

# Trend Spotting: Housing Market Updates

National Council for Housing Market Analysts Annual Meeting  
November 12, 2019 Nashville, Tennessee

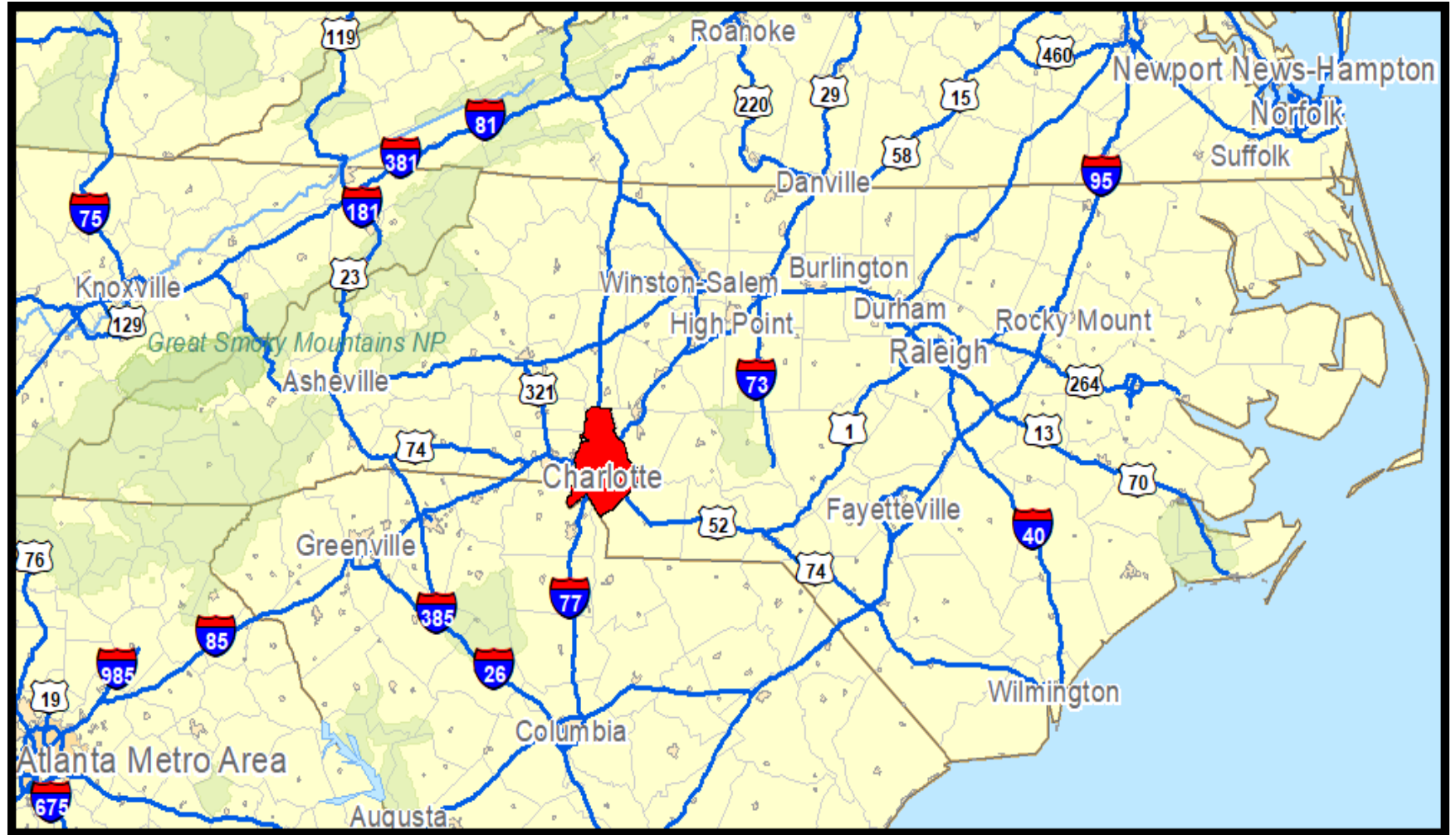
# John Wall and Associates

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- ▶ In 2019, John Wall and Associates has done market studies in Florida, Georgia, South Carolina, North Carolina, Tennessee, West Virginia, Alabama and Louisiana.
  - ▶ Today we'll cover some trends and observations for markets in the Southeast:
    - ▶ Charlotte, North Carolina
    - ▶ Nashville, Tennessee
    - ▶ Memphis, Tennessee



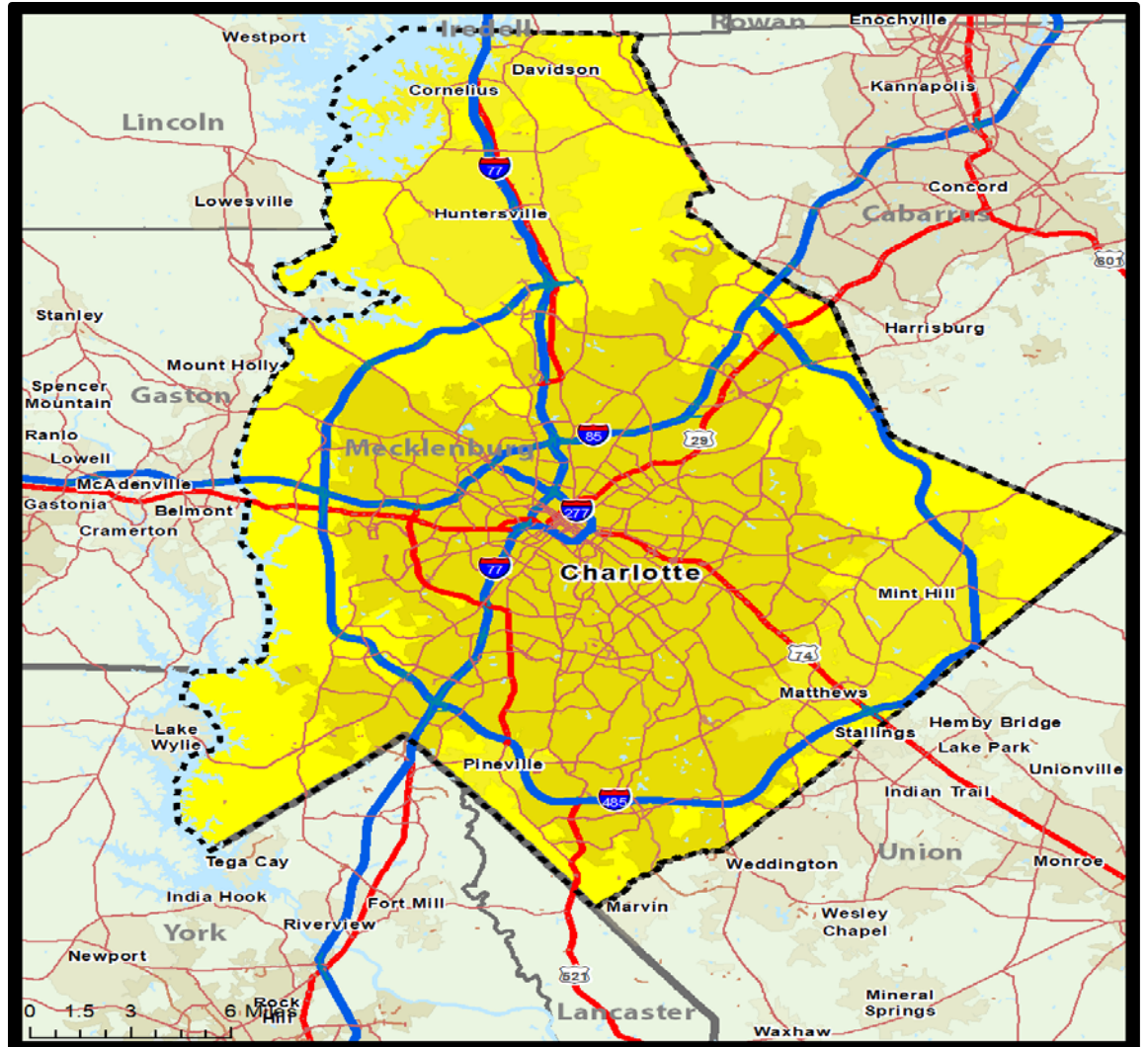
# Charlotte (Mecklenburg County), North Carolina

