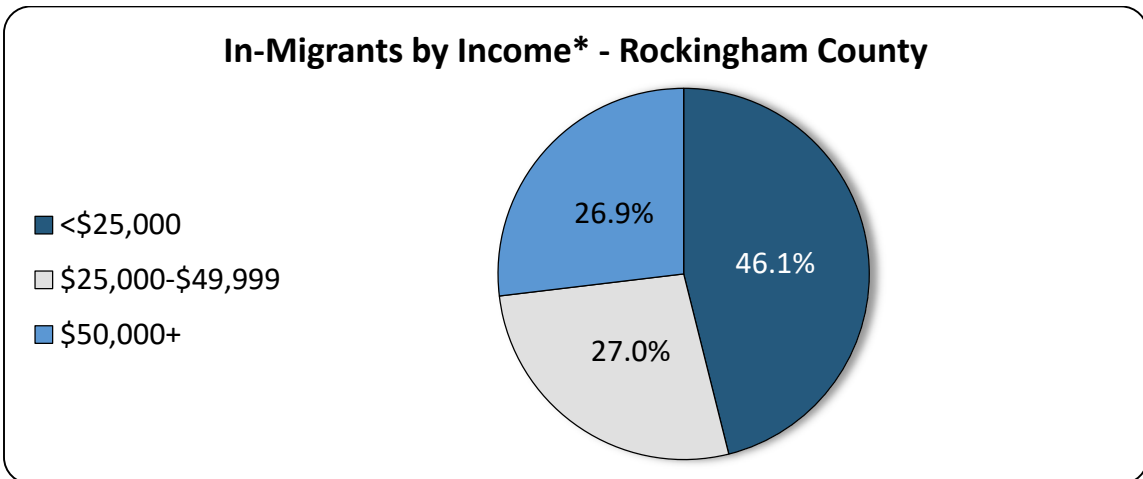
The following graph illustrates the distribution of *domestic in-migrants by age* for each study area from 2018 to 2022.



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

As the preceding data illustrates, nearly 60% of in-migrants to Rockingham County are less than 35 years of age, while nearly one-quarter (24.7%) of in-migrants are between the ages of 35 and 54. Note that the county has a slightly lower share (15.8%) of in-migrants aged 55 years and older compared to the Carolina Core Region.

The following graph summarizes the distribution of *in-migrants by income* level for Rockingham 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, 46.1% of in-migrants to Rockingham County earn less than \$25,000 annually, while 27.0% 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 Rockingham 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.

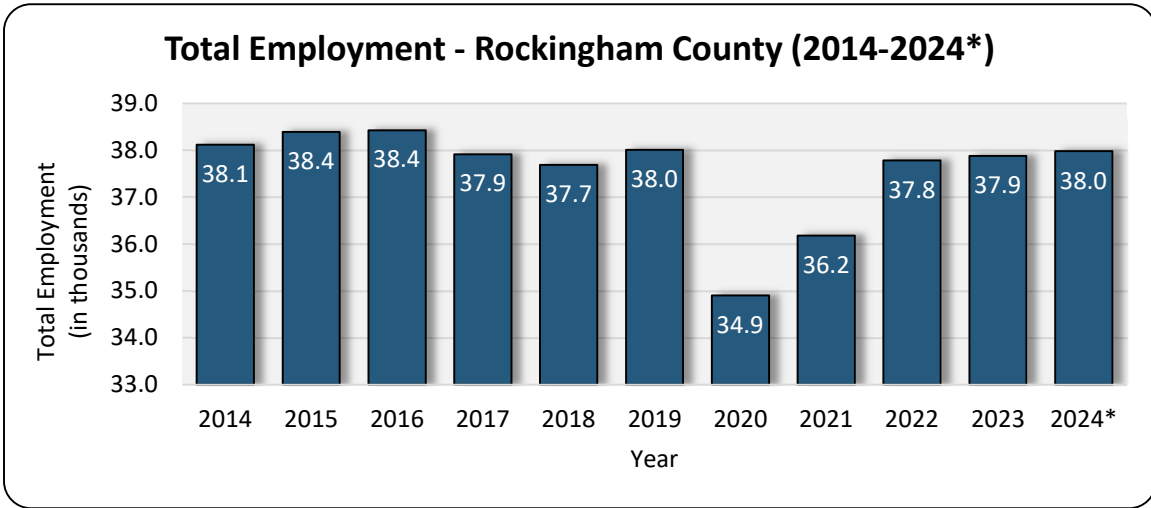
NAICS Group	Employment by Industry					
	Rockingham County		Region		North Carolina	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	81	0.3%	3,723	0.3%	25,956	0.6%
Mining	22	0.1%	672	0.1%	3,118	0.1%
Utilities	114	0.4%	2,374	0.2%	21,553	0.5%
Construction	1,243	4.3%	52,575	4.7%	227,268	5.0%
Manufacturing	3,215	11.0%	125,210	11.2%	410,950	9.0%
Wholesale Trade	1,157	4.0%	48,624	4.3%	185,068	4.1%
Retail Trade	3,700	12.7%	149,964	13.4%	607,690	13.3%
Transportation & Warehousing	401	1.4%	27,079	2.4%	104,390	2.3%
Information	469	1.6%	21,264	1.9%	110,199	2.4%
Finance & Insurance	638	2.2%	32,818	2.9%	137,360	3.0%
Real Estate & Rental & Leasing	402	1.4%	27,490	2.5%	131,253	2.9%
Professional, Scientific & Technical Services	859	2.9%	58,439	5.2%	280,490	6.1%
Management of Companies & Enterprises	20	0.1%	1,396	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	343	1.2%	21,888	2.0%	99,112	2.2%
Educational Services	3,179	10.9%	97,925	8.7%	359,838	7.9%
Health Care & Social Assistance	4,977	17.1%	174,236	15.5%	714,438	15.6%
Arts, Entertainment & Recreation	433	1.5%	16,565	1.5%	82,250	1.8%
Accommodation & Food Services	2,488	8.5%	109,066	9.7%	439,039	9.6%
Other Services (Except Public Administration)	1,961	6.7%	71,518	6.4%	283,770	6.2%
Public Administration	3,371	11.6%	70,009	6.2%	303,079	6.6%
Non-classifiable	97	0.3%	8,207	0.7%	28,041	0.6%
Total	29,170	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.

