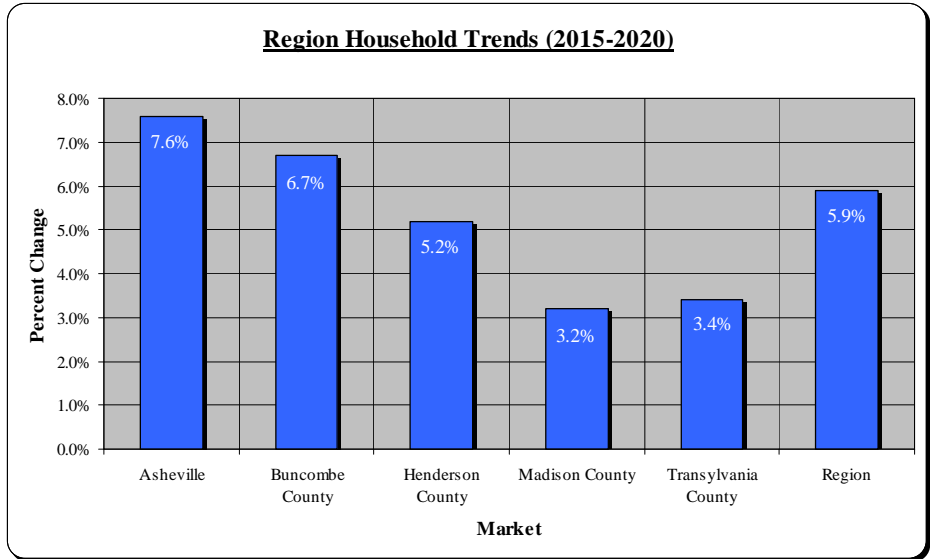




## Demographics

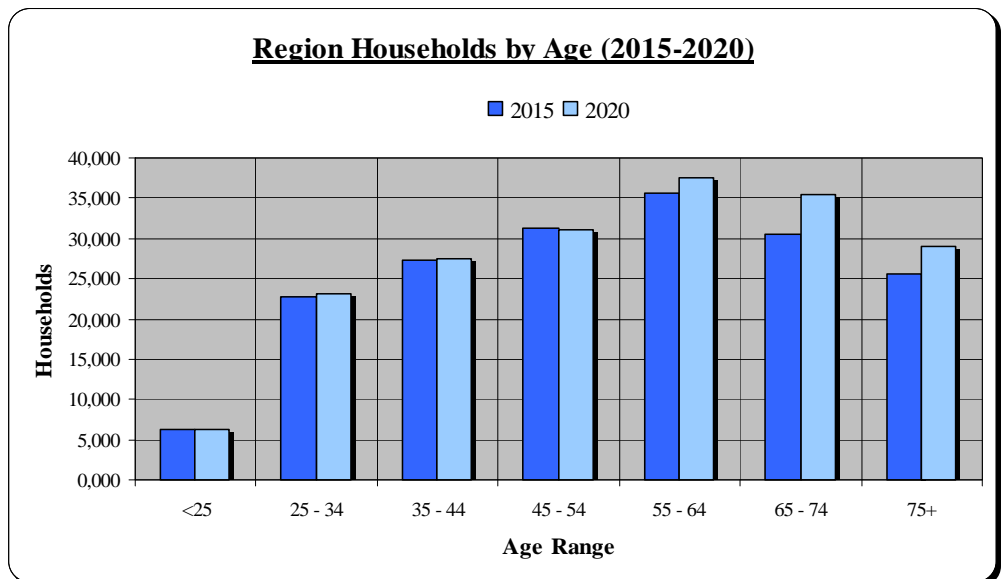
The subject region is projected to experience a population increase of 5.8% between 2010 and 2015 and a 5.5% growth rate between 2015 and 2020. These growth rates are comparable to North Carolina statewide growth trends. Between 2015 and 2020, the

overall region is projected to add 10,506 (5.9%) households. Counties with the greatest projected percent growth of households from 2015 to 2020 include Buncombe (6.7%) and Henderson (5.2%). The 7,219 new households projected to be added to Buncombe County between 2015 and 2020 represent over two-thirds (68.7%) of the