- ▶ Growth is creating both challenges and opportunities for affordable housing



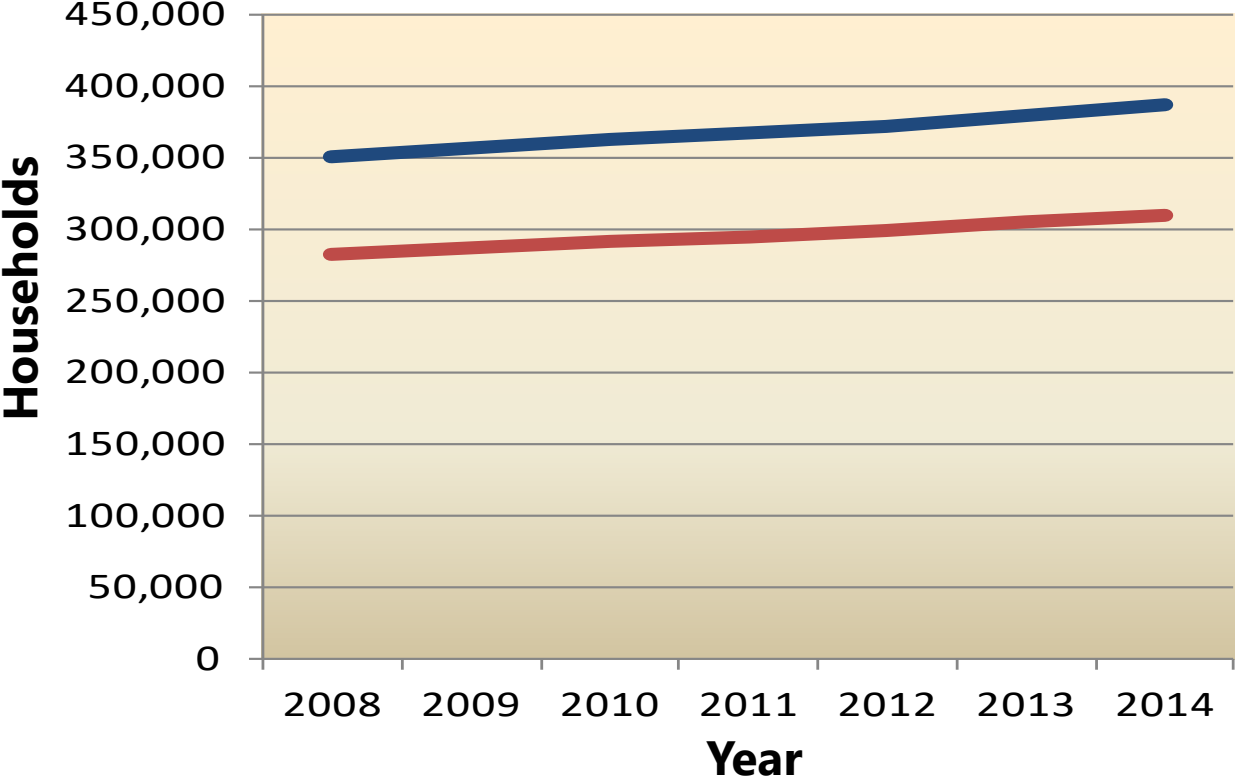
# Charlotte (Mecklenburg County), North Carolina

- ▶ 2018 Population
  - ▶ City: 872K
  - ▶ County : 1.1M
- ▶ 2010 Population
  - ▶ City: 740K
  - ▶ County: 927K





