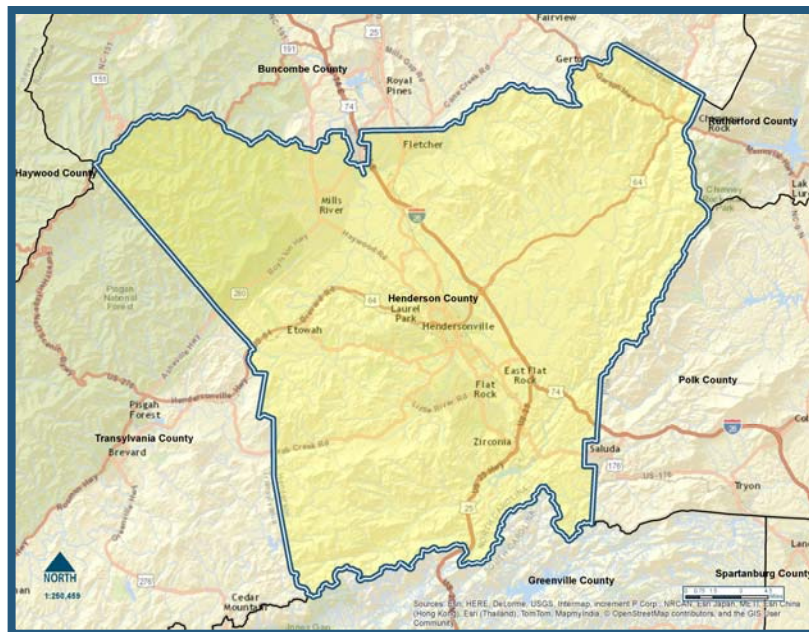


Henderson County

Housing Needs Assessment



HENDERSON COUNTY

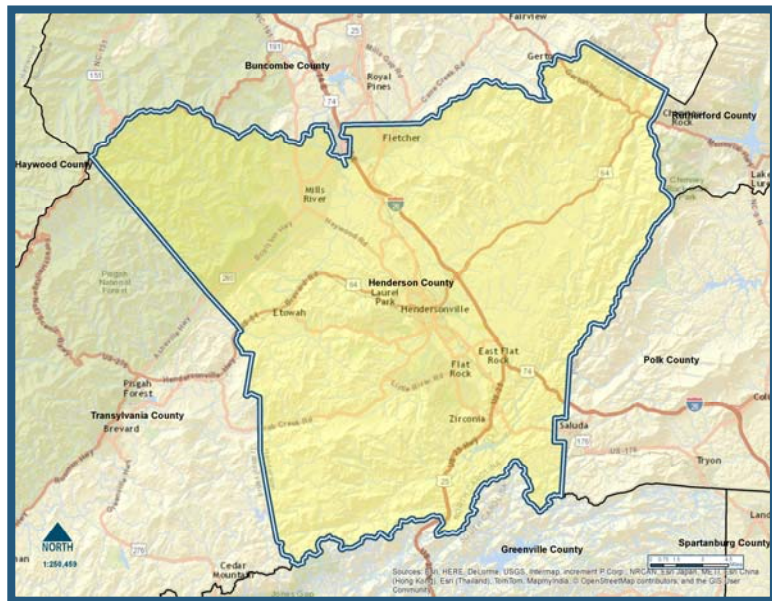
A. INTRODUCTION

The focus of this analysis is to assess the market characteristics of, and to determine the housing needs for, Henderson County. To accomplish this task, Bowen National Research evaluated various socio-economic characteristics, inventoried and analyzed the housing supply (rental and owner/for-sale product), conducted stakeholder interviews, evaluated special needs populations and provided housing gap estimates to help identify the housing needs of the county.

To provide a base of comparison, various metrics of Henderson County were compared with overall region. A comparison of the subject county in relation with other counties in the region is provided in the regional analysis portion of the overall Housing Needs Assessment.

B. COUNTY OVERVIEW

Henderson County is located within the southeast portion of the study region. It encompasses a total of 375 square miles. Primary thoroughfares within the county include Interstate Highway 26 and U.S. Routes 25, 64, 74, 74A, and 76. Notable natural landmarks and public attractions include Historic Downtown Hendersonville, Flat Rock Playhouse, Dupont State Forest, The Western North Carolina Air Museum, Pisgah National Forest, Historic Johnson Farm, and Bullington Gardens. The county had a 2010 total population of 106,740 and 45,180 total households. Hendersonville, with a 2010 population of 13,132, is the largest community in the county. The primary employment sectors and their corresponding shares of the county's total employment are Retail Trade (11.3%), Manufacturing (8.3%), and Health Care & Social Assistance (8.3%). Additional details regarding demographics, economics, housing, and other pertinent research and findings are included on the following pages.



C. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for Henderson County. Through this analysis, unfolding trends and unique conditions are revealed regarding populations and households residing in the county. Demographic comparisons provide insights into the human composition of housing markets.

This section is comprised of three major parts: population characteristics, household characteristics, and income data. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence.

It is important to note that 2000 and 2010 demographics are based on U.S. Census data (actual count), while 2015 and 2020 data are based on calculated projections provided by ESRI, a nationally recognized demography firm, and the American Community Survey. The accuracy of these projections depends on the realization of certain assumptions:

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

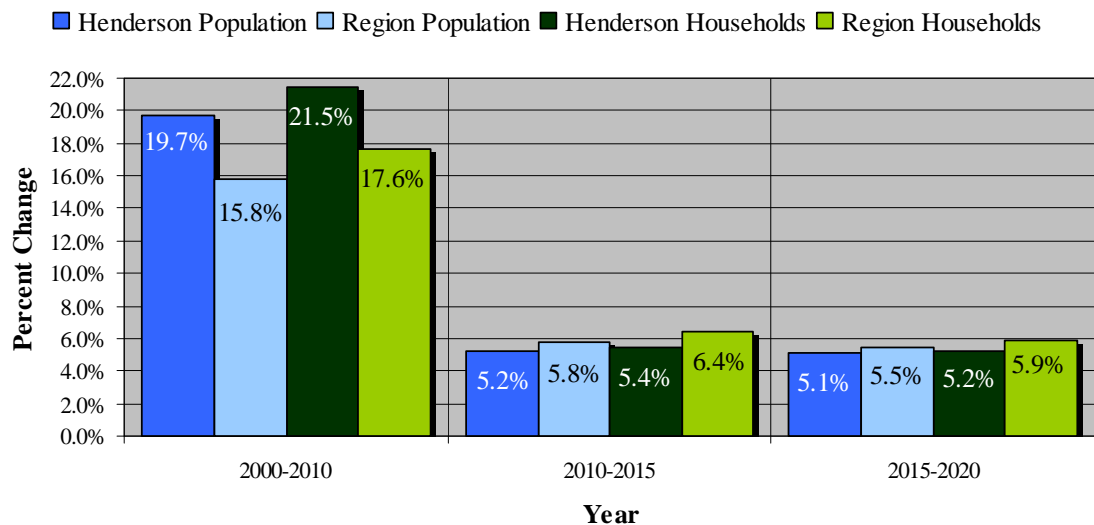
Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections.

Population and household numbers for selected years within Henderson County and the region are shown in the following table:

	Total Population		Total Households	
	Henderson County	Region	Henderson County	Region
2000 Census	89,173	344,472	37,414	143,510
2010 Census	106,740	398,912	45,448	168,748
Change 2000-2010	17,567	54,440	8,034	25,238
Percent Change 2000-2010	19.7%	15.8%	21.5%	17.6%
2015 Projected	112,242	421,899	47,918	179,521
Change 2010-2015	5,502	22,987	2,470	10,773
Percent Change 2010-2015	5.2%	5.8%	5.4%	6.4%
2020 Projected	117,928	445,283	50,413	190,027
Change 2015-2020	5,686	23,384	2,495	10,506
Percent Change 2015-2020	5.1%	5.5%	5.2%	5.9%

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

Henderson County/Region Population & Household Trends



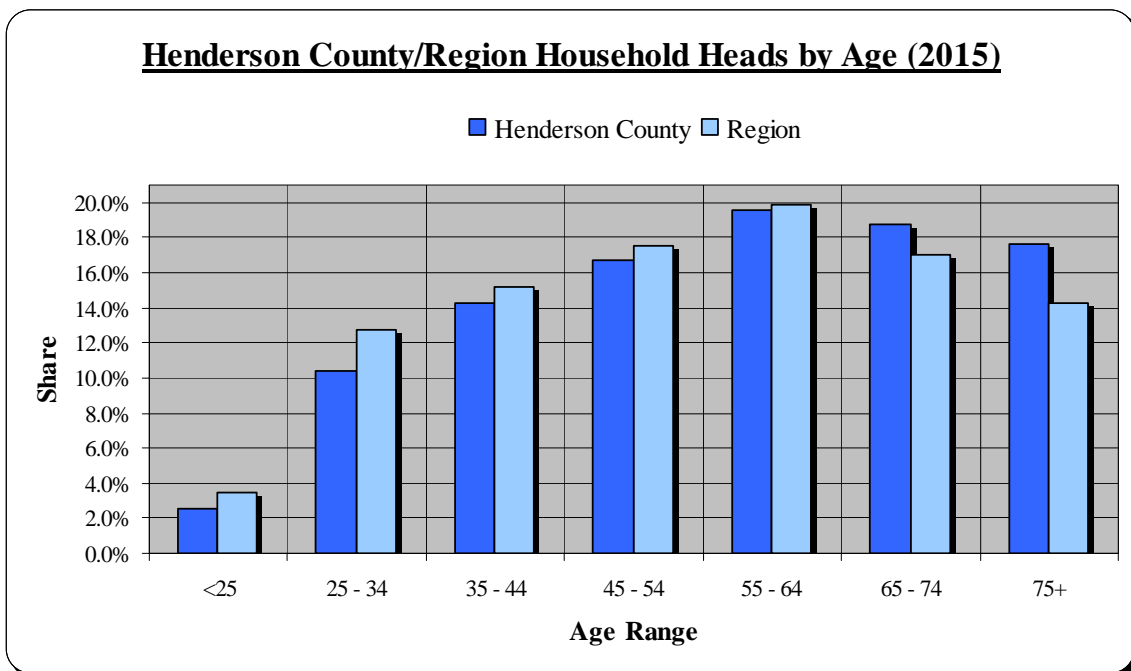
Henderson County experienced an increase in both population and households between 2000 and 2010. They are projected to increase by 5,502 (5.2%) and 2,470 (5.4%), respectively, between 2010 and 2015. Between 2015 and 2020, it is projected that they will increase by 5,686 (5.1%) and 2,495 (5.2%), respectively. These positive projected demographic trends are generally similar to the projected trends within the region.

The distribution of households by age for Henderson County is compared with the overall region in the table below.

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Henderson County	2010	1,175 (2.6%)	4,999 (11.0%)	6,913 (15.2%)	8,208 (18.1%)	8,805 (19.4%)	7,661 (16.9%)	7,687 (16.9%)
	2015	1,187 (2.5%)	4,989 (10.4%)	6,837 (14.3%)	8,012 (16.7%)	9,408 (19.6%)	9,031 (18.8%)	8,453 (17.6%)
	2020	1,193 (2.4%)	4,910 (9.7%)	6,790 (13.5%)	7,973 (15.8%)	9,984 (19.8%)	10,137 (20.1%)	9,425 (18.7%)
	Change 2015-2020	6 (0.5%)	-79 (-1.6%)	-47 (-0.7%)	-39 (-0.5%)	576 (6.1%)	1,106 (12.2%)	972 (11.5%)
Region	2010	6,352 (3.8%)	22,274 (13.2%)	27,174 (16.1%)	31,960 (18.9%)	33,116 (19.6%)	24,596 (14.6%)	23,276 (13.8%)
	2015	6,281 (3.5%)	22,772 (12.7%)	27,357 (15.2%)	31,366 (17.5%)	35,669 (19.9%)	30,438 (17.0%)	25,638 (14.3%)
	2020	6,226 (3.3%)	23,091 (12.2%)	27,543 (14.5%)	31,080 (16.4%)	37,629 (19.8%)	35,434 (18.6%)	29,024 (15.3%)
	Change 2015-2020	-55 (-0.9%)	319 (1.4%)	186 (0.7%)	-286 (-0.9%)	1,960 (5.5%)	4,996 (16.4%)	3,386 (13.2%)

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

It is projected that by 2015, the largest share (19.6%) of households by age in Henderson County will be within the 55 to 64 age cohort. Between 2015 and 2020, it is projected that the number of households between the ages of 65 and 74 will increase the most, adding 1,106 (12.2%) households during this time. Henderson County will also experience notable growth among householders between the ages of 55 and 64, and among those age 75 and older between 2015 and 2020.

