

# Using Housing Data to Attract Business & Talent

## Comparing Housing Data in NC, SC, and VA



# Executive Summary

Housing has emerged as one of the hottest, most talked about topics in economic development. The conversation spans all types of housing. Some communities are talking about workforce housing. Others want market-rate multi-family to attract young professionals. Additionally, there are other communities talking about management-level/ executive housing to keep business leaders local. Sometimes when we ask what part of the housing conversation a community is having, they answer "all of the above."

Economic development organizations are being pulled into the housing conversation for several reasons:

- 1) The talent to whom they are marketing need a place to live.
- 2) The lack of housing or condition of the housing stock is making it harder for employers to recruit employees.
- 3) Recruiting people is a critical strategy in communities with declining or stagnate population growth.
- 4) EDOs are often the only county/communitywide organization that links the public and private sectors, and thus, is seen as a convener and strategic problem-solver.
- 5) EDOs are smart, problem-solving organizations seen as having all of the answers to community problems. This is Creative EDC's opinion. Since we are former practitioners, we know EDOs have smart, problem-solving professionals.

Over the last decade EDOs have had to add a new level of research capability to show prospects and existing businesses that the community has a sustainable talent pipeline. Another level to that research is proving the community not only has talent but also appropriate and available housing for the talent.

Creative EDC took a look at which MSAs have housing (availability), what it costs (affordability), and where it's being built. Our client base is primarily in North Carolina, South Carolina, and Virginia, so we focused on the MSAs in those states. We used ESRI data to be able to compare apples to apples among the states. You can argue the data source and the data points we chose, but what you cannot argue is that economic developers need to be diving into housing data to support talent and business development.

So where is housing available? The highest vacancy rates show up in resort and second home markets and MSAs with military bases because of transient populations and the unique housing status of those markets. MSAs with the highest vacancy rates are Myrtle Beach (37.9%) and Hilton Head, SC (27.2%), Wilmington (16.3%), Asheville (15.4%), and New Bern, NC (15%). The tightest housing markets are in Washington DC (5.7%), Richmond, VA (7.1%), Raleigh, NC (7.5%), Durham, NC (8.2%), and Charlotte, NC (8.4%). Overall, Virginia has the tightest markets followed by North Carolina then South Carolina. South Carolina should be selling the higher vacancy rates in key MSAs like Greenville when recruiting businesses eyeing possibilities for expansion in several southern states. The tight markets in these MSAs is only projected to get worse, except for Richmond. The Richmond MSA is the only top tight housing market that did not make the top 10 list of projected greatest reduction in vacancy.

## **Tightest housing market MSA in each state**

Raleigh  
Greenville & Augusta-  
Richmond tied  
Washington DC

Where is housing most affordable? South Carolina is a tale of two ends of the affordability spectrum. The most affordable MSA in the three states is Spartanburg, and the least affordable is Hilton Head. In North Carolina, you'll find affordable housing in Hickory and Rocky Mount. Your money will not go as far in the most expensive MSAs – Wilmington, Asheville, and Durham. None of Virginia's MSAs make the top 10 list for affordability. If you're determined to live in Virginia, the most affordable MSAs are Kingsport, Lynchburg, and Blacksburg. North Carolina and South Carolina can market an affordability advantage, as well as an availability advantage as compared to the Virginia MSAs. Of course, Virginia can argue that one reason their markets are so tight is that people love living in the State for Lovers.

## **Most Affordable housing market MSA in each state**

Hickory and Rocky  
Mount tied  
Spartanburg  
Kingsport

The least affordable in each state is Wilmington, Hilton Head, and Charlottesville. Asheville and Washington DC round out the top five least affordable MSAs. Many of the least affordable regions are resort, vacation, and second-home markets at the beach and in the mountains.

Where is housing being built in the three states? Raleigh, Myrtle Beach, and Charlottesville have the newest housing stock by structure year. If you like a market with lots of older homes (described sometimes as character), go to Roanoke, Florence, Hickory, or Winston-Salem. Even though builders are building as fast as they can in Raleigh, it is still a tight market projected to get tighter.

What we hope you take from this report is that tracking and analyzing housing data is important. It supports business attraction and retention, and talent attraction, development, and retention programs. EDOs can show advantages over other locations by touting housing availability and affordability and its link to talent. It can inform local land use and development policy. It also supports place-based economic development strategies, which are important to communities attracting and retaining people. So, take a deep dive into housing data and use it to support the economic development goals of your community.

## Newest housing stock MSA in each state

Raleigh

Myrtle Beach

Charlottesville

# Fast Facts

SC has availability. NC has newer housing. VA leads home ownership.

**Washington DC**

has the **lowest**  
**vacancy rate**  
**5.7%**

**Virginia MSA's** are  
the **least**  
**affordable**

**Oldest** median  
structure **years** are in  
**Virginia**

**North Carolina.**

has **7** of the **top 10**  
**MSAs** with the  
**newest median**  
**structure years**

**Builders** are  
**building housing** in  
**North Carolina at**  
**a faster rate**

**Raleigh** vacancy rates  
will **decrease** the  
most over **(-4%)** next **5**  
**years**

**South Carolina**

should **market**  
**availability**  
compared to the other 2  
states

**Charleston** is the  
**only MSA** where the  
**% of renter-occupied**  
units are expected to  
**make gains, up**  
**0.62%**

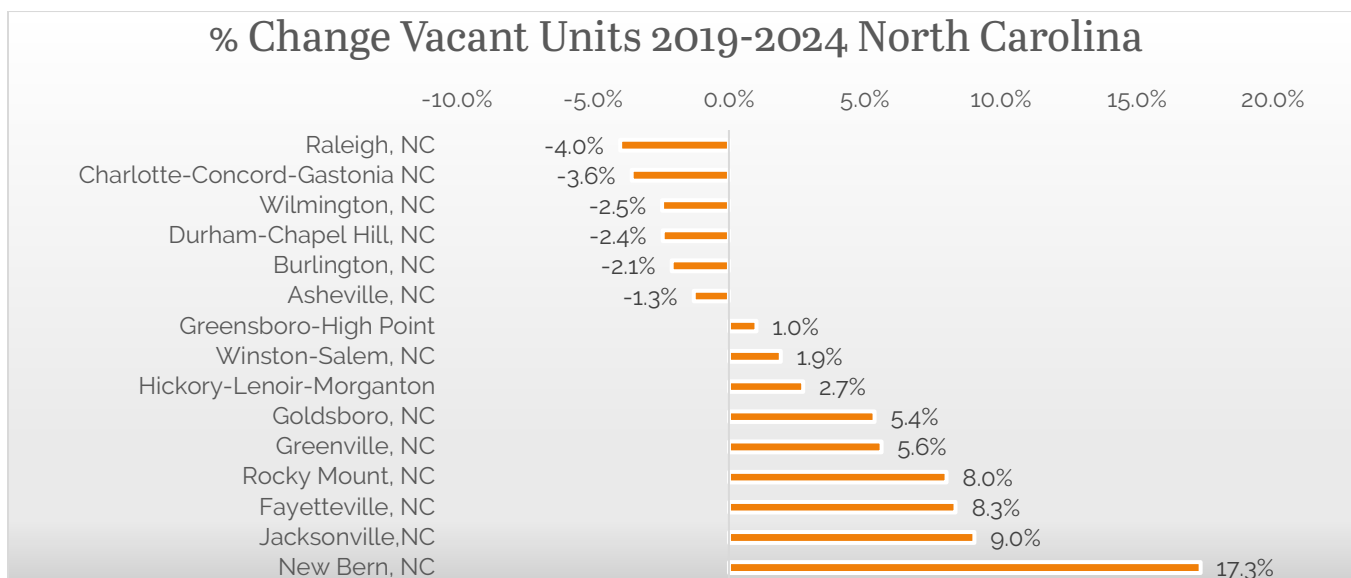
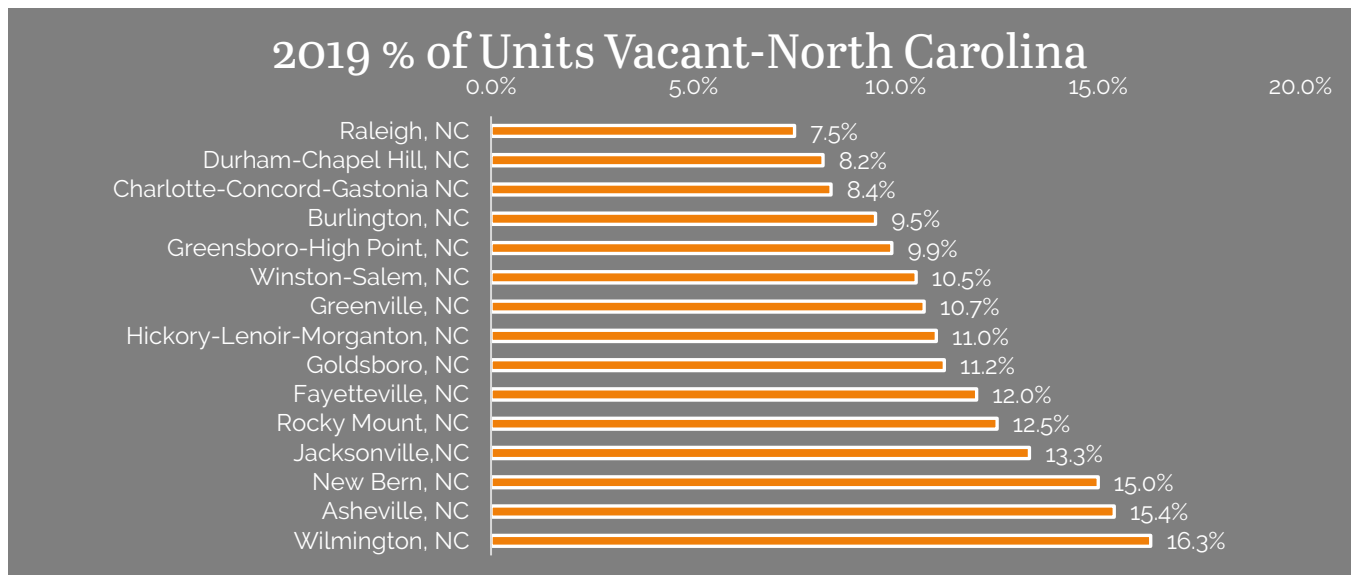
**Myrtle Beach** has  
the **highest**  
**vacancy rate**  
**37.9%**

# Housing Availability

Housing availability is the hottest topic in the housing discussion. Who has housing to attract and retain talented workers? Communities with active talent attraction campaigns need a comprehensive housing strategy so the newcomers will have a place to live. Some communities cite the lack of housing availability as a key hurdle to growth. To drill down into housing availability, we researched vacancy rates, defined as the percentage of owner/renter occupied housing that is unoccupied at a particular time, for each state. Then we compared the three states.