# Household Trends



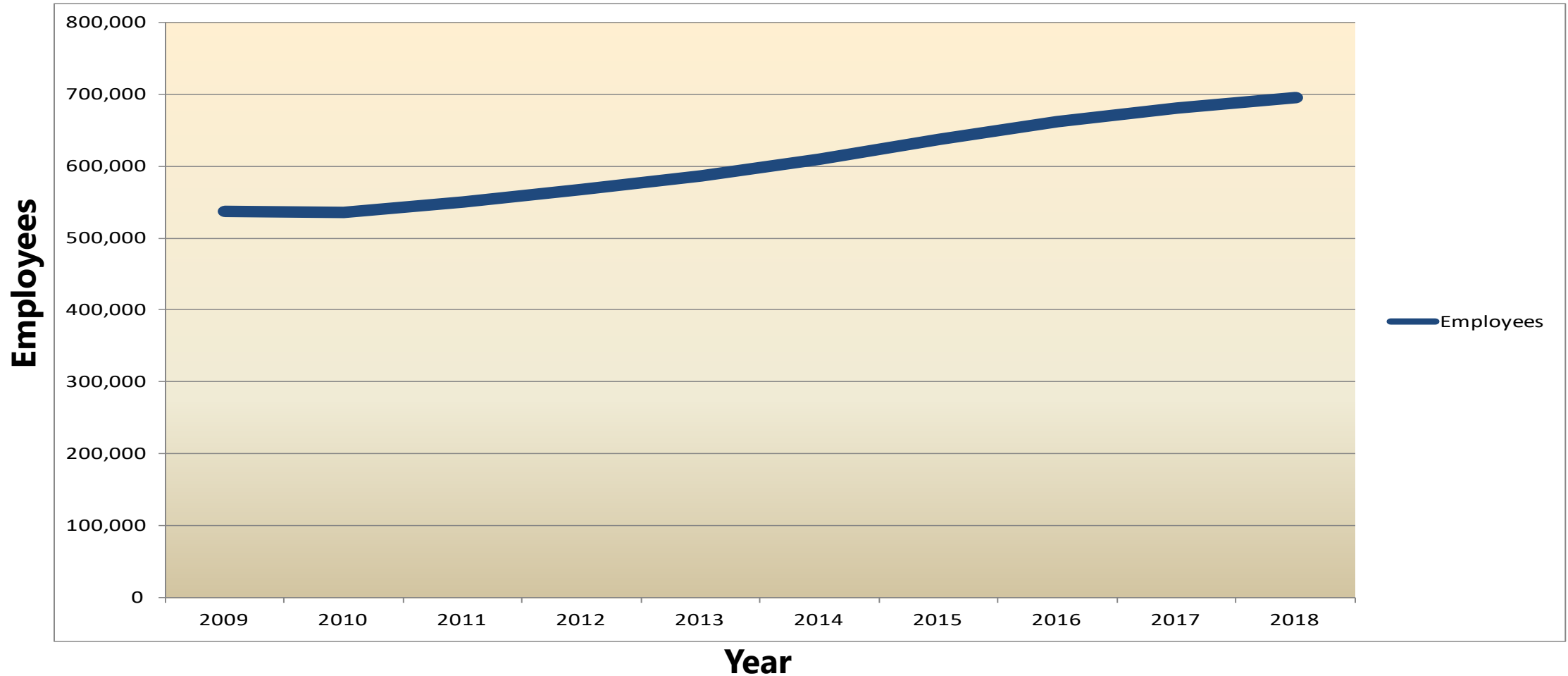
Year	State	Mecklenburg	Charlotte
2008	3,626,179	350,392	282,082
2009	3,664,119	356,833	287,302
2010	3,693,221	362,465	292,150
2011	3,715,565	366,689	295,223
2012	3,742,514	371,921	298,815
2013	3,775,581	379,786	305,488
2014	3,815,392	386,804	310,041

Source: 2010–2016 ACS

Mecklenburg  
Charlotte

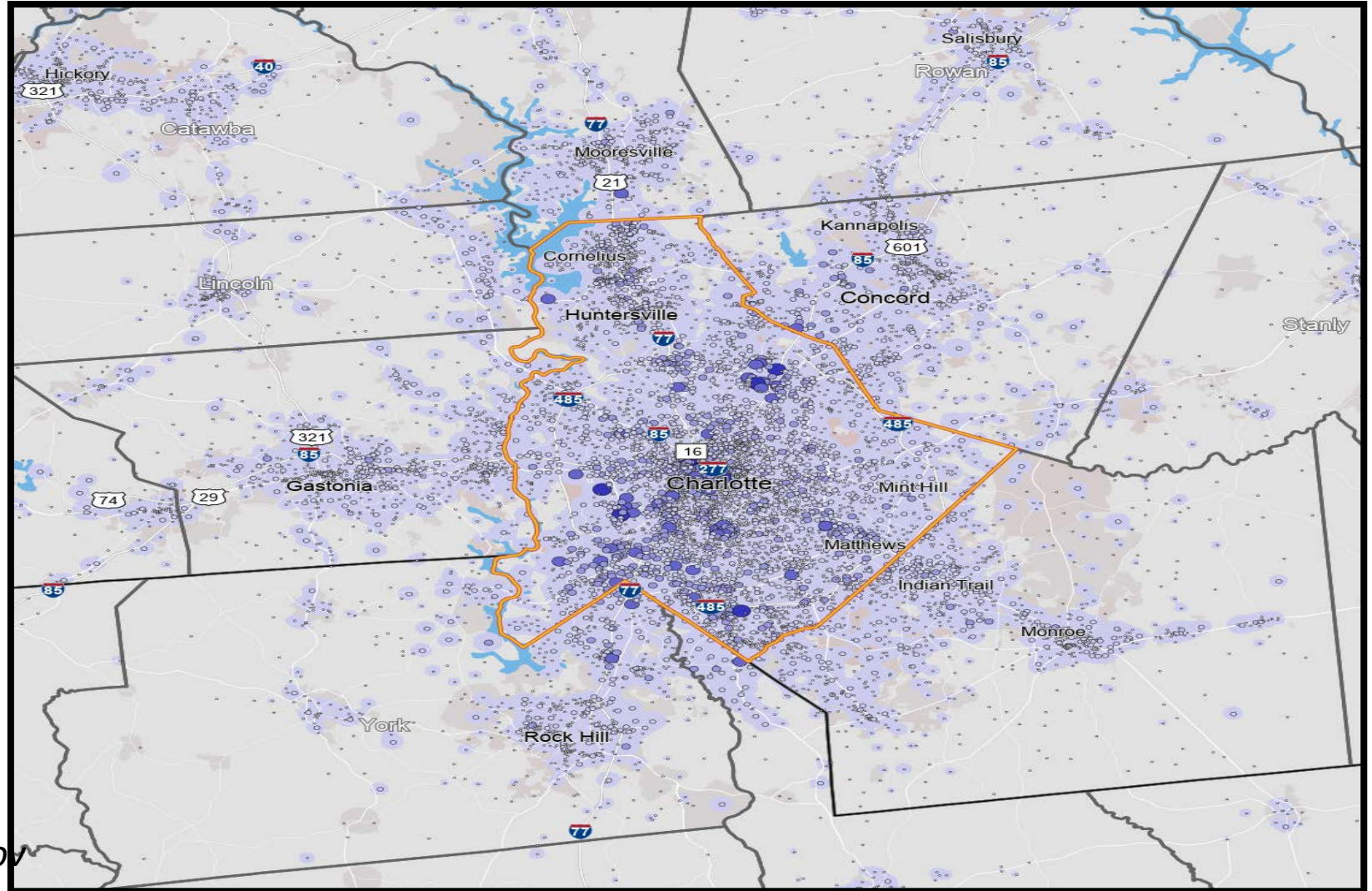
# At Place Employment for Mecklenburg County

