



October 16, 2018

Ms. Elizabeth Hensley, Association Executive
Burke County Board of REALTORS
305 East Union Street, Suite B-115
Morganton, North Carolina 28655

Re: Burke County, North Carolina Preliminary Housing Needs Assessment

Dear Ms. Hensley:

Bowen National Research is pleased to provide you with the revised draft of the Preliminary Housing Needs Assessment of Burke County, North Carolina we completed on your behalf in April of 2018. This revised version of the report is being provided due to revised demographic projections and demand estimates following conversations with representatives of Burke Development, Inc.

This report includes aggregate county data and selected data for the city of Morganton, within Burke County.

We have enjoyed working on this project and look forward to hearing from you.

Respectfully,

A handwritten signature in blue ink that reads "Patrick M. Bowen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Patrick M. Bowen

Enc:

Bowen National Research
155 E. Columbus Street, Suite 220
Pickerington, Ohio 43147
(614) 833-9300

Burke County

Preliminary Housing Needs Assessment



Prepared For

Ms. Elizabeth Hensley, Association Executive
Burke County Board of REALTORS®
305 East Union Street, Suite B-115
Morganton, North Carolina 28655

Effective Date

April 20, 2018

Revised Date

October 16, 2018

Job Reference Number

17-677

TABLE OF CONTENTS

Introduction

Executive Summary

Countywide Analysis

A. Scope of Work	Page 1
B. Demographics.....	Page 3
1. Population Trends.....	Page 3
2. Household Characteristics.....	Page 9
3. Income Characteristics	Page 15
4. Demographic Summary (Key Trends)	Page 22
C. Commuting Patterns.....	Page 24
D. Crime Statistics	Page 25
E. Economics.....	Page 27
F. Housing Supply Analysis	Page 46
G. Housing Gap/Needs Estimates.....	Page 89
H. Stakeholder Interviews	Page 96

Addendum A – Phone Survey of Conventional Rentals (Burke County)

Addendum B – Phone Survey of Conventional Rentals (Morganton)

Addendum C – Phone Survey of Senior Facilities (Burke County)

Addendum D – Sources

Addendum E – Glossary

Addendum F – Qualifications

Addendum G – Stakeholder Survey Instrument

INTRODUCTION

A. PURPOSE

The Burke County Board of REALTORS retained Bowen National Research in December of 2017 for the purpose of conducting a preliminary Countywide Housing Needs Assessment for Burke County, with additional consideration given to the city of Morganton.

With changing demographic and employment characteristics and trends expected over the years ahead, it is important for both public and private sectors to understand the current market conditions and projected changes that are expected to occur that will influence future housing needs. Toward that end, this report intends to:

- Present and evaluate past, current and projected detailed demographic characteristics of the county and city of Morganton.
- Present and evaluate key employment characteristics and trends of the county.
- Determine current characteristics of all major housing components within the county (for-sale/ownership, rental and senior care housing alternatives).
- Calculate housing gaps and housing needs estimates by tenure and income segment for the county.
- Compile local stakeholder perceptions of housing market conditions and trends, opinions on future housing needs, and identify barriers to residential development in the county.

By accomplishing the study's objectives, area stakeholders, local public officials, area employers, and private housing developers can: 1) better understand the county's evolving housing market, 2) modify or expand the county's housing policies, 3) develop a housing strategy that addresses specifically identified housing needs, 4) attract developers and investment into the county, and 5) enhance and/or expand the county's housing supply to meet future housing needs.

B. METHODOLOGIES

The following methods were used by Bowen National Research to collect and analyze data for this study:

Study Area Delineation

The primary geographic scope of this study is Burke County and the city of Morganton, within the county. Selected information for the overall state of North Carolina was provided for a base of comparison, when applicable.

Demographic Information

Demographic data for population, households, housing, and income was secured from ESRI, Incorporated, the 2000 and 2010 United States Census, Applied Geographic Solutions, U.S. Department of Commerce, and the American Community Survey. Estimates for 2015 and projections for 2022 are also provided. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report and in Addendum D of this report.

Employment Information

Employment information was obtained and evaluated for various geographic areas that are part of this overall study. This information included data related to 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. However, Bowen National Research also conducted interviews with local stakeholder's familiar with employment characteristics and trends throughout the county.

Housing Component Definitions

This study is concerned with three major housing components: 1) rental (multifamily apartments and non-conventional units); 2.) for-sale/ownership (both single-family and multifamily) and 3) senior care facilities. Multifamily rentals generally include structures with four or more units while non-conventional rentals include less than four units. For-sale/ownership housing includes single-family homes and condominiums. Senior care housing includes independent living facilities, assisted living facilities and nursing homes.

Housing Supply Documentation

During January and March of 2018, Bowen National Research conducted telephone and on-line research of the county's housing supply. When available, the following data was collected on each 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

Information regarding for-sale single-family homes was collected by Bowen National Research's in-office staff during the aforementioned research period. Home listings were obtained from the Burke County Board of REALTORS.

Stakeholder/Interviews/Survey

During February and March of 2018, Bowen National Research staff conducted interviews with area stakeholders, as well as conducted a stakeholder survey. These stakeholders included individuals from a variety of trades within the public and private sectors. Questions were structured to elicit opinions on a variety of matters including current housing conditions, housing challenges for area residents, barriers to housing development, future housing needs and recommendations to improve housing in the county. These interviews afforded participants an opportunity to voice their opinions and provide anecdotal insights about the study's subject matter. Overall, nine individual interviews/surveys were completed and evaluated. Please note that individual names and organizations have not been disclosed in order to protect the confidentiality of participants and encourage their candor. The aggregate results from these interviews are presented and evaluated in the main body of this report, while the actual stakeholder interview questions are included in Addendum G.

Housing Demand

Based on the demographic data for both 2017 and 2022, and taking into consideration the housing data from our phone survey of area housing alternatives, we are able to project the potential number of new units the PSA (Burke County) can support. 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 and external market support as the demand components for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- *For-Sale Housing* – We considered potential demand from new owner-occupied household growth, renters converting to homeowners, need for replacement housing and external market support in our estimates for new for-sale housing. We accounted for the available supply of for-sale housing to yield a net support base of potential for-sale housing. Demand estimates were provided for multiple income stratifications and corresponding price points.
- *Senior Care Housing* – Demand estimates included the potential support that will originate from senior population growth and seniors preferring or requiring some level of assistance with activities of daily living. Base rents/fees of the existing supply were used to establish the minimum income required for each housing alternative.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of housing data for the subject county. Bowen National Research relied on a variety of data sources to generate this report (see Addendum D). 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.

EXECUTIVE SUMMARY

The purpose of this preliminary report is to evaluate the housing needs of Burke County, North Carolina, with supplemental analysis conducted on the city of Morganton within the county. In addition to collecting and analyzing various metrics, we have also provided recommended priorities to address such housing needs. To that end, we have conducted a preliminary Housing Needs Assessment that considered the following:

- Demographic Characteristics and Trends
- Economic Conditions and Trends
- Existing Housing Stock (i.e. rental, for-sale, and senior care)
- Housing Gap Analysis
- Community Input from Stakeholders

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 housing priorities that should be considered for implementation. This Executive Summary provides key findings and recommendations. Detailed data analysis is presented within the Countywide Analysis section of this Preliminary Housing Needs Assessment.

Study Area Delineation

This report addresses the residential housing needs of Burke County, North Carolina. To this end, we have evaluated the demographic and economic characteristics, as well as the existing housing stock, of Burke County. The following summarizes the various study areas used in this analysis.



Primary Study Area - The Primary Study Area (PSA) includes all of Burke County, North Carolina.

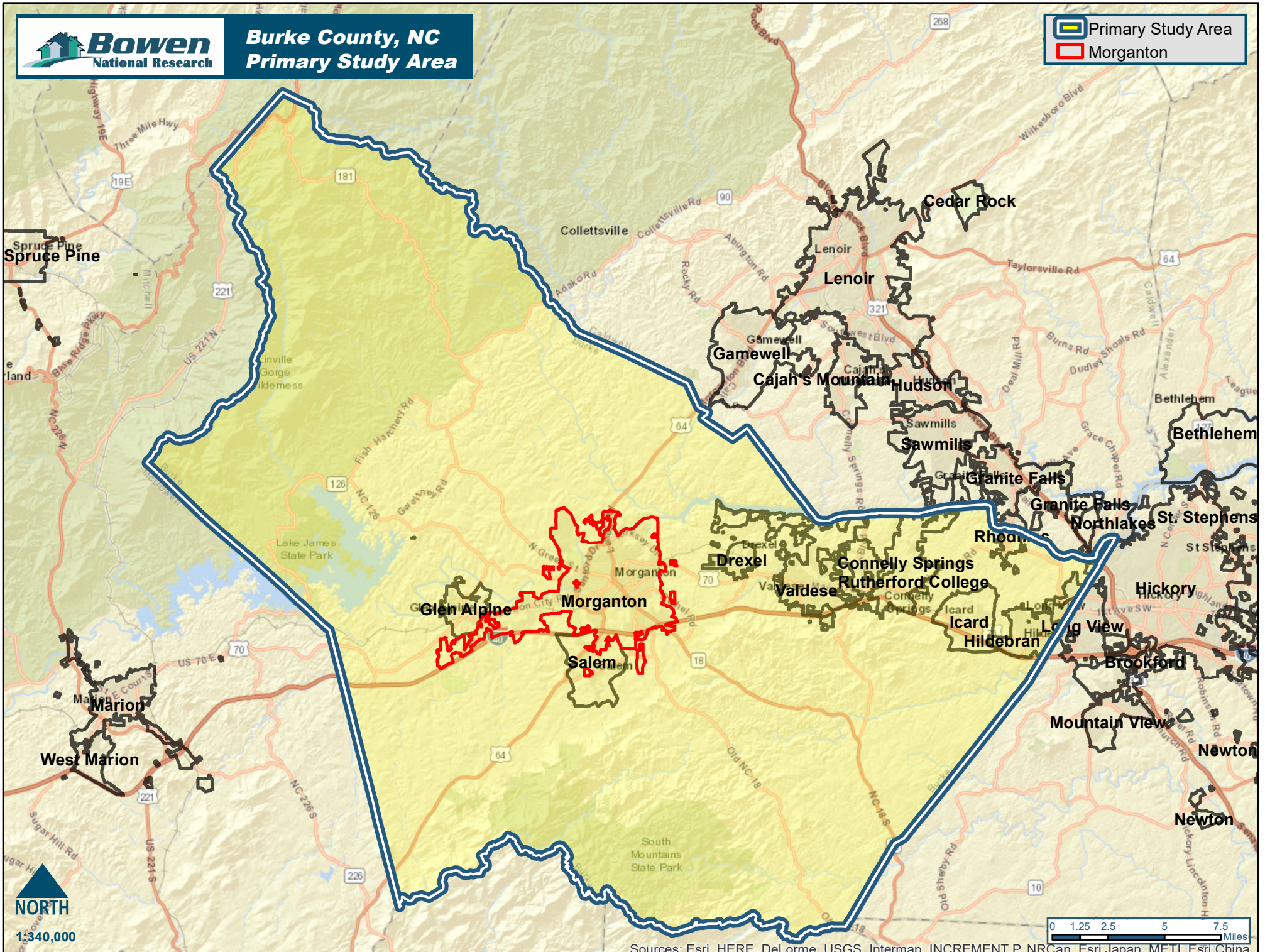
Submarket – The city of Morganton was evaluated in comparison with Burke County as a whole.

A map delineating the boundaries of the various study areas is included on the following page.



Burke County, NC Primary Study Area

 Primary Study Area
 Morganton



NORTH
1:340,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Demographic Summary

Following population and household declines between 2010 and 2017, Burke County is projected to experience demographic growth between 2017 and 2022 – Burke County declined by nearly 2,000 people and 260 households between 2010 and 2017, declines of 1.3% and 0.7%, respectively. Over the next five years (2017 to 2022), the county is projected to increase in population by 1,738 and by 690 households, increases of 1.9% for each demographic. As demographic growth is projected to occur throughout the county, local incentives/economic investments within individual municipalities (i.e. Morganton) could influence where growth will occur within the county.

A large and expanding base of senior households is indicative of an ongoing need for senior-oriented housing alternatives – Just over one-half of all households within the county are age 55 and older. Households age 55 and older are projected to increase by nearly 1,500, or 8.2%, between 2017 and 2022. This senior growth will occur among both senior *renter* and *owner* households. This rapidly expanding senior household base will contribute to an ongoing need for a variety of senior-restricted and/or senior-oriented housing alternatives.

Burke County is projected to experience a decline in households under age 35 (millennials) between 2017 and 2022 – Over the next five-year period, the county will experience a decline in younger households under the age of 35, a trend which will also be similar within the city of Morganton. It is likely that this projected household decline is in part attributed to the limited supply, or lack of, housing product attractive to younger households. Such housing typically includes low-maintenance options such as modern market-rate rental product with upscale finishes and/or comprehensive amenity packages, and/or for-sale condominiums/attached patio or townhome-style product.

Household growth among owner- and renter-occupied households will contribute to ongoing need for both for-sale and rental housing alternatives within the county – Burke County is projected to increase by 416 owner-occupied households and 274 renter-occupied households between 2017 and 2022. While this suggests a greater need for for-sale housing, demand is also expected to increase for rental housing within the county. This is especially true when considering the relatively limited supply of existing, particularly modern, conventional rental housing alternatives and very limited availability (high occupancy rates) among the existing rental properties in the county.

Significant growth projected among moderate to higher-income renter-occupied households, though low-income households will continue to represent large share of renter base – Renter household growth within Burke County is projected to occur primarily among households earning between \$25,000 and \$75,000, and households earning more than \$100,000, between 2017 and 2022. However, households earning less than \$25,000 will comprise nearly 44.0% of all renter households in the county in 2022. These trends are indicative of an ongoing need for rental product of all affordability levels within the county.

Household growth among owner-occupied households expected to occur among both moderate and higher income-households, though middle-income households will still comprise more than one-third of owner-occupied households – Household growth among owner-occupied households is projected among households earning \$35,000 or more, while owner households earning under \$35,000 are projected to decline. Although growth concentrated among higher-income households will contribute to a need for additional higher-priced for-sale housing alternatives, the fact that more than one-third of all owner-occupied households will earn between \$35,000 and \$74,999 indicates an ongoing need for for-sale housing product affordable to middle-income households as well. This is particularly true when considering that some higher-income households will choose/prefer a lower or moderate-priced home.

Economic Summary

The local Burke County and Morganton economies are relatively diverse in terms of their labor force, as most industry segments represent less than 20% of the total labor force within the study areas – Most industry segments represent less than 20.0% of the labor force within both Burke County and the city of Morganton. However, the Health Care & Social Assistance industry comprises approximately 28.0% of the Morganton labor force and 23.0% of the county labor force. This industry segment is typically less susceptible to economic downturns and is expected to contribute to the ongoing stability of the local economy. The strong presence of this industry is likely contributing to the projected growth among higher-income households within the county.

Diverse labor force is indicative of an ongoing need for housing of all affordability levels – As previously mentioned, the Health Care & Social Assistance industry represents the largest share of the area labor force within both Burke County and the city of Morganton. However, nearly half of the labor force within the county and the city of Morganton is comprised within typically lower-wage paying industries such as Manufacturing, Retail Trade, Accommodation & Food Services, and Public Administration. Considering the varying typical wages of jobs within the aforementioned industry segments, we anticipate an ongoing need for housing alternatives attractive to all income segments.

Recent economic trends have been positive - The Burke County employment base was stable, increasing by no more than 0.7% in any given year, between 2011 and 2015, following a 6.6% increase in 2010. Since 2015, the employment base has increased by 1,525 jobs, or 4.1%. Comparatively, the employment base within the state of North Carolina has increased by 4.9% during this same time period. Over the past eight years, the unemployment rate has declined by nearly ten full percentage points, to a rate of just 4.3% through the end of 2017. It is also of note that the unemployment rate within Burke County has been below the state average each of the past two years

Significant investments within both the public and private sectors will contribute to continued economic growth within both Burke County and the city of Morganton for the foreseeable future – Numerous expansions and/or new business investments were recently announced and in the pipeline within both Burke County and the city of Morganton. Notably, these announcements will involve the creation of more than 900 new jobs within Burke County over the next several years and will involve investments totaling more than \$400 million. Nearly 400 of the new jobs projected for the county, and approximately \$125 million of the total investments, will be concentrated among projects within the city of Morganton. Note that these are conservative estimates, as job and investment totals were not provided/available for all economic development projects planned/announced for the area. Nonetheless, this level of investment is a good indication of a strong and expanding economy within Burke County, and will heavily contribute to demographic growth projections for the county. The development of additional housing will be critical to support and continue economic growth within the county.

Economic growth and affordability of Burke County will help retain current residents and attract residents of surrounding counties, contributing to demographic growth within the county – More people living in Burke County commute to areas outside the county for employment than those who both live and work in the county. The numerous announcements of new and/or expanding businesses within the county is expected to help retain some residents from leaving the county for employment opportunities. Data also indicates that many residents of surrounding counties, including Catawba County (Hickory area) and Buncombe County (Asheville area) commute into, or near, Burke County for employment. Generally, these aforementioned areas have higher costs-of-living as compared to Burke County. The affordability of Burke County as compared to these surrounding areas, combined with the anticipated job growth within the county, is expected to contribute to the county's ability to attract residents throughout the region.

Housing Supply Overview

Existing housing supply (both renter- and owner-occupied) is relatively old throughout the county, though this is more profound within the city of Morganton

– Based on American Community Survey (ACS) data, 47.2% of renter-occupied housing within the city of Morganton was built prior to 1970, as compared to 40.4% of the rental stock throughout the county. This share of older housing product declines to 35.4% among owner-occupied housing units within the county, but increases to 57.6% among owner-occupied housing units within the city of Morganton. Although a higher share of older rental product is found within the Morganton area, it is also of note that the city of Morganton has a slightly higher share of modern (built 2000 to present) rental product as compared to the county. Conversely, the county reports a higher share of modern owner-occupied product as compared to the city of Morganton. Nonetheless, modern rental and owner housing units built 2000 or later generally represent the smallest share of housing product by year built within both the county and the city of Morganton. Specifically, 6.2% and 8.8% of renter-occupied units in Burke County and the city of Morganton were built after 1999, respectively, as compared to 19.9% of the rental stock throughout the state of North Carolina. In terms of owner-occupied housing units, 14.1% of those within the county and 8.9% of those within Morganton, were built after 1999, as compared to 25.6% of those throughout the state. These trends are good indications of a need for additional modern housing product, both rental and for-sale, particularly when considering the projected demographic and economic growth for the county. The age of the housing stock within the county has likely contributed to the large number of households (1,035, renter and owner combined) which are residing in overcrowded housing conditions, as well as the 240 housing units which lack complete kitchens and plumbing characteristics. These housing conditions are representative of the substandard housing stock within the county and are good indications of a need for some revitalization/renovation efforts among the older housing stock within the county.

Rental product within the county is dominated by non-conventional product and most conventional rental properties are located within the city of Morganton

– Nearly 73.0% (7,127 units) of the renter-occupied housing units within the county are comprised of single-family homes and mobile homes. When considering these aforementioned rental units and factoring in housing units contained within structures comprised of four or less units, non-conventional rental product represents more than 93.0% of all renter-occupied housing units within the county. Thus, a limited supply of conventional (i.e. multifamily structures containing more than four units) rental product is offered within the county. Additionally, nearly 71.0% of all conventional renter-occupied housing units within the county are located within the city of Morganton.

With the exception of senior care (i.e. assisted living, nursing care, etc.) housing, there is very limited availability among the existing housing supply within Burke County - Based on Bowen National Research's analysis of the county's housing supply, it is evident that traditional housing options are in high demand, as conventional multifamily rental product reports an overall vacancy rate of 2.0%, while only 240 homes are available for-sale within the county. The 240 currently available homes represent just 1.0% of the total number of owner-occupied homes within the county, based on American Community Survey (ACS) data. Although the standards used for defining the health of a housing market vary to some degree, vacancy rates generally between 4.0% to 6.0% for rental housing and 2.0% to 3.0% for-sale housing markets are considered representative of healthy and stable markets. As such, the vacancy rates among conventional rental and owner-occupied for-sale product within the county are considered low and are clear indications of strong demand for such product in Burke County. A total of 28 available non-conventional rental units were also identified within the county. While it is likely that not all available non-conventional rentals were identified at the time of this analysis, these 28 available units represent a vacancy rate of just 0.3%, based on the estimated 8,557 total non-conventional rental units in the county. This demonstrates that non-conventional rental product is also in high demand within the county. This is likely particularly true in the more rural areas of the county, where a limited supply of conventional rental product is available.

The vacancy rates reported among senior care housing (i.e. congregate care, assisted living, and nursing care) are significantly higher than traditional rental and for-sale product, as the ten such facilities surveyed report an overall vacancy rate of 15.8% and the individual care types report vacancy rates ranging from 8.6% to 19.4%. However, senior care product typically experiences higher vacancy rates than traditional housing alternatives due to turnover associated with seniors needing to relocate to facilities with higher levels of care and/or due to resident deaths. In fact, the vacancy rates reported for the congregate care and nursing care segments are similar to the national median occupancy rates for such housing types. The higher vacancy rate reported for assisted living product is primarily attributed to one underperforming property. The county's surveyed housing supply is summarized as follows.

County Surveyed Housing Supply				
Product Type	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	1,881	38	2.0%	\$325 to \$1,425
Non-Conventional Rentals	8,557	28	0.3%	\$320 to \$1,500
Owner For-Sale Housing	24,366*	240**	1.0%	\$5,000 to \$1,400,000
Senior Care Housing	639	101	15.8%	\$1,700 to \$9,125
<i>Congregate Care</i>	152	13	8.6%	\$1,700 to \$3,100
<i>Assisted Living</i> [^]	252	49	19.4%	\$2,000 to \$9,125
<i>Nursing Care</i>	235	39	16.6%	\$6,120 to \$11,490

Note: Rents above are reflective of net/collected rents among non-subsidized properties surveyed

*Includes owner-occupied homes based on US Census estimates

**Currently available homes for purchase as of January 2018

[^]Includes memory care (Alzheimer's/Dementia care) units

A variety of conventional multifamily rental product is offered within the county, though the majority is comprised of affordable (i.e. Tax Credit and/or government-subsidized) units – Nearly 62.0% of the 1,881 conventional rental units surveyed in the county are affordable (i.e. Tax Credit and/or government-subsidized) units. These affordable units are 100.0% occupied, a clear indication of strong and pent-up demand for such product within the county. Market-rate product is also performing at a high level within the county, as the 718 such units surveyed report an overall occupancy rate of 94.7% (5.3% vacancy rate). This does, however, include one property which just opened/reopened following renovations. When excluding this property which is still in lease-up following renovations, the remaining market-rate properties report an overall occupancy rate of 98.5% (1.5% vacancy rate). The very limited availability among existing rental product, combined with the projected demographic and economic growth for the county, demonstrate an ongoing need for conventional multifamily product within the county. Assuming housing needs will continue to trend in the way of existing housing stock, the need for additional multifamily rental housing is likely to be greatest within the city of Morganton, as nearly 80.0% of the existing multifamily rental units surveyed within the county are located in the city of Morganton.

A limited supply of available for-sale homes exists within the county, limiting homebuyers' options within the area – A total of 240 owner homes are available for-sale (as of January 2018) within Burke County. This represents just 1.0% of the 24,366 total owner-occupied housing units within the county. Approximately 22.0% of the currently available homes within the county are located within the city of Morganton. This is lower than the 27.4% share of homes sold within the county between January of 2014 and January of 2018. The decline in the share of available for-sale homes within the city of Morganton may suggest that the stock of for-sale housing within the Morganton area is declining and/or that home sales throughout other areas of the county are increasing.

A limited supply of senior-oriented apartment housing product and rapidly increasing base of senior households demonstrates a need for additional senior-oriented housing product within the county – Of the 1,881 conventional apartment rental units surveyed in the county, only 178 (9.5%) are age-restricted. Also of note, the six age-restricted properties surveyed are 100.0% occupied and five maintain waiting lists of up to one-year in duration. Additionally, only 49 (20.4%) of the 240 currently available homes for-sale within the county are comprised of less than three-bedrooms (typically desired by downsizing senior households). This limited supply and rapid demographic growth projected among seniors within the county is reflective of a need for senior-oriented/restricted housing product (both rental and for-sale) within the county. It is also of note that the development of additional senior-oriented housing product would help free-up additional existing housing stock for younger households in the county.

The Senior Care housing segment reports the lowest occupancy rates among housing product types surveyed in the county, despite aging household base – The existing senior care facilities (i.e. congregate care, assisted living, nursing care) report the lowest occupancy rates among the housing segments surveyed in the county. While this is not uncommon of such housing product, it does suggest that this product type is in lesser demand as compared to traditional rental and for-sale housing within the county, despite the rapidly expanding senior household base within the county. However, much of the senior care product surveyed is older, as only two of the ten properties surveyed have been built within the past 20 years. These two properties consist of one assisted living facility (Cambridge House) which is 96.7% occupied and one nursing home (Carolina Rehab Center of Burke) which is 97.8% occupied. Both of these properties report only two (2) vacant units. These are good indications that while many of the existing senior care facilities report lower occupancy rates, modern senior care product is performing well and appears to be in high demand. Also of note, the lower occupancy rates reported among the senior care facilities are primarily concentrated among assisted living and nursing home facilities. The two congregate care facilities surveyed have a combined occupancy rate of 91.4%, demonstrating that senior living product targeting younger seniors requiring less assistance with activities of daily living is in higher demand than product offering higher levels of care.

A limited supply of rental and for-sale product is planned for the county – Currently, a total of 155 rental units have been approved for development within the county. These include a combination of market-rate and non-subsidized Tax Credit units, with most of the planned market-rate units being adaptive-reuse product and/or renovations to former existing rental properties. While there are several planned/proposed single-family home developments within the county, the majority of these developments are comprised of waterfront lots located along Lake James and Rhodhiss Lake. Such developments typically are conducive to higher-priced for-sale product. While a need is believed to exist for such product in Burke County due to the projected household growth among higher-income households, a need is also believed to exist for more moderately priced for-sale product within the county, given the general lack of moderately priced modern for-sale product in the county.

Housing Gap Estimates

Since the development of new housing in the PSA (Burke County) could include a variety of financing options, our estimates for the number of new residential units that can be supported consider a variety of income levels. For the purposes of this analysis, we have segmented *rental* housing demand into four income segments, while the *for-sale* housing demand considers only the three highest income stratifications.

For details on assumption and methodology of the housing gap estimates, please see Section G: Housing Gap/Needs Estimates, of the County Analysis.

Rental Housing Demand - The table below illustrates the housing gap estimates for rental units targeting various income segments considered in this analysis.

2017 - 2022 Rental Demand Potential by Income Level & Rent Burke County, North Carolina Primary Study Area				
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$44k	\$45k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,124	\$1,125+
New Income-Qualified Renter Household	-307	-46	86	542
Units Needed for Balanced Market	128	99	52	168
New Household Formations	237	147	57	0
Replacement Housing Needed	71	44	17	0
Total External Market Support	44	29	13	16
Gross Demand of Units Needed	173	273	225	726
Units in the Development Pipeline (Planned Projects)	-14	-109	-22	-25
Total Potential PSA (Burke County) Support for New Units	159	164	203	701

As the preceding illustrates, demand for new rental product is estimated to be relatively evenly distributed among income segments under \$45,000. Among the three income segments analyzed under \$45,000, demand is projected to be greatest among households earning between \$35,000 and \$44,999. This is generally reflective of non-subsidized Tax Credit product and/or other rental alternatives (primarily market-rate) affordable to households earning above 60% of Area Median Household Income (AMHI). Additional rental product for households earning less than \$35,000 is needed within the county, despite a declining overall renter household base within this income segment. Demand for such housing will be driven by other factors, including units needed for a balanced market (i.e. limited or lack of existing product to satisfy demand), units needed to alleviate overcrowded households and/or to replace substandard existing product.

Demand will be greatest for rental product targeting households earning \$45,000 or more. This is attributed to several factors, but primarily due to the projected renter growth within this income segment. Rental product serving this income segment would/will primarily be moderate to higher-priced market-rate product, a product type which is currently limited in supply within the county. Nonetheless, when considering the positive demand estimates among all income segments detailed in the preceding table, future rental housing development within the county should consider product serving extremely low- and low-income households, as well as moderate- to high-income households.

For-Sale Housing Demand - The following table summarizes the potential market support for new for-sale housing in the PSA (Burke County) by 2022.

2017-2022 For-Sale Housing Demand by Income Level & Price Point Burke County Primary Study Area			
Household Income Range	\$30,000-\$44,999	\$45,000-\$74,999	\$75,000+
Housing Price Affordability	\$100,000-\$149,999	\$150,000-\$249,999	\$250,000+
New Owner-Occupied Household Growth (2017 to 2022)	111	358	518
Units Required for a Balanced Market	27	124	133
Total Potential Household Formations	69	81	46
Total Replacement Housing	12	0	0
Total External Market Support	2	4	4
Gross Demand of Units Needed	221	567	701
Units in the Development Pipeline (Planned Projects)	0	0	0
Total Potential PSA (Burke County) Support for New Units	221	567	701

The preceding demand estimates demonstrate positive demand for for-sale owner-occupied housing units within each income segment/price range evaluated. The deepest base of support for for-sale owner housing product is among higher-income (\$75,000+) households and for homes priced \$250,000 and higher. This is reflective of the substantial household growth projected for owner-occupied households earning incomes above \$75,000 between 2017 and 2022. However, similar support exists for product priced between \$150,000 and \$249,999, demonstrating strong demand for moderately priced product within Burke County as well. It is also important to understand that some higher-income households which could afford a home priced \$250,000 or higher will likely choose a lower-priced home, which will effectively create additional demand for moderately-priced product within this market.

Of course, in order to achieve maximum levels of residential development, the market must offer product of all price points, locations, and product alternatives. We have considered this in our demand estimates. However, in reality not all product types will be built/offered. Thus, the housing gap estimates included in this report should be considered as “best case” scenarios. For instance, while our demand estimates demonstrate that over 700 for-sale units priced over \$250,000 are supportable within the county, this is influenced by the substantial household growth projected among higher-income households. While this will certainly include some new households moving into the county from other areas, this will also largely be due in part to existing households moving up into higher income brackets. Many, if not most, of these existing households are already adequately housed and would not require, or desire, a new home. That said, our demand estimates in the preceding table simply indicate that the deepest market exists for product priced \$250,000 or higher within the county, based on household growth projections.

Senior Care Housing Demand - Senior care housing encompasses a variety of alternatives including residential care/assisted living facilities and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. However, there will be seniors seeking independent living with services, such as congregate care housing. Our analysis attempts to quantify the estimated senior care housing needed in the PSA (Burke County).

Our estimates account for persons age 65 and older (congregate care), age 75 and older (assisted living) and age 85 and older (nursing care) that would require some level of services or assistance with Activities of Daily Living, if not full nursing care services. While a variety of product types, bedroom/unit types and pricing structures could be offered, we have assumed a base price model of \$1,700 for congregate care, \$2,000 for assisted living and \$6,120 for nursing care housing based on the existing local market supply. We have used all of Burke County when assessing the base of potential support for senior care housing.

Senior Care Housing Needs Estimates			
Senior Care Housing Demand Components	Congregate Care (Age 65+)	Assisted Living (Age 75+)	Nursing Homes (Age 85+)
Total Income & Asset Qualified Households	1,938	1,702	69
Multiplied by Share of Housing Requiring ADL or NC	N/A	18.1%	32.7%
Total Senior Affliction Rate*	N/A	308	23
Multiplied by Typical Institutionalization Rate	20.0%	33.3%	50.0%
Gross Total Beds Needed	388	103	11
External Market Support**	97	26	3
Less Competitive Beds***	-76	-126	-118
Less Beds in the Development Pipeline	0	-46	0
Net Total Beds Needed	409	0	0

ADL – Activities of Daily Living

NC- Nursing Care

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

**Assumes at least 20% of the support will originate from outside of Burke County

***Assumes 50% of existing units will be competitive with new construction senior living product

As the preceding illustrates, demand is greatest for congregate care product, relative to the other senior living product types considered in our analysis. These demand estimates coincide with the findings of our phone survey of senior facilities in the county, which indicate that congregate care facilities maintain the highest occupancy rates of the senior living facilities surveyed.

Although our demand estimates indicate no or limited demand for assisted living and nursing care product, such additional product is likely supportable within the county, though on a limited scale. This is due to the relatively old existing assisted living and nursing care facilities currently offered in the county. New construction product offering assisted living and/or nursing care units would likely be well-received within the county, though the addition of such product could potentially have an adverse impact on occupancy rates of the older existing facilities. It is also of note that the one senior-living facility in the development pipeline is an assisted living property. The addition of this property will likely alleviate much of the demand for new assisted living product in the Burke County area. Aside from congregate care/independent living product, it is our opinion that a limited opportunity exists for additional senior living product in the county. However, this will likely change in the near term as the county is expected to experience significant senior household growth in the years ahead.

Housing Market Needs & Priorities

The following summarizes the key housing needs and housing priorities of the *overall county*.

There is a need for a balanced approach to housing development within the county due to projected demographic growth and economic investment (High Priority) –

A total of 690 households are projected to be added to Burke County between 2017 and 2022. This growth will occur among both owner-occupied and renter-occupied households, with owner-occupied growth projected to represent 60.3% of the overall household growth and renter-occupied growth projected to represent the remaining 39.7% of household growth for the county during this time period. While projected household growth will naturally come from within Burke County (i.e. persons getting married/divorced and younger households moving into their own residence creating new household formations), it is also anticipated that household growth will be attributed to residents relocating to the county from other areas. This is especially true due to the substantial economic investment activity within the county, as more than \$400 million of investment activity was recently announced for new and/or expanding businesses within the county. Local stakeholders have also indicated that Burke County is experiencing increased interest from residents of areas outside the county, due to the affordability of housing within Burke County as compared to surrounding and other nearby counties. Data provided within this report supports this local perspective, as the median home value and median gross rent reported within Burke County are generally lower than those reported in surrounding counties. This is particularly true of the more populated surrounding counties (i.e. Buncombe, Catawba, and Cleveland). Subsequently, Burke County also generally has a lower share of cost burdened households (renters and owners paying more than 30% of their income towards housing costs) than these surrounding counties. These are good indications that Burke County is more affordable than many of the surrounding areas, which likely makes Burke County an attractive option to residents of the surrounding counties which are considering relocation. This is especially true of residents which

already commute into Burke County, from surrounding counties, for employment. Due to demographic trends among households by age, tenure (renter and owner), and income, as well as economic development activity among various industry segments and the limited availability (low vacancy rates) among existing housing alternatives (rental and for-sale), a balanced approach should be taken when considering future residential development within Burke County.

Develop housing attractive and/or restricted to seniors (High Priority) – Just over one-half of all households within the county are age 55 and older. Households age 55 and older are projected to increase by nearly 1,500, or 8.2%, between 2017 and 2022. This senior growth will occur among both senior renter and owner households. This rapidly expanding senior household base will contribute to an ongoing need for a variety of senior-restricted and/or senior-oriented housing alternatives. This significant growth among senior households will only exacerbate an ongoing need for a product type that is already limited in supply within the county. Specifically, only 178 (9.5%) of the 1,881 conventional rental units surveyed in the county are age-restricted. Also of note, the six age-restricted properties surveyed are 100.0% occupied and five maintain waiting lists of up to one-year in duration. Additionally, only 49 (20.4%) of the 240 currently available homes for-sale within the county are comprised of less than three-bedrooms. Future senior-oriented housing could include garden-style apartments within an elevator-served multi-story building, cottage-style and/or attached patio homes (rental or for-sale), and/or single-story ranch-style for-sale homes for younger senior households. Developing senior-oriented and/or restricted housing alternatives will also help free-up existing housing alternatives for younger households within the county. This will help the county retain some of the younger households currently choosing to relocate outside the county due to lack of available housing product in the county.

Develop both moderately- and higher-priced housing product (rental and for-sale) attractive to renter households earning \$35,000 or more and owners earning \$35,000 or more (High Priority) – Household growth (both renter and owner) within the county will generally be concentrated among households earning \$35,000 or more between 2017 and 2022. Therefore, development should focus on the addition of moderate to higher-end market-rate rental product generally priced around \$875+/month and for-sale product priced at \$150,000 and up. Based on demographic projections, moderate- to higher-priced *rental* product should likely be primarily comprised of smaller one- and/or two-bedroom units, given the large share of smaller renter households within the county. Higher-end product type should also feature upscale finishes (i.e. stainless appliances, natural stone counter tops, premium cabinetry, etc.) as well as comprehensive amenity packages (i.e. swimming pools, outdoor lounge/grilling areas, fitness center, media center/theatre, etc.). The development of this type of rental product will also likely help retain some younger households (under age 35), an age cohort which is projected to decline within the county between 2017 and 2022. Currently, the county lacks upscale market-rate rental product. *For-sale* product priced between \$150,000 and \$249,999 and above \$250,000 is also a need within the county, as previously mentioned. Generally, for-sale product within these price points within the county is comprised of three-

bedroom or larger homes. Approximately one-third of the owner-occupied household base within the county is projected to be comprised of three-person or larger households in 2022, with both three- and five-person households projected to experience growth between 2017 and 2022. These trends will contribute to the ongoing need for three-bedroom and larger homes, and should be considered when developing for-sale product within the county.

Support affordable rental housing for low-income and workforce households (High Priority) – Based on Bowen National Research’s survey and inventory of various existing rental housing alternatives currently offered in the county, all affordable (i.e. Tax Credit and/or government-subsidized) rental properties surveyed are 100.0% occupied. In addition to the high occupancy rates, 21 of the 28 affordable multifamily properties surveyed maintain waiting lists for their next available units. Although renter households earning less than \$25,000 are projected to decline between 2017 and 2022, this income segment will still comprise 44.0% of all renter households in the county in 2022. Additionally, 3,859 renter households (39.3% of all renter-occupied housing units) in the county are considered rent burdened in that they pay more than 30% of their income towards rent. These are clear indications of the need for additional affordable multifamily rental product within the county. The development of such housing could include subsidized and non-subsidized affordable product targeting households (both families and seniors) earning various incomes up to 60% of Area Median Household Income (AMHI).

Support residential development of product that will appeal to millennials and young professionals (Moderate Priority) – It is projected that households under the age of 35 will decline by 247 households, or 4.6%, between 2017 and 2022. The current housing stock offers limited availability of product that would appeal to and that is affordable to most millennials and young professionals. While the housing product, features, and locations of housing that might appeal to young adults will vary, it is believed that residential product designed with modern features and generous amenity packages, and located within a reasonable walking distance of desirable community services and attractions, would appeal to most millennials and young professionals. As a result, it is recommended that product located in walkable neighborhoods, be considered for development that serves the young adult population. Products in established areas, possibly within mixed-use projects with first-floor retail or retail within walking distance should be considered.

Support revitalization/renovation efforts of older existing and/or substandard housing product (Moderate Priority) – More than 40.0% of the renter-occupied housing units and 35.0% of the owner-occupied housing units within the county were built prior to 1970. The age of the housing stock within the county has likely contributed to the large number of households (1,035, renter and owner combined) which are residing in overcrowded housing conditions, as well as the 240 housing units which lack complete kitchens and plumbing characteristics. These are good indications of a need for some revitalization/renovation efforts among the older

housing stock within the county. Supporting such revitalization efforts will help preserve and maintain some of the existing housing stock within the county.

Development of senior care (i.e. independent living/congregate care) housing alternatives will likely become more prevalent as household base continues to age within the county (Moderate Priority) – Based on Bowen National Research’s survey of existing senior care facilities within the county, higher-level care types (i.e. assisted living and nursing care) report the lowest occupancy rates (80.6% and 83.4%, respectively) among the three components surveyed. However, the two newest facilities surveyed, one assisted living facility (Cambridge House) and one nursing care facility (Carolina Rehab Center of Burke) report the highest occupancy rates of the senior facilities surveyed, at 96.7% and 97.8%, respectively. The congregate care facilities surveyed report an occupancy rate of 91.4%. It is also of note that eight of the ten existing senior care facilities surveyed were built more than 20 years ago, demonstrating a very limited supply of modern senior care product in the county. There is one assisted living facility in the development pipeline for the county, which will contain 46 total units upon completion. The development progression and absorption of this property should be monitored to further assess the demand for modern senior care product in the county. Considering the preceding factors pertaining to existing supply, as well as the projected demographic growth among seniors in the county, we expect the need for additional senior care facilities will increase in the coming years as the population and household bases continue to age within the county. However, as our housing gap estimates indicate, the depth of support for this product type is relatively thin, suggesting that while a new senior care development could likely succeed within this market, the addition of such a development could potentially adversely impact occupancy rates among older existing senior care facilities in the county.

COUNTY ANALYSIS

A. SCOPE OF WORK



The scope of work included in this report includes:

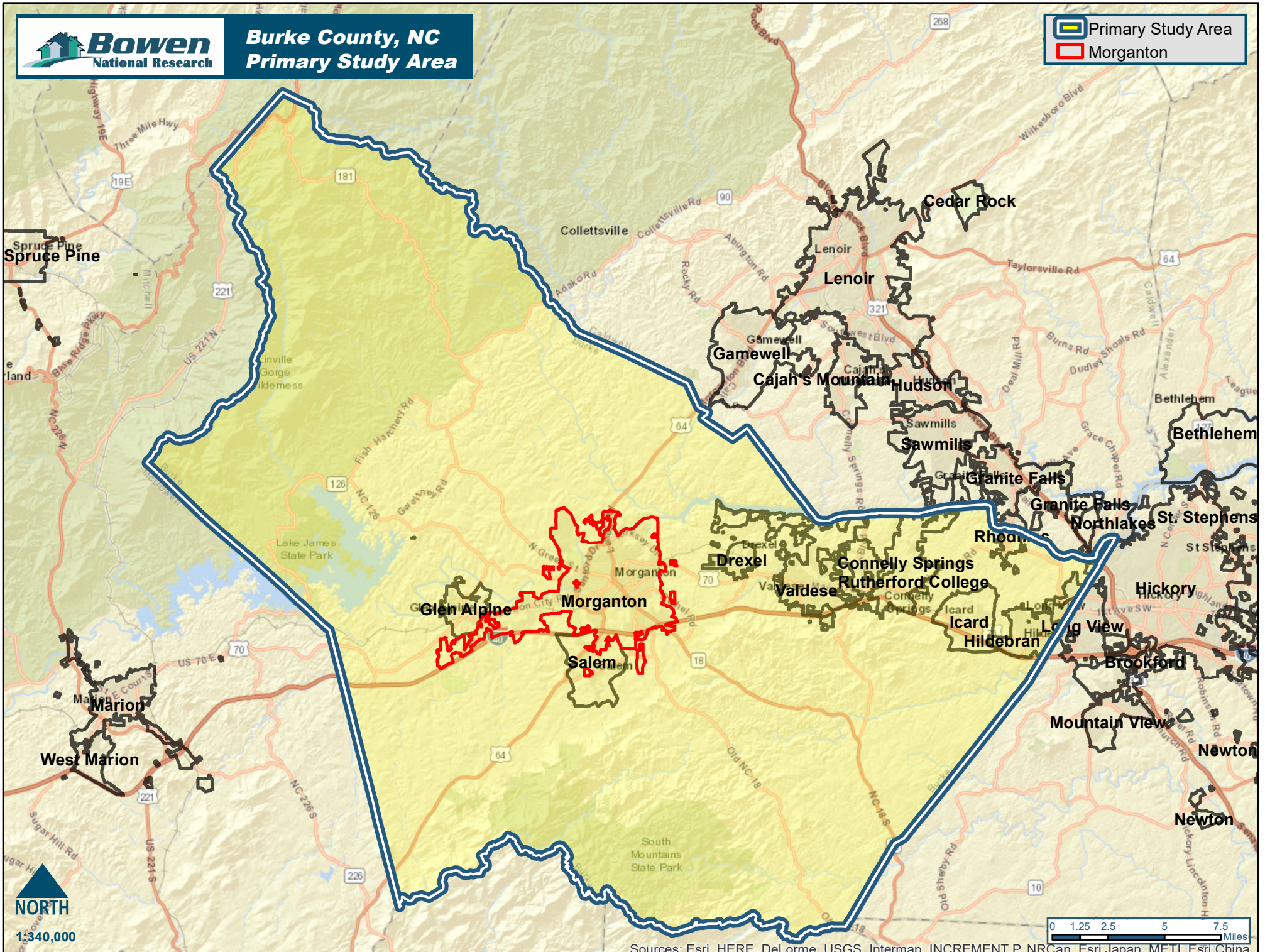
- A demographic analysis of trends and characteristics for the Primary Study Area (PSA) of Burke County, and the city of Morganton, was completed and compared with statewide trends. Data is presented for the population, households, and incomes for each study area, with an emphasis on 2010, 2017, and 2022.
- Economic metrics associated with employment by job sector, total employment and unemployment rates of the county and the overall state were evaluated. Recent and notable economic development activity was also obtained and summarized, to help understand the current and future strength of the local Burke County economy.
- A housing survey and/or inventory of 50 conventional multifamily rental properties containing 1,881 total rental units, inventory of 28 non-conventional rentals (e.g. single-family homes, duplexes, mobile homes, etc.), evaluation of for-sale housing data on more than 2,100 homes recently sold (between January 2014 and January 2018) and 240 currently available (as of January 2018) for-sale housing units, and a survey of 10 senior care facilities (e.g. residential care facilities, nursing homes, etc.). The housing data evaluated includes rents/price points, vacancy levels, wait lists, and year built.
- Housing gap/needs estimates for rental and for-sale housing by various income levels, as well as demand estimates for senior living product.
- Stakeholder interviews were conducted with eight representatives within the county to obtain local perspectives and insights on housing issues at the county and/or local level.
- We provided our opinion on the housing priorities of the county and provided recommendations for general strategies for meeting the overall housing needs of area residents.