## North Carolina

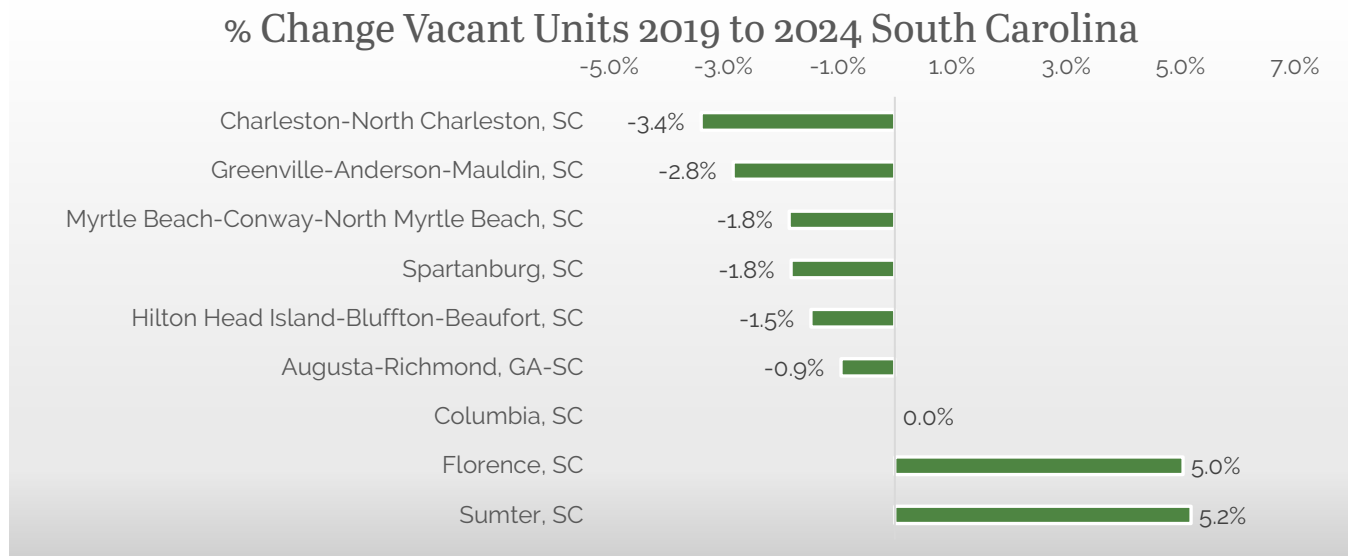
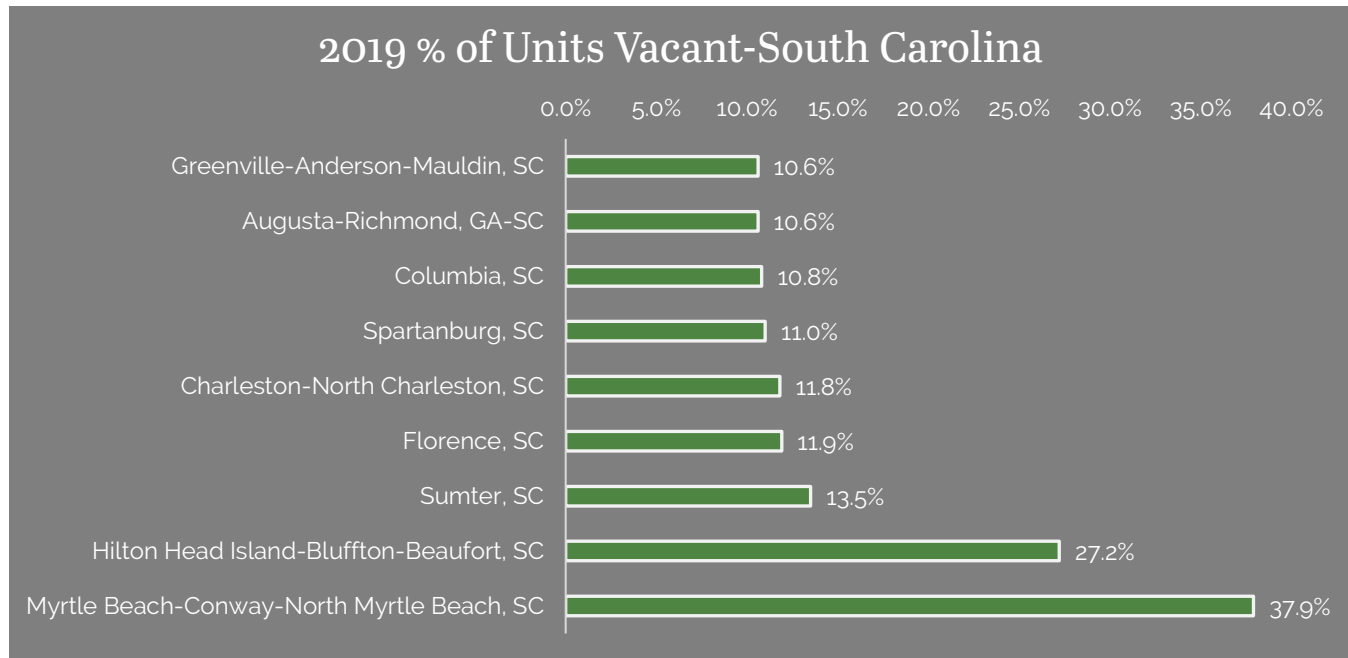
The Wilmington MSA has the highest vacancy rate in the state at 16.3%. Wilmington is closely followed by the Asheville MSA (15.4%) and New Bern MSA (15%). By 2024, the New Bern MSA is projected to jump ahead to have the highest vacancy rate in the state at 17.6%. The MSAs with the fastest increasing vacancy rate over the next five years are projected to be New Bern MSA (17.3%), Jacksonville MSA (9.0%), and Fayetteville MSA (8.3%). Fayetteville and Jacksonville are both military communities with a transient population. Raleigh, Charlotte, and Wilmington, booming regions in the state, are expected to continue to see a tightening of the housing market.





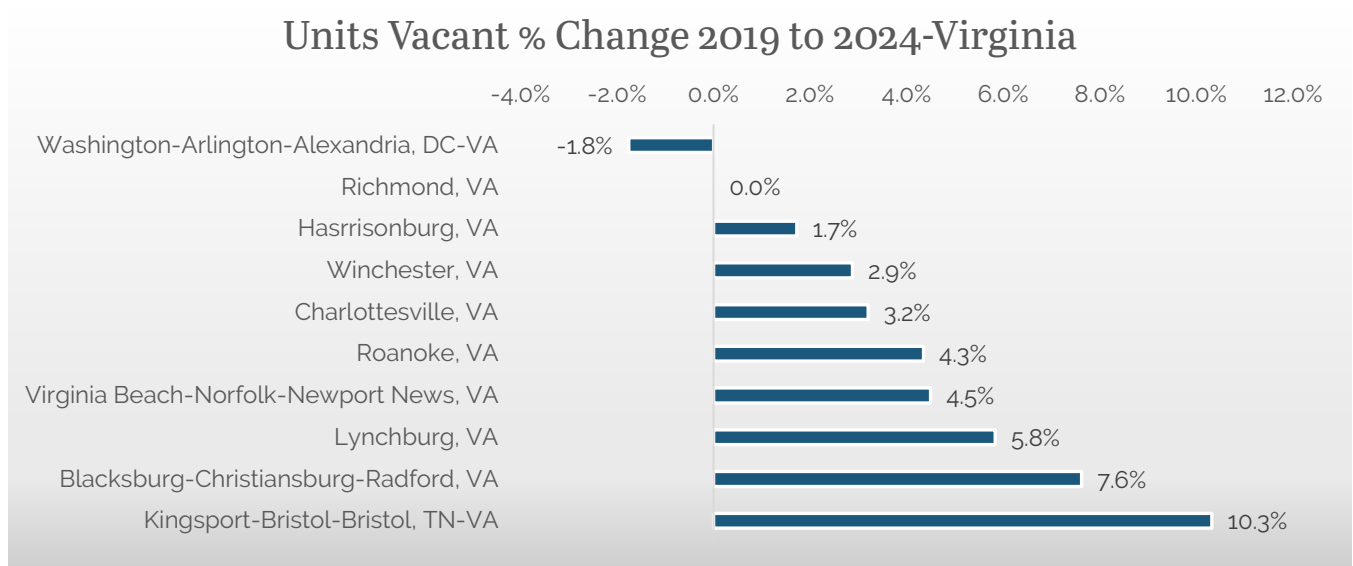
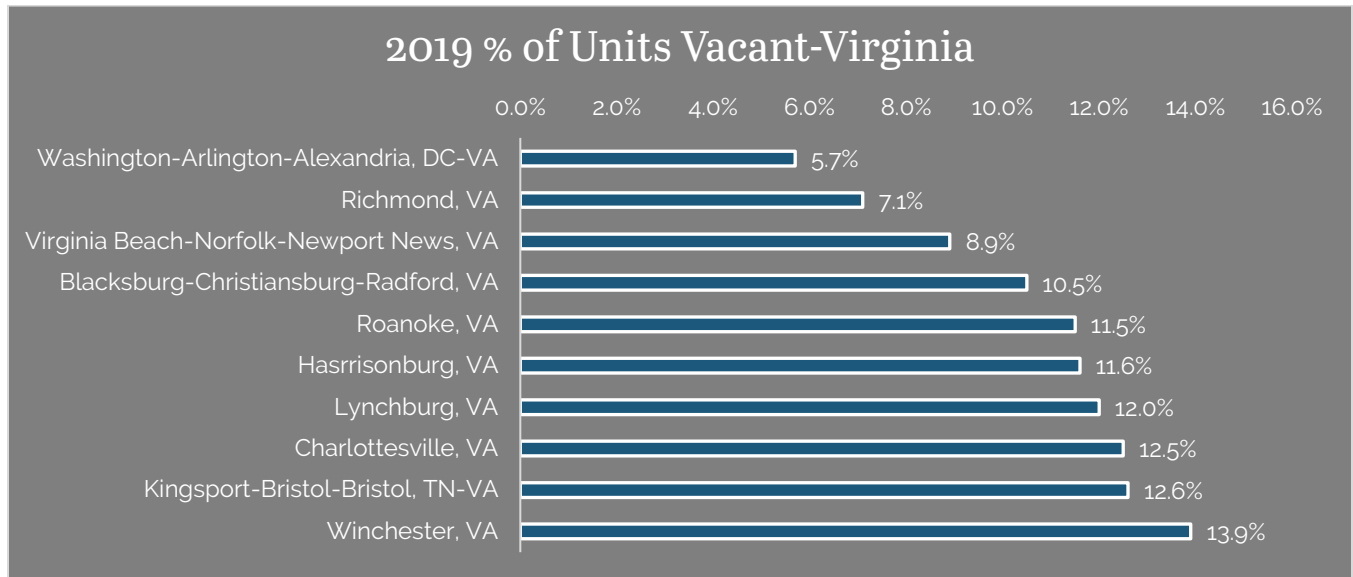
## South Carolina

In South Carolina, the highest vacancy rate is in the Myrtle Beach MSA at 37.9%. This region is followed by the Hilton Head Island MSA (27.2%) and the Sumter MSA (13.5%). Myrtle Beach and Hilton Head are vacation/resort communities, while Sumter is home to a military base. Housing in the Sumter and Florence MSAs are the only markets in South Carolina projected to have increasing vacancy rates by 2024. Charleston, Greenville, Myrtle Beach, and Spartanburg are all projected to have lower vacancy rates. Interestingly, the metro with the lowest vacancy rate in SC, Greenville at 10.6%, is higher than six of the metros in North Carolina.



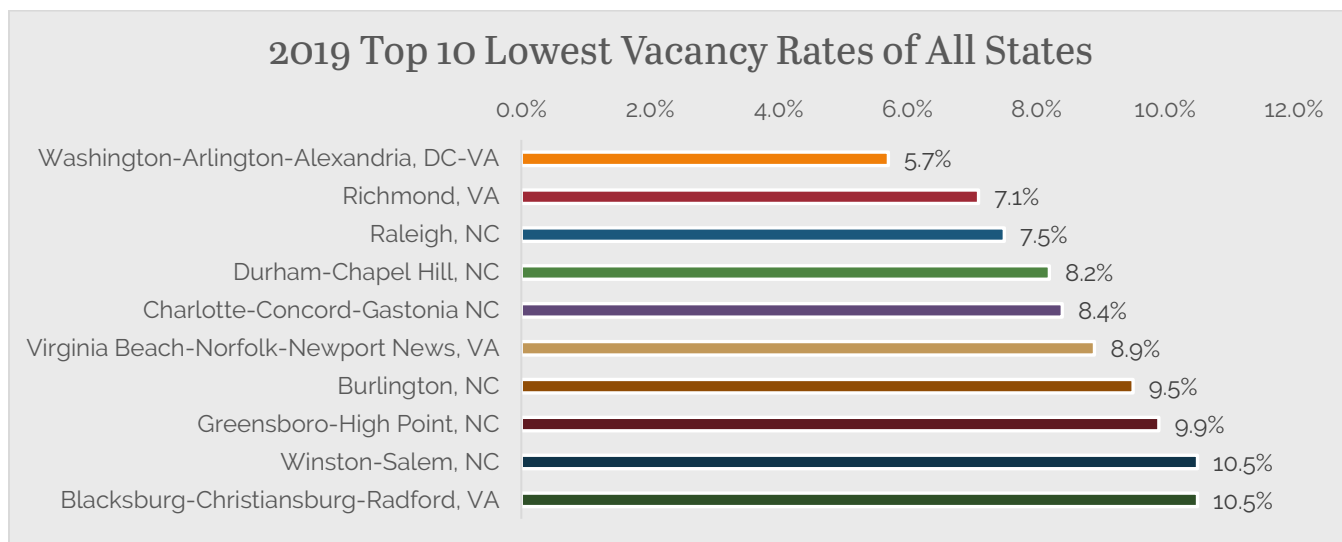
## Virginia

In 2019, the MSA with the highest vacancy rate in Virginia was the Winchester MSA at 13.9%. It is closely followed by Kingsport (12.6%) and Charlottesville (12.5%). By 2024, MSAs with the highest vacancy rate are projected to remain the same, with vacancy rates increasing slightly. Almost all regions in Virginia are expected to see increases in vacancy opposed to the other two states which are projected to have a mix of increases and decreases. The highest increase in vacancy is projected in Kingsport, Blacksburg, and Lynchburg.