## ► 8,923 New Jobs 2018-2019



# Where Workers in Mecklenburg County Live

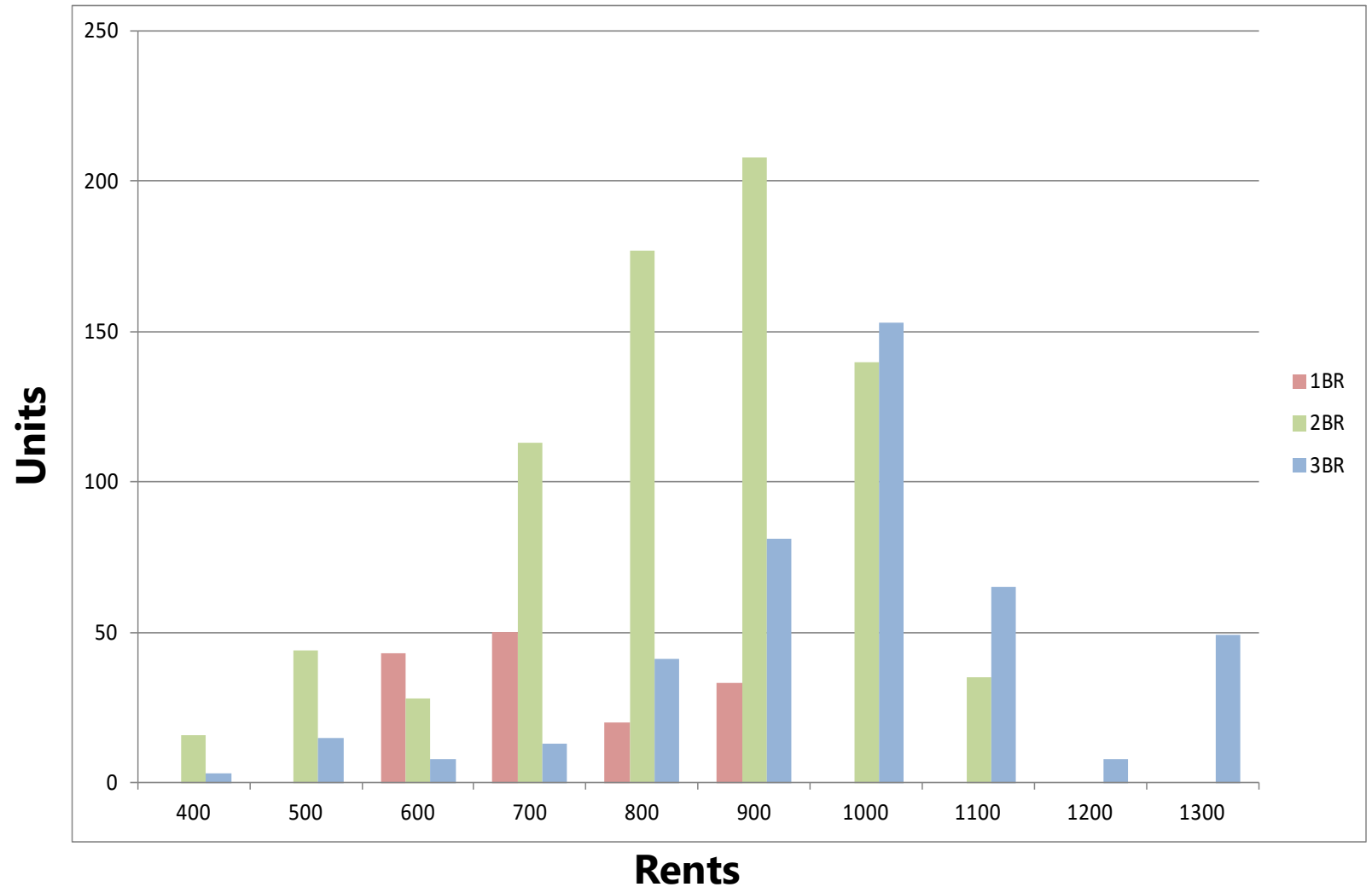
- ▶ Unemployment Rates are Stable
  - ▶ 2016: 4.7%
  - ▶ 2017: 4.3%
  - ▶ 2018: 3.7%



Source: [onthemap.ces.census.gov](http://onthemap.ces.census.gov)