Rockingham County has an employment base of over 29,000 individuals within a broad range of employment sectors. The labor force within the county is based primarily in five sectors: Health Care and Social Assistance (17.1%), Retail Trade (12.7%), Public Administration (11.6%), Manufacturing (11.0%), and Educational Services (10.9%). These are also four of the top five industries within the region and state. Combined, the top five job sectors represent 63.3% of the county employment base. While many occupations within the manufacturing, education, healthcare, and public administration 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 sector, typically have lower average wages which can contribute to demand for affordable housing.

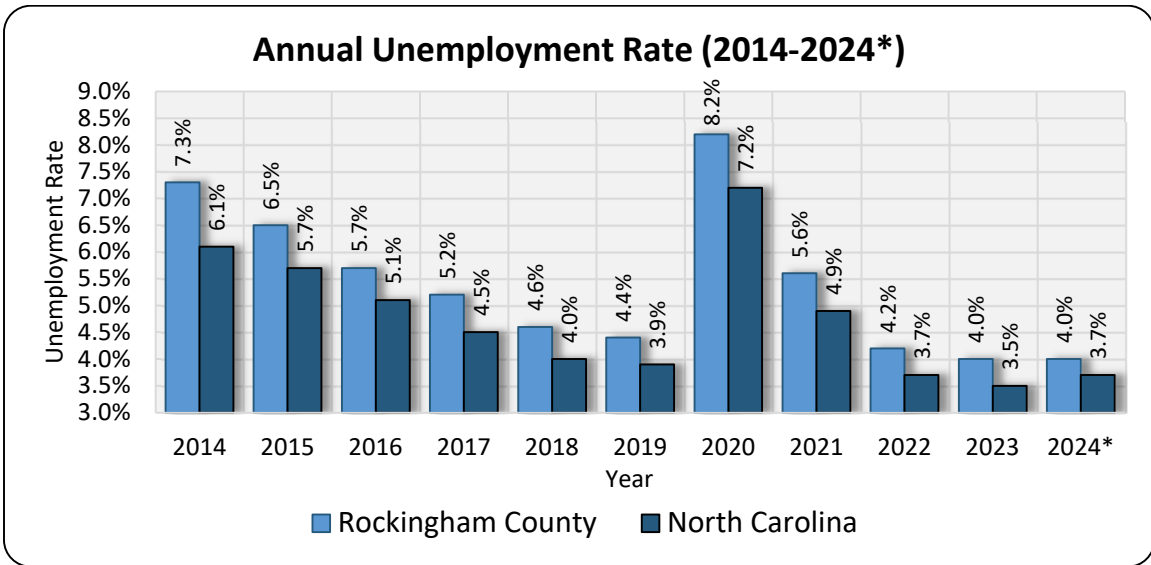
Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the *total employment* base for Rockingham County between 2014 and 2024.



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

As the preceding illustrates, total employment within Rockingham County fluctuated between 2014 and 2019. In 2020, total employment in the county decreased by approximately 3,100 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 Rockingham County is at 100% of the 2019 level.