The following map illustrates the study areas (Burke County and city of Morganton) analyzed within this report.



Burke County, NC Primary Study Area

 Primary Study Area
 Morgantown



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

B. DEMOGRAPHICS

Both Burke County and the city of Morganton (within Burke County) were evaluated based on various demographic characteristics and trends. Data sources used in this demographic analysis include ESRI, 2000 and 2010 U.S. Census, American Community Survey, Nielson Claritas, Ribbon Demographics, North Carolina Office of State Budget and Management, Urban Decision Group and Bowen National Research. The data was illustrated for various points in time and include 2000, 2010, 2017 and 2022. Note the demographic projections (2017 to 2022) included in this report are based, in part, on data extrapolated from population estimates and projections provided by the North Carolina Office of State Budget and Management.

It is also important to understand that while demographic projections are provided for both Burke County and the City of Morganton which consider historic demographic trends, economic development/investment, etc., future demographic growth will be heavily influenced geographically by local trends/characteristics. That is to say that should economic growth incentives be implemented in specific areas (e.g. Morganton, Hildebran, etc.), demographic growth would likely trend in a similar manner. Thus, demographic projections could outpace those provided for both the county and city of Morganton, in the event that economic growth exceeds that factored into the demographic projections included in this report.

Demographic characteristics and trends considered in this analysis include:

- Total Population and Population Growth Trends
- Population by Age
- Population by Marital Status
- Population by Education Attainment
- Population by Poverty Status
- Population Migration
- Total Households and Household Growth Trends
- Households by Age
- Households by Tenure
- Households by Size and Tenure
- Households by Income and Tenure
- Commuting Patterns
- Crime Statistics

When available, all data is presented both on a county and city level and for the overall state of North Carolina.

1. POPULATION CHARACTERISTICS

Population by numbers and percent change (growth or decline) for selected years is shown in the following table.

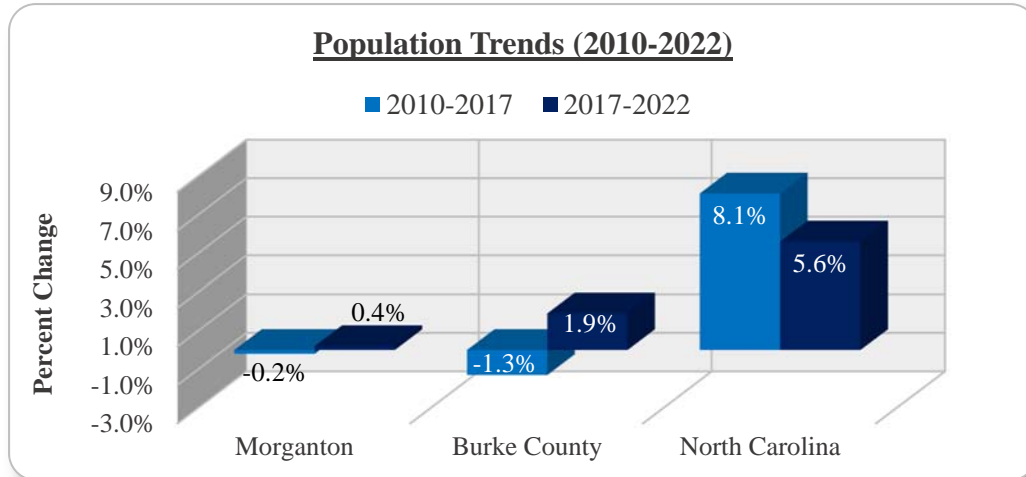
	Total Population									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
Morganton	17,291	16,918	-373	-2.2%	16,890	-28	-0.2%	16,958	68	0.4%
Burke County	89,148	90,912	1,764	2.0%	89,714	-1,198	-1.3%	91,452	1,738	1.9%
North Carolina	8,048,935	9,535,023	1,486,088	18.5%	10,303,643	768,620	8.1%	10,881,970	578,327	5.6%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; N.C. Office of State Budget and Management; Bowen National Research

Noteworthy observations from the preceding table include:

- Between 2000 and 2010, the population within the city of Morganton declined by 373, or 2.2%, while the population within Burke County increased by 1,764, or 2.0%. This indicates that during this time the more rural areas of the county were experiencing population growth, as compared to the city of Morganton.
- Between 2010 and 2017, both the city of Morganton and Burke County experienced population declines. However, the rate of decline within the city of Morganton during this time period is lower than that reported between 2000 and 2010. This is a good indication that the population base within Morganton is stabilizing.
- Despite recent declines, the population within both the city of Morganton and Burke County is projected to increase between 2017 and 2022. Although population growth within the county will outpace that within the city of Morganton, economic growth is expected to be significant within the Morganton area over the next several years. Actively increasing awareness of the Morganton area and/or offering incentives/programs to help spur job growth, as well as encouraging residential development, within the area could influence population growth within the city of Morganton. Of course, this is also true of other surrounding areas of the county as well.
- Population growth rates for the state of North Carolina have outpaced, and are projected to continue to outpace, those reported for both the city of Morganton and Burke County. This is not uncommon, however, of state trends as compared to more rural markets such as Burke County.

The following graph compares percent change in population (growth/decline) from 2010 to 2017 and from 2017 to 2022 for the city of Morganton, Burke County and the state of North Carolina:



Population by age cohorts for selected years is shown in the following table:

		Population by Age							Median Age
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	
Morganton	2010	5,435 (32.1%)	2,178 (12.9%)	2,008 (11.9%)	2,236 (13.2%)	2,028 (12.0%)	1,415 (8.4%)	1,620 (9.6%)	39.2
	2017	5,070 (30.0%)	2,232 (13.2%)	1,962 (11.6%)	2,002 (11.9%)	2,174 (12.9%)	1,808 (10.7%)	1,642 (9.7%)	40.7
	2022	4,986 (29.4%)	2,120 (12.5%)	2,052 (12.1%)	1,916 (11.3%)	2,171 (12.8%)	1,967 (11.6%)	1,746 (10.3%)	41.6
	Change 2017-2022	-84 (-1.7%)	-112 (-5.0%)	90 (4.6%)	-86 (-4.3%)	-3 (-0.1%)	159 (8.8%)	104 (6.3%)	N/A
Burke County	2010	28,434 (31.3%)	9,727 (10.7%)	12,160 (13.4%)	13,800 (15.2%)	12,118 (13.3%)	8,272 (9.1%)	6,401 (7.0%)	41.2
	2017	25,647 (28.6%)	10,708 (11.9%)	10,533 (11.7%)	12,634 (14.1%)	12,966 (14.5%)	10,290 (11.5%)	6,936 (7.7%)	43.1
	2022	25,149 (27.5%)	10,426 (11.4%)	10,791 (11.8%)	11,797 (12.9%)	13,535 (14.8%)	11,432 (12.5%)	8,322 (9.1%)	44.5
	Change 2017-2022	-498 (-1.9%)	-282 (-2.6%)	258 (2.4%)	-837 (-6.6%)	569 (4.4%)	1,142 (11.1%)	1,386 (20.0%)	N/A
North Carolina	2010	3,220,131 (33.8%)	1,246,548 (13.1%)	1,327,091 (13.9%)	1,368,570 (14.4%)	1,138,686 (11.9%)	697,515 (7.3%)	536,481 (5.6%)	37.3
	2017	3,297,186 (32.0%)	1,377,955 (13.4%)	1,329,096 (12.9%)	1,370,675 (13.3%)	1,328,371 (12.9%)	972,832 (9.4%)	627,528 (6.1%)	38.6
	2022	3,395,943 (31.2%)	1,436,843 (13.2%)	1,404,763 (12.9%)	1,351,246 (12.4%)	1,386,998 (12.7%)	1,135,790 (10.4%)	770,387 (7.1%)	39.3
	Change 2017-2022	98,757 (3.0%)	58,888 (4.3%)	75,667 (5.7%)	-19,429 (-1.4%)	58,627 (4.4%)	162,958 (16.8%)	142,859 (22.8%)	N/A

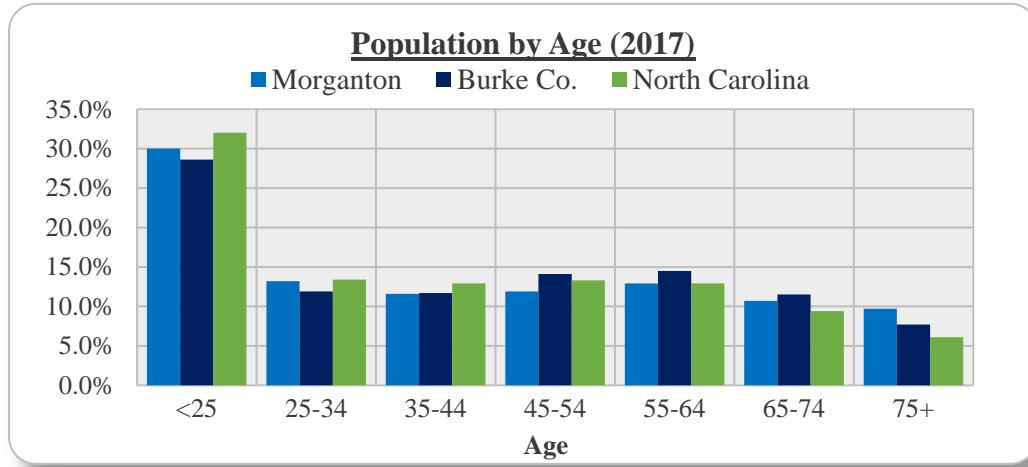
Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research
N/A – Not Available

Noteworthy observations from the preceding table include:

- The median age within both the city of Morganton and Burke County increased between 2010 and 2017 and is projected to increase again between 2017 and 2022, similar to statewide trends.

- The city of Morganton has a younger median age (40.7) than Burke County (43.1). This coincides with population growth trends for these areas between 2017 and 2022. Specifically, the city of Morganton will experience growth among middle-aged persons between the ages of 35 and 44, at a more rapid rate (4.6%) as compared to the county (2.4%). Additionally the county will experience more rapid growth among persons age 55 and older, as compared to the city of Morganton.

The following graph compares population age cohort shares for 2017:



Population by marital status is shown in the following table:

		Population by Marital Status				
		Not Married			Married	Total
		Never Married	Divorced	Widowed		
Morganton	Number	4,376	2,253	1,364	5,985	13,978
	Percent	31.3%	16.1%	9.8%	42.8%	100.0%
Burke County	Number	21,890	9,266	5,991	37,936	75,083
	Percent	29.2%	12.3%	8.0%	50.5%	100.0%
North Carolina	Number	2,673,713	929,012	510,445	4,258,308	8,371,478
	Percent	31.9%	11.1%	6.1%	50.9%	100.0%

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

Noteworthy observations from the preceding table include:

- Burke County has a higher share of married persons (50.5%) than the city of Morganton (42.8%). The county share of married persons is similar to the statewide share (50.9%).
- The shares of persons which have never been married are similar between all three geographic areas. The notable difference in the non-married population between the three geographic areas is the higher shares of divorced and widowed persons within the city of Morganton, as compared to both Burke County and the state of North Carolina. This likely contributes to the larger share of one-person households within the city of Morganton, as compared to the county, reflected later in this section.

Population by highest educational attainment is shown in the following table:

		Population by Education Attainment						
		No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total
Morganton	Number	2,266	2,909	2,255	1,330	1,789	1,270	11,819
	Percent	19.2%	24.6%	19.1%	11.3%	15.1%	10.7%	100.0%
Burke County	Number	12,532	19,034	13,656	7,070	7,179	4,596	64,067
	Percent	19.6%	29.7%	21.3%	11.0%	11.2%	7.2%	100.0%
North Carolina	Number	920,692	1,839,178	1,489,593	653,721	1,341,672	761,597	7,006,453
	Percent	13.1%	26.2%	21.3%	9.3%	19.1%	10.9%	100.0%

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

Noteworthy observations from the preceding table include:

- Nearly one in five of the people within both the city of Morganton (19.2%) and Burke County (19.6%) do not have high school diplomas. These shares are both more than six full percentage points higher than the statewide share of 13.1%.
- The city of Morganton has a higher share of persons (37.1%) with a college degree (associate, bachelor, and graduate) than Burke County (29.4%).

Population by poverty status for years 2011-2015 is shown in the following table:

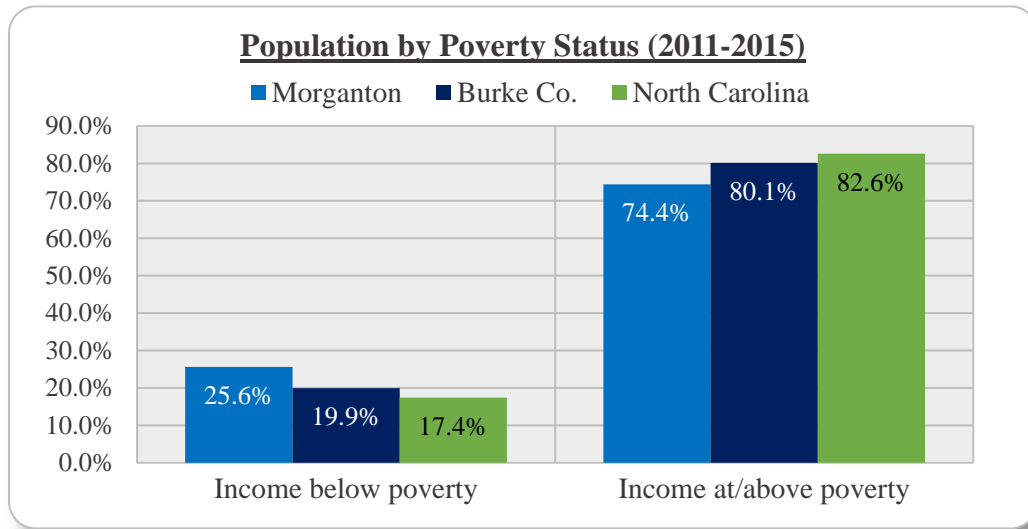
		Population by Poverty Status						
		Income below poverty level:			Income at or above poverty level:			Total
		<18	18 to 64	65+	<18	18 to 64	65+	
Morganton	Number	1,518	2,292	350	1,857	7,463	2,796	16,276
	Percent	9.3%	14.1%	2.2%	11.4%	45.9%	17.2%	100.0%
Burke County	Number	5,382	10,338	1,557	12,212	43,509	13,684	86,682
	Percent	6.2%	11.9%	1.8%	14.1%	50.2%	15.8%	100.0%
North Carolina	Number	556,990	976,831	133,572	1,695,686	5,002,797	1,226,272	9,592,148
	Percent	5.8%	10.2%	1.4%	17.7%	52.2%	12.8%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community Survey; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- More than 25.0% of the total population within the city of Morganton earns incomes below the poverty level. This is higher than both countywide (19.9%) and statewide (17.4%) averages.

The following graph compares poverty status for years 2011-2015:



Population by migration (previous residence one year prior to survey) for years 2011-2015 is shown in the following table.

		Population by Migration					
		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad	Total
Morganton	Number	14,130	1,607	734	485	54	17,010
	Percent	83.1%	9.4%	4.3%	2.9%	0.3%	100.0%
Burke County	Number	77,845	6,091	3,331	1,273	197	88,737
	Percent	87.7%	6.9%	3.8%	1.4%	0.2%	100.0%
North Carolina	Number	8,243,643	815,250	345,395	279,270	48,256	9,731,814
	Percent	84.7%	8.4%	3.5%	2.9%	0.5%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The city of Morganton has a higher turnover rate (16.9%) than Burke County (12.3%) and the statewide average (15.3%). Although the turnover rate within the city of Morganton is higher than the county average, this is likely influenced by the fact that most conventional rental properties in the county are located in Morganton. A larger share of rental product naturally results in higher turnover rates.
- Of the residents which relocated to a new residence within both the city of Morganton and Burke County, approximately 55.0% relocated to a new residence within the same county. Most residents which relocated from areas outside the county came from other counties within the state of North Carolina. These trends are similar to statewide trends.

2. HOUSEHOLD CHARACTERISTICS

Households by numbers and percent change (growth or decline) for selected years are shown in the following table:

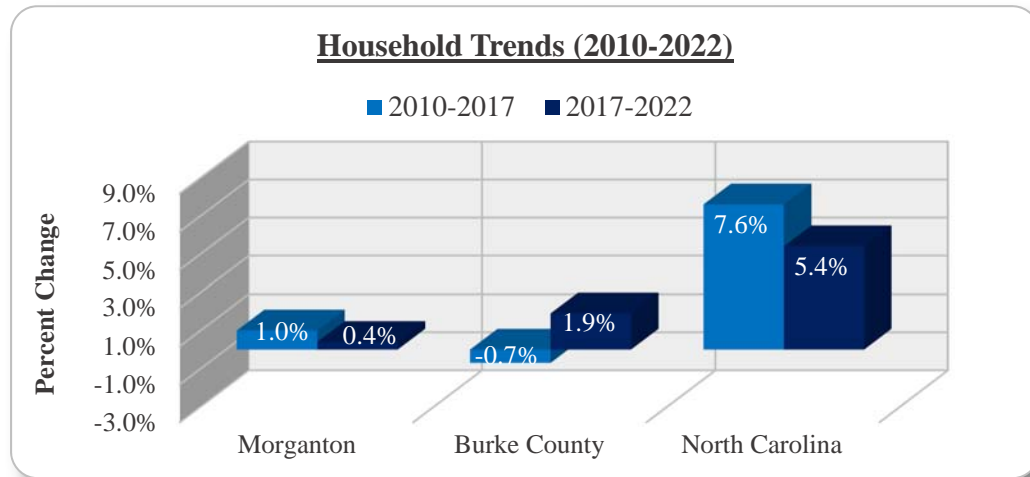
	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
Morganton	6,816	6,641	-175	-2.6%	6,709	68	1.0%	6,736	27	0.4%
Burke County	34,528	35,804	1,276	3.7%	35,544	-260	-0.7%	36,234	690	1.9%
North Carolina	3,130,842	3,744,944	614,102	19.6%	4,030,972	286,028	7.6%	4,250,170	219,198	5.4%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; N.C. Office of State Budget and Management; Bowen National Research

Noteworthy observations from the preceding table include:

- Similar to population trends, household growth was negative for the city of Morganton between 2000 and 2010, but positive for Burke County during this same time period. This trend reversed between 2010 and 2017, as household growth was positive for the city, but slightly negative for the county.
- Although a population decline occurred within the city of Morganton between 2010 and 2017, households increased. This is likely attributed to younger persons moving out of their parents' homes and into their own residence and/or couples getting married. These trends would create new household formations, without impacting the total population. Another contributing factor could be couples getting divorced and thus creating multiple household formations from one previous household. Notably, the city of Morganton has a higher share of divorced persons, as compared to the county, as previously discussed.
- Similar to population growth, household growth within the county will outpace that projected for the city of Morganton between 2017 and 2022. As previously discussed, however, demographic growth within the various municipalities throughout the county could be influenced by economic growth and/or opportunities within each municipality. That is to say, that should incentives/programs be put in place to attract economic growth and encourage residential development to a certain area within the county (i.e. Morganton), demographic growth could exceed projections for these areas.

The following graph compares the projected percent change in households (growth/decline-) between 2010 to 2017 and from 2017 to 2022:



Household heads by age cohorts for selected years are shown in the following table:

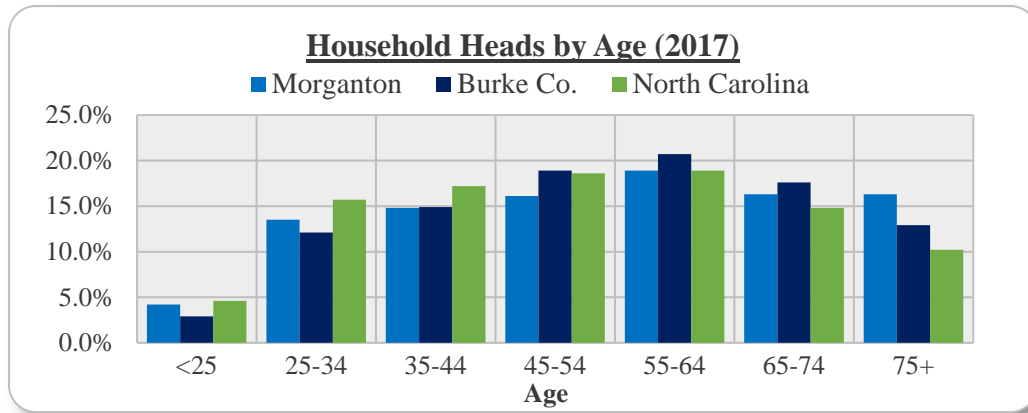
		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Morganton	2010	304 (4.6%)	888 (13.4%)	1,035 (15.6%)	1,234 (18.6%)	1,213 (18.3%)	882 (13.3%)	1,085 (16.3%)
	2017	282 (4.2%)	908 (13.5%)	991 (14.8%)	1,077 (16.1%)	1,266 (18.9%)	1,095 (16.3%)	1,091 (16.3%)
	2022	269 (4.0%)	862 (12.8%)	1,024 (15.2%)	1,017 (15.1%)	1,246 (18.5%)	1,179 (17.5%)	1,138 (16.9%)
	Change 2017-2022	-13 (-4.6%)	-46 (-5.1%)	33 (3.3%)	-60 (-5.6%)	-20 (-1.6%)	84 (7.7%)	47 (4.3%)
Burke County	2010	1,184 (3.3%)	4,039 (11.3%)	6,330 (17.7%)	7,604 (21.2%)	7,115 (19.9%)	5,221 (14.6%)	4,312 (12.0%)
	2017	1,038 (2.9%)	4,318 (12.1%)	5,290 (14.9%)	6,722 (18.9%)	7,351 (20.7%)	6,250 (17.6%)	4,575 (12.9%)
	2022	978 (2.7%)	4,131 (11.4%)	5,290 (14.6%)	6,160 (17.0%)	7,500 (20.7%)	6,812 (18.8%)	5,363 (14.8%)
	Change 2017-2022	-60 (-5.8%)	-187 (-4.3%)	0 (0.0%)	-562 (-8.4%)	149 (-0.6%)	562 (9.0%)	788 (17.2%)
North Carolina	2010	192,965 (5.2%)	588,687 (15.7%)	712,151 (19.0%)	771,231 (20.6%)	673,798 (18.0%)	443,529 (11.8%)	362,759 (9.7%)
	2017	187,238 (4.6%)	631,436 (15.7%)	695,159 (17.2%)	748,967 (18.6%)	759,882 (18.9%)	597,442 (14.8%)	410,808 (10.2%)
	2022	189,521 (4.5%)	652,434 (15.4%)	725,129 (17.1%)	726,739 (17.1%)	778,123 (18.3%)	683,395 (16.1%)	494,789 (11.6%)
	Change 2017-2022	2,283 (1.2%)	20,998 (3.3%)	29,970 (4.3%)	-22,228 (-3.0%)	18,241 (2.4%)	85,953 (14.4%)	83,981 (20.4%)

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

Noteworthy observations from the preceding table include:

- Just over one-half of all households within the city of Morganton and Burke County are age 55 and older. Comparatively, approximately 44.0% of all households within the state of North Carolina are age 55 or older, a considerably lower share as compared to the averages within the study areas.
- Household growth within Burke County will be concentrated among senior households age 55 and older, between 2017 and 2022. This will be similar within the city of Morganton, which will experience most of its household growth among seniors age 65 and older. However, households between the ages of 35 and 44 within the city will also experience some modest growth during this same time period.
- As the household base within both the county and city of Morganton continues to age, demand for senior-oriented housing alternatives will likely increase. While this will likely be true of both rental and for-sale product for seniors, it is of note that only 9.5% (178 units) of the nearly 2,000 rental units surveyed in the county are age-restricted. This demonstrates a very limited base of existing senior-oriented rental product in this market.
- Both Burke County and the city of Morganton are projected to experience a decline in households under age 35 (millennials). This is likely attributed in part to a limited or lack of housing supply attractive to younger households (i.e. modern market-rate rentals, for-sale attached townhomes/condominiums, etc.) within the county.

The following graph compares household age cohort shares for 2017:



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

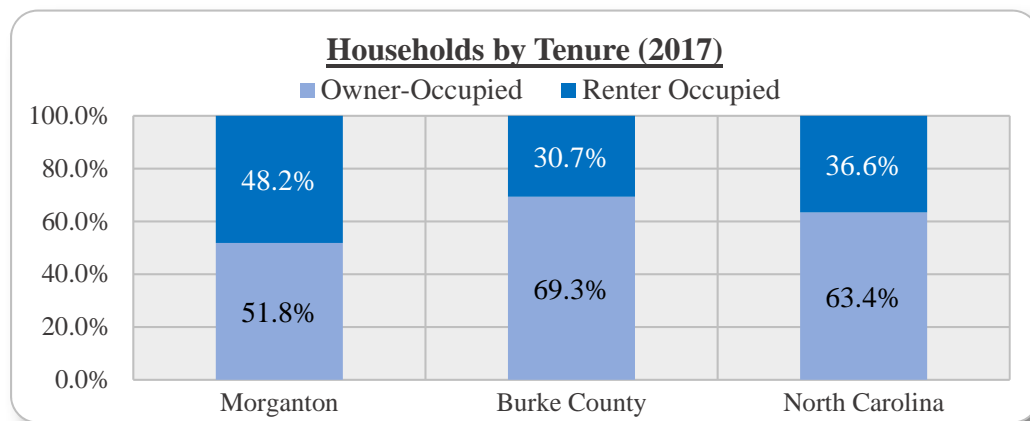
		Households by Tenure							
		2000		2010		2017		2022	
	Household Type	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Morganton	Owner-Occupied	3,928	57.6%	3,653	55.0%	3,473	51.8%	3,462	51.4%
	Renter-Occupied	2,888	42.4%	2,988	45.0%	3,236	48.2%	3,274	48.6%
	Total	6,816	100.0%	6,641	100.0%	6,709	100.0%	6,736	100.0%
Burke County	Owner-Occupied	25,589	74.1%	25,872	72.3%	24,622	69.3%	25,038	69.1%
	Renter-Occupied	8,939	25.9%	9,932	27.7%	10,922	30.7%	11,196	30.9%
	Total	34,528	100.0%	35,804	100.0%	35,544	100.0%	36,234	100.0%
North Carolina	Owner-Occupied	2,172,184	69.4%	2,497,739	66.7%	2,556,151	63.4%	2,685,944	63.2%
	Renter-Occupied	958,658	30.6%	1,247,205	33.3%	1,474,821	36.6%	1,564,226	36.8%
	Total	3,130,842	100.0%	3,744,944	100.0%	4,030,972	100.0%	4,250,170	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; N.C. Office of State Budget and Management; Bowen National Research

Noteworthy observations from the preceding table include:

- Nearly half (48.2%) of all households within the city of Morganton were renters in 2017, a trend which is projected to remain stable through 2022. This share of renter households is significantly higher than that reported for Burke County (30.7%) and indicates that much of the existing rental product within the county is located in the city of Morganton. This could be reflective of a development opportunity for rental product outside of the city of Morganton.
- Both owner- and renter-occupied households are projected to increase within Burke County between 2017 and 2022. The number of renter households within the county is projected to increase by 274, while owner households are projected to increase by 416 during this five-year period.

The following graph compares household tenure shares for 2017:



Households by tenure for senior and non-senior households for selected years are shown in the following table:

	Household Type	2010		2017		2022	
		Number	Percent	Number	Percent	Number	Percent
Morganton	Owner-Occupied <55	1,455	21.9%	1,259	18.8%	1,305	19.4%
	Owner-Occupied 55+	2,198	33.1%	2,214	33.0%	2,157	32.0%
	Renter-Occupied <55	2,006	30.2%	2,003	29.8%	1,967	29.2%
	Renter-Occupied 55+	982	14.8%	1,233	18.4%	1,307	19.4%
	Total	6,641	100.0%	6,709	100.0%	6,736	100.0%
Burke County	Owner-Occupied <55	12,333	34.4%	10,262	28.9%	9,706	26.8%
	Owner-Occupied 55+	13,540	37.8%	14,360	40.4%	15,332	42.3%
	Renter-Occupied <55	6,824	19.1%	7,088	20.0%	6,863	18.9%
	Renter-Occupied 55+	3,108	8.7%	3,834	10.8%	4,333	12.0%
	Total	35,805	100.0%	35,544	100.0%	36,234	100.0%
North Carolina	Owner-Occupied <55	1,302,232	34.8%	1,174,078	29.1%	1,151,657	27.1%
	Owner-Occupied 55+	1,195,647	31.9%	1,382,073	34.3%	1,534,287	36.1%
	Renter-Occupied <55	962,802	25.7%	1,088,722	27.0%	1,142,166	26.9%
	Renter-Occupied 55+	284,439	7.6%	386,100	9.6%	422,060	9.9%
	Total	3,745,120	100.0%	4,030,973	100.0%	4,250,170	100.0%

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; N.C. Office of State Budget and Management; Bowen National Research

Noteworthy observations from the preceding table include:

- Similar to overall household trends, household growth among both renter- and owner-occupied households within the county will be concentrated among seniors age 55 and older. Such trends are also projected for the city of Morganton.
- Nearly one-third (66.1%) of all senior household growth within the county is projected to occur among senior homeowners between 2017 and 2022.

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

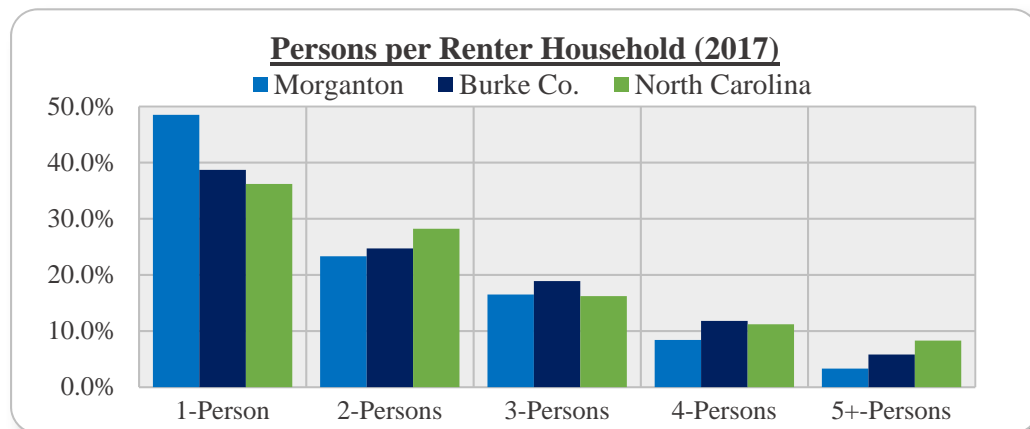
		Persons Per Renter Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Morganton	2010	1,149 (38.5%)	835 (28.0%)	461 (15.4%)	315 (10.5%)	227 (7.6%)	2,988 (100.0%)	2.21
	2017	1,568 (48.5%)	754 (23.3%)	533 (16.5%)	273 (8.4%)	108 (3.3%)	3,236 (100.0%)	1.95
	2022	1,653 (50.5%)	714 (21.8%)	540 (16.5%)	259 (7.9%)	108 (3.3%)	3,274 (100.0%)	1.92
Burke County	2010	3,529 (35.5%)	2,708 (27.3%)	1,727 (17.4%)	1,272 (12.8%)	695 (7.0%)	9,932 (100.0%)	2.28
	2017	4,229 (38.7%)	2,701 (24.7%)	2,068 (18.9%)	1,287 (11.8%)	638 (5.8%)	10,922 (100.0%)	2.21
	2022	4,389 (39.2%)	2,709 (24.2%)	2,150 (19.2%)	1,310 (11.7%)	649 (5.8%)	11,196 (100.0%)	2.21
North Carolina	2010	452,499 (36.3%)	344,488 (27.6%)	208,663 (16.7%)	139,816 (11.2%)	101,775 (8.2%)	1,247,241 (100.0%)	2.27
	2017	533,591 (36.2%)	415,752 (28.2%)	238,626 (16.2%)	164,738 (11.2%)	122,115 (8.3%)	1,474,822 (100.0%)	2.27
	2022	562,815 (36.0%)	442,991 (28.3%)	252,280 (16.1%)	175,726 (11.2%)	130,415 (8.3%)	1,564,226 (100.0%)	2.28

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

Noteworthy observations from the preceding table include:

- The average renter household size for Burke County (2.21) is similar to that for the state of North Carolina (2.27). The average renter household size for the city of Morganton (1.95) is smaller than county and statewide averages. The average renter household size within both the city of Morganton and Burke County has declined since 2010. This is similar to national trends.
- Most of the renter growth projected for the city of Morganton is concentrated among smaller one-person households between 2017 and 2022. Notably, one-person households will comprise more than half (50.5%) of all renter households in the city of Morganton in 2022, and one- and two-person households will comprise 72.3% and 63.4% of all renter households in the city and county, respectively. This demonstrates an ongoing need for smaller one- and two-bedroom rental units within both study areas.
- Trends among larger (four-person+) renter households within both the city of Morganton and Burke County have generally been stable to declining since 2010. The county is, however, projected to experience some renter growth among four-person households between 2017 and 2022. Nonetheless, the relatively small shares of four-person or larger renter households within the study areas, particularly, Morganton, are good indications of limited demand for larger rental units (three-bedrooms or larger) within the county.

The following graph compares renter household size shares for 2017:



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

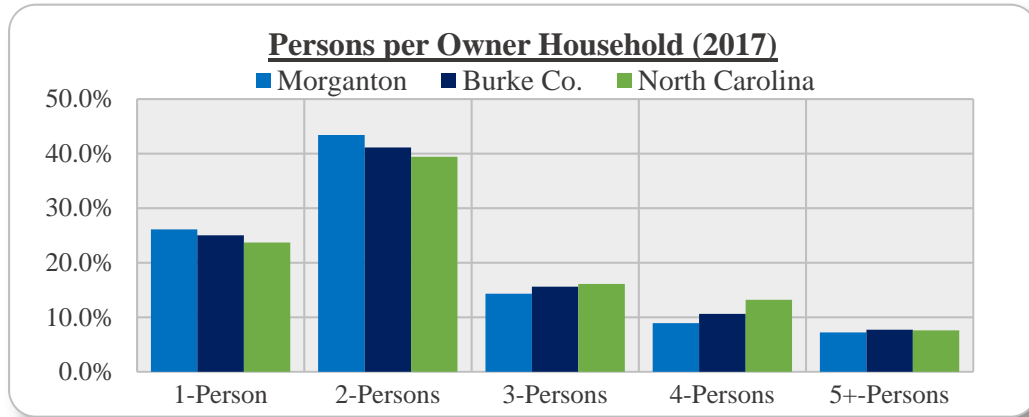
		Persons Per Owner Household					Total	Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person		
Morganton	2010	1,132 (31.0%)	1,460 (40.0%)	561 (15.4%)	264 (7.2%)	236 (6.4%)	3,653 (100.0%)	2.18
	2017	907 (26.1%)	1,507 (43.4%)	497 (14.3%)	310 (8.9%)	252 (7.2%)	3,473 (100.0%)	2.28
	2022	872 (25.2%)	1,530 (44.2%)	485 (14.0%)	315 (9.1%)	263 (7.6%)	3,462 (100.0%)	2.30
Burke County	2010	6,297 (24.3%)	10,864 (42.0%)	4,075 (15.8%)	2,849 (11.0%)	1,788 (6.9%)	25,873 (100.0%)	2.34
	2017	6,158 (25.0%)	10,129 (41.1%)	3,834 (15.6%)	2,605 (10.6%)	1,896 (7.7%)	24,622 (100.0%)	2.35
	2022	6,335 (25.3%)	10,291 (41.1%)	3,856 (15.4%)	2,579 (10.3%)	1,978 (7.9%)	25,038 (100.0%)	2.34
North Carolina	2010	585,503 (23.4%)	969,926 (38.8%)	411,900 (16.5%)	339,961 (13.6%)	190,588 (7.6%)	2,497,879 (100.0%)	2.43
	2017	605,808 (23.7%)	1,005,845 (39.4%)	411,796 (16.1%)	337,156 (13.2%)	195,546 (7.6%)	2,556,151 (100.0%)	2.42
	2022	638,953 (23.8%)	1,061,039 (39.5%)	428,924 (16.0%)	350,513 (13.0%)	206,515 (7.7%)	2,685,944 (100.0%)	2.41

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

Noteworthy observations from the preceding table include:

- Opposite of renter household trends, the average household size among owner households within the city of Morganton and Burke County increased between 2010 and 2017. Nonetheless, two-person households make up the largest share of owner-occupied households within both the city of Morganton and Burke County, similar to statewide trends.
- Aside from four-person households, Burke County will experience growth among owner-occupied households of all sizes. This is a good indication of an ongoing need for for-sale product of all sizes/bedroom types within the county.
- Although the total number of owner-occupied households is projected to decline within the city of Morganton between 2017 and 2022, there will be some modest growth among various household sizes during this time period. This includes growth among two-, four-, and five-person households.

The following graph compares owner household size shares for 2017:



3. INCOME CHARACTERISTICS

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

	Median Household Income		
	2010 Census	2017 Estimated	% Change 2010-2017
Morganton	\$34,008	\$33,843	-0.5%
Burke County	\$34,176	\$39,463	15.5%
North Carolina	\$44,219	\$49,187	11.2%

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

Noteworthy observations from the preceding table include:

- The median household income within Burke County increased by 15.5% between 2010 and 2017, a more rapid rate than the statewide increase of 11.2% during this same time period. Conversely, the median household income within the city of Morganton has declined by 0.5% since 2010.
- The median household income for the city of Morganton is 16.6% lower than that reported for Burke County, and the Burke County median household income is 24.6% lower than that reported for the state of North Carolina. These trends are good indications of a need for affordable housing alternatives within Burke County, particularly the Morganton area.

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

		Renter Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
Morganton	2010	1,290 (43.2%)	412 (13.8%)	391 (13.1%)	430 (14.4%)	291 (9.7%)	116 (3.9%)	55 (1.9%)	3 (0.1%)
	2017	890 (27.5%)	718 (22.2%)	405 (12.5%)	430 (13.3%)	424 (13.1%)	136 (4.2%)	100 (3.1%)	133 (4.1%)
	2022	811 (24.8%)	658 (20.1%)	406 (12.4%)	452 (13.8%)	462 (14.1%)	156 (4.8%)	133 (4.1%)	196 (6.0%)
	Change 2017-2022	-79 (-8.9%)	-60 (-8.4%)	1 (0.2%)	22 (5.1%)	38 (9.0%)	20 (14.7%)	33 (33.0%)	63 (47.4%)
Burke County	2010	4,002 (40.3%)	1,936 (19.5%)	1,414 (14.2%)	1,276 (12.8%)	901 (9.1%)	285 (2.9%)	100 (1.0%)	18 (0.2%)
	2017	3,014 (27.6%)	2,272 (20.8%)	1,442 (13.2%)	1,507 (13.8%)	1,529 (14.0%)	437 (4.0%)	328 (3.0%)	393 (3.6%)
	2022	2,778 (24.8%)	2,129 (19.0%)	1,467 (13.1%)	1,629 (14.5%)	1,702 (15.2%)	475 (4.2%)	434 (3.9%)	582 (5.2%)
	Change 2017-2022	-236 (-7.8%)	-143 (-6.3%)	25 (1.7%)	122 (8.1%)	173 (11.3%)	38 (8.7%)	106 (32.0%)	189 (48.1%)
North Carolina	2010	350,621 (28.1%)	229,417 (18.4%)	189,258 (15.2%)	197,867 (15.9%)	170,464 (13.7%)	61,252 (4.9%)	35,148 (2.8%)	13,214 (1.1%)
	2017	338,916 (23.0%)	255,517 (17.3%)	222,461 (15.1%)	240,116 (16.3%)	218,346 (14.8%)	98,773 (6.7%)	68,050 (4.6%)	32,643 (2.2%)
	2022	376,721 (24.1%)	275,270 (17.6%)	228,024 (14.6%)	241,968 (15.5%)	211,657 (13.5%)	109,437 (7.0%)	80,478 (5.1%)	40,119 (2.6%)
	Change 2017-2022	37,806 (11.2%)	19,753 (7.7%)	5,562 (2.5%)	1,852 (0.8%)	-6,689 (-3.1%)	10,665 (10.8%)	12,428 (18.3%)	7,476 (22.9%)

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

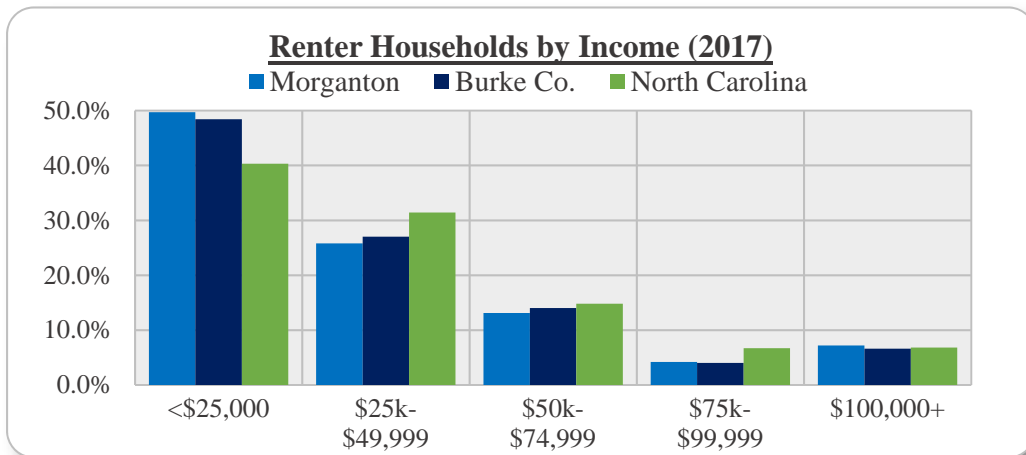
It is critical to point out that the demographic changes, both positive and negative, represent a combination of net growth due to migration, increases/decreases in household incomes due to retirement, marriage, changes in employment, and loss/gains in employment opportunities. Therefore, many of the changes among household income segments can be reflective of households moving in and out of such segments.

Key findings from the preceding data include the following:

- The greatest share of renter households within the city of Morganton and Burke County is those earning less than \$15,000. Such households comprised more than 27.0% of all renter households in each of these geographic areas in 2017. However, renter households earning less than \$15,000 will decline within both the city of Morganton and Burke County between 2017 and 2022.

- Renter growth will primarily be concentrated among households earning between \$35,000 and \$75,000, and households earning more than \$100,000 within the county between 2017 and 2022. Renter household growth within the city of Morganton will generally occur among households earning \$35,000 or more during this same time period. These trends are likely reflective of households moving into higher income segments, as well as the addition of new households moving to the county. In fact, local economic development officials indicated that household growth attributed to households relocating from surrounding areas/counties is prominent within Burke County, due to rising housing costs within the region.
- As most renter growth within the county is expected to occur among households earning \$50,000 or more, demand for moderate to higher-priced rental product will likely increase most rapidly within the county. However, strong demand for affordable rental product will also remain, as approximately 44.0% of all renter households will continue to earn below \$25,000 in 2022.