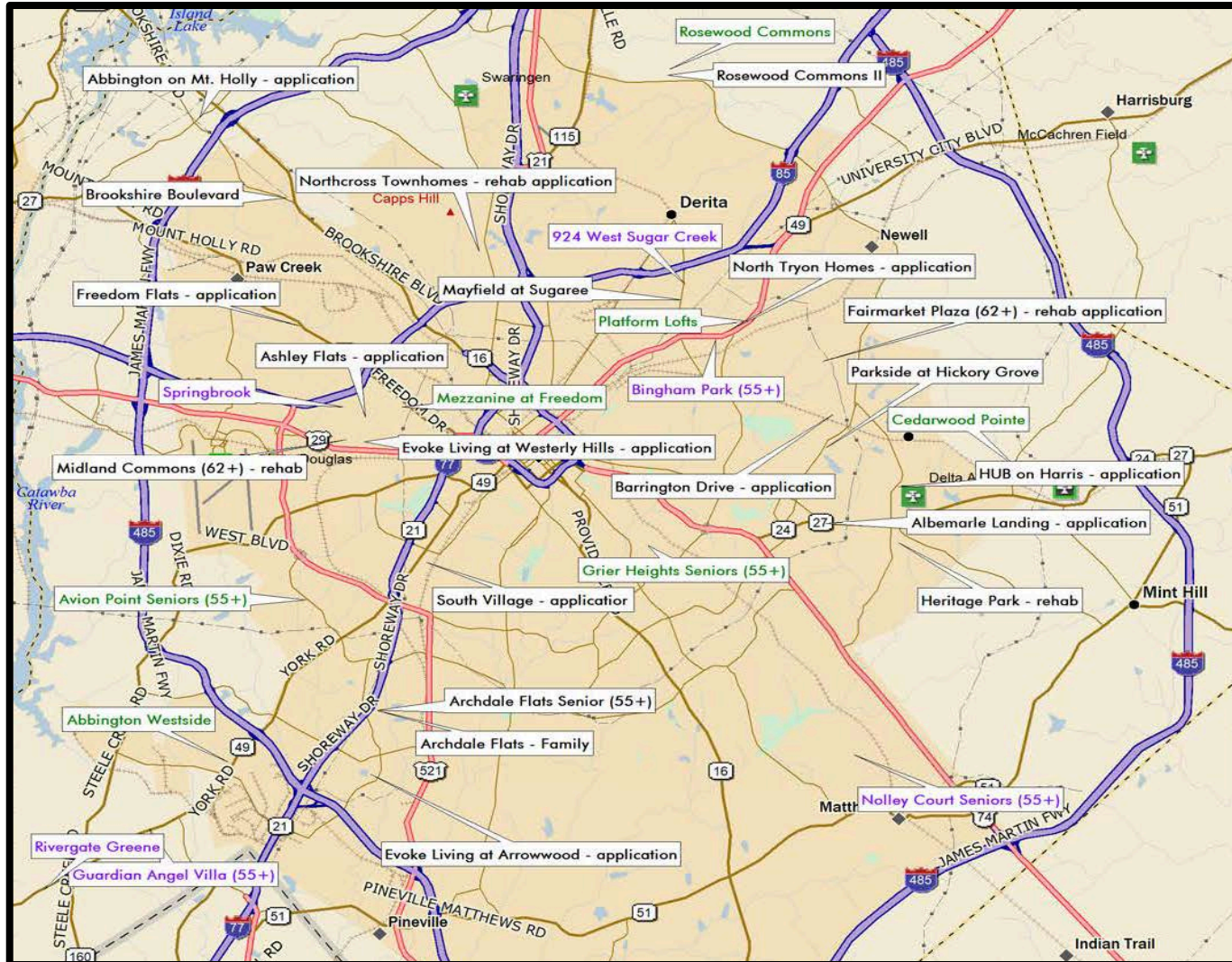
# Charlotte Existing LIHTC Rents

- ▶ 1,296 Units Surveyed
- ▶ 1.2% Vacancy Rate
- ▶ Median LIHTC Rents
  - ▶ 1BR: \$610
  - ▶ 2BR: \$748
  - ▶ 3BR: \$922



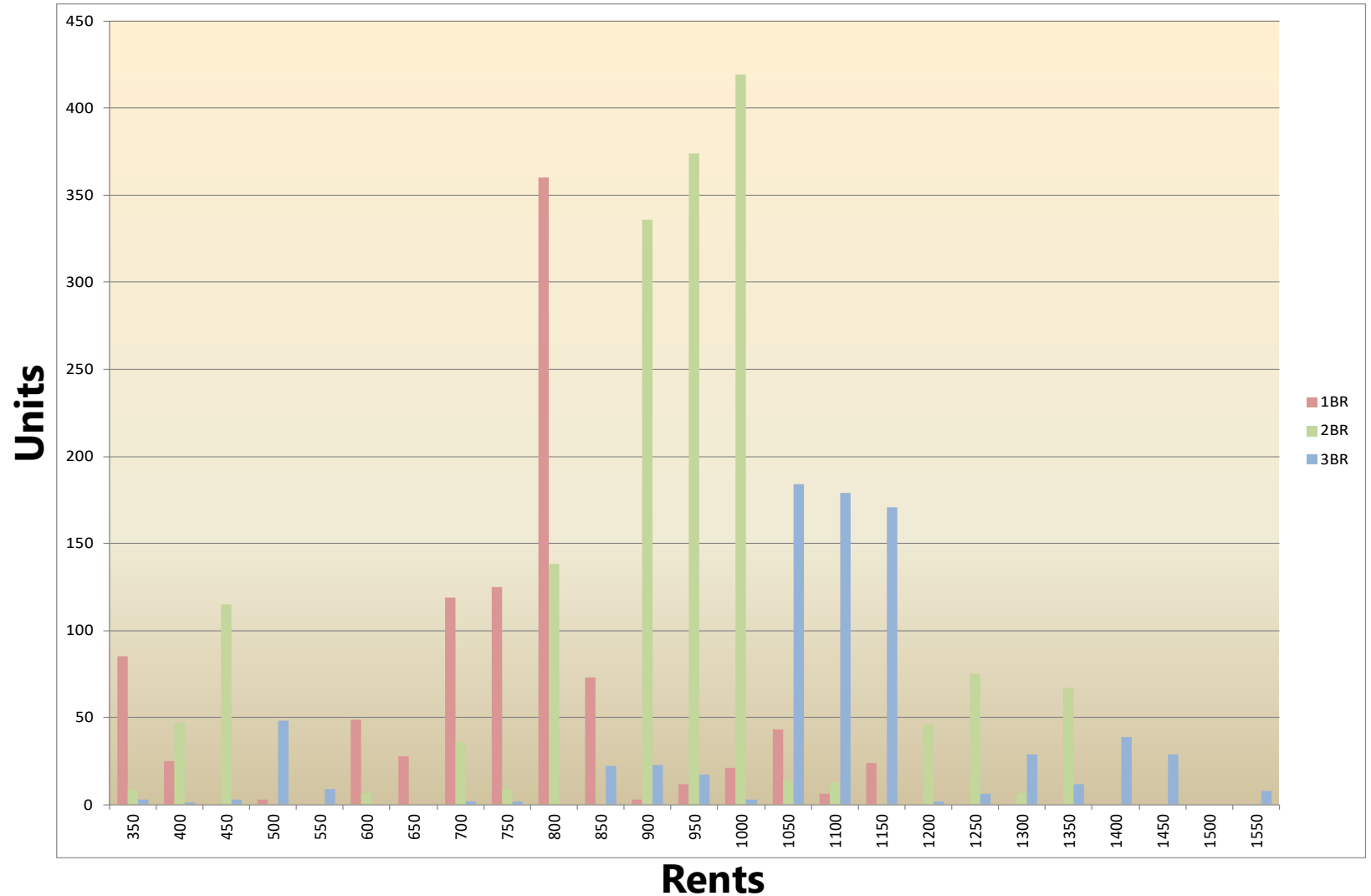


# Charlotte Pipeline



# Histogram of Charlotte Pipeline Rents

- ▶ Pipeline Units by AMI
  - ▶ 375 at 30%
  - ▶ 178 at 50%
  - ▶ 2,563 at 60%
  - ▶ 108 at 70%
  - ▶ 290 at 80%
  - ▶ 69 Unrestricted



## Need for Affordable Housing in Charlotte

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- ▶ Daily public discussion on NPR and local news outlets
- ▶ \$50M Bond to support affordable housing passed in 2018
- ▶ Pillar of mayor's platform
  - ▶ Push for existing stock to remain affordable as opposed to converting to market rate
- ▶ Balancing the needs of affordable vs. high-end development is a challenge for the future



## Income Averaging

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- ▶ Income averaging expands the tenant pool
- ▶ Units targeting 70% and 80% AMI households are critical for households with incomes too high for traditional LIHTC units but too low for market rents
- ▶ There is a huge need for 30% and 40% units