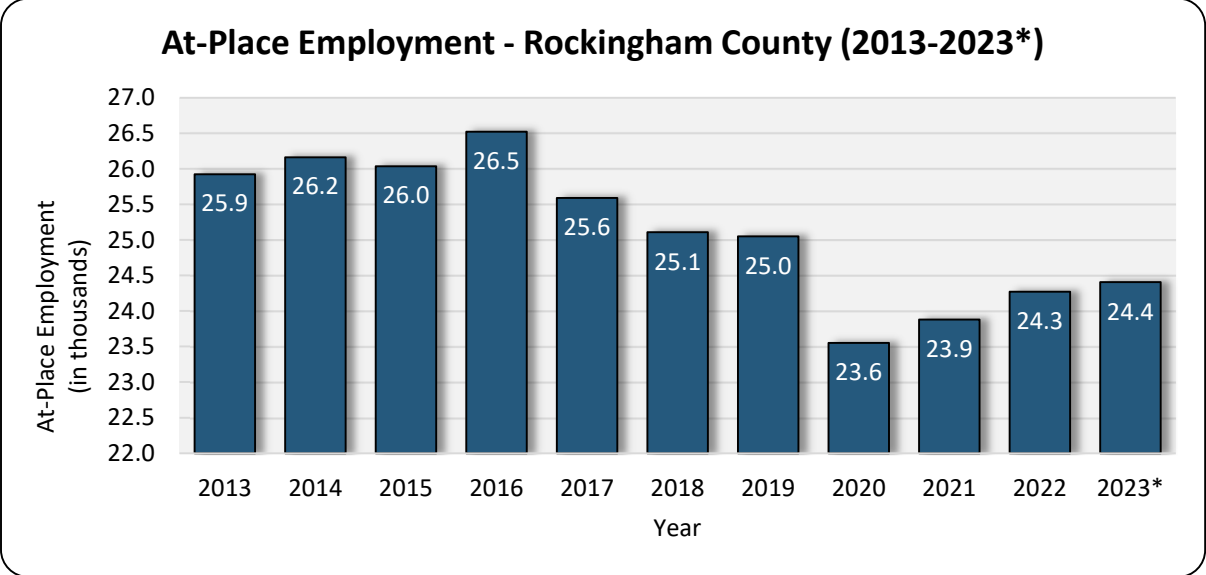
The following illustrates the *annual unemployment rate* for Rockingham County and the state of North Carolina from 2014 to 2024.



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

As the preceding data shows, the unemployment rate in Rockingham County steadily declined from 7.3% in 2014 to 4.4% in 2019. The county unemployment rate increased to 8.2% in 2020 due to economic effects of the COVID-19 pandemic. After the increase in 2020, the unemployment rate declined in each subsequent full year. As of March 2024, the unemployment rate in Rockingham County is 4.0%, identical to that reported in 2023. It is also noteworthy that the unemployment rate in the county has been above the state unemployment rate each year since 2014.

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 Rockingham County from 2013 to 2023.



Source: Department of Labor; Bureau of Labor Statistics

*Through September

As the preceding illustrates, at-place employment within Rockingham County during the last 10 years peaked in 2016 with approximately 26,500 jobs. At-place employment in the county decreased by approximately 1,400 jobs in 2020 during the COVID-19 pandemic. Note that at-place employment in the county has not recovered all jobs lost during 2020. As of September 2023, at-place employment within the county is at 97.6% of the 2019 level.

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.

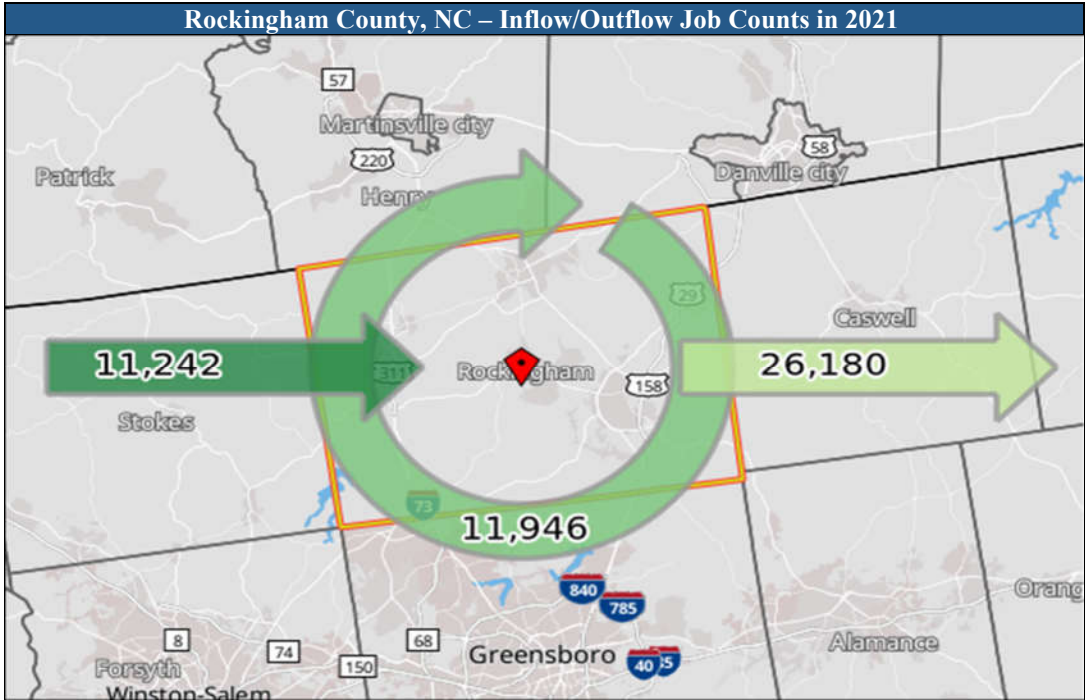
The following table summarizes two *commuting pattern attributes* (mode and time) for Rockingham County.