The following graph compares renter households by income shares for 2017:



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

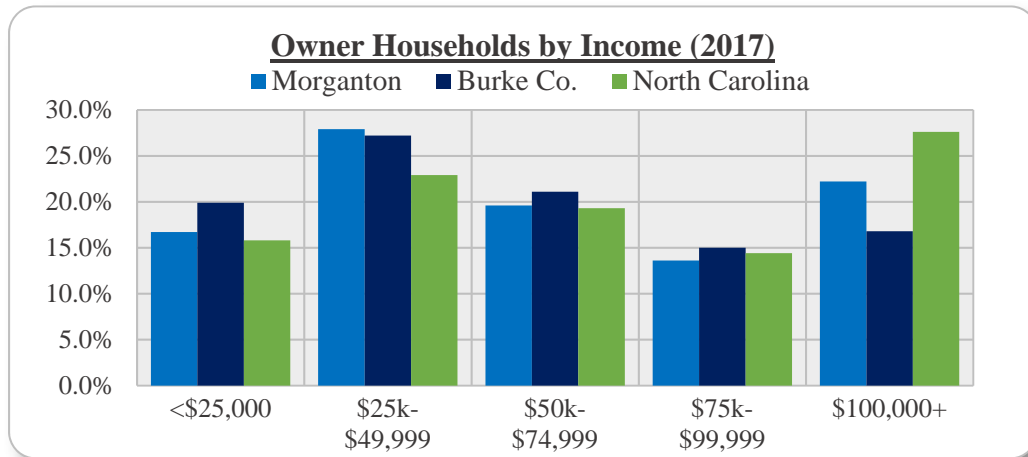
		Owner Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
Morganton	2010	347 (9.5%)	422 (11.6%)	552 (15.1%)	477 (13.1%)	707 (19.4%)	506 (13.9%)	298 (8.1%)	344 (9.4%)
	2017	299 (8.6%)	281 (8.1%)	344 (9.9%)	625 (18.0%)	681 (19.6%)	472 (13.6%)	476 (13.7%)	295 (8.5%)
	2022	249 (7.2%)	239 (6.9%)	332 (9.6%)	628 (18.1%)	674 (19.5%)	475 (13.7%)	530 (15.3%)	335 (9.7%)
	Change 2017-2022	-50 (-16.7%)	-42 (-14.9%)	-12 (-3.5%)	3 (10.5%)	-7 (-1.0%)	3 (0.6%)	54 (11.3%)	40 (13.6%)
Burke County	2010	3,800 (14.7%)	3,426 (13.2%)	3,750 (14.5%)	4,196 (16.2%)	5,476 (21.2%)	2,794 (10.8%)	1,554 (6.0%)	877 (3.4%)
	2017	2,413 (9.8%)	2,487 (10.1%)	2,511 (10.2%)	4,186 (17.0%)	5,195 (21.1%)	3,693 (15.0%)	2,758 (11.2%)	1,379 (5.6%)
	2022	2,128 (8.5%)	2,203 (8.8%)	2,379 (9.5%)	4,450 (17.8%)	5,465 (21.8%)	3,762 (15.0%)	2,926 (11.7%)	1,725 (6.9%)
	Change 2017-2022	-285 (-11.8%)	-284 (-11.4%)	-132 (-5.3%)	264 (6.3%)	270 (5.2%)	69 (1.9%)	168 (6.1%)	346 (25.1%)
North Carolina	2010	236,906 (9.5%)	250,552 (10.0%)	260,331 (10.4%)	380,537 (15.2%)	517,835 (20.7%)	327,897 (13.1%)	326,659 (13.1%)	197,162 (7.9%)
	2017	186,342 (7.3%)	218,019 (8.5%)	241,037 (9.4%)	344,767 (13.5%)	493,086 (19.3%)	367,308 (14.4%)	406,618 (15.9%)	298,974 (11.7%)
	2022	223,682 (8.3%)	253,726 (9.4%)	265,558 (9.9%)	356,276 (13.3%)	477,286 (17.8%)	381,219 (14.2%)	420,559 (15.7%)	307,638 (11.5%)
	Change 2017-2022	37,339 (20.0%)	35,707 (16.4%)	24,522 (10.2%)	11,509 (3.3%)	-15,800 (-3.2%)	13,910 (3.8%)	13,941 (3.4%)	8,664 (2.9%)

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

Important findings from the preceding table are summarized as follows:

- The largest share of owner-occupied households in Burke County in 2017 was among households making between \$50,000 and \$74,999, similar to trends for the city of Morganton and the state of North Carolina.
- Household growth among owner-occupied households within the county will occur across all income segments of \$35,000 or more, between 2017 and 2022. Similar trends are projected for the city of Morganton, with the exception of the \$50,000 to \$74,999 income segment.
- While notable household growth will occur among households earning over \$75,000, nearly half (48.0%) of the projected household growth within the county will be concentrated among owner households earning between \$35,000 and \$75,000. Households earning less than \$75,000 will comprise 61.3% of all owner-occupied households in the city of Morganton and more than 66.0% of owner households in the county. This indicates that strong demand will continue to exist for moderate to lower priced (under \$250,000) for-sale product in the two study areas, despite the projected growth patterns among higher income households (earning \$100,000+).

The following graph compares owner households by income shares for 2017:



4. DEMOGRAPHIC SUMMARY (KEY TRENDS)

The following summarize the key demographic trends impacting housing needs within the study areas, based on our preceding analysis.

Overall Population and Household Overview

- The population within both the city of Morganton and Burke County declined between 2010 and 2017. However, the population base within each study area is projected to increase between 2017 and 2022.
- Similar to population trends, the household base within each study area is also projected to increase between 2017 and 2022. Household growth within the county will outpace that projected for the city of Morganton during this time period. However, demographic growth within the various municipalities within the county could be influenced by economic growth and/or opportunities within each municipality. Should incentives/programs be put in place to attract economic growth to a certain area, demographic growth could exceed projections for a given area.
- The household base within the county and the city of Morganton is aging and the majority of household growth will be concentrated among households age 55 and older. Thus, housing demand is likely to increase most rapidly for senior-oriented housing alternatives.
- In 2017, households within Burke County were relatively well distributed in terms of household income, particularly among income segments below \$100,000. This is a good indication of demand for housing product of all affordability levels within the county. The largest share of households, however, was those earning between \$50,000 and \$74,999, as this household segment represented 19.2% of all households within the county.

- The median household income for the city of Morganton is 16.6% lower than that reported for Burke County and the Burke County median household income is 24.6% lower than that reported for the state of North Carolina. These trends are good indications of a need for affordable housing alternatives within the Burke County and Morganton areas. However, it is also of note that the median household income within Burke County increased by 15.5% between 2010 and 2017, a more rapid rate than the statewide increase of 11.2% during this same time period. Conversely, the median household income within the city of Morganton has declined by 0.5% since 2010.

Renter Household Overview

- Nearly half (48.2%) of all households within the city of Morganton were renters in 2017, a trend which is projected to remain stable through 2022. This share of renter households is significantly higher than that reported for Burke County (30.7%) and indicates that much of the existing rental product within the county is located in the city of Morganton.
- The greatest share of renter households within both Burke County and the city of Morganton is those earning less than \$15,000. Such households comprised more than 27.0% of all renter households in each of these geographic areas in 2017. This renter segment will experience a decline in households within both Burke County and the city of Morganton between 2017 and 2022. However, this segment will still comprise approximately one-quarter of all renter households in each study area in 2022. Substantial renter growth is projected among households earning \$35,000 or more in Burke County. These trends indicate a good base of potential support for rental product of all affordability levels.
- One- and two-person households will comprise 63.4% and 72.3% of all renter households in Burke County and the city of Morganton, respectively. This demonstrates an ongoing need for smaller one- and two-bedroom rental units within the county.

Owner Household Overview

- More than 69.0% of all households within Burke County are owner-occupied, a trend which will continue through 2022.
- The largest share of owner-occupied households in Burke County in 2017 was among households making between \$50,000 and \$74,999, similar to trends for the city of Morganton and the state of North Carolina. While notable household growth among owner-occupied households within the county will occur among households earning over \$75,000, nearly half of the projected household growth will be concentrated within the \$35,000 to \$75,000 income segment between 2017 and 2022.

- Two-person households make up the largest share of owner-occupied households within both Burke County and the city of Morganton, similar to statewide trends.

C. COMMUTING PATTERNS

The following table illustrates commuting mode for each study area:

		Commuting Mode						Total
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	
Morganton	Number	5,047	832	1	234	26	172	6,312
	Percent	80.0%	13.2%	0.0%	3.7%	0.4%	2.7%	100.0%
Burke County	Number	30,887	3,173	89	559	129	864	35,701
	Percent	86.5%	8.9%	0.2%	1.6%	0.4%	2.4%	100.0%
North Carolina	Number	3,536,992	435,269	48,599	78,109	58,218	204,181	4,361,368
	Percent	81.1%	10.0%	1.1%	1.8%	1.3%	4.7%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community

Burke County has a higher share of residents which commute to work alone (drive alone) as compared to both the city of Morganton and the state of North Carolina. The county also has a lower share of residents which carpool, relative to the city of Morganton and the state of North Carolina. Very few residents utilize public transportation as a means to commute within the city of Morganton and Burke County. This is not uncommon of more rural markets, however, such as the Burke County area. Note, the lack of public transportation options within the county was expressed as a barrier to development within the county, by several area stakeholders.

D. CRIME STATISTICS

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States. It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

The UCR crime risks for the selected geographies are compared as follows:

	Total Crime	Personal Crime					Property Crime			
		Murder	Rape	Robbery	Assault	Total	Burglary	Larceny	Vehicular Theft	Total
Morganton	109	103	47	64	112	83	143	137	73	120
Burke County	85	102	53	46	65	68	125	84	54	89
North Carolina	127	113	88	108	107	104	174	131	82	131

Source: Applied Geographic Solutions

The overall crime index for Burke County (85) is well below that reported for the city of Morganton (109) and both are below the statewide average of 127. Thus, the perception of crime within the Burke County and city of Morganton areas is likely low and does not adversely impact the local housing market. The low crime risk within these areas are expected to be a positive factor contributing to future development within the county.

A map illustrating crime risk for Burke County is on the following page.

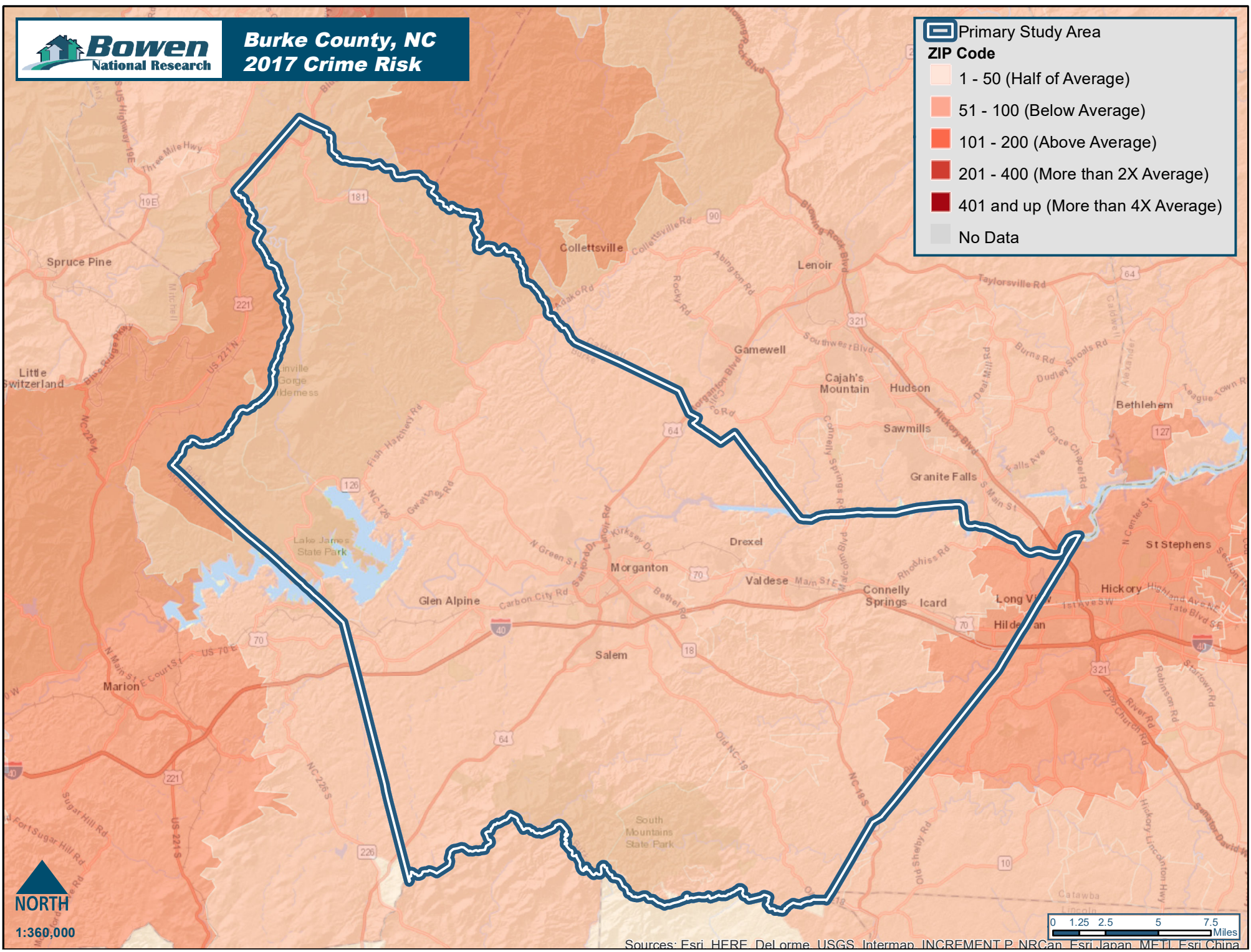


Burke County, NC 2017 Crime Risk

Primary Study Area

ZIP Code

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH
1:360,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

E. ECONOMICS

The economic characteristics and trends of a market can have a significant impact on an area's current and potential housing needs. Therefore, we have evaluated key economic variables of the county.

Specific community (when available) and county economic data sets in this section include the following:

- Employment by Job Sector
- Typical Wages by Occupation
- Total Annual Employment (2007 to 2017)
- Annual Unemployment Rates (2007 to 2017)

Evaluating these economic data sets can provide insight as to economic strengths and weaknesses, help identify positive and negative trends, and provide information that can help explain current housing conditions or assist in anticipating future housing needs. For example, areas with diverse economic bases often have a better ability to withstand economic downturns than areas with a heavy reliance on a single industry sector. Markets with a large base of low-wage jobs, such as service-oriented or other blue-collar jobs, often indicate that a market has a better potential opportunity to support affordable housing. Areas with growing unemployment can also indicate an increasing need for additional affordable housing.

The distribution of selected communities' and the county's employment by industry sector is summarized on the following pages.

The following table illustrates employment by industry for the city of Morganton, Burke County, and the state of North Carolina:

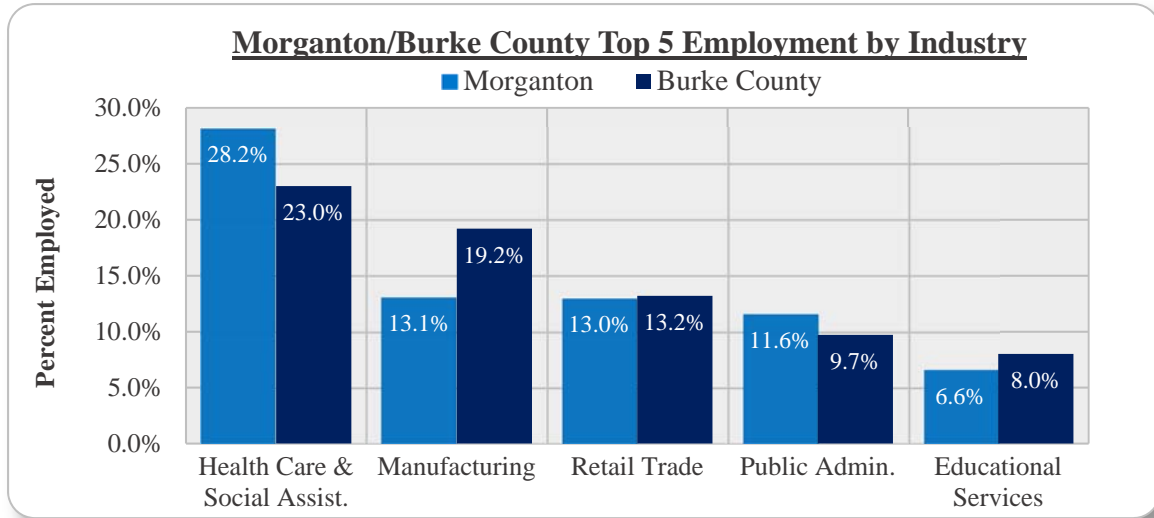
NAICS Group	Employment by Industry					
	Morganton		Burke County		North Carolina	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	13	0.1%	62	0.2%	24,909	0.6%
Mining	4	0.0%	8	0.0%	3,456	0.1%
Utilities	69	0.4%	108	0.3%	28,702	0.6%
Construction	293	1.5%	814	2.2%	211,126	4.7%
Manufacturing	2,520	13.1%	7,001	19.2%	442,013	9.9%
Wholesale Trade	945	4.9%	1,665	4.6%	199,685	4.5%
Retail Trade	2,493	13.0%	4,836	13.2%	654,102	14.6%
Transportation & Warehousing	178	0.9%	381	1.0%	100,519	2.2%
Information	148	0.8%	185	0.5%	115,440	2.6%
Finance & Insurance	337	1.8%	459	1.3%	145,736	3.3%
Real Estate & Rental & Leasing	209	1.1%	333	0.9%	112,794	2.5%
Professional, Scientific & Technical Services	370	1.9%	496	1.4%	235,563	5.3%
Management of Companies & Enterprises	0	0.0%	0	0.0%	9,939	0.2%
Administrative, Support, Waste Management & Remediation Services	140	0.7%	334	0.9%	102,421	2.3%
Educational Services	1,261	6.6%	2,938	8.0%	356,844	8.0%
Health Care & Social Assistance	5,431	28.2%	8,419	23.0%	670,610	15.0%
Arts, Entertainment & Recreation	129	0.7%	350	1.0%	79,648	1.8%
Accommodation & Food Services	1,712	8.9%	2,926	8.0%	414,604	9.2%
Other Services (Except Public Administration)	748	3.9%	1,659	4.5%	260,156	5.8%
Public Administration	2,232	11.6%	3,539	9.7%	306,769	6.8%
Non-classifiable	6	0.0%	20	0.1%	7,776	0.2%
Total	19,238	100.0%	36,533	100.0%	4,482,812	100.0%

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

E.P.E. - Average Employees Per Establishment

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

The largest employment sector within both the city of Morganton and Burke County is Health Care & Social Assistance, which comprises 28.2% and 23.0% for these geographic areas, respectively. Typically, this industry segment is less susceptible to economic downturns and contributes to the economic stability of a given market. Also of note, approximately 47.0% and 50.0% of the area employment bases within the city of Morganton and Burke County, respectively, are comprised with the Manufacturing, Retail Trade, Accommodation & Food Services, and Public Administration industry sectors. These industry segments typically offer lower-wage paying positions conducive to affordable housing alternatives. However, the relatively high share of employment within the Health Care & Social Assistance industry, as compared to the statewide average, is a good indication of a need for moderate- to higher-priced housing alternatives within the Burke County area, in addition to affordable housing alternatives for workers within the aforementioned lower-wage industry segments. Overall, the county's economic base is relatively well balanced, which contributes to the county's economic stability.



Typical wages by job category for the Hickory-Lenoir-Morganton Metropolitan Statistical Area (MSA) are compared with those of North Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Hickory-Lenoir-Morganton MSA	North Carolina
Management Occupations	\$109,110	\$123,640
Business and Financial Occupations	\$62,800	\$74,030
Computer and Mathematical Occupations	\$64,430	\$86,380
Architecture and Engineering Occupations	\$67,720	\$78,820
Community and Social Service Occupations	\$43,270	\$44,710
Art, Design, Entertainment and Sports Medicine Occupations	\$45,450	\$53,330
Healthcare Practitioners and Technical Occupations	\$72,800	\$74,840
Healthcare Support Occupations	\$27,700	\$27,690
Protective Service Occupations	\$33,990	\$38,610
Food Preparation and Serving Related Occupations	\$21,320	\$21,810
Building and Grounds Cleaning and Maintenance Occupations	\$24,960	\$25,460
Personal Care and Service Occupations	\$24,300	\$25,400
Sales and Related Occupations	\$34,680	\$39,440
Office and Administrative Support Occupations	\$33,250	\$35,420
Construction and Extraction Occupations	\$37,940	\$39,940
Installation, Maintenance and Repair Occupations	\$42,820	\$45,030
Production Occupations	\$34,370	\$34,520
Transportation and Moving Occupations	\$33,160	\$32,620

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

Most annual blue-collar salaries range from \$21,320 to \$45,450 within the Hickory-Lenoir-Morganton MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$75,372. It is important to note that most occupational types within the Hickory-Lenoir-Morganton MSA have lower typical wages than the state of North Carolina's typical wages. Only five occupation types within the MSA have typical wages over \$50,000, further indication of an ongoing need for affordable housing alternatives within the Burke County area.

Employment Base and Unemployment Rates

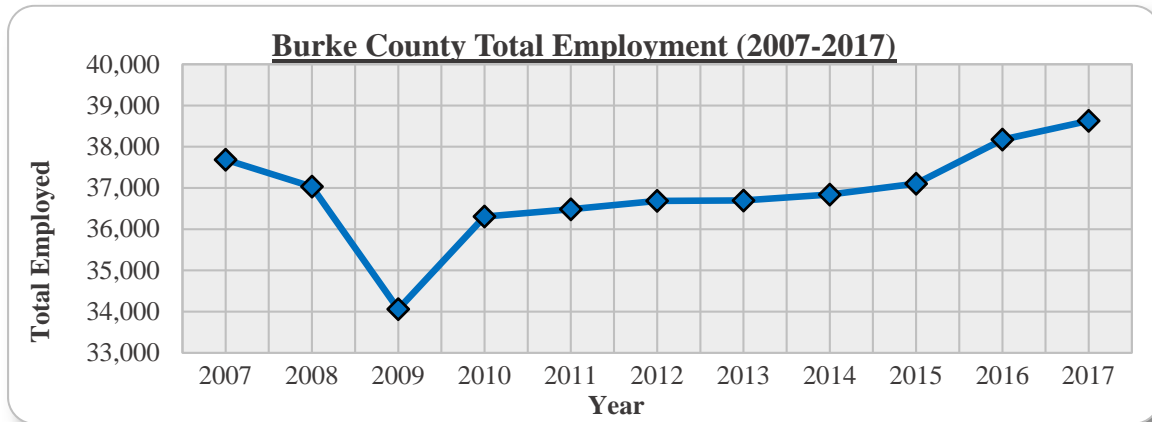
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2017, the employment base has increased by 4.1% over the past five years in Burke County, less than the North Carolina state increase of 8.5%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Burke County, the state of North Carolina and the United States.

Year	Total Employment					
	Burke County		North Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	37,685	-	4,300,304	-	146,388,400	-
2008	37,032	-1.7%	4,281,713	-0.4%	146,047,748	-0.2%
2009	34,060	-8.0%	4,087,105	-4.5%	140,696,560	-3.7%
2010	36,305	6.6%	4,115,629	0.7%	140,469,139	-0.2%
2011	36,483	0.5%	4,157,543	1.0%	141,791,255	0.9%
2012	36,687	0.6%	4,245,675	2.1%	143,621,634	1.3%
2013	36,695	0.0%	4,318,114	1.7%	145,017,562	1.0%
2014	36,839	0.4%	4,402,450	2.0%	147,446,676	1.7%
2015	37,103	0.7%	4,495,190	2.1%	149,733,744	1.6%
2016	38,173	2.9%	4,608,229	2.5%	152,169,822	1.6%
2017	38,628	1.2%	4,716,832	2.4%	154,577,363	1.6%

Source: Department of Labor; Bureau of Labor Statistics



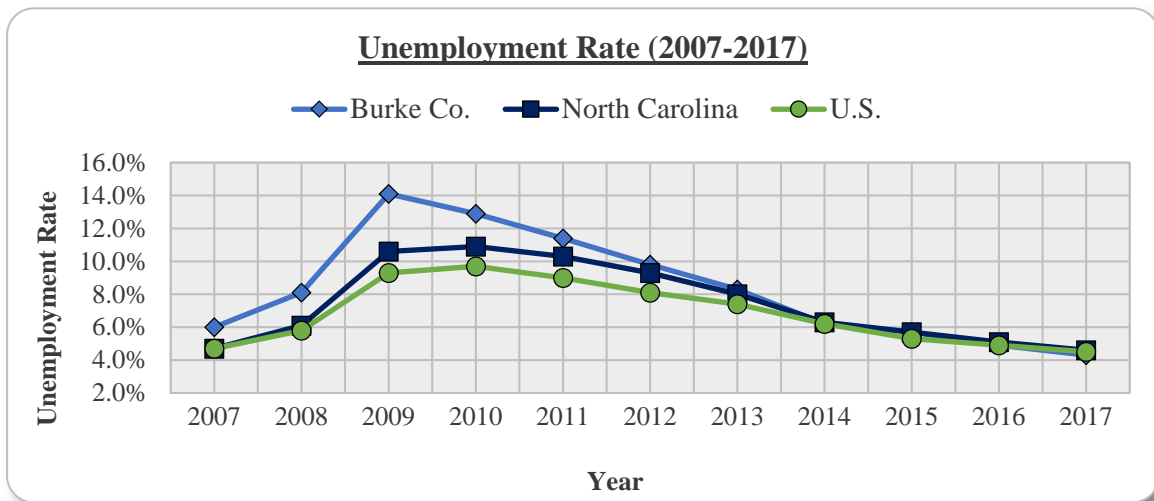
As the preceding illustrates, the Burke County employment base was stable, increasing by no more than 0.7% in any given year, between 2011 and 2015, following a 6.6% increase in 2010. Since 2015, the employment base has increased by 1,525 jobs, or 4.1%. Comparatively, the employment base within the state of North Carolina has increased by 4.9% during this same time period. Employment growth is expected to continue within the county for the foreseeable future, given the numerous recent announcements of business expansion/creation within the county, as detailed later in

this section. This projected growth in employment is expected to contribute to population and household growth within the county, resulting in increased housing demand.

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

Year	Unemployment Rate		
	Burke County	North Carolina	United States
2007	6.0%	4.7%	4.7%
2008	8.1%	6.1%	5.8%
2009	14.1%	10.6%	9.3%
2010	12.9%	10.9%	9.7%
2011	11.4%	10.3%	9.0%
2012	9.8%	9.3%	8.1%
2013	8.3%	8.0%	7.4%
2014	6.2%	6.3%	6.2%
2015	5.7%	5.7%	5.3%
2016	4.9%	5.1%	4.9%
2017	4.3%	4.6%	4.5%

Source: Department of Labor, Bureau of Labor Statistics



The unemployment rate within Burke County has declined each of the past eight years. Notably, the unemployment rate has declined by nearly ten full percentage points during this time period, to a rate of just 4.3% through the end of 2017. It is also of note that the unemployment rate within Burke County has been below the state average each of the past two years and the unemployment rate of 4.3% through 2017 is nearly two full percentage points lower than pre-recession levels (6.0% in 2007) for the county. As additional jobs continue to be added to the county employment base, unemployment rates are expected to continue to decline.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Burke County.

In-Place Employment Burke County			
Year	Employment	Change	Percent Change
2007	32,633	-	-
2008	31,541	-1,092	-3.3%
2009	28,656	-2,885	-9.1%
2010	27,960	-696	-2.4%
2011	28,193	233	0.8%
2012	28,737	544	1.9%
2013	29,331	594	2.1%
2014	29,378	47	0.2%
2015	29,517	139	0.5%
2016	29,387	-130	-0.4%
2017*	29,473	86	0.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Burke County to be 77.0% of the total Burke County employment. This means that Burke County has more employed persons leaving the county for daytime employment than those who work in the county. According to data obtained from the U.S. Census Bureau, OnTheMap tool, nearly 52.0% of those employed within Burke County commute into the county for daytime employment, this equates to more than 13,000 persons coming into the county for employment on a daily basis. The addition of some new housing alternatives would likely allow the county to attract some of these persons/households which commute into the county for employment. As indicated above, many Burke County residents commute to areas outside the county for daytime employment. According to U.S. Census data, the majority of these people travel east, likely into the city of Hickory. Job creation within the Burke County area, such as that anticipated by the numerous announcements of new and/or expanding businesses within the area, will likely help retain some county residents.

The following table compares key demographic metrics of Burke County to those of the adjacent counties, as well as Buncombe County (Asheville Area).

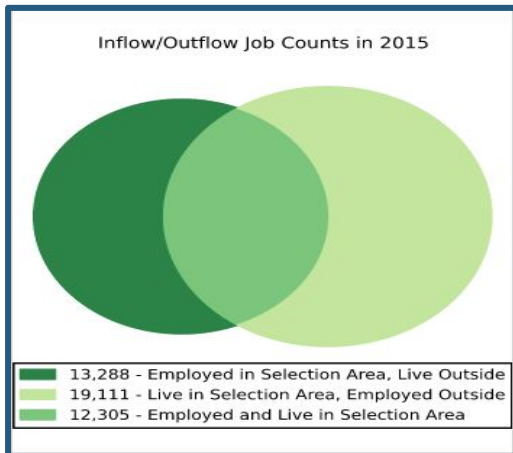
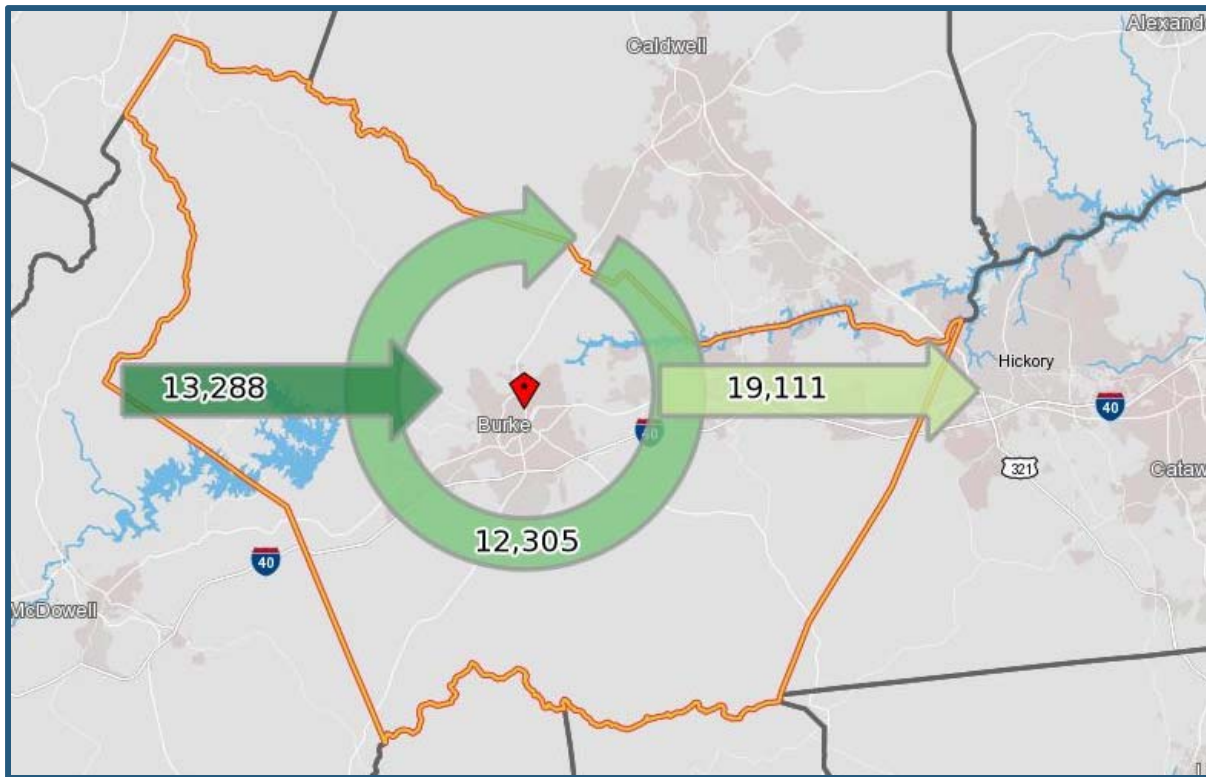
County	Population	Median Home Value	Median Gross Rent	Share of Cost Burdened Households*	
				Owner	Renter
Burke	89,548	\$113,000	\$609	20.4%	39.3%
Avery	17,695	\$137,100	\$671	21.6%	41.4%
Buncombe	247,336	\$192,400	\$829	22.9%	46.8%
Caldwell	81,758	\$108,100	\$604	21.7%	44.5%
Catawba	154,610	\$132,700	\$672	19.1%	42.5%
Cleveland	97,178	\$104,400	\$668	21.0%	48.7%
Lincoln	79,578	\$153,200	\$671	21.4%	40.8%
McDowell	44,961	\$98,400	\$583	17.9%	31.8%
Rutherford	66,865	\$106,600	\$594	20.6%	40.9%

Source: American Community Survey (2011-2015)

*Paying more than 30% of income towards housing cost

As the preceding illustrates, Burke County generally has a lower median home value and median gross rent than the surrounding counties, particularly most of those which are more populated than Burke County. Subsequently, the share of owner- and renter-occupied households which are cost burdened is lower within Burke County, as compared to most surrounding counties. These are good indications that Burke County is more affordable than many of the surrounding areas, which likely makes Burke County an attractive option to residents of the surrounding counties which are considering relocation. This is especially true of residents which already commute into Burke County, from surrounding counties, for employment.

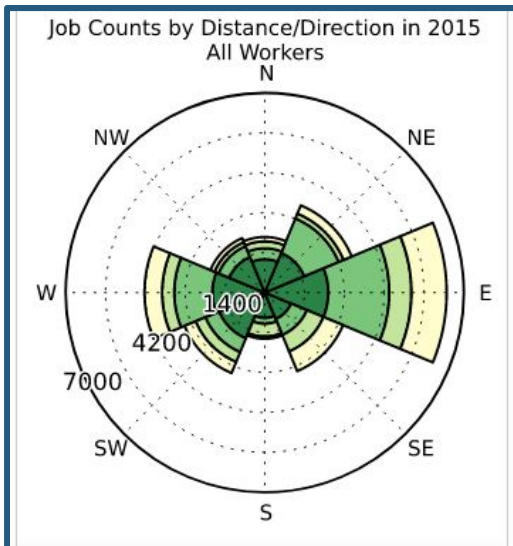
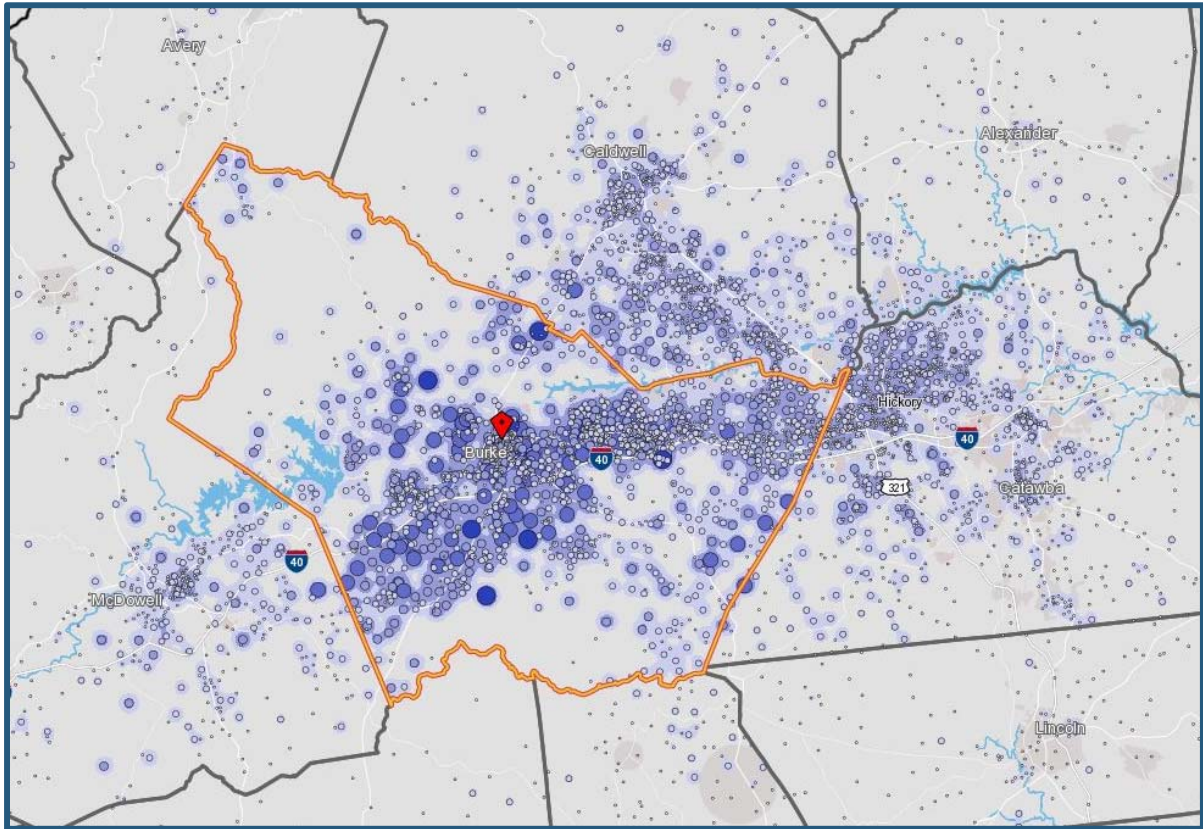
The following map/graph illustrates the number/share of people commuting into the county for employment, as well as those leaving the county for employment.



Inflow/Outflow Job Counts (Primary Jobs) 2015

	Count	Share
Employed in the Selection Area	25,593	100.0%
Employed in the Selection Area but Living Outside	13,288	51.9%
Employed and Living in the Selection Area	12,305	48.1%
Living in the Selection Area	31,416	100.0%
Living in the Selection Area but Employed Outside	19,111	60.8%
Living and Employed in the Selection Area	12,305	39.2%

The following map/graph illustrates the concentration of jobs within the county and surrounding areas, as well as the direction and distance in which workers travel within and from Burke County.



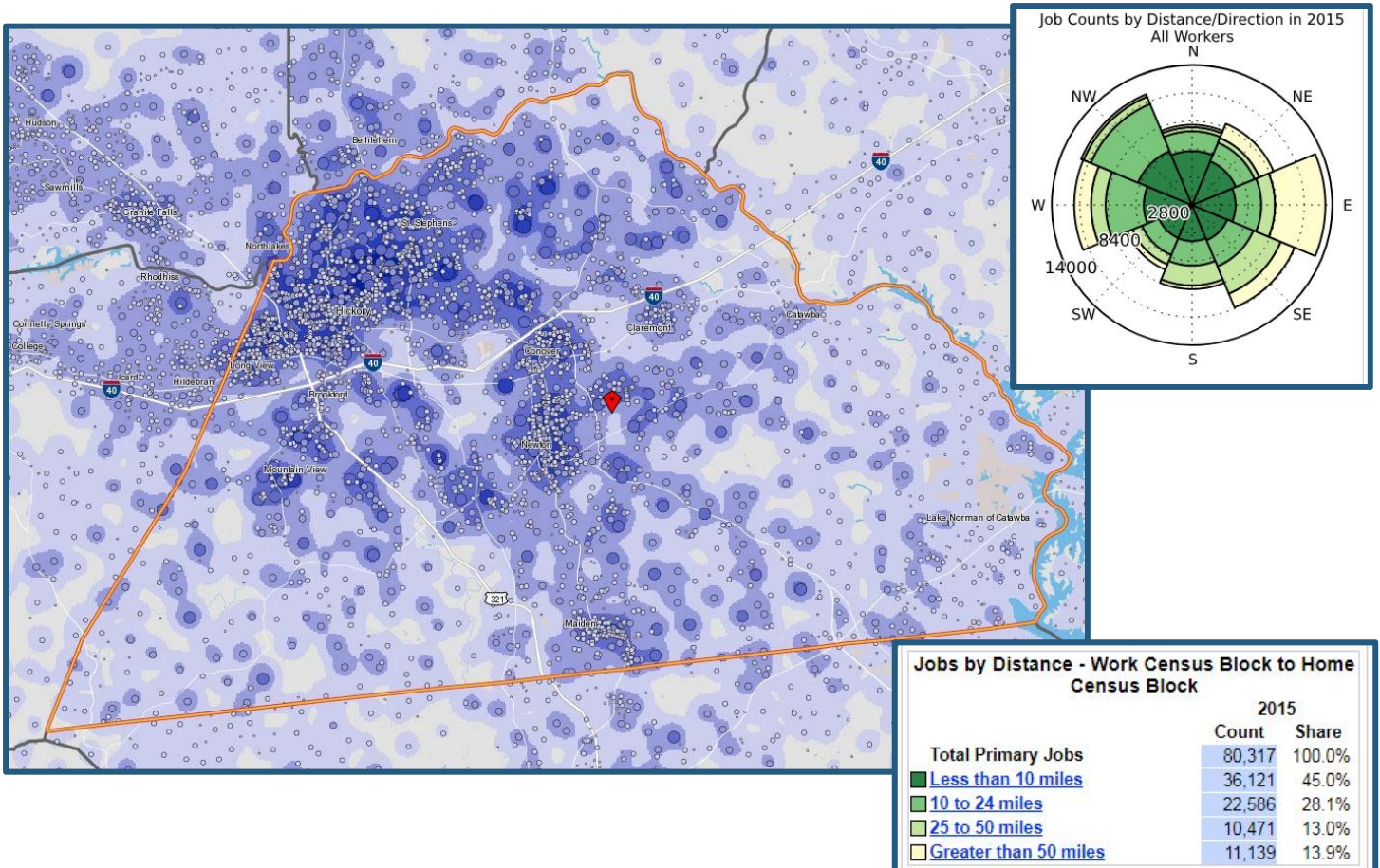
Jobs by Distance - Work Census Block to Home Census Block

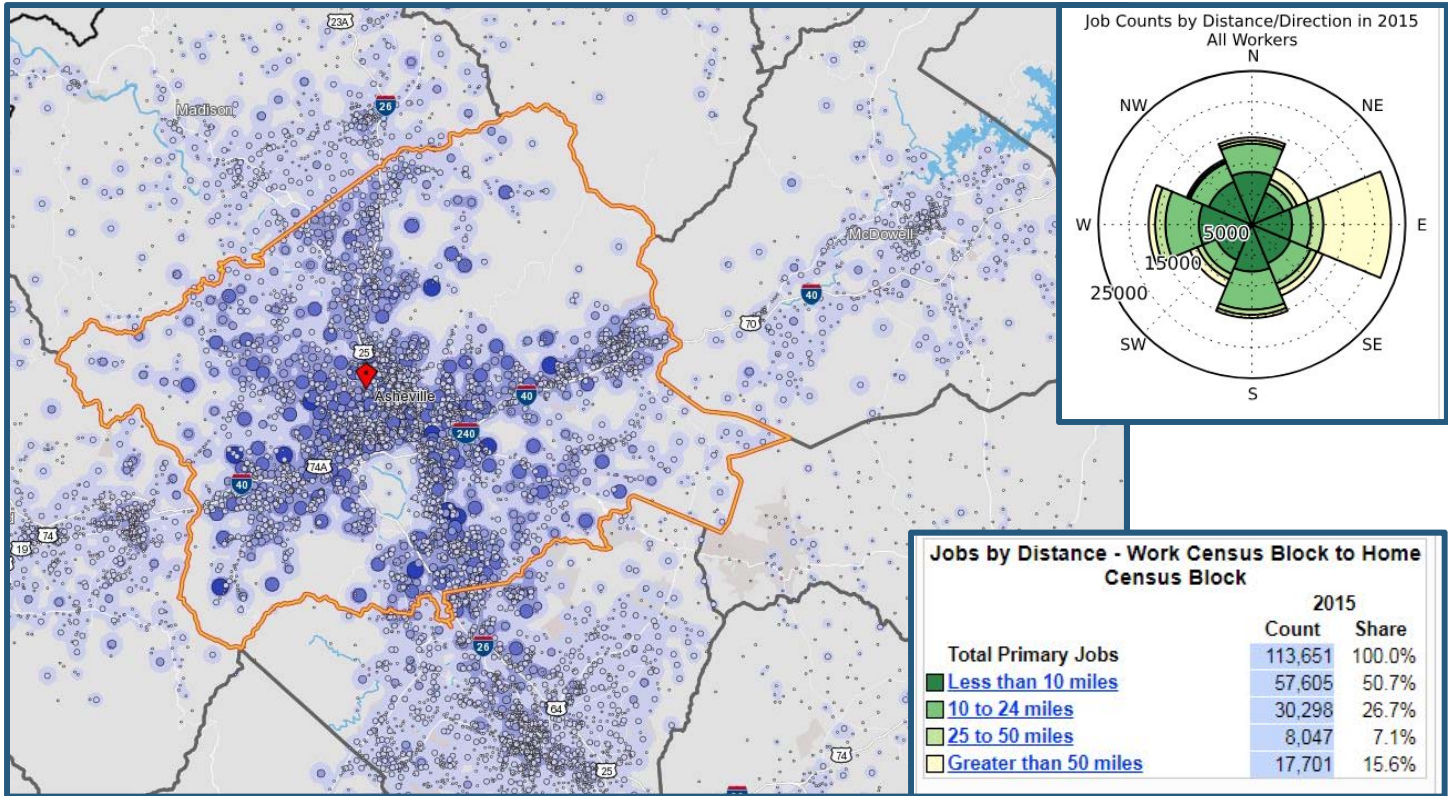
	2015	
	Count	Share
Total Primary Jobs	25,593	100.0%
Less than 10 miles	11,733	45.8%
10 to 24 miles	6,912	27.0%
25 to 50 miles	3,232	12.6%
Greater than 50 miles	3,716	14.5%

As the preceding illustrates, more than one-quarter of workers in Burke County travel 25 miles or more to their place of employment. The majority of these workers travel east towards the city of Hickory and/or areas farther east such as the northern suburbs of Charlotte. A good share of workers traveling more than 50 miles to work also travel west, likely to the Asheville area. Areas such as Asheville and the areas east of Burke County (i.e. Hickory, northern Charlotte, etc.) are generally higher cost-of-living areas as compared to Burke County. This likely contributes to residents choosing to live in Burke County but commute to areas considerable distances away.

