HOUSING NEEDS ASSESSMENT

Macon County, North Carolina

BOWEN NATIONAL RESEARCH

2024

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Note: For-sale housing data provided upon request.

I. INTRODUCTION

A. PURPOSE

Macon County, North Carolina retained Bowen National Research in December of 2023 for the purpose of conducting a Housing Needs Assessment of Macon County, North Carolina and its municipalities.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for the local government, stakeholders and its citizens to understand the current market conditions and projected changes that are anticipated to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of present-day Macon County.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of major housing components within the market (for-sale/ownership and rental housing alternatives).
- Evaluate ancillary factors that affect housing market conditions and development (e.g., transportation analysis, community services, residential blight, development opportunities, development costs, government regulations, and special needs populations). Additionally, resources that could contribute to the development and preservation of housing within the county are also reviewed (e.g., identification of potential developer/investor partners and identification of housing programs).
- Provide housing gap estimates by tenure (renter and owner) and income segment.
- Collect input from community members including area stakeholders, employers, and residents/commuters in the form of online surveys.
- Provide an overview of three individual areas within the county which includes select demographic, economic and housing data.

By accomplishing the study's objectives, government officials, area stakeholders, and area housing advocates can: (1) better understand the county's evolving housing market, (2) establish housing priorities, (3) modify, expand, or introduce local government housing policies, and (4) enhance and/or expand the county's housing market to meet current and future housing needs.

B. GEOGRAPHIC SCOPE

Study Area Delineation

The primary geographic scope of this study is Macon County, North Carolina. Additionally, supplemental data and analysis are provided for the Franklin Extra-Territorial Jurisdiction (ETJ) Submarket, the Highlands/Flats Submarket, and the balance of Macon County. A full description of the market areas and corresponding maps are included in Section III.

II. EXECUTIVE SUMMARY

The purpose of this report is to evaluate the housing needs of Macon County, North Carolina and to recommend priorities and strategies to address such housing needs. To that end, we have conducted a comprehensive Housing Needs Assessment that considered the following:

- Demographic Characteristics and Trends
- Economic Conditions and Initiatives
- Existing Housing Stock Costs, Performance, Conditions and Features
- Community Input (via Online Surveys of Stakeholders, Employers, and Residents/Commuters)
- Submarket Analysis for the Franklin Extra-Territorial Jurisdiction (ETJ) and the Highlands/Flats area, as well as the balance of Macon County (areas outside of the aforementioned submarket areas)

Based on these metrics and input, we were able to identify housing needs by affordability and tenure (rental vs. ownership). Using these findings, we developed an outline of strategies that could be considered for implementation. This Executive Summary provides key findings and recommended strategies. Detailed data analysis is presented within the individual sections of this Housing Needs Assessment.

Geographic Study Areas

This report focuses on the Primary Study Area (PSA), which consists of Macon County, North Carolina. *Note that the terms "PSA" and "Macon County" represent the same area and are used interchangeably throughout this report.* Additionally, supplemental data and analysis are provided for the Franklin ETJ, Highlands/Flats, and Balance of Macon County submarkets. A separate individual analysis of the town of Franklin was also included in Addendum D of this report.

The following summarizes the various study areas used in this analysis.

Primary Study Area – The Primary Study Area (PSA) includes the entirety of Macon County.

Submarkets – The Primary Study Area has been divided into select submarkets. Note that an overview analysis of each submarket is included in this study as an addendum (Addendum D through Addendum F). The submarkets are delineated as follows:

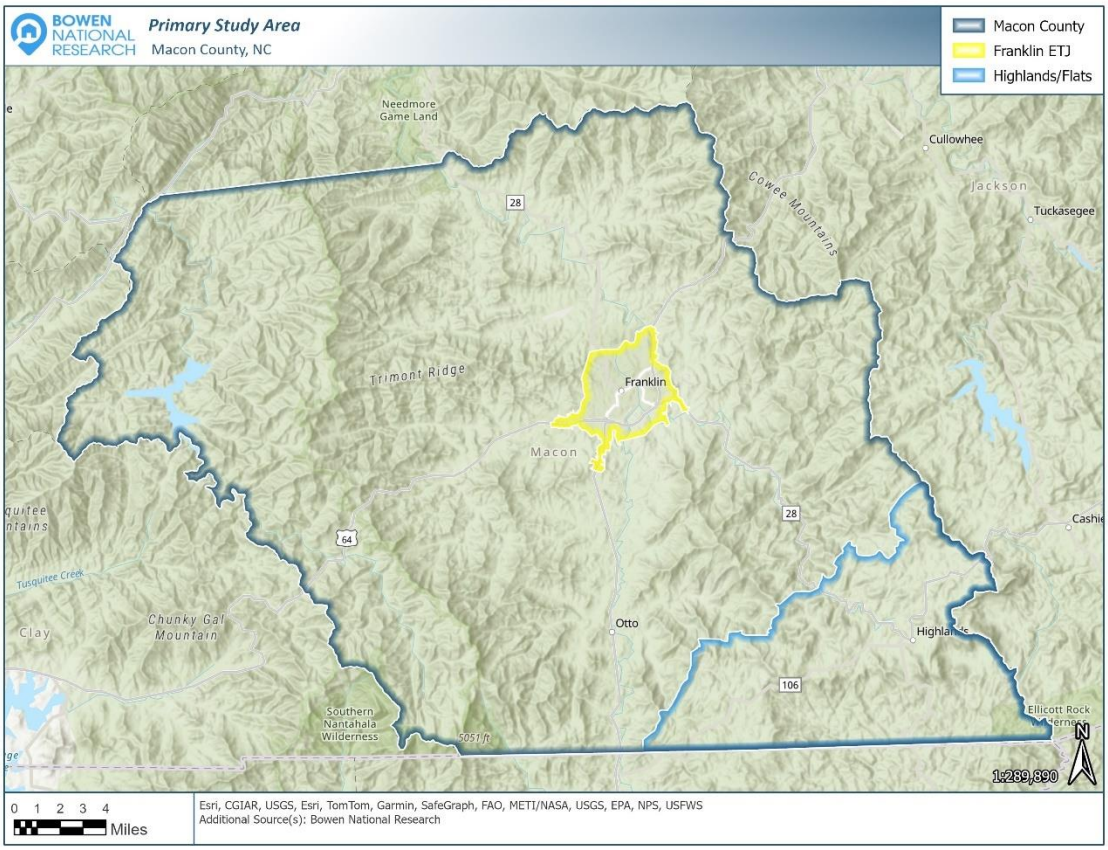
- Franklin: This submarket is comprised of the Franklin town limits. *Note that Franklin is not included within the county-wide portion of the study, but an overview analysis of the town of Franklin is included as a supplementary addendum. (Addendum D)*

- Franklin ETJ Submarket: This submarket includes the town of Franklin and its Extra-Territorial Jurisdiction (ETJ), which is an area that extends beyond the town limits in which the Town can exercise land use and zoning regulations. (Addendum E)

- Highlands/Flats Submarket: This submarket includes the town of Highlands, Highlands Township and Flats Township. (Addendum F)

Balance of County – The Balance of County is comprised of the area that is outside the Franklin ETJ Submarket and Highlands/Flats Submarket but within the Macon County boundary.

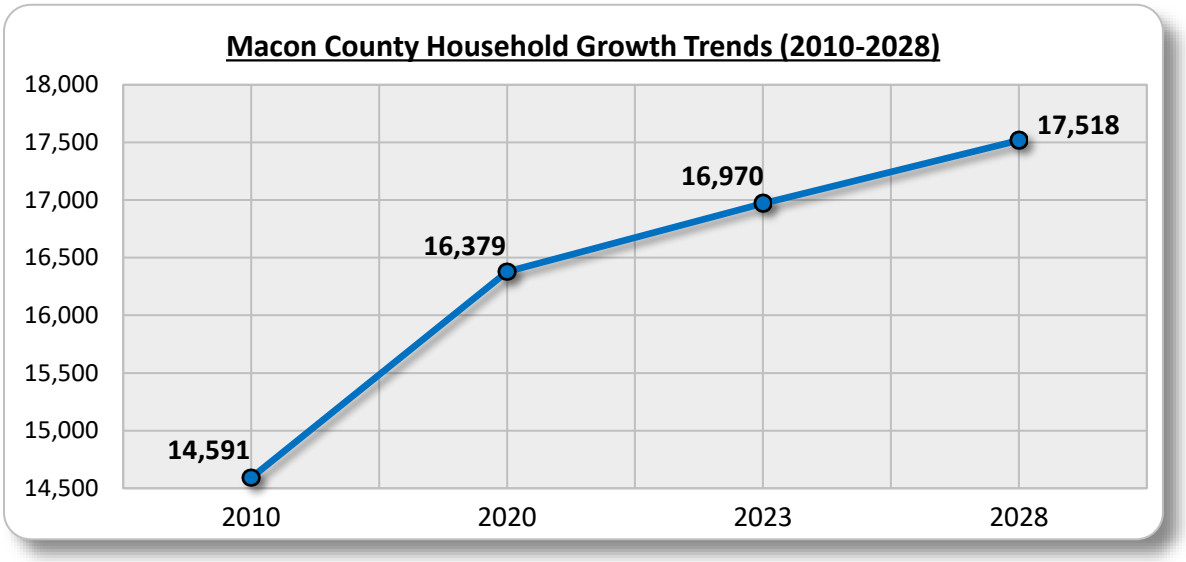
A map of the PSA and the various submarket areas is shown on the following page.

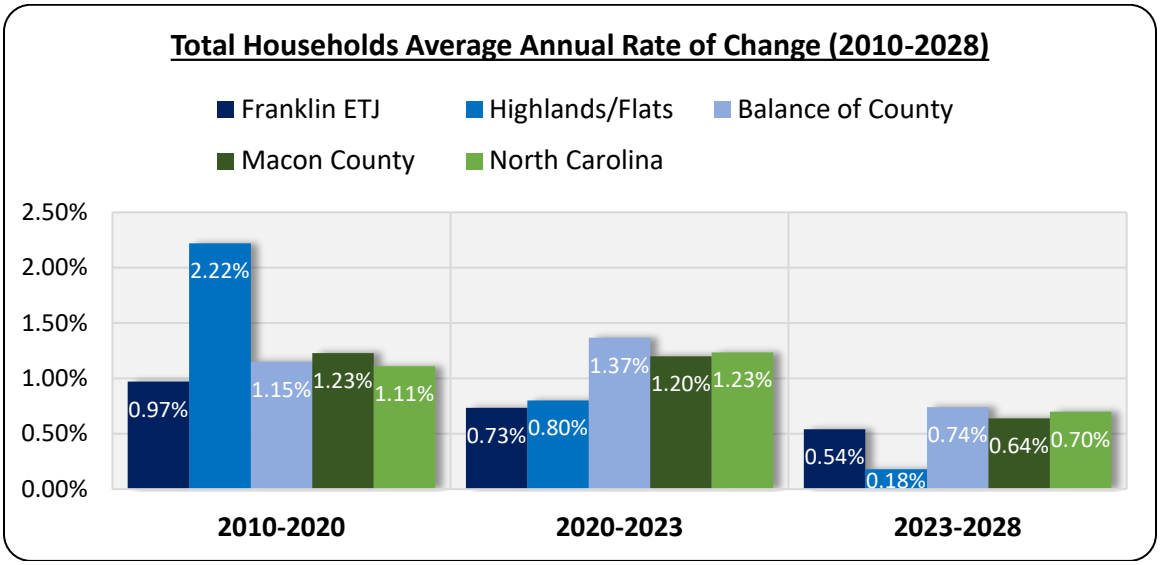


Demographics

The PSA (Macon County) household base has steadily increased since 2010, a trend which is projected to continue through 2028. Between 2010 and 2020, the number of households within the PSA increased by 1,788, or 12.3%, which is a higher growth rate than that experienced statewide (11.1%) during this same time period. Since 2020, the county household base has increased by 591, or 3.6%, and is projected to continue to increase by 548, or 3.2%, between 2023 and 2028. These rates are similar to statewide growth rates during these time periods and are good

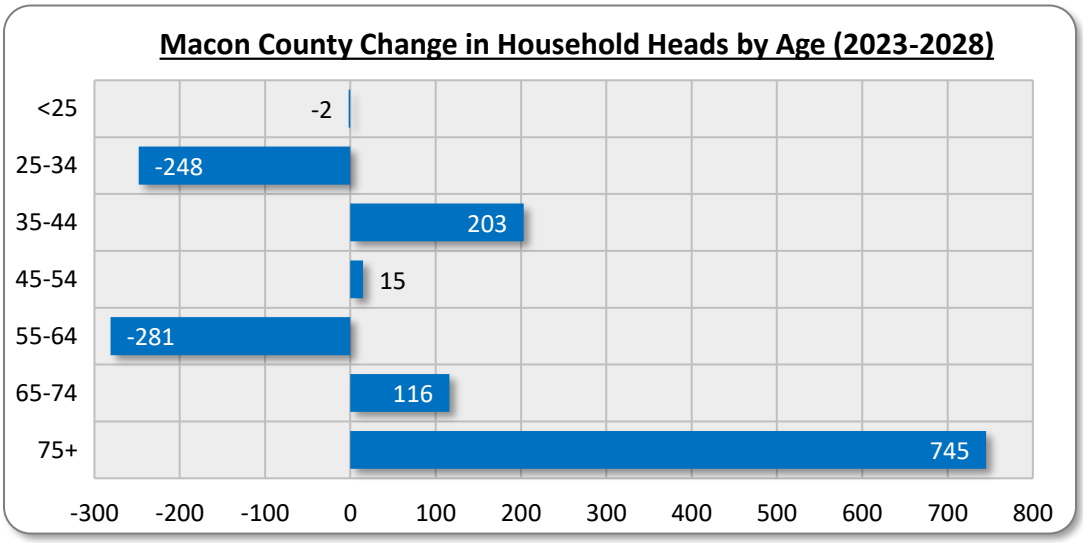
indications of a steadily expanding household base within the county for the foreseeable future. Regarding the submarkets, all have experienced recent household growth, which is projected to continue in the foreseeable future. The majority (71.4%) of the household growth within the county since 2010 occurred within the Balance of County. This trend is projected to continue through 2028 as the Balance of County will comprise approximately 83.0% of all household growth within Macon County between 2023 and 2028. The continued household growth is expected to contribute to ongoing housing demand throughout the county.



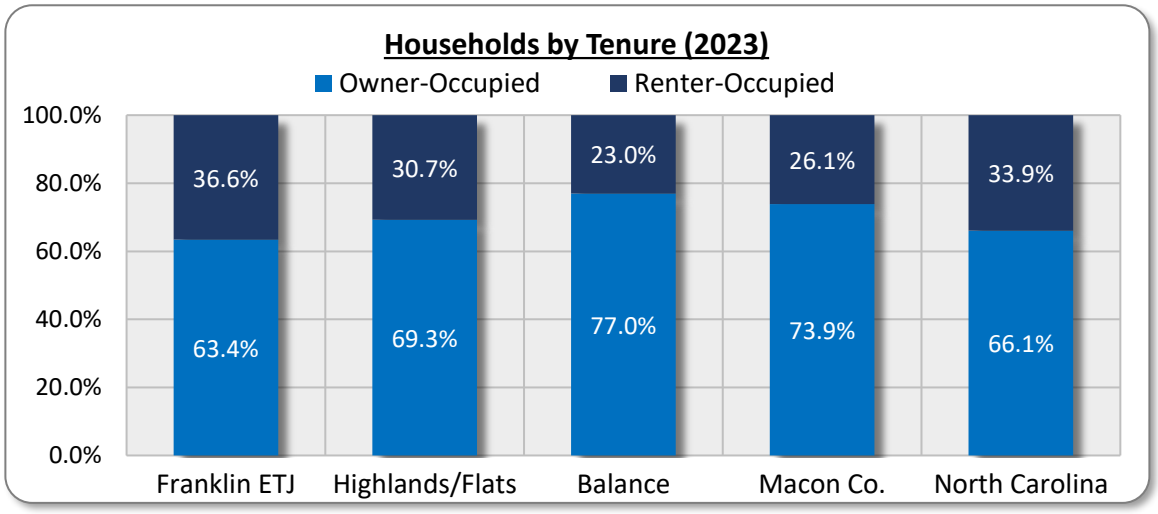


While households are projected to increase within Macon County between 2023 and 2028, household growth or decline alone does not dictate the total housing needs of a market. Other factors that influence housing needs, which are addressed throughout this report, include: households living in substandard or cost-burdened housing, commuting patterns, pent-up demand (e.g., wait lists), availability of existing housing, and product in the development pipeline.

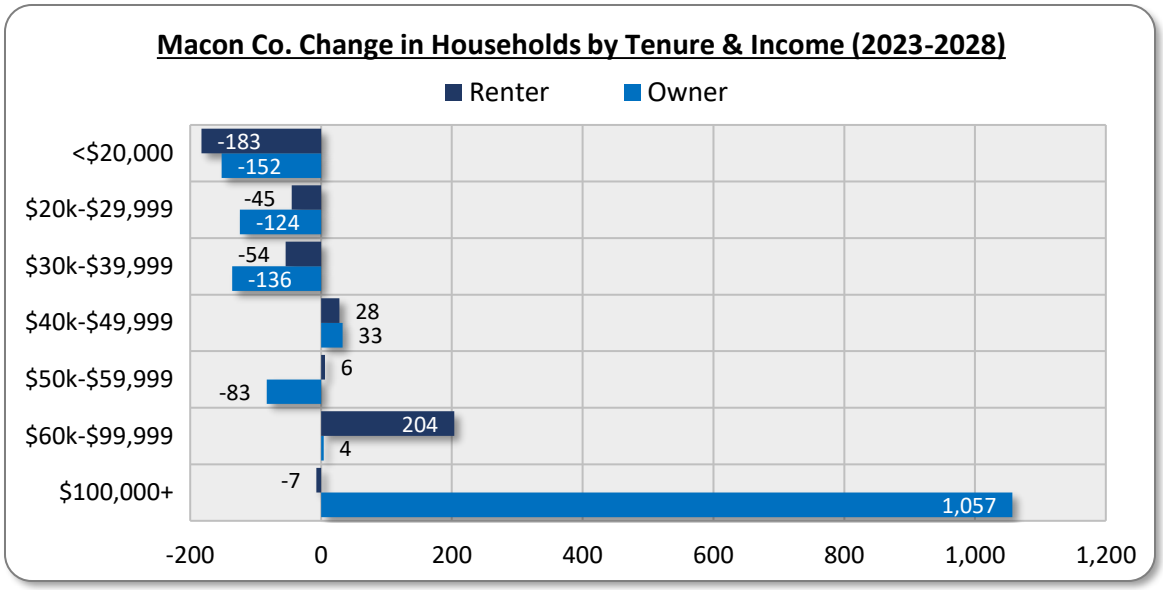
Household growth concentrated among households between the ages of 35 and 54 and those aged 65 and older will contribute to ongoing demand for family and senior-oriented housing alternatives within Macon County. Between 2023 and 2028, households aged 75 and older are projected to experience the greatest growth, increasing by 745 (22.9%). While growth among senior households will be primarily concentrated among those aged 75 and older, growth is also projected for the 65 to 74 age cohort. In total, seniors (aged 65 and older) are projected to increase by 861 (11.6%) between 2023 and 2028. Good growth is also projected to occur among younger households aged 35 to 54, with the majority of this growth projected to be concentrated among households aged 35 to 44. Specifically, households aged 35 to 44 are projected to increase by 203 (10.7%) between 2023 and 2028, representing more than 93.0% of the household growth projected for the 35 to 54 age cohort during this time period. Despite the notable growth projected for area senior households, more than half (52.9%) of all households within Macon County are projected to be under the age of 65 through 2028, indicative of ongoing demand for family-oriented housing alternatives. However, when considering the projected growth among area seniors and the fact that nearly half (47.1%) of the overall household base is projected to be age 65 or older, senior-oriented housing alternatives should also be a consideration when evaluating future housing needs within the county. While this is true of each submarket evaluated within this analysis, it is particularly true for the Highlands/Flats Submarket within which more than half (56.4%) of all households are projected to be age 65 or older and all household growth within this submarket is projected to be concentrated within this aforementioned age cohort. Additional details of the composition and projected household changes by age cohort for the county and submarkets can be found starting on page IV-15.



Owner households will continue to heavily influence the Macon County housing market for the foreseeable future, though a good base of support for rental product will also continue to exist. In 2023, nearly three-quarters (73.9%) of Macon County households were owners. This share is projected to increase to 75.0% through 2028 as the number of such households is projected to increase by 601 (4.8%) while the number of renter households is projected to decline slightly between 2023 and 2028. Despite the projected decline in renter households, more than 4,300 such households are projected to remain in Macon County through 2028. Given the lack of *available* multifamily rentals and the wait lists for such product, as well as considering the fact that roughly 60% of in-commuters earn less than $40,000 annually, there appears to be an ongoing need for rental housing in the market. Similar to the overall county, each submarket is also comprised primarily of owner households, though it is of note that the Franklin ETJ Submarket reports the highest share (36.6%) of renter households among the submarkets. This share of renter households is also considerably higher than that reported for Macon County (26.1%) indicating that rental housing is more prevalent within the Franklin ETJ Submarket as compared to other areas throughout the county.



Despite growth projections among moderate to higher-income households (renter and owner), demand will continue to exist for affordable housing alternatives within Macon County. Between 2023 and 2028, *renter* household growth is projected to be concentrated among households earning between $40,000 and $99,999. Comparatively, *owner* household growth is projected to be primarily concentrated among households earning $100,000 or more, though some growth will also occur among owners earning between $40,000 and $49,999 and those earning between $60,000 and $99,999. While this growth will likely contribute to demand for moderate to higher-priced rental and for-sale product, it is notable that more than half (51.6%) of all renter households and 26.6% of owner households within the county are projected to earn less than $40,000 in 2028. Thus, it will be important to also give consideration to affordable housing alternatives when determining future housing development needs within the county. This will be particularly true in terms of rental product.



Additional demographic data and analysis are included in Section IV of this report.

Economy & Workforce

The Macon County economy has historically performed similar to that of the state of North Carolina in terms of total employment and unemployment rate figures and has experienced steady improvement since the impact of the pandemic in 2020. The economy in Macon County is heavily influenced by the healthcare/social assistance, retail, and accommodation/food service sectors, which collectively account for 46.0% of the employment by sector and include seven of the 10 largest employers within the county. Due to the natural outdoor attractions within Macon County, tourism is an important element within the local economy, with visitors spending approximately $350 million in 2023, an increase of nearly 4.0% over 2022 levels. This contributes to the higher-than-state-average employment shares within the accommodation/food services and retail trade sectors in the PSA. The tourism industry also contributes to numerous seasonal employment opportunities in the area, with peak employment levels typically occurring between May and October. Housing availability and affordability appear to be issues, particularly among the seasonal workforce, based on secondary data analysis and employer survey results. Overall, typical wages for most occupation types within the region are lower than wages at the state level, and housing affordability, particularly home ownership, is an issue for a significant share of individuals working within the most common occupations in the area. Total employment in the PSA, as of April 2024, has recovered to 105.4% of the 2019 level, while at-place employment (total jobs in the county regardless of the employee's county of residence) through 2023 is at 109.1% of the pre-COVID level. As such, the economy in the PSA has improved significantly during the past few years, and the annual unemployment rate through April 2024 is 3.3%, which is among the lowest recorded rates for the county since 2014. Ongoing or planned

economic development projects indicate continued economic growth within the county. These projects will create notable job growth, many with salaries anticipated to be above $90,000. In addition, nearly 4,000 individuals commute into the county daily for employment, more than 1,500 of which commute more than 50 miles one way. These commuters, particularly those commuting long distances, represent a notable base of potential support for future housing development. While this positive economic activity will contribute to the ongoing demand for housing in Macon County, it is important that an adequate supply of income-appropriate housing is available to capture new residents and retain existing residents, particularly those with lengthy commutes.

Additional economic data and analysis is included in Section V of this report.

Housing Supply

Despite the generally more affordable nature of the Macon County housing market as compared to the state of North Carolina, many households within the county remain cost burdened. The median home value ($222,341) and average gross rent ($891) levels reported for Macon County are 15.4% and 24.0% lower than those reported for the state of North Carolina. However, the median household income of $54,595 for the county is 17.1% lower than the statewide median household income of $65,852. This contributes to many households being housing cost burdened (paying more than 30% of their income toward housing costs) within the county. Specifically, 40.6% of renter households and 16.5% of owner households are cost burdened within Macon County. Although these shares are slightly lower than those reported for the state of North Carolina, it is notable that approximately 1,800 renter households and nearly 2,100 owner households within the county are cost burdened. Of these, approximately 891 renter households and 990 owner households are *severe* housing cost burdened (paying 50% or more of their income toward housing costs). Overall, this data illustrates the importance of affordable rental and for-sale housing for the residents of Macon County.

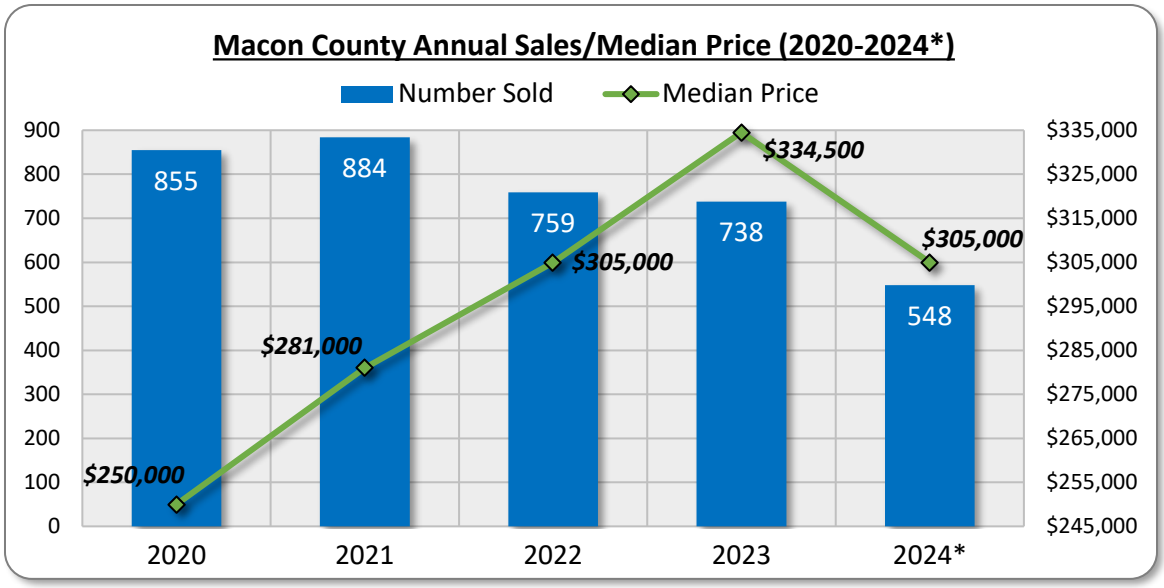
Lack of availability among existing multifamily properties leaves many potential Macon County renters waitlisted, demonstrating significant demand for traditional multifamily rental product. A total of eight existing multifamily properties containing a total of 316 units were surveyed within Macon County, all of which are 100.0% occupied (0.0% vacancy rate). All eight of the multifamily properties surveyed also maintain waiting lists which range from 15 to 170 households or up to one year in duration. It is also notable that the eight properties surveyed are comprised of various property types ranging from government-subsidized to market-rate properties. Thus, the strong occupancy rates and extensive waiting lists maintained demonstrate strong and pent-up demand for multifamily product across various affordability levels within the county. Additional details of the surveyed multifamily properties are included in this report starting on page VI-8.

Typical of many rural markets, non-conventional rental units, such as houses, duplexes and mobile homes, dominate the overall rental housing market within Macon County but also have limited availability. Non-conventional rentals with four or fewer units per structure and mobile homes comprise the vast majority of the local rental housing market, as they represent 84.3% of rental units in Macon County. This is a significantly larger share of non-conventional rentals as compared to the share for the state (62.6%). During May and June 2024, Bowen National Research identified seven non-conventional rentals in Macon County that were listed as *available* for rent. When compared to the overall non-conventional inventory of the PSA (3,835 units), these seven units represent an overall vacancy rate of 0.2%, which is considered very low. As nearly all of these available non-conventional rentals are within the Balance of County, the vacancy rate in the Franklin ETJ Submarket (0.1%) is extremely low, and no available units were identified in the Highlands/Flats Submarket. Even with six available units in the Balance of County, the vacancy rate is only 0.2% within the area, indicating a very limited supply of available non-conventional rentals. The available non-conventional rentals identified in Macon County have individual rents ranging from $895 to $2,800. Three-bedroom units, which comprise the largest individual share (71.4%) of the available units in the PSA, have median rents ranging from $2,200 (Balance of County) to $2,400 (Franklin ETJ Submarket). Based on this analysis and additional data contained within this report, the inventory of available non-conventional rentals is limited and typical rents for this product indicate that such housing is typically not a viable alternative for most lower income households in the county.

Seasonal/recreational units comprise a notable share of Macon County housing units and are particularly prevalent in the Highlands/Flats Submarket. The PSA (Macon County) is a popular tourist destination due to the number of parks, conservation areas, lakes, streams, highland terrain, and associated outdoor activities. As such, short-term vacation rentals and second homes comprise a notable share of the PSA housing market. Specifically, nearly one-third (30.5%) of all housing units within Macon County were classified as “seasonal/recreational” in 2020. Nearly 43.0% of all such housing units are concentrated in the Highlands/Flats Submarket which comprises the southeastern portion of Macon County. Notably, these seasonal/recreational housing units represent approximately 61.0% of all housing units within the Highlands/Flats Submarket. Comparatively, the Franklin ETJ Submarket and Balance of County report 9.4% and 24.8%, respectively, shares of seasonal/recreational housing units. Between 2010 and 2020, the number of seasonal/recreational housing units remained relatively constant throughout the county and within each of the submarkets. It is anticipated this trend will continue for the foreseeable future and that seasonal/recreational housing units will remain a primary factor impacting the overall housing market within Macon County, particularly in the Highlands area.

Lack of available rental product creates challenges for seasonal workforce and area employers. As indicated throughout this report, Macon County is heavily impacted by the tourism industry, both economically and in terms of housing. Notably, a total of more than 1,700 jobs, or 14.5% of the total employment base within Macon County, are tourism oriented. This is a considerably higher share of such jobs than that reported for the state of North Carolina (4.7%). While it is unknown specifically how many of these jobs are seasonal, some of the larger tourism-oriented employers in Macon County indicated through a survey of employers that approximately 38.0% of their workforce is seasonal. Many of the tourism-oriented employers are located in the Highlands/Flats Submarket and according to these employers, the peak months for this workforce segment are between May and October. Within the region, it was determined that most tourism-oriented occupations provide wages which are typically conducive to rental rates below $900. Similarly, tourism-oriented employers which participated in our Employer Survey indicated that ideally rental housing, which could accommodate the seasonal/tourism-oriented workforce, should be priced between $500 and $750. While various multifamily and non-conventional rental options exist within Macon County, some of which may be affordable to this segment of the workforce, very few are currently available. This is evident by the 0.0% and 0.2% vacancy rates reported for the multifamily and non-conventional rental housing segments, respectively. The lack of available rental housing that would be affordable to most workers in this industry segment has resulted in some employers providing housing and/or housing assistance for their workers, which results in added costs and thereby limits the ability of these employers to expand or hire additional employees.

Annual Macon County home sales volume declined each year since 2021 while the median sales price experienced its first decline in 2024 following steady increases between 2020 and 2023. While the number of homes sold annually in the PSA (Macon County) increased in 2021, this number has steadily declined each of the past two years, a trend which is projected to continue through 2024. These sales volume trends are similar within both the Franklin ETJ and Balance of County submarkets. Although the Highlands/Flats Submarket experienced an increase in sales volume in 2023, this volume is projected to decline sharply in 2024. The median sales price of homes sold within the PSA (Macon County) increased by 33.8% from January 1, 2020 through the end of 2023. Conversely, the median sales price through July 14, 2024 ($305,000) is nearly 9.0% lower than that reported for all of 2023 ($334,500). Trends have been similar within the Highlands/Flats Submarket but contrast within the Franklin ETJ and Balance of County submarkets as these areas have generally experienced steady increases in median sales prices from 2020 through the time of this analysis. While the Highlands/Flats Submarket reports significantly higher median sales price points, these are reflective of the presence of various luxury and second/vacation homes within this submarket. The presence of such homes is highly influential on median sales prices, which have varied significantly within this area in recent years. In comparison, the Franklin ETJ and Balance of County submarkets are more reflective of typical for-sale housing markets and report median sales prices which are at least 6.2% lower than the overall median sales price ($305,000) for the county.



*2024 full year projection

With the exception of the Highlands/Flats Submarket, available for-sale housing is limited throughout Macon County. There are two inventory metrics most often used to evaluate the health of a for-sale housing market. These metrics include *Months Supply of Inventory* (MSI) and availability rate. Overall, based on the monthly absorption rate of 64 homes, the county's 179 homes listed as available for purchase represent approximately 2.8 months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). Therefore, the PSA's inventory is considered low and indicates limited available supply. When comparing the 179 available units with the overall inventory of 12,537 owner-occupied units, the PSA has a vacancy/availability rate of 1.4%, which is also below the normal range of 2.0% to 3.0% for a well-balanced for-sale/owner-occupied market and reflective of a shortage of for-sale supply. Comparatively, the Franklin ETJ and Balance of County submarkets report availability rates of 0.7% and 0.9% respectively, while the Highlands/Flats Submarket has an availability rate of 6.0%. While this suggests that the Highlands/Flats Submarket has a surplus of homes available for purchase, it is also important to reiterate that this area is largely comprised of higher priced luxury and second/vacation homes. Therefore, many of the homes available for purchase in this submarket likely do not represent viable housing alternatives for many potential buyers considering a home purchase within Macon County. This is particularly true when considering that all but one of the homes available for purchase within the Highlands/Flats Submarket are priced at $400,000 or higher, with more than 80.0% of these homes being priced at $750,000 or higher.

The following table summarizes the distribution of available for-sale residential units by *price point* for each study area:

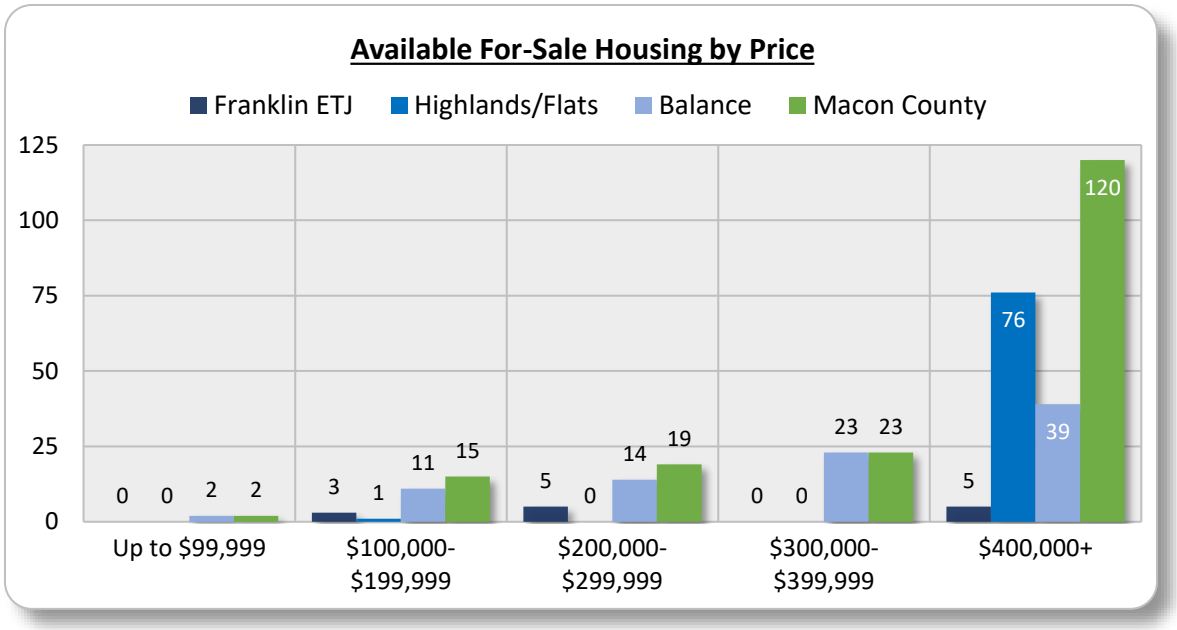
Available For-Sale Housing by Price (As of As of March 8, 2024)								
	Number Available	Percent of Supply	Number Available	Percent of Supply	Number Available	Percent of Supply	Number Available	Percent of Supply
List Price	Franklin ETJ		Highlands/Flats		Balance of County		Macon County	
Up to $99,999	0	0.0%	0	0.0%	2	2.2%	2	1.1%
$100,000 to $199,999	3	23.1%	1	1.3%	11	12.4%	15	8.4%
$200,000 to $299,999	5	38.5%	0	0.0%	14	15.7%	19	10.6%
$300,000 to $399,999	0	0.0%	0	0.0%	23	25.8%	23	12.8%
$400,000+	5	38.5%	76	98.7%	39	43.8%	120	67.0%
Total	13	100.0%	77	100.0%	89	100.0%	179	100.0%
Availability Rate	0.7%		6.0%		0.9%		1.4%	

Source: Redfin.com & Bowen National Research

More than two-thirds (67.0%) of homes available for purchase within Macon County are priced $400,000 or higher. This pricing segment also represents the highest share of available homes in each of the submarkets and the Balance of County. Notably, the majority (63.3%) of these higher priced homes are located within the Highlands/Flats Submarket which reports a median list price of over $1.4 million for available homes, as indicated by the table included on page VI-33.

While the Highlands/Flats Submarket comprises the majority of the higher priced ($400,000+) homes available for purchase within the county, nearly half (49.7%) of ***all*** available homes are located within the Balance of County. Conversely, the Franklin ETJ Submarket comprises the smallest share (7.3%) of all homes available for purchase within the county. Notably, 30.3% and 61.6% of homes available for purchase within the Balance of County and the Franklin ETJ Submarket, respectively, are priced below $300,000, as compared to just 1.3% of available homes within the Highlands/Flats Submarket. Thus, both the Franklin ETJ Submarket and the Balance of County offer a wider variety of for-sale product in terms of price point, as compared to the Highlands/Flats Submarket.

Based on the preceding factors, a variety of homes are available for purchase within Macon County, in terms of price point. However, as the majority of such homes are priced at or above $400,000, a limited supply of for-sale product is available to first-time and/or lower to moderate income homebuyers within the county.



Occupancy rates among existing senior care facilities demonstrate strong demand for assisted living product but marginal demand for skilled nursing care product. A total of five senior care facilities, containing a total of 458 marketed beds/units, were identified and surveyed within the PSA (Macon County). Within individual project types, *assisted living* facilities in the PSA have an occupancy rate of 86.0%, while the occupancy rate among *nursing care* facilities is considerably lower at 39.3%. Comparatively, the national median occupancy rates for assisted living and nursing care facilities are 85.4% and 82.0%, respectively. Thus, the assisted living facilities offered within Macon County are performing at a stable occupancy rate, though skilled nursing care facilities in the area are underperforming in terms of occupancy. According to representatives of the surveyed nursing care facilities, the lower occupancy rates reported among these facilities are primarily attributed to the lasting impact of COVID-19. Specifically, the pandemic resulted in many seniors, or families of seniors, being reluctant to utilize traditional skilled nursing care facilities. Rather, seniors in need of skilled nursing care often opt for in-home/personal care services. Demographic projections over the next five years indicate that senior households, age 75 and older, are expected to increase by 745 households (22.9% increase) in Macon County. These demographic projections suggest that demand for senior-oriented housing alternatives, including senior care facilities could increase in the coming years. Nonetheless, the occupancy rates among existing senior care facilities, particularly those in nursing homes, should continue to be monitored to ensure adequate demand exists for such product when considering future senior care development within Macon County.

Additional housing supply information, including data and analysis of age of product, bedroom types, average square footage and prices per-square-foot, is included in Section VI.

Other Housing Factors

Various potential residential development sites identified within the PSA (Macon County) are expected to contribute to future development within Macon County. In total, the 40 sites identified in the county contain approximately 487 acres of land and more than 249,000 square feet of existing structure area which could potentially be redeveloped into residential product. The various residential development sites identified are mostly located in or near the town of Franklin, which is to be expected given this area is the county seat of Macon County and is the most densely populated area within the county. The majority of these potential development sites are also located within ½ mile of established water/sewer service. Thus, Macon County appears to have various viable site options for residential developers to consider. A full list of all identified properties is included on pages VII-20 and 21.

Residential development costs, particularly land costs, in Macon County appear to be high and may pose a challenge for the development of affordable housing alternatives. Residential development costs associated with vacant land costs, utility costs, government fees, and taxes/assessments vary between Macon County and adjacent North Carolina counties. The median asking price of available vacant land in Macon County between five and 50 acres in size exceeds $80,000 per acre, whereas similar vacant parcels in adjacent counties range from $13,807 to $43,729 per acre. The higher median price per acre primarily reflects availability of commercial properties in the Franklin area as well as a parcel offered for sale in the town of Highlands at $461,066 per acre. By comparison, several of the adjacent counties generally lack larger parcels for sale that could be conducive to a large residential property. Regardless, the limited and generally higher priced supply of vacant land conducive to large-scale residential development is likely a contributing factor to residential development challenges within Macon County. Water/sewer tap fees in both Franklin and Highlands are also higher compared to municipalities in adjacent counties. However, the base property tax millage rate in Macon County ($0.2700 per $100 valuation) is lower than in the five adjacent North Carolina counties. Note that Macon County is part of the Mountain North Carolina nonmetropolitan area according to the U.S. Bureau of Labor Statistics (BLS). Construction labor rates within the Mountain North Carolina nonmetropolitan area are lower than those reported for the nearby Asheville MSA and the state of North Carolina. However, most stakeholders surveyed in Macon County as part of this Housing Needs Assessment noted that cost of labor/materials is a common barrier or obstacle that limits residential development in the county.

Community Input

To gain information, perspective and insight about Macon County housing issues and the factors influencing housing decisions by its residents, developers and others, our firm conducted targeted surveys of three specific groups: Stakeholders, Employers and Residents/Commuters. A total of 847 survey responses were received from a broad cross section of the community. The following is a summary of **key** responses from each survey group:

Stakeholders: Based on the feedback provided by area stakeholders, it appears that limited availability and rent affordability are the most common housing issues throughout Macon County. While home purchase affordability is an issue in both Franklin and Highlands, stakeholders indicated that investors purchasing properties and increasing for-sale prices and rents in Highlands is also a notable issue. The entirety of Macon County is most in need of affordable rental housing (priced less than $1,250 per month), affordable for-sale housing (priced less than $200,000), and moderately priced for-sale housing (priced between $200,000 and $300,000). According to stakeholders, affordable rental housing was unanimously rated as the highest need in Franklin, while moderately priced for-sale housing was the top need in Highlands. While multifamily apartments were cited as the top need throughout Macon County and Franklin, duplex, triplex, and townhomes were rated as the top need in Highlands. Stakeholders cited new homes and the revitalization of existing housing as the top construction needs within the county, with mixed-use developments also ranking high within Highlands. The cost of land, labor, and materials, the cost of infrastructure, and the conversion of permanent housing to short-term/vacation rentals appear to be common barriers in the county. In addition, the availability of land within Highlands is a constraining factor for housing development. Although stakeholders do not believe infrastructure issues to be a significant barrier in Franklin, access to public sewer utilities in Highlands was cited as a notable barrier. Stakeholders indicated that the development of new housing, accessibility to and addition of community services, and renovation of existing buildings (Franklin) should be areas of focus. Stakeholders noted that the collaboration between private and public sectors, building consensus among communities/advocates, public education regarding housing, the pooling of resources, and government assistance with infrastructure are critical to reducing barriers to residential development. Stakeholders also noted that various housing types for special needs groups in the county should be a consideration when addressing housing issues.

Employers: Over one-third (36.9%) of employers that participated in the survey indicated that one-half or more of their respective employees commute more than 30 minutes each way, and over one-half (56.2%) of employers noted that the majority of their employees are renters. Affordability, availability, location, and quality are the top housing issues that affect *employees* in the area and nearly 88.0% of employers that participated in our survey indicated that they are adversely impacted by housing issues within the county. Attracting and retaining employees and additional costs are the top impacts that result from local housing issues that adversely affect *employers*. Despite these impacts, only 28.1% of employers are currently involved in housing assistance, and only 6.7% would definitely be involved in future housing assistance if they are not already involved. However, over one-half (53.3%) of employers indicated that they could *potentially* be interested in providing housing assistance. The most common housing assistance provided by employers includes relocation assistance and direct housing solutions (buying or developing homes to rent/sell to employees), although the minority (27.0% or less) of employers offer these services. It should be noted, however, that

approximately one-half of employers indicated they would possibly consider being directly involved in renting or selling housing to employees and/or partnering with others to provide housing assistance. A notable share of employers indicated they would be more likely to be involved in housing solutions if tax credits were offered. One of the most significant findings of the employer survey is that 58.3% of employers would hire or expand their staffing if housing in the area adequately served employee needs.

Employers also provided feedback related to short-term/seasonal workforce housing. The majority (58.2%) of employers believe short-term/seasonal workforce housing is needed in the county, and these needs are generally highest between the months of May and October. Employers also indicated that the rent for this type of housing should range between $500 and $750, although there would also be notable demand for rentals between $750 and $1,000. Employers noted that the most significant demand would likely be in the Highlands area of the county.

Residents/Commuters: The most common housing issue experienced by PSA (Macon County) residents and commuters is housing cost burden (paying 30% or more of income toward housing costs). Although to a much lesser degree, a number of respondents cited the need to live with family or friends, insufficient down payment/deposit, and overcrowded housing as housing issues they have experienced or are experiencing. Nearly three-quarters (73.6%) of respondents rated the local housing market as "Poor" and as having "Many Issues." High prices and rents, the lack of rental vacancies, and the mismatch of local wages and housing costs were noted as the top issues impacting the housing market. Housing affordability and availability are the primary factors that make locating housing in the county difficult. Based on respondent feedback, there is pent-up demand for a variety of housing, including affordable rental (between $500 and $1,000 per month) and for-sale (between $100,000 and $200,000) housing, family-oriented housing, and housing for young adults and seniors. Residents and commuters believe that modern move-in ready single-family homes (ranch/single floor plan units) and apartments are the housing styles that are most needed in Macon County. Non-resident respondents indicated that the Highlands (60.0%) and Franklin (36.7%) areas would be their areas of choice if relocating to Macon County. More importantly, over three-quarters (76.9%) of non-resident respondents indicated that they had a desire to relocate to the county if housing that met their needs was available and affordable. Compared to other surveys conducted by our firm, this is an extremely high share of respondents wishing to move to the county they commute to for work. As such, it is apparent that Macon County is a desirable location for many individuals in the surrounding region, but current housing issues appear to be deterring them from relocating.

Housing Gap Estimates

Macon County has an overall housing gap of 2,120 units for rental and for-sale product at a variety of affordability levels. It is projected that Macon County has a five-year **rental housing gap of 629 units** and a **for-sale housing gap of 1,491 units**. While there are housing gaps among all affordability levels of both rental and for-sale product, the rental housing gap is primarily for product with rents between $917 and $2,169, though the majority of demand within this pricing segment is for product priced between $917 and $1,466. The for-sale housing gap is primarily for product priced $195,468 or higher, with the majority of demand for this segment being for product priced between $195,468 and $289,200. Details of this analysis, including our methodology and assumptions, are included in Section VIII.

The following table summarizes the approximate housing gap estimates in the PSA (Macon County) over the next five years.

PSA (Macon County) Housing Gap Estimates (2023 to 2028) - Number of Units Needed		
Housing Segment		Number of Units*
Rentals	Extremely/Very Low-Income Rental Housing (≤ $916/Month Rent)	174
	Low-Income Rental Housing ($917-$1,466/Month Rent)	209
	Moderate-Income Rental Housing ($1,467-$2,169/Month Rent)	181
	Higher-Income Rental Housing ($2,170+/Month Rent)	65
	Total Units	**629**
For-Sale	Entry-Level For-Sale Homes (≤ $122,167)	65
	Lower-Income For-Sale Homes ($122,168-$195,467)	160
	Moderate-Income For-Sale Homes ($195,468-$289,200)	670
	Higher-Income For-Sale Homes ($289,201+)	596
	Total Units	**1,491**

*Number of units assumes product is marketable, affordable and in a marketable location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

Overall, there is potential support for a variety of residential development alternatives in the PSA (Macon County). It is important to understand that the housing demand estimates shown in this report assume no major changes occur in the local economy and that the demographic trends and projections provided in this report materialize. As such, our demand estimates should be considered conservative and serve as a baseline for development potential. Should new product be developed, it is reasonable to believe that people will consider moving to Macon County, assuming the housing product is aggressively marketed throughout the region.

It is critical to understand that the estimates provided in this report (both rental and for-sale) represent potential units of demand by targeted income level. The actual number of units that can be supported will ultimately be contingent upon a variety of factors including the location of a project, proposed features (i.e., pricing, amenities/features, bedroom type, unit mix, square footage, etc.), product quality, design (i.e., townhouse, single-family homes, or traditional rental units), management and marketing efforts. As such, each targeted segment outlined in the

preceding table may be able to support more or less than the number of units shown. The potential number of supportable units should be considered a general guideline to residential development planning.

Recommended Housing Strategies

The following summarizes key strategies for Macon County that should be considered to address housing issues and needs of the market. These strategies do not need to be done concurrently, nor do all strategies need to be implemented to create an impact. Instead, the following housing strategies should be used as a guide by the local government, stakeholders, developers and residents to help inform housing decisions.

Set Realistic/Attainable Short-Term Housing Goals, Outline Long-Term Objectives and Monitor Progress – Using the housing needs estimates and recommendations provided in this report as a guide, the county could set realistic short-term (two to three years) housing development goals along with long-term (five years or longer) objectives to support housing. Short-term goals could focus on establishing an Action Plan that outlines priorities, such as broad housing policies, initiatives, and incentives that support the preservation and development of residential units. The recommendations included in this section could serve as a guide for developing an Action Plan. Long-term objectives could include establishing a goal for the number of housing units that could be built or repaired and broadly outline the types of housing that could be considered, such as rentals and for-sale housing, as well as geographical locations (e.g., within areas near established community services, selected neighborhoods, etc.). The goals could also broadly outline affordability (e.g., income levels) objectives and market segments (e.g., families, seniors, etc.) that could be served. From such goals, the county could periodically collect key metrics (e.g., vacancy rates, changes in rents/prices, reassess cost burdened and substandard housing, evaluate housing cost increases relative to income/wage growth, etc.) so that they can monitor progress and adjust efforts to support stated goals.

Consider Implementing/Modifying Policies to Encourage or Support the Development of New Housing and the Preservation of Existing Housing – One of the key findings from this report is that there is *limited availability* among the existing housing stock in the county and limited residential development currently in the development pipeline. The lack of available housing likely limits demographic growth within the county, as many residents seeking new housing, as well as persons/households looking to relocate to the area, have very few options from which to choose, particularly among area rentals. Local government could consider supporting housing policies such as expanding residential density to allow for more units, modifying unit size requirements (allowing for smaller units), supporting or leveraging developer incentives (e.g., Qualified Opportunity Zones, TIF districts, tax abatements, etc.), waiving/deferring/lowering government fees, and exploring other measures specifically targeted to the types of housing (e.g.,

affordable, senior, etc.) that lead to meeting housing goals. In an effort to support more affordable housing alternatives, the county should consider supporting projects being developed with affordable housing development programs (e.g., Tax Credit and HUD programs), providing pre-development financial assistance, supporting a Housing Trust Fund, exploring the establishment of a land bank to acquire, improve and convey tax delinquent and neglected properties, and providing low-interest or forgivable loans and grants to lower income households that can be used to cover costs directly associated with the repairs and maintenance of the existing housing stock. Overall, focus should be placed on programs that support low-income households (seniors and families), workforce households (seasonal and year-round), and first-time homebuyers. Programs such as those offered by/through the Macon County Housing Department are included and/or could be expanded upon in future housing assistance programs/initiatives within the county. Additional housing is needed to have a healthy housing market, which will ultimately contribute to the local economy, quality of life and overall prosperity of Macon County.

Explore Efforts to Encourage the Development of Senior-Oriented Housing to Enable Seniors to Transition into More Maintenance-Free Housing – Macon County has a large and growing base of seniors. Currently, there is a limited inventory of *available* housing in the market, and the one senior-restricted rental housing project in the county is fully occupied with a 12-month waiting list. Additionally, there are no non-subsidized age-restricted rental properties in the county as the one senior property in the market operates under the HUD Section 8 and 202 programs. As a result, seniors in the county who wish to downsize into smaller, more maintenance-free independent rental housing will have difficulty finding housing that meets their needs, allowing them to age in place. It is recommended that the development of senior-oriented housing be supported, with possible incentives to encourage such development. This pertains to traditional senior rental product (e.g., independent living) as lower occupancy rates among senior care facilities, particularly nursing care, demonstrate limited demand for such product in the county at this time.

Formulate Education and Outreach Campaign to Help Support Housing Initiatives – Based on stakeholder responses, community collaboration and educating the public on the importance of and need for housing should be areas of focus in Macon County. Using both existing and newly created housing education initiatives, local stakeholders could develop an overarching education program with a more unified objective that ultimately supports local housing efforts. The program could, for example, include educating landlords on the Housing Choice Voucher program, informing potential homebuyers about homebuying requirements and assistance (credit repair, down payments, etc.), and advising existing homeowners on home repair assistance. Additional outreach efforts should involve both informing and engaging area residents, elected officials, area employers and other stakeholders on the benefits of developing affordable housing for the workforce and seniors. Such efforts could help to mitigate stigmas associated with affordable

housing, illustrate the benefits such housing has on the local economy, and help to get the community to "buy in" on housing initiatives. Annual or other periodic housing forums, or workshops, preparing annual reports or marketing material could be used to help communicate housing advocate messaging.

Explore and Encourage Development Partnerships – Government entities within the county may want to establish formal relationships with other entities to support housing development efforts. This may include relationships with nonprofit groups (e.g., Community Action Agency, Habitat for Humanity, etc.) local businesses and private sector developers. The involvement of the Macon County Housing Department and/or the council of government serving Macon County (Southwestern North Carolina Planning and Economic Development Commission) could also contribute to future housing development opportunities within the county. The consolidation of the public and private sectors for certain housing initiatives can lead to improved efficiencies, larger financial capacities, and more cohesive residential development efforts. For example, this could include a large employer providing financial benefits (e.g., down payment assistance) to its qualified employees (possibly those earning below a certain income level) to reside at a residential development in which the county is providing tax abatements or other incentives for the developer/property owner. There are numerous examples around the country of public-private sector partnerships that could be explored further for potential replication in Macon County.

Market Macon County's Housing Needs and Opportunities to Potential Residential Development Partners and Develop a Centralized Housing Resource Center – Using a variety of sources, the county should attempt to identify and market itself to the residential developers (both for-profit and nonprofit), real estate investors, housing advocacy groups and others active in the region. Identification could be through trade associations, published lists of developers, real estate agents or brokers, and other real estate entities in the region. Marketing of the county through trade publications, direct solicitation or public venues (e.g., housing and economic conferences) should be considered. The promotion of market data (including this Housing Needs Assessment), development opportunities, housing programs and incentives should be the focus of such efforts. It is common for economic development organizations to have a website that educates potential developers of industrial, manufacturing or warehouse space on such things as potential development sites, profiles of the local workforce, local tax rates and other pertinent factors that may influence building or investment decisions. This same approach can be used for promoting *residential* development and investment opportunities in Macon County. The development of an online *residential* resource center should be considered that includes or directs people to development and housing resources such as:

- Potential Residential Sites
- Building & Zoning Regulations
- Development Incentives
- Demographic & Economic Data
- Local Housing Assistance Programs
- Local Housing Supply Data
- Government & Advocate Contacts
- Infrastructure & Public Works Information

This website can also provide housing counseling service links or contacts, fair housing information, and resident housing assistance programs. This website could be an addition to an existing government website or the creation of a new website through a housing or economic advocacy organization.

Consideration Should be Given to Improving the Education and Job Training Opportunities for Adult Residents that Could Raise Earning Capacity and Expand the Skilled Labor Force Associated with the Construction Industry – While not a specific housing initiative, the community may benefit from enhanced education and job training that could increase residents' earning capacity, which will likely result in increased housing affordability. This could include a focus on expanding GED programs or skilled worker training programs, particularly those that involve construction, carpentry, masonry, plumbing and electrician trade skills. Some consideration should be given to providing assistance or incentives for entrepreneurs to start businesses that involve residential construction and development.

Consider Implementing a Marketing Plan and Developing Housing that Will Attract Some of the Nearly 4,000 Commuters that Travel into the County to Become Permanent Residents – Nearly 4,000 people commute to Macon County for employment, with more than 1,500 of these commuters traveling more than 50 miles each way. These commuters represent a large base of potential household growth for Macon County should housing that meets their needs become available within the area. It is recommended that local housing advocates consider developing a marketing plan to encourage people commuting into Macon County to move to the county. This could include working collaboratively with the local chamber of commerce, area employers and developers to identify and promote key assets of the community and housing opportunities that exist in the market (assuming more housing is added to the market in the near future). The marketing plan should include a realistic timeline, strategies to be implemented, responsible parties, and ultimate goals and outcomes of the marketing efforts.

III. COUNTY OVERVIEW AND STUDY AREAS

A. MACON COUNTY, NORTH CAROLINA

This report focuses on the housing needs of Macon County, North Carolina. Founded in 1828, Macon County is approximately 520 square miles and is located in the western portion of North Carolina. The county seat, the town of Franklin, is approximately 67 miles southwest of Asheville, North Carolina. The main thoroughfares that serve Macon County include U.S. Highways 23 and 64 along with State Route 28.

Macon County has an estimated population of 38,235 in 2023, an increase of 1,221, or 3.3%, since 2020. The county's estimated population density is 73.6 persons per-square-mile in 2023, which is lower than the state of North Carolina (218.2 persons per-square-mile). The county's notable incorporated communities include the towns of Franklin and Highlands. There are also various villages and unincorporated areas within Macon County. The town of Franklin, which serves as the county seat, is home to the county courthouse, various commercial businesses, employment opportunities, and a hospital. Notable attractions within the county include the Macon County Historical Museum, as well as multiple gem mining destinations, covered bridges, trails, and waterfalls.

Based on 2023 estimates, 73.9% of the county's households are owner households. Over 84.0% of rental units are within structures of four or fewer units (including mobile homes), while virtually all (99.3%) of the owner-occupied units are within these smaller structures (primarily single-family homes) and mobile homes. As shown in the supply section (Section VI) of this report, the market offers a variety of housing units in terms of price point. Additional information regarding the county's demographic characteristics and trends, economic conditions, housing supply, and other factors are included throughout this report.

B. STUDY AREA DELINEATIONS

This report addresses the residential housing needs of Macon County, North Carolina. To this end, the evaluation is focused on the demographic and economic characteristics, as well as the existing housing stock, of areas within Macon County. Additional analysis is provided for the Franklin Extra-Territorial Jurisdiction (ETJ) Submarket, the Highlands/Flats Submarket, and the balance of Macon County to understand trends and attributes that affect these designated areas. Furthermore, an overview for the town of Franklin is provided as a supplementary addendum, which includes various demographic, economic and housing metrics. The following summarizes the various study areas used in this analysis.

Primary Study Area – The Primary Study Area (PSA) includes the entirety of Macon County.

Submarkets – The Primary Study Area has been divided into select submarkets. Note that an overview analysis of each submarket is included in this study as an addendum (Addendum D through Addendum F). The submarkets are delineated as follows:

- Franklin: This submarket is comprised of the Franklin town limits. *Note that Franklin is not included within the county-wide portion of the study, but an overview analysis of the town of Franklin is included as a supplementary addendum. (Addendum D)*

- Franklin ETJ Submarket: This submarket includes the town of Franklin and its Extra-Territorial Jurisdiction (ETJ), which is an area that extends beyond the town limits in which the Town can exercise land use and zoning regulations. (Addendum E)

- Highlands/Flats Submarket: This submarket includes the town of Highlands, Highlands Township and Flats Township. (Addendum F)

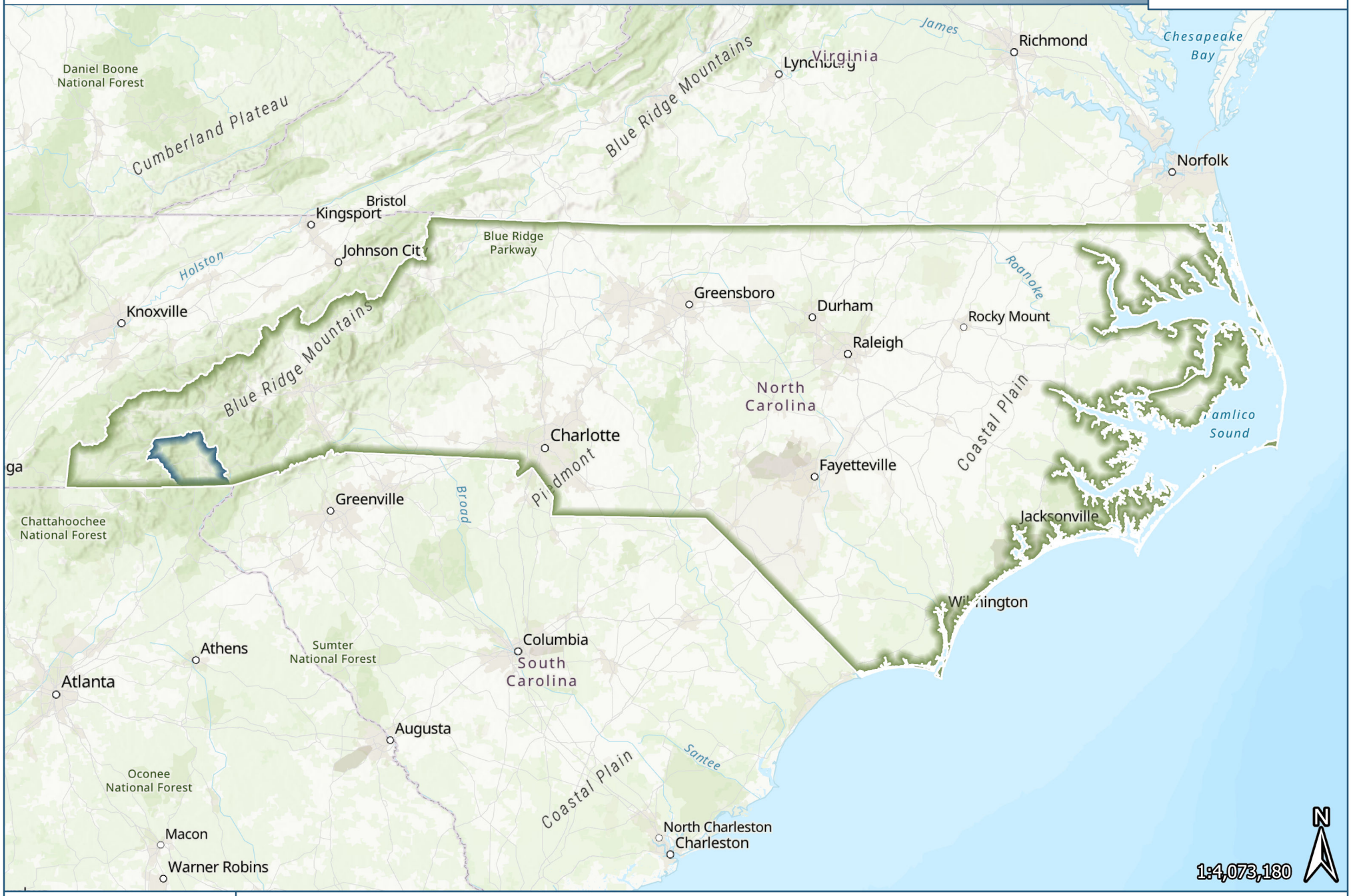
Balance of County – The Balance of County is comprised of the area that is outside the Franklin ETJ Submarket and Highlands/Flats Submarket but within the Macon County boundary.

Maps delineating the boundaries of the various study areas are shown on the following pages.

BOWEN NATIONAL RESEARCH

State of North Carolina

Macon County, NC



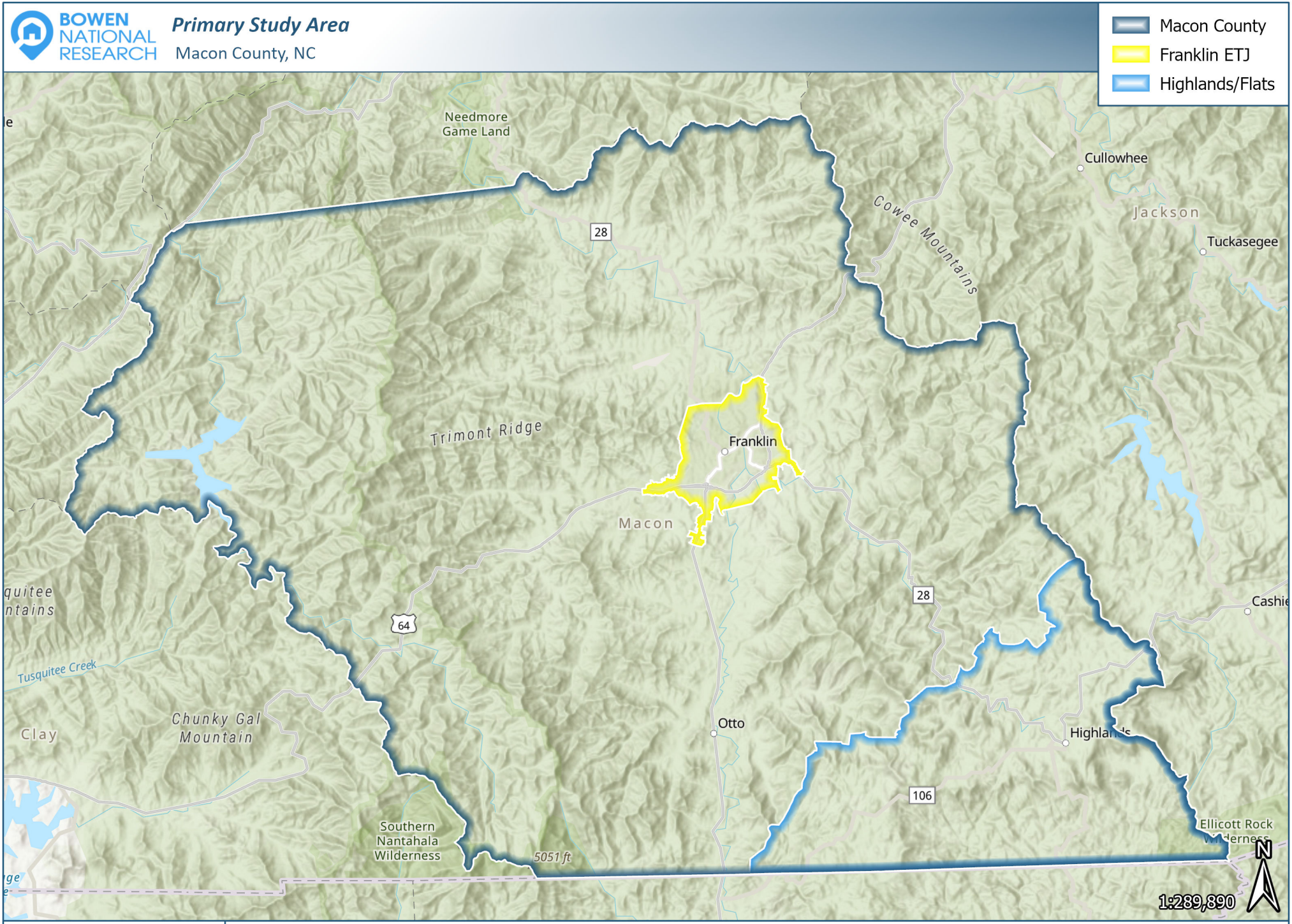
0 20 40 60 80 Miles

Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, NPS, USFWS, Esri, USGS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Primary Study Area

Macon County, NC



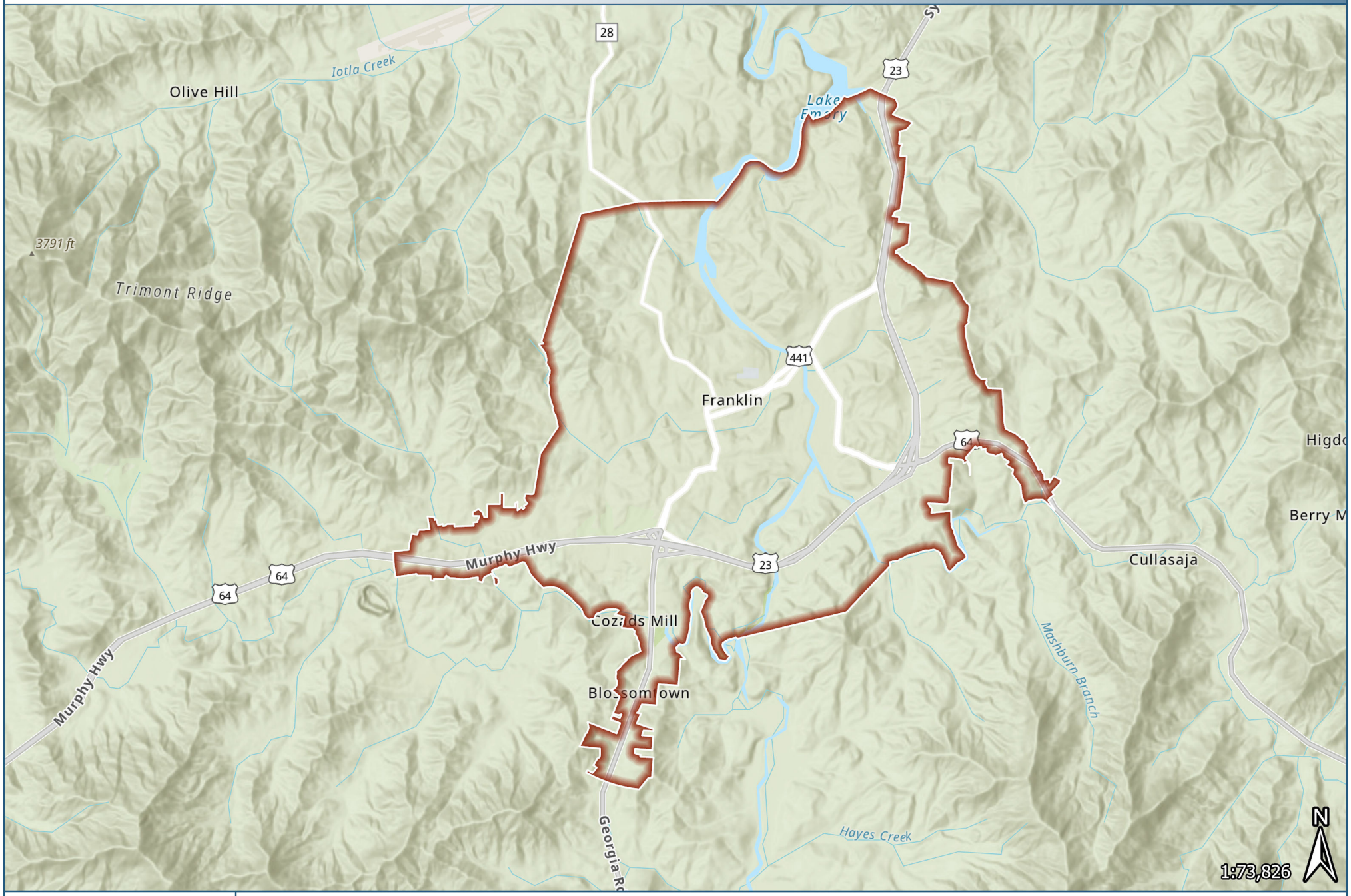
0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Franklin Extra-Territorial Jurisdiction (ETJ) Submarket

Macon County, NC



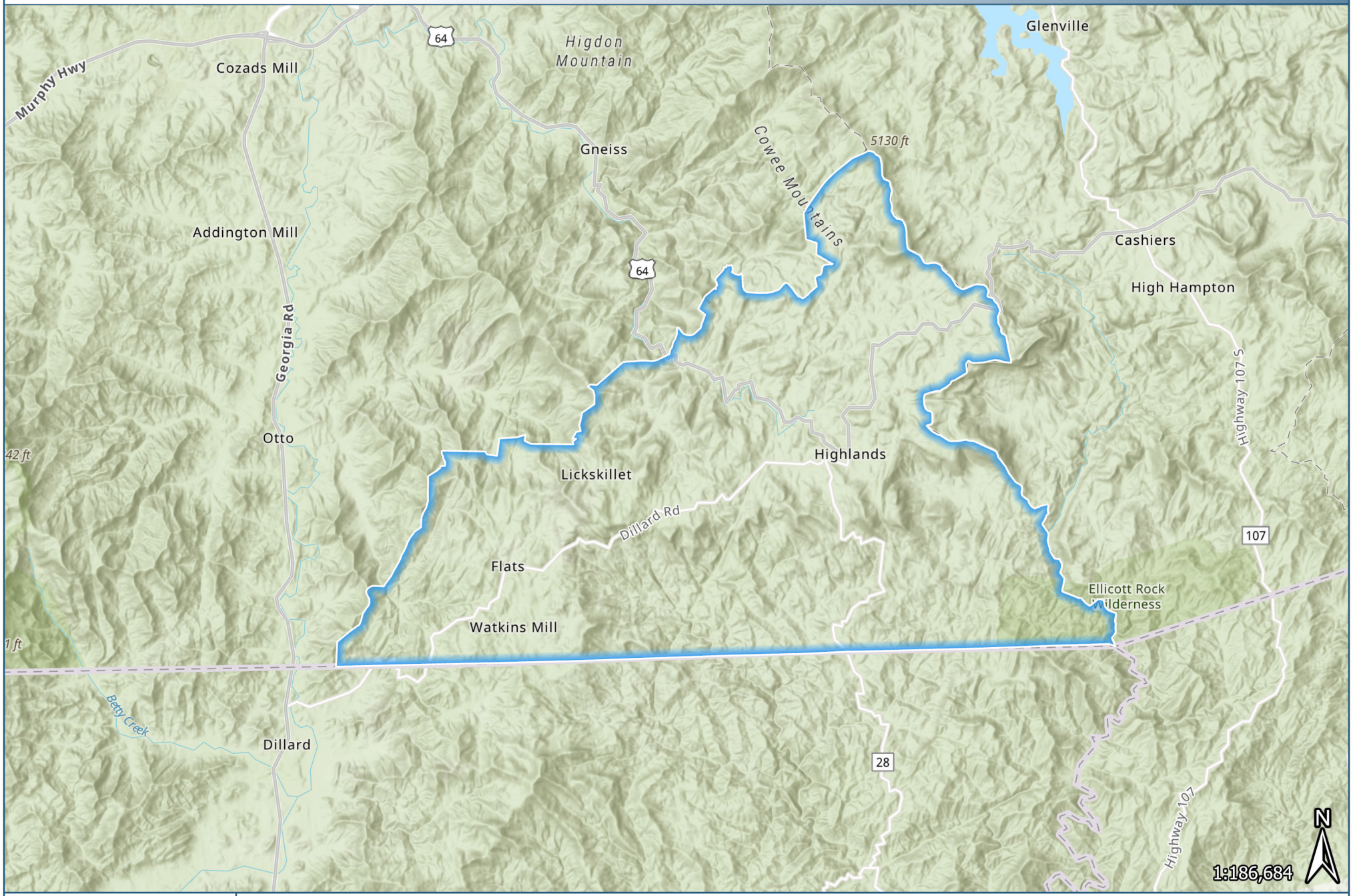
0 0.35 0.7 1.05 1.4 Miles

Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Highlands/Flats Submarket

Macon County, NC



0 0.95 1.9 2.85 3.8 Miles

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

IV. DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

This section of the report evaluates key demographic characteristics for the Primary Study Area (PSA, Macon County), the Franklin Extra-Territorial Jurisdiction (ETJ) Submarket, the Highlands/Flats Submarket, and the Balance of Macon County. Through this analysis, unfolding trends and unique conditions are often revealed regarding populations and households residing in the selected geographic areas. Demographic comparisons between these geographies and the state of North Carolina provide insights into the human composition of housing markets. Critical questions, such as the following, can be answered with this information:

- Who lives in Macon County and what are these people like?
- In what kinds of household groupings do Macon County residents live?
- What share of people rent or own their Macon County residence?
- Are the number of people and households living in Macon County increasing or decreasing over time?
- How has migration contributed to the population changes within Macon County in recent years, and what are these in-migrants like?
- How do Macon County residents, submarket residents and residents of the state compare with each other?

This section is comprised of three major parts: population characteristics, household characteristics, and demographic theme maps. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence. Demographic theme maps graphically show varying levels (low to high concentrations) of a demographic characteristic across a geographic region.

It is important to note that 2010 and 2020 demographics are based on U.S. Census data (actual count), while 2023 and 2028 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. The accuracy of these estimates depends on the realization of certain assumptions:

- Economic projections made by secondary sources materialize.
- Governmental policies with respect to residential development remain consistent.
- Availability and general terms of financing for residential development (i.e., mortgages, commercial loans, subsidies, Tax Credits, etc.) remain consistent.
- Sufficient housing and infrastructure are 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 estimates/projections.

B. POPULATION CHARACTERISTICS

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Positive changes between time periods in the following table are illustrated in green, while negative changes are illustrated in red.

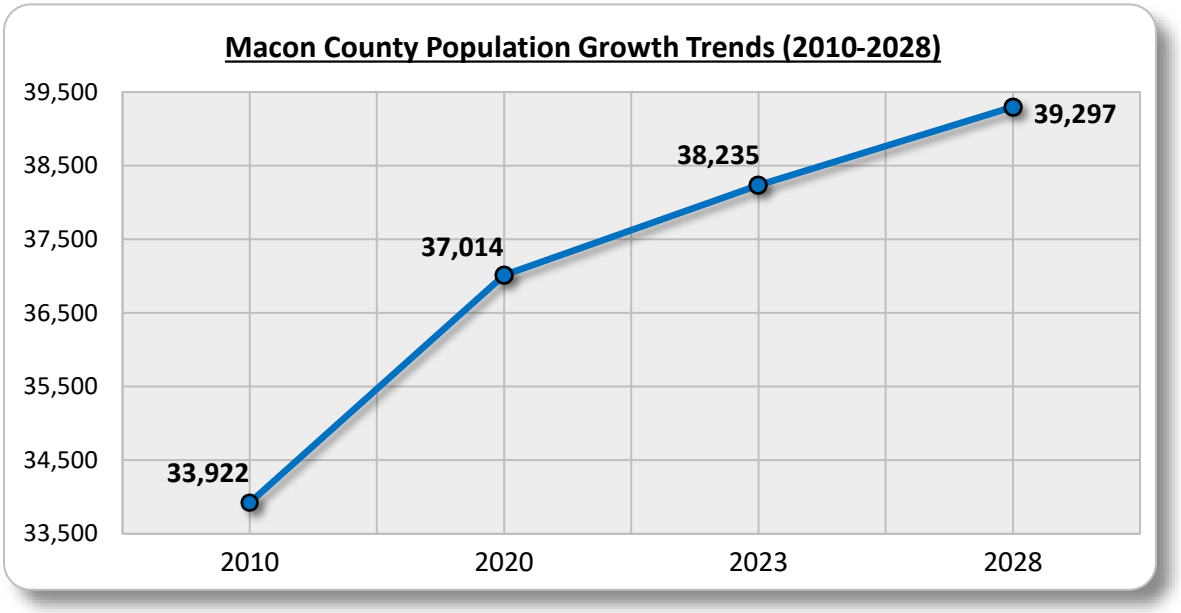
	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin ETJ	5,611	6,134	**523**	**9.3%**	6,210	**76**	**1.2%**	6,332	**122**	**2.0%**
Highlands/Flats	3,216	3,788	**572**	**17.8%**	3,896	**108**	**2.9%**	3,919	**23**	**0.6%**
Balance of County	25,105	27,104	**1,999**	**8.0%**	28,143	**1,039**	**3.8%**	29,060	**917**	**3.3%**
Macon County	33,922	37,014	**3,092**	**9.1%**	38,235	**1,221**	**3.3%**	39,297	**1,062**	**2.8%**
North Carolina	9,535,419	10,439,314	**903,895**	**9.5%**	10,765,602	**326,288**	**3.1%**	11,052,082	**286,480**	**2.7%**

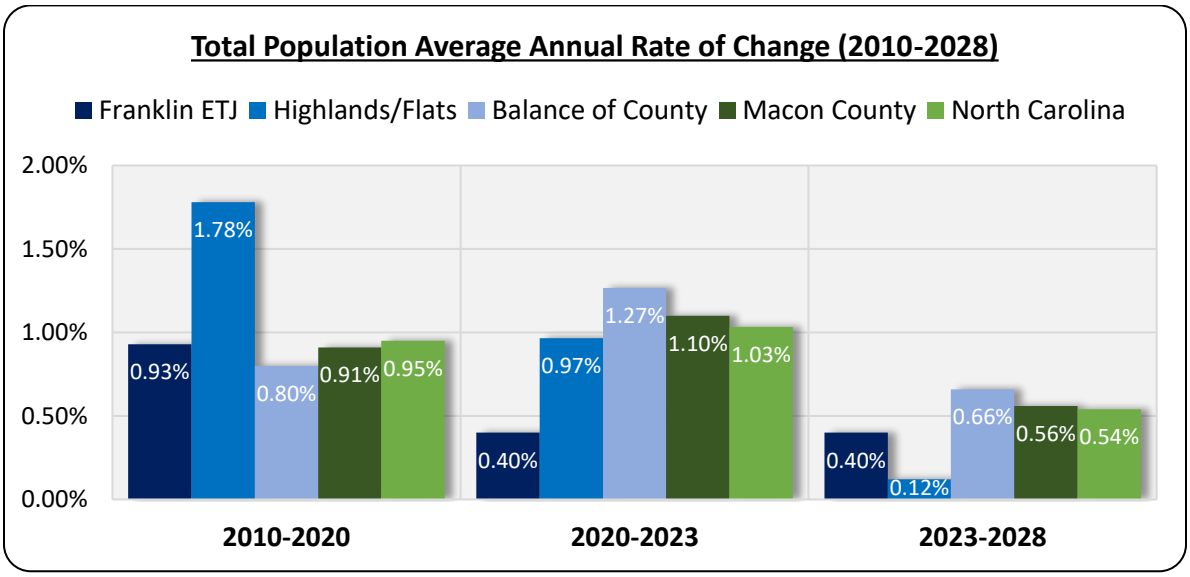
Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

The population within the PSA (Macon County) has steadily increased since 2010, a trend which is projected to continue through 2028. Growth rates within the county since 2010 have been very similar to those experienced within the state of North Carolina during this same time period. Notably, the population growth rate (17.8%) within the Highlands/Flats Submarket was nearly double that reported for the county (9.1%) between 2010 and 2020. Population growth rates within each geographic area evaluated were lower between 2020 and 2023, with the Balance of County experiencing the greatest growth rate (3.8%) during this time period. Projections through 2028 indicate that the Balance of County will continue to experience a slightly higher rate of population growth as compared to Macon County, the Franklin ETJ and Highlands/Flats submarkets, and the state of North Carolina. This is notable considering that nearly three-quarters (73.9%) of the total population for the county in 2028 will reside within the areas outside of the Franklin ETJ and Highlands/Flats submarkets.

It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities. Historical and projected household changes for the PSA and various submarkets are covered later in this section starting on page IV-13.

The following graphs illustrate the change in population since 2010 and projected through 2028.





Population densities for selected years are shown in the following table:

		Population Densities			
		2010	2020	2023	2028
Franklin ETJ	Population	5,611	6,134	6,210	6,332
	Area in Square Miles	11.00	11.00	11.00	11.00
	Density	509.9	557.5	564.4	575.4
Highlands/Flats	Population	3,216	3,788	3,896	3,919
	Area in Square Miles	72.44	72.44	72.44	72.44
	Density	44.4	52.3	53.8	54.1
Balance of County	Population	25,105	27,104	28,143	29,060
	Area in Square Miles	436.98	436.98	436.98	436.98
	Density	57.5	62.0	64.4	66.5
Macon County	Population	33,922	37,014	38,235	39,297
	Area in Square Miles	519.67	519.67	519.67	519.67
	Density	65.3	71.2	73.6	75.6
North Carolina	Population	9,535,419	10,439,314	10,765,602	11,052,082
	Area in Square Miles	49,336.79	49,336.79	49,336.79	49,336.79
	Density	193.3	211.6	218.2	224.0

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

The PSA (Macon County) has an estimated population density of 73.6 persons per square mile in 2023, which is considerably lower than the state of North Carolina (218.2 persons per square mile). The Franklin ETJ Submarket is much more densely populated than the remaining study areas. Specifically, the Franklin ETJ Submarket has an estimated population density of 564.4 persons per square mile in 2023 while the remaining areas report population densities ranging from 53.8 persons per square mile in the Highlands/Flats Submarket to 64.4 persons per square mile in the Balance of County.

Population densities have steadily increased since 2010 within each of the study areas detailed in the preceding table. The population density within the PSA increased by 12.7% between 2010 and 2023. This is similar to the Balance of County and Franklin ETJ Submarket which experienced population density increases of 12.0% and 10.7%, respectively. Comparatively, the Highlands/Flats Submarket experienced a notable increase of 21.2% in population density during this same time period. While the population densities are projected to continue to increase within each study area through 2028, these increases will be relatively limited, ranging from 0.6% to 3.3% during this time period.

Population by age cohort for selected years is shown in the following table. Note that five-year projected declines for each age cohort are in red, while increases are illustrated in green:

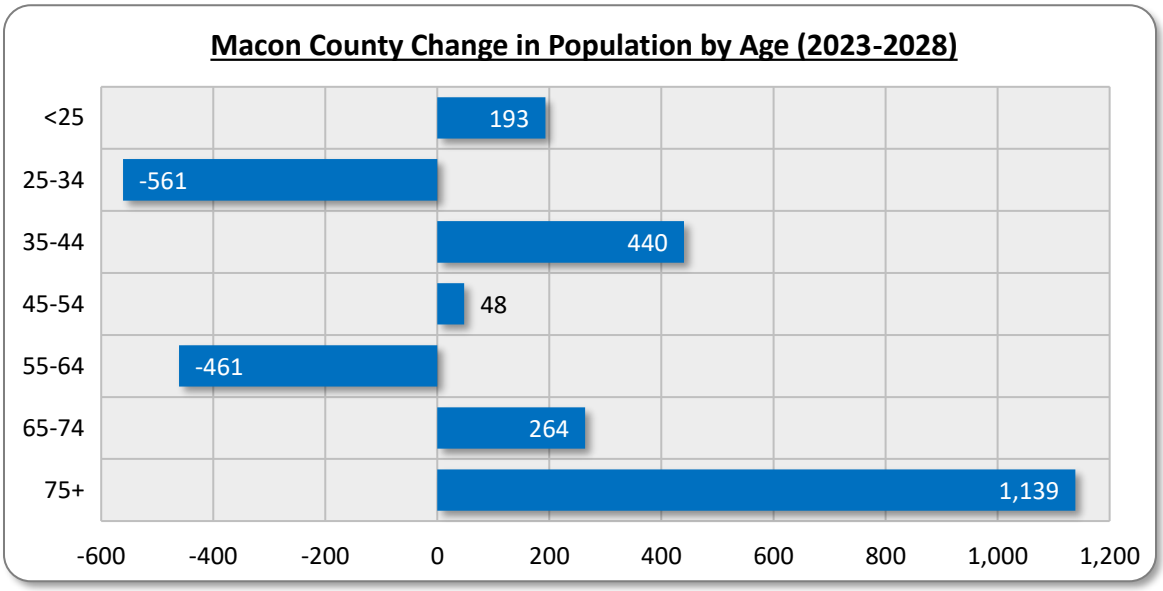
		Population by Age							
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Median Age
Franklin ETJ	2020	1,689 (27.5%)	817 (13.3%)	676 (11.0%)	668 (10.9%)	840 (13.7%)	804 (13.1%)	640 (10.4%)	43.2
	2023	1,564 (25.2%)	827 (13.3%)	696 (11.2%)	675 (10.9%)	786 (12.7%)	918 (14.8%)	744 (12.0%)	45.3
	2028	1,601 (25.3%)	689 (10.9%)	802 (12.7%)	670 (10.6%)	736 (11.6%)	954 (15.1%)	880 (13.9%)	46.1
	Change 2023-2028	**37 (2.4%)**	**-138 (-16.7%)**	**106 (15.2%)**	**-5 (-0.7%)**	**-50 (-6.4%)**	**36 (3.9%)**	**136 (18.3%)**	N/A
Highlands/ Flats	2020	675 (17.8%)	287 (7.6%)	296 (7.8%)	368 (9.7%)	673 (17.8%)	832 (22.0%)	657 (17.3%)	59.4
	2023	641 (16.5%)	284 (7.3%)	305 (7.8%)	401 (10.3%)	742 (19.0%)	915 (23.5%)	608 (15.6%)	60.0
	2028	614 (15.7%)	257 (6.6%)	306 (7.8%)	388 (9.9%)	663 (16.9%)	942 (24.0%)	749 (19.1%)	61.5
	Change 2023-2028	**-27 (-4.2%)**	**-27 (-9.5%)**	**1 (0.3%)**	**-13 (-3.2%)**	**-79 (-10.6%)**	**27 (3.0%)**	**141 (23.2%)**	N/A
Balance of County	2020	6,558 (24.2%)	2,481 (9.2%)	2,674 (9.9%)	3,098 (11.4%)	4,303 (15.9%)	4,661 (17.2%)	3,329 (12.3%)	51.1
	2023	6,486 (23.0%)	2,808 (10.0%)	2,881 (10.2%)	3,096 (11.0%)	4,485 (15.9%)	5,026 (17.9%)	3,361 (11.9%)	51.3
	2028	6,671 (23.0%)	2,411 (8.3%)	3,213 (11.1%)	3,160 (10.9%)	4,153 (14.3%)	5,228 (18.0%)	4,224 (14.5%)	52.1
	Change 2023-2028	**185 (2.9%)**	**-397 (-14.1%)**	**332 (11.5%)**	**64 (2.1%)**	**-332 (-7.4%)**	**202 (4.0%)**	**863 (25.7%)**	N/A
Macon County	2020	8,921 (24.1%)	3,584 (9.7%)	3,645 (9.8%)	4,133 (11.2%)	5,813 (15.7%)	6,294 (17.0%)	4,624 (12.5%)	50.9
	2023	8,688 (22.7%)	3,917 (10.2%)	3,881 (10.2%)	4,170 (10.9%)	6,011 (15.7%)	6,856 (17.9%)	4,712 (12.3%)	51.5
	2028	8,881 (22.6%)	3,356 (8.5%)	4,321 (11.0%)	4,218 (10.7%)	5,550 (14.1%)	7,120 (18.1%)	5,851 (14.9%)	52.3
	Change 2023-2028	**193 (2.2%)**	**-561 (-14.3%)**	**440 (11.3%)**	**48 (1.2%)**	**-461 (-7.7%)**	**264 (3.9%)**	**1,139 (24.2%)**	N/A
North Carolina	2020	3,280,903 (31.4%)	1,362,095 (13.0%)	1,300,732 (12.5%)	1,340,406 (12.8%)	1,365,753 (13.1%)	1,081,564 (10.4%)	707,861 (6.8%)	39.4
	2023	3,318,952 (30.8%)	1,433,149 (13.3%)	1,416,951 (13.2%)	1,331,179 (12.4%)	1,365,799 (12.7%)	1,156,454 (10.7%)	743,118 (6.9%)	39.4
	2028	3,363,359 (30.4%)	1,400,830 (12.7%)	1,466,308 (13.3%)	1,345,649 (12.2%)	1,311,737 (11.9%)	1,218,610 (11.0%)	945,589 (8.6%)	40.1
	Change 2023-2028	**44,407 (1.3%)**	**-32,319 (-2.3%)**	**49,357 (3.5%)**	**14,470 (1.1%)**	**-54,062 (-4.0%)**	**62,156 (5.4%)**	**202,471 (27.2%)**	N/A

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research
N/A – Not Applicable

The median age of the PSA (Macon County) population is 51.5 in 2023, similar to the median age of the Balance of County (51.3). These are both notably younger than the median age reported for the Highlands/Flats Submarket (60.0) but older than that of the Franklin ETJ Submarket (45.3). Comparatively, the population within each of the study areas is notably older than that of the state of North Carolina which reports a median age of 39.4 for 2023.

Population growth within the PSA is projected to be greatest among the 75 and older population which will increase by 24.2% between 2023 and 2028. This is also true for each of the submarket areas, the Balance of County, and the state of North Carolina during this time period as these areas will experience population growth rates ranging from 18.3% to 27.2% among this elderly population. Macon County and the Balance of County are also projected to experience population growth within the under 25, 35 to 54, and 65 to 74 age cohorts, which is similar to population growth projections for the state of North Carolina. Comparatively, population growth is projected to be more limited within the submarket areas, particularly the Highlands/Flats Submarket which will primarily experience population growth among persons aged 65 or older.

The following graph illustrates the projected change in population by age cohort between 2023 and 2028.



Noteworthy population characteristics for each area are illustrated in the following table. Note that data included within this table is derived from multiple sources (2020 Census, ESRI, American Community Survey) and is provided for the most recent time period available for the given source.

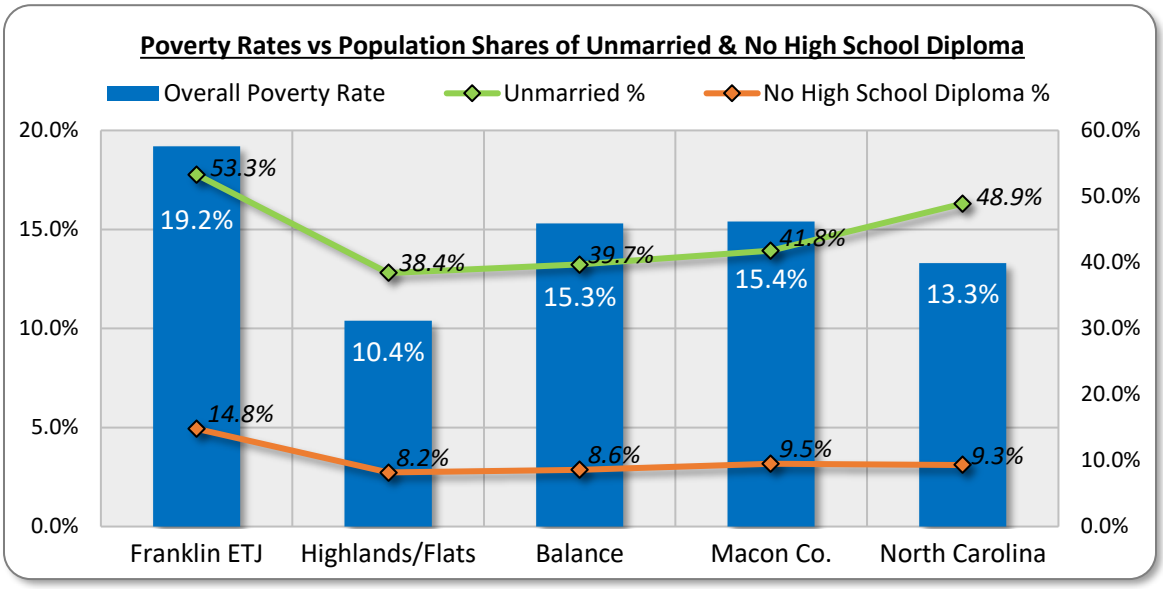
		Population Characteristics (Year)						
		Minority Population (2020)	Unmarried Population (2023)	No High School Diploma (2023)	College Degree (2023)	< 18 Years Below Poverty Level (2022)	Overall Below Poverty Level (2022)	Movership Rate (2022)
Franklin ETJ	Number	1,232	2,799	689	1,428	242	1,123	822
	Percent	20.1%	53.3%	14.8%	30.7%	29.9%	19.2%	14.0%
Highlands/Flats	Number	426	1,348	266	1,844	23	403	929
	Percent	11.2%	38.4%	8.2%	56.7%	5.0%	10.4%	23.6%
Balance of County	Number	3,260	9,522	1,864	7,582	1,062	4,135	3,663
	Percent	12.0%	39.7%	8.6%	35.0%	20.7%	15.3%	13.6%
Macon County	Number	4,915	13,664	2,818	10,847	1,327	5,661	5,415
	Percent	13.3%	41.8%	9.5%	36.7%	20.8%	15.4%	14.7%
North Carolina	Number	3,950,915	4,317,206	689,507	3,498,036	415,337	1,357,412	1,427,657
	Percent	37.8%	48.9%	9.3%	47.0%	18.5%	13.3%	13.8%

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

The minority population in the PSA (Macon County) comprises a notably smaller share (13.3%) of the overall population as compared to the state of North Carolina (37.8%). Among the adult population within the PSA, 41.8% is unmarried, which is a slightly smaller share than the state share (48.9%). The share of the adult population in the PSA that lacks a high school diploma (9.5%) is virtually identical to the statewide share (9.3%), while the share of individuals in Macon County with a college degree (36.7%) is notably lower than the corresponding share in the state (47.0%). Poverty rates within the PSA are slightly higher than those reported for the state of North Carolina, with nearly 21.0% of the population under the age of 18 and more than 15.0% of the overall population earning incomes below the poverty line. The movership rate (the share of the population moving within or to a given area year over year) for the PSA is 14.7%, which is higher than the 13.8% rate reported within the state.

Within the PSA submarkets, approximately one-quarter (25.1%) of the minority population within the county is concentrated within the Franklin ETJ Submarket, which has a 20.1% minority population share. A notably higher share (53.3%) of the adult population within the Franklin ETJ Submarket is married. In comparison to the county as a whole, the Franklin ETJ Submarket reports a considerably higher share (14.8%) of the adult population without a high school diploma and a lower share (30.7%) of the adult population with a college degree. The Franklin ETJ Submarket also reports higher poverty rates as compared to the PSA. Conversely, the Highlands/Flats Submarket has the highest rate of population with a college degree (56.7%) and the lowest rates of poverty among the study areas. As marital status and educational attainment typically affect household income, these factors can play an important role in the overall housing affordability of an area.

The following graph compares the overall poverty rate for each study area and the shares of each population that is unmarried and that lacks a high school diploma.



Migration Patterns

While the analysis on the preceding pages illustrates recent population changes, future population projections, and population characteristics such as age, marital status, and educational attainment, the following addresses where people *move* to and from, referred to as migration patterns. For the purposes of this analysis, the Census Bureau's Population Estimates Program (PEP) is considered the most reliable source for the total *volume* of domestic migration. To evaluate migration *flows* between counties and mobility patterns by age and income at the county level, we use the U.S. Census Bureau's migration estimates published by the American Community Survey (ACS) for 2022 (latest year available). It is important to note that while county administrative boundaries are likely imperfect reflections of commuter sheds, moving across a county boundary is often an acceptable distance to make a meaningful difference in a person's local housing and labor market environment. The data provided by the PEP is intended to provide general insight regarding the contributing factors of population change (natural change, domestic migration, and international migration), and as such, gross population changes within this data should not be compared to other tables which may be derived from alternate data sources such as the Decennial Census or American Community Survey.

The following table illustrates the estimated components of population change for the PSA (Macon County) between April 2010 and July 2023.

Estimated Components of Population Change by County for the PSA (Macon County) April 1, 2010 to July 1, 2023							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Macon County	2010-2020	2,069	6.1%	-1,206	3,004	300	3,304
	2020-2023	1,393	3.8%	-924	2,258	59	2,317

Source: U.S. Census Bureau, Population Division, June 2024
*Includes residual of (-29) for 2010-2020 representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population increase within Macon County from 2010 to 2023 can be primarily attributed to positive net domestic migration. While international migration also contributed moderately to population growth within the PSA during this time, natural decrease within the existing population (more deaths than births) was a negative influence on population growth for Macon County between 2010 and 2023. In order for Macon County to continue to benefit from positive migration and to improve upon natural change, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to continue attracting domestic and international migrants and to retain young adults and families in the area. Other factors such as job availability, wage competitiveness, and housing conditions can substantially impact population change.

The following table details the ***shares*** of domestic in-migration by three select age cohorts for the PSA (Macon County) from 2013 to 2022.

Macon County, North Carolina Domestic County Population In-Migrants by Age, 2013 to 2022		
Age	2013-2017	2018-2022
1 to 34	40.8%	52.2%
35 to 54	20.2%	12.7%
55+	38.9%	35.1%
Median Age (In-state migrants)	27.9	21.3
Median Age (Out-of-state migrants)	46.4	56.9
Median Age (Macon County)	49.6	51.0

Source: U.S. Census Bureau, 2017 & 2022 5-Year ACS Estimates (S0701); Bowen National Research

According to 2013-2017 American Community Survey estimates, 40.8% of domestic in-migrants to Macon County were less than 35 years of age, 20.2% were between the ages of 35 and 54, and 38.9% were age 55 or older. Between 2018 and 2022, the share of in-migrants less than 35 years of age increased to 52.2%, while the shares of in-migrants between the ages of 35 and 54 (12.7%) and those age 55 and older (35.1%) both decreased. The median age of in-state migrants (originating from a different county in North Carolina) decreased from 27.9 years to 21.3 years between the two time periods, while the median age of out-of-state migrants increased from 46.4 years to 56.9 years. Overall, the data

suggests that the majority of in-migrants to Macon County in recent years were under the age of 35, and in-migrants from within the state are, on average, typically much younger than the existing population of the PSA and in-migrants originating from outside the state.

To further illustrate migration patterns for the PSA (Macon County), the following table summarizes the top 10 counties from which the PSA attracts residents (inflow) and to which the PSA exports (outflow) residents. Each top 10 list only notes regional counties contained within North Carolina and bordering states. Counties which directly border the PSA are illustrated in **red** text.

County-to-County Migration (2016-2020)
Top 10 Migration Counties

Inflow Counties		Outflow Counties	
County	**Percent**	**County**	**Percent**
McDowell County, NC	6.9%	**Jackson County, NC**	**8.2%**
Jackson County, NC	**6.3%**	Buncombe County, NC	6.5%
Rabun County, GA	**4.5%**	Pasquotank County, NC	6.0%
Bryan County, GA	4.1%	Martin County, NC	4.7%
Swain County, NC	**3.1%**	Montgomery County, NC	4.2%
Pickens County, SC	2.6%	DeKalb County, GA	4.0%
Haywood County, NC	2.3%	**Cherokee County, NC**	**3.4%**
Cobb County, GA	1.9%	Mecklenburg County, NC	3.3%
Rowan County, NC	1.8%	Harnett County, NC	3.2%
Duplin County, NC	1.7%	Suffolk City, VA	3.2%
All Other Counties	64.8%	All Other Counties	53.4%

Source: U.S. Census Bureau, 2020 5-Year American Community Survey; Bowen National Research

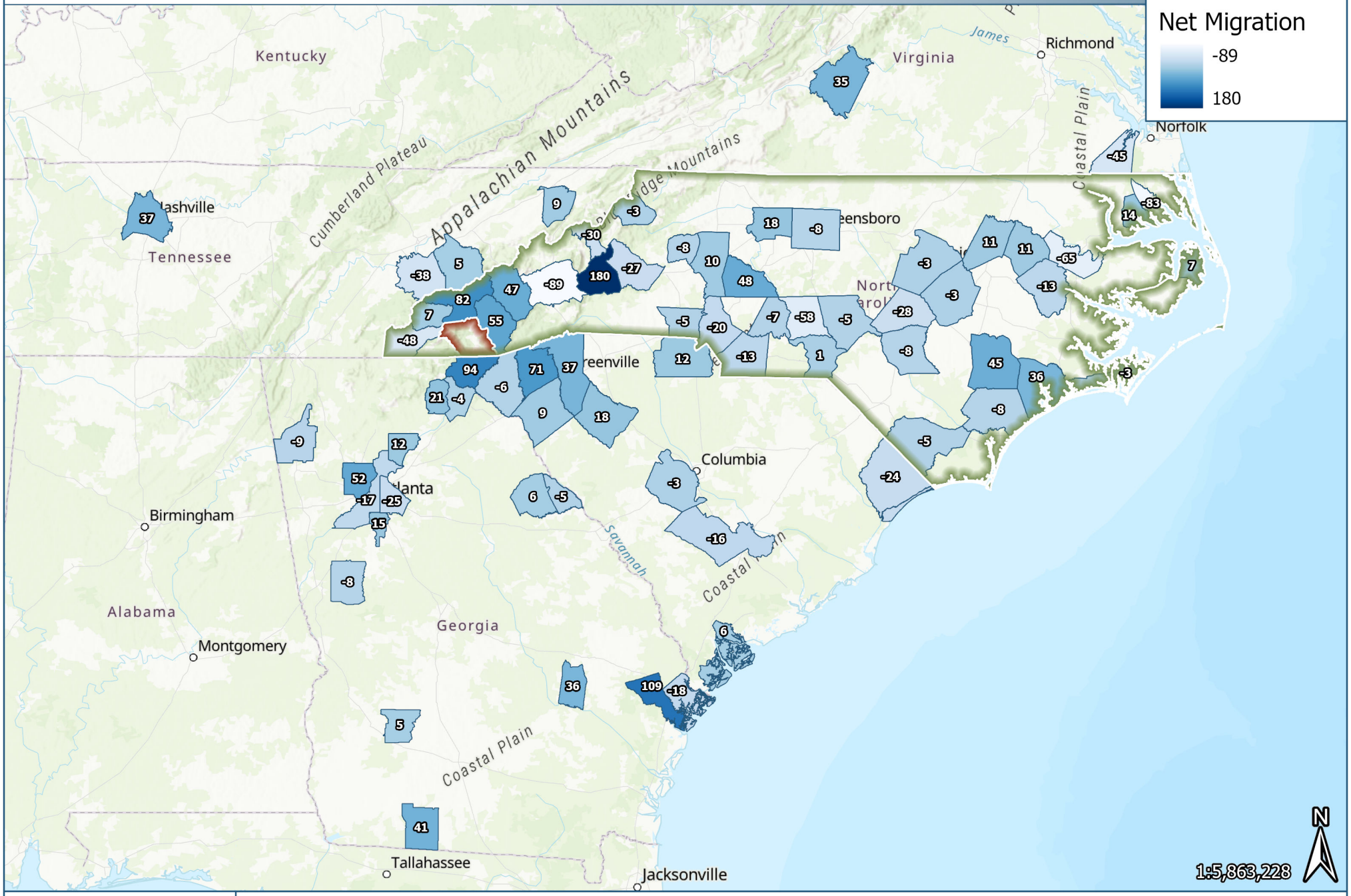
As the preceding table illustrates, the top 10 inflow counties account for 35.2% of the total inflow for Macon County, while the top 10 outflow counties comprise 46.7% of the total outflow. While both shares represent a significant portion of the total migration flow for the PSA, it is noteworthy that only three bordering counties are contained within the top 10 inflow counties, and only two of the counties which directly border the PSA are included in the top 10 outflow counties. This suggests that, while a notable share of the migration for Macon County is regionally based, it appears that Macon County both attracts and exports residents from/to a number of counties outside of the immediately surrounding region.

A map illustrating the regional net migration for Macon County and nearby regional counties for 2020 is shown on the following page.

BOWEN NATIONAL RESEARCH

Regional Net Migration

Macon County, NC



Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, Esri, USGS
Additional Source(s): Bowen National Research

While the data contained in the previous pages illustrates the recent migration trends for the PSA (Macon County) and gives perspective about the age profile and place of origin of in-migrants, it is also equally important to understand the income levels of these individuals as it directly relates to affordability of housing. The following table illustrates the *per-person* income distribution by geographic mobility status for Macon County in-migrants. Note that this data is provided for the county *population*, not households, ages 15 and above:

Macon County: Income Distribution by Mobility Status for Population Age 15+ Years*

2022 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County, Same State		Moved From Different State	
	Number	Percent	Number	Percent	Number	Percent
<$10,000	362	18.6%	149	23.7%	75	5.8%
$10,000 to $14,999	364	18.7%	76	12.1%	138	10.6%
$15,000 to $24,999	297	15.2%	69	11.0%	304	23.4%
$25,000 to $34,999	372	19.1%	119	18.9%	158	12.2%
$35,000 to $49,999	181	9.3%	73	11.6%	150	11.5%
$50,000 to $64,999	203	10.4%	24	3.8%	197	15.2%
$65,000 to $74,999	96	4.9%	15	2.4%	24	1.8%
$75,000+	73	3.7%	105	16.7%	254	19.5%
Total	1,948	100.0%	630	100.0%	1,300	100.0%

Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

According to data provided by the 2022 American Community Survey, 46.8% of the population that moved to Macon County from a different county within North Carolina earned less than $25,000 annually. This is a larger share of such individuals when compared to the share (39.8%) of individuals migrating from outside the state that earn less than $25,000 annually. By comparison, the share of individuals earning $50,000 or more annually is much smaller for in-migrants from a different county within North Carolina (22.9%). The share of in-migrants earning $50,000 or more from outside the state (36.5%) is similar to the share of out-of-state in-migrants earning less than $25,000 (39.8%). Although it is likely that a significant share of the population earning less than $25,000 per year consists of children over the age of 15 and young adults considered to be dependents within a larger family, this suggests that affordable housing options are likely important for a significant portion of in-migrants to Macon County. However, it is critical to note that 18.6% of all in-migrants to the county earn $75,000 or more annually. As such, housing alternatives targeting a wide range of income levels should be developed to accommodate individuals relocating within the PSA.

Based on our evaluation of the components of population change between 2010 and 2023, the population increase during this time in Macon County was due primarily to positive domestic migration. The majority (52.2%) of recent in-migrants to Macon County were less than 35 years of age, and over two-thirds (67.9%) earned less than $50,000 annually. In order for the PSA to maximize migration potential, it is important that an adequate supply of income-appropriate housing is readily available in the future.

C. HOUSEHOLD CHARACTERISTICS

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that decreases are illustrated in red text, while increases are illustrated in green text:

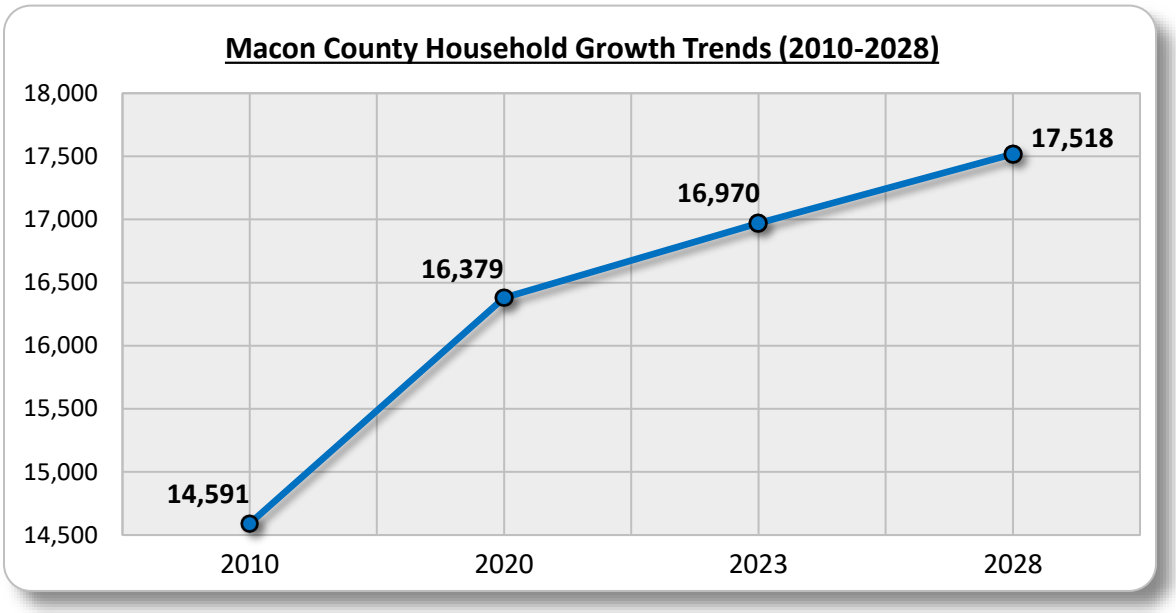
	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin ETJ	2,556	2,803	**247**	**9.7%**	2,864	**61**	**2.2%**	2,941	**77**	**2.7%**
Highlands/Flats	1,488	1,819	**331**	**22.2%**	1,863	**44**	**2.4%**	1,879	**16**	**0.9%**
Balance of County	10,552	11,762	**1,210**	**11.5%**	12,250	**488**	**4.1%**	12,705	**455**	**3.7%**
Macon County	14,591	16,379	**1,788**	**12.3%**	16,970	**591**	**3.6%**	17,518	**548**	**3.2%**
North Carolina	3,745,130	4,160,833	**415,703**	**11.1%**	4,313,420	**152,587**	**3.7%**	4,462,388	**148,968**	**3.5%**

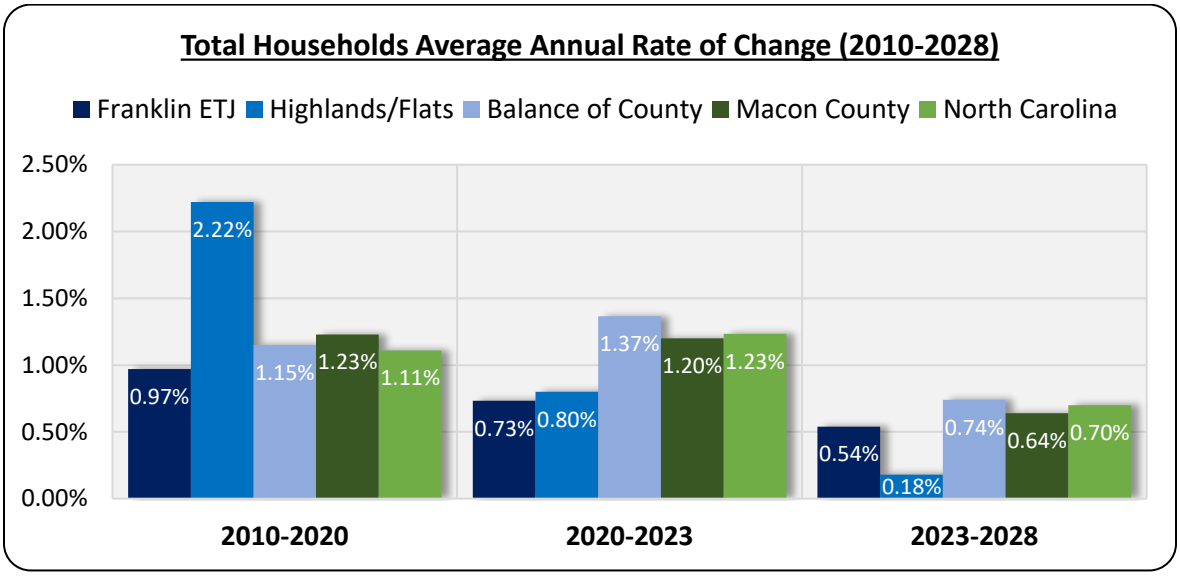
Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

As of 2023, more than 72.0% of all households within the PSA (Macon County) reside within the Balance of County while the Franklin ETJ and Highlands/Flats submarkets comprise approximately 17.0% and 11.0% of the Macon County household base, respectively. These shares are projected to remain relatively stable through 2028. With the exception of the Franklin ETJ Submarket, household growth rates from 2010 to 2020 ranging from 11.5% to 22.2% within the study areas outpaced the statewide growth rate of 11.1%. Although overall household growth rates were lower between 2020 and 2023 across all geographies evaluated, the annual growth rates reported for this three-year period were generally consistent with those experienced between 2010 and 2020. The exception being the Highlands/Flats Submarket which experienced an annual increase of 0.1% between 2020 and 2023 as compared to 2.2% between 2010 and 2020. Between 2020 and 2023, growth rates reported for both Macon County and the Balance of County remained very similar to if not above the statewide growth rate of 3.7%. Household growth is projected to continue within each study area between 2023 and 2028, with Macon County projected to experience an overall household growth rate of 3.2% (with the addition of 548 households), similar to that projected for the state of North Carolina during this time.

While the projected increase in households within Macon County will have some effect on demand for housing in the market, household growth or decline alone does not dictate the total housing needs of a market. Other factors that influence housing needs, which are addressed throughout this report, include: households living in substandard or cost-burdened housing, commuting patterns, pent-up demand, availability of existing housing, and product in the development pipeline.