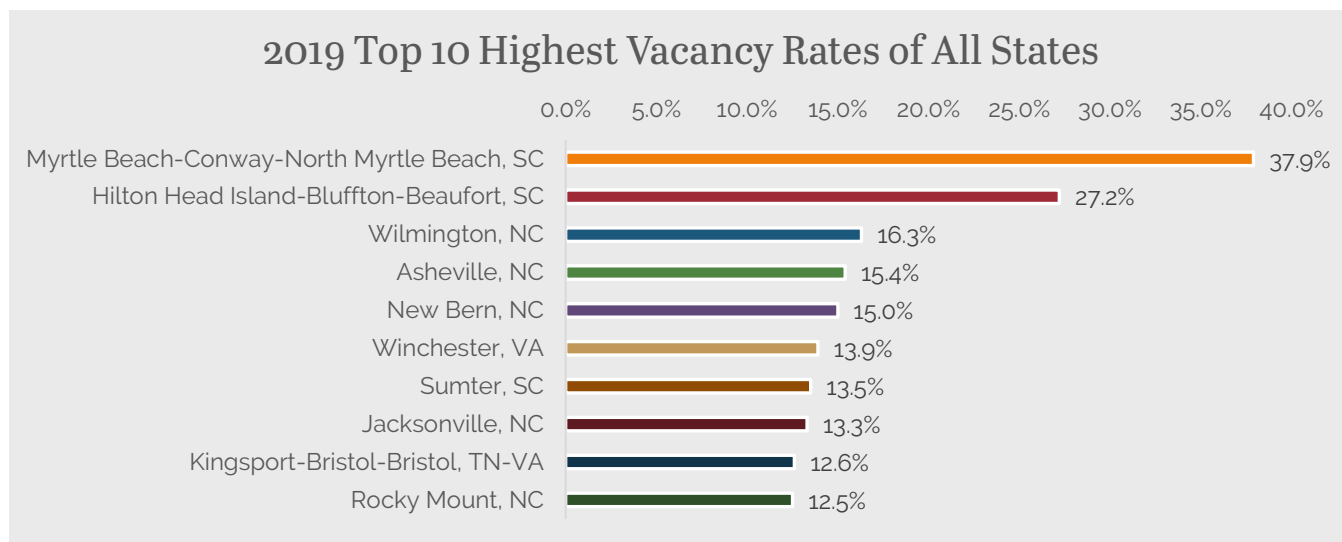


## Comparing Vacancy in the Three States

You'll have the hardest time finding housing in Washington, DC, Richmond, and Raleigh. In fact, all of the top ten MSAs with the lowest vacancy rates are in North Carolina and Virginia.



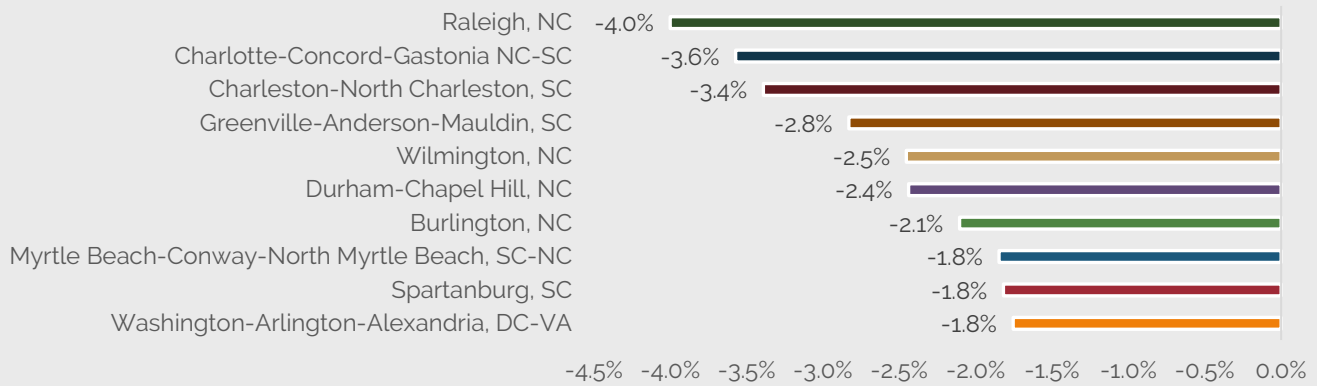
If you want to find housing, the numbers say to look in the mountains and coast of North Carolina and South Carolina. Most of the top ten locations are vacation, second-home, and military communities.



So which tight markets are going to get tighter? Among all three states, the Raleigh, NC MSA will have the greatest reduction in vacancy over the next five years (4% reduction), followed by Charlotte, NC. The Raleigh market is already snug, and reduced availability will compound the housing shortage. The Charleston-North Charleston, SC MSA is not the tightest market in South Carolina, but it will have the greatest reduction in availability in the next five years at 3.4%, making a tight market even tighter. The Washington-Arlington-Alexandria MSA currently has the lowest overall vacancy rate for the three states and the rate is projected to go lower.

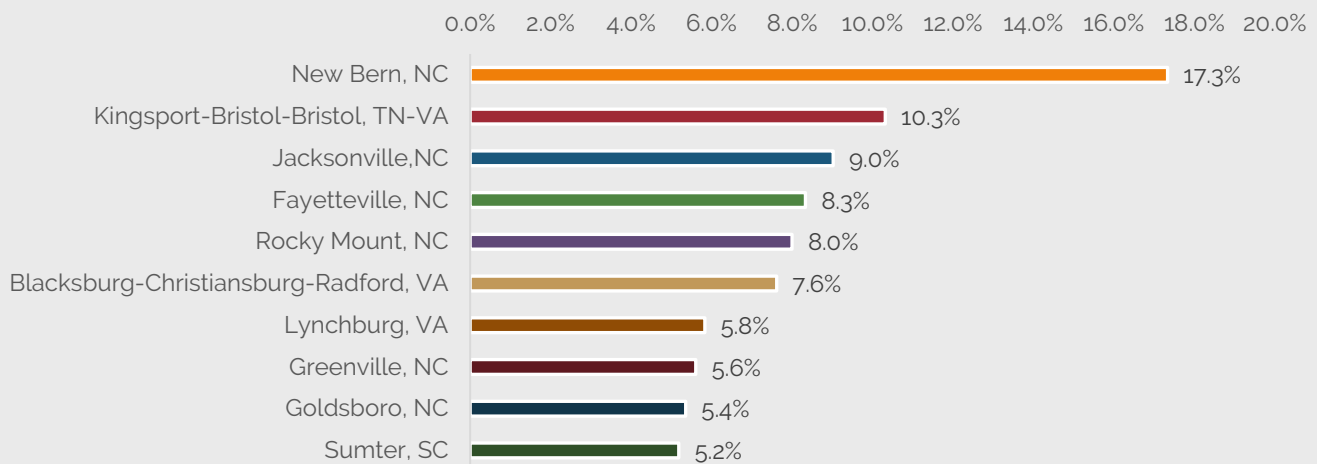


## Top 10 Most Negative % Change in Vacancy All States 2019-2024



Several of the MSAs associated with projected increases in vacancy have transient populations like military and students.

## Top 10 Highest % Change in Vacancy All States 2019-2024



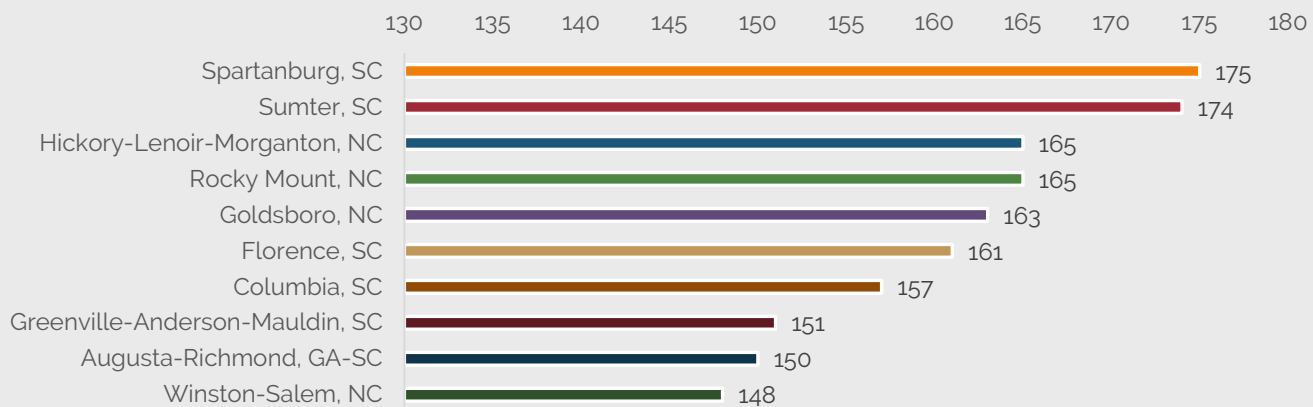
# Housing Affordability

Communities are not only concerned with housing availability - affordability is also hot topic. Some municipal governments that require employees to live in the city are having a hard time recruiting because of the cost of housing. Some employers are building subsidized housing for service workers and/or providing transportation to lower cost housing farther away.

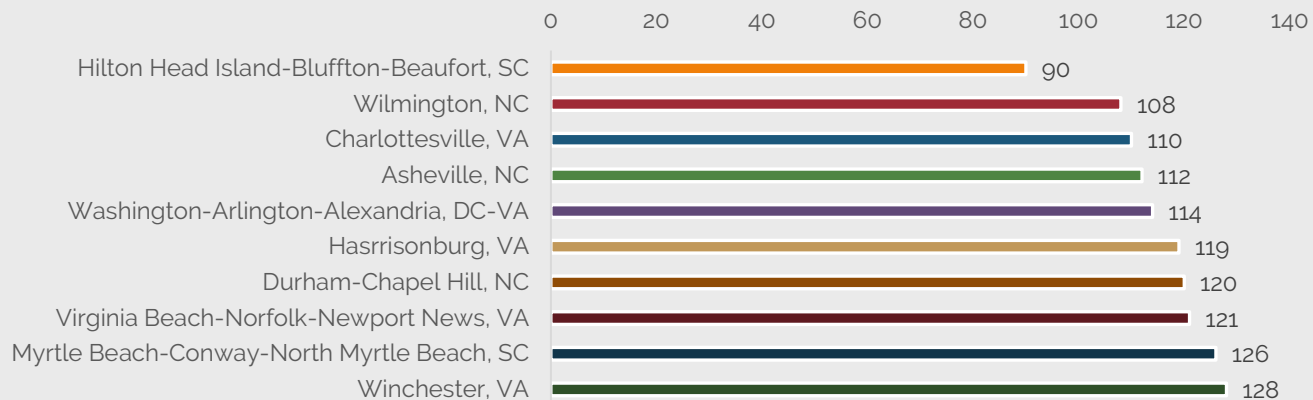
ESRI's Housing Affordability Index (HAI) measures the financial ability of a typical household to purchase an existing home in an area. A HAI of 100 represents an area that on average has sufficient household income to qualify for a loan on a home valued at the median home price. An index greater than 100 suggests homes are easily afforded by the average area resident. A HAI less than 100 suggests that homes are less affordable. The housing affordability index is not applicable in areas with no households or in predominantly rental markets. ESRI's home value estimates cover owner-occupied homes only.