Conversely, more than 13,000 people commute into Burke County for employment, from surrounding areas. Approximately 28.0% of workers in Catawba County travel 10 to 24 miles to work, with a large share of these workers traveling west towards Burke County, while approximately 16.0% of Buncombe County (Asheville area) workers travel east by more than 50 miles for work. This demonstrates that Burke County likely has a substantial number of people working in the county but commuting from areas outside the county which have higher costs-of-living. Offering housing alternatives attractive to these persons/households would help attract some of these residents to Burke County, for residency in addition to employment.

The following maps/graphs illustrate the concentration of jobs within the two most populated surrounding counties (i.e. Catawba and Buncombe), as well as the direction and distance in which workers travel within and from these counties.





The following map illustrates drive time and distances to surrounding areas from the center of Burke County.



Burke County, NC

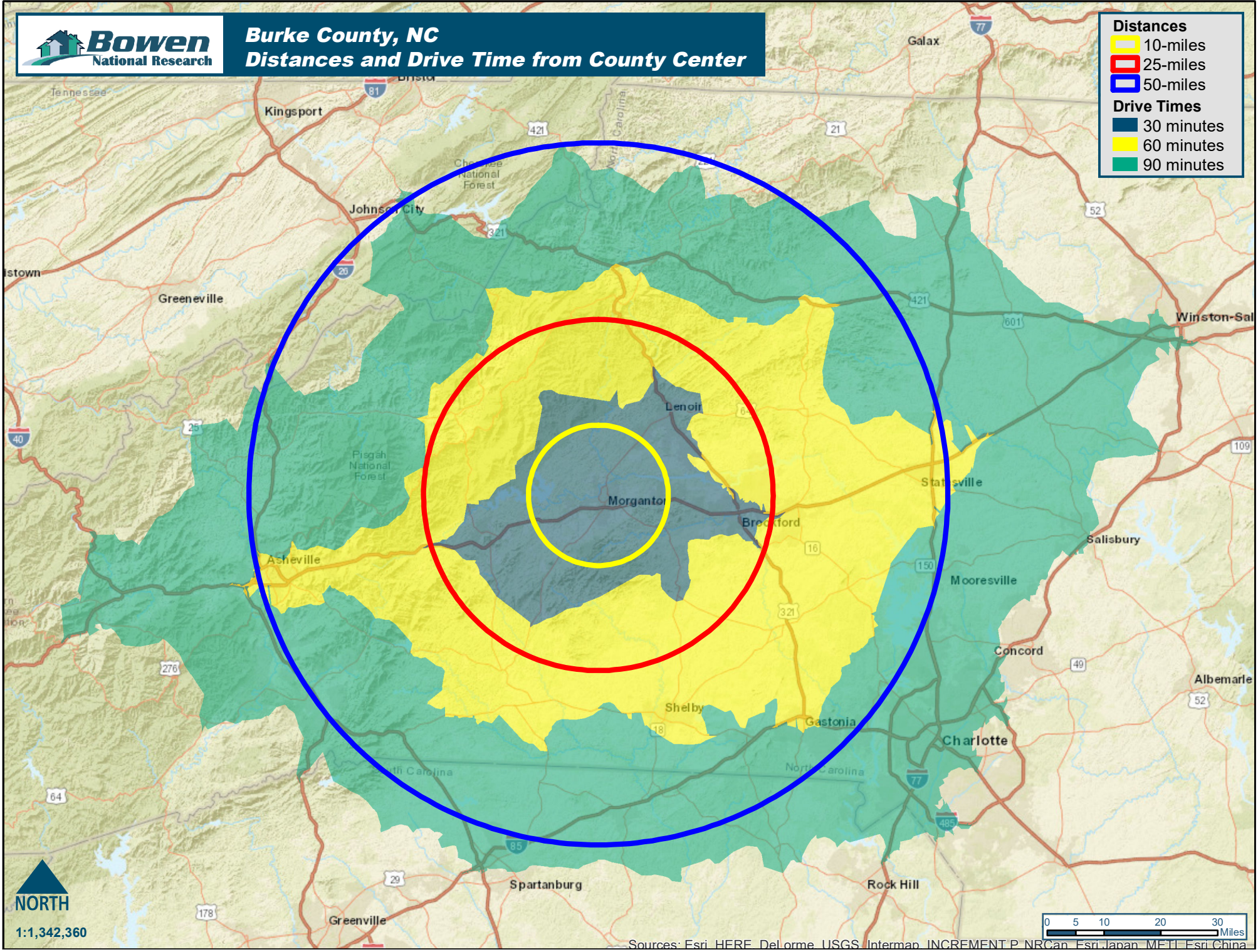
Distances and Drive Time from County Center

Distances

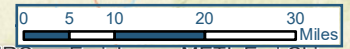
- 10-miles
- 25-miles
- 50-miles

Drive Times

- 30 minutes
- 60 minutes
- 90 minutes



NORTH
1:1,342,360



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Major Employers

The ten largest employers within the Burke County area comprise a total of 8,965 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Burke County Schools	Education	1,500
Carolinas Healthcare Hospitals Blue Ridge	Health Care	1,400
Broughton Hospital	Mental Health Care	1,225
J. Iverson Riddle Development Center	Mental Health Care	1,000
Case Farms Processing Inc.	Poultry Farm	1,000
Valdese Weavers	Textile Manufacturing	750
Leviton Manufacturing Company, Inc.	Automotive Manufacturing	625
Burke County Government	Government	525
Continental	Automotive Manufacturing	525
Western Piedmont Community College	Higher Education	415
	Total	8,965

Source: Burke Development Incorporated (October 2017)

According to a representative with Burke Development Incorporated, the Burke County economy has been recovering from the loss of furniture and textile manufacturing, the area's primary industry segments, but has experienced growth over the past two years. In addition to the furniture and textile manufacturing industries, the area has also experienced significant job loss within the mining and gas industries. Notably, downturns in the oil and gas industries contributed to the closing of the Caterpillar facility that manufactured large engine and undercarriage components.

The Burke County area has, however, experienced a significant increase in new manufacturers over the past 12 to 18 months, along with other expansions that are pending or awaiting a developer's final decision to relocate to Burke County. The area is also seeing positive impacts from the education and health care sectors. The local school system and area college is expanding and/or adding multiple new facilities. Other notable expansions, which are detailed later in this report will occur at/within the Carolinas HealthCare System Blue Ridge, and a new National Guard Training Facility will be under construction by the summer of 2018.

Burke Development, Incorporated (BDI) published a report in December 2016 as part of the first phase of its "Burke County Workforce Marketing" initiative. BDI began the campaign due to existing companies in Burke County having difficulty finding and retaining employees. Initial findings unveiled that there was a lack of understanding among area residents in regards to what job opportunities were available due to the difficulty finding information about open positions within the county. In May 2017, it was announced that BDI was awarded a \$75,000 grant from the "Maximize Carolina" program that will be used to launch Phase II of the initiative. This includes the creation of a new website, "Work in Burke", the development of a social media campaign to raise awareness of available opportunities and videos about the county's 10 largest employers. Content will initially focus on targeting middle and high school students,

and their parents. In November 2017, BDI held a kickoff event for its Thrive'22 campaign; the five-year campaign will support the program's goal to grow the county's economy. Thirty-seven companies and individuals have contributed to the campaign for a total of \$782,500 towards the \$1 million goal. This budget increase will reportedly contribute to the creation of 1,500 direct and indirect new jobs as well as over \$90 million in new capital investment.

Burke County also unveiled a new branding campaign in 2017 with the tagline "All About Advancing". The new brand reflects the emerging economic opportunities in the area, such as selecting a site for the new North Carolina School of Science and Mathematics campus, Western Piedmont Community College's Mechatronics Center, the expansion of the Burke County Library System, the addition of two EMS bases, plans to repurpose the Western Youth Institution into a National Guard Regional Training Center and amenities such as the Fonta Flora State Trail and the Lake James Loop Trail.

Development Activity (*Morganton*)

The following are summaries of some notable and recent economic development activity/announcements within the city of Morganton, based on our research and information obtained from local economic development representatives:

- The new Mountain View Elementary School in Morganton is expected to be complete on August 1, 2018, 16 months since the demolition of the old school that was partially located on the same site. As of February 2018, the building is approximately 64.0% complete and will begin its first school year in the fall of 2018. A new traffic light will be installed, and new turning lanes will be added, to the area to accommodate the school and the extension of the Greenway System.
- It was announced in September 2017 that the North Carolina School of Science and Mathematics (NCSSM) will be adding a second campus located in Morganton. The school will initially be constructed to accommodate 300 students, admitting 150 in the first year and an additional 150 the following year. The school will employ 100 teachers and staff. It will be located on the eastern ridge of the North Carolina School for the Deaf (NCSD) and share space with this facility. Plans for the Morganton campus include renovating Goodwin Hall on the campus of the North Carolina School for the Deaf and using it as the administration building and main hall. The existing barn on the NCSD campus will be re-purposed as a place for student and community events and Joiner Hall will be renovated and utilized for music and arts programs. A new academics building will be located across from Joiner Hall and two new, 150-bed dorm buildings will also be constructed as part of this project. Two new buildings will also be located across from Goodwin Hall; one of which will consist of a library, dining hall and student commons, while the other will include a fitness and wellness center. There is also the potential for a second phase to this project, pending a later decision. The \$58 million project is

scheduled to open in 2021 with construction anticipated to start in August 2019. The NCSSM has operated a campus in Durham, North Carolina since 1980.

- The new Mechatronics Building located on the main campus of Western Piedmont Community College (WPCC) will be opening in the spring of 2018. The project broke ground in October of 2016. The one-story, 7,000 square foot facility includes two labs, two classrooms, a conference room and a support room and will be home to the new Mechatronics Engineering Technology program at WPCC. Burke County committed \$433,400 to the project with over \$1 million coming from grants and additional contributors.
- The former Western Youth Institution, which closed in 2013 and is located on Western Avenue in Morganton, will be demolished to accommodate a new National Guard regional training facility. A Public Improvement Bond package was approved in 2016 that allowed the state to borrow \$2 billion towards construction and infrastructure, with Burke County receiving projects that totaled \$91 million, \$23.3 million of which was reserved for the National Guard facility. The funds were to be used to renovate the existing Western Youth Institution. However, officials found it would be more cost and energy efficient to demolish the existing building and construct a new facility. The National Guard plans to demolish the building in early spring 2018. The new building will be home to a transportation unit, a military police unit, an engineering unit and a support battalion and a new training center will include classrooms, office space, an assembly hall, a kitchen and a gym that will staff 30 full-time workers as well as five state employees. The design process of the new facility is expected to start in June with construction beginning as soon as the summer of 2018.
- The city of Morganton was awarded a \$230,000 Building Reuse grant in December 2017 to aid in the renovation of One North Square located at 301 East Meeting Street. A Caring Alternative will expand into the 24,170-square foot facility and add 23 jobs. The company currently has 132 full-time and 29 part-time employees. The building will be used by A Caring Alternative as a one-stop center for primary care, behavioral health care and additional services.
- Funding for an expansion of Morganton's Greenway System, which provides over four miles of paved walking trails, was approved in March 2018. The new connector route will link Green Street in downtown Morganton to Catawba Meadows Park and would also provide access to the Mountain View Recreation Center, Mountain View Elementary School and various homes. The city of Morganton received \$1,335,000 from the Federal Highway Administration and will provide a match of \$333,750 to complete the project. The city anticipates a completion date of summer 2020.

- Kellex Corporation purchased a 198,000-square foot factory located at 410 Hogan Street in Morganton in May 2017. The facility is now operational with 15-20 initial employees, with plans to eventually expand to 35-50 employees. The new wood products factory will allow the company to better serve customers with new merchandise; Kellex is a furniture manufacturer with other facilities located in Valdese, North Carolina and Tupelo, Mississippi.
- In April 2017 Continental Automotive Systems announced expansion plans for its facility in Morganton. The company is adding a new product line that will result in the creation of approximately 160 new jobs through 2020 and a \$40 million investment in equipment and facility upgrades. The project is being supported through the help of a Job Development Investment Grant.
- Molded Fiber Glass unveiled its plans to expand in November 2016, which included adding 15,000 to 20,000 square feet of space for new machines and equipment and the hiring of 20 new employees within three years. The company currently has 183 workers at its facility in Morganton.
- Harbor Freight Tools, a retail hardware store, is slated to open in 2018 at 1247 Burkemont Avenue in the Magnolia Plaza shopping center in Morganton. The store will be 15,000 square feet and employ 35-40 people.
- The Morganton-based Catawba Brewing Company announced in November 2017 the purchase of Palmetto Brewing Company of Charleston, South Carolina. The move was intended to be complete by the end of 2017. Billy Pyatt, co-founder of Catawba Brewing Company, stated that once the deal is finalized the company would begin a \$1 million improvement project involving facility upgrades, equipment purchases and personnel at both breweries.
- Three new businesses opened in downtown Morganton in late 2017. These include; C Elegance Boutique, which offers ladies apparel and boutique clothing; AB Living, a home store, and Aqua B Boutique, a women's clothing store.
- Renovations to the Morganton Community House began at the end of January 2017 before it reopened 10 months later in October. They included a vaulted ceiling and additional seating in the lobby, a new audio and video system, installing acoustical ceiling tiles and new chandeliers, lighting and flooring in various rooms, a new green room/bridal suite, a new elevator and two new meeting rooms. The Community House is used for business functions, seminars, weddings, parties and other events.

Development Activity (Burke County-Excluding Morganton)

The following are summaries of some notable and recent economic development activity and announcements outside of the city of Morganton, but within Burke County, based on our research and information obtained from local economic development representatives:

- The new Burke County Public Library and Senior Center opened in Hildebran, North Carolina at 101 Main Avenue in September 2017. As part of the relocation, the East Burke Senior Center permanently closed its site at Hildebran United Methodist Church. The new facility has a large kitchen and several meeting and community rooms. The library includes a dedicated children's activity area and a reading area for teens and adults. There is also a separate computer lab and a demonstration kitchen that will be used for programs throughout the year.
- A 10-year, \$195.5 million master facility plan was recently approved for Carolinas HealthCare System Blue Ridge that will include construction and renovation projects for the two hospital campuses and long-term facilities in Burke County. Currently, the plan calls for a new facility on the Valdese Campus for cancer treatment services, outpatient services, physical therapy, and operating rooms. The wound care center and pain management clinic will be moved to the current Medical Office Building. Construction is scheduled to begin in 2018. Construction on the Morganton campus will start with renovations to the neonatal intensive care unit and inpatient improvements. Future plans include a tower next to the new surgery suites to the left of the current hospital that will be home to a new emergency department, intensive care unit and lab. Long-term facilities College Pines and Grace Heights Nursing and Rehabilitation Centers are also scheduled to receive upgrades. The \$195.5 million plan will be split into three different areas: \$161.5 for strategic investment, \$21 million for routine capital investments, and the remaining \$13 million will go towards infrastructure repair and maintenance.
- The North Carolina Wildlife Resources Commission stocked extra trout in the hatcheries of 13 North Carolina counties in December 2017, including Burke County. The extra stockings allow for more fishing opportunities, which in turn positively benefits North Carolina's economy. According to a study managed by the North Carolina Wildlife Resources Commission, it was found that the economic impact and contributions anglers had on the state's economy in 2014 totaled an estimated \$383 million, while also finding that the money spent on trout fishing supported approximately 3,600 jobs.
- The Town of Valdese received a \$500,000 grant in April 2017 to demolish and clear the Alba Waldensian Plant textile mill, a 61,739-square foot facility. Valdese Water Recycling plans to build a \$1 million office and testing center at the site.

- ZRODELTA, an ammunition and firearms manufacturer, will be opening a headquarters in Rutherford College, as announced in January 2018. The company is creating 151 jobs and investing \$34 million over next five years. ZRODELTA is co-locating in the former BSN building, a 120,000-square foot facility, along with businesses Modern Munitions Group and Critical Resources. It was announced in December that the company would receive a \$500,000 Building Reuse Grant to renovate the building to their needs.
- In December 2017 Sunrise Global Marketing LLC, which manufacturers Greenworks Tools, announced it would be creating a distribution facility in Burke County to house assembly, warehousing and manufacturing. The company plans to invest \$23.2 million while creating 187 jobs over five years. The jobs added are expected to have an average salary of \$33,010. The Burke County expansion will be facilitated by a Job Development Investment Grant, which over its 12-year term is estimated to grow the state's economy by \$428 million.
- Announced in December 2017 was the location of a new facility in Burke County that will be home to VEKA, a supplier of vinyl window and door profiles. The company will invest \$18 million and create 102 jobs over the next four years. VEKA will receive a \$500,000 performance-based grant from the One N.C. Fund. This will be the German company's fourth U.S. facility.
- In June 2016 it was announced that \$650,000 in Building Reuse grants were awarded for two businesses in Burke County. PEDS Legwear will receive \$500,000 to assist with the expansion of its Hildebran facility while adding 50 new jobs; the company has 184 full-time employees in North Carolina. Fonta Flora Brewery will receive \$150,000 to support its renovations of the Whippoowill Dairy Farm where it will create 12 new jobs.
- Terramar Sports, along with Trimfit Global Inc. and B.L. Intimates, located to a new distribution center in Hildebran in May 2016. The facility is Terramar's first in North Carolina while the other two companies have distributed out of Burke County for several years.
- The expansion of Meridian Specialty Yarn Group was announced in January 2016. The company plans to invest \$8 million to expand operations at its Valdese plant and create up to 25 additional jobs over five years. The company currently employs about 140 people. The project is supported by \$900,000 in performance-based grants awarded by Burke County and the Town of Valdese.

- Construction on the Lake James Loop section of the Fonta Flora State Trail started in June of 2016 and nearly seven miles of the 29-mile loop has been completed as of February 2017. This portion of the trail will allow for transportation around 6,800-acre Lake James. The final goal of the Fonta Flora State Trail is a 70-80-mile foot and bike trail that connects Morganton to Ashville, North Carolina, spanning three counties. So far, Burke County has received \$1.1 million in funding from Duke Energy, \$170,000 in grants from the Federal Recreation and Trails Program, and \$84,000 from the Burke County Commissioners. As of February 2018, trail routes from Lake James into Morganton as well Lake James into Marion, North Carolina were in the planning stages. Tri-State Company is currently working on various parts of the trail while the additional goal for 2018 is 6.5 miles of trail from the Linville River to the future Cove Bridge at Lake James State Park. A total of 10 miles of new trail were completed in 2017.

The preceding is likely only reflective of a portion of the economic development activity within the Burke County area but is a clear indication as to the interest and investment in the local Burke County economy. These announcements are also expected to contribute to the ongoing improvement in both the county's total employment base and unemployment rate. This economic growth is also expected to result in demographic growth for the county and will also likely help to retain some current residents which currently commute to areas outside the county for daytime employment.

However, as the economy continues to improve and add jobs, local stakeholders have a growing concern regarding the housing situation in the county. In addition to the creation of new jobs, great pressure has also been put on the county's housing market due to individuals and families moving to the area to get away from high for-sale and rental housing prices in larger surrounding cities in the region. According to local officials, for-sale housing product in Burke County is typically only on the market for around 30 days, with offers from multiple buyers. The rental housing market is also seeing pressure, as available rental units are hard to find. This is further evident by the high occupancy rates reported among the rental properties surveyed in the county, included in our Phone Survey of Conventional Rentals. There is a fear that this pressure will begin to price current residents out of the area. With the new and expanding businesses, additional education opportunities, and the growth of the health care system, additional housing for all income levels is needed in the county, according to local officials.

Infrastructure Projects

The following are summaries of some recent and/or anticipated infrastructure projects within Burke County:

- Three Interstate 40 exits plan on being reworked as part of the North Carolina Department of Transportation's (NCDOT) 2017-2018 transportation plan. Roundabouts will be constructed at both ends of the Jamestown Road bridge for traffic getting on and off Exit 100, which will improve traffic mobility through the area. This portion of the project is expected to cost \$15.3 million. A roundabout will also be constructed for the on/off eastbound lanes at Exit 107 at an estimated cost of \$25.8 million and the new alternate route at Exit 111 calls for three roundabouts, which is expected to cost \$28.1 million. Construction for all three projects is to start in 2020.
- In August 2017 NCDOT began a project to replace two 60-year old bridges on Interstate 40 that cross over Berea Church Road in Connelly Springs. The job is to be completed by September 2019 at a contract of \$8.56 million. The project is part of a 10-year plan for Burke County, which includes the three previously mentioned Interstate 40 exit projects. Additional work includes paving 23.8 miles of road on Interstate 40 starting in 2018; improving the interchange at U.S. Highway 64/Burkemon Road, a \$1.41 million project slated to start in 2021; a \$10.9 million road-widening on State Route 181 starting in 2022; improving the interchanges at Interstate 40 Exits 112 and 116, projects that will start construction in 2024 and cost \$16 million and \$14.8 million, respectively; and a separate State Route 181/Bost Road road-widening, costing \$18.4 million and starting construction in 2025.
- Announced in 2017, the Town of Valdese was awarded a \$566,347 grant and a \$1,699,039 loan to replace 5,345 water meters with an Automatic Meter Reading system. This will improve accuracy on water usage and provide the ability to see water use in real time. The town also received a \$371,265 Clean Water State Revolving Fund loan to upgrade its wastewater treatment plant. Burke County received \$1,666,680 in Cleanwater State Reserve Funds to connect a bypass pumping connection to the Eckard Creek pump station.

WARN (layoff notices):

According to the North Carolina Department of Commerce there have been four WARN notices of large-scale closures/layoffs reported within Burke County since January 2016, though the oldest notice reported was in November 2016. Below is a table summarizing these notices.

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Gildan (Peds Manufacturing Group)	Hildebran	65	03/05/2018	05/04/2018
Duralee, Ltd.	Morganton	82	03/31/2017	05/30/2017
Caterpillar Inc.	Morganton	85	05/30/2017	07/24/2017
Northwest Furniture Express, Inc.	Morganton	37	11/01/2016	10/28/2016

In addition to the preceding WARN notices, it was also announced in March 2018 that the owner of Bi-Lo and Harveys grocery stores will be closing 30 underperforming stores in the Carolina's, including the Bi-Lo location in Morganton. However, exact dates for these closures have not been announced. Although some WARN notices have been announced, job growth anticipated by the numerous economic development announcements will outpace job losses created by these announcements.

F. HOUSING SUPPLY ANALYSIS

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

The housing structures included in this analysis are:

- **Rental Housing** – Multifamily rentals, typically with four or more units were inventoried and surveyed. Additionally, rentals with fewer than four units, which were classified as non-conventional rentals, were identified and evaluated.
- **Owner For-Sale Housing** – We identified attached and detached for-sale housing, which may be part of a planned development or community, as well as attached multifamily housing such as condominiums.
- **Senior Care Housing** – Facilities providing housing for seniors requiring some level of care, such as assisted living facilities and nursing homes were surveyed and analyzed.

For the purposes of this analysis, the housing supply information is presented for the overall county. This analysis includes secondary Census housing data, Bowen National Research's survey of area rental alternatives and senior care facilities, and owner for-sale housing data (both historical sales and available housing alternatives) obtained from the Burke County Board of REALTORS. Finally, we contacted local building and planning departments to determine if any residential units of notable scale were currently planned or under review by local government. Any such units were considered in the housing gap estimates included later in this report.

The distributions of the area housing stock within each study area in 2010 are summarized in the following table:

		Households by Tenure - 2010				
		Total Occupied	Owner-Occupied	Renter Occupied	Vacant	Total
Morganton	Number	6,641	3,653	2,988	977	7,618
	%	87.2%	55.0%	45.0%	12.8%	100.0%
Burke County	Number	35,804	25,872	9,932	5,075	40,879
	%	87.6%	72.3%	27.7%	12.4%	100.0%
North Carolina	Number	3,744,944	2,497,739	1,247,205	581,810	4,326,754
	%	86.6%	66.7%	33.3%	13.4%	100.0%

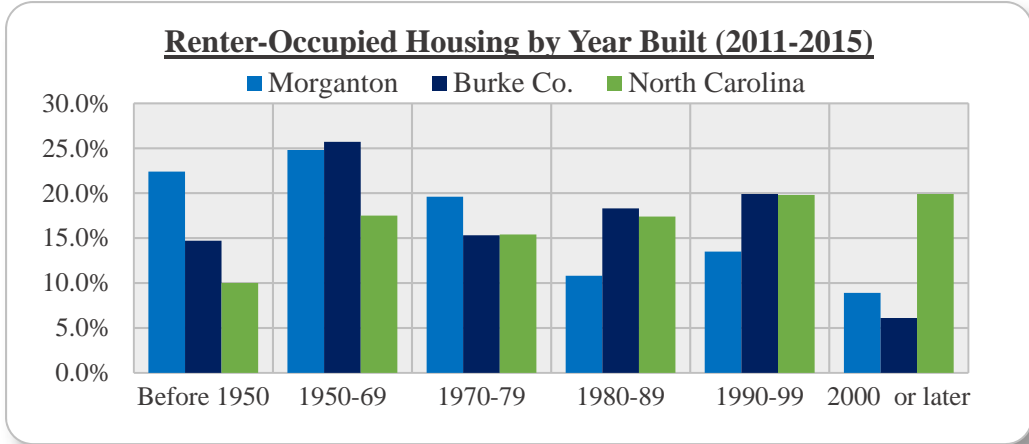
Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on the 2010 U.S. Census, of the 40,879 total housing units in Burke County, 12.4% were vacant, similar to the 12.8% vacancy rate reported for the city of Morganton. Notably, the vacancy rates reported for each of these study areas are lower than the statewide average of 13.4%. It should be noted that “vacant” units, according to the U.S. Census, consist of available for-sale homes, abandoned or uninhabited units, second homes, and other types of non-occupied units. Notably, nearly 22.0% of all vacant units within the county are classified as “for seasonal, recreational, or occasional use”. Thus, the share of vacant units reported in the preceding table includes a considerable share of “part-time use” units.

Based on 2011-2015 ACS data (the latest data available), the following is a distribution of all renter-occupied housing units in each study area by year of construction.

		Renter Occupied Housing by Year Built								
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
Morganton	Number	0	0	239	364	292	530	671	605	2,701
	%	0.0%	0.0%	8.8%	13.5%	10.8%	19.6%	24.8%	22.4%	100.0%
Burke County	Number	0	17	587	1,954	1,792	1,498	2,526	1,440	9,814
	%	0.0%	0.2%	6.0%	19.9%	18.3%	15.3%	25.7%	14.7%	100.0%
North Carolina	Number	1,603	33,553	226,681	260,975	229,468	202,084	230,226	131,858	1,316,448
	%	0.1%	2.5%	17.2%	19.8%	17.4%	15.4%	17.5%	10.0%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

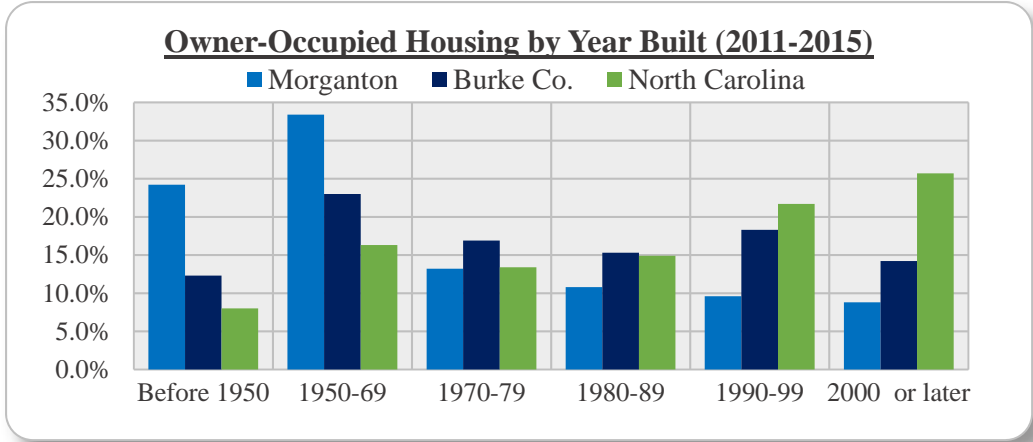


As evidenced by the preceding table and graph, the largest share of renter-occupied housing units within both the city of Morganton and Burke County was built between 1950 and 1969. It is also of note that only 6.2% of renter-occupied units within Burke County, and 8.8% of units within the city of Morganton, have been built since 2000. Comparatively, nearly 20.0% of the renter-occupied units within the state of North Carolina have been built since 2000. This is a good indication that the rental stock within both the city of Morganton and Burke County is relatively old. Although representatives of Bowen National Research did not personally visit the Burke County market, and subsequently the existing rental properties, the age of rental product in the county is a good indication that the existing rental product is older product of fair quality, much of which is likely in need of modernization and repairs. A limited supply of upscale and/or very good to excellent quality product likely exists within the county.

Based on 2011-2015 ACS data, the following is a distribution of all owner-occupied housing units in each study area by year of construction.

		Owner Occupied Housing by Year Built								Total
		2014 or Later	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	
Morganton	Number	0	17	336	380	428	524	1,326	963	3,974
	%	0.0%	0.4%	8.5%	9.6%	10.8%	13.2%	33.4%	24.2%	100.0%
Burke County	Number	11	232	3,204	4,456	3,732	4,112	5,616	3,003	24,366
	%	0.0%	1.0%	13.1%	18.3%	15.3%	16.9%	23.0%	12.3%	100.0%
North Carolina	Number	3,743	57,427	567,822	533,982	366,288	330,562	401,804	197,288	2,458,916
	%	0.2%	2.3%	23.1%	21.7%	14.9%	13.4%	16.3%	8.0%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

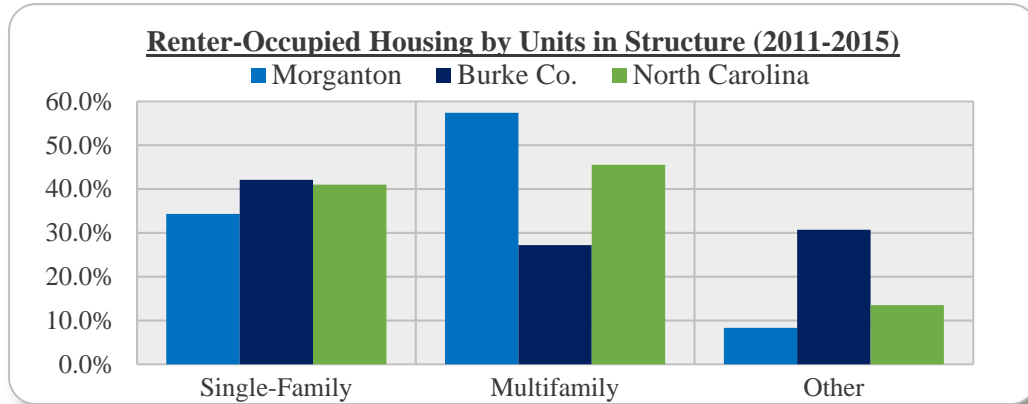


Similar to rental product, housing units built between 1950 and 1969 comprise the largest share of owner-occupied housing units within both study areas. More than 14.0% of the owner-occupied housing units within the county have been built since 2000, this is more than double the share of rental units constructed during this time period within the county. This is a good indication that owner-occupied product within the county is more modern, and likely of higher quality, than rental product. Regardless, with a majority of the owner-occupied housing product built prior to 1970 and the large number of new owner households expected to be added to the market, the county will require new for-sale housing product.

Based on 2011-2015 ACS data, the following is a distribution of all renter-occupied housing by units in structure for each study area.

		Renter Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
Morganton	Number	853	72	664	441	212	140	93	225	1	2,701
	%	31.6%	2.7%	24.6%	16.3%	7.8%	5.2%	3.4%	8.3%	0.0%	100.0%
Burke County	Number	4,034	96	1,410	628	335	186	108	2,997	20	9,814
	%	41.1%	1.0%	14.4%	6.4%	3.4%	1.9%	1.1%	30.5%	0.2%	100.0%
North Carolina	Number	478,424	62,020	163,855	149,860	146,878	82,880	54,757	176,975	798	1,316,447
	%	36.3%	4.7%	12.4%	11.4%	11.2%	6.3%	4.2%	13.4%	0.1%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

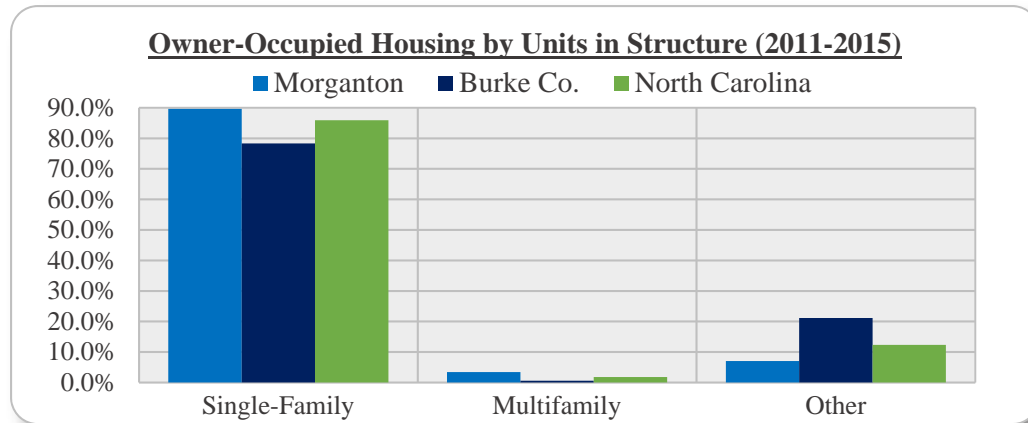


Nearly three-fourths (72.6%) of the renter-occupied housing units within Burke County are comprised of single-family (detached and attached) homes and mobile homes. In addition, smaller multifamily properties comprised of two to nine units comprise nearly 21.0% of all renter-occupied units within the county. Based on the preceding factors, a very limited supply of traditional multifamily rental product is available within the county, which is not uncommon of more rural markets such as Burke County. Most of the traditional multifamily rental units located within structures containing ten or more units within the county are concentrated within the city of Morganton, as nearly 71.0% of such units within the county are located within Morganton.

Based on 2011-2015 ACS data, the following is a distribution of all owner-occupied housing by units in structure for each study area.

		Owner Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
Morganton	Number	3,470	91	32	0	0	42	64	277	0	3,976
	%	87.3%	2.3%	0.8%	0.0%	0.0%	1.1%	1.6%	7.0%	0.0%	100.0%
Burke County	Number	18,826	247	57	0	0	42	64	5,130	0	24,366
	%	77.3%	1.0%	0.2%	0.0%	0.0%	0.2%	0.3%	21.1%	0.0%	100.0%
North Carolina	Number	2,024,456	89,079	13,794	11,568	7,665	4,574	4,737	301,816	1,228	2,458,917
	%	82.3%	3.6%	0.6%	0.5%	0.3%	0.2%	0.2%	12.3%	0.0%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research



More than 78.0% of the owner-occupied housing structures within the county are single-family (detached and attached) homes. This is lower than the statewide average of approximately 86.0%. The county also has a substantially larger share of owner-occupied mobile homes, as compared to both the state and the city of Morganton, though this is not uncommon of an established rural market such as Burke County.

Less than 1.0% of all owner-occupied housing units within the county are located within structures containing two or more units, and nearly 85.0% of such units are concentrated within the city of Morganton. This is indicative of a very limited supply of owner-occupied/for-sale product located within multifamily properties within the county, particularly outside of the Morganton area.

Substandard housing is an important component to consider when evaluating a housing market and potential housing need. Substandard housing is generally considered housing that 1.) Lacks complete kitchen and/or plumbing facilities, 2.) Is overcrowded, and 3.) Has a rent/cost over-burden situation. Markets with a disproportionately high share of any of the preceding substandard housing characteristics often suffers from neglect, disrepair and possibly blight and may be in need of replacement housing. As a result, we have evaluated each of these characteristics for each of the study areas.

The following tables demonstrate the share of substandard housing found in the study areas, based on the presence or absence of kitchen and plumbing facilities:

		Renter Occupied Housing by Kitchen & Plumbing Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
Morganton	Number	2,653	48	2,701	2,660	41	2,701
	%	98.2%	1.8%	100.0%	98.5%	1.5%	100.0%
Burke County	Number	9,710	104	9,814	9,751	63	9,814
	%	98.9%	1.1%	100.0%	99.4%	0.6%	100.0%
North Carolina	Number	1,299,777	16,671	1,316,448	1,309,310	7,137	1,316,447
	%	98.7%	1.3%	100.0%	99.5%	0.5%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Based on 2011-2015 ACS estimates, the percentage of Burke County renter-occupied housing with incomplete kitchen facilities was 1.1% and approximately 0.6% of renter-occupied households had incomplete plumbing facilities. These shares are similar to statewide averages but are lower than those reported for the city of Morganton. More than 53.0% of the renter-occupied housing units which lack complete kitchens and/or plumbing within the county are located within the city of Morganton. Overall, 167 renter-occupied units in the county lack complete kitchens and/or plumbing and are considered substandard.

The share of owner-occupied housing units that lack complete kitchen or plumbing facilities for each of the study areas is summarized below:

		Owner Occupied Housing by Kitchen & Plumbing Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
Morganton	Number	3,974	0	3,974	3,963	11	3,974
	%	100.0%	0.0%	100.0%	99.7%	0.3%	100.0%
Burke County	Number	24,329	37	24,366	24,330	36	24,366
	%	99.8%	0.2%	100.0%	99.9%	0.1%	100.0%
North Carolina	Number	2,452,325	6,591	2,458,916	2,453,211	5,705	2,458,916
	%	99.7%	0.3%	100.0%	99.8%	0.2%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, it is extremely rare for owner-occupied units within the study areas to lack complete kitchens and/or plumbing. In fact, the share of such units within Burke County is lower than that reported for the state of North Carolina.

Based on the preceding analysis, most housing which lacks complete plumbing facilities is concentrated among renter-occupied housing in the county, which is not uncommon of most markets. Such housing units are likely representative of vacant and/or poor/lesser quality housing options within the county. Modernization and/or replacement of such housing should be considered as a possible priority for future housing strategies within the county.

The following table illustrates the percentage of households that are living in crowded quarters by tenure, as defined by the presence of 1.01 or more occupants per room.

		Occupied Housing by Household Size (Occupants Per Room)					
		Renter			Owner		
		≤ 1.0	1.01+	Total	≤ 1.0	1.01+	Total
Morganton	Number	2,537	166	2,703	3,897	77	3,974
	%	93.9%	6.1%	100.0%	98.1%	1.9%	100.0%
Burke County	Number	9,253	561	9,814	23,892	474	24,366
	%	94.3%	5.7%	100.0%	98.1%	1.9%	100.0%
North Carolina	Number	1,255,584	60,863	1,316,447	2,425,850	33,066	2,458,916
	%	95.4%	4.6%	100.0%	98.7%	1.3%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The share of occupied housing units which are overcrowded is significantly higher among renter-occupied households, as compared to owner-occupied households, within the study areas. The shares of both renter- and owner-occupied housing units which are overcrowded within the city of Morganton and Burke County are higher than statewide averages. The majority of the overcrowded housing units (renter and owner) within Burke County are located outside of the city of Morganton, as illustrated in the preceding table. This coincides with the larger average household size for the county, as compared to the city of Morganton, as illustrated in the demographic analysis section of this report.

Evaluating the share of income a household pays towards housing costs is an important factor to consider when evaluating housing needs. Households that are cost burdened (typically paying more than 30% of income towards housing costs) often find it difficult paying for housing or meeting other financial obligations. The following table compares the percent of household income by tenure that is applied to housing costs based on data provided by American Community Survey for 2011 to 2015 for each of the study areas.

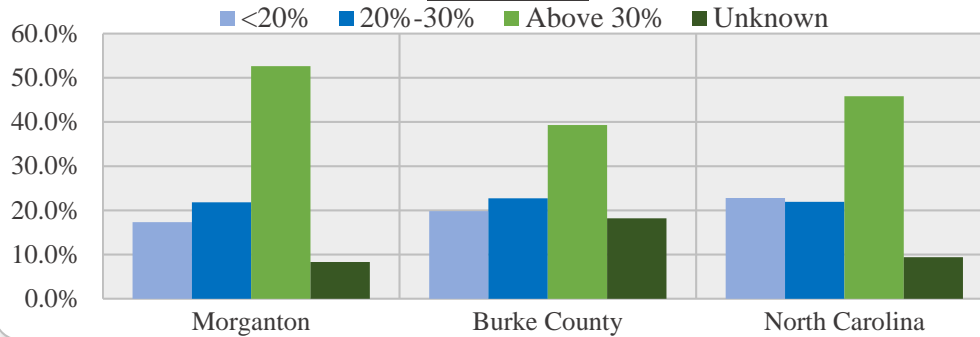
		Occupied Housing by Percent of Income Paid Towards Housing Costs									
		Renter					Owner				
		< 20%	20%-30%	Above 30%	Unknown	Total	< 20%	20%-30%	Above 30%	Unknown	Total
Morganton	Number	466	588	1,421	225	2,700	2,144	958	830	41	3,973
	%	17.3%	21.8%	52.6%	8.3%	100.0%	54.0%	24.1%	20.9%	1.0%	100.0%
Burke County	Number	1,946	2,223	3,859	1,786	9,814	14,037	5,088	4,972	269	24,366
	%	19.8%	22.7%	39.3%	18.2%	100.0%	57.6%	20.9%	20.4%	1.1%	100.0%
North Carolina	Number	300,573	288,318	603,231	124,327	1,316,449	1,326,596	523,658	585,966	22,698	2,458,918
	%	22.8%	21.9%	45.8%	9.4%	100.0%	54.0%	21.3%	23.8%	0.9%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

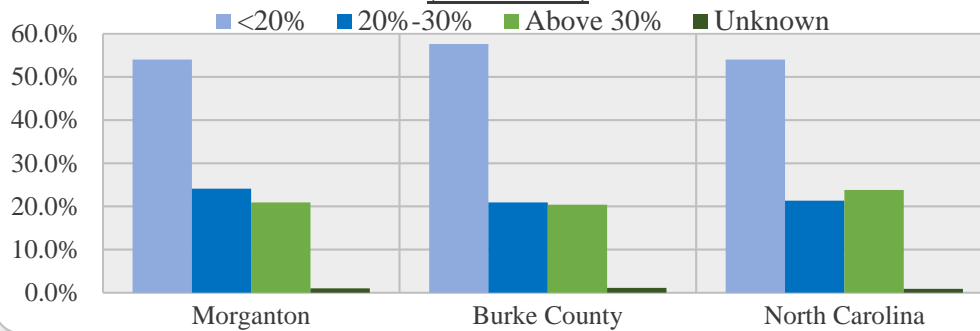
Nearly 40.0% of *renter* households within Burke County pay more than 30% of their income towards housing costs. This is lower than the statewide average of 45.8%. The share of *owner*-occupied households paying more than 30% of their income towards housing costs within the county is significantly lower, at 20.4%, which is also lower than statewide averages.