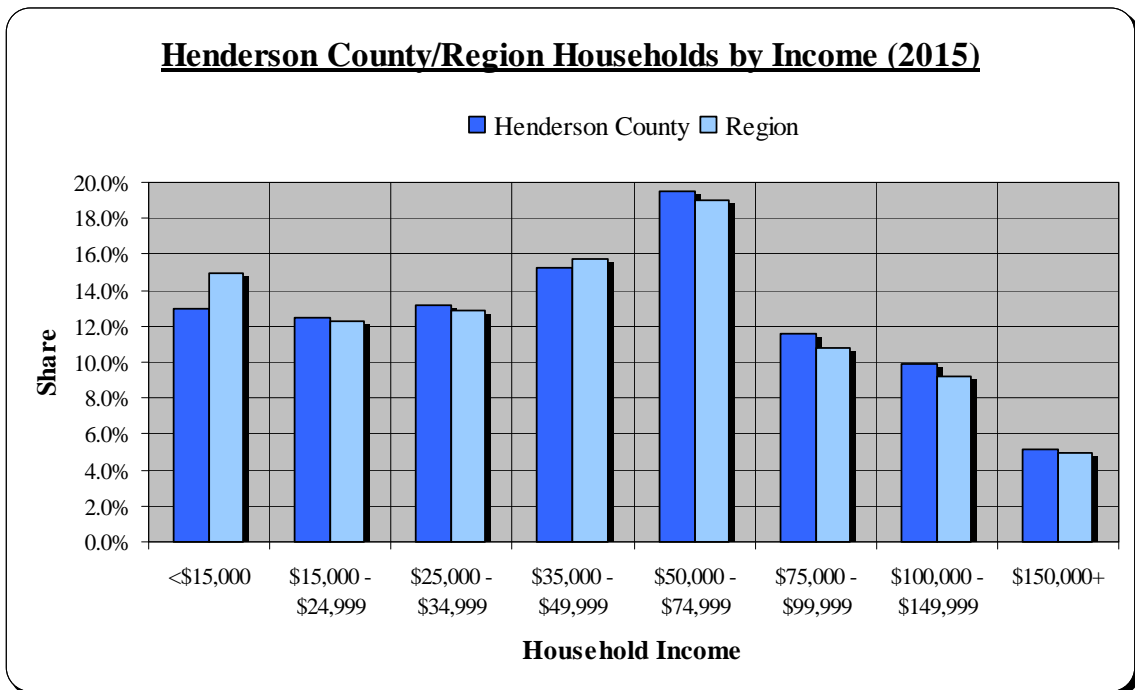


Households by income for selected years are shown in the following table:

		Households by Income								Total
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	
Henderson County	2015	6,248 (13.0%)	5,977 (12.5%)	6,329 (13.2%)	7,274 (15.2%)	9,364 (19.5%)	5,535 (11.6%)	4,757 (9.9%)	2,434 (5.1%)	47,918 (100.0%)
	2020	6,635 (13.2%)	6,627 (13.1%)	6,392 (12.7%)	8,014 (15.9%)	9,596 (19.0%)	5,662 (11.2%)	4,990 (9.9%)	2,497 (5.0%)	50,413 (100.0%)
	Change	387 (6.2%)	649 (10.9%)	63 (1.0%)	740 (10.2%)	232 (2.5%)	127 (2.3%)	234 (4.9%)	63 (2.6%)	2,495 (5.2%)
Region	2015	26,973 (15.0%)	22,124 (12.3%)	23,236 (12.9%)	28,217 (15.7%)	34,090 (19.0%)	19,434 (10.8%)	16,434 (9.2%)	9,012 (5.0%)	179,521 (100.0%)
	2020	27,648 (14.5%)	23,576 (12.4%)	24,058 (12.7%)	30,943 (16.3%)	35,461 (18.7%)	20,226 (10.6%)	18,169 (9.6%)	9,954 (5.2%)	190,035 (100.0%)
	Change	674 (2.5%)	1,453 (6.6%)	823 (3.5%)	2,725 (9.7%)	1,371 (4.0%)	792 (4.1%)	1,734 (10.6%)	942 (10.5%)	10,514 (5.9%)

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

In 2015, it is projected that 19.5% of Henderson County households will have annual incomes between \$50,000 and \$74,999. It is projected that between 2015 and 2020, the greatest increase in households by income level in Henderson County will be among those with incomes between \$35,000 and \$49,999. Most household income segments below \$50,000 are projected to experience noticeable growth between 2015 and 2020. As such, the low-income household segment is projected to experience the greatest growth, adding to the need for affordable housing.



Households by income and tenure for selected years are shown below:

		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Henderson County	2015	3,059 (24.0%)	2,353 (18.4%)	2,431 (19.1%)	1,900 (14.9%)	2,012 (15.8%)	550 (4.3%)	328 (2.6%)	121 (0.9%)	12,754 (100.0%)
	2020	3,140 (23.3%)	2,899 (21.5%)	2,899 (21.5%)	2,063 (15.3%)	1,993 (14.8%)	474 (3.5%)	274 (2.0%)	152 (1.1%)	13,473 (100.0%)
	Change	81 (2.6%)	546 (23.2%)	47 (1.9%)	163 (8.6%)	-19 (-0.9%)	-76 (-13.8%)	-54 (-16.6%)	31 (25.5%)	719 (5.6%)
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (1.1%)	58,185 (100.0%)
	2020	15,532 (25.0%)	11,262 (18.2%)	11,262 (18.2%)	10,165 (16.4%)	8,767 (14.1%)	3,070 (5.0%)	2,135 (3.4%)	910 (1.5%)	62,011 (100.0%)
	Change	86 (0.6%)	962 (9.3%)	411 (4.2%)	1,641 (19.2%)	93 (1.1%)	161 (5.5%)	216 (11.2%)	255 (38.8%)	3,826 (6.6%)

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

		Owner Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000- \$149,999	\$150,000+	Total
Henderson County	2015	3,189 (9.1%)	3,625 (10.3%)	3,898 (11.1%)	5,374 (15.3%)	7,352 (20.9%)	4,985 (14.2%)	4,429 (12.6%)	2,313 (6.6%)	35,164 (100.0%)
	2020	3,495 (9.5%)	3,728 (10.1%)	3,914 (10.6%)	5,950 (16.1%)	7,603 (20.6%)	5,188 (14.0%)	4,717 (12.8%)	2,345 (6.3%)	36,940 (100.0%)
	Change	306 (9.6%)	103 (2.9%)	16 (0.4%)	576 (10.7%)	251 (3.4%)	203 (4.1%)	288 (6.5%)	32 (1.4%)	1,776 (5.1%)
Region	2015	11,528 (9.5%)	11,824 (9.7%)	13,478 (11.1%)	19,692 (16.2%)	25,417 (20.9%)	16,526 (13.6%)	14,515 (12.0%)	8,357 (6.9%)	121,336 (100.0%)
	2020	12,116 (9.5%)	12,314 (9.6%)	13,889 (10.8%)	20,777 (16.2%)	26,694 (20.9%)	17,156 (13.4%)	16,033 (12.5%)	9,044 (7.1%)	128,024 (100.0%)
	Change	588 (5.1%)	491 (4.1%)	411 (3.1%)	1,085 (5.5%)	1,278 (5.0%)	630 (3.8%)	1,519 (10.5%)	687 (8.2%)	6,688 (5.5%)

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

The largest share (24.0%) of renter households in 2015 is projected to be among households with incomes below \$15,000. In fact, the three largest shares of renter households by income are all below \$35,000. These renter households comprise nearly two-thirds of all renter households. The largest share (20.9%) of owner-occupied households at this same time will be among those with incomes between \$50,000 and \$74,999. Between 2015 and 2020, the greatest renter household growth is projected to occur among households with incomes between \$15,000 and \$24,999, while the greatest owner-occupied household growth is projected to occur among households with incomes between \$35,000 and \$49,999.

Given the large and growing base of older adult households in the region, it is important to evaluate the income trends of senior households by tenure. The senior household by income data is presented for the overall region for 2015 and 2020 in the following tables.

Ages 55 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	904	24.0%	968	23.3%	1,886	9.1%	2,095	9.5%
\$15,000 - \$24,999	695	18.4%	894	21.5%	2,144	10.3%	2,235	10.1%
\$25,000 - \$34,999	719	19.1%	764	18.4%	2,305	11.1%	2,346	10.6%
\$35,000 - \$49,999	562	14.9%	636	15.3%	3,179	15.3%	3,567	16.1%
\$50,000 - \$74,999	595	15.8%	614	14.8%	4,349	20.9%	4,558	20.6%
\$75,000 - \$99,999	163	4.3%	146	3.5%	2,948	14.2%	3,110	14.0%
\$100,000 - \$149,999	97	2.6%	84	2.0%	2,620	12.6%	2,828	12.8%
\$150,000+	36	0.9%	47	1.1%	1,368	6.6%	1,406	6.3%
Total	3,769	100.0%	4,155	100.0%	20,798	100.0%	22,145	100.0%

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

Ages 62 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	650	24.0%	692	23.3%	1,427	9.1%	1,589	9.5%
\$15,000 - \$24,999	500	18.4%	639	21.5%	1,622	10.3%	1,695	10.1%
\$25,000 - \$34,999	517	19.1%	546	18.4%	1,744	11.1%	1,779	10.6%
\$35,000 - \$49,999	404	14.9%	455	15.3%	2,405	15.3%	2,705	16.1%
\$50,000 - \$74,999	427	15.8%	439	14.8%	3,290	20.9%	3,457	20.6%
\$75,000 - \$99,999	117	4.3%	105	3.5%	2,230	14.2%	2,359	14.0%
\$100,000 - \$149,999	70	2.6%	60	2.0%	1,982	12.6%	2,145	12.8%
\$150,000+	26	0.9%	33	1.1%	1,035	6.6%	1,066	6.3%
Total	2,710	100.0%	2,968	100.0%	15,734	100.0%	16,796	100.0%

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

Ages 75 and Older Household Income	Renter Households				Owner Households			
	2015		2020		2015		2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
< \$15,000	335	24.0%	343	23.3%	573	9.1%	628	9.5%
\$15,000 - \$24,999	257	18.4%	317	21.5%	651	10.3%	670	10.1%
\$25,000 - \$34,999	266	19.1%	271	18.4%	700	11.1%	704	10.6%
\$35,000 - \$49,999	208	14.9%	226	15.3%	965	15.3%	1,070	16.1%
\$50,000 - \$74,999	220	15.8%	218	14.8%	1,321	20.9%	1,367	20.6%
\$75,000 - \$99,999	60	4.3%	52	3.5%	896	14.2%	933	14.0%
\$100,000 - \$149,999	36	2.6%	30	2.0%	796	12.6%	848	12.8%
\$150,000+	13	0.9%	17	1.1%	415	6.6%	422	6.3%
Total	1,396	100.0%	1,473	100.0%	6,317	100.0%	6,642	100.0%

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

Based on the data from the preceding page, the primary older adult household growth between 2015 and 2020 is projected to occur among most household *income* segments. As a result, there will likely be a growing need through at least 2020 for additional renter and owner housing at a variety of price points that meets the needs of the county's senior population.

Population by race for 2010 (latest race data available) is shown below:

		Population by Race						Total
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races		
Henderson County	Number	94,914	3,224	1,022	5,561	2,019	106,740	
	Percent	88.9%	3.0%	1.0%	5.2%	1.9%	100.0%	
Region	Number	353,718	19,967	3,653	13,732	7,842	398,912	
	Percent	88.7%	5.0%	0.9%	3.4%	2.0%	100.0%	

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

The largest share of population by race within the county is among the “White Alone” segment, which represents 88.9% of the county’s population, which is near the overall region’s share.

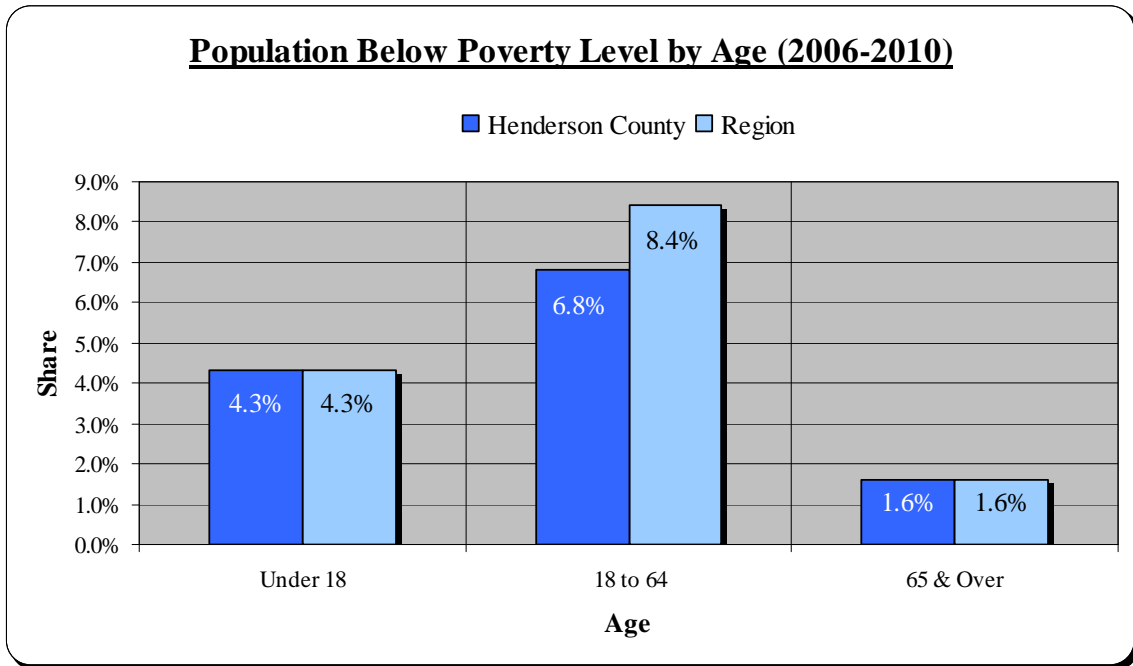
Population by poverty status for years 2006-2010 is shown in the following table:

		Population by Poverty Status						Total
		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	
Henderson County	Number	4,588	7,290	1,718	17,653	54,877	20,614	106,740
	Percent	4.3%	6.8%	1.6%	16.5%	51.4%	19.3%	100.0%
Region	Number	17,106	33,329	6,304	65,171	212,420	64,583	398,912
	Percent	4.3%	8.4%	1.6%	16.3%	53.2%	16.2%	100.0%

Source: U.S. Census Bureau, 2006-2010 American Community Survey; Urban Decision Group; Bowen National Research

A total of 13,596 of the county’s population lives in poverty. One in five children (under the age of 18) within the county live in poverty. A total of 7,290 of the county’s population between the ages of 18 and 64 lives in poverty, while 1,718 of seniors age 65 and older live in poverty. Given the more than 13,000 people living in poverty within the county, affordable housing remains an important issue.