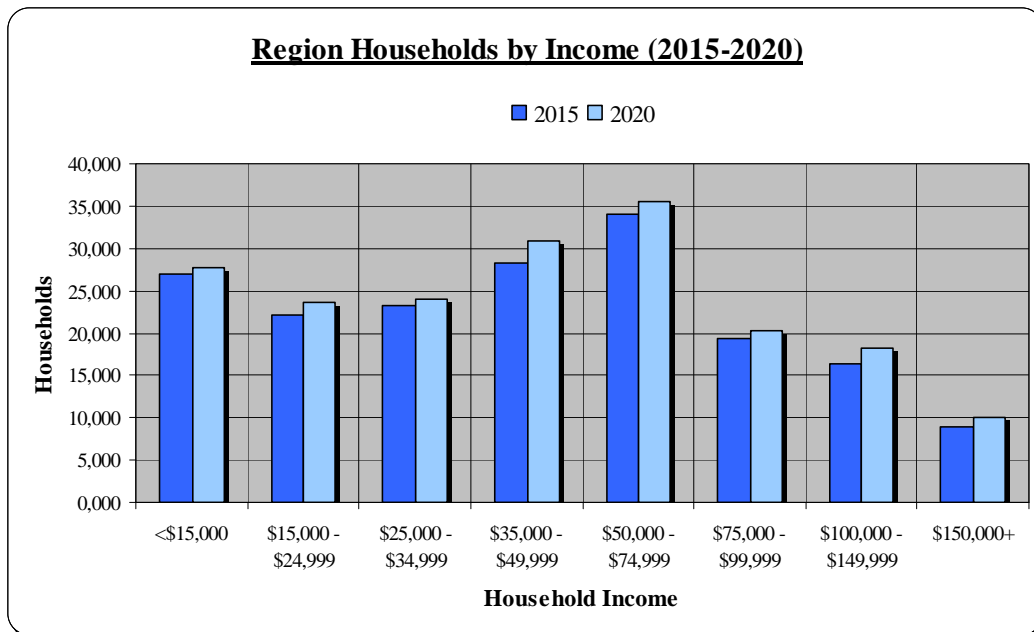
household growth for the overall region during this time. Regardless, new household growth is projected to occur among all four of the region's counties, adding to growing need for more housing in each county. The city of Asheville is projected to experience a 7.6% household growth rate, outpacing each of the subject counties and the region.

It is projected that most of the growth in the region between 2015 and 2020 will occur among households age 55 and older. This age group is projected to increase by 10,342 (11.3%) households during this five-year period. The largest increase within a single age group will be among seniors between the ages of 65 and 74, which is projected to add 4,996 (16.4%) households. These senior growth trends are primarily attributed to seniors aging in place, and essentially moving from the non-senior household segment and into the senior (age 55+) household segment. Modest regional growth is projected to occur among households between the ages of 25 and 34 (319, 1.4%) and between 35 and 44 (186, 0.7%). As such, housing needs will be diverse.



Among *renter* households in the region, the greatest share of household sizes in 2015 will be one-person households, which will represent 40.3% of the total households in the region. Two-person households will represent the second largest share (28.3%). Three-person or larger households will represent nearly one-third (31.4%) of the households. The share of households by size will change slightly between 2015 and 2020, with the greatest increase occurring among one-person households (increasing from 40.3% to 40.7% and adding 1,797 one-person households). Two-person households will increase by 928 (5.6%) through 2020, while three-person and larger households will increase by 1,098 (6.0%). These growth trends indicate that while smaller units (e.g. studio to two-bedrooms) will likely be needed to accommodate the disproportionate growth of one- and two-person households, with more than 1,000 three-person households expected to be added to the region, there will also need to be larger bedroom types added to the region's housing stock over the next several years. In 2015, it is projected that the largest share of *owner*-occupied households by size within the region will consist of two-person households, representing 42.3% of all owner households. One- and two-person households will represent a combined share of 67.9% of all households in 2015. It is projected that between 2015 and 2020 the greatest household growth will be among two-person households, which will add 2,400 (4.6% increase) households. Three-person or larger households are also projected to grow by 2,153 (5.5%) during this time, increasing the likely need for additional larger housing units such as three-bedroom or larger units for the foreseeable future.

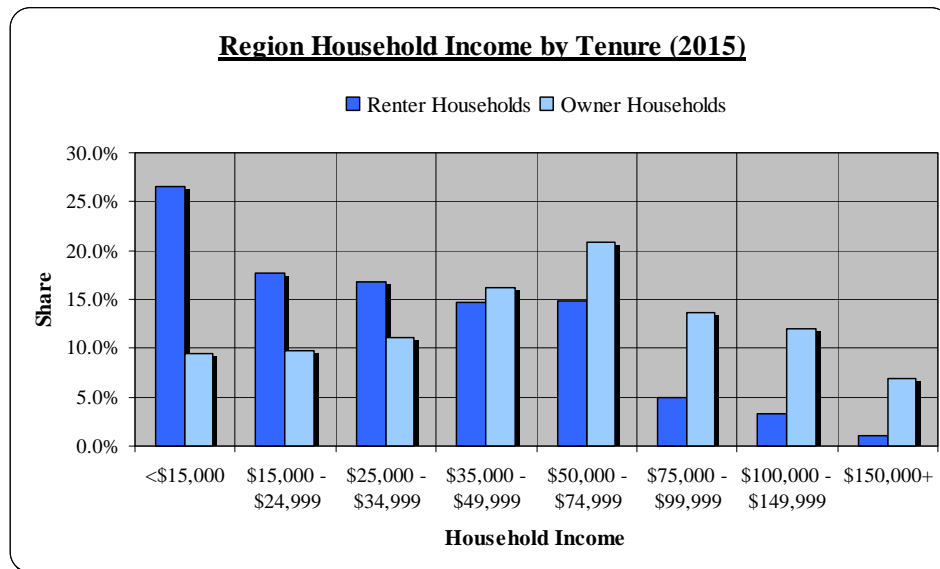
Between 2015 and 2020, all income household segments within the region are projected to increase. The greatest of the household growth within the region is projected to occur among households that make between \$35,000 and \$49,999 a year, which are projected to increase by 2,725 (9.7%) during this five-year period. Notable growth is projected to occur among households with incomes between \$15,000 and \$24,999 (1,453 households, 6.6% growth), between \$50,000 and \$74,999 (1,371, 4.0%), and between \$100,000 and \$149,999 (1,734, 10.6%). As such, a variety of housing needs by price point and rent will grow.