Commuting Attributes Rockingham County, North Carolina							
Mode							
	Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Number	32,474	3,547	66	673	675	1,512	38,947
Percent	83.4%	9.1%	0.2%	1.7%	1.7%	3.9%	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	11,348	11,804	8,065	3,837	2,381	1,512	38,947
Percent	29.1%	30.3%	20.7%	9.9%	6.1%	3.9%	100.0%

Source: ESRI; Bowen National Research

As the preceding illustrates, the vast majority (92.5%) of individuals in Rockingham County utilize their own vehicles or carpool to work. In addition, nearly 60% of commuters in the area have relatively short commute times (less than 30 minutes) to their place of employment.

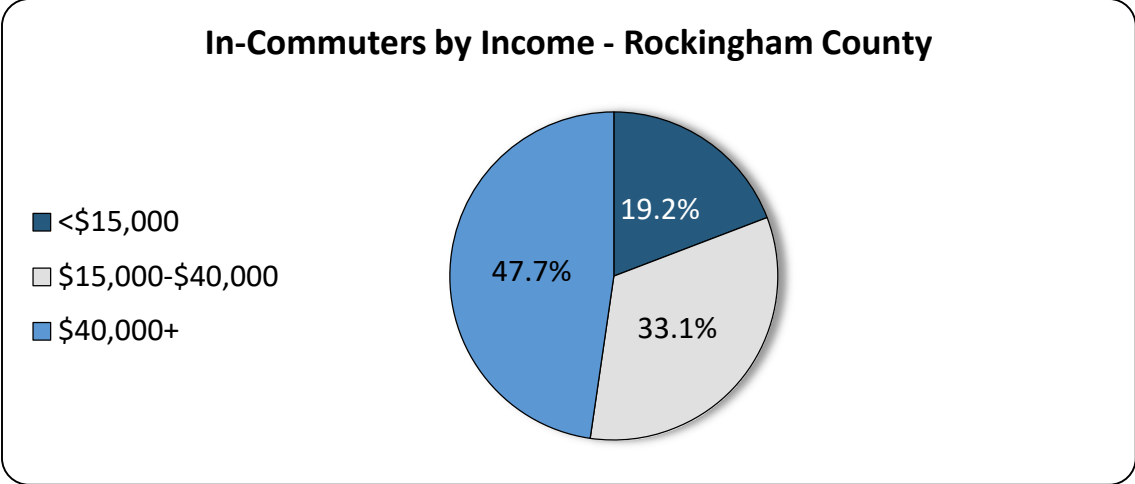
The following illustrates the overall *commuter flow* for Rockingham County based on 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES) data.



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

Of the approximately 23,188 employed persons in Rockingham County, 48.5% (11,242) originate from outside the county, while the remaining share live within the county. In addition, 26,180 residents of the county commute to surrounding areas for employment. Regardless, the 11,242 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 Rockingham County.

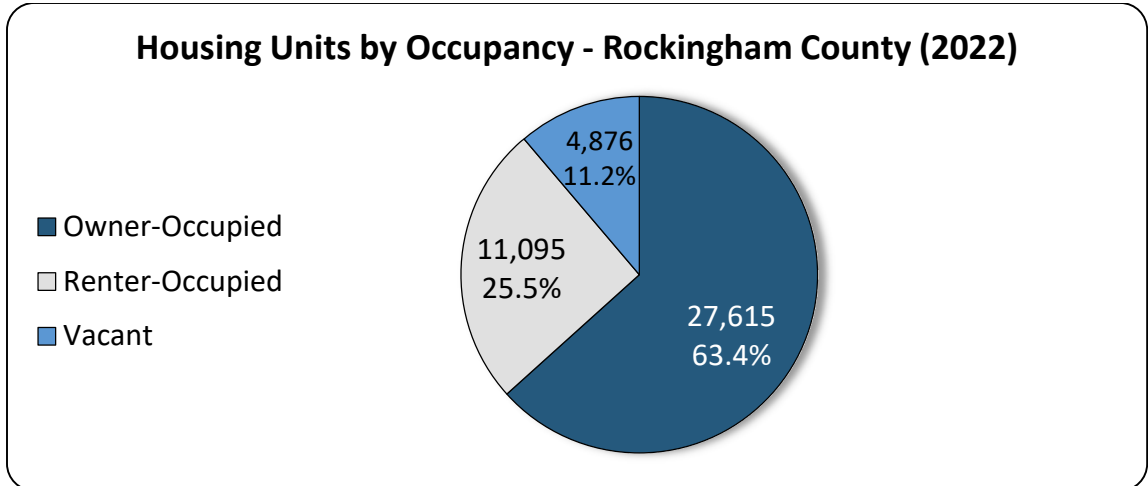


Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES); Bowen National Research

The preceding shows that the largest share (47.7%) of in-commuters to Rockingham County earn \$40,000 or more annually, while 33.1% earn between \$15,000 and \$40,000. The remaining share of in-commuters (19.2%) earn 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 11,242 in-commuters to live within Rockingham County.