Within the city of Morganton, *owner*-occupied households pay similar shares of their income towards housing costs, as compared to county averages. However, the share of *renter* households paying more than 30% of their income towards housing costs within the city of Morganton (52.6%) is significantly higher than the county average of 39.3%. Approximately 37.0% of renter households paying more than 30% of their income within the county are within the Morganton area. However, when considering that more than 60% of such households within the county are residing outside of Morganton, rent burdened households are prevalent throughout the Burke County area.

Renter-Occupied Housing by % of Income Paid Towards Costs
(20011-2015)



Owner-Occupied Housing by % of Income Paid Towards Costs
(20011-2015)



Housing Supply Analysis (Bowen National Survey)

Based on research conducted by Bowen National Research and secondary data sources, an inventory of surveyed and/or evaluated housing stock was compiled. Overall, a total of 50 multifamily rental properties, 28 non-conventional rentals (e.g. single-family homes, duplexes, etc.), 240 currently available for-sale units, and 10 senior care facilities with 639 beds were identified and analyzed in the county. The county’s surveyed housing supply is summarized as follows.

County Surveyed Housing Supply				
Product Type	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	1,881	38	2.0%	\$325 to \$1,425
Non-Conventional Rentals	8,557	28	0.3%	\$320 to \$1,500
Owner For-Sale Housing	24,366*	240**	1.0%	\$5,000 to \$1,400,000*
Senior Care Housing	639	101	15.8%	\$1,700 to \$9,125
<i>Congregate Care</i>	152	13	8.6%	\$1,700 to \$3,100
<i>Assisted Living</i> [^]	252	49	19.4%	\$2,000 to \$9,125
<i>Nursing Care</i>	235	39	16.6%	\$6,120 to \$11,490

Note: Rents above are reflective of net/collected rents among non-subsidized properties surveyed

*Includes owner-occupied homes based on US Census estimates

**Currently available homes as of January 2018

[^]Includes memory care (Alzheimer’s/Dementia care) units

Bowen National Research identified and studied various housing segments. Our research identified 407 vacant /available units (Note: vacant units include units in apartments, available for-sale housing, and vacant beds or units in senior care housing). While there are likely other vacancies in the county such as shelter housing, for-sale housing by owner, vacant/abandoned or other short-term housing units that are vacant, the 407 identified vacant/available units are likely a reasonable representation of the overall market conditions of the available housing supply in the county.

Based on Bowen National Research's analysis of the county's housing supply, it is evident that traditional housing options are in high demand, as conventional multifamily rental product reports an overall vacancy rate of 2.0%, while only 240 homes are available for-sale within the county. The 240 currently available homes represent just 1.0% of the total number of owner-occupied homes within the county, based on American Community Survey (ACS) data. Although the standards used for defining the health of a housing market vary to some degree, vacancy rates generally between 4.0% to 6.0% for rental housing and 2.0% to 3.0% for-sale housing markets are considered representative of healthy and stable markets. As such, the vacancy rates among conventional rental and owner-occupied for-sale product within the county are considered low and are clear indications of strong demand for such product in Burke County. A total of 28 available non-conventional rental units were also identified within the county. While it is likely that not all available non-conventional rentals were identified at the time of this analysis, these 28 available units represent a vacancy rate of just 0.3%, based on the estimated 8,557 total non-conventional rental units in the county. This demonstrates that non-conventional rental product is also in high demand within the county, this is likely particularly true in the more rural areas of the county, where a limited supply of conventional rental product is available.

The vacancy rates reported among senior care housing are significantly higher than traditional rental and for-sale product, as the ten such facilities surveyed report an overall vacancy rate of 15.8% and the individual care types report vacancy rates ranging from 8.6% to 19.4%. However, senior care product typically experiences higher vacancy rates than traditional housing alternatives due to turnover associated with seniors needing to relocate to facilities with higher levels of care and/or due to resident deaths. In fact, the vacancy rates reported for the congregate care and nursing care segments are similar to the national median occupancy rates for such housing types. The higher vacancy rate reported for assisted living product is primarily attributed to one underperforming property. These factors/trends are discussed in detail later in this section of the report.

- **RENTAL HOUSING**

Multifamily Rental Housing

During February of 2018, Bowen National Research surveyed by telephone a total of 50 multifamily rental housing properties within Burke County. This survey is considered representative of the performance, conditions and trends of multifamily rental housing in the county. Projects identified, inventoried, and surveyed operate as market-rate and under a number of affordable housing programs including the Low-Income Housing Tax Credit (LIHTC), Public Housing, Rural Development, and various HUD programs. Definitions of each housing program are included in *Addendum E: Glossary of the Housing Needs Assessment*. Each of the rental housing segments surveyed is summarized in the following table. Note that data pertaining to the surveyed properties has been aggregated for both Burke County as a whole, as well as the city of Morganton.

Surveyed Multifamily Rental Housing – Burke County				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	22	718	38	94.7%
Tax Credit	6	262	0	100.0%
Tax Credit/Government-Subsidized	4	134	0	100.0%
Government-Subsidized	18	767	0	100.0%
Total	50	1,881	38	98.0%

Surveyed Multifamily Rental Housing – City of Morganton				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	19	668	32	95.2%
Tax Credit	6	262	0	100.0%
Tax Credit/Government-Subsidized	2	76	0	100.0%
Government-Subsidized	13	490	0	100.0%
Total	40	1,496	32	97.9%

The 50 properties surveyed within the county comprise a total of 1,881 units, which are 98.0% occupied. This is reflective of just 38 total vacant units among these 50 properties. Notably, 44 of the 50 properties surveyed are 100.0% occupied, with some of these fully-occupied properties maintaining waiting lists. It is also of note that all 38 vacant units are concentrated among unrestricted market-rate properties, as all properties offering affordable (i.e. Tax Credit and/or Government-Subsidized) rental units are 100.0% occupied. Additionally, 28 (73.7%) of the 38 vacant market-rate units reported in the county are concentrated at one property, Forest View Apartments (Map ID 17). The large number of vacant units reported at this property is due to recent renovations, as this property just recently opened/reopened in February of 2018.

Nearly 62.0% of all rental product surveyed in the county is comprised of affordable units. This is a relatively high share of affordable rental product, and along with the 100.0% occupancy rates reported among such properties surveyed, is a clear indication of strong and likely pent-up demand for affordable rental product within Burke County.

Similar trends are present within the city of Morganton, as affordable rental product represents more than 55.0% of the rental product surveyed within the city. However, approximately 93.0% of all unrestricted market-rate product surveyed within the county is located within the city of Morganton. Additionally, all six non-subsidized Tax Credit properties surveyed in the county are also located within the city of Morganton. These trends suggest that non-subsidized (market-rate and Tax Credit) product is likely more heavily demanded within Morganton as compared to the more rural and less populated surrounding areas of Burke County. However, this also suggests that a very limited supply of non-subsidized conventional rental product is available within the surrounding areas of Burke County, which may represent a development opportunity in areas outside of the city of Morganton.

The following tables summarize the breakdown of non-subsidized (market-rate and Tax Credit) units surveyed within *Burke County*.

Non-Subsidized Rental Product – Burke County						
Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	60	8.4%	0	0.0%	\$615
One-Bedroom	1.5	4	0.6%	0	0.0%	\$695
Two-Bedroom	1.0	143	19.9%	30	21.0%	\$650
Two-Bedroom	1.5	194	27.0%	6	3.1%	\$670
Two-Bedroom	2.0	218	30.4%	2	0.9%	\$570
Two-Bedroom	2.5	15	2.1%	0	0.0%	\$695
Three-Bedroom	1.5	21	2.9%	0	0.0%	\$625
Three-Bedroom	2.0	59	8.2%	0	0.0%	\$795
Three-Bedroom	2.5	4	0.6%	0	0.0%	\$650
Total Market-Rate		718	100.0%	38	5.3%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	74	28.2%	0	0.0%	\$432
Two-Bedroom	1.0	60	22.9%	0	0.0%	\$455
Two-Bedroom	2.0	76	29.0%	0	0.0%	\$570
Three-Bedroom	1.0	4	1.5%	0	0.0%	\$485
Three-Bedroom	1.5	12	4.6%	0	0.0%	\$579
Three-Bedroom	2.0	36	13.7%	0	0.0%	\$650
Total Tax Credit		262	100.0%	0	0.0%	-

The following tables summarize the breakdown of non-subsidized (market-rate and Tax Credit) units surveyed within the *city of Morganton*.

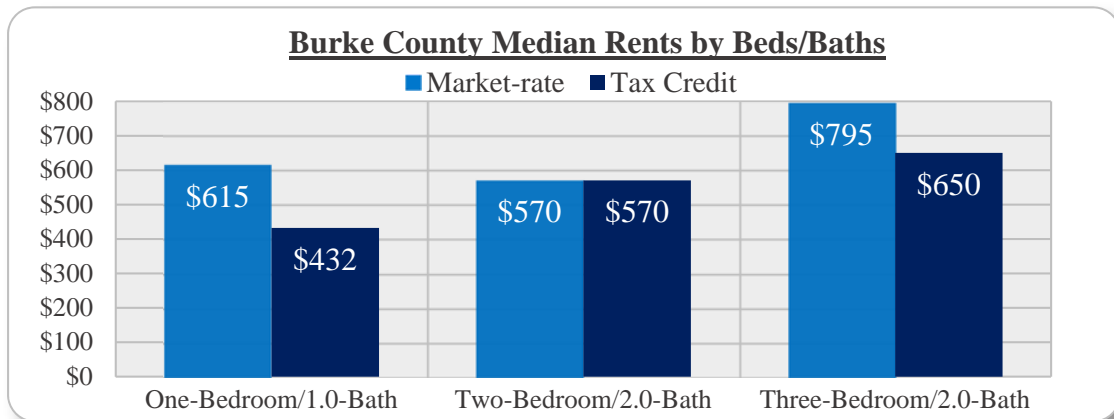
Non-Subsidized Rental Product – City of Morganton						
Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	60	9.0%	0	0.0%	\$615
One-Bedroom	1.5	4	0.6%	0	0.0%	\$695
Two-Bedroom	1.0	111	16.6%	30	27.0%	\$650
Two-Bedroom	1.5	176	26.3%	0	0.0%	\$670
Two-Bedroom	2.0	218	32.6%	2	0.9%	\$570
Two-Bedroom	2.5	15	2.2%	0	0.0%	\$695
Three-Bedroom	1.5	21	3.1%	0	0.0%	\$625
Three-Bedroom	2.0	59	8.8%	0	0.0%	\$795
Three-Bedroom	2.5	4	0.6%	0	0.0%	\$650
Total Market-Rate		668	100.0%	32	4.8%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	74	28.2%	0	0.0%	\$432
Two-Bedroom	1.0	60	22.9%	0	0.0%	\$455
Two-Bedroom	2.0	76	29.0%	0	0.0%	\$570
Three-Bedroom	1.0	4	1.5%	0	0.0%	\$485
Three-Bedroom	1.5	12	4.6%	0	0.0%	\$579
Three-Bedroom	2.0	36	13.7%	0	0.0%	\$650
Total Tax Credit		262	100.0%	0	0.0%	-

The only vacancies reported among the non-subsidized rental properties surveyed in Burke County and city of Morganton are concentrated among two-bedroom market-rate units, as illustrated in the preceding tables. Notably, the majority of these vacant market-rate units are concentrated at the Forest View Apartments (Map ID 17). As previously discussed, the vacancies at this property are attributed to recent renovations, as this property just recently opened/reopened in February of 2018 and is effectively still within its initial lease-up period. Aside from this property, no more than five (5) vacant units are reported among the non-subsidized properties surveyed in the county. When excluding this property, the 21 remaining market-rate properties surveyed report an overall occupancy rate of 98.5% (1.5% vacancy rate). This is a high occupancy rate for unrestricted market-rate product.

A variety of unit types are offered among the non-subsidized rental properties surveyed, as illustrated in the preceding table. All unit types offered are performing well, with the exception of the two-bedroom/1.0-bathroom market-rate units, which is reflective of the vacant units at the previously mentioned Forest View Apartments. Although a good variety of bedroom types is offered among the non-subsidized (market-rate and Tax Credit) properties surveyed, two-bedroom units comprise the majority of the non-subsidized units surveyed in the county. Specifically, 79.4% of the market-rate units and 51.9% of the Tax Credit units surveyed in the county are two-bedroom units. As detailed earlier in our demographic analysis, one- and two-person renter households comprise more than 63.0% of all renter households in the county and nearly 72.0% of renter households

in the city of Morganton. While many of these smaller renter households likely prefer a two-bedroom unit over a one-bedroom unit, the large share of smaller renter households within Burke County and the city of Morganton demonstrates a good base of support for smaller one-bedroom units as well. One-bedroom units represent just 8.9% and 28.2% of the market-rate and non-subsidized Tax Credit units surveyed in the county, respectively. Thus, a very limited supply of one-bedroom units is available to the relatively large share of smaller renter households within the study areas.

The graph below illustrates median non-subsidized (market-rate and Tax Credit) rents among common bedroom types within Burke County.



As the preceding graph illustrates, market-rate rents within the county are between 22.0% and 42.0% higher than Tax Credit rents, with the exception of two-bedroom rents. Although some Tax Credit rents are similar to market-rate rents, this is likely reflective of the age and quality of Tax Credit product as compared to market-rate product within the county. Notably, non-subsidized Tax Credit product surveyed in the county was built between 1995 and 2016, whereas market-rate product surveyed was primarily built prior to 1990.

Within Burke County, we identified and telephone surveyed a total of 22 properties which operate with some type of government subsidy, including HUD Section 8, HUD Section 811, Rural Development 515 and Public Housing. The distribution of units, both with and without Tax Credits, among these 22 properties is illustrated in the following tables.

Government-Subsidized Rental Product – Burke County					
Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	48	35.8%	0	0.0%
Two-Bedroom	1.0	60	44.8%	0	0.0%
Two-Bedroom	2.0	16	11.9%	0	0.0%
Three-Bedroom	1.0	10	7.5%	0	0.0%
Total Subsidized Tax Credit		134	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	257	33.5%	0	0.0%
One-Bedroom	2.0	22	2.9%	0	0.0%
Two-Bedroom	1.0	302	39.4%	0	0.0%
Two-Bedroom	1.5	18	2.3%	0	0.0%
Three-Bedroom	1.0	86	11.2%	0	0.0%
Three-Bedroom	1.5	43	5.6%	0	0.0%
Four-Bedroom	1.5	33	4.3%	0	0.0%
Five-Bedroom	2.0	6	0.8%	0	0.0%
Total Subsidized		767	100.0%	0	0.0%

Government-Subsidized Rental Product – City of Morganton					
Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	40	52.6%	0	0.0%
Two-Bedroom	1.0	36	47.4%	0	0.0%
Total Subsidized Tax Credit		76	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	164	33.5%	0	0.0%
One-Bedroom	2.0	22	4.5%	0	0.0%
Two-Bedroom	1.0	174	35.5%	0	0.0%
Two-Bedroom	1.5	18	3.7%	0	0.0%
Three-Bedroom	1.0	86	17.6%	0	0.0%
Four-Bedroom	1.5	20	4.1%	0	0.0%
Five-Bedroom	2.0	6	1.2%	0	0.0%
Total Subsidized		490	100.0%	0	0.0%

The government-subsidized properties surveyed are all 100.0% occupied and 15 of the 22 properties maintain waiting lists for their next available units. This is a clear indication of strong and pent-up demand for affordable rental product targeting very low-income households within Burke County.

In addition to project-based government assistance, very low-income residents have the opportunity to secure Housing Choice Vouchers from local housing authorities that enable eligible households to rent housing units and only pay 30% of their adjusted gross income towards rent. The Housing Choice Voucher program within Burke County is administered by the Western Piedmont Council of Governments, which also serves the surrounding counties of Alexander, Caldwell, and Catawba. According to a representative of the Western Piedmont Council of Governments, there are approximately 1,074 Housing Choice Voucher holders within their four-county jurisdiction. Additionally, 1,203 people are currently on the waiting list for

additional Vouchers. The waiting list is currently open. Annual turnover is estimated at 96 to 144 households. These trends reflect an ongoing need for affordable housing and Housing Choice Voucher assistance within the Burke County area.

The following is a distribution of multifamily rental projects and units surveyed by year built in *Burke County*:

Year Built^	Market-Rate			Tax Credit, Non-Subsidized			Government-Subsidized		
	Projects	Units	Vacancy Rate	Projects	Units	Vacancy Rate	Projects	Units	Vacancy Rate
Before 1970	4	170	16.5%	-	-	-	2	271	0.0%
1970 to 1979	8	189	2.6%	-	-	-	4	246	0.0%
1980 to 1989	4	233	1.7%	-	-	-	10	318	0.0%
1990 to 1999	1	32	0.0%	2	74	0.0%	5	38	0.0%
2000 to 2010	2	65	0.0%	2	52	0.0%	1	28	0.0%
2011	-	-	-	1	60	0.0%	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	2	29	3.4%	1	76	0.0%	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018*	1	47**	N/A	-	-	-	-	-	-

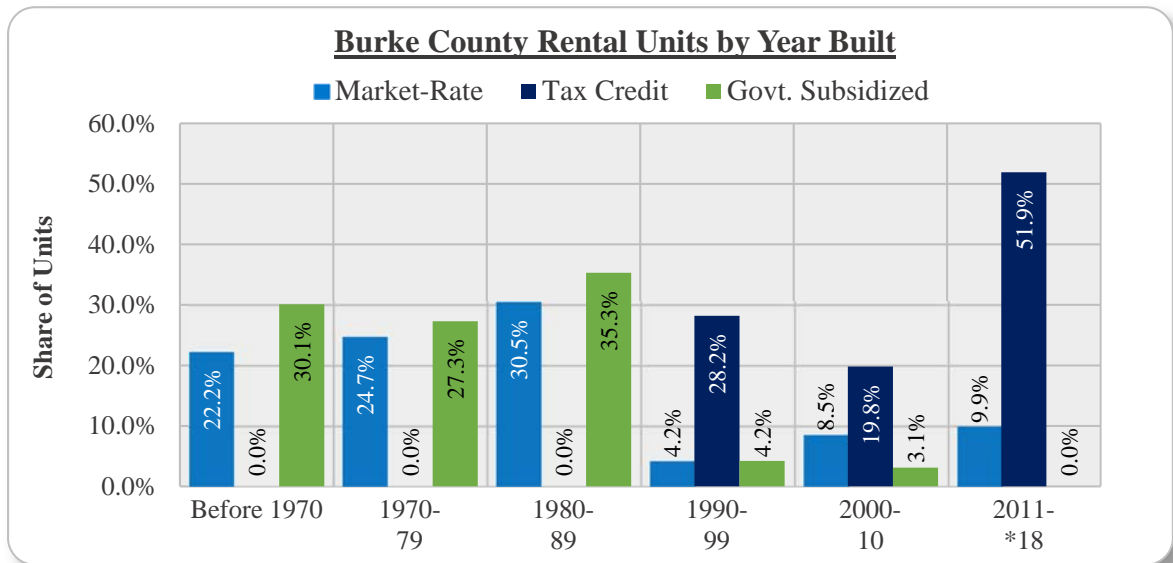
^Based on original year built only

*As of February

**Units under construction

N/A – Not applicable

Note: Low-Income Housing Tax Credit (LIHTC) program began in 1986



Note: The Low-Income Housing Tax Credit (LIHTC) program began in 1986

Nearly 76.0% of all multifamily rental units surveyed within the county were built prior to 1990. This coincides with American Community Survey (ACS) data detailed earlier in this report, which indicates that nearly 74.0% of all renter-occupied housing units in the county were built prior to 1990. This is a good indication that the existing rental supply within the county is relatively old. This is particularly true of market-rate and government-subsidized product in the county. This older product may be reflective of the lesser quality and/or substandard rental product within the county.

The newest established properties surveyed consist of two market-rate properties and one non-subsidized Tax Credit property built in 2016. Two of these properties are 100.0% occupied, while the one remaining property, Alder Springs Deaf & Blind Community (Map ID 2), is 95.2% occupied, reflective of just one (1) vacant unit. The two fully-occupied properties built in 2016 are general-occupancy. Absorption trends were provided for one of these three properties, Sienna (Map ID 35). This 76-unit property operates under the Low-Income Housing Tax Credit (LIHTC) program and opened in May of 2016. According to management, this property reached 95.0% occupancy in November of 2016, reflective of an average monthly absorption rate of around 10 units per month during this initial lease-up period. This is considered a moderate but typical absorption rate for non-subsidized Tax Credit product. The high occupancy and absorption rates reported among these properties are clear indications of strong demand for modern non-subsidized rental product within Burke County.

The following is a distribution of multifamily rental projects and units surveyed by year built in the *city of Morganton*:

Year Built [^]	Market-Rate			Tax Credit, Non-Subsidized			Government-Subsidized		
	Projects	Units	Vacancy Rate	Projects	Units	Vacancy Rate	Projects	Units	Vacancy Rate
Before 1970	4	170	16.5%	-	-	-	1	150	0.0%
1970 to 1979	7	177	0.0%	-	-	-	2	160	0.0%
1980 to 1989	3	227	1.3%	-	-	-	6	190	0.0%
1990 to 1999	-	-	-	2	74	0.0%	5	38	0.0%
2000 to 2010	2	65	0.0%	2	52	0.0%	1	28	0.0%
2011	-	-	-	1	60	0.0%	-	-	-
2012	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	2	29	3.4%	1	76	0.0%	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018*	1	47**	N/A	-	-	-	-	-	-

[^]Based on original year built only

*As of February

**Units under construction

N/A – Not applicable

Note: Low-Income Housing Tax Credit (LIHTC) program began in 1986

The rental supply within the city of Morganton is similar to that of Burke County, in terms of age. Also note that the newest properties surveyed, detailed earlier in this section, are located within the city of Morganton. Thus, rental product located within the surrounding areas of Burke County, is likely older than product located in the city of Morganton, which is not uncommon of more rural areas such as these surrounding portions of Burke County.

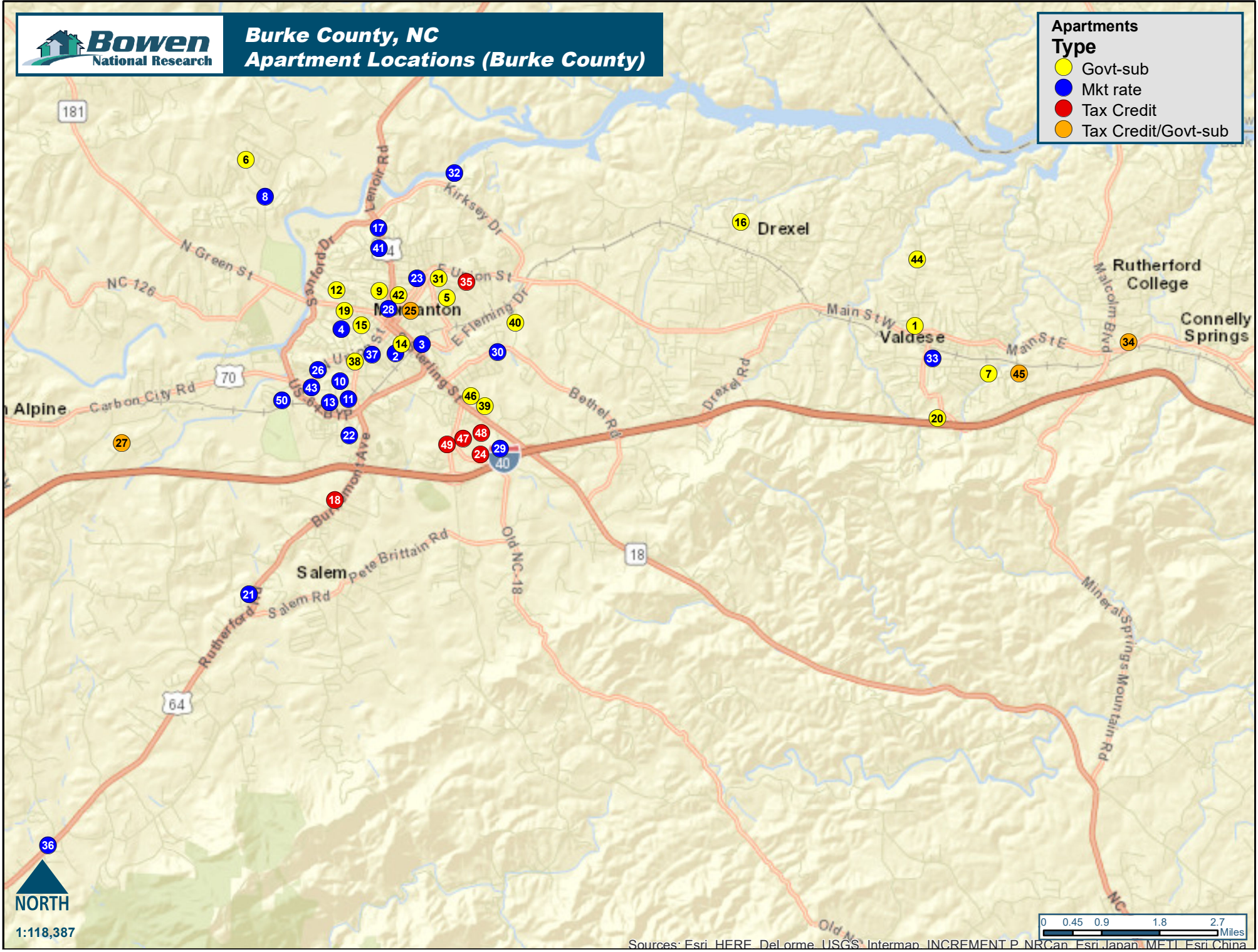
A map of all 50 surveyed multifamily projects in the county follows this page.



Burke County, NC Apartment Locations (Burke County)

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:118,387

0 0.45 0.9 1.8 2.7 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. Non-conventional rentals comprise a notable portion of the rental housing stock in Burke County, as evidenced by that fact that renter-occupied units within structures containing less than five units represent more than 87.0% of all renter-occupied units within the county. The following summarizes the distribution of renter-occupied units by the number of units in a structure for the county

Burke County - Renter Occupied Housing by Units in Structure		
Units in Structure	Total Units	Percent
1 to 4 Units*	8,557	87.2%
5 or More Units	1,257	12.8%
Total	9,814	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research
*Includes mobile homes

With more than 87.0% of the rental housing stock in the county consisting of non-conventional rentals, it is clear that this segment is significant and warrants additional analysis. As a result, we have conducted a sample survey of non-conventional rentals within the county. Overall, we collected information on a total of 28 individual units throughout the county. Information regarding the bedrooms and bathrooms offered, collected rent and total square footage were collected and evaluated when available.

The following table summarizes the 28 available non-conventional rental units identified in the county at the time of this analysis.

Location	City/Town	Unit Style	Beds	Baths	Square Feet	Collected Rent
N/A	Morganton	Apartment	Studio	1.0	N/A	\$400
N/A	Morganton	Downtown Apartment	Studio	1.0	300	\$475
N/A	Hildebran	Apartment on 5-Acres	Studio	1.0	600	\$675
East Meeting St.	Morganton	Downtown Apartment	1	1.0	400	\$425
N/A	Morganton	Apartment-Fully-Furnished	1	1.0	N/A	\$615
N/A	Morganton	Income Suite Apartment	1	1.0	N/A	\$950
N/A	Drexel	Apartment	1	1.0	550	\$450
N/A	Morganton	Mobile Home	2	1.0	N/A	\$400
N/A	Morganton	Single-Family Home	2	1.0	1,000	\$700
3186 High Peak Mountain Road	Morganton	Mobile Home	2	2.0	N/A	\$585
N/A	Morganton	Downtown Loft/Condo	2	2.0	1,800	\$1,500
Dearborn St.	Drexel	Mobile Home	2	1.5	N/A	\$500
N/A	Morganton	Mobile Home	2	1.0	N/A	\$320
717 Amherst Rd.	Morganton	Mobile Home	2	1.0	N/A	\$500
N/A	Morganton	Apartment	2	1.0	775	\$400
3076 N. Hwy 18	Morganton	Apartment	2	1.0	800	\$775
702 West Union St.	Morganton	Single-Family Home	2	1.0	1,300	\$675
N/A	Morganton	Condo	2	1.0	900	\$495
N/A	Oak Hill	Single-Family Home	2	1.0	1,050	\$700
4082 Smokey Creek Road	Drexel	Single-Family Home	2	1.0	900	\$600
Lowman St.	Valdese	Single-Family Home	2	1.0	N/A	\$525
116 Ford Road	Morganton	Single-Family Home	3	3.0	1,232	\$1,200
400 Burkemont Ave.	Morganton	Single-Family Home	3	1.5	1,200	\$650
N/A	Morganton	Mobile Home	3	1.0	N/A	\$700
Settlemyer Road at Bradford Drive	Drexel	Mobile Home	3	2.0	980	\$585
Salem Area, off of Highway 64	Morganton	Single-Family Home	4	2.5	2,500	\$1,100
Pineburr Ave at Carolina St	Valdese	Single-Family Home	4	1.0	N/A	\$795
N/A	Valdese	Manufactured Home	4	2.5	1,800	\$600

Source: Craigslist, Hotpads, and other rental housing resources
N/A – Not Available

As the preceding table illustrates, the collected rents for non-conventional rentals identified in the county range from \$320 to \$1,500 per month. The overall median collected rent is \$600. The rentals are within a variety of product types, including single-family homes, mobile homes, apartments within converted homes and income suites. Half of the non-conventional units identified consist of two-bedroom units. The limited number of one-bedroom or smaller, and three-bedroom or larger, units identified in the county may be an indication that smaller household sizes and/or individuals, and larger families seeking such rentals may have limited options, which is also evident by our survey of conventional rental product.

The following table compares the median rents by bedroom type for the non-conventional rentals for the county. It should be noted that the collected rents represent the quoted rents and do not include any tenant-paid utilities.

Median Collected Rents by Bedroom Type				
Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$475	\$533	\$555	\$675	\$795

Source: Bowen National Research

As the preceding table illustrates, median *collected* rents by bedroom range from \$475 (studio) to \$795 (four-bedroom). The median rents reported among non-conventional rentals are generally lower than the median rents reported among similar bedroom types at the conventional *market-rate* rentals surveyed within the county. The non-conventional rents are similar, however, to some of the median rents reported among non-subsidized Tax Credit product in the county (detailed earlier in this report). Thus, non-conventional rentals represent another rental alternative for lower-income renters within the county. Although the year built was unavailable for the non-conventional rentals identified, the lower median rents reported among non-conventional rentals also suggest that these properties are likely older and of lesser quality as compared to conventional market-rate product surveyed within the county.

- **OWNER-OCCUPIED AND FOR-SALE HOUSING**

Bowen National Research, obtained for-sale housing data from the Burke County Board of REALTORS. This included *historical* for-sale residential data and currently *available* for-sale housing stock. The historical data includes any home sales that occurred within the study areas from January 1, 2014 to January 24, 2018.

Overall, 2,406 for-sale housing listings and transactions were identified within Burke County. This includes 2,166 homes that were sold in the market since January of 2014 and 240 residential units that are currently available for purchase within the county. While these homes do not represent all sold and available homes within the market, we believe these represent the majority of such units. Therefore, these units serve as a good baseline for analysis and comparison of for-sale housing within Burke County.

The following table summarizes currently available and recently sold homes within each of the study areas (Burke County and the city of Morganton):

Owner For-Sale/Sold Housing Supply					
Burke County			Morganton		
Type	Homes	Median Price	Type	Homes	Median Price
Available	240	\$179,450	Available	53	\$189,000
Sold	2,166	\$120,000	Sold	594	\$128,750

Source: Burke County Board of REALTORS; Bowen National Research, LLC

As the preceding illustrates, 27.4% of the homes sold within Burke County between January of 2014 and January of 2018 were located in the city of Morganton. A slightly lower share (22.1%) of the currently available homes within the county are located in the city of Morganton. This may suggest that the stock of for-sale housing within the Morganton area is declining and/or that home sales throughout other areas of the county are increasing. The median prices of currently available and recently sold homes within the city of Morganton are approximately 5.0% to 7.0% higher than the reported median sales prices for homes within all of Burke County.

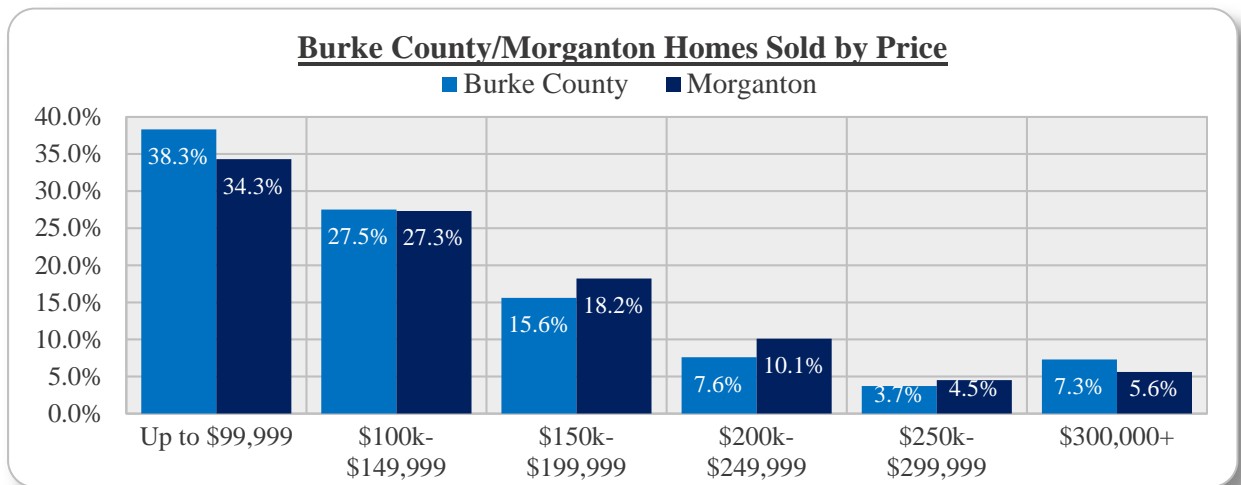
Recorded Historical Homes Sales

Within Burke County, we identified and evaluated 2,166 individual residential units that were sold between January of 2014 and January of 2018. Of these 2,166 homes, 594 (27.4%) were located in the city of Morganton, as previously discussed. The following table summarizes the number of homes sold by various price points within both Burke County and the city of Morganton.

Sales History by Price (January 2014 to January 2018)						
Sale Price	Burke County			Morganton		
	Number of Homes Listed	Percent of Supply	Average Days on Market	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	829	38.3%	157	204	34.3%	170
\$100,000 to \$149,999	595	27.5%	158	162	27.3%	151
\$150,000 to \$199,999	338	15.6%	181	108	18.2%	195
\$200,000 to \$249,999	165	7.6%	178	60	10.1%	209
\$250,000 to \$299,999	80	3.7%	185	27	4.5%	191
\$300,000+	159	7.3%	275	33	5.6%	253
Total	2,166	100.0%	172	594	100.0%	179

Source: Burke County Board of REALTORS; Bowen National Research, LLC

The following graph illustrates the recently sold homes in Burke County and the city of Morganton by price point.



Homes priced below \$150,000 comprised more than 65.0% and 61.0% of the homes sold within Burke County and the city of Morganton, respectively, since January of 2014. Notably, more than half of these homes within each study area were priced below \$100,000. The average days on market for homes priced under \$150,000 within both the county and the city of Morganton is lower than the overall average for homes sold within both study areas since January of 2014. This is a good indication that lower-priced homes are in high demand within the Burke County area. Nonetheless, the average days on market for homes priced between \$150,000 and \$299,999 within both study areas is generally around, or below, 200 days. This demonstrates demand for moderately priced homes within the county as well. Typical of most markets, higher-priced homes (\$300,000+) experienced the longest average days on market within both the county and city of Morganton.

The following tables summarize the distribution of homes sold by year built for Burke County and the city of Morganton.

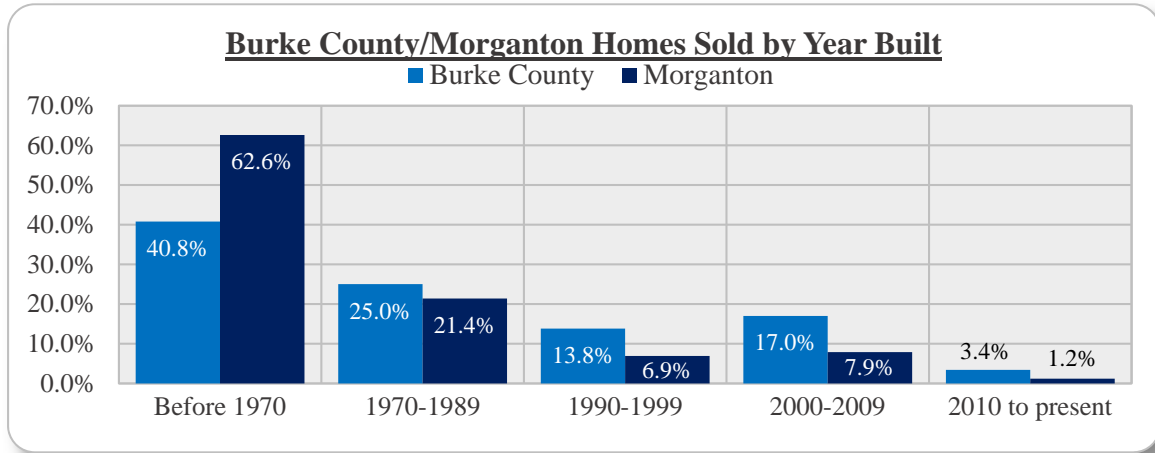
Burke County - Sales History by Year Built – (January 2014 to January 2018)					
Year Built	Number Sold	Average Bedrooms/ Baths	Price Range	Median Sale Price	Average Days on Market
1939 or earlier	223	3/1.5	\$14,500 - \$549,000	\$90,000	182
1940 to 1949	179	3/1.5	\$5,000 - \$450,000	\$80,000	161
1950 to 1959	223	3/1.5	\$9,000 - \$488,000	\$98,000	167
1960 to 1969	259	3/1.5	\$7,000 - \$510,000	\$117,500	187
1970 to 1979	313	3/2.0	\$5,775 - \$490,000	\$123,000	174
1980 to 1989	228	3/2.0	\$9,000 - \$700,000	\$129,450	155
1990 to 1999	299	3/2.25	\$6,500 - \$965,000	\$143,000	172
2000 to 2009	368	3/2.25	\$7,500 - \$1,400,000	\$162,250	180
2010 to present	74	3/2.0	\$26,100 - \$656,000	\$185,500	148
Total	2,166	3/2.0	\$5,000 - \$1,400,000	\$120,000	172

Source: Burke County Board of REALTORS; Bowen National Research, LLC

City of Morganton - Sales History by Year Built – (January 2014 to January 2018)					
Year Built	Number Sold	Average Bedrooms/ Baths	Price Range	Median Sale Price	Average Days on Market
1939 or earlier	113	3/1.75	\$26,500 - \$549,000	\$94,000	185
1940 to 1949	72	3/1.5	\$5,000 - \$450,000	\$87,750	142
1950 to 1959	101	3/1.75	\$30,000 - \$488,000	\$110,000	178
1960 to 1969	86	3/1.75	\$12,500 - \$502,500	\$133,000	204
1970 to 1979	68	3/2.0	\$32,694 - \$330,000	\$140,000	170
1980 to 1989	59	3/2.0	\$36,000 - \$425,000	\$170,000	163
1990 to 1999	41	3/2.25	\$30,000 - \$470,000	\$185,000	194
2000 to 2009	47	3/2.5	\$90,000 - \$500,000	\$215,000	187
2010 to present	7	3/2.0	\$89,900 - \$312,000	\$219,000	231
Total	594	3/1.75	\$5,000 - \$549,000	\$128,750	179

Source: Burke County Board of REALTORS; Bowen National Research, LLC

The following graph illustrates homes sold by year built within the study areas between January 2014 and January 2018:



The following tables illustrate historical home sales by bedroom type for Burke County and the city of Morganton.

Burke County - Sales History by Bedrooms – (January 2014 to January 2018)						
Bedrooms	Number Sold	Average Baths	Average Year Built	Price Range	Median Sale Price	Average Days on Market
One-Br.	21	1.0	1956	\$7,000 - \$150,000	\$49,000	173
Two-Br.	421	1.25	1960	\$5,000 - \$490,000	\$78,000	155
Three-Br.	1,344	1.75	1978	\$5,775 - \$1,200,000	\$124,950	169
Four-Br.	311	2.5	1976	\$21,100 - \$1,100,000	\$175,000	195
Five+-Br.	69	3.0	1972	\$32,500 - \$1,400,000	\$230,000	233
Total	2,166	2.0	1974	\$5,000 - \$1,400,000	\$120,000	172

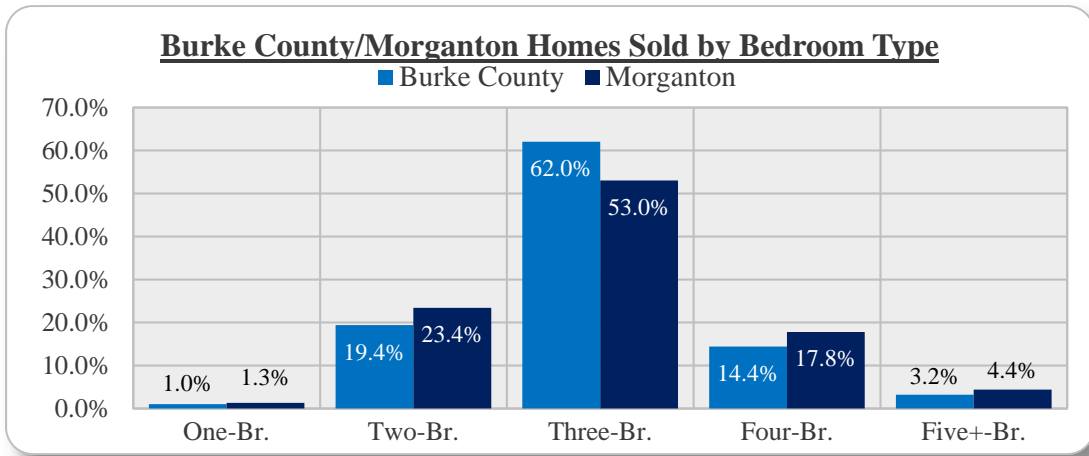
Source: Burke County Board of REALTORS; Bowen National Research, LLC

City of Morganton - Sales History by Bedrooms – (January 2014 to January 2018)						
Bedrooms	Number Sold	Average Baths	Average Year Built	Price Range	Median Sale Price	Average Days on Market
One-Br.	8	1.0	1946	\$33,000 - \$150,000	\$63,750	197
Two-Br.	139	1.25	1951	\$5,000 - \$225,000	\$77,000	125
Three-Br.	315	1.75	1967	\$12,500 - \$370,000	\$132,900	191
Four-Br.	106	2.5	1959	\$43,500 - \$549,000	\$200,000	200
Five+-Br.	26	2.75	1963	\$69,000 - \$502,500	\$216,000	230
Total	594	1.75	1961	\$5,000 - \$549,000	\$128,750	179

Source: Burke County Board of REALTORS; Bowen National Research, LLC

As the preceding illustrates, homes built post 1999 comprised more than 20.0% of the total home sales within Burke County since January of 2014, with homes built between 2000 and 2009 representing the largest number of the homes sold, by year built. In comparison, only 9.1% of the homes sold within the city of Morganton during this same time period were built post 1999. Also of note, nearly 63.0% of all homes sold within the city of Morganton were built prior to 1970, as compared to approximately 41.0% of the homes sold within all of Burke County. These are

good indications that the existing for-sale housing stock within the city of Morganton is older than that within the surrounding areas of Burke County and that much of the newer for-sale product within the county is located outside of the city of Morganton. The newest product sold within the county (built since 2010) also has the lowest average days on market (148), a good indication that modern for-sale product is in high demand within the county. However, a very limited supply of such product exists within the county, as homes built since 2010 represent just 3.4% of the 2,166 homes sold since January of 2014.