The following graphs compare household growth between 2010 and 2028:





Household heads by age cohorts for selected years are shown in the following table. Note that five-year projected declines are in red, while increases are in green:

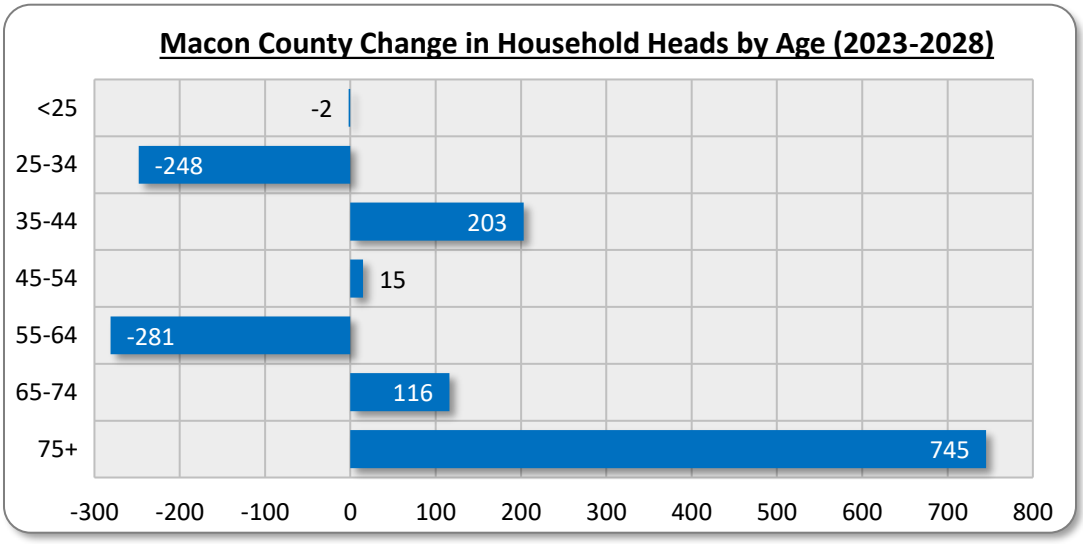
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Franklin ETJ	2020	97 (3.5%)	332 (11.8%)	361 (12.9%)	397 (14.2%)	539 (19.2%)	586 (20.9%)	491 (17.5%)
	2023	100 (3.5%)	369 (12.9%)	354 (12.4%)	384 (13.4%)	487 (17.0%)	595 (20.8%)	575 (20.1%)
	2028	99 (3.4%)	307 (10.4%)	410 (13.9%)	381 (13.0%)	454 (15.4%)	612 (20.8%)	678 (23.1%)
	Change 2023-2028	**-1 (-1.0%)**	**-62 (-16.8%)**	**56 (15.8%)**	**-3 (-0.8%)**	**-33 (-6.8%)**	**17 (2.9%)**	**103 (17.9%)**
Highlands/Flats	2020	40 (2.2%)	124 (6.8%)	162 (8.9%)	197 (10.8%)	377 (20.7%)	505 (27.7%)	415 (22.8%)
	2023	13 (0.7%)	121 (6.5%)	153 (8.2%)	208 (11.2%)	400 (21.5%)	561 (30.1%)	407 (21.8%)
	2028	12 (0.6%)	109 (5.8%)	150 (8.0%)	197 (10.5%)	351 (18.7%)	568 (30.2%)	492 (26.2%)
	Change 2023-2028	**-1 (-7.7%)**	**-12 (-9.9%)**	**-3 (-2.0%)**	**-11 (-5.3%)**	**-49 (-12.3%)**	**7 (1.2%)**	**85 (20.9%)**
Balance of County	2020	263 (2.2%)	1,019 (8.7%)	1,298 (11.0%)	1,618 (13.8%)	2,505 (21.3%)	2,835 (24.1%)	2,222 (18.9%)
	2023	281 (2.3%)	1,201 (9.8%)	1,399 (11.4%)	1,649 (13.5%)	2,458 (20.1%)	2,990 (24.4%)	2,272 (18.5%)
	2028	280 (2.2%)	1,027 (8.1%)	1,549 (12.2%)	1,678 (13.2%)	2,258 (17.8%)	3,083 (24.3%)	2,830 (22.3%)
	Change 2023-2028	**-1 (-0.4%)**	**-174 (-14.5%)**	**150 (10.7%)**	**29 (1.8%)**	**-200 (-8.1%)**	**93 (3.1%)**	**558 (24.6%)**
Macon County	2020	400 (2.4%)	1,476 (9.0%)	1,820 (11.1%)	2,213 (13.5%)	3,420 (20.9%)	3,923 (24.0%)	3,127 (19.1%)
	2023	394 (2.3%)	1,691 (10.0%)	1,905 (11.2%)	2,240 (13.2%)	3,343 (19.7%)	4,144 (24.4%)	3,253 (19.2%)
	2028	392 (2.2%)	1,443 (8.2%)	2,108 (12.0%)	2,255 (12.9%)	3,062 (17.5%)	4,260 (24.3%)	3,998 (22.8%)
	Change 2023-2028	**-2 (-0.5%)**	**-248 (-14.7%)**	**203 (10.7%)**	**15 (0.7%)**	**-281 (-8.4%)**	**116 (2.8%)**	**745 (22.9%)**
North Carolina	2020	166,754 (4.0%)	621,488 (14.9%)	687,434 (16.5%)	750,220 (18.0%)	804,418 (19.3%)	670,733 (16.1%)	459,788 (11.1%)
	2023	184,917 (4.3%)	659,947 (15.3%)	751,279 (17.4%)	732,946 (17.0%)	784,877 (18.2%)	714,141 (16.6%)	485,313 (11.3%)
	2028	191,110 (4.3%)	648,222 (14.5%)	774,500 (17.4%)	738,908 (16.6%)	748,818 (16.8%)	746,802 (16.7%)	614,028 (13.8%)
	Change 2023-2028	**6,193 (3.3%)**	**-11,725 (-1.8%)**	**23,221 (3.1%)**	**5,962 (0.8%)**	**-36,059 (-4.6%)**	**32,661 (4.6%)**	**128,715 (26.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Household heads aged 65 to 74 comprise the largest share (24.4%) of the overall household base within the PSA (Macon County) in 2023. This age cohort also represents the largest share of household heads by age within each of the submarkets and the Balance of County. With the exception of the Balance of County, household heads aged 75 and older represent the second largest share of households by age within each of the study areas. Household heads aged 65 and older comprise nearly 44.0% of all households within Macon County in 2023, with similar shares estimated for the Franklin ETJ Submarket (40.9%) and Balance of County (42.9%). The majority (51.9%) of all household heads within the Highlands/Flats Submarket are aged 65 and older. Note that these shares of household heads aged 65 and older are all much higher than the share of such households in the state (27.9%). These trends coincide with the median population age reported for the study areas earlier in this section, with the Highlands/Flats Submarket reporting a median age of 60 in 2023.

The senior/elderly household base will continue to heavily influence the Macon County demographic base and as a result, the county housing market. This is particularly true when considering that household growth is projected to be greatest among households aged 75 and older within each of the study areas between 2023 and 2028. However, it is also important to note that Macon County is projected to experience notable growth among younger households between the ages of 35 and 54. This younger household growth is projected to occur primarily within the Balance of County, though some growth is projected for the cohort of those aged 35 to 44 within the Franklin ETJ Submarket. Considering the projected growth among these younger age cohorts and the fact that more than half (52.9%) of households within Macon County are projected to be under the age of 65 through 2028, demand is also expected to remain for family-oriented (general-occupancy) housing alternatives.

The following graph illustrates the projected change in households by age.



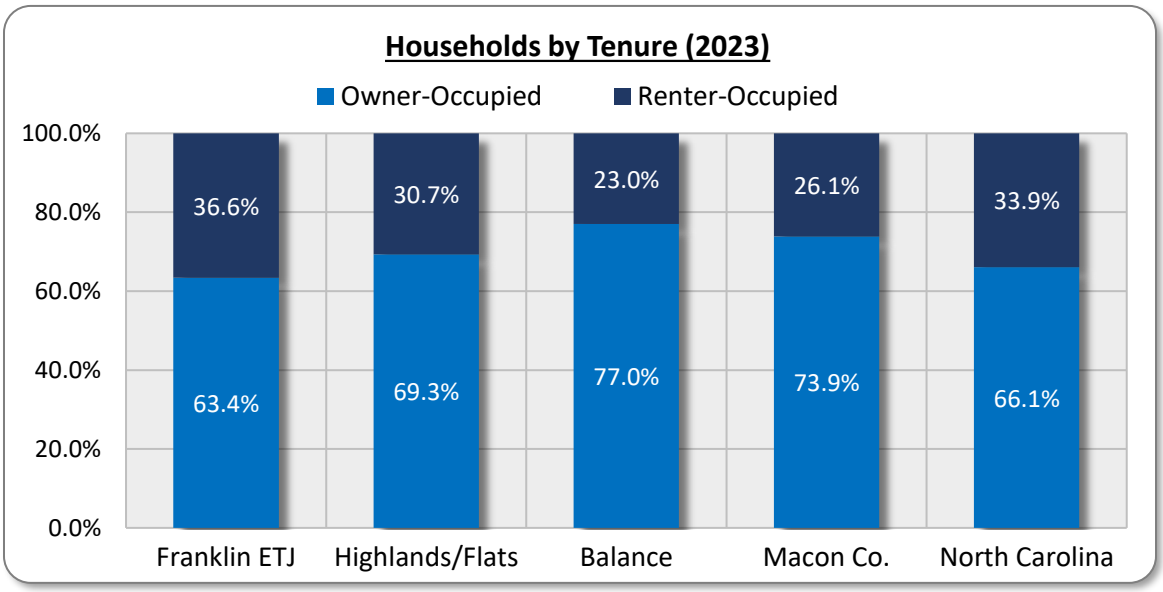
Households by tenure (renters and owners) for selected years are shown in the following table. Note that 2028 projections which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text.

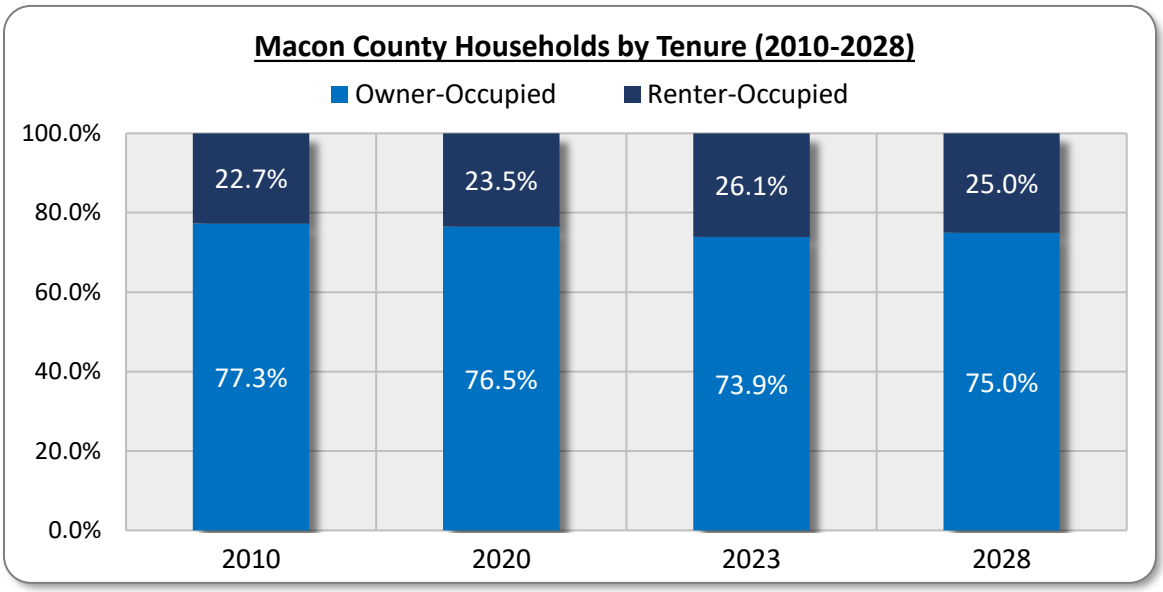
	Households by Tenure								
		2010		2020		2023		2028	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin ETJ	Owner-Occupied	1,616	63.2%	1,852	66.1%	1,815	63.4%	**1,904**	**64.7%**
	Renter-Occupied	940	36.8%	951	33.9%	1,049	36.6%	**1,037**	**35.3%**
	Total	2,556	100.0%	2,803	100.0%	2,864	100.0%	**2,941**	100.0%
Highlands/Flats	Owner-Occupied	1,164	78.2%	1,413	77.7%	1,291	69.3%	**1,319**	**70.2%**
	Renter-Occupied	324	21.8%	406	22.3%	572	30.7%	**560**	**29.8%**
	Total	1,488	100.0%	1,819	100.0%	1,863	100.0%	**1,879**	100.0%
Balance of County	Owner-Occupied	8,508	80.6%	9,266	78.8%	9,436	77.0%	**9,919**	**78.1%**
	Renter-Occupied	2,044	19.4%	2,496	21.2%	2,814	23.0%	**2,785**	**21.9%**
	Total	10,552	100.0%	11,762	100.0%	12,250	100.0%	**12,704**	100.0%
Macon County	Owner-Occupied	11,284	77.3%	12,526	76.5%	12,537	73.9%	**13,138**	**75.0%**
	Renter-Occupied	3,307	22.7%	3,853	23.5%	4,433	26.1%	**4,380**	**25.0%**
	Total	14,591	100.0%	16,379	100.0%	16,970	100.0%	**17,518**	100.0%
North Carolina	Owner-Occupied	2,497,880	66.7%	2,701,390	64.9%	2,852,237	66.1%	**2,965,364**	**66.5%**
	Renter-Occupied	1,247,250	33.3%	1,459,443	35.1%	1,461,183	33.9%	**1,497,024**	**33.5%**
	Total	3,745,130	100.0%	4,160,833	100.0%	4,313,420	100.0%	**4,462,388**	100.0%

Source: 2010 Census; 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, *owner* households comprised nearly three-quarters (73.9%) of all households within the PSA (Macon County), with the remaining 26.1% being *renter* households. Comparatively, Macon County comprises a larger share of owner households as compared to the state of North Carolina (66.1%). While owner households also comprise the majority of households within each of the submarkets, the shares of such households are below 70.0% within both the Franklin ETJ and Highlands/Flats submarkets. This demonstrates a larger share of renter households within these areas as compared to the Balance of County and Macon County as a whole. Owner households are projected to continue to comprise the majority of households throughout Macon County through 2028 as such households are projected to increase in each of the study areas while renter households will decline. It is important to note that factors such as home mortgage interest rates, residential development costs, available land, and utility availability and capacity will affect the type of housing that gets built and the housing needs and preferences (rentals vs. home ownership) of commuters.

The following graphs illustrate households by tenure for each study area and the state of North Carolina for 2023 and the households by tenure for the entirety of Macon County from 2010 and projected to 2028:





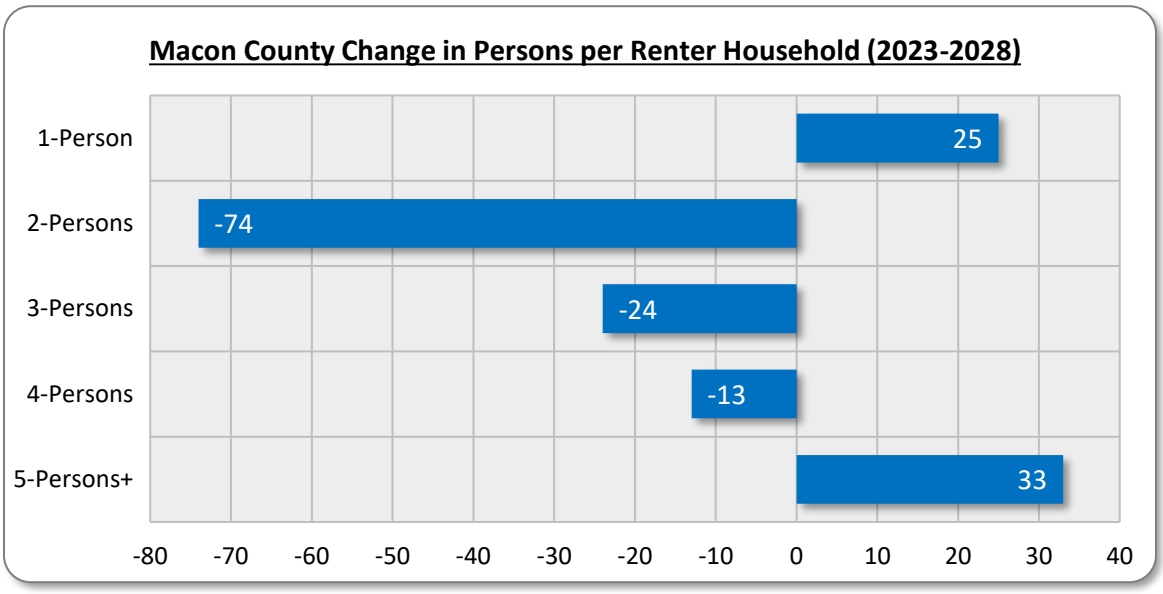
Renter households by size for selected years are shown in the following table for each study area and the state of North Carolina.

		Persons Per Renter Household						
		1-Person	2-Person	3-Person	4-Person	5-Person+	Total	Average H.H. Size
Franklin ETJ	2020	377 (39.6%)	235 (24.7%)	130 (13.7%)	108 (11.4%)	101 (10.6%)	951 (100.0%)	2.29
	2023	440 (41.9%)	280 (26.7%)	139 (13.2%)	101 (9.6%)	90 (8.5%)	1,049 (100.0%)	2.16
	2028	447 (43.1%)	261 (25.2%)	132 (12.7%)	98 (9.5%)	99 (9.5%)	1,037 (100.0%)	2.17
Highlands/Flats	2020	158 (38.9%)	116 (28.5%)	51 (12.6%)	35 (8.7%)	46 (11.4%)	406 (100.0%)	2.25
	2023	238 (41.6%)	163 (28.6%)	73 (12.7%)	47 (8.3%)	51 (8.9%)	572 (100.0%)	2.14
	2028	239 (42.7%)	153 (27.3%)	68 (12.1%)	44 (7.9%)	56 (10.0%)	560 (100.0%)	2.15
Balance of County	2020	923 (37.0%)	662 (26.5%)	376 (15.1%)	288 (11.5%)	248 (9.9%)	2,496 (100.0%)	2.31
	2023	1,143 (40.6%)	776 (27.6%)	391 (13.9%)	273 (9.7%)	230 (8.2%)	2,814 (100.0%)	2.17
	2028	1,159 (41.6%)	732 (26.3%)	379 (13.6%)	267 (9.6%)	249 (8.9%)	2,785 (100.0%)	2.18
Macon County	2020	1,460 (37.9%)	1,010 (26.2%)	556 (14.4%)	431 (11.2%)	396 (10.3%)	3,853 (100.0%)	2.30
	2023	1,821 (41.1%)	1,216 (27.4%)	602 (13.6%)	423 (9.5%)	370 (8.4%)	4,433 (100.0%)	2.17
	2028	1,846 (42.2%)	1,142 (26.1%)	578 (13.2%)	410 (9.4%)	403 (9.2%)	4,380 (100.0%)	2.17
North Carolina	2020	547,494 (37.5%)	411,000 (28.2%)	218,870 (15.0%)	154,062 (10.6%)	128,017 (8.8%)	1,459,443 (100.0%)	2.25
	2023	559,954 (38.3%)	418,420 (28.6%)	219,812 (15.0%)	147,479 (10.1%)	115,518 (7.9%)	1,461,183 (100.0%)	2.21
	2028	578,902 (38.7%)	429,477 (28.7%)	222,751 (14.9%)	148,260 (9.9%)	117,634 (7.9%)	1,497,024 (100.0%)	2.20

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

The average *renter* household size within the PSA (Macon County) is 2.17 in 2023 as more than two-thirds (68.5%) of all renter households are comprised of one- and two-person households. This is very similar to the state of North Carolina which has an estimated average renter household size of 2.21 and an approximate 67.0% share of one- and two-person renter households. While one- and two-person households will continue to comprise the majority of renter households throughout Macon County in 2028, it is of note that growth is projected among both one- and five-person and larger renter households within the county between 2023 and 2028. This could increase demand for larger rental units within the county, though this is anticipated to continue to be a limited segment of the housing market as less than 10.0% of all renter households within the county are projected to be comprised of five or more persons.

The following graph shows the projected change in persons per *renter* household within Macon County between 2023 and 2028:



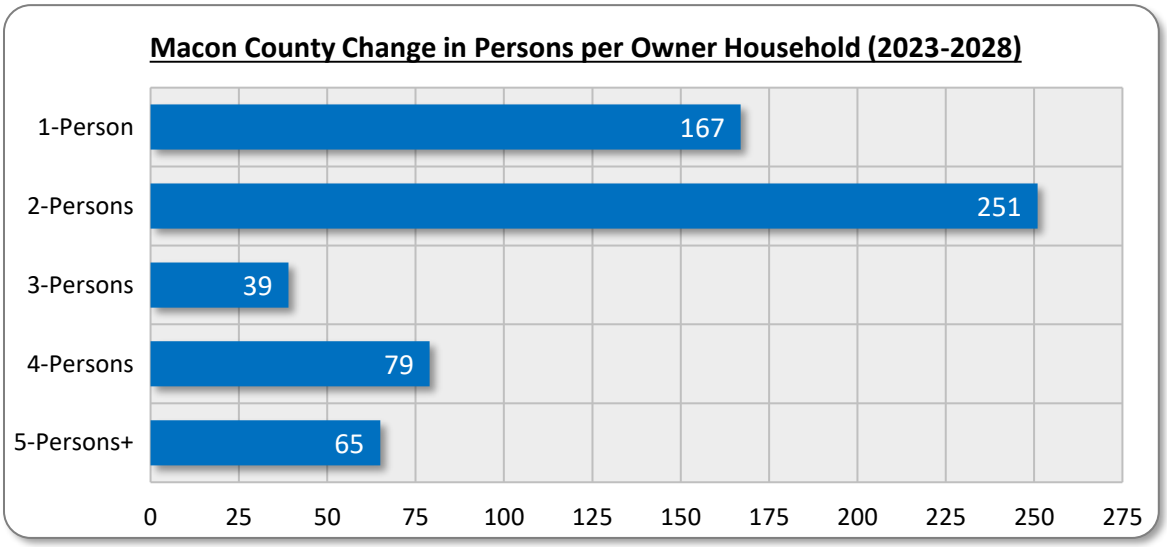
Owner households by size for each study area and the state of North Carolina for selected years are shown in the following table.

		Persons Per Owner Household						
		1-Person	2-Person	3-Person	4-Person	5-Person+	Total	Average H.H. Size
Franklin ETJ	2020	618 (33.4%)	690 (37.3%)	232 (12.5%)	174 (9.4%)	137 (7.4%)	1,852 (100.0%)	2.20
	2023	551 (30.4%)	779 (42.9%)	215 (11.8%)	161 (8.9%)	110 (6.0%)	1,816 (100.0%)	2.17
	2028	585 (30.7%)	799 (41.9%)	222 (11.7%)	176 (9.2%)	123 (6.5%)	1,905 (100.0%)	2.19
Highlands/Flats	2020	459 (32.5%)	669 (47.3%)	124 (8.8%)	91 (6.4%)	70 (4.9%)	1,413 (100.0%)	2.04
	2023	387 (29.9%)	620 (48.0%)	128 (9.9%)	95 (7.4%)	62 (4.8%)	1,293 (100.0%)	2.09
	2028	399 (30.2%)	634 (48.0%)	125 (9.5%)	97 (7.4%)	66 (5.0%)	1,322 (100.0%)	2.09
Balance of County	2020	2,641 (28.5%)	4,208 (45.4%)	1,078 (11.6%)	770 (8.3%)	568 (6.1%)	9,266 (100.0%)	2.18
	2023	2,634 (27.9%)	4,434 (47.0%)	1,072 (11.4%)	785 (8.3%)	511 (5.4%)	9,436 (100.0%)	2.16
	2028	2,755 (27.8%)	4,649 (46.9%)	1,107 (11.2%)	848 (8.6%)	560 (5.6%)	9,919 (100.0%)	2.17
Macon County	2020	3,712 (29.6%)	5,575 (44.5%)	1,433 (11.4%)	1,033 (8.2%)	773 (6.2%)	12,526 (100.0%)	2.17
	2023	3,571 (28.5%)	5,834 (46.5%)	1,412 (11.3%)	1,039 (8.3%)	681 (5.4%)	12,537 (100.0%)	2.16
	2028	3,738 (28.5%)	6,085 (46.3%)	1,451 (11.0%)	1,118 (8.5%)	746 (5.7%)	13,138 (100.0%)	2.17
North Carolina	2020	636,545 (23.6%)	1,026,642 (38.0%)	436,078 (16.1%)	362,553 (13.4%)	239,572 (8.9%)	2,701,390 (100.0%)	2.46
	2023	677,030 (23.7%)	1,101,024 (38.6%)	456,825 (16.0%)	376,794 (13.2%)	240,564 (8.4%)	2,852,237 (100.0%)	2.44
	2028	703,390 (23.7%)	1,139,826 (38.4%)	473,881 (16.0%)	392,859 (13.2%)	255,407 (8.6%)	2,965,364 (100.0%)	2.45

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

The average owner household size of 2.16 for Macon County is smaller than the statewide average of 2.44 and is reflective of the fact that three-quarters (75.0%) of all owner households within the county are one- and two-person households. This is a notably higher share of such households as compared to the state (62.3%) and is likely attributed to the large share of senior (age 65 and older) households within the county. Specifically, 43.6% of all households within Macon County are aged 65 and older, as indicated earlier in this section. Generally, senior households of this age are comprised of smaller household sizes which contributes to the lower overall average household size reported for the county. Despite the large share of smaller owner households within the county, demand for housing among owner households is expected to remain for various home sizes as household growth is projected for all owner household sizes within the county between 2023 and 2028.

The following graph illustrates the projected change in persons per *owner* household within Macon County between 2023 and 2028:



Median household income for selected years is shown in the following table:

	Median Household Income				
	2020 Census	2023 Estimated	% Change 2020-2023	2028 Projected	% Change 2023-2028
Franklin ETJ	$45,866	$43,092	-6.0%	$48,229	11.9%
Highlands/Flats	$74,205	$79,438	7.1%	$94,605	19.1%
Balance of County	$57,169	$54,651	-4.4%	$63,218	15.7%
Macon County	$56,808	$54,595	-3.9%	$63,059	15.5%
North Carolina	$64,390	$65,852	2.3%	$76,213	15.7%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the median household income for Macon County ($54,595) is 17.1% lower than that reported for the state of North Carolina ($65,852). Macon County's median income represents a decline of nearly 4.0% over the median household income for the county in 2020 ($56,808). In comparison, the state of North Carolina experienced an increase of 2.3% to the median household income during this time. The Franklin ETJ Submarket and Balance of County also experienced declines in median household incomes between 2020 and 2023. The median household income ($43,092) for the Franklin ETJ Submarket is lower than those reported for all other study areas and is nearly 35.0% lower than that reported for the state. Conversely, the median household income within the Highlands/Flats Submarket increased by 7.1% during this same time period. The Highlands/Flats Submarket also has the highest median income ($79,438) of the study areas, which is nearly 21.0% higher than the state median household income. It is important to understand; however, that the 2023 estimates provided in the preceding table are reflective of a five-year average which includes the impact of the COVID-19 pandemic. Between 2023 and 2028, it is projected that each of the study areas, as well as the state of North

Carolina, will experience increased median household income levels by at least 11.9%. The greatest increase (19.1%) is projected for the Highlands/Flats Submarket.

The distribution of *renter* households by income is illustrated in the following table. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Renter Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin ETJ	2020	75 (7.8%)	165 (17.3%)	168 (17.7%)	153 (16.1%)	105 (11.0%)	72 (7.5%)	158 (16.7%)	55 (5.8%)
	2023	116 (11.1%)	247 (23.5%)	169 (16.1%)	141 (13.4%)	91 (8.7%)	50 (4.7%)	165 (15.8%)	70 (6.6%)
	2028	84 (8.1%)	237 (22.9%)	153 (14.8%)	130 (12.5%)	109 (10.5%)	49 (4.7%)	207 (20.0%)	67 (6.5%)
	Change 2023-2028	**-32 (-27.6%)**	**-10 (-4.0%)**	**-16 (-9.5%)**	**-11 (-7.8%)**	**18 (19.8%)**	**-1 (-2.0%)**	**42 (25.5%)**	**-3 (-4.3%)**
Highlands/ Flats	2020	24 (6.0%)	56 (13.8%)	52 (12.7%)	45 (11.0%)	33 (8.2%)	38 (9.3%)	92 (22.7%)	67 (16.4%)
	2023	48 (8.4%)	114 (19.9%)	64 (11.1%)	53 (9.3%)	55 (9.5%)	31 (5.4%)	98 (17.1%)	110 (19.2%)
	2028	31 (5.6%)	106 (18.9%)	59 (10.6%)	48 (8.7%)	64 (11.5%)	31 (5.5%)	114 (20.4%)	106 (18.9%)
	Change 2023-2028	**-17 (-35.4%)**	**-8 (-7.0%)**	**-5 (-7.8%)**	**-5 (-9.4%)**	**9 (16.4%)**	**0 (0.0%)**	**16 (16.3%)**	**-4 (-3.6%)**
Balance of County	2020	164 (6.6%)	402 (16.1%)	381 (15.3%)	347 (13.9%)	292 (11.7%)	204 (8.2%)	497 (19.9%)	209 (8.4%)
	2023	303 (10.8%)	655 (23.3%)	357 (12.7%)	294 (10.4%)	304 (10.8%)	171 (6.1%)	498 (17.7%)	233 (8.3%)
	2028	210 (7.5%)	629 (22.6%)	331 (11.9%)	254 (9.1%)	312 (11.2%)	177 (6.4%)	639 (23.0%)	233 (8.4%)
	Change 2023-2028	**-93 (-30.7%)**	**-26 (-4.0%)**	**-26 (-7.3%)**	**-40 (-13.6%)**	**8 (2.6%)**	**6 (3.5%)**	**141 (28.3%)**	**0 (0.0%)**
Macon County	2020	260 (6.8%)	619 (16.1%)	595 (15.4%)	542 (14.1%)	432 (11.2%)	314 (8.1%)	755 (19.6%)	336 (8.7%)
	2023	466 (10.5%)	1,013 (22.9%)	583 (13.2%)	481 (10.9%)	457 (10.3%)	258 (5.8%)	773 (17.4%)	401 (9.0%)
	2028	324 (7.4%)	972 (22.2%)	538 (12.3%)	427 (9.7%)	485 (11.1%)	264 (6.0%)	977 (22.3%)	394 (9.0%)
	Change 2023-2028	**-142 (-30.5%)**	**-41 (-4.0%)**	**-45 (-7.7%)**	**-54 (-11.2%)**	**28 (6.1%)**	**6 (2.3%)**	**204 (26.4%)**	**-7 (-1.7%)**
North Carolina	2020	136,315 (9.3%)	195,185 (13.4%)	183,726 (12.6%)	174,817 (12.0%)	157,152 (10.8%)	117,699 (8.1%)	306,886 (21.0%)	187,664 (12.9%)
	2023	140,455 (9.6%)	202,484 (13.9%)	175,020 (12.0%)	161,745 (11.1%)	152,336 (10.4%)	119,057 (8.1%)	306,079 (20.9%)	204,007 (14.0%)
	2028	117,945 (7.9%)	172,182 (11.5%)	149,785 (10.0%)	145,716 (9.7%)	146,081 (9.8%)	125,700 (8.4%)	353,048 (23.6%)	286,567 (19.1%)
	Change 2023-2028	**-22,510 (-16.0%)**	**-30,302 (-15.0%)**	**-25,235 (-14.4%)**	**-16,029 (-9.9%)**	**-6,255 (-4.1%)**	**6,643 (5.6%)**	**46,969 (15.3%)**	**82,560 (40.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, more than 57.0% of all *renter* households within the PSA (Macon County) earn less than $40,000 annually. This is a higher share of such households when compared to the state (46.5%). Notably, renter households earning between $10,000 and $19,999 comprise nearly one-quarter (22.9%) of all renter households within the county. This is the largest share of renter households by income level within the county with those earning between $60,000 and $99,999 representing the next largest share at 17.4%. Comparatively, renter households earning between $60,000 and $99,999 represent the largest share (20.9%) of renter households by income level within the state. Considering the overall distribution of renter households by income, Macon County households are more heavily concentrated among the lower- and middle-income cohorts as compared to the state.

Between 2023 and 2028, it is projected that renter household growth within Macon County will be concentrated among households earning between $40,000 and $99,999. The majority (85.7%) of this growth is projected to be within the $60,000 to $99,999 income band. Renter household growth is projected to be relatively similar within each of the submarkets and the Balance of County, in terms of growth by household income levels. In comparison, growth among renter households statewide will be concentrated among those earning $50,000 or more, with more than 60.0% of this growth projected to occur among households earning $100,000 or more. While growth projections for Macon County suggest that demand may increase for moderate to higher-priced rental alternatives, it is important to understand that more than half (51.6%) of all renter households within the county are projected to continue earning less than $40,000 through 2028. Thus, the need for affordable rental alternatives will persist within Macon County for the foreseeable future. This is also true of each submarket and the Balance of County, though it is of note that the Highlands/Flats Submarket will have a lower share (43.6%) of renters earning less than $40,000 as compared to the other study areas.

The following table shows the distribution of *owner* households by income. Note that declines between 2023 and 2028 are in red, while increases are in green:

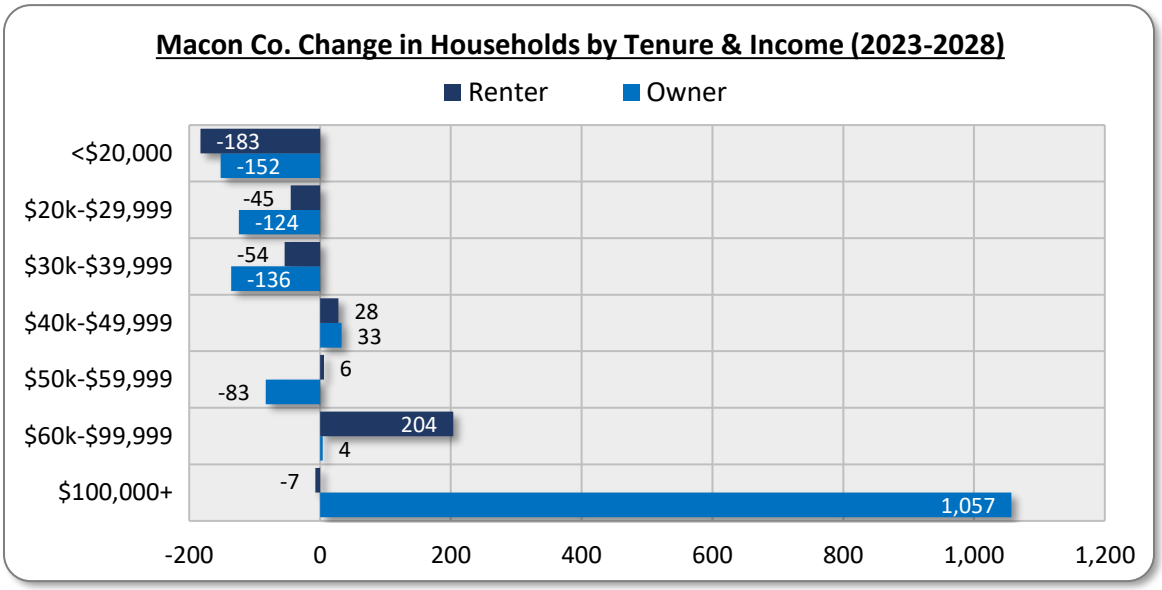
		Owner Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin ETJ	2020	61 (3.3%)	161 (8.7%)	207 (11.2%)	232 (12.5%)	201 (10.9%)	171 (9.3%)	458 (24.7%)	361 (19.5%)
	2023	90 (4.9%)	204 (11.2%)	191 (10.5%)	204 (11.3%)	137 (7.5%)	119 (6.6%)	439 (24.2%)	432 (23.8%)
	2028	76 (4.0%)	208 (10.9%)	170 (8.9%)	190 (10.0%)	162 (8.5%)	105 (5.5%)	439 (23.0%)	556 (29.2%)
	Change 2023-2028	**-14 (-15.6%)**	4 (2.0%)	**-21 (-11.0%)**	**-14 (-6.9%)**	**25 (18.2%)**	**-14 (-11.8%)**	**0 (0.0%)**	**124 (28.7%)**
Highlands/ Flats	2020	26 (1.8%)	70 (5.0%)	81 (5.8%)	85 (6.0%)	81 (5.7%)	113 (8.0%)	356 (25.2%)	600 (42.5%)
	2023	33 (2.6%)	85 (6.6%)	65 (5.0%)	71 (5.5%)	74 (5.8%)	67 (5.2%)	239 (18.5%)	658 (50.9%)
	2028	22 (1.7%)	72 (5.5%)	52 (3.9%)	57 (4.3%)	77 (5.8%)	54 (4.1%)	195 (14.7%)	794 (60.1%)
	Change 2023-2028	**-11 (-33.3%)**	**-13 (-15.3%)**	**-13 (-20.0%)**	**-14 (-19.7%)**	**3 (4.1%)**	**-13 (-19.4%)**	**-44 (-18.4%)**	**136 (20.7%)**
Balance of County	2020	231 (2.5%)	673 (7.3%)	802 (8.7%)	895 (9.7%)	952 (10.3%)	831 (9.0%)	2,574 (27.8%)	2,308 (24.9%)
	2023	432 (4.6%)	999 (10.6%)	740 (7.8%)	781 (8.3%)	833 (8.8%)	747 (7.9%)	2,380 (25.2%)	2,523 (26.7%)
	2028	334 (3.4%)	981 (9.9%)	651 (6.6%)	666 (6.7%)	833 (8.4%)	693 (7.0%)	2,435 (24.5%)	3,326 (33.5%)
	Change 2023-2028	**-98 (-22.7%)**	**-18 (-1.8%)**	**-89 (-12.0%)**	**-115 (-14.7%)**	**0 (0.0%)**	**-54 (-7.2%)**	**55 (2.3%)**	**803 (31.8%)**
Macon County	2020	322 (2.6%)	910 (7.3%)	1,095 (8.7%)	1,217 (9.7%)	1,228 (9.8%)	1,110 (8.9%)	3,371 (26.9%)	3,273 (26.1%)
	2023	555 (4.4%)	1,289 (10.3%)	1,003 (8.0%)	1,059 (8.4%)	1,034 (8.2%)	928 (7.4%)	3,046 (24.3%)	3,624 (28.9%)
	2028	430 (3.3%)	1,262 (9.6%)	879 (6.7%)	923 (7.0%)	1,067 (8.1%)	845 (6.4%)	3,050 (23.2%)	4,681 (35.6%)
	Change 2023-2028	**-125 (-22.5%)**	**-27 (-2.1%)**	**-124 (-12.4%)**	**-136 (-12.8%)**	**33 (3.2%)**	**-83 (-8.9%)**	**4 (0.1%)**	**1,057 (29.2%)**
North Carolina	2020	83,986 (3.1%)	144,107 (5.3%)	174,148 (6.4%)	193,047 (7.1%)	190,809 (7.1%)	207,848 (7.7%)	664,361 (24.6%)	1,043,083 (38.6%)
	2023	96,846 (3.4%)	165,797 (5.8%)	181,776 (6.4%)	190,954 (6.7%)	194,388 (6.8%)	212,394 (7.4%)	669,578 (23.5%)	1,140,504 (40.0%)
	2028	87,412 (2.9%)	149,057 (5.0%)	157,324 (5.3%)	164,531 (5.5%)	173,121 (5.8%)	196,827 (6.6%)	651,049 (22.0%)	1,386,043 (46.7%)
	Change 2023-2028	**-9,434 (-9.7%)**	**-16,740 (-10.1%)**	**-24,452 (-13.5%)**	**-26,423 (-13.8%)**	**-21,267 (-10.9%)**	**-15,567 (-7.3%)**	**-18,529 (-2.8%)**	**245,539 (21.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, more than half (53.2%) of all *owner* households in the PSA (Macon County) earn $60,000 or more annually. This is a considerably lower share than that reported for the state (63.5%). While the majority of owner households earn $60,000 or more within the PSA, nearly one-third (31.2%) of owner households earn less than $40,000, which is a notably higher share of such households than the share within the state (22.3%). A large share, if not the majority, of owner households within the Franklin ETJ Submarket, the Highlands/Flats Submarket, and the Balance of County is also comprised of those earning $60,000 or more. Notably, nearly 51.0% of all owner households within the Highlands/Flats Submarket earn $100,000 or more in 2023. This is a considerably higher share than those reported for both Macon County (28.9%) and the state (40.0%).

Between 2023 and 2028, owner household growth in Macon County is projected to be predominantly concentrated among households earning $100,000 or more, consistent with projections for all other study areas and the state. While growth will generally be concentrated among higher-income households, it is also important to consider that more than one-quarter (26.6%) of all owner households are projected to continue to earn less than $40,000 through 2028. This will remain higher than the statewide share (18.8%) of such households during this time period and demonstrates the importance of housing alternatives and/or programs conducive to lower-income households. Nonetheless, the projected growth among higher-income owner households is indicative of a shift in the distribution of owner households by income toward the higher earning cohorts. These projected changes should be considered when evaluating the for-sale housing market in Macon County.

The following graph illustrates household income growth by tenure for Macon County between 2023 and 2028.

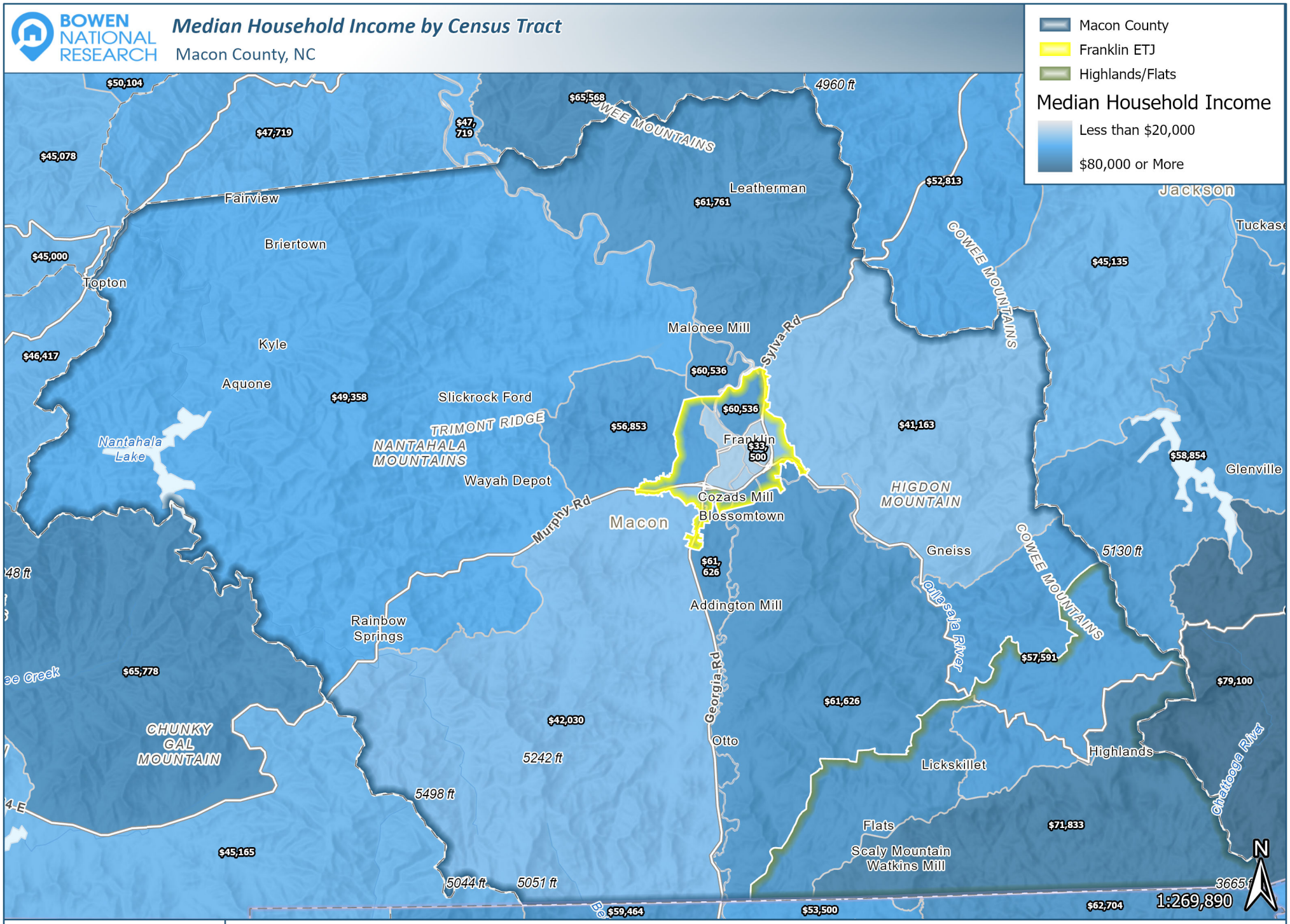


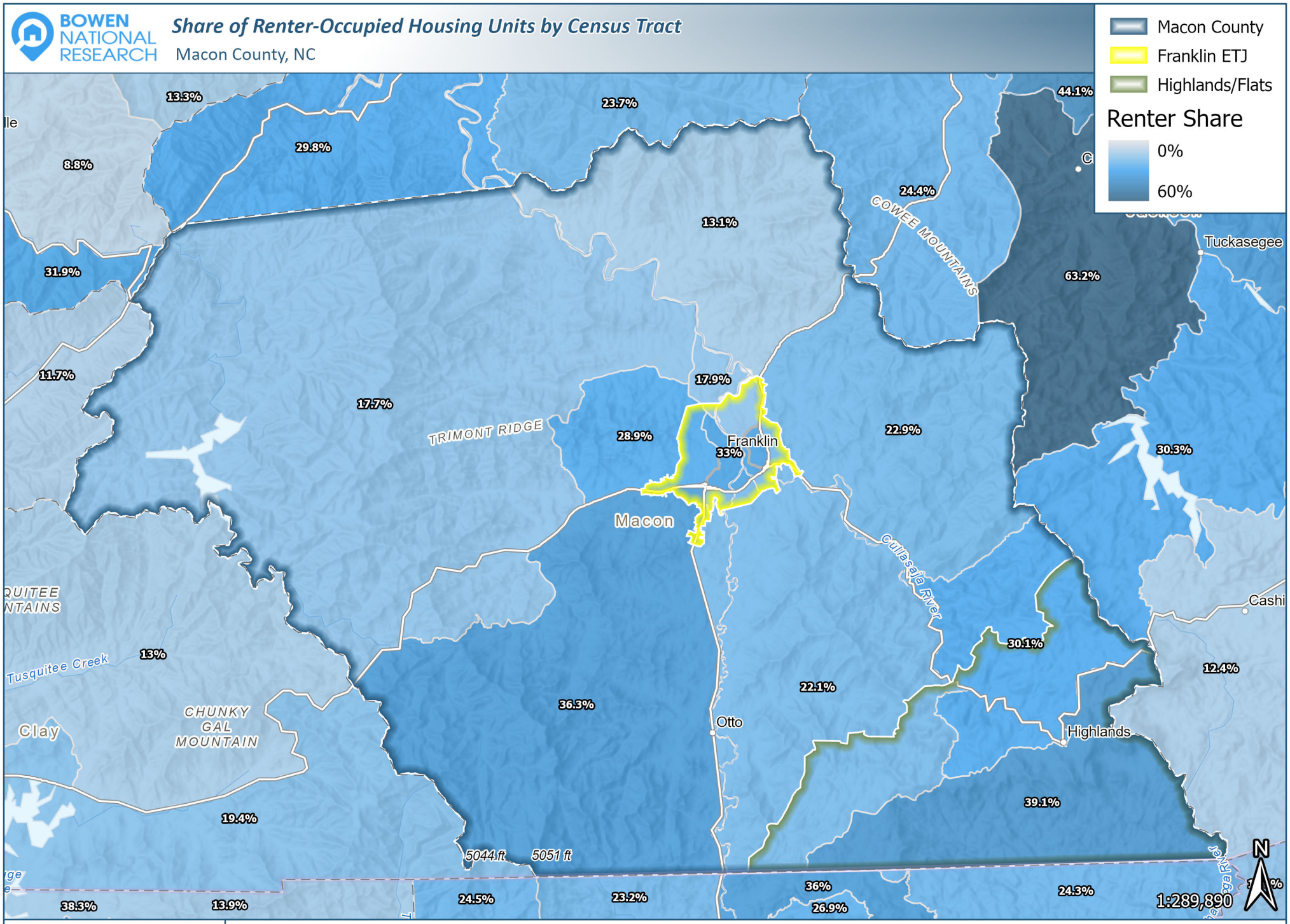
D. DEMOGRAPHIC THEME MAPS

The following demographic theme maps for the study area are presented after this page:

- Median Household Income
- Renter Household Share
- Owner Household Share
- Older Adult Population Share (55 + years)
- Younger Adult Population Share (20 to 34 years)
- Population Density

The demographic data used in these maps is based on U.S. Census, American Community Survey (ACS) and ESRI data sets.

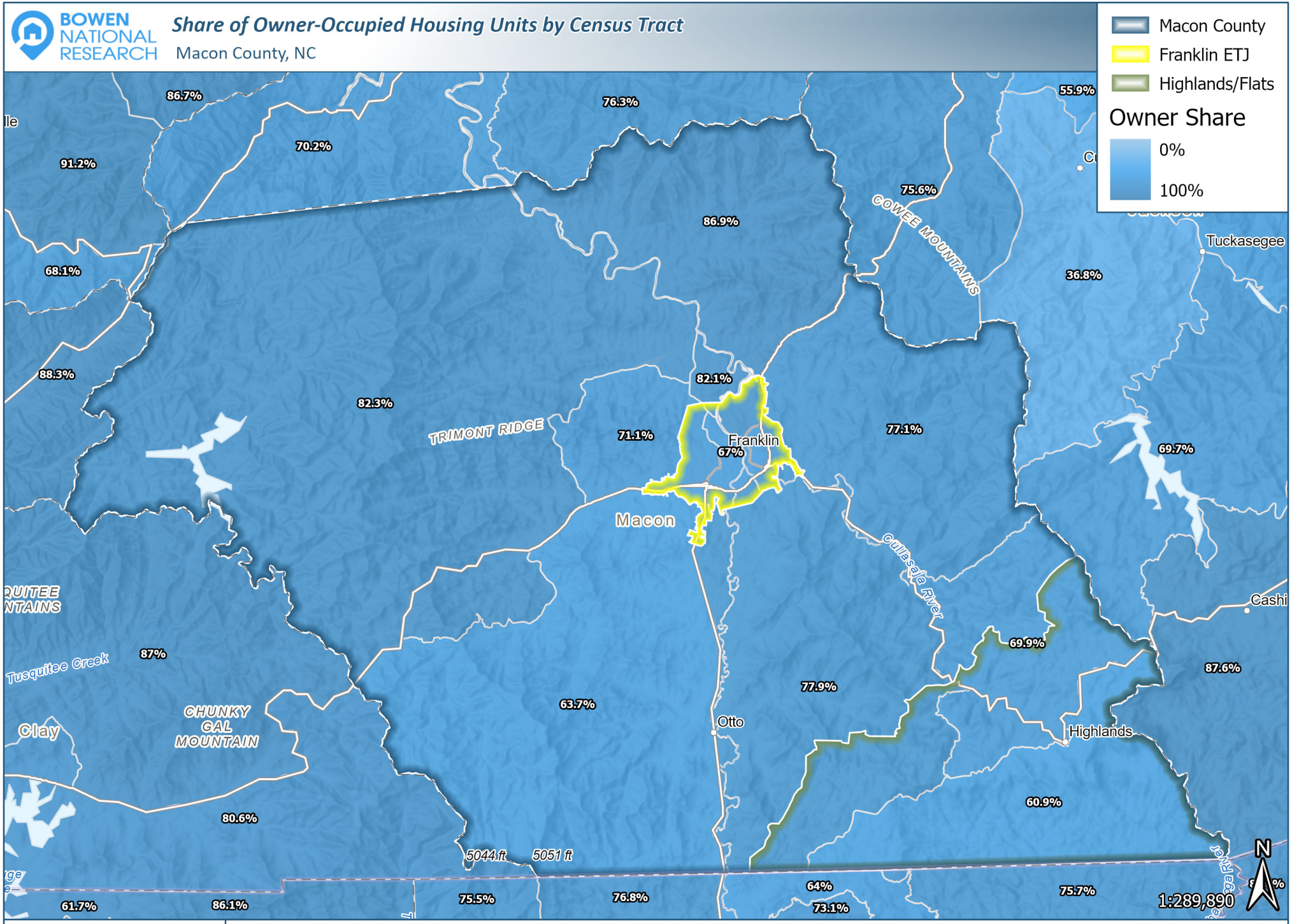

BOWEN NATIONAL RESEARCH
Median Household Income by Census Tract
Macon County, NC
Macon County
Franklin ETJ
Highlands/Flats
Median Household Income
Less than $20,000
$80,000 or More
$50,104
$47,719
$45,078
$65,568
$47,719
4960 ft
COWEE MOUNTAINS
Leatherman
$61,761
$52,813
Jackson
Fairview
Briertown
$45,000
Topton
$45,135
COWEE MOUNTAINS
Malonee Mill
Sylva Rd
Kyle
$46,417
$60,536
Aquone
$49,358
Slickrock Ford
$60,536
TRIMONT RIDGE
NANTAHALA MOUNTAINS
$56,853
$41,163
Nantahala Lake
Franklin
$33,500
$58,854
Glenville
Wayah Depot
HIGDON MOUNTAIN
Cozads Mill
Blossomtown
Murphy Rd
Macon
Gneiss
5130 ft
COWEE MOUNTAINS
48 ft
$61,626
Addington Mill
Rainbow Springs
Georgia Rd
Cullasaja River
$57,591
$65,778
$79,100
$61,626
$42,030
CHUNKY GAL MOUNTAIN
Otto
5242 ft
Highlands
Lickskillet
Chattooga River
5498 ft
Flats
$71,833
$45,165
Scaly Mountain
Watkins Mill
5044 ft
5051 ft
3665 ft
$59,464
$53,500
$62,704
1:269,890
N
0 1 2 3 4
Miles
Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research


BOWEN NATIONAL RESEARCH
Share of Renter-Occupied Housing Units by Census Tract
Macon County, NC
Macon County
Franklin ETJ
Highlands/Flats
Renter Share
0%
60%
13.3%
23.7%
44.1%
29.8%
8.8%
24.4%
13.1%
COWEE MOUNTAINS
Tuckasegee
31.9%
63.2%
11.7%
17.9%
17.7%
TRIMONT RIDGE
28.9%
Franklin
33%
22.9%
30.3%
Macon
Cullasaja River
Cashi
30.1%
13%
Tusquitee Creek
12.4%
22.1%
36.3%
CHUNKY GAL MOUNTAIN
Clay
Otto
Highlands
39.1%
19.4%
5044 ft
5051 ft
36%
24.3%
38.3%
13.9%
24.5%
23.2%
26.9%
N
1:289,890
0 1 2 3 4
Miles
Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Share of Owner-Occupied Housing Units by Census Tract

Macon County, NC

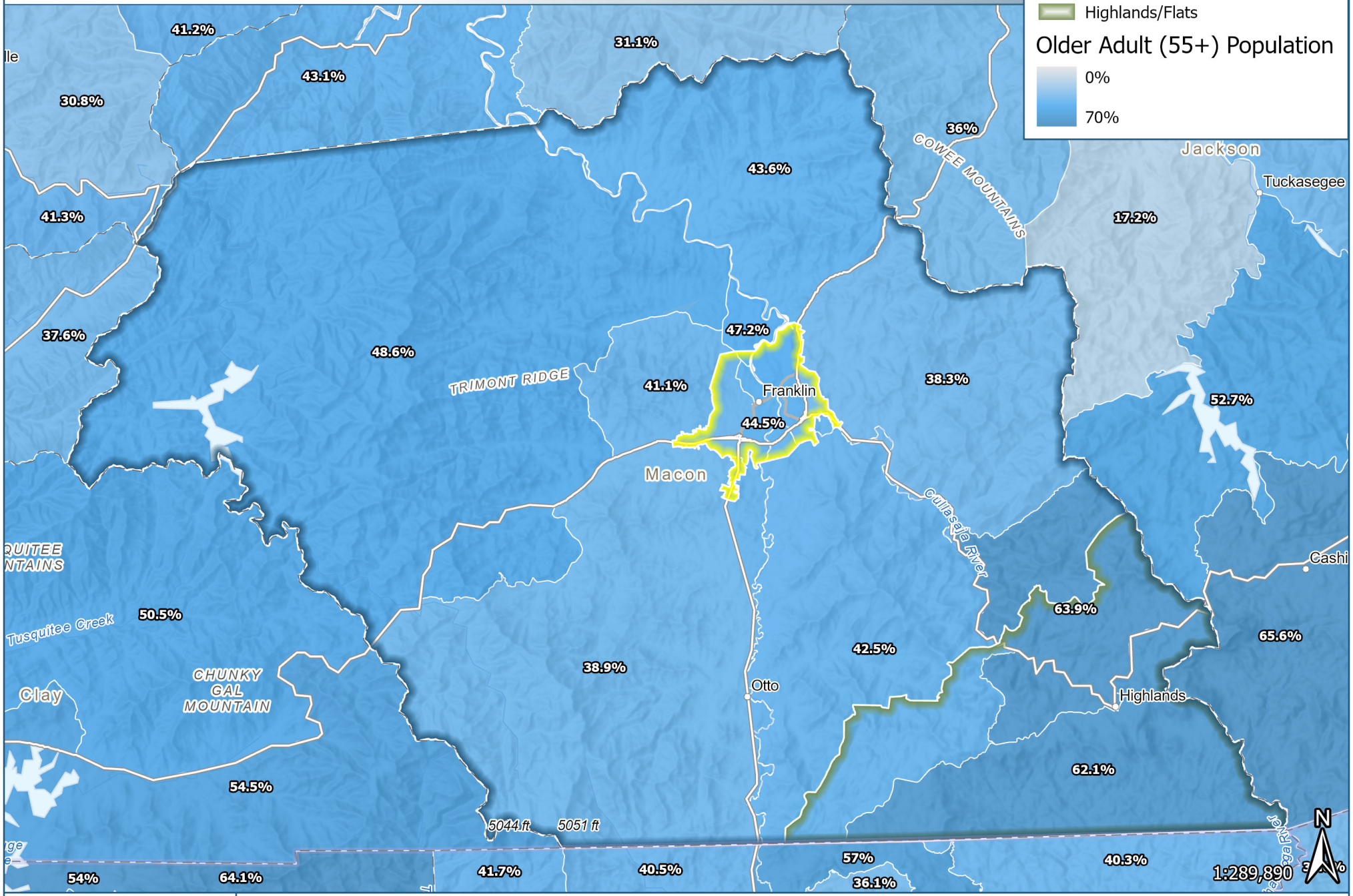


Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Older Adult (55+) Population by Census Tract

Macon County, NC



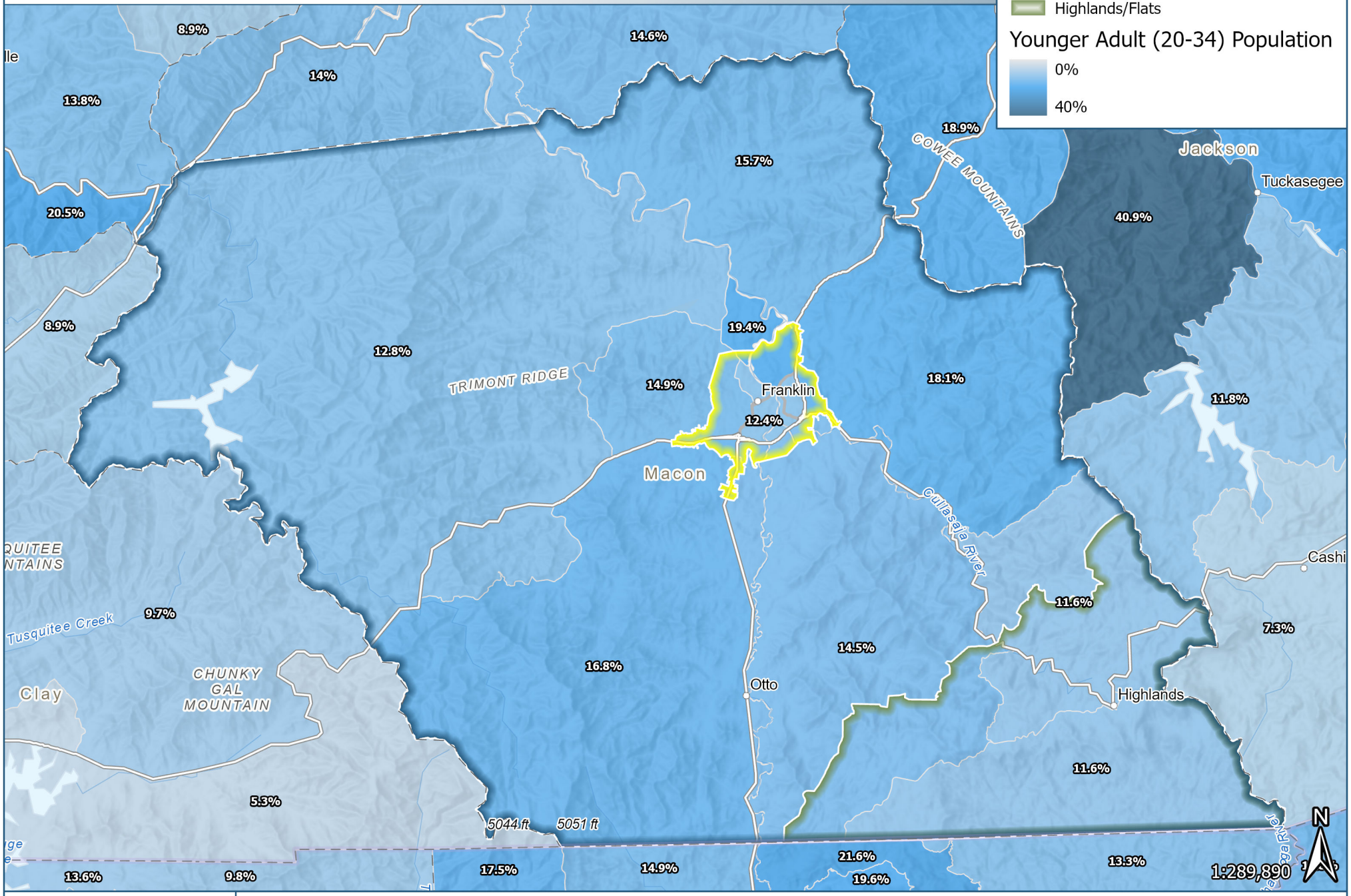
0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Younger Adult (20-34) Population by Census Tract

Macon County, NC



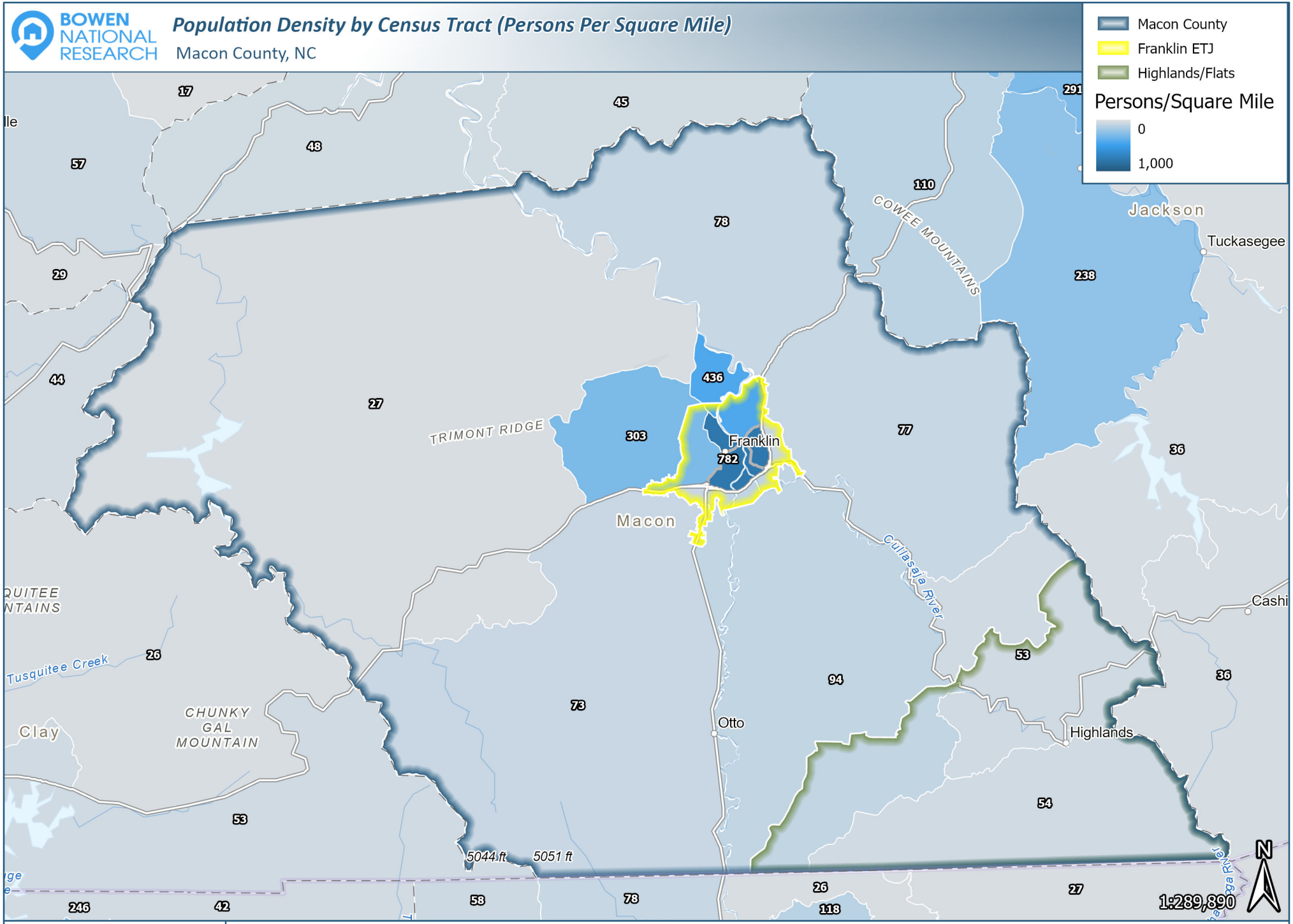
0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Population Density by Census Tract (Persons Per Square Mile)

Macon County, NC



0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

V. ECONOMIC ANALYSIS

A. INTRODUCTION

The need for housing within a given geographic area is influenced by the number of households choosing to live there. Although the number of households in the subject area at any given time is a function of many factors, one of the primary reasons for residency is job availability. In this section, the workforce and employment trends that affect the PSA (Macon County) and the select submarkets are examined and compared to the state of North Carolina and the United States.

An overview of the Macon County workforce is provided through several overall metrics: employment by industry, wages by occupation, total employment, unemployment rates and at-place employment trends. We also evaluated the area's largest employers, economic and infrastructure developments, and the potential for significant closures or layoffs in the area (WARN notices). In addition, commuting patterns for the PSA, which include commuting modes, times, and county-to-county commuter flows are analyzed. Because tourism is prevalent within Macon County due to much of the area's topography and outdoor attractions, and this industry can exhibit comparably higher degrees of seasonality compared to other sectors of employment, an analysis to determine the extent to which this potential seasonality affects the local labor and housing markets was conducted.

B. WORKFORCE ANALYSIS

The PSA has an employment base comprised of individuals within a broad range of employment sectors. The primary industries of significance within the PSA include health care, retail trade, accommodation and food services, and educational services. Each industry within the PSA requires employees of varying skill and education levels, and there is a broad range of typical wages within the PSA based on occupation. The following evaluates key economic metrics within Macon County. It should be noted that based on the availability of various economic data metrics, some information is presented only for select geographic areas, which may include the PSA (Macon County), the select submarkets, the Mountain North Carolina Nonmetropolitan Area, and/or the state of North Carolina.

Employment by Industry

The following tables illustrate the distribution of employment by industry sector for the various study areas (note that the top five industry groups by employment for each area are illustrated in **red** text).

NAICS Group	Employment by Industry					
	Franklin ETJ		Highlands/Flats		Balance of County	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	32	0.4%	15	0.5%	45	1.0%
Mining	1	0.0%	5	0.2%	5	0.1%
Utilities	16	0.2%	0	0.0%	6	0.1%
Construction	343	4.5%	**220**	**6.7%**	**435**	**9.9%**
Manufacturing	435	5.6%	46	1.4%	153	3.5%
Wholesale Trade	103	1.3%	78	2.4%	72	1.6%
Retail Trade	**1,241**	**16.1%**	**511**	**15.5%**	**697**	**15.8%**
Transportation & Warehousing	89	1.2%	37	1.1%	41	0.9%
Information	407	5.3%	37	1.1%	75	1.7%
Finance & Insurance	267	3.5%	37	1.1%	115	2.6%
Real Estate & Rental & Leasing	370	4.8%	161	4.9%	152	3.4%
Professional, Scientific & Technical Services	245	3.2%	107	3.2%	117	2.7%
Management of Companies & Enterprises	9	0.1%	3	0.1%	5	0.1%
Administrative, Support, Waste Management & Remediation Services	106	1.4%	79	2.4%	45	1.0%
Educational Services	**616**	**8.0%**	105	3.2%	**425**	**9.6%**
Health Care & Social Assistance	**1,441**	**18.7%**	**419**	**12.7%**	**863**	**19.6%**
Arts, Entertainment & Recreation	64	0.8%	200	6.1%	110	2.5%
Accommodation & Food Services	**717**	**9.3%**	**758**	**23.0%**	**442**	**10.0%**
Other Services (Except Public Administration)	548	7.1%	**419**	**12.7%**	340	7.7%
Public Administration	**626**	**8.1%**	62	1.9%	241	5.5%
Non-classifiable	29	0.4%	1	0.0%	23	0.5%
Total	7,705	100.0%	3,300	100.0%	4,407	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

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

NAICS Group	Employment by Industry			
	Macon County		North Carolina	
	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	92	0.6%	25,955	0.6%
Mining	11	0.1%	3,118	0.1%
Utilities	22	0.1%	21,553	0.5%
Construction	998	6.5%	227,263	5.0%
Manufacturing	634	4.1%	**410,949**	**9.0%**
Wholesale Trade	253	1.6%	185,067	4.1%
Retail Trade	**2,449**	**15.9%**	**607,681**	**13.3%**
Transportation & Warehousing	167	1.1%	104,389	2.3%
Information	520	3.4%	110,199	2.4%
Finance & Insurance	419	2.7%	137,358	3.0%
Real Estate & Rental & Leasing	683	4.4%	131,251	2.9%
Professional, Scientific & Technical Services	469	3.0%	280,488	6.1%
Management of Companies & Enterprises	17	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	230	1.5%	99,110	2.2%
Educational Services	**1,146**	**7.4%**	**359,830**	**7.9%**
Health Care & Social Assistance	**2,722**	**17.7%**	**714,434**	**15.6%**
Arts, Entertainment & Recreation	375	2.4%	82,249	1.8%
Accommodation & Food Services	**1,917**	**12.4%**	**439,028**	**9.6%**
Other Services (Except Public Administration)	**1,307**	**8.5%**	283,764	6.2%
Public Administration	929	6.0%	303,057	6.6%
Non-classifiable	53	0.3%	28,041	0.6%
Total	15,413	100.0%	4,566,609	100.0%

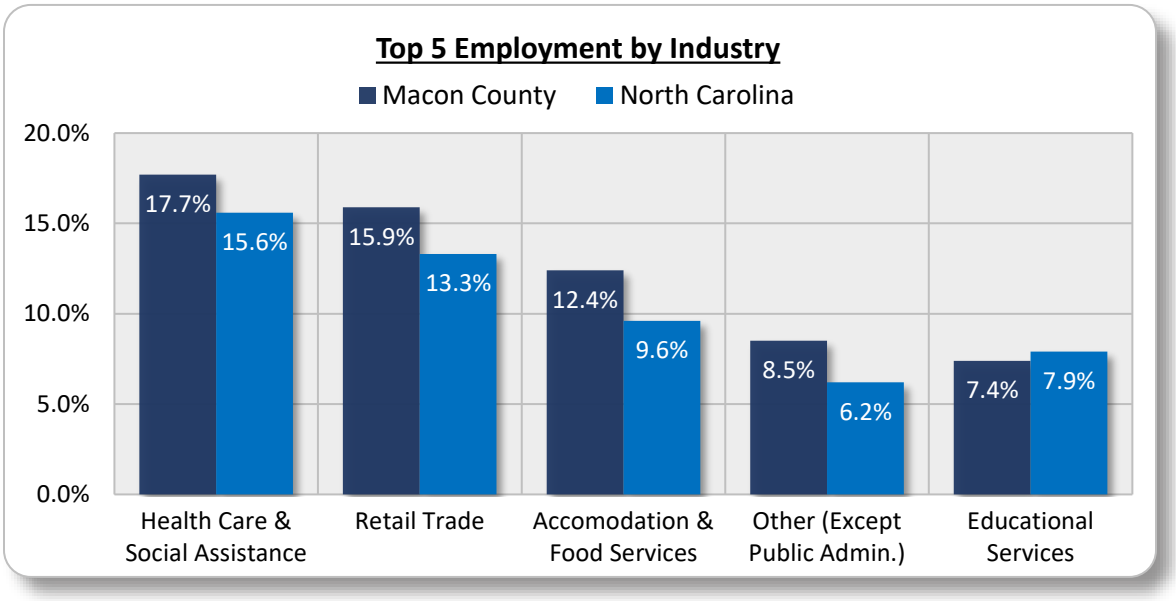
Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

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

The labor force within the PSA (Macon County) is based primarily in five sectors: Health Care & Social Assistance (17.7%), Retail Trade (15.9%), Accommodation & Food Services (12.4%), Other Services (8.5%), and Educational Services (7.4%). Combined, these five job sectors represent 61.9% of the PSA employment base. This represents a greater concentration of employment within the top five sectors compared to the top five sectors in the state (55.4%). Areas with a heavy concentration of employment within a limited number of industries can be more vulnerable to economic downturns with greater fluctuations in unemployment rates and total employment. With a greater concentration of employment and two of the top sectors in the PSA (retail trade and accommodation & food services) being somewhat more vulnerable to downturns, the economy within Macon County is likely less insulated from economic fluctuations as compared to the state. It is also important to note that many occupations within the top industries of the PSA typically have lower average wages and may exhibit some degree of seasonality, which can contribute to demand for affordable housing options.

Among the three submarkets, the Highlands/Flats Submarket has the greatest concentration of employment (70.6%) within the top five employment sectors. Most notably, Accommodation & Food Services comprises nearly one-quarter (23.0%) of the total employment within this submarket. While the Balance of County also has a relatively high concentration of employment (64.9%) among the top five sectors, Health Care & Social Assistance is the single largest sector of employment in the area, accounting for 19.6% of area employment. By comparison, this employment sector is typically less susceptible to economic downturn, and many occupations within this sector offer competitive wages. Within the Fraklin ETJ Submarket, Health Care & Social Assistance also comprises the largest individual share (18.7%) of the respective labor force. Given that the town of Franklin is the county seat of Macon County, it is not surprising that approximately one-half (50.0%) of the PSA labor force is contained within this submarket, and Public Administration (8.1%) accounts for a notable share of the total labor force within the Franklin ETJ Submarket.

The following graph illustrates the distribution of employment by industry for the five largest employment sectors in the PSA (Macon County) compared to the same employment sectors for the state of North Carolina:



Employment Characteristics and Trends

Macon County is in the Mountain North Carolina Nonmetropolitan Area. Typical wages by job category for the Mountain North Carolina Nonmetropolitan Area are compared with those for the state of North Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Mountain North Carolina Nonmetropolitan Area	North Carolina
Management Occupations	$100,120	$133,010
Business and Financial Occupations	$67,900	$87,410
Computer and Mathematical Occupations	$82,210	$110,070
Architecture and Engineering Occupations	$73,180	$86,950
Community and Social Service Occupations	$48,860	$53,680
Art, Design, Entertainment and Sports Medicine Occupations	$53,390	$61,820
Healthcare Practitioners and Technical Occupations	$82,770	$92,140
Healthcare Support Occupations	$34,390	$36,480
Protective Service Occupations	$44,710	$47,480
Food Preparation and Serving Related Occupations	$30,000	$30,300
Building and Grounds Cleaning and Maintenance Occupations	$33,090	$34,010
Personal Care and Service Occupations	$35,620	$35,370
Sales and Related Occupations	$39,060	$51,990
Office and Administrative Support Occupations	$40,100	$44,240
Construction and Extraction Occupations	$46,230	$50,980
Installation, Maintenance and Repair Occupations	$48,750	$54,840
Production Occupations	$41,580	$43,950
Transportation and Moving Occupations	$37,230	$40,890

Source: U.S. Department of Labor, Bureau of Statistics

Most blue-collar annual salaries range from $30,000 to $53,390 within the Mountain North Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of $81,236. Average wages within the area are typically 14.3% lower than the overall average state wages. White-collar professions in the study area typically earn 20.3% less than those within North Carolina, while blue-collar wages are typically 9.0% less than the average state wages. Within the nonmetropolitan area, wages by occupation vary widely and are reflective of a diverse job base that covers a wide range of industry sectors and job skills, as well as diverse levels of education and experience. Because employment is distributed among a variety of professions with diverse income levels, there are likely a variety of housing needs by affordability level. As a significant share of the labor force within Macon County is contained within healthcare, retail trade, and accommodation and food services, many workers in the area have typical wages ranging between approximately $30,000 and $40,000 annually. This likely contributes to the need for lower priced housing product in the county. It is important to point out that the wages cited in the preceding table are reflective of those for a single occupation. Multiple wage-earning households often have a greater capacity to spend earnings toward housing than single wage earners. Households by income data is included starting on page IV-22.

In an effort to better understand how area wages by occupation affect housing affordability, wages for the top 35 occupations by share of total employment within the Mountain North Carolina Nonmetropolitan Area were analyzed. This data does not include every possible occupation and wage within each sector and is not specific to just Macon County (encompasses a total of 15 counties, including the adjacent counties of Cherokee, Clay, Graham, Jackson, and Swain). However, the occupations included in this table represent 47.9% of the total employment in the nonmetropolitan area in 2023 and provide a general overview of housing affordability for some of the most common occupations in the region. Based on the annual wages at the lower quartile (bottom 25%) and median levels, the maximum affordable monthly rent and home price (at 30% of income) for each occupation was calculated. It is important to note that calculations based on the median annual wage mean that half of the individuals employed in this occupation earn less than the stated amount. It is equally important to understand that the supplied data is based on *individual* income. As such, affordability levels will proportionally increase for households with multiple income sources at a rate dependent on the additional income. Affordable rents and home prices for each occupation presented in this analysis that are **below** the two-bedroom Fair Market Rent ($962) or the overall median list price ($599,500) of the available for-sale inventory in the PSA (Macon County) as of March 8, 2024, are shown in **red** text, indicating that certain lower-wage earning occupations cannot reasonably afford a typical housing unit in the market.

The following table illustrates the wages (lower quartile and median) and housing affordability levels for the top 35 occupations in the Mountain North Carolina Nonmetropolitan Area.

Wages and Housing Affordability for Top 35 Occupations by Share of Labor Force
Mountain North Carolina Nonmetropolitan Area

Occupation Sector, Title & Wages*					Housing Affordability**			
			Annual Wages		Max. Monthly Rent		Max. Purchase Price	
Sector Group (Code)	Labor Force Share	Occupation Title	Lower Quartile	Median	Lower Quartile	Median	Lower Quartile	Median
Sales & Related Occupations (41)	3.7%	Cashiers	$22,410	$26,920	**$560**	**$673**	**$74,700**	**$89,733**
	3.0%	Retail Salespersons	$23,360	$29,330	**$584**	**$733**	**$77,867**	**$97,767**
	0.6%	Sales Reps, Wholesale/Mfg.	$39,300	$55,560	$983	$1,389	**$131,000**	**$185,200**
	1.1%	First-Line Supervisors, Retail	$35,640	$45,120	**$891**	$1,128	**$118,800**	**$150,400**
Food Preparation/ Serving (35)	2.6%	Waiters/Waitresses	$17,480	$21,810	**$437**	**$545**	**$58,267**	**$72,700**
	2.0%	Cooks, Fast Food	$21,640	$22,600	**$541**	**$565**	**$72,133**	**$75,333**
	2.0%	Cooks, Restaurant	$28,630	$33,370	**$716**	**$834**	**$95,433**	**$111,233**
	1.8%	Fast Food and Counter Workers	$22,120	$26,330	**$553**	**$658**	**$73,733**	**$87,767**
	1.1%	First-Line Supervisors, Food Prep	$31,380	$37,380	**$785**	**$935**	**$104,600**	**$124,600**
	0.8%	Food Preparation Workers	$22,410	$27,480	**$560**	**$687**	**$74,700**	**$91,600**
Office and Administrative Support (43)	1.4%	Secretaries/Administrative Assts.	$34,140	$38,640	**$854**	$966	**$113,800**	**$128,800**
	1.4%	Office Clerks, General	$29,350	$35,000	**$734**	**$875**	**$97,833**	**$116,667**
	1.3%	Customer Services Reps.	$28,800	$35,280	**$720**	**$882**	**$96,000**	**$117,600**
	1.2%	Bookkeeping/Accounting Clerks	$32,030	$40,380	**$801**	$1,010	**$106,767**	**$134,600**
	0.9%	First-Line Supervisors, Office	$40,680	$49,300	$1,017	$1,233	**$135,600**	**$164,333**
	0.8%	Receptionists/Information Clerks	$28,550	$31,920	**$714**	**$798**	**$95,167**	**$106,400**
Transportation Material Moving (53)	2.2%	Stockers/Order Fillers	$28,430	$31,920	**$711**	**$798**	**$94,767**	**$106,400**
	1.3%	Laborers/Stock/Material Movers	$30,010	$35,700	**$750**	**$893**	**$100,033**	**$119,000**
	1.0%	Heavy/Tractor-Trailer Drivers	$39,200	$45,590	$980	$1,140	**$130,667**	**$151,967**
Production (51)	0.8%	Misc. Assemblers/Fabricators	$31,540	$36,660	**$789**	**$917**	**$105,133**	**$122,200**
Education/ Library (25)	1.1%	Elementary School Teachers	$47,750	$49,090	$1,194	$1,227	**$159,167**	**$163,633**
	1.0%	Secondary School Teachers	$48,810	$52,170	$1,220	$1,304	**$162,700**	**$173,900**
	0.7%	Teaching Assistants	$23,540	$26,050	**$589**	**$651**	**$78,467**	**$86,833**
	0.6%	Substitute Teachers, Short-Term	$28,190	$29,280	**$705**	**$732**	**$93,967**	**$97,600**
Healthcare (29, 31)	1.7%	Home Health/Personal Aides	$26,350	$28,840	**$659**	**$721**	**$87,833**	**$96,133**
	1.6%	Registered Nurses	$64,210	$74,690	$1,605	$1,867	**$214,033**	**$248,967**
	1.1%	Nursing Assistants	$29,820	$35,160	**$746**	**$879**	**$99,400**	**$117,200**
Protective Services (33)	0.6%	Police/Sheriff Patrol Officers	$40,720	$45,690	$1,018	$1,142	**$135,733**	**$152,300**
Management/ Business (11)	1.3%	General/Operations Managers	$58,370	$80,780	$1,459	$2,020	**$194,567**	**$269,267**
Maintenance/ Repair (47,49)	1.4%	Maintenance/Repair Workers	$34,200	$38,950	**$855**	$974	**$114,000**	**$129,833**
	0.8%	Carpenters	$35,820	$43,680	**$896**	$1,092	**$119,400**	**$145,600**
	0.8%	Construction Laborers	$34,840	$37,460	**$871**	**$937**	**$116,133**	**$124,867**
Bldg./Grounds Maintenance (37)	1.5%	Janitors/Cleaners	$26,960	$30,280	**$674**	**$757**	**$89,867**	**$100,933**
	1.5%	Landscaping/Groundskeeping	$29,440	$34,320	**$736**	**$858**	**$98,133**	**$114,400**
	1.2%	Maids/Housekeeping	$25,910	$28,950	**$648**	**$724**	**$86,367**	**$96,500**

Source: U.S. Bureau of Labor Statistics, May 2023 Occupational Employment and Wage Statistics (OEWS)
*Annual wages listed are at the lower 25th percentile (quartile) and median level for each occupation
**Housing Affordability is the maximum monthly rent or total for-sale home price a household can reasonably afford based on stated wages.

In order to reasonably afford a two-bedroom rental at the Fair Market Rent of $962, an individual would need to earn at least $38,480 per year. As such, the *lower quartile* of wage earners within 27 of the 35 occupations listed in the previous table do not have sufficient wages to afford a typical rental. Many of these occupations, particularly those within the food services and retail industries and support positions within various sectors, earn significantly less than the amount required to afford a typical rental in the market. When wages for each occupation are increased to their respective *median* levels, 22 occupations still do not have the income necessary to afford a typical rental. While a share of these individuals likely lives in multiple-income households, it is reasonable to conclude that a significant portion of single-income households in a variety of occupations in the PSA are likely housing cost burdened.

Housing affordability issues among the listed occupations are much more prevalent when home ownership is considered. In order to afford the purchase of a typical home in the PSA at the median list price of $599,500, an individual would have to earn at least $179,850 annually. As such, none of the occupations with wages up to the median wage among the top 35 occupations has sufficient income to afford the purchase of a typical home in the PSA. As previously stated, it is likely that many of these individuals are part of multiple-income households. However, even if a household or person had double the single wage earner income of the highest median wage shown in the preceding table ($80,780), a home at the current median list price of $599,500 would not be affordable. It is important to note that the median list price of nearly $600,000 for the PSA is heavily influenced by many higher priced luxury homes and/or seasonal/vacation homes available for purchase in the Highlands/Flats Submarket. However, even when considering the more affordable median list prices of homes in the Franklin ETJ Submarket ($265,000) and Balance of County ($375,000), only one occupation (within the Franklin ETJ Submarket) up to the median wage could afford a typical home with a single income. Within the Balance of County, none of the listed occupations could afford a home at the median price with a single income. This illustrates that home ownership is not affordable for a significant share of workers in the most common occupations throughout the PSA.

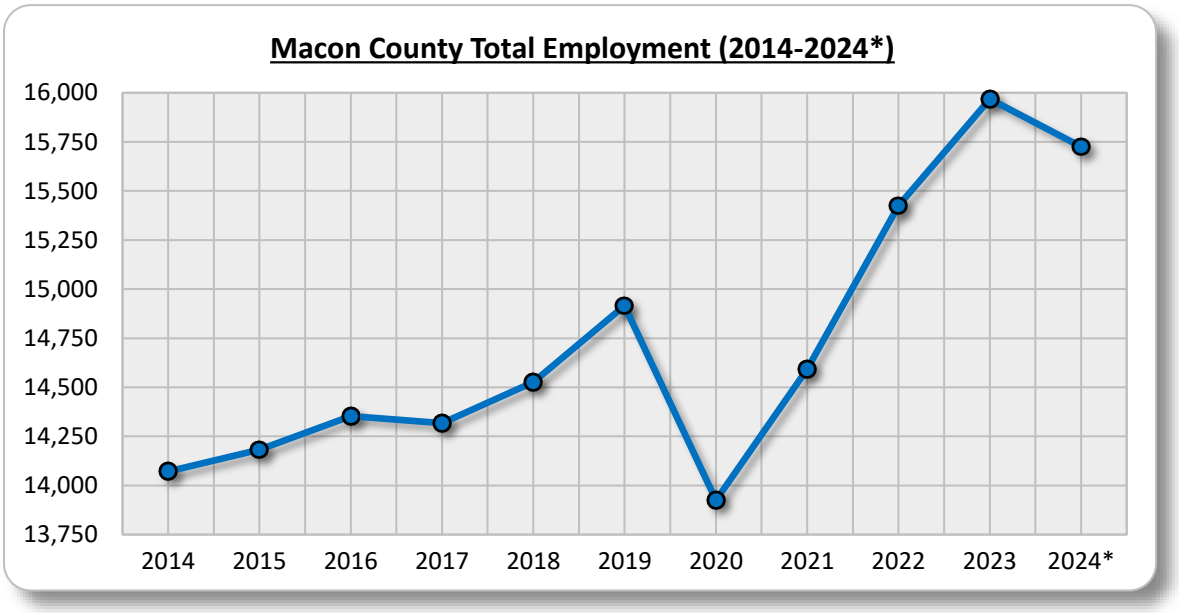
A full analysis of the area housing supply, which includes multifamily apartments, current and historical for-sale product, and non-conventional rentals (typically four units or less within a structure), is included in Section VI of this report. A lack of affordable workforce housing in a market can limit the ability of employers to retain and attract new employees, which can affect the performance of specific industries, the local economy, and household growth within an area.

Employment Base and Unemployment Rates

Total employment reflects the number of employed persons who live within an area regardless of where they work. The following illustrates the total employment base for Macon County, the state of North Carolina, and the United States.

	Total Employment					
	Macon County		North Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2014	14,071	-	4,410,647	-	147,293,817	-
2015	14,183	0.8%	4,493,882	1.9%	149,540,791	1.5%
2016	14,353	1.2%	4,598,456	2.3%	151,934,228	1.6%
2017	14,317	-0.2%	4,646,212	1.0%	154,721,780	1.8%
2018	14,526	1.5%	4,715,616	1.5%	156,709,676	1.3%
2019	14,916	2.7%	4,807,598	2.0%	158,806,264	1.3%
2020	13,925	-6.6%	4,483,551	-6.7%	149,143,265	-6.1%
2021	14,593	4.8%	4,697,757	4.8%	154,201,818	3.4%
2022	15,424	5.7%	4,965,568	5.7%	159,458,223	3.4%
2023	15,968	3.5%	5,050,870	1.7%	161,750,804	1.4%
2024*	15,725	-1.5%	5,068,640	0.4%	161,870,534	0.1%

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



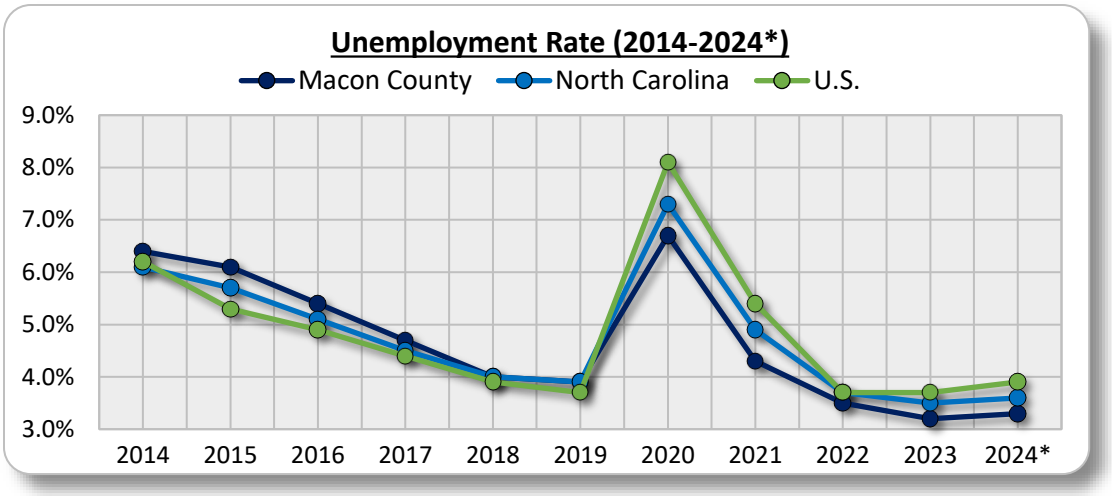
*Through April

From 2014 to 2019, total employment in the PSA (Macon County) increased by 6.0%, or 845 employees, which represents a smaller rate increase than the state (9.0%) and nation (7.8%) during this time period. In 2020, total employment in the PSA decreased by 6.6%, which reflects a marginally lower rate of *reduction* than that for the state (6.7%) but a higher rate than the nation (6.1%) during that year. This reduction in total employment during 2020 is primarily attributed to the economic impacts related to the COVID-19 pandemic. Following the end of many of the restrictions associated with the pandemic, total employment in the PSA increased for three consecutive years between 2021 and 2023. Through year-end 2023, total employment in the PSA is at 107.1% of the 2019 level. This represents a larger increase in total employment as compared to the state (105.1%) and nation (101.9%) since the impact of the pandemic. Although total employment has declined to begin 2024, this decline has been nominal at 243 employees. Also, declines such as this are not uncommon during the start to a given area due to seasonal employment declines following the holiday season. Considering the steady growth in employment over the past three years, it is likely this recent employment decline will reverse/stabilize through year-end.

Unemployment rates for Macon County, the state of North Carolina and the United States are illustrated as follows:

	Unemployment Rate		
Year	Macon County	North Carolina	United States
2014	6.4%	6.1%	6.2%
2015	6.1%	5.7%	5.3%
2016	5.4%	5.1%	4.9%
2017	4.7%	4.5%	4.4%
2018	4.0%	4.0%	3.9%
2019	3.9%	3.9%	3.7%
2020	6.7%	7.3%	8.1%
2021	4.3%	4.9%	5.4%
2022	3.5%	3.7%	3.7%
2023	3.2%	3.5%	3.7%
2024*	3.3%	3.6%	3.9%

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



*Through April

Between 2014 and 2019, unemployment rates in the county steadily decreased year over year, from a high of 6.4% in 2014 to a low of 3.9% in 2019. It is noteworthy that the unemployment rates in the PSA were slightly higher than the statewide unemployment rate in four of the six years from 2014 to 2019. In 2020, unemployment increased to 6.7% in the PSA, largely due to the impacts of the pandemic. However, this represents a lower rate than both the state (7.3%) and nation (8.1%) at this time. The unemployment rate within the county has declined since and is currently averaging 3.3% through April 2024, which is the second lowest unemployment rate in the county since 2014 (3.2% in 2023) and lower than both the state (3.6%) and national (3.9%) unemployment rates. This is a positive economic indicator for the PSA and illustrates a thriving local economy.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Macon County:

	At-Place Employment Macon County		
Year	Employment	Change	Percent Change
2013	10,546	-	-
2014	10,740	194	1.8%
2015	10,851	111	1.0%
2016	10,985	134	1.2%
2017	11,004	19	0.2%
2018	11,169	165	1.5%
2019	11,373	204	1.8%
2020	10,951	-422	-3.7%
2021	11,344	393	3.6%
2022	11,796	452	4.0%
2023	12,405	609	5.2%

Source: Department of Labor, Bureau of Labor Statistics

The preceding table illustrates at-place employment (people working within Macon County) increased by 7.8%, or 827 jobs, from 2013 to 2019. Prior to the COVID-19 related decrease (3.7%) in 2020, at-place employment increased in Macon County for six consecutive years. Through year-end 2023, at-place employment in Macon County is at 109.1% of the 2019 level, indicating that jobs within the area have fully recovered from the economic effects of COVID-19 and notable growth has occurred over the past few years.

Data for 2023, the most recent year that year-end figures are available, indicates at-place employment in Macon County to be 77.7% of the total Macon County employment. This means that there are more employed residents of the county than there are jobs located within the county. A significant number of residents seeking employment outside a subject area, particularly those with lengthy commutes, can increase the likelihood of residents relocating outside the county. Detailed commuting data, which includes modes, times, and an inflow/outflow analysis, is included later in this section.

Tourism and Seasonal Employment

Many counties within North Carolina benefit from a significant level of tourism. Due to the geographical location of Macon County, the area offers a number of outdoor activities focused on the county's parks, conservation areas, lakes, streams, and highland terrain. Notable attractions in the county include but are not limited to the Wayah Bald Lookout Tower, the Bartram Trail, the Nantahala National Forest, and the Scottish Tartans Museum. Common activities using these natural resources include hiking, camping, fishing, nature observation, gem mining, and others. The peak tourism season generally occurs in the region between March and October (VisitSmokies.org). In addition, there are a number of annual festivals and events in the PSA centered around food, wine, music, small businesses, and holidays. As such, the influence of tourism and second homes in the county is noteworthy. A representative of the Franklin Chamber of Commerce indicated that there is a notable increase in business for local food and beverage services in the area within the tourism months. While tourism can boost an area's economy, seasonality within this sector of employment can result in increases in unemployment during the off-season and also create short-term housing challenges during peak season. The following pages provide an overview of this particular segment within the local economy.

The following illustrates the valuation of visitor spending by category in the PSA (Macon County), as well as adjacent North Carolina counties, in 2023.

2023 Visitor Spending (Share) by Category							
County	**Lodging***	**Food/Beverage**	**Recreation**	**Retail**	**Transportation****	**Total**	**Change 2022-2023**
Macon	$84.5 million (24.1%)	$109.6 million (31.3%)	$52.0 million (14.9%)	$30.0 million (8.6%)	$73.9 million (21.1%)	$350.1 million (100.0%)	3.8%
Cherokee	$26.8 million (26.4%)	$31.8 million (31.4%)	$12.1 million (11.9%)	$8.6 million (8.5%)	$22.1 million (21.8%)	$101.4 million (100.0%)	2.5%
Clay	$7.7 million (24.4%)	$9.8 million (31.1%)	$4.0 million (12.7%)	$2.8 million (8.9%)	$7.3 million (23.2%)	$31.5 million (100.0%)	1.3%
Graham	$14.7 million (26.3%)	$17.9 million (32.0%)	$7.2 million (12.9%)	$4.6 million (8.2%)	$11.6 million (20.7%)	$56.0 million (100.0%)	2.0%
Jackson	$114.8 million (24.5%)	$135.1 million (28.9%)	$71.3 million (15.2%)	$40.3 million (8.6%)	$106.5 million (22.8%)	$468.0 million (100.0%)	3.4%
Swain	$88.4 million (25.0%)	$101.9 million (28.8%)	$51.9 million (14.7%)	$31.1 million (8.8%)	$80.7 million (22.8%)	$354.0 million (100.0%)	1.3%

Source: The Economic Impact of Travel on North Carolina Counties, Tourism Economics, 2023
*Includes 2nd home spending
**Includes both ground and air transportation

According to the preceding data, which was prepared as part of a study by Tourism Economics on behalf of Visit North Carolina, visitors to Macon County spent a total of approximately $350 million within the PSA in 2023. This is the third highest total for visitor spending among the six counties included in the analysis. Of this, the largest share of spending (31.3%) was within the food and beverage sector, followed by lodging (24.1%). These also represent the highest and second highest categories of visitor spending for each of the five adjacent counties. Overall, visitor spending across all categories combined increased by 3.8% in Macon County between 2022 and 2023, which ranks as the highest increase among the six counties. As such, it is apparent that tourism plays a critical role in the overall economic health of Macon County, along with other counties in the immediate region, and this segment of the economy has increased in recent years.

To further illustrate the influence of the tourism industry in the PSA (Macon County), the following illustrates the number of tourism-oriented jobs and wages in 2023 and compares these numbers to the corresponding total at-place employment metrics for Macon County, the five adjacent North Carolina counties, and the state of North Carolina. Note, at-place employment is reflective of the total number of jobs within an area regardless of the employee's place of residence.

Comparative Analysis of Tourism-Oriented Employment vs At-Place Employment - 2023						
	Employment			Wages		
County	Total Tourism Employment	Total At-Place Employment	Tourism % of At-Place Employment	Tourism Wages (millions)	Total At-Place Wages (millions)	Tourism % of At-Place Wages
Macon	1,706	11,796	**14.5%**	$78.2	$568.4	**13.8%**
Cherokee	589	7,978	**7.4%**	$19.8	$345.6	**5.7%**
Clay	136	2,151	**6.3%**	$5.9	$99.0	**6.0%**
Graham	347	1,938	**17.9%**	$12.2	$89.1	**13.7%**
Jackson	2,470	14,475	**17.1%**	$119.2	$674.9	**17.7%**
Swain	2,016	10,779	**18.7%**	$92.4	$503.7	**18.3%**
Statewide	227,224	4,830,118	**4.7%**	$8,700.9	$316,970.6	**2.7%**

Source: The Economic Impact of Travel on North Carolina Counties, Tourism Economics, 2023; Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

As the preceding illustrates, there were 1,706 tourism-oriented jobs in the PSA (Macon County) in 2023. These jobs represented 14.5% of the total at-place employment in the county during the year. Although this share in Macon County is less than the shares within the counties of Swain (18.7%), Graham (17.9%), and Jackson (17.1%), it is significantly higher than the shares in Cherokee (7.4%) and Clay (6.3%) counties, as well as the statewide share of 4.7%. When tourism-oriented wages are compared to the total at-place wages in the PSA in 2023, the data reveals that 13.8% of all wages earned within the county are among tourism-oriented employment. This share ranks third among the six counties included in the analysis, lower than only Swain (18.3%) and Jackson (17.7%) counties and is significantly higher than the statewide share of 2.7%. This illustrates that a significant share of the total employment and total wages earned in the county are tourism oriented.

The following table illustrates some larger tourism-oriented employers within Macon County which provided data pertaining to the total number employed at the time of this analysis. Note, this is not an exhaustive list of tourism-oriented employers within the county, rather a sample of some of the larger such employers in the area.

Number Employed – Select Tourism-Oriented Employers (Macon County)				
		Employees		
Name	Location	Seasonal (% of Total)	Year Round (% of Total)	Total
Old Edwards Hospitality Group	Highlands	150-200 (27.3% - 33.3%)	400 (66.6% - 72.7%)	550 - 600
Highlands Country Club	Highlands	N/A	N/A	110
Cullasaja Country Club	Highlands	75 (71.4%)	30 (28.6%)	105
Wildcat Country Club	Highlands	55 (67.1%)	27 (32.9%)	82

Source: Highlands Chamber of Commerce; Bowen National Research
N/A – Not Available

As the preceding indicates, these four employers employ a total of 847 to 897 employees. Two of the four employers for which data was provided report that more than two-thirds of their employees are seasonal. In total (excluding the Highlands Country Club for which this information was not available) at least 38.0% of all employees among the aforementioned employers are seasonal. When applying this share to the total tourism-oriented employment base (1,702 workers) from the table on the preceding page, it is estimated that nearly 650 employees within the Macon County tourism industry are seasonal/temporary workers. While the majority of employees for the largest employer included in the preceding table (Old Edwards Hospitality Group) are year-round employees, it is notable that this group employes between 150 and 200 seasonal employees on an annual basis. Each of these employers indicated that their peak seasons for employment are between May and October.

Similar to the table included on page V-6, the following illustrates the median wage and housing affordability levels for 25 *tourism-oriented* occupations in the Mountain North Carolina Nonmetropolitan Area. It is important to reiterate that the supplied data is based on *individual* income. As such, affordability levels will proportionally increase for households with multiple income sources at a rate dependent on the additional income. Affordable rents and home prices for each occupation presented in this analysis that are **below** the two-bedroom Fair Market Rent ($962) or the overall median list price ($599,500) of the available for-sale inventory in the PSA (Macon County) as of March 8, 2024 are shown in **red** text, indicating that certain lower-wage earning occupations cannot reasonably afford a typical housing unit in the market.

Unlike the table on page V-6, however, the location quotient data in the following table illustrates the prevalence of each occupation within the Mountain North Carolina Nonmetropolitan Area as compared to nation as a whole. Location quotient factors greater than 1.0 are indicative of occupations which are more prevalent within the region as compared to the nation. These are illustrated by **red** text in the following table.

Wages and Housing Affordability for Tourism-Oriented Occupations Mountain North Carolina Nonmetropolitan Area					
	Occupation Data			Affordability Levels*	
Occupation	Labor Force Share	Location Quotient	Annual Median Wage	Rent	Purchase
Cashiers	3.7%	**1.69**	$26,920	**$673**	**$89,733**
Retail Salespersons	3.0%	**1.25**	$29,330	**$733**	**$97,767**
Waiters/Waitresses	2.6%	**1.74**	$21,810	**$545**	**$72,700**
Cooks, Fast Food	2.0%	**4.48**	$22,600	**$565**	**$75,333**
Cooks, Restaurant	2.0%	**2.12**	$33,370	**$834**	**$111,233**
Fast Food/Counter Workers	1.8%	0.75	$26,330	**$658**	**$87,767**
Janitors/Cleaners	1.5%	**1.03**	$30,280	**$757**	**$100,933**
Landscaping/Groundskeeping Workers	1.5%	**2.39**	$34,320	**$858**	**$114,400**
Maids/Housekeeping Cleaners	1.2%	**2.22**	$28,950	**$724**	**$96,500**
First-Line Supervisors, Retail Sales	1.1%	**1.56**	$45,120	$1,128	**$150,400**
First-Line Supervisors, Food Prep/Serving	1.1%	**1.41**	$37,380	**$935**	**$124,600**
Food Prep Workers	0.8%	**1.43**	$27,480	**$687**	**$91,600**
Hosts/Hostesses, Restaurant/Lounge/Coffee Shop	0.5%	**1.85**	$22,500	**$563**	**$75,000**
Amusement/Recreation Attendants	0.5%	**2.10**	$22,760	**$569**	**$75,867**
Hotel/Motel/Resort Desk Clerks	0.5%	**2.78**	$28,070	**$702**	**$93,567**
Recreation Workers	0.5%	**2.56**	$34,430	**$861**	**$114,767**
Real Estate Sales Agents	0.3%	**2.25**	$35,520	**$888**	**$118,400**
First-Line Supervisors, Housekeeping/Janitorial	0.2%	**1.93**	$42,130	$1,053	**$140,433**
First-Line Supervisors, Landscape/Lawn/Grounds	0.2%	**2.23**	$48,110	$1,203	**$160,367**
Property/Real Estate/Community Association Managers	0.1%	0.67	$48,730	$1,218	**$162,433**
Food Prep/Serving Related Workers, Other	0.1%	**2.06**	$25,310	**$633**	**$84,367**
Tour/Travel Guides	0.1%	**2.56**	$29,600	**$740**	**$98,667**
Entertainment/Recreation Managers, Except Gambling	<0.1%	**2.18**	$63,690	$1,592	**$212,300**
Lodging Managers	<0.1%	**1.39**	$59,900	$1,498	**$199,667**
Real Estate Brokers	<0.1%	0.90	$56,200	$1,405	**$187,333**

Source: U.S. Bureau of Labor Statistics, May 2023 Occupational Employment and Wage Statistics (OEWS)
*Housing Affordability is the maximum monthly rent or total for-sale home price a household can reasonably afford based on stated wages.

In order to reasonably afford a two-bedroom rental at the Fair Market Rent of $962, an individual would need to earn at least $38,480 per year. As such, the *median* wage earners within 18 of the 25 tourism-oriented occupations listed in the previous table do not have sufficient wages to afford a typical rental. While a share of these individuals likely lives in multiple-income households, it is reasonable to conclude that a significant portion of single-income households in a variety of occupations in the PSA are likely housing cost burdened.

Housing affordability issues among the listed occupations are much more prevalent when home ownership is considered. In order to afford the purchase of a typical home in the PSA at the median list price of $599,500, an individual would have to earn at least $179,850 annually. As such, none of the occupations with wages up to the median wage among the 25 selected occupations has sufficient income to afford the purchase of a typical home in the PSA. As previously stated, it is likely that many of these individuals are part of multiple-income households. However, even if a household or person had double the single wage earner income of the highest median wage shown in the preceding table

($63,690), a home at the current median list price of $599,500 would not be affordable. It is important to note that the median list price of nearly $600,000 for the PSA is heavily influenced by many higher priced luxury homes and/or seasonal/vacation homes available for purchase in the Highlands/Flats Submarket. However, even when considering the more affordable median list prices of homes in the Franklin ETJ Submarket ($265,000) and Balance of County ($375,000), none of the selected occupations up to the median wage could afford a typical home with a single income. With the exception of one occupation type (entertainment/recreation managers, except gambling), none of the tourism-oriented occupations included in the following table could afford the cost of a home priced over $200,000 on a single income. Notably, only 17 homes were identified as available for purchase (as of March 8, 2024) within Macon County at a price of less than $200,000, as detailed by our for-sale analysis included in Section VI. This represents less than 10.0% of the 179 available homes within the county. The preceding illustrates that home ownership opportunities are generally limited and typically unaffordable for a significant share of workers in the most common tourism-oriented occupations throughout the PSA.

The following summarizes key employment metrics from 2013 to 2023 in the PSA (Macon County) for select industry groups that are typically associated with the tourism industry. These include the Accommodation & Food Services, Retail Sales, and Arts, Entertainment & Recreation sectors. While the establishments and respective employees included in this data are not necessarily exclusive to the tourism industry, it is reasonable to assume that a significant share of this employment, at a minimum, supports the tourism industry in some respect. In addition, other sectors of employment such as the construction, real estate, and services industries likely receive a significant amount of business from the tourism industry, which will not be reflected in the following metrics.

	Macon County Employment Data by Year for Select Tourism-Oriented Industry Groups*		
Year	Number of Establishments	Number of Employees	Total Wages
2013	313	3,377	$73.3 million
2014	322	3,543	$80.0 million
2015	331	3,730	$86.7 million
2016	328	3,937	$94.9 million
2017	325	3,976	$100.0 million
2018	337	4,064	$105.6 million
2019	338	4,170	$111.4 million
2020	337	3,902	$114.2 million
2021	344	4,104	$132.8 million
2022	361	4,297	$145.9 million
2023	377	4,411	$156.8 million

Source: U.S. Department of Labor Statistics, Quarterly Census of Employment & Wages (QCEW); Bowen National Research

*Includes Accommodation & Food Services, Arts, Entertainment &Recreation, and Retail Sales sectors.

As the preceding table illustrates, the number of *establishments* within the three select industry groups increased by 20.4%, or 64 establishments, in the PSA between 2013 and 2023. Similarly, the number of *employees* within these sectors increased by 30.6%, or 1,034 employees, during the same time period. This data further illustrates the notable and growing influence of these expanding industries within the PSA. Although a large portion of this employment is supported by full-time residents and commuters in the area, the tourism industry undoubtedly contributes significantly to the demand in these industries and has helped promote associated employment and wage growth between 2013 and 2023. As a result, housing availability and affordability will be important factors in supporting the growing workforce in the county.

The following table and graphs illustrate the *average* monthly unemployment rate and labor force size for the PSA (Macon County) since 2014.

Average Monthly Employment Metrics (2014-2024)*

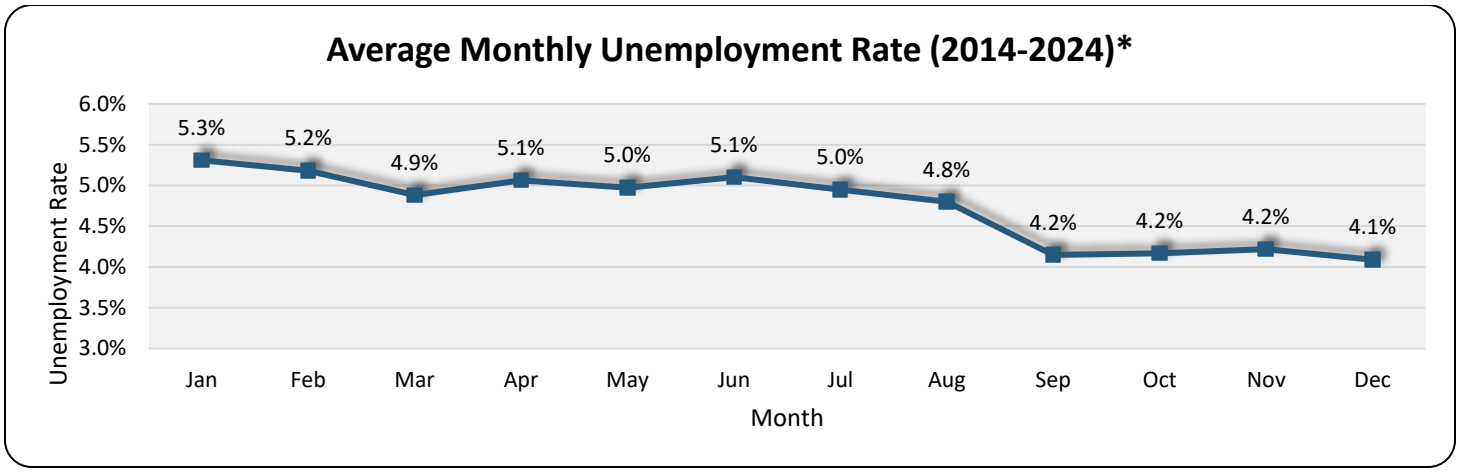
Unemployment Rate

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2014	7.8%	8.0%	7.2%	6.1%	6.3%	6.2%	6.4%	6.4%	5.7%	5.5%	5.8%	5.8%
2015	7.1%	6.9%	6.7%	6.1%	6.3%	6.2%	6.1%	5.9%	5.3%	5.4%	5.7%	5.5%
2016	6.6%	6.1%	5.8%	5.1%	5.0%	5.4%	5.3%	5.4%	5.0%	5.1%	5.1%	4.9%
2017	6.1%	5.5%	5.0%	4.3%	4.6%	4.6%	4.7%	4.8%	4.1%	4.0%	4.2%	4.0%
2018	4.7%	4.7%	4.4%	3.8%	3.8%	4.1%	3.9%	4.0%	3.4%	3.6%	3.6%	3.9%
2019	4.8%	4.7%	4.5%	3.7%	3.8%	4.0%	3.9%	4.0%	3.2%	3.3%	3.3%	3.3%
2020	4.3%	4.1%	4.8%	13.5%	10.9%	8.7%	8.0%	6.1%	5.4%	4.8%	4.7%	5.0%
2021	6.0%	5.7%	5.1%	4.4%	4.4%	4.9%	4.4%	4.3%	3.4%	3.4%	3.3%	2.8%
2022	3.8%	4.0%	3.5%	3.1%	3.4%	3.8%	3.6%	3.8%	3.1%	3.5%	3.4%	3.0%
2023	3.8%	3.8%	3.3%	2.7%	3.0%	3.1%	3.2%	3.3%	2.9%	3.1%	3.1%	2.7%
2024	3.4%	3.5%	3.4%	2.9%	3.2%	-	-	-	-	-	-	-
Average	**5.3%**	**5.2%**	**4.9%**	**5.1%**	**5.0%**	**5.1%**	**5.0%**	**4.8%**	**4.2%**	**4.2%**	**4.2%**	**4.1%**

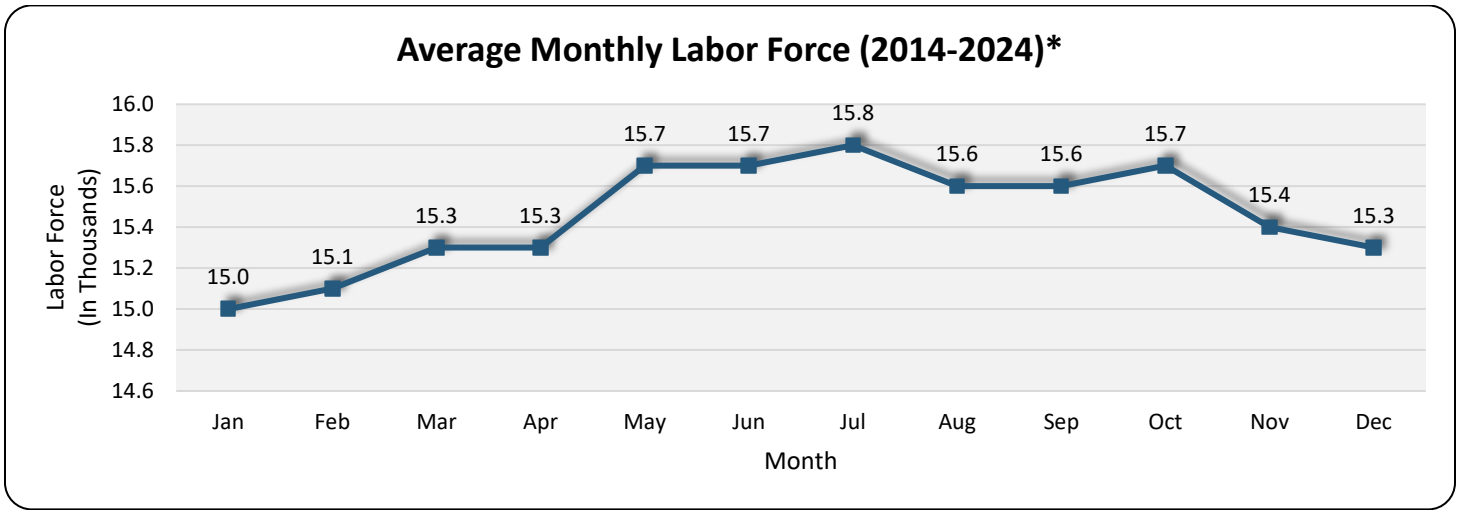
Labor Force

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2014	14,561	14,477	14,757	14,848	15,285	15,324	15,588	15,150	15,133	15,350	15,141	14,815
2015	14,748	14,671	14,800	14,986	15,420	15,596	15,731	15,190	15,275	15,193	14,991	14,649
2016	14,562	14,710	14,945	15,088	15,405	15,483	15,723	15,459	15,494	15,322	15,065	14,795
2017	14,307	14,745	14,858	14,831	15,052	15,324	15,419	15,197	15,331	15,282	15,035	14,792
2018	14,626	14,883	14,723	14,980	15,191	15,531	15,562	15,180	15,351	15,348	15,148	15,025
2019	14,949	15,113	14,932	15,267	15,549	15,904	16,062	15,645	15,795	15,892	15,650	15,451
2020	15,288	15,401	14,532	13,826	14,511	14,866	15,078	14,933	15,205	15,219	15,087	15,019
2021	14,642	14,701	14,773	15,008	15,223	15,490	15,558	15,348	15,418	15,710	15,653	15,503
2022	15,435	15,489	15,803	15,842	16,180	16,031	16,213	16,256	16,355	16,283	15,934	16,009
2023	16,195	16,338	16,502	16,500	16,844	16,684	16,544	16,540	16,576	16,542	16,338	16,278
2024	16,264	16,241	16,445	16,085	16,613	-	-	-	-	-	-	-
Average	**15,029**	**15,137**	**15,254**	**15,344**	**15,676**	**15,707**	**15,822**	**15,552**	**15,636**	**15,658**	**15,439**	**15,257**

Source: Department of Labor, Bureau of Labor Statistics
*January 2014 through May 2024, excludes 2020 data



*January 2014 through May 2024, excludes 2020 data



*January 2014 through May 2024, excludes 2020 data

As the preceding illustrates, the unemployment rate in the PSA (Macon County) is, on average, highest during the months of January and February (5.3% and 5.2%, respectively). Subsequently, the average size of the labor force in the PSA is lowest during January and February (15,029 and 15,137, respectively). While the unemployment rate typically declines throughout the remainder of the year, reaching an average low of 4.1% in December, the size of the PSA labor force generally peaks during the summer and fall months (between May and October). Based on the preceding, seasonal employment in the PSA generally experiences notable increases beginning in February of each year and begins to decline in November. On average, the labor force increased by approximately 1,019 employees, or 6.6%, between the lowest and highest months each year between 2014 and 2024. While some of this difference may be attributed to the overall growth in employment over time, it is reasonable to conclude that a large portion of this results from seasonal employment.