D. HOUSING METRICS

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



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

Among the 43,586 total housing units in Rockingham County, 63.4% are owner occupied and 25.5% are renter occupied. The remaining share (11.2%) 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
Rockingham	4,359	39.3%	9,309	33.7%	391	3.5%	226	0.8%	345	3.1%	138	0.5%
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 Rockingham County, 39.3% of the renter-occupied housing units and 33.7% of the owner-occupied housing units were built prior to 1970. Both shares are higher than the regional and statewide shares of older housing units. The county has a lower share of overcrowded renter-occupied units and a higher share of renter-occupied units with incomplete plumbing and/or kitchen facilities compared to the region and state. Overall, there are approximately 736 renter households and 364 owner households in Rockingham 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
Rockingham County	38,861	\$46,862	\$170,233	\$743	41.1%	18.6%	17.5%	8.1%
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 Rockingham County of \$170,233 is 22.5% lower than the region’s median home value (\$219,542) and 35.3% lower than the statewide median home value of \$262,945. The median gross rent of \$743 in the county is 23.4% lower than the region and 32.0% lower than the state. With a median household income of \$46,862 in Rockingham County, approximately 41.1% of renter households and 18.6% of owner households are housing cost burdened. As a result, there are approximately 4,560 renter households and over 5,100 owner households in Rockingham County that are housing cost burdened, of which nearly 4,200 *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.

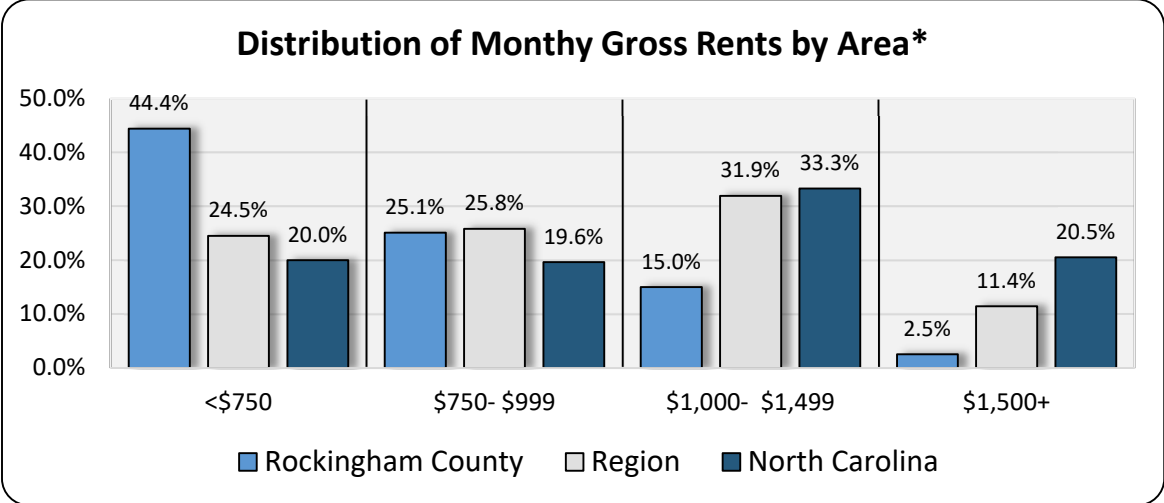
Based on the 2018-2022 American Community Survey (ACS) data, the following is a distribution of all occupied housing by *units in structure by tenure* (renter or owner) for the county, region, and state.

		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
		Rockingham County	Number	6,604	2,717	1,774	11,095	23,176	18
	Percent	59.5%	24.5%	16.0%	100.0%	83.9%	0.1%	16.0%	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 Rockingham County, over 75% of rental units are within structures of four units or less or mobile homes. Overall, the county has a lower share (24.5%) 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 larger shares of owner-occupied and renter-occupied mobile homes compared to the region and state.

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 75% 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 (44.4%) of Rockingham County rental units have gross rents below \$750, while units with gross rents between \$750 and \$999 represent the second largest share (25.1%). Combined, nearly 70% of rental units in the county have gross rents below \$1,000. By comparison, only 2.5% 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 Rockingham County and the Carolina Core Region. Note that vacancy rates below the optimal range of 4% to 6% are illustrated in red text.