Of the three states, South Carolina has the top two most affordable MSA's according to the Housing Affordability Index. The Spartanburg and Sumter MSA's have an index of 175 and 174, respectively. Conversely, South Carolina also has the least affordable market, Hilton Head. North Carolina's MSA's of Hickory and Rocky Mount tied with an index of 165 to round out the top four spots. None of Virginia's MSAs made the top 10 affordability list. Kingsport (147), Lynchburg (143), and Blacksburg (138) are the most affordable in Virginia.

## 2019 Top 10 Most Affordable Markets All States

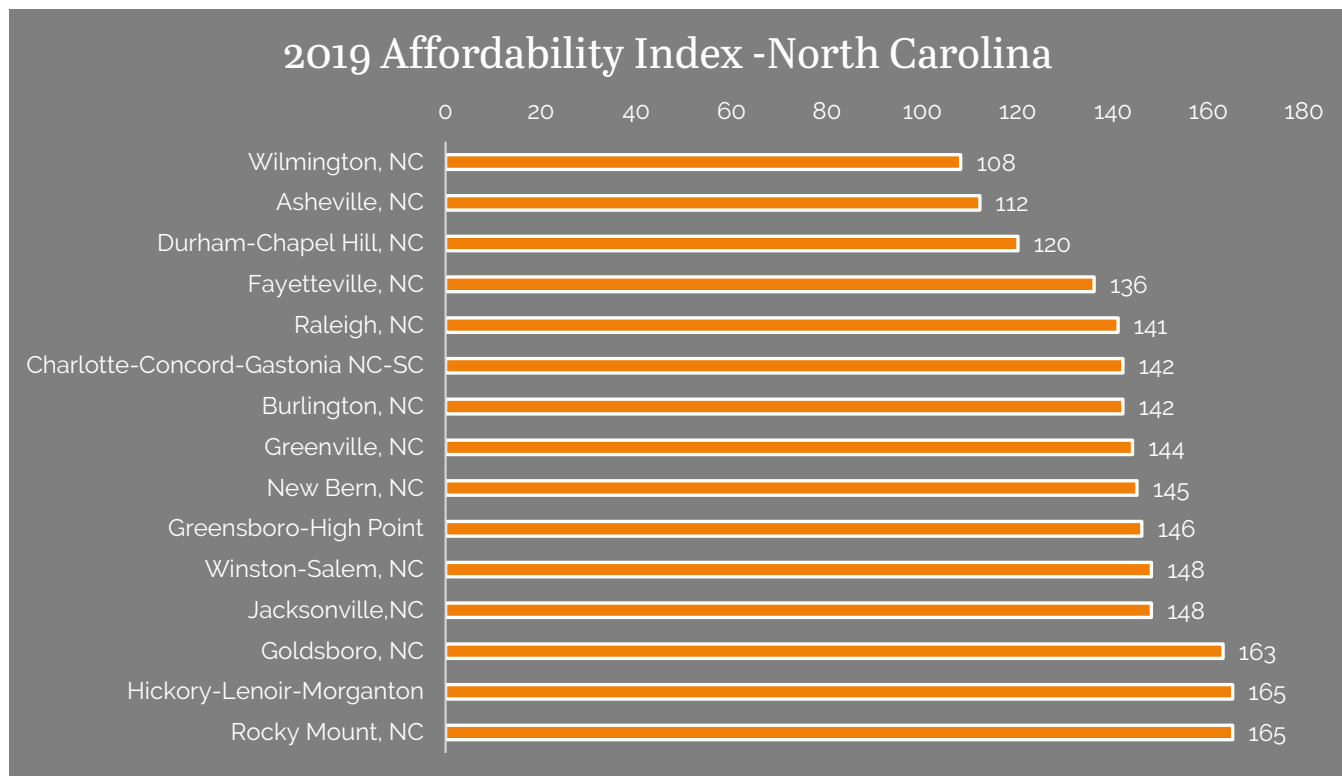


## 2019 Top 10 Least Affordable Markets All States



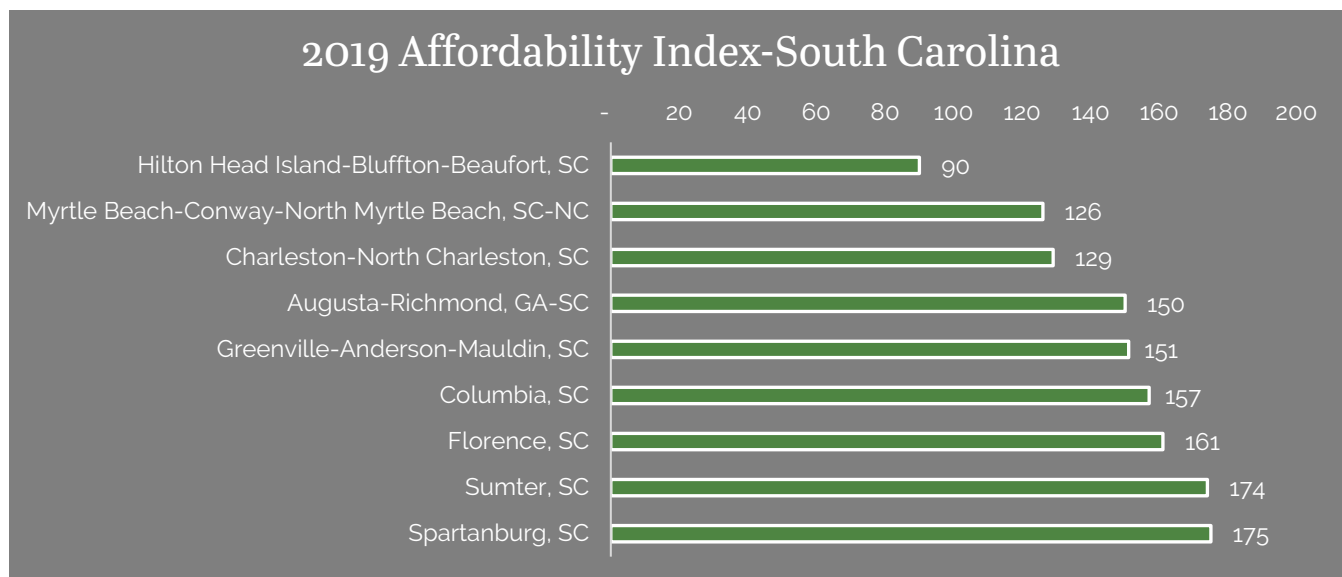
## North Carolina

If you are looking for a good buy in housing, in North Carolina you should buy a home in Hickory, Rocky Mount, or the Goldsboro MSAs. The most expensive housing markets are Wilmington, Asheville, and Chapel Hill. Raleigh, the tightest housing market in the state, is mid-range in terms of affordability. Overall, housing is more affordable in North Carolina than in South Carolina or Virginia.



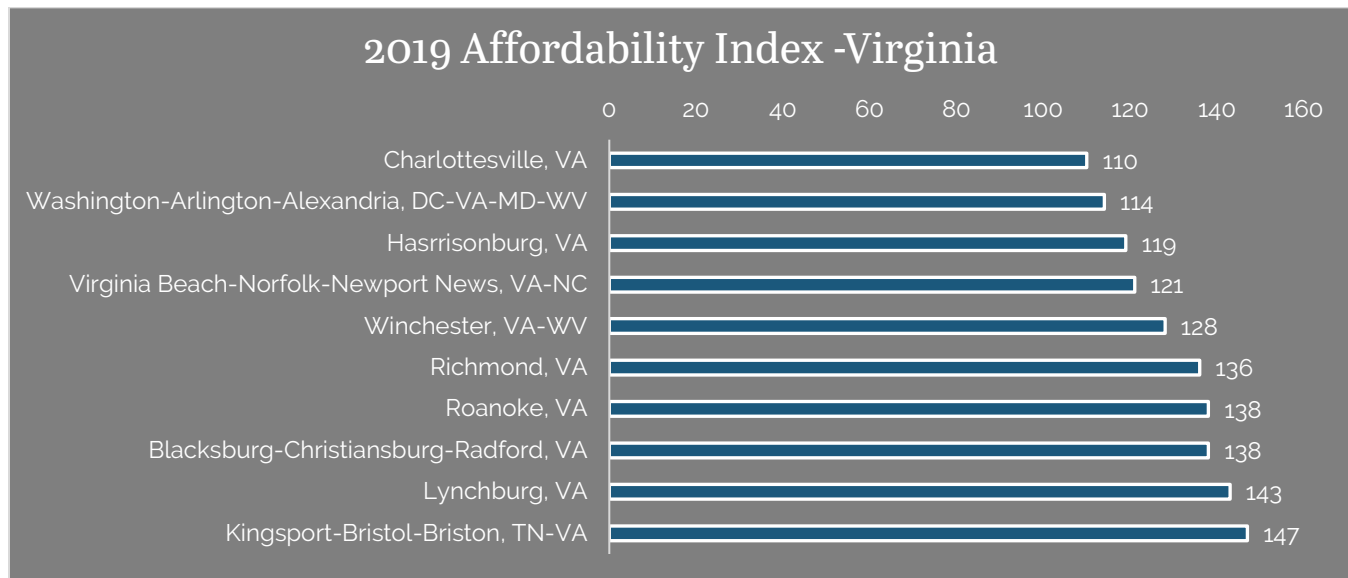
## South Carolina

Housing in South Carolina is most affordable in Spartanburg, Sumter, and Columbia. The most expensive markets are Hilton Head, Myrtle Beach, and Charleston. Hilton Head has the lowest affordability index, thus the most out of reach housing, of any MSA in the three states - by a whopping 20%.



## Virginia

There is not as much affordability difference between MSAs in Virginia. The greatest mismatch between wages and housing cost is in Charlottesville (110) and the lowest differential between wages and housing cost is in Kingsport (147), a difference of only 37 index points, whereas, the range in North Carolina is 57 and in South Carolina 85.



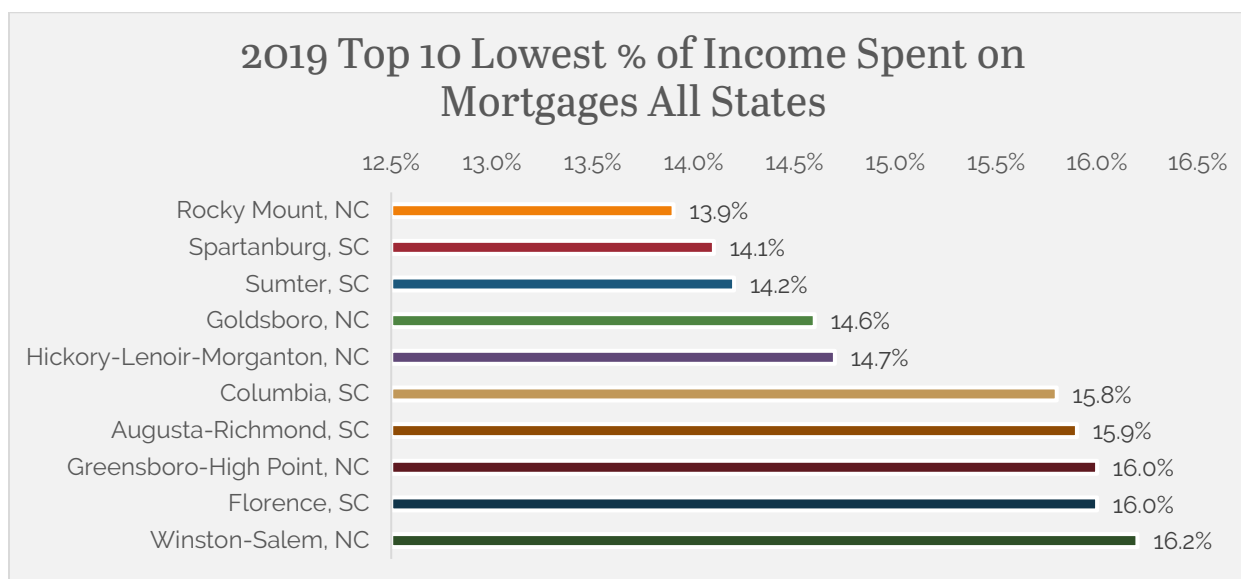
## Portion of Income Spent on Mortgages

In addition to the Housing Affordability Index, another way to measure affordability is to examine the percentage of income spent on mortgages. This percentage shows the burden of housing costs on a household budget.