Three-bedroom homes comprise the largest share of homes sold within both Burke County (62.0%) and the city of Morganton (53.0%) since January of 2014. The average year built of these three-bedroom homes is also slightly newer than the average year built for other home/bedroom types sold during this time period. Despite an older average year built, the median sale price for many of the home/bedroom types sold within the city of Morganton are higher than the median sale prices for similar homes within all of Burke County.

Maps illustrating the location of recently sold homes by price and age within Burke County follow this page.



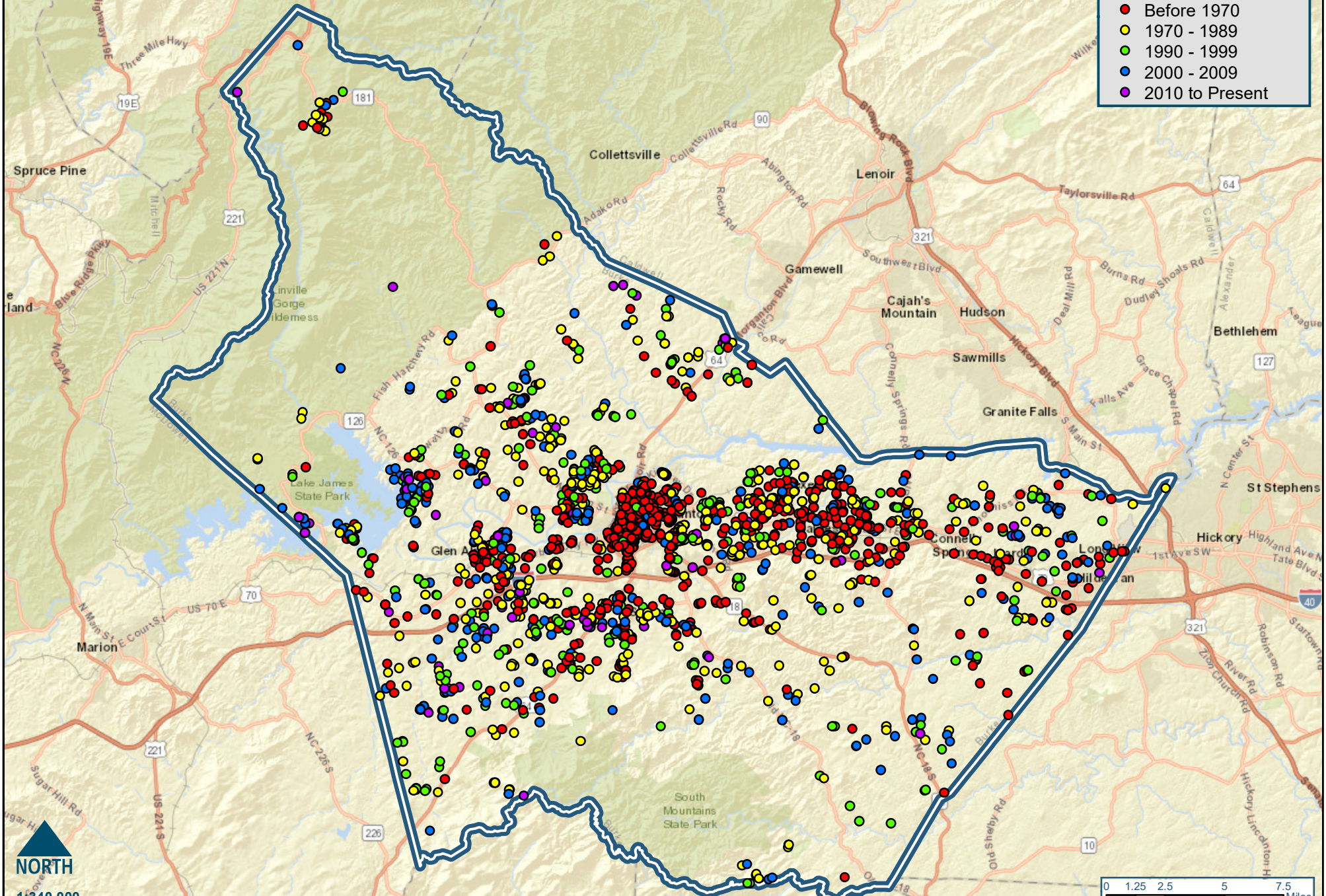
Burke County, NC Historical Home Sales by Year Built

Primary Study Area

Historical Sales

Year Built

- Before 1970
- 1970 - 1989
- 1990 - 1999
- 2000 - 2009
- 2010 to Present



NORTH
1:340,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

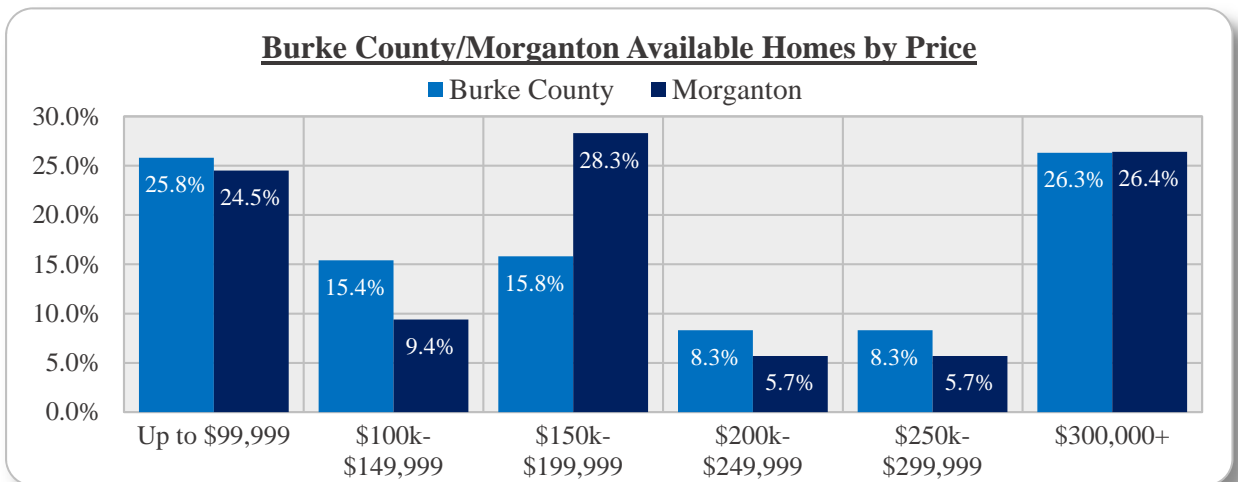
Available Home Listings

In addition to the evaluation of historical sales activity of owner-occupied housing units within Burke County and the city of Morganton, we have compiled a list of residential units currently available for purchase in the two study areas. It is important to understand the inventory of available for-sale housing product to determine the current housing alternatives available to prospective homebuyers and to determine how this may impact the housing needs of the county. Overall, we identified a total of 240 individual residential listings of for-sale product in the county. The following tables have been generated from the available homes, provided by the Burke County Board of REALTORS. These listings are as of January 24, 2018, and illustrate market expectations regarding price, bedrooms and square footage, among other features.

The available for-sale housing stock by price point within Burke County and the city of Morganton is illustrated in the following table.

Available For-Sale Housing by Price (As of January 2018)						
Sale Price	Burke County			Morganton		
	Number of Homes Listed	Percent of Supply	Average Days on Market	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	62	25.8%	95	13	24.5%	117
\$100,000 to \$149,999	37	15.4%	130	5	9.4%	131
\$150,000 to \$199,999	38	15.8%	126	15	28.3%	104
\$200,000 to \$249,999	20	8.3%	186	3	5.7%	106
\$250,000 to \$299,999	20	8.3%	304	3	5.7%	571
\$300,000+	63	26.3%	195	14	26.4%	225
Total	240	100.0%	156	53	100.0%	168

Source: Burke County Board of REALTORS; Bowen National Research, LLC



Approximately 22.0% of the available homes for-sale within Burke County are located within the city of Morganton. Currently available homes within the city of Morganton are primarily concentrated in three price segments; under \$100,000, \$150,000 to \$199,999, and over \$299,999. No more than five (5) homes are available within any other price segment within the city of Morganton. Currently available homes throughout all of Burke County are more evenly distributed among the various pricing segments, as compared to the city of Morganton. However, homes priced under \$100,000 and over \$299,999 represent the largest shares of currently available homes within the county.

The following summarizes the year built of the available for-sale housing inventory.

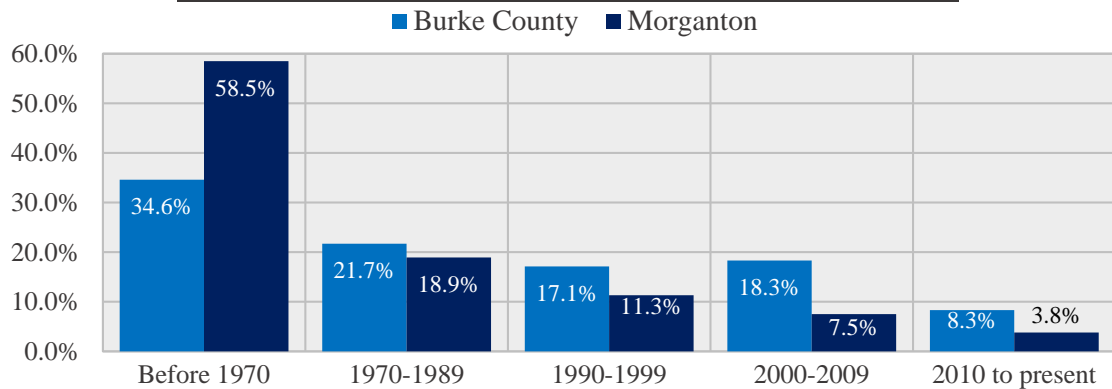
Burke County – Available For-Sale Housing by Year Built – (As of January 2018)							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	20	3/1.5	1,697	\$40,000 - \$475,000	\$114,750	\$75.08	192
1940 to 1949	16	3/1.5	1,761	\$49,900 - \$349,900	\$142,150	\$92.18	164
1950 to 1959	21	3/1.5	1,318	\$8,900 - \$349,900	\$99,900	\$77.43	93
1960 to 1969	26	3/2.0	2,212	\$49,000 - \$2,000,000	\$139,900	\$77.94	119
1970 to 1979	30	3/2.0	2,028	\$38,500 - \$547,300	\$174,900	\$98.79	119
1980 to 1989	22	3/2.0	1,992	\$32,500 - \$575,000	\$167,000	\$82.34	143
1990 to 1999	41	3/2.25	2,511	\$37,100 - \$625,000	\$279,700	\$103.73	167
2000 to 2009	44	3/2.5	2,685	\$64,900 - \$1,149,000	\$289,950	\$130.11	196
2010 to present	20	3/2.5	2,159	\$59,900 - \$1,150,000	\$279,450	\$165.29	193
Total	240	3/2.0	2,151	\$8,900 - \$2,000,000	\$179,450	\$96.55	156

Source: Burke County Board of REALTORS; Bowen National Research, LLC

City of Morganton – Available For-Sale Housing by Year Built – (As of January 2018)							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	8	3/1.5	1,439	\$57,900 - \$475,000	\$92,400	\$74.50	194
1940 to 1949	6	3/2.0	2,347	\$99,900 - \$349,900	\$173,900	\$90.55	202
1950 to 1959	10	3/1.5	1,364	\$49,900 - \$199,000	\$84,950	\$75.56	82
1960 to 1969	7	4/2.5	3,123	\$125,000 - \$389,000	\$325,000	\$78.15	76
1970 to 1979	6	3/2.25	2,121	\$92,900 - \$420,000	\$207,000	\$104.96	71
1980 to 1989	4	3/2.75	3,313	\$134,000 - \$575,000	\$292,400	\$91.72	194
1990 to 1999	6	3/2.25	2,932	\$179,900 - \$505,900	\$287,400	\$104.63	154
2000 to 2009	4	3/2.75	2,433	\$194,000 - \$338,000	\$239,950	\$110.00	430
2010 to present	2	4/3.5	3,016	\$249,900 - \$849,000	\$549,450	\$176.97	477
Total	53	3/2.0	2,272	\$49,900 - \$849,000	\$189,000	\$87.22	168

Source: Burke County Board of REALTORS; Bowen National Research, LLC

Burke County/Morganton Available Homes by Year Built



In terms of age, for-sale housing built prior to 1970 represents nearly 59.0% of the available housing stock within the city of Morganton, as compared to less than 35.0% of the available housing stock within all of Burke County. These are good indications that available for-sale housing product is more modern in portions of Burke County, outside of Morganton.

Currently available homes within Burke County generally have significantly higher *maximum* list prices as compared to those for homes within the city of Morganton. This is, however, attributed to a small share of homes located on larger and/or waterfront parcels in the more rural areas of Burke County. The median list price of currently available homes is relatively similar within both study areas, though the median price per square foot of homes within Burke County (\$96.55) is 10.7% higher than that reported for homes available within the city of Morganton (\$87.22). On average, the homes currently available for-sale throughout Burke County and within the city of Morganton have been listed for similar periods of time (156 to 168 days). Although newer product (built post 1999) available within both study areas has experienced the longest average days on market, this product is also the highest priced product in the market, in terms of price per square foot. This has likely contributed to the more extensive average days on market period and is typical of such product in most markets.

The following tables illustrate the distribution of available for-sale housing product by bedroom type identified in Burke County and the city of Morganton.

Burke County – Available For-Sale Housing by Bedrooms – (As of January 2018)								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	2	1.5	1957	1,123	\$99,500 - \$134,900	\$117,200	\$114.07	53
Two-Br.	47	1.5	1968	1,255	\$8,900 - \$2,000,000	\$80,000	\$74.42	156
Three-Br.	136	2.0	1982	1,987	\$34,900 - \$1,150,000	\$176,600	\$98.29	139
Four-Br.	46	2.75	1983	3,103	\$94,900 - \$1,090,000	\$333,500	\$104.81	205
Five+-Br.	9	3.25	1970	4,670	\$139,000 - \$1,149,000	\$424,900	\$90.01	199
Total	240	2.0	1979	2,151	\$8,900 - \$2,000,000	\$179,450	\$96.55	156

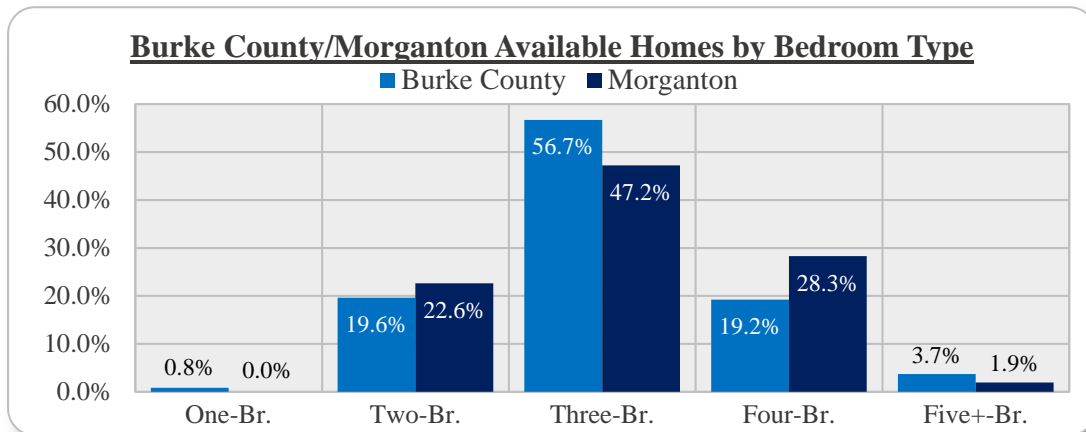
Source: Burke County Board of REALTORS; Bowen National Research, LLC

City of Morganton – Available For-Sale Housing by Bedrooms – (As of January 2018)								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
Two-Br.	12	1.25	1949	1,136	\$49,900 - \$199,900	\$74,900	\$73.40	128
Three-Br.	25	2.0	1969	2,017	\$57,900 - \$505,900	\$188,900	\$99.68	132
Four-Br.	15	3.0	1970	3,420	\$142,900 - \$849,000	\$332,000	\$93.08	271
Five+-Br.	1	3.0	1969	5,078	\$389,000	\$389,000	\$76.60	6
Total	53	2.0	1965	2,272	\$49,900 - \$849,000	\$189,000	\$87.22	168

Source: Burke County Board of REALTORS; Bowen National Research, LLC

Similar to trends among recently sold homes, three-bedroom homes represent the largest share of available for-sale homes within both Burke County and the city of Morganton. Homes of similar bedroom types within Burke County and the city of Morganton are relatively similar in terms of average size (square feet), though homes containing four or more bedrooms within city of Morganton are slightly larger than those within Burke County. This contributes to the lower price per square foot among these larger home types within the city of Morganton.

The following graph illustrates the distribution of units by bedroom type for the available for-sale housing stock in Burke County and the city of Morganton.



Maps of available homes by price and age in the county is on the following pages.

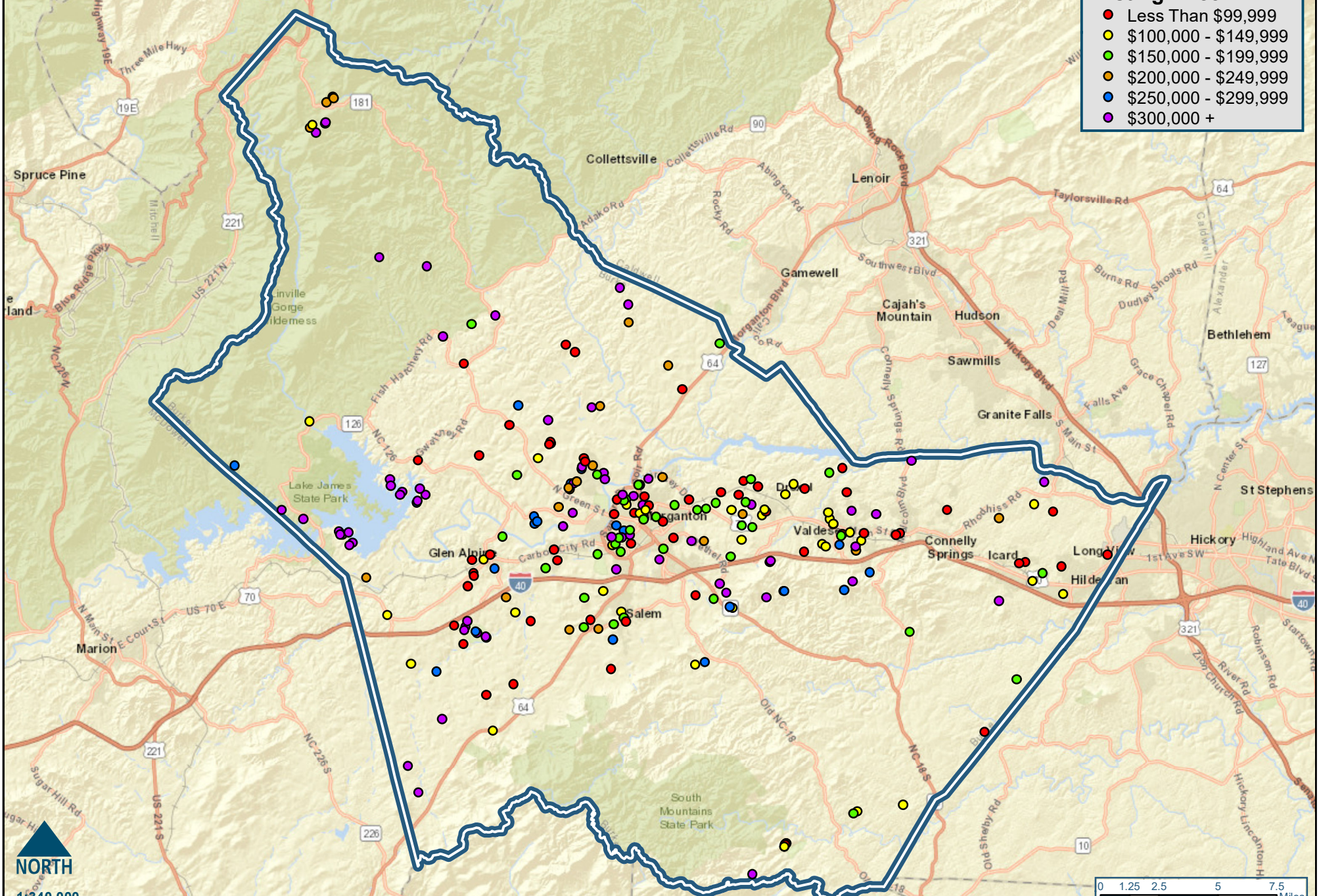


Burke County, NC Available For-Sale Homes by Selling Price

Primary Study Area

For-Sale Homes Listing Price

- Less Than \$99,999
- \$100,000 - \$149,999
- \$150,000 - \$199,999
- \$200,000 - \$249,999
- \$250,000 - \$299,999
- \$300,000 +



NORTH
1:340,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

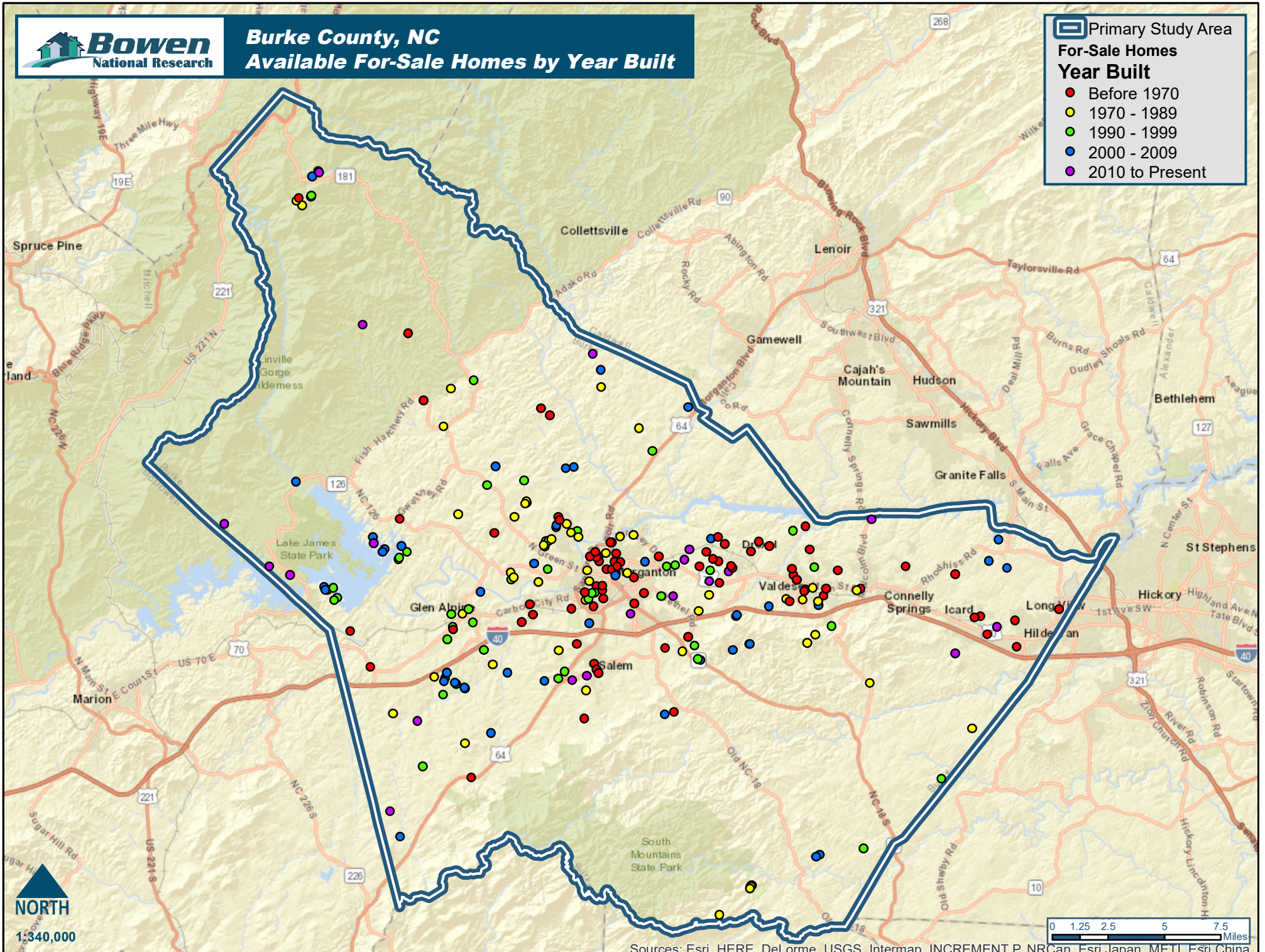


Burke County, NC Available For-Sale Homes by Year Built

Primary Study Area

**For-Sale Homes
Year Built**

- Before 1970
- 1970 - 1989
- 1990 - 1999
- 2000 - 2009
- 2010 to Present



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

Residential Foreclosures

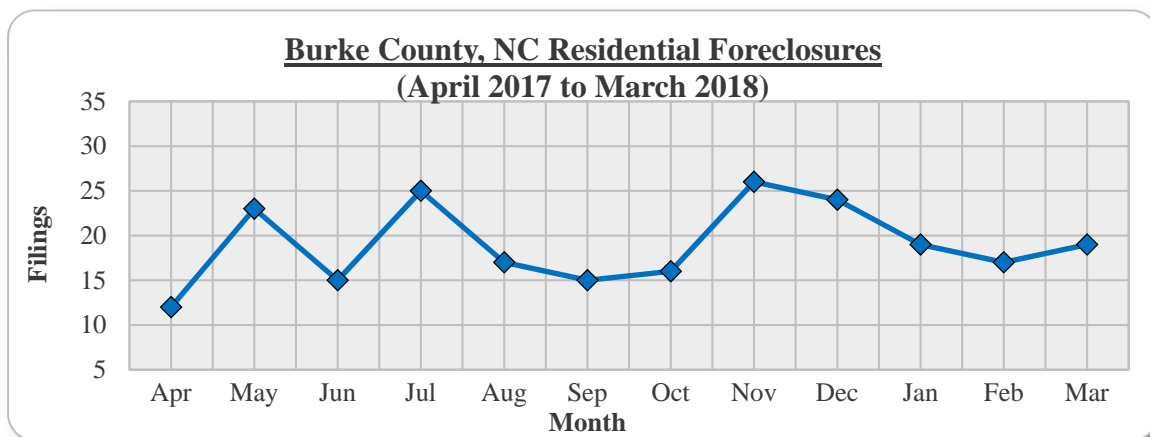
An abnormally high rate or increasing volume of residential foreclosures can be an indicator of housing challenges or deficiencies in a market. Therefore, we have evaluated various foreclosure data in the county.

The following table summarizes monthly residential foreclosure activity over the past 12 months within the Burke County study area.

Residential Foreclosure Filings – Burke County		
Month	Filings	Monthly Change
2017-April	12	-
May	23	+11
June	15	-8
July	25	+10
August	17	-8
September	15	-2
October	16	+1
November	26	+10
December	24	-2
2018 – January	19	-5
February	17	-2
March	19	+2
Total Foreclosures	228	-
Avg. Monthly	19	-

Source: RealtyTrac.com

Note: The numbers of monthly filings are approximated and only includes county foreclosure filings

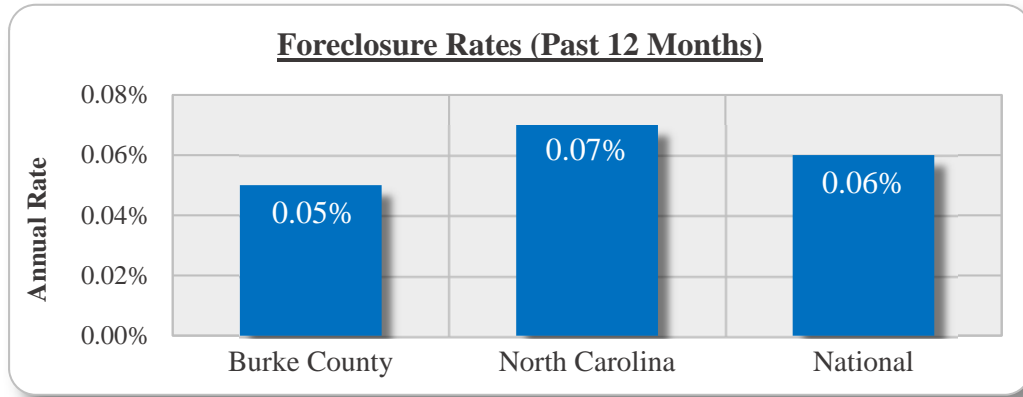


Since April 2017, there have been 228 residential foreclosure filings in Burke County, with an average of 19 foreclosures per month. During the past year, foreclosure filings peaked at 26 in November 2017. Since that time, the number of filings has remained below 25. Generally, residential foreclosure filings have fluctuated and do not appear to be trending in any one direction.

The overall foreclosure rates over the past 12 months for Burke County, the state of North Carolina and the United States are compared in the following table and graph.

Data	Annual Residential Foreclosure Rate by Geographic Area		
	Burke County	North Carolina	National
Annual Foreclosure Rate	.05%	.07%	.06%

Source: RealtyTrac.com



As the preceding table and graph illustrate, the annual foreclosure rate for Burke County is lower than both state and national averages. This may be an indicator that housing product is more affordable in the Burke County area, as compared to most other areas of the state.

Specifically, within Burke County the highest concentrations of foreclosures have occurred within the communities of Hildebran and Valdese, according to RealtyTrac.com. The preceding table shows the highest concentrations of foreclosures that have occurred within Burke County over the past year.

Foreclosure Concentration - Top Four Cities		
Market	Highest Foreclosure Area	Foreclosure Ratio
Burke County	Hildebran	1 in every 733
	Valdese	1 in every 1,135
	Connellys Springs	1 in every 1,802
	Morganton	1 in every 2,220
Overall Rate of Foreclosure		1 in every 1,847

Source: RealtyTrac.com

Overall, the foreclosure rate in Burke County is relatively low and does not appear a significant factor in the market.

- **SENIOR CARE FACILITIES**

The subject county, like areas throughout the country, has a large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 65 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs). As part of this analysis, we evaluated three levels of care that typically attract older adults seeking, or who need, alternatives to their current living environment. They include independent living/congregate care, Adult Care Homes/Homes for the Aged (assisted living), and nursing care. These housing types, from least assisted to most assisted, are summarized below.

Independent Living/Congregate Care is a housing alternative that includes a residential unit, typically an apartment or cottage that offers an individual living area, kitchen, and sleeping room. The fees generally include the cost of the rental unit, some utilities, and services such as laundry, housekeeping, transportation, meals, etc. Many residents and/or care providers use the terms Independent Living and Congregate Care interchangeably. Physical assistance and medical treatment are not offered at such facilities.

Adult Care Homes/Homes for the Aged (Assisted Living) – Licensed by the North Carolina Department of Health and Human Services - Division of Health Service Regulation, these are assisted living developments with seven or more beds. Residents may require 24-hour supervision and assistance with personal care needs. People in Adult Care Homes typically need a place to live, 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.

Multi-Unit Assisted Housing with Services (Assisted Living) – Licensed by the North Carolina Department of Health and Human Services - Division of Health Service Regulation, this is housing with services in independent living settings where the residents do not need supervision or continuous personal care, but may require some personal care or nursing from an outside home care agency.

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

We referenced the Medicare.com and the North Carolina Department of Health and Human Services - Division of Health Service Regulation websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified all licensed facilities in the county.

Within the county a total of 11 senior care communities were identified. Within these 11 senior care communities, 15 separate facilities are offered, as some communities offer multiple care types within one, or multiple, campus settings. These communities include congregate care, assisted living and nursing home facilities. In March and April of 2018, Bowen National Research surveyed a total of ten of these facilities containing a total of 639 units/beds. The following table summarizes the senior care facilities surveyed, by property type.

Surveyed Senior Care Facilities					
Project Type	Projects	Beds	Vacant	Occupancy %	National Median Occupancy*
Congregate Care	2	152	13	91.4%	93.2%^
Assisted Living	5	252	49	80.6%	88.7%
Nursing Care	3	235	39	83.4%	86.4%
Total	10	639	101	84.2%	-

*Source: American Seniors Housing Association: The State of Seniors Housing 2017

^Reflective of independent living occupancy rate, as national congregate care rate not available.

As the preceding illustrates, half of the senior living facilities surveyed are assisted living facilities. This is not uncommon, however, as this product type is becoming increasingly more popular within the senior community. The congregate care and nursing care facilities surveyed report higher overall occupancy rates than the assisted living product surveyed in the county and have occupancy rates which are similar to the national median occupancy rates for such product type. Note that while the assisted living product surveyed reports an occupancy rate of 80.6%, this is primarily attributed to one underperforming property, Morganton Long Term Care-Southview Facility (Map ID A-7). Currently, this property reports an overall occupancy rate of 56.3% and accounts for 28 (57.1%) of the 49 vacant units reported among the assisted living facilities surveyed. When excluding this property, the remaining assisted living facilities report an overall occupancy rate of 88.8%, virtually identical to the national median occupancy rate (88.7%) for assisted living product. It is also of note that the aforementioned Morganton Long Term Care-Southview Facility reports some of the highest monthly rates among the assisted living facilities surveyed, which has likely contributed to the low occupancy rate currently reported.

As evidenced by our Phone Survey of Senior Facilities, the newest senior living community surveyed is the Carolina Rehab Center of Burke (Map ID N-4), a nursing care facility built in 2002. This property is 97.8% occupied. The newest assisted living facility surveyed is Cambridge House (Map ID A-3), which was built in 1999 and currently reports an occupancy rate of 96.7%. The remaining senior living facilities surveyed are all more than 20 years old. The lack of modern senior living product in the county is a good indication of a development opportunity and the high occupancy rates reported among the very limited supply of newer senior living product surveyed is a good indication that such product is in high demand within the county.

The following table illustrates the unit types offered among each of the senior living product types surveyed in the county:

Congregate Care				
Unit Type	Beds	Share	Vacant	% Occupied
One-Bedroom	75	49.3%	5	93.3%
Two-Bedroom	77	50.7%	8	89.6%
Total	152	100.0%	13	91.4%
Assisted Living				
Unit Type	Beds	Share	Vacant	% Occupied
Sleeping Room	216	85.7%	40	81.5%
Alzheimer's/Dementia	36	14.3%	9	75.0%
Total	252	100.0%	49	80.6%
Nursing Care				
Unit Type	Beds	Share	Vacant	% Occupied
Sleeping Room	175	74.5%	37	78.9%
Short-Term/Respite	60	25.5%	2	96.7%
Total	235	100.0%	39	83.4%

Independent living/congregate care facilities typically offer more traditional residential units, such as one- and/or two-bedroom units, as is true for such product surveyed in Burke County. As the preceding illustrates, both the assisted living and nursing care facilities surveyed offer only sleeping room, Alzheimer's/Dementia (memory care), and/or short-term/respite care units. This is not uncommon of nursing care product, though more modern assisted living facilities do typically offer some studio, one-, and/or two-bedroom apartment-style units. This is indicative of a development opportunity for senior living product within the county.

The following table illustrates the base (low) and median base monthly rents by product type for Burke County.

Base Rents by Product Type					
Congregate Care		Assisted Living		Nursing Care*	
Base	Median	Base	Median	Base	Median
\$1,700	\$2,400	\$2,000	\$4,592	\$6,120	\$6,750

Source: Bowen National Research

*Private fees only (based on daily rates for a 30-day month)

As illustrated, the base monthly fee increases along with the level of care provided, as congregate care requires the lowest median base monthly fee at \$2,400, while nursing care requires a median base monthly fee of \$6,750. It should be reiterated that the assisted living and nursing care facilities surveyed only offer sleeping room and/or memory care units, and thus the monthly rates included in the preceding are reflective of such unit types. A new assisted living facility offering additional and/or larger unit types could likely achieve rent premiums.

A map of all surveyed senior care facilities is included on the following page.



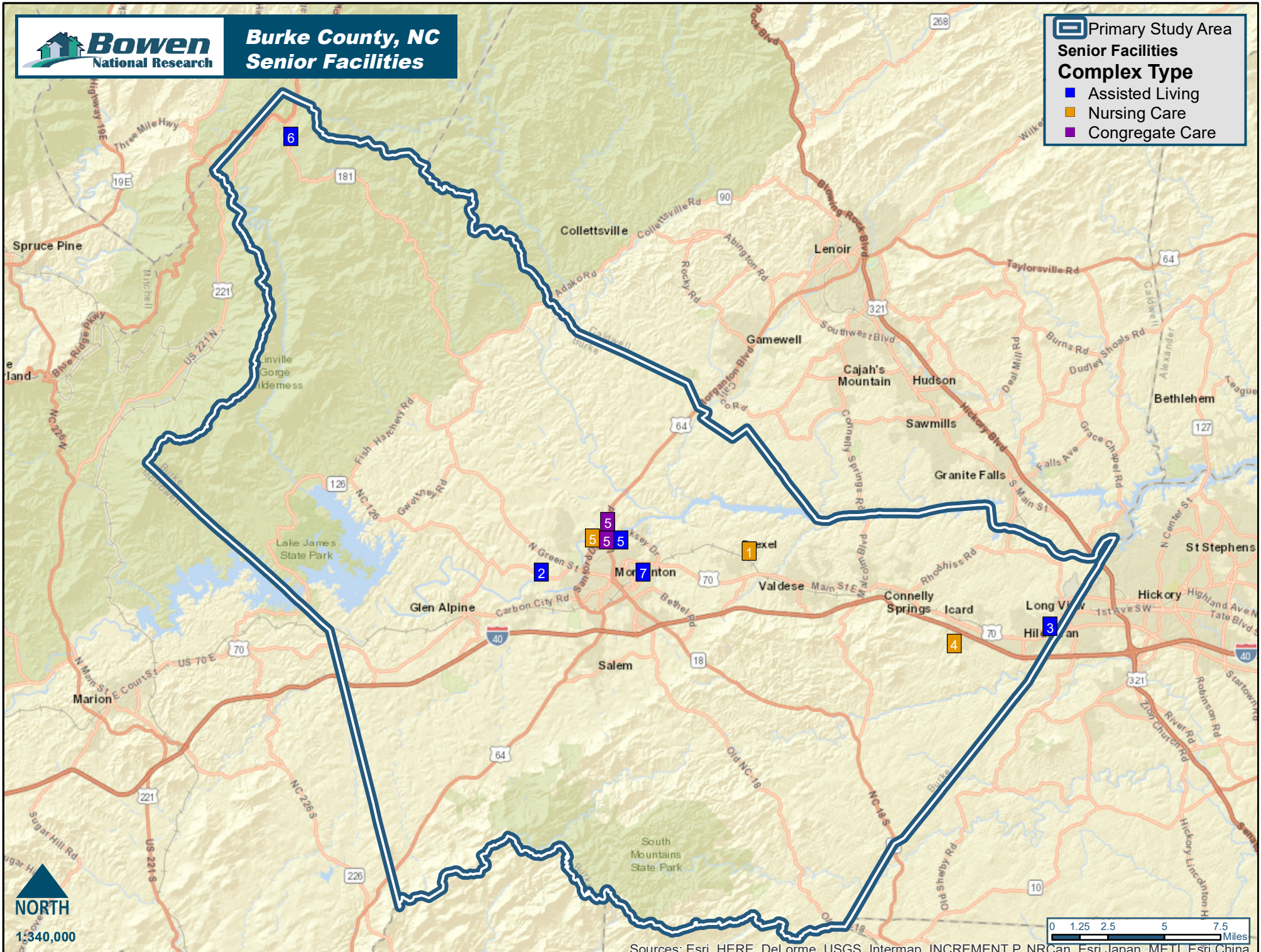
Burke County, NC Senior Facilities

Primary Study Area

Senior Facilities

Complex Type

- Assisted Living
- Nursing Care
- Congregate Care



NORTH
1:340,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

- **PLANNED & PROPOSED RESIDENTIAL DEVELOPMENT**

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline for Burke County and the city of Morganton. 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 county.

The following table illustrates single-family and multifamily residential building permits issued in the past ten years within Burke County and the city of Morganton.

Housing Unit Building Permits for Burke County, NC:

Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	18	2	2	0	0	0	0	0	101	50
Single-Family Permits	304	170	140	113	84	71	104	94	123	134
Total Units	322	172	142	113	84	71	104	94	224	184

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Morganton, NC:

Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	97	46
Single-Family Permits	34	8	12	13	12	7	7	9	11	7
Total Units	34	8	12	13	12	7	7	9	108	53

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As illustrated above, there was virtually no multifamily development within either study area between 2007 and 2014. Multifamily building permits for a total of 151 units have been issued within Burke County since 2014 (through 2016). It is of note, however, that 143, or 94.7%, of these permits were issued within the city of Morganton. This is a good indication that multifamily development has been minimal in the surrounding areas of Burke County. Conversely, most single-family building permits issued within the county during this same time period have been issued in areas outside of the city of Morganton.

Based on our interviews with planning and building representatives, it was determined that there are new housing projects planned or under construction within Burke County. These planned developments are summarized as follows.

Apartments

- The former Drexel Heritage Furniture building located at 109 East Fleming Drive in Morganton is being repurposed by Airlie Incorporated into 47 market-rate apartments and 43,000 square feet of commercial space. The project will be named The Alpine Cotton Mill and is expected to open in the fall of 2018. This Morganton Development project will include one- and two-bedroom units. All units will have microwaves, dishwashers, garbage disposals and washer and dryer appliances. The proposed collected rents range from \$750 to \$1,200.
- The Pond View Apartment Community is a planned Low-Income Housing Tax Credit (LIHTC) development to be located at 301 East Main Street in Hildebran. The developer, M.C. Morgan and Associates, received LIHTC funding in 2017 and is anticipating a groundbreaking sometime 2018. This project will include 60 total units for families earning up to 40% and 60% Area Median Household Income (AMHI). The complex will offer nine (9) one-bedroom units, 27 two-bedroom units and 24 three-bedroom units. The proposed collected Tax Credit rents will range from \$330 to \$455 for units targeting households at 40% AMHI and from \$465 to \$600 for units targeting up to 60% of AMHI. It is anticipated that this project will be complete in summer 2019. *It is of note that this will be the first non-subsidized LIHTC property offered within the county, outside of the city of Morganton.*
- Wynnefield Properties has submitted a rezoning request and plans to go before Morganton City Council in April of 2018 to propose a LIHTC development to be located at 121 North Green Street in Morganton. The preliminary plans for this project propose a total of 72 units to be located within three-story buildings.
- Developer, Infinite Horizon Properties, purchased the Briar Creek Apartment complex located at 135 Ribet Avenue Southwest in Valdese. The complex has been closed for several years and the developer has begun renovating the property. The property is comprised of 30 two-bedroom townhouse-style units. Once renovations are complete, this property is expected to target moderate-income households and have rents ranging from \$600 to \$700 per month. The renovations will replace all appliances, windows and flooring. The developer received a \$30,000 grant from Valdese Town Council. The grant will be utilized to pay for water taps for each unit, which cost around \$1,000 each.
- Additionally, the city of Morganton's 2018 Master Plan includes plans to construct 100 new housing units in the downtown area. This will be completed in phases, as the city hopes to create between 20 and 30 housing units per phase. These units would vary in terms of price, though rents and additional details of this project were not provided at the time of this analysis.