# Gentrification

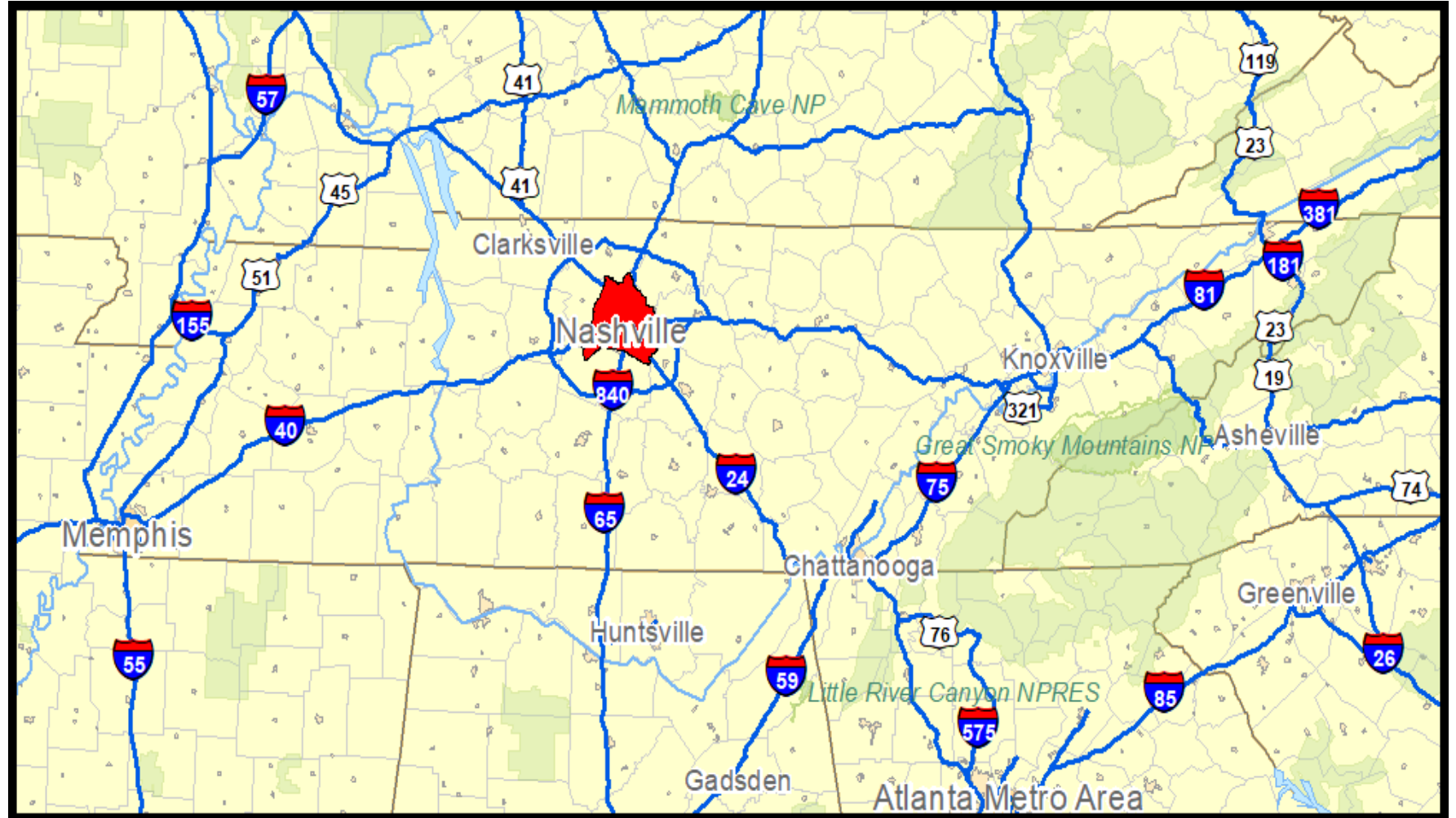
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- ▶ Many older market-rate properties had rents this summer that were double what they were when surveyed in 2010
- ▶ Find ways to keep people in their neighborhoods
- ▶ Affordable housing development along light rail system
- ▶ More dense, transit-oriented development



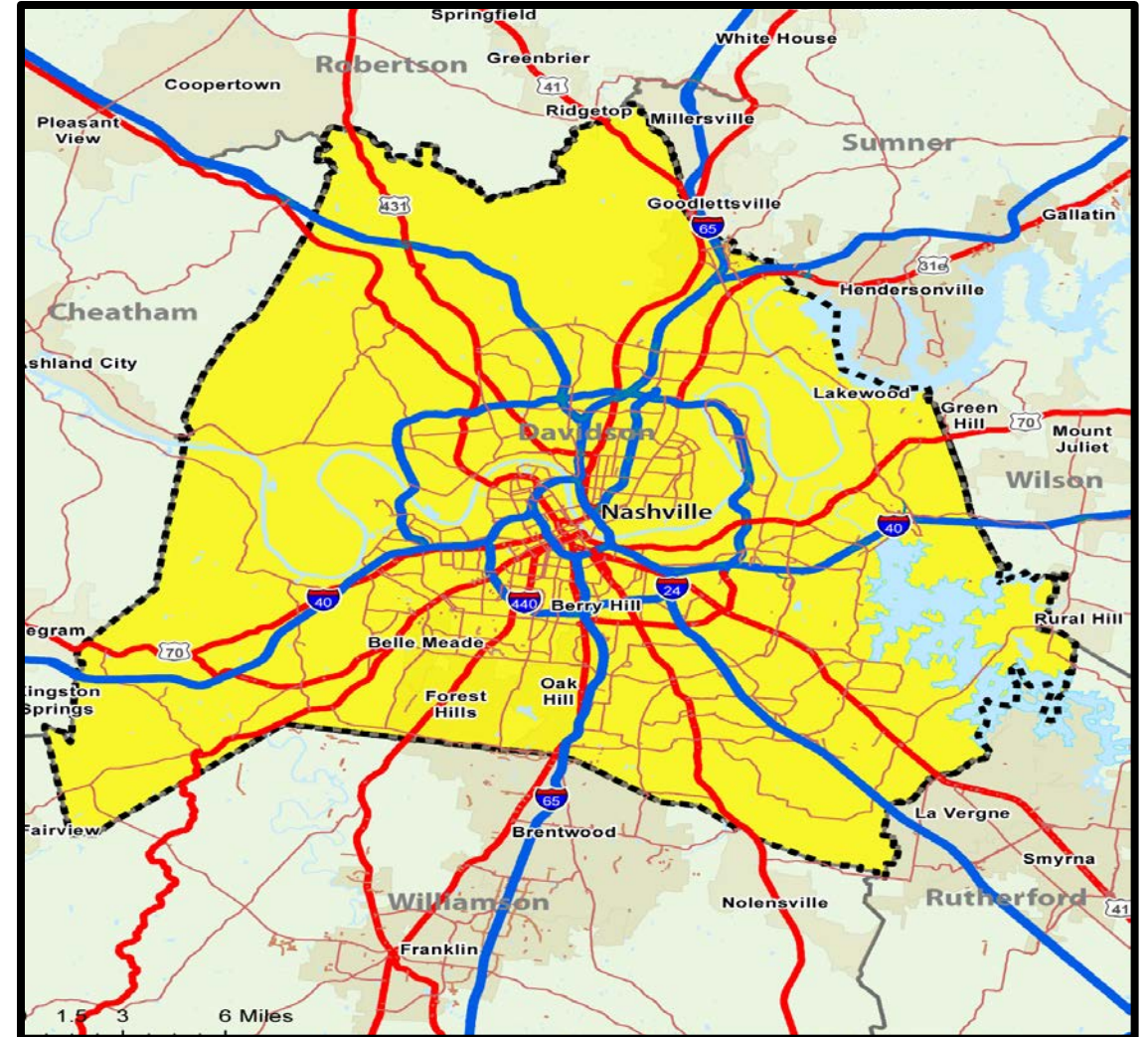
# Nashville (Davidson County), Tennessee