The specific distribution of households by income and tenure for 2015 and 2020 are illustrated in the tables on the following page.

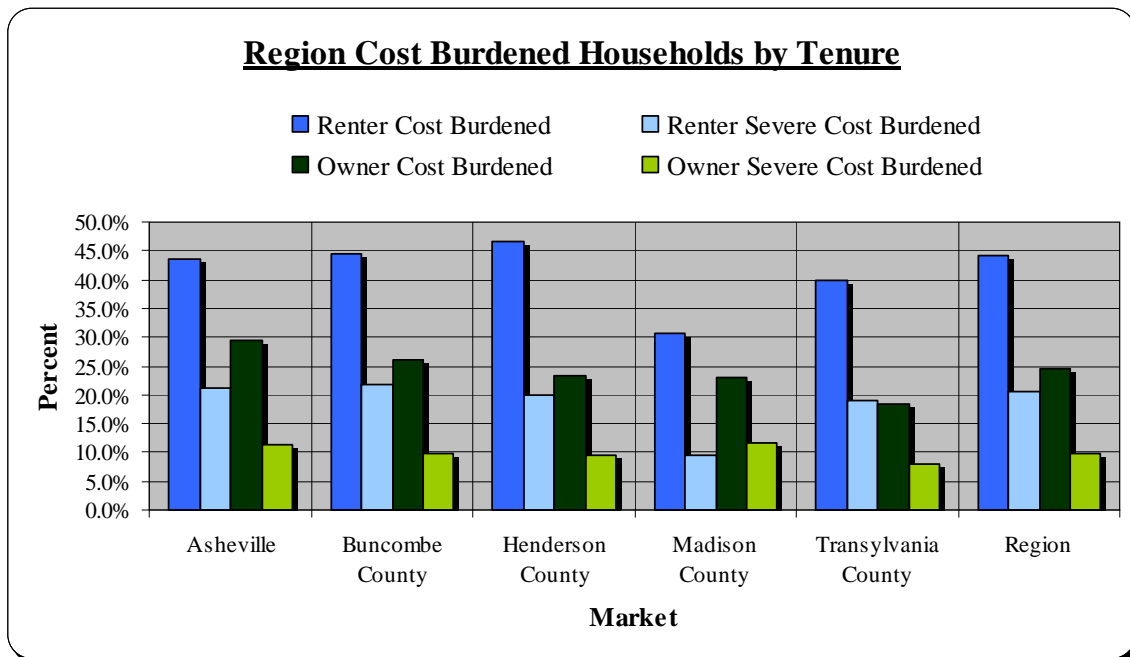
		Renter Households by Income								
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+	Total
Region	2015	15,446 (26.5%)	10,300 (17.7%)	9,758 (16.8%)	8,525 (14.7%)	8,674 (14.9%)	2,908 (5.0%)	1,919 (3.3%)	656 (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%)
		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
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: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research



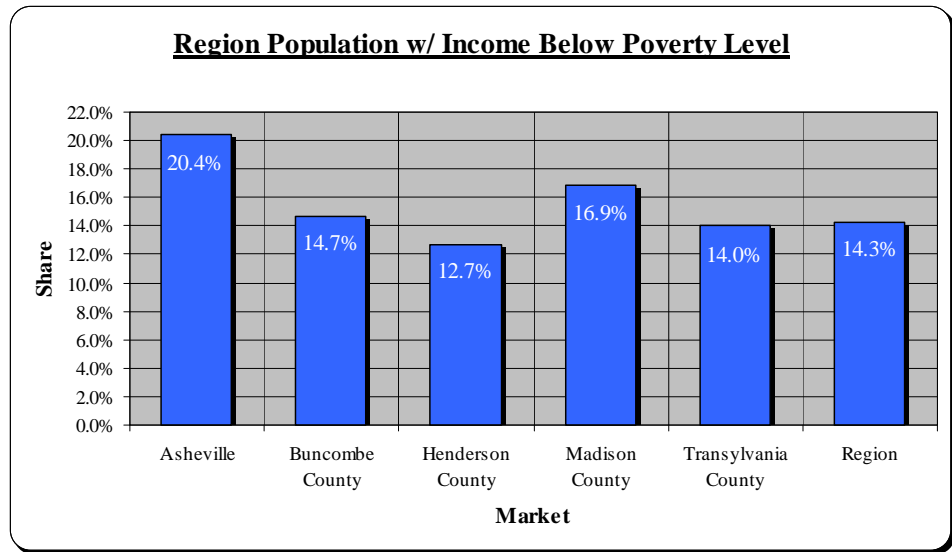
As the preceding tables illustrate, while all renter household income segments are projected to grow, the greatest *renter* household *growth* between 2015 and 2020 within the region is projected to occur among those with annual incomes between \$35,000 and \$49,999. Notable renter households by income growth is projected to occur among households with incomes between \$15,000 and \$24,999, as well as between \$25,000 and \$34,999. All *owner* household income segments are projected to grow between 2015 and 2020, with the greatest projected growth among homeowners expected to occur among households with income between \$100,000 and \$149,999, though notable owner household growth is projected to occur among those with income between \$35,000 and \$49,999, and between \$50,000 and \$74,999. These renter and owner household income trends are fairly consistent in each of the four counties and within Asheville. As a result, there will likely be an increase in demand for more housing that is affordable to lower income households, as well as more affluent households.