The following graph compares the share of population by age group with incomes below the poverty level for the county and state:



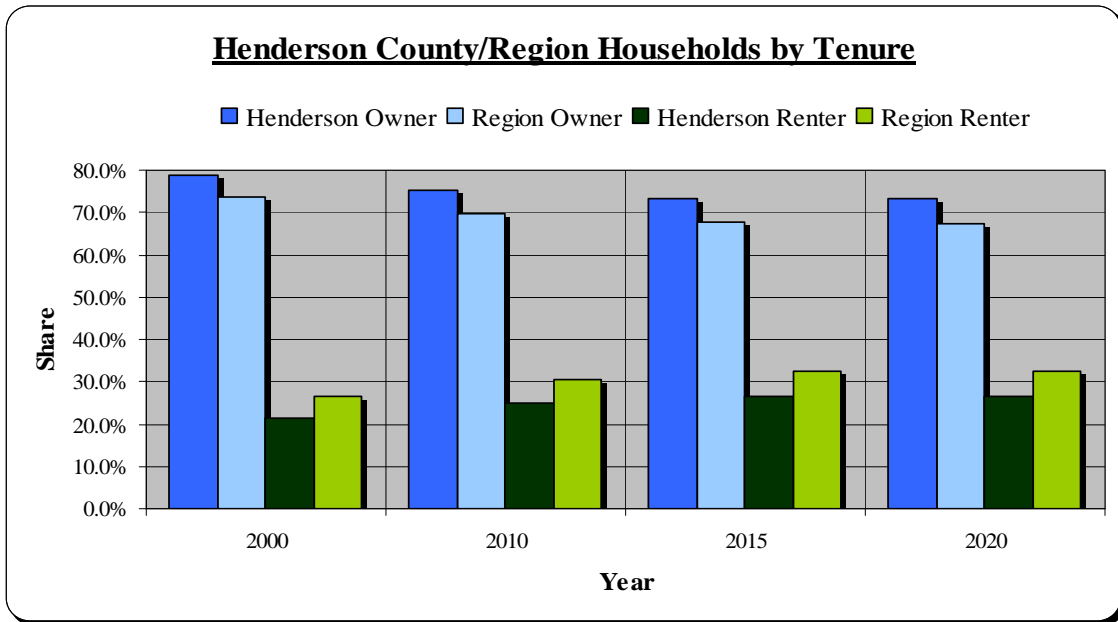
Households by tenure for selected years for the county and state are shown in the following table:

		Households by Tenure							
		2000		2010		2015		2020	
Household Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
		Henderson County	Owner-Occupied	29,487	78.8%	34,143	75.1%	35,164	73.4%
Renter-Occupied	7,927		21.2%	11,305	24.9%	12,754	26.6%	13,473	26.7%
Total	37,414		100.0%	45,448	100.0%	47,918	100.0%	50,413	100.0%
Region	Owner-Occupied	105,693	73.6%	117,511	69.6%	121,336	67.6%	128,018	67.4%
	Renter-Occupied	37,817	26.4%	51,237	30.4%	58,185	32.4%	62,009	32.6%
	Total	143,510	100.0%	168,748	100.0%	179,521	100.0%	190,027	100.0%

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

Within the county, the share of owner-occupied households was over 75% in 2000 and 2010, while the share of renter-occupied households has been under 25%. It is projected that between 2015 and 2020, the number of owner-occupied households will increase by 1,776, while renter households will increase by 719.

The following graph compares household tenure shares for 2000, 2010, 2015 and 2020:



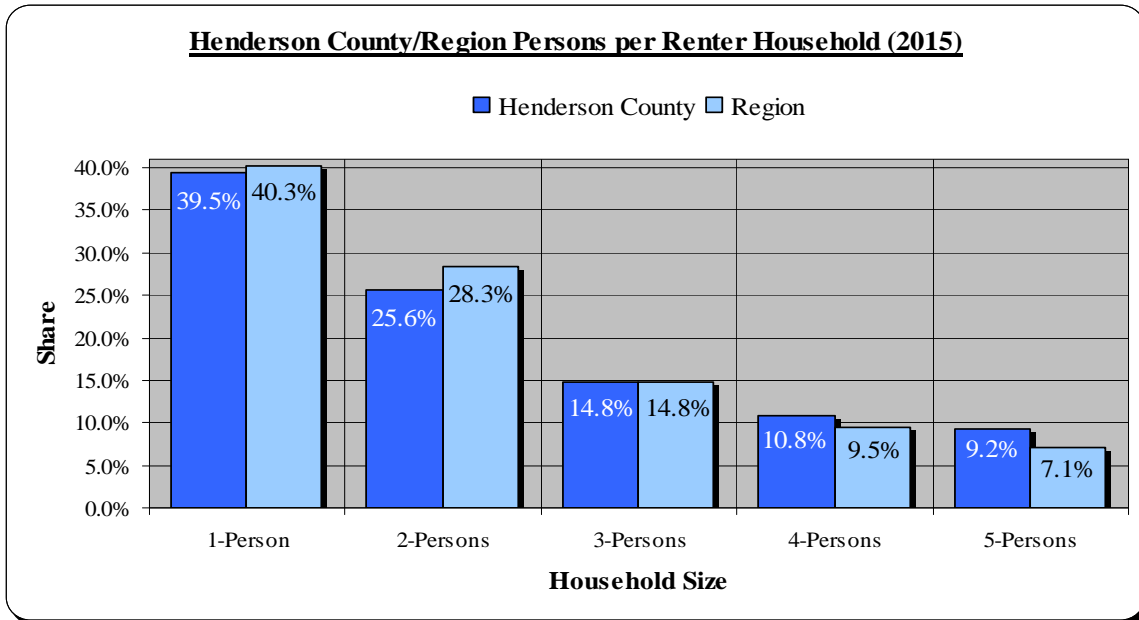
Renter households by size for selected years are shown in the following table:

		Persons Per Renter Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Henderson County	2010	4,426 (39.1%)	2,933 (25.9%)	1,670 (14.8%)	1,235 (10.9%)	1,041 (9.2%)	11,305 (100.0%)	1.84
	2015	5,041 (39.5%)	3,270 (25.6%)	1,892 (14.8%)	1,378 (10.8%)	1,172 (9.2%)	12,754 (100.0%)	1.82
	2020	5,375 (39.9%)	3,419 (25.4%)	2,012 (14.9%)	1,430 (10.6%)	1,236 (9.2%)	13,473 (100.0%)	1.80
	2015-2020 Change	334 (6.6%)	149 (4.6%)	120 (6.3%)	52 (3.8%)	64 (5.5%)	719 (5.6%)	-
Region	2010	20,359 (39.7%)	14,680 (28.7%)	7,554 (14.7%)	4,965 (9.7%)	3,679 (7.2%)	51,237 (100.0%)	1.72
	2015	23,427 (40.3%)	16,488 (28.3%)	8,593 (14.8%)	5,537 (9.5%)	4,140 (7.1%)	58,185 (100.0%)	1.69
	2020	25,224 (40.7%)	17,416 (28.1%)	9,175 (14.8%)	5,806 (9.4%)	4,387 (7.1%)	62,009 (100.0%)	1.66
	2015-2020 Change	1,817 (7.8%)	928 (5.6%)	582 (6.8%)	269 (4.9%)	247 (6.0%)	3,824 (6.6%)	-

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

In 2015, the combined share of county renter households with one- and two-persons is projected to be nearly two-thirds of all renter households. Note that one-person households are projected to experience the greatest growth between 2015 and 2020, increasing by 334, or 6.6%. This coincides with the slight projected decrease in the median household size from 1.82 in 2015 to 1.80 in 2020.

The following graph compares renter household size shares for the county and region in 2015:



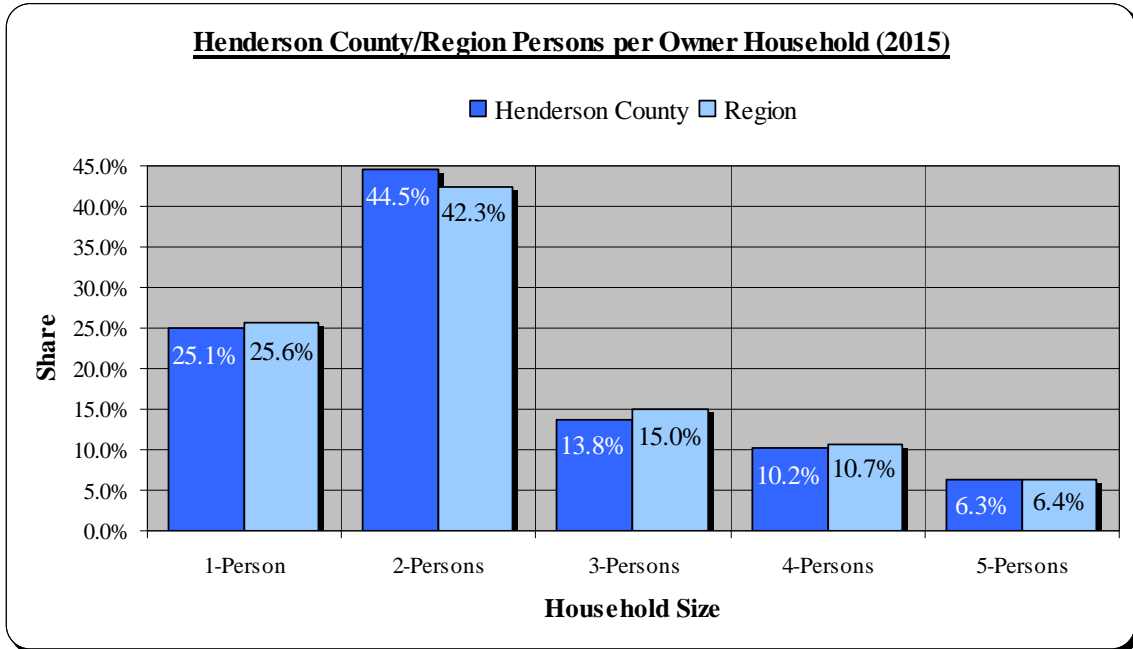
Owner households by size for selected years are shown on the following table:

		Persons Per Owner Household						Median Household Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Henderson County	2010	8,532 (25.0%)	15,407 (45.1%)	4,589 (13.4%)	3,490 (10.2%)	2,125 (6.2%)	34,143 (100.0%)	2.11
	2015	8,838 (25.1%)	15,657 (44.5%)	4,858 (13.8%)	3,584 (10.2%)	2,227 (6.3%)	35,164 (100.0%)	2.12
	2020	9,369 (25.4%)	16,322 (44.2%)	5,155 (14.0%)	3,734 (10.1%)	2,360 (6.4%)	36,940 (100.0%)	2.12
	2015-2020 Change	531 (6.0%)	665 (4.2%)	297 (6.1%)	150 (4.2%)	133 (6.0%)	1,776 (5.1%)	-
Region	2010	29,657 (25.2%)	50,304 (42.8%)	17,419 (14.8%)	12,690 (10.8%)	7,441 (6.3%)	117,511 (100.0%)	2.16
	2015	31,101 (25.6%)	51,336 (42.3%)	18,195 (15.0%)	12,962 (10.7%)	7,742 (6.4%)	121,336 (100.0%)	2.15
	2020	33,231 (26.0%)	53,736 (42.0%)	19,298 (15.1%)	13,538 (10.6%)	8,216 (6.4%)	128,018 (100.0%)	2.15
	2015-2020 Change	2,130 (6.8%)	2,400 (4.7%)	1,103 (6.1%)	576 (4.4%)	474 (6.1%)	6,682 (5.5%)	-

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

In 2015, one- and two-person owner-occupied households combined are projected to represent more than two-thirds of the owner-occupied household base within the county. At the same time, approximately 14% of the county's owner-occupied households will be three-persons, over 10% will be four-persons, and over 6% will be five-person or larger. These shares are not expected to change much through 2020.