Overall, the economy in the PSA appears to be experiencing notable growth. Through 2023, at-place employment is at 109.1% of the 2019 level, total employment is at 107.1% of the 2019 level, and the annual unemployment rate is at 3.2%. The data also illustrates the importance of the tourism industry within the county and shows that a notable portion of the workers within this industry sector likely struggle with housing affordability issues. In addition, the seasonal fluctuation of the labor force likely indicates that seasonal or partial-year housing needs for this workforce is another important consideration for future housing needs within the county. While these conclusions are based on secondary data sources such as the Bureau of Labor Statistics, it is important to note that Bowen National Research conducted a survey of area employers as part of this Housing Needs Assessment. Results indicate that the majority of area employers believe seasonal workforce housing is needed within Macon County and that if additional housing were available in the market employers would hire additional staff. The vast majority of these respondents also indicated the need for temporary workforce housing is primarily between the months of May and October, which aligns with monthly employment totals/increases provided earlier in this section. A full summary of the Employer Survey, as well as the Resident Survey and Stakeholder Survey, is included in Section IX (Community Input) of this report. Overall, it appears the economy in Macon County is well-positioned for continued growth and currently does not exhibit any notable weakness related to employment. As such, housing availability and affordability will be critical components in promoting continued positive economic development in the area.

C. EMPLOYMENT OUTLOOK

WARN (layoff notices):

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed in June of 2024. According to the North Carolina Department of Commerce, there have been no WARN notice reports in Macon County within the past three years.

The 10 largest employers within Macon County are summarized in the following table.

Employer Name	Business Type	Total Employed
Macon County Public Schools	Education	500-999
Drake Software	Professional, Scientific, and Technical Services	250-499
Macon County	Public Administration	250-499
Ingles Markets, Inc.	Retail	250-499
Walmart Associates, Inc.	Retail	250-499
MH Angel Medical Center	Healthcare	250-499
Madison's Restaurant	Food Services	100-249
MH Highlands-Cashiers Medical Center	Healthcare	100-249
Beasley Flooring Products Inc.	Retail	100-249
Lowes Home Centers	Retail	100-249

Source: Macon County Economic Development Commission (June 2023)

Major employers in the PSA (Macon County) are primarily engaged in education, professional/scientific/technical services, administration, retail, healthcare, and food services. As four of the 10 largest employers are involved in healthcare, public administration, or education, this helps to partially insulate the PSA from economic fluctuations as these sectors are generally less vulnerable to economic downturns. However, it is also important to note that five of the top 10 employers in Macon County are engaged in either the retail or food services industries, which typically have a notable share of occupations with lower wages and are more susceptible to economic downturns. This contributes to the demand for affordable housing in the area. Regardless, major employers in the area are engaged in an array of business activities, which accommodates a variety of education and skill levels and is a positive attribute for the PSA.

A map delineating the location of the area's largest employers is included on the following page.

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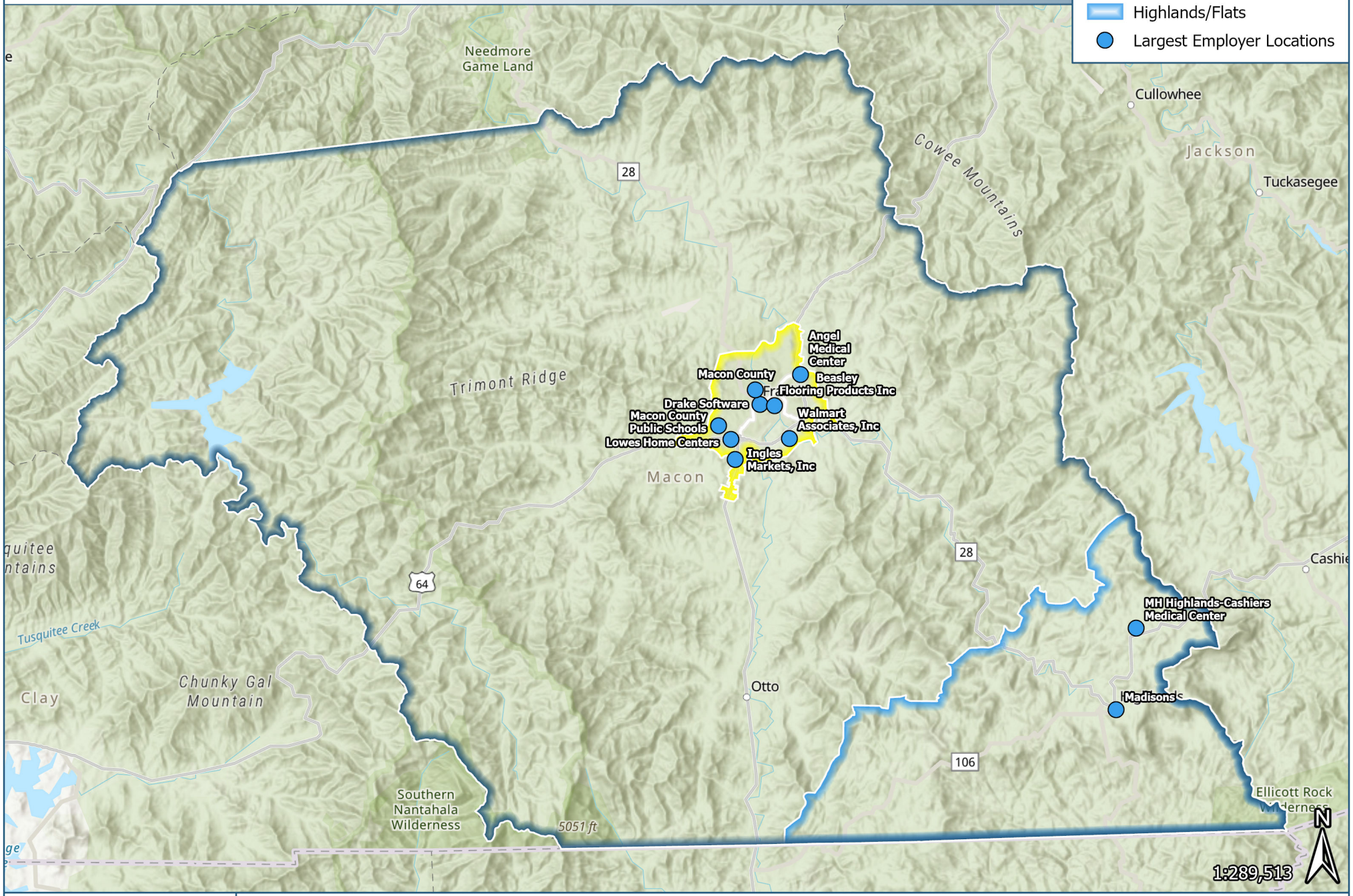
Largest Employer Locations

Macon County, NC



0 1 2 3 4 Miles

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

Economic Development

Economic development can improve the economic well-being and quality of life for a region or community by building local wealth, diversifying the economy, and creating and retaining jobs. Local perspective on the economy as well as notable developments in the area are summarized in this section.

According to a representative with the Macon County Economic Development Commission, the Macon County economy is growing with various projects in progress or planned for the near future. The following table summarizes some recent and/or ongoing economic development projects within the Macon County area as of the time of this analysis:

Economic Development Activity			
Project Name	**Investment**	**Job Creation**	**Scope of Work/Details**
Duotech	$6.5 Million	95	Announced in March 2024, this aerospace and defense contractor will expand operations in Franklin; Average salary will be $91,271
Frito Lay Warehouse Construction	N/A	N/A	Expected completion is summer/fall 2024
Franklin High School	$100 Million	N/A	In January 2024, school district was awarded a $62 million grant to aid in the construction of a new high school. The total cost is estimated at $100 million. Construction could begin in summer of 2024. Estimated completion date is unknown.

N/A – Not available

As the preceding table illustrates, economic development activity totaling approximately $107 million has either been recently completed, is currently under construction, or is planned to commence in the near future. Overall, these projects have an estimated initial job creation impact of approximately 95 new jobs within Macon County. Most notably, the new jobs at the Duotech facility in Frankin will have an average salary of over $90,000. These new jobs will likely have an impact on housing demand, particularly for higher priced product, given the above average wages. No active large-scale infrastructure projects were identified at the time of research.

D. PERSONAL MOBILITY

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. If traffic congestion creates long commuting times or public transit service is not available for carless people, their quality of life is diminished. Factors that lower resident satisfaction weaken housing markets. Typically, people travel frequently outside of their residences for three reasons: 1) to commute to work, 2) to run errands or 3) for recreational purposes.

Commuting Mode and Time

The following tables show commuting pattern attributes for each study area:

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
Franklin ETJ	Number	2,279	209	0	63	22	85	2,658
	Percent	85.7%	7.9%	0.0%	2.4%	0.8%	3.2%	100.0%
Highlands/Flats	Number	1,077	115	0	123	3	142	1,460
	Percent	73.8%	7.9%	0.0%	8.4%	0.2%	9.7%	100.0%
Balance of County	Number	9,471	794	24	132	219	609	11,249
	Percent	84.2%	7.1%	0.2%	1.2%	1.9%	5.4%	100.0%
Macon County	Number	12,823	1,117	24	318	244	836	15,362
	Percent	83.5%	7.3%	0.2%	2.1%	1.6%	5.4%	100.0%
North Carolina	Number	3,701,249	424,447	39,003	78,758	66,636	609,526	4,919,619
	Percent	75.2%	8.6%	0.8%	1.6%	1.4%	12.4%	100.0%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Franklin ETJ	Number	1,191	469	500	296	118	85	2,659
	Percent	44.8%	17.6%	18.8%	11.1%	4.4%	3.2%	100.0%
Highlands/Flats	Number	691	376	95	119	37	142	1,460
	Percent	47.3%	25.8%	6.5%	8.2%	2.5%	9.7%	100.0%
Balance of County	Number	3,992	3,601	1,499	921	626	609	11,248
	Percent	35.5%	32.0%	13.3%	8.2%	5.6%	5.4%	100.0%
Macon County	Number	5,873	4,444	2,092	1,336	781	836	15,362
	Percent	38.2%	28.9%	13.6%	8.7%	5.1%	5.4%	100.0%
North Carolina	Number	1,138,943	1,707,812	865,704	318,292	279,341	609,526	4,919,618
	Percent	23.2%	34.7%	17.6%	6.5%	5.7%	12.4%	100.0%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

Noteworthy observations from the preceding tables follow:

- Within the PSA (Macon County), 90.8% of commuters either drive alone or carpool to work. This represents a higher share of such commuting modes when compared to the state of North Carolina (83.8%). As such, the shares of PSA commuters that utilize public transit (0.2%) and work from home (5.4%) are less than the corresponding shares for the state (0.8% and 12.4%, respectively). However, it is noteworthy that 2.1% of commuters in the PSA walk to work, which is a higher share as compared to the statewide share (1.6%). While shares of commuting modes within the Franklin ETJ Submarket are generally similar to those for the PSA, the share of individuals within the Highlands/Flats Submarket that walk to work (8.4%) and work from home (9.7%) are significantly higher than the corresponding shares in the other study areas.

- Over two-thirds (67.1%) of commuters in Macon County have commute times of less than 30 minutes, representing a notably larger share of relatively short commute times compared to the state (57.9%). Additionally, 38.2% of PSA commuters have commute times of less than 15 minutes, and only 5.1% of PSA commuters have commute times of 60 minutes or more. The share of commuters with commute times of 30 minutes or less within the Franklin ETJ (62.4%) and Highlands/Flats (73.1%) submarkets are both higher than the statewide share, while the shares of individuals with commutes of 60 minutes or more (4.4% and 2.5%, respectively) are less than the statewide share.

Based on the preceding analysis, the vast majority of PSA and submarket commuters utilize their own vehicles or carpool to work. Overall, commute times in the PSA and each submarket are, on average, notably shorter than commute times for the state of North Carolina and very few commuters in the area have commute times of 60 minutes or more. The commuting data reflects people *living* in each study area and is <u>not</u> reflective of people commuting *into* the county for work. That data is found starting on page V-26.

A drive-time map illustrating travel times from the center of Franklin, which is the county seat within Macon County, is included on the following page.

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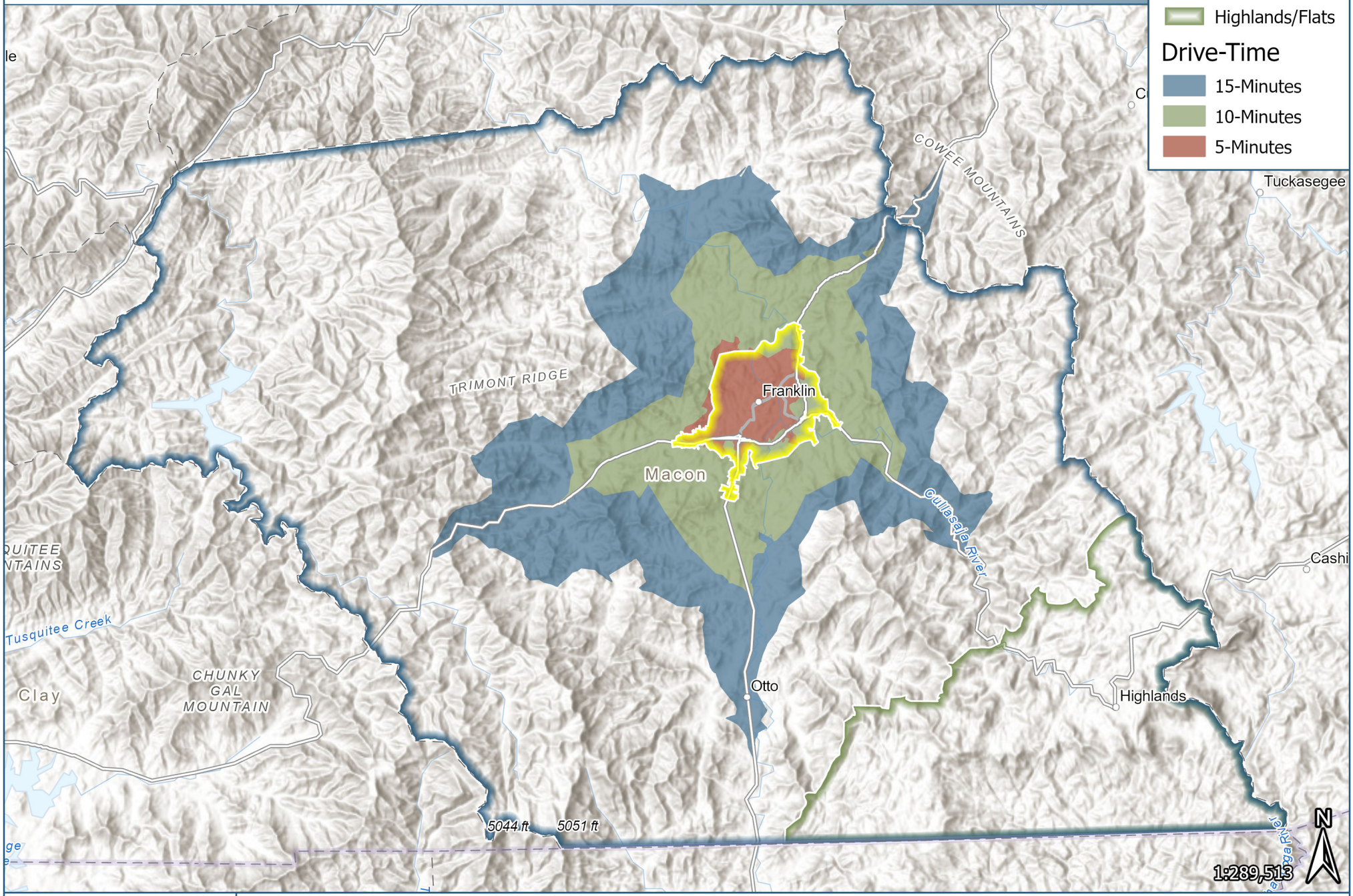
Drive Time From Center of Franklin

Macon County, NC



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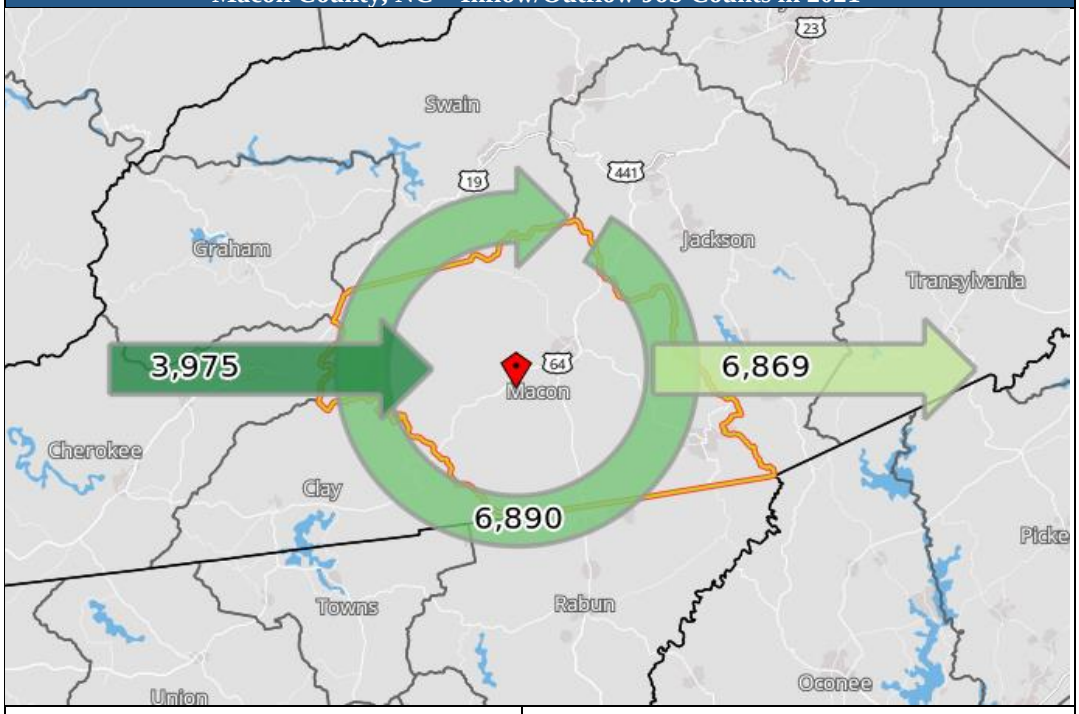
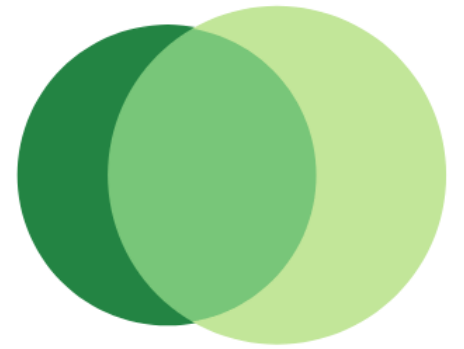
Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

Commuting Inflow/Outflow

According to 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 13,759 employed residents of Macon County, 6,869 (49.9%) are employed outside the county, while the remaining 6,890 (50.1%) are employed within Macon County. In addition, 3,975 people commute into Macon County from surrounding areas for employment. These 3,975 non-residents account for 36.6% of the people employed in the county. This represents a notable base of potential support for future residential development as some commuters would likely consider relocating to Macon County to be closer to their place of employment if housing that met their needs was available. The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters.

Macon County, NC – Inflow/Outflow Job Counts in 2021





Inflow/Outflow Job Counts (All Jobs)

	2021 Count	2021 Share
Employed in the Selection Area	10,865	100.0%
Employed in the Selection Area but Living Outside	3,975	36.6%
Employed and Living in the Selection Area	6,890	63.4%
Living in the Selection Area	13,759	100.0%
Living in the Selection Area but Employed Outside	6,869	49.9%
Living and Employed in the Selection Area	6,890	50.1%

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

Characteristics of the Macon County commuting flow in 2021 are illustrated in the following table.

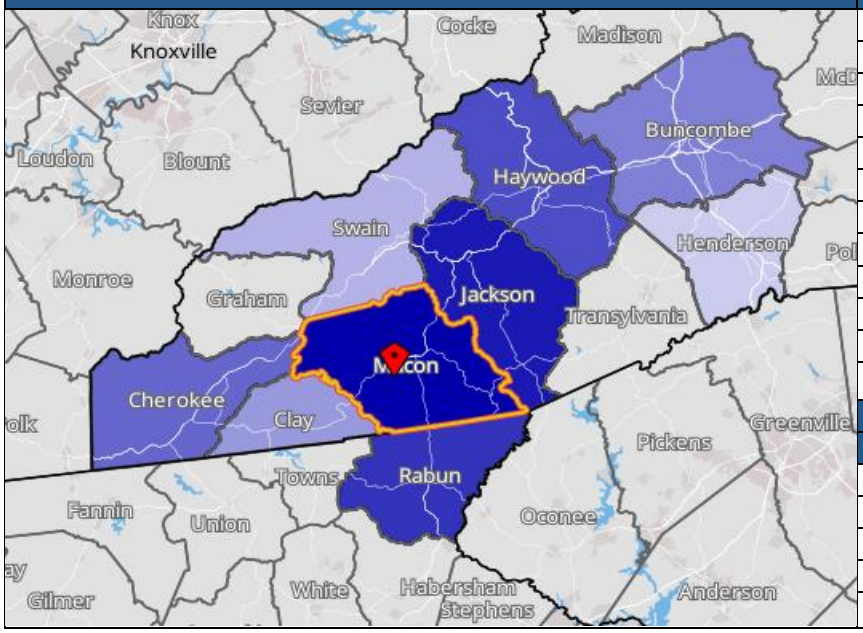
Macon County, NC: Commuting *Flow* Analysis by Earnings, Age and Industry Group (2021, All Jobs)						
Worker Characteristics	**Resident Outflow**		**Workers Inflow**		**Resident Workers**	
	Number	**Share**	**Number**	**Share**	**Number**	**Share**
Ages 29 or younger	1,667	24.3%	1,006	25.3%	1,420	20.6%
Ages 30 to 54	3,325	48.4%	1,904	47.9%	3,271	47.5%
Ages 55 or older	1,877	27.3%	1,065	26.8%	2,199	31.9%
Earning <$1,250 per month	1,622	23.6%	945	23.8%	1,480	21.5%
Earning $1,251 to $3,333	2,470	36.0%	1,462	36.8%	2,778	40.3%
Earning $3,333+ per month	2,777	40.4%	1,568	39.4%	2,632	38.2%
Goods Producing Industries	790	11.5%	464	11.7%	1,100	16.0%
Trade, Transportation, Utilities	1,733	25.2%	1,071	26.9%	1,010	14.7%
All Other Services Industries	4,346	63.3%	2,440	61.4%	4,780	69.4%
Total Worker Flow	**6,869**	**100.0%**	**3,975**	**100.0%**	**6,890**	**100.0%**

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)
Note: Figures do not include contract employees and self-employed workers

Of the county's 3,975 in-commuters, nearly one-half (47.9%) are between the ages of 30 and 54 years, 39.4% earn $3,333 or more per month ($40,000 or more annually), and 61.4% work in industries other than goods producing, trade, transportation, or utilities. The age, incomes, and distribution of employment by industry of outflow workers is very similar to those of inflow workers. Regardless, given the diversity of incomes, ages, and occupation types of the approximately 4,000 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in Macon County. A detailed analysis of the area housing market, which includes availability, costs, and product mixture is included in Section VI of this report. It is important to understand that the overall health of the local housing market can influence the probability of in-commuters relocating to the area.

The following map and corresponding tables illustrate the physical *home* location (county) of people *working in* Macon County, as well as the distribution of commute distances for the Macon County workforce.

Macon County Workforce – Top 10 Counties of Residence & Commute Distance
All Jobs (2021)



County	Number	Share
Macon County, NC	6,890	63.4%
Jackson County, NC	710	6.5%
Rabun County, GA	379	3.5%
Haywood County, NC	285	2.6%
Cherokee County, NC	277	2.5%
Buncombe County, NC	219	2.0%
Clay County, NC	175	1.6%
Swain County, NC	142	1.3%
Henderson County, NC	123	1.1%
Mecklenburg County, NC	83	0.8%
All Other Locations	1,582	14.6%
Total	**10,865**	**100.0%**

Commute Distance

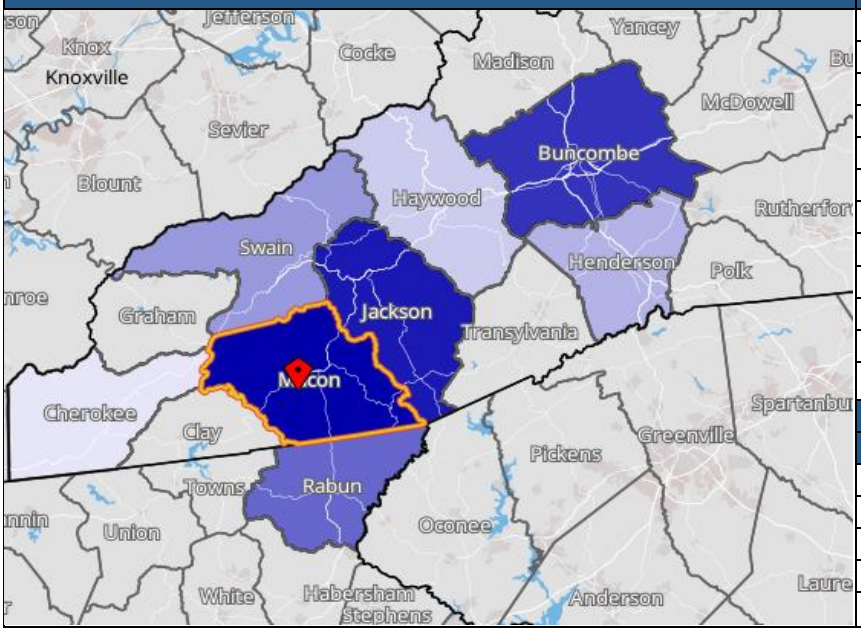
Distance	Number	Share
Less than 10 miles	5,854	53.9%
10 to 24 miles	2,405	22.1%
25 to 50 miles	1,095	10.1%
Greater than 50 miles	1,511	13.9%
Total	**10,865**	**100.0%**

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

Statistics provided by LODES indicate that 63.4% of the Macon County workforce are residents of the county. The counties of Jackson (6.5%), Rabun, Georgia (3.5%), Haywood (2.6%), and Cherokee (2.5%) contribute the next largest shares of people that work in Macon County. In total, approximately 78.8% of the Macon County workforce originates from either within the county or from an adjacent county, and only 14.6% of the labor force originates from outside of the top 10 counties listed. As such, most of the Macon County workforce is regionally based with 76.0% of individuals commuting less than 25 miles. However, inflow workers with commute distances of more than 50 miles comprise 13.9% of the total Macon County workforce. These 1,511 inflow workers with notably lengthy commutes, as well as those with shorter commutes from outside the county, represent a base of potential support for future residential development in Macon County.

The following map and corresponding tables illustrate the physical *work* location (county) of Macon County residents, as well as the commute distances for these workers.

Macon County Residents – Top 10 Counties of Employment & Commute Distance
All Jobs (2021)



County	Number	Share
Macon County, NC	6,890	50.1%
Jackson County, NC	1,151	8.4%
Buncombe County, NC	976	7.1%
Wake County, NC	393	2.9%
Rabun County, GA	360	2.6%
Mecklenburg County, NC	349	2.5%
Swain County, NC	306	2.2%
Henderson County, NC	273	2.0%
Haywood County, NC	265	1.9%
Cherokee County, NC	245	1.8%
All Other Locations	2,551	18.5%
Total	**13,759**	**100.0%**

Commute Distance

Distance	Number	Share
Less than 10 miles	5,811	42.2%
10 to 24 miles	2,880	20.9%
25 to 50 miles	1,236	9.0%
Greater than 50 miles	3,832	27.9%
Total	**13,759**	**100.0%**

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

Of the 13,759 employed residents of Macon County, 50.1% are employed within Macon County. The counties of Jackson (8.4%) and Buncombe (7.1%) employ the next largest shares of Macon County residents. While 65.1% of Macon County residents are either employed within the county or in an adjacent county, it is noteworthy that 27.9% of Macon County residents have commutes of 50 miles or more. This is due primarily to the high share (14.5%) of individuals working in the counties of Buncombe (Asheville), Wake (Raleigh), Mecklenburg (Charlotte), and Henderson (Hendersonville). While it is reasonable to assume that some of these individuals may work remotely from home, this data illustrates that many residents of Macon County seek employment in the larger metropolitan areas of the region, despite lengthy commutes. Although a number of factors contribute to where an individual chooses to reside, lengthy commute times can increase the likelihood of relocation if adequate housing options are present closer to an individual's place of employment.

E. CONCLUSIONS

The economy in the PSA (Macon County) is heavily influenced by the healthcare/social assistance, retail, and accommodation/food service sectors, which collectively account for 46.0% of the employment by sector and include seven of the 10 largest employers within the county. Due to the natural outdoor attractions within Macon County, tourism is an important element within the local economy, with visitors spending approximately $350 million in 2023, an increase of nearly 4.0% over 2022 levels. This contributes to the higher-than-state-average employment shares within the accommodation/food services and retail trade sectors in the PSA. The tourism industry also contributes to numerous seasonal employment opportunities in the area, with peak employment levels typically occurring between May and October. Housing availability and affordability appear to be issues, particularly among the seasonal workforce, based on secondary data analysis and employer survey results. Overall, typical wages for most occupation types within the region are lower than wages at the state level, and housing affordability, particularly home ownership, is an issue for a significant share of individuals working within the most common occupations in the area. Total employment in the PSA, as of April 2024, has recovered to 105.4% of the 2019 level, while at-place employment (total jobs in the county regardless of the employee's county of residence) through 2023 is at 109.1% of the pre-COVID level. As such, the economy in the PSA has improved significantly during the past few years, and the annual unemployment rate through April 2024 is 3.3%, which is among the lowest recorded rates for the county since 2014. Ongoing or planned economic development projects indicate continued economic growth within the county. These projects will create notable job growth, many with salaries anticipated to be above $90,000. In addition, nearly 4,000 individuals commute into the county daily for employment, more than 1,500 of which commute more than 50 miles one way. These commuters, particularly those commuting long distances, represent a notable base of potential support for future housing development. While this positive economic activity will contribute to the ongoing demand for housing in Macon County, it is important that an adequate supply of income-appropriate housing is available to capture new residents and retain existing residents, particularly those with lengthy commutes.

VI. HOUSING SUPPLY ANALYSIS

This housing supply analysis includes a variety of housing alternatives. 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 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 options offered in the PSA (Macon County), we focused our analysis on the most common housing alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Rental properties consisting of multifamily apartments (generally with five or more units within a structure) were identified and surveyed. An analysis of non-conventional rentals (typically with four or less units within a structure) was also conducted. In addition, a survey of short-term (recreational/seasonal) rentals was completed to analyze the effect this housing segment has on the overall rental market.

- **For-Sale Housing** – For-sale housing alternatives, both recent sales activity and currently available supply, were inventoried. This data includes single-family homes, condominiums, mobile homes, and other traditional housing alternatives. It includes stand-alone product as well as homes within planned developments or projects.

- **Senior Care Housing** – We surveyed senior care facilities that provide both shelter and care housing alternatives to seniors requiring some level of personal care (e.g., dressing, bathing, medical reminders, etc.) and medical care. This includes independent living, assisted living, and nursing homes.

For the purposes of this analysis, housing supply information is presented for the Franklin ETJ and Highlands/Flats submarkets, the balance of Macon County, the PSA (Macon County), and the state of North Carolina, when available.

Maps illustrating the location of various housing types are included throughout this section.

A. OVERALL HOUSING SUPPLY (SECONDARY DATA)

This section of analysis on the area housing supply is based on secondary data sources such as the U.S. Census, American Community Survey, and ESRI. Note that some small variation of total numbers and percentages within tables may exist due to rounding.

Housing Characteristics

The estimated distribution of the area housing stock by tenure (renter and owner) within the study areas for 2023 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2023 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Franklin ETJ	Number	2,864	1,815	1,049	620	3,484
	Percent	82.2%	63.4%	36.6%	17.8%	100.0%
Highlands/Flats	Number	1,863	1,291	572	4,077	5,940
	Percent	31.4%	69.3%	30.7%	68.6%	100.0%
Balance of County	Number	12,250	9,436	2,814	6,326	18,576
	Percent	65.9%	77.0%	23.0%	34.1%	100.0%
Macon County	Number	16,970	12,537	4,433	10,990	27,960
	Percent	60.7%	73.9%	26.1%	39.3%	100.0%
North Carolina	Number	4,313,420	2,852,237	1,461,183	572,321	4,885,741
	Percent	88.3%	66.1%	33.9%	11.7%	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 27,960 housing units within the PSA (Macon County) in 2023. Based on estimates, of the 16,970 total occupied housing units in the PSA, 73.9% are owner occupied and 26.1% are renter occupied. This distribution of product by tenure within the PSA is more heavily weighted toward owner-occupied housing than the state of North Carolina, which has a 66.1% share of owner-occupied housing units. Overall, 39.3% of the total housing units within the PSA are classified as vacant. Vacant units are comprised of a variety of units including abandoned properties, rentals, for-sale, and seasonal housing units. While this represents a significantly higher share of vacant units compared to the state share (11.7%), this is not unusual in areas with a strong tourism base such as Macon County. Notably, approximately 78.0% of vacant units within Macon County are classified as "seasonal/recreational." Thus, the majority of vacant units within the PSA are not long-term/permanent housing alternatives. An analysis of the seasonal/recreational segment of the housing market, which includes vacation rentals and second homes, is included later in this section of the study, starting on page VI-21. Between the two submarkets in the PSA, the share of owner-occupied housing units is highest within the Highlands/Flats Submarket (69.3%). It is also important to note the exceptionally high share of vacant units in the Highlands/Flats Submarket (68.6%), likely indicating the elevated level of tourism within the area. Within the Franklin ETJ Submarket, there is a

comparably higher share of renter-occupied housing units (36.6%), but a much lower share of vacant units (17.8%). Overall, 72.2% of all occupied housing units are located within the Balance of County (outside of the two submarkets).

The following table compares key housing age and conditions for each of the study areas and the state based on 2018-2022 American Community Survey (ACS) data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete kitchens or bathroom plumbing are illustrated for each area by tenure (renter or owner). It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin ETJ	128	14.1%	481	21.5%	42	4.6%	18	0.8%	0	0.0%	10	0.4%
Highlands/ Flats	215	29.7%	283	20.0%	0	0.0%	1	0.1%	16	2.2%	38	2.7%
Balance of County	631	21.6%	1,508	16.4%	43	1.5%	123	1.3%	1	0.0%	30	0.3%
Macon County	974	21.4%	2,272	17.7%	85	1.9%	142	1.1%	17	0.4%	78	0.6%
North Carolina	324,949	23.4%	581,739	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

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

Within the PSA (Macon County), 21.4% of renter-occupied housing units and 17.7% of owner-occupied housing units were built prior to 1970. Both represent smaller shares of pre-1970 product as compared to the shares for the state of North Carolina (23.4% and 21.4%, respectively). As such, the housing stock in the PSA is, on average, newer than housing statewide. The shares of renter-occupied (1.9%) and owner-occupied (1.1%) housing in the PSA experiencing overcrowding are less than the statewide shares (4.0% and 1.3%, respectively). Similarly, the shares of renter- and owner-occupied housing with incomplete plumbing or kitchens (0.4% and 0.6%, respectively) are similar to, or less than, the statewide shares (1.6% and 0.5%). Overall, there are approximately 227 overcrowded housing units and 95 housing units with either incomplete plumbing or kitchens in Macon County. Despite this, housing within the PSA appears to be in relatively good condition and there does not appear to be any widespread age or condition issues.

Among the individual submarkets, the Highlands/Flats Submarket has the highest share of pre-1970 *renter*-occupied units (29.7%), while the Franklin ETJ Submarket has the highest share of *owner*-occupied units (21.5%) built prior to 1970. In addition, the share of overcrowded *renter*-occupied housing units in the Franklin ETJ Submarket (4.6%) is much higher than the PSA share (1.9%) and slightly higher than the statewide share (4.0%). Housing units with

incomplete plumbing and/or kitchens are most prevalent within the Highlands/Flats Submarket. Within this area, 2.2% of renter-occupied units and 2.7% of owner-occupied units have these condition issues. As the preceding illustrates, the overall housing stock in the PSA is in relatively good condition, however, there are some instances of overcrowding and incomplete plumbing and/or kitchens in select areas of Macon County. Overall, there are approximately 102 renter households and 220 owner households within the PSA that live in substandard housing conditions (overcrowded or lacking complete kitchens or indoor plumbing).

The following table compares key household income, housing cost, and housing affordability metrics of the PSA (Macon County) and the state. Cost burdened households are defined as those paying over 30% of their income toward housing costs, while severe cost burdened households pay over 50% of their income toward housing.

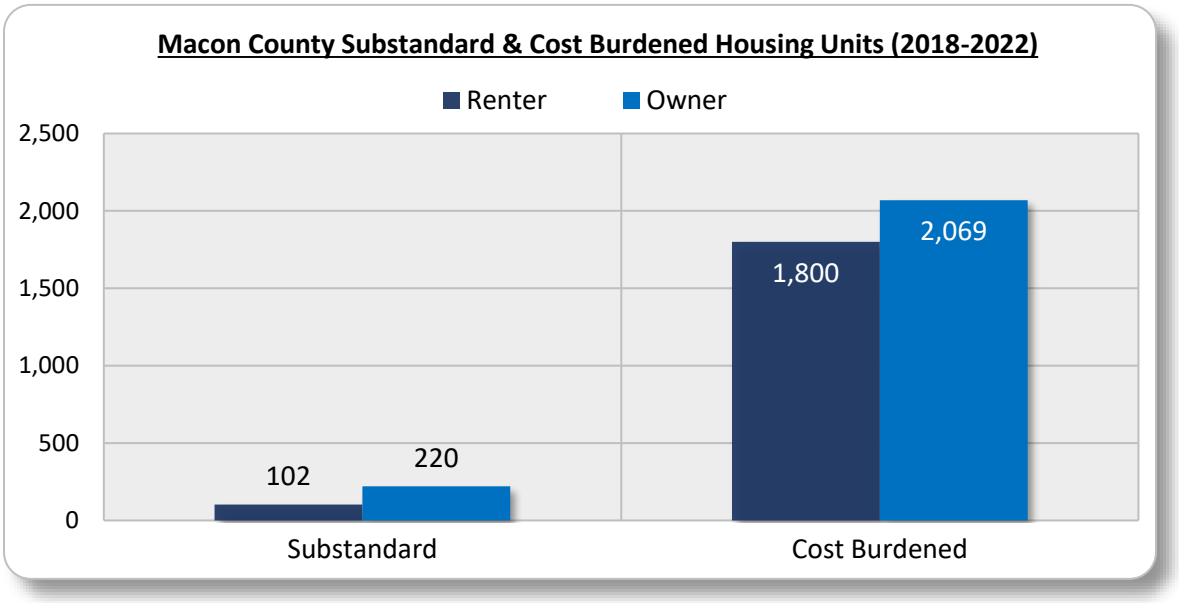
	Household Income, Housing Costs and Affordability							
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Franklin ETJ	2,864	$43,092	$175,207	$816	50.8%	13.6%	14.5%	6.2%
Highlands/Flats	1,863	$79,438	$592,345	$971	35.1%	15.8%	26.5%	9.4%
Balance of County	12,250	$54,651	$215,446	$896	38.8%	17.3%	20.2%	8.1%
Macon County	16,970	$54,595	$222,341	$891	40.6%	16.5%	20.1%	7.9%
North Carolina	4,313,420	$65,852	$262,944	$1,173	43.6%	18.9%	20.8%	7.7%

Source: American Community Survey (2018-2022); ESRI; Urban Decision Group; Bowen National Research
*Paying more than 30% of income toward housing costs
**Paying more than 50% of income toward housing costs

The PSA's (Macon County) median home value of $222,341 is 15.4% lower than the state's estimated median home value of $262,944. The average gross rent of $891 in the PSA is approximately 24.0% lower than the state's average gross rent of $1,173. The median household income for the PSA ($54,595) is 17.1% lower than that for the state. Overall, these factors result in lower shares of cost burdened renter households (40.6%) and owner households (16.5%) in the PSA compared to the shares within the state (43.6% and 18.9%, respectively). However, it is noteworthy that 7.9% of owner households in the PSA are *severe* cost burdened, which is slightly higher than the corresponding state share (7.7%). While the estimated median household income in the Highlands/Flats Submarket ($79,438) is 45.5% higher than median household income in the PSA, the median household income in the Franklin ETJ Submarket ($43,092) is 21.1% lower than the PSA median income. Similarly, there is noteworthy variation between the median home values ($592,345 versus $175,207) and average gross rents ($971 versus $816) in the two submarkets. While the share of cost burdened renter households in the Franklin ETJ Submarket (50.8%) is significantly higher than the share in the Highland/Flats Submarket (35.1%), the share of cost burdened owner

households in the Highland/Flats Submarket (15.8%) is slightly higher than that within the Franklin ETJ Submarket (13.6%). The shares of *severe* cost burdened renter (26.5%) and owner (9.4%) households in the Highland/Flats Submarket are also higher than both PSA and statewide shares. Overall, there are approximately 1,800 renter households and 2,069 owner households in the PSA that are housing cost burdened. Of these, approximately 891 renter households and 990 owner households are *severe* housing cost burdened (paying 50% or more of their income toward housing costs). This data illustrates the importance of affordable rental and for-sale housing alternatives for the residents of Macon County.

The following graph illustrates substandard housing and cost burdened households by tenure (renter/owner) within the PSA (Macon County):



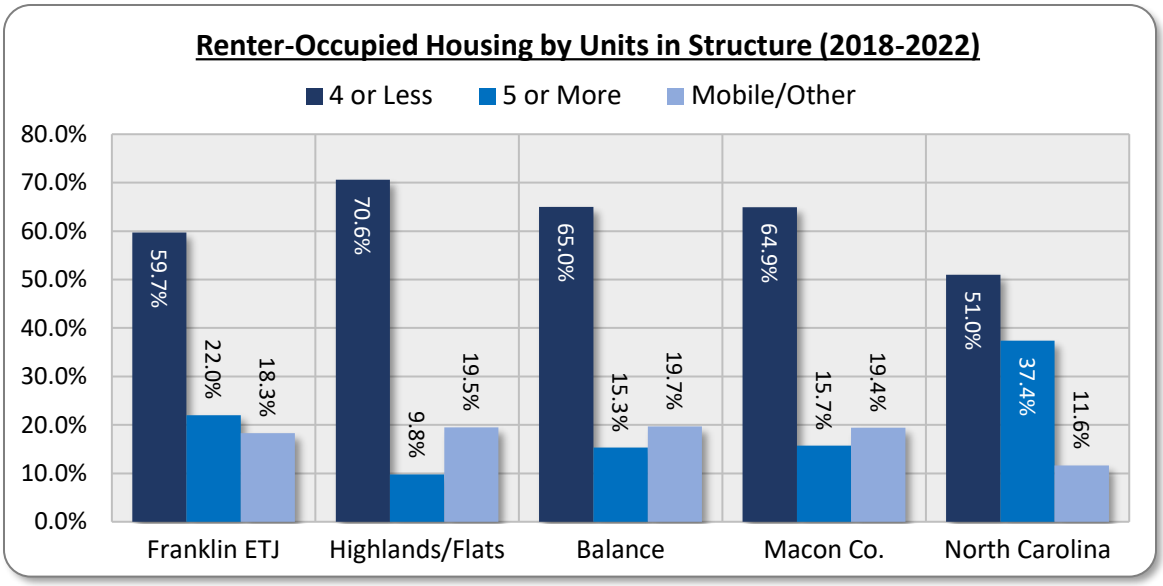
Based on the 2018-2022 American Community Survey (ACS) data, the following is a distribution of all occupied housing by units in structure by tenure (renter or owner) for the various study areas.

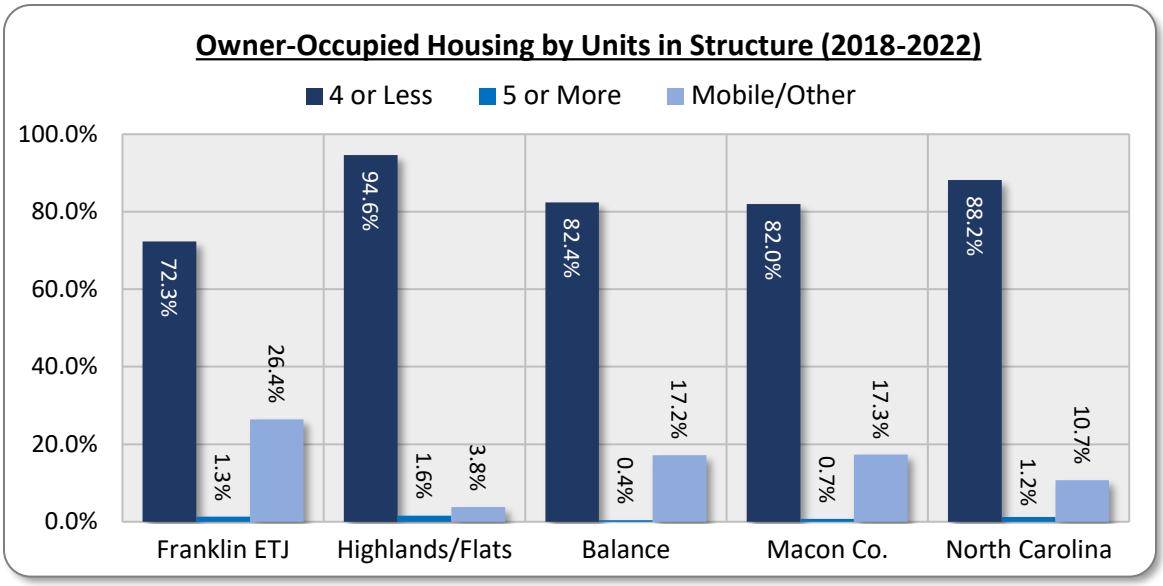
		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Franklin ETJ	Number	544	200	167	911	1,614	30	589	2,233
	Percent	59.7%	22.0%	18.3%	100.0%	72.3%	1.3%	26.4%	100.0%
Highlands/Flats	Number	510	71	141	722	1,342	23	54	1,419
	Percent	70.6%	9.8%	19.5%	100.0%	94.6%	1.6%	3.8%	100.0%
Balance of County	Number	1,897	446	576	2,919	7,572	34	1,581	9,187
	Percent	65.0%	15.3%	19.7%	100.0%	82.4%	0.4%	17.2%	100.0%
Macon County	Number	2,952	716	883	4,551	10,524	87	2,224	12,835
	Percent	64.9%	15.7%	19.4%	100.0%	82.0%	0.7%	17.3%	100.0%
North Carolina	Number	707,626	519,370	160,272	1,387,268	2,396,173	31,813	289,959	2,717,945
	Percent	51.0%	37.4%	11.6%	100.0%	88.2%	1.2%	10.7%	100.0%

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

Nearly two-thirds (64.9%) of the *rental* units in the PSA (Macon County) are within structures of four units or less, with mobile homes comprising an additional 19.4% of the PSA rental units. The combined share of these two structure types (84.3%) is a notably larger share compared to that of the state (62.6%). Only 15.7% of rental units in the PSA are within structures containing five or more units, which are considered to be conventional multifamily apartment properties. Within the Franklin ETJ Submarket, the share of rental units in structures of five or more units (22.0%) is higher than that within the PSA (15.7%), but still significantly less than the statewide share (37.4%). Within the Highland/Flats Submarket, the share of conventional multifamily apartments (9.8%) is much smaller than both the PSA and state. Overall, this indicates that non-conventional rentals dominate the rental market within Macon County. Among *owner* units in the PSA, the vast majority (82.0%) of the housing units are within structures of four units or less, with mobile homes comprising an additional 17.3% of owner-occupied units in the PSA. While the share of mobile homes in the Highland/Flats Submarket is only 3.8%, the Franklin ETJ Submarket has a notably high share (26.4%) of owner-occupied mobile homes.

The following graphs illustrate the number of housing units in structure by tenure (renter/owner) for the PSA (Macon County), each submarket, and the state of North Carolina:


Renter-Occupied Housing by Units in Structure (2018-2022)
4 or Less
5 or More
Mobile/Other
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
59.7%
22.0%
18.3%
70.6%
9.8%
19.5%
65.0%
15.3%
19.7%
64.9%
15.7%
19.4%
51.0%
37.4%
11.6%
Franklin ETJ
Highlands/Flats
Balance
Macon Co.
North Carolina


Owner-Occupied Housing by Units in Structure (2018-2022)
4 or Less
5 or More
Mobile/Other
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
72.3%
1.3%
26.4%
94.6%
1.6%
3.8%
82.4%
0.4%
17.2%
82.0%
0.7%
17.3%
88.2%
1.2%
10.7%
Franklin ETJ
Highlands/Flats
Balance
Macon Co.
North Carolina

B. RENTAL HOUSING SUPPLY ANALYSIS (BOWEN NATIONAL SURVEY)

1. Introduction

Bowen National Research conducted research and analysis of various rental housing alternatives within the PSA (Macon County). This analysis includes multifamily rental housing, non-conventional rentals, and seasonal/short-term rental housing.

2. Multifamily Rental Housing

The PSA (Macon County) offers a limited inventory of multifamily rental properties. In total, eight multifamily rental properties were surveyed in the PSA, of which seven properties are located in the Franklin ETJ Submarket, and one is located in the Balance of County. The eight surveyed projects contain a total of 316 units. The surveyed projects operate under a variety of programs, including market-rate, Low-Income Housing Tax Credit (LIHTC) projects that serve households with incomes up to 60% of Area Median Household Income (AMHI), and government-subsidized projects for households with incomes of up to 50% AMHI. The following table summarizes the surveyed rental properties by project type:

Surveyed Multifamily Rental Housing

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	2	30	0	100.0%
Tax Credit	4	216	0	100.0%
Government-Subsidized	2	70	0	100.0%
Total	8	316	0	100.0%

Source: Bowen National Research

The eight surveyed properties in the PSA have an overall occupancy rate of 100.0%. Typically, in healthy and well-balanced markets, multifamily rentals operate at an overall 94% to 96% occupancy rate. As there are no vacancies among multifamily properties surveyed within the PSA, and all projects currently maintain a waiting list for the next available unit, it appears the demand for multifamily rentals in Macon County is very high. This is true of such product across multiple affordability levels given the various property types surveyed. Specifically, two projects are market-rate properties (30 units, or 9.5% of the total units), four projects are Tax Credit properties (216 units, or 68.4% of the total units), and one project is government subsidized (70 units, or 22.2% of the total units).

The following table summarizes the distribution of the units surveyed within the PSA (Macon County) by project and bedroom type.

Market-Rate						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Two-Bedroom	2.0	30	100.0%	0	0.0%	$900
Total Market-Rate		**30**	**100.0%**	**0**	**0.0%**	-
Tax Credit (Non-Subsidized)						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
One-Bedroom	1.0	36	16.7%	0	0.0%	$659
Two-Bedroom	1.0	102	47.2%	0	0.0%	$740
Two-Bedroom	2.0	30	13.9%	0	0.0%	$770
Three-Bedroom	2.0	48	22.2%	0	0.0%	$850
Total Tax Credit		**216**	**100.0%**	**0**	**0.0%**	-
Government Subsidized						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Studio	1.0	8	11.4%	0	0.0%	-
One-Bedroom	1.0	32	45.7%	0	0.0%	-
Two-Bedroom	1.0	24	34.3%	0	0.0%	-
Two-Bedroom	1.5	6	8.6%	0	0.0%	-
Total Government Subsidized		**70**	**100.0%**	**0**	**0.0%**	-

Source: Bowen National Research

Among market-rate units in the PSA, all 30 units are two-bedroom/two-bathroom units. These units are fully occupied and have a median collected rent of $900. Tax Credit units, which comprise the largest share of the total multifamily units surveyed in the PSA and are fully occupied, are mostly comprised of two-bedroom units (132 units, or 61.1%), followed by three-bedroom units (48 units, or 22.2%) and one-bedroom units (36 units, or 16.7%). Median collected rents range from $659 (one-bedroom) to $850 (three-bedroom), while the most common unit configuration (two-bedroom) has median collected rents between $740 and $770. Most government-subsidized units in the PSA are either one-bedroom (32 units, or 45.7%) or two-bedroom (30 units, or 42.9%) configurations. There are no government-subsidized units larger than two bedrooms, and only eight government-subsidized studio units within the PSA.

Additional details for the eight surveyed projects within the PSA are summarized in the following table:

Map I.D.	Project Name	Quality Rating	Year Built/ Renovated	Total Units	Occ. Rate	Waiting List	Target Market
1	Holly Haven	B	2004	48	100.0%	30 HH	Families; 50% & 60% AMHI
2	Indigo Apts.	B+	2017	60	100.0%	70 HH	Families; 60% AMHI
3	Oak Forest Apts.	B	1984 / 2007	32	100.0%	12 Months	Seniors 62+; Section 202 & 8
4	Orchard View Apts.	B	1995	48	100.0%	18 HH	Families; 50% AMHI
5	Riverview Heights Vistas	B	1995	18	100.0%	15 HH	General-Occupancy
6	South Macon Village	B	2006	12	100.0%	15 HH	General-Occupancy
7	Ulco Bluffs	B	1983	38	100.0%	20 HH	Families; RD 515
8	Westgate Terrace	B+	2014	60	100.0%	170 HH	Families; 50% & 60% AMHI

Source: Bowen National Research
OCC. – Occupancy; HH – Households; AMHI – Area Median Household Income
Note: Map ID 6 is located within the Balance of County; all other properties are in the Franklin ETJ Submarket

As the preceding illustrates, all projects in the PSA (Macon County) have a quality rating of "B" or higher, which is indicative of multifamily rentals in good to very good condition. Two projects were built during the 1980s, both of which are government-subsidized projects, two were built in the 1990s (one Tax Credit and one market-rate), and four were built in 2004 or later (three Tax Credit and one market-rate), with the newest project having been built in 2017. Each project is fully occupied and maintains a waiting list. A total of 338 households are currently on waiting lists, and one property estimated the length of wait for the next available unit to be approximately 12 months. It should also be noted that all the properties listed, with the exception of Map ID 6 (South Macon Village), are located in the Franklin ETJ Submarket. Regardless, it is apparent that there is significant pent-up demand for multifamily rentals in the PSA based on the lack of vacancies and notable wait lists. As such, it is likely that additional multifamily projects targeting a variety of income levels and target markets could be developed in Macon County.

The collected rents for the surveyed projects, as well as their unit mixes and vacancies by bedroom type are illustrated in the following table:

		Collected Rent/Percent of AMHI (Number of Units/Vacancies)			
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.
1	Holly Haven	-	-	$740/50% (21/0) $740/60% (15/0)	$840/50% (6/0) $840/60% (6/0)
2	Indigo Apts.	-	$675/60% (12/0)	$770/60% (30/0)	$850/60% (18/0)
3	Oak Forest Apts.	SUB (8/0)	SUB (24/0)	-	-
4	Orchard View Apts.	-	$450/50% (12/0)	$498/50% (36/0)	-
5	Riverview Heights Vistas	-	-	$900 (18/0)	-
6	South Macon Village	-	-	$900 (12/0)	-
7	Ulco Bluffs	-	$566-$596/SUB (8)	$662-$705/SUB (30)	-
8	Westgate Terrace	-	$659/50% (9/0) $804/60% (3/0)	$781/50% (18/0) $955/60% (12/0)	$901/50% (9/0) $1,102/60% (9/0)

Source: Bowen National Research
SUB - Subsidized (residents pay 30% of their income, as this is a government-subsidized property)

The rental projects surveyed in the PSA primarily consist of one-bedroom (21.5%) and two-bedroom (60.8%) units. Among the two most common bedroom types, the one-bedroom units have collected rents that primarily range between $450 and $675, with only three units reporting higher rents of $804, while two-bedroom units have rents that range between $498 and $955. It should be noted that all market-rate projects in the PSA are two-bedroom units, and all units have a collected rent of $900. Thus, market-rate rents among the surveyed properties are positioned lower than some rents among the affordable Tax Credit properties surveyed.

The unit sizes (square footage) and number of bathrooms included in each of the surveyed apartments in the PSA are shown in the following tables:

		Square Footage			
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.
1	Holly Haven	-	-	904	1,100
2	Indigo Apts.	-	790	1,040	1,230
3	Oak Forest Apts.	480	582	-	-
4	Orchard View Apts.	-	650	800	-
5	Riverview Heights Vistas	-	-	1,100	-
6	South Macon Village	-	-	1,100	-
7	Ulco Bluffs	-	575	795 – 872	-
8	Westgate Terrace	-	718	850	1,198

Source: Bowen National Research

		Number of Baths			
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.
1	Holly Haven	-	-	1.0	2.0
2	Indigo Apts.	-	1.0	2.0	2.0
3	Oak Forest Apts.	1.0	1.0	-	-
4	Orchard View Apts.	-	1.0	1.0	-
5	Riverview Heights Vistas	-	-	2.0	-
6	South Macon Village	-	-	2.0	-
7	Ulco Bluffs	-	1.0	1.0 – 1.5	-
8	Westgate Terrace	-	1.0	1.0	2.0

Source: Bowen National Research

Among the two most common bedroom types, one-bedroom units range in size from 575 to 790 square feet, while the surveyed two-bedroom units range from 795 to 1,100 square feet. All studio and one-bedroom units in the PSA have one bathroom, while two-bedroom units range from one to two bathrooms. All three-bedroom units surveyed have two bathrooms. The preceding information may help to guide product design decisions for future multifamily product.

Government-Subsidized Housing

Two government-subsidized properties were surveyed in the PSA, which include Map ID 3 (Oak Forest Apartments) and Map ID 7 (Ulco Bluffs). Both projects are in good condition (quality rating of "B"), despite being the two oldest projects in the PSA (built in 1984 and 1983, respectively). Units within these two projects are typically smaller than units of the same configuration among Tax Credit and market-rate projects and have fewer amenities. Given that the occupancy rate for government-subsidized units is 100.0% and wait lists of 20 households or 12 months are currently maintained, it is apparent that there is significant pent-up demand for government-subsidized housing in the area. It is also important to consider that 32 of the 70 total units (45.7%) are restricted to seniors aged 62 or older, and there are no three-bedroom government-subsidized units in the PSA. As a result, many larger very low-income households would likely have difficulty locating suitable housing within the PSA, even if some vacancies were present among existing subsidized properties.

We also evaluated the potential number of existing subsidized housing units that are at risk of losing their affordable status. A total of two properties in the county operate as subsidized projects under a current HUD contract. Because these contracts have a designated renewal date, it is important to understand if these projects are at risk of an expiring contract in the near future that could result in the reduction of affordable rental housing stock (Note: HUD contract renewal or expiration dates within five years are shown in red).

Expiring HUD Contracts
Macon County, North Carolina

Property Name	Total Units	Assisted Units	Expiration Date	Program Type	Target Population
ARC/HDS Macon County Group Home*	7	6	12/31/2024	202/8 NC	Senior, Disabled
Oak Forest Apartments	32	32	6/28/2033	202/8 NC	Disabled

Source: HUDUser.gov Assistance & Section 8 Contracts Database (Updated 4.2.24); Bowen National Research
*Property not surveyed at the time of this analysis

While all HUD supported projects are subject to annual appropriations by the federal government, it appears that one of the two such projects in Macon County has an expiration date within the next five years and is at a *potential* risk of losing its government assistance in the near future. Given the high occupancy rates and wait lists among the market's surveyed subsidized properties, it will be important for the area's low-income residents that the projects with pending expiring HUD contracts be preserved in order to continue to house some of the market's most economically vulnerable residents.

Projects can also be developed under federal programs that use Fair Market Rents or the HOME Program rents. The following tables illustrate the 2024 Fair Market Rents and Low and High HOME rents for Macon County.

Rent Limits - Macon County, North Carolina (2024)				
Studio	**One-Bedroom**	**Two-Bedroom**	**Three-Bedroom**	**Four-Bedroom**
Fair Market Rents				
$802	$849	$962	$1,163	$1,437
Low/High HOME Rent				
$642 / $802	$688 / $849	$825 / $962	$953 / $1,163	$1,063 / $1,325

Source: HUD Office of Policy Development and Research (huduser.gov); Bowen National Research

The preceding rents, which are updated annually, can be used by developers as a guide for the possible rent structures incorporated at their projects within Macon County. It is also of note that properties with rents set near or below area Fair Market Rent levels often attract Housing Choice Voucher (HCV) holders. Thus, a property with rents similar to Fair Market Rents and/or HOME rent limits could help alleviate some of the pent-up demand for affordable product capable of accommodating voucher holders in the Macon County area.

The Fair Market Rents in Macon County are higher than the median collected rents ($900) for the market-rate units surveyed in the PSA. While this indicates that Housing Choice Voucher (HCV) holders could secure a multifamily rental in the county if the project accepts vouchers, the overall lack of vacancies suggests that households likely struggle to find available multifamily rentals in the PSA, regardless of affordability. As such, many households are forced to seek housing alternatives among non-conventional rentals (typically single-family homes, duplexes, mobile homes, etc.). An analysis of non-conventional rentals is included in this section of the report starting on page VI-16.

Housing Choice Vouchers are tenant-based (carried/held by a single person/household) vouchers administered by the local housing authority which effectively subsidize a tenant's rent to be equivalent to 30% of their income. Notably, these vouchers can be utilized at/among non-subsidized properties to increase rental housing options for lower-income households. According to a representative with Macon Program for Progress, there are approximately 155 Housing Choice Vouchers issued within the housing authority's jurisdiction. However, it was also noted by housing authority representatives that approximately seven (4.5%) of the issued vouchers are currently going unused, likely due to holders of these vouchers being unable to locate a quality affordable rental housing unit that will accept the voucher. There are 221 households currently on the waiting list for additional vouchers and the waiting list is open. Annual turnover within the voucher program is estimated at 15 households. This reflects the continuing need for affordable housing alternatives and Housing Choice Voucher assistance within the county.

A map illustrating the location of all multifamily apartments surveyed within the market is included on the following page. Note the Map ID numbers shown on the map correspond to each property surveyed as illustrated by the Field Survey of Conventional Rentals (Addendum A).

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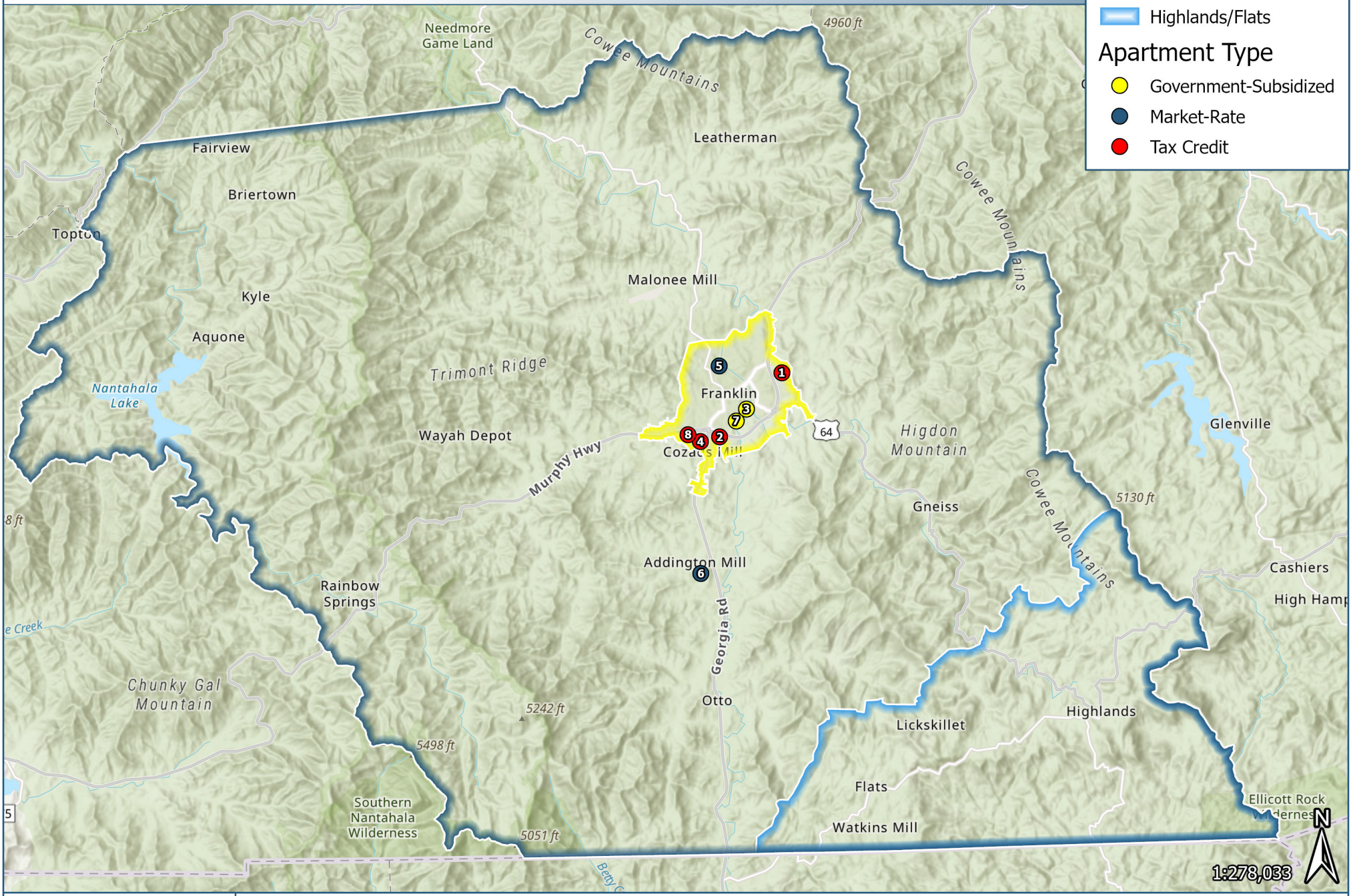
Surveyed Apartments

Macon County, NC



Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

3. Non-Conventional Rental Housing

Non-conventional rentals are generally considered rental units consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. Typically, these rentals are older, offer few amenities, and lack on-site management and maintenance. For the purposes of this analysis, we have assumed that rental properties consisting of four or less units within a structure and mobile homes are non-conventional rentals. Based on data from the American Community Survey (2018-2022), the number and share of units within renter-occupied structures is summarized in the following table:

		Renter-Occupied Housing by Units in Structure			
		1 to 4 Units	5 Units or More	Mobile Home/ Other	Total
Franklin ETJ	Number	544	200	167	911
	Percent	59.7%	22.0%	18.3%	100.0%
Highlands/Flats	Number	510	71	141	722
	Percent	70.6%	9.8%	19.5%	100.0%
Balance of County	Number	1,897	446	576	2,919
	Percent	65.0%	15.3%	19.7%	100.0%
Macon County	Number	2,952	716	883	4,551
	Percent	64.9%	15.7%	19.4%	100.0%
North Carolina	Number	707,626	519,370	160,272	1,387,268
	Percent	51.0%	37.4%	11.6%	100.0%

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

As the preceding table illustrates, non-conventional rentals with four or fewer units per structure and mobile homes comprise the vast majority of the local rental housing market, as they represent 84.3% of rental units in the PSA (Macon County). This is a significantly larger share of non-conventional rentals as compared to the share for the state (62.6%). While the share (78.0%) of non-conventional rentals in the Franklin ETJ Submarket is lower than that of the PSA, it is still much higher than the statewide share. The shares of non-conventional rentals in the Highlands/Flats Submarket (90.1%) and Balance of County (84.7%) are higher than the overall PSA share. The share of rental mobile homes in each study area is similar, ranging between 18.3% (Franklin ETJ) and 19.7% (Balance of County). Regardless, it is apparent that non-conventional rentals account for the vast majority of the overall rental units in the PSA, and a proportionally high share of these are mobile homes.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within the PSA (Macon County), each submarket, and the state of North Carolina, based on American Community Survey data. While this data encompasses all rental units, which includes multifamily apartments, the majority (84.3%) of the PSA's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<$300	$300 - $500	$500 - $750	$750 - $1,000	$1,000 - $1,500	$1,500 - $2,000	$2,000+	No Cash Rent	Total
Franklin ETJ	Number	25	92	215	365	122	7	9	74	909
	Percent	2.8%	10.1%	23.7%	40.2%	13.4%	0.8%	1.0%	8.1%	100.0%
Highlands/Flats	Number	23	89	91	224	116	0	66	116	725
	Percent	3.2%	12.3%	12.6%	30.9%	16.0%	0.0%	9.1%	16.0%	100.0%
Balance of County	Number	124	115	710	870	533	47	86	434	2,919
	Percent	4.2%	3.9%	24.3%	29.8%	18.3%	1.6%	2.9%	14.9%	100.0%
Macon County	Number	171	296	1,015	1,459	771	54	161	624	4,551
	Percent	3.8%	6.5%	22.3%	32.1%	16.9%	1.2%	3.5%	13.7%	100.0%
North Carolina	Number	37,643	62,805	177,525	272,257	462,187	200,760	83,754	90,339	1,387,270
	Percent	2.7%	4.5%	12.8%	19.6%	33.3%	14.5%	6.0%	6.5%	100.0%

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

As the preceding table illustrates, the largest share (32.1%) of PSA (Macon County) rental units have rents between $750 and $1,000, followed by units with rents between $500 and $750 (22.3%). Collectively, units with gross rents below $1,000 account for 64.7% of all PSA rentals, which is a much larger share of such units when compared to the state (39.6%). Overall, this demonstrates the dominance of the lower and moderately priced product among the non-conventional rental units in the market. However, 16.9% of rental units in the PSA have gross rents between $1,000 and $1,500, and 4.7% have rents of $1,500 or higher. This illustrates some opportunities exist to achieve premium rents in the market. In addition, these units provide some alternatives to home ownership for higher income residents in the PSA. This is particularly true within the Highlands/Flats Submarket, where 9.1% of rentals have rents of $2,000 or higher. Conversely, 76.8% of rental units in the Franklin ETJ Submarket have rents of less than $1,000, while only 1.8% have rents of $1,500 or more.

During May and June 2024, Bowen National Research identified seven non-conventional rentals that were listed as *available* for rent in the PSA (Macon County), of which six are located in the Balance of County, and one is within the Franklin ETJ Submarket. These properties were identified through a variety of online sources. Through this extensive research, we believe that we have identified most vacant non-conventional rentals in the PSA. While these rentals do not represent all non-conventional rentals, they

are representative of common characteristics of the various non-conventional rental alternatives available in the area. As a result, these available rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other features of non-conventional rentals. When compared to the overall non-conventional inventory of the PSA (3,835 units), these seven units represent an overall vacancy rate of 0.2%, which is considered very low. As nearly all of these available non-conventional rentals are within the Balance of County, the vacancy rate in the Franklin ETJ Submarket (0.1%) is extremely low, and no available units were identified in the Highlands/Flats Submarket. Even with six available units in the Balance of County, the vacancy rate is only 0.2% within the area, indicating a very limited supply of available non-conventional rentals.

The available non-conventional rentals identified in the PSA (Macon County) are illustrated by submarket and summarized in the following table. Note that there were no available non-conventional rental units identified in the Highlands/Flats Submarket.

Available Non-Conventional Rental Units				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Franklin ETJ Submarket				
Three-Bedroom	1	$2,400	$2,400	$1.60
Balance of County				
One-Bedroom	2	$995 - $1,000	$998	$1.33*
Three-Bedroom	4	$895 - $2,800	$2,200	$1.73
Total	7			

Source: Bowen National Research
*Reflection of the one identified rental unit for which square-foot information was available

The available non-conventional rentals identified in the PSA (Macon County) have individual rents ranging from $895 to $2,800. Three-bedroom units, which comprise the largest individual share (71.4%) of the available units in the PSA, have median rents ranging from $2,200 (Balance of County) to $2,400 (Franklin ETJ Submarket). While it appears that a wide range of rents exists among the available non-conventional rentals, it is important to note that three of the units are apartments in structures of four or less units or mobile homes. These units represent the lower end of rents in the preceding table (between $895 and $1,000), while all single-family home rentals (57.1% of the supply) have rents between $1,700 and $2,800. When typical tenant utility costs (at least $200) are also considered, the inventoried non-conventional three-bedroom units have a median *gross* rent of approximately $2,400 to $2,600. This is a much higher median gross rent as compared to the three-bedroom Tax Credit units in the PSA, which have a median collected rent of $850. As such, it is unlikely that low-income residents would be able to afford most non-conventional rental housing in the area, even if units were available. Based on this analysis, the inventory

of available non-conventional rentals is limited and typical rents for this product indicate that such housing is typically not a viable alternative for most lower income households in the PSA.

A map delineating the location of identified non-conventional rentals currently available to rent in the PSA (Macon County) is included on the following page.

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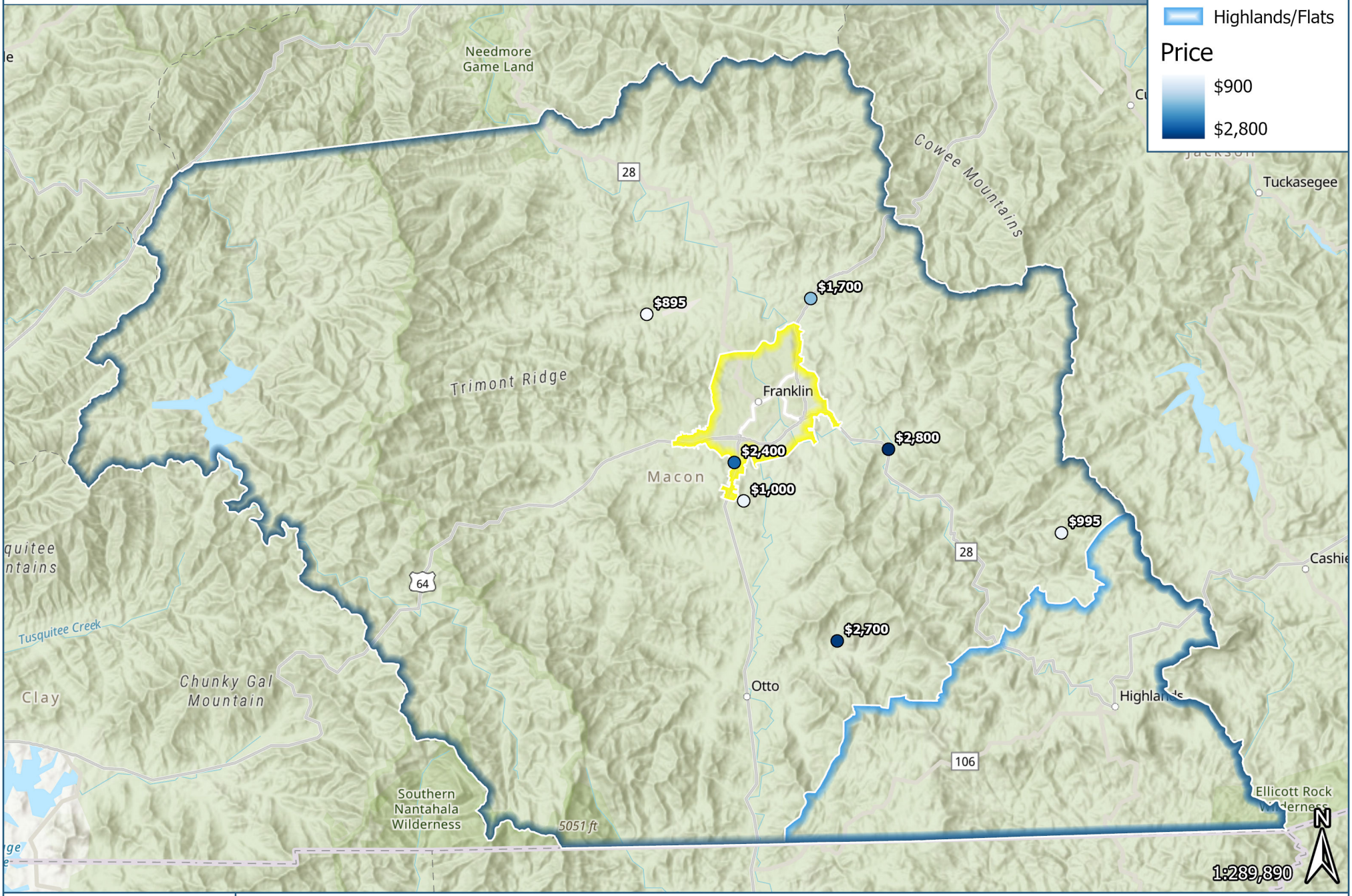
Available Non-Conventional Rental Units

Macon County, NC



0 1 2 3 4 Miles

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

4. Second Homes and Seasonal/Short-Term Rental Housing

The PSA (Macon County) is a popular tourist destination due to the number of parks, conservation areas, lakes, streams, highland terrain, and associated outdoor activities. As such, short-term vacation rentals and second homes comprise a notable share of the PSA housing market, particularly in certain areas of the county. This section of analysis attempts to estimate the influence of short-term rentals and second homes in Macon County, how this influence has changed over time, and the effect on the overall housing market.

In an effort to quantify the share that seasonal and recreational homes comprise of the overall housing market in the PSA, the following table illustrates the number of homes classified as "Seasonal or Recreational Units" by the U.S. Census Bureau. While this data does not specifically identify whether a housing unit is a short-term rental or a second home, it provides a reasonably accurate estimate for the number of homes that are not readily available for long-term occupancy (rental or for-sale) in the market. While a notable share of these homes in an area likely indicates a robust tourism base, it can contribute to housing shortages for permanent residents if long-term housing options are absorbed by this market.

		Seasonal/Recreational Housing Units - 2010/2020		
		Seasonal/ Recreational Units	Total Housing Units	Seasonal/ Recreational % of Total Housing Units
Franklin ETJ	2010	341	3,199	10.7%
	2020	328	3,478	9.4%
	% Change	-3.8%	8.7%	-11.5%
Highlands/Flats	2010	3,449	5,413	63.7%
	2020	3,503	5,743	61.0%
	% Change	1.6%	6.1%	-4.3%
Balance of County	2010	4,416	16,694	26.5%
	2020	4,406	17,759	24.8%
	% Change	-0.2%	6.4%	-6.2%
Macon County	2010	8,206	25,306	32.4%
	2020	8,213	26,948	30.5%
	% Change	0.1%	6.5%	-6.0%

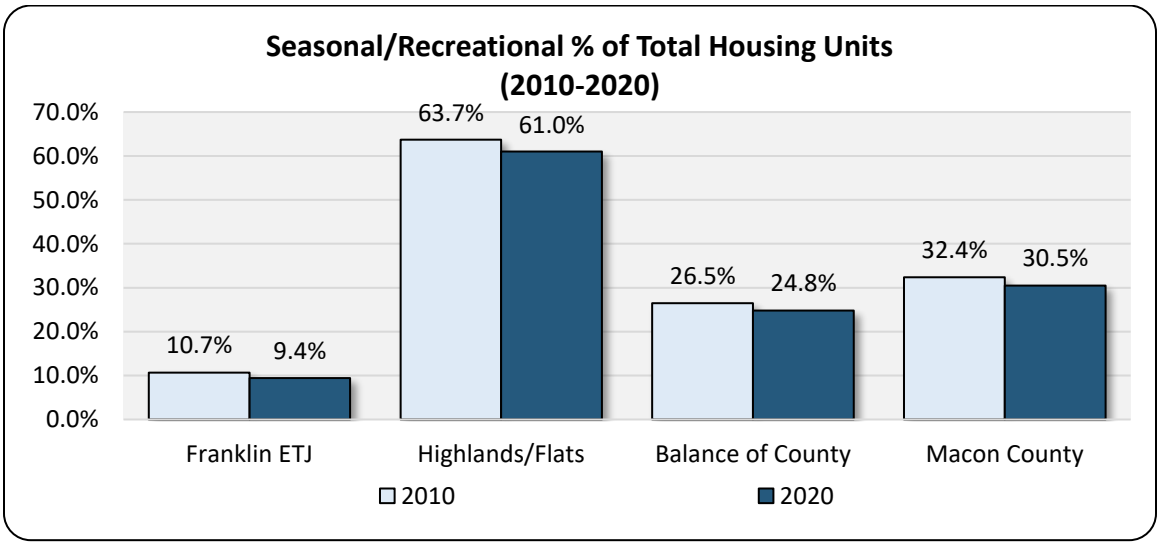
Source: Decennial Census (2010,2020); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, a total 8,213 units representing approximately 30.5% of the total housing units in the PSA (Macon County) in 2020 were classified as seasonal/recreational, which represents a marginal increase (0.1%) between 2010 and 2020. While the number of seasonal/recreational housing units increased in Macon County between 2010 and 2020, this growth was concentrated within the Highlands/Flats Submarket as both the Franklin ETJ and Balance of County submarkets experienced declines in the number of seasonal/recreational housing units during this time period. The vast majority of these units are located within either the Highlands/Flats

Submarket (42.7%) or Balance of County (53.6%), while only 4.0% of all seasonal/recreational units are in the Franklin ETJ Submarket. Notably, the majority (61.0%) of all housing units in the Highlands/Flats Submarket are classified as seasonal/recreational. This is a good indication of the prevalence of tourism/seasonal housing within this submarket. Between 2010 and 2020, the number of seasonal/ recreational units increased by 1.6% in the Highlands/Flats Submarket, while *decreases* of such units occurred in both the Balance of County (0.2%) and Franklin ETJ Submarket (3.8%). Seasonal/recreational units as a share of the *total* housing units declined (between 4.3% and 11.5%) in each of the study areas between 2010 and 2020.

While the preceding indicates that the majority of housing units in Macon County are for permanent occupancy, seasonal/recreational units comprise nearly one-third (30.5%) of all housing units in the county. In addition, American Community Survey data indicates that approximately 13.0% of all seasonal/recreational units (1,065 homes) in Macon County were considered a second home (primary residence located elsewhere) in 2020. Overall, it appears that the presence of seasonal/recreational homes remained relatively stable between 2010 and 2020, while permanent housing increased at a greater pace. As many housing markets have changed significantly since 2020, it is also important to understand recent changes in market composition.

The following graph illustrates the share of seasonal/recreational units for each of the study areas.



In order to approximate the growth of seasonal/recreational and second homes in the PSA (Macon County) since 2020, data from AllTheRooms was gathered and analyzed. AllTheRooms is a market intelligence company that provides Airbnb and Vrbo data for short-term rental markets throughout the country. As seasonality can affect the number of rental units available on the market during any given time of the year, the month of July was used as a basis for yearly comparisons since this is considered to be one of the peak months for the PSA.

The following table illustrates the total Airbnb and Vrbo listings and associated market revenue during the month of July from 2020 to 2023 for Macon County.

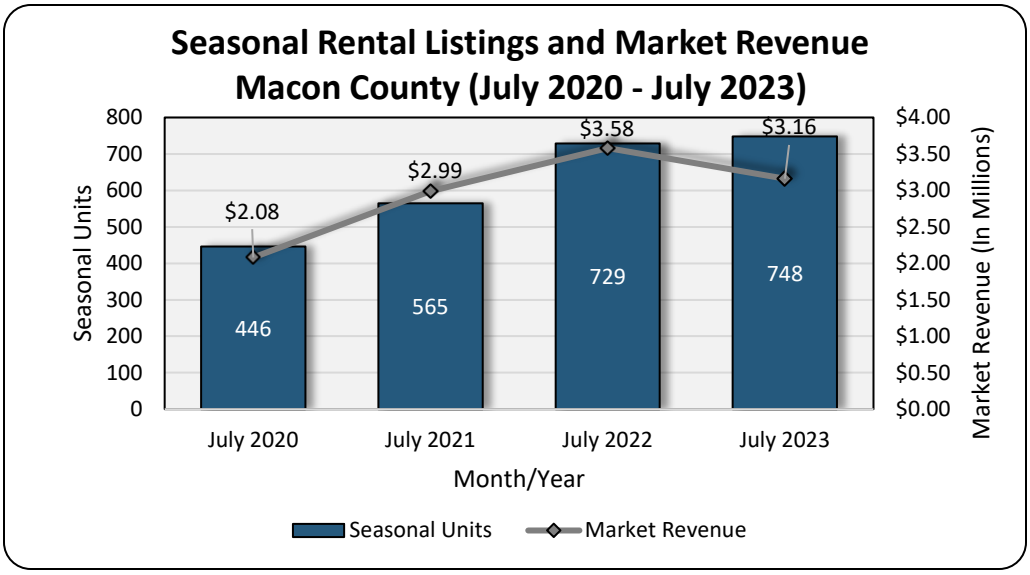
Airbnb/Vrbo Rental Listings/Market Revenue
Macon County (July 2020- July 2023)

Month/Year	Total Listings	% Change	Market Revenue	% Change
July 2020	446	-	$2.08 million	-
July 2021	565	26.7%	$2.99 million	43.8%
July 2022	729	29.0%	$3.58 million	19.7%
July 2023	748	2.6%	$3.16 million	-11.7%

Source: Alltherooms.com; Bowen National Research

As the preceding table illustrates, the total number of short-term rental listings increased during the month of July each year between 2020 and 2023, with the largest annual increase (29.0%) occurring in 2022. While the total market revenue for July decreased between 2022 and 2023, the market revenue in July 2023 ($3.16 million), represents a notable increase (51.9%) from July 2020. It should be noted, however, that the economic effects of COVID-19 in 2020 likely affected the market revenue in July 2020. Overall, the number of short-term/vacation rental listings increased by 67.7% between July 2020 and July 2023. While this data is for the entirety of the PSA (Macon County), it is reasonable to assume that much of this growth occurred in the Highlands/Flats Submarket and the areas surrounding the submarket within the Balance of County given the prevalence of seasonal/recreational housing units in this area, as previously detailed.

The following graph illustrates the total seasonal rental listings (Airbnb and Vrbo) and market revenue for the month of July from 2020 to 2023 for Macon County.



The following table illustrates the occupancy rates for each month from July 2020 to July 2024, along with the average for each month during the time period. Note that the five highest monthly occupancy rates for each *full year and average* are highlighted in **red** text.

Airbnb/Vrbo Rental Occupancy Rates by Month/Year – Macon County						
Month	**2020**	**2021**	**2022**	**2023**	**2024**	**Average**
January	-	34%	27%	20%	17%	24%
February	-	40%	29%	19%	18%	26%
March	-	47%	31%	23%	17%	29%
April	-	48%	31%	24%	12%	29%
May	-	47%	34%	24%	20%	31%
June	-	**65%**	**43%**	**34%**	20%	40%
July	71%	**78%**	**58%**	**45%**	44%	**59%**
August	70%	**59%**	**41%**	**30%**	-	**50%**
September	64%	**52%**	**35%**	26%	-	**44%**
October	75%	**62%**	**48%**	**40%**	-	**56%**
November	56%	45%	34%	**34%**	-	**42%**
December	50%	41%	31%	29%	-	37%

Source: Alltherooms.com; Bowen National Research

The peak occupancy months are generally between June and November of each year, with the highest average occupancy rate occurring in July (59%). The lowest occupancy rate typically occurs in January, which has an average occupancy rate of only 24%. This data indicates that tourism in the PSA is typically at the lowest level during January, gradually increases each subsequent month until May when a significant increase occurs, then typically peaks in July. Although July is the month with the highest occupancy rate, it should be noted that the peak season remains relatively stable until October, then begins to decline in November of each year.

The following illustrates the average daily rates for each month from July 2020 to July 2024 for the PSA (Macon County), with the five highest rates illustrated in **red** text for each full year.

Airbnb/Vrbo Rental Daily Rates by Month/Year – Macon County						
Month	**2020**	**2021**	**2022**	**2023**	**2024**	**Average**
January	-	$210	**$297**	$255	$268	$257
February	-	$219	**$358**	$247	$300	**$281**
March	-	$228	**$346**	$238	$271	**$270**
April	-	$223	**$274**	$254	$296	$261
May	-	$226	$253	$240	$238	$239
June	-	**$236**	$271	$264	$268	$257
July	$217	$230	**$286**	**$280**	$300	$253
August	$223	**$236**	$264	**$286**	-	$252
September	$230	**$256**	$271	$263	-	$255
October	$243	**$302**	$270	**$266**	-	**$270**
November	$236	**$278**	$264	**$271**	-	**$262**
December	$238	**$355**	$265	**$277**	-	**$283**

Source: Alltherooms.com; Bowen National Research

The preceding indicates that although many of the peak rate months also typically occur between July and November of each year, there is some significant variation in rates by month year to year. This can be caused by a variety of factors including weather. For example, if the winter months during any given year are milder than is typical, this could result in an increase in demand and a subsequent increase in daily rates. Regardless, the data illustrates that the peak daily rates by month in two of the three full years (2021 and 2023) for which this data was provided generally align with the peak occupancy months.

The following table illustrates average rental rates for seasonal/short-term Macon County rentals by bedroom type.

Macon County Airbnb/Vrbo Rentals by Bedroom Type Average Supply and Daily Rate (July 2020 to July 2024)			
Bedroom Type	Average Share of Total Supply	Average Daily Rate	Monthly Equivalent Rent
Studio/One-Bedroom	22.7%	$150	$4,563
Two-Bedroom	30.7%	$198	$6,023
Three-Bedroom	32.6%	$290	$8,821
Four-Bedroom	10.1%	$439	$13,353
Five-Bedroom+	3.9%	$596	$18,128

Source: AllTheRooms; Bowen National Research

Two- and three-bedroom units comprise nearly two-thirds (63.3%) of the short-term rentals within Macon County. Two-bedroom units have an average daily rate of $198, while three-bedroom units have an average daily rate of $290. When these daily rates are converted to an equivalent monthly rent, the two-bedroom units would have a monthly rent of $6,023, while the three-bedroom units would have a monthly rent of $8,821. As such, these housing units do not represent long-term housing options for households living in the area due to affordability. In addition, many of these housing units are occupied by the owner for at least part of the year. Because these units have high occupancy rates during the peak tourism season, which is when many seasonal workers are needed in the area, availability of the units would typically prohibit them being utilized as seasonal workforce housing.

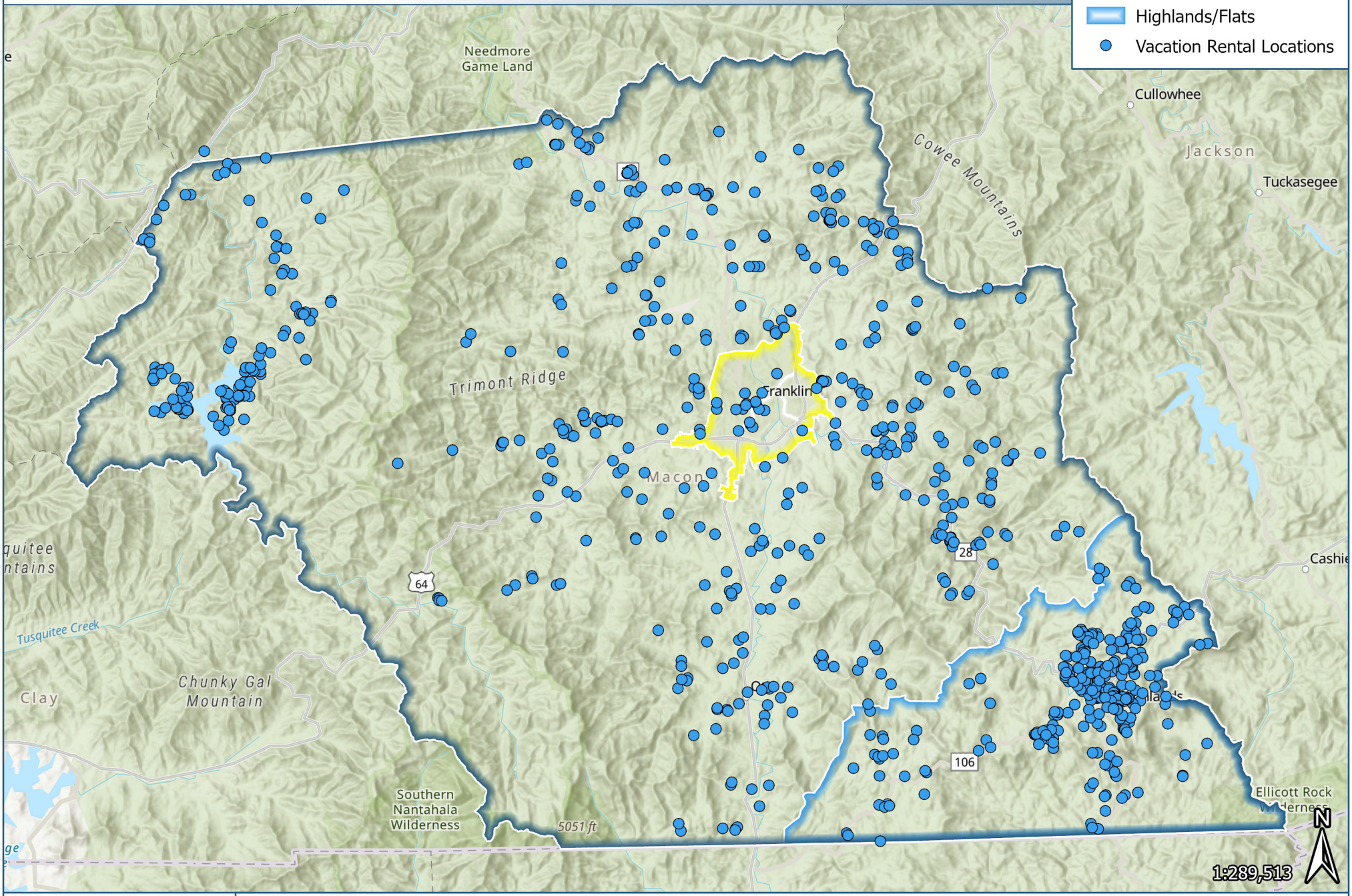
Overall, short-term vacation rentals play a vital role in the tourism industry within Macon County and are an important element of the local economy. This provides a significant financial incentive for entrepreneurs to build new units, convert existing permanent housing units, and rent second homes when not being personally utilized. As illustrated on page V-12 in the Economic Analysis section of this report, visitors to Macon County spent over $337 million within the county during 2022, which represents an increase of 4.2% over 2021 (Source: Economic Impact of Travel on North Carolina Counties). While the majority of new housing units in the county have been permanent residences, the share that seasonal/recreational units comprise of the total vacant units has increased in both the Highlands/Flats Submarket and the Balance of County.

A map delineating the location of identified short-term/vacation rentals in the area is on the following page, followed by maps illustrating various metrics associated with seasonal/recreational housing by census tracts in the PSA (Macon County). Note that due to differences in how these properties are identified, data points considered when generating the following maps may not align. Specifically, the "vacation" homes identified through sources such as Airbnb and Vrbo may not have been considered/identified as a "seasonal" unit by the owners as part of the American Community Survey. Nonetheless, the following maps illustrate where concentrations of vacation/seasonal homes are most likely to be located throughout the PSA (Macon County).

BOWEN NATIONAL RESEARCH

Vacation Rental Locations

Macon County, NC



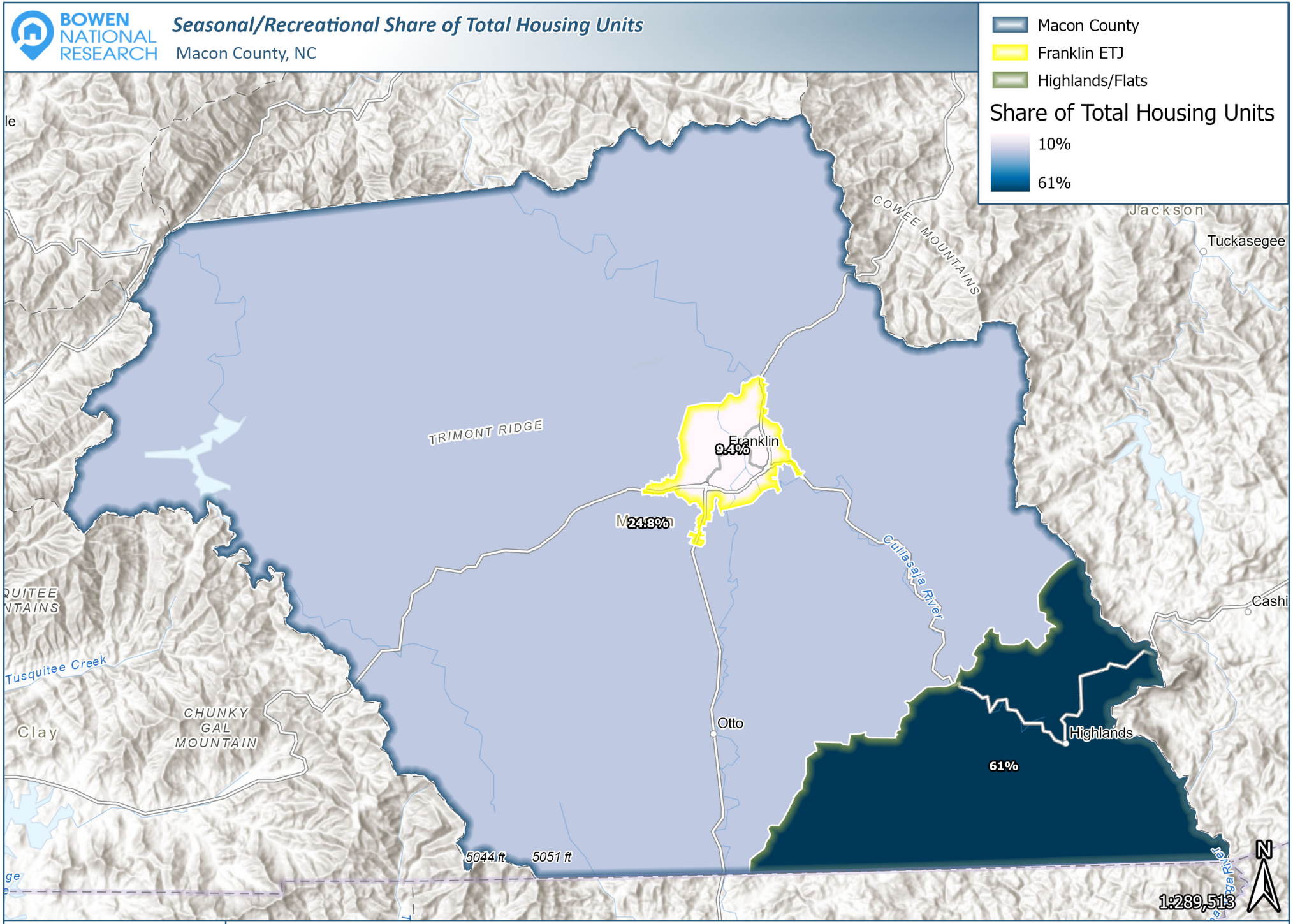
0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Seasonal/Recreational Share of Total Housing Units

Macon County, NC



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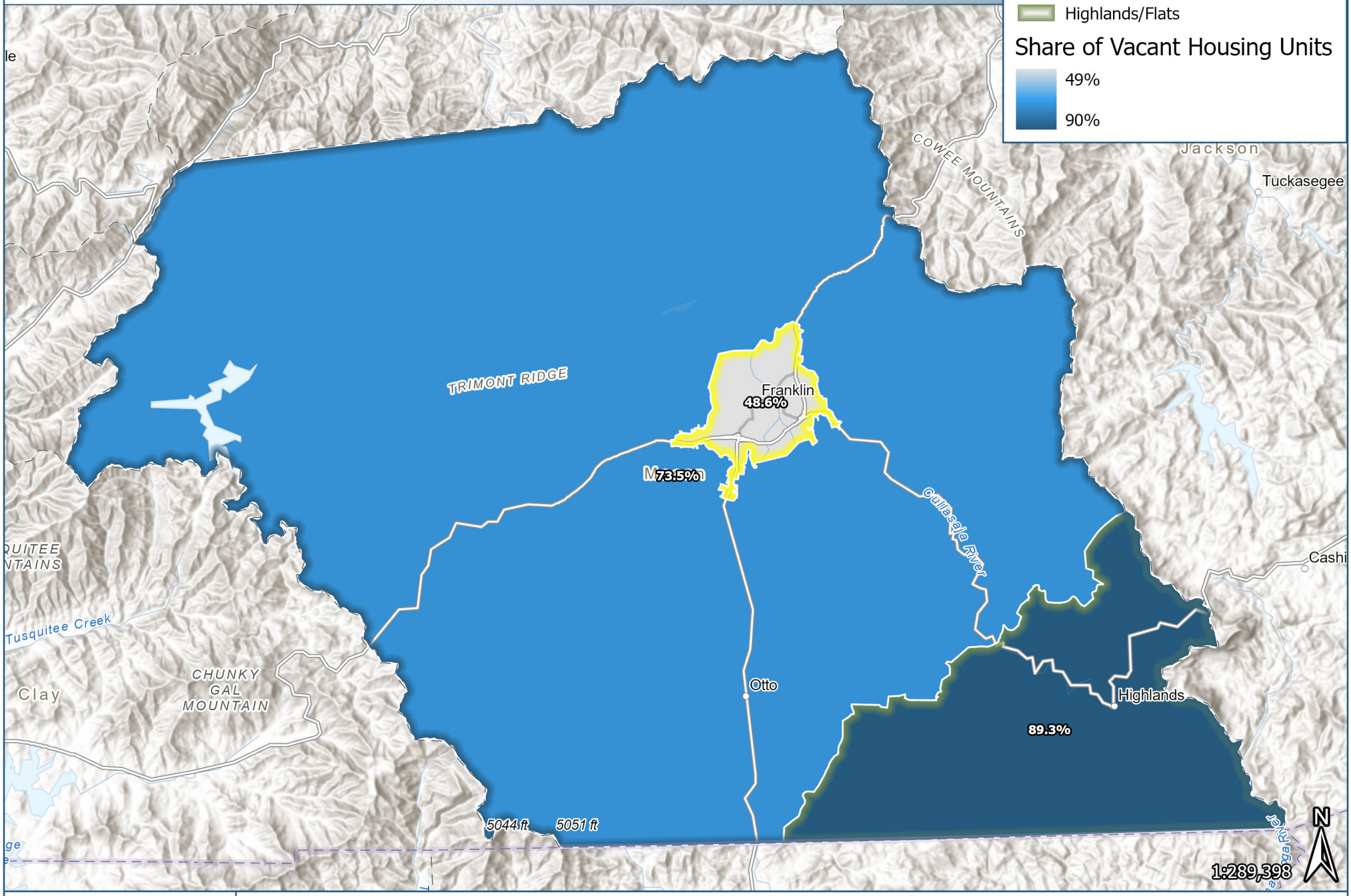
Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Seasonal/Recreational Share of Vacant Housing Units

Macon County, NC



0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

5. Seasonal/Temporary Workforce Housing

As discussed throughout this report, Macon County is influenced by the tourism industry, both economically and from a housing standpoint. This is evident by the fact that 30.8% of the county workforce is concentrated within the Retail Trade, Arts, Entertainment & Recreation, and Accommodation & Food Services industries, a higher share of such industries as compared to the state of North Carolina (24.7%). Further, 14.5% (1,706 workers) of the at-place employment base within Macon County is concentrated among tourism-oriented occupations as detailed by our *Tourism and Seasonal Employment* analysis in Section V. While many of these workers are likely year-round workers, it is also reasonable to assume some are seasonally employed. This is supported by the fact that at least 38.0% of all employees among four large-scale tourism-oriented employers in the area are seasonal employees (see page V-13). When considering this share and the 1,706 tourism-oriented workers in Macon County, nearly 650 tourism-oriented workers in the county are estimated to be seasonal employees. While workers within the aforementioned industry segments are most likely comprised of both owners and renters, it was noted by participants of our Employer Survey (Section IX) that employees of tourism-oriented organizations/companies in Macon County are primarily (more than 50.0%) renters, with many employers indicating that more than 75% of their employees are renters. The higher share of renter households is likely attributed to both the generally lower wages associated with hospitality/tourism focused jobs and the fact that employers within this industry in Macon County employ a relatively large share of seasonal workers which do not require year-round housing.

In terms of the existing housing stock, housing units classified as "seasonal/recreational" comprise 30.5% of all housing units within the county. This share is even more pronounced within the Highlands/Flats Submarket with seasonal/recreational units comprising 61.0% of all housing units within this submarket. In comparison, such housing units comprise less than 4.0% of housing units statewide. Short-term seasonal/recreational homes within the county have typical daily fees which equate to a monthly rent of more than $4,500, regardless of bedroom type, based on data obtained from Airbnb and Vrbo (see page VI-26). In contrast, the Fair Market Rent (FMR) for a two-bedroom unit within Macon County is $962. Considering the preceding factors, most vacant short-term housing units within Macon County are not viable housing alternatives for seasonal/ temporary workers within the county.

A variety of conventional (i.e., traditional multifamily apartments) and non-conventional (i.e., duplexes, single-family rentals, mobile homes, etc.) long-term rentals are offered within Macon County, as evaluated earlier in this section of the report. These product types are representative of more traditional rental alternatives available to seasonal/temporary workers within the area and are more reasonably priced as compared to seasonal/vacation homes, as to be expected. Specifically, traditional non-subsidized multifamily rentals in the county report collected rents of $1,102 or lower, with most being priced below $1,000, while long-term non-conventional rentals (e.g., houses, duplexes, etc.) identified are priced between $895 and $2,800/month. In comparison, the majority of tourism-oriented occupations within the region have wages which can reasonably afford rents generally no higher than $900, as indicated by the table on page V-15. While more than 200 rental units surveyed in Macon County report collected rents at or below this level, none are currently available (0.0% vacancy). Further, all properties offering units which may be affordable to seasonal/temporary workers maintain waiting lists, indicating that such product is also in high demand among full-time residents of Macon County. Although generally higher priced than conventional rental units in the county, it is also of note that just seven (7) non-conventional rentals were available (0.2% vacancy) within the county. Considering the preceding factors and despite the various traditional long-term rental options offered within the county, very few were identified as available at the time of our analysis.

The lack of available housing, along with housing affordability challenges, was also cited as the primary housing aspect impacting area employees by local tourism-oriented employers which participated in our Employer Survey. Specifically, these factors have contributed to challenges for these employers to both retain and attract employees. In addition, some area tourism-oriented employers indicated that the lack of available and affordable housing options for their employees has resulted in additional costs as they provide housing assistance to enhance their employee's ability to obtain and afford housing. Most notably, one tourism-oriented employer (Old Edwards Hospitality Group) currently provides housing at a 50% reduced rate to over 300 employees, with 98 units provided directly by the employer. Further, the aforementioned Old Edwards Hospitality Group reports that between 150 and 200 of their employees annually are seasonal workers. While these area employers offer year-round employment opportunities, most also employ seasonal/ temporary workers and indicated that there is a need for short-term/seasonal workforce housing within the county. Generally, these employers indicated that such units would be most in demand within the Highlands/Flats Submarket area between the months of May and October, with monthly rental rates ideally being positioned between $500 and $749. Rents of this level coincide with rents determined to be reasonably affordable to most employees within the tourism industry, as depicted by the table on page V-15.

When considering the preceding factors and additional information contained throughout this report, it will be important for area housing representatives and decision makers to consider housing which could accommodate the seasonal/temporary workforce. Although the Highlands/ Flats Submarket is most impacted by the tourism industry, this will be an important consideration for all of Macon County as seasonal/temporary employees within this submarket area would likely consider housing alternatives offered throughout the county. This is particularly true when considering the generally higher-priced nature of the Highlands/Flats Submarket as compared to other portions of the county, as detailed throughout this section.

C. FOR-SALE HOUSING SUPPLY

1. Introduction

Bowen National Research obtained for-sale housing data from the Multiple Listing Service (MLS) and Redfin.com for the PSA (Macon County). This included historical for-sale residential data and currently available for-sale housing stock. While this sales data does not include all for-sale residential transactions or supply in the PSA, it does consist of the majority of such product and therefore, it is representative of market norms for for-sale housing product for the area.

The following table summarizes the available (as of March 8, 2024) and recently sold (between January 2020 and July 2024) housing stock for the PSA and selected submarkets. *Note that sales/listings reported for the Highlands/Flats Submarket are reflective only of those which are within Macon County as portions of the town of Highlands located in neighboring Jackson County have been omitted from this analysis. Nonetheless, the majority of the town of Highlands is within Macon County and the portion which is within Jackson County is relatively rural with very little housing development. Thus, the sales/listing data included in this analysis for the Highlands/Flats Submarket is believed to capture the vast majority of recently sold and available homes within this submarket.*

Sold/Currently Available For-Sale Housing Supply

Status	Homes	Median Price	Status	Homes	Median Price
Franklin ETJ			**Highlands/Flats**		
Sold*	380	$194,950	Sold*	874	$738,250
Available**	13	$265,000	Available**	77	$1,410,000
Balance of County			**Macon County**		
Sold*	2,268	$252,750	Sold*	3,522	$290,850
Available**	89	$375,000	Available**	179	$599,500

Source: Redfin.com & Bowen National Research
*Sales from Jan. 1, 2020 to July 14, 2024
**As of March 8, 2024

The available for-sale housing stock in the PSA as of March 8, 2024 consists of 179 total units with a median list price of $599,500. Median list prices for available homes range from $65,000 to $8,950,000 within the PSA. Historical sales from January 2020 to July 2024 for the PSA consisted of 3,522 homes at a median sales price of $290,850. The 179 available homes represent 1.4% of the estimated 12,537 owner-occupied units in the county. Among the three submarkets, Highlands/Flats has the highest availability rate (6.0%) while the Franklin ETJ has the lowest (0.7%). Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility and to enable the market to attract new households. As such, the overall PSA appears to have a disproportionately low number of housing units available to purchase, particularly within the Franklin ETJ and Balance of County submarkets which both report availability rates below 1.0%.

2. Historical For-Sale Analysis

The following table illustrates the annual sales activity from January 1, 2020 to July 14, 2024 for each study area, with full year sales volume projections for 2024 shown in parenthesis.

Sales History by Year (January 1, 2020 to July 14, 2024)					
Year	Number Sold	Percent Change	Share (%) of Total County Sales	Median Sales Price	Percent Change
Franklin ETJ					
2020	90	-	10.5%	$170,000	-
2021	91	1.1%	10.3%	$180,000	5.9%
2022	90	-1.1%	11.9%	$223,650	24.3%
2023	81	-10.0%	11.0%	$220,000	-1.6%
2024*	28 (54)	-33.3%	9.8%	$229,500	4.3%
Highlands/Flats					
2020	249	-	29.1%	$625,000	-
2021	237	-4.8%	26.8%	$690,000	10.4%
2022	162	-31.6%	21.3%	$887,500	28.6%
2023	193	19.1%	26.2%	$902,500	1.7%
2024*	33 (63)	-67.4%	11.5%	$750,000	-16.9%
Balance of County					
2020	516	-	60.4%	$199,500	-
2021	556	7.8%	62.9%	$246,450	23.5%
2022	507	-8.8%	66.8%	$272,000	10.4%
2023	464	-8.5%	62.9%	$281,500	3.5%
2024*	225 (431)	-7.1%	78.7%	$286,000	1.6%
Macon County					
2020	855	-	100.0%	$250,000	-
2021	884	3.4%	100.0%	$281,000	12.4%
2022	759	-14.1%	100.0%	$305,000	8.5%
2023	738	-2.8%	100.0%	$334,500	9.7%
2024*	286 (548)	-25.7%	100.0%	$305,000	-8.8%

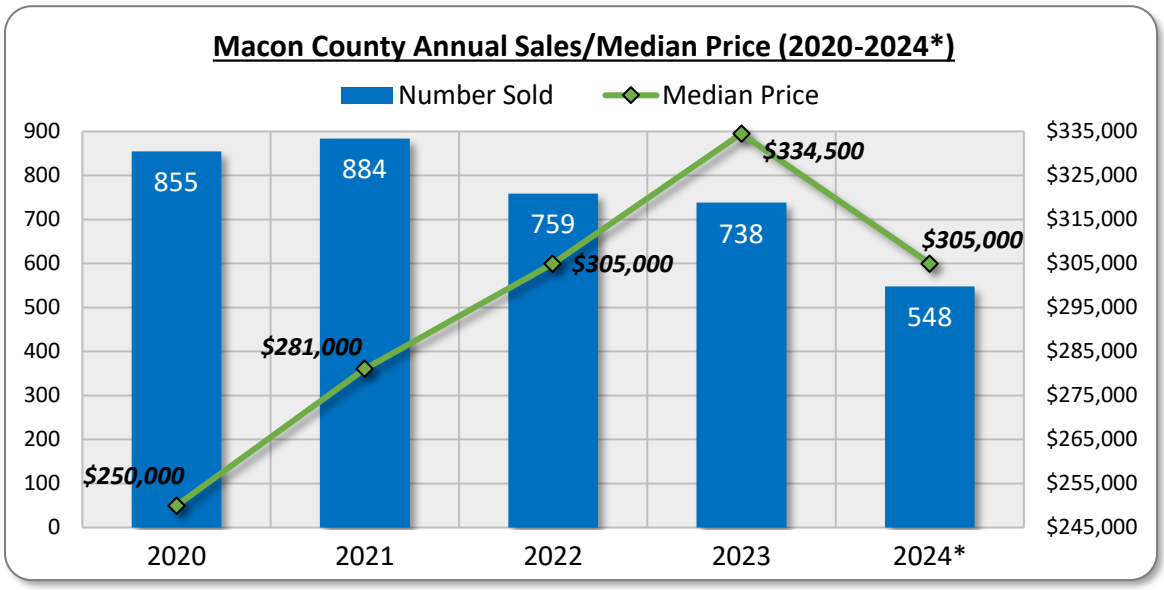
Source: Redfin.com & Bowen National Research
*Sales through July 14, 2024 (yearly projection in parenthesis)

The median sales price of homes sold within the PSA (Macon County) increased by 33.8% from January 1, 2020 through the end of 2023. Conversely, the median sales price through July 14, 2024 ($305,000) is nearly 9.0% lower than that reported for 2023 ($334,500). Trends have been similar within the Highlands/Flats Submarket but contrast within the Franklin ETJ and Balance of County submarkets as these areas have generally experienced steady increases in median sales prices from 2020 through the time of this analysis. Note that the significantly higher median sales price points reported for the Highlands/Flats Submarket is reflective of the presence of various luxury and second/vacation homes within this submarket. The presence of such homes is also highly influential on median sales prices, which have varied significantly within this area in recent years. In comparison, the Franklin ETJ and Balance of County submarkets are more reflective of typical for-sale housing markets and report median sales prices which are at least 6.2% lower than the overall median sales price ($305,000) for the county.

While the number of homes sold annually in the PSA increased in 2021, this number has steadily declined each of the past two years, a trend which is projected to continue through 2024. These sales volume trends have been/are similar within both the Franklin ETJ and Balance of County submarkets. Although the Highlands/Flats Submarket experienced an increase in sales volume in 2023, this volume has and is projected to decline sharply in 2024. Similar to median sale prices, the volume of sales in this submarket is also heavily influenced by the luxury and second/vacation home market given the seasonal/tourism focused nature of this area. The decline in the overall median sales price for the PSA in 2024 coincides with the decline in sales volume within this higher-priced submarket as this area has historically accounted for more than 21.0% of all home sales within the county each of the past four years. Comparatively, sales within this area through July 14, 2024 account for less than 12.0% of all sales within the county.

The recent overall declines in home sales are likely attributed to rising interest rates and/or construction costs. These factors, and in some submarkets combined with the continued increase in sales/listing prices, likely create challenges for some potential buyers while others decide to delay their purchase.