Cost burdened households are those paying over 30% of their income towards housing costs, while *severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. Among the region’s renter households, a total of 23,317 (44.2%) are cost burdened and 10,926 (20.7%) are *severe* cost burdened. The greatest *number* and *share* of severe cost burdened renter households is in Buncombe County. A total of 28,131 (24.4%) owner households in the region are cost burdened while 11,187 (9.7%) are severe cost burdened. While the region’s shares of cost burdened and severe cost burdened households are slightly below state averages, they remain significant and indicate that large shares of regional households are paying high portions of their income towards housing. As such, the affordability of area housing is an important factor that should be considered in future housing plans for the region.



Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while severe overcrowding housing is considered a unit with 1.51 or more persons per room. In the region, 1,783 (3.4%) renter households and 1,517 (1.3%) owner households are experiencing overcrowded housing situations. A total of 485 (0.9%) renter households and 385 (0.3%) owner households in the region are experiencing *severe* overcrowded housing conditions. Buncombe County has the region’s highest share of severe overcrowded renter households, while the share of owner households with severe overcrowding is relatively even among the counties. Generally, the city of Asheville has slightly higher shares of people living in overcrowded and severe overcrowded housing units than the overall region.

It is estimated that 56,739 people in the region live in poverty, representing 14.2% of the region's population. Of those living in poverty, over one-half (58.7%) are between the ages of 18 and 64. It should be noted that 17,106 people living in poverty are children under the age of 18, representing 20.8% of all children. As such, one in five children is believed to be living in poverty. Over one in 11 seniors age 65 or older live in poverty. These ratios are slightly below the state of North Carolina averages.



### Special Needs Populations

The following table summarizes the various special needs populations within the region that were considered in this report. It should be noted that county level data, when available, is presented and discussed in the county chapters of this report.

Asheville Region Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
HIV/AIDS	641	Persons with Disabilities (PD)	59,980
Victims of Domestic Violence (VDV)	731	Elderly (Age 62+) (E62)	105,830
Persons with Substance Abuse (PSA)	466	Frail Elderly (Age 62+) (FE62)	11,366
Adults with Mental Illness (MI)	16,425	Ex-offenders (Parole/Probation) (EOP)	855
Adults with Severe Mental Illness (SMI)	290	Unaccompanied Youth (UY)	87
Co-Occurring Disorders (COD)	6,857	Homeless Veterans	469
Multi-Generational Households (MGH)	5,068	Homeless Population	4,066

Note: Data sources cited in *Addendum A: Sources*

Excluding the homeless population, the largest number of special needs persons is among those age 62 and older, persons with disabilities, adults with mental illness and the frail elderly (persons age 62+ requiring some level of Assistance with Daily Living). According to our interviews with area stakeholders, housing alternatives that meet the specific needs of the special needs population are limited. Detailed commentary and analysis regarding these groups is provided starting on page 41 of the Region analysis portion of this report.

## 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. This is only a sample survey of the more than 200,000 housing units in the region.

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.

Based on research conducted by Bowen National Research and secondary data sources, an inventory of surveyed and/or evaluated housing stock was compiled. Overall, a total of 167 multifamily rental properties, 101 non-conventional rentals (e.g. single-family homes, duplexes, etc.), 101 home stay rentals (individual bedrooms or *portions* of larger units rented), 377 vacation rentals, 171 mobile home parks, 22,330 recently sold housing units and 3,669 currently available for-sale units, and 58 senior care facilities with 4,682 beds were identified and analyzed in the region. The region's surveyed housing supply is summarized as follows.

Region Surveyed Housing Supply				
Product Type	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	14,198	137	1.0%***	\$222 - \$2,550
Non-Conventional Rentals	25,835*	101	5.2%*	\$380 - \$3,800
Home Stays	N/A	101	N/A	\$150 - \$1,136
Vacation Rentals	N/A	377	N/A	\$1,620-\$75,705
Mobile Home Rentals	10,477*	N/A	N/A	\$425-\$795
Owner For-Sale Housing	22,330**	3,669	2.4%*	\$5,500-\$10,750,000
Senior Care Housing	4,682	236	5.0%	\$1,060-\$4,273
<i>Independent Living</i>	1,041	37	3.6%	\$1,060-\$4,273
<i>Multi-Unit Assisted Housing</i>	643	13	2.0%	\$1,525-\$5,978
<i>Adult Care Homes</i>	1,176	97	8.3%	\$1,298-\$5,295
<i>Nursing Homes</i>	1,822	89	4.9%	\$5,322-\$12,318