The following graph compares owner household size shares for the county and region in 2015:



Residents of the county face a variety of housing issues that include such things as lacking complete kitchen and/or indoor plumbing, overcrowding (1.01 or more persons per room), severe overcrowding (1.51 or more persons per room), cost burdened (paying over 30% of their income towards housing costs), severe cost burdened (paying over 50% of their income towards housing costs), and potentially containing lead paint (units typically built prior to 1980).

The following table summarizes the housing issues by tenure for Henderson County. It is important to note that some occupied housing units have more than one housing issue.

Housing Issues by Tenure				
Housing Issue	Renter-Occupied		Owner-Occupied	
	Number	Percent	Number	Percent
Incomplete Plumbing	67	0.6%	28	0.1%
Overcrowded	422	3.6%	471	1.4%
Severe Overcrowded	74	0.6%	80	0.2%
Cost Burdened	5,429	46.7%	7,824	23.3%
Severe Cost Burdened	2,327	20.0%	3,178	9.4%

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

Notes: Some housing issues overlap with other issues

The greatest housing issue facing residents appears to be associated with cost burden. The high share of cost burdened households indicates that many area residents are paying a disproportionately high share of their income towards housing costs, which is likely due to a lack of affordable housing.

D. ECONOMICS

As economic conditions and trends can influence the need for housing within a particular market, the following is an overview of various economic characteristics and trends within Henderson County.

The distribution of employment by industry sector in Henderson County is compared with the region in the following table.

NAICS Group	Employment by Industry (Employees)			
	Henderson County		Region	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	656	1.3%	2,090	1.0%
Mining	50	0.1%	145	0.1%
Utilities	34	0.1%	549	0.3%
Construction	3,019	6.2%	11,460	5.2%
Manufacturing	4,081	8.3%	18,891	8.6%
Wholesale Trade	2,527	5.2%	7,349	3.4%
Retail Trade	5,509	11.3%	24,464	11.2%
Transportation & Warehousing	1,415	2.9%	4,359	2.0%
Information	485	1.0%	2,671	1.2%
Finance & Insurance	1,124	2.3%	5,054	2.3%
Real Estate & Rental & Leasing	1,201	2.5%	5,922	2.7%
Professional, Scientific & Technical Services	1,789	3.7%	10,754	4.9%
Management of Companies & Enterprises	32	0.1%	218	0.1%
Administrative, Support, Waste Management & Remediation Services	2,939	6.0%	16,789	7.7%
Educational Services	2,051	4.2%	10,852	5.0%
Health Care & Social Assistance	4,069	8.3%	17,371	7.9%
Arts, Entertainment & Recreation	533	1.1%	2,526	1.2%
Accommodation & Food Services	3,519	7.2%	14,188	6.5%
Other Services (Except Public Administration)	3,008	6.2%	11,453	5.2%
Public Administration	2,627	5.4%	13,768	6.3%
Nonclassifiable	8,239	16.8%	37,742	17.3%
Total	48,907	100.0%	218,615	100.0%

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

E.P.E. - Average Employees Per Establishment

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

The labor force within the county is very diversified and balanced with no industry sector representing more than 11.3% of the overall county's employment base. The largest employment sectors in the county are within Retail Trade (11.3%), Manufacturing (8.3%), and Health Care & Social Assistance (8.3%). Overall, Henderson County has a distribution of employment by job sector that is similar to the region.

The following illustrates the mean hourly wages by occupation for Henderson County:

Occupation	2014 Estimates	
	Employment	Hourly Wage (Mean)
Office and Administrative Support Occupations	4,690	\$15.61
Production Occupations	3,610	\$17.73
Food Preparation and Serving Related Occupations	3,530	\$9.54
Sales and Related Occupations	3,210	\$16.62
Healthcare Practitioners and Technical Occupations	2,450	\$36.10
Transportation and Material Moving Occupations	2,120	\$14.09
Education, Training, and Library Occupations	1,850	\$19.73
Healthcare Support Occupations	1,610	\$12.37
Installation, Maintenance, and Repair Occupations	1,540	\$18.27
Building & Grounds Cleaning & Maintenance Occup.	1,330	\$10.57
Construction and Extraction Occupations	1,240	\$16.76
Management Occupations	1,040	\$43.96
Combined Food Preparation and Serving Workers, Inc	1,000	\$8.56
Retail Salespersons	1,000	\$12.68
Team Assemblers	1,000	\$17.79
Business and Financial Operations Occupations	950	\$27.88
Registered Nurses	870	\$28.21
Personal Care and Service Occupations	840	\$10.57
Waiters and Waitresses	830	\$8.90
Cashiers	810	\$9.48

Source: LEAD (Labor & Economic Analysis Division) of the North Carolina Dept. of Commerce (2014)

The largest number of persons employed by occupation was within job sectors that have mean hourly wages generally between \$9 and \$18. Assuming full-time employment, these wages yield annual wages of around \$18,000 to \$36,000. As a result, there is likely a great need for housing priced at \$900 per month or lower.

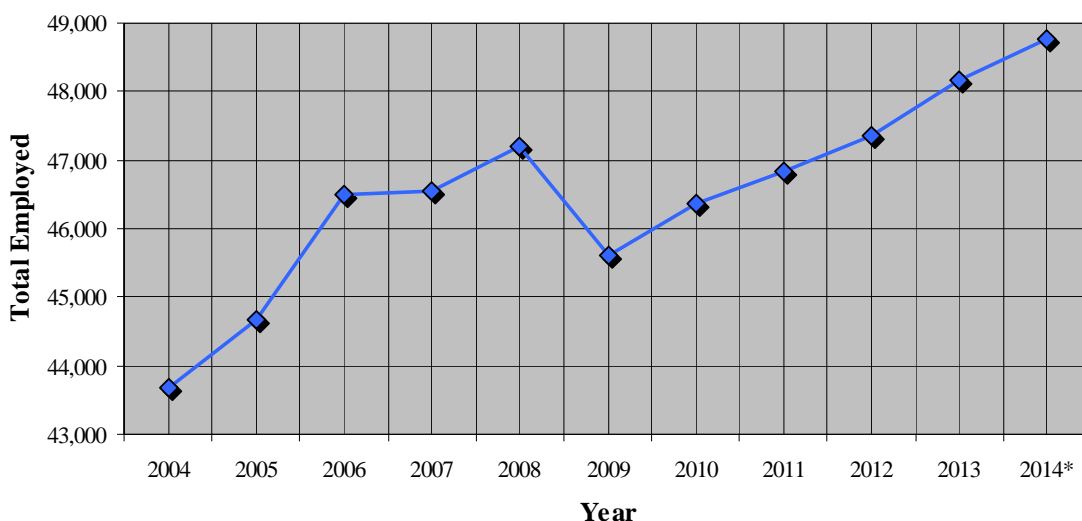
The following illustrates the total employment base for Henderson County, the region, North Carolina, and the United States.

Year	Total Employment							
	Henderson County		Region		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	43,676	-	173,140	-	4,031,081	-	139,967,126	-
2005	44,682	2.3%	176,817	2.1%	4,123,857	2.3%	142,299,506	1.7%
2006	46,489	4.0%	183,324	3.7%	4,261,325	3.3%	145,000,043	1.9%
2007	46,545	0.1%	184,292	0.5%	4,283,826	0.5%	146,388,369	1.0%
2008	47,206	1.4%	185,863	0.9%	4,280,355	-0.1%	146,047,748	-0.2%
2009	45,612	-3.4%	179,061	-3.7%	4,107,955	-4.0%	140,696,560	-3.7%
2010	46,358	1.6%	181,324	1.3%	4,138,113	0.7%	140,457,589	-0.2%
2011	46,831	1.0%	182,849	0.8%	4,183,094	1.1%	141,727,933	0.9%
2012	47,368	1.1%	186,023	1.7%	4,271,315	2.1%	143,566,680	1.3%
2013	48,160	1.7%	188,921	1.6%	4,318,319	1.1%	144,950,662	1.0%
2014*	48,776	1.3%	191,285	1.3%	4,368,455	1.2%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through August

Henderson County Total Employment



Henderson County lost approximately 3.4% of its employment base in 2009, which is slightly less than the decrease experienced in the overall region. The county's employment base has increased in each of the past five years. There are more people employed in the county than there were prior to the recession. The positive job growth over the past few years is an indication of a healthy and expanding economy.

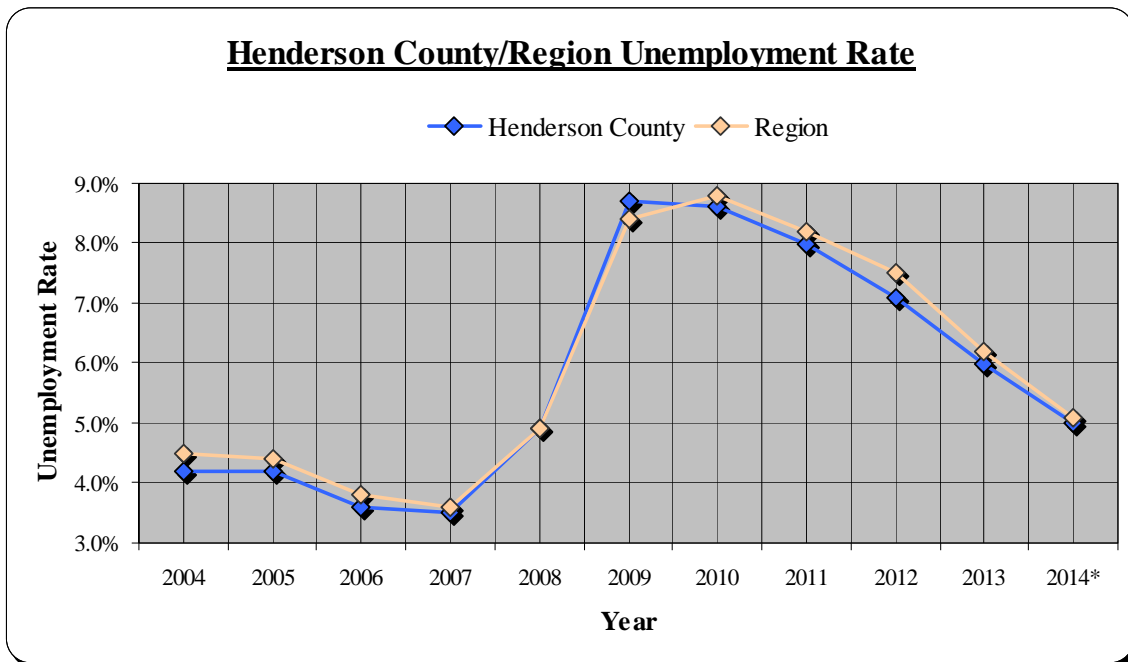
Unemployment rates for Henderson County, the region, North Carolina and the United States are illustrated as follows:

Year	Unemployment Rate			
	Henderson County	Region	North Carolina	United States
2004	4.2%	4.5%	5.5%	5.6%
2005	4.2%	4.4%	5.3%	5.2%
2006	3.6%	3.8%	4.8%	4.7%
2007	3.5%	3.6%	4.8%	4.7%
2008	4.9%	4.9%	6.3%	5.8%
2009	8.7%	8.4%	10.4%	9.3%
2010	8.6%	8.8%	10.8%	9.7%
2011	8.0%	8.2%	10.2%	9.0%
2012	7.1%	7.5%	9.2%	8.1%
2013	6.0%	6.2%	8.0%	7.4%
2014*	5.0%	5.1%	6.5%	6.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through August

The county's unemployment rate has generally mirrored regional trends. After reaching a decade high unemployment rate of 8.7% in 2009, the county's unemployment rate has declined in the county in each of the past five years.



The ten largest employers within Henderson County are summarized as follows:

Employer Name	Business Type
Henderson County Board of Public Education	Education
Park Ridge Health	Health Care
Margaret R. Pardee Memorial Hospital	Health Care
Ingles Markets, Inc.	Supermarkets
County of Henderson	Government
Wilsonart, LLC	Countertop Manufacturers
Continental Automotive Systems, Inc.	Automotive Supplier
Walmart	Retail/Grocery
Meritor Heavy Vehicle Systems, LLC	Global Supplier of Axle, Brakes and Suspension Parts
Blue Ridge Community College	Education

Source: ACCESSNC, North Carolina Economic Data and Site Information, 2014 1st quarter

According to a representative with the Henderson County Partnership for Economic Development, the Henderson County economy is growing and improving. According to economic development representatives, there has been a 12% increase in the labor force and 8.5% increase in business growth since 2013, while the unemployment rate has decreased.