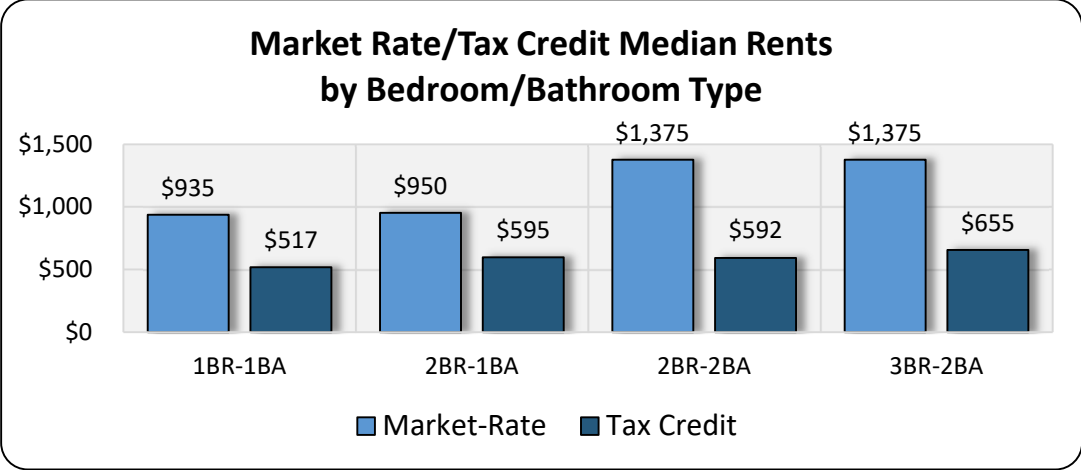
Surveyed Multifamily Rental Housing Supply by Area and Project Type					
Project Type	Projects Surveyed*	Total Units	Vacant Units	Vacancy Rate	Wait Lists
Rockingham County					
Market-Rate	11	901	28	3.1%	15-20 HH
Tax Credit	9	411	4	1.0%	6-156 HH; 24 Mo.
Government Subsidized	20	944	3	0.3%	2-47 HH; 3-24 Mo.
Total	39	2,256	35	1.6%	2-156 HH; 3-24 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 Rockingham County, a total of 39 apartment properties were surveyed, comprising a total of 2,256 units. Overall, the multifamily units are 98.4% occupied, with a total of 35 vacancies. The overall occupancy rate of 98.4% is 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 both have extremely high occupancy rates (99.0% and 99.7%, respectively). The extremely 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 Rockingham 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 Rockingham County.



Source: Bowen National Research

As the preceding illustrates, the median rent for a typical market-rate unit in Rockingham 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 at surveyed properties ranges from \$355 for a two-bedroom/1.0-bathroom unit to \$783 for a two-bedroom/2.0-bathroom unit. With few 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 over 75% of the total rental units in Rockingham County.

During January and February 2024, Bowen National Research conducted an online survey and identified 15 non-conventional rentals that were listed as *available* for rent in Rockingham 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
Rockingham County	8,378	15	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 15 available units identified, Rockingham County has an overall vacancy rate of 0.2% for non-conventional rentals, which is a 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 Rockingham County, which includes bedroom type, rent range, and median rent per square foot, follows:

Surveyed Non-Conventional Rental Supply – Rockingham County				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	3	\$700 - \$825	\$700	\$1.08
Two-Bedroom	5	\$900 - \$1,400	\$1,200	\$1.07
Three-Bedroom	7	\$1,000 - \$1,645	\$1,200	\$1.07
Total	15			

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

Among the available non-conventional rentals in Rockingham County, the largest share (46.7%) by bedroom type consists of three-bedroom units. The three-bedroom units have a median rent of \$1,200 (\$1.07 per square foot) and an overall rent range of \$1,000 to \$1,645. When typical utility costs (\$200 or more) are considered, the typical three-bedroom non-conventional rental in Rockingham County has a gross rent of approximately \$1,400. 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 \$655. 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 Rockingham County and the Carolina Core Region.

Rockingham County - Owner For-Sale/Sold Housing Supply		
Type	Number of Homes	Median Price
Rockingham County		
Available*	161	\$199,900
Sold**	3,937	\$190,000
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