\*Based on 2011-2013 American Community Survey

\*\*Units sold between 2010 and 2014

\*\*\*Vacancy rate based on physical vacancies, not economic vacancies

Bowen National Research identified and studied 71,898 total housing units among the various housing segments studied in this report. Our research identified 4,857 vacant /available units (Note: vacant units include units in apartments, available for-sale housing, and vacant beds or units in senior care housing). While there are likely other vacancies in the region such as shelter housing, institutional housing such as student dormitory units, for-sale housing by owner, vacant/abandoned or other short-term housing units that are vacant, the 4,857 identified vacant/available units are likely a reasonable representation of the overall market's conditions of available housing.

Based on Bowen National Research's analysis of the region's housing supply, it is evident that the demand for housing in the region is very strong and that there is limited availability. The inventoried supply has vacancy rates by product type ranging from 1.0% (multifamily apartments) to 8.3% (adult care homes). Although the standards used for defining the health of a housing market vary to some degree, vacancy rates generally between 4.0% to 6.0% for rental housing and for-sale housing markets and generally between 9.0% and 11.0% for senior care housing are considered representative of healthy and stable markets. As such, vacancy rates for the various housing segments in the region are considered very low and are clear indications that demand for each housing segment is strong.

**Multifamily Rental Housing** – A total of 167 multifamily housing properties with a total of 14,198 units were identified and inventoried within the region. These rentals have a combined vacancy rate of 1.0%. It is critical to point out that this 1.0% vacancy rate is based on physical vacancies, which are considered vacant units that are available for immediate occupancy. This differs from economic vacancies, which are considered units that are not being rented due to being uninhabitable, being renovated or prepared for rent or other reasons that prevent them from immediate occupancy. Economic vacancies are generally two percentage points higher than physical vacancies. Therefore, it is likely that multifamily rentals are operating at a 3.0% economic vacancy rate. As such, the region's multifamily housing supply has an extremely low vacancy rate which is an indication that there is very limited availability among multifamily apartments in the region. While market-rate housing offers the largest number of surveyed multifamily units in the region, these particular units appear to remain in high demand as evidenced by the 1.5% vacancy rate among the 9,379 market-rate units in the region. More importantly, all 3,706 government-subsidized units and all 1,113 Tax Credit units surveyed in the market are fully occupied. Additionally, of the 50 fully occupied subsidized projects surveyed in the region, 46 (92.0%) maintain wait lists ranging from 150 households to up to eight years in duration. Among the 33 fully occupied Tax Credit projects surveyed in the region, 30 (90.9%) maintain wait lists with up to 150 households. Besides the inventory of affordable housing units, there are approximately 2,223 Housing Choice Vouchers issued to very low income households in the region and an estimated 1,071 households on the local housing authorities' wait lists for the next available vouchers. This Voucher wait list, combined with the limited available government-subsidized units and wait list for these units, indicate the significant pent-up demand and need for affordable rentals within the region. Median rents by bedroom/bathroom type range from \$832 to \$3,300 for the market-rate units and from \$583 to \$1,187 for Tax Credit units.



**Non-Conventional Rental Housing** – Non-conventional rentals are considered one- or two-unit structures, such as single-family homes, duplexes, units over store fronts or other alternatives not contained within a multifamily development. Based on data provided by the American Community Survey, it is estimated that the region’s non-conventional supply is operating at a vacancy rate of around 5.2%. This is considered a fair vacancy rate. Bowen National Research identified and evaluated 101 vacant non-conventional rental units, which is considered a sample survey of such properties. The collected rents for non-conventional rentals identified range from \$380 to \$3,800. The median rents were \$625 for a one-bedroom unit, \$850 for a two-bedroom unit, \$1,200 for a three-bedroom unit and \$1,500 for a four-bedroom or larger unit. Generally, the highest non-conventional rents are within Buncombe and Henderson counties.

**Vacation Rentals** – Bowen National Research conducted a sample survey of vacation rentals within the region. Overall, a total of 377 individual units were identified and inventoried. The base rents for the identified vacation rentals range from \$1,620 to \$3,750, depending upon bedroom type. The median rents are \$4,470 for a one-bedroom unit, \$4,500 for a two-bedroom unit, \$6,000 for a three-bedroom unit, and \$10,313 for a four-bedroom or larger unit. The rental rates of vacation rentals are significantly higher than most conventional multifamily apartments surveyed in the market. Generally, such rentals are 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 analysis, near the end of the Region section.

**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. Tenants in a home stay rental often have shared access to common areas such as bathrooms and kitchens. Overall, a total of 101 individual home stay rental “units” were identified and surveyed. The rents for home stay rentals identified range from \$150 to \$1,136 per month. The median rent is \$450 per unit/room. The rental rates of home stay rentals are generally lower than most multifamily apartments surveyed in the market, which is not surprising since such rentals are typically limited to a single room with shared access to common areas (e.g. bathrooms, kitchens, etc.). While home stay rentals represent a viable option for low-income households, such rentals likely only primarily accommodate one-person households, limiting their ability to serve couples and families.