The town of Fletcher, located in northern Henderson County, and 13 miles south of Asheville, is the home to numerous manufacturers and successful businesses. Hendersonville is in the center of the county and is the county seat. The city is famous for the Historic Downtown Hendersonville with dining, shopping, parks and a business district. Laurel Park is west of Hendersonville and has established itself as a small residential community. Laurel Park is known for Jump Off Rock, a panoramic view of the Blue Ridge Mountains. Mills River was incorporated in 2003 and is just minutes from the Pisgah National Forest, the Asheville Airport and I-26

Empire Distributors of North Carolina announced that they planned to invest approximately \$20 million in a new building and equipment in Mills River and add approximately 15 jobs. Empire is a distributor of beer, wine and liquor and has over 700 employees in eight cities in the South including Asheville, Charlotte, Raleigh, Winston-Salem and Atlanta. It also has a plant in Arden near U.S. Highway 25.

In January of 2014, ASG (AGI Shorewood) announced that it will expand its manufacturing operations in Henderson County. The company plans to create 50 new jobs and invest more than \$8.5 million in East Flat Rock. ASG is a global packaging company that specializes in the development of innovative solutions for the consumer products segment. The company plans to invest \$8.55 million over 2 years. The existing 136,000 square-foot manufacturing building will be expanded. ASG anticipates that the expansion will help the East Flat Rock facility achieve heightened production efficiencies and increase manufacturing volume.

In March of 2014, Continental AG celebrated the opening of a \$35 million expansion at its production plant in Henderson County which will result in 40 new jobs over the next five years. Continental is based in Germany and the Fletcher plant currently employs approximately 626 people. The company manufactures vehicle brakes, chassis and brake calipers.

In April of 2014, Elkamet Incorporated announced that they would be expanding their manufacturing operations in Henderson County. The company plans to create 20 new jobs and invest more than \$2.5 million over the next three years in East Flat Rock. Elkamet currently employs 54 full-time employees at this current facility.

Sierra Nevada's new Mills River brewery opened in April of 2014. The brewery was to add a tasting room that was to open this past summer. Future plans call for a restaurant, taproom and indoor and outdoor music areas. Sierra Nevada plans to make 350,000 barrels of beer a year at the Mills River location and bottles and cases of the brewery's popular Pale Ale and Torpedo IPA are already being filled and shipped. There are about 70 full-time employees working at the brewery and that number is expected to increase to 125 to 150 full- and part-time employees.

Mona Lisa Foods, located in Edneyville in Henderson County, is planning to invest \$2.2 million in a new building and \$2 million in new equipment at its current plant on St. Pauls Road. The move could add 12 to 29 employees in the next three years.

In May of 2014, a group of Hendersonville businessmen opened a 4,500 square-foot cidery in the South Crossing Business Park in Flat Rock. Flat Rock Cider Works is the first Henderson County company to move into the fast growing hard-cider market with the introduction of their Naked Apple Hard Cider brand. Empire Distributors will distribute Naked Apple initially in Western North Carolina with a planned roll out across the rest of the state by late 2015.

In July of 2014, Kyocera celebrated the creation of a new, wholly-owned subsidiary, Kyocera Precision Tools Incorporated (KPTI). The creation of the new company follows a consolidation of Kyocera's North American cutting tool operations. The recently formed company will be headquartered in Hendersonville. The Kyocera campus currently employs 187 persons in Henderson County, of which 75 employees are affiliated with the newly formed KPTI.

Tourism:

Hendersonville and Henderson County have many attractions in the area to interest visitors coming to North Carolina. The area has historic attractions as well as State and National Forest beauty to attract tourists to the area. Historic Downtown Hendersonville was entered into the National Register of Historic Places in 1988. It has become a vital part of the community's economic and cultural growth and offers a wide array of shopping, antique stores, galleries, museums and restaurants. The Downtown hosts many activities including the North Carolina Apple Festival held during Labor Day weekend, as well as art shows, an antique show, car shows and parades throughout the year.

The Henderson County Heritage Museum is housed in the Historic Henderson County Courthouse on Main Street. It offers public displays, artifacts, lectures, collections, archives, libraries, demonstrations, and other similar exhibitions relating to the history, culture, and heritage of the founding settlement and development of Henderson County. The museum celebrates veterans of all wars and has a notable Civil War Display.

Historic Hendersonville Train Depot has been restored and now houses the Apple Valley Model Railroad Club.

The DuPont State Recreational Forest encompasses 10,268 acres in Henderson and Transylvania counties. It is situated in the Little River Valley and includes waterfalls and 80 miles of roads and trails wandering through the mountainous terrain. The forested land was purchased by the state of North Carolina after DuPont sold its industrial operation in 1996 and 1997. The surrounding land became the DuPont State Forest.

The Pisgah National Forest has 501,691 acres stretching across the eastern edge of Western North Carolina's mountains. The forest offers hiking trails, fishing, camping, picnic sites and spectacular waterfalls. Some of the Pisgah National Forest attractions include Looking Glass Falls, Sliding Rock, Pisgah Forest State Fish Hatchery, and the North Mills River Recreational Area. The North Mills River Recreational Area is located just 13 miles from Downtown Hendersonville. Jump Off Rock is a scenic overlook which provides a panoramic view of rolling pastures and the Blue Ridge and Pisgah mountain ranges and is a popular attraction.

The Flat Rock Playhouse, which is officially designated The State Theatre of North Carolina, and is a notable area attraction, is committed to teaching the performing arts to children and adults. Flat Rock Playhouse opened a satellite theater in Historic Hendersonville in 2011.

Also located in Flat Rock is the Carl Sandburg Home National Historic Site. Carl Sandburg was an American poet, historian, author and lecturer and spent the final 22 years of his life at his estate named Connemara. The home, originally built in 1838, displays the Sandburg's furnishings as well as Sandburg's collection of 12,000 books.

According to the North Carolina Tourism Department of Commerce, domestic tourism in Henderson County generated an economic impact of \$233.25 million in 2013. This was a 6.78% change from 2012. Also in 2013, Henderson County ranked 15th in travel impact among North Carolina's 100 counties. More than 2,050 jobs in Henderson County were directly attributable to travel and tourism. Travel generated a \$40.52 million payroll in 2013.

WARN (layoff notices):

According to the North Carolina Workforce Development website (www.nccommerce.com), there have been no WARN notices of large-scale layoffs or closures reported for the Henderson County area since January 2013. However, in September of 2014, Wilsonart announced that it would be laying off 57 people from its manufacturing facility in Henderson County. The reason given for the layoffs is that some positions were eliminated after some older skills are no longer needed. Wilsonart is a laminate manufacturer and will have 900 employees after this current layoff. The layoffs are nation wide.

E. HOUSING SUPPLY

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

While there are a variety of housing alternatives offered in Henderson County, we focused our analysis on the most common alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Multifamily rentals, typically with three or more units were inventoried and surveyed. Additionally, rentals with two or fewer units, which were classified as non-conventional rentals, were identified and surveyed. Other rentals such as vacation rentals, mobile homes, and home stays (a single bedroom or portion of a larger unit) were also considered in this analysis.
- **Owner For-Sale Housing** – We identified attached and detached for-sale housing, which may be part of a planned development or community, as well as attached multifamily housing such as condominiums.
- **Senior Care Housing** – Facilities providing housing for seniors requiring some level of care, such as adult care facilities, multi-unit assisted facilities and nursing homes were surveyed and analyzed.

For the purposes of this analysis, the housing supply information is presented for Henderson County and compared with the region. This analysis includes secondary Census housing data, Bowen National Research’s survey of area rental alternatives and senior care facilities, and owner for-sale housing data (both historical sales and available housing alternatives) obtained from secondary data sources (Multiple Listing Service, REALTOR.com, and other on-line sources). Finally, we contacted local building and planning departments to determine if any residential units of notable scale were currently planned or under review by local government. Any such units were considered in the housing gap estimates included later in this section.

The following table summarizes the surveyed/inventoried housing stock in the county. This is a sample survey/inventory and does not represent all housing in the county. However, we believe this housing survey/inventory is representative of a majority of the most common housing categories offered in the county.

Surveyed Housing Supply Overview				
Housing Type	Units	Vacant Units	Vacancy	Price Range
Multifamily Apartments	1,444	34	2.4%	\$270-\$1,625
Non-Conventional Rentals	N/A	34	N/A	\$380-\$3,800
Home Stays	N/A	16	N/A	\$275-\$550
Vacation Rentals	N/A	50	N/A	\$2,250-\$34,995
Mobile Home Rentals	2,741*	N/A	N/A	\$475-\$550
Owner For-Sale Housing	6,438**	1,005	3.6%*	\$5,500-\$5.0 Mil.
Senior Care Housing	1,616	56	3.5%	\$1,371-\$6,174
<i>Independent Living</i>	325	4	1.2%	\$1,371*
<i>Multi-Unit Assisted Housing</i>	444	5	1.1%	\$1,525*
<i>Adult Care Homes</i>	376	38	10.1%	\$1,600*
<i>Nursing Homes</i>	471	9	1.9%	\$6,174*

*Based on 2011-2013 American Community Survey

**Units sold between 2010 and 2014

N/A – Not Available

With the exception of the adult care homes, all surveyed housing segments appear to have vacancy rates of 3.6% or lower. This indicates that these housing segments are in high demand. While the adult care homes have a vacancy rate of 10.1%, this is not considered an unusually high vacancy rate for this type of senior care housing. Overall, the county's housing market is performing well, as demand is strong for virtually all housing alternatives. The 2.4% vacancy rate of surveyed multifamily rental housing likely indicates that there is a shortage of such housing within the county.

a. Rental Housing

Multifamily Rental Housing

We identified and personally surveyed 30 conventional housing projects containing a total of 1,444 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify trends in the multifamily rental market. These rentals have a combined occupancy rate of 97.6%, a high rate for rental housing. Among these projects, 23 are non-subsidized (market-rate and Tax Credit) projects containing 1,203 units. These non-subsidized units are 97.2% occupied. There are four additional units under construction in the Site PMA. The remaining seven projects contain 241 government-subsidized units, which are 100.0% occupied.

Managers and leasing agents for each project were surveyed to collect a variety of property information including vacancies, rental rates, design characteristics, amenities, utility responsibility, and other features. Projects were also rated based on quality and upkeep, and each was mapped as part of this survey.

The inventory of 30 *surveyed* multifamily rental housing projects contains a total of 1,444 units within Henderson County. Of these units, 1,010 of the units are market-rate, 193 are Tax Credit and 205 are government-subsidized. The remaining units are within a mixed-income project. The distribution of surveyed rental housing supply by product type is illustrated in the following table:

Surveyed Multifamily Apartments				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	18	1,010	34	96.6%
Tax Credit	5	193	0	100.0%
Tax Credit/Government-Subsidized	1	36	0	100.0%
Government-Subsidized	6	205	0	100.0%
Total	30	1,444	34	97.6%

As the preceding table illustrates, these rentals have a combined occupancy rate of 97.6%. This is an extremely high occupancy rate and an indication that there is very limited availability among larger multifamily apartments in Henderson County. In fact, these projects have wait lists of up to 30 households, which provides evidence that there is pent up demand for multifamily rental housing in the Henderson County area.

The following tables summarize the breakdown of non-subsidized *units* surveyed by program within the county.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
Studio	1.0	9	0.9%	0	0.0%	\$330
One-Bedroom	1.0	418	41.2%	18	4.3%	\$745
Two-Bedroom	1.0	51	5.0%	0	0.0%	\$508
Two-Bedroom	1.5	18	1.8%	0	0.0%	\$895
Two-Bedroom	2.0	380	37.5%	14	3.7%	\$900
Two-Bedroom	2.5	14	1.4%	0	0.0%	\$785
Three-Bedroom	1.0	2	0.2%	0	0.0%	\$650
Three-Bedroom	2.0	112	11.0%	2	1.8%	\$1,155
Three-Bedroom	2.5	10	1.0%	0	0.0%	\$1,625
Total Market-rate		1,014	100.0%	34	3.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Collected Rent
One-Bedroom	1.0	79	41.8%	0	0.0%	\$399
Two-Bedroom	1.0	66	34.9%	0	0.0%	\$485
Two-Bedroom	2.0	4	2.1%	0	0.0%	\$610
Three-Bedroom	2.0	40	21.2%	0	0.0%	\$577
Total Tax Credit		189	100.0%	0	0.0%	-

The market-rate units are 96.6% occupied and the Tax Credit units are 100.0% occupied. While both occupancies are high, the Tax Credit occupancy rate of 100.0% and the wait lists maintained at the Tax Credit projects indicate that there is pent-up demand for this product type.

Median collected rents by bedroom type range from \$330 to \$1,625 for the market-rate units and from \$399 to \$610 for Tax Credit units. It is important to note that none of the surveyed non-subsidized multifamily projects offer four-bedroom or larger units. As such, there appear to be no multifamily rental options for most family households, particularly larger families, seeking housing within Henderson County. As a result, family households seeking four-bedroom rental alternatives in Henderson County choose from non-conventional rentals, which typically have higher rents, fewer amenities and are of lower quality than multifamily options.