Recent home sales volume and median price by year for the PSA (Macon County) are illustrated in the following graph:



*2024 full year projection

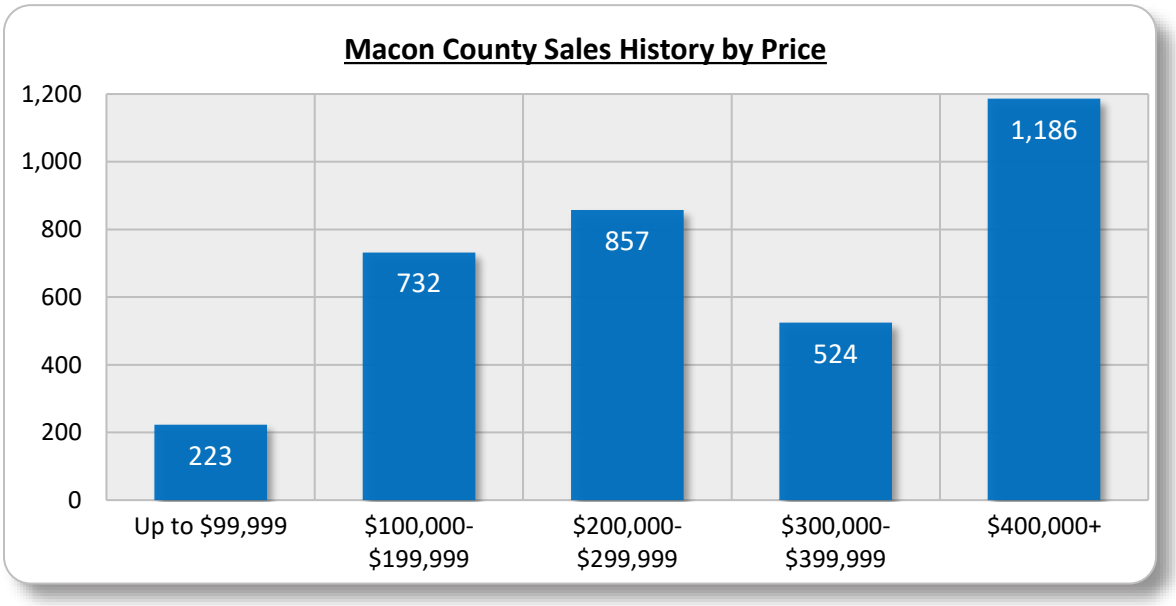
The distribution of homes sold between January 2020 and July 14, 2024 by *price point* for the PSA and selected submarkets is summarized in the following table.

Sales History by Price (January 1, 2020 to July 14, 2024)					
Sale Price	Number Sold	Percent of Supply	Sale Price	Number Sold	Percent of Supply
Franklin ETJ			**Highlands/Flats**		
Up to $99,999	70	18.4%	Up to $99,999	0	0.0%
$100,000 to $199,999	132	34.7%	$100,000 to $199,999	18	2.1%
$200,000 to $299,999	119	31.3%	$200,000 to $299,999	42	4.8%
$300,000 to $399,999	44	11.6%	$300,000 to $399,999	71	8.1%
$400,000+	15	3.9%	$400,000+	743	85.0%
Total	380	100.0%	Total	874	100.0%
Balance of County			**Macon County**		
Up to $99,999	153	6.7%	Up to $99,999	223	6.3%
$100,000 to $199,999	582	25.7%	$100,000 to $199,999	732	20.8%
$200,000 to $299,999	696	30.7%	$200,000 to $299,999	857	24.3%
$300,000 to $399,999	409	18.0%	$300,000 to $399,999	524	14.9%
$400,000+	428	18.9%	$400,000+	1,186	33.7%
Total	2,268	100.0%	Total	3,522	100.0%

Source: Redfin.com & Bowen National Research

Homes which sold for $400,000 or more represent the largest share (33.7%) of all home sales by price point within the county since January of 2024. The second largest share (24.3%) of recent home sales were those priced between $200,000 and $299,999. While homes priced at or above $400,000 comprise the largest share of county sales since January 2020, it is of note that 62.6% of these home sales were concentrated in the higher priced Highlands/Flats Submarket. Comparatively, moderately priced ($200,000 to $399,999) home sales within the county since January of 2020 have primarily occurred within the Balance of County submarket, as this area comprised 80.0% of all such home sales within the county during the aforementioned time period. The data contained in the preceding table further illustrates that the Franklin ETJ and Balance of County submarkets are comprised of more traditional and moderately priced for-sale product while the Highlands/Flats Submarket is primarily comprised of more upscale/luxury homes.

Recent home sales by *price point* in the PSA (Macon County) is shown in the following graph:



The following table illustrates recent home sales for the study areas by *bedroom type.*

Sales History by Bedroom Type (January 1, 2020 to July 14, 2024)						
Bedrooms	Number Sold	Average Square Feet*	Average Year Built^	Price Range	Median Sales Price	Median Price per Sq. Ft.*
Franklin ETJ						
One-Br.	20	814	1979	$32,000 - $225,000	$123,480	$195.50
Two-Br.	156	1,194	1975	$15,000 - $701,000	$157,021	$154.80
Three-Br.	157	1,653	1980	$27,000 - $660,000	$222,400	$149.09
Four-Br.	41	2,254	1962	$125,000 - $1,350,000	$265,000	$126.00
Five+-Br.	6	3,999	1951	$205,000 - $605,000	$440,000	$136.21
Total	380	1,572	1975	$15,000 - $1,350,000	$194,950	$150.00
Highlands/Flats						
One-Br.	11	600	1984	$150,000 - $1,320,000	$378,500	$390.00
Two-Br.	168	1,264	1978	$125,000 - $1,795,000	$540,000	$521.72
Three-Br.	452	2,213	1986	$105,000 - $4,100,000	$705,000	$293.59
Four-Br.	182	3,581	1988	$220,000 - $4,800,000	$1,250,000	$392.00
Five+-Br.	61	4,721	1988	$315,000 - $6,600,000	$1,800,000	$195.83
Total	874	2,453	1985	$105,000 - $6,600,000	$738,250	$344.95
Balance of County						
One-Br.	131	705	1989	$15,000 - $799,000	$180,000	$227.29
Two-Br.	987	1,409	1984	$10,000 - $1,300,000	$225,000	$173.94
Three-Br.	1,009	2,031	1992	$14,000 - $2,900,000	$285,500	$163.64
Four-Br.	125	3,333	1988	$115,000 - $1,675,000	$440,000	$141.75
Five+-Br.	16	4,135	1992	$250,000 - $2,650,000	$583,250	$152.05
Total	2,268	1,835	1988	$10,000 - $2,900,000	$252,750	$170.40
Macon County						
One-Br.	162	713	1988	$15,000 - $1,320,000	$178,750	$228.75
Two-Br.	1,311	1,378	1982	$10,000 - $1,795,000	$234,000	$172.31
Three-Br.	1,618	1,988	1989	$14,000 - $4,100,000	$340,000	$165.97
Four-Br.	348	3,130	1985	$115,000 - $4,800,000	$674,000	$143.18
Five+-Br.	83	4,301	1986	$205,000 - $6,600,000	$1,600,000	$166.93
Total	3,522	1,824	1986	$10,000 - $6,600,000	$290,850	$170.16

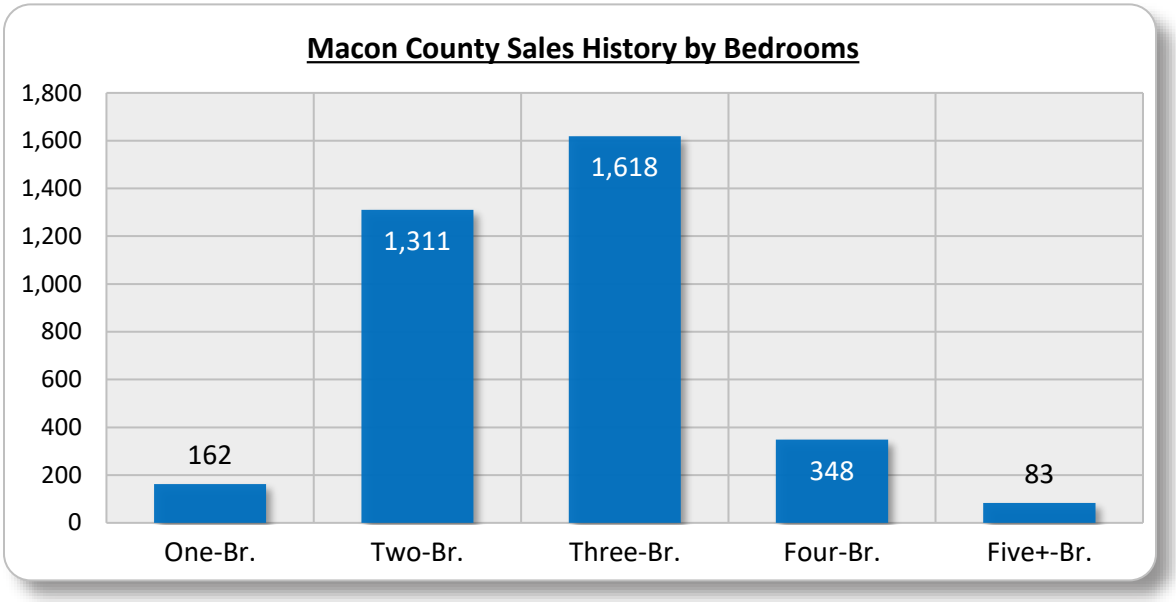
Source: Redfin.com & Bowen National Research

*Excludes listings with no square footage information; Franklin ETJ (225), Highlands (828), Balance (1,320), Overall (2,373)

^Excludes listings with no year built information; Balance/Overall (26)

Three-bedroom units comprise the largest share (45.9%) of recent sales by bedroom type in the PSA (Macon County), as well as each of the selected submarkets. It is of note, however, that larger (four-bedroom+) homes comprise nearly 28.0% of all homes sold within the Highlands/Flats Submarket. In comparison, such homes comprised just over 12.0% of all home sales within Macon County since January of 2020. The higher share of larger homes within the Highlands/Flats Submarket is reflective of the presence of many luxury and seasonal/vacation homes in this area. The presence of these home types is further evident by the significantly higher median price and median price per-square-foot levels reported for this submarket as compared to other areas and Macon County as a whole.

Recent home sales by bedroom type in the PSA (Macon County) are shown in the following graph:



The following table illustrates recent home sales for the study areas by *year built.*

Sales History by Year Built (January 1, 2020 to July 14, 2024)					
Year Built	Number Sold^	Average Sq. Ft.*	Price Range	Median Sales Price	Median Price per Sq. Ft.*
Franklin ETJ					
Before 1970	130	1,523	$15,000 - $1,350,000	$197,000	$158.98
1970 to 1979	64	1,561	$17,500 - $385,000	$192,500	$129.37
1980 to 1989	91	1,698	$22,500 - $701,000	$160,000	$133.09
1990 to 1999	41	1,615	$27,000 - $550,000	$193,000	$137.09
2000 to 2009	35	1,633	$29,000 - $660,000	$239,900	$159.63
2010 to present	19	1,365	$117,500 - $515,000	$287,000	$220.00
Total	380	1,572	$15,000 - $1,350,000	$194,950	$150.00
Highlands/Flats					
Before 1970	147	1,486	$169,000 - $3,400,000	$680,000	$429.70
1970 to 1979	144	1,667	$125,000 - $6,600,000	$552,500	$215.52
1980 to 1989	189	2,805	$156,500 - $4,750,000	$667,000	$367.37
1990 to 1999	188	2,261	$105,000 - $4,950,000	$760,000	$284.09
2000 to 2009	148	3,196	$157,500 - $4,800,000	$1,062,500	$315.50
2010 to present	58	2,116	$234,000 - $6,400,000	$1,497,500	$558.85
Total	874	2,453	$105,000 - $6,600,000	$738,250	$344.95
Balance of County					
Before 1970	307	1,365	$20,000 - $1,179,000	$205,000	$167.50
1970 to 1979	353	1,559	$10,000 - $900,000	$224,900	$148.95
1980 to 1989	449	1,694	$21,250 - $862,000	$240,000	$155.13
1990 to 1999	402	2,015	$23,000 - $1,750,000	$259,350	$163.46
2000 to 2009	538	2,192	$22,500 - $2,900,000	$315,000	$173.43
2010 to present	193	1,868	$77,000 - $2,050,000	$346,000	$244.44
Total	2,242	1,848	$10,000 - $2,900,000	$252,500	$170.54
Macon County					
Before 1970	584	1,417	$15,000 - $340,000	$241,500	$169.27
1970 to 1979	561	1,565	$10,000 - $6,600,000	$250,250	$150.86
1980 to 1989	729	1,741	$21,250 - $4,750,000	$269,900	$155.03
1990 to 1999	631	1,976	$23,000 - $4,950,000	$330,000	$157.55
2000 to 2009	721	2,202	$22,500 - $4,800,000	$351,900	$176.21
2010 to present	270	1,830	$77,000 - $6,400,000	$380,250	$244.91
Total	3,496	1,827	$10,000 - $6,600,000	$292,000	$170.30

Source: Redfin.com & Bowen National Research

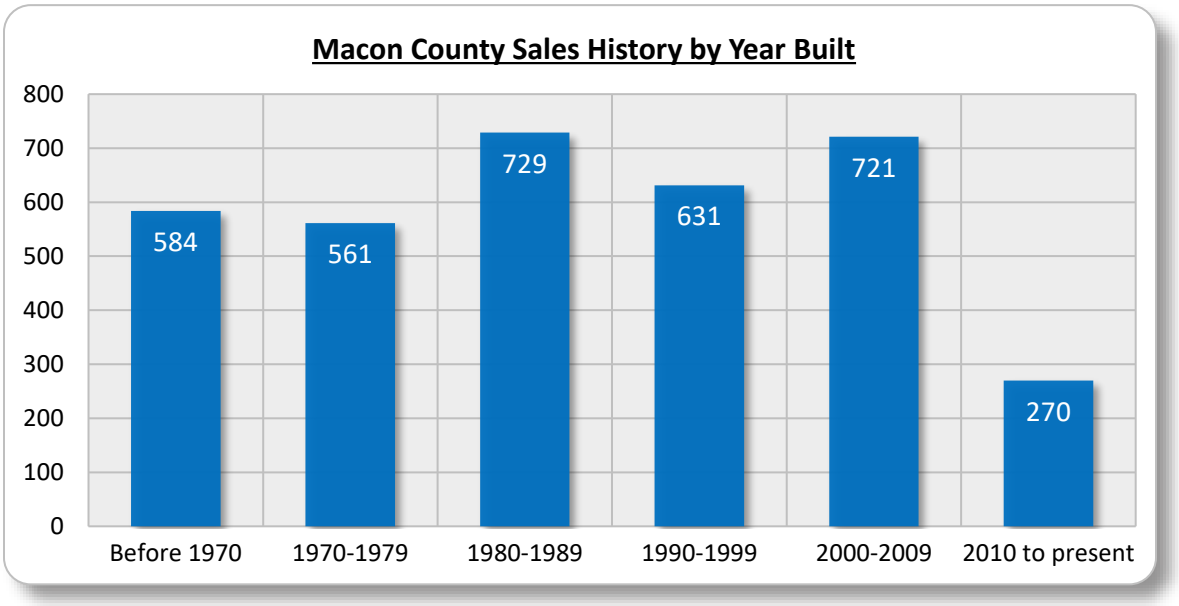
*Excludes listings with no square footage information; Franklin ETJ (225), Highlands (828), Balance (1,320), Overall (2,373)

^Excludes listings with no year built information; Balance/Overall (26)

A variety of homes is offered within Macon County, in terms of age as indicated by the preceding table. However, homes built between 1980 and 1989 and those built between 2000 and 2009 represent the largest shares (20.9% and 20.6%, respectively) of homes sold within the county since January of 2020. In comparison, newer built product (2010 to present) comprised 7.7% of homes sold within the county during this time period. Thus, a relatively limited supply of modern for-sale product is offered within the county. It is also of note that nearly three-quarters (71.5%) of the recently sold homes built since 2010 were located within the Balance of County submarket. This suggests that the presence of newer built for-sale product is even more limited within the Franklin ETJ and Highlands/Flats Submarkets, as compared to the county as a whole.

As is typical, the more modern product reported the highest median sales and price per-square-foot levels among recently sold homes by year built within each of the submarkets and throughout Macon County. Specifically, recently sold homes which have been built since 2010 within the county reported a median sales price of $380,250 and a median price per-square-foot of $244.91. Notably, these figures are 30.2% and 43.8% respectively, higher than the overall median sales and price per-square-foot levels reported for Macon County in the preceding table. This demonstrates that modern built product commands a pricing premium within the Macon County market.

Recent home sales by *year built* in the PSA (Macon County) are shown in the following graph:

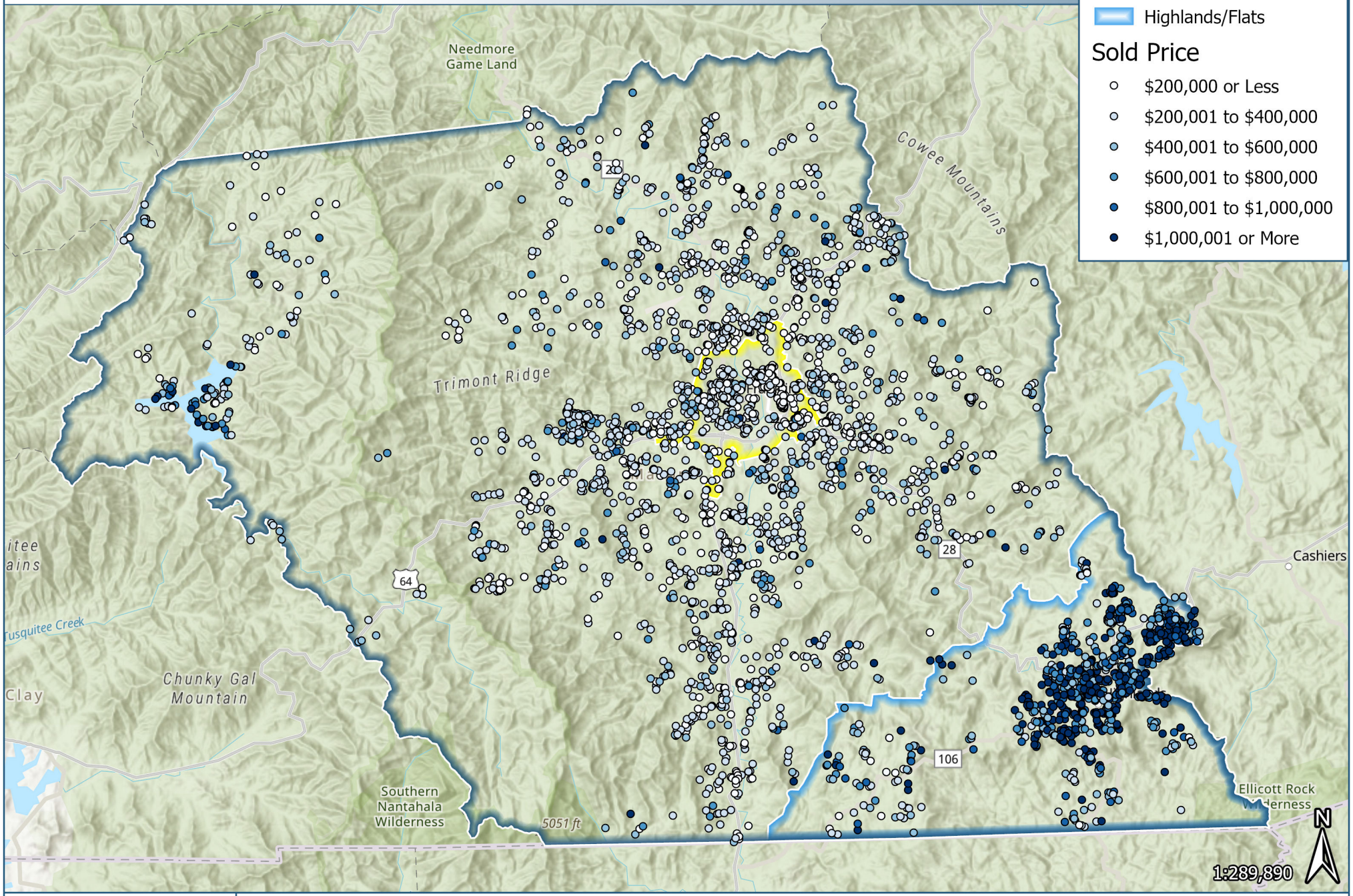


A map illustrating the location of all homes sold since January of 2020 within the PSA and the selected submarkets is included on the following page.

BOWEN NATIONAL RESEARCH

Historical Home Sales by Price Sold

Macon County, NC



0 1 2 3 4 Miles

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

3. Available For-Sale Housing Supply

Based on information obtained from the local Multiple Listing Service (MLS), we identified 179 housing units within the PSA (Macon County) that were listed as *available* for purchase as of March 8, 2024. Most of the product we evaluated (88.9%) consisted of single-family home listings, while the next largest share (9.5%) of available product consisted of mobile homes. Condominium/townhome product represents the remaining 1.6% of for-sale product identified as available for purchase. While there are likely additional for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in the PSA.

There are two inventory metrics most often used to evaluate the health of a for-sale housing market. These metrics include *Months Supply of Inventory* (MSI) and availability rate. The MSI for the PSA was calculated based on sales history occurring between January 1, 2020 and July 14, 2024. A total of 3,522 homes were sold within the PSA during this period. Accounting for the 55-month sales period, the overall absorption rate during this period is approximately 64 homes per month. Overall, based on the monthly absorption rate of 64 homes, the county's 179 homes listed as available for purchase represent approximately 2.8 months of supply. Typically, healthy and well-balanced markets have an available supply that should take about four to six months to absorb (if no other units are added to the market). Therefore, the PSA's inventory is considered low and indicates limited available supply. When comparing the 179 available units with the overall inventory of 12,537 owner-occupied units, the PSA has a vacancy/ availability rate of 1.4%, which is also below the normal range of 2.0% to 3.0% for a well-balanced for-sale/owner-occupied market and reflective of a shortage of for-sale supply. To get a better understanding of for-sale housing availability in the PSA, we have conducted a more refined analysis of available for-sale supply by price point, bedroom type, and year built.

The following table summarizes the distribution of available for-sale residential units by *price point* for each study area:

Available For-Sale Housing by Price (As of As of March 8, 2024)								
	Number Available	Percent of Supply	Number Available	Percent of Supply	Number Available	Percent of Supply	Number Available	Percent of Supply
List Price	Franklin ETJ		Highlands/Flats		Balance of County		Macon County	
Up to $99,999	0	0.0%	0	0.0%	2	2.2%	2	1.1%
$100,000 to $199,999	3	23.1%	1	1.3%	11	12.4%	15	8.4%
$200,000 to $299,999	5	38.5%	0	0.0%	14	15.7%	19	10.6%
$300,000 to $399,999	0	0.0%	0	0.0%	23	25.8%	23	12.8%
$400,000+	5	38.5%	76	98.7%	39	43.8%	120	67.0%
Total	13	100.0%	77	100.0%	89	100.0%	179	100.0%
Availability Rate	0.7%		6.0%		0.9%		1.4%	

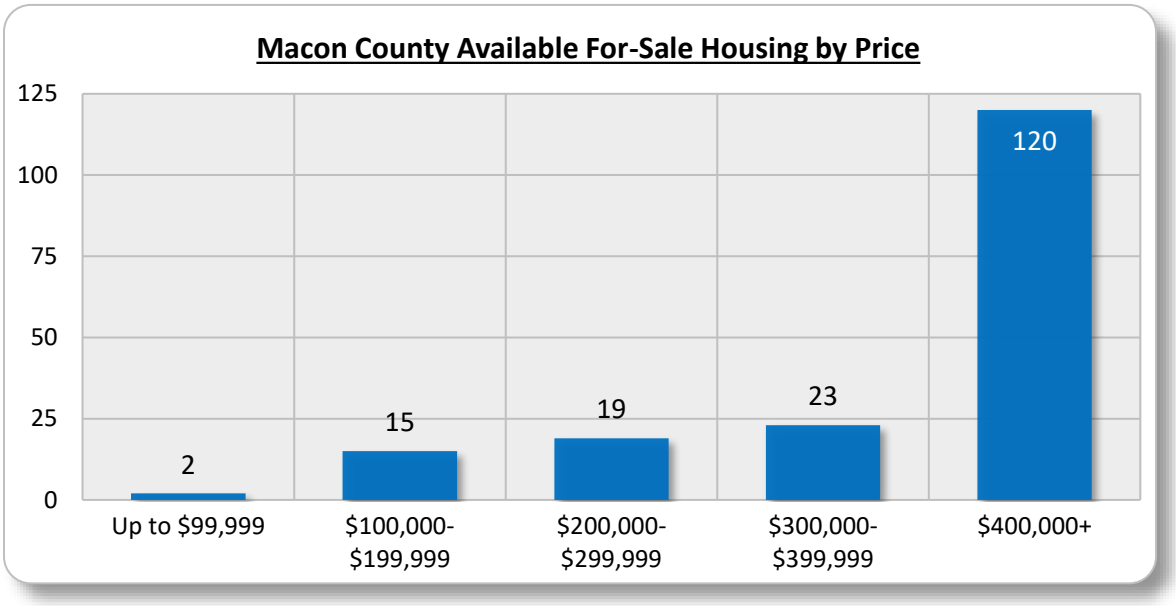
Source: Redfin.com & Bowen National Research

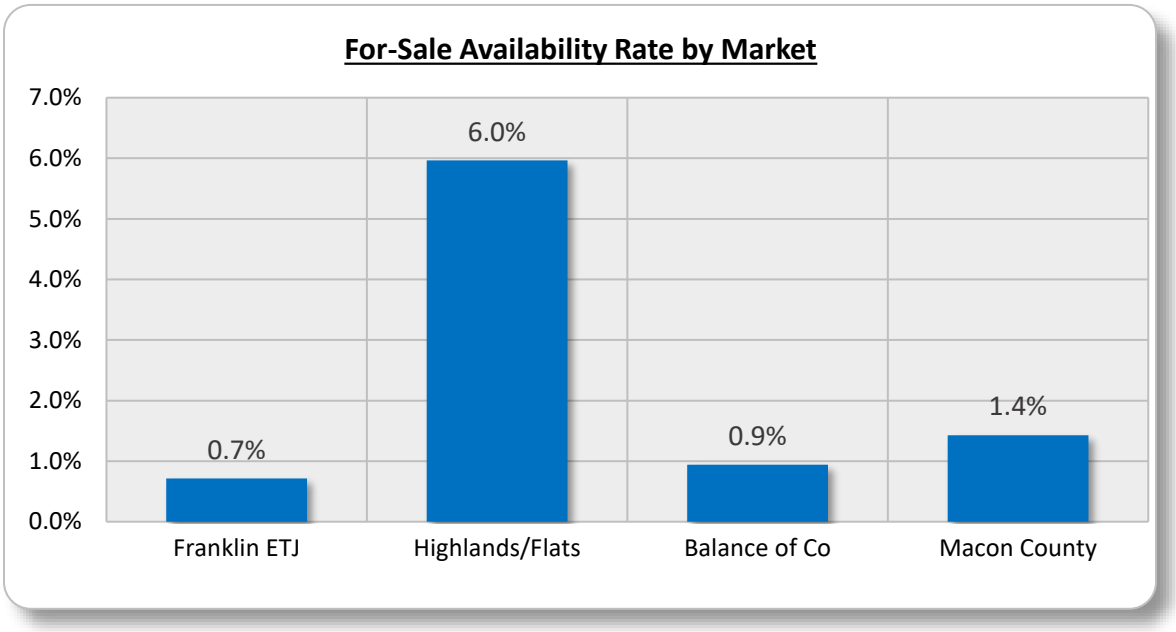
More than two-thirds (67.0%) of homes available for purchase within Macon County are priced $400,000 or higher. This pricing segment also represents the highest share of available homes in each of the submarkets and the Balance of County. Notably, the majority (63.3%) of these higher priced homes are located within the Highlands/Flats Submarket which reports a median list price of over $1.4 million for available homes, as indicated earlier in this section. Further, all but one of the homes available for purchase within the Highlands/Flats Submarket are priced at $400,000 or higher, with more than 80.0% of these homes being priced at $750,000 or higher. Thus, while a large share of higher priced homes exist within Macon County, such homes are primarily concentrated in the Highlands/ Flats Submarket.

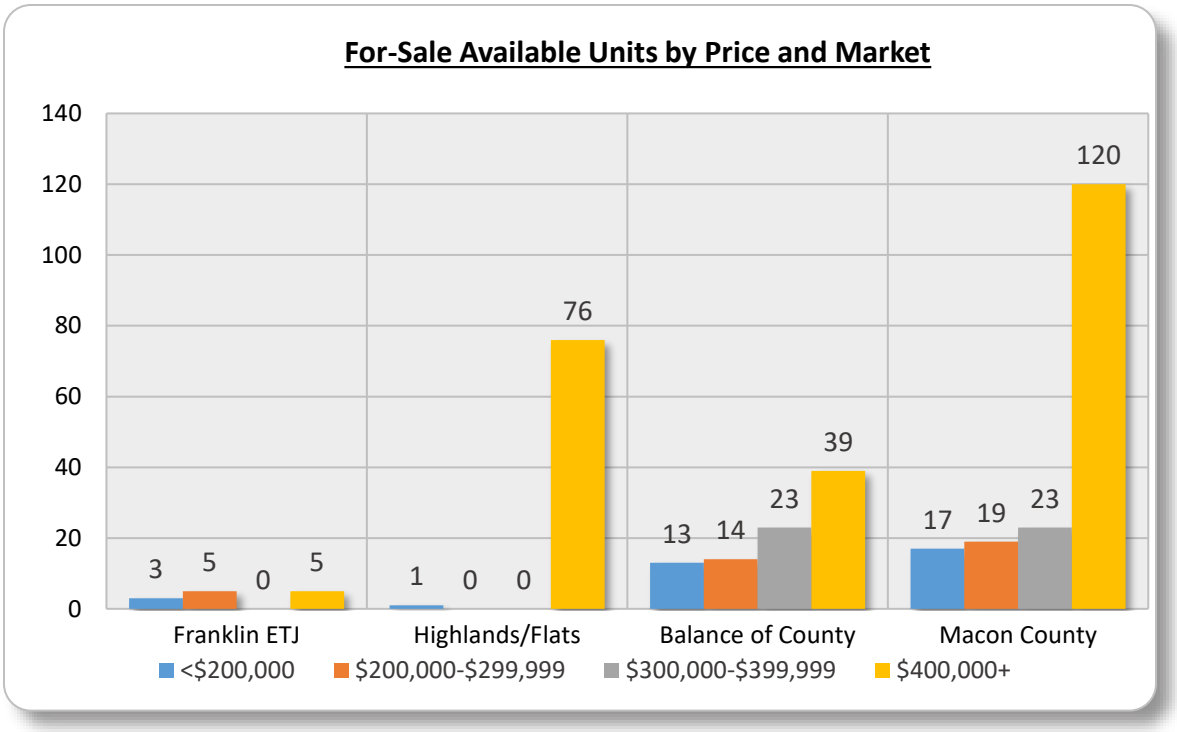
While the Highlands/Flats Submarket comprises the majority of the higher priced ($400,000+) homes available for purchase within the county, nearly half (49.7%) of ***all*** available homes are located within the Balance of County. Conversely, the Franklin ETJ Submarket comprises the smallest share (7.3%) of all homes available for purchase within the county. Notably, 30.3% and 61.5% of homes available for purchase within the Balance of County and the Franklin ETJ Submarket, respectively, are priced below $300,000, as compared to just 1.3% of available homes within the Highlands/Flats Submarket. Thus, both the Franklin ETJ Submarket and the Balance of County offer a wider variety of for-sale product in terms of price point, as compared to the Highlands/Flats Submarket.

Based on the preceding factors, a variety of homes are available for purchase within Macon County, in terms of price point. However, as the majority of such homes are priced at or above $400,000, a limited supply of for-sale product is available to first-time and/or lower to moderate income homebuyers within the county.

The number of available homes in the PSA (Macon County) by *price point* and availability rate by submarket and Macon County are illustrated in the following graphs:






For-Sale Available Units by Price and Market
140
120
100
80
60
40
20
0
3
5
0
5
1
0
0
76
13
14
23
39
17
19
23
120
Franklin ETJ
Highlands/Flats
Balance of County
Macon County
<$200,000
$200,000-$299,999
$300,000-$399,999
$400,000+

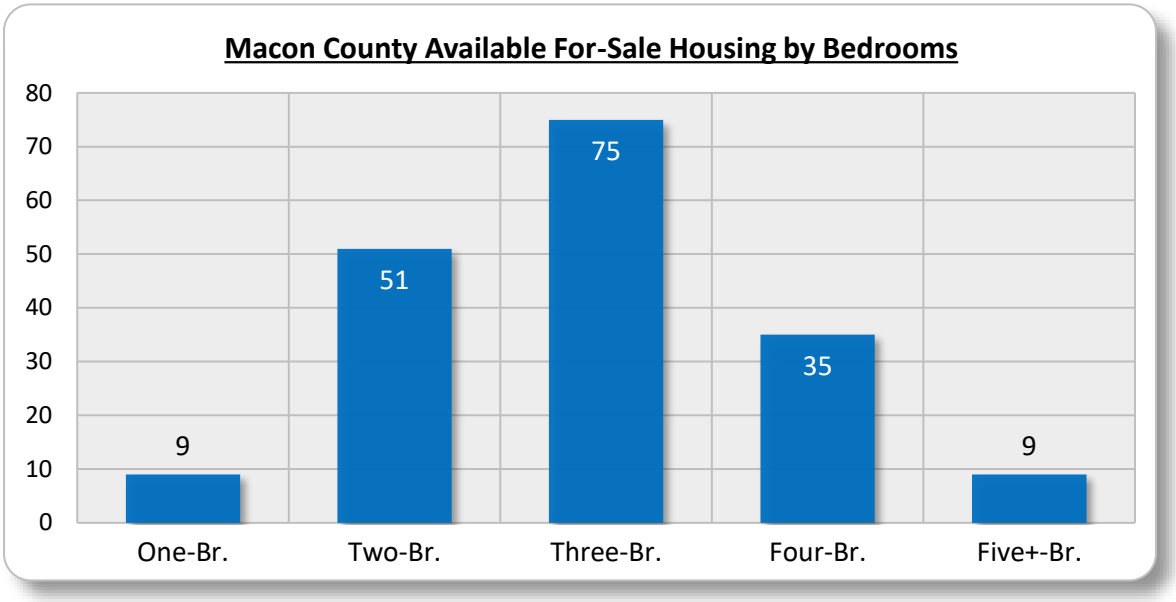
The available for-sale housing by *bedroom type* for each study area is summarized in the following table.

Available For-Sale Housing by Bedroom Type (As of March 8, 2024)							
Bedrooms	Number Available	Average Square Feet*	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.*	Average Days on Market
Franklin ETJ							
One-Br.	1	N/A	2022	$235,000	$235,000	N/A	251
Two-Br.	4	1,084	1971	$119,500 - $205,000	$159,900	$195.72	36
Three-Br.	5	1,799	1987	$249,900 - $479,500	$279,900	$266.54	51
Four-Br.	2	2,040	1966	$425,000 - $560,000	$492,500	$208.33	165
Five+-Br.	1	4,600	1872	$2,800,000	$2,800,000	$608.70	108
Total	13	2,121	1973	$119,500 - $2,800,000	$265,000	$249.86	84
Highlands/Flats							
One-Br.	1	N/A	1948	$895,000	$895,000	N/A	49
Two-Br.	17	N/A	1986	$425,000 - $2,495,000	$895,000	N/A	44
Three-Br.	27	1,572	1981	$189,900 - $5,950,000	$1,295,000	$224.82	41
Four-Br.	27	3,933	1973	$499,000 - $5,300,000	$1,999,995	$485.30	51
Five+-Br.	5	N/A	1962	$1,600,000 - $8,950,000	$3,978,600	N/A	35
Total	77	2,753	1978	$189,900 - $8,950,000	$1,410,000	$350.57	45
Balance of County							
One-Br.	7	753	1977	$199,000 - $879,000	$220,000	$294.38	113
Two-Br.	30	2,006	1986	$65,000 - $1,490,000	$319,500	$250.00	70
Three-Br.	43	2,127	1997	$69,900 - $4,395,000	$425,000	$194.10	64
Four-Br.	6	4,184	1991	$599,000 - $1,750,000	$1,497,495	$272.27	86
Five+-Br.	3	4,180	1990	$625,000 - $1,800,000	$900,000	$215.31	72
Total	89	2,228	1991	$65,000 - $4,395,000	$375,000	$233.88	72
Macon County							
One-Br.	9	753	1979	$199,000 - $895,000	$235,000	$294.38	121
Two-Br.	51	1,801	1985	$65,000 - $2,495,000	$375,000	$249.86	59
Three-Br.	75	2,058	1991	$69,900 - $5,950,000	$550,000	$197.81	55
Four-Br.	35	3,743	1976	$425,000 - $5,300,000	$1,779,000	$360.79	64
Five+-Br.	9	4,390	1961	$625,000 - $8,950,000	$2,800,000	$412.00	55
Total	179	2,266	1984	$65,000 - $8,950,000	$599,500	$244.10	61

Source: Redfin.com & Bowen National Research
*Excludes number of listings with no square footage information; Franklin ETJ (8), Highlands (73), Balance (57), Overall (138)
N/A – Not Available

Three-bedroom homes represent the largest share (41.9%) of homes available for purchase within Macon County, which is typical of most markets. Two-bedroom homes represent the next largest share (28.5%) while one- and five-bedroom or larger homes represent the smallest shares (5.0%) of available homes. On average, available three-bedroom homes within the county are just over 2,000 square feet in size, have an average year built of 1991, and a median list price of $550,000. It is of note, however, that median list prices for each bedroom type within the county are heavily influenced by the large number of higher priced homes available for purchase within the Highlands/Flats Submarket, as previously discussed. Thus, median list prices included for the Franklin ETJ Submarket and the Balance of County in the preceding table are likely more reflective of typical pricing for more traditional homes within the county.

The number of available homes by *bedroom type* in the PSA (Macon County) are shown in the following graph:



The distribution of available homes by *year built* for each study area is summarized in the following table.

Available For-Sale Housing by Year Built (As of March 8, 2024)						
Year Built	Number Available	Average Square Feet*	Price Range	Median List Price	Median Price per Sq. Ft.*	Average Days on Market
Franklin ETJ						
Before 1970	5	2,660	$179,900 - $2,800,000	$475,000	$429.28	104
1970 to 1979	0	-	-	-	-	-
1980 to 1989	4	1,448	$119,500 - $279,900	$172,450	$141.57	41
1990 to 1999	0	-	-	-	-	-
2000 to 2009	2	2,040	$265,000 - $425,000	$345,000	$208.33	61
2010 to present	2	1,799	$235,000 - $479,500	$357,250	$266.54	142
Total	13	2,121	$119,500 - $2,800,000	$265,000	$249.86	84
Highlands/Flats						
Before 1970	22	2,302	$425,000 - $5,950,000	$1,738,000	$521.29	37
1970 to 1979	7	960	$189,900 - $1,995,000	$1,410,000	$197.81	48
1980 to 1989	11	2,184	$550,000 - $3,400,000	$1,150,000	$251.83	35
1990 to 1999	17	N/A	$495,000 - $7,950,000	$1,297,000	N/A	46
2000 to 2009	16	5,564	$474,000 - $8,950,000	$1,385,500	$449.32	59
2010 to present	4	N/A	$595,000 - $2,495,000	$1,942,500	N/A	48
Total	77	2,753	$189,900 - $8,950,000	$1,410,000	$350.57	45
Balance of County						
Before 1970	4	730	$214,900 - $879,000	$452,000	$294.38	152
1970 to 1979	17	1,480	$106,000 - $429,900	$325,000	$250.00	78
1980 to 1989	18	1,639	$65,000 - $4,395,000	$462,000	$247.72	68
1990 to 1999	18	2,376	$69,900 - $1,750,000	$349,900	$249.51	71
2000 to 2009	20	2,601	$170,000 - $1,499,990	$441,950	$197.57	67
2010 to present	12	3,150	$219,900 - $1,800,000	$459,450	$182.43	52
Total	89	2,228	$65,000 - $4,395,000	$375,000	$233.88	72
Macon County						
Before 1970	31	2,088	$179,900 - $5,950,000	$1,300,000	$407.83	63
1970 to 1979	24	1,394	$106,000 - $1,995,000	$359,000	$223.91	70
1980 to 1989	33	1,698	$65,000 - $4,395,000	$560,000	$237.50	53
1990 to 1999	35	2,376	$69,900 - $7,950,000	$900,000	$249.51	59
2000 to 2009	38	2,820	$170,000 - $8,950,000	$558,500	$208.33	63
2010 to present	18	2,813	$219,900 - $2,495,000	$542,000	$224.48	61
Total	179	2,266	$65,000 - $8,950,000	$599,500	$244.10	61

Source: Redfin.com & Bowen National Research

*Excludes number of listings with no square footage information; Franklin ETJ (8), Highlands (73), Balance (57), Overall (138)

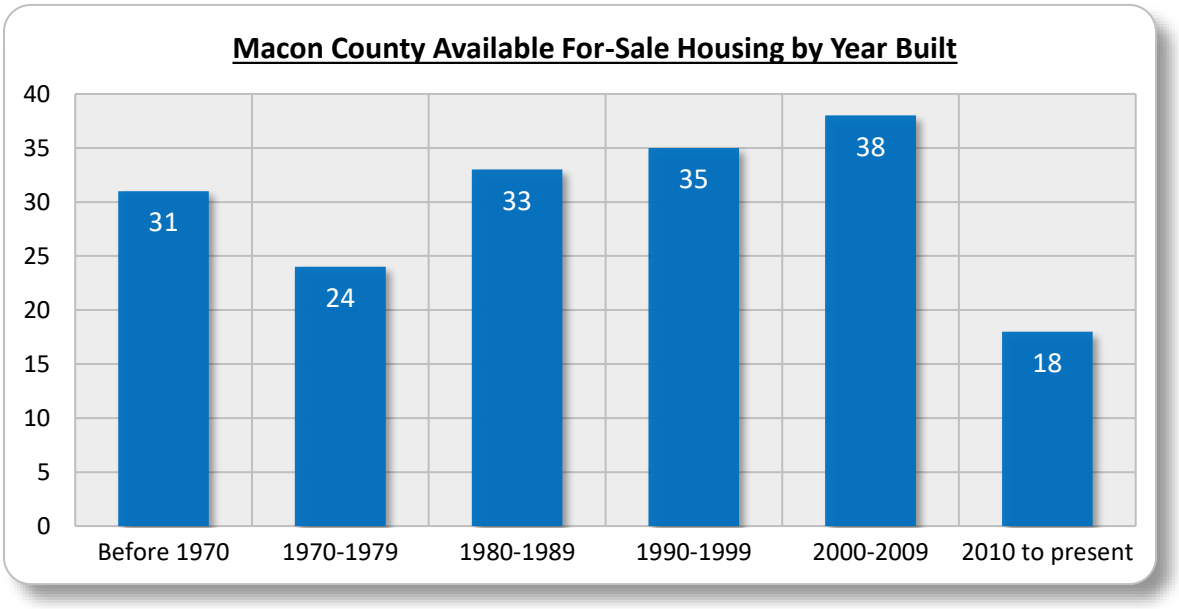
N/A – Not Available

As shown in the preceding table, homes available for purchase within Macon County are relatively evenly distributed among each year built segment as each group represents between approximately 10.0% and 21.0% of all available homes within the county. However, it is also of note that homes built post 2009 (2010 to present) represent the smallest share (10.1%) of all available homes within the county and no more than 15.3% of the homes available in either of the submarkets or Balance of County. In total, only 18 of the available homes within the county have been built during the aforementioned time period and two-thirds (66.6%) of these

available homes are located within the Balance of County. Thus, a limited supply of modern built for-sale product is available to purchase within the county and those which are available are predominantly concentrated within the Balance of County, outside of the Franklin ETJ and Highlands/Flats submarkets.

Similar to the median prices shown earlier in the table illustrating available homes by bedroom type, those illustrated in the preceding table are also influenced by the higher list prices for homes in the Highlands/Flats Submarket. When excluding homes available within this aforementioned submarket, the remaining homes available that have been built since 2010 within the county have a median list price of $439,700. This is nearly 19.0% lower than the overall median list price ($542,000) illustrated in the preceding table for all available homes built since 2010, demonstrating the influence of the higher priced homes available in the Highlands/Flats Submarket.

The distribution of available homes in the PSA (Macon County) by year built is shown in the following graph.



A map illustrating the location of available for-sale homes in the PSA (Macon County) as of March 2024 is included on the following page.

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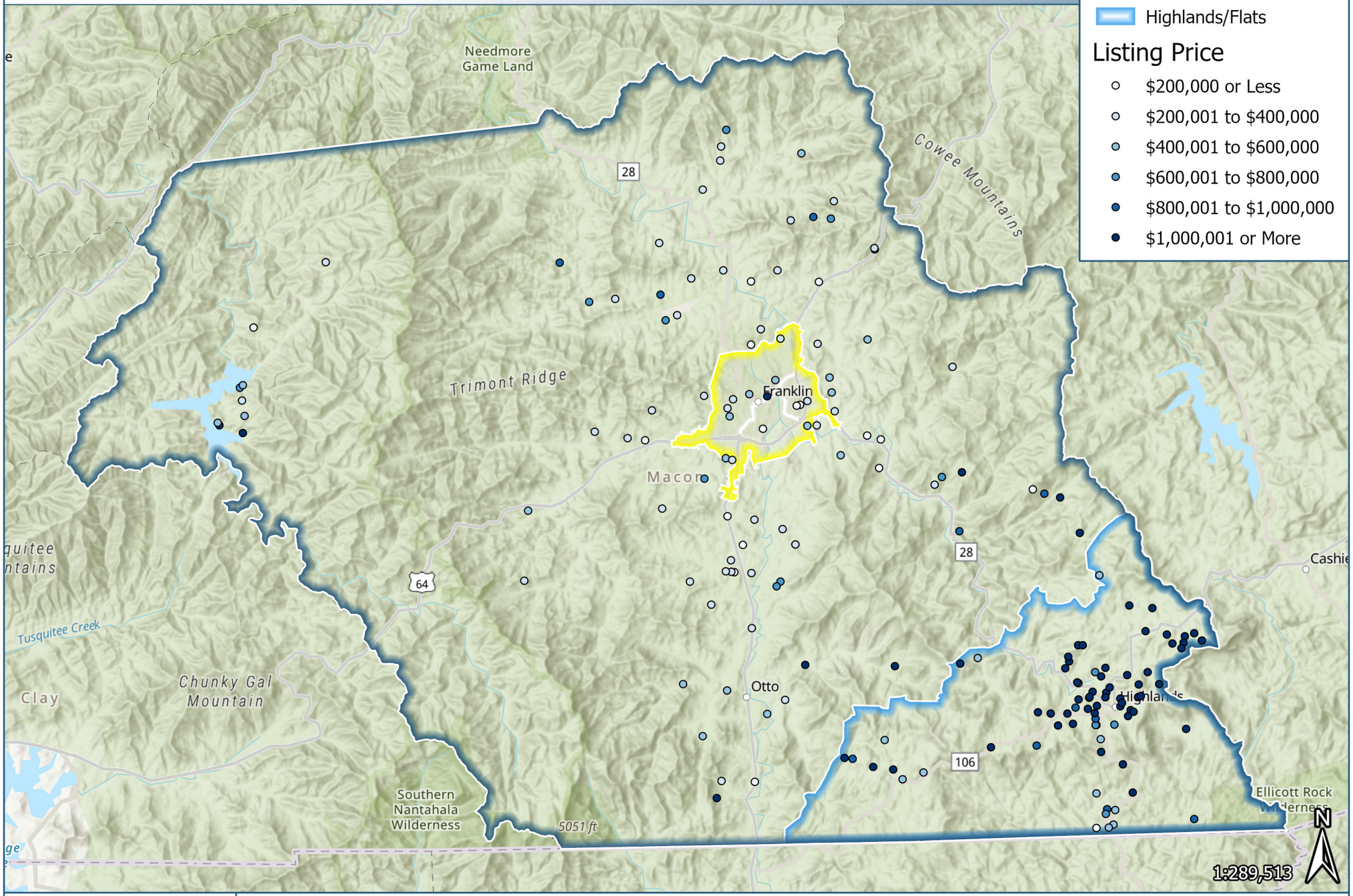
Available For-Sale Housing by List Price

Macon County, NC



0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

D. SENIOR CARE HOUSING

Macon County, like areas throughout the country, has a large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Seniors that are generally aged 65 or older may seek a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs). As part of this analysis, we evaluated two levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. This includes assisted living and nursing care. These housing types, from least assisted to most assisted, are summarized below. Note that there were no independent living or congregate care facilities (independent living with basic housekeeping or laundry services and meals) identified in the county.

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 Medicare.com and the websites for each of the departments previously discussed to identify all licensed and certified senior care facilities and cross referenced this list with other senior care facility resources. As such, we identified and surveyed all licensed facilities in the county.

A total of five senior care facilities, containing a total of 458 marketed beds/units, were identified and surveyed within the PSA (Macon County). The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities - PSA (Macon County)

Project Type	Projects	Marketed Beds/Units	Vacant	Occupancy Rate	National Occupancy Rate*	Base Monthly Rent
Assisted Living	3	178	25	86.0%	85.4%	$2,700-$4,185
Nursing Homes	2	280	170	39.3%	82.0%	$7,950-$9,125
Total	5	458	195	57.4%	83.8%	$2,700-$9,125

*Source: 2023 State of Seniors Housing
Note: In some cases, daily rates were converted to monthly rates

The county is reporting an overall occupancy rate of 57.4% for the surveyed senior care facilities. Within individual project types, assisted living facilities in the PSA have an occupancy rate of 86.0%, while the occupancy rate among nursing care facilities is considerably lower at 39.3%. Comparatively, the national median occupancy rates for assisted living and nursing care facilities are 85.4% and 82.0%, respectively. Thus, the assisted living facilities offered within Macon County are performing at a stable occupancy rate, though skilled nursing care facilities in the area are underperforming in terms of occupancy. According to representatives of the surveyed nursing care facilities, the lower occupancy rates reported among these facilities are primarily attributed to the lasting impact of COVID-19. Specifically, the pandemic resulted in many seniors, or families of seniors, being reluctant to utilize traditional skilled nursing care facilities. Rather, seniors in need of skilled nursing care often opt for in-home/personal care services.

It is of note that while occupancy rates are low, representatives of the nursing care facilities surveyed attributed their vacancies to reduced demand for rehabilitation units offered among these facilities and the ongoing impact of COVID. Most notably, representatives of these facilities indicated that since COVID, many families have elected to utilize in-home care and/or to personally care for their elderly relatives rather than utilizing long-term care facilities. Nonetheless, the lower overall occupancy rate suggests lesser demand for skilled nursing care product within Macon County as compared to assisted living product.

Demographic projections over the next five years indicate that senior households, age 75 and older, are expected to increase by 745 households (22.9% increase) in Macon County. These demographic projections suggest that demand for senior-oriented housing alternatives, including senior care facilities could increase in the coming years. Nonetheless, the occupancy rates among existing senior care facilities, particularly those in nursing homes, should continue to be monitored to ensure adequate demand exists for such product when considering future senior care development within Macon County.

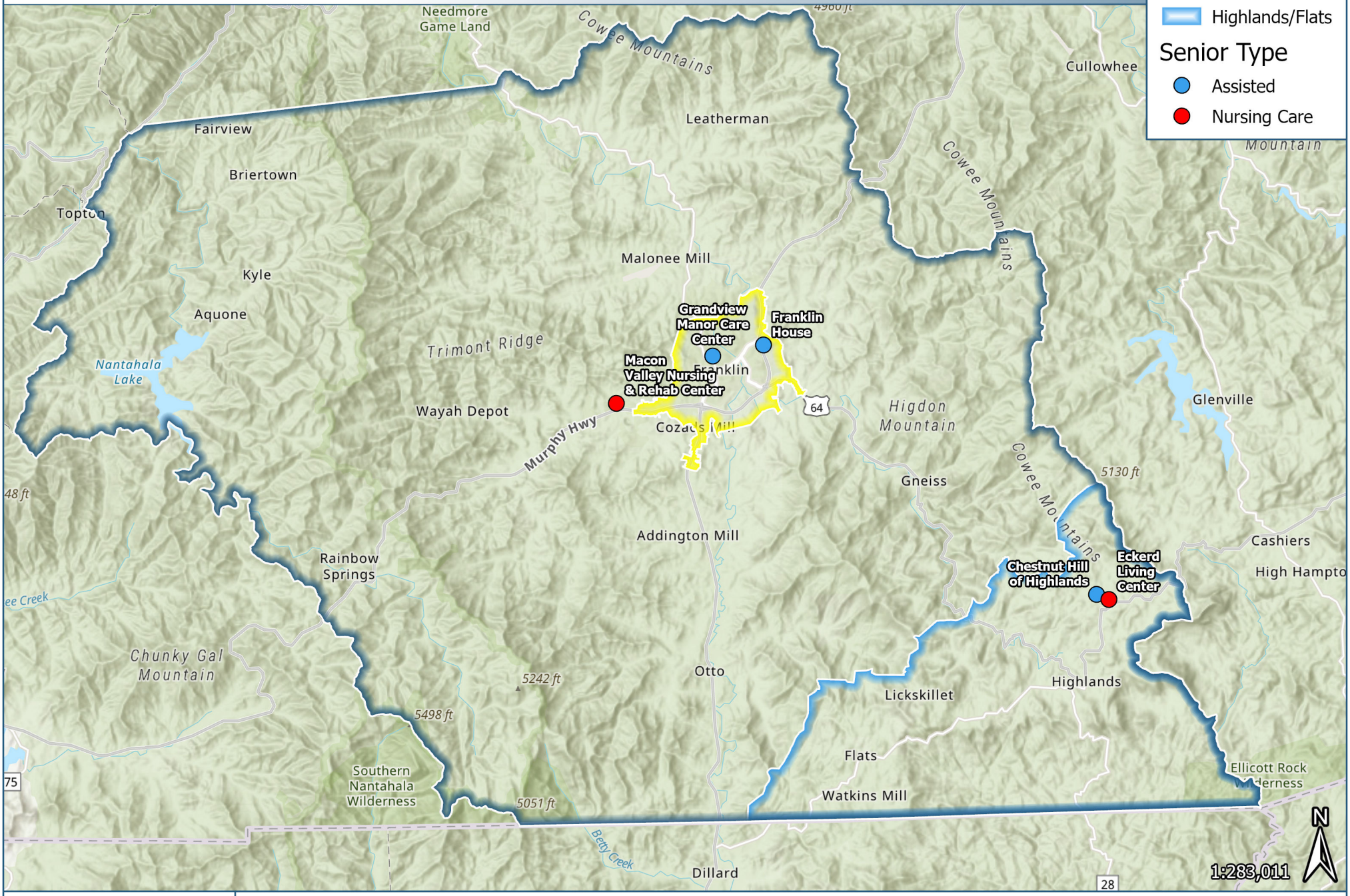
The monthly fees for senior care housing in the previous table should be considered as a base of comparison for the future projects considered in the county. It is important to note that some senior care facilities with services accept Medicaid payments from eligible residents, reducing their costs. A summary of the individual senior care facilities surveyed in Macon County is included in Addendum C.

A map illustrating the location of surveyed senior care facilities in Macon County is included on the following page.

BOWEN NATIONAL RESEARCH

Senior Facility Locations

Macon County, NC



0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

E. PLANNED & PROPOSED

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline within the PSA (Macon County). Understanding the number of residential units and the type of housing being considered for development in the market can assist in determining how these projects are expected to meet the housing needs of the market.

The following table illustrates single-family and multifamily building permits issued within Macon County for the most recent 10-year period available (2014-2023):

Housing Unit Building Permits for Macon County, NC:										
Permits	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Multifamily Permits	0	0	0	0	0	0	0	0	8	10
Single-Family Permits	107	85	91	93	95	5	109	149	174	172
Total Permits	107	85	91	93	95	5	109	149	182	182

Source: SOCDS Building Permits Database at http://socds.huduser.org/permits/index.html

A total of 1,098 residential building permits were issued in the PSA (Macon County) between 2014 and 2023. Of these, 98.4% (1,080 permits) were single-family building permits. With the exception of 2019, at least 85 permits were issued annually between 2014 and 2023, with the largest annual number (182) of issued permits occurring in 2022 and 2023. Thus, nearly one-third (33.2%) of all permits issued within the county between 2014 and 2023 were issued over the past two years. This indicates there has been a recent increase in residential development activity in Macon County, particularly among single-family units.

Multifamily Housing

We conducted interviews with representatives of area building and permitting departments and performed extensive online research to identify residential projects either planned for development or currently under construction within the PSA. These projects are summarized in the table that follows. (Note: The status of these projects may have changed since the information was collected):

Pipeline Housing Developments – Macon County (PSA)				
Project Name & Address	**Type**	**Units**	**Developer**	**Status/ Details**
Rental Housing				
Abbington Mill 81 Allman Drive Franklin	Tax Credit	48	WJR NC Partners II, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Franklin Falls 68 Firefly Lane Franklin	Tax Credit	60	Solstice Partners	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Lofts of Franklin 227 Siler Road Franklin	Tax Credit Senior	54	WDT Development, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Vesta Highlands 1655 Highlands Road Franklin	Tax Credit	52	Gateway Development Corporation	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
For-Sale Housing				
Applewood Farm 39 Jackson Drive Highlands	Single-Family	15	N/A	**Under Construction:** Three to four bedrooms; $985,000
Preserve at Whiteside Cliffs Highlands	Single-Family	47	N/A	**Under Construction:** Cabin-style homes from one to two bedrooms; Homes from $500,000 to $1.3 million
Sanctuary on 1st 1st Street Highlands	Single-Family	11	Sanctuary Developers, LLC	**Under Construction:** Three to five bedrooms; Homes from $4 million to $5 million; Square feet from 3,000
Sanctuary Village 49 Village Circle East Franklin	Single-Family	Estimated 162	Buchanan Construction	**Under Construction:** Two to four bedrooms; Homes from the $400,000s; Square feet 1,450 to 2,251
Scenic Ridge 9 Scenic Ridge Circle Franklin	Single-Family	52	Phil Drake	**Planned:** Infrastructure has begun; Lots from $40,000 to $500,000

N/A – Not Available

We have considered the currently planned projects in the housing gap estimates included in Section VIII of this report.

VII. OTHER HOUSING MARKET FACTORS

INTRODUCTION

Factors other than demography, employment, and supply (all analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance and needs, and are discussed relative to the PSA (Macon County) and compared with state and national data, when applicable:

- Public Transit Analysis
- Cost of Living Comparison
- Community Services
- Residential Blight
- Development Opportunities
- Development Costs & Government Regulations
- Developer/Investor Identification
- Housing Program Identification
- Special Needs Populations

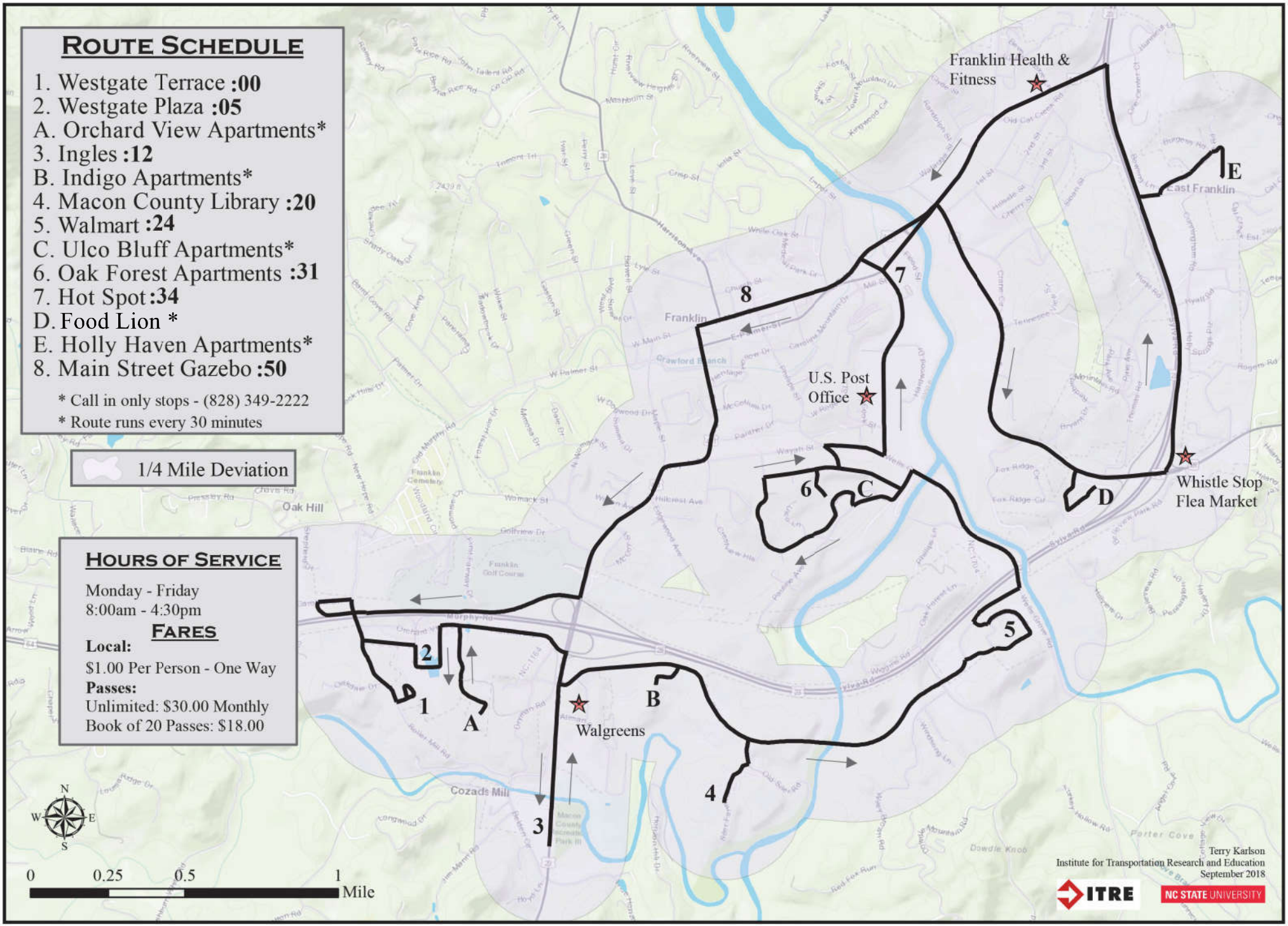
A. TRANSPORTATION ANALYSIS

Public transit, including its accessibility, geographic reach, and rider fees can affect the connectivity of a community and influence housing decisions. As a result, we evaluated public transportation that serves the residents of Macon County.

Macon County Transit provides general public transportation via a dial-a-ride demand response service. The demand response service offers shared ride, curb-to-curb transportation within the Frankin area as well as outlying areas of Macon County. This service also provides transportation to several destinations outside of Macon County, including Asheville, Clayton, Sylva, and Waynesville. Transit operating hours are Monday through Friday from 7:00 a.m. to 5:00 p.m. The cost of demand response transportation is $2.50 for a local fare and ranges from $15.00 to $35.00 round-trip for out-of-county destinations. Local trips within the Franklin area must be reserved at least one day in advance, while trips outside the county must be reserved at least one week in advance.

Macon County Transit also provides fixed-route transit services in the Franklin area. The Mountain Gem route is a flexible, fixed-route transit service where drivers can deviate up to one-quarter of a mile from the route by passenger request. The Mountain Gem route includes several apartment complexes, Ingles, Macon County Library, Walmart and Food Lion as well as a stop in downtown Franklin. Transportation operating hours are Monday through Friday between 8:00 a.m. and 3:20 p.m. Transit costs are $1.00 for a one-way fare and $30.00 for a monthly pass. A map of the Mountain Gem transit route, provided by Macon County Transit, is included on the following page.

Mountain Gem Route



Walkability

The ability to perform errands or access community services conveniently by walking, rather than driving, contributes favorably to personal mobility. A person whose residence is within walking distance of community services and amenities will most likely find their housing market more desirable. Conversely, residents who are not within a reasonable walking distance of major community services or employment are often adversely impacted by the limited walkability of their neighborhood, which could impact their quality of life or limit the appeal of residing within the less walkable areas.

The online service Walk Score was used to evaluate walkability within some of the more populated areas of Macon County. Walk Score analyzes a specific location's proximity to a standardized list of community attributes. It assesses not only distance but also the number and variety of neighborhood amenities. A Walk Score can range from a low of zero to a high of 100 (the higher the score, the more walkable the community). The table to the right illustrates the Walk Score ranges and corresponding descriptors.

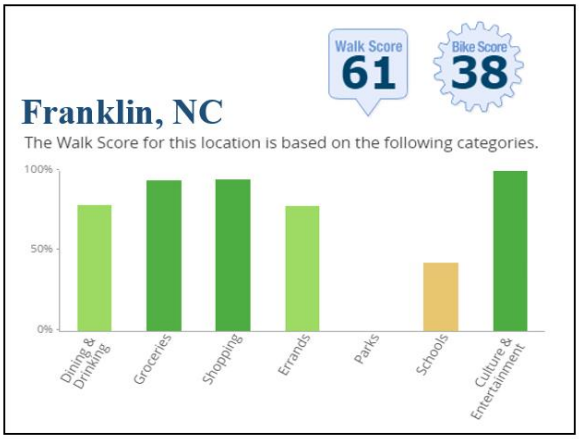
Walk Score®	Description
90–100	**Walker's Paradise** Daily errands do not require a car.
70–89	**Very Walkable** Most errands can be accomplished on foot.
50–69	**Somewhat Walkable** Some amenities are within walking distance.
25–49	**Car-Dependent** A few amenities are within walking distance.
0–24	**Very Car-Dependent** Almost all errands require a car.

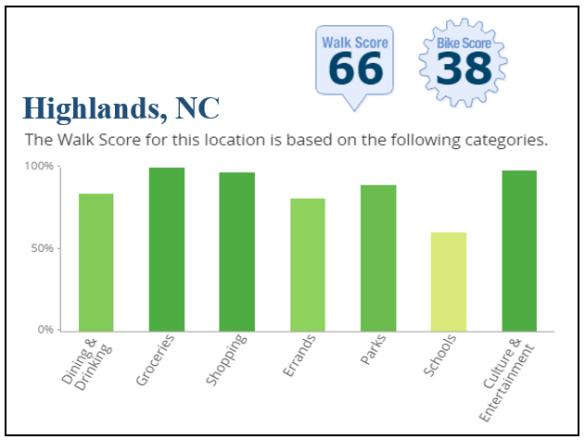
Walk Score was used to calculate the walkability of some additional populated areas within Macon County. The Walk Score addresses were selected to the best of our ability by focusing on areas with either a higher population or a higher level of traffic/interest. Note that scores were calculated from a location in the **central portion** of each community. The following table includes the intersections within each community selected and the corresponding Walk Score of that location.

The following table and graphs illustrate the Walk Score for central portions of Franklin and Highlands:

Location	Walk Score	Walk Score Descriptor
Franklin (W. Main Street/Iotla Street)	61	Somewhat Walkable
Highlands (Main Street/N. 4th Street)	66	Somewhat Walkable

Source: WalkScore.com





According to Walk Score, the central areas of both Franklin and Highlands have walkability scores that indicate each town is somewhat walkable. Highlands has the highest overall score among the two towns with a Walk Score of 66 while the town of Franklin has a Walk Score of 61. Note that the central point selected for both scores is located within the downtown area of both towns, considered to be the most walkable portions of each respective municipality.

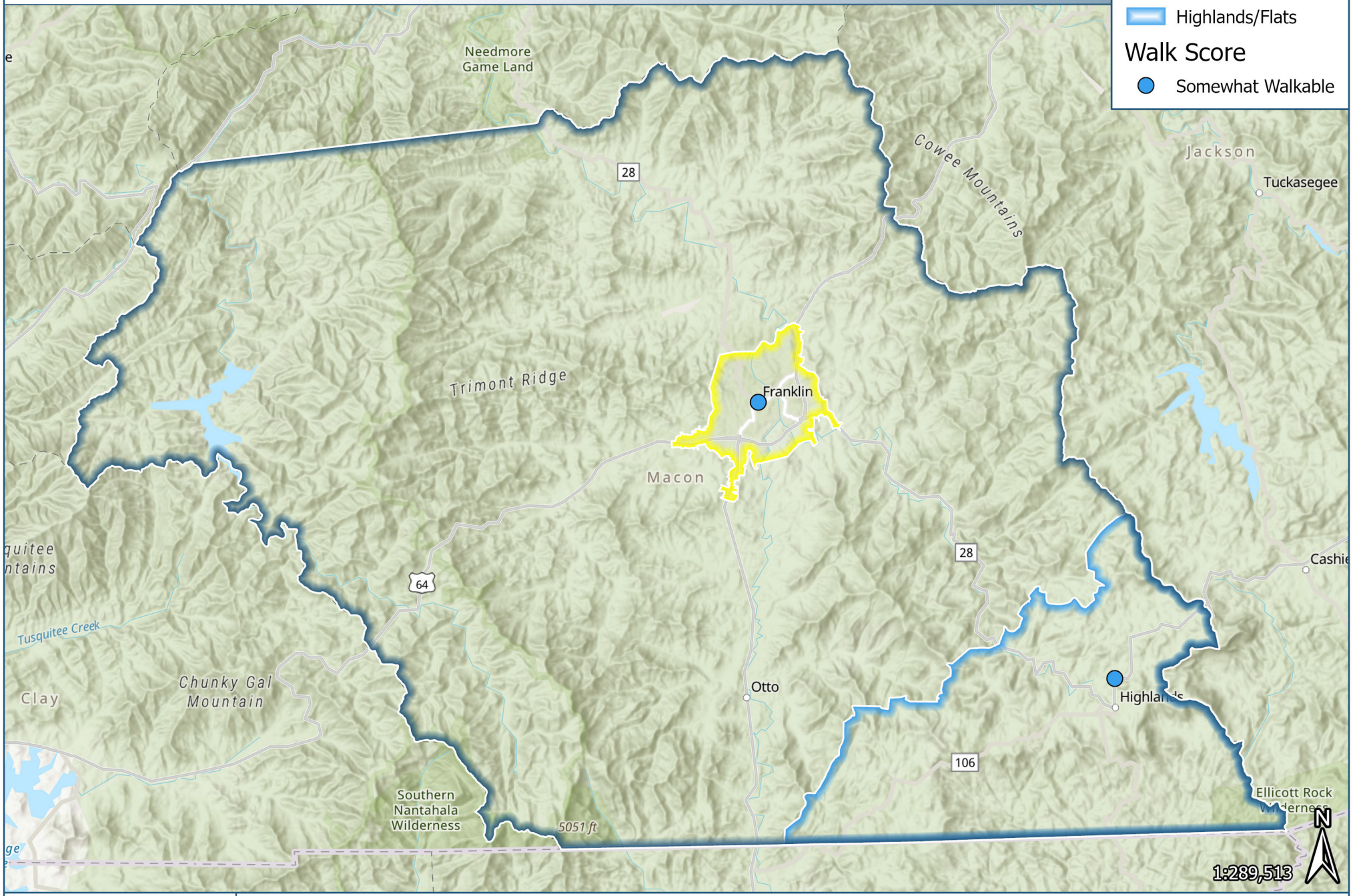
Residents living in less walkable areas are likely to experience some challenges accessing certain community services, particularly lower-income residents that do not have access to a vehicle. When contemplating the location of new residential housing, communities should consider areas in or near some of the more walkable neighborhoods that allow convenient access to community services, particularly for affordable housing development.

The following map illustrates the Walk Score locations in the PSA (Macon County).

BOWEN NATIONAL RESEARCH

Walk Score Locations

Macon County, NC



0 1 2 3 4 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

B. COST OF LIVING COMPARISON

While an in-depth analysis of the existing/available housing stock, including pricing/cost factors, is included in Section VI it is important to also consider other typical expenses which contribute to the affordability of an area. As such, this analysis is provided to evaluate typical household expenses within Macon County. The following table provides a summary of basic demographic and housing data, along with key annual cost of living indicators for each of the study areas. Note that the data only includes select household costs and each cost category reflects the *average household cost* for the area. As such, individual households may have significantly higher or lower costs for a given category.

Area Cost of Living Comparison (Study Areas)
Macon County, North Carolina

Basic Demographic and Housing Data				
Metric	**Franklin ETJ**	**Highlands/ Flats**	**Balance of County**	**North Carolina**
Total Households (2023)	2,864	1,863	12,250	4,313,420
-Renter Household Share	36.6%	30.7%	23.0%	33.9%
-Owner Household Share	63.4%	69.3%	77.0%	66.1%
Median Household Income (2023)	$43,092	$79,438	$54,651	$65,852
Median Gross Rent	$816	$971	$896	$1,173
Median Home Value	$175,207	$592,345	$215,446	$262,944
Cost Burden %*				
-Renter Households	50.8%	35.1%	38.8%	43.6%
-Owner Households	13.6%	15.8%	17.3%	18.9%
Severe Cost Burden %**				
-Renter Households	14.5%	26.5%	20.2%	20.8%
-Owner Households	6.2%	9.4%	8.1%	7.7%

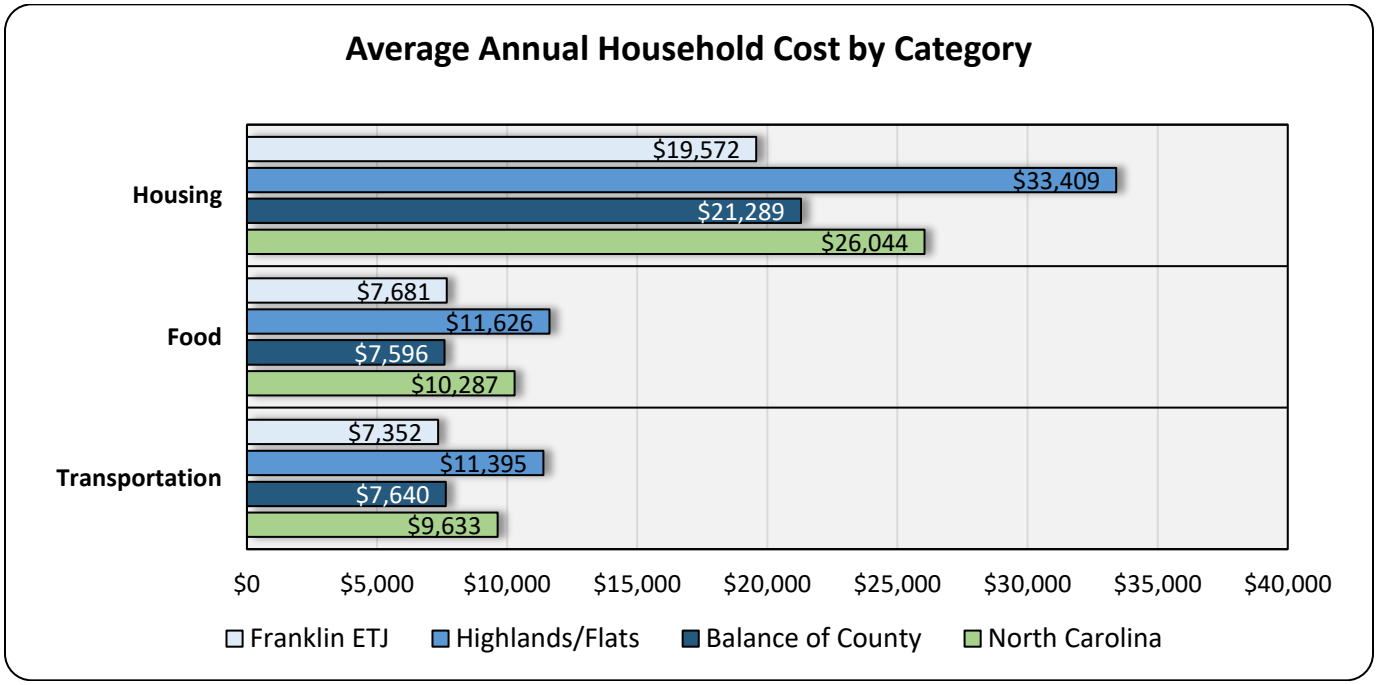
Annual Cost of Living Indicators								
	Franklin ETJ		**Highlands/ Flats**		**Balance of County**		**North Carolina**	
Cost Category	**Avg HH Cost**	**Percent of Total**	**Avg HH Cost**	**Percent of Total**	**Avg HH Cost**	**Percent of Total**	**Avg HH Cost**	**Percent of Total**
Housing^	$19,572	44.4%	$33,409	46.8%	$21,289	46.0%	$26,044	44.7%
Food (At & Away from Home)	$7,681	17.4%	$11,626	16.3%	$7,596	16.4%	$10,287	17.6%
Transportation	$7,352	16.7%	$11,395	16.0%	$7,640	16.5%	$9,633	16.5%
Clothing	$1,529	3.5%	$2,182	3.1%	$1,419	3.1%	$2,142	3.7%
Childcare/Education	$337	0.8%	$438	0.6%	$285	0.6%	$510	0.9%
Healthcare	$4,774	10.8%	$7,686	10.8%	$5,052	10.9%	$5,972	10.2%
Entertainment	$2,820	6.4%	$4,634	6.5%	$2,978	6.4%	$3,720	6.4%
Total	**$44,065**	**100.0%**	**$71,370**	**100.0%**	**$46,260**	**100.0%**	**$58,309**	**100.0%**

Source: U.S. Census Bureau; 2018-2022 American Community Survey; ESRI; Urban Decision Group; Bowen National Research
*Paying more than 30% of income toward housing costs; **Paying more than 50% of income toward housing costs
^Includes mortgages, maintenance costs, utilities, fuels, real estate taxes, fire/hazard/flood/homeowner insurances, and household supplies
Avg HH Cost – Average Household Cost

As to be expected, housing, food, and transportation costs comprise the majority of annual household expenses within each of the study areas and the state of North Carolina. Specifically, these three cost categories comprise approximately 79.0% of total living costs within each of the study areas evaluated, with housing being the largest annual expenditure, ranging from 44.4% to 46.8% of total costs within the study areas. Notably, the Highlands/Flats submarket reports the highest total annual living cost ($71,370) among the study areas while the Franklin ETJ

submarket reports the lowest ($44,065). This coincides with the fact that these areas also report the highest and lowest median household income, gross rent, and home value levels among the study areas. Relative to the state of North Carolina, total living costs within the Franklin ETJ and balance of Macon County are 20.7% to 24.4% lower, whereas total living costs within the Highlands/Flats submarket is more than 22.0% higher than the statewide average. Therefore, with the exception of the Highlands/Flats submarket, Macon County is considered to be more affordable than most areas throughout the state of North Carolina.

The following graph illustrates the average annual household cost for the three primary cost categories (housing, food, and transportation) for each of the study areas.



Source: ESRI; Bowen National Research

While the preceding pages illustrate and evaluate key cost-of-living indicators for the study areas located within Macon County, it is also important to consider the cost of living in the surrounding region. Through this analysis, it will be revealed if Macon County overall is more/less affordable than other surrounding areas, on average. A lower cost-of-living could contribute to the desirability of an area and/or to the ability of a given area/market to attract new households. Considering the preceding factors, we have also provided a county level cost-of-living analysis which evaluates Macon County in comparison to adjacent North Carolina counties. This analysis is summarized as follows.

Area Cost of Living Comparison (County Level)
Macon County, North Carolina

Annual Cost of Living Indicators

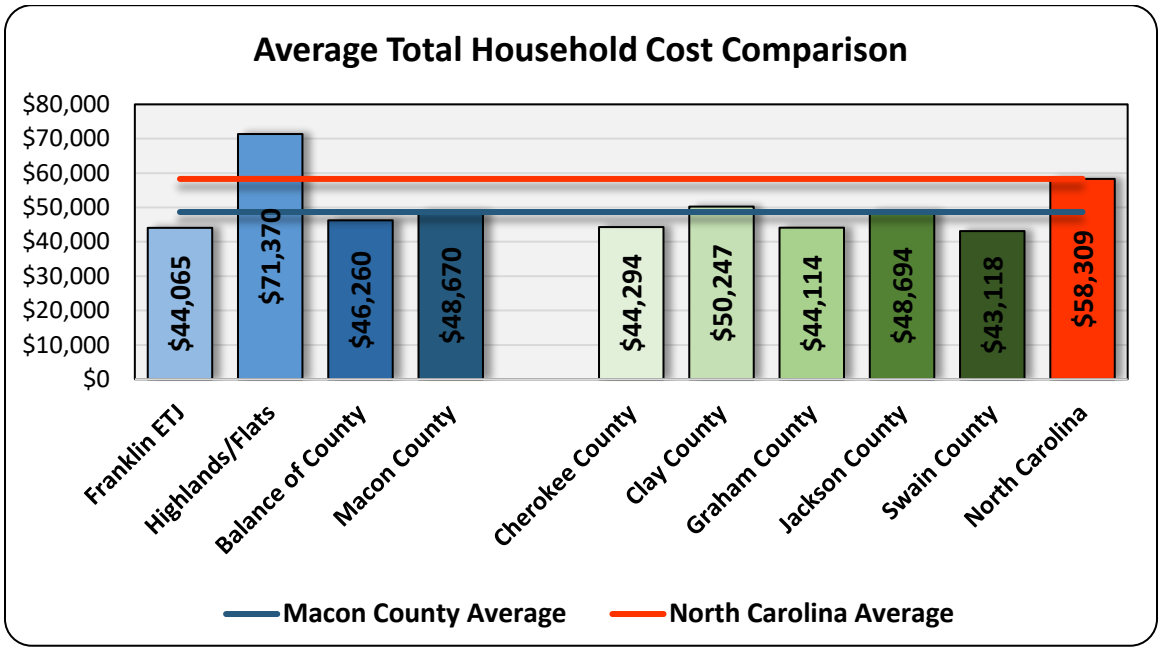
Cost Category	Cherokee County		Clay County		Graham County		Jackson County	
	Avg HH Cost	Percent of Total	Avg HH Cost	Percent of Total	Avg HH Cost	Percent of Total	Avg HH Cost	Percent of Total
Housing^	$20,292	45.8%	$23,144	46.1%	$19,594	44.4%	$21,689	44.5%
Food (At & Away from Home)	$7,357	16.6%	$8,215	16.3%	$7,483	17.0%	$8,499	17.5%
Transportation	$7,289	16.5%	$8,333	16.6%	$7,679	17.4%	$8,105	16.6%
Clothing	$1,389	3.1%	$1,514	3.0%	$1,360	3.1%	$1,707	3.5%
Childcare/Education	$282	0.6%	$298	0.6%	$279	0.6%	$376	0.8%
Healthcare	$4,831	10.9%	$5,504	11.0%	$4,925	11.2%	$5,187	10.7%
Entertainment	$2,853	6.4%	$3,239	6.4%	$2,794	6.3%	$3,130	6.4%
Total	**$44,294**	**100.0%**	**$50,247**	**100.0%**	**$44,114**	**100.0%**	**$48,694**	**100.0%**

Cost Category	Macon County		Swain County		North Carolina	
	Avg HH Cost	Percent of Total	Avg HH Cost	Percent of Total	Avg HH Cost	Percent of Total
Housing^	$22,313	45.8%	$19,247	44.6%	$26,044	44.7%
Food (At & Away from Home)	$8,065	16.6%	$7,428	17.2%	$10,287	17.6%
Transportation	$8,023	16.5%	$7,372	17.1%	$9,633	16.5%
Clothing	$1,525	3.1%	$1,448	3.4%	$2,142	3.7%
Childcare/Education	$312	0.6%	$314	0.7%	$510	0.9%
Healthcare	$5,300	10.9%	$4,600	10.7%	$5,972	10.2%
Entertainment	$3,133	6.4%	$2,709	6.3%	$3,720	6.4%
Total	**$48,670**	**100.0%**	**$43,118**	**100.0%**	**$58,309**	**100.0%**

Source: U.S. Census Bureau; 2018-2022 American Community Survey; ESRI; Urban Decision Group; Bowen National Research
^Includes mortgages, maintenance costs, utilities, fuels, real estate taxes, fire/hazard/flood/homeowner insurances, and household supplies
Avg HH Cost – Average Household Cost

As the preceding illustrates, Macon County and the adjacent North Carolina counties of Cherokee, Clay, Graham, Jackson, and Swain all report total annual costs of living which are below the statewide average. The lowest overall cost of living regionally is reported for Swain County ($43,118) while the highest is found within Clay County ($50,247). Specifically, Macon County reports a total annual cost of living of $48,670, which is lower than those reported for Clay and Jackson counties but higher than Cherokee, Graham, and Swain counties. As compared to the statewide average, the total annual cost of living within Macon County ($48,670) is 16.5% lower. Considering the preceding factors, Macon County and the immediately surrounding region appears to be more affordable than the state of North Carolina overall.

The following graph illustrates total average annual household costs for each of the study areas and North Carolina counties adjacent to Macon County, as compared to the state of North Carolina.



Source: ESRI; Bowen National Research

C. COMMUNITY SERVICES

The location, type, and number of community attributes (both services and amenities) can have a significant impact on housing market performance and the ability of a market to support existing and future residential development. Typically, a geographic area served by an abundance of amenities and services should be more desirable than one with minimal offerings, and its housing market should perform better accordingly. As a result, community attributes were examined in Macon County as part of this Housing Needs Assessment.

Located within the Mountain Region of North Carolina, Macon County is one of the five westernmost counties in the state. Macon County is bordered by Swain County to the north, Jackson County to the east, Rabun County (Georgia) to the south, and Clay, Cherokee and Graham counties to the west. Macon County contains the towns of Franklin and Highlands, which are the only two incorporated communities in the county.

Most community services for the county are located within the town of Franklin, which serves as the seat of government for Macon County and is the county's largest municipality. The town of Highlands also offers a basic supply of community services for its residents. A summary of community services in each municipality is listed as follows:

Town of Franklin

The town of Franklin, the largest incorporated community in the county, is approximately 55.0 miles southwest of Asheville, North Carolina. The main thoroughfares that serve the town of Franklin are U.S. Highways 23, 64 and 441 and State Route 28. A variety of community services are accessible for town and county residents such as gas stations, convenience stores, grocery stores, discount department stores, pharmacies, banks and restaurants. Grocery stores serving the Franklin area include several Ingles Markets, Walmart Supercenter, Food Lion, Sav-Mor Foods, and ALDI. Shopping centers containing a variety of retailers and restaurants include Macon Plaza, Holly Springs Plaza, Westgate Plaza and Franklin Plaza. Westgate Plaza and Franklin Plaza include Sav-Mor Foods, Harbor Freight Tools, Lowe's Home Improvement, Bealls and Big Lots as major stores along with several fast casual and casual dining restaurants. Other nearby retail areas are generally anchored by grocery stores, such as Walmart Supercenter, Ingles Markets and Food Lion. Downtown Franklin (the central portion of the town generally situated between Maple Street and the Little Tennessee River) includes municipal and county government facilities, professional offices, small business retailers, and locally owned restaurants. Franklin offers a notable supply of recreational facilities, including several parks, a greenway system, numerous outdoor sports courts, an outdoor pool, a community center and a 1,500-seat performing arts center. Police and fire protection is provided by the Franklin Police and Fire & Rescue departments. All offices for the Macon County Sheriff's Department are located in Franklin. Angel Medical Center, a 30-bed hospital with a 17-bed emergency department, is the largest medical facility in Macon County.

Town of Highlands

The town of Highlands is approximately 14.0 miles southeast of downtown Franklin. U.S. Highway 64 and State Route 28 are the main thoroughfares through the town, with the former roadway providing access to Franklin. The economy of Highlands is heavily based in the tourism, leisure and recreation industries, with the town's seasonal population base increasing substantially in the summer months. The town offers a wide variety of community services oriented toward tourists, including numerous golf courses, boutique shops, antique stores, hiking trails, nature areas, art galleries, upscale restaurants and specialty grocery stores. Most tourist services are located along the Main Street commercial corridor in downtown Highlands. Services that target permanent residents include Bryson's Food Store, the Highlands Police and Fire departments, pharmacies, a post office, and the K-12 campus of Highlands School. The Highlands-Cashiers Hospital is also located approximately 3.0 miles north of downtown Highlands. Additional services are accessible in Franklin, though nearly all essential services are available within (or near) the town of Highlands.

County-Wide Amenities and Services

Macon County is served by Macon County Schools. This school district consists of four elementary schools, two middle/intermediate schools, three high schools, and three district-wide (K-12) schools. Macon County Schools had an enrollment of 4,450 students for the 2023-2024 school year. The Macon Campus of Southwestern Community College is located in Franklin, which offers academic programs including business administration, arts, science, teacher preparation, nursing and continuing education. An additional higher education option is available at Western Carolina University, which is located in neighboring Jackson County to the east. The Macon County Recreation Department operates and maintains several parks, walking trails and athletic fields.

Public safety services are provided by the Macon County Sheriff's Office, though Franklin and Highlands also operate their own police departments. Macon County Emergency Medical Services (EMS) has three stations located in the county, which provide pre-hospital medical transport and additional response services. Medical facilities in Macon County consist of two hospitals located in Franklin and Highlands, both of which are operated by Mission Health. These hospitals anchor most additional medical services, including primary care physicians and pharmacies.

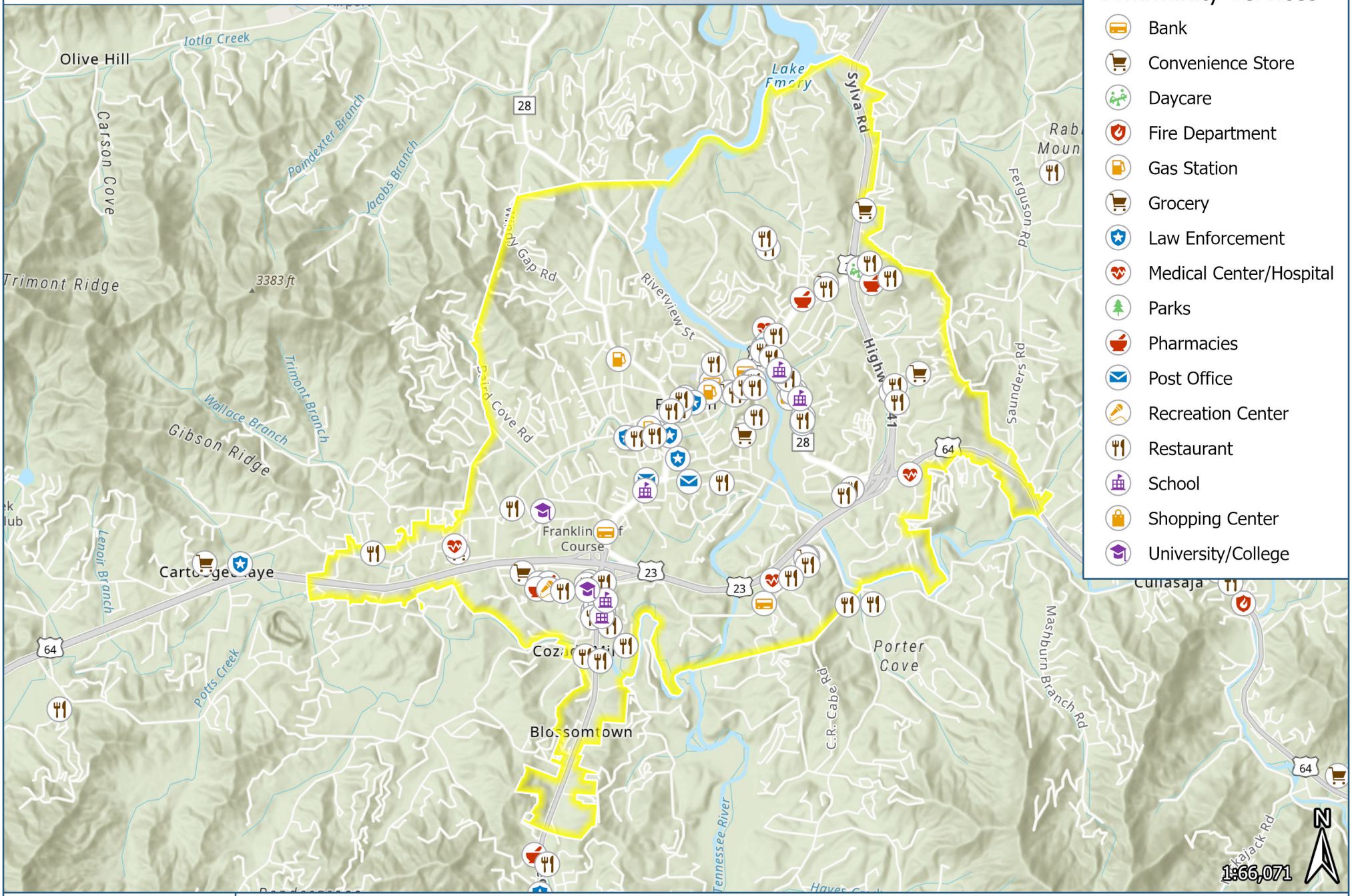
In summary, most community services in Macon County are located in the Franklin area, though the Highlands area also offers most (if not all) essential community services. An expanded selection of community services for many of the smaller unincorporated areas of the county is most conveniently accessible in Franklin, which serves as the largest municipality and seat of government for Macon County. However, residents in the southeastern portion of Macon County also have access to essential community services within Highlands. Community services within Macon County are primarily located along Sylva/Murphy Road (U.S. Highway 23/64/441), which serves as the county's primary commercial thoroughfare. It is anticipated that most future residential development will be in areas within reasonable proximity to the more commonly needed community services (e.g., shopping and healthcare).

Maps of notable community services within both Franklin and Highlands, as well as all of Macon County, are included on the following pages.

BOWEN NATIONAL RESEARCH

Community Services (Franklin)

Macon County, NC



Franklin ETJ

Community Services

- Bank
- Convenience Store
- Daycare
- Fire Department
- Gas Station
- Grocery
- Law Enforcement
- Medical Center/Hospital
- Parks
- Pharmacies
- Post Office
- Recreation Center
- Restaurant
- School
- Shopping Center
- University/College

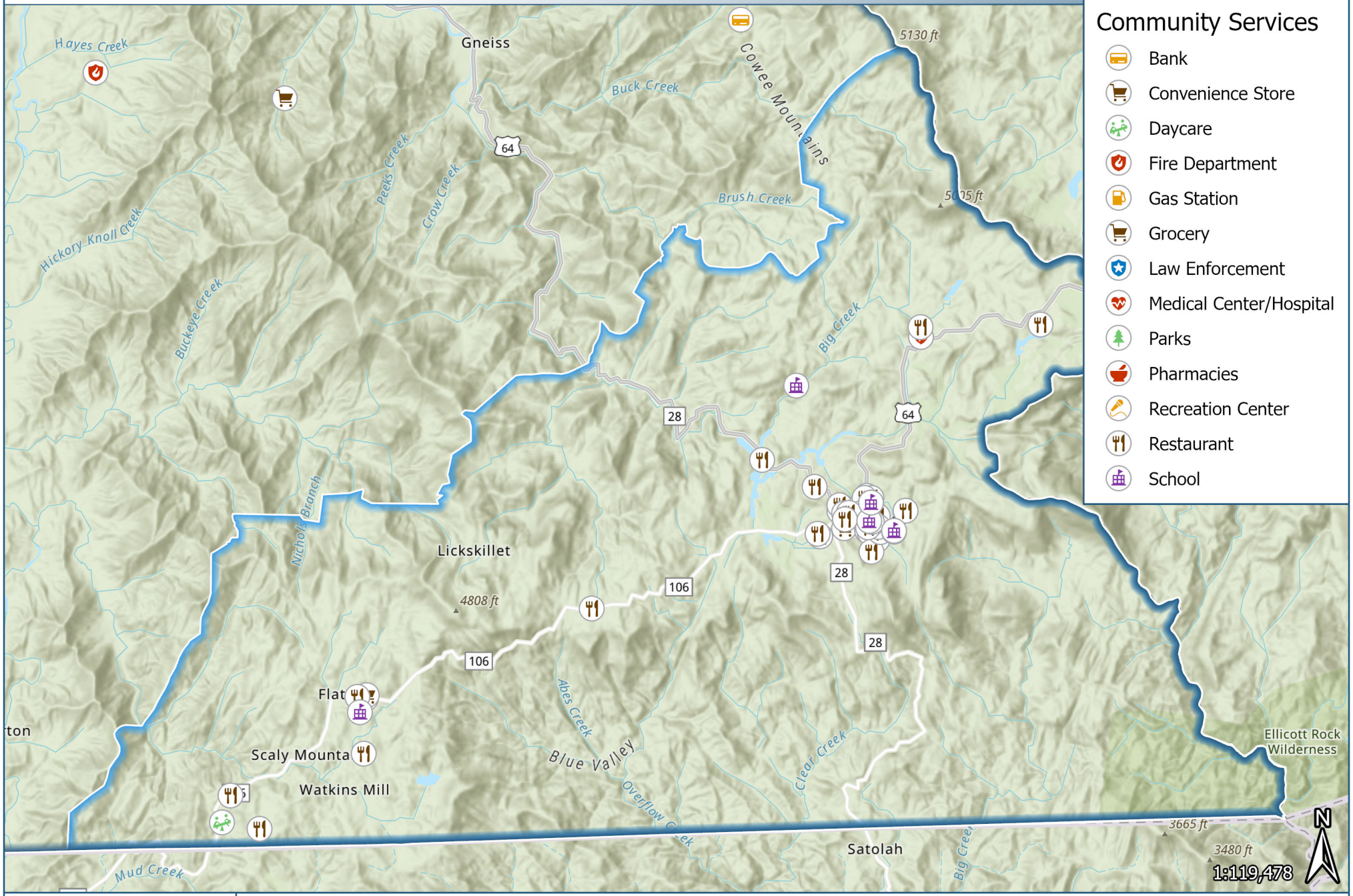
0 0.3 0.6 0.9 1.2 Miles

Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Community Services (Highlands)

Macon County, NC



Macon County

Highlands/Flats

Community Services

- Bank
- Convenience Store
- Daycare
- Fire Department
- Gas Station
- Grocery
- Law Enforcement
- Medical Center/Hospital
- Parks
- Pharmacies
- Recreation Center
- Restaurant
- School

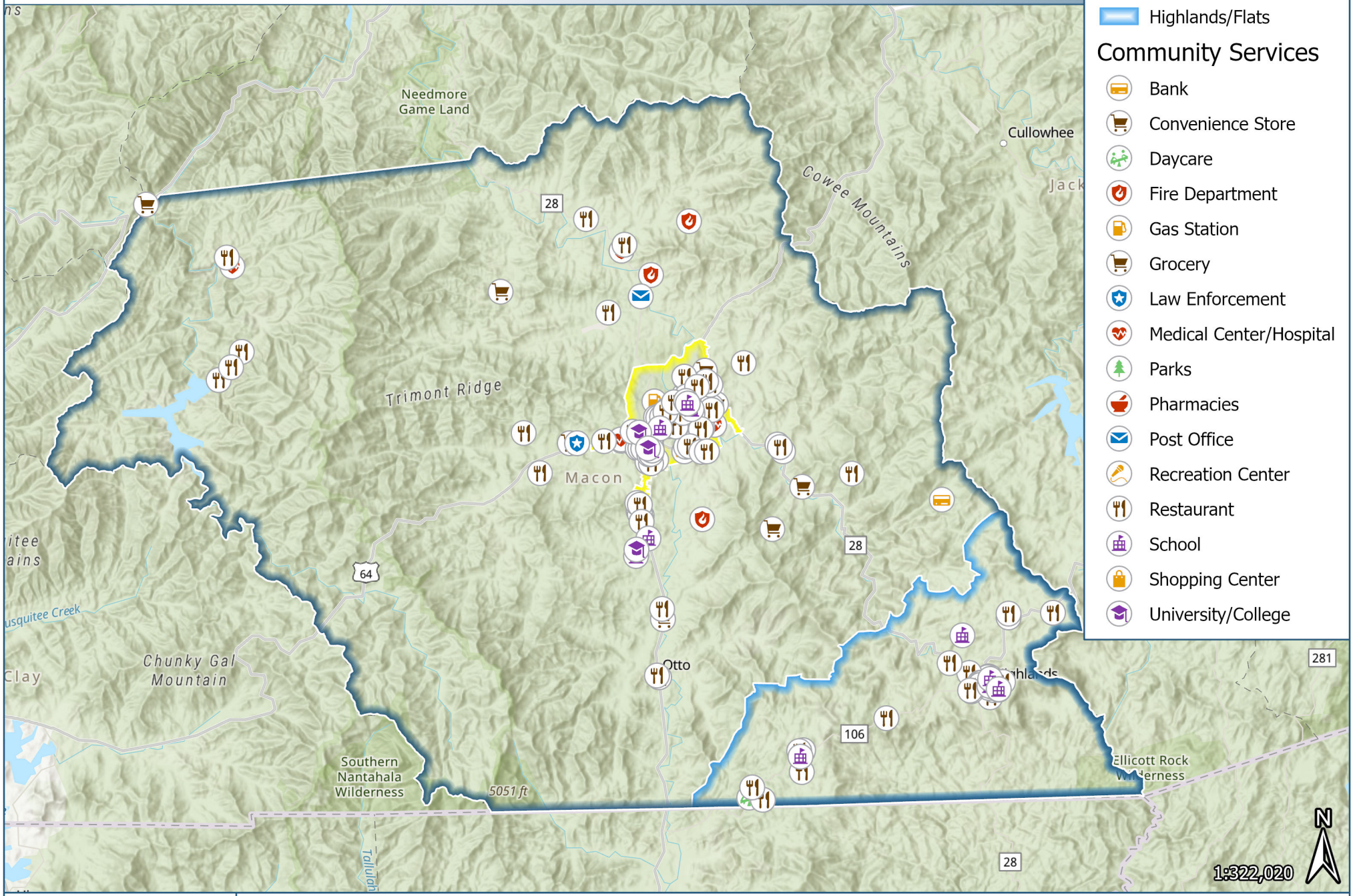
0 0.6 1.2 1.8 2.4 Miles

Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Community Services (Macon County)

Macon County, NC



Macon County
Franklin ETJ
Highlands/Flats

Community Services

- Bank
- Convenience Store
- Daycare
- Fire Department
- Gas Station
- Grocery
- Law Enforcement
- Medical Center/Hospital
- Parks
- Pharmacies
- Post Office
- Recreation Center
- Restaurant
- School
- Shopping Center
- University/College

0 1.5 3 4.5 6 Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

D. RESIDENTIAL BLIGHT

Blight, which is generally considered the visible decline of property, can have a detrimental effect on nearby properties within a neighborhood. Blight can be caused by several factors, including economic decline, population decline, or the high cost to maintain and upgrade older housing. There are specific references to blight within the North Carolina General Statutes. Specifically, Chapter 160A-503 (Definitions) states the following:

*"**Blighted parcel**" shall mean a parcel on which there is a predominance of buildings or improvements (or which is predominantly residential in character), and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs the sound growth of the community, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, and is detrimental to the public health, safety, morals or welfare.*

The Macon County Comprehensive Plan, which was adopted in 2011 and revised in 2018, includes several goals and recommendations that pertain to housing. One of the stated goals is to *improve substandard housing for betterment of health, safety, and community*. Related recommendations in the comprehensive plan include expanding programs that dispose of abandoned and unused mobile homes, reducing the supply of older, dilapidated manufactured homes in the county by implementing an age cap, and creating a minimum housing standards ordinance in accordance with North Carolina General Statutes. These stated goals and recommendations would help improve the overall condition of housing units in the county and could potentially reduce the number of blighted residential units.

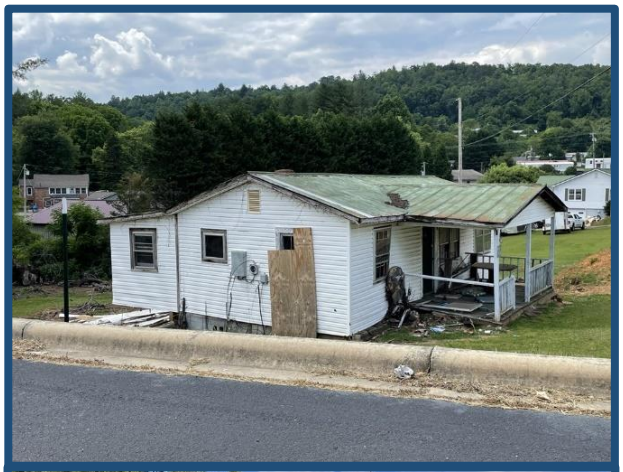
The Town of Franklin Code of Ordinances includes Minimum Housing Standards authorized by North Carolina state law. These minimum housing standards include minimum *structural* standards regarding a building's foundation, exterior and interior walls, floors, ceilings, roofs, porches, and additional appurtenances. These minimum structural standards exist in part to prevent existing buildings within an area from exhibiting characteristics of blight. The Town's minimum housing standards include definitions for deteriorated dwellings, dilapidated dwellings, and dwellings unfit for human habitation as well as outlining procedures for units exhibiting these characteristics. Procedures outlined in the minimum housing standards include ordering the owner of a deteriorated or dilapidated dwelling unit to *repair, alter, or improve* the dwelling unit within a specified time frame. Another procedure is to demolish or remove any dwelling abandoned for at least one year in situations where the owner has not tried to repair, alter, or improve the dwelling unit or in situations where the cost to repair the dwelling would exceed 50% of its current value. Finally, minimum housing standards also include a procedure to file a lien on a property to cover costs of repairs, alterations, improvements, vacating, closing, removing, or demolishing a dwelling unit. The Town of Franklin Planning

Department also provides a Minimum Housing Standards complaint form on its website. Complaints are investigated by a code enforcement officer on the planning department staff.

The Town of Highlands includes Minimum Standards of Habitability within its Unified Development Ordinance, which outlines procedures for dealing with uninhabited structures in Highlands. In a section of the standards entitled "Abandonment of Intent to Repair" (Section 15.7.6.1), vacated and closed dwellings in need of repair, alteration, or improvement can be demolished under certain circumstances if the presence of the dwelling *would cause or contribute to blight and the deterioration of property values in the area*. In this instance, the cost to render a dwelling fit for human habitation would exceed 50% of the current value of the dwelling and the dwelling owner has not made any effort to repair, alter, or improve the property during a one-year period.

For the purposes of this analysis, these code violations and definitions were used as initial identifiers of possible blight. Residential properties within the study area that meet any of the following criteria were classified as blighted. Summary definitions of the most common forms of residential blight are listed below:

Boarded Up Structure. This is a building or structure with multiple windows or doors that have boards placed on those points of entry and for which it appears the unit has been abandoned and that no work or repair appears to be underway.



Building or Structure Which is in a State of Disrepair. This is a residential structure exhibiting noticeable signs of disrepair or neglect such as, but not limited to, deteriorated exterior walls or roof coverings, broken or missing windows or doors which constitute a hazardous condition or a potential attraction to trespassers, or building exteriors, walls, fences, signs, retaining walls, driveways, walkways, sidewalks or other structures on the property which are broken, deteriorated, or substantially defaced, to the extent that the disrepair is visible from any public right of way or visually impacts neighboring public or private property or presents an endangerment to public safety.

Unkempt Property. This is a property showing clear signs of overgrown, diseased, dead, or decayed trees, weeds or vegetation that may create a public safety hazard or substantially detract from the aesthetic and property values of neighboring properties. This may also include properties which have notable refuse or garbage clearly visible from the street or abandoned/broken appliances, cars in disrepair and on blocks, or other items of unused and unsightly property that may be deemed a public nuisance or otherwise detract from the aesthetic and property values of neighboring properties. An unkempt property may also lack a proper access point (i.e., a functional driveway) in order to provide access to the residential structure.

Using the preceding descriptions of blight, Bowen National Research identified properties in Macon County that were in various stages of disrepair, abandoned, boarded up, fire damaged or otherwise appeared to be in an unsafe condition. A representative of Bowen National Research personally visited residential neighborhoods within the municipal boundaries of both Franklin and Highlands, generally evaluating the exterior condition of the occupied and vacant housing stock via a windshield survey. Residential housing stock evaluated as part of this survey primarily consisted of single-family houses and mobile homes along with apartment buildings.

From this in-person observation, 23 residential units were identified that exhibited exterior blight. All 23 blighted residential units that were identified were located within the Franklin town limits and its adjacent Extra Territorial Jurisdiction (ETJ). It should be noted that the interiors of properties were not evaluated as part of this survey. These 23 residential units represent approximately 0.7% of the 3,484 total housing units within the Franklin town limits and ETJ. Typically, blighted residential units in a community or county represent less than 0.5% of all residential units. Blighted residential properties represent potential nuisances, safety hazards, and are potentially detrimental to nearby property uses and values. As a general guideline, we identified properties that were considered to exhibit visual evidence of *significant* exterior deficiencies and disrepair. Many of these structures are boarded up, have missing siding or roof shingles, or show signs of damage that make such units either uninhabitable or represent serious safety or public nuisance issues.

Note that representatives of Bowen National Research did not visit every residential street within Macon County. This blight analysis was restricted to the municipal boundaries of Franklin and Highlands. A more extensive survey of residential blight within the county would have likely uncovered additional residential units that exhibited characteristics of blight. As such, areas noted within this summary illustrate possible geographic areas of focus for mitigation of residential blight within the county.

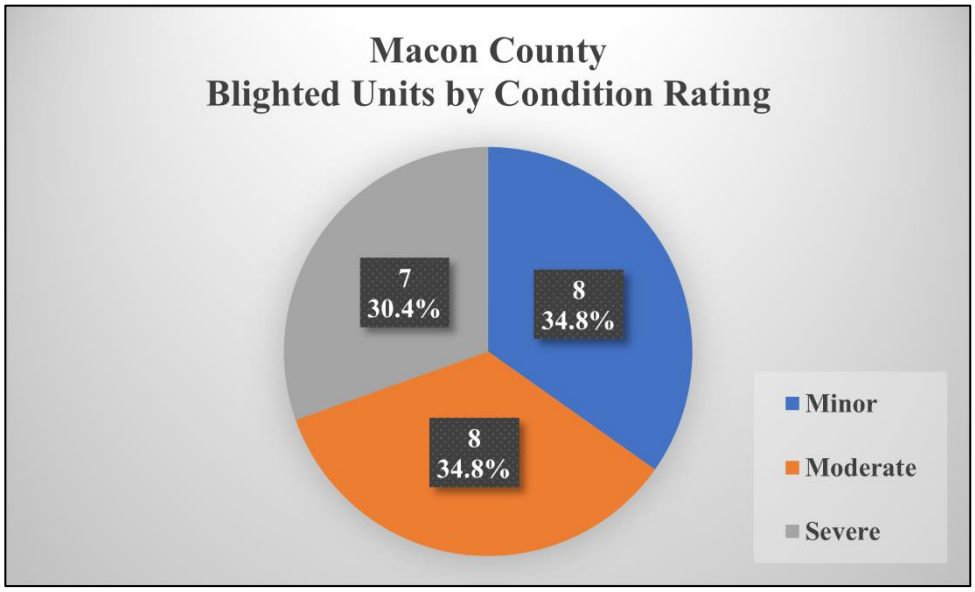
While the preceding summarizes the overall quantity and location of blight within the county, it is equally important to understand that the degree to which a housing unit is blighted can vary significantly. For the purposes of this analysis, the blighted structures identified during the survey were classified into one of three categories: *Minor*, *Moderate*, or *Severe*. It should be noted that these classifications are based primarily on qualitative observations of the exterior of each housing unit, and in some cases, pictures from online resources were utilized to supplement the Bowen National Research survey and assign a rating. As such, a qualified inspection of each structure, which is beyond the scope of this assessment and may include evaluation of plumbing and mechanical system operations, structural stability, code compliance and the presence of lead, asbestos, or other environmental factors, is necessary to produce a more accurate estimate of needed repairs. A summary definition of each blight classification used in this analysis is below:

Minor Blight: This is a structure that exhibits mostly cosmetic deficiencies such as peeling paint, minor damage to gutter systems, minor disrepair of trim, soffits or the roof, an unkempt yard, or the excessive presence of clutter or debris on the porch. Without proper mitigation of the existing deficiencies, further deterioration of the structure, which will require more significant repairs in the future, will likely occur. In some instances, this may include properties that have boarded up entryways or windows and appear to be vacant, but no other notable signs of obvious deterioration exist.

Moderate Blight: Structures with moderate blight typically include units with a significant number of cosmetic issues that reduce overall neighborhood appeal, have multiple broken or boarded windows, exhibit early signs of structural degradation to exposed framing or supports, require roof replacement with limited truss repair, or have a notable portion of the siding or masonry in disrepair. Many of these units appear to have been vacant for an intermediate length of time, may have boarded entryways, and a rapid deterioration of the structural integrity of the unit is likely imminent. Repairs to units with moderate blight are typically more extensive and costly, and likely require the services of a licensed contractor.

Severe Blight: Housing units with severe blight show advanced signs of structural deterioration, extensive fire damage, portions of the structure either partially collapsed or at high risk of collapse, signs of extended abandonment, the majority of windows or doors either in disrepair or missing, intrusion of vegetation into structure, vandalism, indications of major foundation issues, or any structure that is generally unsafe, unsanitary, dangerous, or detrimental to public safety or welfare.

The distribution of blighted units by condition rating is depicted in the following chart:



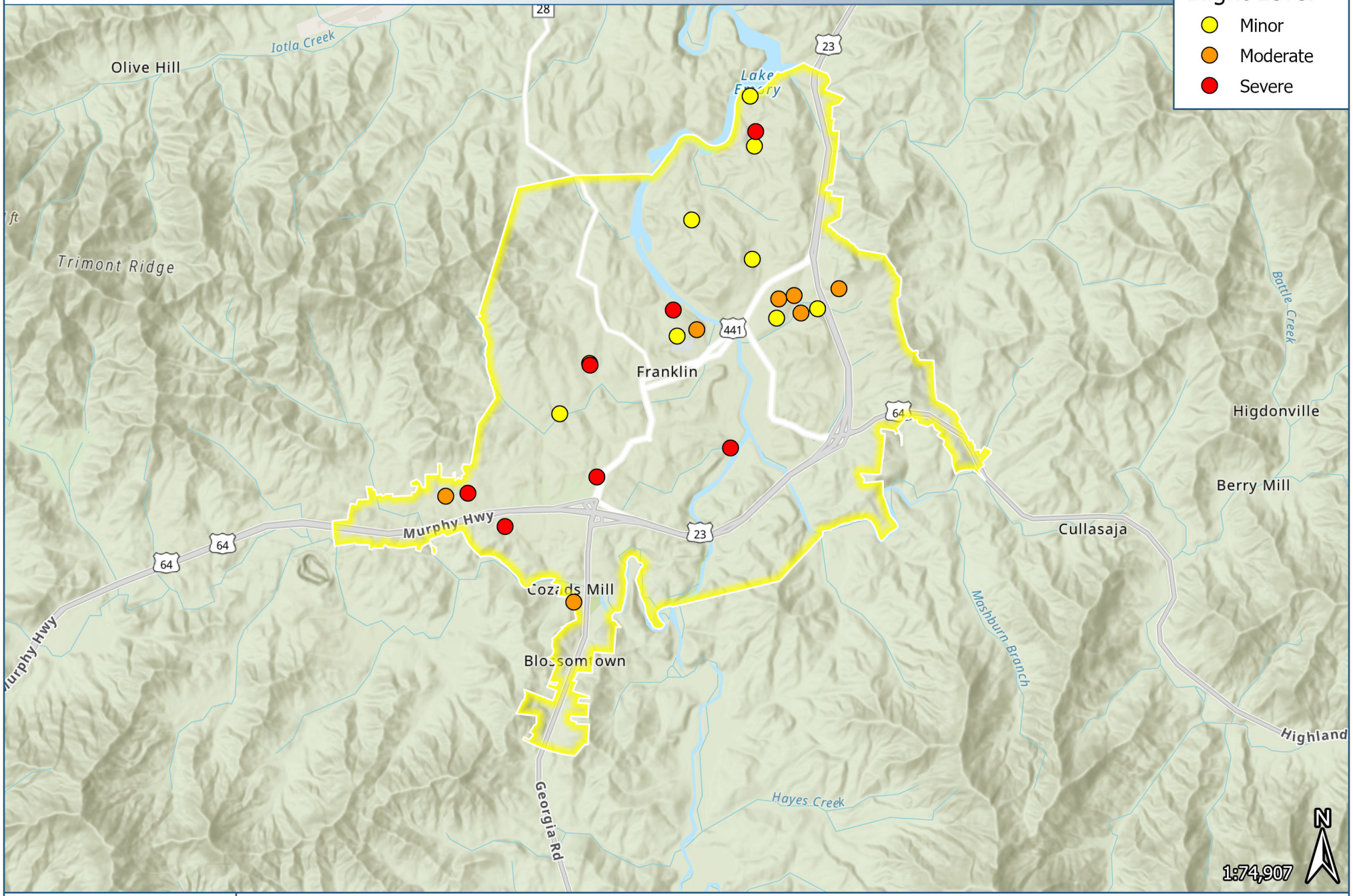
Note that 15 of the 23 blighted units identified in Macon County are classified as either moderate or severe, accounting for over 65% of blighted units identified in the county. Moderately blighted units are habitable but show the type of deterioration that could lead to severe blight if not addressed, while severely blighted units are generally not habitable and require either extensive renovation or demolition. The overall supply of moderately and severely blighted residential units in the county represents structures in need of significant repair.

A map illustrating the approximate location of residential blight in Macon County is included on the following page.

BOWEN NATIONAL RESEARCH

Residential Blight Locations

Macon County, NC



0 0.35 0.7 1.05 1.4 Miles

Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

The following table identifies the streets within Macon County that contain blighted residential units.