**Mobile Home Rentals** – Based on information from the American Community Survey, there are a total of 27,906 occupied mobile home units in the region, of which 17,429 (62.5%) are owner-occupied units and 10,477 (37.5%) are renter-occupied units. Bowen National Research identified more than 170 mobile home parks in the four-county region through secondary resources. Based on a sample survey of mobile home park operators, typical vacancy rates average around 10%, though some parks are reporting no vacancies. Reported lot rents range from \$110 to \$410 per month, while actual mobile home units rent from \$425 to \$795 per month depending on size and condition of the unit. Based on this data, it appears that mobile homes provide an affordable rental housing option for area residents. Although the quality of the mobile homes varies, they are generally considered to be of lower quality than many of the area’s other rental alternatives.

**For-Sale Housing** – Bowen National Research identified 22,330 homes sold since January 2010 and 3,669 homes currently available for purchase in the region. Excluding the partial year of 2014, annual residential for-sales activity within the subject region has ranged between 3,529 in 2010 and 5,480 in 2013. The annual sales activity has grown each of the past three full years, with above 20 percent growth in each of the past two years. The region is currently on pace to sell over 5,650 residential units for all of 2014, which will be a five-year high. The region has experienced positive increases in median sales *prices* in the past three years. The median sales price of \$202,950 through November of 2014 is a five-year high for the region. The positive trends among sales volume and sales prices are good indications of a healthy and stable for-sale housing market in the region. Within the region, the *available* homes have a median list price by county ranging from \$270,445 in Madison County to \$300,000 in Buncombe County, with a regional median list price of \$290,418. In order for a typical household to be able to afford such a home priced at or above the median home price they would generally need to have a minimum income of around \$100,000. Within the region, only 12.1% of owner households have an income of \$100,000 or higher. As such, there appears to be a mismatch between household prices and affordability.

**Senior Care Housing** – Within the region there are a total of 87 senior care facilities identified, including a mix of independent living facilities, multi-unit assisted housing, adult care homes, and nursing homes. In October and November of 2014, Bowen National Research surveyed a total of 58 of these facilities containing a total of 4,682 units/beds. The senior care facilities have vacancy rates by product type ranging from 2.0% to 8.3%, with an overall vacancy rate of 5.0%. Nationally, depending on the type of senior care product, vacancy rates for senior care housing range from 9.9% to 11.0%. As such, the region's senior facilities are performing at levels similar to or better than national standards. Regionally, the median base monthly fees are \$1,250 for independent living facilities, \$2,663 for multi-unit assisted facilities, \$2,550 for adult care homes, and \$6,782 for nursing care. Generally, it appears the highest senior care housing fees are within Madison and Transylvania counties, while the lowest housing fees are within Buncombe County. With relatively limited availability among the region's senior care facilities and a large growing base of seniors, it is anticipated that the region will need additional senior care housing in the years ahead.

### Housing Gap Estimates

Bowen National Research conducted housing gap/need analyses for rental and for-sale housing for the subject region. The **housing needs** estimates include growth, cost burdened households, households living in substandard housing, and units in the development pipeline. These estimates are considered a broad evaluation of the needs of the market. The **housing gap** analysis includes all of the same metrics used in the housing needs analysis except for cost burdened households, but includes units required for a balanced market. Cost burdened households are excluded from the housing gap analysis as they are considered to have their housing needs met, even though they are paying a disproportionately high share of their income towards housing expenses. The housing gap estimates are considered a more conservative representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Only the housing gap estimates are included in this Executive Summary.

A housing needs analysis was also conducted for senior care facilities in the region. While senior care facilities can range widely in prices, levels of care, physical accommodations, quality and other factors, and be diverse in the populations they serve due the varying needs of seniors, we have used national standards to establish the potential housing needs estimates for senior care housing. We have applied national standard disability rates associated with households requiring assistance with Activities of Daily Living (e.g. dressing, bathing, medicine reminders, etc.). It is important to understand that because the various housing facilities differ greatly in the types of services they offer and typical age groups they serve, we have assumed that any resident living in a senior care facility will require assistance with a minimum of three Activities of Daily Living and be age 62 or older.