There are seven multifamily projects that were surveyed in Henderson County that operate with a government-subsidy. The distribution of units and vacancies by bedroom type among government-subsidized projects (both with and without Tax Credits) in Henderson County is summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	32	88.9%	0	0.0%
Two-Bedroom	1.0	4	11.1%	0	0.0%
Total Subsidized Tax Credit		36	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	93	45.4%	0	0.0%
Two-Bedroom	1.0	50	24.4%	0	0.0%
Two-Bedroom	1.5	28	13.7%	0	0.0%
Three-Bedroom	1.0	26	12.7%	0	0.0%
Three-Bedroom	1.5	4	2.0%	0	0.0%
Four-Bedroom	1.0	4	2.0%	0	0.0%
Total Subsidized		205	100.0%	0	0.0%

The subsidized Tax Credit units and the government-subsidized units are 100.0% occupied. The seven surveyed government-subsidized projects in Henderson County operate under a variety of programs including the HUD Section 8, 202 and 811 programs and the Rural Development Section 515 program. All seven subsidized projects surveyed in the market maintain waiting lists ranging from approximately 2 to 10 households, or as long as five years in duration. As such, there is clear pent-up demand for housing for very low-income households in Henderson County.

The following is a distribution of multifamily rental projects and units surveyed by year built for Henderson County:

Year Built	Projects	Units	Vacancy Rate
Before 1970	6	78	12.8%
1970 to 1979	3	129	0.0%
1980 to 1989	7	206	0.0%
1990 to 1999	4	66	0.0%
2000 to 2005	5	455	1.5%
2006	0	0	-
2007	1	40	0.0%
2008	1	30	3.3%
2009	0	0	-
2010	0	0	-
2011	0	0	-
2012	2	416	3.8%
2013	0	0	-
2014*	1	24	0.0%

*As of December

The largest share of apartments surveyed was built between 1980 and 1989. These older apartments have a vacancy rate of 0.0%. A total of 510 conventional apartment units have been added in the county since 2005. As such, the existing multifamily rental housing stock is considered to be well balanced.

Representatives of Bowen National Research personally visited each of the surveyed properties within Henderson County and rated the exterior quality of each property. We rated each surveyed property on a scale of “A” (highest) through “F” (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution by quality rating, units, and vacancies for all surveyed rental housing product in Henderson County.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	390	4.4%
A-	3	355	2.0%
B+	1	6	0.0%
B-	2	126	0.0%
C+	1	2	0.0%
C	6	102	1.0%
C-	2	20	10.0%
D	1	13	53.8%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	56	0.0%
A-	1	64	0.0%
B+	1	40	0.0%
B-	1	4	0.0%
C-	1	25	0.0%

Government-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	24	0.0%
B	1	36	0.0%
B-	1	42	0.0%
C+	2	85	0.0%
C	2	54	0.0%

Vacancies are generally low among all program types and quality levels. The double digit vacancy rates among the C- and D rated properties indicate that these lower quality units are the least marketable. All affordable (Tax Credit and subsidized) rental units are occupied regardless of quality.

Non-Conventional Rental Housing

Henderson County has a large number of non-conventional rentals which can come in the form of detached single-family homes, duplexes, units over storefronts, etc. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, a total of 34 vacant individual units were identified and surveyed. While this does not include all non-conventional rentals in the market, we believe these properties are representative of the typical non-conventional rental housing alternatives in the market. Information regarding the bedroom/bathroom configuration, year built, amenities, collected rent and total square footage was collected and evaluated when available.

The following table aggregates the 34 vacant non-conventional rental units surveyed in Henderson County by bedroom type.

Surveyed Non-Conventional Rental Supply				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
One-Bedroom	1	\$625	\$625	\$0.66
Two-Bedroom	6	\$775 - \$965	\$850	\$0.75
Three-Bedroom	22	\$380 - \$3,800	\$1,250	\$0.71
Four-Bedroom+	5	\$1,300 - \$1,750	\$1,500	\$0.71
Total	34			

As the preceding table illustrates, the rents for non-conventional rentals identified range from \$380 to \$3,800. The median rents are \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,250 for a three-bedroom unit and \$1,500 for a four-bedroom unit. The median rent per square foot by bedroom type ranges from \$0.66 to \$0.75.

The rental rates of non-conventional rentals are generally comparable to most market-rate multifamily apartments surveyed in the county. However, when utilities are considered, as most non-conventional rentals require tenants to pay all utilities, the rental housing costs of non-conventional rentals are generally higher than multifamily apartments. When also considering the facts that a much larger share of the non-conventional product was built prior to 1980 and their amenity packages are relatively limited, it would appear the non-conventional rentals represent less of a value than most multifamily apartments in the market. However, given the relatively limited number of vacant units among the more affordable multifamily apartments, many low-income households are likely forced to choose from the non-conventional housing alternatives.

Vacation Rental Housing

Henderson County has a large number of vacation rentals which can come in the form of cabins, detached single-family homes, condominiums, etc. As a result, we have conducted a sample survey of vacation rentals within the county. Overall, a total of 50 vacant individual units were identified and surveyed. While this does not include all vacation rentals in the market, we believe these properties are representative of the typical vacation rental housing alternatives in the market.

The following table aggregates the 50 vacant/available vacation rental units surveyed in the county by bedroom type. It is important to note that while most vacation rentals charge daily or weekly rents, we have converted all rents to monthly rents to more easily compare with other rental alternatives in the market.

Vacation Rental Supply			
Bedroom	Vacant Units	Rent Range	Median Rent
One-Bedroom	7	\$2,250 - \$4,500	\$3,075
Two-Bedroom	20	\$2,460 - \$14,235	\$4,163
Three-Bedroom	19	\$3,000 - \$31,710	\$4,500
Four-Bedroom+	4	\$3,900 - \$34,995	\$8,625
Total	50		

As the preceding table illustrates, the rents for vacation rentals identified range from \$2,250 to \$34,995. The median monthly rents are \$3,075 for a one-bedroom unit, \$4,163 for a two-bedroom unit, \$4,500 for a three-bedroom unit, and \$8,625 for a four-bedroom or larger unit.

The rental rates of vacation rentals are significantly higher than most conventional multifamily apartments and non-conventional rentals surveyed in the county. Generally, such rentals are at least four times higher than conventional rentals, essentially eliminating this type of housing as a viable long-term housing alternative to most area renters. However, due to this rent differential, such housing may appeal to owners of traditional, long-term conventional rentals who may want to convert their housing to vacation rentals. This is addressed in the case study portion of the *Asheville, North Carolina Region Housing Needs Assessment*.

Home Stay Rentals

A home stay rental is generally considered a bedroom or a few rooms that are rented to tenants on a short-term basis and typically represents a portion of a full rental unit. Such rentals are generally short-term (usually less than 30 days) housing options. Tenants in the home stay rental often have shared access to common areas such as bathrooms and kitchens. Home stay rentals typically come in the form of apartments, detached single-family homes, duplexes, condominiums, etc. We have conducted a sample survey of home stay rentals within the county.

The following table aggregates the 16 vacant home stay rental units surveyed in the county by bedroom type.

Surveyed Home Stay Rental Supply		
Vacant Units	Rent Range	Median Rent
16	\$275 - \$550	\$400

As the preceding table illustrates, the monthly rents for home stay rentals identified range from \$275 to \$550. The median rent is \$400.

The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the county, which is not surprising since such rentals are limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). Most home stay rentals are roommate situations where residents have their own bedroom but must share kitchen, living and bathroom areas. Most rentals include all basic utilities in the rent, with many rentals also offering cable television and Internet as part of the rent. A large number of the rentals are fully furnished, but offer few project amenities such as swimming pools or other recreational features. Most rentals allow residents access to laundry facilities. Leases are often flexible, typically month to month in duration. Unlike most conventional apartment or private non-conventional rentals, home stays have the unique element of matching personal preferences with roommates. For example, many properties advertise that they are looking for smoke-free/smokers, pet friendly/no pet, male/female or other types of tenants. Such preferences or restrictions likely limit the type of residents that can be accommodated at such rentals. Given these preferences and restrictions, along with the fact that the home stay rentals can typically only accommodate one- or two-person households, home stays likely have a limited ability to meet the needs of most area renters.

Mobile Home Rentals

Bowen National Research identified 41 mobile home parks in Henderson County through secondary resources, such as www.mhvillage.com, the county tax department/assessor, and CraigsList. Upon identification of these parks, which is not a comprehensive list, we conducted a sample windshield survey to evaluate the quality of select parks and their neighborhoods, and we attempted to conduct telephone interviews with park operators.

Surveyed park operators indicated that lot rents range from \$110 to \$325 per month. In terms of lot rents and vacancy trends, responses varied between “stayed the same” and “increased” for both lot rents and vacancies. Respondents reported typical occupancy rates of 90% to 95%, with two parks reporting 100% occupancy. Mobile home park operators commented that the quality varies based on the ownership/management of the park, but that typically the parks are in good to fair condition. A windshield survey of select mobile home parks in the county yielded a range of “B” to “C-” quality and neighborhood ratings, indicating that these mobile home parks and their neighborhoods are in good to fair condition.

Bowen National Research asked respondents if there are any issues or problems associated with operating or maintaining a mobile home park in the area, or what recommendations the respondents may have that the local government could do to aid in mobile home park living. Mobile home park operators reported that there is a lack of collaboration between park owners and the local government, as well as NIMBYism from public and private entities.

b. Owner For-Sale Housing

Bowen National Research, through a review of the Multiple Listing Service information for Henderson County, identified both historical (sold since 2010) for-sale residential data and currently available for-sale housing stock.

There were 6,438 homes sold and 1,005 homes currently available in Henderson County. Approximately, an average of 1,218 homes are sold each year within Henderson County. The 1,005 available homes in Henderson County represent 27.4% of all identified available for-sale homes in the region. The following table summarizes the available and recently sold (since January 2010) housing stock for Henderson County.

Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available	1,005	\$273,000
Sold	6,438	\$178,000

Source: Multiple Listing Service and Bowen National Research

The historical data includes any home sales that occurred within the county from January 2010 to November 2014. It is our opinion that an evaluation of sales activity after 2009 is representative of true market conditions following the recession.

The following table includes a summary of annual for-sale residential transactions that occurred within Henderson County since 2010. It should be noted that the 2014 full year sales projection is based on actual sales through November of that year.

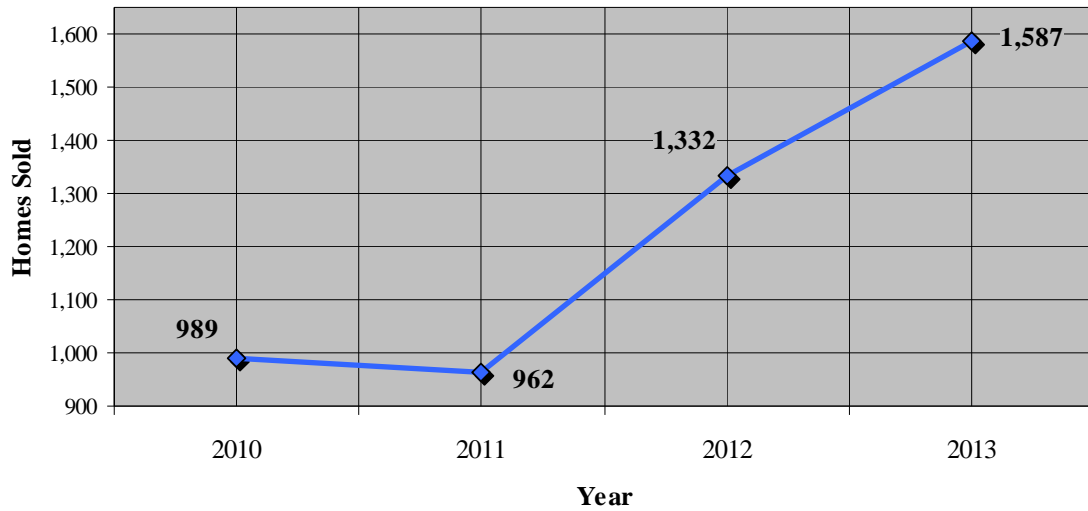
Owner For-Sale Housing by Year Sold				
Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	989	-	\$185,000	-
2011	962	-2.7%	\$169,000	-8.6%
2012	1,332	38.5%	\$169,000	0.0%
2013	1,587	19.1%	\$180,000	6.5%
2014	1,772*	11.7%	\$185,550	3.1%

Source: Multiple Listing Service and Bowen National Research
 *Full year projections based on actual sales through Nov. 21, 2014

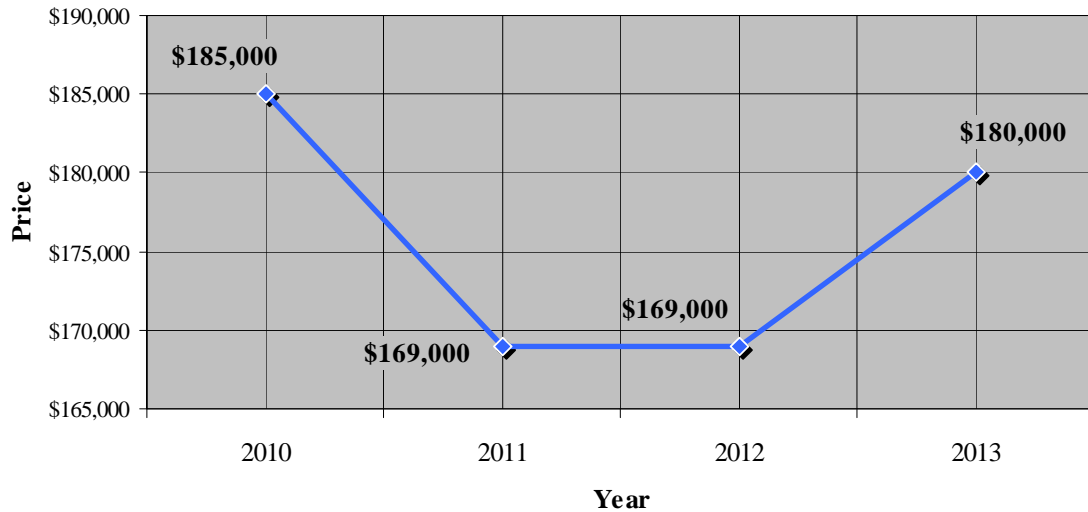
Excluding the partial year of 2014, annual residential for-sales activity within the county has ranged between 962 in 2011 and 1,587 in 2013. The annual sales activity has grown each of the past two full years. The county is currently on pace to sell approximately 1,772 residential units for all of 2014, which would be a five-year high. The county has experienced fluctuations in median sales prices over the past three years, but has trended upward over the past two years with annual growth rates above 3.0% during this time. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in Henderson County.