Abandoned Homes/Homes in Disrepair - Macon County		
Street	Homes Abandoned or in Disrepair	Share of Blighted Homes
Belden Cir.	1	4.3%
Burgess Rd.	1	4.3%
Forest Ave.	1	4.3%
Golfview Dr.	1	4.3%
Grandview Dr.	1	4.3%
Green St.	2	8.7%
Hillside St.	1	4.3%
Lake Emory Rd.	2	8.7%
Lakeside Dr.	1	4.3%
Memory Ln.	1	4.3%
Old Murphy Rd.	1	4.3%
W. Palmer St.	1	4.3%
Riverview St.	2	8.7%
Roller Mill Rd.	1	4.3%
Second St.	1	4.3%
Sloan St.	2	8.7%
Sloan Rd.	1	4.3%
Third St.	1	4.3%
White Oak St.	1	4.3%
Total	**23**	**100.0%**

Source: Bowen National Research
Streets with multiple homes abandoned and/or in disrepair displayed in red font.
Note: Sloan Street and Sloan Road are separate streets in the Franklin area.
Totals may not add up to 100.0% due to rounding.

As the previous table illustrates, the identified blighted residential units in Macon County are located within the Town of Franklin's municipal boundaries. The identified blighted units in Franklin are generally dispersed throughout the town and are not concentrated along a specific street, as none of the identified streets has more than two blighted residential units. Note that streets in Franklin with multiple blighted units are depicted in red font in the previous table. The preceding list of streets, as well as areas noted on the preceding map, illustrate possible geographic areas of focus for mitigation of residential blight within the Franklin area.

In addition to our on-site efforts to identify residential blight, we identified published secondary data sources that provide insight on possible blighted residential units in the county. This includes estimates of vacant housing units provided by the United States Census and ESRI. Based on these estimates, there are approximately 10,990 vacant units in Macon County, which represent 39.3% of all housing units in the county. Note that 11.9% of *vacant* units are classified as "other vacant," which reflects vacant homes that are not otherwise offered for rent/for sale or for seasonal, recreational, or occasional use. It is also important to understand that while more than 39.0% of housing units are classified as vacant, more than three-quarters (77.7%) of all vacant housing units in the county are classified as "Seasonal/Recreational." Such units are evaluated in detail in Section VI. The U.S. Census Bureau allows census respondents to provide the reason that

a home is vacant. These categories include "needs repairs," "being repaired," and "possibly abandoned/to be demolished/condemned" among others. Regardless of the reason selected by respondents, homes that are vacant for a long period of time are generally less likely to be maintained or repaired on a regular basis, therefore allowing these homes to potentially become blighted over time. The 11.9% share of "other vacant" units in Macon County equates to approximately 1,308 housing units, which could be considered the largest possible estimate for the number of homes in the county that could potentially become blighted without regular maintenance and/or repair. While this does not represent a full accounting of residential units exhibiting residential blight, it is reasonable to associate properties identified as "other vacant" as a possible proxy for likely residential blight. Taking into consideration the total number of housing units in Macon County (27,960), the 1,308 "other vacant" housing units represent 4.7% of all housing units in the county. This is a slightly lower share of such housing units as compared to the state (5.3%). It is important to reiterate and understand that this is not to say that 4.7% of the county housing stock is blighted. Rather, this illustrates housing structures which could potentially become blighted over time if ignored or neglected for an extended period of time.

E. DEVELOPMENT OPPORTUNITIES

Housing markets expand when the number of households increases, either from in-migration or from new household formations. In order for a given market to grow, households must find acceptable and available housing units (either newly created or pre-existing). If acceptable units are not available, households will not enter the housing market and the market may stagnate or decline. Rehabilitation of occupied units does not expand housing markets, although it may improve them. For new housing to be created, land and/or existing buildings (suitable for residential use) must be readily available, properly zoned, and feasibly sized for development. The absence of available residential real estate can prevent housing market growth unless unrealized zoning densities (units per acre) are achieved on existing properties.

Market growth strategies that recommend additional housing units should have one or more of the following real estate options available: 1) land without buildings, including surface parking lots (new development), 2) unusable buildings (demolition-redevelopment), 3) reusable non-residential buildings (adaptive-reuse), and 4) vacant reusable residential buildings (rehabilitation). Reusable residential buildings should be unoccupied prior to acquisition and/or renovation, in order for their units to be newly created within the market. In addition to their availability, these real estate offerings should be zoned for residential use (or capable of achieving the same) and of a feasible size for profitability.

Based on online and on-the-ground research conducted in June of 2024, Bowen National Research identified sites that could support potential residential development in Macon County. Real estate listings and information from the county tax assessor were also used to supplement the information collected for this report. It should be noted that these potential housing development properties were

selected without complete knowledge of availability, price, or zoning status and that the vacancy and for-sale status was not confirmed. Although this search was not exhaustive, it does represent a list of some of the most obvious real estate opportunities in the PSA (Macon County). The investigation resulted in 40 properties being identified. Of the 40 total properties, 18 contain at least one existing building that is not necessarily vacant and may require demolition, new construction, or adaptive reuse. The remaining 22 properties were vacant or undeveloped parcels of land that could potentially support residential development. It should be noted that our survey of potential development opportunities in Macon County consists of properties that were actively marketed for sale at the time of this report as well as those identified in person while conducting on-the-ground research.

Information on housing development opportunity sites in Macon County is presented in the following table.

Development Opportunity Sites

Map Code	Street Address	Location	Year Built	Building Size (Square Feet)	Land Size (Acres)	Zoning District
1	120 Riverview St.	Franklin	1957	161,302	16.62	C-1 Central Commercial MICR - Medical Institutional Cultural Residential
2	153 Heritage Hollow Dr.	Franklin	1994	1,875	0.22	C-1 Central Commercial
3	351 Porter St.	Franklin	1980	5,800	0.97	NMU Neighborhood Mixed Use
4	5040 Highlands Rd.	Franklin	1985	7,130	1.40	No Zoning
5	14 One Center Ct.	Franklin	2001	35,816	20.55	C-3 Highway Commercial
6	355 E. Main St.	Franklin	1974/1984	4,000	0.12	C-2 Secondary Commercial
7	341 Country Club Dr.	Franklin	1988	5,637	100.13	No Zoning
8	6391 Georgia Rd.	Franklin	1979	2,800	1.29	No Zoning
9	423 Iotla St.	Franklin	1890	1,552	2.75	R-1 Residential
10	238 Turkey Hollow Rd.	Franklin	-	-	44.00	No Zoning
11	1000 Lakeside Dr.	Franklin	1981	1,884	81.80	R-1 Residential
12	Randolph St.	Franklin	-	-	26.42	R-1 Residential
13	E. Main St.	Franklin	-	-	9.21	R-2 Residential
14	530 Iotla St.	Franklin	-	-	7.72	TND Traditional Neighborhood Development
15	Georgia Rd.	Franklin	-	-	7.06	No Zoning
16	Scenic Ridge Cir.	Franklin	-	-	5.85	C-2 Secondary Commercial
17	Cunningham Rd.	Franklin	-	-	4.00	C-3 Highway Commercial
18	1655 Highlands Rd.	Franklin	1950/1960	2,087	3.63	C-2 Secondary Commercial
19	981 E. Main St.	Franklin	1910	1,552	3.30	C-2 Secondary Commercial
20	Georgia Rd.	Franklin	-	-	3.26	C-3 Highway Commercial
21	E. Palmer St.	Franklin	-	-	1.97	R-1 Residential
22	E. Dogwood Dr/Porter St.	Franklin	-	-	1.63	NMU Neighborhood Mixed Use
23	Old Murphy Rd.	Franklin	-	-	1.56	R-1 Residential
24	1556 Georgia Rd.	Franklin	-	-	32.82	C-3 Highway Commercial
25	Macon Center Dr.	Franklin	-	-	0.80	C-3 Highway Commercial
26	1665 Highlands Rd.	Franklin	1950/1960	2,087	3.63	C-2 Secondary Commercial
27	Sloan St.	Franklin	-	-	8.84	C-3 Highway Commercial
28	387 NE Main St.	Franklin	1872	4,696	2.71	MICR - Medical Institutional Cultural Residential

Sources: LoopNet, Realtor.com, Macon County GIS and several other real estate websites.
Note: Total land area includes total building area.

(Continued)

Development Opportunity Sites						
Map Code	Street Address	Location	Year Built	Building Size (Square Feet)	Land Size (Acres)	Zoning District
29	49 Jones Ridge Rd.	Franklin	-	-	1.65	C-2 Secondary Commercial
30	Sawmill Village Ln.	Franklin	-	-	2.35	C-3 Highway Commercial
31	152 Ulco Dr.	Franklin	-	-	4.32	R-2 Residential
32	19 Golfview Dr.	Franklin	1934/1940	2,352	0.81	NMU Neighborhood Mixed Use
33	1817 Lakeside Dr.	Franklin	1910	1,962	56.50	R-1 Residential
34	537-555 N. 5th St.	Highlands	1890/1955	3,491	4.80	R-2 Residential District
35	856 N. 5th St.	Highlands	-	-	9.76	R-2 Residential District
36	N. 4th St.	Highlands	-	-	2.71	No Zoning
37	Cullajasa Dr.	Highlands	-	-	2.09	R-2 Residential District
38	Wilson Rd.	Highlands	-	-	4.09	R-1 Residence District (3.05 ac) R-2 Residence District (1.04 ac)
39	Cashiers Rd.	Highlands	-	-	3.48	No Zoning
40	171 Main St.	Highlands	1983/2016	3,000	0.11	B-2 Business District

Sources: LoopNet, Realtor.com, Macon County GIS and several other real estate websites.
Note: Total land area includes total building area.

In summary, the availability of potential residential development sites (properties capable of delivering new housing units) within the PSA (Macon County) does not appear to be a significant obstacle to increasing the number of housing units. Our cursory investigation for sites within the PSA (both land and buildings) identified 40 properties that are potentially capable of accommodating future residential development via new construction or adaptive reuse. In some instances, adjacent parcels and/or buildings were adjoined to create one potential site location. The 40 identified properties listed in the preceding table represent approximately 487 acres of land and over 249,000 square feet of existing structure area. Eight of the identified properties consist of over 10 acres of land each, providing the ability to develop large residential projects. A total of 18 properties have at least one existing building or structure ranging in size from 1,552 square feet to 161,302 square feet, potentially enabling the redevelopment of such structures into single-family or multifamily projects. The largest structure identified as part of this analysis (161,302 square feet) is a former hospital building. A feasibility study was commissioned by the Town of Franklin in 2022 to help determine whether the former hospital building could be converted into senior apartments. The study, conducted by SFCS Architecture & Engineering Design Firm, concluded that *a development opportunity exists for the construction of a new affordable senior rental community within the Franklin/Macon County area*. The feasibility study also concluded that renovation of the current building into senior apartments was a possibility. However, the study noted that rehabilitation of the current building into senior apartments faced a significant funding gap that would need to be filled utilizing a variety of funding sources, including conventional loans, federal/state funding, grants, and private investment. Note that not all of the properties containing an existing building or structure may be feasible to redevelop as housing due to overall age, condition, or structural makeup (availability and feasibility of identified properties were beyond the scope of this study).

In addition to the development opportunity sites identified within this report by Bowen National Research, the towns of Franklin and Highlands identified potential areas of development within each town. These areas were identified as part of the most recent copies of comprehensive plans commissioned by each town.

The Town of Franklin adopted its Comprehensive Land Use Plan in 2020. This plan includes the Town of Franklin and its adjacent Extra Territorial Jurisdiction (ETJ). The combined area was referred to as the study area throughout the report. According to the plan, approximately one-third of the land within the study area was classified as vacant. Further, the plan identified over 900 acres of *vacant or underutilized* properties within one mile of the town square, which represents the central point of downtown Franklin. These centrally located properties represent opportunities for infill development. Note that the list of development opportunities provided in this Housing Needs Assessment included several properties located within or near downtown Franklin.

The Town of Highlands Community Plan was approved in 2022. Several topics in this plan pertained to housing issues, including, but not limited to, expansion of water and sewer utilities within the existing town limits, updating the Town's Unified Development Ordinance (UDO), ensuring that new residential construction is consistent with the scale of existing buildings within the town, and encouraging cluster developments and pocket neighborhoods in certain areas of the town. The plan also includes a future land use map for downtown Highlands and surrounding areas within the town limits. The future land use plan includes areas for new types of housing near downtown Highlands as well as smaller mixed-use areas within existing residential neighborhoods. Note that few development opportunity properties were identified in Highlands due to the established nature of the town.

Given that it appears there are several housing development sites within the PSA that can potentially support new residential development, the location within the PSA where new residential units will have the greatest chance of success is the next critical question. The desirability of a particular neighborhood or location is generally influenced by proximity to work, school, entertainment venues, recreational amenities, retail services, dining establishments, and major roadways. As such, sites within or near established municipalities are likely conducive to new residential units due to the proximity of existing infrastructure, area services and employment opportunities. Note that 33 of the 40 development opportunity sites are subject to zoning regulations administered by the Town of Franklin or the Town of Highlands. Locations subject to zoning regulations are typically conducive to higher-density residential development requiring municipal utilities.

The availability of infrastructure, including water, sewer, roads, electric power, natural gas, and broadband, is a critical factor in determining where real estate development occurs. As higher population densities and taller, multistory structures are directly correlated with lower housing costs, areas of Macon County with municipal water and sewer utilities have a unique opportunity to accommodate housing that is affordable and attainable. For example, developers of Low-Income Housing Tax Credit properties are generally unwilling to submit applications for

projects that are not served by public water and sewer utilities, which generally limits multifamily development in areas outside of cities and towns. Access to public utilities and the area's utility capacity were not considered as part of this study and would require engineering services to assess public utility factors that ultimately impact the viability of a site to support residential development.

The following table summarizes total acreage and overall share of acreage by zoning classification for the 40 identified properties. Note that individual shares in the table may not add up to 100% due to rounding.

Total Acreage and Share of Acreage by Zoning District Category Macon County, North Carolina

Zoning District Category	Total Acreage	Share of Total Acreage
Commercial	91.13	18.7%
Mixed-Use	30.46	6.3%
No Zoning	160.07	32.9%
Residential	205.27	42.2%
Total	**486.93**	**100.0%**

The largest share (42.2%) of overall acreage among development opportunity properties has a residential zoning classification, accounting for over 200 acres of land area in the county. The significant share of property zoned for residential development could more easily enable residential projects to be built, making it more likely that proposed residential projects would comply with current zoning guidelines. Note that nearly one-third of the identified acreage is located in areas of Macon County that are not subject to zoning regulations. It is not uncommon for such parcels to be located outside of municipal boundaries (i.e., unincorporated areas). Properties located in unincorporated areas of the county typically do not have access to public water and sewer utilities and must rely on well and septic systems. The lack of public water and sewer utilities limits higher-density development in these areas. The remaining acreage identified as potential development opportunities is zoned for either commercial use (18.7%) or mixed use (6.3%).

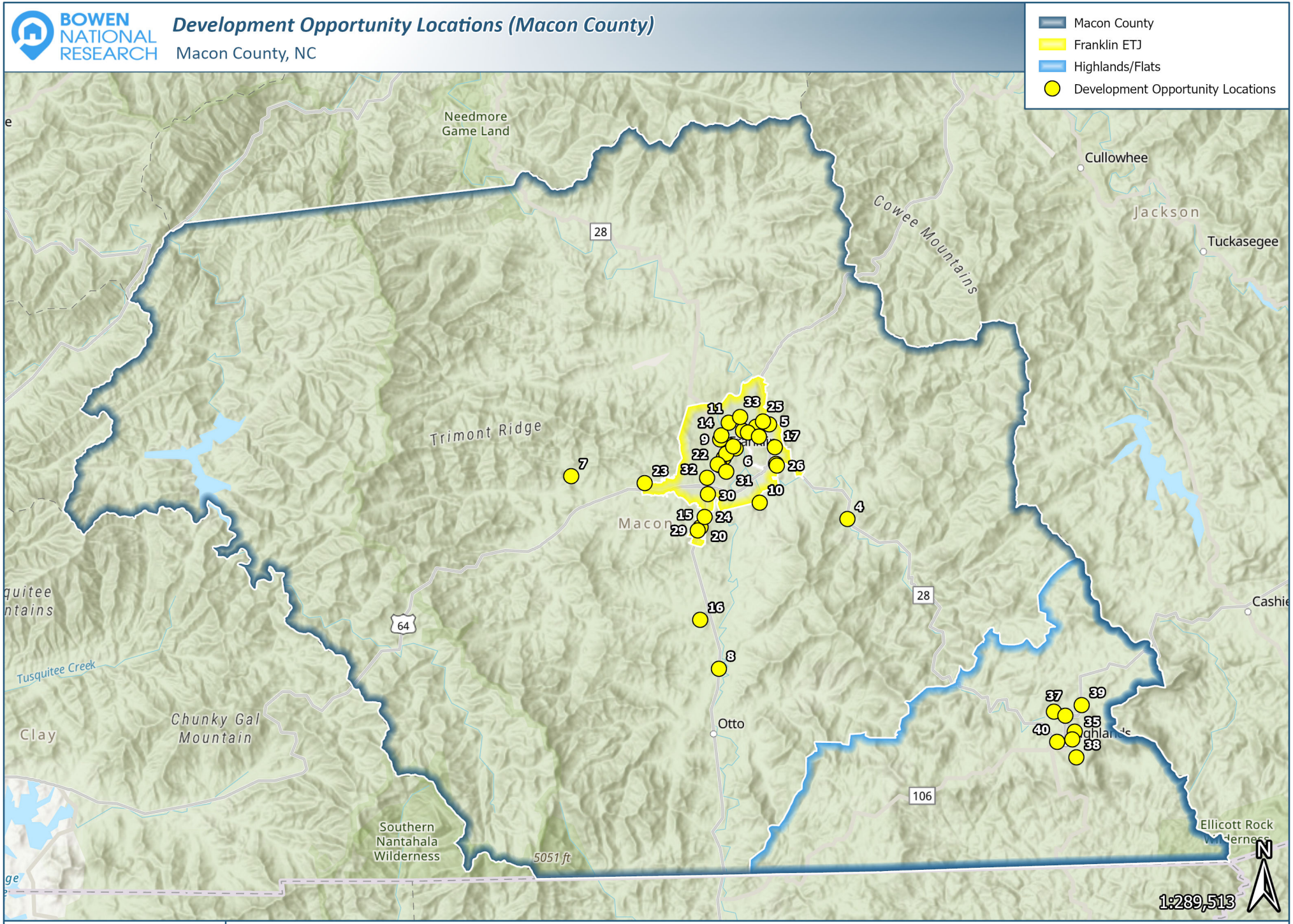
It is critical to point out that the properties identified in this section do not represent all properties that are available for residential development. There are likely many sites, both parcels and buildings, within the PSA (Macon County) that could be placed on the market and made available for development. Future housing strategies may involve public outreach efforts to encourage property owners to notify a designated organization (e.g., local government or economic development representatives, a land bank authority, local Habitat for Humanity officials, local housing department/authority representatives, etc.) of properties that may be made available for purchase and subsequent development opportunities.

Maps illustrating the location of the 40 potential housing development opportunity properties are on the following pages. The Map Code number in the summary table on pages VII-20 and VII-21 is used to locate each property.

BOWEN NATIONAL RESEARCH

Development Opportunity Locations (Macon County)

Macon County, NC



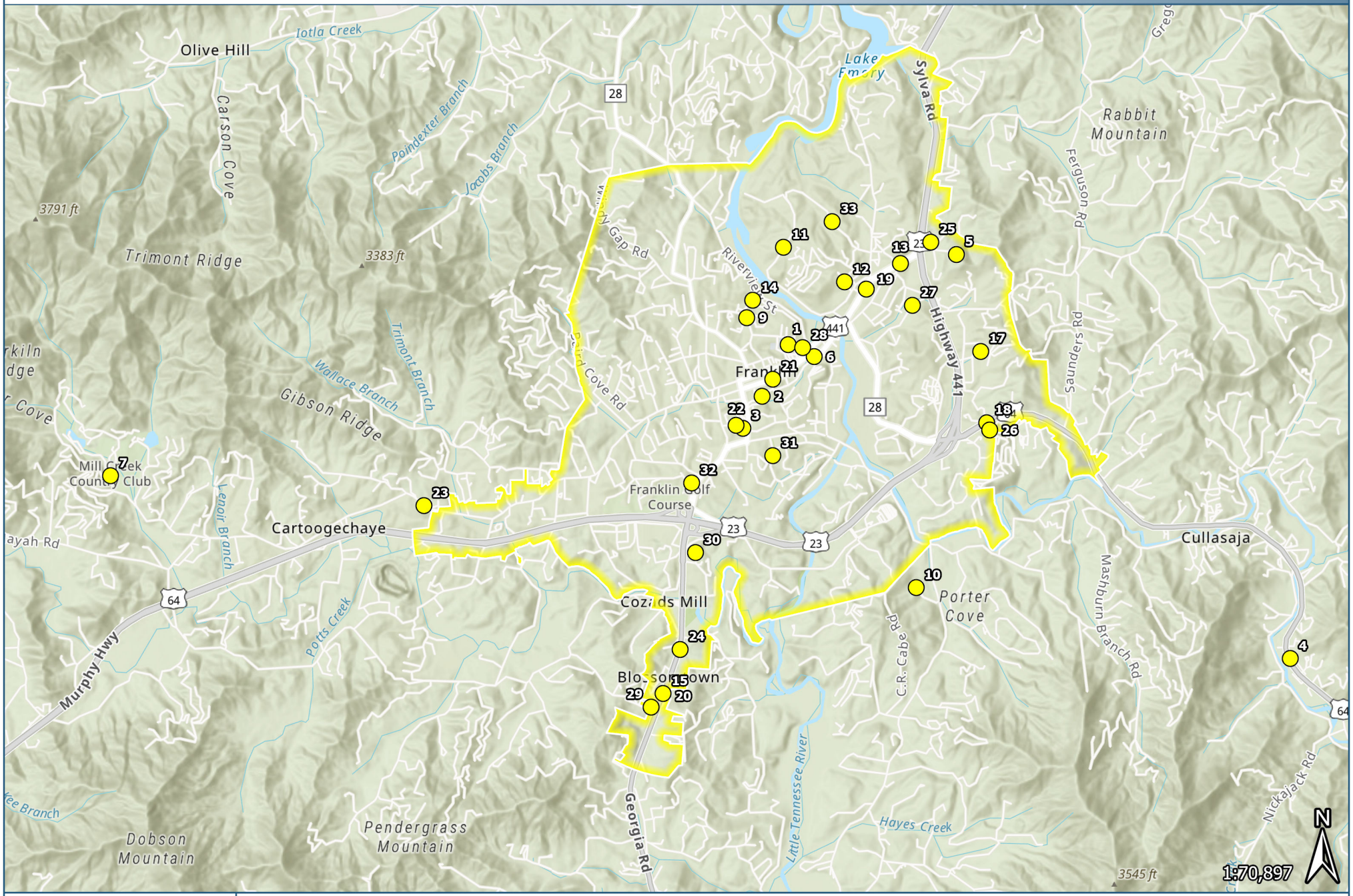
0 1 2 3 4 Miles

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Development Opportunity Locations (Franklin ETJ)

Macon County, NC

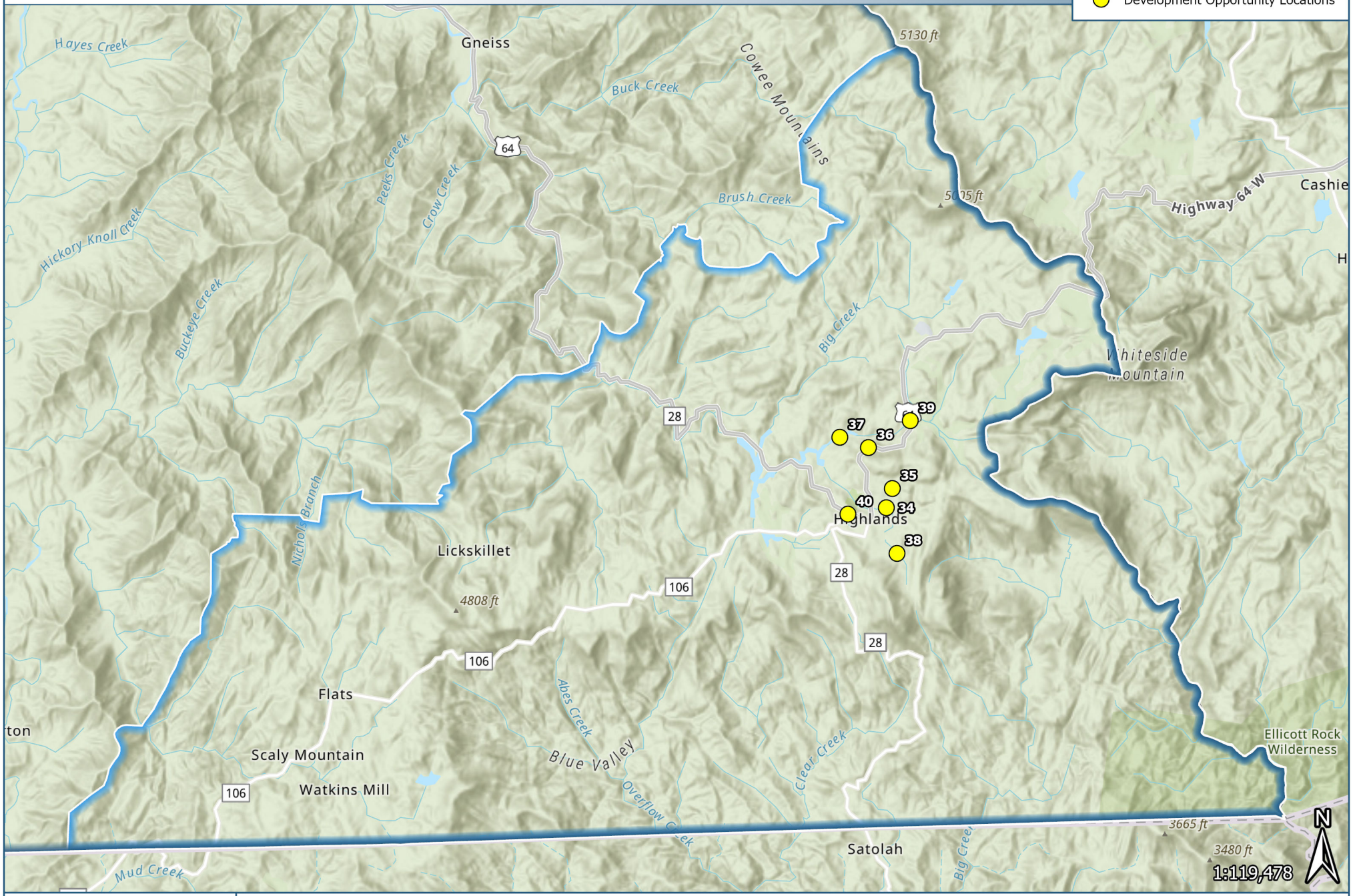


Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Development Opportunity Locations (Highlands/Flats)

Macon County, NC



Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

Infrastructure Overview

The opportunity for residential development among the identified potential sites will be influenced by many factors, including access to water and sewer utilities. Sites that have current access to utilities are typically more viable sites to develop than those with no direct access to utilities. As a result, we have attempted to identify the *likelihood* that identified sites have access to water and sewer utilities.

In order to identify water and sewer systems in Macon County, we used data provided by NC OneMap, a GIS website that provides location information for Class A water and sewer systems in the state of North Carolina. Note that NC OneMap shows approximate boundaries of municipal water and sewer systems and does not show the *exact* location of existing water and sewer lines within these municipalities. In addition, it is our understanding that some existing utilities can extend beyond town or city limits and/or that some municipalities often are willing to extend such utility services. For the purposes of this analysis, we have assumed that water and sewer services can extend up to one-half of a mile beyond the limits depicted by NC OneMap data. As a result, we have mapped municipalities offering water and sewer utilities as well as a one-half of a mile buffer beyond these limits to illustrate areas within each county that likely have or can reasonably get access to water and sewer utilities. It is important to note that we only consider *municipal* water and sewer service areas and did not consider non-municipal areas of the county that could have water and sewer services. Ultimately, it will be up to interested parties, such as developers, to confirm which sites have access to or can get access to such utilities.

The Town of Franklin and the Town of Highlands both provide water and sewer services to residents within each respective municipality. Both towns also provide water and sewer services to residents and businesses along commercial corridors extending outside of town limits. The maps starting on page VII-29 illustrate potential water and sewer service areas for the towns of Franklin and Highlands. The 40 development opportunities sites that were identified in the study region were overlayed on the water and sewer service area maps provided by NC OneMap. Based on the following maps, it appears that 37 of the 40 identified sites have access to or are within one-half of a mile of existing water and sewer services. Note that this study does not consider water and sewer capacities, which may be limited in some markets, thereby limiting the ability of developers to tap into existing systems. Developers will need to contact local utility providers to determine if water and sewer capacity limits currently exist within the selected community.

A table showing the 40 development opportunities is listed on the following page. This table includes information on whether each property is located within established water and sewer service boundaries. Note that properties within ½ mile of established water and sewer service boundaries are shown to have access to water and sewer utilities for the purpose of this analysis.

Water and Sewer Availability Development Opportunity Sites				
Map Code	Street Address	Location	Water	Sewer
1	120 Riverview St.	Franklin	Yes	Yes
2	153 Heritage Hollow Dr.	Franklin	Yes	Yes
3	351 Porter St.	Franklin	Yes	Yes
4	5040 Highlands Rd.	Franklin	No	No
5	14 One Center Ct.	Franklin	Yes	Yes
6	355 E. Main St.	Franklin	Yes	Yes
7	341 Country Club Dr.	Franklin	Yes	Yes
8	6391 Georgia Rd.	Franklin	No	No
9	423 Iotla St.	Franklin	Yes	Yes
10	238 Turkey Hollow Rd.	Franklin	Yes	Yes
11	1000 Lakeside Dr.	Franklin	Yes	Yes
12	Randolph St.	Franklin	Yes	Yes
13	E. Main St.	Franklin	Yes	Yes
14	530 Iotla St.	Franklin	Yes	Yes
15	Georgia Rd.	Franklin	Yes	Yes
16	Scenic Ridge Cir.	Franklin	Yes	Yes
17	Cunningham Rd.	Franklin	Yes	Yes
18	1655 Highlands Rd.	Franklin	Yes	Yes
19	981 E. Main St.	Franklin	Yes	Yes
20	Georgia Rd.	Franklin	Yes	Yes
21	E. Palmer St.	Franklin	Yes	Yes
22	E. Dogwood Dr/Porter St.	Franklin	Yes	Yes
23	Old Murphy Rd.	Franklin	Yes	Yes
24	1556 Georgia Rd.	Franklin	Yes	Yes
25	Macon Center Dr.	Franklin	Yes	Yes
26	1665 Highlands Rd.	Franklin	Yes	Yes
27	Sloan St.	Franklin	Yes	Yes
28	387 NE Main St.	Franklin	Yes	Yes
29	49 Jones Ridge Rd.	Franklin	Yes	Yes
30	Sawmill Village Ln.	Franklin	Yes	Yes
31	152 Ulco Dr.	Franklin	Yes	Yes
32	19 Golfview Dr.	Franklin	Yes	Yes
33	1817 Lakeside Dr.	Franklin	Yes	Yes
34	537-555 N. 5th St.	Highlands	Yes	Yes
35	856 N. 5th St.	Highlands	Yes	Yes
36	N. 4th St.	Highlands	Yes	Yes
37	Cullajasa Dr.	Highlands	Yes	Yes
38	Wilson Rd.	Highlands	Yes	Yes
39	Cashiers Rd.	Highlands	No	No
40	171 Main St.	Highlands	Yes	Yes

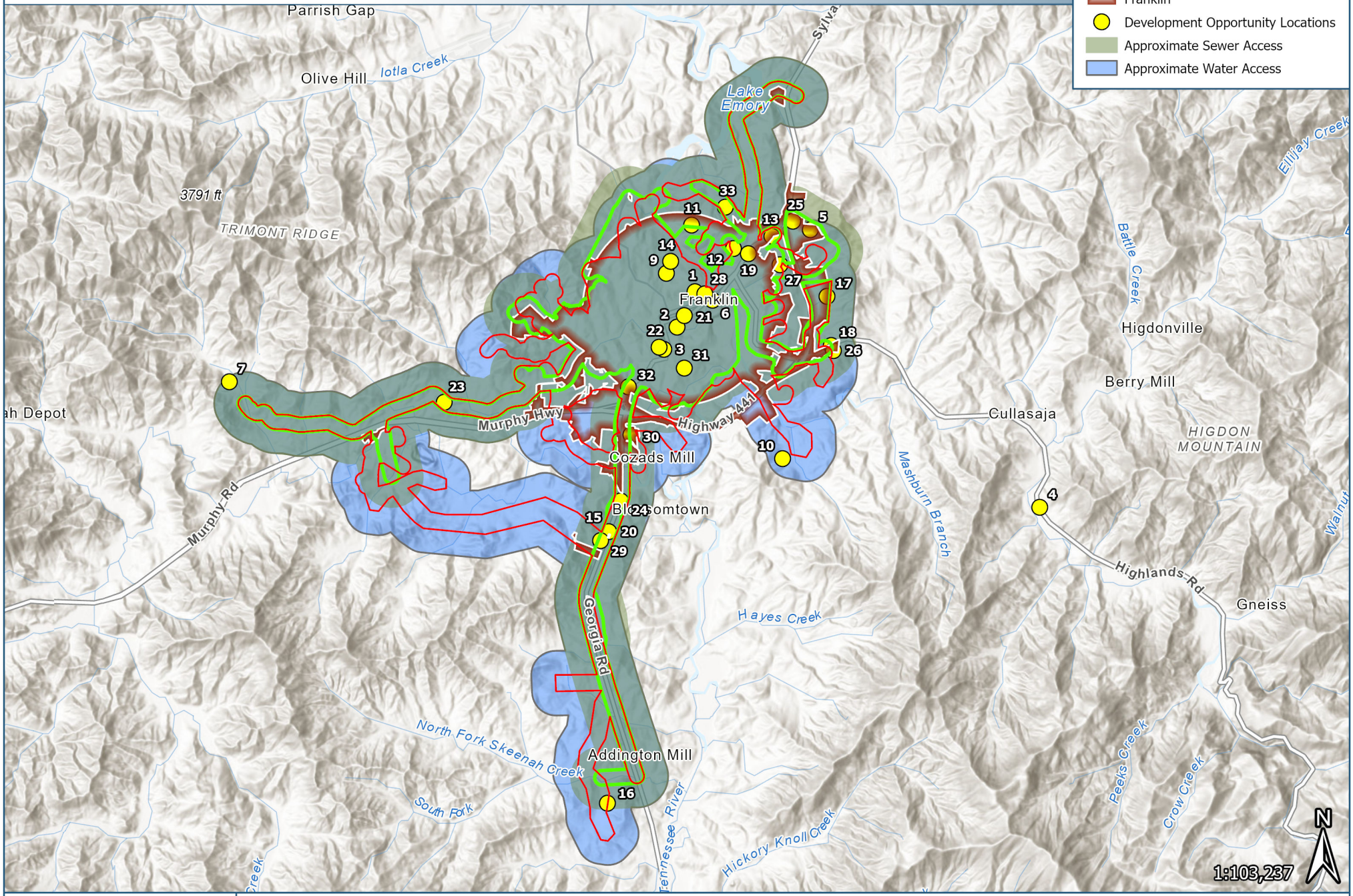
Source: Bowen National Research, NC OneMap

Maps showing the locations of development opportunity properties relative to water and sewer service boundaries in both Franklin and Highlands are shown on the following pages.

BOWEN NATIONAL RESEARCH

Development Opportunities and Potential for Water/Sewer Service (Franklin)

Macon County, NC

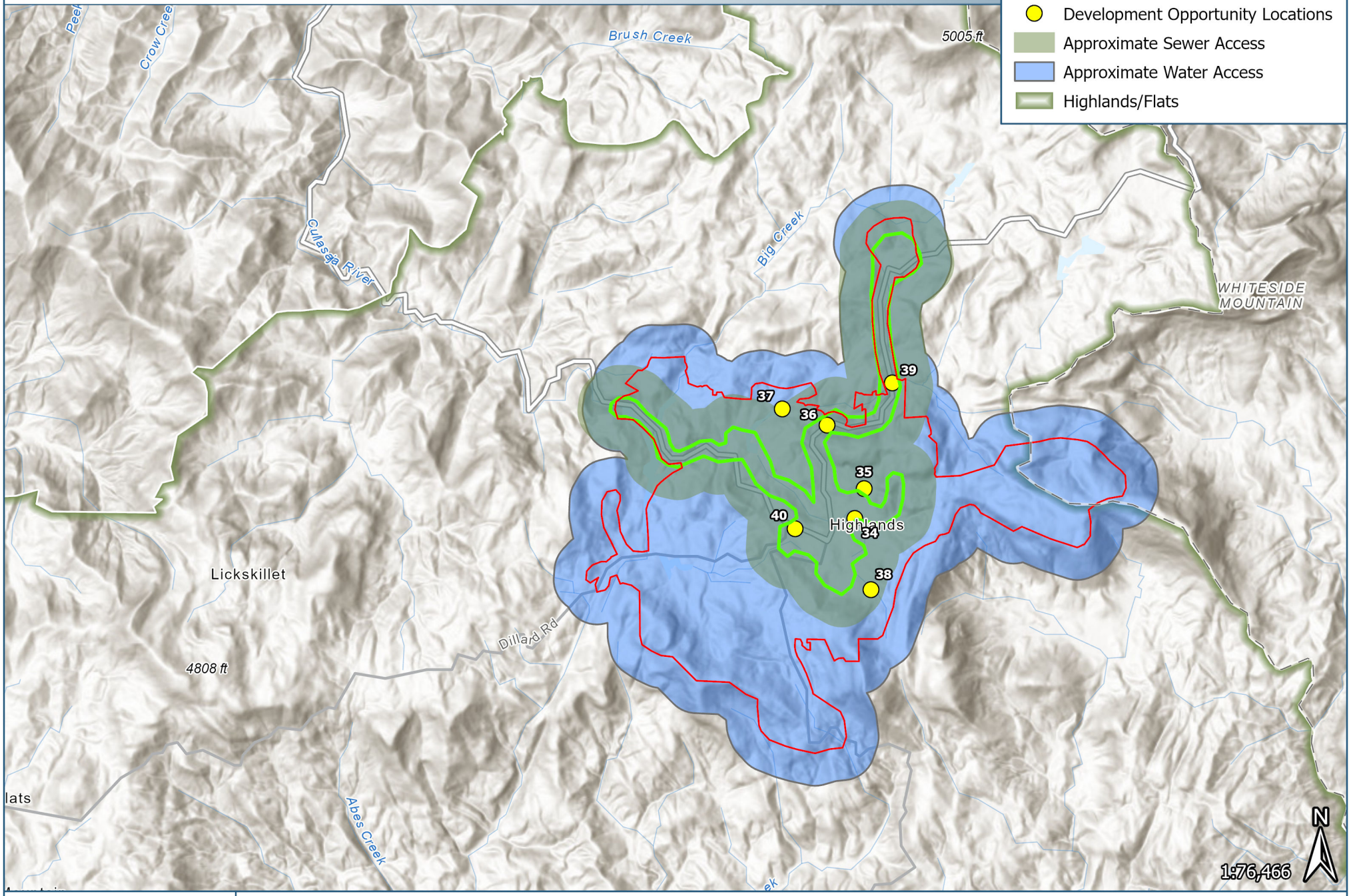


Esri, NASA, NGA, USGS, FEMA, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

BOWEN NATIONAL RESEARCH

Development Opportunities and Potential for Water/Sewer Service (Highlands)

Macon County, NC



0 0.35 0.7 1.05 1.4 Miles

Esri, NASA, NGA, USGS, State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

F. DEVELOPMENT COSTS AND GOVERNMENT REGULATIONS

This section evaluates potential financial and regulatory barriers to residential development in Macon County. For the purposes of this analysis, potential financial barriers to development include land costs, labor costs, utility installation costs, and property taxes. Regulatory barriers to development that were considered in this section focused on residential zoning for the towns of Franklin and Highlands. Note that unincorporated portions of Macon County are not subject to zoning regulations.

Development Costs

Land costs, including acquisition costs and taxes, factor into the development of real estate and could be a potential barrier to development. When land costs are bundled into construction costs, a greater picture emerges of overall development costs. Availability of land suitable for development, which typically includes access to utilities and municipal water and sewer, also affects land costs.

A common barrier to development is the *lack of available land* within a municipality or county for a large-scale residential project, especially within established areas. The type of vacant parcel needed for a large-scale residential project typically has to meet several criteria in order to be shovel-ready, including availability of utilities, a location outside of a designated flood zone, and proximity to community services. Once these factors are considered, the number of available parcels suitable for development greatly diminishes. This in turn drives up prices for land that meets most or all of these criteria.

As part of this analysis, a search was conducted for properties that could be considered development opportunities within Macon County. For this analysis, only vacant properties that were determined to be potential development opportunities were considered. Criteria used to establish properties as potential development opportunities include land with access to public water and/or sewer utilities and properties located along or near arterial roadways in populated areas. Therefore, vacant land listings located far from population centers and lacking public water and/or sewer utilities were generally not considered. In addition, our analysis has been refined to focus on parcels five acres or larger which are likely to be more conducive to larger scale multifamily and single-family residential developments. Based on these criteria, a total of eight *vacant* properties considered potential development opportunities were found in Macon County. Land prices for the properties listed for sale in the county range from $29,318 to $461,066 per acre with a median list price of $80,813 per acre. A search was also conducted for potential development opportunity properties within the six counties that surround Macon County for comparison purposes.

The following table illustrates pricing for the selected parcels within Macon County and for similar properties located in adjacent counties.

Median Price Per Acre of Vacant Land (As of July 2024)		
County	**Median Acreage**	**Median Price Per Acre**
Macon	9.49	**$80,813**
Clay	11.47	$21,227
Cherokee	16.79	$13,807
Graham	9.60	$28,867
Swain	15.00	$14,950
Jackson	12.74	$43,729

Source: Realtor.com, Bowen National Research

As the preceding illustrates, Macon County has a much higher median price per acre compared to adjacent counties. Note that Macon County also has the lowest median acreage figure (9.49 acres) among comparable properties in adjacent counties. While Macon County has numerous listings for vacant land larger than the median acreage figure, many of these listings are for "raw land" in rural areas of the county with asking prices generally ranging from $10,000 to $20,000 per acre. The higher median price per acre primarily reflects availability of commercial properties in the Franklin area as well as a parcel offered for sale in the town of Highlands at $461,066 per acre. By comparison, several of the adjacent counties generally lack larger parcels for sale that could be conducive to a large residential property. Regardless, the limited and generally higher priced supply of vacant land conducive to large-scale residential development is likely a contributing factor to residential development challenges within Macon County.

Labor costs and availability of skilled and qualified labor are also important factors for development costs. Macon County is part of the Mountain North Carolina nonmetropolitan area according to the Bureau of Labor Statistics (BLS). According to BLS data, the mean annual wage for construction and extraction occupations in the Mountain North Carolina nonmetropolitan area is $46,230. This is a lower annual wage for these occupations than the mean annual wage offered in the state of North Carolina ($50,980). Mean annual wages for construction and extraction occupations in the Mountain North Carolina nonmetropolitan area range from $32,950 for helpers of brickmasons, blockmasons, stonemasons and tile and marble setters to $65,850 for first-line supervisors. Note that construction and extraction occupations account for approximately 49 out of every 1,000 jobs in the Mountain North Carolina nonmetropolitan area, as compared to approximately 39 out of every 1,000 jobs statewide. Although a larger share of workers in the Mountain North Carolina nonmetropolitan area are employed in construction and extraction occupations compared to the state of North Carolina, there is still a low share of workers in this job sector overall. The low share of workers employed in construction and extraction occupations likely contributes to a shortage of skilled and qualified workers for construction projects. This shortage of skilled and qualified workers can often result in increased costs for construction projects, which can result in higher rents and home prices. This labor shortage in the construction sector appears to be an ongoing trend impacting much of the United States.

The following table illustrates the employment number, share, and corresponding typical annual mean wages for detailed occupations within the construction and extraction sector for the Mountain North Carolina nonmetropolitan area, the Asheville Metropolitan Statistical Area (MSA) and the state of North Carolina.

Typical Wages by Detailed Construction & Extraction Occupations									
	Mountain North Carolina nonmetropolitan area (Includes Macon County)			Asheville MSA			North Carolina		
	Employment		Mean	Employment		Mean	Employment		Mean
Occupation Type	Number	Share	Wage	Number	Share	Wage	Number	Share	Wage
First-Line Supervisors of Construction Trades and Extraction Workers	820	14.8%	$65,850	1,350	20.1%	$68,470	32,840	20.0%	$69,700
Carpenters	1,120	20.2%	$43,190	600	8.9%	$47,620	14,600	8.9%	$46,450
Cement Masons and Concrete Finishers	80	1.4%	$41,700	180	2.7%	$50,760	5,460	3.3%	$47,100
Construction Laborers	1,080	19.5%	$40,720	1,210	18.0%	$41,380	31,550	19.2%	$40,830
Operating Engineers and Other Construction Equipment Operators	740	13.3%	$45,480	640	9.5%	$47,910	15,510	9.5%	$48,330
Electricians	430	7.7%	$52,000	910	13.5%	$51,430	21,900	13.3%	$53,610
Painters, Construction and Maintenance	170	3.1%	$39,510	220	3.3%	$41,500	4,460	2.7%	$42,730
Plumbers, Pipefitters, and Steamfitters	400	7.2%	$44,930	590	8.8%	$57,420	15,120	9.2%	$53,140
Roofers	60	1.1%	$46,730	130	1.9%	$46,880	2,910	1.8%	$47,320
Sheet Metal Workers	80	1.4%	$43,920	90	1.3%	$50,150	2,570	1.6%	$51,590
Helpers – Brickmasons, Blockmasons, Stonemasons, and Tile and Marble Setters	40	0.7%	$32,950	--	--	--	680	0.4%	$35,830
Helpers – Carpenters	100	1.8%	$34,430	60	0.9%	$40,430	730	0.4%	$38,540
Helpers – Electricians	220	4.0%	$35,150	390	5.8%	$36,770	7,200	4.4%	$37,380
Helpers – Pipelayers, Plumbers, Pipefitters, and Steamfitters	90	1.6%	$33,150	190	2.8%	$39,170	3,310	2.0%	$38,990
Construction and Building Inspectors	120	2.2%	$52,790	170	2.5%	$57,770	5,220	3.2%	$63,680
Total	**5,550**	**100.0%**	**$46,230**	**6,730**	**100.0%**	**$50,420**	**164,060**	**100.0%**	**$50,980**

Source – Bureau of Labor Statistics (BLS) – May 2023

Note: Total reflects only Construction and Extraction occupations illustrated in this table; Construction and Extraction occupations not related to building construction have been excluded.

Based on a competitive analysis of wages in the construction sector depicted in the preceding table, the Mountain North Carolina nonmetropolitan area in which the subject county (Macon County) is located has lower wages for construction occupations than the nearby Asheville MSA and the state of North Carolina. This may result in lower residential development costs for future projects in Macon County compared to other nearby areas. Conversely, the lower typical wages within the Mountain North Carolina nonmetropolitan area could potentially deter some workers from pursuing a career in these fields within the area. In turn, this could result in a limited labor force within the construction industry which could impact construction costs within the area. Although labor costs are lower compared to the nearby MSA, note that most stakeholders surveyed in Macon County as part of this Housing Needs Assessment noted that cost of labor/materials is a common barrier

or obstacle that limits residential development in the county. Despite the lower labor rates compared to the Asheville MSA and the state of North Carolina, labor costs do appear to be a significant barrier to development in the county.

Utility costs for natural gas and electric service, specifically the cost to tap into or run utility service at a specific location, also factor into overall development costs. Fees paid by the developer or contractor to establish natural gas and electric service are typically passed on to the buyer upon completion of a single-family house, condominium unit, or townhouse. The total price of a new residential home or unit often includes tap fees for water, sewer, electric and natural gas utilities, which can vary by location. In Macon County, electric service is provided by Duke Energy Carolinas, Haywood Electric Membership, and the Town of Highlands Electric Utility.

Duke Energy serves electric customers in Macon County as well as in all five surrounding North Carolina counties. As of January 2024, electric rates for Duke Energy Carolinas customers in North Carolina consist of $14.00 per month (basic facilities charge) and an energy usage rate of $0.14311 per kilowatt-hour. Note that the North Carolina Utilities Commission approved an overall 14.6% increase in utility rates for Duke Energy Carolinas customers during a three-year period starting in January 2024. The largest rate increase (8.3%) during this three-year period will occur in 2024. Note that Duke Energy Carolinas includes a section of its website for builders, developers and contractors to assist with installation of utility service for new construction projects.

Haywood Electric Membership Corporation (EMC) includes the southeast portion of Macon County within its service territory. This area is located south of U.S. Highway 64 and east of U.S. Highway 23 (Georgia Road). Haywood EMC levies a basic facilities charge of $30.00 per month for single-phase residential electric service. Energy charges for single-phase residential service range from $0.1155 per kilowatt hour (kWh) between the months of November and May and $0.1360 per kilowatt hour during the summer months (June through October). An energy efficiency rider adjustment charge of $0.00049 per kWh is also applied to each monthly utility bill. The Town of Highlands also provides electric service via its municipally owned public utility to residents. Highlands charges its residential electric customers $20.31 per month (basic facilities charge) and an energy usage rate of $0.1144 per kilowatt-hour.

Note that municipal utilities and electric member cooperatives also provide electric service within areas of surrounding counties. These electric utility providers have monthly service fees ranging from $10.06 to $26.10 and usage rates ranging from $0.11531 to $0.13315 per kilowatt hour. Utility providers within Macon County have monthly rates within the range of these utility providers. However, the usage rate billed by Duke Energy Carolinas ($0.14311 per kilowatt hour) is higher than usage rates at municipal and member cooperatives both within Macon County and surrounding counties.

Macon County is also part of the service area for Toccoa Natural Gas. Customers of Toccoa Natural Gas pay an $11.00 per month service charge and a rate of $1.23 per 100 cubic feet (CCF). The natural gas tap fee is $250, which includes meter installation and the first 250 feet of service line. Each additional foot of service line is billed at $1.00 per foot. Natural gas customers in surrounding Jackson County and Swain County are each supplied by Dominion Energy North Carolina. Customers within the Dominion Energy North Carolina service territory pay a $10.00 per month service charge and usage rates of $0.96529 per Therm during the summer months and $1.04850 per Therm during the winter months (Note that one Therm is approximately 100 cubic feet). Based on these rates, it appears that Macon County natural gas customers pay higher usage rates than surrounding counties. Note that Cherokee, Clay, and Graham counties are not served by natural gas utility providers.

Water and wastewater (sewer) utilities in Macon County are supplied by the Town of Franklin and the Town of Highlands. The water and wastewater (sewer) rates for each municipality are listed in the following table.

Water/Wastewater (Sewer) Fees by Location (Macon County)

Location	Monthly Water Fee*	Consumption Rate	Monthly Sewer Fee	Consumption Rate
Franklin (inside town)	$21.00	$3.80/1,000 gal	$9.90	$5.00/1,000 gal
Franklin (outside town)	$42.00	$7.90/1,000 gal	$19.80	$7.70/1,000 gal
Highlands (inside town)	$36.00	$7.50/1,000 gal	$36.00	$7.50/1,000 gal
Highlands (outside town)	$72.00	$7.50/1,000 gal	$72.00	$7.50/1,000 gal

Source: North Carolina Water and Wastewater Rates Dashboards (UNC School of Government); Town of Franklin Water and Sewer Fee Schedule (2023-2024); Town of Highlands Fee Schedule.
All listed fees and rates reflect a ¾-inch tap for residential service.
*Monthly water fee in Franklin includes first 1,000 gallons of water consumption.
*Monthly water fee in Highlands includes first 5,000 gallons of water consumption.

Water and wastewater rates and associated fees vary greatly depending on location in Macon County. The Town of Franklin and the Town of Highlands each manage their own water and wastewater (sewer) system for residents. Both municipalities charge higher minimum monthly fees for customers residing outside town limits. Note that the Town of Franklin also charges higher consumption fees for customers outside town limits, while the Town of Highlands charges the same water and sewer rates regardless of location. Compared to water and wastewater systems in adjacent counties, Franklin and Highlands each have base fees and consumption rates that are within the range of these nearby areas.

We recognize the preceding utility fees would generally only apply to and/or be the responsibility of a tenant/homeowner. They have been presented, however, to illustrate fees associated with typical utilities in the Macon County area should a developer decide to include some utility costs/expenses with the cost of rent for a multifamily property.

Water and sewer connection fees (commonly referred to as tap fees) were also verified for the towns of Franklin and Highlands. These connection (or tap) fees are typically paid by homebuilders and developers during the construction process. The water tap fee for customers in the town of Franklin is $1,200 for properties inside town limits and $2,400 for properties outside town limits. Sewer tap fees for customers in Franklin are $880 for properties inside town limits and $1,760 for properties outside town limits. Note that the quoted fees are for a ¾-inch tap and do not include additional materials and accessories fees. The Town of Franklin also assesses an availability fee in addition to the base water and sewer tap fees. The availability fee for water service is $700 (¾-inch tap) and $1,100 for sewer service.

The water connection fee for customers in the Town of Highlands is $1,000 for properties inside town limits and $1,500 for properties outside town limits (¾-inch tap). The sewer connection fee in Highlands is $2,500 per dwelling unit for single-family and multifamily dwellings in the town limits. Sewer customers outside of the Town's corporate limits are assessed the equivalent of 200% of the in-town connection fee.

Based on our research, counties adjacent to Macon County and the municipalities therein generally have water tap fees ranging from $500 to $2,000 and sewer tap fees ranging from $400 to $3,250 for residential properties. Thus, water and sewer tap fees in Macon County municipalities fall within the range of those reported for surrounding counties and municipalities. Note that several municipalities have increased water and sewer tap fees in recent years to account for the overall impact of development in these respective municipalities.

Government Development Fees in the form of permit fees charged by city, town, or county governments also factor into development costs. Note that development costs can vary considerably among individual communities within a given county. In an attempt to better understand these cost factors, the base fees for a new single-family residential structure were compiled for a home built in Macon County. It should be noted that the base fees included in this analysis may not represent all applicable fees required for a new construction project in each area due to the variance that exists among individual projects. As a result, the base fees that follow should be used as a general guideline for the initial cost to begin a residential construction project. For a 3,000 square-foot residential structure, the overall building fee is $1,140. Note that the building fee also includes assessments for electrical, plumbing, and mechanical inspections. Macon County also assesses a land disturbance fee for new structures. For a 3,000 square-foot single-family structure, the land disturbance fee is $450. The combined fee for a 3,000 square-foot residential structure in Macon County would be $1,590. Note that residential structures built in the towns of Franklin and Highlands are also subject to a zoning permit, which carries additional fees.

For comparative purposes, permit fees to build a similar 3,000 square-foot residential structure in adjacent counties were also reviewed. Building permit fees for a similar residential structure ranged from $1,200 to $1,600 per month in adjacent counties. Building permit fees in Macon County are within this range. Therefore, total building fees assessed by Macon County are not considered to be a barrier to development.

Property taxes vary by county in North Carolina, based on municipality, school district, fire and police protection services, and special taxing districts. Each county establishes its own base tax rate for all residents, then additional taxes and assessments are applied based on municipality, school district location, and special tax districts (if applicable). According to information provided by the North Carolina Department of Revenue (NCDOR), the base property tax rate in Macon County is $0.2700 for every $100 in valuation. For a home valued at $300,000, the property taxes would be $810.

By comparison, the base property tax rates in adjacent counties range from a low of $0.3600 in Swain County to a high of $0.6100 in Cherokee County (per $100 in valuation). Using the same $300,000 home as an example, the annual property tax bill would range from $1,080 to $1,830 in adjacent counties. The property tax rate in Macon County is below this range, which should enable the county to compete well within the region in terms of annual property tax rates. Municipal property taxes in Macon County, which are paid by property owners within municipal boundaries, are paid in addition to county property taxes. Municipal property tax rates range from $0.1022 per $100 valuation in Highlands to $0.3300 per $100 in valuation in Franklin.

The following table shows a comparison of property tax millage rates for municipalities in Macon County:

Tax Millage Rates (Fiscal Year 2023-2024) for Macon County Municipalities			
Municipality	Tax Millage Rate (County)	Tax Millage Rate (Municipality)	Combined Tax Millage Rate
Franklin	$0.2700	$0.3300	$0.6000
Highlands*	$0.2700	$0.1022	$0.3722

Source: North Carolina Department of Revenue (NCDOR) – FY 2023-24 Property Tax Rates
*Reflects portion of municipality that is in Macon County
Millage rates per $100 of taxable value
Fire department assessment districts and special tax districts not included in table above.

Tax millage rates for the two municipalities in Macon County are $0.6000 per $100 valuation in Franklin and $0.3722 per $100 valuation in the portion of Highlands located within Macon County (a small portion of the town of Highlands is in Jackson County). Note that Macon County also has 11 separate fire districts that assess additional millage rates to property owners that reside within these districts. Millage tax rates for the 11 fire districts in Macon County range from $0.0191 per $100 valuation in the Highlands Fire District to $0.0839 per $100 valuation in the Mountain Valley Fire District.

The following table compares the overall range and median property tax millage rate figures in Macon County with adjacent counties in North Carolina. Note that the "base" tax figure shown in the table is the base county tax rate outside of municipalities.

Tax Millage Rates (FY 2023-24) Macon County and Adjacent North Carolina Counties			
County	**Combined Tax Millage Rates***	**County**	**Combined Tax Millage Rates***
Macon	**$0.2700 (Base)** **$0.3722 (Median)** **$0.6000 (High)**	Graham	$0.5900 (Base) $0.9445 (Median) $1.1440 (High)
Cherokee	$0.6100 (Base) $1.0300 (Median) $1.1300 (High)	Jackson	$0.3800 (Base) $0.5300 (Median) $0.8300 (High)
Clay	$0.4300 (Base) $0.5625 (Median) $0.6950 (High)	Swain	$0.3600 (Base) $0.5350 (Median) $0.7100 (High)

Source: North Carolina Department of Revenue (NCDOR)
Fiscal Year 2023-24 Property Tax Rates

Based on property tax millage rates for Fiscal Year 2023-2024, Macon County has a lower *base* property tax millage rate compared to the five adjacent North Carolina counties. Note that the tax rates within the table reflect a combination of county and municipal tax millage rates for comparison purposes.

Residential Zoning

Residential zoning codes generally dictate the type of housing that is built within a particular area. In this section we evaluate municipal zoning ordinances in the towns of Franklin and Highlands to attempt to identify any deficiencies that may adversely impact residential development. The remaining unincorporated areas of Macon County are not subject to zoning regulations. A review of zoning regulations that permit some level of residential development in Macon County is listed as follows.

Zoning Districts – Town of Franklin

Town of Franklin – Zoning Districts	
Zoning District	**Description**
R-1 Residential	Established to provide areas for medium-density single-family residential uses where adequate water and sewer facilities are available to serve the development.
R-2 Residential	Established to provide areas for medium- to high-density residential development for single-family and multifamily residential uses with adequate water and sewer facilities available to serve the development.
C-1 Central Commercial	Established to recognize the existing historic role and heritage of Franklin's downtown area and to promote its preservation, redevelopment, and expansion.
C-2 Secondary Commercial	Established to provide for general commercial activities for uses requiring easy vehicular access, circulation, and parking.
C-3 Highway Commercial	Established to provide areas accommodating all uses stated in the C-2 Commercial District.
I-1 Industrial	Established to provide for areas that recognize both existing and future manufacturing operations.
NMU Neighborhood Mixed-Use	Primarily intended to provide suitable locations for limited neighborhood-oriented commercial, business, and service activities in close proximity to major residential neighborhoods.
MICR Medical Institutional Cultural Residential	Established to provide for a mix of medical, institutional, cultural, and residential uses while maintaining compatibility with surrounding land uses.
EC Entry Corridor Overlay	Established to provide development standards for particular roadway corridor areas which are in addition to those provided by other zoning districts.
UV Urban Village	Intended to create mixed-use development that is economically vital, pedestrian-oriented, and contributes to the place-making character of the built environment. Creation of an Urban Village district shall be initiated by a rezoning application and the submission of a master plan.
TN Traditional Neighborhood Overlay	Primarily intended to allow the development of residentially zoned areas as traditional neighborhood developments appropriate to their urban context.
PRD Planned Residential Development	Designed to accommodate planned residential developments for which a special use permit has been issued in accordance with regulations in Section 152.053 of this ordinance.
PCD Planned Commercial Development	Designed to accommodate the development of shopping centers and retail establishments larger than 30,000 square feet of floor area or which contain commercial uses that are proposed to be developed in conjunction with residential uses.
PMH Planned Manufactured Housing Development	Designed to accommodate planned manufactured housing developments for which a special use permit has been issued in accordance with Section 152.053 of this ordinance.

Source: Town of Franklin Unified Development Ordinance

The permitted residential land uses within the Town of Franklin's zoning districts are shown in the following table.

Permitted Land Uses within Zoning Districts Town of Franklin							
Land Use Type	Zoning Districts						
	R-1	R-2	C-1	C-2	C-3	I-1	NMU
Accessory dwelling units	S	P	P	P	P	P	P
Adaptive reuse projects	S	S	--	--	--	--	--
Apartment buildings (10+ units)	--	--	S	S	S	S	--
Apartment buildings (3-9 units)	--	P	P	P	P	P	--
Assisted-living facilities	--	--	--	--	--	--	P
Manufactured homes (individual lots)	--	P	--	--	--	--	--
Manufactured home parks	--	S	--	--	--	--	--
Mixed-use buildings (including residential units)	--	--	P	P	P	P	--
Modular homes	P	P	--	P	P	P	P
Planned manufactured housing developments	--	P	--	--	--	--	--
Planned residential developments (minor)	S	S	S	S	S	S	S
Planned residential developments (major)	--	--	--	S	S	S	--
Single-family dwellings	P	P	P	P	P	P	P
Two-family dwellings	P	P	P	P	P	P	P
Land Use Type	Zoning Districts						
	MICR	EC	UV	TN	PRD	PCD	PMH
Accessory dwelling units	P	P	S	P	S	--	--
Adaptive reuse projects	--	--	--	--	--	--	--
Apartment buildings (10+ units)	--	--	P	--	S	S	--
Apartment buildings (3-9 units)	--	--	P	--	S	S	--
Assisted-living facilities	--	--	--	--	--	S	--
Manufactured homes (individual lots)	--	--	P	--	S	--	S
Manufactured home parks	--	--	--	--	--	--	S
Mixed-use buildings (including residential units)	--	P	--	P	--	--	--
Modular homes	P	P	--	P	--	--	--
Planned manufactured housing developments	--	--	--	--	--	--	S
Planned residential developments (minor)	S	--	S	S	--	--	--
Planned residential developments (major)	--	--	--	--	S	S	--
Single-family residential dwellings	P	P	--	P	S	S	--
Two-family residential dwellings	P	P	P	P	S	S	--

Source: Town of Franklin Unified Development Ordinance
Legend: P = permitted use; S = special use permit required; -- land use not permitted.

The Town of Franklin Unified Development Ordinance permits various types of residential development by right in all zoning districts. The R-1 zoning district permits lower-density development types such as single-family homes and duplexes, while the R-2 zoning district permits apartment buildings containing fewer than 10 units. Commercial zoning districts in the town (C-1, C-2, and C-3) permit low- and high-density development types ranging from single-family homes to mixed-use buildings that include residential units. Note that larger apartment buildings containing 10 or more units require a special use permit in commercial zoning districts. The I-1 (Industrial) zoning district, specifically created for non-residential land uses, also permits a wide variety of residential land uses by right.

The Town of Franklin also has several zoning districts that encourage mixed-use development. The NMU (Neighborhood Mixed-Use) zoning district permits residential land uses along with business, commercial, and service-type establishments, while the MICR (Medical Institutional Cultural Residential) zoning district was created to allow for several types of land uses while maintaining compatibility with surrounding neighborhoods. The UV (Urban Village) district allows for the creation of mixed-use neighborhoods that require a master plan. Note that the planned development zoning districts (PRD, PCD, and PMH) each require a special use permit for any type of residential development.

Lot area requirements, setbacks and building height restrictions for Franklin zoning districts are listed in the following table:

Town of Franklin – Lot Area, Setbacks and Building Height Requirements by Zoning District

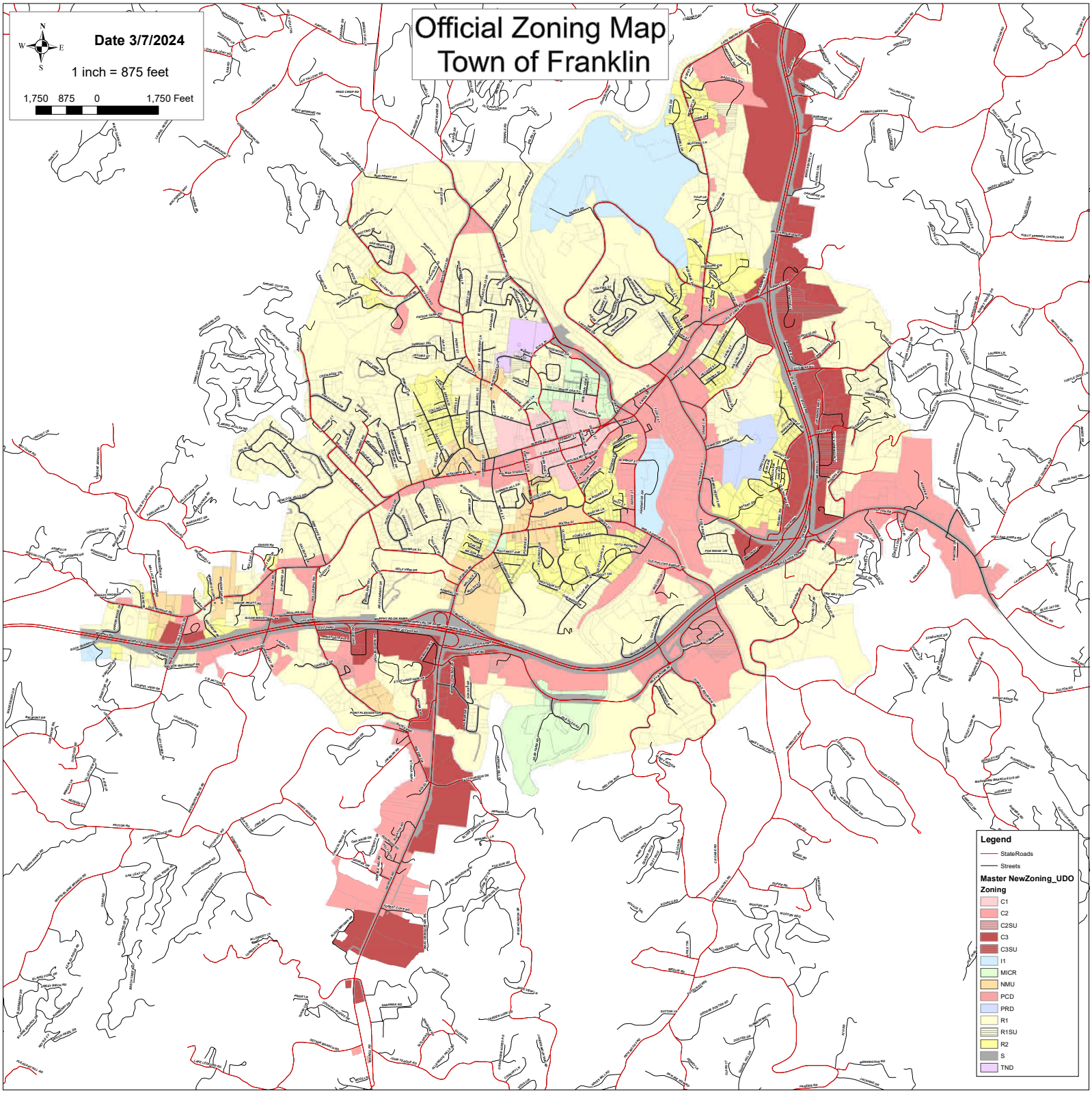
Zoning District	Minimum Lot Size (Sq. Ft.)	Front Yard Setback	Side Yard Setback	Rear Yard Setback	Maximum Building Height
R-1 Residential	10,000-15,000	25 ft.	10 ft.	15 ft.	35 ft.
R-2 Residential	8,000-12,000	25 ft.	10 ft.	15 ft.	35 ft.
C-1 Central Commercial	None	None	None	None	65 ft.
C-2 Secondary Commercial	8,000-12,000	10 ft.	10 ft.	10 ft.	65 ft.
C-3 Highway Commercial	15,000-22,500	10 ft.	10 ft.	10 ft.	65 ft.
I-1 Industrial	43,560	30 ft.	20 ft.	20 ft.	65 ft.
NMU Neighborhood Mixed-Use	8,000-12,000	10 ft.	10 ft.	10 ft.	25 ft.
MICR Medical Institutional Cultural Residential	8,000-12,000	10 ft.	10 ft.	10 ft.	65 ft.
EC Entry Corridor Overlay	Same requirements as underlying zoning district.				
UV Urban Village	None	None	None	None	None
TN Traditional Neighborhood Overlay	None	None	5-10 ft.*	None	35 ft. / 3 stories
PRD Planned Residential Development	Not listed	10-30 ft.	30 ft.	30 ft.	Not listed
PCD Planned Commercial Development	Not listed	10-40 ft.	25 ft.	25 ft.	48 ft.
PMH Planned Manufactured Housing Development	4,000	20-30 ft.	10 ft.	20-30 ft.	35 ft.

Source: Town of Franklin Unified Development Ordinance
*Side yard setback in TN district is minimum 5 ft. for one side yard and 10 ft. combined for both side yards (if applicable).
Front setback in PRD district is 30 feet from nearest right-of-way line.
In instances where parking area is at side or rear of property, front setback in PRD district may be reduced to 10 feet.
Front and rear setbacks in PMH district reflect interior dimensions (low figure) and exterior dimensions (high figure).

Minimum lot size requirements among residential zoning districts vary based on whether a single-family dwelling or two-family dwelling is constructed on the lot. For example, the minimum lot size in the R-1 zoning district is 10,000 square feet for a single-family dwelling and 15,000 for a two-family dwelling. Setback requirements range from 10 feet to 25 feet in both residential zoning districts, while commercial and mixed-use zoning districts have less stringent setback requirements. Note that the C-1 commercial district, which consists of Franklin's central business district, does not have minimum lot area or setback requirements. The planned development zoning districts (PRD, PCD, PMH) in the town of Franklin require additional approval and are more flexible in terms of minimum requirements. Projects in the PRD district are also eligible for density bonuses for affordable housing and walkability if certain conditions are met. The affordable housing bonus of an additional four dwelling units per acre can be applied if a project includes residential units defined as affordable based on state guidelines. A

walkability bonus of four dwelling units per acre can be applied if a project developed in the PRD district has reasonable pedestrian access to employment and/or shopping facilities.

A zoning map of the Town of Franklin is included on the following page.


Official Zoning Map
Town of Franklin
Date 3/7/2024
1 inch = 875 feet
1,750 875 0 1,750 Feet
N
W
E
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Legend
StateRoads
Streets
Master NewZoning_UDO
Zoning
C1
C2
C2SU
C3
C3SU
I1
MICR
NMU
PCD
PRD
R1
R1SU
R2
S
TND

Zoning Districts – Town of Highlands

Town of Highlands – Zoning Districts	
Zoning District	**Description**
R-1 Residential District	A low-density residential district for single-family dwellings with customary accessory outbuildings that contribute to the residential character of the district.
R-2 Residential District	A medium-density residential district for single-family dwellings with customary accessory outbuildings, including manufactured homes and home occupations, which contribute to the residential character of the district. Tourist homes are permitted as special uses within this district.
R-3 Residential District	A high-density residential district for single-family dwellings with customary accessory outbuildings, including home occupations, together with related uses that contribute to the residential character of the district. Multifamily dwellings are permitted as a special use within this district.
B-1 Business District	This district is the central business area of the town and is primarily a "walking district" for specialized retail use, office, and incidental apartments. Places of assembly such as restaurants, auction houses, and theaters are permitted as special uses.
B-2 Business District	This district consists of the business area immediately adjacent to the B-1 district. This district is accessible both by pedestrians and vehicles, with land uses primarily for retail, office, and incidental apartments. Restaurants, hotels, service stations, and similar uses are permitted as special uses.
B-3 Business District	This district consists of outlying business districts along main highways and is primarily accessible by automobile. The B-3 district accommodates larger retail uses such as shopping centers, offices, and incidental apartments. Motels, restaurants, service stations, storage warehouses, automobile sales, and heavy machinery storage are permitted as special uses.
B-4 Business District	A light commercial business district located near the town's central business districts. The B-4 district serves as a buffer zone between the B-3 district and residential areas and includes small, low-impact, light commercial uses such as professional offices and gift shops.

Source: Town of Highlands Unified Development Ordinance – Article 5 – Zoning Districts
Note: Zoning districts that do not permit residential development were excluded from this analysis.

The permitted residential land uses within zoning districts in the Town of Highlands are shown in the following table.

Permitted Land Uses within Zoning Districts - Town of Highlands							
	Zoning Districts						
Land Use Type	**R-1**	**R-2**	**R-3**	**B-1**	**B-2**	**B-3**	**B-4**
Single-family detached dwellings	P	P	P	P	P	P	P
Single-family residential use	P	P	P	P	P	P	P
Modular homes	P	P	P	P	P	P	P
Manufactured homes	--	L	L	--	--	--	--
Multifamily buildings (includes duplexes, apartments, single-family attached dwellings)	--	--	S	--	--	--	--
Incidental apartments	--	--	--	L	L	L	L
Short-term rentals	--	--	L	L	L	L	L

Source: Town of Highlands Unified Development Ordinance – Article 6 – Use Regulations
Note: Zoning districts that do not permit residential development were excluded from this analysis.
Legend: P = permitted use allowed by right; L = permitted use allowed by right (subject to additional requirements); S = special use permit required; -- land use not permitted.

The Town of Highlands Unified Development Ordinance permits a limited number of residential development types within its zoning districts. Single-family detached dwellings and modular homes are permitted by right in each of the zoning districts listed in the preceding table. Multifamily residential buildings, including apartments, duplexes, and single-family attached dwellings, are only permitted by special use permit in the R-3 residential district. Incidental apartment units, which include residential units over retail space, are only permitted as limited use in commercial districts.

Lot area requirements, setbacks and building height restrictions for Highlands zoning districts that allow residential development are listed in the following table:

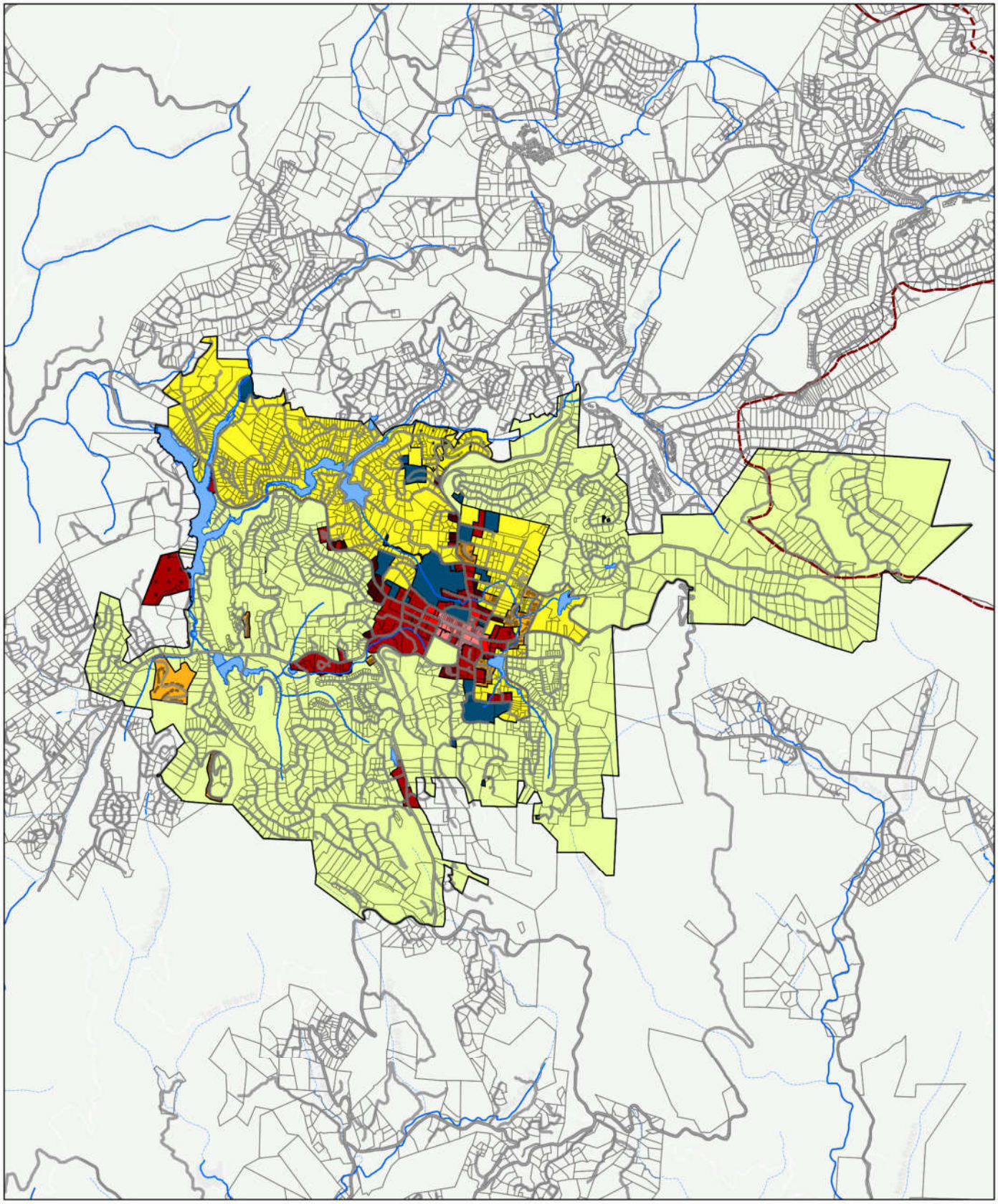
Town of Highlands – Lot Area, Setbacks and Building Height Requirements by Zoning District					
Zoning District	Minimum Lot Size (Sq. Ft.)	Front Yard Setback	Side Yard Setback	Rear Yard Setback	Maximum Building Height
R-1 Residential District	32,670	25-55 ft.	10 ft.	10 ft.	35 ft./ 3 stories
R-2 Residential District	21,870	25-55 ft.	10 ft.	10 ft.	35 ft./ 3 stories
R-3 Residential District	21,870	25-55 ft.	10 ft.	10 ft.	35 ft./ 3 stories
B-1 Business District	2,400	None	None	None	35 ft./ 3 stories
B-2 Business District	6,000	None	None	None	35 ft./ 3 stories
B-3 Business District	6,000-21,780	25-55 ft.	10 ft.	10 ft.	35 ft./ 3 stories
B-4 Business District	21,780	25-55 ft.	20 ft.	20 ft.	35 ft./ 3 stories

Source: Town of Highlands Unified Development Ordinance – Article 8 – Dimensional and Density Standards
Note: Zoning districts that do not permit residential development were excluded from this analysis.
For zoning districts with a front yard setback, the low figure (25 ft.) reflects setback from the right-of-way line of a public or private road. The high figure (55 ft.) reflects setback from the state or U.S. Highway centerline if no right-of-way line is recorded.

Residential zoning districts in the town of Highlands have relatively large minimum lot sizes. The R-1 district, which was established for low-density residential development, has a minimum lot size of 32,670 square feet (0.75 acres), while the R-2 and R-3 zoning districts each have a minimum lot size of 21,870 square feet (0.50 acres). The B-1 and B-2 business districts have much smaller minimum lot sizes of 2,400 square feet and 6,000 square feet, respectively. Note that the B-1 business district reflects the center business district in the town of Highlands, while the B-2 business district reflects commercial areas adjacent to the B-1 business district. Both the B-1 and B-2 districts primarily consist of buildings containing ground-floor commercial and retail space, and any residential units (e.g., incidental apartments) are to be located in buildings on upper floors. The maximum building height in all residential and commercial zoning districts is 35 feet or three stories.

A zoning map for the Town of Highlands is included on the following page. An interactive version of the municipal zoning map is also provided on the Town of Highlands GIS website.

Town of Highlands Zoning Map



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City_Limits
Roads
Neighboring Counties
Lakes
USGS Blue Line Streams
Connector
Intermittent
Perennial
Artificial Path
Highlands Parcels
Jackson Parcels Sept. 2023
Zoning 2022_01
B-1
B-1 CZ
B-2
B-2 CZ
B-3
B-3 CZ
B-4
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State of North Carolina DOT, Tennessee STS GIS, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA

Conclusion

Residential development costs associated with vacant land costs, utility costs, government fees, and taxes/assessments vary between Macon County and adjacent North Carolina counties. The median asking price of available vacant land in Macon County between five and 50 acres in size exceeds $80,000 per acre, whereas similar vacant parcels in adjacent counties range from $13,807 to $43,729 per acre. Water/sewer tap fees in both Franklin and Highlands are also higher compared to municipalities in adjacent counties. However, the base property tax millage rate in Macon County ($0.2700 per $100 valuation) is lower than in the five adjacent North Carolina counties. Note that Macon County is part of the Mountain North Carolina nonmetropolitan area according to the U.S. Bureau of Labor Statistics (BLS). Construction labor rates within the Mountain North Carolina nonmetropolitan area are lower than those reported for the nearby Asheville MSA and the state of North Carolina. However, most stakeholders surveyed in Macon County as part of this Housing Needs Assessment noted that cost of labor/materials is a common barrier or obstacle that limits residential development in the county. Despite comparative lower labor rates, labor costs do appear to be a significant barrier to development.

The municipalities of Franklin and Highlands are subject to zoning regulations, while the remaining portions of unincorporated Macon County are not subject to zoning regulations. Zoning regulations in Franklin allow for a wide variety of residential development in nearly all zoning districts, which allows for greater flexibility within its zoning regulations for higher density development. In addition to residential and commercial zoning districts, the Town of Franklin also has zoning districts targeting mixed-use and planned development. By comparison, residential development in Highlands is primarily geared towards single-family detached dwellings on larger lots. Note that the Town of Highlands limits stand-alone apartment development to one zoning district (R-3) as a special use, while incidental apartments (e.g., residential over retail) are defined as limited uses within commercial zoning districts. Note that Highlands zoning regulations also limit building height to 35 feet (three stories) in residential and commercial zoning districts, whereas Franklin zoning regulations allow for building height of up to 65 feet in commercial zoning districts.

G. DEVELOPER/INVESTOR IDENTIFICATION

Given the scope and variety of housing challenges that exist within Macon County, the community would benefit from encouraging the involvement of both public and non-public entities to develop and invest in the numerous housing development opportunities that exist in the county and its municipalities. To that end, we have compiled a list of various residential developers, philanthropic organizations, investors/lenders, and federal and state housing finance organizations that are active in North Carolina, with an emphasis on western North Carolina. In some cases, we have provided links to membership directories given the extensive list of organization members that could be included. Each organization's name, website (or phone number) and type of entity are provided in the following table.

Entity Name	Website
Housing Developer	
Better Homes for North Carolina, Inc.	https://betterhomesfornc.org/
Fitch Irick Development	https://www.fitchirick.com/
Flatiron Partners LLC	https://flatirondevelopment.com
Gateway Development Corporation	None Found; Phone: 256-760-9657
Habitat for Humanity of Macon/Jackson County	https://www.habitat.org/nc/franklin/habitat-humanity-macon-jackson-nc
KRP Investments, LLC	None Found; Phone: 336-817-9400
Opportunities South	None Found; Phone: 919-417-0125
Pendergraph Development LLC	None Found; Phone: 919-755-0558
Pivotal GP Holding LLC	None Found; Phone: 513-256-3810
Sanctuary Developers, LLC	https://sanctuarydevelopers.com/
Solstice Partners	None Found; Phone: 919-610-7883
Trinity Housing Development	https://www.trinityhousingdevelopment.com/
Volunteers Of America of The Carolinas	https://www.voa.org/offices/volunteers-of-america-carolinas
Wallick Asset Management LLC	www.wallick.com
WDT Development, LLC	None Found; Phone: 252-432-1445
Weaver-Kirkland Housing	www.weaver-kirkland.com
Western NC Housing Partnership	https://wnchousing.org
WJR NC Partners II, LLC	None Found; Phone: 404-226-2591
Workforce Homestead	None Found; Phone: 828-351-9151
Wynnefield Forward, LLC	None Found; Phone: 336-906-1854
Housing Investor/Lender	
Atlantic Bay Mortgage Group	www.atlanticbay.com
Churchill Stateside Group	https://csgfirst.com
Community Affordable Housing Equity Corporation (CAHEC)	www.cahec.com
Greystone Affordable Housing Initiatives	www.greystone.com
Homestar Financial Corporation	www.homestarfc.com
HomeTrust Bank	https://htb.com
HUD Lenders (list of all)	www.hud.gov/program_offices/housing/sfh/lender/lenderlist
Movement Mortgage	https://movement.com
North Carolina Housing Finance Agency	www.nchfa.com
PNC Bank	www.pnc.com
RedStone Equity Partners	https://rsequity.com
State Employees Credit Union	https://www.ncsecu.org
United States Department of Agriculture (USDA)	www.rd.usda.gov/wv
Wells Fargo	www.wellsfargo.com

(Continued)

Entity Name	Website
Qualified Opportunity Zone Investors	
Allagash Opportunity Zone Partners	www.allagashoz.com
Blueprint Southeast OZ Fund	None Found; Phone: 404-281-1254
Capital Square	None Found; Phone: 404-229-5645
Carolina Opportunity Fund	www.carolinaopportunityfunds.com
CEI-Boulos Capital Management	None Found; Phone: 401-533-0580
CRE Models	www.cremodels.com
Decennial Fund Management LP	www.decennialgroup.com
Economic Innovation Group	https://eig.org/opportunityzones/resources
Enterprise Community	www.enterprisecommunity.org/opportunity360
Housing Assistance Corporation	www.housing-assistance.com
Javelin 19	www.javelin19.com
National Minority Technology Council	None Found; Phone: 202-600-7828
Origin Investments	https://origininvestments.com
Pinnacle Partners	www.pinnacleoz.com
Pintar Investment Company	None Found; Phone: 407-450-1889
PrimeCore Management, LLC	None Found; Phone: 803-605-7503
Reonomy	www.reonomy.com
Smart Growth America	https://Smartgrowthamerica.org
Strategic Rivermont Fund Manager, LLC	www.thestrategicgroup.com
Foundations/Nonprofits	
Community Foundation of Western North Carolina	https://cfwnc.org
Dogwood Health Trust	https://dogwoodhealthtrust.org
WAMY Community Action	https://wamycommunityaction.org

The preceding list of over 50 organizations representing potential residential development partners in the area is not exhaustive, as there are certainly other organizations that could be participants in supporting residential development projects in Macon County. The county may want to research other resources to identify developers and investors, such as contacting real estate brokers, North Carolina Economic Development Association, North Carolina Housing Coalition, North Carolina Bankers Association, and Affordable Housing Investors Council.

H. HOUSING PROGRAM IDENTIFICATION

This section summarizes the various federal, state, and county programs that could be used to potentially support the development and preservation of housing in Macon County. Note that hyperlinks for each organization/program are provided when available.

Programs, Initiatives, and Incentives (**Federal**)

Organization/ Program	Description	Eligibility
U.S. Department of Housing and Urban Development	The VASH program is in partnership with the Housing Choice Voucher (HCV) Program that helps veterans, and their families obtain permanent housing	Homeless veteran; Agree to participate in case management program
U.S Department of Housing and Urban Development	Links for homeownership assistance programs and various loans available	Each program has various qualifications that need to be met
U.S. Department of Housing and Urban Development	Offers resources to find affordable rental housing for families and seniors; Resources to help with utility payments	Each program has various qualifications that need to be met
U.S. Department of Health & Human Services	Federally funded programs that reduce the costs related to home energy bills, energy crises, weatherization, minor energy-related home repairs and more	Income Based
U.S. Department of Veterans Affairs	North Carolina Division of Veterans Affairs reviews forms and then forwards to U.S. Department of Veterans Affairs; Program helps veterans, service members, and their surviving spouses to purchase a home or refinance a loan; Benefits and services are also available for those needing help to build, improve, or keep their current home; Offers several loan options	Veteran or surviving spouse of service member who died in the line of duty; Service-related disability
U.S. Department of Veterans Affairs	Special Home Adaptation (SHA) grant helps purchase, build, or change a veteran's permanent home (defined as a home they plan to live in long term); Can receive up to $23,444 in grant funds for Fiscal Year 2024	Applicant or a family member owns or will own the home; Have a qualifying service-connected disability
U.S. Department of Veterans Affairs	Specially Adapted Housing (SAH) available for veterans and service members (with select service-connected disabilities) to purchase or change a home to meet their needs; Examples include installing ramps or widening doorways; If applicant qualifies, they can receive up to $117,014 for Fiscal Year 2024	Must have experienced loss of limb, breathing/respiratory injuries, blindness, and certain severe burns
Navy-Marine Corps Relief Society	Financial assistance for rent and offers interest-free loans and grants	Active duty or retired sailor or Marine, Eligible family member with military ID, Surviving spouse, Reservist on extended active duty of 30 days or more
U.S. Department of Veterans Affairs	If applicant received a Specially Adapted Housing (SAH) grant (mentioned above) or the Special Home Adaptation (SHA) (mentioned above) they can apply for Temporary Residence Adaptation program that helps the veteran adapt to their disability needs	Have received an SAH or a SHA grant and are temporarily living in a family member's home that needs altered to meet the service member's disability

(**Federal** Continued)

Organization/ Program	Description	Eligibility
U.S. Department of Labor	The Agricultural Safety and Health Bureau has several resources for farmers and growers that want to upgrade/or improve their farm labor housing	Each program has various eligibility requirements
United States Department of Agriculture	Provides several loan and grant options to help with housing; Home Repair Loan and Grants (Section 504 Home Repair); Mutual Self-Help Grants; Rural Housing Site Loans; Housing Preservation Grants; Multifamily housing programs; Single-Family Housing Direct Home Loans (Section 502 Direct Loan Program); Single-Family Housing Guaranteed Loan Program	Mutual Self-Help Grants are for government nonprofit organizations, federally recognized Tribes, or private nonprofit organizations; Other programs for qualified homeowners who must participate in building their home
USDA Loan Program	Zero money down loan option to buy an existing, new or proposed construction home, townhome, condominium or manufactured home	Income based; Home must be in a rural area
United States Department of Agriculture	Section 515 loans are made by the U.S. Department of Agriculture's Rural Development Housing and Community Facilities Programs Office; Borrowers use the funds to purchase buildings or land to build or renovate buildings for affordable housing	Individuals, partnerships, limited partnerships, for-profit corporations, nonprofit organizations, limited equity cooperatives, Native American tribes, and public agencies; Borrowers must not be able to obtain credit elsewhere that will allow them to charge affordable rents
Operation First Response Family Assistance Program	Assistance with a variety of needs including rent/mortgage	Must have been in the military or a first responder
Operation Homefront Critical Financial Assistance Program	Various programs include housing assistance, permanent housing programs and utilities	Income based; Must have DD214 if discharged, if deployed must provide line of duty documentation
Salute, Inc.	One-time financial aid for rent/mortgage, utility bills and other expenses such as medical	Active-duty date of service must be 2019 to current; Reside in the United States
Purple Heart Homes	A 501(c)(3) public charity that provides aid to veterans with a disability that are ready to purchase a home, looking for a rental home, or wanting a tiny home	Must have a 10% Service-Connected Disability Rating from Veterans Affairs; Copy of Veterans Affairs Award Letter and ratings letter; Proof of income
Operation Finally Home	A non-partisan/nonprofit 501(c)(3) organization that provides mortgage-free homes to veterans, first responders and their families; Also provides modifications to homes of wounded, ill and injured military veterans, first responders, or their surviving spouses/families; The program has built over 300 homes in 31 states	Veteran or first responder that has been wounded, ill or injured during service
Project EverGreen	Provides lawn and landscape services for military families across the United States; Includes pest control, mosquito and fire ant control, snow removal and leaf clean-up	Over age 65; Military veteran, disabled and under-resourced individual or families

Programs, Initiatives, and Incentives (**State**)

Organization/ Program	Description	Eligibility
Duke Energy of North Carolina Weatherization Program	Services may include sealing air leaks or duct work, installing insulation, replacing existing lighting bulbs, repairs, replacement or maintenance of heating and cooling systems, refrigerator replacing or maintenance (maximum $1,000)	Income based; Must be a North Carolina resident with a Duke Energy account
Healthy Opportunities Pilot	This program could help high-needs Medicaid enrollees establish safe housing, provide one-time security deposit and first month's rent, home inspection and help with homes that have mold issues	Fill out form online to see if applicant is eligible
NC Home Advantage Mortgage	Down payment assistance; Can receive up to 5% of the loan amount	Income restriction; First-time home buyer; Must occupy home within 60 days of purchase; Credit score of 640
NC 1st Home Advantage Down Payment	A 0%, deferred second mortgage; Up to $15,000 for down payment assistance; Complete forgiveness at the end of 15 years	Applicant must first qualify for the NC Home Advantage Mortgage
North Carolina Housing Finance Agency	A self-supporting public agency that finances affordable housing opportunities; Programs include federal HOME Program, Essential Single-Family Rehabilitation Program; Transitions to Community Living Voucher, Targeting Program, Key Rental Assistance, Homeowner Assistance Fund (has helped 18,000 residents), Integrated Supportive Housing, etc. Provides resources for those needing down payment assistance, low-cost mortgages, rehabilitation of substandard homes, and foreclosure prevention assistance; The Urgent Repair Program received $8.8 million in 2024 and more than 310,700 affordable homes and apartments were financed totaling $31.9 billion	Each program has various qualifications
NC Department of Health and Human Services	Low Income Energy Assistance Program (LIEAP) is a federally funded program that offers one-time assistance for heating bills January 1 through March 31; Households with an elderly person aged 60+ or person with a disability can apply in December	Income based; Families with children are also priority
North Carolina Department of Health and Human Services	Services offered include, but are not limited to, finding rental housing, aiding with foreclosure, ramp installment for homeowners, and identifying grants/loans for home repairs	Persons with extremely low-income level; Homeless; Persons or family member with a disability
North Carolina's Opportunity Zones	Program created to spur investment in low-income communities through tax benefits; The program provides tax incentives for qualified investors to re-invest unrealized capital gains into low-income areas throughout North Carolina and across the country; Macon County has one Census Tract designated for this program (37113970301).	Poverty rate is typically 20% or greater in these areas or household incomes are less than 80% of the area's median income; Multifamily housing is an eligible product under this program

(**State** Continued)

Organization/ Program	Description	Eligibility
North Carolina Housing Coalition	Listing of affordable housing locations, counseling services, Homeownership Assistance Program and resources such as Habitat for Humanity	Each program has various requirements
Haywood EMC	Offers an Equal Payment Plan which allows you to pay the same amount on your electric bill averaging prior use except for one month that evens up your account; Covers a portion of Highlands and Otto	Anyone can apply
Rainbow	Rainbow Housing Assistance Corporation is a nonprofit organization which provides housing programs for residents of rental housing across the country	Each program has various qualifications
Telamon	Offers mortgage programs; First-time Homebuyer Program	Each program has various qualifications
North Carolina Electric Utility	Hot water program that offers 0% financing on tankless water heaters and Energy Assistance Program	Each program has various qualifications
Military Missions in Action	501(c)(3) nonprofit charitable organization provides housing modifications such as construction of wheelchair ramps, roll-in-showers, widening doorways, and lowering cabinets and countertops	This program is for all veterans with disabilities and active-duty military or veterans with dependent children that have special needs
North Carolina Community Action, Incorporated	If available, aid pays for short-term expenses and bills; Also offers weatherization, heating/cooling services, credit rebuilding, foreclosure prevention counseling, home repair loans; Senior citizens or very low-income households may also refer home repairs such as plumbing, roof, insulation, etc.; Has served 106,069 North Carolinians	Income Based
Tunnel to Towers Foundation	As of July 2024, the foundation has fulfilled the mortgage or provided a mortgage free home to over 30 fallen first responder families in over 15 states; Offers other programs such as Smart Home Program that is used to build homes for the specific needs of first responders and service members that have been injured during duty	Families (with young children) of law enforcement officers or firefighters that died due to 9/11 related illness; Families (with young children) of service members who died in service to country
Veterans Services of the Carolinas	Organization is a division of Asheville Buncombe Community Christian Ministry and helps veterans nationwide and their families prevent homelessness, maintain their current housing, help find new and affordable housing, offers temporary rental assistance and security deposit, and helps pay utilities	Income cannot exceed 50% of the area median income; Homeless or at risk for homelessness
North Carolina Heros Fund and Financial Hardship Grant	Support for expenses such as mortgage/rent	Active duty or veteran in the North Carolina Guard or Reserve; Permanent residency in North Carolina; Injury during recent deployment that has impacted financial situation and VA disability payments have not begun; Unusual financial strain during deployment

(**State** Continued)

Organization/ Program	Description	Eligibility
Mortgage Forbearance	Program offers advantages such as banks and lenders reducing loan payments, suspending payment for a certain amount of time, or allowing borrowers to make payments on regular mortgage before paying the amount they are behind on; Several lenders also have assistance programs	Defaulted on their mortgage due to salary reduction, job loss, medical emergency, or some other crisis
Arc of North Carolina	The Arc provides support to people with an intellectual or developmental disability and their families and helps find a safe, accessible, and affordable home	Must have an intellectual or developmental disability or a severe and persistent mental illness
Division of Environmental Assistance and Customer Service	Offers an Abandoned Manufactured Home Grant Program that assists in the removal of abandoned manufactured homes and strict requirements mandating the removal of metal and materials banned from disposal such as tires, mercury thermostats, and fluorescent lights	Eligibility is based on the county's tier designation
Water Well Trust	501(c)(3) organization; Offers financing to rural homeowners that do not have public water supply; Water and wastewater projects	Must own home; No reliable source of public water; Does not exceed 60% of the median non-metropolitan household income for the state
North Carolina Department of Commerce	Agency offers grants and funding for revitalization of neighborhoods. Programs offered include Neighborhood Stabilization program for areas responding to high foreclosures; Recovery Housing Program for those recovering from substance use disorder; Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Program which is a new funding program to help support residents living in manufactured housing and manufactured housing communities. In June 2024 Rural Economic Development Division applied for $15 million and several other programs	Each program has various requirements
North Carolina Environmental Quality	Helps low-income North Carolinians save energy, reduce utility bills, and stay safe in their homes	Households with incomes below 200% of the federal poverty guidelines; Those receiving cash assistance payments under Work First or Supplemental Security Income; The elderly, individuals with disabilities, and families with children are priority
North Carolina Department of Revenue	Taxes for each year are limited to a percentage of the owner's income; Taxes above the limitation are deferred; Excludes up to the first $45,000 of the appraised value of the permanent residence	Income Based; 65 years of age or has total and permanent disability (Circuit Breaker Tax Deferment Program); Honorably discharged disabled veteran or surviving spouse (Disabled Program)
Community Services Block Grant	Funded services to help with housing and utilities	Income Based
North Carolina National Guardsman Survivors' Outreach Fund	Temporary housing and utility financial assistance that does not exceed $500	Copy of overdue bill(s), or eviction notice; Family member of a soldier/airman that died during active duty in the North Carolina National Guard

(**State** Continued)

Organization/ Program	Description	Eligibility
NC National Guard Soldiers and Airmen Assistance Fund	Financial assistance for shelter, mortgage, utilities, and other necessities; Assistance will not exceed $500	Must be a soldier, airmen; Copy of overdue bill(s), or eviction notice
RAO Community Health/Housing Deposit Assistance/Short Term Rental Assistance	Funds used to assist with paying rent and utility bills	Must have HIV/AIDS
Grant and Per Diem Program	North Carolina Division of Veterans Affairs reviews forms and then forwards to U.S. Department of Veterans Affairs; Program helps fund the renovation, purchase or construction of transitional housing; Improves safety for veterans; Increases availability of individual transitional housing units; Offered annually as funding permits	Homeless; Substance disorder and/or dependence
Manufactured Home Loan	Offers FHA loan with smaller down payment, fixed rate and flexible loan terms	Veteran
North Carolina Department of Natural and Cultural Resources	Offers incentives for individuals who rehabilitate historic buildings for either residential (non-income producing) or income producing projects	Rehabilitation must exceed $10,000 within a 24-month period; Rehabilitation must meet set standards
Vayahealth	Offers several programs such as TCL Program (community-based supportive housing) and Independence Project (combination of short-term rental assistance and supportive services)	Each program has various requirements

Programs, Initiatives, and Incentives (**County**)

Organization/ Program	Description	Eligibility
National Flood Insurance Program	Macon County participates in program; Program is administered by the Federal Emergency Management Agency; Eligible residents can purchase flood insurance at a discount and federal financial assistance to property owners	Must be a Macon County resident
Habitat for Humanity Macon/Jackson County	Assists households in homeownership or renovation of their home	Income based; Must be living in substandard housing, overcrowded housing, resident of public housing, paying 30% of gross income on rent, does not own a home, unable to qualify for a conventional mortgage; Help build their home and neighbors home; Ability to pay a low interest mortgage; Lived in or worked in Macon County for the last year
The Salvation Army of WNC	Offers emergency assistance with rent and utilities; Serves several counties including Macon	Income based
Homestead Exclusions	Exclusion for disabled veterans allows qualifying property owners a part of the appraised value of their home excluded from taxation	An unmarried surviving spouse of an honorably discharged veteran with a disability can qualify

(**County** Continued)

Organization/ Program	Description	Eligibility
Macon County Housing Department	Various programs for Franklin, Highlands, Nantahala, and Otto residents such as Weatherization Assistance Program, Urgent Repair Program, Housing Rehabilitation Loan, Single-family Rehab Program, Duke Energy Carolinas Weatherization Program, and Heating and Air Repair	Each program has various qualifications
Department of Macon County Department of Social Services	Offers programs such as Low-Income Home Energy Assistance Program (one-time payment for heating bill) and Crisis Intervention Program (assistance for heating for those that are in immediate and life-threating crisis)	Each program has various qualifications
Macon Program for Progress	Offers the HCV program	Income based
Holly Springs Baptist Church	Located in Franklin, North Carolina; Offers help with utilities in emergency situations	N/A

Overall, a total of 60 programs (or organizations) were identified that could potentially be accessed to support housing preservation and development efforts in Macon County. This includes 19 federal programs, 33 state programs, and eight (8) county programs. These programs cover a variety of purposes, are available on a community or individual household level, and have various eligibility requirements. Advocates and/or residents should explore, utilize, and promote programs that best fit the county's goals. It is important to note that this listing of various housing programs likely does not include all such programs that are available. Therefore, the county and area advocates may want to conduct additional research to determine if other programs are available.

I. SPECIAL NEEDS POPULATIONS

As part of this analysis, we collected and evaluated data relative to a variety of special needs populations in Macon County. The following table identifies the various special needs populations, and the respective estimated size of each population within the county, that were considered in this report.

Special Needs Populations	
Group	**Number**
Homeless	50
Veterans	3,044
Persons with a Disability	6,248
Persons with a Mental Illness	6,037
Seniors/Elderly (Age 65+)	11,568
Victims of Domestic Violence	4*
Persons with a Substance Abuse Disorder	122
Youth Aging Out of Foster Care	2
Persons with a Developmental Disability	1,110
Released Inmates	71

*Homeless estimates only

Based on the preceding table, the largest special needs population evaluated in this report is the seniors/elderly (age 65 and older) group which consists of 11,568 people. Other large special needs populations in the county include approximately 6,248 persons with a disability, 6,037 persons with a mental illness, approximately 3,044 veterans, and 1,110 persons with a developmental disability within Macon County. Although the estimates of the other special needs populations that were evaluated are significantly smaller than the populations of seniors/elderly, the challenges experienced by these groups are equally unique and severe. As a result, all of these special needs populations should be kept in mind as policies, programs, and incentives are developed to meet the overall housing needs of Macon County. These groups are evaluated further in the following narratives.

Homeless Population

Macon County is located within the NC-503 North Carolina Balance of State Continuum of Care (CoC), which is overseen by the North Carolina Coalition to End Homelessness. The Balance of State CoC consists of 79 counties within the state of North Carolina, including Macon. The most recent Point-In-Time (PIT) homeless count for the CoC occurred in January 2023.

According to some resources, 2020 through 2022 PIT counts conducted around the United States may not be considered accurate due to COVID-related issues that impacted the ability to locate and survey homeless people. Although these PIT counts are included in this analysis, it is important to keep in mind that these numbers are likely skewed due to COVID. It should also be noted that although PIT counts are widely used to estimate the homeless population of a given area, the data represents a one-day count of the homeless and can be affected by a number of factors including weather, resources, and methodologies; therefore, the numbers can fluctuate significantly from year to year and on any given day within a year.

The following tables summarize the homeless population in Macon County by population and shelter status from 2021 to 2023:

	Annual PIT Survey Counts NC-503 North Carolina Balance of State Continuum of Care (Macon County)		
	2021	2022	2023
Persons	23	6	50
Households	10	4	47

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

	Families with Children Experiencing Homelessness				
Macon County	Total Households	Total People	Children Age 17 & Under	Adults Age 18-24	Adults Age 25+
2021	5	18	13	1	4
2022	1	3	2	0	1
2023	2	4	2	0	2

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

	Adults without Children Experiencing Homelessness			
Macon County	Total Households	Total People	Adults Age 18-24	Adults Age 25+
2021	5	5	0	5
2022	3	3	0	3
2023	45	46	5	41

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

	Shelter Status			
Macon County	Emergency Shelter	Transitional Housing	Unsheltered	Total
2021	23	0	N/A	23
2022	4	0	2	6
2023	6	0	44	50

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness
N/A – Not Available; not conducted in 2021 due to COVID

In 2023, a total of 50 homeless persons were counted in Macon County. Approximately 88% of homeless persons counted were unsheltered, while 12% of homeless persons were in an emergency shelter. None of the homeless population in the 2023 PIT count were in transitional housing. Overall, the total homeless population in Macon County over the three-year period ranged from a low of six people to a high of 50 people with an annual average of approximately 26 homeless people. In both 2021 and 2022 the majority of homeless people were in an emergency shelter. Conversely, the majority of homeless people were unsheltered in 2023. The total homeless population increased by 117.4% between 2021 and 2023. While this is a substantial increase, it is important to reiterate that PIT counts vary widely from year to year, and even day to day, as the survey is conducted during a 24-hour period and thus reflective only of the homeless population identified at that time. Furthermore, the majority of the homeless population was unsheltered in 2023, a population segment which was not calculated/identified in

2021 due to the impact of COVID. It appears this data set (unsheltered homeless) was still influenced/limited by the impact of COVID in 2022 when just two such persons were identified. In comparison, the average annual unsheltered homeless population within Macon County pre-COVID (2016-2020) was 50 persons, which is very similar to the most current (2023) county of 44 persons.

The following tables summarize the homeless population by subpopulation based on the PIT counts from 2021 to 2023.

Macon County	Chronically Homeless			
	People in Families with Children	Adults without Children	Children without Guardians	Total
2021	0	10	0	10
2022	0	2	0	2
2023	0	1	0	1

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

Macon County	Veterans			
	Veterans in Families with Children	Veterans without Children	Total Veterans	Chronically Homeless Veterans
2021	0	4	4	0
2022	0	0	0	0
2023	0	2	2	0

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

Macon County	Youth			
	Unaccompanied Youth	Youth Parents and Children	Total People	Total Households
2021	5	0	5	5
2022	0	0	0	0
2023	0	0	0	0

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness

As the preceding tables illustrate, most homeless persons in Macon County do not identify with a specific subpopulation. The annual PIT count from 2023 identified one person who is chronically homeless and two veterans.

The total number of units and beds available to the homeless population through the CoC among Macon County participants is summarized in the following table:

Number of Beds & Units Designated for Homeless Population							
Housing Type	Family Beds	Family Units	Adult-Only Beds	Child-Only Beds	Seasonal	Overflow/ Voucher	Total Beds** (Year-Round)
Emergency Shelter*	4	2	3	0	0	1	7
Transitional Housing	0	0	0	0	0	0	0
Permanent Supportive Housing	0	0	0	0	0	0	0
Rapid Re-Housing*	14	5	18	0	0	0	32
Other Permanent Housing	0	0	0	0	0	0	0
Total	18	7	21	0	0	1	39

Sources: Housing Inventory Count Report – HUD 2023 CoC (NC-503: NC BOS CoC); North Carolina Coalition to End Homelessness
*Includes beds scattered throughout multiple counties
**Total Beds (year-round) is Family Beds plus Adult-Only Beds and Child-Only Beds

According to the most recent Housing Inventory Count (HIC) Report published by HUD, there are a total of 39 year-round beds available to homeless persons in Macon County. When considering a total of 50 homeless persons were identified within the county in 2023, it appears the homeless population is underserved within the county in terms of available housing/beds. This is particularly true when considering all beds currently available to the homeless population within the county are only temporary housing solutions.

Veterans

Veterans, who typically comprise a notable share of a community's population, often experience challenges with securing proper healthcare, education, employment, and housing for a variety of reasons. According to the five-year American Community Survey (2018-2022), there are approximately 3,044 veterans within Macon County, representing about 10.0% of the adult population.

The following table illustrates the number and share of the veteran population by age group in Macon County (Note: the percentages shown in the table are reflective of the total civilian population and veteran population separately).

Macon County, North Carolina				
Population 18 Years and Over	Civilians		Veterans	
	Number	Percent	Number	Percent
18 to 34 years	6,083	22.2%	77	2.5%
35 to 54 years	7,666	27.9%	157	5.2%
55 to 64 years	5,291	19.3%	525	17.2%
65 to 74 years	5,109	18.6%	1,093	35.9%
75 years and over	3,284	12.0%	1,192	39.2%
Total	27,433	100.0%	3,044	100.0%

Source: United States Census Bureau (Table S2101: American Community Survey 2018-2022)

As the preceding table illustrates, veterans are generally older than the civilian population with the greatest shares among those aged 65 to 74 (35.9%) and those aged 75 years and older (39.2%).

The following table compares median income, the share of the population with income below the poverty level, the unemployment rate, and the disability status of the veteran and civilian (non-veteran) populations in Macon County and the state of North Carolina.

Income, Employment, and Disability Status Comparison (Veterans versus Non-Veterans) - 2022		
Population Segment	**Macon County**	**North Carolina**
Median Income		
Veterans	$34,933	$47,816
Non-Veterans	$29,973	$34,485
Income Below Poverty Level (Past 12 Months)		
Veterans	10.6%	7.2%
Non-Veterans	14.7%	12.4%
Unemployment Rate		
Veterans	0.0%	3.8%
Non-Veterans	3.4%	5.1%
Disabled (At Least One Disability)		
Veterans	40.3%	29.2%
Non-Veterans	17.2%	14.9%

Source: U.S. Census Bureau, 2018-2022 American Community Survey (S2101)

The 2022 per-person annual median income of veterans in Macon County ($34,933) was higher than the per-person annual median income of non-veterans ($29,973), and a lower share of veterans in the county (10.6%) lived below the poverty level when compared to non-veterans (14.7%). The unemployment rate among veterans in the county (0.0%) is also below the unemployment rate for non-veterans (3.4%).

It should be noted that a higher share (40.3%) of veterans have at least one disability compared to non-veterans (17.2%). This higher share of veterans with a disability can be a contributing factor to homelessness. According to the Disabled Veterans National Foundation (DVNF), over half of homeless veterans have a disability.

Persons with a Disability

Persons with a disability, particularly those within the typical range of working ages, often experience a variety of housing issues and are vulnerable to becoming homeless since such people often cannot find housing to meet their specific needs. It can also be difficult to secure housing that is affordable as persons with a disability often experience limited earning capacity. An individual with a disability is defined by the Americans with Disabilities Act (ADA) as a person who has a physical or mental impairment that limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment. Although the American Community Survey (ACS) data does not identify persons with disabilities as defined by the ADA Amendments Act, the ACS data provides the most current estimates of the population with self-reported disabilities. Its sample size is also large enough to enable state and county estimates.

The American Community Survey identifies people with disabilities by asking questions about six different areas of functionality. The following table summarizes the number of persons with a disability in Macon County by age group.

Population with Disabilities by Age Macon County, North Carolina			
Age	*Total Population	Number of Population With At Least One Type of Disability	Share of Population With At Least One Type of Disability
Under 5 years	1,620	0	0.0%
5 to 17 years	4,970	349	7.0%
18 to 34 years	6,151	242	3.9%
35 to 64 years	13,576	2,286	16.8%
65 to 74 years	6,172	1,298	21.0%
75 years and older	4,420	2,073	46.9%
Total	**36,909**	**6,248**	**16.9%**

Source: 2018-2022 American Community Survey (ACS) Table S1810
*Noninstitutionalized Population

Based on 2018-2022 American Community Survey (ACS) data, the estimated rate of disabilities among Macon County's population was 16.9%, which reflects an estimated 6,248 people in the county with at least one disability. The overall population with at least one disability in Macon County correlates significantly with age. Note that nearly half (46.9%) of people aged 75 and older have at least one disability, while 21.0% of people between 65 and 74 years of age have at least one disability. People with a disability may have limits on their educational attainment, employment opportunities, and their quality of life. As the earning potential of some individuals with a disability could be limited, access to affordable housing alternatives and related disability services is often important to this special needs population.

Persons that are blind, disabled, or over age 65 can qualify for Supplemental Security Income (SSI). According to the Social Security Administration's Master Beneficiary Record and Supplemental Security Record, a total of 216,834 persons received SSI in 2022 in North Carolina, with over 92% of recipients classified as persons with a disability. In Macon County, a total of 675 persons received SSI as of December 2022. Of the 675 SSI recipients in Macon County, 11.0% of recipients were aged 65 and older and over 89.0% of recipients were blind or had a disability.

Rental housing affordability by persons on a fixed SSI income is shown in the following table for select areas.

Rental Housing Affordability for Persons on a Fixed Income by Housing Market Area (2024)				
Housing Market Area	SSI Monthly Payment	SSI as Percent of Median Income	Percent SSI for One-Bedroom Apartment	Percent SSI for Efficiency Apartment
Statewide Non-MSA*	$943.00	22.1%	79%	76%
Statewide	$943.00	18.2%	120%	115%
National	$985.48	17.3%	142%	131%

Source: Priced Out - Technical Assistance Collaborative
*Non-MSA - Non-Metropolitan Statistical Area

The SSI monthly payment of $943 for a recipient in the Statewide Non-MSA (includes Macon County) area equates to an annual income of $11,316, which is 22.1% of the corresponding area median income. Cost of a typical one-bedroom apartment in the Statewide Non-MSA requires 79% of the monthly SSI payment, while an efficiency apartment requires 76% of the monthly SSI payment. Thus, while SSI recipients could effectively afford the cost of these smaller rental units, they would be considered severe cost burdened (paying 50% or more of income toward housing costs), if solely relying on SSI.

In addition to federal SSI payments, persons with a disability in Macon County are eligible for housing assistance from the U.S. Department of Housing and Urban Development (HUD) and local housing authorities. Persons with a disability in Macon County can also receive help and treatment from mental health advocacy and rehabilitation organizations based in the county.

Based on research and analysis of the rental housing supply in Macon County, two properties were identified that contain units specifically designated for persons with a disability. The one property surveyed (Oak Forest Apartments), however, is 100.0% occupied and maintains a 12-month wait list for their next available units. This property also contains just 32 total units, comprising approximately only 10.0% of the 316 total conventional rental units surveyed in the PSA (Macon County). This aforementioned property operates with a project-based Section 8/202 subsidy to ensure its affordability among the targeted tenant population. It appears that the overall supply of conventional rental housing specifically designated for persons with a disability in Macon County is limited.

With regard to home ownership, best practices recommended by a Duke University Sanford School of Public Policy 2018 document identified various resources available for persons with a disability. These resources include, but may not be limited to, home purchasing assistance grants, home modification loan programs, restructured density bonuses to include accessibility, housing developer assistance programs, and the Section 811 program to assist those with disabilities.

Persons with Mental Illness

According to the National Institute of Mental Health (NIH), mental illnesses are categorized as Any Mental Illness (AMI) or Serious Mental Illness (SMI). An AMI is defined by NIH as a mental, behavioral, or emotional disorder which can vary/range from mild, moderate, or severe impairment. In comparison, an SMI is defined as "*a mental, behavioral, or emotional disorder which results in serious functional impairment, which substantially interferes with or limits one or more major life activities."* A mental illness of this level is typically found among persons which experience a disability due to said illness.

Based on statistics obtained from Mental Health America, approximately 19.8% (1,592,000) of the adult population in North Carolina has a mental illness. Applying this share to the adult (age 18 and older) population for Macon County (30,488) results in an estimated 6,037 adult persons in Macon County with a mental illness.

As many persons living with a mental illness are capable of living independently and/or with family and/or other caretakers, it is unlikely that all persons with a mental illness are in need of supportive housing. As such, we have refined our analysis to focus on the most vulnerable mental illness population within Macon County, those which required emergency department visits.

The following table summarizes the number of emergency department visits by the adult population (age 18 and older) of Macon County in 2022 by group (i.e., reason for visit), as obtained from the North Carolina Disease Event Tracking and Epidemiologic Collection Tool (NC Detect).