### Housing Gap Analysis

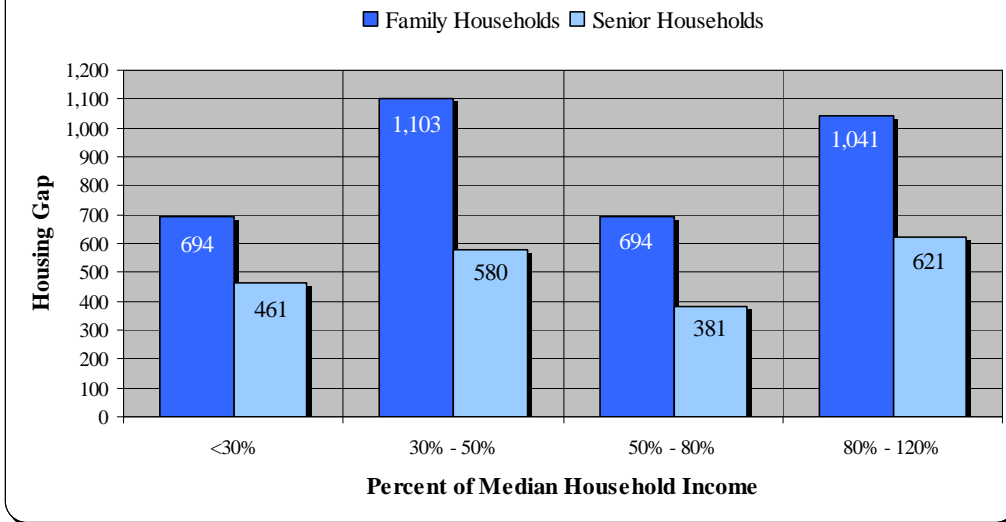
The tables below illustrate the region’s rental housing gap, assuming the housing gap originates exclusively from *new household growth, units required for a balanced market, and replacement of substandard housing only.*

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)	-61	595	204	1,100	1,838
Balanced Market	492	345	350	484	1,671
Substandard Housing	365	265	276	447	1,353
Development Pipeline	-102	-102	-136	-990	-1,330
Total Housing Gap	694	1,103	694	1,041	3,532

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)	148	368	207	633	1,356
Balanced Market	200	142	128	198	668
Substandard Housing	152	110	100	179	541
Development Pipeline	-39	-40	-54	-389	-522
Total Housing Gap	461	580	381	621	2,043

Based on the preceding analysis, the housing gaps by income level range from 694 to 1,103 for the *family* units and from 381 to 621 for the *senior* units. Rental housing priorities should consider the housing segments demonstrating the greatest housing gaps. It should be noted that despite the fact that more than 1,000 units that would be affordable to households with incomes between 80% and 120% of AMHI are currently within the development pipeline, the housing gap remains significant among this household income segment. This is primarily attributed to the large number of new renter households that are projected to be added to this income segment between 2015 and 2020.

### Region Rental Housing Gap by Income



### Owner Housing Gap Analysis

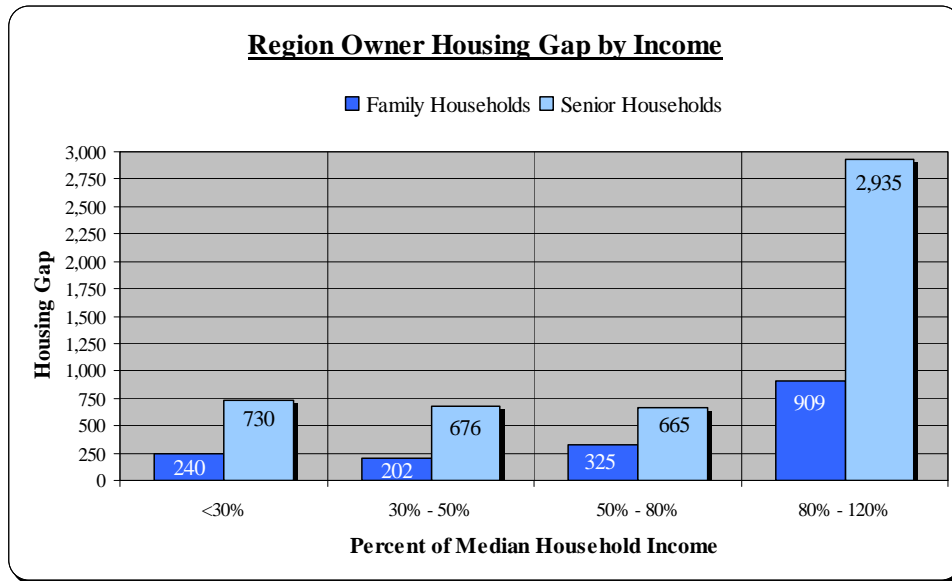
The tables below illustrate the owner for-sale housing gap estimates, assuming the housing gaps originate exclusively from *new household growth*, *units required for a balanced market*, and *replacement of substandard housing only*.

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)	75	36	138	266	515
Balanced Market	98	98	111	381	688
Substandard Housing	67	68	76	262	473
Development Pipeline	0	0	0	0	0
<b>Total Housing Gap</b>	240	202	325	909	1,676

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)	513	454	415	2,096	3,478
Balanced Market	128	130	147	488	893
Substandard Housing	89	92	103	351	635
Development Pipeline	0	0	0	0	0
<b>Total Housing Gap</b>	730	676	665	2,935	5,006

Based on the preceding analysis, the housing gaps by income level range from 202 to 909 for the family units and from 665 to 2,935 for the senior units. The relatively large household growth projected for the 80% to 120% AMHI income band between 2015 and 2020 is the primary driver behind this income band's housing gap. It is important to note that while there are likely seniors (e.g. empty nesters, retirees, etc.) relocating to the region due to its desirability, it is likely that a large portion of the projected senior growth

is attributed to seniors aging in place. The Asheville region, like most parts of the country, has a large base of baby boomers that have been and will continue to age in place, essentially staying in the area as they age. This will result in a shift of households from one age segment to an older age segment. As such, this trend is likely contributing to the large growth numbers for senior homeowners. While many of these households are already in the market, the large housing gaps for senior housing indicate that these older households will likely want or require different housing to meet their changing housing needs as they age. This should be considered in future housing planning strategies for the region.