The following graphs illustrate the overall annual number of homes sold and median sales prices over the past four years for Henderson County from 2010 to 2013 (2014 was excluded due to the fact that only partial year data is available).

Henderson County Annual Home Sales (2010-2013)



Henderson County Annual Median Sales Price (2010-2013)



The following table summarizes the inventory of *available* for-sale housing in Henderson County and the region.

	Available Owner For-Sale Housing						
	Total Units	% Share of Region	Low List Price	High List Price	Average List Price	Median List Price	Average Days On Market
Henderson County	1,005	27.4%	\$19,900	\$5,000,000	\$382,273	\$273,000	216
Region	3,669	100.0%	\$19,900	\$10,750,000	\$451,391	\$290,418	244

Source: Multiple Listing Service and Bowen National Research

Within Henderson County, the available homes have a median list price of \$273,000, which is less than the region median list price of \$290,418. The average number of days on market for available product in Henderson County is 216, which is less than the region average of 244.

The table below summarizes the distribution of available for-sale residential units by price point for Henderson County.

List Price	Available Owner For-Sale Housing by Price Point					
	Henderson County			Region		
	Median Price	Units	Share	Median Price	Units	Share
<\$100,000	\$72,000	57	5.7%	\$79,700	190	5.2%
\$100,000 - \$199,999	\$158,000	235	23.4%	\$159,900	821	22.4%
\$200,000 - \$299,999	\$249,900	300	29.8%	\$249,900	934	25.4%
\$300,000 - \$399,999	\$349,900	146	14.5%	\$350,000	543	14.8%
\$400,000 - \$499,999	\$454,000	74	7.4%	\$450,000	319	8.7%
\$500,000+	\$725,000	193	19.2%	\$797,200	862	23.5%

Source: Multiple Listing Service and Bowen National Research



Nearly one-third of the available for-sale supply in Henderson County is priced between \$200,000 and \$299,999. These homes would generally be available to households with incomes between \$60,000 and \$100,000. Nearly a quarter of the available product is priced between \$100,000 and \$199,999, indicating that there is a good base of homes generally affordable to households with incomes between \$30,000 and \$60,000. Only 5.7% of all available homes are priced below \$100,000, which would be generally affordable to households with incomes under \$30,000. Based on our on-site evaluation of the county's housing stock and an analysis of secondary data on such housing, it appears that much of the housing inventory was built prior to 1970 and is of fair quality. As a result, while it may be deemed that there is some for-sale product available to lower-income households, such product likely requires additional costs for repairs, modernization and maintenance, which may be difficult for many low-income households to afford.

c. Senior Care Facilities

The subject county, like areas throughout the country, has a large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 62 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs). As part of this analysis, we evaluated four levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. They include independent living, multi-unit assisted housing, adult care homes, and nursing care. These housing types, from least assisted to most assisted, are summarized below.

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

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

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

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

We referenced the Medicare.com and North Carolina Division of Health Service Regulation websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified most, if not all, licensed facilities in the county.

Within the county, a total of 19 senior care facilities were surveyed containing a total of 1,616 beds. These facilities are representative of the typical housing choices available to seniors requiring special care housing. It should be noted that family adult care homes of six units or less were not included in this inventory. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities				
Project Type	Projects	Beds	Vacant	Vacancy Rate
Independent Living	1	325	4	1.2%
Multi-Unit Assisted Housing	4	444	5	1.1%
Adult Care Homes	7	376	38	10.1%
Nursing Homes	7	471	9	1.9%
Total	19	1,616	56	3.5%

The Henderson County senior care market is reporting overall vacancy rates between 1.1% (multi-unit assisted housing) to 10.1% (assisted living). With the exception of adult care homes, the vacancy rates among housing are relatively low and indicate that there is a good level of demand for such housing in the county. While the adult care homes have a 10.1% vacancy rate, this is not considered unusual for these types of facilities. Overall, demand for senior care housing in the county appears to be strong and indicates that there may be an opportunity to develop additional senior care housing in this county, particularly when considering the projected senior household growth for the next few years.

Base monthly fees for independent living units start at \$1,371, multi-unit assisted housing start at \$1,525 a month, adult care homes start at \$1,600, and nursing care facilities have a base monthly fee starting near \$6,174. These fees are slightly lower than most senior care housing fees in the region.

d. Planned & Proposed Residential Development

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

Based on our interviews with local building and planning representatives within Henderson County, it was determined that there are multiple housing projects planned within the county. These projects are tabulated in the following table.

Project Name & Location	City	Units/ Lots	Type	Developer	Status
The Seasons at Crane Creek	Fletcher	192	Rental, Market-Rate	Triangle Real Estate	Plans Approved
Braewood Homes West Blue Ridge Road	Flat Rock	77	For-Sale, Single-Family	N/A	Plan Approved
Wolf Chase Homes Half Moon Trail	Hendersonville	8	For-Sale, Single-Family	Windsor Aughtry Company	Plans Approved
Hickory Nut Forest Fern Grove Lane	Gerton	23	For-Sale, Single-Family	Little Bearwallow Mountain, LLC	Plans Approved
Winchester House 1744 Meadowbrook Terrace	Hendersonville	40 beds	Adult Care Home	N/A	Under Review, Replacement Housing

F. HOUSING GAP ESTIMATES

Bowen National Research conducted housing gap analyses for rental and for-sale housing for the subject county. The **housing gap** estimates include new household growth, units required for a balanced market, households living in substandard housing (replacement housing), and units in the development pipeline. This estimate is considered a representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Our estimates consider four income stratifications. These stratifications include households with incomes of up to 30% of Area Median Household Income (AMHI), households with incomes between 31% and 50% of AMHI, between 51% and 80% of AMHI, and between 80% and 120% of AMHI. It is important to note that this analysis does not consider the potential housing gap for households with incomes above 120% of AMHI. As such, there is another segment of housing needs that is not quantified in this report. This analysis was conducted for family households and seniors (age 55+) separately. This analysis identifies the housing gap (the number of units that could potentially be supported) for the county between 2015 and 2020. Broader **housing needs** estimates, which include household growth, cost burdened households, households living in substandard housing, and units in the development pipeline, were provided for the

overall region and is included in the Asheville, North Carolina Region Housing Needs Assessment.

The demand components included in the housing gap estimates for each of the two housing types (rental and for-sale) are listed as follows:

Housing Gap Analysis Components	
Rental Housing	Owner Housing
• Renter Household Growth	• Owner Household Growth
• Units Required for Balanced Market	• Units Required for Balanced Market
• Substandard Housing	• Substandard Housing
• Pipeline Development*	• Pipeline Development*

*Includes units that lack complete indoor plumbing and overcrowded housing

**Units under construction, permitted, planned or proposed

The demand factors for each housing segment at the various income stratifications are combined. Any product confirmed to be in the development pipeline is deducted from the various demand estimates, yielding a housing gap estimate. This gap analysis is conducted for both renters and owners, as well as for seniors (age 55+) and family households. These gaps represent the number of new households that may need housing and/or the number of existing households that currently live in housing that needs replaced to relieve occupants of such things as overcrowded or substandard housing conditions. Data used for these various demand components originates from the demographic analysis portion of this study.

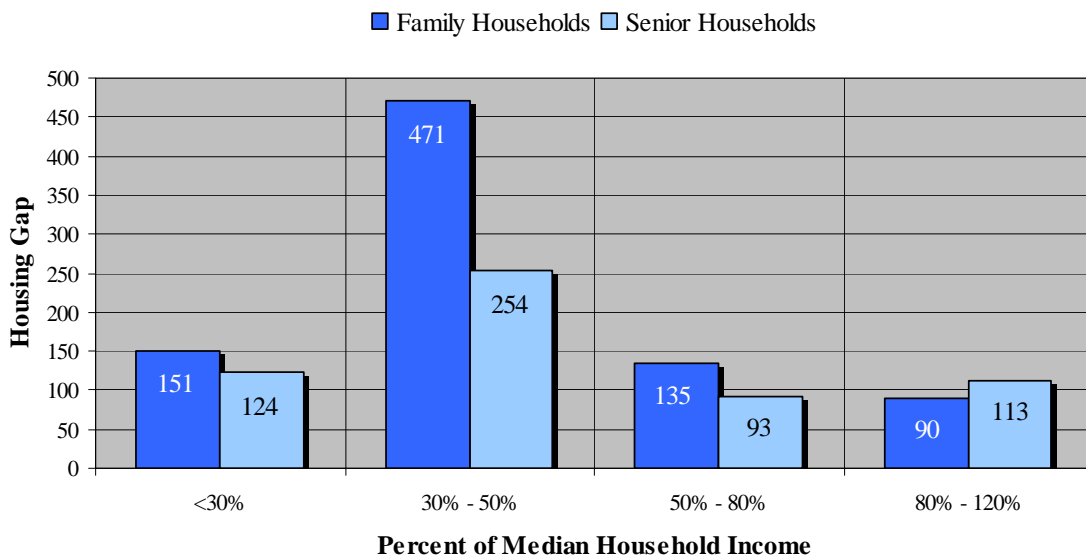
Rental Housing Gap Analysis

The tables below summarize the rental housing gap estimates by the various income segments for family and senior households.

Demand Component	Rental Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	17	347	2	51	417
Balanced Market	56	52	56	73	237
Substandard Housing	78	72	77	100	327
Development Pipeline	0	0	0	-134	-134
Total Housing Gap	151	471	135	90	847

Demand Component	Rental Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	64	199	45	93	401
Balanced Market	25	23	20	33	101
Substandard Housing	35	32	28	45	140
Development Pipeline	0	0	0	-58	-58
Total Housing Gap	124	254	93	113	584

Henderson County Rental Housing Gap by Income



Based on the preceding table, the largest area rental housing gap by income level is within the 30% to 50% AMHI level among both families and seniors. However, notable housing gaps exist within each of the other income levels.

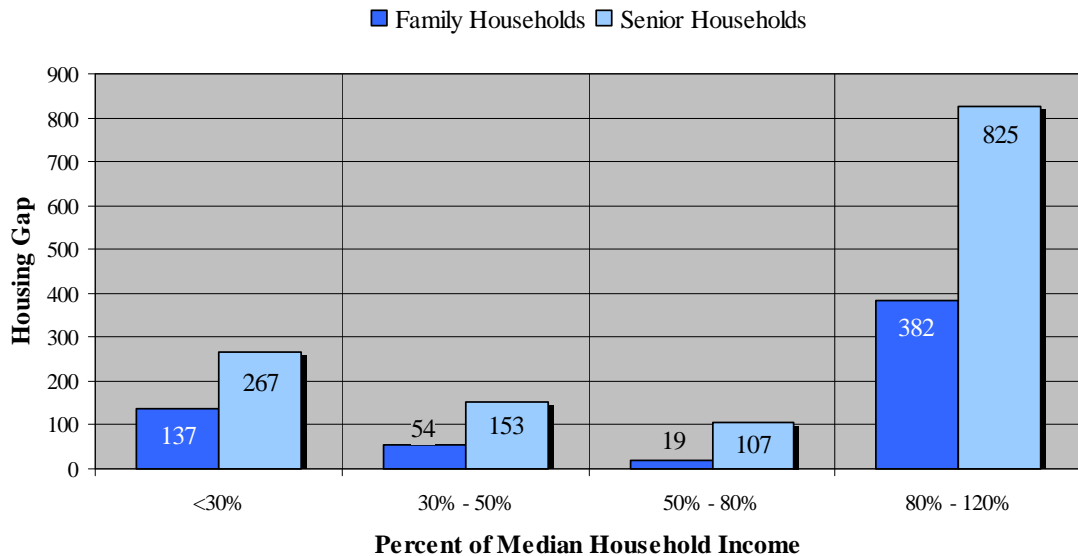
Owner Housing Gap Analysis

The tables below summarize the *owner* housing gap estimates by the various income segments for family and senior households.