- ▶ Due to growth and development, Nashville is facing many of the same challenges and opportunities as Charlotte

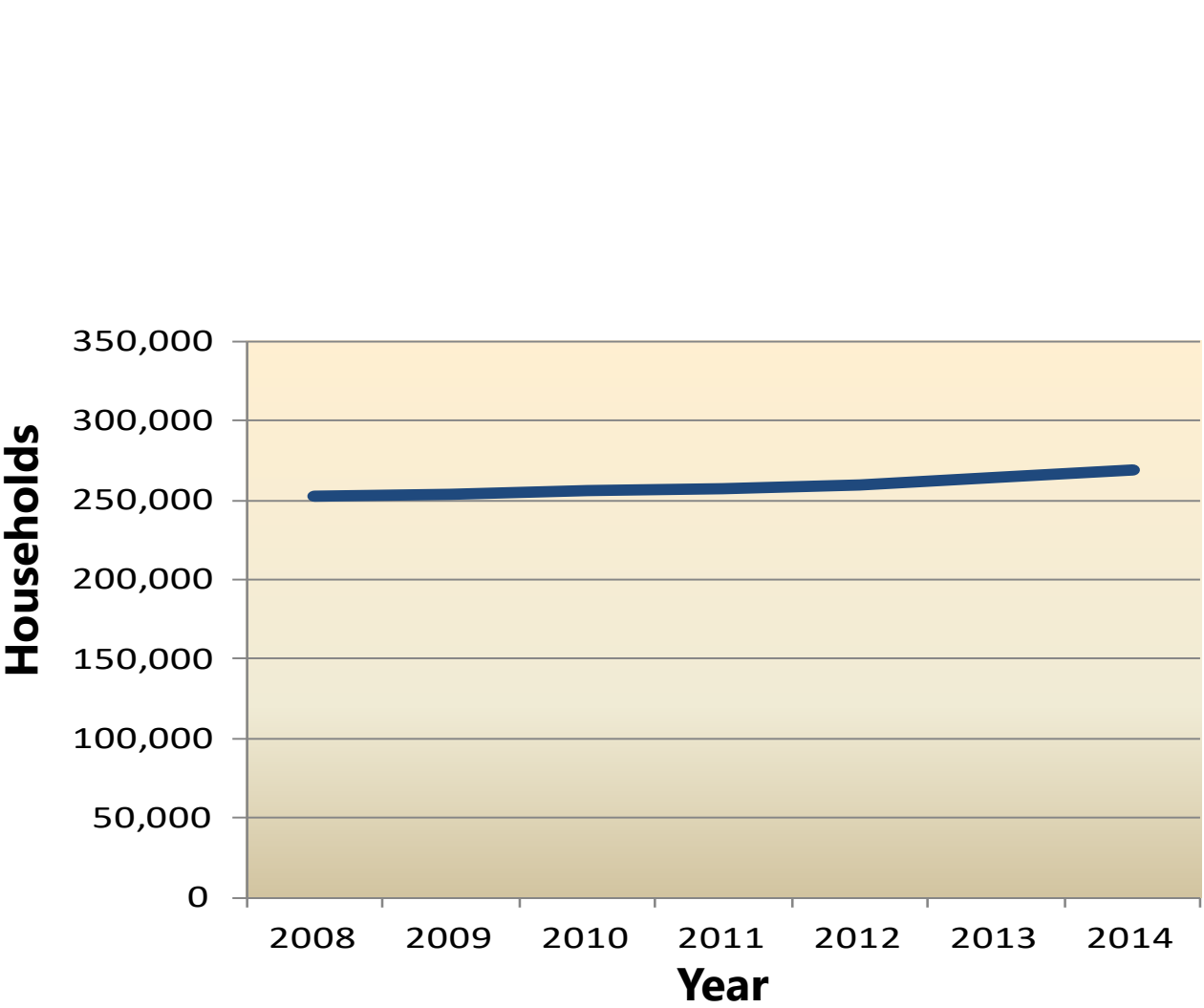


# Nashville (Davidson County), Tennessee

- ▶ 2018 Population
  - ▶ City: 660K
  - ▶ County : 693K
- ▶ 2010 Population
  - ▶ City: 605K
  - ▶ County: 629K



# Household Trends



Year	State	Nashville-Davidson
2008	2,443,475	252,477
2009	2,457,997	254,111
2010	2,468,841	255,887
2011	2,475,195	256,745
2012	2,487,349	259,557
2013	2,504,556	264,211
2014	2,522,204	269,078