### 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 overall study region.

<b>Senior Care Housing Need Estimates</b>	
<b>Senior Care Housing Demand Component</b>	<b>Demand Estimates</b>
Elderly Population Age 62 and Older by 2020	121,707
Times Share* of Elderly Population Requiring ADL Assistance	7.40%
Equals Elderly Population Requiring ADL Assistance	9,006
Plus External Region Support (20%)	1,801
Equals Total Senior Care Support Base	10,808
Less Existing Supply	-6,611
Less Development Pipeline	-203
<b>Potential Senior Care Beds Needed by 2020</b>	<b>3,994</b>

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 ratio of persons requiring ADL assistance and taking into account the existing and planned supply, we estimate that there will be 3,994 households with a senior (age 62+) requiring assisted services that will not have their needs met by existing or planned senior care facilities by the year 2020.

It is important to understand that 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. Typically, institutionalization rates (the share of seniors seeking senior care housing) is around 50%. Applying this share to the 3,994 seniors requiring ADL assistance yields **an estimated 1,997 senior care housing beds that will likely be needed in the region by the year 2020**. Such housing will likely need to be in the form of a variety of housing options ranging from independent living with optional services to nursing home facilities.

### Conclusions

Housing markets are dynamic and there are many factors that contribute to the housing challenges and needs of a community or region. While individual issues should be addressed, successful housing planning strategies should be broad to meet the diverse needs of a community and flexible to meet the often changing dynamics of a market. The following is a summary of findings for the local public and private entities to consider, as they relate to meeting the housing needs of the Asheville region.

**1) Insufficient Rental Housing Supply:** As shown in the housing supply portion of this report, there are very few *available* rental alternatives within the region, with the surveyed multifamily housing supply reporting an overall 1.0% *physical* vacancy rate (with an estimated 3.0% *economic* vacancy rate). However, with all surveyed affordable rental properties (e.g. government-subsidized and Tax Credit) fully occupied and over 90% of these properties maintaining wait lists, very few multifamily options are available for low-income households. Although not as pronounced, vacancies are also low among market-rate rentals, indicating that even market-rate renters have relatively limited multifamily options in the region. As a result, additional multifamily housing is needed to meet both current housing needs and to respond to the future renter household growth projected for the region. While a variety of product types are needed, due to the projected growth of senior households and one- and two-person households, the development of smaller bedroom types (one- and two-bedroom units) should be an area of emphasis.

**2) Emerging Need for Senior Housing and/or Efforts to Enable Seniors to Age in Place:** With the region's greatest household growth projected to occur among seniors age 65 to 74 (4,996 households projected to be added between 2015 and 2020), and significant growth projected to occur among those between the ages of 55 and 64 and among those age 75 and older during this same time, the region's base of senior households will increase significantly. Due to the lack of available housing, particularly multifamily rental housing alternatives, the region will need to expand its supply of senior-oriented housing to meet this growth. This will include independent living alternatives as well as senior care housing product. Efforts should also be made to promote pre-emptive actions that lead to the removal of physical barriers and encourages property modifications that would enable seniors to age in place longer. This includes supporting home repair and home maintenance efforts to extend the usefulness of existing housing.

**3) Insufficient Supply of Homes For Sale for Moderate-Income Households:** Based on the Housing Gap Estimates provided in this report, the largest gap among the owner for-sale housing supply appears to be among units affordable to households with incomes between 80% and 120% of Area Median Household Income (AMHI). This household income segment is projected to increase significantly between 2015 and 2020. Efforts should be made to increase the supply of for-sale homes that are affordable to moderate income households, including land zoned for efficient densities, and promoting townhouse and other lower-cost for-sale housing development options.

**4) Utilization of Affordable Rental Housing Programs –** With a region wide rental housing gap estimate of nearly 4,000 units affordable to households with incomes below 80% of Area Median Household Income (AMHI), combined with the fact that there are no vacancies but long wait lists for affordable housing in the region, there is clear and pent-up demand for affordable housing in the subject region. Continued and possibly expanded support for various state and federal programs used to develop or maintain affordable housing in the region, particularly programs focused on low income renter households, will be critical to meeting current and future housing needs of the region. As such, the region is in need of additional affordable multifamily housing, with the greatest need for units affordable to households with incomes below 80% of Area Median Household Income (AMHI).

**5) Need for Home Repair/Maintenance Programs (with Emphasis on Senior Housing):** As shown in the housing supply analysis, a majority of region's existing rental and owner housing supply is more than 30 years old, much of the region's housing stock is considered old. Based on Bowen National Research's on-site exterior evaluations of much of the region's housing stock, it was determined that a notable portion of the housing stock is in need of repairs and modernization. The aging population's housing needs may be mitigated if seniors are able to stay in their homes longer and age in place.