2022 Emergency Department Visits for Mental Illness – Age 18+ (Macon County)		
Group/Reason for Visit	**Number**	**% of Total Visits**
Anxiety	959	44.7%
Depression	667	31.1%
Self-Inflicted Injury	68	3.2%
Suicidal Ideation	264	12.3%
Trauma/Stressors	188	8.8%
Total	**2,146**	**100.0%**

Source: NC Detect

It is important to understand that the preceding is reflective of the number of emergency department visits for mental health-related illnesses/injuries and ***not*** reflective of the population experiencing these mental health issues. This is to say that a single person could have made multiple emergency department visits and/or visited an emergency department for multiple reasons listed in the preceding table. Nonetheless, it is notable that more than 2,100 emergency department visits among the adult population within Macon County in 2022 were for mental health related illnesses/reasons. Visits pertaining to anxiety and depression represented the two largest groups/reasons, though it is of note that more than 500 visits were related to self-inflicted injuries, suicidal ideation, and/or trauma/stressors. The adult population experiencing severe mental health illnesses within Macon County are likely the most vulnerable and in need of supportive housing alternatives and/or programs to maintain a healthy lifestyle.

Persons with a mental illness in Macon County may receive treatment from Meridian Behavioral Health (merged with Blue Ridge Health), with a location in the town of Franklin. Meridian Behavioral Health provides counseling services for adults experiencing substance abuse and/or mental health challenges as well as a recovery education center, specialized assessments, a Substance Abuse Intensive Outpatient Program (SAIOP), a supported employment program, and outpatient counseling and case management services for children.

In addition to the aforementioned facility, the Community Health Hub by Vecinos is set to open spring 2025 in Franklin. This nonprofit facility will provide services for Western North Carolina's uninsured, low-income residents which include primary medical, dental and mental health services, domestic violence help, interpretation and legal services, dietary advice, and more. This facility is expected to provide additional services which may be beneficial to persons with a mental illness in the Macon County area.

Seniors Age 65 and Older

Like much of the United States, Macon County has a large and growing number of seniors, many with unique housing needs. We evaluated key population and household data and trends, as well as household income data as it relates to the area's senior population.

The population of persons aged 65 and older for selected years is shown in the following table for Macon County and the state of North Carolina.

		Population Age 65 and Older (Share of Total Population)		
		Ages 65 to 74	Ages 75+	Total
Macon County	2020	6,294 (17.0%)	4,624 (12.5%)	10,918 (29.5%)
	2023	6,856 (17.9%)	4,712 (12.3%)	11,568 (30.2%)
	2028	7,120 (18.1%)	5,851 (14.9%)	12,971 (33.0%)
North Carolina	2020	1,081,564 (10.4%)	707,861 (6.8%)	1,789,425 (17.2%)
	2023	1,156,454 (10.7%)	743,118 (6.9%)	1,899,572 (17.6%)
	2028	1,218,610 (11.0%)	945,589 (8.6%)	2,164,199 (19.6%)

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Based on the preceding table, Macon County has an estimated senior (age 65 and older) population of 11,568 in 2023, reflective of 30.2% of the county's total population. This is a notably higher share of elderly persons compared with the 17.6% share reported for the state of North Carolina. Many of these elderly people live independently and likely do not rely on any supportive services, as 86.3% of Macon County households headed by a person aged 65 and older live in owner-occupied housing. While many of the county's elderly population lives independently, a notable portion of the elderly population has physical or mental limitations that create challenges to live without some level of assistance and/or appropriate housing. This portion of the elderly population is referred to as *frail elderly*.

A frail elderly person is generally defined as an older individual who is unable to perform at least three Activities of Daily Living (ADLs). According to a fact sheet published by HUD, ADLs include eating, bathing, grooming, dressing, and transferring. The U.S. Centers for Disease Control and Prevention's *Summary Health Statistics for U.S. Population National Health Interview Survey 2018* states that 3.9% of persons between the ages of 65 and 74 require assistance with at least three ADLs and 11.6% of persons aged 75 or older require ADL assistance nationally. Applying these shares to Macon County's population of persons aged 65 and older yields an estimated 814 elderly persons requiring ADL assistance. These 814 persons are categorized as *frail elderly* and likely require either home health care services or senior care housing to meet their specific needs. A

percentage of the population that requires ADL assistance will use home healthcare and assistance from family and friends to remain in their current residence. However, a portion of the population that requires ADL assistance is likely to respond to senior housing that meets their specific needs (i.e., assisted living, skilled nursing care, etc.). As this base of seniors is projected to increase over the next five years, additional housing to meet their specific needs should be an area of focus for future housing development alternatives.

The distribution of senior households by tenure (owners and renters) for the PSA (Macon County) is shown in the following table:

	Senior Households Age 65 and Older PSA (Macon County)					
	2020 (Census)		2023 (Estimated)		2028 (Projected)	
Tenure	Number	Percent	Number	Percent	Number	Percent
Owner Households	6,131	87.0%	6,384	86.3%	7,137	86.4%
Renter Households	919	13.0%	1,013	13.7%	1,121	13.6%
Total	7,050	100.0%	7,397	100.0%	8,258	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

The senior owner and renter households increased between 2020 and 2023, a trend which is projected to continue through 2028. Specifically, it is projected that the number of senior renter households will increase by 108 (10.7%), while senior owner households are expected to increase by 753 (11.8%) between 2023 and 2028. As such, the demand for both rental and for-sale product that meet the needs of seniors is expected to increase over the next several years.

The distribution of senior households (owner and renter) ages 65 and older by income in Macon County is illustrated in the following table:

	Households by Income (Age 65 and Older) PSA (Macon County)							
	<$10,000	$10,000 - $20,000	$20,000 - $30,000	$30,000 - $40,000	$40,000 - $50,000	$50,000 - $60,000	$60,000 - $100,000	$100,000+
2020	180 (2.6%)	799 (11.3%)	1,025 (14.5%)	992 (14.1%)	786 (11.1%)	528 (7.5%)	1,442 (20.4%)	1,300 (18.4%)
2023	337 (4.6%)	1,243 (16.8%)	994 (13.4%)	841 (11.4%)	796 (10.8%)	446 (6.0%)	1,393 (18.8%)	1,347 (18.2%)
2028	245 (3.0%)	1,288 (15.6%)	1,008 (12.2%)	793 (9.6%)	919 (11.1%)	464 (5.6%)	1,659 (20.1%)	1,882 (22.8%)
Change 2023-2028	-92 (-27.3%)	45 (3.6%)	14 (1.4%)	-48 (-5.7%)	123 (15.5%)	18 (4.0%)	266 (19.1%)	535 (39.7%)

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In Macon County, senior households within the income cohorts $40,000 to $50,000, $60,000 to $100,000, and $100,000 and up are projected to significantly increase between 2023 and 2028. The median household income among senior households in Macon County is $43,562 in 2023. By 2028, it is projected that median household income for senior households will be $48,651, an 11.7% increase over the 2023 figure. Growth projections among area seniors suggest that demand for moderate

and higher priced senior-oriented housing alternatives may increase in the coming years within Macon County. Despite the notable projected increase in higher income ($60,000+) senior households between 2023 and 2028, nearly one third (30.8%) of senior households are projected to earn less than $30,000 in 2028. These low-income elderly households are more likely to qualify for and need affordable senior-oriented housing.

Senior households ages 65 and older by size and tenure (renters and owners) for selected years are shown in the following table:

		Persons Per Household (Age 65 and Older) PSA (Macon County)					
		1-Person	2-Person	3-Person	4-Person	5-Person	Total
Renters	2023	657 (64.8%)	166 (16.4%)	82 (8.1%)	58 (5.7%)	51 (5.0%)	1,013 (100.0%)
	2028	756 (67.4%)	165 (14.7%)	83 (7.4%)	59 (5.3%)	58 (5.2%)	1,121 (100.0%)
	Change 2023-2028	99 (15.1%)	-1 -(0.9%)	1 (1.4%)	1 (2.4%)	7 (14.8%)	108 (10.7%)
Owners	2023	2,353 (36.9%)	2,623 (41.1%)	635 (9.9%)	467 (7.3%)	306 (4.8%)	6,384 (100.0%)
	2028	2,636 (36.9%)	2,913 (40.8%)	695 (9.7%)	535 (7.5%)	357 (5.0%)	7,137 (100.0%)
	Change 2023-2028	284 (12.1%)	291 (11.1%)	60 (9.4%)	68 (14.6%)	51 (16.7%)	753 (11.8%)

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, nearly two-thirds (64.8%) of *renter* households aged 65 and older in Macon County live alone, while just over one-third (36.9%) of *owner* households aged 65 and older live alone. Projections indicate that nearly 92.0% of all senior renter growth between 2023 and 2028 will occur among one-person households. By comparison, two-person households comprise the largest share (41.1%) of all senior owner households. This household group is also projected to experience the greatest growth among senior owner households between 2023 and 2028.

The following table summarizes the number of persons with a disability in Macon County by type of disability and illustrates a comparison between the total population and the population of those aged 65 and older. It should be noted that because survey respondents could indicate that they have more than one disability, the totals of the individual categories exceed the actual total based on ACS 2018-2022 data.

Noninstitutionalized Population by Type of Disability PSA (Macon County, North Carolina)				
Type of Disability	Total Population With Disability	Prevalence (Total Population)	Age 65+ Population With Disability	Prevalence (Age 65+ Population)
Hearing	2,072	5.6%	1,564	14.8%
Vision	948	2.6%	584	5.5%
Cognitive	2,000	5.7%	890	8.4%
Ambulatory	3,690	10.5%	2,140	20.2%
Self-Care	1,412	4.0%	772	7.3%
Independent Living	2,126	7.0%	1,350	12.7%

Source: 2018-2022 American Community Survey (Table S1810) 5-Year Estimates (Percents are also from the 5-Year Estimates)

Nearly one-third (31.8%) of the older adult population has a disability compared with 16.0% of the overall population. Persons with an ambulatory (physical) disability represent the largest share of persons with a disability by type for both the overall population (10.5%) and senior population (20.2%). Those with a hearing or independent living disability represent the next largest shares of the senior population with a disability.

Based on our survey of area housing alternatives, there was one conventional rental property (Oak Forest Apartments) surveyed in the PSA (Macon County) that offers age-restricted units. These units serve lower income households, as they operate with a government subsidy. This project is 100% occupied and has a wait list, which is currently 12 months in duration. As such, there is a limited supply and pent-up demand for affordable rental housing for seniors, including seniors with disabilities.

Victims of Domestic Violence

The National Network to End Domestic Violence (NNEDV) defines domestic violence as *a pattern of coercive, controlling behavior that can include physical abuse, emotional or psychological abuse, sexual abuse or financial abuse*. The total number of persons impacted by domestic violence is difficult to quantify. Victims of domestic violence are vulnerable to becoming homeless due to the fact that such persons often flee home for personal safety reasons, and, in many cases, they flee home spontaneously without planning for housing accommodations. According to NNEDV, between 22% and 57% of women who are homeless credited domestic violence as the main reason for their homelessness, and 38% of domestic violence victims as a whole become homeless at some point in their life.

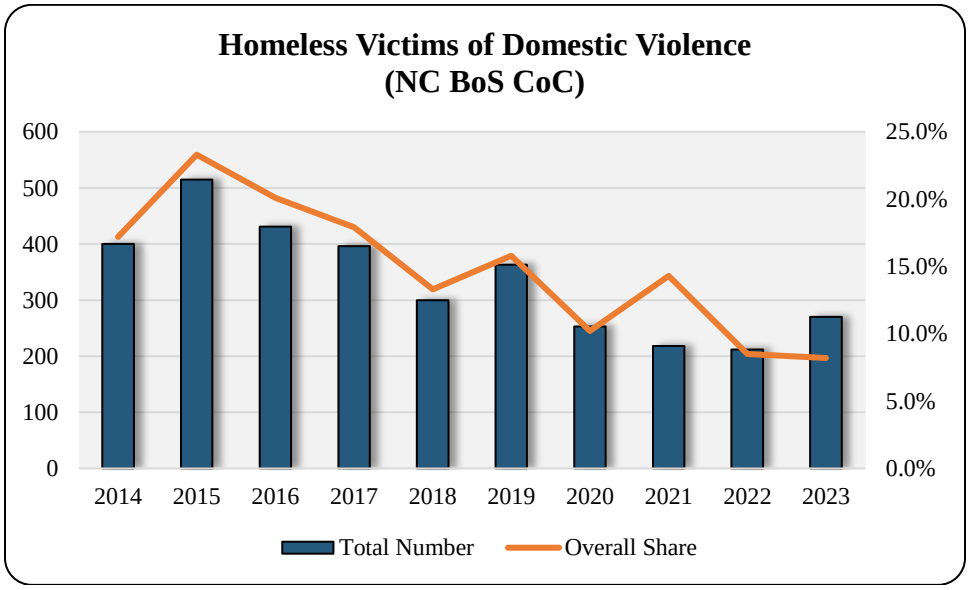
The North Carolina Coalition Against Domestic Violence (NCCADV) is a statewide advocacy organization for survivors of domestic violence and their children. This organization administers funding for various domestic violence programs statewide. Statistics provided by the Council for Women and Youth Involvement (CFWYI) show that over 75,000 clients in North Carolina received in-person or remote services from service providers between July 2021 and June 2022. According to CFWYI, 68,746 domestic violence clients were served in the state between July 2022 through June 2023, 302 of which were in Macon County.

REACH of Macon County, a local nonprofit agency, provides shelter space and counseling services for victims of domestic violence in the county. This organization received 400 after hours hotline calls and 27 crisis or support chats from July 1, 2022 through June 30, 2023. Most services provided in person or virtually were for information. REACH of Macon County also operates a 19-bed domestic violence shelter in the county, with a 33-person capacity. A total of 77 persons were provided shelter services from July 1, 2022 through June 30, 2023, of which 26 were children. In addition to shelter housing, the North Carolina Coalition Against Domestic Violence (NCCADV) also provides one rapid re-housing bed in Macon County for victims of domestic violence.

Domestic violence is cited as one of the most widely reported reasons for homelessness in annual Homeless Point-In-Time (PIT) counts. While such data is not provided at the county level for Macon County, the following table and chart summarize the number and share of the homeless population that were victims of domestic violence within the North Carolina Balance of State Continuum of Care (NC BoS CoC), which Macon County falls within, between 2014 and 2023.

NC BoS CoC: Number and Share of Homeless Victims of Domestic Violence		
Year	Homeless Victims of Domestic Violence Population	Overall Share of Homeless Population
2014	400	17.2%
2015	515	23.3%
2016	431	20.1%
2017	396	17.9%
2018	300	13.3%
2019	363	15.8%
2020	253	10.2%
2021*	218	14.3%
2022	212	8.5%
2023	270	8.2%

Source: HUD 2014-2023 CoC Homeless Populations and Subpopulations (NC BoS CoC)
*2021 Count reflects sheltered population only



The overall share of victims of domestic violence among the homeless population in the North Carolina Balance of State Continuum of Care (NC BoS CoC) ranges from 8.2% to 23.3% during the past several years. More recently (2022 to 2023), however, this population segment has comprised no more than 8.5% of the overall homeless population within the balance of state. Despite the declining overall shares each of the past two years, the number of homeless victims of domestic violence increased by 58, or 27.4%, in 2023. Assuming that 8.5% homeless people are victims of domestic violence in the 2023 BoS PIT and applying this share to the

number (50) of homeless people in Macon County in 2023, it is estimated that approximately four people are victims of domestic violence in Macon County and require shelter services on any given day.

The National Network to End Domestic Violence conducts an annual census of domestic violence victims that obtain services from shelters throughout the United States. Similar to the PIT count for the homeless, this count takes place during a single 24-hour period. In September 2023, 659 adults and children were counted in shelter space or housing units managed or operated by domestic violence programs statewide. In addition, 415 adults and children received supportive services from domestic violence programs based in North Carolina, including legal advocacy and counseling. On the date the count was taken, domestic violence hotlines in the state received an average of 24 contacts per hour from those potentially in need of supportive services and resources. In addition, there were 176 requests for services by victims of domestic violence that could not be met. Note that over 50% of these unmet service requests were for housing or shelter space. It is likely that some victims of domestic violence do not pursue shelter due to the lack of available units, the stigma associated with being a victim of domestic violence, or safety concerns. As a result, the need for shelter is likely greater than reported in annual counts and surveys. Based on this unmet need, emergency shelter space and transitional housing remain a critical resource for victims of domestic violence statewide.

Note that increasing rents in many areas and long waiting lists for income-based and subsidized housing make it difficult for victims that need to move out of their present living situation. Some organizations may have programs in place to provide hotel stays to victims of domestic violence, but funding for these programs is difficult to secure. Therefore, renewed funding for hotel stays would be beneficial for domestic violence victims that often do not have a safe place to stay. In addition to emergency shelter space and transitional housing, supportive services are also an important component for assisting domestic violence victims and their children. The most common supportive services provided to domestic violence victims include children's advocacy, legal advocacy, housing support services, and transportation.

Substance Abuse Disorder

Substance abuse is a primary contributor to issues that eventually lead to an individual's housing challenges, including homelessness. This section of the report provides data and analysis regarding individuals with a substance abuse disorder. National statistics provided by the National Center of Drug Abuse Statistics in 2020 (latest available) indicated that 20.4% of persons that drink alcohol reported having an alcohol use disorder, 25.4% of illegal drug users have a drug use disorder, and approximately 50% of people ages 12 and older reported to have illicitly used drugs in their lifetime.

According to the Centers for Disease Control and Prevention (CDC), 105,227 people died in 2023 from drug overdoses in the United States, with 2,910 overdose deaths occurring in North Carolina. The 2,910 overdose deaths accounted for approximately 2.8% of all overdose deaths in the United States in 2023. The CDC also publishes monthly statistics for provisional drug overdose deaths by county. In Macon County, a total of 358 drug overdose deaths occurred during a recent 12-month period (September 2022 to September 2023), reflecting an average of 29.8 drug overdose deaths a month within the county.

According to the Substance Abuse and Mental Health Services Administration (SAMHSA), during the National Survey of Substance Abuse Treatment Services survey (N-SSATS) on March 31, 2020 (the data represents a one-day count), an estimated 35,874 clients were in substance abuse treatment in North Carolina. This loosely represents 0.4% of the statewide adult population. Applying this share to Macon County's adult population aged 18 and older yields an estimated 122 adult residents in the county that could potentially have a substance abuse disorder. While this estimate does not reflect all persons with a substance abuse disorder, it provides some scale of the possible prevalence of substance abuse within the county.

There are over 300 Oxford Houses (community-based approach to addiction recovery offering a sober-living home often run by residents) as well as two state operated healthcare facilities (in North Carolina, Alcohol and Drug Abuse Treatment Centers) that can treat individuals with substance abuse disorders in North Carolina. The closest Oxford House to Macon County is located in Asheville, just under an hour and a half drive away from Franklin, the county seat in Macon County. Meridian Behavioral Health, located in Franklin, provides counseling services for adults with substance use and/or mental health challenges as well as a recovery education center, specialized assessments, a Substance Abuse Intensive Outpatient Program (SAIOP), a supported employment program, and outpatient counseling and case management services for children. There are also several intensive outpatient program treatments centers for individuals with a substance abuse disorder just over an hour from Franklin in Asheville, North Carolina. Offered services may include individual and group therapy, care management, recovery coaching, medication assisted treatment, residential treatment, and withdrawal management services.

Based on this research, Macon County appears to have limited treatment facilities within the county boundaries and lacks short-term and longer-term transitional housing alternatives for this special needs population. As part of this Housing Needs Assessment's Community Input Analysis Survey, when stakeholder respondents were asked to rank the need for additional housing for the special needs populations, persons with substance abuse disorder received the highest weighted score (75.0) for additional housing. The lack of such housing can lead to homelessness.

Youth Aging Out of Foster Care/Unaccompanied Youth/Youth in Transition

Child welfare systems throughout the country exist to seek other housing alternatives for youth who cannot return to their current family situation. As such, many youths in the foster care system "age out" at the age of 18 without a place to call home and lack many life skills.

The North Carolina Department of Health and Human Services administers foster care services in the state. According to Management Assistance for Child Welfare, Work First, and Food & Nutrition Services in North Carolina, there are 15,788 children in the foster care system in 2023 in the state of North Carolina, 111 (0.7%) of which are in Macon County. The number of children in the foster care system within Macon County over the past three years is illustrated in the following table.

Number of Children in Child Services Custody by Age and Year (Macon County)

Year	Ages 0-5	Ages 6-12	Ages 13-17	Ages 18 & Over	Total
2021	40 (37.0%)	42 (38.9%)	25 (23.2%)	1 (0.9%)	108
2022	45 (40.9%)	36 (32.7%)	26 (23.6%)	3 (2.7%)	110
2023	39 (35.1%)	46 (41.4%)	24 (21.6%)	2 (1.8%)	111

Source: Management Assistance for Child Welfare, Work First, and Food & Nutrition Services in North Carolina

As the preceding illustrates, the number of children in the foster care system within Macon County has remained relatively stable since 2021. In 2023, more than three-quarters (76.6%) of all foster children within the county were under the age of 13 while the remaining children were mostly concentrated in the 13 to 17 age cohort. Just two foster children within the county were aged 18 or older. Further, according to data obtained from the Annie E. Casey Foundation National KIDS Count, approximately 6.2% of children in foster care exit the system due to emancipation (age out) on an annual basis. Thus, a limited number of foster children within the county are likely to age out of foster care on an annual basis. Nonetheless, foster children within the 13 to 17 and 18 and over age cohorts are representative of children with potential to age out of the foster care system and be in need of supportive housing alternatives in the near future.

There are several resources available that can provide assistance to youth aging out of foster care. The Education Training Voucher Program awards up to $5,000 per academic year to North Carolina undergraduate students aging out of foster care who will attend a postsecondary institution. The NC LINKS Program provides assistance for youth in foster care and young adults ages 13 to 20 who were previously in foster care. After individuals apply for the NC LINKS Program, they are assessed to determine what goals and plans best suit the path they would like to pursue. Services are tailored to the individual and may include financial assistance to/for attend school, purchase needed items or services, obtain assistance locating and moving into appropriate housing, life skill training, educational and career opportunities, the development of a personal support network, remedial educational assistance, and counseling.

Persons with Developmental Disabilities

According to the Centers for Disease Control and Prevention (CDC), "developmental disabilities are a group of conditions due to an impairment in physical, learning, language, or behavior areas. These conditions begin during the developmental period, may impact day-to-day functioning, and usually last throughout a person's lifetime." Such disabilities could include, but are not limited to, attention-deficit/hyperactivity disorder (ADHD), autism spectrum disorder, cerebral palsy, hearing loss, learning disability, and/or vision impairment.

The United States Census Bureau collects data on six disability types which include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. According to the Census Bureau, any person that reports at least one of these six disability types is considered to be disabled. However, as a single person could have more than one type of disability, we have limited our analysis of developmentally disabled persons to those who have a cognitive (mental/intellectual) disability.

Based on 2018-2022 American Community Survey data, the following table summarizes the population with a developmental (cognitive) disability in Macon County and the state of North Carolina based on the preceding criteria. While seniors ages 65 and older could have a developmental disability, seniors are excluded from this analysis as they could have a cognitive disability associated with dementia or Alzheimer's that may overstate any conclusions that are drawn of persons with cognitive disabilities.

Population with a Cognitive Disability Ages 64 and Under (noninstitutionalized)			
Location	Total Population Under Age 65	Population Under Age 65 w/ Cognitive Disability	Share of Total Population Under Age 65
Macon County	24,697	1,110	4.5%
State of North Carolina	8,549,835	379,387	4.4%

Source: American Community Survey 2018-2022 Five-Year Estimates (S1810)

Based on data outlined in the preceding table, an estimated 1,110 people under the age of 65 in Macon County are classified as having a cognitive disability. Such disabilities may limit a person's education, employment opportunities, or their quality of life. As the earning capacity of some disabled individuals could be limited, access to affordable housing alternatives and related disability services are important to this special needs population.

The Arc of North Carolina West Regional office, located in Asheville (Buncombe County), provides services to persons with intellectual and developmental disabilities in 24 western North Carolina counties including Macon County. This organization offers care management, employment support, housing, advocacy, and other tailored programs and services.

Note that several programs exist at the state and federal levels that could potentially create additional housing opportunities for persons with a cognitive disability. The North Carolina Department of Health and Humans Services administers Medicaid Innovations Waivers to individuals with a developmental or intellectual disability and provides policy direction for community mental health services programs for adults and children. Further, a Targeting Program through the North Carolina Housing Finance Agency and the North Carolina Department of Health and Human Services requires between 10% and 20% of all the rental units developed using the Low-Income Housing Tax Credit (LIHTC) program to be reserved for persons with a disability and/or persons with very low incomes experiencing homelessness.

Released Inmates

As of May 2023, over 106,000 people in the state of North Carolina were either in prison, on probation, or participating in some other form of court supervision. Of the 106,000 total people statewide, approximately 76,000 were on probation or some other form of court supervision, accounting for over 70% of the statewide offender population. The North Carolina Department of Public Safety (DPS) administers reentry programs and services for this segment of the offender population. According to DPS, the goal of this program is to *help individuals rebuild their lives and reintegrate into communities by connecting them with resources from government, nonprofit and business groups. The goal is to begin connecting them before they leave incarceration so that support is already in place and established in their home community.* DPS also distributes a list of reentry resources by county. For Macon County, this list includes several organizations that help in a variety of life areas (e.g., housing, life skills, financial). One of the critical focus areas of reentry programs and services is housing. Note that Macon County does not have a local reentry council. However, recently released ex-offenders in the county do have reentry contacts at Community Care Clinic (Franklin) and Restoration House WNC. These organizations coordinate with other community-based organizations focusing on employment support and workforce development (Source: North Carolina Department of Public Safety (DPS)).

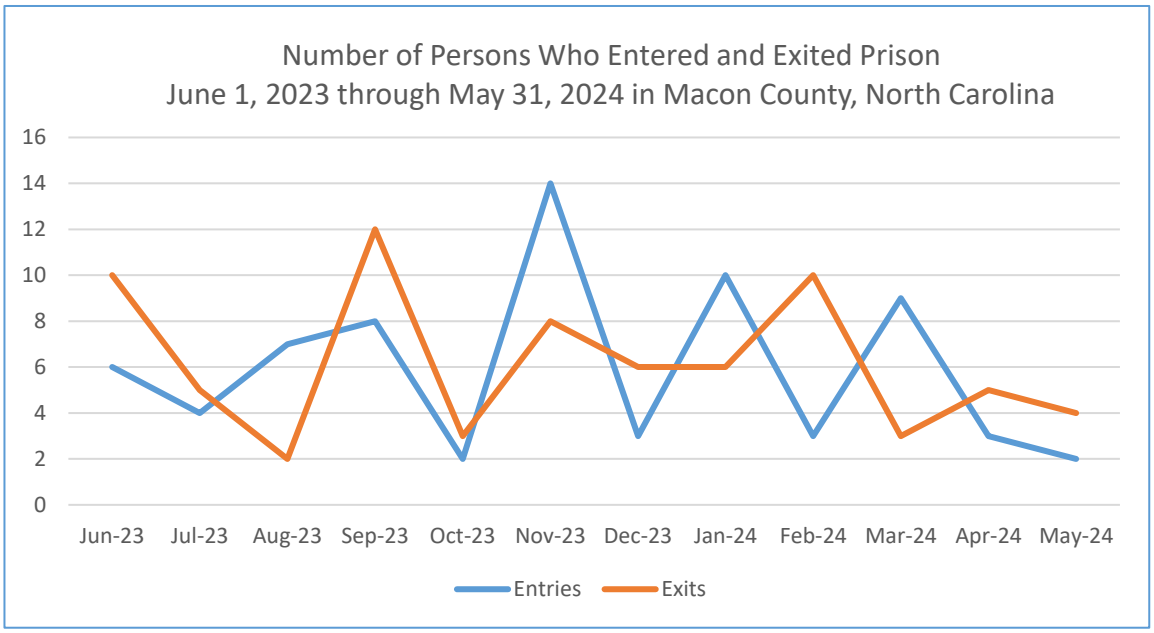
According to data provided by DPS, over 30,000 inmates were incarcerated within detention facilities statewide in 2023. Macon County is part of Prosecutorial District 43, a seven-county district located in the far western portion of North Carolina. A total of 71 persons were convicted of crimes and entered the prison system within Macon County between June 1, 2023 and May 31, 2024.

In the most recent 12-month period (June 1, 2023 to May 31, 2024), the North Carolina Department of Public Safety released 74 inmates in Macon County. These inmates were either released following the expiration of their sentence or enrolled into a post-release supervision program, which typically ranges from six to twelve months after release. These ex-offenders, upon release and subsequent court supervision, may not have the employment opportunities or resources to successfully reintegrate into society. As a result, ex-offenders as a group are more likely to become homeless and/or struggle to find employment and/or obtain adequate permanent housing.

The following table and graph illustrate the number of persons entering prison and the number of persons released from prison in Macon County between June 2023 and May 2024.

Number of Convictions and Released Inmates by Month Macon County, North Carolina (June 1, 2023 – May 31, 2024)		
Month/Year	**Number of Persons Entering Prison**	**Number of Persons Released/Exits**
June 2023	6	10
July 2023	4	5
August 2023	7	2
September 2023	8	12
October 2023	2	3
November 2023	14	8
December 2023	3	6
January 2024	10	6
February 2024	3	10
March 2024	9	3
April 2024	3	5
May 2024	2	4
Total	**71**	**74**

Source: A. S. Q. Custom Reports North Carolina Department of Adult Correction Office of Research and Planning



In the most recent 12-month period, the number of prison entries (71) is nearly the same as the number of prison releases (74) in Macon County. Note that North Carolina uses structured sentencing guidelines for persons convicted of crimes, in which persons convicted of crimes are given a minimum sentence and a maximum sentence. Under these guidelines, an offender serves 100% of a minimum sentence and at least 85% of the maximum sentence. Persons convicted of low-level crimes with no prior convictions must be assigned intermediate or community punishment,

which results in supervised probation, community services, or similar programs that do not involve incarceration. Note that approximately 54% of the offender population in North Carolina is not incarcerated. Rather, this share of the offender population is either on probation or in some other form of supervised release. In addition, felony offenders that have completed a prison sentence must be released into a post-release supervision program. Reentry programs are important for this segment of the population, which often lacks resources such as housing and employment in order to successfully reintegrate into society. Ex-offenders recently released from prison experience many challenges regarding housing, job availability and social services. The needs of formerly incarcerated persons, including those with co-occurring substance abuse disorder and mental illness, include Permanent Supportive Housing, access to treatment and medicine, case management, substance abuse treatment, on-going recovery support, life skills, job skills and job placement.

As of April 2024, the prison population in the state of North Carolina is approximately 31,642. Prison population projections provided by the North Carolina Sentencing and Policy Advisory Commission show an increase of over 4,000 prisoners between Fiscal Year 2022 and Fiscal Year 2031. This projected increase in the state prisoner population likely indicates a corresponding increase in the number of *released* prisoners during this period. According to the North Carolina Sentencing and Policy Advisory Commission the most felonies in Fiscal Year 2023 were Class H and I felonies, which are the lowest level felonies. By comparison, 8% of convictions were for Class A – D felonies, 32% were for Class E – G felonies, and 60% were for Class H – I felonies in FY 2023. In addition, the average active time served for felons was 32 months. As most prisoners in North Carolina are convicted of lower level felonies (Class H and I), along with the average sentence being less than three years, a significant share of recently released inmates may need employment, housing, and additional supportive services (Source: North Carolina Sentencing and Policy Advisory Commission).

VIII. HOUSING GAP ESTIMATES

INTRODUCTION

This section of our report provides five-year housing gap estimates for both rental and for-sale housing within the PSA (Macon County). The assessment includes demand from a variety of sources and focuses on the housing demand potential of Macon County, though consideration is given to potential support that may originate from outside the county.

Housing to meet the needs of both current and future households in the market will most likely involve multifamily, duplex, and single-family housing alternatives. There are a variety of financing mechanisms that can support the development of housing alternatives such as federal and state government programs, as well as conventional financing through private lending institutions. These different financing alternatives often have specific income and rent/price restrictions, which affect the market they target.

We evaluated the market's ability to support rental and for-sale housing based on four levels of income/affordability. While there may be overlap among these levels due to program targeting and rent/price levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double counting demand. We used HUD's published income limits for Macon County.

The following table summarizes the income and housing affordability segments used in this analysis to estimate potential housing demand.

Household Income/Wage & Affordability Levels				
Percent AMHI	Income Range*	Hourly Wage**	Affordable Rents***	Affordable Prices^
≤ 50%	≤ $36,650	≤ $17.62	≤ $916	≤ $122,167
51%-80%	$36,651-$58,640	$17.63-$28.19	$917-$1,466	$122,168-$195,467
81%-120%	$58,641-$86,760	$28.20-$41.71	$1,467-$2,169	$195,468-$289,200
121%+	$86,761+	$41.72+	$2,170+	$289,201+

AMHI – Area Median Household Income
*Based on HUD limits for Macon County, North Carolina (4-person limit)
**Assumes full-time employment 2,080 hours/year (Assumes one wage earner household)
***Based on assumption tenants pay up to 30% of income toward rent
^Based on assumption homebuyer can afford to purchase home priced three times annual income after 10% down payment

While different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, those who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners and management impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management

qualifying procedures (i.e., review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available to households.

Regardless, we have used the preceding income segmentations as the ranges that a typical project or lending institution would use to qualify residents, based on their household income. Ultimately, any new product added to the market will be influenced by many decisions made by the developer and management. This includes eligibility requirements, design type, location, rents/prices, amenities, and other features. As such, our estimates assume that the rents/prices, quality, location, design, and features of new housing product are marketable and will appeal to most renters and homebuyers.

A. HOUSING GAP DEMAND COMPONENTS

The primary sources of demand for new housing (rental and for-sale) include the following:

- Household Growth
- Units Required for a Balanced Market
- Replacement of Substandard Housing
- External (Outside Macon County) Commuter Support
- Severe Cost Burdened Households
- Step-Down Support

Since the focus of this report is on the specific housing needs of the PSA (Macon County), we have focused the housing demand estimates on the metrics that only impact this area.

New Household Growth

In this report, household growth projections from 2023 to 2028 are based on ESRI estimates. This projected growth was evaluated for each of the targeted income segments. It should be noted that changes in the number of households within a specific income segment do not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Furthermore, should additional housing become available, either through new construction or conversion of existing units, demand for new housing could increase.

Units Required for a Balanced Market

The second demand component considers the number of units a market requires to offer balanced market conditions, including some level of vacancies. A healthy ***rental*** market requires approximately 4% to 6% of the rental market to be vacant while a healthy ***for-sale*** housing market should have approximately 2% to 3% of its inventory available. Such vacancies allow for inner-market mobility, such as households upsizing or downsizing due to changes in family composition or income, and for people to move into the market. When markets have too few vacancies, rental rates and housing prices often escalate at an abnormal rate, homes can get neglected, and potential renters and/or homebuyers can leave the market. Conversely, an excess of rental units and/or for-sale homes can lead to stagnant or declining rental rates and home prices, property neglect, or existing properties being converted to rentals or for-sale housing. Generally, markets with low vacancy rates often require additional units, while markets with high vacancy rates often indicate a surplus of housing. For the purposes of this analysis, we have utilized a vacancy rate of ***5% for rental*** product and ***3% for for-sale*** product to establish balanced market conditions.

Replacement of Substandard Housing

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing and/or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on demographic data included in this report, approximately 1.9% of ***renter*** households and 1.1% of ***owner*** households in the PSA (Macon County) are living in substandard housing (e.g., lacking complete plumbing or are overcrowded). Lower income households live in substandard housing conditions more often than higher income households, which we have accounted for in our gap estimates. While we recognize that households living in substandard housing units are housed, such households have been considered in our demand estimates as our estimates are reflective of the PSA's needs to address all housing needs/deficiencies within the county.

External Commuter Support

Market support can originate from households not currently living in the market. This is particularly true for people who work in Macon County but commute from outside of the county and would consider moving to Macon County, if adequate and affordable housing that met residents' specific needs was offered. Currently, there are few *available* housing options in the market. As such, external market support will likely be created if new housing product is developed in Macon County.

Based on our experience in evaluating housing markets throughout the country, it is not uncommon for new product to attract as much as 50% of its support from outside of county limits. As a result, we have assumed that a portion of the demand for new housing will originate from the 3,975 commuters traveling into the PSA (Macon County) from areas outside of county limits. For the purposes of this analysis, we have used a conservative demand ratio of up to 20% for the PSA to estimate the demand that could originate from outside of Macon County.

Severe Cost Burdened Households

HUD defines severe cost burdened households as those paying 50% or more of their household income toward housing costs. While such households are housed, the disproportionately high share of their income being utilized for housing costs is considered excessive and often leaves little money for impacted households to pay for other essentials such as healthy foods, transportation, healthcare, and education. Therefore, households meeting these criteria were included in our estimates.

Step-Down Support

It is not uncommon for households of a certain income level (typically higher income households) to rent or purchase a unit at a lower price point despite the fact they can afford a higher priced unit/home. Using housing cost and income data reported by American Community Survey (ACS), we have applied a portion of this step-down support to lower income demand estimates. In some instances, step-down support constitutes a large portion of potential/total demand as upwards of 90% of households with moderate and higher incomes within the county pay less than 30% of their income toward housing costs.

Note: In terms of the development pipeline, we only include residential units (rental and for-sale) currently in the development pipeline that are planned or under construction and do not have a confirmed buyer/lessee. Projects that have not secured financing, are under preliminary review, or have not established a specific project concept (e.g., number of units, pricing, target market, etc.) have been excluded. Likewise, single-family home lots that may have been platted or are being developed have also been excluded as such lots do not represent actual housing units which are available for purchase. Any existing vacant units are accounted for in the "Balanced Market" portion of our demand estimates.

It is also important to understand that the housing gap estimates contained within this report are representative of the needs to cure all housing deficiencies within the county. Specifically, these estimates demonstrate the total number of new housing units required over the five-year projection period (2023 to 2028) to meet the demands of the market based on the

demand components detailed on the preceding pages. These estimates also assume that a wide variety of product (both rental and for-sale) is developed within each income segment, in terms of unit designs, bedroom type, amenities offered, etc. throughout all portions of the county. We recognize it is unlikely the number of units needed as calculated by our demand estimates will be developed during the projection period due to infrastructure limitations, regulatory/governmental policies, funding availability, etc. As such, the following housing gap estimates should be utilized as a guide for future development to determine the greatest need by affordability level within the rental and for-sale segments within the county's housing market.

B. RENTAL HOUSING GAP ESTIMATES

The following table summarizes the ***rental*** housing gaps for Macon County by affordability level.

	Macon County, North Carolina Rental Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Monthly Rent Range	**≤ $916**	**$917-$1,466**	**$1,467-$2,169**	**$2,170+**
Household Growth	-265	14	111	87
Balanced Market*	75	40	29	28
Replacement Housing**	91	16	6	0
External Market Support^	56	39	21	14
Severe Cost Burdened^^	160	80	27	0
Step-Down Support	57	20	-13	-64
Less Pipeline Units	0	0	0	0
Overall Units Needed	**174**	**209**	**181**	**65**
			Total	**629**

*Based on Bowen National Research's survey of area rentals
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

Based on the preceding demand estimates, there is some level of rental housing demand among all household income levels within Macon County over the five-year projection period. Overall, there is a housing need for 629 additional rental units in the county over the next five years. The housing gaps range from a low of 65 units needed that have rents at $2,170 or higher to a high of 209 units needed with rents between $917 and $1,466. Without the addition of new rental product similar to the numbers cited in the preceding table, the area will not meet the growing and changing housing needs of the market.

Based on the demographics of the market, including projected household growth estimates and changes in household compositions (e.g., household size, ages, etc.), it appears that approximately 40.0% of the demand for new rental housing could be specifically targeted to meet the needs of area seniors,

though a project could be built to meet the housing needs of both seniors and families concurrently. For general-occupancy projects, a unit mix of around 35% to 45% one-bedroom units, 45% to 55% two-bedroom units, and 10% to 20% three-bedroom units should be the general goal for future rental housing. Senior-oriented projects should consider unit mixes closer to 50% for both one- and two-bedroom units each. Additional details of the area's rental housing supply are included in Section VI and may serve as a guide for future rental housing development design decisions.

While available land, along with topographical challenges and access to infrastructure (e.g., water and sewer) may limit where and how much housing product can be added to the market, we believe high-density multifamily product would do well in this market, particularly on sites closer to some of the more walkable and/or densely populated areas of the county. However, such multifamily product would also likely do well in areas outside of the municipalities, provided the site(s) have convenient access to primary thoroughfares and area services. Some lower density, single-story duplexes, four-plexes, etc., could also be well received, particularly among seniors seeking to downsize from larger units, as well as homeowners seeking a more maintenance-free residence.

C. FOR-SALE HOUSING GAP ESTIMATES

The following table summarizes the ***for-sale*** housing gaps for Macon County by affordability level.

	Macon County, North Carolina For-Sale Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Price Point	**≤ $122,167**	**$122,168-$195,467**	**$195,468-$289,200**	**$289,201+**
Household Growth	-364	-83	-39	1,087
Balanced Market*	102	55	49	0
Replacement Housing**	78	24	12	0
External Market Support^	83	103	80	106
Severe Cost Burdened^^	119	59	20	0
Step-Down Support	47	2	548	-597
Less Pipeline Units	0	0	0	0
Overall Units Needed	**65**	**160**	**670**	**596**
			Total	**1,491**

*Based on MLS inventory of available homes
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

The overall for-sale housing gap in the county is approximately 1,491 units over the five-year projection period. While all home price segments and affordability levels have some level of need, the greatest gap appears to be for housing priced between $195,468 and $289,200 (670 units) with the next

greatest gap for housing priced at or above $289,201 (596 units). Thus, for-sale product is most in need among moderate to higher-income households, which is typical of most markets. The relatively limited supply of product at most price levels will increase demand for lower priced units, as many buyers may "step down" to a lower price point. This will place greater pressure on the market's lower priced product and create greater challenges for lower income households and first-time homebuyers who already have limited housing alternatives that are affordable to them.

In most markets, if there is support for new housing at a particular price point or concept and such product is not offered in a specific area, households may leave the area to seek this housing alternative elsewhere, defer their purchase decision, or seek another housing alternative. Additionally, households considering relocation to the PSA (Macon County) may not move to the PSA if the housing product offered does not meet their needs in terms of pricing, quality, product design, and/or location. As such, the PSA housing stock may not be able to meet current or future demand, which may limit the market's ability to serve many of the households seeking to purchase a home in the PSA, particularly lower-income households. Regardless, we believe opportunities exist to develop a variety of product types at a variety of price points. The addition of such housing will better enable the PSA to attract and retain residents (including local employees), as well as seniors, families, and younger adults.

In terms of product design, we believe a variety of for-sale product could be successful in Macon County. Based on current and projected demographics, as well as the available inventory of for-sale housing, we believe a combination of one- and two-bedroom condominium units could be successful, particularly if located in or near more walkable areas. Such product could be in the form of townhome or rowhouse product. Additionally, detached or attached single-story cottage-style condominium product, primarily consisting of two-bedroom units, could be successful in attracting/serving area seniors, particularly those seeking to downsize from their single-family homes. Smaller detached units or duplexes may be a product to develop in some of the smaller infill lots within the various municipalities. Larger, traditional detached single-family homes catering to families could be successful in this market, particularly product serving moderate- and higher-income households, though affordable for-sale housing product for lower income and first-time homebuyer households would also do well in this market. Such product should primarily consist of three-bedroom units, with a smaller share of four-bedroom or larger units. The for-sale housing supply of Macon County is summarized in Section VI and can provide additional details of project concept considerations for future for-sale product in the county.

Overall, there is potential support for a variety of residential development alternatives in the PSA (Macon County). It is important to understand that the housing demand estimates shown in this report assume no major changes occur in the local economy and that the demographic trends and projections provided in this report materialize. As such, our demand estimates should be considered conservative and serve as a baseline for development potential. Should new product be developed, it is reasonable to believe that people will consider moving to Macon County, assuming the housing product is aggressively marketed throughout the region.

It is critical to understand that the estimates provided in this report (both rental and for-sale) represent potential units of demand by targeted income level. The actual number of units that can be supported will ultimately be contingent upon a variety of factors including the location of a project, proposed features (i.e., pricing, amenities/features, bedroom type, unit mix, square footage, etc.), product quality, design (i.e., townhouse, single-family homes, or traditional rental units), management and marketing efforts. As such, each targeted segment outlined in the tables included in this section may be able to support more or less than the number of units shown in the table. The potential number of supportable units should be considered a general guideline to residential development planning.

IX. COMMUNITY INPUT RESULTS AND ANALYSIS

A. INTRODUCTION

To gain information, perspective and insight about PSA (Macon County) housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers and Residents/Commuters. These surveys were conducted during April and May of 2024 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

The surveys were conducted through the SurveyMonkey.com website. In total, 847 survey responses were received from a broad cross section of the community. The following is a summary of the three surveys conducted by our firm.

Stakeholder Survey – A total of 25 respondents representing community leaders (stakeholders) from a broad field of expertise participated in a survey that inquired about common housing issues, housing needs, barriers to development, and possible solutions or initiatives that could be considered to address housing on a local level.

Employer Survey – A total of 65 respondents representing some of the area's largest employers participated in a survey that inquired about general employee composition, housing situations and housing needs. The survey also identified housing issues and the degree housing impacts local employers.

Resident/Commuter Survey – A total of 757 residents/commuters participated in a survey that inquired about current housing conditions and needs, the overall housing market, and factors that influence the interest level of non-residents to move to communities in Macon County.

It should be noted that the overall total number of respondents summarized for each survey indicates the number of individuals that responded to at least one survey question. In some instances, the number of actual respondents to a *specific* survey question may be less than these stated numbers.

Key findings from the surveys are included on the following pages.

B. STAKEHOLDER SURVEY RESULTS

A total of 25 area stakeholders from a broad range of organization types participated in the housing survey with the following results. Note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer.

Stakeholder respondents were asked to provide the type of organization they represent. A total of 25 respondents provided input to this question with the following distribution. Note that respondents were able to select more than one organization type.

Stakeholder Respondents by Organization Type					
Type	Number	Share	Type	Number	Share
Government	10	40.0%	Realtor (Association/Board of Realtors/Etc.)	2	8.0%
Business/Employer/Private Sector	9	36.0%	Community Action Agency	1	4.0%
Nonprofit Organization	6	24.0%	Housing Organization	1	4.0%
Chamber of Commerce	3	12.0%	Social/Supportive Service Provider	1	4.0%
Landlord/Property Management	2	8.0%	Other	2	8.0%

For the respondents that answered "Other" to this question, organization types included *state-sponsored career center* and *county tourism development entity*.

Stakeholder respondents were asked to provide the degree that certain housing types are needed in each study area. A total of 24 respondents provided feedback to this question with the following results. Note that the top-rated needs for each area are in **red** text.

Housing Needs by Price Point by Area			
	Area Weighted Score*		
Housing Type (Price)	Franklin Area	Highlands Area	Macon County
Rental Housing (Less than $1,250/month)	**100.0**	**83.8**	**96.9**
Rental Housing ($1,250-$1,875/month)	66.7	77.8	73.3
Rental Housing ($1,876 or more/month)	35.9	51.7	41.7
For-Sale Housing (Less than $200,000)	**90.6**	80.8	**88.3**
For-Sale Housing ($200,000-$299,999)	75.0	**86.7**	79.4
For-Sale Housing ($300,000 or more)	34.4	60.9	40.0

*High Need = 100.0, Moderate Need = 50.0, Minimal Need = 25.0

Stakeholder respondents were asked to identify the most needed housing styles within each study area. A total of 24 respondents provided feedback to this question with the following results. Note that the top-rated needs for each area are in **red** text.

Housing Needs by Housing Style by Area			
	Share of Area Respondents		
Housing Style	Franklin Area	Highlands Area	Macon County
Multifamily Apartments	**66.7%**	**33.3%**	**58.3%**
Duplex/Triplex/Townhomes	**33.3%**	**50.0%**	**45.8%**
Condominiums	16.7%	16.7%	16.7%
Manufactured/Mobile Homes	8.3%	0.0%	0.0%
Ranch Homes/Single Floor Plan Units	**41.7%**	**25.0%**	25.0%
Traditional Two-Story Single-Family Homes	29.2%	**25.0%**	**33.3%**
Low Cost Fixer-Uppers (Single-Family Homes)	16.7%	12.5%	12.5%
Single-Room Occupancy (SRO)	4.2%	4.2%	4.2%
Mixed-Use/Units Above Retail (Downtown Housing)	12.5%	16.7%	4.2%
Accessory Dwelling Units/Tiny Houses	4.2%	16.7%	4.2%

Stakeholder respondents were asked to identify the three most common housing issues experienced in each study area. A total of 25 respondents provided insight to this question with the following distribution. Note that the top issues for each area are in **red** text.

Most Common Housing Issues by Area			
	Share of Area Respondents		
Housing Issue	Franklin Area	Highlands Area	Macon County
Foreclosure	0.0%	0.0%	0.0%
Limited Availability	**72.0%**	**76.0%**	**60.0%**
Overcrowded Housing	0.0%	0.0%	0.0%
Rent Affordability	**56.0%**	**44.0%**	**36.0%**
Home Purchase Affordability	**36.0%**	**60.0%**	**32.0%**
Outdated Housing (Need to Modernize)	0.0%	0.0%	0.0%
Substandard Housing (Quality/Condition)	12.0%	0.0%	12.0%
Lack of Access to Public Transportation	4.0%	4.0%	4.0%
Lack of Access to Amenities/Services/Civic Uses	0.0%	0.0%	0.0%
Lack of Down Payment for Purchase	12.0%	8.0%	12.0%
Lack of Rental Deposit (or First/Last Month Rent)	8.0%	4.0%	8.0%
Lack of Short-Term Workforce Housing	0.0%	16.0%	8.0%
Failed Background Checks	8.0%	4.0%	8.0%
High Cost of Renovation	4.0%	8.0%	4.0%
High Cost of Maintenance/Upkeep	0.0%	0.0%	0.0%
Absentee Landlords	4.0%	0.0%	8.0%
Investors Buying Properties and Increasing Rents/Prices	16.0%	**36.0%**	16.0%
Conversion of Housing Units into Vacation/Seasonal Rentals	8.0%	20.0%	8.0%

Stakeholder respondents were asked to rank the priority that should be given to specific construction types of housing in each study area. A total of 25 respondents provided insight to this question with the following results. Note that the top-rated priorities for each area are in **red** text.

Priority of Housing Construction Types			
	Area Weighted Score*		
Construction Type	Franklin Area	Highlands Area	Macon County
Adaptive Reuse (i.e., Warehouse Conversion to Residential)	54.4	32.8	53.1
Repair/Renovation/Revitalization of Existing Housing	**75.0**	51.5	**66.7**
New Construction	**84.2**	**68.8**	**81.3**
Mixed-Use	64.7	**66.2**	60.0
Clear Blighted/Unused Structures for New Development	58.3	42.2	56.7

*High Priority = 100.0, Moderate Priority = 50.0, Low Priority = 25.0

Stakeholder respondents were asked to identify common barriers or obstacles that exist in each study area that limit residential development. A total of 25 respondents provided feedback to this question. Note that the most commonly cited barriers/obstacles for each area are in **red** text.

Common Barriers/Obstacles to Residential Development			
	Share of Area Respondents		
Barrier/Obstacle	Franklin Area	Highlands Area	Macon County
Availability of Land	28.0%	**64.0%**	20.0%
Availability of Labor/Contactors	28.0%	32.0%	24.0%
Cost of Infrastructure	24.0%	28.0%	**32.0%**
Cost of Labor/Materials	**56.0%**	**48.0%**	**36.0%**
Cost of Land	**60.0%**	**72.0%**	**44.0%**
Community Support	0.0%	12.0%	4.0%
Crime/Perception of Crime	0.0%	0.0%	0.0%
Development Costs	28.0%	32.0%	28.0%
Financing	16.0%	4.0%	12.0%
Government Fees	4.0%	4.0%	4.0%
Housing Converting to Short-Term/Vacation Rentals	**36.0%**	**36.0%**	28.0%
Lack of Community Services	0.0%	0.0%	0.0%
Lack of Buildable Sites	8.0%	20.0%	8.0%
Lack of Infrastructure	8.0%	32.0%	16.0%
Lack of Parking	0.0%	0.0%	0.0%
Lack of Public Transportation	12.0%	8.0%	12.0%
Land/Zoning Regulations	12.0%	16.0%	8.0%
Local Government Regulations ("red tape")	4.0%	8.0%	4.0%
Neighborhood Blight	4.0%	0.0%	0.0%

Stakeholder respondents were asked to identify infrastructure issues, if any, that they believe limit residential development in each study area. A total of 23 respondents provided feedback to this question. Note that the top responses for each area are in **red** text.

Infrastructure Issues Limiting Residential Development			
	Share of Area Respondents		
Infrastructure Issues	Franklin Area	Highlands Area	Macon County
Lack of Access to Public Water Utilities	13.0%	**39.1%**	**26.1%**
Lack of Access to Public Sewer Utilities	**21.7%**	**52.2%**	**26.1%**
Lack of Access to Electric Utilities	4.3%	0.0%	4.3%
Lack of Access to Gas Utilities	0.0%	4.3%	0.0%
No/Limited Water Service Capacity	13.0%	**39.1%**	**26.1%**
No/Limited Sewer Service Capacity	**17.4%**	**39.1%**	21.7%
Developer Fees to Access Water Services	8.7%	13.0%	13.0%
Developer Fees to Access Sewer Services	8.7%	17.4%	8.7%
Developer Fees to Access Electric Services	0.0%	4.3%	0.0%
Developer Fees to Access Gas Services	0.0%	0.0%	0.0%
No Impact/No Opinion	**43.5%**	21.7%	21.7%

Stakeholder respondents were asked to identify the best options to reduce or eliminate obstacles to residential development in each study area. A total of 24 respondents provided feedback to this question. The top responses for each area are in **red** text.

Best Options to Reduce/Eliminate Residential Development Barriers			
	Share of Area Respondents		
Options to Reduce Barriers	Franklin Area	Highlands Area	Macon County
Building Consensus among Communities/Advocates	16.7%	**37.5%**	**25.0%**
Collaboration between Public and Private Sectors	**37.5%**	**41.7%**	**29.2%**
Educating the Public on Importance of Housing	**37.5%**	16.7%	**29.2%**
Educate The Public on the Importance of Different Types of Housing	8.3%	**25.0%**	12.5%
Encouraging Accessory Dwelling Unit Opportunities	20.8%	20.8%	12.5%
Establishment of a Housing Trust Fund (Focuses on Preservation/Development of Affordable Housing)	**29.2%**	12.5%	20.8%
Establish Centralized Developer/Builder Resource Center	4.2%	0.0%	0.0%
Establish Rental Inspection Program	12.5%	12.5%	12.5%
Establish Rental Registry	8.3%	12.5%	8.3%
Expanding Grant Seeking Efforts	**25.0%**	12.5%	**25.0%**
Housing Gap/Bridge Financing	**25.0%**	12.5%	12.5%
Government Assistance with Infrastructure	**25.0%**	**25.0%**	**29.2%**
Government Sale of Public Land/Buildings at Discount or Donated	0.0%	4.2%	0.0%
Inform/Educate Development Community on Local Opportunities	8.3%	8.3%	4.2%
Issuance of Local Housing Bond	4.2%	0.0%	0.0%
Pooling of Public, Philanthropic, and Private Resources	16.7%	**29.2%**	**25.0%**
Revisiting/Modifying Zoning (e.g., Density, Setbacks, etc.)	12.5%	20.8%	4.2%
Securing Additional Housing Choice Vouchers	12.5%	8.3%	8.3%
Support/Expand Code Enforcement	4.2%	4.2%	4.2%
Tax Abatements/Credits	16.7%	12.5%	12.5%
Waiving/Lowering Development Fees	12.5%	8.3%	12.5%

Stakeholder respondents were asked to identify the factors that are most critical to the physical location of new residential development in each study area. A total of 25 respondents provided feedback to this question. The top answers for each area are illustrated in red text.

Most Critical Factors for Physical Location of New Residential Development			
	Share of Area Respondents		
Factor for Location	Franklin Area	Highlands Area	Macon County
Proximity to Community Services (Shopping, Entertainment, Recreation, Etc.)	**40.0%**	**28.0%**	**28.0%**
Proximity to Work	**44.0%**	**36.0%**	**24.0%**
Access to Highways/Thoroughfares	4.0%	8.0%	12.0%
Access to Infrastructure (Water/Sewer/High-Speed Internet)	**48.0%**	**52.0%**	**28.0%**
Access to Public Transit	12.0%	8.0%	12.0%
Local Taxes	8.0%	12.0%	12.0%
Quality of Schools	4.0%	0.0%	8.0%
Quality of Life	**36.0%**	**28.0%**	**28.0%**
Safety/Crime	16.0%	4.0%	12.0%
Surrounding Land Uses/Neighborhoods	16.0%	20.0%	8.0%
Walkability	12.0%	20.0%	4.0%
Bikeability	4.0%	12.0%	4.0%

Stakeholder respondents were given a list and asked to identify the items that should be areas of focus for each study area. A total of 23 respondents provided insight to this question with the following results. Note that the most commonly cited responses for each area are in red text.

Priority for Areas of Focus			
	Share of Area Respondents		
Areas of Focus	Franklin Area	Highlands Area	Macon County
Accessibility to Key Community Services (e.g., Healthcare, Childcare, etc.)	**47.8%**	**60.9%**	**34.8%**
Accessibility to Recreational Amenities	8.7%	13.0%	0.0%
Addressing Crime	0.0%	0.0%	0.0%
Adding Community Services (Shopping, Entertainment, Recreation, etc.)	21.7%	**30.4%**	**21.7%**
Critical Home Repair	17.4%	4.3%	13.0%
Developing New Housing	**56.5%**	**73.9%**	**56.5%**
Improving Public Transportation	17.4%	8.7%	17.4%
Removal/Mitigation of Residential Blight	17.4%	4.3%	13.0%
Renovating/Repurposing Buildings for Housing	**39.1%**	13.0%	13.0%
Unit Modifications to Allow Aging in Place	4.3%	4.3%	8.7%

Stakeholder respondents were asked if they had anything additional that they would like to share about housing challenges or opportunities in the study areas. A total of 13 respondents provided open-ended feedback to this question. Some key points from the responses are summarized below.

- Availability and affordability of housing are the primary issues.
- More housing options are needed for household incomes between $35,000 and $100,000.
- More single-family neighborhoods need to be developed.
- There is a need for homeless shelters and transitional housing for certain groups (i.e., ex-convicts and people with bad credit) in the area; however, time limits need to be applied to these housing options.
- More focus and political resolve are needed to address the area housing issues, as it limits growth, prosperity, and community services.
- Housing issues are constraining the availability of the workforce for new businesses that wish to relocate to the area.
- The prevalence of short-term rentals needs to be monitored/controlled.
- Restrictive legislation ("red tape") increases the cost to develop housing.
- The cost of construction is a notable barrier to building workforce housing.

Stakeholders were asked to estimate the demand for housing in the county for specific special needs groups. A total of 22 respondents provided feedback to this question with the following results. Note that the top needs are illustrated in **red** text.

Housing Demand for Special Needs Groups – Macon County	
Group	Weighted Score*
Homeless	**59.5**
Veterans	**60.7**
Disabled (Vision/Hearing/Mobility)	46.3
Persons with Psychiatric Disabilities (Mental Illness)	56.3
Developmentally Disabled (Cognitive)	50.0
Victims of Domestic Violence	**59.5**
Persons with Substance Abuse Disorder	**75.0**
Youth Aging Out of Foster Care	53.8
Released Convicts/Re-Entry	57.5

*High Demand = 100.0, Moderate Demand = 50.0, Low Demand = 25.0

Respondents were asked to rank the demand for specific types of housing for the special needs population in Macon County. A total of 23 respondents provided feedback to this question. Note that the top needs are illustrated in **red** text.

Housing Type Demand for Special Needs Groups – Macon County	
Housing Type	**Weighted Score***
Emergency Shelter	65.0
Group Homes	52.5
Permanent Supportive Housing	**73.9**
Transitional Housing	**79.8**

*High Demand = 100.0, Moderate Demand = 50.0, Low Demand = 25.0

Respondents were asked to identify the obstacles to the development of housing for the special needs population in Macon County. A total of 16 respondents provided open-ended feedback to this question. Some key points from the responses are summarized below.

- The availability of property/land and costs (startup and sustaining)
- The restrictions on a significant number of grants available
- Community support for special needs groups/community awareness
- Staffing and funding availability
- "Red tape" and political will
- Proximity to public services (i.e., transportation)

Stakeholders were asked to provide any recommendations on ways to address the needs of the special needs populations in Macon County. A total of 13 respondents provided feedback to this question. Key points from the responses are summarized below.

- The community needs to be educated and understand the issues experienced by special needs populations and the costs of not addressing the issue.
- The success of "Housing First" models
- Increase capacity and training of county and municipality staff on solutions and funding sources
- Collaboration between public and private sectors
- Reduction of legislation/code enforcement that is detrimental to these groups
- Additional workforce housing will benefit these special needs populations
- More resources for daytime childcare
- Adaptive re-use of buildings (i.e., the old hospital) for transitional housing

Stakeholder Survey Conclusions

Based on the feedback provided by area stakeholders, it appears that limited availability and rent affordability are the most common housing issues throughout Macon County. While home purchase affordability is an issue in both Franklin and Highlands, stakeholders indicated that investors purchasing properties and increasing for-sale prices and rents in Highlands is also a notable issue. The entirety of Macon County is most in need of affordable rental housing (priced less than $1,250 per month), affordable for-sale housing (priced less than $200,000), and moderately priced for-sale housing (priced between $200,000 and $300,000). According to stakeholders, affordable rental housing was unanimously rated as the highest need in Franklin, while moderately priced for-sale housing was the top need in Highlands. While multifamily apartments were cited as the top need throughout Macon County and Franklin, duplex, triplex, and townhomes were rated as the top need in Highlands. Stakeholders cited new homes and the revitalization of existing housing as the top construction needs within the county, with mixed-use developments also ranking high within Highlands. The cost of land, labor, and materials, the cost of infrastructure, and the conversion of permanent housing to short-term/vacation rentals appear to be common barriers in the county. In addition, the availability of land within Highlands is a constraining factor for housing development. Although stakeholders do not believe infrastructure issues to be a significant barrier in Franklin, access to public sewer utilities in Highlands was cited as a notable barrier. Stakeholders indicated that the development of new housing, accessibility to and addition of community services, and renovation of existing buildings (Franklin) should be areas of focus. Stakeholders noted that the collaboration between private and public sectors, building consensus among communities/advocates, public education regarding housing, the pooling of resources, and government assistance with infrastructure are critical to reducing barriers to residential development. Stakeholders also noted that various housing types for special needs groups in the county should be a consideration when addressing housing issues.

A table summarizing the top stakeholder responses follows.

Stakeholder Summary

Macon County, North Carolina Summary of Stakeholder Survey Results			
Category	**Area**	**Top Needs / Issues**	**Consensus**
Housing Needs by Price Point	Franklin	• Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000) • For-Sale Housing ($200,000-$299,999)	**100.0*** **90.6*** **75.0***
	Highlands	• For-Sale Housing ($200,000-$299,999) • Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000)	**86.7*** **83.8*** **80.8***
	Macon County	• Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000) • For-Sale Housing ($200,000-$299,999)	**96.9*** **88.3*** **79.4***
Housing Needs by Style	Franklin	• Multifamily Apartments • Ranch Homes/Single Floor Plan Units	**66.7%** **41.7%**
	Highlands	• Duplex/Triplex/Townhomes • Multifamily Apartments	**50.0%** **33.3%**
	Macon County	• Multifamily Apartments • Duplex/Triplex/Townhomes	**58.3%** **45.8%**
Common Housing Issues	Franklin	• Limited Availability • Rent Affordability • Home Purchase Affordability	**72.0%** **56.0%** **36.0%**
	Highlands	• Limited Availability • Home Purchase Affordability • Rent Affordability • Investors Buying Properties/Increasing Prices and Rents	**76.0%** **60.0%** **44.0%** **36.0%**
	Macon County	• Limited Availability • Rent Affordability • Home Purchase Affordability	**60.0%** **36.0%** **32.0%**
Priority by Construction Type	Franklin	• New Construction • Repair/Renovation/Revitalization of Existing Housing	**84.2*** **75.0***
	Highlands	• New Construction • Mixed-Use	**68.8*** **66.2***
	Macon County	• New Construction • Repair/Renovation/Revitalization of Existing Housing	**81.3*** **66.7***
Common Residential Barriers	Franklin	• Cost of Land • Cost of Labor/Materials • Housing Converting to Short-Term/Vacation Rentals	**60.0%** **56.0%** **36.0%**
	Highlands	• Cost of Land • Availability of Land • Cost of Labor/Materials • Housing Converting to Short-Term/Vacation Rentals	**72.0%** **64.0%** **48.0%** **36.0%**
	Macon County	• Cost of Land • Cost of Labor/Materials • Cost of Infrastructure	**44.0%** **36.0%** **32.0%**

*Denotes weighted score

(Continued)

Macon County, North Carolina Summary of Stakeholder Survey Results			
Category	**Area**	**Top Needs / Issues**	**Consensus**
Infrastructure Issues Limiting Residential Development	Franklin	• No Impact/No Opinion • Lack of Access to Public Sewer Utilities • No/Limited Sewer Service Capacity	**43.5%** **21.7%** **17.4%**
	Highlands	• Lack of Access to Public Sewer Utilities • Lack of Access to Public Water Utilities • No/Limited Sewer Service Capacity • No/Limited Water Service Capacity	**52.2%** **39.1%** **39.1%** **39.1%**
	Macon County	• Lack of Access to Public Sewer Utilities • Lack of Access to Public Water Utilities • No/Limited Sewer Service Capacity	**26.1%** **26.1%** **26.1%**
Best Options to Reduce Barriers	Franklin	• Collaboration Between Public and Private Sectors • Educate Public on Importance of Housing • Establishment of a Housing Trust Fund	**37.5%** **37.5%** **29.2%**
	Highlands	• Collaboration Between Public and Private Sectors • Building Consensus Among Communities/Advocates • Pooling of Public, Philanthropic, and Private Resources	**41.7%** **37.5%** **29.2%**
	Macon County	• Collaboration Between Public and Private Sectors • Educate Public on Importance of Housing • Government Assistance with Infrastructure	**29.2%** **29.2%** **29.2%**
Critical Factors for Location of Residential Development	Franklin	• Access to Infrastructure (Water/Sewer/Internet) • Proximity to Work • Proximity to Community Services • Quality of Life	**48.0%** **44.0%** **40.0%** **36.0%**
	Highlands	• Access to Infrastructure (Water/Sewer/Internet) • Proximity to Work • Proximity to Community Services • Quality of Life	**52.0%** **36.0%** **28.0%** **28.0%**
	Macon County	• Proximity to Community Services • Access to Infrastructure (Water/Sewer/Internet) • Quality of Life • Proximity to Work	**28.0%** **28.0%** **28.0%** **24.0%**
Areas of Focus	Franklin	• Develop New Housing • Accessibility to Key Community Services • Renovating/Repurposing Buildings for Housing	**56.5%** **47.8%** **39.1%**
	Highlands	• Develop New Housing • Accessibility to Key Community Services • Adding Community Services	**73.9%** **60.9%** **30.4%**
	Macon County	• Develop New Housing • Accessibility to Key Community Services • Adding Community Services	**56.5%** **34.8%** **21.7%**
Housing Demand for Special Needs Groups	Macon County	• Persons with Substance Abuse Disorder • Veterans • Homeless • Victims of Domestic Violence	**75.0*** **60.7*** **59.5*** **59.5***

*Denotes weighted score

(Continued)

Macon County, North Carolina Summary of Stakeholder Survey Results			
Category	**Area**	**Top Needs / Issues**	**Consensus**
Types of Housing for Special Needs Groups	Macon County	• Transitional Housing • Permanent Supportive Housing • Emergency Shelters • Group Homes	**79.8*** **73.9*** **65.0*** **52.5***

*Denotes weighted score

C. EMPLOYER SURVEY RESULTS

A total of 65 representatives from area employers responded to the housing survey with the following results. Note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer.

Employer respondents were asked to identify the employment sector that best describes their primary business activity. A total of 65 employers provided a response to this question with the following results.

Employer Respondents by Primary Business Type					
Business Type	**Number**	**Share**	**Business Type**	**Number**	**Share**
Education	15	27.3%	Professional Services	3	5.5%
Retail	8	14.5%	Social Services	3	5.5%
Hospitality	7	12.7%	Manufacturing/Industrial	2	3.6%
Restaurant/Food Services	6	10.9%	Technology	2	3.6%
Real Estate/Property Management	5	9.1%	Communications	1	1.8%
Public Services/Government	4	7.3%	Grocer	1	1.8%
Construction	3	5.5%	Other	2	3.6%
Healthcare	3	5.5%			

Among the employers that selected "Other" as their business type, business activities included media and outdoor recreation.

Employer respondents were asked to estimate the share of their employees that commute at least 30 minutes to their business location. A total of 65 employer respondents provided feedback to this question. The following table illustrates the distribution of responses.

Share of Employees with Commutes of at Least 30 Minutes		
Response	**Number**	**Share**
Less than 25%	27	41.5%
25%-50%	12	18.5%
51%-75%	8	12.3%
More than 75%	16	24.6%
Unknown	2	3.1%

As the preceding illustrates, 41.5% of employers in Macon County indicated that less than 25% of their respective employees commute 30 minutes or longer to their business location. However, nearly one-quarter (24.6%) of employers estimated that more than 75% of their respective employes commute at least 30 minutes to work.

Employer respondents were asked to estimate the shares of their employees that are renters and homeowners (tenure). A total of 65 employer respondents provided feedback to this question. The following table illustrates the distribution of employer responses.

Employee Tenure (Renters vs Homeowners)					
	Share of Employees				
Tenure Status	<25%	25%-50%	51%-75%	>75%	Unknown
Renters	18.8%	17.2%	28.1%	28.1%	6.3%
Homeowners	20.7%	29.3%	27.6%	13.8%	7.0%

Based on feedback from employer respondents, 56.2% of employers in Macon County estimate that over one-half of their respective employees are renters, and 28.1% estimate that over three-quarters of their employees are renters. By comparison, only 41.4% of employers estimate that at least one-half of their employees are owners, and only 13.8% estimate that over three-quarters of their employees own their place of residence. This indicates that there is a high proportion of renters employed by the employers that participated in this survey.

Employer respondents were asked to identify what aspect of housing is adversely impacting their employees. A total of 65 employers responded to this question. Note that respondents could select more than one answer.

Housing Issues Adversely Impacting Employees		
Impacts to Employees	Number	Share
Affordability of Housing	60	92.3%
Availability of Housing	58	89.2%
Location of Housing	29	44.6%
Quality of Housing	29	44.6%
Housing Matching Household Needs (e.g., Families, Young Professionals, etc.)	27	41.5%
Housing is Not Adversely Impacting Our Employees	2	3.1%

Employer respondents were asked to identify how housing issues are adversely impacting their company. A total of 65 respondents provided feedback to this question with the following results.

Housing Issues Adversely Impacting Businesses/Employers		
Impacts to Employers	**Number**	**Share**
Attracting Employees	45	69.2%
Retaining Employees	35	53.8%
Adding to Costs/Expenses (e.g., Hiring, Training, etc.)	30	46.2%
Places Company at Competitive Disadvantage	18	27.7%
Limiting Expansion/Growth Plans	17	26.2%
Housing is Not Adversely Impacting Our Company	8	12.3%

Employer respondents were asked if their company is currently involved with housing assistance (e.g., provides funding, offers relocation packages, provides placement service, etc.). A total of 64 respondents provided feedback to this question with the following distribution of responses.

Company Involvement with Housing	
Employer Response	**Share**
Yes	28.1%
Not Directly	7.8%
No	64.1%

Respondents were then asked if their company is not directly involved with housing assistance, would they consider being involved in the future. A total of 45 respondents provided insight to this question.

Possible Future Direct Involvement with Housing	
Employer Response	**Share**
Yes	6.7%
Maybe	53.3%
No	40.0%

Employer respondents were asked what type of assistance, if any, they would *consider providing* to their employees to assist with housing. Employers that currently provide assistance were asked to identify options they would consider adding. A total of 36 respondents provided insight to this question with the following distribution. Note that employers could select more than one type of program.

Future Consideration of Housing Assistance Programs (Employer Provided)		
Housing Assistance Program	**Number**	**Share**
Purchasing Housing to Rent/Sell to Employees	18	50.0%
Partnering with Others to Develop Employee Housing	17	47.2%
Developing Employee Housing	13	36.1%
Participating in a Housing Resource Center/Website	10	27.8%
Offering Employee Relocation Services/Reimbursements	8	22.2%
Providing Security Deposit Assistance to Lower-Wage Employees	7	19.4%
Contributing to a Housing Fund	6	16.7%
Providing Down Payment Assistance to Lower-Wage Employees	6	16.7%
Providing an Employee Home Repair Loan Program	4	11.1%
We Are Not Interested in Adding Any Additional Housing Assistance	4	11.1%
Selling or Donating Company-Owned Land to Support Workforce Housing Development	2	5.6%
Other	2	5.6%

One of the respondents that selected "Other" noted that they currently provide housing at a reduced rate to employees, and that housing issues have had a major impact on *retaining employees, their ability to hire long-term, high-quality employees, as well as many other issues.*

Employer respondents were asked what type of housing assistance, if any, their company currently provides. A total of 37 respondents provided feedback to this question. Note that respondents could select more than one type of program.

Current Housing Assistance Programs (Employer Provided)		
Housing Assistance Program	**Number**	**Share**
Offers Employee Relocation Services/Reimbursements	10	27.0%
Purchases Housing to Rent/Sell to Employees	9	24.3%
Develops Employee Housing	5	13.5%
Contributes to a Housing Fund	3	8.1%
Partners with Others to Develop Employee Housing	3	8.1%
Provides Down Payment Assistance to Lower-Wage Employees	2	5.4%
Provides Security Deposit Assistance to Lower-Wage Employees	2	5.4%
Participates in a Housing Resource Center/Website	1	2.7%
Provides an Employee Home Repair Loan Program	1	2.7%
Other	3	8.1%
None	14	37.8%

Among the respondents that selected "Other," two respondents indicated that they provide fuel assistance for commuting, and one respondent noted that they currently provide long-term housing from their inventory of short-term rentals.

Employer respondents were asked in what ways an employer housing tax credit (if created) would impact their involvement in employee housing solutions. A total of 37 respondents provided feedback to this question with the following results. Note that respondents could select more than one type of impact.

Housing Tax Credit Impacts		
Impact	**Number**	**Share**
More Likely to Offer Housing Assistance to Employees	16	43.2%
More Likely to Be Involved in Developing Employee Housing	15	40.5%
More Likely to Sell or Donate Company-Owned Land to Support Workforce Housing	5	13.5%
I Don't Know	19	51.4%
Other	1	2.7%
I Am Not Interested in an Employer Housing Tax Credit	0	0.0%

Employer respondents were then asked if additional housing were provided in the market that adequately served the needs of employees, would the company consider expanding or hiring additional staff. A total of 36 respondents provided insight to this question with the following distribution of responses.

Company Expansion/Additional Employees if Adequate Housing Available		
Response	**Number**	**Share**
Yes	21	58.3%
No	5	13.9%
Don’t Know	10	27.8%

Employer respondents were asked to provide any additional issues, insight, or solutions to address area housing needs. A total of 19 respondents provided feedback in the form of an open-ended response. While several respondents noted the general *lack of availability and affordability* issues, particularly for *hourly employees*, other specific topics cited by respondents included *attracting talented employees (specifically teachers), the age of existing housing, the disproportionately high cost per square foot compared to other areas, overcrowding due to cost issues, and the need for housing that targets recent college graduates and middle-aged professionals*. Possible solutions offered by respondents included *adaptive reuse of larger homes into apartments with multiple entrances and varied configurations, shuttle services for the area workforce, and subsidies/tax credits for workforce housing, particularly in the Highlands area*.

Respondents were asked if they believe short-term/seasonal workforce housing is needed in Macon County. A total of 55 respondents provided feedback to this question with the following distribution of responses.

Short-Term/Seasonal Workforce Housing Needed		
Response	**Number**	**Share**
Yes	32	58.2%
No	11	20.0%
No Opinion	12	21.8%

Respondents were then asked in what months that short-term/seasonal workforce housing would be needed. A total of 30 respondents provided feedback to this question. The following summarizes employer responses with the six highest shares illustrated in **red** text.

Seasonal Workforce Housing Demand by Month											
Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
16.7%	16.7%	33.3%	60.0%	**86.7%**	**93.3%**	**93.3%**	**93.3%**	**90.0%**	**93.3%**	50.0%	36.7%

Employer respondents were asked what monthly rent range would best serve the short-term/seasonal workers. A total of 30 respondents provided input to this question with the following results.

Short-Term/Seasonal Workforce Housing Needed		
Rent Range	Number	Share
<$500	3	10.0%
$500-$749	18	60.0%
$750-$999	9	30.0%
$1,000+	0	0.0%

Employer respondents were asked what geography (if any) should be given priority for possible future short-term/seasonal housing. A total of 30 respondents provided feedback to this question with the following distribution.

Priority of Short-Term/Seasonal Workforce Housing by Area		
Area/Response	Number	Share
Franklin Area	3	10.0%
Highlands Area	18	60.0%
Anywhere in Macon County	8	26.7%
No Opinion	0	0.0%
Other	1	3.3%

Respondents were asked to describe any ways that they may want to participate in supporting short-term/seasonal workforce housing (such as development of housing, donating land for development, referring employees to housing alternatives, providing housing assistance payments/deposits, etc.). A total of seven respondents provided open-ended feedback. The most common responses were *providing referrals for employees and providing some type of financial assistance (relocation expenses, sign-on incentives, etc.)*. One respondent indicated that they would be *willing to develop housing, particularly if tax benefits were offered*, while another respondent conveyed their *general willingness to help* without noting any specific type of assistance.

Employer Survey Conclusions

Over one-third (36.9%) of employers that participated in the survey indicated that one-half or more of their respective employees commute more than 30 minutes each way, and over one-half (56.2%) of employers noted that the majority of their employees are renters. Affordability, availability, location, and quality are the top housing issues that affect *employees* in the area and nearly 88.0% of employers that participated in our survey indicated that they are adversely impacted by housing issues within the county. Attracting and retaining employees and additional costs are the top impacts that result from local housing issues that adversely affect *employers*. Despite these impacts, only 28.1% of employers are currently involved in housing assistance, and only 6.7% would definitely be involved in future housing assistance if they are not already involved. However, over one-half (53.3%) of employers indicated that they could *potentially* be interested in providing housing assistance. The most common housing assistance provided by employers includes relocation assistance and direct housing solutions (buying or developing homes to rent/sell to employees), although the minority (27.0% or less) of employers offer these services. It should be noted, however, that approximately one-half of employers indicated they would possibly consider being directly involved in renting or selling housing to employees and/or partnering with others to provide housing assistance. A notable share of employers indicated they would be more likely to be involved in housing solutions if tax credits were offered. One of the most significant findings of the employer survey is that 58.3% of employers would hire or expand their staffing if housing in the area adequately served employee needs.

Employers also provided feedback related to short-term/seasonal workforce housing. The majority (58.2%) of employers believe short-term/seasonal workforce housing is needed in the county, and these needs are generally highest between the months of May and October. Employers also indicated that the rent for this type of housing should range between $500 and $750, although there would also be notable demand for rentals between $750 and $1,000. Employers noted that the most significant demand would likely be in the Highlands area of the county.

The following table summarizes the top employer responses to critical questions contained within this survey:

Employer Summary

Macon County, North Carolina Summary of Employer Survey Results		
Category	**Top Needs / Issues**	**Consensus**
Employee Commute Distances	• Less Than 25% of Employees Commute >30 Minutes • Over 50% of Employees Commute >30 Minutes	**41.5%** **36.9%**
Employee Tenure (Renters vs Homeowners)	• Over 50% of Employees are Renters • Over 50% of Employees are Homeowners • Over 75% of Employees are Renters • Over 75% of Employees are Homeowners	**56.2%** **41.4%** **28.1%** **13.8%**
Housing Issues Adversely Impacting Employees	• Affordability of Housing • Availability of Housing • Location of Housing • Quality of Housing	**92.3%** **89.2%** **44.6%** **44.6%**
Business Impacts from Housing Issues	• Attracting Employees • Retaining Employees • Adding to Costs/Expenses (Hiring, Training, Etc.)	**69.2%** **53.8%** **46.2%**
Company Currently Involved in Housing Solutions	• Yes, Currently Involved • Not Directly	**28.1%** **7.8%**
Possible Future Involvement in Housing if Not Already Involved	• Yes • Maybe	**6.7%** **53.3%**
Types of Future Housing Assistance Programs Considered	• Purchasing Housing to Rent/Sell to Employees • Partnering with Others to Develop Employee Housing • Developing Employee Housing • Participating in a Housing Resource Center/Website	**50.0%** **47.2%** **36.1%** **27.8%**
Current Housing Programs Provided	• Offers Employee Relocation Services/Reimbursements • Purchases Housing to Rent/Sell to Employees • Develops Employee Housing	**27.0%** **24.3%** **13.5%**
Housing Tax Credit Impact	• More Likely to Offer Housing Assistance to Employees • More Likely to be Involved in Developing Employee Housing	**43.2%** **40.5%**
Hiring Results from Adequate Housing	• Company Would Expand/Hire Additional Employees	**58.3%**
Need for Short-Term/Seasonal Workforce Housing	• Yes	**58.2%**
Months of Highest Demand for Short-Term/Seasonal Workforce Housing	• May through October	**86.7% to 93.3%**
Short-Term/Seasonal Workforce Housing Needs by Rent Range	• $500-$749 Monthly • $750-$999 Monthly	**60.0%** **30.0%**
Short-Term/Seasonal Workforce Housing Needs by Area	• Highlands Area • Anywhere in Macon County • Franklin Area	**60.0%** **26.7%** **10.0%**

*Denotes weighted score

D. RESIDENT/COMMUTER SURVEY RESULTS

A total of 757 residents/commuters responded to the housing survey, including 22 respondents that completed the survey in Spanish, which was then translated into English for tabulation. Note that percentages may not add up to 100.0% due to rounding or because respondents were able to select more than one answer.

Current Housing Situation

Respondents were asked whether they currently live in Macon County or commute to Macon County for work. A total of 757 respondents provided feedback to this question.

Resident/Commuter Status		
Response	**Number**	**Share**
Resident of Macon County	686	90.6%
Commute to Macon County for Work	55	7.3%
Neither a Resident nor Commuter of Macon County	16	2.1%

Respondents that selected "Neither a Resident nor Commuter of Macon County" were disqualified from the remainder of the survey.

Non-resident commuters to Macon County were asked to provide the ZIP code of their current residence. A total of 49 non-resident commuters provided feedback with the following results.

Non-Resident Commuter Place of Origin		
ZIP Code (City/County)	**Number**	**Share**
28779 (Sylvia, NC/Jackson County)	8	16.3%
28717 (Cashiers, NC/Jackson County)	6	12.2%
28723 (Cullowhee, NC/Jackson County)	5	10.2%
30525 (Clayton, GA/Rabun County)	4	8.2%
30537 (Dillard, GA/Rabun County)	3	6.1%
All Other ZIP Codes	23	46.9%

Non-resident commuters to Macon County were asked to provide their approximate commute time to work (one way). A total of 49 non-resident respondents provided feedback to this question.

Non-Resident Commuter Commute Times (One Way)		
Commute Time	**Number**	**Share**
Less than 15 minutes	5	10.2%
15-30 minutes	18	36.7%
31-45 minutes	13	26.5%
46-60 minutes	7	14.3%
Over 1 hour	5	10.2%
Work From Home	1	2.0%

Respondents were asked to verify their access to various modes of transportation. A total of 679 residents/commuters provided feedback to this question with the following distribution of results.

Resident/Commuter Access to Transportation		
Response	**Number**	**Share**
Have Own Car	665	97.9%
Have Access to Public Transit	33	4.9%
Can Walk to Most Essential Needs	22	3.2%
Can Carpool	20	2.9%
Don't Have Access to Transportation	7	1.0%

Respondents were asked whether they rent or own their current home (tenure). A total of 678 residents/commuters provided feedback to this question with the following distribution.

Resident/Commuter Respondents by Housing Tenure		
Tenure Type	**Number**	**Share**
Rent	154	22.7%
Own	485	71.5%
Caretaker/No Rent Paid	4	0.6%
Live With Family/Friends	22	3.2%
Other	13	1.9%
Total	678	100.0%

Respondents were asked to identify the type of structure that best describes their current residence. A total of 679 residents/commuters provided feedback to this question with the following results.

Resident/Commuter Respondents by Housing Structure Type		
Structure Type	**Number**	**Share**
Single-Family Home	548	80.7%
Duplex/Triplex/Townhome	20	2.9%
Condominium	10	1.5%
Apartment Building	18	2.7%
Senior Care	0	0.0%
Room Rental	10	1.5%
Mobile Home	51	7.5%
Accessory Dwelling Unit (Such as Unit Over Garage)	5	0.7%
Other	17	2.5%

Respondents were asked how many people live in their current residence (including the respondent). A total of 675 residents/commuters provided feedback to this question.

Resident/Commuter Respondents by Household Size		
Household Size	Number	Share
1 Person	98	14.5%
2 Persons	313	46.4%
3 Persons	111	16.4%
4 Persons	99	14.7%
5+ Persons	54	8.0%

Respondents were asked to approximate their total monthly housing expenses (including rent/mortgage costs, utilities, taxes, insurance, etc.). A total of 672 residents/commuters provided insight to this question with the following distribution.

Resident/Commuter Respondents by Monthly Housing Expenses		
Total Monthly Housing Expense	Number	Share
No Expense ($0)	11	1.6%
Up to $250	5	0.7%
$251 - $500	36	5.4%
$501 - $750	58	8.6%
$751 - $1,000	80	11.9%
$1,001 - $1,250	56	8.3%
$1,251 - $1,500	97	14.4%
$1,501 - $1,750	51	7.6%
$1,751 - $2,000	71	10.6%
Over $2,000	207	30.8%
Total	672	100.0%

A list of common housing issues was supplied and respondents were asked to specify whether they have experienced, or are currently experiencing, any of the issues in their place of residence. A total of 647 residents/commuters provided feedback to this question with the following distribution. Note that the top three housing issues are in **red** text.

Housing Issues Experienced by Residents/Commuters		
Housing Issue	**Number**	**Share**
Overcrowded Housing	48	7.4%
Cost Burdened (Paying More Than 30% of Income Toward Housing Cost)	**217**	**33.5%**
Substandard Housing (Landlord Did Not Maintain)	36	5.6%
Substandard Housing (I Couldn't Afford to Maintain)	42	6.5%
Foreclosure	5	0.8%
Expiring Lease or Eviction	15	2.3%
Homelessness	14	2.2%
Rental Unit Was Converted to a Short-Term Rental	18	2.8%
Had to Move in With Family and/or Friends	**62**	**9.6%**
Credit Score was Not High Enough for a Lease and/or Mortgage	38	5.9%
Housing or Lending Discrimination	8	1.2%
Landlords Won't Accept Housing Choice Vouchers	6	0.9%
Did Not Have Sufficient Deposit or Down Payment	**51**	**7.9%**
None	364	56.3%

As the preceding illustrates, 43.7% of respondents indicated that they have experienced at least one of the housing issues listed. The most common issues are being housing cost burdened (33.5%), having to move in with family or friends (9.6%), and not having a sufficient deposit or down payment (7.9%).

Current Housing Market

Respondents were asked to describe the overall housing market in Macon County. A total of 590 respondents provided feedback to this question with the following results.

Overall Housing Market Rating per Respondents		
Rating	**Number**	**Share**
Good, No Issues	16	2.7%
Fair, Some Issues	119	20.2%
Poor, Many Issues	434	73.6%
No Opinion	21	3.6%
Total	590	100.0%

Respondents were asked to identify the top three issues that negatively impact the Macon County housing market. A total of 596 residents/commuters provided feedback to this question. Note that the top five cited issues are in **red** text.

Top Issues Negatively Impacting Housing Market		
Issue	**Number**	**Share**
High Prices or Rents	**474**	**79.5%**
Owners Unable to Afford Home Maintenance/Upkeep	49	8.2%
Inconvenient/Lack of Community Services (Healthcare, Pharmacies, Shopping, etc.)	29	4.9%
Neglected/Blighted Properties/Neighborhood (Poor Condition)	54	9.1%
Lack of Features/Amenities (Playground, Street Trees, Well-Maintained Sidewalks, etc.)	14	2.3%
Property/Income Taxes	34	5.7%
Not Enough Housing/Rental Options (Few Vacancies)	**362**	**60.7%**
Too Many Rental Properties (Many Vacancies)	10	1.7%
Housing Being Converted to Short-Term/Vacation Rentals	**172**	**28.9%**
Insufficient Short-Term/Seasonal Workforce Housing	44	7.4%
Excessive/Rising Utility Costs	**103**	**17.3%**
Housing Discrimination	6	1.0%
Unwelcoming Environment	5	0.8%
Mismatch Between Local Jobs/Wages and Housing Costs	**248**	**41.6%**
Mismatch Between Local Jobs and Location of Housing	23	3.9%
High Crime	5	0.8%
Lack of Quality Schools	7	1.2%
Lack of Jobs	28	4.7%
Lack of Financing Options	5	0.8%
Lack of Public Transportation	17	2.9%
Limited Social Services/Assistance Programs	4	0.7%
No Opinion	4	0.7%
Other	26	4.4%

Respondents were asked why they believe it is difficult for people to find suitable housing in Macon County. A total of 592 residents/commuters provided input to this question with the following distribution. Note that the top five answers are highlighted in **red** text.

Reasons for Difficulty Locating Suitable Housing in Macon County		
Reason	**Number**	**Share**
I Don't Believe it is Difficult	16	2.7%
Housing Not Affordable	**526**	**88.9%**
Undesirable Location/Neighborhood	53	9.0%
Not Enough Housing (Limited Availability)	**465**	**78.5%**
Lack of Housing to Meet Specific Needs (Such as Number of Bedrooms)	**178**	**30.1%**
Lack of Advertising/Resources to Find Available Housing	40	6.8%
Discrimination	23	3.9%
Age of Housing (Too Old)	58	9.8%
Landlords Not Accepting Housing Choice Vouchers	38	6.4%
Poor Quality of Housing	**112**	**18.9%**
Previous Record of Felony/Incarceration/Eviction	17	2.9%
Lack of Down Payment or Rental Deposit	**164**	**27.7%**
Other	42	7.1%

In addition to the preceding issues, some of the open-ended responses included topics such as *general affordability, local wages, conversion of housing to short-term rentals and second homes, lack of transit to employment and/or medical appointments, inability for teachers to afford housing, population/household growth has outpaced housing, investors increasing housing costs, the low supply resulting in price increases, and the quality/condition of rentals.*

Respondents were asked to rate the degree (High, Minimal, No Need) to which certain *housing types* are needed in Macon County. A total of 584 residents/commuters provided insight to this question with the following results. Note that the top housing types needed, per respondents, are in **red** text.

Housing Types Most Needed	
Housing Type	Weighted Score*
Rental Housing ($500-$1,000/month)	**95.0**
Rental Housing ($1,001-$1,500/month)	67.8
Rental Housing (Over $1,500/month)	27.1
For-Sale Housing ($100,000-$200,000)	**90.9**
For-Sale Housing ($200,000-$300,000)	62.1
For-Sale Housing (Over $300,000)	27.8
Senior Apartments (Independent Living)	**71.2**
Senior Care Facilities (Assisted Living/Nursing Care)	69.7
Senior Condominiums (For-Sale Housing)	56.0
Single-Person (Studio/One-Bedroom)	**70.3**
Family Housing (2+ Bedrooms)	**92.1**
Housing for Ages 25 to 40	**87.5**
Communal Housing (Shared Living Space)	32.9
Rentals that Accept Housing Choice Vouchers	58.6

*High Need = 100.0, Minimal Need = 25.0, No Need = 0.0

Respondents were asked to rate the degree of need (High, Minimal, No Need) for certain *housing styles* in Macon County. A total of 581 residents/commuters provided feedback to this question. The following table provides a *weighted* summary of respondent feedback. Note that the top housing styles needed for each area are in **red** text.

Degree of Need for Housing Styles by Area	
Housing Style	Weighted Score
Apartments	**83.3**
Duplex/Triplex/Townhomes	76.3
Condominiums	59.9
Ranch Homes/Single Floor Plan Units	**82.5**
Low Cost Fixer-Uppers (Single-Family Homes)	72.2
Modern Move-In Ready Single-Family Homes	**84.7**
Single-Room Occupancy (SRO)	42.4
Accessory Dwelling Unit (Above Garage, Income Suite, Etc.)	44.6
Mixed-Use Development (Units Combined With or Above Commercial Space)	50.0

*High Need = 100.0, Minimal Need = 25.0, No Need = 0.0

Respondents were asked to identify, in their opinion, the most significant housing issue facing Macon County today. A total of 484 residents/commuters provided feedback to this question through an open-ended response. Among the responses received, the most common issues cited were *the lack of affordable housing for the area workforce, particularly service workers, teachers, public safety employees, and seasonal employees, the long commutes for many workers due to having to seek more affordable housing farther from their place of employment, and the conversion of permanent housing units to short-term rentals and second homes*. Other issues cited by respondents included *the lack of availability, the lack of a variety of housing types, the influx of migrants (both domestic and international), the state of disrepair for some properties in the area, and accessibility issues for people with disabilities and seniors*.

Respondents were asked to share any other comments or concerns about housing in Macon County. A total of 204 residents/commuters provided additional feedback through an open-ended response. While many of the responses included items previously covered, some of the more unique comments or concerns included *the safety of local roads due to increased traffic from commuters and tourists, the need to consider the natural resources of the area (scenery, water, plants, animals) in housing development solutions, the rising costs of utilities in the area, excessive down payments/deposits, the need for a bus loop between communities (i.e., Franklin, Clayton, Highlands, and Cashiers), establishment of a community trust, investigating programs to promote clean, sustainable, and safe long-term housing options, renter protection enforcement (safety, discrimination, lease changes, etc.), promoting the market to developers, comprehensive plan to encourage cooperation between communities (i.e., Franklin and Highlands) with different socioeconomic compositions but also acknowledges the unique challenges for communities within Macon County, temporary housing and emergency shelters for various special needs groups, senior housing, the cost of construction/repairs and the availability of contractors, the difficulty locating available housing that accepts Housing Choice Vouchers, the struggle for small businesses to pay competitive wages, health care options and entertainment for young families, the need for young adults (20 to 35 years of age) to live with family and/or friends due to housing costs, affordable for-sale housing in the area typically requires extensive repairs, and the need to balance housing needs and preserve the elements that promote tourism in the county.*

Interest in Living in Macon County

Non-resident commuters were asked if they would they have any interest in living in Macon County should housing be available and affordable. A total of 39 non-residents responded to this question with the following distribution of responses.

Interest in Relocating (Non-Resident Respondents)		
Response	Number	Share
Yes, Interested in Relocating	30	76.9%
No, Not Interested in Relocating	9	23.1%
Total	39	100.0%

Respondents were then asked in what part of the county they would seek housing if they were relocating to Macon County. A total of 28 respondents provided feedback to this question. Note that respondents could select more than one area. The following illustrates the distribution of responses.

Area of Relocation Interest (Non-Resident Respondents)		
Area	Number	Share
Franklin Area	11	36.7%
Highlands Area	18	60.0%
No Preference	4	13.3%
Other Area of the County	2	6.7%

Respondents were asked what style of housing they would be interested in living in if relocating to Macon County. A total of 31 non-resident respondents provided feedback to this question.

Preferred Housing Style		
Housing Style	Number	Share
Apartment	13	41.9%
Duplex/Triplex/Townhome	11	35.5%
Condominium	8	25.8%
Low-Cost Fixer-Upper	12	38.7%
Modern, Move-In Ready Single-Family Home	13	41.9%
Single-Room Occupancy	5	16.1%
Accessory Dwelling Unit (Income Suite)	4	12.9%
Ranch Homes or Single Floor Plan Unit	17	54.8%
Senior Living	1	3.2%
Tiny Home	1	3.2%

Respondents were asked how many bedrooms they would require if living within Macon County. A total of 31 non-resident respondents provided insight to this question with the following results.

Bedrooms Required		
Number of Bedrooms	**Number**	**Share**
Studio	0	0.0%
One-Bedroom	5	16.1%
Two-Bedroom	13	41.9%
Three-Bedroom	12	38.7%
Four-Bedroom+	1	3.2%

Respondents were asked what they would be willing/able to pay per month for housing (including utility costs) to live in Macon County. A total of 31 non-resident respondents provided feedback to this question.

Monthly Housing Expenses Willing/Able to Pay		
Total Housing Expenses	**Number**	**Share**
Up to $500	2	6.5%
$501 - $750	3	9.7%
$751 - $1,000	7	22.6%
$1,001 - $1,250	5	16.1%
$1,251 - $1,500	7	22.6%
$1,501 - $2,000	7	22.6%
Over $2,000	0	0.0%

The respondents were asked if anything, besides housing, could be addressed, added, or changed in Macon County to increase the likelihood of relocating to the county. A total of 14 respondents provided feedback to this question. Topics included *public safety, inclusivity, healthcare (emergency/urgent), more affordable grocery options, improvement in schools, more entertainment, activity, and restaurant options, higher wages, more affordable retail, and infrastructure improvements.*

Demographic Distribution

Respondents were asked to provide their age. A total of 578 respondents provided feedback to this question with the following results.

Survey Respondent Age Distribution		
Age Range	**Number**	**Share**
17 or Younger	0	0.0%
18-22	6	1.0%
23-29	57	9.9%
30-39	84	14.5%
40-49	122	21.1%
50-59	116	20.1%
60-75	150	26.0%
76 or Older	32	5.5%
Prefer Not to Answer	11	1.9%

Respondents were asked to provide their ethnicity. A total of 574 respondents provided feedback to this question with the following results.

Survey Respondent Ethnicity Distribution		
Ethnicity	**Number**	**Share**
American Indian/Alaskan Native	5	0.9%
Asian/Pacific Islander	3	0.5%
Black/African American	3	0.5%
Hispanic/Latino	20	3.5%
White/Caucasian	503	87.6%
Prefer not to Answer	32	5.6%
Other	8	1.4%

Respondents were asked to estimate the gross annual income of all residents living in their household. A total of 575 respondents provided feedback to this question with the following results.

Survey Respondent Household Income Distribution		
Income Range	**Number**	**Share**
Less than $15,000	15	2.6%
$15,000-$24,999	18	3.1%
$25,000-$39,999	47	8.2%
$40,000-$59,999	84	14.6%
$60,000-$74,999	60	10.4%
$75,000-$99,999	103	17.9%
$100,000-$149,999	112	19.5%
$150,000-$199,999	36	6.3%
$200,000 or more	51	8.9%
Prefer Not to Answer	49	8.5%

Resident/Commuter Survey Conclusions

The most common housing issue experienced by PSA (Macon County) residents and commuters is housing cost burden (paying 30% or more of income toward housing costs). Although to a much lesser degree, a number of respondents cited the need to live with family or friends, insufficient down payment/deposit, and overcrowded housing as housing issues they have experienced or are experiencing. Nearly three-quarters (73.6%) of respondents rated the local housing market as "Poor" and as having "Many Issues." High prices and rents, the lack of rental vacancies, and the mismatch of local wages and housing costs were noted as the top issues impacting the housing market. Housing affordability and availability are the primary factors that make locating housing in the county difficult. Based on respondent feedback, there is pent-up demand for a variety of housing, including affordable rental (between $500 and $1,000 per month) and for-sale (between $100,000 and $200,000) housing, family-oriented housing, and housing for young adults and seniors. Residents and commuters believe that modern move-in ready single-family homes (ranch/single floor plan units) and apartments are the housing styles that are most needed in Macon County. Non-resident respondents indicated that the Highlands (60.0%) and Franklin (36.7%) areas would be their areas of

choice if relocating to Macon County. More importantly, over three-quarters (76.9%) of non-resident respondents indicated that they had a desire to relocate to the county if housing that met their needs was available and affordable. As such, it is apparent that Macon County is a desirable location for many individuals in the surrounding region, but current housing issues appear to be deterring them from relocating.

The following table summarizes the top responses from residents and commuters to critical questions contained within the survey.

Resident/Commuter Summary

Macon County, North Carolina Summary of Resident/Commuter Survey Results		
Category	**Top Needs / Issues**	**Consensus**
Housing Issues Experienced	• Cost Burdened (30% or more of income toward housing cost) • Had to Move in With Family and/or Friends • Did Not Have Sufficient Deposit or Down Payment • Overcrowded Housing • Substandard Housing (I Couldn't Afford to Maintain)	**33.5%** **9.6%** **7.9%** **7.4%** **6.5%**
Housing Market Rating (per Respondents)	• Good, No Issues • Fair, Some Issues • Poor, Many Issues	**2.7%** **20.2%** **73.6%**
Issues Adversely Impacting Housing Market	• High Prices/Rents • Not Enough Housing/Rental Options (Few Vacancies) • Mismatch Between Local Jobs/Wages and Housing Costs • Housing Being Converted to Short-Term/Vacation Rentals • Excessive/Rising Utility Costs	**79.5%** **60.7%** **41.6%** **28.9%** **17.3%**
Reasons for Difficulty Locating Housing	• Housing Not Affordable • Not Enough Housing (Limited Availability) • Lack of Housing to Meet Specific Needs (Number of Bedrooms, etc.) • Lack of Down Payment/Rental Deposit • Poor Quality of Housing	**88.9%** **78.5%** **30.1%** **27.7%** **18.9%**
Housing Types Needed	• Rental Housing ($500-$1,000/Month) • Family Housing (2+ Bedrooms) • For-Sale Housing ($100,000-$200,000) • Housing for Ages 25 to 40 • Senior Apartments (Independent Living)	**95.0*** **92.1*** **90.9*** **87.5*** **71.2***
Housing Styles Needed	• Modern Move-In Ready Single-Family Homes • Apartments • Ranch Homes/Single Floor Plan Units	**84.7*** **83.3*** **82.5***
Interest in Relocating to Region (Non-Residents)	• Interested in Relocating to County	**78.6%**
Area of Relocation Interest	• Franklin Area • Highlands Area • No Preference • Other Area of the County	**36.7%** **60.0%** **13.3%** **6.7%**

*Denotes a weighted score

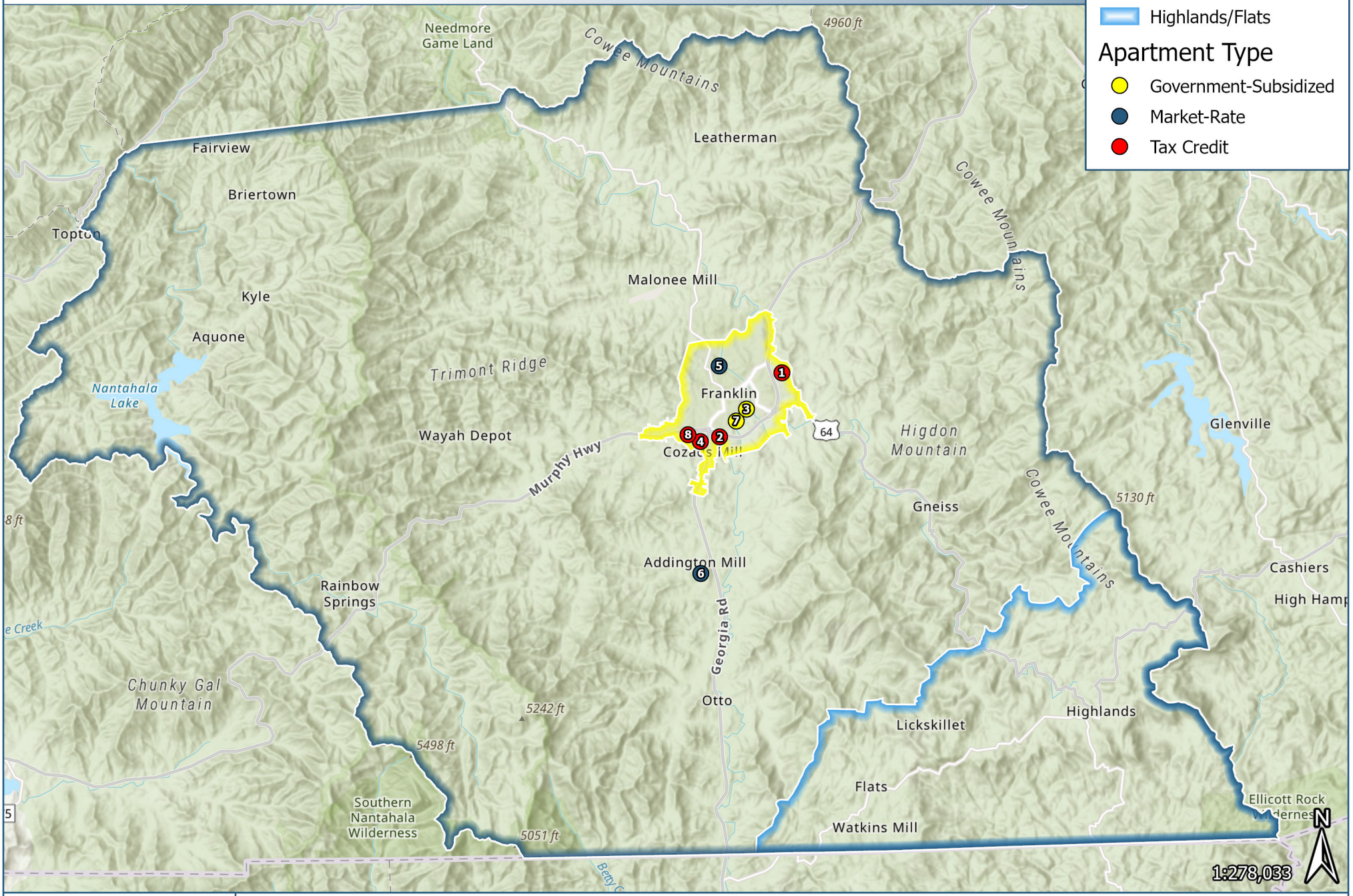
ADDENDUM A:

FIELD SURVEY OF CONVENTIONAL RENTALS

BOWEN NATIONAL RESEARCH

Surveyed Apartments

Macon County, NC



Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS
Additional Source(s): Bowen National Research

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate
1	Holly Haven	TAX	B	2004	48	0	100.0%
2	Indigo Apts.	TAX	B+	2017	60	0	100.0%
3	Oak Forest Apts.	GSS	B	1984	32	0	100.0%
4	Orchard View Apts.	TAX	B	1995	48	0	100.0%
5	Riverview Heights Vistas	MRR	B	1995	18	0	100.0%
6	South Macon Village	MRR	B	2006	12	0	100.0%
7	Ulco Bluffs	GSS	B	1983	38	0	100.0%
8	Westgate Terrace	TAX	B+	2014	60	0	100.0%

Comparable Property
Senior Restricted
(MRR) Market-Rate
(MRT) Market-Rate & Tax Credit
(MRG) Market-Rate & Government-Subsidized
(MIN) Market-Rate & Income-Restricted (not LIHTC)
(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized
(TAX) Tax Credit
(TGS) Tax Credit & Government-Subsidized
(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)
(TIN) Tax Credit & Income-Restricted (not LIHTC)
(TMG) Tax Credit, Market-Rate & Government-Subsidized
(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
(INR) Income-Restricted (not LIHTC)
(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(GSS) Government-Subsidized
(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted

1 Holly Haven
55 White Pine Cir, Franklin, NC 28734

Contact: Travis
Phone: (828) 369-0444

Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2004
BR: 2, 3 Vacant Units: 0 Waitlist: Yes; 30 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes: Tax Credit

2 Indigo Apts.
68 Firefly Ln, Franklin, NC 28734

Contact: Lisa
Phone: (828) 524-6288

Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2017
BR: 1, 2, 3 Vacant Units: 0 Waitlist: 70 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes: Tax Credit

3 Oak Forest Apts.
171 Forest Ave., Franklin, NC 28734

Contact: Crystal
Phone: (828) 369-7973

Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1984
BR: 0, 1 Vacant Units: 0 Waitlist: 12 mos AR Year:
Target Population: Senior 62+, Disabled Yr Renovated: 2007
Rent Special: None
Notes: HUD Section 202/8

4 Orchard View Apts.
430 Orchard View Dr, Franklin, NC 28734

Contact: Crystal
Phone: (828) 369-4097

Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1995
BR: 1, 2 Vacant Units: 0 Waitlist: 18 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes: Tax Credit

5 Riverview Heights Vistas
44-88 Monarch Ln., Franklin, NC 28734

Contact: Linda
Phone: (828) 524-5601

Total Units: 18 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1995
BR: 2 Vacant Units: 0 Waitlist: 15 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes:

✓ Comparable Property
♦ Senior Restricted
(MRR) Market-Rate
(MRT) Market-Rate & Tax Credit
(MRG) Market-Rate & Government-Subsidized
(MIN) Market-Rate & Income-Restricted (not LIHTC)
(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized
(TAX) Tax Credit
(TGS) Tax Credit & Government-Subsidized
(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)
(TIN) Tax Credit & Income-Restricted (not LIHTC)
(TMG) Tax Credit, Market-Rate & Government-Subsidized
(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
(INR) Income-Restricted (not LIHTC)
(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(GSS) Government-Subsidized
(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted

6 South Macon Village

10-42 Addington Villas Dr., Franklin, NC 28734

Contact: Linda
Phone: (828) 524-5601

Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2006
BR: 2 Vacant Units: 0 Waitlist: 15 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes:

7 Ulco Bluffs

55 Ulco Bluffs Dr., Franklin, NC 28734

Contact: Camden
Phone: (828) 369-9748

Total Units: 38 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1983
BR: 1, 2 Vacant Units: 0 Waitlist: 20 HH AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes: RD 515, has RA (38 units)

8 Westgate Terrace

47 Harper Ln, Franklin, NC 28734

Contact: Heidi
Phone: (828) 369-2371

Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2014
BR: 1, 2, 3 Vacant Units: 0 Waitlist: 1-bdrm (87 HH); 2-bdrm (48 HH); AR Year:
Target Population: Family Yr Renovated:
Rent Special: None
Notes: Tax Credit

✓ Comparable Property
♦ Senior Restricted
(MRR) Market-Rate
(MRT) Market-Rate & Tax Credit
(MRG) Market-Rate & Government-Subsidized
(MIN) Market-Rate & Income-Restricted (not LIHTC)
(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized
(TAX) Tax Credit
(TGS) Tax Credit & Government-Subsidized
(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)
(TIN) Tax Credit & Income-Restricted (not LIHTC)
(TMG) Tax Credit, Market-Rate & Government-Subsidized
(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
(INR) Income-Restricted (not LIHTC)
(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(GSS) Government-Subsidized
(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted

ADDENDUM B:

NON-CONVENTIONAL RENTALS

Address	City	Type	Price	Square Feet	Price Per Square Foot	Bed	Bath	Year Built	Source
138 Quail Walk North	Franklin	Single-family	$2,700	2,400	$1.13	3	3.0	-	Trulia
377 Panther Mountain Road	Highlands	Apartment	$995	-	-	1	1.0	-	Zillow
421 Belden Circle	Franklin	Single-family	$2,400	1,500	$1.60	3	2.0	2024	Realtor.com
171 Cullasaja Circle	Franklin	Single-family	$2,800	1,200	$2.33	3	2.0	1978	Realtor.com
297 Knoll Drive Unit B	Franklin	Apartment	$1,000	750	$1.33	1	1.0	2006	Apts.com
175 Lotla Valley Park Road	Franklin	Mobile Home	$895	-	-	3	2.0	-	Apts.com
5868 Sylva Road	Franklin	Single-family	$1,700	-	-	3	2.0	1946	Apts.com

ADDENDUM C:

SENIOR CARE HOUSING SURVEY

Assisted Living									
Map ID	Facility Name	Address	City	Year Built/ Renovated	Licensed Beds	Marketed Beds	Vacant Beds	Occ. Rate	Base Monthly Rates
A-1	Chestnut Hill of Highlands	24 Clubhouse Trail	Highlands	1995	26	26	6	76.9%	$4,185-$4,485
A-2	Franklin House	186 One Center Court	Franklin	2012	70	70	14	59.7%	$2,790-$4,830
A-3	Grandview Manor Care Center	150 Crisp Street	Franklin	1976	82	82	5	93.9%	$2,700-$3,800

Nursing Care									
Map ID	Facility Name	Address	City	Year Built/ Renovated	Licensed Beds	Marketed Beds	Vacant Beds	Occ. Rate	Base Monthly Rates
N-1	Eckerd Living Center	250 Hospital Dr.	Highlands	1993	80	80	33	58.8%	$9,125-$15,178
N-2	Macon Valley Nursing & Rehab Center	3195 Old Murphy Rd	Franklin	1987	200	200	137	31.5%	$7,950-$8,700

ADDENDUM D: TOWN OF FRANKLIN OVERVIEW

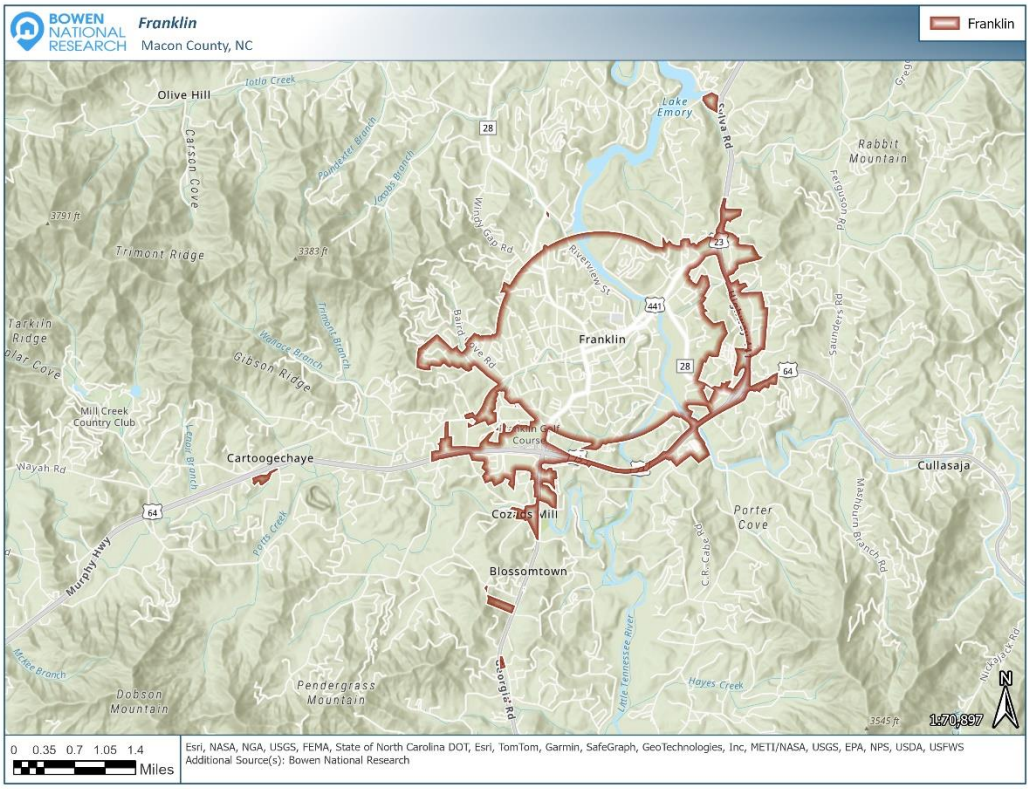
While the primary focus of this Housing Needs Assessment is on the entirety of the Primary Study Area, or PSA (Macon County), this section of the report includes a cursory overview of demographic, economic, and housing metrics specific to the town of Franklin. To provide a base of comparison, various metrics of Franklin were compared with the entirety of Macon County and statewide numbers.

The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity. Note that some topics presented in this analysis, particularly migration and economic data, may be limited to county-based metrics due to the availability of data.

A. INTRODUCTION

Franklin is located in the central portion of Macon County. Franklin contains approximately five square miles and has an estimated population of 4,210 in 2023, which is representative of approximately 11.0% of the total population of Macon County. Major arterials that serve the town include U.S. Highways 23 and 64 and State Route 28.

A map illustrating the town of Franklin is below.



B. DEMOGRAPHICS

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin	3,859	4,175	**316**	**8.2%**	4,210	**35**	**0.8%**	4,290	**80**	**1.9%**
Macon County	33,922	37,014	**3,092**	**9.1%**	38,235	**1,221**	**3.3%**	39,297	**1,062**	**2.8%**
North Carolina	9,535,419	10,439,314	**903,895**	**9.5%**	10,765,602	**326,288**	**3.1%**	11,052,082	**286,480**	**2.7%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within Franklin increased by 316 (8.2%), which is slightly less than the increase for Macon County (9.1%) and the state (9.5%) during the same time period. An estimated population increase of 0.8% occurred within Franklin between 2020 and 2023, and it is projected that the population will further increase by 1.9% between 2023 and 2028. The estimated and projected population increases within the town of Franklin for these two time periods are both less than the corresponding increases (3.3% and 2.8%) for Macon County. It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities.

Other notable population statistics for Franklin include the following:

- Minorities comprise 20.3% of the town's population, which is higher than the PSA share (13.3%), but much lower than the statewide share of 37.8%.
- Married persons represent 46.4% of the adult population, which is lower than the shares for the PSA (58.2%) and state of North Carolina (51.1%).
- The adult population without a high school diploma is 15.5%, which is much higher than the shares for the PSA (9.5%) and state (9.3%).
- Approximately 20.0% of the town's population lives in poverty, which is higher than the PSA share (15.4%) and the statewide share (13.3%).
- The annual movership rate (population moving within or to Franklin) is 14.4%, which is a slightly lower share than the PSA (14.7%), but higher than the statewide share (13.8%).