In addition to the previously detailed projects, one of the conventional multifamily rental properties surveyed in the county currently has units under construction which will be added to the existing conventional rental inventory for the county upon completion. This property is detailed as follows:

- Rock Creek Apartments (Map ID 33) currently has 18 two-bedroom townhomes under construction at 143 Ribet Avenue Southwest in Valdese, North Carolina. These units will have a collected rent of \$650, similar to the existing units at this property. These two-bedroom units will be 975 square feet in size and offer 1.5 bathrooms.

Senior Living Facilities

- Morganton Assisted Living is an assisted living facility that is under construction at 330 Juniper Street in Morganton. The facility will have 46 units, with 63 beds. This is a \$5.9 million investment. Construction began in early 2018 but the expected completion date along with other information was unavailable at the time of our analysis.

For-Sale Housing

- Henry's Glen is a small planned subdivision in Morganton which will include 15 single-family home lots, two (2) patio home lots, 12 townhome sites and an additional tract of 5.75 acres that is not zoned but could become future home sites. Private owners purchased the lots and one developer has three townhomes under construction on Ivy Court. There are currently nine (9) townhomes and 11 homes constructed at the site. One 9,148-square foot lot is currently for-sale at a price of \$29,900.
- BWE Land had a 46-lot subdivision approved in 2017, located just north of Lake James, off of State Route 126. Most of the lots are lakefront lots. The developer installed the waterlines and septic tanks and proceeded to sell all 46 lots in the span of just one week. Since selling the lots, however, only a few are currently being developed.

In addition to the preceding, there are also four (4) waterfront Planned Unit Developments (PUD), multi-use homeowner association communities, located around Lake Rhodhiss in Burke County. The home sites within these developments are sold and then the buyer can use a builder of their choosing. When the lot is purchased there is no time limit to build on the property. At this time, very few homes have been built on the sold lots. Basic information on these communities is summarized as follows:

- *Waterside PUD* has 124 platted lots and 17 lots currently for-sale. The lot price range is \$24,000 to \$154,000. This community also requires a monthly Homeowner's Association Fee (HOA) fee of \$300. Underground utilities, water and public sewer, and phone services are available.

- *Paradise Harbor PUD* has 320 platted lots and 14 lots currently for-sale. The price range is \$29,900 to \$129,000. This community also requires a monthly Homeowner's Association Fee (HOA) fee of \$500. Underground utilities and phone and water are available, though individual septic is required.
- *Lake Vistas PUD* has 81 platted lots, though none are currently for-sale. An additional 50 lots were recently approved and will be for-sale in the summer of 2018. Lot prices are unavailable, though it is known that this community requires a monthly Homeowner's Association Fee (HOA) of \$500. Underground electric utilities and phone services are available, though individual wells and septic systems are required.
- *Harbor Ridge PUD* has 160 platted lots with one lot currently for-sale at a price of \$142,900. This community also requires a monthly Homeowner's Association Fee (HOA) fee of \$475. Underground utilities, phone and water services are available, though individual septic is required.

One additional PUD named *The Settings* was also identified on the western part of Lake Rhodhiss, though no additional information was available for this community at the time of this analysis.

G. HOUSING GAP/NEEDS ESTIMATES

Bowen National Research conducted **housing gap** analyses for rental and for-sale housing for the subject county (Burke County). The housing gap estimate is considered a representation of the housing shortage in the market and indicative of the more immediate housing requirements of the market. Since the development of new housing in the county could include a variety of financing options and affordability levels, our estimates for the number of new residential units that can be supported consider a variety of income levels.

Housing to meet the housing needs of both current and future households in the market will most likely take the shape of 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 restrictions, which affect the market they target.

Rental Housing Needs

There are generally five primary sources of demand for new rental housing. These sources include the following:

- New Housing Needed to Meet Projected Household Growth
- Additional Units Required for a Balanced Market
- New Household Formations
- Replacement Housing for Demolished and Substandard Housing
- External Market Support

For the purposes of identifying housing needs by affordability level, we have evaluated the market's ability to support housing based on a variety of levels of income/affordability. While there may be overlap among these four levels due to program targeting and rent levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double-counting demand. The following table summarizes the income segments used in this analysis to estimate potential housing demand.

Income Range	
Household Type (% AMHI)	Income Range
Extremely Low-Income (<40% of AMHI)	<\$20,000
Very Low-Income (41% to 60% of AMHI)	\$20,000 to \$34,999
Low-Income (61% to 80% of AMHI)	\$35,000 to \$44,999
Moderate- to High-Income (Above 81% AMHI)	\$45,000 and above

AMHI – Area Median Household Income

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, households 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/management and lenders impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management/lender qualifying procedures (i.e. review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available.

Regardless, we have used the preceding income segmentations as the ranges that a typical project 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, amenities and other features. As such, our estimates assume that the rents/prices, quality, location, design and features are marketable and will appeal to most households.

Since the focus of this report is on the specific housing needs of Burke County, we have focused the rental housing demand estimates on the metrics that only impact the county. The table on the following page includes a demand calculation for rental units targeting the income segments considered in this analysis.

2017 - 2022 Rental Demand Potential by Income Level & Rent Burke County, North Carolina Primary Study Area				
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$44k	\$45k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,124	\$1,125+
I. Growth Demand (Household-Based):				
2017 Renter Households	4,150	2,578	1,005	3,189
2022 Total Estimated Renter Households	3,843	2,532	1,091	3,731
New Renter Household Growth Over Projection Period (5 Years)	-307	-46	86	542
II. Total Units Needed For Balanced Market				
2017 Occupied Rental Housing Units	4,150	2,578	1,005	3,189
Percent of Vacant Units Required to Reach a Balanced Market	3.0%	5.0%	5.0%	5.0%
Estimated Vacant Units for Balanced Market	128	136	53	168
Estimated Vacant Units Currently in Market*	0	37	1	0
Additional/Fewer Rental Housing Units Needed for Balanced Market	128	99	52	168
III. New Household Formations				
Total Occupied Rental Units in 2017	4,150	2,578	1,005	3,189
Estimated Share of Overcrowded or Multigenerational Housing**	5.7%	5.7%	5.7%	0.0%
Total Potential Household Formation 2022	237	147	57	0
IV. Replacement Housing				
Total Occupied Rental Units in 2017	4,150	2,578	1,005	3,189
Percent of Replacement Housing Needed ***	1.7%	1.7%	1.7%	0.0%
Total Replacement Housing Needed by 2022	71	44	17	0
V. External Market Support				
Total Internal Market Demand (From II. to IV)	436	290	126	168
Percent of Housing Support Expected to Originate Outside of PSA^	10%	10%	10%	10%
Total Potential External Market Support for Rental Housing	44	29	13	16
VI. Housing Needs Summary				
New Income-Qualified Renter Household	-307	-46	86	542
Units Needed for Balanced Market	128	99	52	168
New Household Formations	237	147	57	0
Replacement Housing Needed	71	44	17	0
Total External Market Support	44	29	13	16
Gross Demand of Units Needed	173	273	225	726
Units in the Development Pipeline (Planned Projects)	-14	-109	-22	-25
Total Potential PSA (Burke County) Support for New Units	159	164	203	701

*Based on Bowen National Research's survey of area rentals

**Based on ESRI/ACS estimates for overcrowded/multigenerational households

***Based on ESRI/ACS estimates of units lacking complete indoor plumbing

^Based on Bowen National Research proprietary research and ACS migration patterns for Burke County

As the preceding illustrates, demand for new rental product is estimated to be relatively evenly distributed among income segments under \$45,000. Among the three income segments analyzed under \$45,000, demand is projected to be greatest among households earning between \$35,000 and \$44,999. This is generally reflective of non-subsidized Tax Credit product and/or other rental alternatives (primarily market-rate) affordable to households earning above 60% of Area Median Household Income (AMHI). Additional rental product for households earning less than \$35,000 is needed within the county, despite a declining overall renter household base within this income segment. Demand for such housing will be driven by other factors, including units needed for a balanced market (i.e. limited or lack of existing product to satisfy demand), units needed to alleviate overcrowded households and/or to replace substandard existing product.

Demand will be greatest for rental product targeting households earning \$45,000 or more. This attributed to several factors, but primarily due to the projected renter growth within this income segment. Rental product serving this income segment would/will primarily be moderate to higher-priced market-rate product, a product type which is currently limited in supply within the county. Nonetheless, when considering the positive demand estimates among all income segments detailed in the preceding table, future rental housing development within the county should consider product serving extremely low- and low-income households, as well as moderate- to high-income households.

In addition to the aforementioned income levels, nearly two-thirds of all renter households will be comprised of one- and two-person households, while approximately only one-third will be comprised of three-person or larger households. This is a good indication that new rental product in the county should likely be comprised of mostly one-and two-bedroom units, with around 20% to 25% comprised of three-bedrooms or larger.

It is important to understand that these demand estimates represent potential units of demand by income level. The actual number of rental units capable of being supported will ultimately depend upon numerous factors. These include location, proposed features (i.e. rents, amenities, etc.), product type and design (i.e. apartments, single-family homes, etc.), management and/or marketing.

For-Sale Housing Demand Estimates

This section of the report addresses the market demand for for-sale housing alternatives in Burke County. Unlike the rental housing demand analysis, the for-sale housing analysis considers only three income segments: households making \$30,000 to \$44,999, between \$45,000 and \$74,999, and \$75,000 and higher. The lowest income segment should generally be able to afford product priced between \$100,000 and \$149,999, the middle-income segment should be able to afford product generally priced between \$150,000 and \$249,999, while the higher income segment should be able to afford product priced \$250,000 and higher.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home. There are also cases in which a household purchases a less expensive home although they could afford a higher purchase price. The actual support for new housing will ultimately be based on a variety of factors such as price points, square footages, amenities, design, quality of finishes, and location. Considering these variations, this broad analysis provides the basis in which to estimate the potential sales of new for-sale housing within the county.

There are a variety of factors that impact the demand for new homes within an area. In particular, area and neighborhood perceptions, quality of school districts, socioeconomic characteristics, mobility patterns, demolition and revitalization efforts, and availability of existing homes all play a role in generating new home sales. Support can be both internal (households moving within the market) and external (households new to the market).

While new household growth alone is often the primary contributor to demand for new for-sale housing, the age and condition of the existing housing stock can be indicators that demand for new housing will also be generated from the need to replace some of the older housing stock. Overall, we have considered the following specific sources of demand for new for-sale housing in Burke County.

- Household Growth
- Units Required for a Balanced Market
- New Household Formations (Renters Converting to Homeowners)
- Replacement Housing for Functionally Obsolete/Substandard Housing
- External Market Support

The following table summarizes the potential market support for new for-sale housing in Burke County by 2022.

**2017-2022 For-Sale Housing Demand by Income Level & Price Point
Burke County Primary Study Area**

Household Income Range	\$30,000-\$44,999	\$45,000-\$74,999	\$75,000+
Housing Price Affordability	\$100,000-\$149,999	\$150,000-\$249,999	\$250,000+
I. Growth of Owner-Occupied Households:			
2017 Total Income-Qualified Owner-Occupied Households	4,061	6,576	7,830
2022 Total Income-Qualified Owner-Occupied Households	4,172	6,934	8,348
New Owner-Occupied Household Growth (2017 to 2021)	111	358	518
II. Units Required for a Balanced Market			
2017 Owner Households	4,061	6,576	7,830
Vacant Units Required to Reach a Balanced Market (2.5%)	102	164	196
Estimated Vacant Units Currently in Market*	-75	-40	-63
Additional/Fewer Rental Housing Units Needed for Balanced Market	27	124	133
III. Renters Converting to Homeowners			
2017 Income-Qualified Renter Households	1,731	2,026	1,158
Estimated Share of Renters Converting to Homeowners**	4%	4%	4%
Total Potential Household Formations	69	81	46
IV. Replacement of Existing For-Sale Product			
2017 Total Occupied Owner Units	4,061	6,576	7,830
Percent of Replacement Housing Needed***	0.3%	0.0%	0.0%
Total Replacement Housing Needed	12	0	0
V. External Market Support			
Total Demand from Sections II to IV	108	205	179
Share of External Market Support ^	2.0%	2.0%	2.0%
Total Potential External Market Support for For-Sale Housing	2	4	4
VI. Total Demand Estimates			
New Owner-Occupied Household Growth (2017 to 2022)	111	358	518
Units Required for a Balanced Market	27	124	133
Total Potential Household Formations	69	81	46
Total Replacement Housing	12	0	0
Total External Market Support	2	4	4
Gross Demand of Units Needed	221	567	701
Units in the Development Pipeline (Planned Projects)	0	0	0
Total Potential PSA (Burke County) Support for New Units	221	567	701

*Based on Bowen National Research of available for-sale housing supply

**Based on national estimates of renters converting to homeowners annually

***Based on share of units lacking complete indoor plumbing

^Based on typical share of owner households that move from outside a market when new product is built

The preceding demand estimates demonstrate positive demand for for-sale owner-occupied housing units within each income segment/price range evaluated. The deepest base of support for for-sale owner housing product is among higher-income (\$75,000+) households and for homes priced \$250,000 and higher. This is reflective of the substantial household growth projected for owner-occupied households earning incomes above \$75,000 between 2017 and 2022. However, similar support exists for product priced between \$150,000 and \$249,999, demonstrating strong demand for moderately priced product within Burke County as well. It is also important to understand that some higher-income households which could afford a home priced \$250,000 or higher will likely choose a lower-priced home, which will effectively create additional demand for moderately-priced product within this market.

Of course, in order to achieve maximum levels of residential development, the market must offer product of all price points, locations, and product alternatives. We have considered this in our demand estimates. However, in reality not all product types will be built/offered. Thus, the housing gap estimates included in this report should be considered as “best case” scenarios. For instance, while our demand estimates demonstrate that over 700 for-sale units priced over \$250,000 are supportable within the county, this is influenced by the substantial household growth projected among higher-income households. While this will certainly include some new households moving into the county from other areas, this will also largely be due in part to existing households moving up into higher income brackets. Many, if not most, of these existing households are already adequately housed and would not require, or desire, a new home. That said, our demand estimates in the preceding table simply indicate that the deepest market exists for product priced \$250,000 or higher within the county, based on household growth projections.

Senior Care Housing Demand

Senior care housing encompasses a variety of alternatives including residential care/assisted living facilities and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. However, there will be seniors seeking independent living with services, such as congregate care housing. Our analysis attempts to quantify the estimated senior care housing needed in Burke County.

Our estimates account for persons age 65 and older (congregate care), age 75 and older (assisted living) and age 85 and older (nursing care) that would require some level of services or assistance with Activities of Daily Living, if not full nursing care services. While a variety of product types, bedroom/unit types and pricing structures could be offered, we have assumed a base price model of \$1,700 for congregate care, \$2,000 for assisted living and \$6,120 for nursing care housing based on the existing local market supply. We have used all of Burke County when assessing the base of potential support for senior care housing.

Senior Care Housing Needs Estimates			
Senior Care Housing Demand Components	Congregate Care (Age 65+)	Assisted Living (Age 75+)	Nursing Homes (Age 85+)
Total Income & Asset Qualified Households	1,938	1,702	69
Multiplied by Share of Housing Requiring ADL or NC	N/A	18.1%	32.7%
Total Senior Affliction Rate*	N/A	308	23
Multiplied by Typical Institutionalization Rate	20.0%	33.3%	50.0%
Gross Total Beds Needed	388	103	11
External Market Support**	97	26	3
Less Competitive Beds***	-76	-126	-118
Less Beds in the Development Pipeline	0	-46	0
Net Total Beds Needed	409	0	0

ADL – Activities of Daily Living

NC- Nursing Care

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

**Assumes at least 20% of the support will originate from outside of Burke County

***Assumes 50% of existing units will be competitive with new construction senior living product

As the preceding illustrates, demand is greatest for congregate care product, relative to the other senior living product types considered in our analysis. These demand estimates coincide with the findings of our phone survey of senior facilities in the county, which indicate that congregate care facilities maintain the highest occupancy rates of the senior living facilities surveyed.

Although our demand estimates indicate no or limited demand for assisted living and nursing care product, such additional product is likely supportable within the county, though on a limited scale. This is due to the relatively old existing assisted living and nursing care facilities currently offered in the county. New construction product offering assisted living and/or nursing care units would likely be well-received within the county, though the addition of such product could potentially have an adverse impact on occupancy rates of the older existing facilities. It is also of note that the one senior-living facility in the development pipeline is an assisted living property. The addition of this property will likely alleviate much of the demand for new assisted living product in the Burke County area. Aside from congregate care/independent living product, it is our opinion that a limited opportunity exists for additional senior living product in the county. However, this will likely change in the near term as the county is expected to experience significant senior household growth in the years ahead.

H. STAKEHOLDER INTERVIEWS

Associates of Bowen National Research solicited input from eight (8) stakeholders throughout Burke County, North Carolina (including the City of Morganton) regarding the local housing market. Input from stakeholders was provided in the form of an online survey. The eight total respondents represent a wide range of industries that deal with housing issues, including Local Government and Municipal Officials, Economic Development Officials, Real Estate Agents, Housing Developers, Landlords, Educators, and General Contractors. The purpose of these interviews was to gather input regarding the need for specific types and styles of housing, the income segments

housing should target, and if there is a lack of housing or housing assistance within the Burke County and/or the City of Morganton. The following is a summary of key input gathered:

Housing Needs & Issues

- Stakeholders were asked to rank the degree of housing need for types of housing in Burke County and the city of Morganton. In Burke County and Morganton, at least 75.0% of respondents indicated that the highest demand was for rental and for-sale units. Most stakeholders (75.0%) also indicated there is high need for housing targeting single persons and young professionals in Morganton, while half of respondents indicated moderate need for this group in Burke County. At least half of respondents (50.0%) stated that moderate housing demand exists for senior apartments and the special needs population in Burke County and Morganton.
- Stakeholders were also asked to rank the need for several housing *styles* in Burke County and Morganton. Most respondents (62.5%) indicated that there was high need for detached houses (single-family homes) in Burke County and Morganton. Most stakeholders (at least 62.5%) also indicated that there was high need for apartments and condominium units in Morganton. Half of stakeholders (50.0%) stated that there was moderate need for duplex/triplex/townhome units in Morganton. The lowest need in both Burke County and Morganton was for mobile homes/manufactured housing, according to at least half (50.0%) of respondents.
- This survey asked stakeholders to rank the need for housing by income level. In both Burke County and the city of Morganton, most respondents (over 62.5%) indicated that the highest level of housing need exists for those households earning more than \$75,000 per year. Moderate need for housing in both areas exists for those households earning between \$51,000 and \$75,000, according to at least half (50.0%) of respondents.
- Stakeholders were asked to what degree specific housing issues are experienced in Burke County and Morganton. Most respondents (over 57.1%) indicated that limited availability, lack of public transportation, lack of down payment for purchase, and cost of renovation/upkeep occur often as housing issues in both Burke County and Morganton. Substandard housing was also identified as occurring often in Burke County by 75.0% of respondents. Most respondents (85.7%) also indicated that foreclosure occurs “somewhat” as a housing issue in Burke County and Morganton. Half of stakeholders (50.0%) also stated that lack of community services occurred “somewhat” as a housing issue in Morganton, while the remaining half of respondents (50.0%) stated that lack of community services is never an issue.

- Stakeholders were also asked to rank the priority for specific types of housing construction. Over 75.0% of respondents assigned high priority to new construction in both Burke County and Morganton, while adaptive reuse was assigned moderate priority by at least half (50.0%) of all respondents for both areas. Renovation/revitalization of existing units in Burke County was given moderate priority by half (50.0%) of all respondents, while most respondents (62.5%) assigned high priority to renovation/revitalization of existing units in Morganton.
- Stakeholders were asked to rank specific types of housing assistance programs in order of priority. Homebuyer assistance programs in Morganton were given high priority by most respondents (71.4%), and assigned moderate priority for Burke County by 57.1% respondents. Project-based rental subsidy, Tax Credit financing, and other rental housing assistance (i.e. Vouchers) were assigned high priority by most respondents (at least 57.1%) for both Burke County and Morganton.
- Stakeholders were also asked to provide “open-ended” responses as to whether there are specific housing programs that should be given priority in Burke County. A total of five (5) respondents submitted “open-ended” answers to this question. A variety of responses were received from stakeholders, including forming a development committee, programs for low-income seniors, emphasis on tract homes, and homebuyer assistance programs. One stakeholder stated that no programs should be given priority at present.

Barriers to Housing Development

- Stakeholders were also asked what common barriers or obstacles exist in Burke County (as a whole) that limit residential development. Most respondents (87.5%) indicated that lack of financing was a common barrier or obstacle present in Burke County and Morganton. Most respondents (75.0%) also indicated that cost of labor and materials and cost of land were each obstacles or barriers to development for both areas. Half (50.0%) of respondents indicated that lack of infrastructure was also a barrier or obstacle to development in Burke County.
- Respondents to the previous question were also asked how they believed these obstacles or barriers to development could be reduced or eliminated. Seven (7) stakeholders provided “open-ended” responses to this question. Stakeholder responses included availability of financing, better financing options for builders and developers, government-sponsored incentives, train more carpenters in the building trades, attract more competition from general contractors, and support for public transportation routes. One respondent stated that a group effort was needed to identify the areas and types of housing needed, and a strategic plan should be implemented to address these issues over the next five to ten years. One additional respondent stated that the amount of land available for development in Burke County and Morganton has increased tremendously. However, the cost of land is so high that buyers opt to purchase an existing home instead of building new.

- Respondents were also asked if there are any other issues, priorities, or opportunities that would help support residential development in the area. One respondent stated that additional building inspection staff is needed at both the city (Morganton) and county level (Burke County). Also, young people need to be encouraged to take advantage of college construction degree programs and enter the building trades.

ADDENDUM A: PHONE SURVEY OF CONVENTIONAL RENTALS

BURKE COUNTY, NORTH CAROLINA

The following section is a phone survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and previous field inspection conducted by our firm. The intent of this phone survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site. None of these properties were visited in person. Because this information is collected by phone, we cannot verify the accuracy of this data.

The phone survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

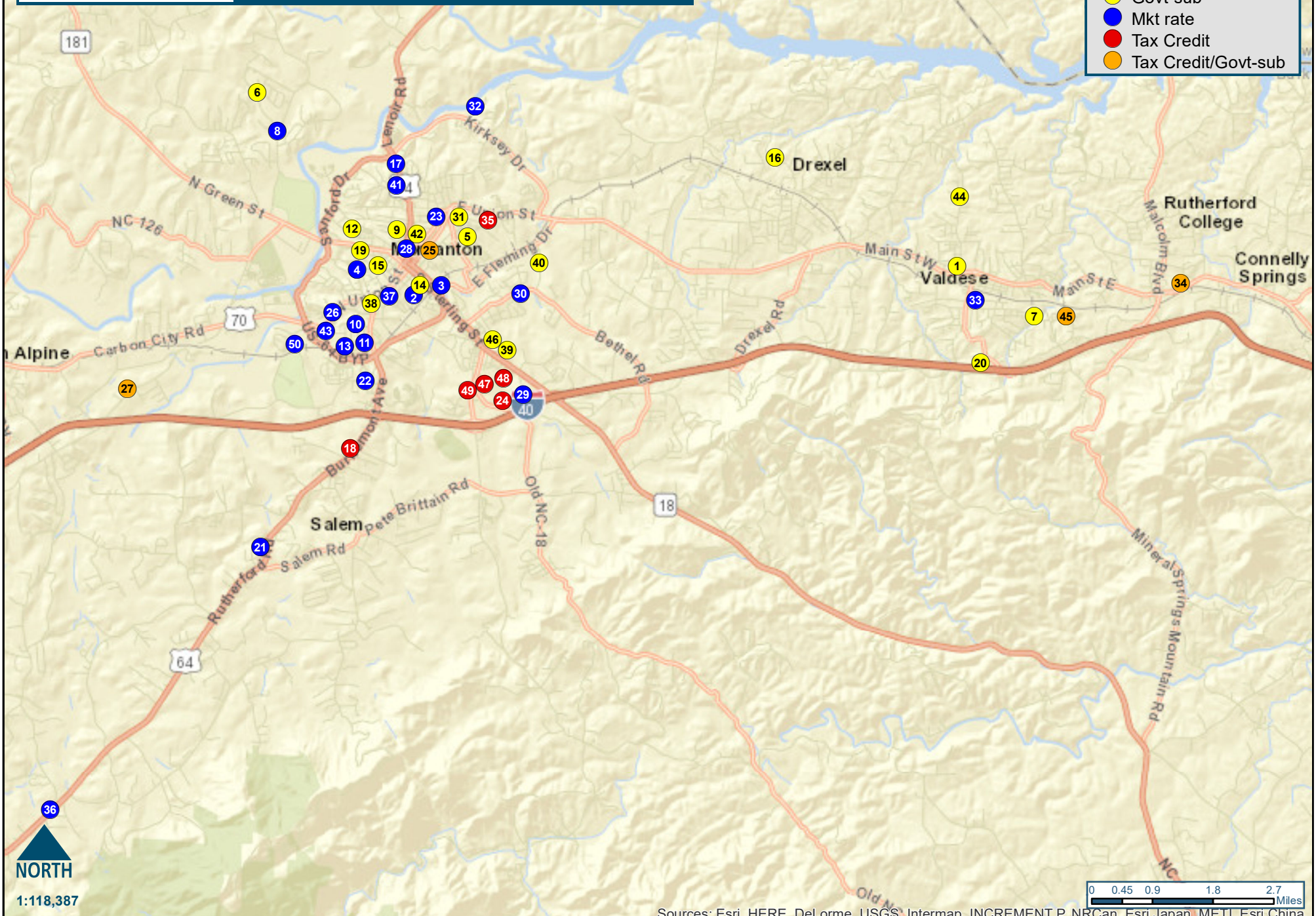
Finally, it should be noted that this is not likely a complete inventory of all rental properties. An in-person visit would allow verification of data collected by telephone, as well as an opportunity to identify other potential competitive properties.



Burke County, NC Apartment Locations (Burke County)

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:118,387



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

MAP IDENTIFICATION LIST - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE
1	AGAPE Retirement Home	GSS	N	1985	30	0	100.0%
2	Alder Springs Deaf & Blind Community	MRR	N	2016	21	1	95.2%
3	Alpine Cotton Mill	MRR	N	2018	0	0	U/C
4	Anderson Street Apts.	MRR	N	1971	13	0	100.0%
5	ARC/HDS Burke County GH #1	GSS	N	1983	6	0	100.0%
6	ARC/HDS Burke County GH #3	GSS	N	1993	6	0	100.0%
7	Blue Ridge Apts.	GSS	N	1979	46	0	100.0%
8	Bost Road Apts.	MRR	N	2002	22	0	100.0%
9	CAC of Burke County #1	GSS	N	1996	10	0	100.0%
10	Cambridge I	MRR	N	1978	7	0	100.0%
11	Cambridge II	MRR	N	1978	7	0	100.0%
12	Cascade Gardens	GSS	B-	1971	100	0	100.0%
13	Cedarbrook Apts.	MRR	B	1988	103	3	97.1%
14	CHC of Burke County #1	GSS	N	1995	6	0	100.0%
15	CHC of Burke County #2	GSS	N	1998	6	0	100.0%
16	Drexel Apts.	GSS	N	1979	40	0	100.0%
17	Forest View Apts.	MRR	N	1966	32	28	12.5%
18	Glenwood Hills	TAX	A	2011	60	0	100.0%
19	Green Acres	GSS	B-	1988	30	0	100.0%
20	High Meadow Apts.	GSS	N	1986	40	0	100.0%
21	High Timbers Apts.	MRR	N	1984	6	1	83.3%
22	Hopewell Road Apts.	MRR	N	2016	8	0	100.0%
23	Huffman Street Apts.	MRR	N	1975	7	0	100.0%
24	Meadow Brook	TAX	B	1995	38	0	100.0%
25	Millside Manor	TGS	A-	2003	28	0	100.0%
26	Mimosa Square	MRR	B+	1964	17	0	100.0%
27	Morgan Hills Apts.	TGS	B	1982	48	0	100.0%
28	Morganton Trading Company	MRR	N	2006	43	0	100.0%
29	Oaks	MRR	B-	1978	8	0	100.0%
30	Park View Apts.	MRR	B+	1968	99	0	100.0%
31	Providence Place I-III	GSS	B+	1968	150	0	100.0%
32	Riverview Apts.	MRR	N	1988	100	0	100.0%
33	Rock Creek Apts.	MRR	N	1973	12	5	58.3%
34	Rutherford Square	TGS	N	1987	24	0	100.0%
35	Sienna	TAX	N	2016	76	0	100.0%
36	South Mountain Apts.	MRR	N	1995	32	0	100.0%
37	Southgate	MRR	B	1964	22	0	100.0%

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

MAP IDENTIFICATION LIST - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE
◆ 38	Southmont Apts.	GSS	B-	1987	26	0	100.0%
39	Sterling Forest	GSS	B+	1986	24	0	100.0%
40	Stonebridge Apts.	GSS	B-	1979	60	0	100.0%
41	Terrace II	MRR	N	1978	8	0	100.0%
42	Town Square	GSS	B+	1995	10	0	100.0%
43	Union Square	MRR	B	1985	24	0	100.0%
44	Valdese Housing Authority	GSS	N	1968	121	0	100.0%
45	Valdese Village	TGS	N	1983	34	0	100.0%
46	Village Creek Apts.	GSS	B+	1983	56	0	100.0%
◆ 47	Willow Ridge	TAX	N	2009	28	0	100.0%
48	Willow Run	TAX	A-	2000	24	0	100.0%
◆ 49	Willows	TAX	B+	1997	36	0	100.0%
50	Woodbridge Apts.	MRR	B-	1974	127	0	100.0%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	22	718	38	94.7%	65
TAX	6	262	0	100.0%	0
TGS	4	134	0	100.0%	0
GSS	18	767	0	100.0%	0

Total units does not include units under construction.

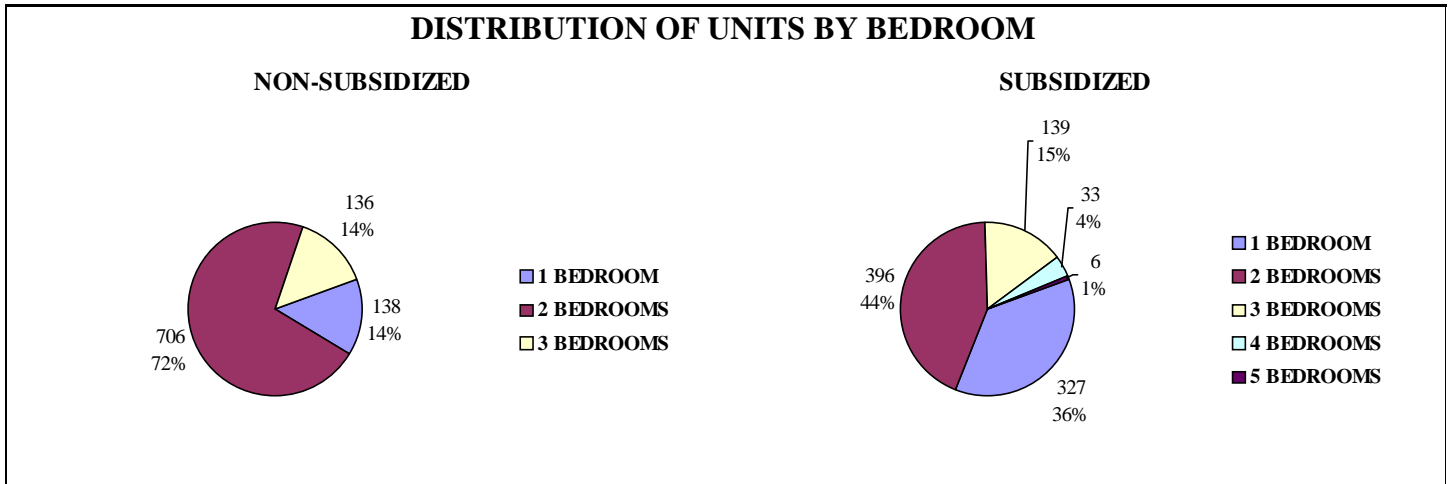
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

DISTRIBUTION OF UNITS - BURKE COUNTY, NORTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	60	8.4%	0	0.0%	\$615
1	1.5	4	0.6%	0	0.0%	\$695
2	1	143	19.9%	30	21.0%	\$650
2	1.5	194	27.0%	6	3.1%	\$670
2	2	218	30.4%	2	0.9%	\$570
2	2.5	15	2.1%	0	0.0%	\$695
3	1.5	21	2.9%	0	0.0%	\$625
3	2	59	8.2%	0	0.0%	\$795
3	2.5	4	0.6%	0	0.0%	\$650
TOTAL		718	100.0%	38	5.3%	
65 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	74	28.2%	0	0.0%	\$432
2	1	60	22.9%	0	0.0%	\$455
2	2	76	29.0%	0	0.0%	\$570
3	1	4	1.5%	0	0.0%	\$485
3	1.5	12	4.6%	0	0.0%	\$579
3	2	36	13.7%	0	0.0%	\$650
TOTAL		262	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	48	35.8%	0	0.0%	N.A.
2	1	60	44.8%	0	0.0%	N.A.
2	2	16	11.9%	0	0.0%	N.A.
3	1	10	7.5%	0	0.0%	N.A.
TOTAL		134	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	257	33.5%	0	0.0%	N.A.
1	2	22	2.9%	0	0.0%	N.A.
2	1	302	39.4%	0	0.0%	N.A.
2	1.5	18	2.3%	0	0.0%	N.A.
3	1	86	11.2%	0	0.0%	N.A.
3	1.5	43	5.6%	0	0.0%	N.A.
4	1.5	33	4.3%	0	0.0%	N.A.
5	2	6	0.8%	0	0.0%	N.A.
TOTAL		767	100.0%	0	0.0%	
GRAND TOTAL		1,881	-	38	2.0%	

DISTRIBUTION OF UNITS - BURKE COUNTY, NORTH CAROLINA



SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA

1 AGAPE Retirement Home			
No Picture on File	Address 212 Church St. NW Valdese, NC 28690	Phone (828) 874-3463 (Contact by phone)	Total Units 30
	Year Built 1985 Comments HUD Section 8	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Senior Restricted (62+) Waiting List 6 households
2 Alder Springs Deaf & Blind Community			
No Picture on File	Address 450 S. College St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 21
	Year Built 2016 Comments Does not accept HCV; Audio, visual & tactile alerts throughout facility	Contact Cindy	Vacancies 1 Occupied 95.2% Floors 3 Quality Rating N Waiting List None
3 Alpine Cotton Mill			
No Picture on File	Address 109 E. Fleming Dr. Morganton, NC 28655	Phone (828) 390-6151 (Contact by phone)	Total Units 0
	Year Built 2018 Comments 47 units UC, expect completion Fall 2018; Does not accept HCV	Contact Ginny	Vacancies 0 Occupied 0 Floors 3 Quality Rating N Waiting List None
4 Anderson Street Apts.			
No Picture on File	Address 224 N. Anderson St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 13
	Year Built 1971 Comments Does not accept HCV; 2-br have washer/dryer hookups	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
5 ARC/HDS Burke County GH #1			
No Picture on File	Address 101 Stephens Dr. Morganton, NC 28655	Phone (828) 438-6243 (Contact by phone)	Total Units 6
	Year Built 1983 Comments HUD Section 8; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated	Contact Jim	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List None

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA

6	ARC/HDS Burke County GH #3		
No Picture on File	Address 166 VFW Rd. Morganton, NC 28655 Year Built 1993 Comments HUD Section 8 & HUD Section 811; Group home, designated for disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated	Phone (336) 273-4404 <small>(Contact by phone)</small> Contact Jim	Total Units 6 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List None
7	Blue Ridge Apts.		
No Picture on File	Address 903 Pineburr Ave. SE Valdese, NC 28690 Year Built 1979 Comments RD 515, has RA (45 units)	Phone (828) 874-0079 <small>(Contact by phone)</small> Contact Becky	Total Units 46 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List 4 households
8	Bost Road Apts.		
No Picture on File	Address 325-331 Bost Rd. Morganton, NC 28655 Year Built 2002 Comments Does not accept HCV; Unit mix & square footage estimated	Phone (828) 312-1306 <small>(Contact by phone)</small> Contact Jimmy	Total Units 22 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
9	CAC of Burke County #1		
No Picture on File	Address 206 Lenoir St. Morganton, NC 28655 Year Built 1996 Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated	Phone (828) 430-8166 <small>(Contact by phone)</small> Contact Jim	Total Units 10 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List None
10	Cambridge I		
No Picture on File	Address 201 Patton St. Morganton, NC 28655 Year Built 1978 Comments Accepts HCV	Phone (828) 438-4111 <small>(Contact by phone)</small> Contact Cindy	Total Units 7 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None



Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018



SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA



11	Cambridge II					
No Picture on File	Address 209 Falls St. Morganton, NC 28655 Year Built 1978 Comments Accepts HCV	Phone (828) 438-4111 (Contact by phone) Contact Cindy	Total Units 7 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None			
12	Cascade Gardens					
	Address 644 1st St. Morganton, NC 28655 Year Built 1971 Comments Public Housing; Square footage estimated	Phone (828) 437-9101 (Contact by phone) Contact Victoria	Total Units 100 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B- Waiting List 6-12 months			
13	Cedarbrook Apts.					
	Address 232 Falls St. Morganton, NC 28680 Year Built 1988 Comments Does not accept HCV; 2-br/2-ba & 3-br have fireplace; Random units have tenant installed ceiling fan; Square footage estimated by contact	Phone (828) 433-0288 (Contact by phone) Contact Pam	Total Units 103 Vacancies 3 Occupied 97.1% Floors 2 Quality Rating B Waiting List None			
14	CHC of Burke County #1					
No Picture on File	Address 114 W. Erwin St. Morganton, NC 28680 Year Built 1995 Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated	Phone (828) 438-8350 (Contact by phone) Contact Jim	Total Units 6 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List None			
15	CHC of Burke County #2					
No Picture on File	Address 407 N. College St. Morganton, NC 28655 Year Built 1998 Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated	Phone (828) 433-7791 (Contact by phone) Contact Jim	Total Units 6 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating N Waiting List None			

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA

16	Drexel Apts.		
No Picture on File	Address 500 N. Main St. Drexel, NC 28619 Year Built 1979 Comments RD 515, no RA; HCV (6 units); Square footage estimated	Phone (828) 274-4111 (Contact by phone) Contact Betty	Total Units 40 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating N Waiting List 5 households
17	Forest View Apts.		
No Picture on File	Address 401 Lenoir Rd. Morganton, NC 28655 Year Built 1966 Renovated 2018 Comments Does not accept HCV; Opened 2/2018, still in lease-up	Phone (828) 433-0288 (Contact by phone) Contact Pam	Total Units 32 Vacancies 28 Occupied 12.5% Floors 2 Quality Rating N Waiting List None
18	Glenwood Hills		
	Address 1300 Burkemont Ave. Morganton, NC 28655 Year Built 2011 Comments 40%, 50% & 60% AMHI; HCV (20 units); 2 & 3-br have patio/balcony; Unit mix by AMHI estimated	Phone (828) 430-3384 (Contact by phone) Contact Cathy	Total Units 60 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A Waiting List 6 households
19	Green Acres		
	Address N. King St. Morganton, NC 28655 Year Built 1988 Comments HUD Section 8; Square footage estimated	Phone (828) 437-9101 (Contact by phone) Contact Duke	Total Units 30 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 1 year
20	High Meadow Apts.		
No Picture on File	Address 2400 Mourglea Ave. SE Valdese, NC 28690 Year Built 1986 Comments RD 515, has RA (39 units)	Phone (828) 874-4500 (Contact by phone) Contact Becky	Total Units 40 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating N Waiting List 2 households



Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018



SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA

21 High Timbers Apts.			
No Picture on File	Address 1713 Wesley Rd. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 6
	Year Built 1984 Comments Does not accept HCV	Contact Cindy	Vacancies 1 Occupied 83.3% Floors 2 Quality Rating N Waiting List None
22 Hopewell Road Apts.			
No Picture on File	Address 304 Hopewell Rd. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 8
	Year Built 2016 Comments Does not accept HCV	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
23 Huffman Street Apts.			
No Picture on File	Address 310 Huffman St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 7
	Year Built 1975 Comments Does not accept HCV	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
24 Meadow Brook			
	Address 102 Fiddler's Ct. Morgantown, NC 28655	Phone (828) 432-0093 (Contact by phone)	Total Units 38
	Year Built 1995 Comments 50% & 60% AMHI; HCV (9 units); Unit mix by AMHI estimated	Contact Kathleen	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 2 households
25 Millside Manor			
	Address 411 E. Union St. Morganton, NC 28655	Phone (828) 439-9989 (Contact by phone)	Total Units 28
	Year Built 2003 Comments 50% AMHI; HUD Section 8	Contact Elizabeth	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Senior Restricted (55+) Waiting List 12 months

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA


26 Mimosa Square			
	Address 720 W. Union St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 17
	Year Built 1964 Renovated 1996 Contact Cindy	Comments Does not accept HCV: Square footage estimated	
			Waiting List None
27 Morgan Hills Apts.			
	Address 906 Jamestown Rd. Morganton, NC 28655	Phone (828) 584-3306 (Contact by phone)	Total Units 48
	Year Built 1982 Renovated 2002 Contact Brooke	Comments 60% AMHI; RD 515, has RA (46 units)	
			Waiting List 24 households
28 Morganton Trading Company			
No Picture on File	Address 305 E. Union St. Morganton, NC 28655	Phone (828) 433-8080 (Contact by phone)	Total Units 43
	Year Built 2006	Contact Barry	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating N
Comments Does not accept HCV; Adaptive reuse, originally built in 1927; Mixed use			Waiting List 5 households
29 Oaks			
	Address 158 W. Parker Rd. Morganton, NC 28655	Phone (828) 438-0390 (Contact by phone)	Total Units 8
	Year Built 1978	Contact Sharon	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B-
Comments Does not accept HCV			Waiting List None
30 Park View Apts.			
	Address 504 Bethel Rd. Morganton, NC 28655	Phone (828) 433-8624 (Contact by phone)	Total Units 99
	Year Built 1968	Contact Amanda	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
Comments Does not accept HCV; Higher rent for renovated units			Waiting List 25 households

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA





31	Providence Place I-III						
	Address Carolina St. Morganton, NC 28655		Phone (828) 437-9101 (Contact by phone)		Total Units 150 Vacancies 0		Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List 6-12 months
	Year Built 1968 Comments Public Housing; Washer hookups only; Square footage estimated		Contact Victoria				
32	Riverview Apts.						
No Picture on File	Address 203 River Trail Morganton, NC 28655		Phone (828) 433-4934 (Contact by phone)		Total Units 100 Vacancies 0		Occupied 100.0% Floors 2,3 Quality Rating N Waiting List None
	Year Built 1988 Comments Does not accept HCV		Contact Cindy				
33	Rock Creek Apts.						
No Picture on File	Address 143 Ribet Ave. SW Valdese, NC 28690		Phone (828) 438-4111 (Contact by phone)		Total Units 12 Vacancies 5		Occupied 58.3% Floors 2 Quality Rating N Waiting List None
	Year Built 1973 Comments Does not accept HCV; 5 units recently available after renovations, 18 units now under renovation, expect completion end of 2018; Stackable washer/dryer included		Contact Cindy				
34	Rutherford Square						
No Picture on File	Address 101 Spann St. Connelly Springs, NC 28612		Phone (828) 879-2606 (Contact by phone)		Total Units 24 Vacancies 0		Occupied 100.0% Floors 2 Quality Rating N Waiting List 2 households
	Year Built 1987 Renovated 2017 Comments 50% & 60% AMHI; RD 515, has RA (23 units); Handicap accessible units have e-call system		Contact Sue				
35	Sienna						
No Picture on File	Address 607 Valdese Ave. Morganton, NC 28655		Phone (828) 433-5396 (Contact by phone)		Total Units 76 Vacancies 0		Occupied 100.0% Floors 3 Quality Rating N Waiting List 20-50 households
	Year Built 2016 Comments 40%, 50% & 60% AMHI; HCV (15 units); Opened 5/2016, 95% occupied 11/2016		Contact Tracy				