Citizens in Hilton Head, Wilmington, and Charlottesville are spending the highest percent of their income on mortgages. Hilton Head, again, stands far above the other MSAs in terms of affordability, with almost 28% of income is spent on the mortgage.

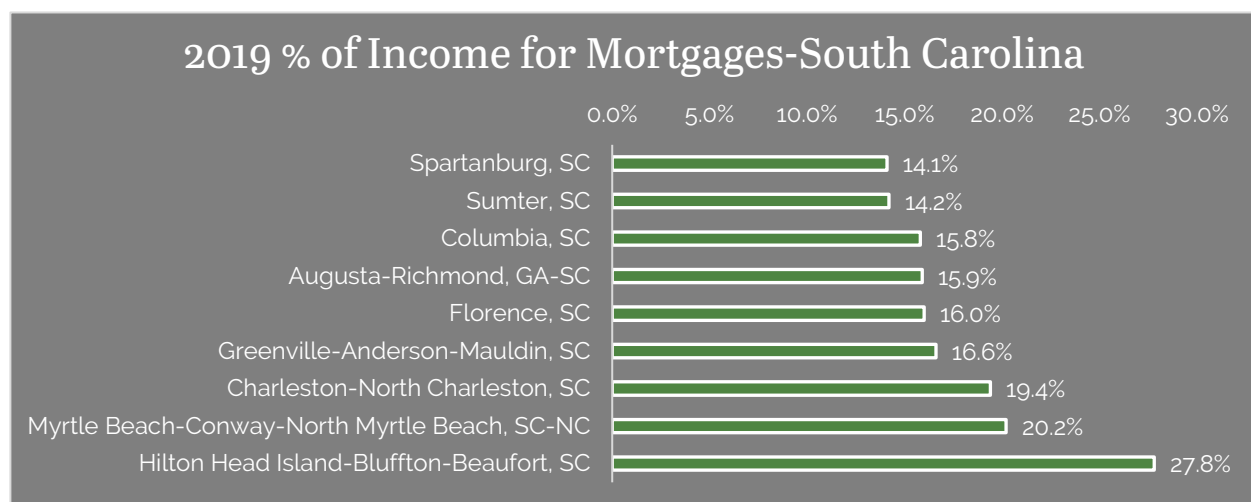
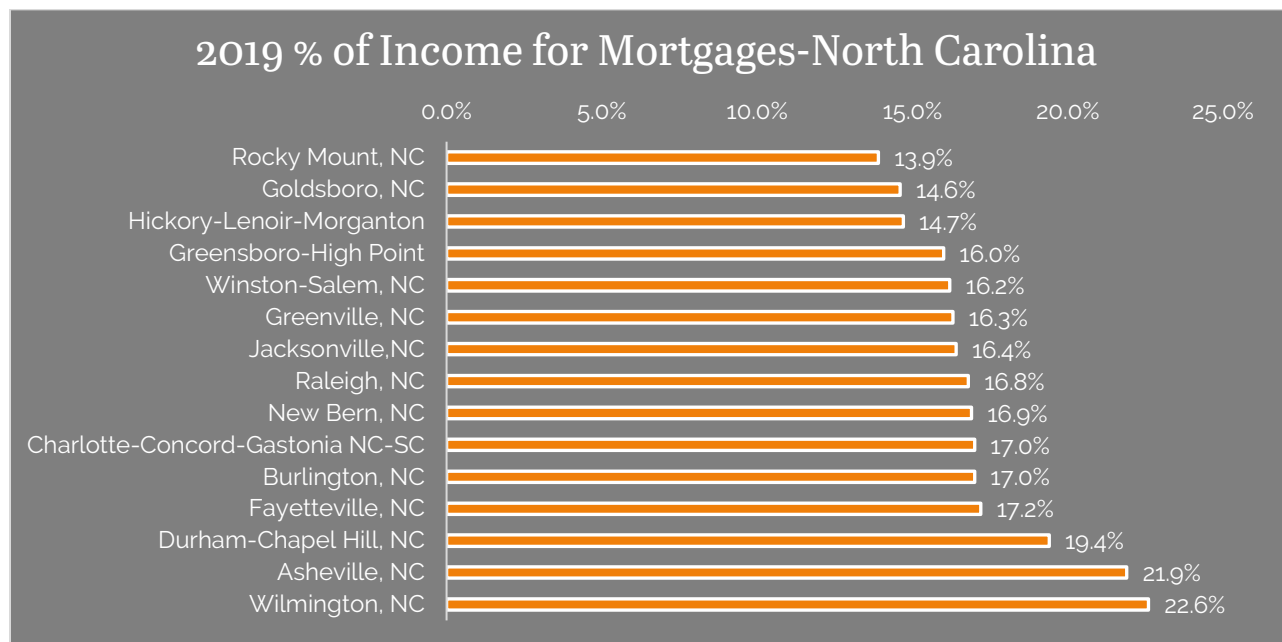


By this measure, many MSAs in South Carolina rate as affordable. Spartanburg, Sumter, Columbia, Augusta-Richmond, and Florence – that's half of the top 10 lowest percentage of income toward mortgages in South Carolina.



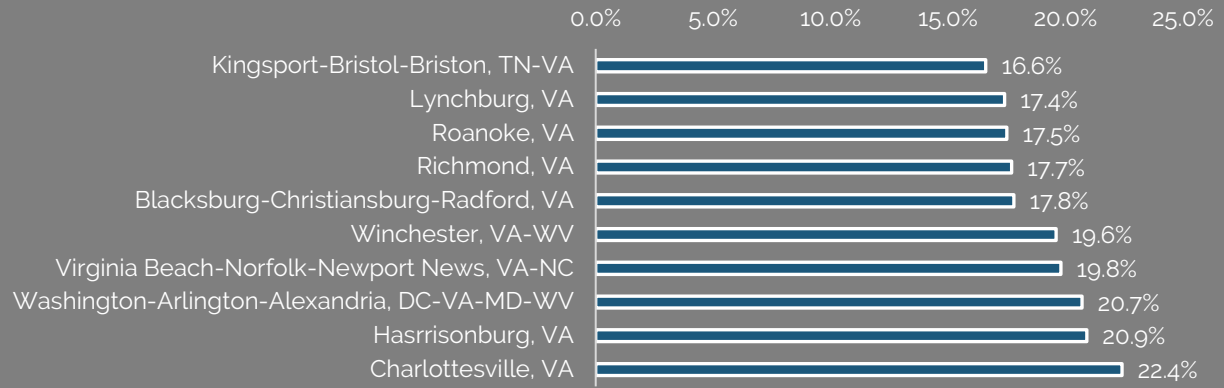
In North Carolina, the three MSAs with the highest percentage of income spent on mortgages are Wilmington (22.6%), Asheville (21.9%), and Durham (19.4%). The top three MSAs in South Carolina by this measure are Hilton Head Island (27.8%), Myrtle Beach (20.2%), and Charleston (19.4%). Virginians spending the most on their mortgage are in Charlottesville (22.4%), Harrisonburg (20.9%), and Washington DC (20.7%). Of the MSAs with the highest percentage of income spent on mortgages, six out of nine are retirement/tourist destinations.

On the other end of the spectrum are MSAs with the lowest percentage of income spent on mortgages: the most affordable. In North Carolina those are Rocky Mount, Goldsboro, and Hickory. All three of these locations were also in the top three most affordable in the Housing Affordability Index. South Carolina's MSAs with the lowest percentage of income spent on mortgages are Spartanburg, Sumter, and Columbia. The top three MSAs paying the lowest percentage of income to a mortgage in Virginia are Kingsport, Lynchburg, and Roanoke. North Carolina's Rocky Mount MSA has the lowest percentage of income spent on mortgages in the three states.





## 2019 % of Income for Mortgages-Virginia

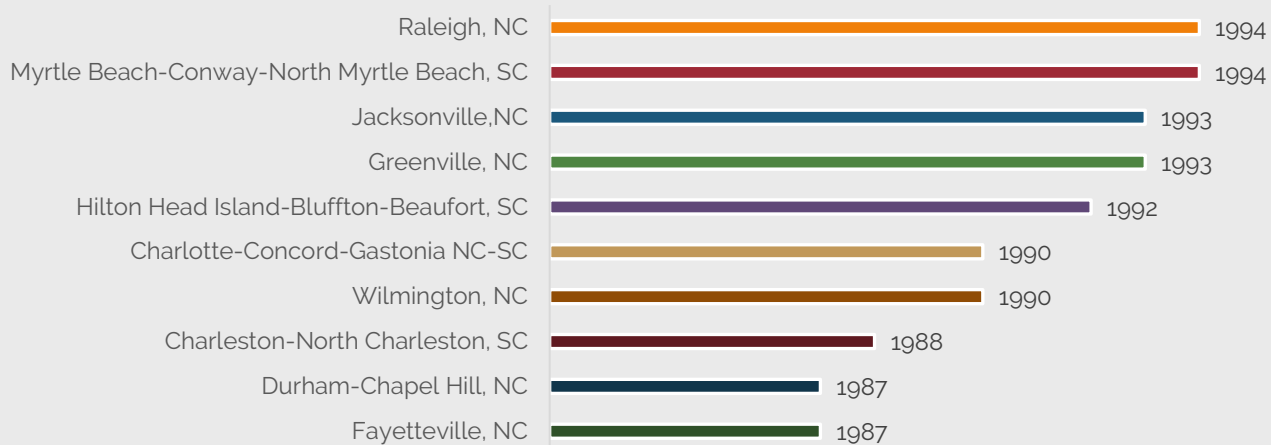


# Quality of Housing Stock

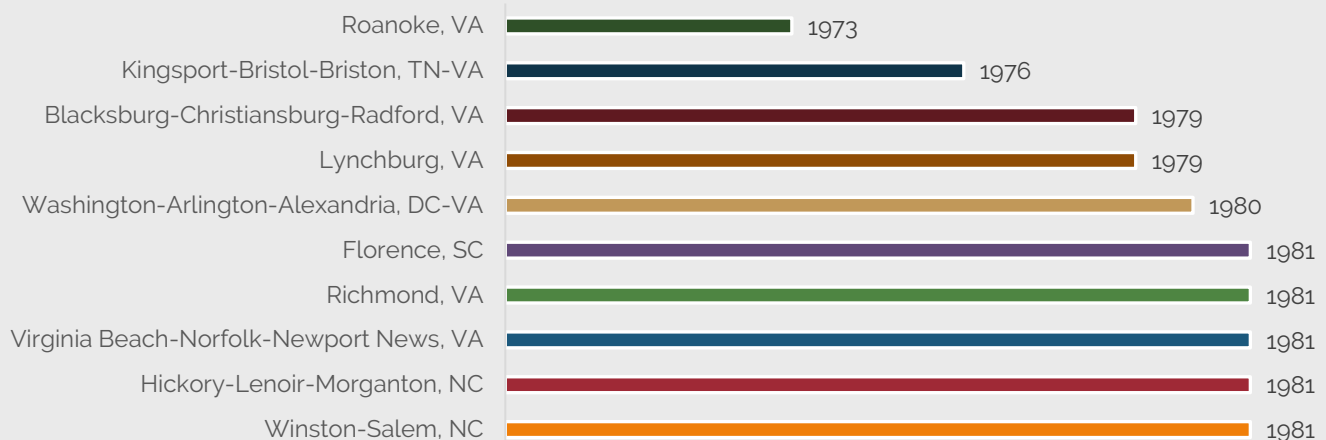
Which MSAs across North Carolina, South Carolina, and Virginia are adding new homes? The age of the housing stock is one way to see the picture. Some people love to remodel old, historic homes; however, when the housing market is tight, ready-to-move-into homes are often preferred.