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin	1,763	1,915	**152**	**8.6%**	1,949	**34**	**1.8%**	1,998	**49**	**2.5%**
Macon County	14,591	16,379	**1,788**	**12.3%**	16,970	**591**	**3.6%**	17,518	**548**	**3.2%**
North Carolina	3,745,130	4,160,833	**415,703**	**11.1%**	4,313,420	**152,587**	**3.7%**	4,462,388	**148,968**	**3.5%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the total number of households within Franklin increased by 152 (8.6%), which is a smaller increase as compared to Macon County (12.3%) and the state of North Carolina (11.1%) during this same time period. The number of households in Franklin increased by 1.8% between 2020 and 2023, and it is projected that the number of households in the town will increase by 2.5% between 2023 and 2028. The estimated and projected increases within Macon County and the state are slightly higher than those for the town of Franklin for both time periods.

It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs. These factors are addressed throughout this report.

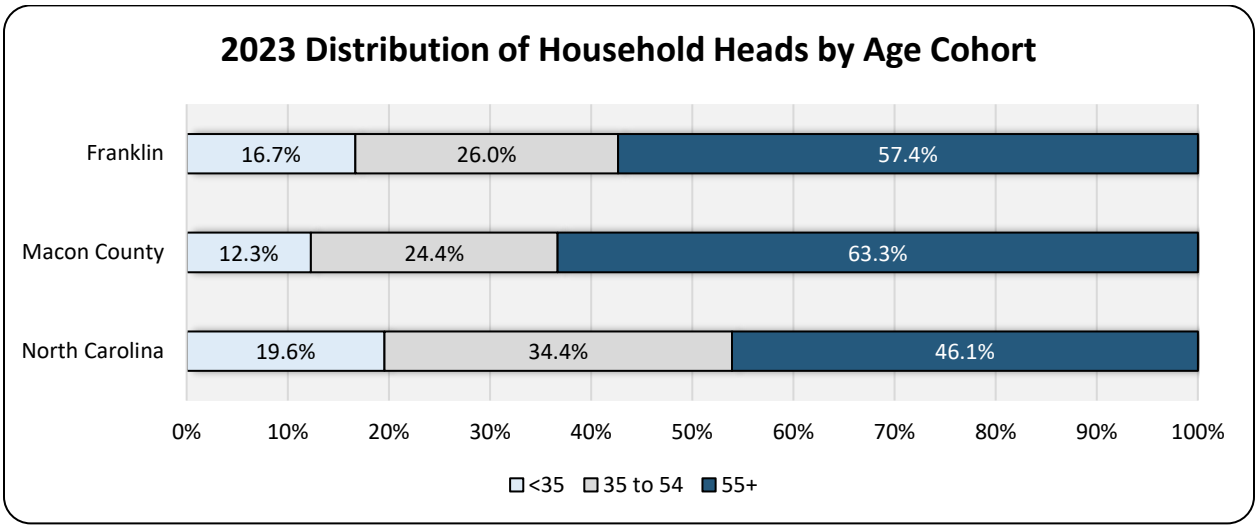
Household heads by age cohorts for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

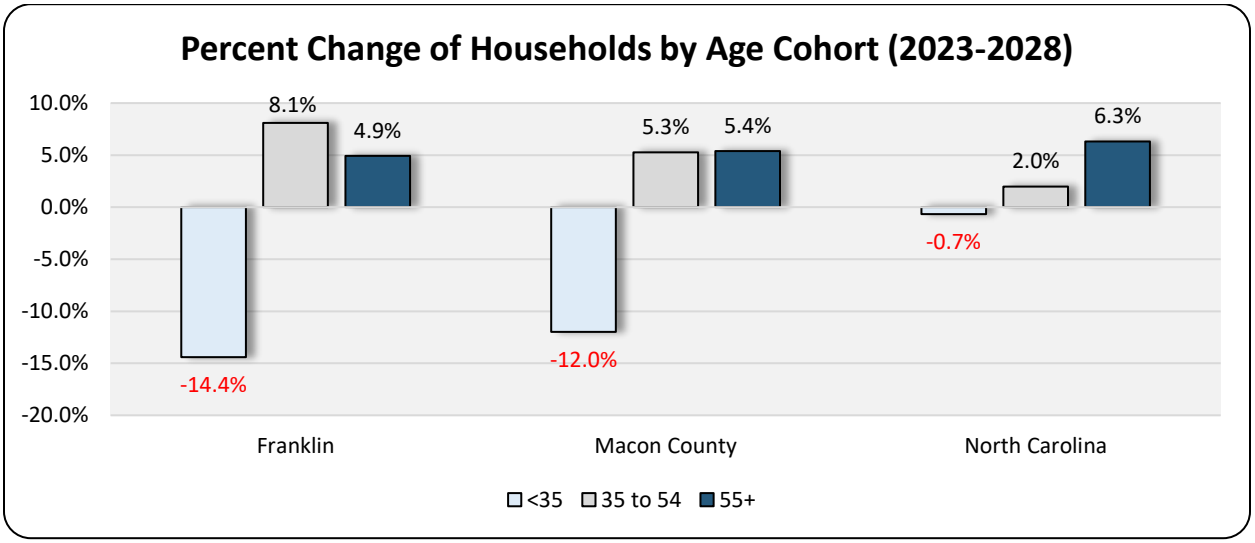
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Franklin	2020	72 (3.8%)	238 (12.4%)	252 (13.2%)	273 (14.3%)	359 (18.7%)	390 (20.4%)	331 (17.3%)
	2023	67 (3.4%)	259 (13.3%)	247 (12.7%)	259 (13.3%)	325 (16.7%)	395 (20.3%)	397 (20.4%)
	2028	68 (3.4%)	211 (10.6%)	289 (14.5%)	258 (12.9%)	303 (15.2%)	406 (20.3%)	463 (23.2%)
	Change 2023-2028	**1 (1.5%)**	**-48 (-18.5%)**	**42 (17.0%)**	**-1 (-0.4%)**	**-22 (-6.8%)**	**11 (2.8%)**	**66 (16.6%)**
Macon County	2020	400 (2.4%)	1,476 (9.0%)	1,820 (11.1%)	2,213 (13.5%)	3,420 (20.9%)	3,923 (24.0%)	3,127 (19.1%)
	2023	394 (2.3%)	1,691 (10.0%)	1,905 (11.2%)	2,240 (13.2%)	3,343 (19.7%)	4,144 (24.4%)	3,253 (19.2%)
	2028	392 (2.2%)	1,443 (8.2%)	2,108 (12.0%)	2,255 (12.9%)	3,062 (17.5%)	4,260 (24.3%)	3,998 (22.8%)
	Change 2023-2028	**-2 (-0.5%)**	**-248 (-14.7%)**	**203 (10.7%)**	**15 (0.7%)**	**-281 (-8.4%)**	**116 (2.8%)**	**745 (22.9%)**
North Carolina	2020	166,754 (4.0%)	621,488 (14.9%)	687,434 (16.5%)	750,220 (18.0%)	804,418 (19.3%)	670,733 (16.1%)	459,788 (11.1%)
	2023	184,917 (4.3%)	659,947 (15.3%)	751,279 (17.4%)	732,946 (17.0%)	784,877 (18.2%)	714,141 (16.6%)	485,313 (11.3%)
	2028	191,110 (4.3%)	648,222 (14.5%)	774,500 (17.4%)	738,908 (16.6%)	748,818 (16.8%)	746,802 (16.7%)	614,028 (13.8%)
	Change 2023-2028	**6,193 (3.3%)**	**-11,725 (-1.8%)**	**23,221 (3.1%)**	**5,962 (0.8%)**	**-36,059 (-4.6%)**	**32,661 (4.6%)**	**128,715 (26.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, household heads ages 75 years and older within Franklin comprise the largest share of households (20.4%) by age. Household heads between the ages of 65 and 74 represent the next largest share (20.3%). Overall, senior households (ages 55 and older) comprise 57.4% of all households within Franklin. While senior households in Franklin comprise a larger share of area households as compared to the statewide share (46.1%), the share in Franklin is less than that within Macon County (63.3%). Conversely, the share of households under the age of 35 (16.7%) in Franklin is larger than the share within Macon County (12.3%), but less than the statewide share (19.6%). Between 2023 and 2028, household growth within Franklin is projected to occur among various age cohorts, with the largest increases projected to occur among households between the ages of 35 and 44 (17.0%) and those 75 years and older (16.6%). While these cohorts are also projected to increase within Macon County and the state, the increase of households ages of 35 to 44 in Franklin is much higher and is noteworthy.

The following graphs illustrate the distribution and projected changes in household heads by age for the town of Franklin, Macon County, and the state of North Carolina.





Households by tenure (renter and owner) for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

	Households by Tenure								
		2010		2020		2023		2028	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin	Owner-Occupied	1,058	60.0%	1,216	63.5%	1,184	60.7%	**1,244**	**62.3%**
	Renter-Occupied	704	39.9%	699	36.5%	765	39.3%	**754**	**37.7%**
	Total	1,763	100.0%	1,915	100.0%	1,949	100.0%	**1,998**	100.0%
Macon County	Owner-Occupied	11,284	77.3%	12,526	76.5%	12,537	73.9%	**13,138**	**75.0%**
	Renter-Occupied	3,307	22.7%	3,853	23.5%	4,433	26.1%	**4,380**	**25.0%**
	Total	14,591	100.0%	16,379	100.0%	16,970	100.0%	**17,518**	100.0%
North Carolina	Owner-Occupied	2,497,880	66.7%	2,701,390	64.9%	2,852,237	66.1%	**2,965,364**	**66.5%**
	Renter-Occupied	1,247,250	33.3%	1,459,443	35.1%	1,461,183	33.9%	**1,497,024**	**33.5%**
	Total	3,745,130	100.0%	4,160,833	100.0%	4,313,420	100.0%	**4,462,388**	100.0%

Source: 2010 Census; 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, Franklin has a 60.7% share of owner households and a 39.3% share of renter households. As a result, Franklin has a lower share of owner households as compared to the PSA (73.9%) and the state of North Carolina (66.1%). Franklin owner households represent 9.4% of all owner households within Macon County, while the town's renter households comprise 17.3% of such households within the county. Between 2023 and 2028, the number of owner households in Franklin is projected to increase by 60 (5.1%), while the number of renter households is projected to decrease by 11 (1.4%).

Median household income for selected years is shown in the following table:

	Median Household Income				
	2020 Census	2023 Estimated	% Change 2020-2023	2028 Projected	% Change 2023-2028
Franklin	$45,751	$44,434	-2.9%	$49,031	10.3%
Macon County	$56,808	$54,595	-3.9%	$63,059	15.5%
North Carolina	$64,390	$65,852	2.3%	$76,213	15.7%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the estimated median household income in Franklin is $44,434, which is 18.6% lower than the Macon County median household income and 32.5% lower than that of the state. Between 2020 and 2023, Franklin experienced a 2.9% decline in the median household income. It is also noteworthy that the median household income decreased in both the town of Franklin and the PSA (Macon County) between 2020 and 2023, while the median household income for the state increased. However, the median household income in Franklin is projected to increase by 10.3% between 2023 and 2028, resulting in a projected median household income of $49,031 in 2028. Nonetheless, the median household income in Franklin will remain significantly lower than that projected for the PSA ($63,059) and state ($76,213). It is also important to understand that the 2023 estimates provided in the preceding table are reflective of a five-year average which includes the impact of the COVID-19 pandemic.

The distribution of *renter* households by income is illustrated below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Renter Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin	2020	55 (7.9%)	122 (17.5%)	122 (17.5%)	110 (15.8%)	79 (11.3%)	54 (7.7%)	113 (16.2%)	43 (6.1%)
	2023	78 (10.2%)	173 (22.6%)	124 (16.3%)	106 (13.8%)	69 (9.1%)	37 (4.9%)	122 (16.0%)	55 (7.2%)
	2028	57 (7.5%)	165 (21.9%)	113 (15.0%)	97 (12.8%)	83 (11.1%)	36 (4.8%)	151 (20.0%)	52 (6.9%)
	Change 2023-2028	**-21 (-26.9%)**	**-8 (-4.6%)**	**-11 (-8.9%)**	**-9 (-8.5%)**	**14 (20.3%)**	**-1 (-2.7%)**	**29 (23.8%)**	**-3 (-5.5%)**
Macon County	2020	260 (6.8%)	619 (16.1%)	595 (15.4%)	542 (14.1%)	432 (11.2%)	314 (8.1%)	755 (19.6%)	336 (8.7%)
	2023	466 (10.5%)	1,013 (22.9%)	583 (13.2%)	481 (10.9%)	457 (10.3%)	258 (5.8%)	773 (17.4%)	401 (9.0%)
	2028	324 (7.4%)	972 (22.2%)	538 (12.3%)	427 (9.7%)	485 (11.1%)	264 (6.0%)	977 (22.3%)	394 (9.0%)
	Change 2023-2028	**-142 (-30.5%)**	**-41 (-4.0%)**	**-45 (-7.7%)**	**-54 (-11.2%)**	**28 (6.1%)**	**6 (2.3%)**	**204 (26.4%)**	**-7 (-1.7%)**
North Carolina	2020	136,315 (9.3%)	195,185 (13.4%)	183,726 (12.6%)	174,817 (12.0%)	157,152 (10.8%)	117,699 (8.1%)	306,886 (21.0%)	187,664 (12.9%)
	2023	140,455 (9.6%)	202,484 (13.9%)	175,020 (12.0%)	161,745 (11.1%)	152,336 (10.4%)	119,057 (8.1%)	306,079 (20.9%)	204,007 (14.0%)
	2028	117,945 (7.9%)	172,182 (11.5%)	149,785 (10.0%)	145,716 (9.7%)	146,081 (9.8%)	125,700 (8.4%)	353,048 (23.6%)	286,567 (19.1%)
	Change 2023-2028	**-22,510 (-16.0%)**	**-30,302 (-15.0%)**	**-25,235 (-14.4%)**	**-16,029 (-9.9%)**	**-6,255 (-4.1%)**	**6,643 (5.6%)**	**46,969 (15.3%)**	**82,560 (40.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, renter households earning between $10,000 and $19,999 (22.6%) and those earning between $20,000 and $29,999 (16.3%) comprise the largest shares of renter households by income level within Franklin. Nearly one-half (49.1%) of all renter households within the town earn less than $30,000 which is a slightly larger share as compared to the PSA (46.6%), but a notably larger share than the state (35.5%). Between 2023 and 2028, growth among renter households by income in Franklin is projected to be isolated to those earning between $40,000 and $49,999 (20.3%) and $60,000 and $99,999 (23.8%). All other income cohorts are projected to decline, with the largest decline (26.9%) projected to occur among renter households earning less than $10,000. This is generally consistent with the projected changes for Macon County; however, the lack of growth among the highest income cohort ($100,000 or more) deviates significantly from statewide projections over the next five years. It is also important to note that, despite the decrease among lower earning households in the town, it is projected that 44.4% of renter households in Franklin will continue to earn less than $30,000 annually in 2028.

The distribution of *owner* households by income is included below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Owner Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin	2020	40 (3.3%)	105 (8.6%)	133 (10.9%)	148 (12.1%)	134 (11.0%)	115 (9.5%)	288 (23.6%)	254 (20.9%)
	2023	51 (4.3%)	121 (10.2%)	121 (10.1%)	132 (11.2%)	90 (7.5%)	79 (6.6%)	283 (23.8%)	312 (26.2%)
	2028	43 (3.5%)	124 (9.9%)	107 (8.6%)	122 (9.8%)	108 (8.6%)	69 (5.5%)	278 (22.3%)	396 (31.8%)
	Change 2023-2028	**-8 (-15.7%)**	**3 (2.5%)**	**-14 (-11.6%)**	**-10 (-7.6%)**	**18 (20.0%)**	**-10 (-12.7%)**	**-5 (-1.8%)**	**84 (26.9%)**
Macon County	2020	322 (2.6%)	910 (7.3%)	1,095 (8.7%)	1,217 (9.7%)	1,228 (9.8%)	1,110 (8.9%)	3,371 (26.9%)	3,273 (26.1%)
	2023	555 (4.4%)	1,289 (10.3%)	1,003 (8.0%)	1,059 (8.4%)	1,034 (8.2%)	928 (7.4%)	3,046 (24.3%)	3,624 (28.9%)
	2028	430 (3.3%)	1,262 (9.6%)	879 (6.7%)	923 (7.0%)	1,067 (8.1%)	845 (6.4%)	3,050 (23.2%)	4,681 (35.6%)
	Change 2023-2028	**-125 (-22.5%)**	**-27 (-2.1%)**	**-124 (-12.4%)**	**-136 (-12.8%)**	**33 (3.2%)**	**-83 (-8.9%)**	**4 (0.1%)**	**1,057 (29.2%)**
North Carolina	2020	83,986 (3.1%)	144,107 (5.3%)	174,148 (6.4%)	193,047 (7.1%)	190,809 (7.1%)	207,848 (7.7%)	664,361 (24.6%)	1,043,083 (38.6%)
	2023	96,846 (3.4%)	165,797 (5.8%)	181,776 (6.4%)	190,954 (6.7%)	194,388 (6.8%)	212,394 (7.4%)	669,578 (23.5%)	1,140,504 (40.0%)
	2028	87,412 (2.9%)	149,057 (5.0%)	157,324 (5.3%)	164,531 (5.5%)	173,121 (5.8%)	196,827 (6.6%)	651,049 (22.0%)	1,386,043 (46.7%)
	Change 2023-2028	**-9,434 (-9.7%)**	**-16,740 (-10.1%)**	**-24,452 (-13.5%)**	**-26,423 (-13.8%)**	**-21,267 (-10.9%)**	**-15,567 (-7.3%)**	**-18,529 (-2.8%)**	**245,539 (21.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, 50.0% of *owner* households in Franklin earn $60,000 or more annually, which represents a lower share compared to the PSA (53.2%) and state of North Carolina (63.5%). Approximately 25.3% of owner households in Franklin earn between $30,000 and $59,999, and the remaining 24.6% earn less than $30,000 annually. The overall distribution of owner households by income in the town is more concentrated among the lower and middle income cohorts compared to the PSA. Between 2023 and 2028, owner household growth is projected to occur primarily among households earning between $40,000 and $49,999 (20.0%) and $100,000 or more (26.9%), while marginal growth (2.5%) is projected for households earning between $10,000 and $19,999. These projected changes differ only slightly from the projections for the PSA, but are notably different than the statewide projections, which only project growth among the highest income cohort ($100,000 or more).

The following table illustrates the estimated components of population change for the PSA (Macon County) between April 2010 and July 2023. Note that components of change data is not available for geographies smaller than the county level.

Estimated Components of Population Change by County for the PSA (Macon County) April 1, 2010 to July 1, 2023							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Macon County	2010-2020	2,069	6.1%	-1,206	3,004	300	3,304
	2020-2023	1,393	3.8%	-924	2,258	59	2,317

Source: U.S. Census Bureau, Population Division, June 2024
*Includes residual of (-29) for 2010-2020 representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population increase within Macon County from 2010 to 2020 was the result of a combination of positive domestic and international migration. While natural decrease (more deaths than births) was a negative influence during both time periods shown, domestic migration and international migration were both positive factors in the population increase. Of these, domestic migration was the largest positive influence, overall. As such, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to accommodate in-migrants, and to retain young adults and families in the area, which can improve natural increase. Economic factors, which are analyzed later in this section, can also greatly influence population and household changes within an area.

The following table details the ***shares*** of domestic in-migration by three select age cohorts for the town of Franklin from 2013 to 2022.

Franklin, North Carolina Domestic County Population In-Migrants by Age, 2013 to 2022		
Age	2013-2017	2018-2022
1 to 34	62.8%	22.5%
35 to 54	12.7%	34.0%
55+	24.5%	43.6%
Median Age (In-state migrants)	67.1	43.6
Median Age (Out-of-state migrants)	23.8	63.8
Median Age (Franklin)	43.1	48.6

Source: U.S. Census Bureau, 2017 & 2022 5-Year ACS Estimates (S0701); Bowen National Research

The American Community Survey five-year estimates from 2018 to 2022 in the preceding table illustrate that 43.6% of in-migrants to Franklin were 55 years of age or older, 34.0% were between the ages of 35 and 54, and 22.5% were less than 35 years of age. The data also shows that the share of in-migrants ages 35 to 54 and those 55 years of age or older increased from the prior survey period (2013 to 2017), while the share of in-migrants less than 35 years of age decreased. While the median age of in-state migrants (43.6 years) has generally been younger than the existing population of the town (48.6 years) in recent years, in-migrants from outside the state have typically been much older (63.8 years).

Geographic mobility by *per-person* income is distributed as follows (Note that this data is provided for the *population*, not households, ages 15 and above):

Franklin: Income Distribution by Mobility Status for Population Age 15+ Years*				
2022 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County/State	
	Number	Percent	Number	Percent
<$10,000	14	11.4%	28	16.1%
$10,000 to $14,999	0	0.0%	3	1.7%
$15,000 to $24,999	22	17.9%	41	23.6%
$25,000 to $34,999	56	45.5%	0	0.0%
$35,000 to $49,999	7	5.7%	43	24.7%
$50,000 to $64,999	24	19.5%	0	0.0%
$65,000 to $74,999	0	0.0%	0	0.0%
$75,000+	0	0.0%	59	33.9%
Total	123	100.0%	174	100.0%

Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

As the preceding data provided by the American Community Survey illustrates, 41.4% of the population that moved to the town of Franklin from outside the county earned less than $25,000 annually. Slightly over one-third (33.9%) of in-migrants earned $50,000 or more annually. This represents much higher shares of lower incomes (less than $25,000) and higher incomes ($50,000 or more) compared to individuals that relocate within the county (29.3% and 19.5%, respectively). Consequently, it appears that available housing alternatives at a variety of affordability levels are needed to accommodate in-migrants to the area.

C. ECONOMY AND WORKFORCE

Labor Force

The following table illustrates the employment base by industry for the town of Franklin, the PSA (Macon County), and the state of North Carolina. Note that the top five industry groups by share for each geographic area are illustrated in red text.

	Employment by Industry					
	Franklin		Macon County		North Carolina	
NAICS Group	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	29	0.4%	92	0.6%	25,955	0.6%
Mining	1	0.0%	11	0.1%	3,118	0.1%
Utilities	15	0.2%	22	0.1%	21,553	0.5%
Construction	312	4.4%	998	6.5%	227,263	5.0%
Manufacturing	414	5.9%	634	4.1%	**410,949**	**9.0%**
Wholesale Trade	97	1.4%	253	1.6%	185,067	4.1%
Retail Trade	**1,149**	**16.3%**	**2,449**	**15.9%**	**607,681**	**13.3%**
Transportation & Warehousing	84	1.2%	167	1.1%	104,389	2.3%
Information	391	5.5%	520	3.4%	110,199	2.4%
Finance & Insurance	250	3.5%	419	2.7%	137,358	3.0%
Real Estate & Rental & Leasing	336	4.8%	683	4.4%	131,251	2.9%
Professional, Scientific & Technical Services	229	3.2%	469	3.0%	280,488	6.1%
Management of Companies & Enterprises	8	0.1%	17	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	99	1.4%	230	1.5%	99,110	2.2%
Educational Services	**578**	**8.2%**	**1,146**	**7.4%**	**359,830**	**7.9%**
Health Care & Social Assistance	**1,342**	**19.0%**	**2,722**	**17.7%**	**714,434**	**15.6%**
Arts, Entertainment & Recreation	55	0.8%	375	2.4%	82,249	1.8%
Accommodation & Food Services	**628**	**8.9%**	**1,917**	**12.4%**	**439,028**	**9.6%**
Other Services (Except Public Administration)	490	6.9%	**1,307**	**8.5%**	283,764	6.2%
Public Administration	**526**	**7.5%**	929	6.0%	303,057	6.6%
Non-classifiable	27	0.4%	53	0.3%	28,041	0.6%
Total	7,060	100.0%	15,413	100.0%	4,566,609	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research
Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each study area. These employees, however, are included in our labor force calculations because their places of employment are located within each study area.

Franklin has an employment base of approximately 7,100 individuals within a broad range of employment sectors. The labor force within the town is based primarily in five sectors: Health Care and Social Assistance (19.0%), Retail Trade (16.3%), Accommodation and Food Services (8.9%), Educational Services (8.2%), and Public Administration (7.5%). Combined, these top job sectors represent nearly 60.0% of the town's employment base. This is a slightly less concentrated distribution of employment as compared to the PSA (Macon County), in which 61.9% of the total employment is among the top five sectors. With a slightly less concentrated overall distribution of employment, and three of the top five sectors (healthcare, education, and public administration) typically being less susceptible to economic fluctuations, the economy within Franklin may be slightly more insulated from economic downturns compared to the overall county. While many occupations within the top sectors offer wages, it is important to understand that a significant number of the support occupations in these industries, particularly retail sales and accommodation

and food services, typically have lower wages, which can contribute to demand for affordable housing options.

Data illustrating total employment, unemployment rates, and at-place employment for the PSA (Macon County), the state, and nation since 2014 are compared in the following tables. Note that employment data provided by the Bureau of Labor Statistics is only available for cities/towns with populations exceeding 25,000 and thus is not available for the town of Franklin.

	Total Employment					
	Macon County		North Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2014	14,071	-	4,410,647	-	147,293,817	-
2015	14,183	0.8%	4,493,882	1.9%	149,540,791	1.5%
2016	14,353	1.2%	4,598,456	2.3%	151,934,228	1.6%
2017	14,317	-0.2%	4,646,212	1.0%	154,721,780	1.8%
2018	14,526	1.5%	4,715,616	1.5%	156,709,676	1.3%
2019	14,916	2.7%	4,807,598	2.0%	158,806,264	1.3%
2020	13,925	-6.6%	4,483,551	-6.7%	149,143,265	-6.1%
2021	14,593	4.8%	4,697,757	4.8%	154,201,818	3.4%
2022	15,424	5.7%	4,965,568	5.7%	159,458,223	3.4%
2023	15,968	3.5%	5,050,870	1.7%	161,750,804	1.4%
2024*	15,725	-1.5%	5,068,640	0.4%	161,870,534	0.1%

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

From 2014 to 2023, the employment base in Macon County increased by 1,654 employees, or 11.8%, which is lower than the statewide increase of 14.9% during that time. It is also noteworthy that 2020, which was largely impacted by the economic effects related to COVID-19, was one of only two *full years* in which total employment decreased in the county. Through 2023, total employment in Macon County is at 107.1% of the total employment in 2019, illustrating a full recovery from the pandemic and a thriving local economy. Although the data shows that total employment has decreased by 1.5% through April 2024, these numbers are not seasonally adjusted. Because tourism has a notable impact on the economy of Macon County, it is reasonable to conclude that seasonality is heavily influencing the employment numbers during the first few months of 2024, and total employment in the area will improve as the peak tourism months begin in the area.

The following table illustrates annual unemployment rates for Macon County, the state of North Carolina, and the United States since 2014.

	Unemployment Rate		
Year	Macon County	North Carolina	United States
2014	6.4%	6.1%	6.2%
2015	6.1%	5.7%	5.3%
2016	5.4%	5.1%	4.9%
2017	4.7%	4.5%	4.4%
2018	4.0%	4.0%	3.9%
2019	3.9%	3.9%	3.7%
2020	6.7%	7.3%	8.1%
2021	4.3%	4.9%	5.4%
2022	3.5%	3.7%	3.7%
2023	3.2%	3.5%	3.7%
2024*	3.3%	3.6%	3.9%

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

The unemployment rate within Macon County steadily declined from 6.4% in 2014 to 3.9% in 2019. In 2020, the unemployment rate increased to 6.7%, which was lower than the unemployment rate within the state (7.3%) and nation (8.1%) during that time. In 2021, the unemployment rate within the county decreased to 4.3%. In 2023, the unemployment rate within the county was only 3.2%, which is the lowest recorded year-end unemployment rate for the county since 2014, further illustrating the strength of the economy within Macon County.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Macon County.

	At-Place Employment - Macon County		
Year	Employment	Change	Percent Change
2013	10,546	-	-
2014	10,740	194	1.8%
2015	10,851	111	1.0%
2016	10,985	134	1.2%
2017	11,004	19	0.2%
2018	11,169	165	1.5%
2019	11,373	204	1.8%
2020	10,951	-422	-3.7%
2021	11,344	393	3.6%
2022	11,796	452	4.0%
2023	12,405	609	5.2%

Source: Department of Labor, Bureau of Labor Statistics

Between 2013 and 2019, at-place employment in Macon County increased by 7.8%, or 827 jobs. While at-place employment decreased by 3.7% in 2020, primarily from the economic effects of COVID-19, at-place employment increased each year from 2021 through 2023. Through 2023, at-place employment is at 109.1% of the 2019 level, illustrating notable job growth in the county in recent years.

Data for 2023, the most recent year that year-end figures are available, indicates at-place employment in Macon County to be 77.7% of the total Macon County employment. This means that Macon County has more employed persons residing in the county than there are total jobs within the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency, particularly for individuals with lengthy commutes.

Employment and Economic Outlook

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed in June of 2024. According to the North Carolina Department of Commerce, there have been no WARN notice reports in Macon County within the past three years.

The 10 largest employers within Macon County are summarized in the following table. Employers within the town of Franklin are highlighted in **red** text.

Employer Name	Business Type	Total Employed
Macon County Public Schools	Education	500-999
Drake Software	Professional, Scientific, and Technical Services	250-499
Macon County	Public Administration	250-499
Ingles Markets, Inc.	Retail	250-499
Walmart Associates, Inc.	Retail	250-499
MH Angel Medical Center	Healthcare	250-499
Madison's Restaurant	Food Services	100-249
MH Highlands-Cashiers Medical Center	Healthcare	100-249
Beasley Flooring Products Inc.	Retail	100-249
Lowes Home Centers	Retail	100-249

Source: Macon County Economic Development Commission (June 2023)

As the preceding illustrates, eight of the top 10 employers in Macon County are located in Franklin. Major employers in the town of Franklin are primarily engaged in education, professional/scientific/technical services, public administration, retail, and healthcare. As three of the 10 largest employers are involved in healthcare, public administration, or education, this helps to partially insulate the economy in Franklin from economic fluctuations as these sectors are generally less vulnerable to economic downturns. However, it is also important to note that four of the top 10 employers in Franklin are engaged in retail, which typically has a notable share of occupations with lower wages and is more susceptible to economic downturns. This contributes to the demand for affordable housing in the area. Regardless, major employers in the area are engaged in an array of business activities, which accommodates a variety of education and skill levels and is a positive attribute.

The following table summarizes economic development activity projects within Macon County that were identified through online research and/or through communication with representatives from the Macon County Economic Development Commission at the time of this analysis.

Economic Development Activity			
Project Name	**Investment**	**Job Creation**	**Scope of Work/Details**
Duotech	$6.5 Million	95	Announced in March 2024, this aerospace and defense contractor will expand operations in Franklin; Average salary will be $91,271
Frito Lay Warehouse Construction	N/A	N/A	Expected completion is summer/fall 2024
Franklin High School	$100 Million	N/A	In January 2024, school district was awarded a $62 million grant to aid in the construction of a new high school. The total cost is estimated at $100 million. Construction could begin in summer of 2024. Estimated completion date is unknown.

N/A – Not available

According to a representative with the Macon County Economic Development Commission, the Macon County economy is growing with various projects in progress or planned for the near future. As the preceding table illustrates, economic development activity totaling approximately $107 million has either been recently completed, is currently under construction, or is planned to commence in the near future. Overall, these projects have an estimated initial job creation impact of approximately 95 new jobs within Macon County. Most notably, the new jobs at the Duotech facility in Frankin will have an average salary of over $90,000. These new jobs will likely have an impact on housing demand, particularly for higher priced product, given the above average wages. No active large-scale infrastructure projects were identified at the time of research.

Commuting Data

The commuting efficiency and commuting patterns of an area can influence the overall appeal of a housing market, and ultimately determine where an individual chooses to reside. This section of the community overview provides detailed commuting data including mode, time, origin and destination, and other characteristics.

The following tables show commuting mode and time attributes for each study area:

		Commuting Mode						
		Drove Alone	**Carpooled**	**Public Transit**	**Walked**	**Other Means**	**Worked at Home**	**Total**
Franklin	Number	1,567	142	0	50	12	52	1,823
	Percent	86.0%	7.8%	0.0%	2.7%	0.7%	2.9%	100.0%
Macon County	Number	12,823	1,117	24	318	244	836	15,362
	Percent	83.5%	7.3%	0.2%	2.1%	1.6%	5.4%	100.0%
North Carolina	Number	3,701,249	424,447	39,003	78,758	66,636	609,526	4,919,619
	Percent	75.2%	8.6%	0.8%	1.6%	1.4%	12.4%	100.0%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Franklin	Number	830	288	361	216	76	52	1,823
	Percent	45.5%	15.8%	19.8%	11.8%	4.2%	2.9%	100.0%
Macon County	Number	5,873	4,444	2,092	1,336	781	836	15,362
	Percent	38.2%	28.9%	13.6%	8.7%	5.1%	5.4%	100.0%
North Carolina	Number	1,138,943	1,707,812	865,704	318,292	279,341	609,526	4,919,618
	Percent	23.2%	34.7%	17.6%	6.5%	5.7%	12.4%	100.0%

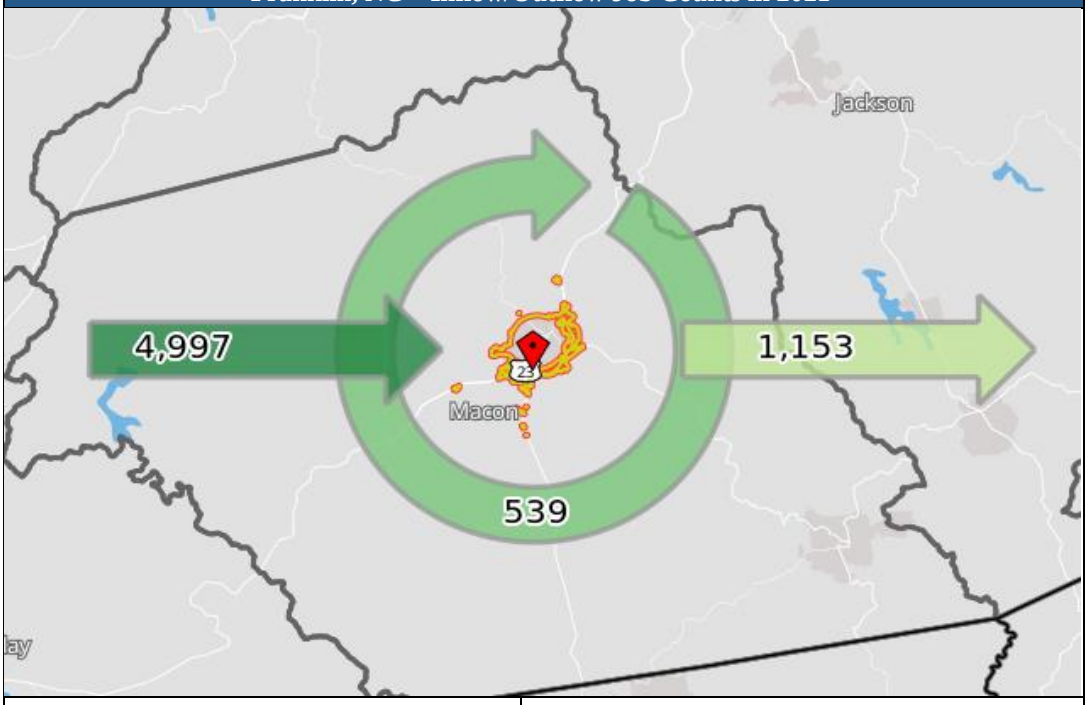
Source: U.S. Census Bureau, 2018-2022 American Community Survey

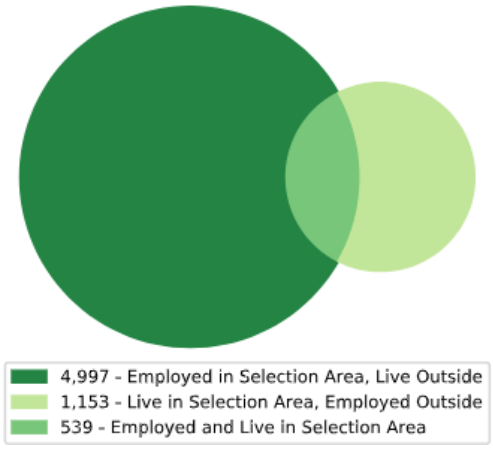
According to the 2018-2022 American Community Survey (ACS), 93.8% of Franklin commuters either drive alone or carpool to work, 2.7% walk to work, and 2.9% work from home. ACS also indicates that 61.3% of Franklin workers have commute times less than 30 minutes, while only 4.2% have commutes of 60 minutes or more. Although this represents a smaller share of very short commute times (less than 30 minutes) compared to the county share (67.1%), this is a larger share than the state (57.9%). The commuting data reflects people *living* in each study area and is not reflective of people commuting *into* the county for work.

According to 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 1,692 employed residents of Franklin, 1,153 (68.1%) are employed outside the town, while the remaining 539 (31.9%) are employed within Franklin. In addition, 4,997 people commute into Franklin from surrounding areas for employment. These 4,997 non-residents account for 90.3% of the people employed in the town and represent a notable base of potential support for future residential development.

The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters. The distribution of age and earnings for each commuter cohort is also provided.

Franklin, NC – Inflow/Outflow Job Counts in 2021





Inflow/Outflow Job Counts (All Jobs)

	2021 Count	2021 Share
Employed in the Selection Area	5,536	100.0%
Employed in the Selection Area but Living Outside	4,997	90.3%
Employed and Living in the Selection Area	539	9.7%
Living in the Selection Area	1,692	100.0%
Living in the Selection Area but Employed Outside	1,153	68.1%
Living and Employed in the Selection Area	539	31.9%

Commuting *Flow* Analysis by Age and Earnings (2021, All Jobs)						
Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	324	28.1%	1,154	23.1%	107	19.9%
Ages 30 to 54	560	48.6%	2,363	47.3%	267	49.5%
Ages 55 or older	269	23.3%	1,480	29.6%	165	30.6%
Earning <$1,250 per month	283	24.5%	1,164	23.3%	115	21.3%
Earning $1,251 to $3,333	438	38.0%	1,902	38.1%	221	41.0%
Earning $3,333+ per month	432	37.5%	1,931	38.6%	203	37.7%
Total Worker Flow	**1,153**	**100.0%**	**4,997**	**100.0%**	**539**	**100.0%**

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)
Note: Figures do not include contract employees and self-employed workers

Of the town's 4,997 in-commuters, approximately 47.3% are between the ages of 30 and 54 years, 23.1% are under the age of 30, and 29.6% are age 55 or older. As such, inflow workers are typically older than outflow workers in Franklin. The largest share (38.6%) of inflow workers earns $3,333 or more per month ($40,000 or more annually), followed closely by workers earning between $1,251 and $3,333 per month (38.1%). By comparison, a slightly smaller share (37.5%) of outflow workers earns $3,333 or more per month. Based on the preceding data, people that commute *into* Franklin for employment are typically older and marginally more likely to earn moderate to high wages when compared to residents commuting out of the area for work. Regardless, given the diversity of incomes and ages of the approximately 5,000 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in Franklin.

D. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for Franklin for 2023 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2023 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Franklin	Number	1,949	1,184	765	414	2,363
	Percent	82.5%	60.7%	39.3%	17.5%	100.0%
Macon County	Number	16,970	12,537	4,433	10,990	27,960
	Percent	60.7%	73.9%	26.1%	39.3%	100.0%
North Carolina	Number	4,313,420	2,852,237	1,461,183	572,321	4,885,741
	Percent	88.3%	66.1%	33.9%	11.7%	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 2,363 housing units within Franklin in 2023. Based on ESRI estimates and Census data, of the 1,949 total *occupied* housing units in Franklin, 60.7% are owner occupied, while the remaining 39.3% are renter occupied. Overall, Franklin has a larger proportion of renter-occupied housing units compared to the county (26.1%) and state (33.9%). In addition, approximately 17.5% of the housing units within Franklin are classified as vacant, which is a significantly lower share than

that reported for the county (39.3%), but higher than the statewide share (11.7%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. According to 2022 American Community Survey data, 60.8% of all vacant units in the town of Franklin are seasonal/recreational units, which equates to approximately 252 housing units. Thus, the majority of vacant housing units within the town of Franklin are not reflective of long-term housing alternatives for area residents.

The following table compares key housing age and conditions based on 2018-2022 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin	93	14.0%	356	23.1%	31	4.7%	12	0.8%	0	0.0%	6	0.4%
Macon County	974	21.4%	2,272	17.7%	85	1.9%	142	1.1%	17	0.4%	78	0.6%
North Carolina	324,949	23.4%	581,739	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

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

In Franklin, 14.0% of the renter-occupied housing units and 23.1% of the owner-occupied housing units were built prior to 1970. As a result, the rental housing stock in Franklin appears to be, on average, slightly newer than the rental housing units in Macon County and the state of North Carolina, while owner-occupied housing units are slightly older. While the share of renter households (4.7%) in Franklin that experience overcrowding is higher than the shares for the county (1.9%) and state (4.0%), the share of owner households (0.8%) with this issue is lower than the county (1.1%) and statewide (1.3%) shares. Incomplete plumbing or kitchens does not appear to be a prevalent issue within the town of Franklin, regardless of tenure (owners versus renters). Overall, the most significant housing issue present in Franklin is the overcrowding among renter households. This is likely the result of the larger combined share of studio and one-bedroom rental units in Franklin compared to the share in Macon County, which 2022 American Community Survey reports as 28.5% and 16.7%, respectively.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Franklin	1,949	$44,434	$178,988	$810	51.7%	13.0%	14.3%	5.8%
Macon County	16,970	$54,595	$222,341	$891	40.6%	16.5%	20.1%	7.9%
North Carolina	4,313,420	$65,852	$262,944	$1,173	43.6%	18.9%	20.8%	7.7%

Source: American Community Survey (2018-2022); ESRI; Urban Decision Group; Bowen National Research
*Paying more than 30% of income toward housing costs
**Paying more than 50% of income toward housing costs

The estimated median home value in Franklin of $178,988 is 19.5% lower than the median home value for Macon County ($222,341) and 31.9% lower than that reported for the state ($262,944). Similarly, the average gross rent of $810 in Franklin is notably lower than the county and state average gross rents of $891 and $1,173, respectively. Although the lower median home value in the town of Franklin contributes to the comparably low share (13.0%) of cost burdened owners, over one-half (51.7%) of renter households in Franklin are housing cost burdened. This is a substantially higher share of such households as compared to the county (40.6%) and state (43.6%) and is likely the result of the low median household income ($44,434) in Franklin. Overall, Franklin has an estimated 396 renter households and 154 owner households that are housing cost burdened. Furthermore, there are approximately 109 renter households and 69 owner households that are severe cost burdened (paying more than 50% of income toward housing). With 550 cost burdened households (28.2% of all households) in the town, affordable housing alternatives should be part of future housing solutions.

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

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Franklin	Number	392	152	120	664	1,092	19	426	1,537
	Percent	59.0%	22.9%	18.1%	100.0%	71.0%	1.2%	27.7%	100.0%
Macon County	Number	2,952	716	883	4,551	10,524	87	2,224	12,835
	Percent	64.9%	15.7%	19.4%	100.0%	82.0%	0.7%	17.3%	100.0%
North Carolina	Number	707,626	519,370	160,272	1,387,268	2,396,173	31,813	289,959	2,717,945
	Percent	51.0%	37.4%	11.6%	100.0%	88.2%	1.2%	10.7%	100.0%

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

In total, 77.1% of the *rental* units in Franklin are within structures of four units or less and mobile homes. This is a lower share of such units when compared to that of the county (84.3%), but higher than the statewide share (62.6%). As such, non-conventional rental units (structures of four units or less and mobile homes) comprise the majority of the overall rental supply in the town. Nonetheless, multifamily rental units (structures of five or more units) account for a larger share (22.9%) of the rental units as compared to Macon County and play a critical role in the rental supply.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within each of the study areas. While this data encompasses all rental units, which includes multifamily apartments, over three-quarters (77.1%) of the town's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<$300	$300 - $500	$500 - $750	$750 - $1,000	$1,000 - $1,500	$1,500 - $2,000	$2,000+	No Cash Rent	Total
Franklin	Number	15	74	155	274	82	4	6	51	661
	Percent	2.3%	11.2%	23.4%	41.5%	12.4%	0.6%	0.9%	7.7%	100.0%
Macon County	Number	171	296	1,015	1,459	771	54	161	624	4,551
	Percent	3.8%	6.5%	22.3%	32.1%	16.9%	1.2%	3.5%	13.7%	100.0%
North Carolina	Number	37,643	62,805	177,525	272,257	462,187	200,760	83,754	90,339	1,387,270
	Percent	2.7%	4.5%	12.8%	19.6%	33.3%	14.5%	6.0%	6.5%	100.0%

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

As the preceding table illustrates, the largest share (41.5%) of Franklin rental units have rents between $750 and $1,000, followed by units with rents between $500 and $750 (23.4%). Collectively, units with gross rents below $1,000 account for more than three-quarters (78.4%) of all Franklin rentals, while rental units with rents of $1,500 or more only account for 1.5% of all rentals in the town. This is a much larger share of units with rents of $1,000 or less as compared to the county (64.7%) and state (39.6%) and illustrates the dominance of low and moderate priced rental product in the area.

Bowen National Research's Survey of Housing Supply

Multifamily Rental Housing

A field survey of conventional apartment properties was conducted as part of this Housing Needs Assessment. The following table summarizes the surveyed multifamily rental supply in Franklin. Note that the PSA (Macon County) includes projects and units located within the town of Franklin.

Overall Market Performance by Program Type by Area		
Data Set	**Franklin**	**Macon County**
Market-Rate		
Projects	1	2
Total Units	18	30
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%
Tax Credit (Non-Subsidized)		
Projects	2	4
Total Units	108	216
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%
Government Subsidized		
Projects	2	2
Total Units	70	70
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%

Source: Bowen National Research

Within the town of Franklin, five multifamily apartment properties were surveyed, comprising a total of 196 units which represent approximately 62.0% of all multifamily rental units surveyed within Macon County. Thus, most multifamily rental units within the county are concentrated in the town of Franklin. The majority (55.1%) of the total units consist of Tax Credit units, followed by government-subsidized units (35.7%). The multifamily rental supply within Franklin is operating at an overall occupancy rate of 100.0% (0.0% vacancy rate). Typically, healthy, well-balanced multifamily rental markets operate at occupancy rates between 94% and 96%. Regardless of program type or household income level, the preceding illustrates that households have virtually no available options to choose from when seeking multifamily rentals in Franklin.

The following table illustrates the number and extent of waiting lists by program type and area. Note that the PSA (Macon County) includes projects and units located within the town of Franklin.

Waiting Lists by Program Type by Area		
Waiting List Metric	**Franklin**	**Macon County**
Market-Rate		
Projects Maintaining Wait Lists	1	2
Share of Projects	100.0%	100.0%
Households/Length of Time	15 HH	30 HH
Tax Credit (Non-Subsidized)		
Projects Maintaining Wait Lists	2	4
Share of Projects	100.0%	100.0%
Households/Length of Time	188 HH	288 HH
Government Subsidized		
Projects Maintaining Wait Lists	2	2
Share of Projects	100.0%	100.0%
Households/Length of Time	20 HH/12 Months	20 HH/12 Months

Source: Bowen National Research; HH – Households

As the preceding illustrates, all five projects in Franklin and all eight projects in Macon County currently maintain waiting lists. Tax Credit projects, which have a total of 188 households on waiting lists in Franklin and 288 households in the entirety of Macon County, appear to have a significant level of pent-up demand. While the number of households on waiting lists for market-rate (15 households) and government-subsidized (20 households) units are comparably less, the presence of waiting lists for each program type indicates demand for multifamily rental housing is strong in both Franklin and Macon County and likely indicates a development opportunity may exist.

The following table summarizes the unit distribution of each multifamily rental housing segment surveyed in the town of Franklin.

Market-Rate						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Two-Bedroom	2.0	18	100.0%	0	0.0%	$900
Total Market-Rate		**18**	**100.0%**	**0**	**0.0%**	-
Tax Credit (Non-Subsidized)						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
One-Bedroom	1.0	24	22.2%	0	0.0%	$555
Two-Bedroom	1.0	66	61.1%	0	0.0%	$498
Three-Bedroom	2.0	18	16.7%	0	0.0%	$1,002
Total Tax Credit		**108**	**100.0%**	**0**	**0.0%**	-
Government Subsidized						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Studio	1.0	8	11.4%	0	0.0%	-
One-Bedroom	1.0	32	45.7%	0	0.0%	-
Two-Bedroom	1.0	24	34.3%	0	0.0%	-
Two-Bedroom	1.5	6	8.6%	0	0.0%	-
Total Government Subsidized		**70**	**100.0%**	**0**	**0.0%**	-

Among the market-rate units surveyed, all units are a two-bedroom/two-bathroom configuration. These units have a median collected rent of $900. Two-bedroom/one-bathroom Tax Credit units comprise the largest share (61.1%) of the total units operating under this program type within the town of Franklin. The median collected rent for this Tax Credit configuration is $498, while the one-bedroom/one-bathroom and three-bedroom/two-bathroom units have median rents of $555 and $1,002, respectively. Among the government-subsidized units in Franklin, a majority of the product consists of one-bedroom/one-bathroom (45.7%) and two-bedroom/one-bathroom (34.3%) units. Overall, there is a relatively balanced mix of bedroom/bathroom configurations within the Tax Credit and government-subsidized projects; however, the market-rate product lacks this variety of configurations. Given the lack of vacancies and noteworthy waiting lists for each program type, there is likely development opportunities in the market for a variety of multifamily apartment configurations to meet pent-up demand.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, and mobile homes and account for 77.1% of the total rental units in Franklin.

Bowen National Research conducted a survey during May and June 2024 and identified seven non-conventional rentals that were listed as *available* for rent in the entirety of the PSA (Macon County). While none of the available rentals were located within the town of Franklin, one unit was located within the Franklin ETJ Submarket, which includes a portion of the area just outside the boundaries of the town. A summary of the characteristics for this unit follows.

Available Non-Conventional Rental Units

Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Franklin ETJ Submarket				
Three-Bedroom	1	$2,400	$2,400	$1.60

Source: Bowen National Research

It is difficult to assess the typical characteristics of the overall inventory of non-conventional rentals in Franklin based on the limited data provided by the preceding table. However, the limited data indicates there is a lack of available non-conventional rentals in the area. It is also important to remember that this particular unit is located within the Franklin ETJ Submarket, which is just outside the town limits. In addition, the available non-conventional unit has a much higher rent ($2,400) compared to the three-bedroom Tax Credit apartments ($1,002) in the area. As such, it is unlikely that most low-income households in the area could afford the available unit, even if the bedroom configuration were to meet their needs. It is also important to note that the listed rent for the available non-conventional unit likely does not include utility expenses, which are typically $200 per month or higher. Overall, there is extremely low availability of non-conventional rental units, and these units likely do not present an affordable housing option for many households in the area.

For-Sale Housing

The following table summarizes the available (as of March 8, 2024) and recently sold (between January 1, 2020 and July 14, 2024) housing stock for Franklin.

Franklin - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available*	9	$279,900
Sold**	244	$216,750

Source: Redfin.com; Bowen National Research
*As of March 8, 2024
**Sales from Jan. 1, 2020 to July 14, 2024

The available for-sale housing stock in Franklin as of March 8, 2024 consists of nine total units with a median list price of $279,900. The nine available units represent only 5.0% of the 179 total available units within Macon County. The nine available homes represent 0.8% of the estimated 1,184 owner-occupied units in Franklin. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase (availability rate) to allow for inner-market mobility and to enable the market to attract new households. Historical sales from January 2020 to July 2024 consisted of 244 homes which had a median sales price of $216,750. Based on recent historical sales volume (4.5 homes per month), the nine available units in Franklin represent approximately 2.0 months of available supply (Months Supply of Inventory, or MSI). Healthy for-sale housing markets usually have between four and six months of available supply. As such, the availability rate and MSI both indicate there is a lack of available for-sale supply in the town of Franklin.

The following table illustrates recent sales activity by *price point* from January 1, 2020 to July 14, 2024 for Franklin.

Franklin Sales History by Price (January 1, 2020 to July 14, 2024)		
Sale Price	Number Available	Percent of Supply
Up to $99,999	22	9.0%
$100,000 to $199,999	84	34.4%
$200,000 to $299,999	95	38.9%
$300,000 to $399,999	29	11.9%
$400,000+	14	5.7%
Total	244	100.0%

Source: Redfin.com; Bowen National Research

Among the recent historical home sales in Franklin, the largest share (38.9%) was homes priced between $200,000 and $299,999, followed by homes priced between $100,000 and $199,999 (34.4%). Overall, the recent historical sales in the area represent a good distribution of home sales by price point. This is a positive attribute within the market and offers home ownership options for a variety of income levels, including lower-income households and first-time homebuyers.

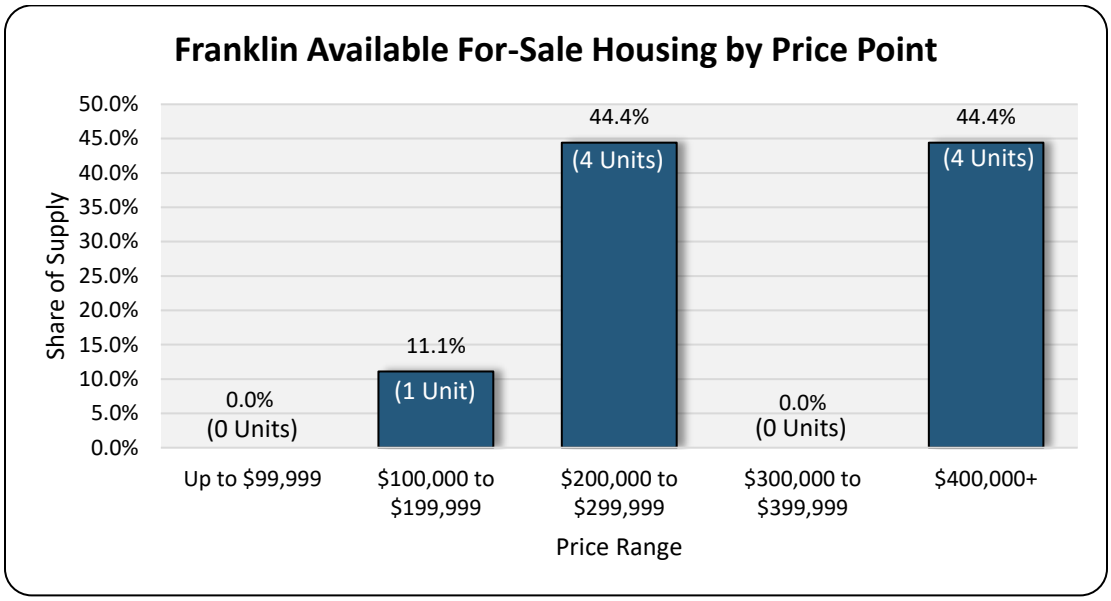
The following table summarizes the distribution of *available* for-sale residential units by *price point* for Franklin:

Franklin Available For-Sale Housing by List Price (As of As of March 8, 2024)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to $99,999	0	0.0%	-
$100,000 to $199,999	1	11.1%	22
$200,000 to $299,999	4	44.4%	101
$300,000 to $399,999	0	0.0%	-
$400,000+	4	44.4%	138
Total	9	100.0%	108

Source: Redfin.com; Bowen National Research

As of March 8, 2024, there are nine homes available for purchase in the town of Franklin. Nearly all of the available housing units in Franklin are priced between $200,000 and $299,999 (44.4%) or $400,000 or higher (44.4%), as only one unit is priced below $200,000 (11.1%). This represents a much less balanced distribution of homes by price point as compared to recent historical sales and limits the ability of lower-income households to pursue home ownership in the area. In addition, the data shows the average days on market increases as the price point increases, which suggests there is a higher demand for lower priced product in the area. However, the days on market data is based on a limited number of homes and definitive conclusions should not be made from this data alone. Regardless, there are very few homes available within Franklin and nearly all are contained within just two price point ranges. This constrains the options available to prospective homebuyers and can limit household growth in the area.

The distribution of available homes in Franklin by *price point* is illustrated in the following graph:



The distribution of available homes by *bedroom type* is summarized in the following table.

Franklin Available For-Sale Housing by Bedrooms (As of As of March 8, 2024)

Bedrooms	Number Available	Average Square Feet*	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.*	Average Days on Market
One-Br.	1	-	2022	$235,000	$235,000	-	251
Two-Br.	2	1,084	1961	$179,900 - $205,000	$192,450	$195.72	61
Three-Br.	3	-	1986	$265,000 - $475,000	$279,900	-	55
Four-Br.	2	2,040	1966	$425,000 - $560,000	$492,500	$208.33	165
Five+-Br.	1	4,600	1872	$2,800,000	$2,800,000	$608.70	108
Total	9	2,202	1967	$179,900 - $2,800,000	$279,900	$229.10	108

Source: Redfin.com & Bowen National Research
*Excludes five (5) listings with no square footage information

As shown in the preceding table, the available homes in the area are distributed among a variety of bedroom types. Three-bedroom homes comprise the largest share (33.3%) of the available for-sale housing product, followed by two-bedroom (22.2%) and four-bedroom (22.2%) homes. The median list price for these bedroom configurations ranges between $192,450 (two-bedroom) and $492,500 (four-bedroom), with three-bedroom homes having a median list price of $279,900. With an overall average year built of 1967, a number of the available homes in the area are relatively dated. In some cases, older homes may require costly repairs and/or modernization, which can add to the overall cost of purchasing these homes.

Planned and Proposed Residential Development

We conducted interviews with representatives of area building and permitting departments and conducted extensive online research to identify residential projects either planned for development or currently under construction within Franklin. Note that additional projects may have been introduced into the pipeline and/or the status of existing projects may have changed since the time interviews and research were completed. Projects within the town limits of Franklin are highlighted in **red** text.

Pipeline Housing Developments – Franklin				
Project Name & Address	**Type**	**Units**	**Developer**	**Status/ Details**
Rental Housing				
Abbington Mill 81 Allman Drive Franklin	Tax Credit	48	WJR NC Partners II, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Franklin Falls 68 Firefly Lane Franklin	Tax Credit	60	Solstice Partners	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Lofts of Franklin 227 Siler Road Franklin	Tax Credit Senior	54	WDT Development, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Vesta Highlands 1655 Highlands Road Franklin	Tax Credit	52	Gateway Development Corporation	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
For-Sale Housing				
Sanctuary Village 49 Village Circle East Franklin	Single-Family	Estimated 162	Buchanan Construction	**Under Construction:** Two to four bedrooms; Homes from the $400,000s; Square feet 1,450 to 2,251
Scenic Ridge 9 Scenic Ridge Circle Franklin	Single-Family	52	Phil Drake	**Planned:** Infrastructure has begun; Lots from $40,000 to $500,000

As the preceding illustrates, there are currently four residential rental projects proposed in and around the town of Franklin (two within the town limits), consisting of 214 total units. Of these, all units are Tax Credit units, and 54 units (25.2%) are age-restricted to seniors. In regard to for-sale housing developments, there is currently one development under construction within the town of Franklin, which will total approximately 162 single-family units when complete. These units will range in size from 1,450 to 2,251 square feet and have a starting price of around $400,000. In addition, there is another development currently in the planning stage (infrastructure development has commenced) in the Balance of County just outside of Franklin, which will consist of 52 homes with lots ranging in price from $40,000 to $500,000.

Based on the preceding analysis, there is notable residential development (both rental and for-sale) in the development pipeline, though all rental projects currently in the development pipeline are only proposed at this time.

E. OTHER HOUSING FACTORS

Development Opportunities

Cursory research was conducted to identify potential sites for residential development. While this likely does not include all possible sites, this overview gives some insight into potential development opportunities in the town of Franklin and surrounding area. A detailed listing of these development sites is included in Section VII (Other Housing Market Factors) of this Housing Needs Assessment, starting on page VII-20.

Development Opportunity Sites (Franklin/Franklin ETJ)					
Number of Sites	Zoning Type	Land Size Range (Acres)	Total Acreage	Sites with Existing Buildings	Building Size Range (Sq. Ft.)
6	R-1 Residential	1.56 - 26.42	171.00	3	1,552 – 1,962
2	R-2 Residential	4.32 – 9.21	13.53	0	N/A
1	TND (Traditional Neighborhood Development)	7.72	7.72	0	N/A
3	NMU (Neighborhood Mixed-Use)	0.81 – 1.63	3.41	2	2,352 – 5,800
1	C-1 Central Commercial	0.22	0.22	1	1,875
6	C-2 Secondary Commercial	0.12 – 5.85	18.18	4	1,552 – 4,000
7	C-3 Highway Commercial	0.80 – 32.82	72.62	1	35,816
1	MICR (Medical Institutional Cultural Residential)	2.71	2.71	1	4,696
1	C-1 Central Commercial MICR (Medical Institutional Cultural Residential) Residential	16.62	16.62	1	161,302
5	No Zoning	1.29 – 100.13	153.88	3	2,800 – 7,130

Sources: LoopNet, Realtor.com, Macon County GIS and several other real estate websites.
Note: Total land area includes total building area.

Based on this review, 33 sites were identified in the Franklin area that were marketed as available for potential residential development. As a result, it appears that there is a variety of available sites in the town that could potentially support residential development.

F. COMMUNITY INPUT SURVEYS

To gain information, perspective and insight about Macon County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers and Residents/Commuters. These surveys were conducted during April and May of 2024 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

In total, 847 survey responses were received from a broad cross section of the community through online surveys conducted via SurveyMonkey.com. The full results of these surveys are included in Section IX (Community Input) of this Housing Needs Assessment. The following summarizes the results specific to the Franklin area. Note that the stakeholder survey asked questions for specific areas of Macon County, which includes Franklin.

Franklin, North Carolina Summary of Stakeholder, Resident/Commuter, and Employer Surveys		
Category	**Top Needs / Issues**	**Consensus**
Stakeholder Survey		
Housing Needs by Price Point	• Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000) • For-Sale Housing ($200,000-$299,999)	**100.0*** **90.6*** **75.0***
Housing Needs by Style	• Multifamily Apartments • Ranch Homes/Single Floor Plan Units	**66.7%** **41.7%**
Common Housing Issues	• Limited Availability • Rent Affordability • Home Purchase Affordability	**72.0%** **56.0%** **36.0%**
Priority by Construction Type	• New Construction • Repair/Renovation/Revitalization of Existing Housing	**84.2*** **75.0***
Common Residential Barriers	• Cost of Land • Cost of Labor/Materials • Housing Converting to Short-Term/Vacation Rentals	**60.0%** **56.0%** **36.0%**
Resident/Commuter Survey		

Note that the resident/commuter survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Franklin, specifically, are included in this summary.

- Among the 30 non-resident respondents of Macon County providing feedback, 36.7% (11 respondents) cited the Franklin area as their preferred area of relocation if they were to move to Macon County.
- One non-resident respondent noted the need for "*affordable housing in a decent area*" when asked if any factors could be addressed, added, or changed to increase their likelihood of relocation to Macon County/Franklin.
- When asked why it is difficult for people to find suitable housing in Macon County, one respondent indicated that *"…prices are high because of high demand and low supply…The only way to balance the market is to increase supply drastically for (seniors) 55+ and disabled.*" The respondent also noted that cooperation among communities to fund developments within Franklin could benefit all of Macon County.
- One respondent noted that rental demand may be reduced if "*the town of Franklin could provide subsidies for disabled and elderly to go towards buying homes…*"

Other general topics cited by survey respondents specific to the town of Franklin included: *long commute times to employment from Franklin, workforce housing affordability, overall housing availability, and Housing Choice Vouchers not being accepted.*

Employer Survey

Note that the employer survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Franklin, specifically, are included in this summary.

- Employers were asked if they had any issues, insights, or solutions to addressing area housing needs. One respondent noted that *public transit/shuttle services from Franklin (and Clayton) could help with employee retention issues*.

Overall, survey responses from each of the target groups indicate that over one-third (36.7%) of non-residents would prefer to live in Franklin if relocating to Macon County, and the town of Franklin is most in need of affordable to moderately priced multifamily rentals and single story for-sale housing. The most common housing issue in the area is limited availability, followed by affordability of both rentals and for-sale housing. Respondents believe new housing and the repairs/revitalization of existing housing should be priorities; however, the cost of land and labor/materials are the primary barriers to development. Other specific needs and issues cited by respondents include the need for housing and subsidies targeting seniors and people with a disability, lengthy commute times, the need for public transit/shuttle services for the workforce, affordable workforce housing, and the inability to use Housing Choice Vouchers.

G. HOUSING GAP ESTIMATES

The following tables summarize the rental and for-sale housing gaps by income and affordability levels for Macon County and Franklin. Details of the methodology used in this analysis are provided in Section VIII of this report.

	Macon County / Franklin, North Carolina Rental Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Monthly Rent Range	**≤ $916**	**$917-$1,466**	**$1,467-$2,169**	**$2,170+**
Household Growth	-265	14	111	87
Balanced Market*	75	40	29	28
Replacement Housing**	91	16	6	0
External Market Support^	56	39	21	14
Severe Cost Burdened^^	160	80	27	0
Step-Down Support	57	20	-13	-64
Less Pipeline Units	0	0	0	0
County Housing Gap	174	209	181	65
Franklin Rental Housing Gap	**30 to 174**	**36 to 209**	**31 to 181**	**11 to 65**

*Based on Bowen National Research's survey of area rentals
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

	Macon County / Franklin, North Carolina For-Sale Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Price Point	**≤ $122,167**	**$122,168-$195,467**	**$195,468-$289,200**	**$289,201+**
Household Growth	-364	-83	-39	1,087
Balanced Market*	102	55	49	0
Replacement Housing**	78	24	12	0
External Market Support^	83	103	80	106
Severe Cost Burdened^^	119	59	20	0
Step-Down Support	47	2	548	-597
Less Pipeline Units	0	0	0	0
County Housing Gap	65	160	670	596
Franklin For-Sale Housing Gap	**6 to 65**	**15 to 160**	**63 to 670**	**56 to 596**

*Based on MLS inventory of available homes

**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County

^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

As the preceding illustrates, the town has a *minimum* overall housing gap of 248 units, with a gap for at least 108 rental units and at least 140 for-sale units over the next five years. It is important to understand that these are the *minimum* housing gaps for the town of Franklin, which are based on current household shares by tenure (renter/owner) for the town of Franklin relative to the overall base of households (renter/owner) for the county. The maximum housing gaps illustrated in the preceding table are equal to the housing gaps for Macon County as a whole, as it is possible that new development concentrated in the town of Franklin could meet the needs of the entire county. Of course, this assumes that a wide variety of housing product is developed in terms of design, pricing, location etc., that would meet the needs of all renters/owners within the county. As it is unlikely that housing product meeting the needs of all potential renters/owners would be developed in the town of Franklin, the effective housing gaps for the town will fall somewhere between the minimum and maximum estimates detailed in the preceding tables. Development within the town of Franklin should be prioritized to the housing product showing the greatest gaps.

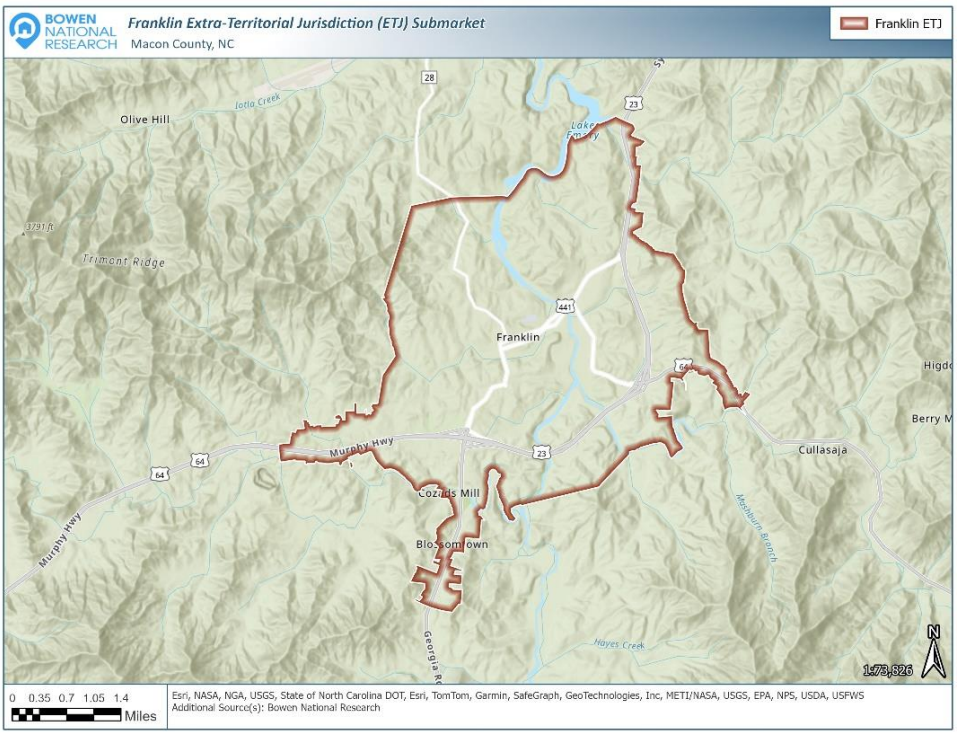
ADDENDUM E: FRANKLIN ETJ OVERVIEW

While the primary focus of this Housing Needs Assessment is on the entirety of the Primary Study Area, or PSA (Macon County), this section of the report includes a cursory overview of demographic, economic, and housing metrics specific to the Franklin Extra-Territorial Jurisdiction (ETJ) Submarket. The Franklin ETJ Submarket includes the town of Franklin and an area outside the town limits in which the town has the ability to exercise land use and zoning regulations. To provide a base of comparison, various metrics of the Franklin ETJ Submarket were compared with the entirety of Macon County and statewide numbers.

The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity. Note that some topics presented in this analysis, particularly migration and economic data, may be limited to the town of Franklin or county-based metrics due to the availability of data.

A. INTRODUCTION

The Franklin ETJ Submarket is located in the central portion of Macon County. The area contains approximately 11 square miles and has an estimated population of 6,210 in 2023, which is representative of approximately 16.2% of the total population of Macon County. Major arterials that serve the area include U.S. Highways 23 and 64 and State Route 28. A map illustrating the Franklin ETJ Submarket is below.



B. DEMOGRAPHICS

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin ETJ	5,611	6,134	**523**	**9.3%**	6,210	**76**	**1.2%**	6,332	**122**	**2.0%**
Macon County	33,922	37,014	**3,092**	**9.1%**	38,235	**1,221**	**3.3%**	39,297	**1,062**	**2.8%**
North Carolina	9,535,419	10,439,314	**903,895**	**9.5%**	10,765,602	**326,288**	**3.1%**	11,052,082	**286,480**	**2.7%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within the Franklin ETJ increased by 523 (9.3%), which is slightly higher than the increase for Macon County (9.1%), but lower than the state increase (9.5%) during the same time period. An estimated population increase of 1.2% occurred within the Franklin ETJ between 2020 and 2023, and it is projected that the population will further increase by 2.0% between 2023 and 2028. The estimated and projected increases within the Franklin ETJ for these two time periods are both less than the corresponding increases (3.3% and 2.8%) for Macon County. It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities.

Other notable population statistics for the Franklin ETJ Submarket include the following:

- Minorities comprise 20.1% of the area's population, which is higher than the PSA share (13.3%), but much lower than the statewide share of 37.8%.
- Married persons represent 46.7% of the adult population, which is lower than the shares for the PSA (58.2%) and state of North Carolina (51.1%).
- The adult population without a high school diploma is 14.8%, which is much higher than the shares for the PSA (9.5%) and state (9.3%).
- Approximately 19.2% of the area's population lives in poverty, which is higher than the PSA share (15.4%) and the statewide share (13.3%).
- The annual movership rate (population moving within or to the Franklin ETJ) is 14.0%, which is a lower share than the PSA (14.7%), but slightly higher than the statewide share (13.8%).

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Franklin ETJ	2,556	2,803	**247**	**9.7%**	2,864	**61**	**2.2%**	2,941	**77**	**2.7%**
Macon County	14,591	16,379	**1,788**	**12.3%**	16,970	**591**	**3.6%**	17,518	**548**	**3.2%**
North Carolina	3,745,130	4,160,833	**415,703**	**11.1%**	4,313,420	**152,587**	**3.7%**	4,462,388	**148,968**	**3.5%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the total number of households within the Franklin ETJ increased by 247 (9.7%), which is a smaller increase as compared to Macon County (12.3%) and the state of North Carolina (11.1%) during this same time period. The number of households in the Franklin ETJ increased by 2.2% between 2020 and 2023, and it is projected that the number of households in the area will increase by 2.7% between 2023 and 2028. The estimated and projected increases within Macon County and the state are slightly higher than those for the Franklin ETJ for both time periods.

It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs. These factors are addressed throughout this report.

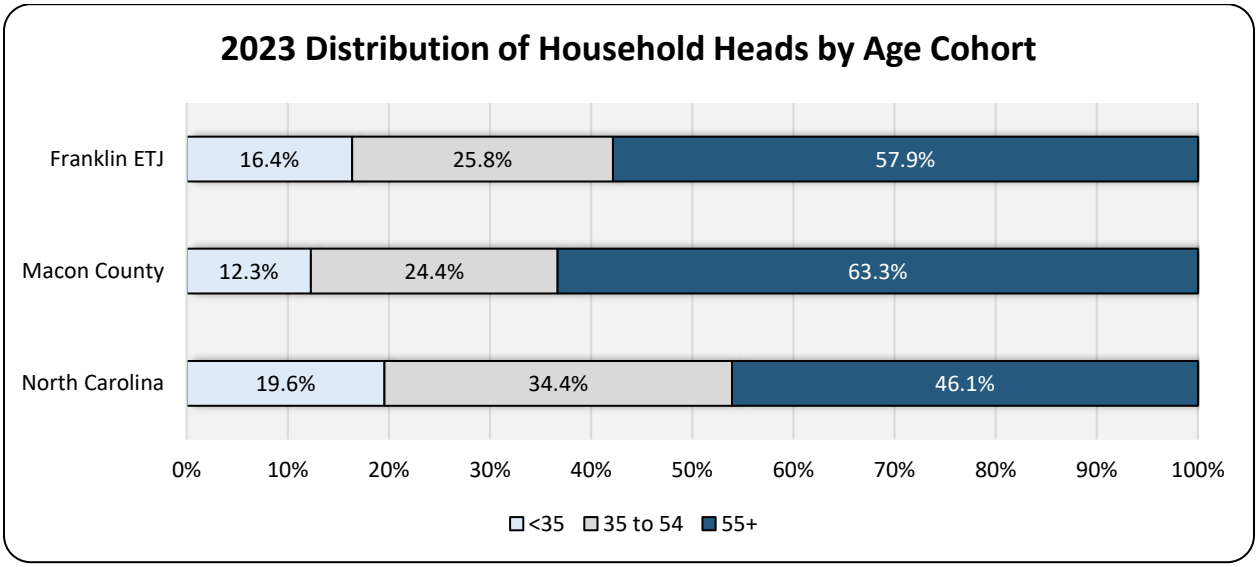
Household heads by age cohorts for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

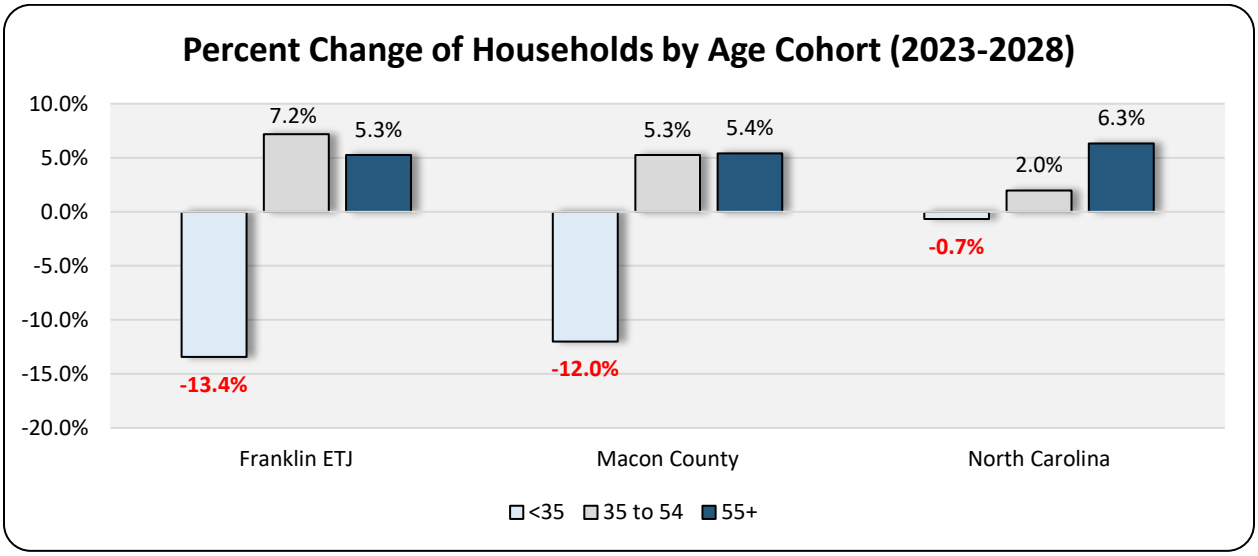
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Franklin ETJ	2020	97 (3.5%)	332 (11.8%)	361 (12.9%)	397 (14.2%)	539 (19.2%)	586 (20.9%)	491 (17.5%)
	2023	100 (3.5%)	369 (12.9%)	354 (12.4%)	384 (13.4%)	487 (17.0%)	595 (20.8%)	575 (20.1%)
	2028	99 (3.4%)	307 (10.4%)	410 (13.9%)	381 (13.0%)	454 (15.4%)	612 (20.8%)	678 (23.1%)
	Change 2023-2028	**-1 (-1.0%)**	**-62 (-16.8%)**	**56 (15.8%)**	**-3 (-0.8%)**	**-33 (-6.8%)**	**17 (2.9%)**	**103 (17.9%)**
Macon County	2020	400 (2.4%)	1,476 (9.0%)	1,820 (11.1%)	2,213 (13.5%)	3,420 (20.9%)	3,923 (24.0%)	3,127 (19.1%)
	2023	394 (2.3%)	1,691 (10.0%)	1,905 (11.2%)	2,240 (13.2%)	3,343 (19.7%)	4,144 (24.4%)	3,253 (19.2%)
	2028	392 (2.2%)	1,443 (8.2%)	2,108 (12.0%)	2,255 (12.9%)	3,062 (17.5%)	4,260 (24.3%)	3,998 (22.8%)
	Change 2023-2028	**-2 (-0.5%)**	**-248 (-14.7%)**	**203 (10.7%)**	**15 (0.7%)**	**-281 (-8.4%)**	**116 (2.8%)**	**745 (22.9%)**
North Carolina	2020	166,754 (4.0%)	621,488 (14.9%)	687,434 (16.5%)	750,220 (18.0%)	804,418 (19.3%)	670,733 (16.1%)	459,788 (11.1%)
	2023	184,917 (4.3%)	659,947 (15.3%)	751,279 (17.4%)	732,946 (17.0%)	784,877 (18.2%)	714,141 (16.6%)	485,313 (11.3%)
	2028	191,110 (4.3%)	648,222 (14.5%)	774,500 (17.4%)	738,908 (16.6%)	748,818 (16.8%)	746,802 (16.7%)	614,028 (13.8%)
	Change 2023-2028	**6,193 (3.3%)**	**-11,725 (-1.8%)**	**23,221 (3.1%)**	**5,962 (0.8%)**	**-36,059 (-4.6%)**	**32,661 (4.6%)**	**128,715 (26.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, household heads ages 65 to 74 years and those 75 years and older comprise the largest shares of households (20.8% and 20.1%, respectively) by age in the Franklin ETJ. Overall, senior households (ages 55 and older) comprise 57.9% of all households within the Franklin ETJ, while households under the age of 35 and those between the ages of 35 and 54 comprise much smaller shares (16.4% and 25.8%, respectively) of the area's households. While senior households in the Franklin ETJ comprise a larger share of area households as compared to the statewide share (46.1%), the share in the Franklin ETJ is less than that within Macon County (63.3%). Conversely, the share of households under the age of 35 in the Franklin ETJ is larger than the share within Macon County (12.3%), but less than the statewide share (19.6%). Between 2023 and 2028, household growth within the Franklin ETJ is projected to occur among households between the ages of 35 and 44 (15.8%) and those 65 years and older (10.3%). While these cohorts are also projected to increase within Macon County and the state, the increase of households ages of 35 to 44 in the Franklin ETJ is much higher and is noteworthy.

The following graphs illustrate the distribution and projected changes in household heads by age for the Franklin ETJ Submarket, Macon County, and the state of North Carolina.





Households by tenure (renter and owner) for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

	Households by Tenure								
		2010		2020		2023		2028	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin ETJ	Owner-Occupied	1,616	63.2%	1,852	66.1%	1,815	63.4%	**1,904**	**64.7%**
	Renter-Occupied	940	36.8%	951	33.9%	1,049	36.6%	**1,037**	**35.3%**
	Total	2,556	100.0%	2,803	100.0%	2,864	100.0%	**2,941**	100.0%
Macon County	Owner-Occupied	11,284	77.3%	12,526	76.5%	12,537	73.9%	**13,138**	**75.0%**
	Renter-Occupied	3,307	22.7%	3,853	23.5%	4,433	26.1%	**4,380**	**25.0%**
	Total	14,591	100.0%	16,379	100.0%	16,970	100.0%	**17,518**	100.0%
North Carolina	Owner-Occupied	2,497,880	66.7%	2,701,390	64.9%	2,852,237	66.1%	**2,965,364**	**66.5%**
	Renter-Occupied	1,247,250	33.3%	1,459,443	35.1%	1,461,183	33.9%	**1,497,024**	**33.5%**
	Total	3,745,130	100.0%	4,160,833	100.0%	4,313,420	100.0%	**4,462,388**	100.0%

Source: 2010 Census; 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the Franklin ETJ has a 63.4% share of owner households and a 36.6% share of renter households. As a result, the area has a lower share of owner households as compared to the PSA (73.9%) and the state of North Carolina (66.1%). Subsequently, the share of renter households within the Franklin ETJ is higher than county (25.0%) and state (33.5%) shares. Franklin ETJ owner households represent 14.5% of all owner households within Macon County, while the area's renter households comprise 23.7% of such households within the county. Between 2023 and 2028, the number of owner households in the Franklin ETJ is projected to increase by 89 (4.9%), while the number of renter households is projected to decrease by 12 (1.1%).

Median household income for selected years is shown in the following table:

	Median Household Income				
	2020 Census	2023 Estimated	% Change 2020-2023	2028 Projected	% Change 2023-2028
Franklin ETJ	$45,866	$43,092	-6.0%	$48,229	11.9%
Macon County	$56,808	$54,595	-3.9%	$63,059	15.5%
North Carolina	$64,390	$65,852	2.3%	$76,213	15.7%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the estimated median household income in the Franklin ETJ is $43,092, which is 21.1% lower than the Macon County median household income and 34.6% lower than that of the state. Between 2020 and 2023, the Franklin ETJ experienced a 6.0% decline in the median household income. It is also noteworthy that the median household income decreased in the PSA (Macon County) between 2020 and 2023, while the median household income for the state increased. The median household income in the Franklin ETJ is projected to increase by 11.9% between 2023 and 2028, resulting in a projected median household income of $48,229 in 2028. Nonetheless, the median household income in the area will remain significantly lower than that projected for the PSA ($63,059) and state ($76,213). It is also important to understand that the 2023 estimates provided in the preceding table are reflective of a five-year average which includes the impact of the COVID-19 pandemic.

The distribution of *renter* households by income is illustrated below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Renter Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin ETJ	2020	75 (7.8%)	165 (17.3%)	168 (17.7%)	153 (16.1%)	105 (11.0%)	72 (7.5%)	158 (16.7%)	55 (5.8%)
	2023	116 (11.1%)	247 (23.5%)	169 (16.1%)	141 (13.4%)	91 (8.7%)	50 (4.7%)	165 (15.8%)	70 (6.6%)
	2028	84 (8.1%)	237 (22.9%)	153 (14.8%)	130 (12.5%)	109 (10.5%)	49 (4.7%)	207 (20.0%)	67 (6.5%)
	Change 2023-2028	**-32 (-27.6%)**	**-10 (-4.0%)**	**-16 (-9.5%)**	**-11 (-7.8%)**	**18 (19.8%)**	**-1 (-2.0%)**	**42 (25.5%)**	**-3 (-4.3%)**
Macon County	2020	260 (6.8%)	619 (16.1%)	595 (15.4%)	542 (14.1%)	432 (11.2%)	314 (8.1%)	755 (19.6%)	336 (8.7%)
	2023	466 (10.5%)	1,013 (22.9%)	583 (13.2%)	481 (10.9%)	457 (10.3%)	258 (5.8%)	773 (17.4%)	401 (9.0%)
	2028	324 (7.4%)	972 (22.2%)	538 (12.3%)	427 (9.7%)	485 (11.1%)	264 (6.0%)	977 (22.3%)	394 (9.0%)
	Change 2023-2028	**-142 (-30.5%)**	**-41 (-4.0%)**	**-45 (-7.7%)**	**-54 (-11.2%)**	**28 (6.1%)**	**6 (2.3%)**	**204 (26.4%)**	**-7 (-1.7%)**
North Carolina	2020	136,315 (9.3%)	195,185 (13.4%)	183,726 (12.6%)	174,817 (12.0%)	157,152 (10.8%)	117,699 (8.1%)	306,886 (21.0%)	187,664 (12.9%)
	2023	140,455 (9.6%)	202,484 (13.9%)	175,020 (12.0%)	161,745 (11.1%)	152,336 (10.4%)	119,057 (8.1%)	306,079 (20.9%)	204,007 (14.0%)
	2028	117,945 (7.9%)	172,182 (11.5%)	149,785 (10.0%)	145,716 (9.7%)	146,081 (9.8%)	125,700 (8.4%)	353,048 (23.6%)	286,567 (19.1%)
	Change 2023-2028	**-22,510 (-16.0%)**	**-30,302 (-15.0%)**	**-25,235 (-14.4%)**	**-16,029 (-9.9%)**	**-6,255 (-4.1%)**	**6,643 (5.6%)**	**46,969 (15.3%)**	**82,560 (40.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, renter households earning between $10,000 and $19,999 (23.5%) and those earning between $20,000 and $29,999 (16.1%) comprise the largest shares of renter households by income level within the Franklin ETJ. Slightly over one-half (50.7%) of all renter households within the area earn less than $30,000 which is a larger share as compared to the PSA (46.6%), but a notably larger share than the state (35.5%). Between 2023 and 2028, growth among renter households by income in the Franklin ETJ is projected to be among those earning between $40,000 and $49,999 (19.8%) and $60,000 and $99,999 (25.5%). All other income cohorts are projected to decline, with the largest decline (27.6%) projected to occur among renter households earning less than $10,000. This is generally consistent with the projected changes for Macon County; however, the growth of households earning between $40,000 and $49,999 in the Franklin ETJ is much higher than Macon County. In addition, lack of growth among the highest income cohort ($100,000 or more) in both the Franklin ETJ and Macon County deviates significantly from statewide projections over the next five years, where this income cohort is projected to increase by 40.5% in the state. It is also important to note that, despite the decrease among lower earning households in the area, it is projected that 45.8% of renter households in the Franklin ETJ will continue to earn less than $30,000 annually in 2028.

The distribution of *owner* households by income is included below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Owner Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Franklin ETJ	2020	61 (3.3%)	161 (8.7%)	207 (11.2%)	232 (12.5%)	201 (10.9%)	171 (9.3%)	458 (24.7%)	361 (19.5%)
	2023	90 (4.9%)	204 (11.2%)	191 (10.5%)	204 (11.3%)	137 (7.5%)	119 (6.6%)	439 (24.2%)	432 (23.8%)
	2028	76 (4.0%)	208 (10.9%)	170 (8.9%)	190 (10.0%)	162 (8.5%)	105 (5.5%)	439 (23.0%)	556 (29.2%)
	Change 2023-2028	**-14 (-15.6%)**	**4 (2.0%)**	**-21 (-11.0%)**	**-14 (-6.9%)**	**25 (18.2%)**	**-14 (-11.8%)**	**0 (0.0%)**	**124 (28.7%)**
Macon County	2020	322 (2.6%)	910 (7.3%)	1,095 (8.7%)	1,217 (9.7%)	1,228 (9.8%)	1,110 (8.9%)	3,371 (26.9%)	3,273 (26.1%)
	2023	555 (4.4%)	1,289 (10.3%)	1,003 (8.0%)	1,059 (8.4%)	1,034 (8.2%)	928 (7.4%)	3,046 (24.3%)	3,624 (28.9%)
	2028	430 (3.3%)	1,262 (9.6%)	879 (6.7%)	923 (7.0%)	1,067 (8.1%)	845 (6.4%)	3,050 (23.2%)	4,681 (35.6%)
	Change 2023-2028	**-125 (-22.5%)**	**-27 (-2.1%)**	**-124 (-12.4%)**	**-136 (-12.8%)**	**33 (3.2%)**	**-83 (-8.9%)**	**4 (0.1%)**	**1,057 (29.2%)**
North Carolina	2020	83,986 (3.1%)	144,107 (5.3%)	174,148 (6.4%)	193,047 (7.1%)	190,809 (7.1%)	207,848 (7.7%)	664,361 (24.6%)	1,043,083 (38.6%)
	2023	96,846 (3.4%)	165,797 (5.8%)	181,776 (6.4%)	190,954 (6.7%)	194,388 (6.8%)	212,394 (7.4%)	669,578 (23.5%)	1,140,504 (40.0%)
	2028	87,412 (2.9%)	149,057 (5.0%)	157,324 (5.3%)	164,531 (5.5%)	173,121 (5.8%)	196,827 (6.6%)	651,049 (22.0%)	1,386,043 (46.7%)
	Change 2023-2028	**-9,434 (-9.7%)**	**-16,740 (-10.1%)**	**-24,452 (-13.5%)**	**-26,423 (-13.8%)**	**-21,267 (-10.9%)**	**-15,567 (-7.3%)**	**-18,529 (-2.8%)**	**245,539 (21.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, 48.0% of *owner* households in the Franklin ETJ earn $60,000 or more annually, which represents a lower share compared to Macon County (53.2%) and state of North Carolina (63.5%). Approximately 25.4% of owner households in the Franklin ETJ earn between $30,000 and $59,999, and the remaining 26.6% earn less than $30,000 annually. As such, the overall distribution of owner households by income in the area is more concentrated among the lower and middle income cohorts compared to the PSA (Macon County). Between 2023 and 2028, notable owner household growth in the area is projected to occur among households earning between $40,000 and $49,999 (18.2%) and $100,000 or more (28.7%). These projected changes primarily differ from the projections for the PSA in that the growth of owner households earning between $40,000 and $49,999 in the Franklin ETJ is much higher than the PSA. While the growth of households earning $100,000 or more in the Franklin ETJ and PSA is higher than the state, it is noteworthy that this is the only cohort projected to increase statewide over the next five years. Thus, owner household growth is projected to be more widespread within the Franklin ETJ and Macon County than statewide, in terms of household income level.

The following table illustrates the estimated components of population change for the PSA (Macon County) between April 2010 and July 2023. Note that components of change data is not available for geographies smaller than the county level.

Estimated Components of Population Change by County for the PSA (Macon County) April 1, 2010 to July 1, 2023							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Macon County	2010-2020	2,069	6.1%	-1,206	3,004	300	3,304
	2020-2023	1,393	3.8%	-924	2,258	59	2,317

Source: U.S. Census Bureau, Population Division, June 2024
*Includes residual of (-29) for 2010-2020 representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population increase within Macon County from 2010 to 2020 was the result of a combination of positive domestic and international migration. While natural decrease (more deaths than births) was a negative influence during both time periods shown, domestic migration and international migration were both positive factors in the population increase. Of these, domestic migration was the largest positive influence, overall. As such, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to accommodate in-migrants, and to retain young adults and families in the area, which can improve natural increase. Economic factors, which are analyzed later in this section, can also greatly influence population and household changes within an area.

The following table details the *shares* of domestic in-migration by three select age cohorts for the *town* of Franklin from 2013 to 2022.

Franklin, North Carolina Domestic County Population In-Migrants by Age, 2013 to 2022		
Age	2013-2017	2018-2022
1 to 34	62.8%	22.5%
35 to 54	12.7%	34.0%
55+	24.5%	43.6%
Median Age (In-state migrants)	67.1	43.6
Median Age (Out-of-state migrants)	23.8	63.8
Median Age (Franklin)	43.1	48.6

Source: U.S. Census Bureau, 2017 & 2022 5-Year ACS Estimates (S0701); Bowen National Research

The American Community Survey five-year estimates from 2018 to 2022 in the preceding table illustrate that 43.6% of in-migrants to the town of Franklin were 55 years of age or older, 34.0% were between the ages of 35 and 54, and 22.5% were less than 35 years of age. The data also shows that the share of in-migrants ages 35 to 54 and those 55 years of age or older increased from the prior survey period (2013 to 2017), while the share of in-migrants less than 35 years of age decreased. While the median age of in-state migrants (43.6 years) has generally been younger than the existing population of the town (48.6 years) in recent years, in-migrants from outside the state have typically been much older (63.8 years).

Geographic mobility by *per-person* income for the *town* of Franklin is distributed as follows (Note that this data is provided for the *population*, not households, ages 15 and above):

Franklin: Income Distribution by Mobility Status for Population Age 15+ Years*				
2022 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County/State	
	Number	Percent	Number	Percent
<$10,000	14	11.4%	28	16.1%
$10,000 to $14,999	0	0.0%	3	1.7%
$15,000 to $24,999	22	17.9%	41	23.6%
$25,000 to $34,999	56	45.5%	0	0.0%
$35,000 to $49,999	7	5.7%	43	24.7%
$50,000 to $64,999	24	19.5%	0	0.0%
$65,000 to $74,999	0	0.0%	0	0.0%
$75,000+	0	0.0%	59	33.9%
Total	123	100.0%	174	100.0%

Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

As the preceding data provided by the American Community Survey illustrates, 41.4% of the population that moved to the town of Franklin from outside the county earned less than $25,000 annually. Slightly over one-third (33.9%) of in-migrants earned $50,000 or more annually. This represents much higher shares of lower incomes (less than $25,000) and higher incomes ($50,000 or more) compared to individuals that relocate within the county (29.3% and 19.5%, respectively). Consequently, it appears that available housing alternatives at a variety of affordability levels are needed to accommodate in-migrants to the area.

C. ECONOMY AND WORKFORCE

Labor Force

The following table illustrates the employment base by industry for the Franklin ETJ, the PSA (Macon County), and the state of North Carolina. Note that the top five industry groups by share for each geographic area are illustrated in red text.

	Employment by Industry					
	Franklin ETJ		Macon County		North Carolina	
NAICS Group	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	32	0.4%	92	0.6%	25,955	0.6%
Mining	1	0.0%	11	0.1%	3,118	0.1%
Utilities	16	0.2%	22	0.1%	21,553	0.5%
Construction	343	4.5%	998	6.5%	227,263	5.0%
Manufacturing	435	5.6%	634	4.1%	**410,949**	**9.0%**
Wholesale Trade	103	1.3%	253	1.6%	185,067	4.1%
Retail Trade	**1,241**	**16.1%**	**2,449**	**15.9%**	**607,681**	**13.3%**
Transportation & Warehousing	89	1.2%	167	1.1%	104,389	2.3%
Information	407	5.3%	520	3.4%	110,199	2.4%
Finance & Insurance	267	3.5%	419	2.7%	137,358	3.0%
Real Estate & Rental & Leasing	370	4.8%	683	4.4%	131,251	2.9%
Professional, Scientific & Technical Services	245	3.2%	469	3.0%	280,488	6.1%
Management of Companies & Enterprises	9	0.1%	17	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	106	1.4%	230	1.5%	99,110	2.2%
Educational Services	**616**	**8.0%**	**1,146**	**7.4%**	**359,830**	**7.9%**
Health Care & Social Assistance	**1,441**	**18.7%**	**2,722**	**17.7%**	**714,434**	**15.6%**
Arts, Entertainment & Recreation	64	0.8%	375	2.4%	82,249	1.8%
Accommodation & Food Services	**717**	**9.3%**	**1,917**	**12.4%**	**439,028**	**9.6%**
Other Services (Except Public Administration)	548	7.1%	**1,307**	**8.5%**	283,764	6.2%
Public Administration	**626**	**8.1%**	929	6.0%	303,057	6.6%
Non-classifiable	29	0.4%	53	0.3%	28,041	0.6%
Total	7,705	100.0%	15,413	100.0%	4,566,609	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

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

The Franklin ETJ has an employment base of approximately 7,700 individuals within a broad range of employment sectors. The labor force within the area is based primarily in five sectors: Health Care and Social Assistance (18.7%), Retail Trade (16.1%), Accommodation and Food Services (9.3%), Public Administration (8.1%), and Educational Services (8.0%). Combined, these top job sectors represent 60.2% of the area's employment base. This is a slightly less concentrated distribution of employment as compared to the PSA (Macon County), in which 61.9% of the total employment is among the top five sectors. With a slightly less concentrated overall distribution of employment, and three of the top five sectors (healthcare, public administration, and education) typically being less susceptible to economic fluctuations, the economy within the Franklin ETJ may be slightly more insulated from economic downturns compared to the overall county. While many occupations within the top sectors offer good wages, it is important to understand that a significant number of the support occupations in these industries, particularly retail sales and accommodation and food services, typically have lower wages, which can contribute to demand for affordable housing options.

Data illustrating total employment, unemployment rates, and at-place employment for the PSA (Macon County), the state, and nation since 2014 are compared in the following tables. Note that employment data provided by the Bureau of Labor Statistics is only available for cities/towns with populations exceeding 25,000 and thus is not available for the town of Franklin or the Franklin ETJ.

	Total Employment					
	Macon County		North Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2014	14,071	-	4,410,647	-	147,293,817	-
2015	14,183	0.8%	4,493,882	1.9%	149,540,791	1.5%
2016	14,353	1.2%	4,598,456	2.3%	151,934,228	1.6%
2017	14,317	-0.2%	4,646,212	1.0%	154,721,780	1.8%
2018	14,526	1.5%	4,715,616	1.5%	156,709,676	1.3%
2019	14,916	2.7%	4,807,598	2.0%	158,806,264	1.3%
2020	13,925	-6.6%	4,483,551	-6.7%	149,143,265	-6.1%
2021	14,593	4.8%	4,697,757	4.8%	154,201,818	3.4%
2022	15,424	5.7%	4,965,568	5.7%	159,458,223	3.4%
2023	15,968	3.5%	5,050,870	1.7%	161,750,804	1.4%
2024*	15,725	-1.5%	5,068,640	0.4%	161,870,534	0.1%

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

From 2014 to 2023, the employment base in Macon County increased by 1,654 employees, or 11.8%, which is lower than the statewide increase of 14.9% during that time. It is also noteworthy that 2020, which was largely impacted by the economic effects related to COVID-19, was one of only two *full years* in which total employment decreased in the county. Through 2023, total employment in Macon County is at 107.1% of the total employment in 2019, illustrating a full recovery from the pandemic and a thriving local economy. Although the data shows that total employment has decreased by 1.5% through April 2024, these numbers are not seasonally adjusted. Because tourism has a notable impact on the economy of Macon County, it is reasonable to conclude that seasonality is heavily influencing the employment numbers during the first few months of 2024, and total employment in the area will improve as the peak tourism months begin in the area.

The following table illustrates annual unemployment rates for Macon County, the state of North Carolina, and the United States since 2014.

	Unemployment Rate		
Year	Macon County	North Carolina	United States
2014	6.4%	6.1%	6.2%
2015	6.1%	5.7%	5.3%
2016	5.4%	5.1%	4.9%
2017	4.7%	4.5%	4.4%
2018	4.0%	4.0%	3.9%
2019	3.9%	3.9%	3.7%
2020	6.7%	7.3%	8.1%
2021	4.3%	4.9%	5.4%
2022	3.5%	3.7%	3.7%
2023	3.2%	3.5%	3.7%
2024*	3.3%	3.6%	3.9%

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

The unemployment rate within Macon County steadily declined from 6.4% in 2014 to 3.9% in 2019. In 2020, the unemployment rate increased to 6.7%, which was lower than the unemployment rate within the state (7.3%) and nation (8.1%) during that time. In 2021, the unemployment rate within the county decreased to 4.3%. In 2023, the unemployment rate within the county was only 3.2%, which is the lowest recorded year-end unemployment rate for the county since 2014, further illustrating the strength of the economy within Macon County.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Macon County.

	At-Place Employment - Macon County		
Year	Employment	Change	Percent Change
2013	10,546	-	-
2014	10,740	194	1.8%
2015	10,851	111	1.0%
2016	10,985	134	1.2%
2017	11,004	19	0.2%
2018	11,169	165	1.5%
2019	11,373	204	1.8%
2020	10,951	-422	-3.7%
2021	11,344	393	3.6%
2022	11,796	452	4.0%
2023	12,405	609	5.2%

Source: Department of Labor, Bureau of Labor Statistics

Between 2013 and 2019, at-place employment in Macon County increased by 7.8%, or 827 jobs. While at-place employment decreased by 3.7% in 2020, primarily from the economic effects of COVID-19, at-place employment increased each year from 2021 through 2023. Through 2023, at-place employment is at 109.1% of the 2019 level, illustrating notable job growth in the county in recent years.

Data for 2023, the most recent year that year-end figures are available, indicates at-place employment in Macon County to be 77.7% of the total Macon County employment. This means that Macon County has more employed persons residing in the county than there are total jobs within the county. A high share of employed people leaving the county for employment could have an adverse impact on residency, particularly for individuals with lengthy commutes.

Employment and Economic Outlook

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed in June of 2024. According to the North Carolina Department of Commerce, there have been no WARN notice reports in Macon County within the past three years.

The 10 largest employers within Macon County are summarized in the following table. Employers within the Franklin ETJ are highlighted in **red** text.

Employer Name	Business Type	Total Employed
Macon County Public Schools	Education	500-999
Drake Software	Professional, Scientific, and Technical Services	250-499
Macon County	Public Administration	250-499
Ingles Markets, Inc.	Retail	250-499
Walmart Associates, Inc.	Retail	250-499
MH Angel Medical Center	Healthcare	250-499
Madison's Restaurant	Food Services	100-249
MH Highlands-Cashiers Medical Center	Healthcare	100-249
Beasley Flooring Products Inc.	Retail	100-249
Lowes Home Centers	Retail	100-249

Source: Macon County Economic Development Commission (June 2023)

As the preceding illustrates, eight of the top 10 employers in Macon County are located in the Franklin ETJ. It should also be noted that all eight are within the town limits of Franklin. Major employers in the Franklin ETJ are primarily engaged in education, professional/scientific/technical services, public administration, retail, and healthcare. As three of the 10 largest employers are involved in healthcare, public administration, or education, this helps to partially insulate the economy in the Franklin ETJ from economic fluctuations as these sectors are generally less vulnerable to economic downturns. However, it is also important to note that four of the top 10 employers in the Franklin ETJ are engaged in retail, which typically has a notable share of occupations with lower wages and is more susceptible to economic downturns. This contributes to the demand for affordable housing in the area. Regardless, major employers in the area are engaged in an array of business activities, which accommodates a variety of education and skill levels and is a positive attribute.

The following table summarizes economic development activity projects within Macon County that were identified through online research and/or through communication with representatives from the Macon County Economic Development Commission at the time of this analysis.

Economic Development Activity			
Project Name	**Investment**	**Job Creation**	**Scope of Work/Details**
Duotech	$6.5 Million	95	Announced in March 2024, this aerospace and defense contractor will expand operations in Franklin; Average salary will be $91,271
Frito Lay Warehouse Construction	N/A	N/A	Expected completion is summer/fall 2024
Franklin High School	$100 Million	N/A	In January 2024, school district was awarded a $62 million grant to aid in the construction of a new high school. The total cost is estimated at $100 million. Construction could begin in summer of 2024. Estimated completion date is unknown.

N/A – Not available

According to a representative with the Macon County Economic Development Commission, the Macon County economy is growing with various projects in progress or planned for the near future. As the preceding table illustrates, economic development activity totaling approximately $107 million has either been recently completed, is currently under construction, or is planned to commence in the near future. Overall, these projects have an estimated initial job creation impact of approximately 95 new jobs within Macon County. Most notably, the new jobs at the Duotech facility in Frankin will have an average salary of over $90,000. These new jobs will likely have an impact on housing demand, particularly for higher priced product, given the above average wages. No active large-scale infrastructure projects were identified at the time of research.

Commuting Data

The commuting efficiency and commuting patterns of an area can influence the overall appeal of a housing market, and ultimately determine where an individual chooses to reside. This section of the community overview provides detailed commuting data including mode, time, origin and destination, and other characteristics.

The following tables show commuting mode and time attributes for each study area:

		Commuting Mode						
		Drove Alone	**Carpooled**	**Public Transit**	**Walked**	**Other Means**	**Worked at Home**	**Total**
Franklin ETJ	Number	2,279	209	0	63	22	85	2,658
	Percent	85.7%	7.9%	0.0%	2.4%	0.8%	3.2%	100.0%
Macon County	Number	12,823	1,117	24	318	244	836	15,362
	Percent	83.5%	7.3%	0.2%	2.1%	1.6%	5.4%	100.0%
North Carolina	Number	3,701,249	424,447	39,003	78,758	66,636	609,526	4,919,619
	Percent	75.2%	8.6%	0.8%	1.6%	1.4%	12.4%	100.0%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Franklin ETJ	Number	1,191	469	500	296	118	85	2,659
	Percent	44.8%	17.6%	18.8%	11.1%	4.4%	3.2%	100.0%
Macon County	Number	5,873	4,444	2,092	1,336	781	836	15,362
	Percent	38.2%	28.9%	13.6%	8.7%	5.1%	5.4%	100.0%
North Carolina	Number	1,138,943	1,707,812	865,704	318,292	279,341	609,526	4,919,618
	Percent	23.2%	34.7%	17.6%	6.5%	5.7%	12.4%	100.0%

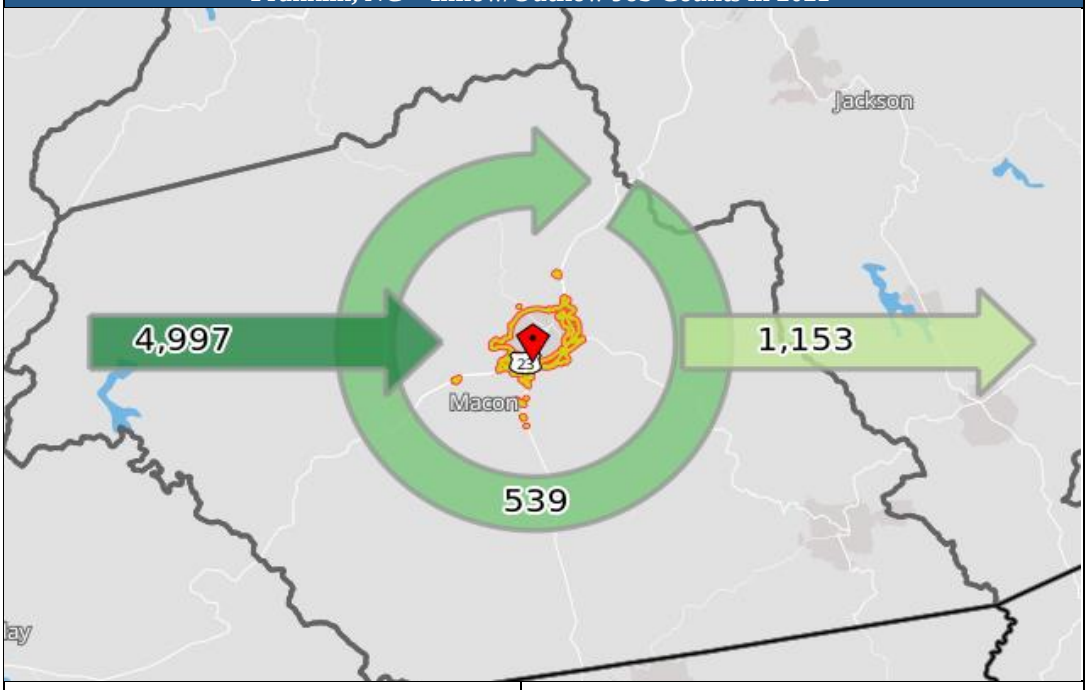
Source: U.S. Census Bureau, 2018-2022 American Community Survey

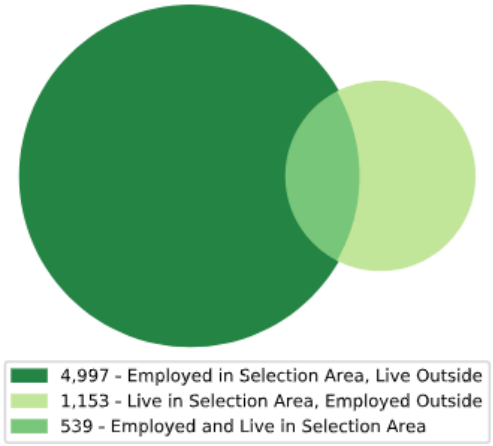
According to the 2018-2022 American Community Survey (ACS), 93.6% of Franklin ETJ commuters either drive alone or carpool to work, 2.4% walk to work, and 3.2% work from home. ACS also indicates that 62.4% of Franklin ETJ workers have commute times less than 30 minutes, while only 4.4% have commutes of 60 minutes or more. Although the Franklin ETJ has a smaller share of workers with very short commute times (less than 30 minutes) compared to the county share (67.1%), this is a larger share than the state (57.9%). The commuting data reflects people *living* in each study area and is not reflective of people commuting *into* the county for work.

According to 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 1,692 employed residents of the *town* of Franklin (data is not available for the Franklin ETJ), 1,153 (68.1%) are employed outside the town, while the remaining 539 (31.9%) are employed within Franklin. In addition, 4,997 people commute into Franklin from surrounding areas for employment. These 4,997 non-residents account for 90.3% of the people employed in the town and represent a notable base of potential support for future residential development. Although this data is for the town of Franklin, and not the entirety of the Franklin ETJ, it should be noted that 91.6% of employment in the Franklin ETJ is within the town limits.

The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters for the *town* of Franklin. The distribution of age and earnings for each commuter cohort is also provided.

Franklin, NC – Inflow/Outflow Job Counts in 2021





Inflow/Outflow Job Counts (All Jobs)

	2021 Count	Share
Employed in the Selection Area	5,536	100.0%
Employed in the Selection Area but Living Outside	4,997	90.3%
Employed and Living in the Selection Area	539	9.7%
Living in the Selection Area	1,692	100.0%
Living in the Selection Area but Employed Outside	1,153	68.1%
Living and Employed in the Selection Area	539	31.9%

Commuting *Flow* Analysis by Age and Earnings (2021, All Jobs)

Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	324	28.1%	1,154	23.1%	107	19.9%
Ages 30 to 54	560	48.6%	2,363	47.3%	267	49.5%
Ages 55 or older	269	23.3%	1,480	29.6%	165	30.6%
Earning <$1,250 per month	283	24.5%	1,164	23.3%	115	21.3%
Earning $1,251 to $3,333	438	38.0%	1,902	38.1%	221	41.0%
Earning $3,333+ per month	432	37.5%	1,931	38.6%	203	37.7%
Total Worker Flow	**1,153**	**100.0%**	**4,997**	**100.0%**	**539**	**100.0%**

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)
Note: Figures do not include contract employees and self-employed workers

Of the town's 4,997 in-commuters, approximately 47.3% are between the ages of 30 and 54 years, 23.1% are under the age of 30, and 29.6% are aged 55 or older. As such, inflow workers are typically older than outflow workers in Franklin. The largest share (38.6%) of inflow workers earns $3,333 or more per month ($40,000 or more annually), followed closely by workers earning between $1,251 and $3,333 per month (38.1%). By comparison, a slightly smaller share (37.5%) of outflow workers earns $3,333 or more per month. Based on the preceding data, people that commute *into* Franklin for employment are typically older and marginally more likely to earn moderate to high wages when compared to residents commuting out of the area for work. Regardless, given the diversity of incomes and ages of the approximately 5,000 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in the Franklin ETJ.

D. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for the Franklin ETJ for 2023 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2023 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Franklin ETJ	Number	2,864	1,815	1,049	620	3,484
	Percent	82.2%	63.4%	36.6%	17.8%	100.0%
Macon County	Number	16,970	12,537	4,433	10,990	27,960
	Percent	60.7%	73.9%	26.1%	39.3%	100.0%
North Carolina	Number	4,313,420	2,852,237	1,461,183	572,321	4,885,741
	Percent	88.3%	66.1%	33.9%	11.7%	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 3,484 housing units within the Franklin ETJ in 2023. Based on ESRI estimates and Census data, of the 2,864 total *occupied* housing units in the area, 63.4% are owner occupied, while the remaining 36.6% are renter occupied. Overall, the Franklin ETJ has a larger proportion of renter-occupied housing units compared to the county (26.1%) and state (33.9%). In addition, approximately 17.8% of the housing units within the Franklin ETJ are classified as vacant, which is a significantly lower share than that reported for the county (39.3%), but higher than the statewide share (11.7%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. According to 2022 American Community Survey data, 62.7% of all vacant units in the Franklin ETJ are seasonal/recreational units, which equates to approximately 410 housing units in 2022. Thus, the majority of vacant housing units within the area of the Franklin ETJ are not reflective of long-term housing alternatives for area residents.

The following table compares key housing age and conditions based on 2018-2022 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Franklin ETJ	128	14.1%	481	21.5%	42	4.6%	18	0.8%	0	0.0%	10	0.4%
Macon County	974	21.4%	2,272	17.7%	85	1.9%	142	1.1%	17	0.4%	78	0.6%
North Carolina	324,949	23.4%	581,739	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

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

In the Franklin ETJ Submarket, 14.1% of the renter-occupied housing units and 21.5% of the owner-occupied housing units were built prior to 1970. As a result, the rental housing stock in the area appears to be, on average, newer than the rental housing units in North Carolina and the owner-occupied housing appears to be of similar age as compared to owner housing units in the state. As compared to Macon County, rental housing within the Franklin ETJ is generally newer while owner housing units are generally older. While the share of renter households (4.6%) in the Franklin ETJ that experience overcrowding is higher than the share for the county (1.9%) and state (4.0%), the share of owner households (0.8%) with this issue is lower than the shares in the county (1.1%) and state (1.3%). Incomplete plumbing or kitchens does not appear to be a prevalent issue within the Franklin ETJ, regardless of tenure (owners versus renters), although 0.4% of owners in the area experience this issue. Overall, the most significant housing issue present in the Franklin ETJ is overcrowding among renter households. This is likely the result of the larger combined share of studio and one-bedroom rental units in the Franklin ETJ compared to the share in Macon County, which 2022 American Community Survey reports as 26.8% and 16.7%, respectively.

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Franklin ETJ	2,864	$43,092	$175,207	$816	50.8%	13.6%	14.5%	6.2%
Macon County	16,970	$54,595	$222,341	$891	40.6%	16.5%	20.1%	7.9%
North Carolina	4,313,420	$65,852	$262,944	$1,173	43.6%	18.9%	20.8%	7.7%

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

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The estimated median home value in the Franklin ETJ of $175,207 is 21.2% lower than the median home value for Macon County ($222,341) and 33.4% lower than that reported for the state ($262,944). Similarly, the average gross rent of $816 in the Franklin ETJ is notably lower than the county and state average gross rents of $891 and $1,173, respectively. Despite the lower average gross rent, there is a comparably high share (50.8%) of cost burdened renter households in the Franklin ETJ. Conversely, there is a lower share (13.6%) cost burdened owner households in the area. Overall, the Franklin ETJ has an estimated 533 renter households and 247 owner households that are housing cost burdened. Furthermore, there are approximately 152 renter households and 113 owner households that are severe cost burdened (paying more than 50% of income toward housing). With 780 cost burdened households (27.2% of all households) in the area, affordable housing alternatives should be part of future housing solutions.