Demand Component	Owner Housing Gap Estimates – Family Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	97	12	-25	230	314
Balanced Market	20	21	22	76	139
Substandard Housing	20	21	22	76	139
Development Pipeline	0	0	0	0	0
Total Housing Gap	137	54	19	382	592

Demand Component	Owner Housing Gap Estimates – Senior Households				
	Percent Of Median Household Income				
	<30% (<\$15,000)	30%-50% (\$15,000-\$24,999)	50%-80% (\$25,000-\$34,999)	80%-120% (\$35,000-\$75,000)	Total
New Households (2015-2020)	209	91	41	597	938
Balanced Market	29	31	33	114	207
Substandard Housing	29	31	33	114	207
Development Pipeline	0	0	0	0	0
Total Housing Gap	267	153	107	825	1,352

Henderson County Owner Housing Gap by Income



As shown in the preceding owner housing gap analysis, the greatest housing gap for families and seniors with incomes between 80% and 120% of AMHI. While the housing gap estimates show a large gap for senior housing that is affordable to households making less than 30% of AMHI, this is likely attributed to many existing seniors aging in place. While many of these particular households are likely housed in the market, they will likely need senior-oriented housing that will enable them to downsize in the years ahead. While not shown in this analysis, there is likely a housing need for households with incomes above 120% of AMHI.

Senior Care Housing Need Estimates

Senior care housing encompasses a variety of alternatives including multi-unit assisted housing, adult care homes, and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. The following attempts to quantify the estimated senior care housing need in the county.

Senior Care Housing Need Estimates	
Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	36,556
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	= 2,705
Plus External Market Support (20%)	+ 541
Equals Total Senior Care Support Base	= 3,246
Less Existing Supply	- 2,149
Less Development Pipeline	- 80
Equals Potential Senior Care Beds Needed by 2020	= 1,017

ADL – Activities of Daily Living

*Share of ADL was based on data provided by the U.S. Centers for Disease Control and Prevention’s *Summary Health Statistics for U.S. Population National Health Interview Survey 2011*

Based upon age 62 and older population characteristics and trends, and applying the estimated ratio of persons requiring ADL assistance and taking into account the existing and planned senior housing supply, we estimate that there will be 1,017 households with a person requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020. Not all of these estimated households with persons age 62 and older requiring ADL assistance will want to move to a senior care facility, as many may choose home health care services or have their needs taken care of by a family member. Regardless, the 1,017 seniors estimated above represent the potential need for additional senior care housing in the county.

G. STAKEHOLDER SURVEY & INTERVIEWS

Associates of Bowen National Research solicited input from more than 40 stakeholders throughout the region. Their input was provided in the form of an online survey and telephone interviews. Of these respondents, 10 serve the Henderson County area. Considered leaders within their field and active in the community, they represent a wide range of industries, including government, real estate, and social assistance. The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within the region. The following is a summary of the key input gathered.

Stakeholders were asked if there is a specific area of the county where housing should be developed. Respondents indicated that housing should be developed along major transit corridors or close to transit with access to the downtown for employment, as well as in the eastern end of the county. Rental housing was overwhelmingly ranked as the *type* of housing having the greatest need, followed by for-sale housing and housing for single-person/young professionals and senior independent living. Respondents indicated that the housing *style* most needed in the area is single-family homes, followed by apartments. Respondents also believe that adaptive reuse should be prioritized over new construction and renovation/revitalization. When asked to rank the need for housing for each income level, respondents evenly ranked incomes of less

than \$25,000 and incomes between \$25,000 and \$50,000 with the greatest need. The most significant housing issue within the county, as indicated by respondents, was rent burdened/affordability, followed by limited availability and lack of public transportation.

Respondents were asked to prioritize funding types that should be utilized or explored in the county. “Other” homeowner assistance was given the highest priority, followed by homebuyer assistance. Tax Credit financing and “other” rental housing assistance (such as Vouchers) were evenly ranked in third place. When asked what common barriers or obstacles exist as it relates to housing development in the county, the cost of land and availability of land were most commonly cited, followed by financing. Respondents provided various ways to overcome these barriers, including increased collaboration between the local government and developers, improved infrastructure and transit, and government incentives for developing. One respondent noted that while the mountainous terrain of the region is a draw, it also creates challenges, and strategies for land acquisition and density should be explored.

If a respondent was knowledgeable about homelessness in the county, they were asked to rank the need for housing for various homeless groups. Each of the homeless groups were ranked almost evenly: homeless individuals, families, veteran, youth, and chronically homeless. Respondents indicated that the most needed type of housing to serve the homeless population are emergency shelters, increased Voucher assistance and Single Room Occupancy (SRO). The most commonly cited obstacle to developing homeless housing was public perception/NIMBYism. Respondents believe that public education to alleviate the perception of homeless housing and supportive housing services that promote self sufficiency should be a focus in the county.

If a respondent was knowledgeable about special needs groups in the county, they were asked to rank the need for housing for various special needs groups. The most commonly indicated groups were persons with mental illness, persons suffering from alcohol/substance abuse, persons with physical/developmental disabilities and ex-offenders. Respondents believe that transitional housing and group homes would best serve these populations. The lack of community support and funding were cited as the most common obstacles to developing special needs housing.

H. SPECIAL NEEDS HOUSING

Besides the traditional demographics and housing supply evaluated on the preceding pages of this section, we also identified special needs populations within Henderson County. This section of the report addresses demographic and housing supply information for the homeless population and the other special needs populations within the county.

Henderson County is located within HUD’s designated Continuum of Care (CoC) area known as *North Carolina Balance of State (BoS)*. CoCs around the United States are required to collect data for a point-in-time during the last week of each year. The last published as *North Carolina BoS* point-in-time survey was conducted in January 2014. This includes counts of persons who are classified as homeless, as well as an inventory of the housing specifically designated for the homeless population. According to the 2014 point-in-time survey for *Henderson County* there are approximately 150 persons who are classified as homeless on any given day in Henderson County. The following table summarizes the sheltered and unsheltered homeless population, as well as the homeless housing inventory within the county.

Homeless Population & Subpopulation– Henderson County						
Population Category	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	Rapid Re-Housing	Unsheltered	Total Population
Persons in Households without Children	44	1	0	2	7	54
Persons in Households with 1 Adult & 1 Child	11	8	0	35	14	68
Persons in Household with only Children	1	0	0	0	0	1
# of Persons Chronically & Formerly Chronically Homeless	16	0	0	0	0	16
Persons with Serious Mental Illness	0	0	0	2	0	2
Persons with Substance Abuse Disorder	0	0	0	1	0	1
Persons w/ AIDS/HIV	0	0	0	0	0	0
Victims of Domestic Violence	0	0	0	7	0	7
Veterans	0	0	0	1	0	1
Ex-Offenders	0	0	0	0	0	0
Persons exiting Behavioral Health/Healthcare System	0	0	0	0	0	0
Total	72	9	0	48	21	150

Source: North Carolina Coalition to End Homelessness (1-2014)
PSH and CH Beds Duplicated

Homeless Housing Inventory – Henderson County											
Project Type	Beds by Population Category								Seasonal Beds	*Overflow Beds	Total Beds
	Households with Children	Single Male & Female	Veteran	*Chronically Homeless	Domestic Violence	Youth	AIDS/HIV				
Emergency Shelter	22	75	0	0	11	0	0	0	0	108	
Transitional Housing	2	0	0	0	11	0	0	0	0	13	
*Permanent Supportive Housing	14	7	0	12	0	0	0	0	0	33	
Rapid Re-housing	35	2	0	0	0	0	0	0	0	37	
Safe Haven	0	0	0	0	0	0	0	0	0	0	
Total Beds By Population	73	84	0	12	22	0	0	0	0	191	

Source: North Carolina Coalition to End Homelessness (1-2014)
PSH and CH Beds Duplicated

Based on the 2014 North Carolina Balance of the State Housing Inventory Count Summary, the utilization (occupancy) rate for homeless housing beds in Henderson County is 56.9%. This utilization rate and the fact that 21 persons remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population. Homeward Bound of Asheville and other local service providers appear to be actively engaged in assisting the homeless in Henderson County through various outreach and housing programs that are targeted towards its homeless population.

Specifically within Henderson County, one area service provider noted that on average there are approximately 100 individuals living in emergency shelters or transitional housing on any given night. There may be enough emergency shelters in Henderson County to meet the demand as they are usually not at full capacity; however, there needs to be more transitional and permanent supportive housing options and resources for homeless individuals as well as families as most facilities are always full. It was also noted that the lack of public transportation options in Henderson County makes it difficult for homeless persons to seek/obtain employment. Regardless, with an estimated population of 150 and nearly a dozen homeless persons unsheltered, homelessness remains a challenge in Henderson County and is an ongoing housing need.

The following table summarizes the various special needs populations within the county that were considered in this report.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	85	Persons with Disabilities (PD)	15,993
Victims of Domestic Violence (VDV)	795	Elderly (Age 62+) (E62)	14,211
Persons with Substance Abuse (PSA)	50	Frail Elderly (Age 62+) (FE62)	2,705
Adults with a Mental Illness (MI)	2,559	Ex-offenders (Parole/Probation) (EOP)	150
Adults with Severe Mental Illness (SMI)	63	Unaccompanied Youth (UY)	8
Co-Occurring Disorders (COD)	1,068	Veterans	11,305
Multi-Generational Households (MH)	1,556		

Excluding the homeless population, the largest number of special needs persons is among the elderly (age 62+), those with disabilities, and veterans. According to our interviews with area stakeholders, housing alternatives that meet the distinct demands of the special needs population are limited. Special needs facilities and services are offered by Homeward Bound, Disability Partners, Western North Carolina AIDS Project, Mainstay, Black Mountain Home for Youth & Children, Youth Villages, Goodwill of Henderson, NC TASC Services-Hendersonville, Western Highlands LME, Hendersonville Rescue Mission, House of Hope Western NC, and various mental health facilities as well as various nursing and residential care homes. According to various services provides knowledgeable about housing for various homeless and special needs groups in Henderson County the most needed was transitional housing and group homes.

I. CONCLUSIONS

Recent county economic trends have been positive and overall demographic trends are projected to be positive within Henderson County over the next five years, which are expected to contribute to the continued strength of the housing market within the county for the foreseeable future. Based on our analysis, it appears that the housing gap (housing need) is broad, spanning all income and tenure (renters and owners) segments, and includes both families and seniors. Some key findings based on our research of Henderson County are summarized as follows.

- **Population & Households** – Between 2015 and 2020, the population is projected to grow by 5,686 (5.1%), which is nearly identical to the growth rate (5.5%) of the overall region. During this same time, household growth of 2,495 (5.2%) is projected to occur in the county, which is slightly slower than the region’s projected growth rate of 5.9%.
- **Household Heads by Age** –The county’s senior households age 65 and older will increase by 2,654 (8.4%) between 2015 and 2020, adding to its anticipated need for senior-oriented housing.
- **Households by Income and Tenure** – While the greatest projected *renter* household growth between 2015 and 2020 will be among those with incomes between \$15,000 and \$24,999, most renter household segments making less than \$50,000 will experience notable growth. The greatest *owner* household growth during this time is projected to occur among those making between \$35,000 and \$49,999. As such, the county will have diverse housing needs.
- **Rental Housing** – Henderson County has a well-balanced supply of rental alternatives. However, it is noteworthy that the multifamily rental housing supply is operating at an overall 97.6% occupancy rate, which is very high. More importantly, there are no vacancies among the 430 surveyed affordable (Tax Credit and government-subsidized) rental units in the county. This occupancy rate and the long wait lists maintained at these projects indicate that there is pent-up demand for affordable housing in the county. Based on the housing gap estimates, it appears that the greatest projected rental housing needs will be for those with incomes between 30% and 50% of AMHI, though all income segments have notable gaps.

- **Owner Housing (for-sale)** – For-sale housing prices have remained generally stable over the past four years, while the number of homes sold annually has increased in each of the past three years, including the projections for 2014. The for-sale housing market is considered to be strong. Nearly one-third of the available supply is priced between \$200,000 and \$299,999 and another quarter priced between \$100,000 and \$199,999. These shares of available supply are similar to the entire region. Based on the housing gap estimates, it appears that the greatest housing gap for owner housing will be for households with incomes between 80% and 120% of AMHI, though all income segments have notable gaps.
- **Senior Care Facilities** – Senior housing reported an overall occupancy rate of 96.5% (3.5% vacant). This is a relatively high occupancy rate. As shown in the housing needs estimates, it is believed that an additional 1,017 senior care beds will be needed to meet the future needs of area seniors.
- **Special Needs Populations:** While there are many special needs populations within the county that likely require housing assistance, it appears that the largest special needs populations in the county are the elderly (age 62+), those with disabilities, and veterans.

J. SOURCES

See the *Asheville, North Carolina Region Housing Needs Assessment* for a full listing of all sources used in this report.