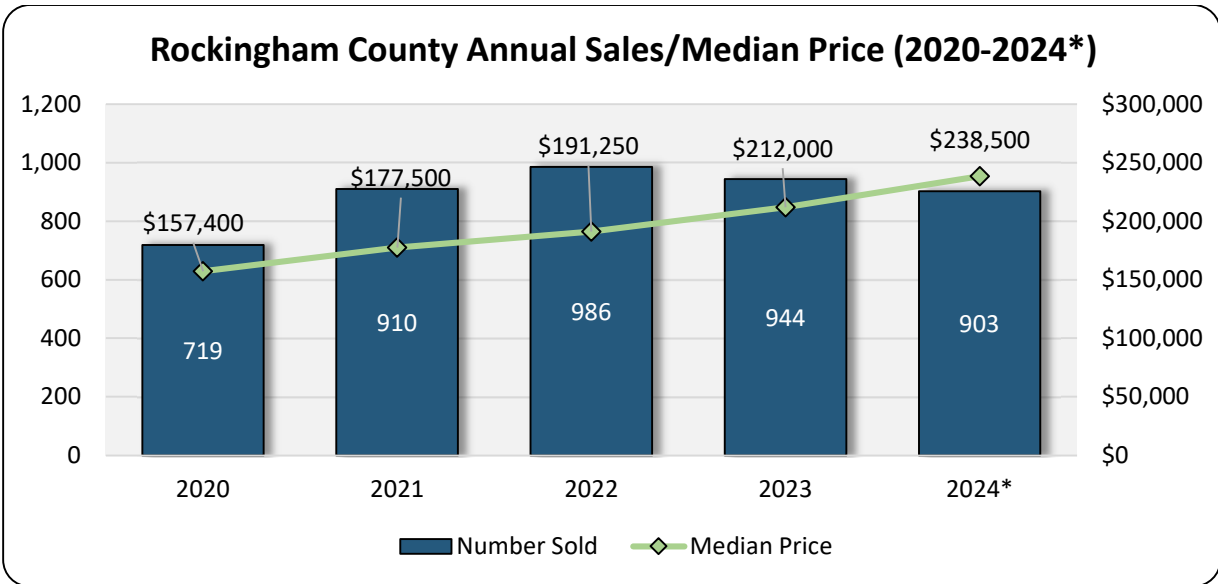
The available for-sale housing stock in Rockingham County as of May 31, 2024 consists of 161 total units with a median list price of \$199,900. This is lower than the median list price of the available for-sale homes in the region. Historical sales from January 2020 to May 2024 in Rockingham County consisted of 3,937 homes with a median sales price of \$190,000.

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 – Rockingham County (January 1, 2020 to May 31, 2024)				
Year	Number Sold	Percent Change	Median Sales Price	Percent Change
2020	719	-	\$157,400	
2021	910	26.6%	\$177,500	12.8%
2022	986	8.4%	\$191,250	7.7%
2023	944	-4.3%	\$212,000	10.8%
2024*	378 (903)	-4.3%	\$238,500	12.5%

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 Rockingham County increased by 26.6% between 2020 and 2021 and increased by 8.4% between 2021 and 2022. Sales volume in the county decreased by 4.3% during the following year (2023), and projections indicate that sales volume will decrease once again in 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 sales 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 Rockingham County increased by 51.5% between January 2020 and May 2024.

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

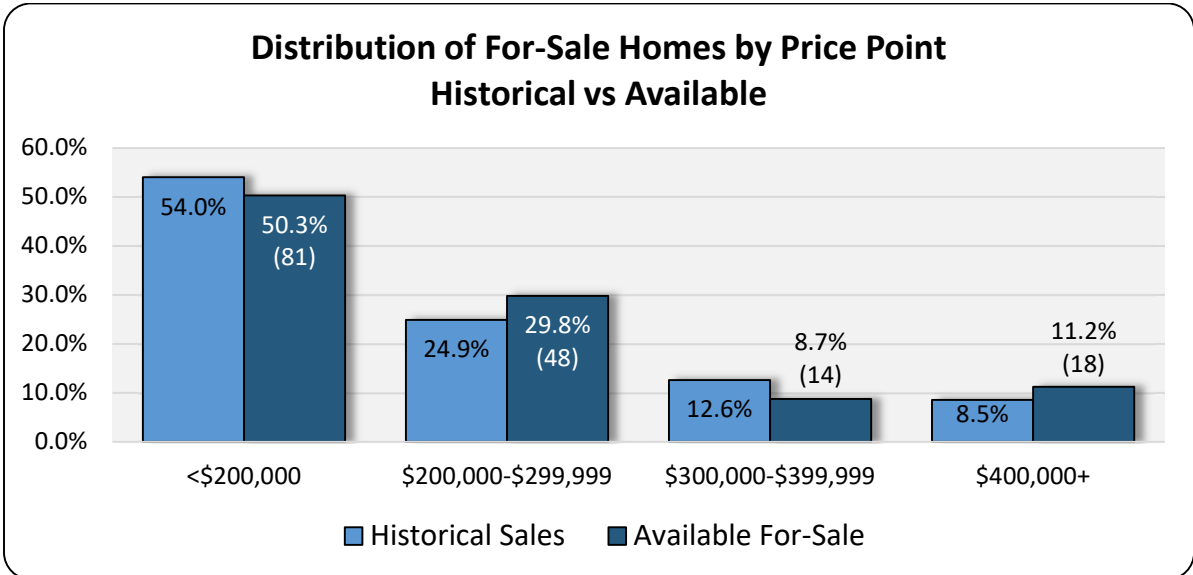
Available For-Sale Housing – Rockingham County (As of May 31, 2024)							
Total Available Units	% Share of Region	Availability Rate	Months Supply of Inventory	Average List Price	Median List Price	Average Days on Market	Average Year Built
161	4.1%	0.6%	2.2	\$251,821	\$199,900	58	1955