The MSAs with the newest housing stock in each state are Raleigh, NC; Myrtle Beach, SC; and Charlottesville, VA. Raleigh and Myrtle Beach have a median structure year of 1994, and Charlottesville's median structure year is 1986. The oldest housing stock in each state are in Roanoke, VA (1973), Florence, SC (1981), and Hickory and Winston-Salem, which tied in North Carolina (1981).

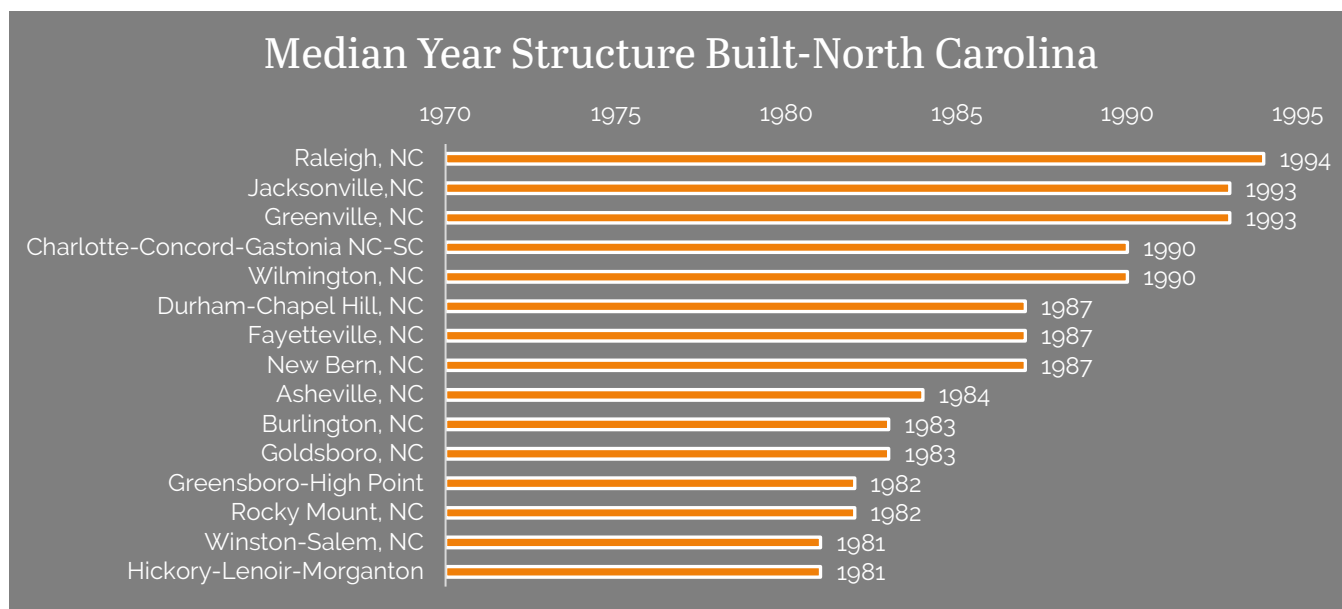
## Top 10 Newest by Median Year Structure Built All States



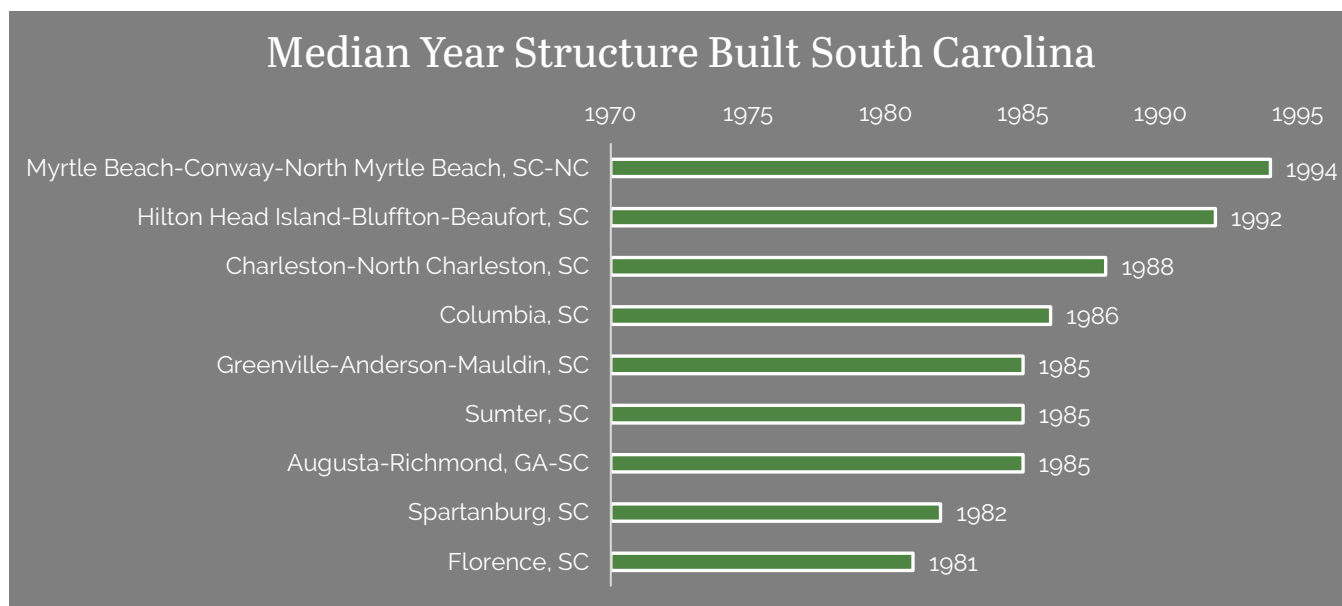
## Top 10 Oldest by Median Year Structure Built All States



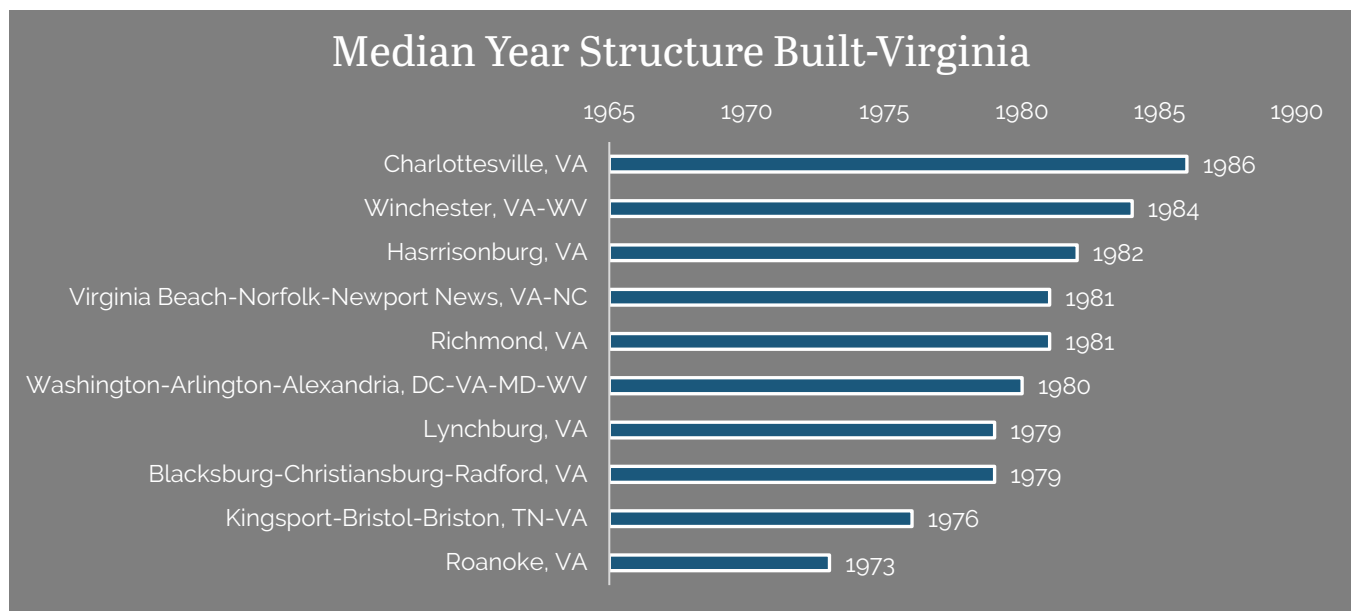
North Carolina's hottest building markets with more newer homes are Raleigh, Greenville (likely fueled by East Carolina University), and Wilmington.



In South Carolina, builders are building in Myrtle Beach, Hilton Head, and Charleston. The state capital comes in at the fourth spot.



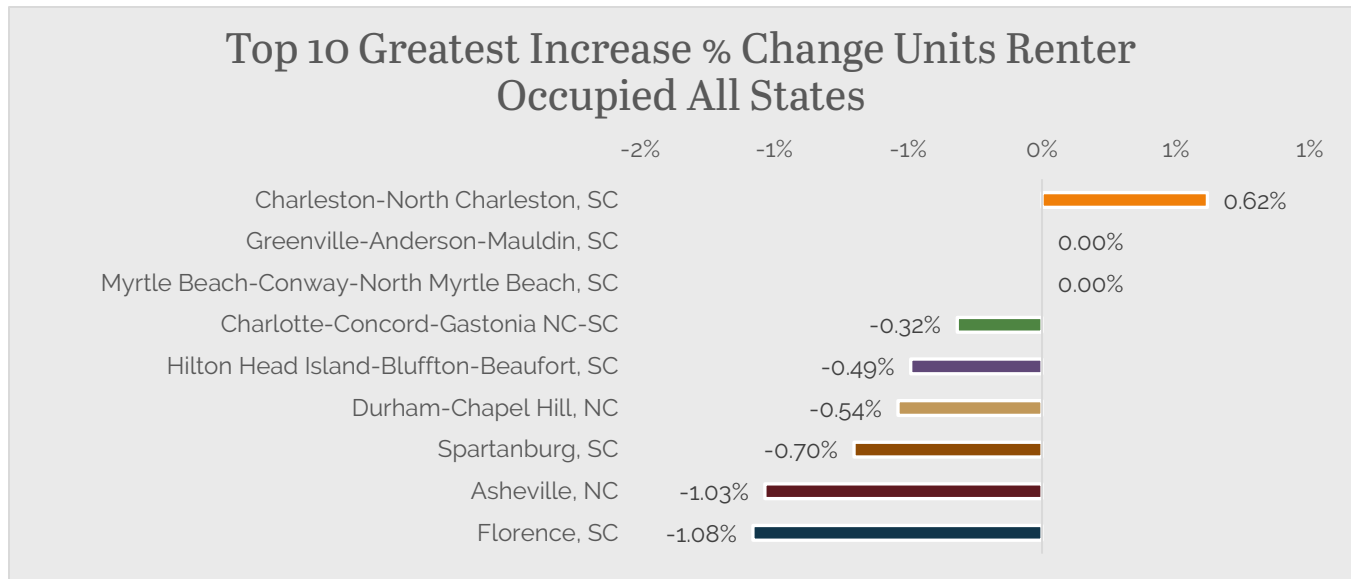
Charlottesville, Winchester, and Harrisonburg are the hottest building markets in Virginia. Surprisingly, Blacksburg, home to a fast-growing university, is lower on the list.



# Housing Ownership Status

Much of the data presented in the prior sections speaks only to the status of owner-occupied housing stock. Ownership status is part of the availability conversation, as new people arriving in a community often prefer to rent first. A key target of most of the talent attraction campaigns, young professionals, often seek rental housing when relocating.