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

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Franklin ETJ	Number	544	200	167	911	1,614	30	589	2,233
	Percent	59.7%	22.0%	18.3%	100.0%	72.3%	1.3%	26.4%	100.0%
Macon County	Number	2,952	716	883	4,551	10,524	87	2,224	12,835
	Percent	64.9%	15.7%	19.4%	100.0%	82.0%	0.7%	17.3%	100.0%
North Carolina	Number	707,626	519,370	160,272	1,387,268	2,396,173	31,813	289,959	2,717,945
	Percent	51.0%	37.4%	11.6%	100.0%	88.2%	1.2%	10.7%	100.0%

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

In total, 78.0% of the *rental* units in the Franklin ETJ are within structures of four units or less and mobile homes. This is a lower share of such units when compared to that of the county (84.3%), but higher than the statewide share (62.6%). As such, non-conventional rental units (structures of four units or less and mobile homes) comprise the majority of the overall rental supply in the area. Nonetheless, multifamily rental units (structures of five or more units) account for a larger share (22.0%) of the rental units as compared to Macon County and play a critical role in the rental supply within the Franklin ETJ.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within each of the study areas. While this data encompasses all rental units, which includes multifamily apartments, over three-quarters (78.0%) of the area's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<$300	$300 - $500	$500 - $750	$750 - $1,000	$1,000 - $1,500	$1,500 - $2,000	$2,000+	No Cash Rent	Total
Franklin ETJ	Number	25	92	215	365	122	7	9	74	909
	Percent	2.8%	10.1%	23.7%	40.2%	13.4%	0.8%	1.0%	8.1%	100.0%
Macon County	Number	171	296	1,015	1,459	771	54	161	624	4,551
	Percent	3.8%	6.5%	22.3%	32.1%	16.9%	1.2%	3.5%	13.7%	100.0%
North Carolina	Number	37,643	62,805	177,525	272,257	462,187	200,760	83,754	90,339	1,387,270
	Percent	2.7%	4.5%	12.8%	19.6%	33.3%	14.5%	6.0%	6.5%	100.0%

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

As the preceding table illustrates, the largest share (40.2%) of Franklin ETJ rental units have rents between $750 and $1,000, followed by units with rents between $500 and $750 (23.7%). Collectively, units with gross rents below $1,000 account for more than three-quarters (76.8%) of all Franklin ETJ rentals, while rental units with rents of $1,500 or more only account for 1.8% of all rentals in the area. This is a much larger share of units with rents of $1,000 or less as compared to the county (64.7%) and state (39.6%) and illustrates the dominance of low and moderate priced rental product in the area.

Bowen National Research's Survey of Housing Supply

Multifamily Rental Housing

A field survey of conventional apartment properties was conducted as part of this Housing Needs Assessment. The following table summarizes the surveyed multifamily rental supply in the Franklin ETJ Submarket. Note that the PSA (Macon County) includes projects and units located within the Franklin ETJ.

Overall Market Performance by Program Type by Area		
Data Set	**Franklin ETJ**	**Macon County**
Market-Rate		
Projects	1	2
Total Units	18	30
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%
Tax Credit (Non-Subsidized)		
Projects	4	4
Total Units	216	216
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%
Government Subsidized		
Projects	2	2
Total Units	70	70
Vacant Units	0	0
Occupancy Rate	100.0%	100.0%

Source: Bowen National Research

Within the Franklin ETJ, seven multifamily apartment properties were surveyed, comprising a total of 304 units which represent approximately 96.2% of all multifamily rental units surveyed within Macon County. Thus, nearly all of the multifamily rental units within the county are located in the Franklin ETJ Submarket. The vast majority (71.1%) of the total units consist of Tax Credit units, followed by government-subsidized units (23.0%). The multifamily rental supply within the Franklin ETJ is operating at an overall occupancy rate of 100.0% (0.0% vacancy rate). Typically, healthy, well-balanced multifamily rental markets operate at occupancy rates between 94% and 96%. Regardless of program type or household income level, the preceding illustrates that households have virtually no available options to choose from when seeking multifamily rentals in the Franklin ETJ.

The following table illustrates the number and extent of waiting lists by program type and area. Note that the PSA (Macon County) includes projects and units located within the Franklin ETJ.

Waiting Lists by Program Type by Area		
Waiting List Metric	**Franklin ETJ**	**Macon County**
Market-Rate		
Projects Maintaining Wait Lists	1	2
Share of Projects	100.0%	100.0%
Households/Length of Time	15 HH	30 HH
Tax Credit (Non-Subsidized)		
Projects Maintaining Wait Lists	4	4
Share of Projects	100.0%	100.0%
Households/Length of Time	288 HH	288 HH
Government Subsidized		
Projects Maintaining Wait Lists	2	2
Share of Projects	100.0%	100.0%
Households/Length of Time	20 HH/12 Months	20 HH/12 Months

Source: Bowen National Research
HH – Households

As the preceding illustrates, all seven projects in the Franklin ETJ and all eight projects in the PSA currently maintain waiting lists. Tax Credit projects, which have a total of 288 households on waiting lists in the Franklin ETJ, and within the entirety of Macon County, appear to have a significant level of pent-up demand. While the number of households on waiting lists for market-rate (15 households) and government-subsidized (20 households) units are comparably less, the presence of waiting lists for each program type indicates demand for multifamily rental housing is strong in both the Franklin ETJ and Macon County and likely indicates a development opportunity may exist.

The following table summarizes the unit distribution of each multifamily rental housing segment surveyed in the Franklin ETJ Submarket.

Market-Rate						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Two-Bedroom	2.0	18	100.0%	0	0.0%	$900
Total Market-Rate		**18**	**100.0%**	**0**	**0.0%**	-
Tax Credit (Non-Subsidized)						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
One-Bedroom	1.0	36	16.7%	0	0.0%	$659
Two-Bedroom	1.0	102	47.2%	0	0.0%	$740
Two-Bedroom	2.0	30	13.9%	0	0.0%	$770
Three-Bedroom	2.0	48	22.2%	0	0.0%	$850
Total Tax Credit		**216**	**100.0%**	**0**	**0.0%**	-
Government Subsidized						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Studio	1.0	8	11.4%	0	0.0%	-
One-Bedroom	1.0	32	45.7%	0	0.0%	-
Two-Bedroom	1.0	24	34.3%	0	0.0%	-
Two-Bedroom	1.5	6	8.6%	0	0.0%	-
Total Government Subsidized		**70**	**100.0%**	**0**	**0.0%**	-

Among the market-rate units surveyed, all units are a two-bedroom/two-bathroom configuration. These units have a median collected rent of $900. Two-bedroom/one-bathroom Tax Credit units comprise the largest share (47.2%) of the total units operating under this program type within the Franklin ETJ. The median collected rent for this Tax Credit configuration is $740, while the overall median rents for Tax Credit units range from $659 (one-bedroom/one-bathroom) to $850 (three-bedroom/two-bathroom). Among the government-subsidized units in the Franklin ETJ, one-bedroom/one-bathroom (45.7%) and two-bedroom/one-bathroom (34.3%) units comprise the largest shares. Overall, there is a relatively balanced mix of bedroom/bathroom configurations within the Tax Credit and government-subsidized projects; however, the market-rate product lacks this variety of configurations. Given the lack of vacancies and noteworthy waiting lists for each program type, there are likely development opportunities in the market for a variety of multifamily apartment configurations to meet pent-up demand.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, and mobile homes and account for 78.0% of the total rental units in the Franklin ETJ Submarket.

Bowen National Research conducted a survey during May and June 2024 and identified seven non-conventional rentals that were listed as *available* for rent in the entirety of the PSA (Macon County). Of these, only one unit was located within the Franklin ETJ. A summary of the characteristics for this unit follows.

Available Non-Conventional Rental Units				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Franklin ETJ				
Three-Bedroom	1	$2,400	$2,400	$1.60

Source: Bowen National Research

It is difficult to assess the typical characteristics of the overall inventory of non-conventional rentals in the Franklin ETJ based on the limited data provided by the preceding table. However, the limited data indicates there is a lack of available non-conventional rentals in the area. In addition, the available non-conventional unit has a much higher rent ($2,400) compared to the three-bedroom Tax Credit apartments ($850) in the area. As such, it is unlikely that most low-income households in the area could afford the available unit, even if the bedroom configuration were to meet their needs. It is also important to note that the listed rent for the available non-conventional unit likely does not include utility expenses, which are typically $200 per month or higher. Overall, there is extremely low availability of non-conventional rental units, and these units likely do not present an affordable housing option for many households in the area.

For-Sale Housing

The following table summarizes the available (as of March 8, 2024) and recently sold (between January 1, 2020 and July 14, 2024) housing stock for the Franklin ETJ.

Franklin ETJ - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available*	13	$265,000
Sold**	380	$194,950

Source: Redfin.com; Bowen National Research
*As of March 8, 2024
**Sales from Jan. 1, 2020 to July 14, 2024

The available for-sale housing stock in the Franklin ETJ as of March 8, 2024 consists of 13 total units with a median list price of $265,000. The 13 available units represent only 7.3% of the 179 total available units within Macon County and 0.7% of the estimated 1,815 owner-occupied units in the Franklin ETJ. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase (availability rate) to allow for inner-market mobility and to enable the market to attract new households. Historical sales from January 2020 to July 2024 consisted of 380 homes which had a median sales price of $194,950. Based on recent historical sales volume (7.0 homes per month), the 13 available units in the Franklin ETJ represent approximately 1.9 months of available supply (Months Supply of Inventory, or MSI). Healthy for-sale housing markets usually have between four and six months of available supply. As such, the availability rate and MSI both indicate there is a lack of available for-sale supply in the Franklin ETJ.

The following table illustrates recent sales activity by *price point* from January 1, 2020 to July 14, 2024 for the Franklin ETJ.

Franklin ETJ Sales History by Price (January 1, 2020 to July 14, 2024)		
Sales Price	Number Available	Percent of Supply
Up to $99,999	70	18.4%
$100,000 to $199,999	132	34.7%
$200,000 to $299,999	119	31.3%
$300,000 to $399,999	44	11.6%
$400,000+	15	3.9%
Total	380	100.0%

Source: Redfin.com; Bowen National Research

Among the recent historical home sales in the Franklin ETJ, the largest share (34.7%) was homes priced between $100,000 and $199,999, followed by homes priced between $200,000 and $299,999 (31.3%). Overall, the recent historical sales in the area represent a reasonably well-balanced distribution of home sales by price point. This is a positive attribute within the market and offers home ownership options for a variety of income levels, including lower-income households and first-time homebuyers.

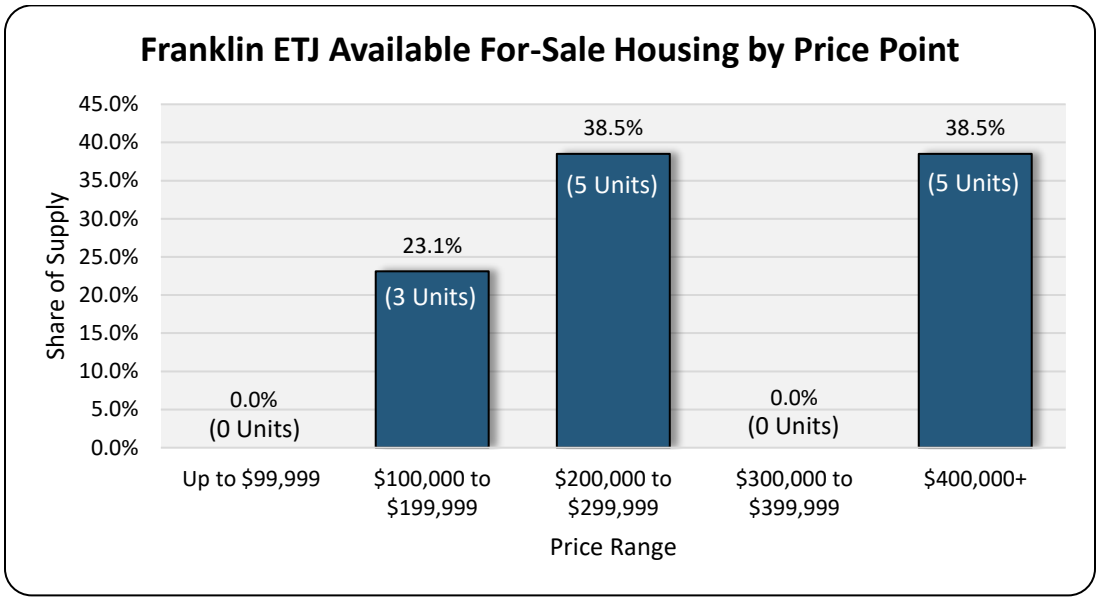
The following table summarizes the distribution of ***available*** for-sale residential units by *price point* for the Franklin ETJ:

Franklin ETJ Available For-Sale Housing by List Price (As of As of March 8, 2024)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to $99,999	0	0.0%	-
$100,000 to $199,999	3	23.1%	15
$200,000 to $299,999	5	38.5%	92
$300,000 to $399,999	0	0.0%	-
$400,000+	5	38.5%	117
Total	13	100.0%	84

Source: Redfin.com; Bowen National Research

As of March 8, 2024, there are 13 homes available for purchase in the Franklin ETJ Submarket. The vast majority of the available housing units in the area are priced between $200,000 and $299,999 (38.5%) or $400,000 or higher (38.5%), while three units (11.1%) are priced between $100,000 and $199,999. This represents a much less balanced distribution of homes by price point as compared to recent historical sales and can limit the ability of lower-income households to pursue home ownership in the area. In addition, the data shows the average days on market increases as the price point increases, which suggests there is a higher demand for lower priced product in the area. However, the days on market data is based on a limited number of homes and definitive conclusions should not be made from this data alone. Regardless, there are very few homes available within the Franklin ETJ and nearly all are contained within just two price point ranges. This constrains the options available to prospective homebuyers and can limit household growth in the area.

The distribution of available homes in the Franklin ETJ Submarket by *price point* is illustrated in the following graph:



The distribution of available homes by *bedroom type* is summarized in the following table.

Franklin ETJ Available For-Sale Housing by Bedrooms (As of As of March 8, 2024)

Bedrooms	Number Available	Average Square Feet*	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.*	Average Days on Market
One-Br.	1	N/A	2022	$235,000	$235,000	N/A	251
Two-Br.	4	1,084	1971	$119,500 - $205,000	$159,900	$195.72	36
Three-Br.	5	1,799	1987	$249,900 - $479,500	$279,900	$266.54	51
Four-Br.	2	2,040	1966	$425,000 - $560,000	$492,500	$208.33	165
Five+-Br.	1	4,600	1872	$2,800,000	$2,800,000	$608.70	108
Total	13	2,121	1973	$119,500 - $2,800,000	$265,000	$249.86	84

Source: Redfin.com & Bowen National Research
*Excludes eight (8) listings with no square footage information

As shown in the preceding table, the available homes in the area are distributed among a variety of bedroom types. Three-bedroom homes comprise the largest share (38.5%) of the available for-sale housing product, followed by two-bedroom (30.8%) and four-bedroom (15.4%) homes. The median list price for these bedroom configurations ranges between $159,900 (two-bedroom) and $492,500 (four-bedroom), with three-bedroom homes having a median list price of $279,900. With an overall average year built of 1973, a number of the available homes in the area are relatively dated. In some cases, older homes may require costly repairs and/or modernization, which can add to the overall cost of purchasing these homes.

Planned and Proposed Residential Development

We conducted interviews with representatives of area building and permitting departments and conducted extensive online research to identify residential projects either planned for development or currently under construction within the Franklin ETJ. Note that additional projects may have been introduced into the pipeline and/or the status of existing projects may have changed since the time interviews and research were completed. Note that projects within the Franklin ETJ are highlighted in **red** text.

Pipeline Housing Developments – Franklin ETJ				
Project Name & Address	**Type**	**Units**	**Developer**	**Status/ Details**
Rental Housing				
Abbington Mill 81 Allman Drive Franklin*	Tax Credit	48	WJR NC Partners II, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Franklin Falls 68 Firefly Lane Franklin**	Tax Credit	60	Solstice Partners	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Lofts of Franklin 227 Siler Road Franklin**	Tax Credit Senior	54	WDT Development, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Vesta Highlands 1655 Highlands Road Franklin*	Tax Credit	52	Gateway Development Corporation	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
For-Sale Housing				
Sanctuary Village 49 Village Circle East Franklin*	Single-Family	Estimated 162	Buchanan Construction	**Under Construction:** Two to four bedrooms; Homes from the $400,000s; Square feet 1,450 to 2,251
Scenic Ridge 9 Scenic Ridge Circle Franklin	Single-Family	52	Phil Drake	**Planned:** Infrastructure has begun; Lots from $40,000 to $500,000

*Located within the Franklin town limits
**Located outside Franklin town limits but inside Franklin ETJ

As the preceding illustrates, there are currently four residential rental projects proposed in the Franklin ETJ (two within the town limits) consisting of 214 total units. Of these, all units are Tax Credit units, and 54 units (25.2%) are age-restricted to seniors. In regard to for-sale housing developments, there is currently one development under construction within the Franklin ETJ (located within town limits), which will total approximately 162 single-family units when complete. These units will range in size from 1,450 to 2,251 square feet and have a starting price of around $400,000. In addition, there is another development currently in the planning stage (infrastructure development has commenced) just outside the Franklin ETJ which will consist of 52 properties with lots ranging in price from $40,000 to $500,000.

Based on the preceding analysis, there is notable residential development (both rental and for-sale) in the development pipeline.

E. OTHER HOUSING FACTORS

Development Opportunities

Cursory research was conducted to identify potential sites for residential development. While this likely does not include all possible sites, this overview gives some insight into potential development opportunities in and around the Franklin ETJ. A detailed listing of these development sites is included in Section VII (Other Housing Market Factors) of this Housing Needs Assessment, starting on page VII-20.

Development Opportunity Sites (Franklin ETJ)					
Number of Sites	Zoning Type	Land Size Range (Acres)	Total Acreage	Sites with Existing Buildings	Building Size Range (Sq. Ft.)
6	R-1 Residential	1.56 - 26.42	171.00	3	1,552 – 1,962
2	R-2 Residential	4.32 – 9.21	13.53	0	N/A
1	TND (Traditional Neighborhood Development)	7.72	7.72	0	N/A
3	NMU (Neighborhood Mixed-Use)	0.81 – 1.63	3.41	2	2,352 – 5,800
1	C-1 Central Commercial	0.22	0.22	1	1,875
6	C-2 Secondary Commercial	0.12 – 5.85	18.18	4	1,552 – 4,000
7	C-3 Highway Commercial	0.80 – 32.82	72.62	1	35,816
1	MICR (Medical Institutional Cultural Residential)	2.71	2.71	1	4,696
1	C-1 Central Commercial MICR (Medical Institutional Cultural Residential) Residential	16.62	16.62	1	161,302
5	No Zoning	1.29 – 100.13	153.88	3	2,800 – 7,130

Sources: LoopNet, Realtor.com, Macon County GIS and several other real estate websites.
Note: Total land area includes total building area.

Based on this review, 33 sites were identified in the Franklin ETJ that were marketed as available for potential residential development. As a result, it appears that there are a significant number of available sites in the area that could potentially support residential development.

F. COMMUNITY INPUT SURVEYS

To gain information, perspective and insight about Macon County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers and Residents/Commuters. These surveys were conducted during April and May of 2024 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

In total, 847 survey responses were received from a broad cross section of the community through online surveys conducted via SurveyMonkey.com. The full results of these surveys are included in Section IX (Community Input) of this Housing Needs Assessment. The following summarizes the results specific to the town of Franklin and Franklin ETJ Submarket. Note that the stakeholder survey asked questions for specific areas of Macon County, which includes Franklin.

Franklin/Franklin ETJ Submarket, North Carolina Summary of Stakeholder, Resident/Commuter, and Employer Surveys		
Category	**Top Needs / Issues**	**Consensus**
Stakeholder Survey		
Housing Needs by Price Point	• Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000) • For-Sale Housing ($200,000-$299,999)	**100.0*** **90.6*** **75.0***
Housing Needs by Style	• Multifamily Apartments • Ranch Homes/Single Floor Plan Units	**66.7%** **41.7%**
Common Housing Issues	• Limited Availability • Rent Affordability • Home Purchase Affordability	**72.0%** **56.0%** **36.0%**
Priority by Construction Type	• New Construction • Repair/Renovation/Revitalization of Existing Housing	**84.2*** **75.0***
Common Residential Barriers	• Cost of Land • Cost of Labor/Materials • Housing Converting to Short-Term/Vacation Rentals	**60.0%** **56.0%** **36.0%**
Resident/Commuter Survey		
Note that the resident/commuter survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Franklin and the Franklin ETJ Submarket, specifically, are included in this summary. • Among the 30 non-resident respondents of Macon County providing feedback, 36.7% (11 respondents) cited the Franklin area as their preferred area of relocation if they were to move to Macon County. • One non-resident respondent noted the need for "*affordable housing in a decent area*" when asked if any factors could be addressed, added, or changed to increase their likelihood of relocation to Macon County/Franklin. • When asked why it is difficult for people to find suitable housing in Macon County, one respondent indicated that *"…prices are high because of high demand and low supply…The only way to balance the market is to increase supply drastically for (seniors) 55+ and disabled.*" The respondent also noted that cooperation among communities to fund developments within Franklin could benefit all of Macon County. • One respondent noted that rental demand may be reduced if "*the town of Franklin could provide subsidies for disabled and elderly to go towards buying homes…*" Other general topics cited by survey respondents specific to Franklin included: *long commute times to employment from Franklin, workforce housing affordability, overall housing availability, and Housing Choice Vouchers not being accepted.*		
Employer Survey		
Note that the employer survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Franklin and the Franklin ETJ Submarket, specifically, are included in this summary. • Employers were asked if they had any issues, insights, or solutions to addressing area housing needs. One respondent noted that *public transit/shuttle services from Franklin (and Clayton) could help with employee retention issues.*		

Overall, survey responses from each of the target groups indicate that over one-third (36.7%) of non-residents would prefer to live in Franklin if relocating to Macon County, and the area is most in need of affordable to moderately priced multifamily rentals and single story for-sale housing. The most common housing issue in the area is limited availability, followed by affordability of both rentals and for-sale housing. Respondents believe new housing and the repairs/revitalization of existing housing should be priorities; however, the cost of land and labor/materials are the primary barriers to development. Other specific needs and issues cited by respondents include the need for housing and subsidies targeting seniors and people with a disability, lengthy commute times, the need for public transit/shuttle services for the workforce, affordable workforce housing, and the inability to use Housing Choice Vouchers.

G. HOUSING GAP ESTIMATES

The following tables summarize the rental and for-sale housing gaps by income and affordability levels for Macon County and the Franklin ETJ. Details of the methodology used in this analysis are provided in Section VIII of this report.

	Macon County / Franklin ETJ, North Carolina Rental Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**<$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Monthly Rent Range	**≤ $916**	**$917-$1,466**	**$1,467-$2,169**	**$2,170+**
Household Growth	-265	14	111	87
Balanced Market*	75	40	29	28
Replacement Housing**	91	16	6	0
External Market Support^	56	39	21	14
Severe Cost Burdened^^	160	80	27	0
Step-Down Support	57	20	-13	-64
Less Pipeline Units	0	0	0	0
County Housing Gap	174	209	181	65
Franklin ETJ Rental Housing Gap	**41 to 174**	**50 to 209**	**43 to 181**	**15 to 65**

*Based on Bowen National Research's survey of area rentals
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

	Macon County / Franklin ETJ, North Carolina For-Sale Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**<$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Price Point	**≤ $122,167**	**$122,168-$195,467**	**$195,468-$289,200**	**$289,201+**
Household Growth	-364	-83	-39	1,087
Balanced Market*	102	55	49	0
Replacement Housing**	78	24	12	0
External Market Support^	83	103	80	106
Severe Cost Burdened^^	119	59	20	0
Step-Down Support	47	2	548	-597
Less Pipeline Units	0	0	0	0
County Housing Gap	65	160	670	596
Franklin ETJ For-Sale Housing Gap	**9 to 65**	**23 to 160**	**97 to 670**	**86 to 596**

*Based on MLS inventory of available homes
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

As the preceding illustrates, the Franklin ETJ has a *minimum* overall housing gap of 364 units, for at least 149 rental units and at least 215 for-sale units over the next five years. It is important to understand that these are the *minimum* housing gaps for this submarket, which are based on current household shares by tenure (renter/owner) for the Franklin ETJ Submarket relative to the overall base of households (renter/owner) for the county. The maximum housing gaps illustrated in the preceding table are equal to the housing gaps for Macon County as a whole, as it is possible that new development concentrated in the Franklin ETJ Submarket could meet the needs of the entire county. Of course, this assumes that a wide variety of housing product is developed in terms of design, pricing, location etc., that would meet the needs of all renters/owners within the county. As it is unlikely that housing product meeting the needs of all potential renters/owners would be developed in the Franklin ETJ Submarket, the effective housing gaps for the submarket will fall somewhere between the minimum and maximum estimates detailed in the preceding tables. Development within the Franklin ETJ Submarket should be prioritized to the housing product showing the greatest gaps.

ADDENDUM F: HIGHLANDS/FLATS OVERVIEW

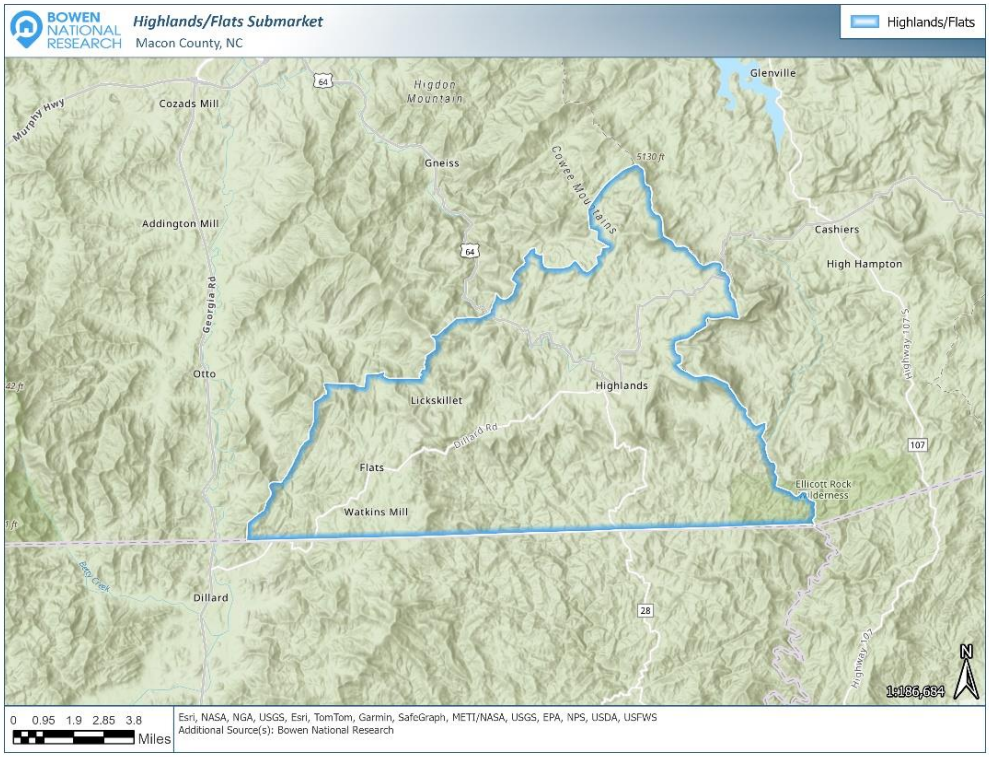
While the primary focus of this Housing Needs Assessment is on the entirety of the Primary Study Area, or PSA (Macon County), this section of the report includes a cursory overview of demographic, economic, and housing metrics specific to the Highlands/Flats Submarket. The Highlands/Flats Submarket includes the town of Highlands, Highlands Township, and Flats Township. To provide a base of comparison, various metrics of the Highlands/Flats Submarket were compared with the entirety of Macon County and statewide numbers.

The analyses on the following pages provide overviews of key demographic and economic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity. Note that some topics presented in this analysis, particularly migration and economic data, may be limited to the town of Highlands or county-based metrics due to the availability of data.

A. INTRODUCTION

The Highlands/Flats Submarket is located in the southeastern portion of Macon County. Highlands/Flats contains approximately 72.4 square miles and has an estimated population of 3,896 in 2023, which is representative of approximately 10.2% of the total population in Macon County. Major arterials that serve the area include U.S. Highway 64 and State Routes 28 and 106. Note that the town of Highlands includes portions of Macon County and Jackson County, though the majority of the town is in Macon County. For the purpose of our analysis, which focuses on the housing needs of Macon County, portions of Highlands in Jackson County have been omitted from this analysis.

A map illustrating the Highlands/Flats Submarket is on the following page.



B. DEMOGRAPHICS

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020 Number	Change 2010-2020 Percent	2023 Estimated	Change 2020-2023 Number	Change 2020-2023 Percent	2028 Projected	Change 2023-2028 Number	Change 2023-2028 Percent
Highlands/Flats	3,216	3,788	**572**	**17.8%**	3,896	**108**	**2.9%**	3,919	**23**	**0.6%**
Macon County	33,922	37,014	**3,092**	**9.1%**	38,235	**1,221**	**3.3%**	39,297	**1,062**	**2.8%**
North Carolina	9,535,419	10,439,314	**903,895**	**9.5%**	10,765,602	**326,288**	**3.1%**	11,052,082	**286,480**	**2.7%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within the Highlands/Flats Submarket increased by 572 (17.8%), which is significantly higher than the increases for Macon County (9.1%) and the state (9.5%) during the same time period. An estimated population increase of 2.9% occurred within Highlands/Flats between 2020 and 2023, and it is projected that the population will further increase by 0.6% between 2023 and 2028. The estimated and projected increases within Highlands/Flats for these two time periods are both less than the corresponding increases (3.3% and 2.8%) for Macon County. It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities.

Other notable population statistics for the Highlands/Flats Submarket include the following:

- Minorities comprise 11.2% of the area's population, which is slightly lower than the PSA share (13.3%), but much lower than the statewide share of 37.8%.
- Married persons represent 61.6% of the adult population, which is higher than the shares for the PSA (58.2%) and state of North Carolina (51.1%).
- The adult population without a high school diploma is 8.2%, which is lower than the shares for the PSA (9.5%) and state (9.3%).
- Approximately 10.4% of the area's population lives in poverty, which is notably lower than the PSA share (15.4%) and the statewide share (13.3%).
- The annual movership rate (population moving within or to Highlands/Flats) is 23.6%, which is a significantly higher share than the PSA (14.7%) and statewide (13.8%) shares.

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in red text, while increases are illustrated in green text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2023 Estimated	Change 2020-2023		2028 Projected	Change 2023-2028	
			Number	Percent		Number	Percent		Number	Percent
Highlands/Flats	1,488	1,819	**331**	**22.2%**	1,863	**44**	**2.4%**	1,879	**16**	**0.9%**
Macon County	14,591	16,379	**1,788**	**12.3%**	16,970	**591**	**3.6%**	17,518	**548**	**3.2%**
North Carolina	3,745,130	4,160,833	**415,703**	**11.1%**	4,313,420	**152,587**	**3.7%**	4,462,388	**148,968**	**3.5%**

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the total number of households within the Highlands/Flats Submarket increased by 331 (22.2%), which is a much larger increase as compared to Macon County (12.3%) and the state of North Carolina (11.1%) during this same time period. The number of households in Highlands/Flats increased by 2.4% between 2020 and 2023, and it is projected that the number of households in the area will increase by 0.9% between 2023 and 2028. The estimated and projected increases within Macon County and the state are higher than those for Highlands/Flats for both time periods.

It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs. These factors are addressed throughout this report.

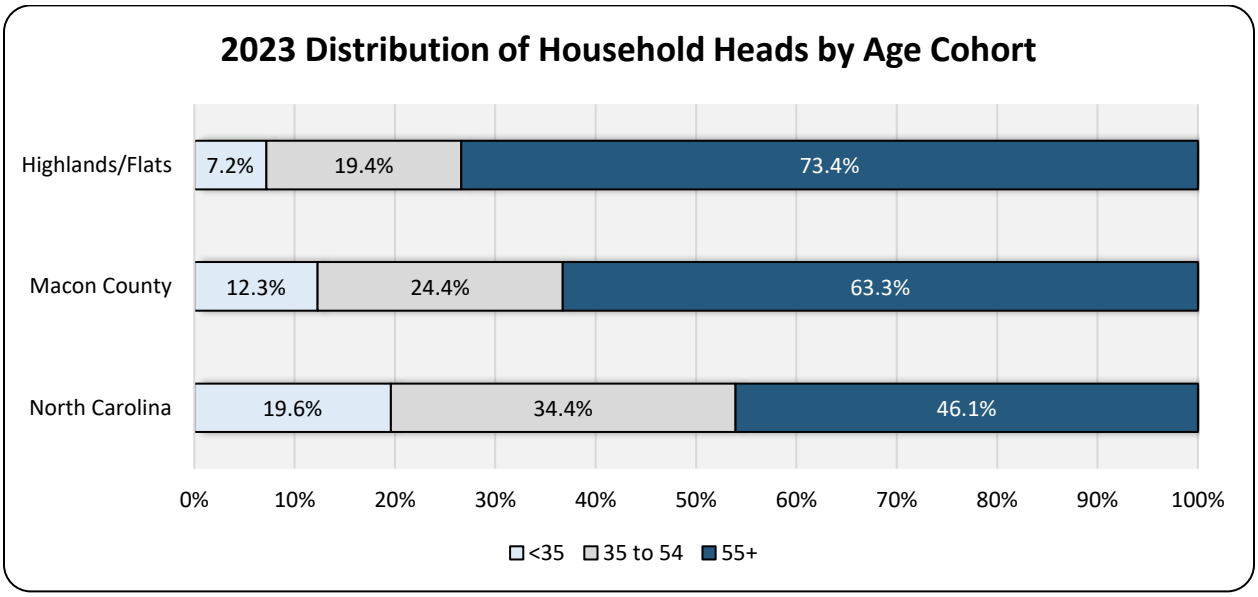
Household heads by age cohorts for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

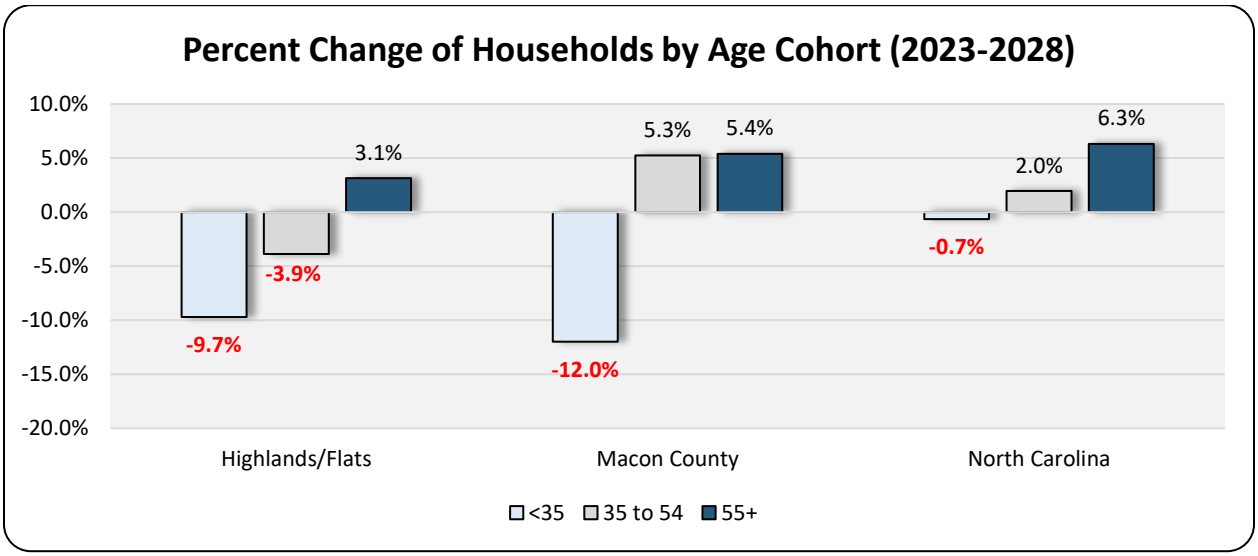
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Highlands/Flats	2020	40 (2.2%)	124 (6.8%)	162 (8.9%)	197 (10.8%)	377 (20.7%)	505 (27.7%)	415 (22.8%)
	2023	13 (0.7%)	121 (6.5%)	153 (8.2%)	208 (11.2%)	400 (21.5%)	561 (30.1%)	407 (21.8%)
	2028	12 (0.6%)	109 (5.8%)	150 (8.0%)	197 (10.5%)	351 (18.7%)	568 (30.2%)	492 (26.2%)
	Change 2023-2028	**-1 (-7.7%)**	**-12 (-9.9%)**	**-3 (-2.0%)**	**-11 (-5.3%)**	**-49 (-12.3%)**	**7 (1.2%)**	**85 (20.9%)**
Macon County	2020	400 (2.4%)	1,476 (9.0%)	1,820 (11.1%)	2,213 (13.5%)	3,420 (20.9%)	3,923 (24.0%)	3,127 (19.1%)
	2023	394 (2.3%)	1,691 (10.0%)	1,905 (11.2%)	2,240 (13.2%)	3,343 (19.7%)	4,144 (24.4%)	3,253 (19.2%)
	2028	392 (2.2%)	1,443 (8.2%)	2,108 (12.0%)	2,255 (12.9%)	3,062 (17.5%)	4,260 (24.3%)	3,998 (22.8%)
	Change 2023-2028	**-2 (-0.5%)**	**-248 (-14.7%)**	**203 (10.7%)**	**15 (0.7%)**	**-281 (-8.4%)**	**116 (2.8%)**	**745 (22.9%)**
North Carolina	2020	166,754 (4.0%)	621,488 (14.9%)	687,434 (16.5%)	750,220 (18.0%)	804,418 (19.3%)	670,733 (16.1%)	459,788 (11.1%)
	2023	184,917 (4.3%)	659,947 (15.3%)	751,279 (17.4%)	732,946 (17.0%)	784,877 (18.2%)	714,141 (16.6%)	485,313 (11.3%)
	2028	191,110 (4.3%)	648,222 (14.5%)	774,500 (17.4%)	738,908 (16.6%)	748,818 (16.8%)	746,802 (16.7%)	614,028 (13.8%)
	Change 2023-2028	**6,193 (3.3%)**	**-11,725 (-1.8%)**	**23,221 (3.1%)**	**5,962 (0.8%)**	**-36,059 (-4.6%)**	**32,661 (4.6%)**	**128,715 (26.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, household heads ages 65 to 74 years and those 75 years and older comprise the largest shares of households (30.1% and 21.8%, respectively) by age in the Highlands/Flats Submarket. Overall, senior households (ages 55 and older) comprise 73.4% of all households within Highlands/Flats, while households under the age of 35 and those between the ages of 35 and 54 comprise much smaller shares (7.2% and 19.4%, respectively) of the area's households. Overall, senior households (ages 55 and older) in Highlands/Flats comprise a notably larger share of area households as compared to the shares for Macon County (63.3%) and the state of North Carolina (46.1%). Conversely, the shares of households under the age of 35 and those between the ages of 35 and 54 in Highlands/Flats are much smaller than the corresponding shares for Macon County and the state. Between 2023 and 2028, household growth within Highlands/Flats is projected to occur among households ages 65 and older (9.5%), while all other age cohorts are projected to decline. By comparison, Macon County and the state of North Carolina are projected to experience an increase across a much wider range of age cohorts during the same time period.

The following graphs illustrate the distribution and projected changes in household heads by age for the Highlands/Flats Submarket.





Households by tenure (renter and owner) for selected years are shown in the following table. Note that 2028 numbers which represent a decrease from 2023 are illustrated in red text, while increases are illustrated in green text:

	Households by Tenure								
		2010		2020		2023		2028	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Highlands/Flats	Owner-Occupied	1,164	78.2%	1,413	77.7%	1,291	69.3%	**1,319**	**70.2%**
	Renter-Occupied	324	21.8%	406	22.3%	572	30.7%	**560**	**29.8%**
	Total	1,488	100.0%	1,819	100.0%	1,863	100.0%	**1,879**	100.0%
Macon County	Owner-Occupied	11,284	77.3%	12,526	76.5%	12,537	73.9%	**13,138**	**75.0%**
	Renter-Occupied	3,307	22.7%	3,853	23.5%	4,433	26.1%	**4,380**	**25.0%**
	Total	14,591	100.0%	16,379	100.0%	16,970	100.0%	**17,518**	100.0%
North Carolina	Owner-Occupied	2,497,880	66.7%	2,701,390	64.9%	2,852,237	66.1%	**2,965,364**	**66.5%**
	Renter-Occupied	1,247,250	33.3%	1,459,443	35.1%	1,461,183	33.9%	**1,497,024**	**33.5%**
	Total	3,745,130	100.0%	4,160,833	100.0%	4,313,420	100.0%	**4,462,388**	100.0%

Source: 2010 Census; 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the Highlands/Flats Submarket has a 69.3% share of owner households and a 30.7% share of renter households. As a result, the area has a lower share of owner households as compared to the PSA (73.9%), but a larger share compared to the state (66.1%). Highlands/Flats owner households represent 10.3% of all owner households within Macon County, while the area's renter households comprise 12.9% of such households within the county. Between 2023 and 2028, the number of owner households in the area is projected to increase by 28 (2.2%), while the number of renter households is projected to decrease by 12 (2.1%).

Median household income for selected years is shown in the following table:

	Median Household Income				
	2020 Census	2023 Estimated	% Change 2020-2023	2028 Projected	% Change 2023-2028
Highlands/Flats	$74,205	$79,438	7.1%	$94,605	19.1%
Macon County	$56,808	$54,595	-3.9%	$63,059	15.5%
North Carolina	$64,390	$65,852	2.3%	$76,213	15.7%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, the estimated median household income in the Highlands/Flats Submarket is $79,438, which is 45.5% higher than the Macon County median household income and 20.6% higher than that of the state. Between 2020 and 2023, Highlands/Flats experienced a 7.1% increase in median household income. This is a larger increase as compared to the state (2.3%) and contrasts with the 3.9% decline for the PSA (Macon County). The median household income in Highlands/Flats is projected to increase by 19.1% between 2023 and 2028, resulting in a projected median household income of $94,605 in 2028. As such, the median household income in the area will remain significantly higher than that projected for the PSA ($63,059) and state ($76,213). It is also important to understand that the 2023 estimates provided in the preceding table are reflective of a five-year average which includes the impact of the COVID-19 pandemic.

The distribution of *renter* households by income is illustrated below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Renter Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Highlands/ Flats	2020	24 (6.0%)	56 (13.8%)	52 (12.7%)	45 (11.0%)	33 (8.2%)	38 (9.3%)	92 (22.7%)	67 (16.4%)
	2023	48 (8.4%)	114 (19.9%)	64 (11.1%)	53 (9.3%)	55 (9.5%)	31 (5.4%)	98 (17.1%)	110 (19.2%)
	2028	31 (5.6%)	106 (18.9%)	59 (10.6%)	48 (8.7%)	64 (11.5%)	31 (5.5%)	114 (20.4%)	106 (18.9%)
	Change 2023-2028	**-17 (-35.4%)**	**-8 (-7.0%)**	**-5 (-7.8%)**	**-5 (-9.4%)**	**9 (16.4%)**	**0 (0.0%)**	**16 (16.3%)**	**-4 (-3.6%)**
Macon County	2020	260 (6.8%)	619 (16.1%)	595 (15.4%)	542 (14.1%)	432 (11.2%)	314 (8.1%)	755 (19.6%)	336 (8.7%)
	2023	466 (10.5%)	1,013 (22.9%)	583 (13.2%)	481 (10.9%)	457 (10.3%)	258 (5.8%)	773 (17.4%)	401 (9.0%)
	2028	324 (7.4%)	972 (22.2%)	538 (12.3%)	427 (9.7%)	485 (11.1%)	264 (6.0%)	977 (22.3%)	394 (9.0%)
	Change 2023-2028	**-142 (-30.5%)**	**-41 (-4.0%)**	**-45 (-7.7%)**	**-54 (-11.2%)**	**28 (6.1%)**	**6 (2.3%)**	**204 (26.4%)**	**-7 (-1.7%)**
North Carolina	2020	136,315 (9.3%)	195,185 (13.4%)	183,726 (12.6%)	174,817 (12.0%)	157,152 (10.8%)	117,699 (8.1%)	306,886 (21.0%)	187,664 (12.9%)
	2023	140,455 (9.6%)	202,484 (13.9%)	175,020 (12.0%)	161,745 (11.1%)	152,336 (10.4%)	119,057 (8.1%)	306,079 (20.9%)	204,007 (14.0%)
	2028	117,945 (7.9%)	172,182 (11.5%)	149,785 (10.0%)	145,716 (9.7%)	146,081 (9.8%)	125,700 (8.4%)	353,048 (23.6%)	286,567 (19.1%)
	Change 2023-2028	**-22,510 (-16.0%)**	**-30,302 (-15.0%)**	**-25,235 (-14.4%)**	**-16,029 (-9.9%)**	**-6,255 (-4.1%)**	**6,643 (5.6%)**	**46,969 (15.3%)**	**82,560 (40.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, renter households earning between $10,000 and $19,999 (19.9%) and those earning $100,000 or more (19.2%) comprise the largest shares of renter households by income level within the Highlands/Flats Submarket. Approximately, 39.4% of all renter households within the area earn less than $30,000 which is a smaller share as compared to the PSA (46.6%), but a larger share than the state (35.5%). Conversely, the area also has a notable share (36.3%) of renter households earning $60,000 or more, a higher share than Macon County (26.4%) and the state (34.9%). Between 2023 and 2028, limited growth (13.6%, or 25 households) is projected to occur among renter households earning between $40,000 and $99,999, while all other income cohorts are projected to decrease in number. The largest decline (35.4%) is projected to occur among renter households earning less than $10,000. This is generally consistent with the projected changes for Macon County; however, the *percentage* growth (16.4%) of households earning between $40,000 and $49,999 in Highlands/Flats is much higher than Macon County (6.1%). In addition, lack of growth among the highest income cohort ($100,000 or more) in both Highlands/Flats and Macon County deviates significantly from statewide projections over the next five years, which is projected to increase by 40.5%.

The distribution of *owner* households by income is included below. Note that declines between 2023 and 2028 are in red, while increases are in green:

		Owner Households by Income							
		<$10,000	$10,000 - $19,999	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	$60,000 - $99,999	$100,000+
Highlands/ Flats	2020	26 (1.8%)	70 (5.0%)	81 (5.8%)	85 (6.0%)	81 (5.7%)	113 (8.0%)	356 (25.2%)	600 (42.5%)
	2023	33 (2.6%)	85 (6.6%)	65 (5.0%)	71 (5.5%)	74 (5.8%)	67 (5.2%)	239 (18.5%)	658 (50.9%)
	2028	22 (1.7%)	72 (5.5%)	52 (3.9%)	57 (4.3%)	77 (5.8%)	54 (4.1%)	195 (14.7%)	794 (60.1%)
	Change 2023-2028	**-11 (-33.3%)**	**-13 (-15.3%)**	**-13 (-20.0%)**	**-14 (-19.7%)**	**3 (4.1%)**	**-13 (-19.4%)**	**-44 (-18.4%)**	**136 (20.7%)**
Macon County	2020	322 (2.6%)	910 (7.3%)	1,095 (8.7%)	1,217 (9.7%)	1,228 (9.8%)	1,110 (8.9%)	3,371 (26.9%)	3,273 (26.1%)
	2023	555 (4.4%)	1,289 (10.3%)	1,003 (8.0%)	1,059 (8.4%)	1,034 (8.2%)	928 (7.4%)	3,046 (24.3%)	3,624 (28.9%)
	2028	430 (3.3%)	1,262 (9.6%)	879 (6.7%)	923 (7.0%)	1,067 (8.1%)	845 (6.4%)	3,050 (23.2%)	4,681 (35.6%)
	Change 2023-2028	**-125 (-22.5%)**	**-27 (-2.1%)**	**-124 (-12.4%)**	**-136 (-12.8%)**	**33 (3.2%)**	**-83 (-8.9%)**	**4 (0.1%)**	**1,057 (29.2%)**
North Carolina	2020	83,986 (3.1%)	144,107 (5.3%)	174,148 (6.4%)	193,047 (7.1%)	190,809 (7.1%)	207,848 (7.7%)	664,361 (24.6%)	1,043,083 (38.6%)
	2023	96,846 (3.4%)	165,797 (5.8%)	181,776 (6.4%)	190,954 (6.7%)	194,388 (6.8%)	212,394 (7.4%)	669,578 (23.5%)	1,140,504 (40.0%)
	2028	87,412 (2.9%)	149,057 (5.0%)	157,324 (5.3%)	164,531 (5.5%)	173,121 (5.8%)	196,827 (6.6%)	651,049 (22.0%)	1,386,043 (46.7%)
	Change 2023-2028	**-9,434 (-9.7%)**	**-16,740 (-10.1%)**	**-24,452 (-13.5%)**	**-26,423 (-13.8%)**	**-21,267 (-10.9%)**	**-15,567 (-7.3%)**	**-18,529 (-2.8%)**	**245,539 (21.5%)**

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In 2023, approximately 14.2% of owner households in the area earn less than $30,000, 16.5% earn between $30,000 and $59,999, and 69.4% earn $60,000 or more annually. As such, the overall distribution of owner households by income in the area is more concentrated among the highest income cohorts compared to the PSA (Macon County) and state of North Carolina. Notably, slightly over one-half (50.9%) of *owner* households in the Highlands/Flats Submarket earn $100,000 or more annually, which represents a notably higher share compared to Macon County (28.9%) and state of North Carolina (40.0%). Between 2023 and 2028, owner household growth in the area is projected to occur primarily among households earning $100,000 or more (20.7%), while moderate growth is projected for owner households earning between $40,000 and $49,999 (4.1%). These are the same cohorts that are projected to experience the largest growth in the PSA. Comparatively, only owner households earning $100,000 or more are projected to increase in number at the state level during this time period.

The following table illustrates the estimated components of population change for the PSA (Macon County) between April 2010 and July 2023. Note that components of change data is not available for geographies smaller than the county level.

Estimated Components of Population Change by County for the PSA (Macon County) April 1, 2010 to July 1, 2023							
	Years	Population Change*	Percent Change	Natural Change	Net Domestic Migration	Net International Migration	Total Net Migration
Macon County	2010-2020	2,069	6.1%	-1,206	3,004	300	3,304
	2020-2023	1,393	3.8%	-924	2,258	59	2,317

Source: U.S. Census Bureau, Population Division, June 2024
*Includes residual of (-29) for 2010-2020 representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population increase within Macon County from 2010 to 2020 was the result of a combination of positive domestic and international migration. While natural decrease (more deaths than births) was a negative influence during both time periods shown, domestic migration and international migration were both positive factors in the population increase. Of these, domestic migration was the largest positive influence, overall. As such, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to accommodate in-migrants, and to retain young adults and families in the area, which can improve natural increase. Economic factors, which are analyzed later in this section, can also greatly influence population and household changes within an area.

The following table details the *shares* of domestic in-migration by three select age cohorts for the *town* of Highlands from 2013 to 2022.

Highlands, North Carolina Domestic County Population In-Migrants by Age, 2013 to 2022		
Age	2013-2017	2018-2022
1 to 34	51.5%	51.2%
35 to 54	6.9%	17.0%
55+	41.6%	31.8%
Median Age (In-state migrants)	24.7	18.2
Median Age (Out-of-state migrants)	48.7	48.3
Median Age (Highlands)	60.2	59.0

Source: U.S. Census Bureau, 2017 & 2022 5-Year ACS Estimates (S0701); Bowen National Research

The American Community Survey five-year estimates from 2018 to 2022 in the preceding table illustrate that 51.2% of in-migrants to the town of Highlands were under the age of 35, 17.0% were between the ages of 35 and 54, and 31.8% were age 55 and older. The data also shows that the share of in-migrants ages 35 to 54 increased from the prior survey period (2013 to 2017), while the share of in-migrants age 55 and older decreased. Between 2018 and 2022, the median age for both in-state (18.2 years) and out-of-state (48.3 years) migrants was younger than the median age of the existing population (59.0 years), and the median age for both in-migrant groups decreased from the prior survey period.

Geographic mobility by *per-person* income for the *town* of Highlands is distributed as follows (Note that this data is provided for the county *population*, not households, ages 15 and above):

Highlands: Income Distribution by Mobility Status for Population Age 15+ Years*				
2022 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County/State	
	Number	Percent	Number	Percent
<$10,000	6	7.1%	6	5.5%
$10,000 to $14,999	32	38.1%	19	17.4%
$15,000 to $24,999	15	17.9%	28	25.7%
$25,000 to $34,999	13	15.5%	8	7.3%
$35,000 to $49,999	18	21.4%	3	2.8%
$50,000 to $64,999	0	0.0%	9	8.3%
$65,000 to $74,999	0	0.0%	19	17.4%
$75,000+	0	0.0%	17	15.6%
Total	84	100.0%	109	100.0%

Source: U.S. Census Bureau, 2022 5-Year American Community Survey (B07010); Bowen National Research
*Excludes population with no income

As the preceding data provided by the American Community Survey illustrates, 48.6% of the population that moved to the town of Highlands from outside the county earned less than $25,000 annually. Approximately 41.3% of in-migrants earned $50,000 or more annually. Based on economic analysis and input from community surveys, this disparity of incomes can likely be attributed, at least in part, to factors such as a high share of retail trade, accommodation, and food service occupations (lower hourly rate for many occupations), seasonality within the workforce (underemployment), and dependents within a family working limited hours at lower paying jobs (combination of underemployment and hourly rate). Regardless, the data shows that in-migrants to the Highlands/Flats area have a wide range of incomes, and housing alternatives at a variety of affordability levels are needed to accommodate in-migrants to the area.

C. ECONOMY AND WORKFORCE

Labor Force

The following illustrates the employment base by industry for the Highlands/Flats Submarket, Macon County, and the state of North Carolina. The top five industry groups by share for each geographic area are illustrated in red text.

	Employment by Industry					
	Highlands/Flats		Macon County		North Carolina	
NAICS Group	Employees	Employees	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	15	0.5%	92	0.6%	25,955	0.6%
Mining	5	0.2%	11	0.1%	3,118	0.1%
Utilities	0	0.0%	22	0.1%	21,553	0.5%
Construction	**220**	**6.7%**	998	6.5%	227,263	5.0%
Manufacturing	46	1.4%	634	4.1%	**410,949**	**9.0%**
Wholesale Trade	78	2.4%	253	1.6%	185,067	4.1%
Retail Trade	**511**	**15.5%**	**2,449**	**15.9%**	**607,681**	**13.3%**
Transportation & Warehousing	37	1.1%	167	1.1%	104,389	2.3%
Information	37	1.1%	520	3.4%	110,199	2.4%
Finance & Insurance	37	1.1%	419	2.7%	137,358	3.0%
Real Estate & Rental & Leasing	161	4.9%	683	4.4%	131,251	2.9%
Professional, Scientific & Technical Services	107	3.2%	469	3.0%	280,488	6.1%
Management of Companies & Enterprises	3	0.1%	17	0.1%	11,825	0.3%
Administrative, Support, Waste Management & Remediation Services	79	2.4%	230	1.5%	99,110	2.2%
Educational Services	105	3.2%	**1,146**	**7.4%**	**359,830**	**7.9%**
Health Care & Social Assistance	**419**	**12.7%**	**2,722**	**17.7%**	**714,434**	**15.6%**
Arts, Entertainment & Recreation	200	6.1%	375	2.4%	82,249	1.8%
Accommodation & Food Services	**758**	**23.0%**	**1,917**	**12.4%**	**439,028**	**9.6%**
Other Services (Except Public Administration)	**419**	**12.7%**	**1,307**	**8.5%**	283,764	6.2%
Public Administration	62	1.9%	929	6.0%	303,057	6.6%
Non-classifiable	1	0.0%	53	0.3%	28,041	0.6%
Total	3,300	100.0%	15,413	100.0%	4,566,609	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

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

The Highlands/Flats Submarket has an employment base of 3,300 individuals within a broad range of employment sectors. The labor force within the area is based primarily in four sectors: Accommodation and Food Services (23.0%), Retail Trade (15.5%), Health Care and Social Assistance (12.7%), and Other Services (12.7%). Combined, these top job sectors represent 63.9% of the area's employment base. This is a higher concentrated distribution of employment as compared to the PSA (Macon County), in which 61.9% of the total employment is among the top *five* sectors. With a much more concentrated overall distribution of employment, and only one of the top sectors (healthcare) being typically less susceptible to economic fluctuations, the economy within Highlands/Flats may be less insulated from economic downturns compared to the overall county. While many occupations within the top sectors offer competitive wages, it is important to understand that a significant number of the support occupations in these industries, particularly retail sales and accommodation and food services, typically have lower average wages, which can contribute to demand for affordable housing options. Details of tourism industry job sector wages and housing affordability are in Section V.

Data illustrating total employment, unemployment rates, and at-place employment for the PSA (Macon County), the state, and nation since 2014 are compared in the following tables. Note that employment data provided by the Bureau of Labor Statistics is only available for cities/towns with populations exceeding 25,000.

	Total Employment					
	Macon County		North Carolina		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2014	14,071	-	4,410,647	-	147,293,817	-
2015	14,183	0.8%	4,493,882	1.9%	149,540,791	1.5%
2016	14,353	1.2%	4,598,456	2.3%	151,934,228	1.6%
2017	14,317	-0.2%	4,646,212	1.0%	154,721,780	1.8%
2018	14,526	1.5%	4,715,616	1.5%	156,709,676	1.3%
2019	14,916	2.7%	4,807,598	2.0%	158,806,264	1.3%
2020	13,925	-6.6%	4,483,551	-6.7%	149,143,265	-6.1%
2021	14,593	4.8%	4,697,757	4.8%	154,201,818	3.4%
2022	15,424	5.7%	4,965,568	5.7%	159,458,223	3.4%
2023	15,968	3.5%	5,050,870	1.7%	161,750,804	1.4%
2024*	15,725	-1.5%	5,068,640	0.4%	161,870,534	0.1%

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

From 2014 to 2023, the employment base in Macon County increased by 1,654 employees, or 11.8%, which is lower than the statewide increase of 14.9% during that time. It is also noteworthy that 2020, which was largely impacted by the economic effects related to COVID-19, was one of only two *full years* in which total employment decreased in the county. Through 2023, total employment in Macon County is at 107.1% of the total employment in 2019, illustrating a full recovery from the pandemic and a thriving local economy. Although the data shows that total employment has decreased by 1.5% through April 2024, these numbers are not seasonally adjusted. Because tourism comprises a notable role in the economy of Macon County, it is reasonable to conclude that seasonality is heavily influencing the employment numbers during the first few months of 2024, and total employment in the area will improve as the peak tourism months begin in the area.

	Unemployment Rate		
Year	Macon County	North Carolina	United States
2014	6.4%	6.1%	6.2%
2015	6.1%	5.7%	5.3%
2016	5.4%	5.1%	4.9%
2017	4.7%	4.5%	4.4%
2018	4.0%	4.0%	3.9%
2019	3.9%	3.9%	3.7%
2020	6.7%	7.3%	8.1%
2021	4.3%	4.9%	5.4%
2022	3.5%	3.7%	3.7%
2023	3.2%	3.5%	3.7%
2024*	3.3%	3.6%	3.9%

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

The unemployment rate within Macon County steadily declined from 6.4% in 2014 to 3.9% in 2019. In 2020, the unemployment rate increased to 6.7%, which was lower than the unemployment rate within the state (7.3%) and nation (8.1%) during that time. In 2021, the unemployment rate within the county decreased to 4.3%. In 2023, the unemployment rate within the county was only 3.2%, which is the lowest recorded unemployment rate for the county since 2014, further illustrating the strength of the economy within Macon County.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Macon County.

	At-Place Employment - Macon County		
Year	Employment	Change	Percent Change
2013	10,546	-	-
2014	10,740	194	1.8%
2015	10,851	111	1.0%
2016	10,985	134	1.2%
2017	11,004	19	0.2%
2018	11,169	165	1.5%
2019	11,373	204	1.8%
2020	10,951	-422	-3.7%
2021	11,344	393	3.6%
2022	11,796	452	4.0%
2023	12,405	609	5.2%

Source: Department of Labor, Bureau of Labor Statistics

Between 2013 and 2019, at-place employment in Macon County increased by 7.8%, or 827 jobs. While at-place employment decreased by 3.7% in 2020, primarily from the economic effects of COVID-19, at-place employment increased each year from 2021 through 2023. Through 2023, at-place employment is at 109.1% of the 2019 level, illustrating notable job growth in the county in recent years.

Data for 2023, the most recent year that year-end figures are available, indicates at-place employment in Macon County to be 77.7% of the total Macon County employment. This means that Macon County has more employed persons residing in the county than there are total jobs within the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency, particularly for individuals with lengthy commutes.

Employment and Economic Outlook

The Worker Adjustment and Retraining Notification (WARN) Act requires advance notice of qualified plant closings and mass layoffs. WARN notices were reviewed in June of 2024. According to the North Carolina Department of Commerce, there have been no WARN notice reports in Macon County within the past three years.

The 10 largest employers within Macon County are summarized in the following table. Employers within the Highlands/Flats Submarket are highlighted in **red** text.

Employer Name	Business Type	Total Employed
Macon County Public Schools	Education	500-999
Drake Software	Professional, Scientific, and Technical Services	250-499
Macon County	Public Administration	250-499
Ingles Markets, Inc.	Retail	250-499
Walmart Associates, Inc.	Retail	250-499
MH Angel Medical Center	Healthcare	250-499
Madison's Restaurant	Food Services	100-249
MH Highlands-Cashiers Medical Center	Healthcare	100-249
Beasley Flooring Products Inc.	Retail	100-249
Lowes Home Centers	Retail	100-249

Source: Macon County Economic Development Commission (June 2023)

As the preceding illustrates, two of the top 10 employers in Macon County are located in the Highlands/Flats Submarket. Major employers in Highlands/Flats are primarily engaged in food services and healthcare. As one of the largest employers in Highlands/Flats is involved in healthcare, this helps to partially insulate the local economy in the area from economic fluctuations as this sector is generally less vulnerable to economic downturns. In addition, three of the largest employers in the county are involved in business activities (education, public administration, and healthcare) that are considered relatively stable. However, it is also important to note that five of the top 10 employers in the county (one within Highlands/Flats) are engaged in either retail or food services, which typically have a notable share of occupations with lower wages and are more susceptible to economic downturns. This contributes to the demand for affordable housing in the area. Regardless, major employers in the area are engaged in an array of business activities, which accommodates a variety of education and skill levels and is a positive attribute.

The following table summarizes economic development activity projects within Macon County that were identified through online research and/or through communication with representatives from the Macon County Economic Development Commission at the time of this analysis.

Economic Development Activity			
Project Name	**Investment**	**Job Creation**	**Scope of Work/Details**
Duotech	$6.5 Million	95	Announced in March 2024, this aerospace and defense contractor will expand operations in Franklin; Average salary will be $91,271
Frito Lay Warehouse Construction	N/A	N/A	Expected completion is summer/fall 2024
Franklin High School	$100 Million	N/A	In January 2024, school district was awarded a $62 million grant to aid in the construction of a new high school. The total cost is estimated at $100 million. Construction could begin in summer of 2024. Estimated completion date is unknown.

N/A – Not available

According to a representative with the Macon County Economic Development Commission, the Macon County economy is growing with various projects in progress or planned for the near future. Although these projects are not specific to Highlands/Flats, they will undoubtedly have a positive impact on the entirety of Macon County. As the preceding table illustrates, economic development activity totaling approximately $107 million has either been recently completed, is currently under construction, or is planned to commence in the near future. Overall, these projects have an estimated initial job creation impact of approximately 95 new jobs within Macon County. Most notably, the new jobs at the Duotech facility in Frankin will have an average salary of over $90,000. These new jobs will likely have an impact on housing demand, particularly for higher priced product, given the above average wages. No active large-scale infrastructure projects were identified at the time of research.

Commuting Data

The commuting efficiency and commuting patterns of an area can influence the overall appeal of a housing market, and ultimately determine where an individual chooses to reside. This section of the community overview provides detailed commuting data including mode, time, origin and destination, and other characteristics.

The following tables show commuting mode and time attributes for each study area:

		Commuting Mode						
		Drove Alone	**Carpooled**	**Public Transit**	**Walked**	**Other Means**	**Worked at Home**	**Total**
Highlands/Flats	Number	1,077	115	0	123	3	142	1,460
	Percent	73.8%	7.9%	0.0%	8.4%	0.2%	9.7%	100.0%
Macon County	Number	12,823	1,117	24	318	244	836	15,362
	Percent	83.5%	7.3%	0.2%	2.1%	1.6%	5.4%	100.0%
North Carolina	Number	3,701,249	424,447	39,003	78,758	66,636	609,526	4,919,619
	Percent	75.2%	8.6%	0.8%	1.6%	1.4%	12.4%	100.0%

Source: U.S. Census Bureau, 2018-2022 American Community Survey

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
Highlands/Flats	Number	691	376	95	119	37	142	1,460
	Percent	47.3%	25.8%	6.5%	8.2%	2.5%	9.7%	100.0%
Macon County	Number	5,873	4,444	2,092	1,336	781	836	15,362
	Percent	38.2%	28.9%	13.6%	8.7%	5.1%	5.4%	100.0%
North Carolina	Number	1,138,943	1,707,812	865,704	318,292	279,341	609,526	4,919,618
	Percent	23.2%	34.7%	17.6%	6.5%	5.7%	12.4%	100.0%

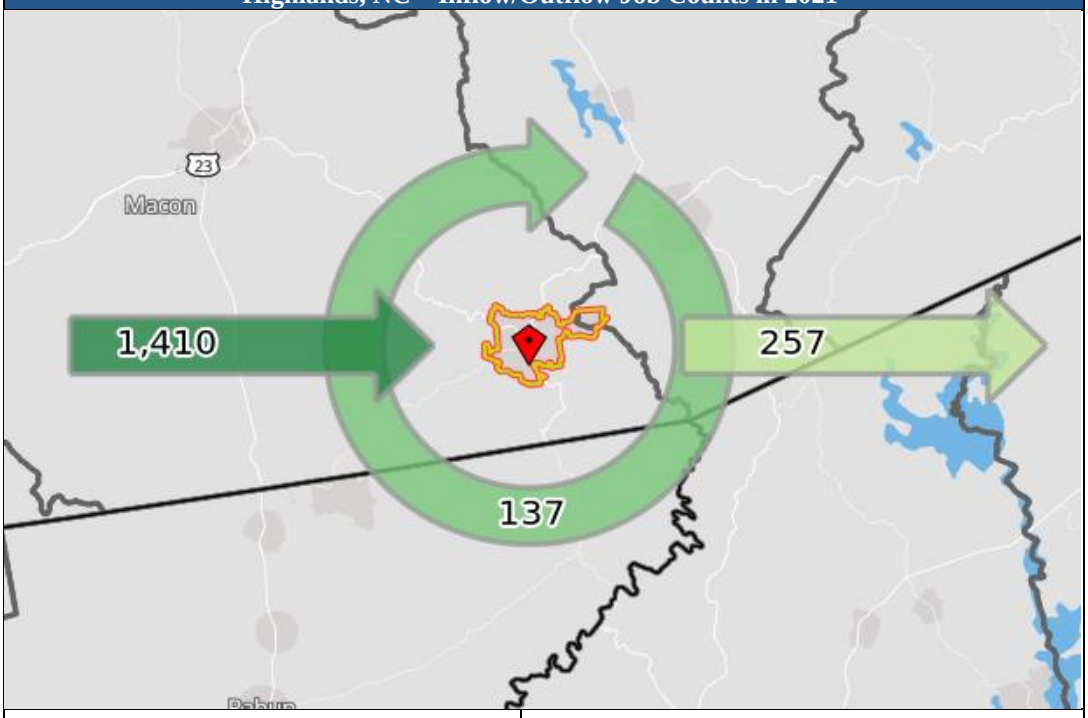
Source: U.S. Census Bureau, 2018-2022 American Community Survey

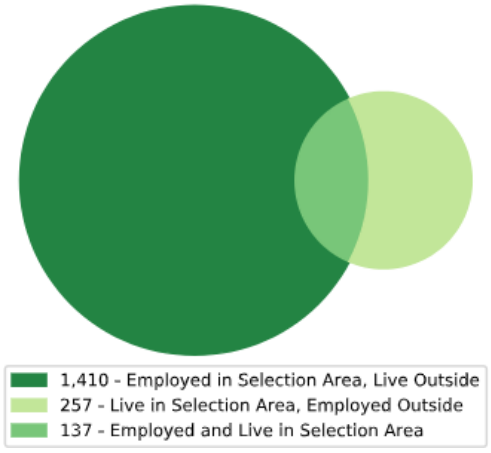
According to the 2018-2022 American Community Survey (ACS), 81.7% of Highlands/Flats commuters either drive alone or carpool to work, 8.4% walk to work, and 9.7% work from home. The share of individuals that walk to work in the area is notably high. As such, walkability is likely an important factor for many area residents. Walkability scores for the towns of Franklin and Highlands are included in Section VII (Other Housing Market Factors) of this report, starting on page VII-3. ACS also indicates that 73.1% of Highlands/Flats workers have commute times less than 30 minutes, while only 2.5% have commutes of 60 minutes or more. This represents a larger share of very short commute times (less than 30 minutes) compared to the county (67.1%) and state (57.9%) shares. Additionally, the share of workers with long commutes (60 minutes or more) is less than one-half of the corresponding shares for the county (5.1%) and state (5.7%). The commuting data reflects people *living* in each study area and is <u>not</u> reflective of people commuting *into* the county for work.

According to 2021 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 394 employed residents of Highlands, 257 (65.2%) are employed outside the town, while the remaining 137 (34.8%) are employed within Highlands. In addition, 1,410 people commute into Highlands from surrounding areas for employment. These non-residents account for 91.1% of the people employed in the town and represent a notable base of potential support for future residential development.

The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters. The distribution of age and earnings for each commuter cohort is also provided.

Highlands, NC – Inflow/Outflow Job Counts in 2021





Inflow/Outflow Job Counts (All Jobs)

	2021 Count	2021 Share
Employed in the Selection Area	1,547	100.0%
Employed in the Selection Area but Living Outside	1,410	91.1%
Employed and Living in the Selection Area	137	8.9%
Living in the Selection Area	394	100.0%
Living in the Selection Area but Employed Outside	257	65.2%
Living and Employed in the Selection Area	137	34.8%

Commuting *Flow* Analysis by Age and Earnings (2021, All Jobs)

Worker Characteristics	Resident Outflow		Workers Inflow		Resident Workers	
	Number	Share	Number	Share	Number	Share
Ages 29 or younger	51	19.8%	343	24.3%	35	25.5%
Ages 30 to 54	121	47.1%	667	47.3%	60	43.8%
Ages 55 or older	85	33.1%	400	28.4%	42	30.7%
Earning <$1,250 per month	50	19.5%	314	22.3%	28	20.4%
Earning $1,251 to $3,333	71	27.6%	522	37.0%	52	38.0%
Earning $3,333+ per month	136	52.9%	574	40.7%	57	41.6%
Total Worker Flow	**257**	**100.0%**	**1,410**	**100.0%**	**137**	**100.0%**

Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)
Note: Figures do not include contract employees and self-employed workers

Of the town's 1,410 in-commuters, approximately 47.3% are between the ages of 30 and 54 years, 24.3% are under the age of 30, and 28.4% are aged 55 or older. As such, inflow workers are typically younger than outflow workers in Highlands. The largest share (40.7%) of inflow workers earns $3,333 or more per month ($40,000 or more annually), followed by workers earning between $1,251 and $3,333 per month (37.0%). By comparison, a much larger share (52.9%) of outflow workers earns $3,333 or more per month. Based on the preceding data, people that commute *into* Highlands for employment are typically younger and more likely to earn low to moderate wages when compared to residents commuting out of the area for work. This is likely reflective of the presence of tourism-based jobs within the area as the Highlands/Flats area is a high tourist area as detailed throughout this report. Regardless, given the diversity of incomes and ages of the approximately 1,400 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in the Highlands/Flats area.

D. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for the Highlands/Flats Submarket for 2023 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2023 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
Highlands/Flats	Number	1,863	1,291	572	4,077	5,940
	Percent	31.4%	69.3%	30.7%	68.6%	100.0%
Macon County	Number	16,970	12,537	4,433	10,990	27,960
	Percent	60.7%	73.9%	26.1%	39.3%	100.0%
North Carolina	Number	4,313,420	2,852,237	1,461,183	572,321	4,885,741
	Percent	88.3%	66.1%	33.9%	11.7%	100.0%

Source: 2020 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 5,940 housing units within the Highlands/Flats Submarket in 2023. Based on ESRI estimates and Census data, of the 1,863 total *occupied* housing units in the area, 69.3% are owner occupied, while the remaining 30.7% are renter occupied. Overall, Highlands/Flats has a larger proportion of renter-occupied housing units compared to the county (26.1%), but a smaller share than the state (33.9%). Most notably, 68.6% of the housing units within Highlands/Flats are classified as vacant, which is an exceptionally higher share as compared to the county (39.3%) and state (11.7%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. According to 2022 American Community Survey data, 87.7% of all vacant units in Highlands/Flats are seasonal/recreational units, which would equate to roughly 3,600 units based on 2023 vacancy estimates. This is not surprising, given the prevalence of tourism in the area. In short, the majority of vacant housing units within the Highlands/Flats area are not reflective of long-term housing alternatives for residents.

The following table compares key housing age and conditions based on 2018-2022 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Highlands/ Flats	215	29.7%	283	20.0%	0	0.0%	1	0.1%	16	2.2%	38	2.7%
Macon County	974	21.4%	2,272	17.7%	85	1.9%	142	1.1%	17	0.4%	78	0.6%
North Carolina	324,949	23.4%	581,739	21.4%	55,035	4.0%	36,635	1.3%	22,203	1.6%	14,625	0.5%

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

In the Highlands/Flats Submarket, 29.7% of the renter-occupied housing units and 20.0% of the owner-occupied housing units were built prior to 1970. As a result, the rental housing stock in Highlands/Flats appears to be, on average, older than the rental housing units in Macon County and the state of North Carolina, while owner-occupied housing units are slightly newer compared to housing units within the state. Overcrowding is virtually non-existent among both renter and owner households in the area; however, Highlands/Flats has comparably high shares of both renter-occupied (2.2%) and owner-occupied (2.7%) units with incomplete plumbing or kitchens. Note that housing units are considered to have incomplete plumbing or kitchens if the units lack a sink with faucet, stove/range, a refrigerator, hot and cold running water, or a bathtub/shower. Based on the preceding, it appears that the most prevalent housing condition issue within Highlands/Flats is incomplete plumbing and/or kitchens. This may be due, at least in part, to the large number of recreational units in the area (i.e., cabins).

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	2023 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Highlands/Flats	1,863	$79,438	$592,345	$971	35.1%	15.8%	26.5%	9.4%
Macon County	16,970	$54,595	$222,341	$891	40.6%	16.5%	20.1%	7.9%
North Carolina	4,313,420	$65,852	$262,944	$1,173	43.6%	18.9%	20.8%	7.7%

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

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

The estimated median home value in the Highlands/Flats Submarket of $592,345 is 166.4% higher than the median home value for Macon County ($222,341) and 125.3% higher than that reported for the state ($262,944). While the average gross rent of $971 in Highlands/Flats is higher than the county gross rent of $891, it is lower than the state overall ($1,173). Despite comparably high housing costs, the area has lower overall shares of cost burdened renters (35.1%) and owners (15.8%) compared to the county and state. It should be noted, however, that Highlands/Flats has higher shares of *severe* cost burdened (paying more than 50% of income toward housing) households, with 26.5% of renters and 9.4% of owners classified as severe cost burdened. Overall, Highlands/Flats has an estimated 201 renter households and 204 owner households that are housing cost burdened. Furthermore, there are approximately 152 renter households and 121 owner households that are severe cost burdened). With 405 cost burdened households (21.7% of all households) in the area, affordable housing alternatives should be part of future housing solutions.

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

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/ Other	Total	4 Units or Less	5 Units or More	Mobile Home/ Other	Total
Highlands/Flats	Number	510	71	141	722	1,342	23	54	1,419
	Percent	70.6%	9.8%	19.5%	100.0%	94.6%	1.6%	3.8%	100.0%
Macon County	Number	2,952	716	883	4,551	10,524	87	2,224	12,835
	Percent	64.9%	15.7%	19.4%	100.0%	82.0%	0.7%	17.3%	100.0%
North Carolina	Number	707,626	519,370	160,272	1,387,268	2,396,173	31,813	289,959	2,717,945
	Percent	51.0%	37.4%	11.6%	100.0%	88.2%	1.2%	10.7%	100.0%

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

In total, 90.1% of the *rental* units in Highlands/Flats are within structures of four units or less and mobile homes. This is a higher share of such units when compared to that of the county (84.3%) and is remarkably higher than the statewide share (62.6%). As such, non-conventional rental units (structures of four units or less and mobile homes) comprise the vast majority of the overall rental supply in the area. As a result, multifamily rental units (structures of five or more units) account for only 9.8% of the total rental units in the area. Thus, Highlands/Flats lacks traditional multifamily rental housing product.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within each of the study areas. While this data encompasses all rental units, which includes multifamily apartments, 90.1% of the Highlands/Flats Submarket rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<$300	$300 - $500	$500 - $750	$750 - $1,000	$1,000 - $1,500	$1,500 - $2,000	$2,000+	No Cash Rent	Total
Highlands/Flats	Number	23	89	91	224	116	0	66	116	725
	Percent	3.2%	12.3%	12.6%	30.9%	16.0%	0.0%	9.1%	16.0%	100.0%
Macon County	Number	171	296	1,015	1,459	771	54	161	624	4,551
	Percent	3.8%	6.5%	22.3%	32.1%	16.9%	1.2%	3.5%	13.7%	100.0%
North Carolina	Number	37,643	62,805	177,525	272,257	462,187	200,760	83,754	90,339	1,387,270
	Percent	2.7%	4.5%	12.8%	19.6%	33.3%	14.5%	6.0%	6.5%	100.0%

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

As the preceding table illustrates, the largest share (30.9%) of Highlands/Flats rental units have rents between $750 and $1,000, followed by units with rents between $1,000 and $1,500 (16.0%). It is also noteworthy that 9.1% of rentals in the area have rents of $2,000 or higher, a larger share than both Macon County (3.5%) and the state (6.0%). Overall, this illustrates the dominance of moderately priced rental product in the area, but also that there is an ability to capture premium rents in Highlands/Flats.

Bowen National Research's Survey of Housing Supply

Multifamily Rental Housing

A field survey of conventional apartment properties was conducted as part of this Housing Needs Assessment. Note that no multifamily apartments were surveyed within the Highlands/Flats Submarket; therefore, the following table summarizes the surveyed multifamily rental supply for the PSA (Macon County).

Overall Market Performance by Program Type by Area	
Data Set	**Macon County**
Market-Rate	
Projects	2
Total Units	30
Vacant Units	0
Occupancy Rate	100.0%
Tax Credit (Non-Subsidized)	
Projects	4
Total Units	216
Vacant Units	0
Occupancy Rate	100.0%
Government Subsidized	
Projects	2
Total Units	70
Vacant Units	0
Occupancy Rate	100.0%

Source: Bowen National Research

As previously stated, over 90% of rentals in the Highlands/Flats Submarket are non-conventional (i.e., in structures containing less than five units, or mobile homes) units. Therefore, multifamily rentals comprise a very small role in the area currently. It should be noted, however, that demand for such units is high within Macon County, as all market-rate, Tax Credit, and government-subsidized units surveyed are fully occupied. As a result, there may be a development opportunity present in the Highlands/Flats area for multifamily rentals at a variety of affordability levels.

The following table illustrates the number and extent of waiting lists by program type. Note that the data is for the entirety of the PSA (Macon County).

Waiting Lists by Program Type by Area	
Waiting List Metric	**Macon County**
Market-Rate	
Projects Maintaining Wait Lists	2
Share of Projects	100.0%
Households/Length of Time	30 HH
Tax Credit (Non-Subsidized)	
Projects Maintaining Wait Lists	4
Share of Projects	100.0%
Households/Length of Time	288 HH
Government Subsidized	
Projects Maintaining Wait Lists	2
Share of Projects	100.0%
Households/Length of Time	20 HH/12 Months

Source: Bowen National Research
HH – Households

As the preceding illustrates, all eight projects surveyed in the PSA (Macon County) currently maintain waiting lists. Tax Credit projects, which have a total of 288 households on waiting lists appear to have a significant level of pent-up demand. While the number of households on waiting lists for market-rate (30 households) and government-subsidized (20 households) units are comparably less, the presence of waiting lists for each program type and the lack of available units indicates demand for multifamily rental housing is strong in Macon County and further illustrates that development opportunities exist within the area.

The following table summarizes the unit distribution of each multifamily rental housing segment surveyed in the PSA (Macon County).

Market-Rate						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Two-Bedroom	2.0	30	100.0%	0	0.0%	$900
Total Market-Rate		**30**	**100.0%**	**0**	**0.0%**	-
Tax Credit (Non-Subsidized)						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
One-Bedroom	1.0	36	16.7%	0	0.0%	$659
Two-Bedroom	1.0	102	47.2%	0	0.0%	$740
Two-Bedroom	2.0	30	13.9%	0	0.0%	$770
Three-Bedroom	2.0	48	22.2%	0	0.0%	$850
Total Tax Credit		**216**	**100.0%**	**0**	**0.0%**	-
Government Subsidized						
Bedroom	**Baths**	**Units**	**Distribution**	**Vacancy**	**% Vacant**	**Median Collected Rent**
Studio	1.0	8	11.4%	0	0.0%	-
One-Bedroom	1.0	32	45.7%	0	0.0%	-
Two-Bedroom	1.0	24	34.3%	0	0.0%	-
Two-Bedroom	1.5	6	8.6%	0	0.0%	-
Total Government Subsidized		**70**	**100.0%**	**0**	**0.0%**	-

Source: Bowen National Research

Among the market-rate units surveyed in the PSA (Macon County), all units are a two-bedroom/two-bathroom configuration. These units have a median collected rent of $900. Two-bedroom/one-bathroom Tax Credit units comprise the largest share (47.2%) of the total units operating under this program type within the PSA. The median collected rent for this Tax Credit configuration is $740, while the one-bedroom/one-bathroom and three-bedroom/two-bathroom units have rents of $659 and $850, respectively. Among the government-subsidized units in the PSA, a majority of the product consists of one-bedroom/one-bathroom (45.7%) and two-bedroom/one-bathroom (34.3%) units. Overall, there is a relatively balanced mix of bedroom/bathroom configurations within the Tax Credit and government-subsidized projects; however, the market-rate product lacks this variety of configurations. Given the lack of vacancies and noteworthy waiting lists for each program type, there is likely development opportunities in the market for a variety of multifamily apartment configurations to meet pent-up demand.

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, and mobile homes and account for 90.1% of the total rental units in the Highlands/Flats Submarket.

Bowen National Research conducted an online survey during May and June 2024 and identified seven non-conventional rentals that were listed as *available* for rent in the entirety of the PSA (Macon County). While none of the available rentals identified are located within Highlands/Flats, these units likely represent the typical characteristics (rent, bedroom types, median rent per square foot) of the non-conventional supply in Macon County. The following summarizes the available non-conventional units identified.

Available Non-Conventional Rental Units				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Franklin ETJ Submarket				
Three-Bedroom	1	$2,400	$2,400	$1.60
Balance of County				
One-Bedroom	2	$995 - $1,000	$998	$1.33*
Three-Bedroom	4	$895 - $2,800	$2,200	$1.73
Total	7			

Source: Bowen National Research
*Reflection of the one identified rental unit for which square-foot information was available

The available non-conventional rentals identified in the PSA (Macon County) have individual rents ranging from $895 to $2,800. Three-bedroom units, which comprise the largest individual share (71.4%) of the available units in the PSA, have median rents ranging from $2,200 (Balance of County) to $2,400 (Franklin ETJ Submarket). While it appears that a wide range of rents exists among the available non-conventional rentals, it is important to note that three of the units are apartments in structures of four or less units or mobile homes. These units represent the lower end of rents in the preceding table (between $895 and $1,000), while all single-family home rentals (57.1% of the supply) have rents between $1,700 and $2,800. The overall median rent for the three-bedroom non-conventional rentals ($2,200) is notably higher than the three-bedroom multifamily Tax Credit units ($850) in the PSA and illustrates that most lower income households in the area likely cannot afford the typical non-conventional unit in Macon County.

For-Sale Housing

The following table summarizes the available (as of March 8, 2024) and recently sold (between January 1, 2020 and July 14, 2024) housing stock for Highlands/Flats.

Highlands/Flats - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available*	77	$1,410,000
Sold**	874	$738,250

Source: Redfin.com; Bowen National Research
*As of March 8, 2024
**Sales from Jan. 1, 2020 to July 14, 2024

The available for-sale housing stock in Highlands/Flats as of March 8, 2024 consists of 77 total units with a median list price of $1,410,000. The 77 available units represent 43.0% of the 179 total available units within Macon County. The most notable aspect is these units have a tremendously higher median list price ($1,410,000) compared to the overall median list price ($599,500) for the PSA. The 77 available homes represent 6.0% of the estimated 1,291 owner-occupied units in Highlands/Flats. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase (availability rate) to allow for inner-market mobility and to enable the market to attract new households. Historical sales from January 2020 to July 2024 consisted of 874 homes and had a median sales price of $738,250. Based on recent historical sales volume (16.0 homes per month), the 77 available units in Highlands/Flats represent approximately 4.8 months of available supply (Months Supply of Inventory, or MSI). Healthy for-sale housing markets usually have between four and six months of available supply. As such, the availability rate and MSI both indicate there is sufficient available for-sale supply in the Highlands/Flats housing market. However, it is important to reiterate that many of the homes available for purchase in Highlands/Flats are priced at or above $400,000. Thus, a limited variety of housing is available in this area, in terms of price point, as detailed later in this section.

The following table illustrates recent sales activity by *price point* from January 1, 2020 to July 14, 2024 for Highlands/Flats.

Highlands/Flats Sales History by Price (January 1, 2020 to July 14, 2024)

Sale Price	Number Available	Percent of Supply
Up to $99,999	0	0.0%
$100,000 to $199,999	18	2.1%
$200,000 to $299,999	42	4.8%
$300,000 to $399,999	71	8.1%
$400,000+	743	85.0%
Total	874	100.0%

Source: Redfin.com; Bowen National Research

Among the recent historical home sales in Highlands/Flats, the largest share (85.0%) was homes priced at $400,000 or higher, followed by homes priced between $300,000 and $399,999 (8.1%). Overall, the recent historical sales in the area represent a market that is predominately comprised of higher-end product. While these homes offer a substantial supply of options for higher income households, this likely results in affordability issues for lower income households in the area, including the workforce.

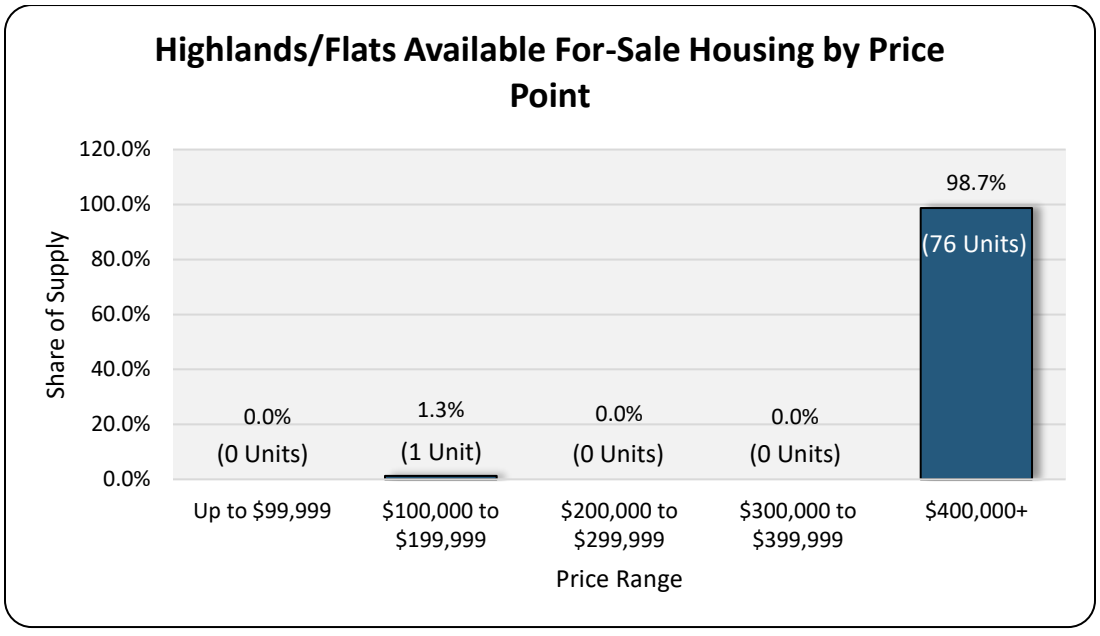
The following table summarizes the distribution of *available* for-sale residential units by *price point* for Highlands/Flats:

Highlands/Flats Available For-Sale Housing by List Price (As of As of March 8, 2024)			
List Price	Number Available	Percent of Supply	Average Days on Market
Up to $99,999	0	0.0%	-
$100,000 to $199,999	1	1.3%	112
$200,000 to $299,999	0	0.0%	-
$300,000 to $399,999	0	0.0%	-
$400,000+	76	98.7%	44
Total	77	100.0%	45

Source: Redfin.com; Bowen National Research

As of March 8, 2024, there are 77 homes available for purchase in the Highland/Flats Submarket. Virtually all of the available housing units (98.7%) in the area are priced at $400,000 or higher, with only one home (1.3%) among all other price cohorts. This represents a significantly unbalanced distribution of homes by price point and is comparably more unbalanced as compared to the distribution of recent home sales in the PSA (Macon County). The lack of affordability options likely restricts home ownership for many households in the area.

The distribution of available homes in Highlands/Flats by *price point* is illustrated in the following graph:



The distribution of available homes by *bedroom type* is summarized in the following table.

Highlands/Flats Available For-Sale Housing by Bedrooms (As of As of March 8, 2024)							
Bedrooms	Number Available	Average Square Feet*	Average Year Built	Price Range	Median List Price	Median Price per Sq. Ft.*	Average Days on Market
One-Br.	1	N/A	1948	$895,000	$895,000	N/A	49
Two-Br.	17	N/A	1986	$425,000 - $2,495,000	$895,000	N/A	44
Three-Br.	27	1,572	1981	$189,900 - $5,950,000	$1,295,000	$224.82	41
Four-Br.	27	3,933	1973	$499,000 - $5,300,000	$1,999,995	$485.30	51
Five+-Br.	5	N/A	1962	$1,600,000 - $8,950,000	$3,978,600	N/A	35
Total	77	2,753	1978	$189,900 - $8,950,000	$1,410,000	$350.57	45

Source: Redfin.com & Bowen National Research
*Excludes five (73) listings with no square footage information

As shown in the preceding table, the available homes in the area are distributed among a variety of bedroom types. Three- and four-bedroom homes comprise the largest shares (35.0%, each) of the available for-sale housing product. The median list price for these bedroom configurations ranges between $1,295,000 (three-bedroom) and $1,999,995 (four-bedroom), which equates to a median price per square foot of $224.82 and $485.30, respectively. With an overall average year built of 1978, the available homes in Highlands/Flats are slightly older than the county overall (average year built of 1984). In some cases, older homes may require costly repairs and/or modernization, which can add to the overall cost of purchasing these homes. However, given the higher median price of these homes, it is reasonable to conclude that the vast majority are likely in good to very good condition. The higher price points reported are likely reflective of the prevalence of many luxury and second/vacation homes within the Highlands/Flats area.

Planned and Proposed Residential Development

We conducted interviews with representatives of area building and permitting departments and conducted extensive online research to identify residential projects either planned for development or currently under construction within Macon County. These projects are summarized in the table that follows. Note that additional projects may have been introduced into the pipeline and/or the status of existing projects may have changed since the time interviews and research were completed.

Pipeline Housing Developments – Macon County (PSA)				
Project Name & Address	**Type**	**Units**	**Developer**	**Status/ Details**
Rental Housing				
Abbington Mill 81 Allman Drive Franklin	Tax Credit	48	WJR NC Partners II, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Franklin Falls 68 Firefly Lane Franklin	Tax Credit	60	Solstice Partners	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Lofts of Franklin 227 Siler Road Franklin	Tax Credit Senior	54	WDT Development, LLC	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
Vesta Highlands 1655 Highlands Road Franklin	Tax Credit	52	Gateway Development Corporation	**Proposed:** Applied for Tax Credits in the spring of 2024. Awards will not be announced until late summer/early fall.
For-Sale Housing				
Applewood Farm 39 Jackson Drive Highlands	Single-Family	15	N/A	**Under Construction:** Three to four bedrooms; $985,000
Preserve at Whiteside Cliffs Highlands	Single-Family	47	N/A	**Under Construction**: Cabin-style homes from one to two bedrooms; Homes from $500,000 to $1.3 million
Sanctuary on 1st 1st Street Highlands	Single-Family	11	Sanctuary Developers, LLC	**Under Construction:** Three to five bedrooms; Homes from $4 million to $5 million; Square feet from 3,000
Sanctuary Village 49 Village Circle East Franklin	Single-Family	Estimated 162	Buchanan Construction	**Under Construction:** Two to four bedrooms; Homes from the $400,000s; Square feet 1,450 to 2,251
Scenic Ridge 9 Scenic Ridge Circle Franklin	Single-Family	52	Phil Drake	**Planned:** Infrastructure has begun; Lots from $40,000 to $500,000

N/A – Not Available

As the preceding illustrates, there are currently four residential rental projects and five for-sale housing projects in various stages of development in the PSA (Macon County). Of these, three for-sale projects are located in Highlands/Flats. All three projects are currently under construction, and when completed, will comprise 73 housing units with pricing ranging between $500,000 and $5,000,000. No rental housing developments were identified in the Highlands/Flats area.

E. OTHER HOUSING FACTORS

Development Opportunities

Cursory research was conducted to identify potential sites for residential development. While this likely does not include all possible sites, this overview gives some insight into potential development opportunities in the town of Highlands and surrounding area. A detailed listing of these development sites is included in Section VII (Other Housing Market Factors) of this Housing Needs Assessment, starting on page VII-20.

Development Opportunity Sites (Highlands/Flats)					
Number of Sites*	Zoning Type	Land Size Range (Acres)	Total Acreage	Sites with Existing Buildings	Building Size Range (Sq. Ft.)
1	R-1 Residential	3.05	3.05	0	-
4	R-2 Residential	1.04-9.76	17.69	1	3,491
1	B-2 Business District	0.11	0.11	1	3,000
2	No Zoning	2.71-3.48	6.19	0	-

Sources: LoopNet, Realtor.com, Macon County GIS and several other real estate websites.
Note: Total land area includes total building area.
*One site (4.09 acres total) has portions zoned as R-1 (3.05 acres) and R-2 (1.04 acres) and is included in the total of both types.

Based on this review, seven sites were identified in Highlands that were marketed as available for potential residential development. Note that one site is listed in both the R-1 and R-2 zoning types as a portion of the site is located in each. Considering the preceding, it appears that available sites are located in the town of Highlands and surrounding area, with a notable amount of acreage, that could potentially support residential development. In comparison, however, the seven sites identified in Highlands represent less than 20.0% of the 40 potential development sites identified throughout the county.

F. COMMUNITY INPUT SURVEYS

To gain information, perspective and insight about Macon County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research conducted targeted surveys of three specific groups: Stakeholders, Employers and Residents/Commuters. These surveys were conducted during April and May of 2024 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

In total, 847 survey responses were received from a broad cross section of the community through online surveys conducted via SurveyMonkey.com. The full results of these surveys are included in Section IX (Community Input) of this Housing Needs Assessment. The following summarizes the results specific to the Highlands/Flats area. Note that the stakeholder survey asked questions for specific areas of Macon County, including the Highlands area.

Highlands/Flats, North Carolina Summary of Stakeholder, Resident/Commuter, and Employer Surveys		
Category	**Top Needs / Issues**	**Consensus**
Stakeholder Survey		
Housing Needs by Price Point	• For-Sale Housing ($200,000-$299,999) • Rental Housing (Less Than $1,250/Month) • For-Sale Housing (Less Than $200,000)	**86.7*** **83.8*** **80.8***
Housing Needs by Style	• Duplex/Triplex/Townhomes • Multifamily Apartments	**50.0%** **33.3%**
Common Housing Issues	• Limited Availability • Home Purchase Affordability • Rent Affordability • Investors Buying Properties/Increasing Prices and Rents	**76.0%** **60.0%** **44.0%** **36.0%**
Priority by Construction Type	• New Construction • Mixed-Use	**68.8*** **66.2***
Common Residential Barriers	• Cost of Land • Availability of Land • Cost of Labor/Materials • Housing Converting to Short-Term/Vacation Rentals	**72.0%** **64.0%** **48.0%** **36.0%**

Resident/Commuter Survey

Note that the resident/commuter survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Highlands/Flats, specifically, are included in this summary.

- Among the 30 non-resident respondents of Macon County providing feedback, 60.0% (18 respondents) cited the Highlands area as their preferred area of relocation if they were to move to Macon County.
- One non-resident respondent noted "it is crucial to develop more employee housing in the area" when asked if any factors could be addressed, added, or changed to increase their likelihood of relocation to Macon County/Highlands/Flats.
- When asked why it is difficult for people to find suitable housing in Macon County, one respondent indicated that *availability, and the mismatch of wages and housing costs* were issues, and that *employer housing is needed in areas like Highlands*.
- Respondents noted that the *need for pre-school for working parents* and *affordable workforce housing* were among the top issues negatively impacting the local housing market.
- When asked to identify the most significant housing issue facing the area, the majority of respondents cited *affordability* as the primary issue. Other issues included *the availability of land, workforce housing, the commute distance for individuals working in Highlands, the conversion of rental units into short-term/vacation rentals, and the lack of affordable grocery options*.

Other general topics cited by survey respondents specific to the Highlands area included: *the need for a bus loop connecting regional communities, utilization of the "Habitat" model for housing, the abundance of out-of-town investors in the area, the need to maintain the aspects that make the area an attractive destination, and the need to balance short-term rentals with long term housing options.*

Employer Survey

Note that the employer survey was targeted to obtain insight regarding housing conditions in Macon County, overall. Therefore, only responses relevant to Highlands/Flats, specifically, are included in this summary.

- One respondent noted that *employer provided housing is necessary in the area in order retain and attract employees, and the lack of available housing results in other issues*.
- One respondent indicated that *subsidies or tax credits might encourage the development of employee provided housing*.
- When respondents were asked about short-term/seasonal employee housing, 58.2% of respondents indicated that such housing was needed in the county. Overall, 60.0% of respondents indicated that this type of housing is *most needed in the Highlands area*. Furthermore, respondents indicated that the demand for short-term/seasonal workforce housing is highest between *May and October* of each year, and the majority of respondents noted that a *rent range between $500 and $750* was appropriate.

Overall, survey responses from each of the target groups indicate that 60.0% of non-resident commuters would prefer to live in the Highlands area if relocating to Macon County, and the area is most in need of affordable to moderately priced (under $300,000) for-sale housing and affordable rentals (less than $1,250 per month). The most common housing issue in the area is limited availability, followed by affordability of both for-sale housing and rentals. Respondents believe new housing and mixed-use housing should be priorities; however, the cost and availability of land, the cost of labor/materials, and the conversion of housing to short-term/vacation rentals are common barriers to development. Other specific needs and issues cited by resident/commuter respondents include the need for affordable workforce housing, the need for childcare for working parents, lengthy commute times for persons working in the Highlands area, and the lack of affordable grocery options. Employers noted the importance of housing in retaining and attracting employees and the need for employers to provide housing in the area. Specifically, the majority of respondents believe that short-term/seasonal housing is needed in the area, and the demand is highest between May and October each year.

G. HOUSING GAP ESTIMATES

The following tables summarize the rental and for-sale housing gaps by income and affordability levels for Macon County and the Highlands/Flats Submarket. Details of the methodology used in this analysis are provided in Section VIII of this report.

	Macon County / Highlands-Flats, North Carolina Rental Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Monthly Rent Range	**≤ $916**	**$917-$1,466**	**$1,467-$2,169**	**$2,170+**
Household Growth	-265	14	111	87
Balanced Market*	75	40	29	28
Replacement Housing**	91	16	6	0
External Market Support^	56	39	21	14
Severe Cost Burdened^^	160	80	27	0
Step-Down Support	57	20	-13	-64
Less Pipeline Units	0	0	0	0
County Housing Gap	174	209	181	65
Highlands-Flats Rental Housing Gap	**22 to 174**	**27 to 209**	**23 to 181**	**8 to 65**

*Based on Bowen National Research's survey of area rentals
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

	Macon County / Highlands-Flats, North Carolina For-Sale Housing Gap Estimates (2023-2028)			
Percent of Median Income	**≤ 50%**	**51%-80%**	**81%-120%**	**121%+**
Household Income Range	**≤$36,650**	**$36,651-$58,640**	**$58,641-$86,760**	**$86,761+**
Price Point	**≤ $122,167**	**$122,168-$195,467**	**$195,468-$289,200**	**$289,201+**
Household Growth	-364	-83	-39	1,087
Balanced Market*	102	55	49	0
Replacement Housing**	78	24	12	0
External Market Support^	83	103	80	106
Severe Cost Burdened^^	119	59	20	0
Step-Down Support	47	2	548	-597
Less Pipeline Units	0	0	0	0
County Housing Gap	65	160	670	596
Highlands-Flats For-Sale Housing Gap	**7 to 65**	**16 to 160**	**69 to 670**	**61 to 596**

*Based on MLS inventory of available homes
**Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded
^Based on Bowen National Research proprietary research and ACS migration patterns for Macon County
^^Based on ESRI/ACS estimates of households paying 50% or more of income toward housing

As the preceding illustrates, the Highlands/Flats Submarket has a *minimum* overall housing gap of 233 units for at least 80 rental units and at least 153 for-sale units over the next five years. It is important to understand that these are the *minimum* housing gaps for the submarket, which are based on current household shares by tenure (renter/owner) for the Highlands/Flats Submarket relative to the overall base of households (renter/owner) for the county. The maximum housing gaps illustrated in the preceding table are equal to the housing gaps for Macon County as a whole as it is possible that new development concentrated in the Highlands/Flats Submarket could meet the needs of the entire county. Of course, this assumes that a wide variety of housing product is developed in terms of design, pricing, location etc., that would meet the needs of all renters/owners within the county. As it is unlikely that housing product meeting the needs of all potential renters/owners would be developed in the Highlands/Flats Submarket, the effective housing gaps for the submarket will fall somewhere between the minimum and maximum estimates detailed in the preceding tables. Development within the Highlands/Flats Submarket should be prioritized to the housing product showing the greatest gaps.

ADDENDUM G: METHODOLOGY AND LIMITATIONS

A. METHODOLOGIES AND SOURCES

The following methods were used by Bowen National Research.

Study Area Delineation

The primary geographic scope of this study is Macon County, North Carolina. Supplemental data and analysis are provided for the Franklin Extra-Territorial Jurisdiction (ETJ), the Highlands/Flats (includes the town of Highlands, Highlands Township and the Flats Township), and the balance of Macon County. Additionally, an overview analysis is provided for the town of Franklin in Addendum D. A full description of the market areas and corresponding maps are included in Section III.

Demographic Information

Demographic data for population, households, and housing was secured from ESRI, the 2010 and 2020 U.S. Census, the U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report. Estimates and projections of key demographic data for 2023 and 2028 were also provided.

Employment Information

Employment information was obtained and evaluated for various geographic areas that were part of this overall study. This information included data related to wages by occupation, employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. Bowen National Research also conducted numerous interviews with local stakeholders familiar with the area's employment characteristics and trends.

Housing Component Definitions

This study focuses on rental and for-sale housing components. Rentals include multifamily apartments (generally five+ units per building), non-conventional rentals (single-family homes, duplexes, units over storefronts, etc.), second homes or vacation rentals, and senior care housing (e.g., assisted living and nursing homes). For-sale housing includes individual homes, mobile homes, and projects within subdivisions.

Housing Supply Documentation

Between February and June of 2024, Bowen National Research conducted telephone research, as well as online research, of the area's housing supply. Additionally, market analysts from Bowen National Research traveled to the area in June 2024, conducting research on the housing properties identified in this study, as well as obtaining other on-site information relative to this analysis.

The following data was collected on each multifamily rental property:

1. Property Information: Name, address, total units, and number of floors
2. Owner/Developer and/or Property Manager: Name and telephone number
3. Population Served (i.e., seniors vs. family, low-income vs. market-rate, etc.)
4. Available Amenities/Features: Both in-unit and within the overall project
5. Years Built and Renovated (if applicable)
6. Vacancy Rates
7. Distribution of Units by Bedroom Type
8. Square Feet and Number of Bathrooms by Bedroom Type
9. Gross Rents or Price Points by Bedroom Type
10. Property Type
11. Quality Ratings
12. GPS Locations

Non-Conventional (e.g., single-family homes, duplexes, mobile homes, etc.) rental information includes such things as collected and gross rent, bedroom types, square footage, price per square foot, and total available inventory.

Vacation rental data includes share of vacation rentals compared to overall rental supply, bedroom types, average daily rents, annual revenue, seasonal trends and other data points.

For-sale housing data includes details on home price, year built, location, number of bedrooms/bathrooms, price per-square-foot, and other property attributes. Data was analyzed for both historical transactions and currently available residential units.

We also surveyed senior care facilities including assisted living facilities and nursing homes within the county. Information gathered includes total beds, vacancies, fees/rents, unit mix by bedroom type, square footage, unit features/amenities, and services.

Other Housing Factors

We evaluated other factors that impact housing, including cost and accessibility of public transportation (including walkability), availability of common community services, the prevalence of residential blight, residential development opportunities (potential sites), local development costs and regulations, identification of potential development/investment partners, identification of housing programs that help preserve existing housing and encourage future housing development, and special needs populations (e.g., homeless, veterans, persons with a disability, etc.).

Housing Demand

Based on the demographic data for both 2023 and 2028 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units that are needed (housing gap) in Macon County. The following summarizes the metrics used in our demand estimates.

- Rental Housing – We included renter household growth, the number of units required for a balanced market, the need for replacement housing, commuter/ external market support, severe housing cost burdened households, and step-down support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We conclude this analysis by providing the number of units that are needed (housing gap) by different income segments and rent levels.

- For-Sale Housing – We considered potential demand from owner household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe housing cost burdened households, and step-down support in our estimates for new for-sale housing. As part of this analysis, we accounted for vacancies reported among all surveyed for-sale alternatives. We conclude this analysis by providing the number of units that are needed (housing gap) by different income segments and price points.

Community Engagement

Bowen National Research conducted three separate online surveys to solicit input from area stakeholders, employers, and residents/commuters within Macon County. Overall, more than 800 people participated in the surveys, providing valuable local insight on the housing challenges, issues and opportunities in the area. The aggregate results from these surveys are presented and evaluated in Section IX.

B. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data for Macon County, North Carolina. Bowen National Research relied on a variety of data sources to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval of Macon County, North Carolina or Bowen National Research is strictly prohibited.

ADDENDUM H: QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study includes the highest standards. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has national experience and knowledge to assist in evaluating a variety of product types and markets.

Primary Contact and Report Author

Patrick Bowen, President of Bowen National Research, has conducted numerous housing needs assessments and provided consulting services to city, county and state development entities as it relates to residential development, including affordable and market-rate housing, for both rental and for-sale housing, and retail development opportunities. He has also prepared and supervised thousands of market feasibility studies for all types of real estate products, including housing, retail, office, industrial and mixed-use developments, since 1996. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida and currently serves as Chairman of the National Council of Housing Market Analysts (NCHMA).

Housing Needs Assessment Experience		
Location	**Client**	**Completion Year**
Asheville, NC	City of Asheville Community and Economic Development Department	2020
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2020
Youngstown, OH	Youngstown Neighborhood Development Corporation (YNDC)	2020
Richlands, VA	Town of Richlands, Virginia	2020
Elkin, NC	Elkin Economic Development Department	2020
Grand Rapids, MI	Grand Rapids Area Chamber of Commerce	2020
Morgantown, WV	City of Morgantown	2020
Erwin, TN	Unicoi County Economic Development Board	2020
Ferrum, VA	County of Franklin (Virginia)	2020
Charleston, WV	Charleston Area Alliance	2020
Wilkes County, NC	Wilkes Economic Development Corporation	2020
Oxford, OH	City of Oxford - Community Development Department	2020
New Hanover County, NC	New Hanover County Finance Department	2020
Ann Arbor, MI	Smith Group, Inc.	2020
Austin, IN	Austin Redevelopment Commission	2020

(continued)

Housing Needs Assessment Experience		
Location	**Client**	**Completion Year**
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2021
Giddings, TX	Giddings Economic Development Corporation	2021
Georgetown County, SC	Georgetown County	2021
Western North Carolina (18 Counties)	Dogwood Health Trust	2021
Carteret County, NC	Carteret County Economic Development Foundation	2021
Ottawa County, MI	HOUSING NEXT	2021
Dayton, OH	Miami Valley Nonprofit Housing Collaborative	2021
High Country, NC (4 Counties)	NC REALTORS	2022
Evansville, IN	City of Evansville, IN - Department of Metropolitan Development	2022
Barren County, KY	The Barren County Economic Authority	2022
Kirksville, MO	City of Kirksville	2022
Rutherfordton, NC	Town of Rutherfordton	2022
Spindale, NC	Town of Spindale	2022
Wood County, WV	Wood County Development Authority & Parkersburg-Wood County Area Development Corporation	2022
Yancey County, NC	Yancey County	2022
Cherokee County, NC	Economic and Workforce Development, Tri-County Community College	2022
Rowan County, KY	Morehead-Rowan County Economic Development Council	2022
Avery County, NC	Avery County	2022
Muskegon, MI	City of Muskegon	2023
Firelands Region, OH	Firelands Forward	2023
Marshall County, WV	Marshall County Commission	2023
Lebanon County, PA	Lebanon County Coalition to End Homelessness	2023
Northern, MI	Housing North	2023
Muskegon County, MI	Community Foundation for Muskegon County	2023
Mason County, MI	Mason County Chamber Alliance	2023
Oceana County, MI	Dogwood Community Development	2023
Allegan County, MI	Allegan County Community Foundation	2023
Bowling Green, KY	City of Bowling Green	2023
Fayette County, PA	Fay-Penn Economic Development Council	2023
Tarboro, NC	Town of Tarboro	2023
Southwest Region, WV (10 Counties)	Advantage Valley	2023
Lake County, MI	FiveCap, Inc.	2023
Owensboro, KY	City of Owensboro	2023
Burke County, NC	Burke County	2023
Charleston, WV	Charleston Land Reuse Agency	2024
Huntington, WV	Huntington Municipal Development Authority	2024
Cabarrus, Iredell, Rowan Counties, NC	Cabarrus, Iredell and Rowan County Housing Consortium	2024
Carolina Core Region, NC (21 Counties)	NC Realtors	2024
Shiloh Neighborhood, NC	Dogwood Health Trust	2024
Muhlenberg County, KY	Muhlenberg Economic Growth Alliance	2024

The following individuals provided research and analysis assistance:

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

Christopher Bunch, Market Analyst, has more than two decades of experience in conducting both site-specific market feasibility studies and broader housing needs assessments. He has conducted on-site market research of a variety of housing product, conducted stakeholder interviews and completed specialized research on housing market attributes including the impact of military personnel, heirs and estates and other unique factors that impact housing needs. He holds a bachelor's degree in geography from Ohio University.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. Ms. Johnson also coordinates and oversees research staff and activities. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Pat McDavid, Market Analyst, has conducted housing research for housing needs assessments completed throughout the country. Additionally, he is experienced in analyzing demographic and economic data in rural, suburban and metropolitan communities. Mr. McDavid has been a part of the development of market strategies, operational and fiscal performance analysis, and commercial, industrial and government (local, state, and federal) client consultation within the construction and manufacturing industries. He holds a bachelor's degree in educational studies from Western Governors University.

Jody LaCava, Research Specialist, has more than a decade of real estate research experience. She has extensive experience in surveying a variety of housing alternatives, including rental, for-sale, and senior housing. She has experience in conducting on-site research of real estate, evaluating existing housing properties, conducting interviews, and evaluating community services. She has been involved in industry leading case studies, door-to-door resident surveys and special needs housing research.

In-House Researchers – Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

No subconsultants were used as part of this assessment.

ADDENDUM I: GLOSSARY

Various key terms associated with issues and topics evaluated in this report are used throughout this document. The following provides a summary of the definitions for these key terms. It is important to note that the definitions cited below include the source of the definition, when applicable. Those definitions that were not cited originated from the National Council of Housing Market Analysts (NCHMA).

Area Median Household Income (AMHI) is the median income for families in metropolitan and non-metropolitan areas, used to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the area median income. For example, a family's income may equal 80% of the area median income, a common maximum income level for participation in HUD programs. (Bowen National Research, Various Sources)

Available rental housing is any rental product that is currently available for rent. This includes any units identified through Bowen National Research survey of affordable rental properties identified in the study areas, published listings of available rentals, and rentals disclosed by local realtors or management companies.

Basic Rent is the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and the HUD Section 223 (d) (3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Contract Rent is (1) the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease (HUD & RD) or (2) the monthly rent agreed to between a tenant and a landlord (Census).

Cost overburdened households are households that pay more than 30% or 35% (depending upon source) of their annual household income toward housing costs. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a cost burden.

Elderly Person is a person who is at least 62 years of age as defined by HUD.

Elderly or Senior Housing is housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low-income is a person or household with income below 30% of Area Median Income adjusted for household size.

Fair Market Rent (FMR) are the estimates established by HUD of the gross rents (contract rent plus tenant paid utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below the FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Frail Elderly is a person who is at least 62 years of age and is unable to perform at least three "activities of daily living" comprising of eating, bathing, grooming, dressing or home management activities as defined by HUD.

Garden apartments are apartments in low-rise buildings (typically two to four stories) that feature low density, ample open space around buildings, and on-site parking.

Gross Rent is the monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all tenant paid utilities.

Household is one or more people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher (Section 8 Program) is a federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted gross income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenant's income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing unit is a house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

HUD Section 8 Program is a federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program is a federal program, which provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of the Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 236 Program is a federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of Area Median Income who pay rent equal to the greater of Basic Rent or 30% of their adjusted income. All rents are capped at a HUD approved market rent.

HUD Section 811 Program is a federal program, which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

Income Limits are the Maximum Household Income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income (AMI) for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI.

Low-Income Household is a person or household with gross household income between 50% and 80% of Area Median Income adjusted for household size.

Low-Income Housing Tax Credit is a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 80% or less of Area Median Income, and that the rents on these units be restricted accordingly.

Market vacancy rate (physical) is the average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage. Bowen National Research considers only these vacant units in its rental housing survey.

Mixed income property is an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e., low-income Tax Credit property with income limits of 30%, 50% and 60%).

Moderate Income is a person or household with gross household income between 40% and 60% of Area Median Income adjusted for household size.

Multifamily are structures that contain more than two housing units.

New owner-occupied household growth within a market is a primary demand component for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2023 and 2028. The 2023 households by income level are based on ESRI estimates that account for 2020 Census counts of total households for each study area. The 2023 and 2028 estimates are also based on growth projections by income level by ESRI. The difference between the two household estimates represents the new owner-occupied households that are projected to be added to a study area between 2023 and 2028. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

Non-Conventional Rentals are structures with four or fewer rental units.

Overcrowded housing is often considered housing units with 1.01 or more persons per room. These units are often occupied by multi-generational families or large families that are in need of more appropriately sized and affordable housing units. For the purposes of this analysis, we have used the share of overcrowded housing from the American Community Survey.

Pipeline housing is housing that is currently under construction or is planned or proposed for development. We identified pipeline housing during our telephone interviews with local and county planning departments and through a review of published listings from housing finance entities such as NCHFA, HUD and USDA**.**

Population trends are changes in population levels for a particular area over a specific period of time which is a function of the level of births, deaths, and net migration.

Potential support is the equivalent to the *housing gap* referenced in this report. The *housing gap* is the total demand from eligible households that live in certain housing conditions (described in Section VIII of this report) less the available or planned housing stock that was inventoried within each study area.

Project-based rent assistance is rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low-Income Conventional Public Housing is a HUD program administered by local (or regional) Housing Authorities which serves Low- and Very Low-Income households with rent based on the same formula used for HUD Section 8 assistance.

Rent burden is gross rent divided by adjusted monthly household income.

Rent burdened households are households with rent burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.

Replacement of functionally obsolete housing is a demand consideration in most established markets. Given the limited development of new housing units in the study area, homebuyers are often limited to choosing from the established housing stock, much of which is considered old and/or often in disrepair and/or functionally obsolete. There are a variety of ways to measure functionally obsolete housing and to determine the number of units that should be replaced. For the purposes of this analysis, we have applied the highest share of any of the following three metrics: cost burdened households, units lacking complete plumbing facilities, and overcrowded units. This resulting housing replacement ratio is then applied to the existing (2023) owner-occupied housing stock to estimate the number of for-sale units that should be replaced in the study areas.

Restricted rent is the rent charged under the restrictions of a specific housing program or subsidy.

Single-Family Housing is a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Standard Condition: A housing unit that meets HUD's Section 8 Housing Quality Standards.

Subsidized Housing is housing that operates with a government subsidy often requiring tenants to pay up to 30% of their adjusted gross income toward rent and often limiting eligibility to households with incomes of up to 50% or 80% of the Area Median Household Income. (Bowen National Research)

Subsidy is monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.

Substandard housing is typically considered product that lacks complete indoor plumbing facilities. Such housing is often considered to be of such poor quality and in disrepair that it should be replaced. For the purposes of this analysis, we have used the share of households living in substandard housing from the American Community Survey.

Substandard conditions are housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Tenant is one who rents real property from another.

Tenant paid utilities are the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Tenure is the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) is a single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Vacancy Rate – Economic Vacancy Rate (physical) is the maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Very Low-Income Household is a person or household with gross household income between 30% and 50% of Area Median Income adjusted for household size.

Windshield Survey references an on-site observation of a physical property or area that considers only the perspective viewed from the "windshield" of a vehicle. Such a survey does not include interior inspections or evaluations of physical structures.