Source: Redfin.com & Bowen National Research

The 161 available for-sale homes in Rockingham County equate to an availability rate of 0.6% when compared to the 27,615 owner-occupied units in the county. Note that an average of 74 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 2.2 *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 58 days and an average year built

of 1955. Overall, the data illustrates that availability of for-sale homes is somewhat limited in the county and 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 Rockingham County:



Source: Redfin.com & Bowen National Research

As the preceding illustrates, over one-half (50.3%) of available homes in the county are priced below \$200,000. The share of available homes priced below \$200,000 is consistent with historical sales data, as 54.0% of homes sold for below \$200,000 between January 2020 and May 2024. Note that 29.8% of available homes in the county are priced between \$200,000 and \$299,000. Combined, over 80% of available homes in the county are priced below \$300,000.

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

Available For-Sale Housing Units by Bedroom Type Rockingham 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
3 (1.9%)	\$46,000	42 (26.1%)	\$129,900	91 (56.5%)	\$209,900	25 (15.5%)	\$394,000

Source: Redfin.com & Bowen National Research

As shown in the preceding table, the largest share (56.5%) of the available for-sale housing product in the county is comprised of three-bedroom units, while two-bedroom units represent the second largest share (26.1%). Three-bedroom homes have a median list price of \$209,900, while two-bedroom homes have a median list

price of \$129,900. Note that the county appears to have a low supply of four-bedroom or larger homes available for purchase, as these homes account for only 15.5% of available for-sale homes.

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 Rockingham 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.

Rockingham County has an overall housing gap of 5,045 units, with a gap of 1,774 rental units and a gap of 3,271 for-sale units. The following table summarizes the rental and for-sale housing gaps by income and affordability levels for Rockingham County.

Rockingham County Housing Gap Estimates (2024 to 2029)						
Percent AMHI*	≤50%	51%-80%	81%-120%	121%-150%	151%+	Total Housing Gap
Household Income	≤ \$36,650	\$36,651-\$58,640	\$58,641-\$87,960	\$87,961-\$109,950	\$109,951+	
Rent Range	≤ \$916	\$917-\$1,466	\$1,467-\$2,199	\$2,200-\$2,749	\$2,750+	
Price Range	≤ \$122,167	\$122,168-\$195,467	\$195,468-\$293,200	\$293,201-\$366,500	\$366,501+	
Rental Housing Gap	825	382	245	257	65	1,774
For-Sale Housing Gap	2	489	681	1,206	893	3,271

Source: Bowen National Research

AMHI – Area Median Household Income

* Based on HUD limits for Rockingham 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 \$916 or less 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 \$293,201 and \$366,500 that are affordable to households earning between 121% and 150% of AMHI. Although development within Rockingham 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 Rockingham County.

SWOT Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Projected positive growth in owner households • Positive household income growth projections • Positive total employment trends with declining unemployment rates • Notable share of for-sale housing priced below \$200,000 • Gross rents below \$1,000 for most existing rental units in the county 	<ul style="list-style-type: none"> • Decrease in population and households projected for county during next five years • Significant decrease in households under age 35 projected for county • Extremely low vacancy rates among Tax Credit and subsidized rental units • Low availability rates for non-conventional rentals • Projected decline in renter households between 2023 and 2028 • Higher rates of older housing stock compared to region and state
Opportunities	Threats
<ul style="list-style-type: none"> • Housing need of 1,774 rental units • Housing need of 3,271 for-sale units • Attract some of the 11,242 commuters coming into the county for work to live in the county • Relatively young base of in-migrants with a variety of income levels 	<ul style="list-style-type: none"> • Lack of low- and moderate-income rental housing for large share of renters that earn below \$50,000 • Older housing inventory subject to deterioration/neglect • County risks losing some of the 26,180 residents that commute out of the county for employment

Rockingham County experienced positive household growth between 2010 and 2023. However, households in the county are projected to decrease slightly over the next five years, with the most notable household decreases taking place among those under the age of 35. Total employment in the county (which includes all employed residents regardless of work location) has increased since 2020, while at-place employment (which reflects all employment based in the county) has not recovered all jobs lost since 2020. The county also has extremely low vacancy rates among multifamily and non-conventional rentals. While the overall availability rate of 0.6% among the for-sale housing supply is considered low, a large share of available homes are priced below \$200,000. Although this indicates the for-sale homes in Rockingham County are relatively affordable, the lack of supply priced at \$300,000 or more likely limits the ability of the county to attract households seeking higher end product. Availability issues for rental housing combined with an aging inventory of housing 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 over 5,000 units and over 11,000 commuters coming into the county daily for employment. This represents a significant development opportunity, which could potentially contribute to positive household growth in the area.