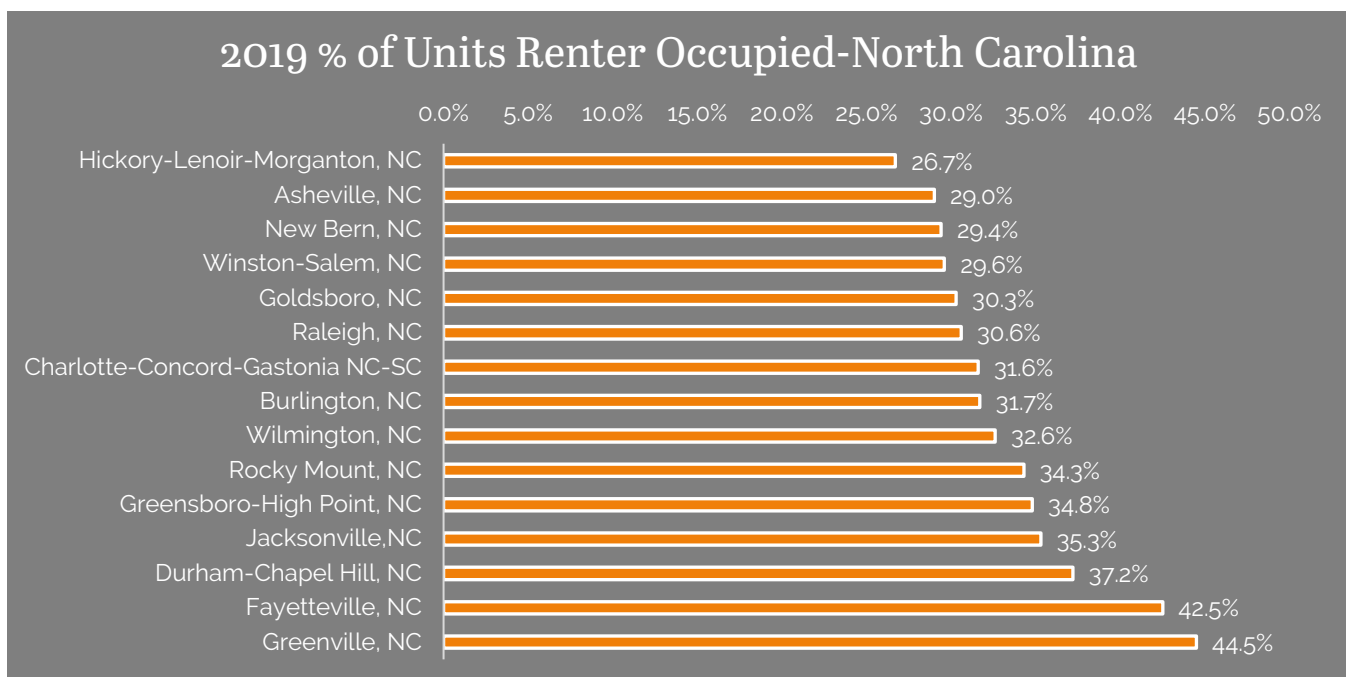
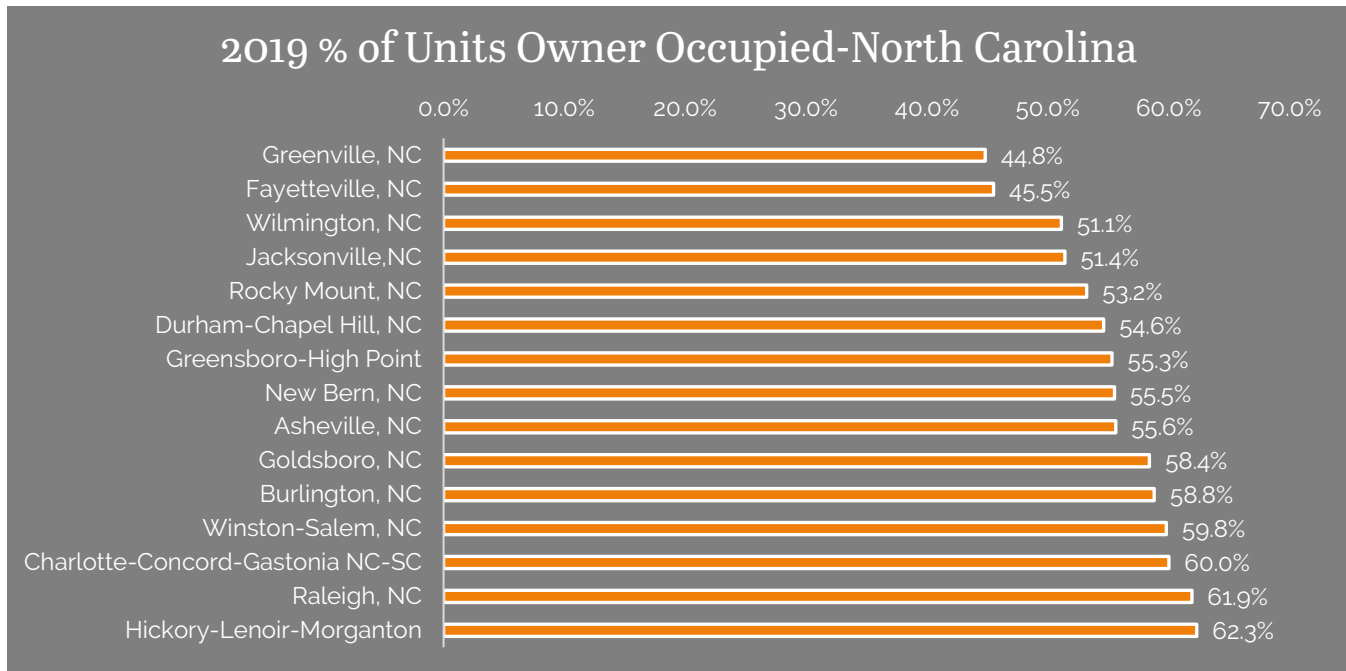
The only MSA with a projected increase in the percent of renter-occupied housing is Charleston, with less than 1% in gains predicted. All other MSAs are expecting the percentage of renter-occupied housing to remain steady or decline.



## North Carolina

In North Carolina, the MSAs with the largest percent of owner-occupied housing are Hickory, Raleigh, and Charlotte. By 2024, the percentages are projected to increase slightly for all three locations, but Raleigh will take the lead at 62.6%. The largest percent increase over the next five years in owner-occupied housing is projected to be in the Wilmington MSA (1.7% increase) and the largest decrease in New Bern MSA (-1.8%).

Renter-occupied units are properties that are used on a short- or long-term lease but are not owned by the person occupying the space. The MSAs with the greatest percent of renter-occupied properties are Greenville, Fayetteville, and Durham. 2024 projections are that the MSAs with the greatest renter-occupied percentage will remain the same, with a slight decrease in overall percentages.





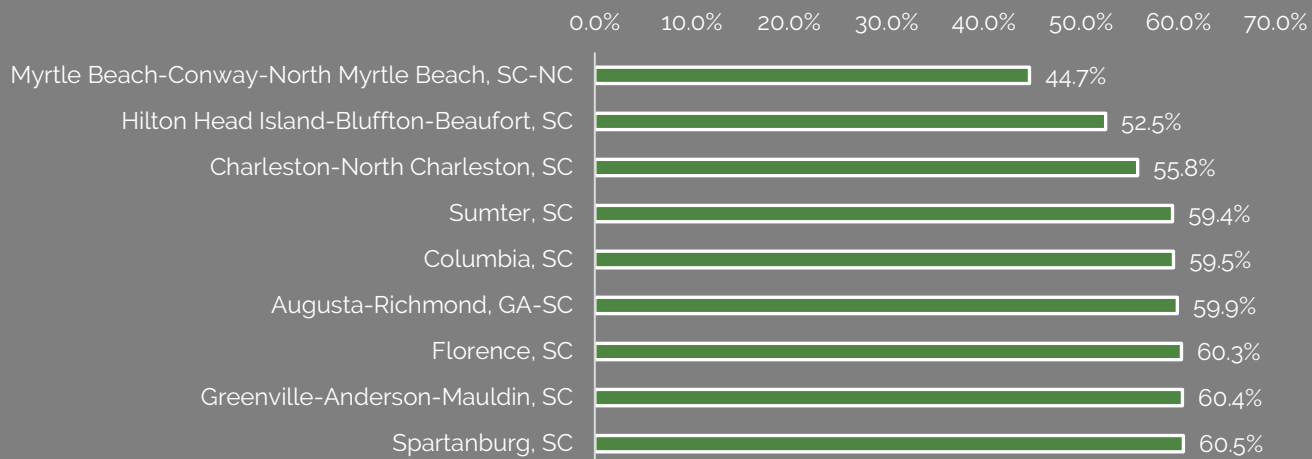
<b>North Carolina</b>	<b>Owner Occupied 2019-2024 % Change</b>	<b>Renter Occupied 2019-2024 % Change</b>
Wilmington, NC	1.76%	-1.53%
Raleigh, NC	1.13%	-1.63%
Burlington, NC	1.02%	-1.26%
Greensboro-High Point	0.90%	-1.44%
Asheville, NC	0.90%	-1.03%
Durham-Chapel Hill, NC	0.73%	-0.54%
Greenville, NC	0.67%	-2.02%
Charlotte-Concord-Gastonia NC-SC	0.67%	-0.32%
Goldsboro, NC	0.51%	-2.64%
Winston-Salem, NC	0.50%	-1.69%
Fayetteville, NC	0.44%	-3.06%
Hickory-Lenoir-Morganton	0.32%	-1.87%
Jacksonville, NC	0.19%	-3.68%
Rocky Mount, NC	-0.19%	-2.62%
New Bern, NC	-1.80%	-5.10%

## South Carolina

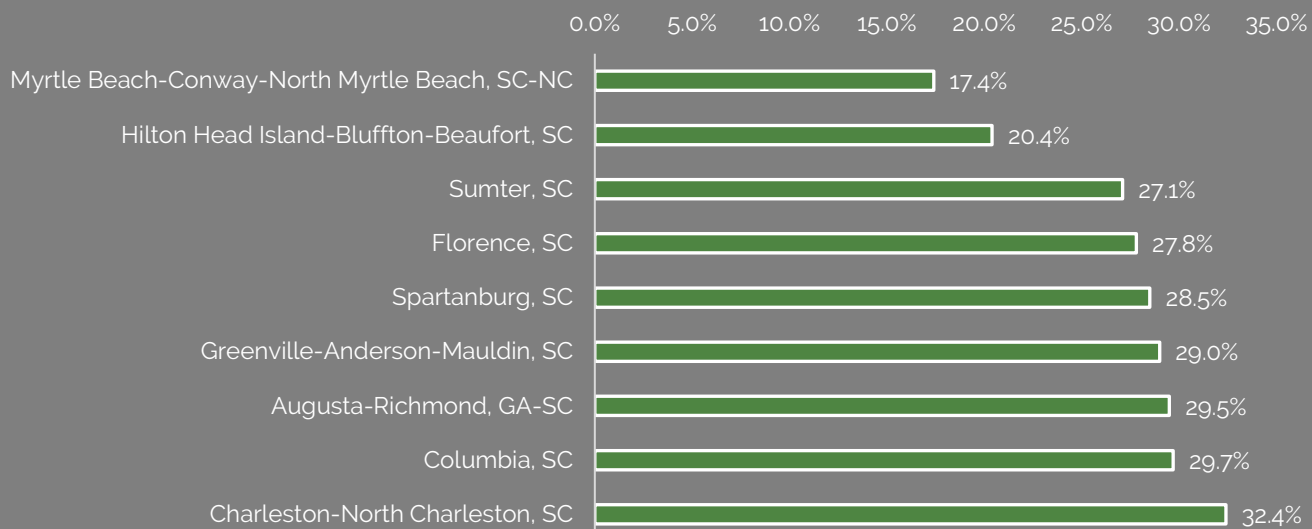
South Carolina's MSAs with the largest percentage of owner-occupied housing are Spartanburg, Greenville, and Florence. Projections for 2024 are that the Augusta-Richmond MSA will rise to the top spot in South Carolina at 60.9%. The largest percent decrease is expected in the Sumter MSA.