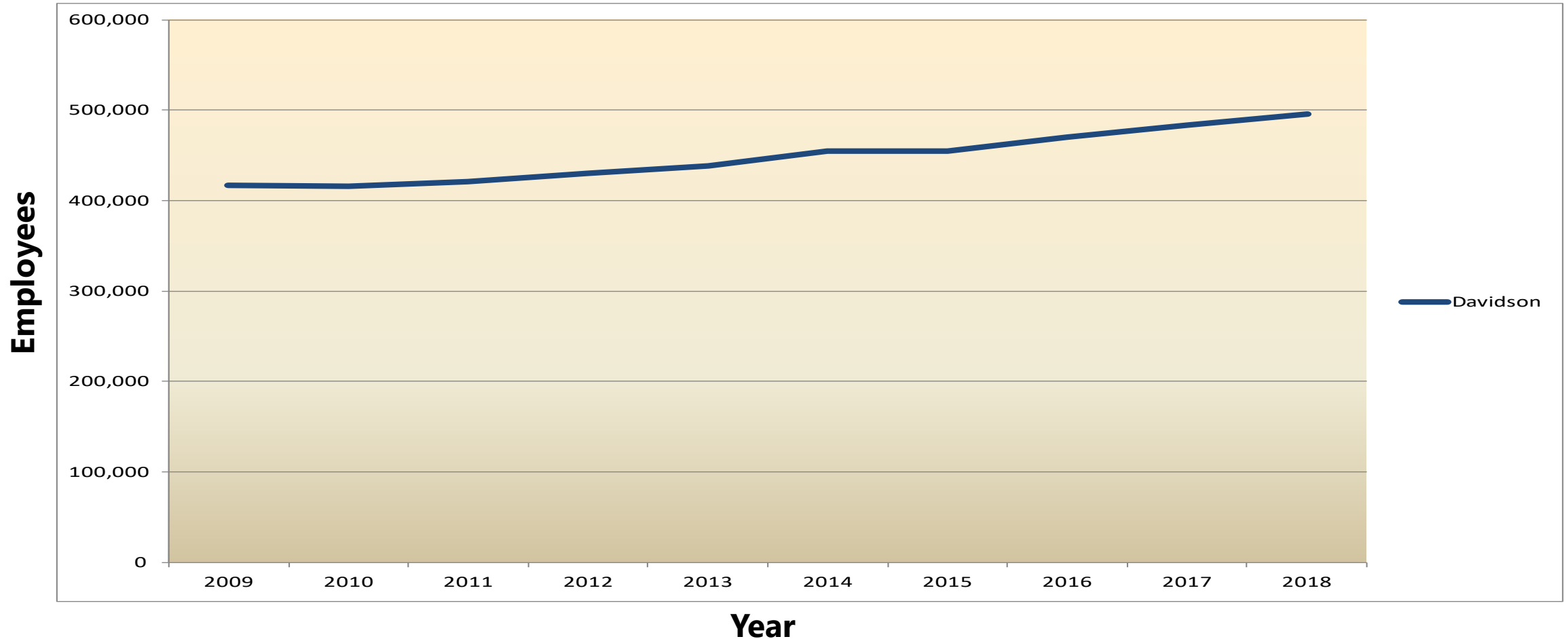
Source: 2010—2016 ACS

Nashville-Davidson



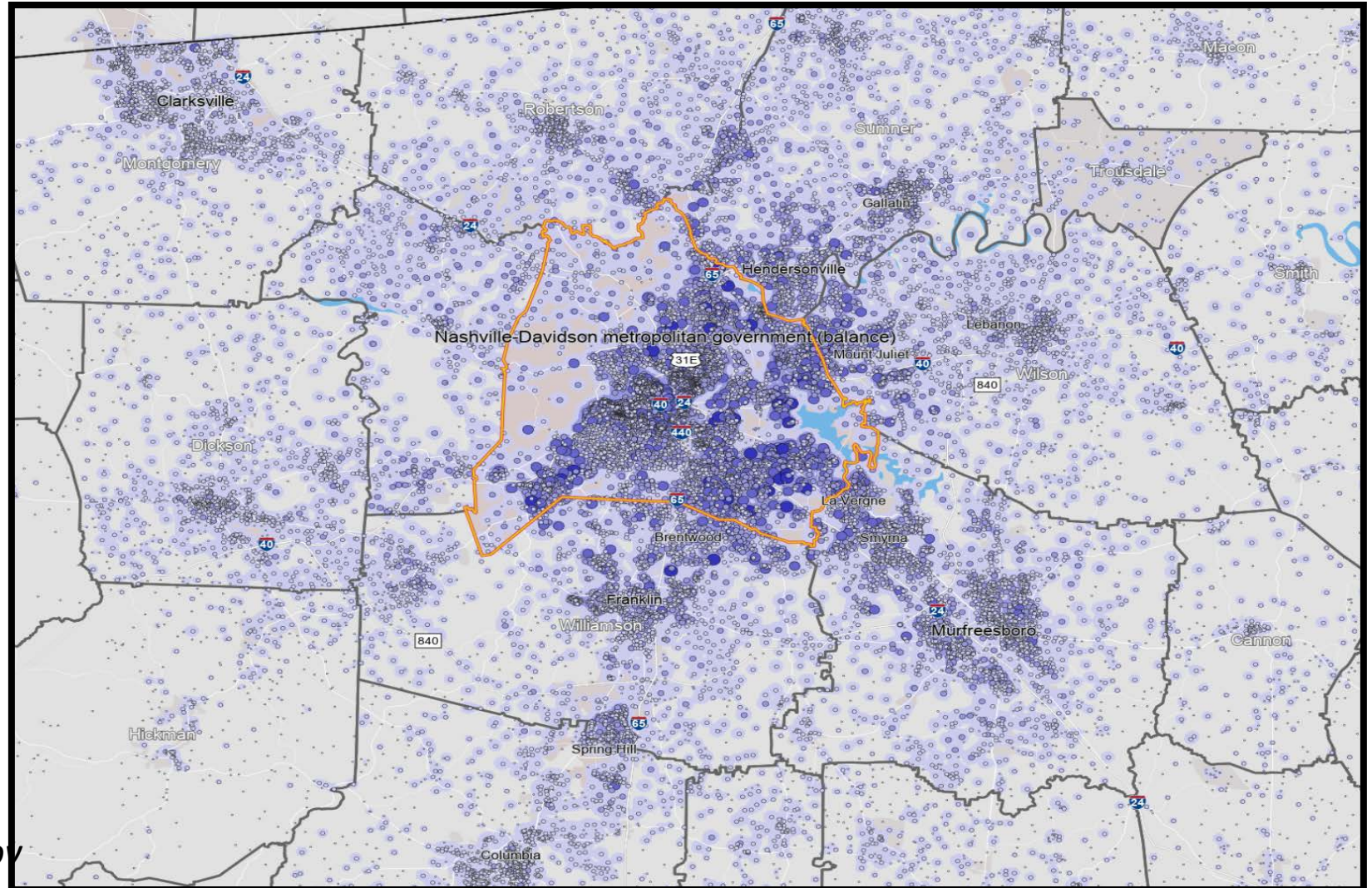
# At Place Employment for Davidson County

## ► 9,998 New Jobs 2018-2019



# Where Workers in Davidson County Live

- ▶ Unemployment Rates are Good
  - ▶ 2016: 3.6%
  - ▶ 2017: 2.8%
  - ▶ 2018: 2.6%



Source: [onthemap.ces.census.gov](http://onthemap.ces.census.gov)

# Nashville LIHTC Market & Pipeline

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- ▶ 3,163 LIHTC Units Surveyed
- ▶ 34 Properties
- ▶ 0.2% Vacancy Rate
- ▶ Median LIHTC Rents
  - ▶ 1BR: \$764
  - ▶ 2BR: \$913
  - ▶ 3BR: \$1,048
- ▶ Nashville pipeline is not as full as Charlotte
- ▶ Less use of income averaging thus far
- ▶ Gentrification and finding a balance for affordable housing is a challenge



# Memphis (Shelby County), Tennessee

- ▶ Losing population despite redevelopment and some growth
- ▶ Demand is strong due to existing rent overburden
- ▶ 0.8% vacancy rate

2019-2024 USA Population Growth

Tract