South Carolina MSAs with the greatest percentage of renter-occupied properties are the Charleston-North Charleston MSA (32.4%), Columbia MSA (29.7%), and Augusta-Richmond MSA (29.5%). The only increase in percentage of renter-occupied in the next five years is expected to happen in the Charleston-North Charleston MSA.

### 2019 % of Units Owner Occupied-South Carolina



### 2019 % of Units Renter Occupied-South Carolina

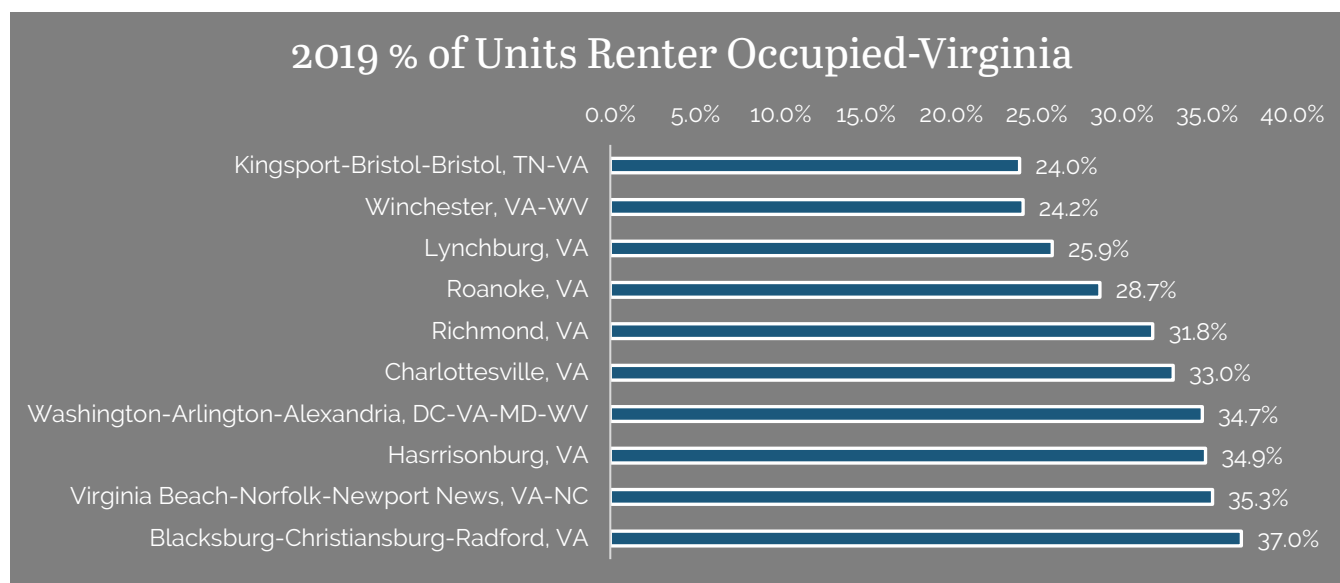
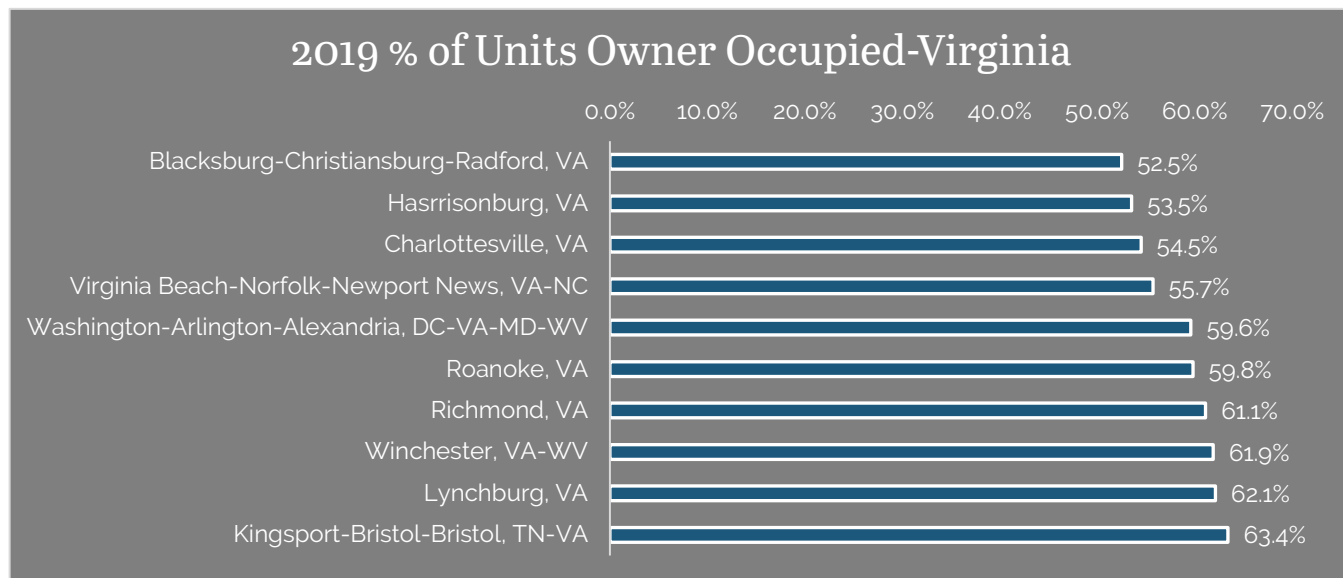


South Carolina	Owner Occupied	Renter Occupied
	2019-2024 % Change	2019-2024 % Change
Greenville-Anderson-Mauldin, SC	0.5%	0.00%
Columbia, SC	0.7%	-1.35%
Charleston-North Charleston, SC	0.4%	0.62%
Myrtle Beach-Conway-North Myrtle Beach, SC-NC	1.8%	0.00%
Spartanburg, SC	0.5%	-0.70%
Hilton Head Island-Bluffton-Beaufort, SC	0.8%	-0.49%
Florence, SC	-0.3%	-1.08%
Sumter, SC	-0.3%	-1.85%
Augusta-Richmond, GA-SC	1.7%	-3.05%

## Virginia

MSA's with the largest percent of owner-occupied housing in Virginia include the Kingsport-Bristol MSA at 63.4%, Lynchburg MSA at 62.1%, and Winchester MSA at 61.9%. Over the next five years the MSAs with the largest percent of owner-occupied housing will not change position. By 2024, the largest increase of owner-occupied housing will be in the Winchester MSA, with an increase of 1.7%. The largest decrease will be in the Kingsport MSA (0.5%).

Currently, the highest percentage of renter-occupied properties are found in the Blacksburg MSA (37%) due in large part to Virginia Tech, Virginia Beach MSA (35.3%), and Harrisonburg MSA (34.9%). By 2024, the projected highest renter-occupied MSA will remain the same, Blacksburg, but Harrisonburg and Virginia Beach will change positions. Over the next five years, there are no percentage increases expected for renter-occupied properties in any of the Virginia MSAs. The largest decrease is forecasted for Winchester MSA at 6.2%.



Virginia	Owner Occupied	Renter Occupied
	2019-2024 % Change	2019-2024 % Change
Blacksburg-Christiansburg-Radford, VA	0.96%	-2.16%
Charlottesville, VA	0.92%	-2.73%
Harrisonburg, VA	0.93%	-2.01%
Kingsport-Bristol-Bristol, TN-VA	-0.47%	-4.17%
Lynchburg, VA	-0.16%	-1.93%
Richmond, VA	1.31%	-2.52%
Roanoke, VA	0.50%	-2.79%
Virginia Beach-Norfolk-Newport News, VA-NC	1.62%	-3.40%
Washington-Arlington-Alexandria, DC-VA	1.34%	-2.02%
Winchester, VA-WV	1.78%	-6.20%

# Reference and Notes

## DATA SOURCE

Creative EDC used ESRI as the data source for the housing study. We use the following 2019 reports from ESRI:

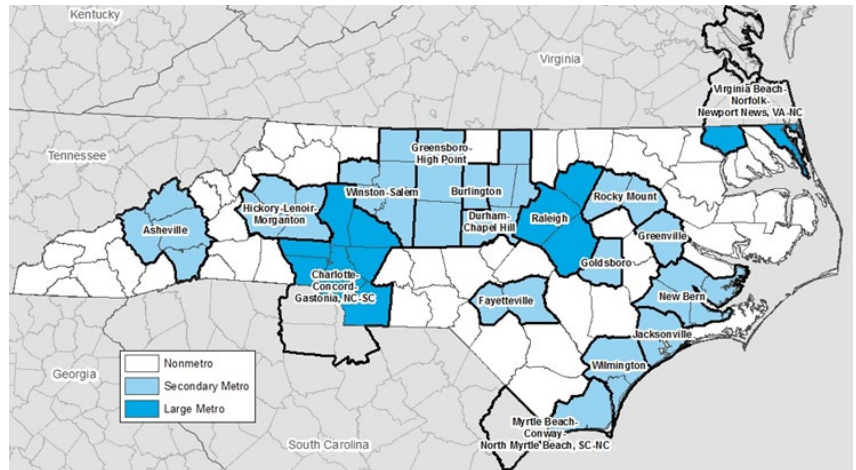
- 📍 Housing Profile
- 📍 Housing Summary

## MSA LIST

Some MSAs that include small parts of other states were labeled as the primary state.

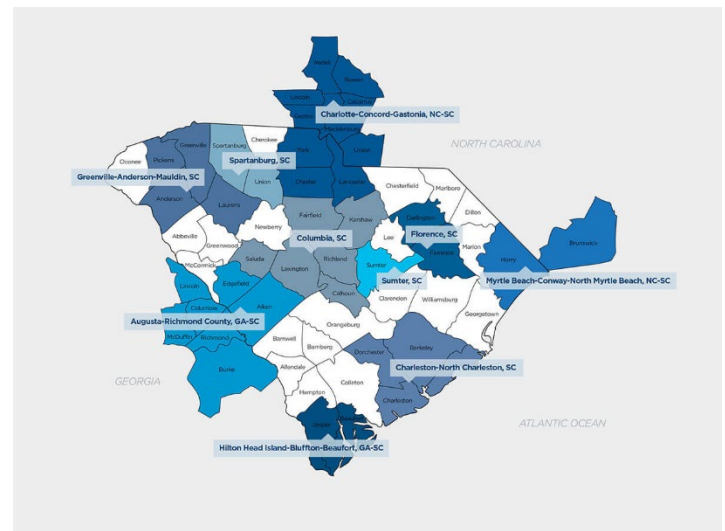
### North Carolina MSAs

- Asheville, NC
- Burlington, NC
- Charlotte-Concord-Gastonia NC-SC
- Durham-Chapel Hill, NC
- Fayetteville, NC
- Goldsboro, NC
- Greensboro-High Point
- Greenville, NC
- Hickory-Lenoir-Morganton
- Jacksonville, NC
- New Bern, NC
- Raleigh, NC
- Rocky Mount, NC
- Wilmington, NC
- Winston-Salem, NC



### South Carolina MSAs

- Augusta-Richmond, GA-SC
- Charleston-North Charleston, SC
- Columbia, SC
- Florence, SC
- Greenville-Anderson-Mauldin, SC
- Hilton Head Island-Bluffton-Beaufort, SC
- Myrtle Beach-Conway-North Myrtle Beach, SC-NC
- Spartanburg, SC
- Sumter, SC



### Virginia MSAs



- Blacksburg-Christiansburg-Radford, VA
- Charlottesville, VA
- Harrisonburg, VA
- Kingsport-Bristol-Bristol, TN-VA
- Lynchburg, VA
- Richmond, VA
- Roanoke, VA
- Virginia Beach-Norfolk-Newport News, VA-NC
- Washington-Arlington-Alexandria, DC-VA-MD-WV
- Winchester, VA-WV