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA



36 South Mountain Apts.			
No Picture on File	Address Willow Point Dr. Morganton, NC 28655	Phone (849) 259-3144 (Contact by phone)	Total Units 32
	Year Built 1995	Contact Jacqueline	Vacancies 0
	Comments Does not accept HCV; Random units have tenant installed ceiling fans		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List 5-10 households
37 Southgate			
	Address 106 S. Anderson St. Morganton, NC 28655	Phone (828) 438-7247 (Contact by phone)	Total Units 22
	Year Built 1964	Contact Ed	Vacancies 0
	Comments Does not accept HCV; Square footage estimatd		Occupied 100.0%
			Floors 2.5
			Quality Rating B
			Waiting List None
38 Southmont Apts.			
	Address 408 W. Concord St. Morganton, NC 28655	Phone (828) 437-2323 (Contact by phone)	Total Units 26
	Year Built 1987	Contact Shelby	Vacancies 0
	Comments HUD Section 8; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating B-
			Senior Restricted (62+)
			Waiting List None
39 Sterling Forest			
	Address 131 Sterling Forest Dr. Morganton, NC 28655	Phone (828) 437-7632 (Contact by phone)	Total Units 24
	Year Built 1986	Contact Tanya	Vacancies 0
	Comments RD 515, has RA (24 units); Townhomes have exterior storage; Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating B+
			Waiting List None
40 Stonebridge Apts.			
	Address 151 Stonebridge Dr. Morganton, NC 28655	Phone (828) 437-8485 (Contact by phone)	Total Units 60
	Year Built 1979	Contact Christina	Vacancies 0
	Comments RD 515, has RA (60 units); Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List 10 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA


41 Terrace II			
No Picture on File	Address 101 Mulberry Hills Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 8
	Year Built 1978	Contact Cindy	Vacancies 0
	Comments Does not accept HCV; 2-br include washer/dryer; Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List None
42 Town Square			
	Address 206 Lenior St. Morganton, NC 28655	Phone (828) 430-6884 (Contact by phone)	Total Units 10
	Year Built 1995	Contact Kathryn	Vacancies 0
	Comments HUD Section 811; All units designated for mentally disabled; One manager unit not included in total; Handicap unit has e-call system		Occupied 100.0%
			Floors 2
			Quality Rating B+
			Waiting List 4 households
43 Union Square			
	Address 805 W. Union St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 24
	Year Built 1985	Contact Cindy	Vacancies 0
	Comments Accepts HCV (0 currently); Square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating B
			Waiting List 1 household
44 Valdese Housing Authority			
No Picture on File	Address 1402 Lydia Ave. Valdese, NC 28690	Phone (828) 874-0098 (Contact by phone)	Total Units 121
	Year Built 1968	Contact Peggy	Vacancies 0
	Comments Public Housing; Unit mix & square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating N
			Waiting List 75 households
45 Valdese Village			
No Picture on File	Address 1120 Refour Ave. Valdese, NC 28690	Phone (828) 879-9385 (Contact by phone)	Total Units 34
	Year Built 1983 Renovated 2005	Contact Janice	Vacancies 0
	Comments 60% AMHI; RD 515, no RA & HUD Section 8		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List 6 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - BURKE COUNTY, NORTH CAROLINA

	46 Village Creek Apts.		
	Address 1515 S. Sterling St. Morganton, NC 28655 Year Built 1983 Comments RD 515, has RA (55 units)	Phone (828) 438-9796 <small>(Contact by phone)</small> Contact Becky	Total Units 56 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List 10-12 households
	47 Willow Ridge		
No Picture on File	Address 105 Willow Run Dr. Morganton, NC 28655 Year Built 2009 Comments 50% & 60% AMHI; HCV (5 units)	Phone (828) 433-6161 <small>(Contact by phone)</small> Contact Roxie	Total Units 28 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Senior Restricted (55+) Waiting List 4-5 households
	48 Willow Run		
	Address 115 Willow Run Dr. Morganton, NC 28655 Year Built 2000 Comments 50% & 60% AMHI; HCV (12 units)	Phone (828) 438-8825 <small>(Contact by phone)</small> Contact Elisha	Total Units 24 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Waiting List 4 households
	49 Willows		
	Address 405 Old NC 18 Morganton, NC 28655 Year Built 1997 Comments 50% & 60% AMHI; HCV (approx 9 units)	Phone (828) 438-3690 <small>(Contact by phone)</small> Contact Alicia	Total Units 36 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+ Senior Restricted (55+) Waiting List 3 households
	50 Woodbridge Apts.		
	Address 315 Golf Course Rd. Morganton, NC 28655 Year Built 1974 Comments Does not accept HCV; Townhomes have exterior storage; Random units have ceiling fans; One 2-br office unit not included in total	Phone (828) 437-5757 <small>(Contact by phone)</small> Contact Jacqueline	Total Units 127 Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B- Waiting List 75 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

COLLECTED RENTS - BURKE COUNTY, NORTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2		\$780	\$980						
3									
4			\$500			\$425			
8							\$525	\$625	
10							\$560	\$680	
11							\$560	\$680	
13		\$615 to \$630	\$650 to \$695	\$795 to \$810		\$695	\$675 to \$695	\$795 to \$815	
17			\$675						
18		\$333 to \$540	\$398 to \$646	\$451 to \$738					
21							\$550		
22							\$550		
23						\$450	\$525	\$675	
24			\$450 to \$455	\$485 to \$490					
26		\$375	\$550	\$650					
28		\$850 to \$1000	\$950 to \$1425						
29		\$450							
30			\$695	\$795			\$650 to \$675		
32							\$560 to \$570		
33							\$650		
35		\$325 to \$470	\$400 to \$570	\$445 to \$650					
36			\$650						
37		\$380	\$510	\$510					
41							\$550	\$650	
43			\$500						
47		\$432 to \$500	\$515 to \$600						
48			\$516	\$579					
49		\$405 to \$455	\$511						
50			\$650 to \$695	\$770			\$670		

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018



PRICE PER SQUARE FOOT - BURKE COUNTY, NORTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	Alder Springs Deaf & Blind Community	1	625	\$780	\$1.25
3	Alpine Cotton Mill	1	700	\$740	\$1.06
4	Anderson Street Apts.	1	700	\$425	\$0.61
13	Cedarbrook Apts.	1	800 to 900	\$615 to \$630	\$0.70 to \$0.77
		1 to 1.5	950 to 1100	\$695	\$0.63 to \$0.73
23	Huffman Street Apts.	1	750	\$450	\$0.60
26	Mimosa Square	1	550	\$375	\$0.68
28	Morganton Trading Company	1	700 to 1185	\$850 to \$1000	\$0.84 to \$1.21
29	Oaks	1	800	\$450	\$0.56
37	Southgate	1	650	\$380	\$0.58
18	Glenwood Hills	1	769	\$333 to \$540	\$0.43 to \$0.70
35	Sienna	1	789	\$325 to \$470	\$0.41 to \$0.60
47	Willow Ridge	1	660	\$432 to \$500	\$0.65 to \$0.76
49	Willows	1	660	\$405 to \$455	\$0.61 to \$0.69
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	Alder Springs Deaf & Blind Community	1	780	\$980	\$1.26
3	Alpine Cotton Mill	2	1000	\$1150	\$1.15
4	Anderson Street Apts.	1	850	\$500	\$0.59
8	Bost Road Apts.	1.5	1000	\$525	\$0.53
10	Cambridge I	1.5	810	\$560	\$0.69
11	Cambridge II	1.5	810	\$560	\$0.69
13	Cedarbrook Apts.	1 to 2	1000 to 1200	\$650 to \$695	\$0.58 to \$0.65
		1.5 to 2.5	1100 to 1200	\$675 to \$695	\$0.58 to \$0.61
17	Forest View Apts.	1	816	\$675	\$0.83
21	High Timbers Apts.	1.5	950	\$550	\$0.58
22	Hopewell Road Apts.	1.5	810	\$550	\$0.68
23	Huffman Street Apts.	1.5	975	\$525	\$0.54
26	Mimosa Square	1	720	\$550	\$0.76
		2	880	\$550	\$0.63
28	Morganton Trading Company	2	800 to 1625	\$950 to \$1425	\$0.88 to \$1.19
30	Park View Apts.	1.5	1000	\$650 to \$675	\$0.65 to \$0.68
		2	1000	\$695	\$0.70
32	Riverview Apts.	2	810	\$560 to \$570	\$0.69 to \$0.70
33	Rock Creek Apts.	1.5	975	\$650	\$0.67

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

PRICE PER SQUARE FOOT - BURKE COUNTY, NORTH CAROLINA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
36	South Mountain Apts.	1	818	\$650	\$0.79
37	Southgate	1	870	\$510	\$0.59
41	Terrace II	1	810	\$550	\$0.68
43	Union Square	2	845	\$500	\$0.59
50	Woodbridge Apts.	1 to 2	1000	\$650 to \$695	\$0.65 to \$0.70
		1.5	1000	\$670	\$0.67
18	Glenwood Hills	2	1030	\$398 to \$646	\$0.39 to \$0.63
24	Meadow Brook	1	793	\$450 to \$455	\$0.57 to \$0.57
35	Sienna	2	1045	\$400 to \$570	\$0.38 to \$0.55
47	Willow Ridge	1	900	\$515 to \$600	\$0.57 to \$0.67
48	Willow Run	1	880	\$516	\$0.59
49	Willows	1	850	\$511	\$0.60
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
8	Bost Road Apts.	1.5	1100	\$625	\$0.57
10	Cambridge I	1.5	1010	\$680	\$0.67
11	Cambridge II	1.5	1010	\$680	\$0.67
13	Cedarbrook Apts.	2	1275 to 1300	\$795 to \$810	\$0.62 to \$0.62
		2.5	1350	\$795 to \$815	\$0.59 to \$0.60
23	Huffman Street Apts.	1.5	1150	\$675	\$0.59
26	Mimosa Square	2	995	\$650	\$0.65
30	Park View Apts.	2	1300	\$795	\$0.61
37	Southgate	2	945	\$510	\$0.54
41	Terrace II	2.5	975	\$650	\$0.67
50	Woodbridge Apts.	2	1300	\$770	\$0.59
18	Glenwood Hills	2	1179	\$451 to \$738	\$0.38 to \$0.63
24	Meadow Brook	1	955	\$485 to \$490	\$0.51 to \$0.51
35	Sienna	2	1231	\$445 to \$650	\$0.36 to \$0.53
48	Willow Run	1.5	1150	\$579	\$0.50

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

AVERAGE NET RENT PER SQUARE FOOT - BURKE COUNTY, NORTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.80	\$0.76	\$0.60
TOWNHOUSE	\$0.65	\$0.66	\$0.61

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.64	\$0.55	\$0.50
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.70	\$0.69	\$0.56
TOWNHOUSE	\$0.65	\$0.66	\$0.61

TAX CREDIT UNITS - BURKE COUNTY, NORTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
35	Sienna	3	789	1	40%	\$325
18	Glenwood Hills	2	769	1	40%	\$333
◆ 49	Willows	22	660	1	50%	\$405
35	Sienna	3	789	1	50%	\$420
◆ 47	Willow Ridge	7	660	1	50%	\$432
18	Glenwood Hills	3	769	1	50%	\$436
◆ 49	Willows	12	660	1	60%	\$455
35	Sienna	6	789	1	60%	\$470
34	Rutherford Square	4	600	1	50%	\$496 - \$558
34	Rutherford Square	4	600	1	60%	\$496 - \$558
◆ 47	Willow Ridge	9	660	1	60%	\$500
◆ 25	Millside Manor	24	660	1	50%	\$517
27	Morgan Hills Apts.	16	650	1	60%	\$520 - \$637
18	Glenwood Hills	7	769	1	60%	\$540
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
18	Glenwood Hills	6	1030	2	40%	\$398
35	Sienna	10	1045	2	40%	\$400
24	Meadow Brook	14	793	1	50%	\$450
24	Meadow Brook	20	793	1	60%	\$455
35	Sienna	10	1045	2	50%	\$500
◆ 49	Willows	2	850	1	60%	\$511
◆ 47	Willow Ridge	5	900	1	50%	\$515
48	Willow Run	12	880	1	50%	\$516
18	Glenwood Hills	10	1030	2	50%	\$522
27	Morgan Hills Apts.	32	835	1	60%	\$540 - \$697
45	Valdese Village	24	900	1	60%	\$553 - \$661
35	Sienna	20	1045	2	60%	\$570
34	Rutherford Square	8	884	2	60%	\$571 - \$669
34	Rutherford Square	8	884	2	50%	\$571 - \$669
◆ 47	Willow Ridge	7	900	1	60%	\$600
◆ 25	Millside Manor	4	850	1	50%	\$621
18	Glenwood Hills	20	1030	2	60%	\$646

◆ - Senior Restricted

TAX CREDIT UNITS - BURKE COUNTY, NORTH CAROLINA

THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
35	Sienna	6	1231	2	40%	\$445
18	Glenwood Hills	2	1179	2	40%	\$451
24	Meadow Brook	2	955	1	50%	\$485
24	Meadow Brook	2	955	1	60%	\$490
35	Sienna	6	1231	2	50%	\$575
48	Willow Run	12	1150	1.5	60%	\$579
18	Glenwood Hills	2	1179	2	50%	\$594
35	Sienna	12	1231	2	60%	\$650
45	Valdese Village	10	1100	1	60%	\$678 - \$816
18	Glenwood Hills	8	1179	2	60%	\$738

◆ - Senior Restricted

QUALITY RATING - BURKE COUNTY, NORTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

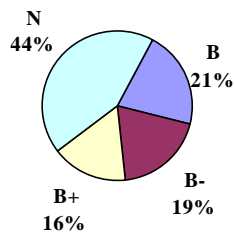
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN NET RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	2	116	0.0%		\$375	\$675	\$795	
B	3	149	2.0%		\$615	\$650	\$795	
B-	2	135	0.0%		\$450	\$670	\$770	
N.A.	14	318	11.0%		\$850	\$570	\$625	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

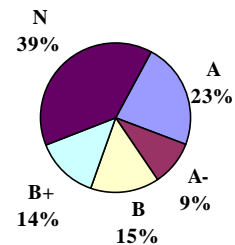
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN NET RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	60	0.0%		\$540	\$646	\$738	
A-	1	24	0.0%			\$516	\$579	
B+	1	36	0.0%		\$405	\$511		
B	1	38	0.0%			\$455	\$485	
N.A.	2	104	0.0%		\$470	\$570	\$575	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - BURKE COUNTY, NORTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	4	170	28	16.5%	170	17.3%
1970 to 1979	8	189	5	2.6%	359	19.3%
1980 to 1989	4	233	4	1.7%	592	23.8%
1990 to 1999	3	106	0	0.0%	698	10.8%
2000 to 2005	2	46	0	0.0%	744	4.7%
2006 to 2010	2	71	0	0.0%	815	7.2%
2011	1	60	0	0.0%	875	6.1%
2012	0	0	0	0.0%	875	0.0%
2013	0	0	0	0.0%	875	0.0%
2014	0	0	0	0.0%	875	0.0%
2015	0	0	0	0.0%	875	0.0%
2016	3	105	1	1.0%	980	10.7%
2017	0	0	0	0.0%	980	0.0%
2018**	0	0	0	0.0%	980	0.0%
TOTAL	27	980	38	3.9%	980	100.0 %

YEAR RENOVATED - BURKE COUNTY, NORTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	17	0	0.0%	17	34.7%
2000 to 2005	0	0	0	0.0%	17	0.0%
2006 to 2010	0	0	0	0.0%	17	0.0%
2011	0	0	0	0.0%	17	0.0%
2012	0	0	0	0.0%	17	0.0%
2013	0	0	0	0.0%	17	0.0%
2014	0	0	0	0.0%	17	0.0%
2015	0	0	0	0.0%	17	0.0%
2016	0	0	0	0.0%	17	0.0%
2017	0	0	0	0.0%	17	0.0%
2018**	1	32	28	87.5%	49	65.3%
TOTAL	2	49	28	57.1%	49	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of February 2018

APPLIANCES AND UNIT AMENITIES - BURKE COUNTY, NORTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	28	100.0%	980
REFRIGERATOR	28	100.0%	980
ICEMAKER	3	10.7%	146
DISHWASHER	21	75.0%	747
DISPOSAL	13	46.4%	517
MICROWAVE	5	17.9%	123
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	25	89.3%	928
AC - WINDOW	3	10.7%	52
FLOOR COVERING	28	100.0%	980
WASHER/DRYER	5	17.9%	63
WASHER/DRYER HOOK-UP	26	92.9%	926
PATIO/DECK/BALCONY	14	50.0%	640
CEILING FAN	17	60.7%	793
FIREPLACE	2	7.1%	120
BASEMENT	0	0.0%	
INTERCOM SYSTEM	1	3.6%	28
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	26	92.9%	952
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	7.1%	64

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - BURKE COUNTY, NORTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	3	10.7%	329
ON-SITE MANAGEMENT	9	32.1%	591
LAUNDRY	9	32.1%	482
CLUB HOUSE	0	0.0%	
MEETING ROOM	4	14.3%	161
FITNESS CENTER	3	10.7%	164
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	5	17.9%	362
COMPUTER LAB	2	7.1%	104
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	2	7.1%	71
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	3	10.7%	235
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	3.6%	28

DISTRIBUTION OF UTILITIES - BURKE COUNTY, NORTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	6	302	16.1%
GAS	5	165	8.8%
TENANT			
ELECTRIC	35	1,218	64.8%
GAS	4	196	10.4%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	10	445	23.7%
GAS	1	22	1.2%
TENANT			
ELECTRIC	39	1,414	75.2%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	6	302	16.1%
GAS	5	165	8.8%
TENANT			
ELECTRIC	35	1,218	64.8%
GAS	4	196	10.4%
			100.0%
ELECTRIC			
LANDLORD	10	445	23.7%
TENANT	40	1,436	76.3%
			100.0%
WATER			
LANDLORD	32	1,308	69.5%
TENANT	18	573	30.5%
			100.0%
SEWER			
LANDLORD	32	1,308	69.5%
TENANT	18	573	30.5%
TRASH PICK-UP			
LANDLORD	43	1,615	85.9%
TENANT	7	266	14.1%
			100.0%

ADDENDUM B: PHONE SURVEY OF CONVENTIONAL RENTALS

MORGANTON, NORTH CAROLINA

The following section is a phone survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and previous field inspection conducted by our firm. The intent of this phone survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site. None of these properties were visited in person. Because this information is collected by phone, we cannot verify the accuracy of this data.

The phone survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

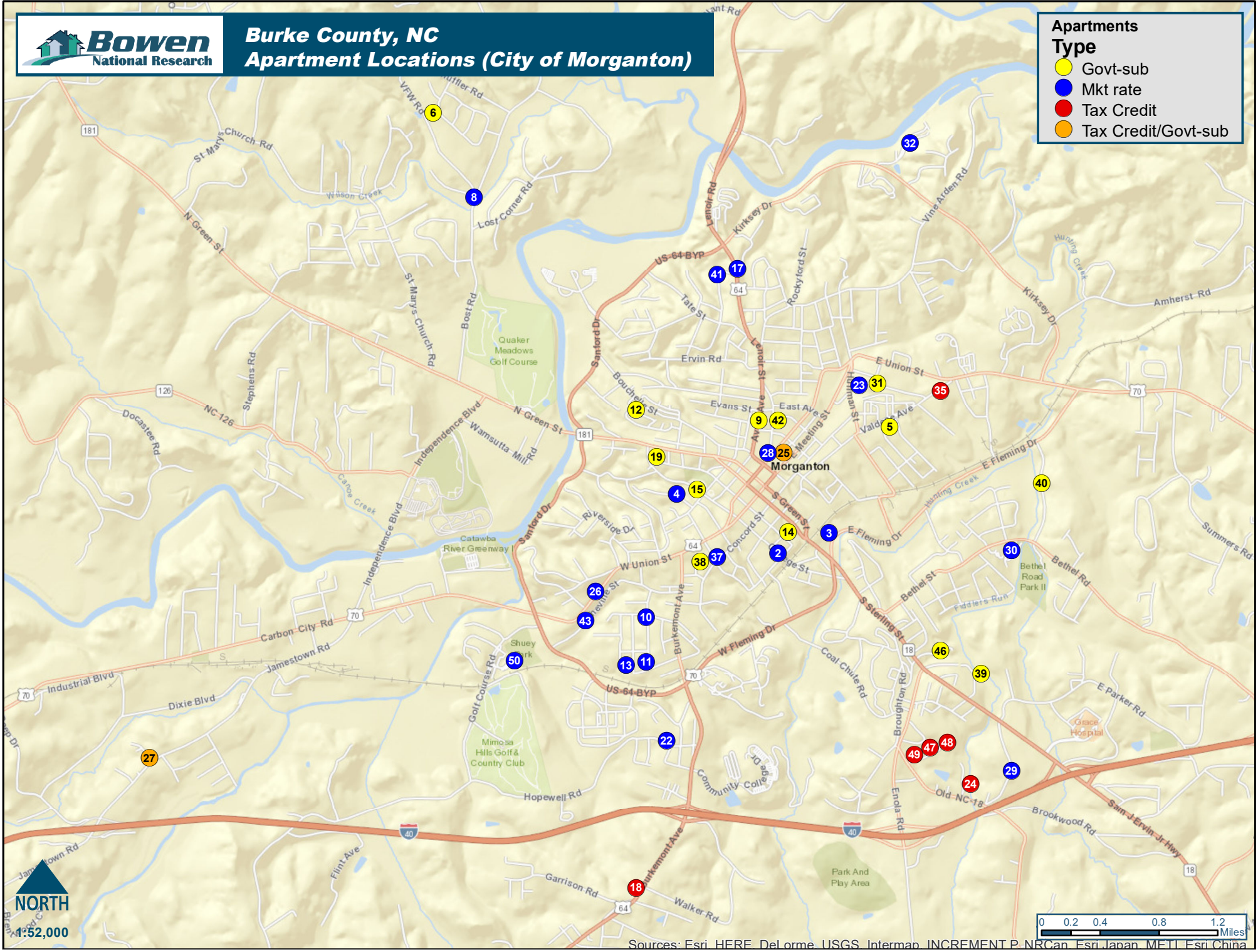
Finally, it should be noted that this is not likely a complete inventory of all rental properties. An in-person visit would allow verification of data collected by telephone, as well as an opportunity to identify other potential competitive properties.



Burke County, NC Apartment Locations (City of Morganton)

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:52,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

MAP IDENTIFICATION LIST - MORGANTON, NORTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE
2	Alder Springs Deaf & Blind Community	MRR	N	2016	21	1	95.2%
3	Alpine Cotton Mill	MRR	N	2018	0	0	U/C
4	Anderson Street Apts.	MRR	N	1971	13	0	100.0%
5	ARC/HDS Burke County GH #1	GSS	N	1983	6	0	100.0%
6	ARC/HDS Burke County GH #3	GSS	N	1993	6	0	100.0%
8	Bost Road Apts.	MRR	N	2002	22	0	100.0%
9	CAC of Burke County #1	GSS	N	1996	10	0	100.0%
10	Cambridge I	MRR	N	1978	7	0	100.0%
11	Cambridge II	MRR	N	1978	7	0	100.0%
12	Cascade Gardens	GSS	B-	1971	100	0	100.0%
13	Cedarbrook Apts.	MRR	B	1988	103	3	97.1%
14	CHC of Burke County #1	GSS	N	1995	6	0	100.0%
15	CHC of Burke County #2	GSS	N	1998	6	0	100.0%
17	Forest View Apts.	MRR	N	1966	32	28	12.5%
18	Glenwood Hills	TAX	A	2011	60	0	100.0%
◆ 19	Green Acres	GSS	B-	1988	30	0	100.0%
22	Hopewell Road Apts.	MRR	N	2016	8	0	100.0%
23	Huffman Street Apts.	MRR	N	1975	7	0	100.0%
24	Meadow Brook	TAX	B	1995	38	0	100.0%
◆ 25	Millside Manor	TGS	A-	2003	28	0	100.0%
26	Mimosa Square	MRR	B+	1964	17	0	100.0%
27	Morgan Hills Apts.	TGS	B	1982	48	0	100.0%
28	Morganton Trading Company	MRR	N	2006	43	0	100.0%
29	Oaks	MRR	B-	1978	8	0	100.0%
30	Park View Apts.	MRR	B+	1968	99	0	100.0%
31	Providence Place I-III	GSS	B+	1968	150	0	100.0%
32	Riverview Apts.	MRR	N	1988	100	0	100.0%
35	Sienna	TAX	N	2016	76	0	100.0%
37	Southgate	MRR	B	1964	22	0	100.0%
◆ 38	Southmont Apts.	GSS	B-	1987	26	0	100.0%
39	Sterling Forest	GSS	B+	1986	24	0	100.0%
40	Stonebridge Apts.	GSS	B-	1979	60	0	100.0%
41	Terrace II	MRR	N	1978	8	0	100.0%
42	Town Square	GSS	B+	1995	10	0	100.0%
43	Union Square	MRR	B	1985	24	0	100.0%
46	Village Creek Apts.	GSS	B+	1983	56	0	100.0%
◆ 47	Willow Ridge	TAX	N	2009	28	0	100.0%

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

MAP IDENTIFICATION LIST - MORGANTON, NORTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE
48	Willow Run	TAX	A-	2000	24	0	100.0%
49	Willows	TAX	B+	1997	36	0	100.0%
50	Woodbridge Apts.	MRR	B-	1974	127	0	100.0%

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	19	668	32	95.2%	47
TAX	6	262	0	100.0%	0
TGS	2	76	0	100.0%	0
GSS	13	490	0	100.0%	0

Total units does not include units under construction.

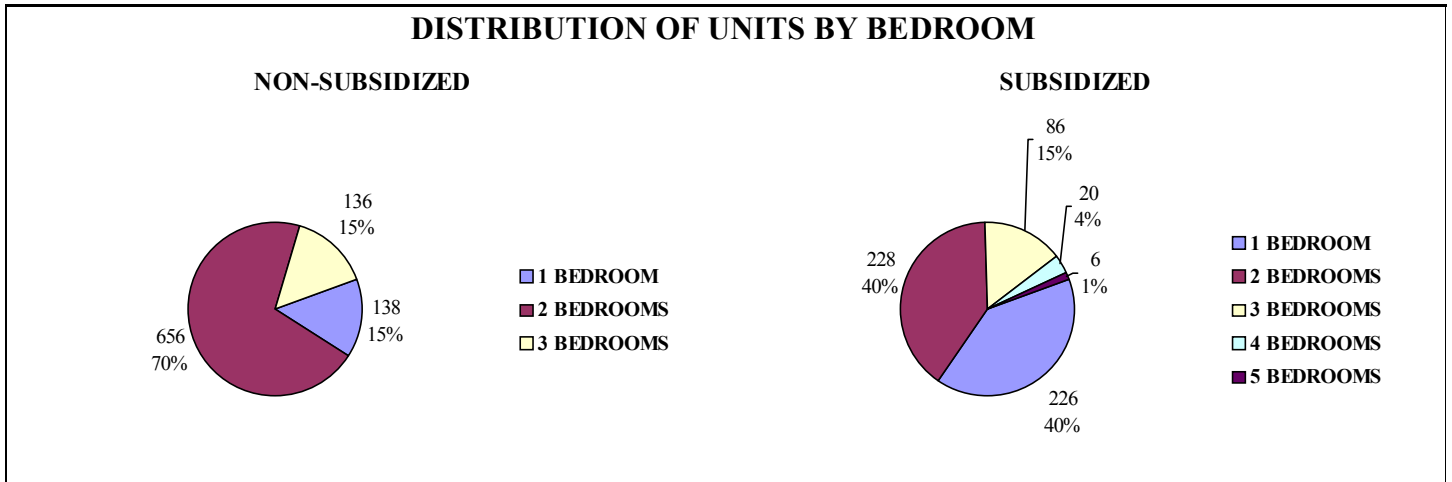
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

DISTRIBUTION OF UNITS - MORGANTON, NORTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	60	9.0%	0	0.0%	\$615
1	1.5	4	0.6%	0	0.0%	\$695
2	1	111	16.6%	30	27.0%	\$650
2	1.5	176	26.3%	0	0.0%	\$670
2	2	218	32.6%	2	0.9%	\$570
2	2.5	15	2.2%	0	0.0%	\$695
3	1.5	21	3.1%	0	0.0%	\$625
3	2	59	8.8%	0	0.0%	\$795
3	2.5	4	0.6%	0	0.0%	\$650
TOTAL		668	100.0%	32	4.8%	
47 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	74	28.2%	0	0.0%	\$432
2	1	60	22.9%	0	0.0%	\$455
2	2	76	29.0%	0	0.0%	\$570
3	1	4	1.5%	0	0.0%	\$485
3	1.5	12	4.6%	0	0.0%	\$579
3	2	36	13.7%	0	0.0%	\$650
TOTAL		262	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN NET RENT
1	1	40	52.6%	0	0.0%	N.A.
2	1	36	47.4%	0	0.0%	N.A.
TOTAL		76	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	164	33.5%	0	0.0%	N.A.
1	2	22	4.5%	0	0.0%	N.A.
2	1	174	35.5%	0	0.0%	N.A.
2	1.5	18	3.7%	0	0.0%	N.A.
3	1	86	17.6%	0	0.0%	N.A.
4	1.5	20	4.1%	0	0.0%	N.A.
5	2	6	1.2%	0	0.0%	N.A.
TOTAL		490	100.0%	0	0.0%	
GRAND TOTAL		1,496	-	32	2.1%	

DISTRIBUTION OF UNITS - MORGANTON, NORTH CAROLINA



SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA


2 Alder Springs Deaf & Blind Community			
No Picture on File	Address 450 S. College St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 21
	Year Built 2016	Contact Cindy	Vacancies 1
	Comments Does not accept HCV; Audio, visual & tactile alerts throughout facility		Occupied 95.2%
			Floors 3
			Quality Rating N
			Waiting List None
3 Alpine Cotton Mill			
No Picture on File	Address 109 E. Fleming Dr. Morganton, NC 28655	Phone (828) 390-6151 (Contact by phone)	Total Units 0
	Year Built 2018	Contact Ginny	Vacancies 0
	Comments 47 units UC, expect completion Fall 2018; Does not accept HCV		Occupied 0
			Floors 3
			Quality Rating N
			Waiting List None
4 Anderson Street Apts.			
No Picture on File	Address 224 N. Anderson St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 13
	Year Built 1971	Contact Cindy	Vacancies 0
	Comments Does not accept HCV; 2-br have washer/dryer hookups		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List None
5 ARC/HDS Burke County GH #1			
No Picture on File	Address 101 Stephens Dr. Morganton, NC 28655	Phone (828) 438-6243 (Contact by phone)	Total Units 6
	Year Built 1983	Contact Jim	Vacancies 0
	Comments HUD Section 8; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List None
6 ARC/HDS Burke County GH #3			
No Picture on File	Address 166 VFW Rd. Morganton, NC 28655	Phone (336) 273-4404 (Contact by phone)	Total Units 6
	Year Built 1993	Contact Jim	Vacancies 0
	Comments HUD Section 8 & HUD Section 811; Group home, designated for disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List None

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA



8 Bost Road Apts.			
No Picture on File	Address 325-331 Bost Rd. Morganton, NC 28655	Phone (828) 312-1306 (Contact by phone)	Total Units 22
	Year Built 2002	Contact Jimmy	Vacancies 0
	Comments Does not accept HCV; Unit mix & square footage estimated		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List None
9 CAC of Burke County #1			
No Picture on File	Address 206 Lenoir St. Morganton, NC 28655	Phone (828) 430-8166 (Contact by phone)	Total Units 10
	Year Built 1996	Contact Jim	Vacancies 0
	Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List None
10 Cambridge I			
No Picture on File	Address 201 Patton St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 7
	Year Built 1978	Contact Cindy	Vacancies 0
	Comments Accepts HCV		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List None
11 Cambridge II			
No Picture on File	Address 209 Falls St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 7
	Year Built 1978	Contact Cindy	Vacancies 0
	Comments Accepts HCV		Occupied 100.0%
			Floors 2
			Quality Rating N
			Waiting List None
12 Cascade Gardens			
	Address 644 1st St. Morganton, NC 28655	Phone (828) 437-9101 (Contact by phone)	Total Units 100
	Year Built 1971	Contact Victoria	Vacancies 0
	Comments Public Housing; Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List 6-12 months

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA




13 Cedarbrook Apts.			
	Address 232 Falls St. Morganton, NC 28680	Phone (828) 433-0288 (Contact by phone)	Total Units 103
	Year Built 1988	Contact Pam	Vacancies 3
	Comments Does not accept HCV; 2-br/2-ba & 3-br have fireplace; Random units have tenant installed ceiling fan; Square footage estimated by contact		Occupied 97.1%
			Floors 2
			Quality Rating B
			Waiting List None
14 CHC of Burke County #1			
No Picture on File	Address 114 W. Erwin St. Morganton, NC 28680	Phone (828) 438-8350 (Contact by phone)	Total Units 6
	Year Built 1995	Contact Jim	Vacancies 0
	Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List None
15 CHC of Burke County #2			
No Picture on File	Address 407 N. College St. Morganton, NC 28655	Phone (828) 433-7791 (Contact by phone)	Total Units 6
	Year Built 1998	Contact Jim	Vacancies 0
	Comments HUD Section 8 & HUD Section 811; Group home, designated for mentally disabled; Shared kitchen, living room, bathrooms & laundry room; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating N
			Waiting List None
17 Forest View Apts.			
No Picture on File	Address 401 Lenoir Rd. Morganton, NC 28655	Phone (828) 433-0288 (Contact by phone)	Total Units 32
	Year Built 1966 Renovated 2018	Contact Pam	Vacancies 28
	Comments Does not accept HCV; Opened 2/2018, still in lease-up		Occupied 12.5%
			Floors 2
			Quality Rating N
			Waiting List None
18 Glenwood Hills			
	Address 1300 Burkemont Ave. Morganton, NC 28655	Phone (828) 430-3384 (Contact by phone)	Total Units 60
	Year Built 2011	Contact Cathy	Vacancies 0
	Comments 40%, 50% & 60% AMHI; HCV (20 units); 2 & 3-br have patio/balcony; Unit mix by AMHI estimated		Occupied 100.0%
			Floors 2
			Quality Rating A
			Waiting List 6 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA



19 Green Acres			
	Address N. King St. Morganton, NC 28655 Year Built 1988 Comments HUD Section 8; Square footage estimated	Phone (828) 437-9101 (Contact by phone) Contact Duke	Total Units 30 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 1 year
	22 Hopewell Road Apts.		
No Picture on File	Address 304 Hopewell Rd. Morganton, NC 28655 Year Built 2016 Comments Does not accept HCV	Phone (828) 438-4111 (Contact by phone) Contact Cindy	Total Units 8 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
	23 Huffman Street Apts.		
No Picture on File	Address 310 Huffman St. Morganton, NC 28655 Year Built 1975 Comments Does not accept HCV	Phone (828) 438-4111 (Contact by phone) Contact Cindy	Total Units 7 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Waiting List None
	24 Meadow Brook		
	Address 102 Fiddler's Ct. Morgantown, NC 28655 Year Built 1995 Comments 50% & 60% AMHI; HCV (9 units); Unit mix by AMHI estimated	Phone (828) 432-0093 (Contact by phone) Contact Kathleen	Total Units 38 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 2 households
	25 Millside Manor		
	Address 411 E. Union St. Morganton, NC 28655 Year Built 2003 Comments 50% AMHI; HUD Section 8	Phone (828) 439-9989 (Contact by phone) Contact Elizabeth	Total Units 28 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Senior Restricted (55+) Waiting List 12 months

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA



26 Mimosa Square			
	Address 720 W. Union St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 17
	Year Built 1964 Renovated 1996 Contact Cindy	Comments Does not accept HCV: Square footage estimated	
			Waiting List None
27 Morgan Hills Apts.			
	Address 906 Jamestown Rd. Morganton, NC 28655	Phone (828) 584-3306 (Contact by phone)	Total Units 48
	Year Built 1982 Renovated 2002 Contact Brooke	Comments 60% AMHI; RD 515, has RA (46 units)	
			Waiting List 24 households
28 Morganton Trading Company			
No Picture on File	Address 305 E. Union St. Morganton, NC 28655	Phone (828) 433-8080 (Contact by phone)	Total Units 43
	Year Built 2006 Contact Barry	Comments Does not accept HCV; Adaptive reuse, originally built in 1927; Mixed use	
			Vacancies 0 Occupied 100.0% Floors 3 Quality Rating N
			Waiting List 5 households
29 Oaks			
	Address 158 W. Parker Rd. Morganton, NC 28655	Phone (828) 438-0390 (Contact by phone)	Total Units 8
	Year Built 1978 Contact Sharon	Comments Does not accept HCV	
			Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B-
			Waiting List None
30 Park View Apts.			
	Address 504 Bethel Rd. Morganton, NC 28655	Phone (828) 433-8624 (Contact by phone)	Total Units 99
	Year Built 1968 Contact Amanda	Comments Does not accept HCV; Higher rent for renovated units	
			Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 25 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA


31 Providence Place I-III			
	Address Carolina St. Morganton, NC 28655	Phone (828) 437-9101 (Contact by phone)	Total Units 150
	Year Built 1968 Comments Public Housing; Washer hookups only; Square footage estimated	Contact Victoria	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List 6-12 months
32 Riverview Apts.			
No Picture on File	Address 203 River Trail Morganton, NC 28655	Phone (828) 433-4934 (Contact by phone)	Total Units 100
	Year Built 1988 Comments Does not accept HCV	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating N Waiting List None
35 Sienna			
No Picture on File	Address 607 Valdese Ave. Morganton, NC 28655	Phone (828) 433-5396 (Contact by phone)	Total Units 76
	Year Built 2016 Comments 40%, 50% & 60% AMHI; HCV (15 units); Opened 5/2016, 95% occupied 11/2016	Contact Tracy	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating N Waiting List 20-50 households
37 Southgate			
	Address 106 S. Anderson St. Morganton, NC 28655	Phone (828) 438-7247 (Contact by phone)	Total Units 22
	Year Built 1964 Comments Does not accept HCV; Square footage estimated	Contact Ed	Vacancies 0 Occupied 100.0% Floors 2.5 Quality Rating B Waiting List None
38 Southmont Apts.			
	Address 408 W. Concord St. Morganton, NC 28655	Phone (828) 437-2323 (Contact by phone)	Total Units 26
	Year Built 1987 Comments HUD Section 8; Square footage estimated	Contact Shelby	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA


39 Sterling Forest			
	Address 131 Sterling Forest Dr. Morganton, NC 28655	Phone (828) 437-7632 (Contact by phone)	Total Units 24
	Year Built 1986 Comments RD 515, has RA (24 units); Townhomes have exterior storage; Square footage estimated	Contact Tanya	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+
			Waiting List None
40 Stonebridge Apts.			
	Address 151 Stonebridge Dr. Morganton, NC 28655	Phone (828) 437-8485 (Contact by phone)	Total Units 60
	Year Built 1979 Comments RD 515, has RA (60 units); Square footage estimated	Contact Christina	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B-
			Waiting List 10 households
41 Terrace II			
No Picture on File	Address 101 Mulberry Hills Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 8
	Year Built 1978 Comments Does not accept HCV; 2-br include washer/dryer; Square footage estimated	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N
			Waiting List None
42 Town Square			
	Address 206 Lenior St. Morganton, NC 28655	Phone (828) 430-6884 (Contact by phone)	Total Units 10
	Year Built 1995 Comments HUD Section 811; All units designated for mentally disabled; One manager unit not included in total; Handicap unit has e-call system	Contact Kathryn	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
			Waiting List 4 households
43 Union Square			
	Address 805 W. Union St. Morganton, NC 28655	Phone (828) 438-4111 (Contact by phone)	Total Units 24
	Year Built 1985 Comments Accepts HCV (0 currently); Square footage estimated	Contact Cindy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B
			Waiting List 1 household

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - MORGANTON, NORTH CAROLINA

46 Village Creek Apts.			
	Address 1515 S. Sterling St. Morganton, NC 28655 Year Built 1983 Comments RD 515, has RA (55 units)	Phone (828) 438-9796 (Contact by phone) Contact Becky	Total Units 56 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B+ Waiting List 10-12 households
	47 Willow Ridge		
No Picture on File	Address 105 Willow Run Dr. Morganton, NC 28655 Year Built 2009 Comments 50% & 60% AMHI; HCV (5 units)	Phone (828) 433-6161 (Contact by phone) Contact Roxie	Total Units 28 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating N Senior Restricted (55+) Waiting List 4-5 households
	48 Willow Run		
	Address 115 Willow Run Dr. Morganton, NC 28655 Year Built 2000 Comments 50% & 60% AMHI; HCV (12 units)	Phone (828) 438-8825 (Contact by phone) Contact Elisha	Total Units 24 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Waiting List 4 households
	49 Willows		
	Address 405 Old NC 18 Morganton, NC 28655 Year Built 1997 Comments 50% & 60% AMHI; HCV (approx 9 units)	Phone (828) 438-3690 (Contact by phone) Contact Alicia	Total Units 36 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+ Senior Restricted (55+) Waiting List 3 households
	50 Woodbridge Apts.		
	Address 315 Golf Course Rd. Morganton, NC 28655 Year Built 1974 Comments Does not accept HCV; Townhomes have exterior storage; Random units have ceiling fans; One 2-br office unit not included in total	Phone (828) 437-5757 (Contact by phone) Contact Jacqueline	Total Units 127 Vacancies 0 Occupied 100.0% Floors 2,3 Quality Rating B- Waiting List 75 households

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

COLLECTED RENTS - MORGANTON, NORTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2		\$780	\$980						
3									
4			\$500			\$425			
8							\$525	\$625	
10							\$560	\$680	
11							\$560	\$680	
13		\$615 to \$630	\$650 to \$695	\$795 to \$810		\$695	\$675 to \$695	\$795 to \$815	
17			\$675						
18		\$333 to \$540	\$398 to \$646	\$451 to \$738					
22							\$550		
23						\$450	\$525	\$675	
24			\$450 to \$455	\$485 to \$490					
26		\$375	\$550	\$650					
28		\$850 to \$1000	\$950 to \$1425						
29		\$450							
30			\$695	\$795			\$650 to \$675		
32							\$560 to \$570		
35		\$325 to \$470	\$400 to \$570	\$445 to \$650					
37		\$380	\$510	\$510					
41							\$550	\$650	
43			\$500						
47		\$432 to \$500	\$515 to \$600						
48			\$516	\$579					
49		\$405 to \$455	\$511						
50			\$650 to \$695	\$770			\$670		

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

PRICE PER SQUARE FOOT - MORGANTON, NORTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	Alder Springs Deaf & Blind Community	1	625	\$780	\$1.25
3	Alpine Cotton Mill	1	700	\$740	\$1.06
4	Anderson Street Apts.	1	700	\$425	\$0.61
13	Cedarbrook Apts.	1	800 to 900	\$615 to \$630	\$0.70 to \$0.77
		1 to 1.5	950 to 1100	\$695	\$0.63 to \$0.73
23	Huffman Street Apts.	1	750	\$450	\$0.60
26	Mimosa Square	1	550	\$375	\$0.68
28	Morganton Trading Company	1	700 to 1185	\$850 to \$1000	\$0.84 to \$1.21
29	Oaks	1	800	\$450	\$0.56
37	Southgate	1	650	\$380	\$0.58
18	Glenwood Hills	1	769	\$333 to \$540	\$0.43 to \$0.70
35	Sienna	1	789	\$325 to \$470	\$0.41 to \$0.60
47	Willow Ridge	1	660	\$432 to \$500	\$0.65 to \$0.76
49	Willows	1	660	\$405 to \$455	\$0.61 to \$0.69
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	Alder Springs Deaf & Blind Community	1	780	\$980	\$1.26
3	Alpine Cotton Mill	2	1000	\$1150	\$1.15
4	Anderson Street Apts.	1	850	\$500	\$0.59
8	Bost Road Apts.	1.5	1000	\$525	\$0.53
10	Cambridge I	1.5	810	\$560	\$0.69
11	Cambridge II	1.5	810	\$560	\$0.69
13	Cedarbrook Apts.	1 to 2	1000 to 1200	\$650 to \$695	\$0.58 to \$0.65
		1.5 to 2.5	1100 to 1200	\$675 to \$695	\$0.58 to \$0.61
17	Forest View Apts.	1	816	\$675	\$0.83
22	Hopewell Road Apts.	1.5	810	\$550	\$0.68
23	Huffman Street Apts.	1.5	975	\$525	\$0.54
26	Mimosa Square	1	720	\$550	\$0.76
		2	880	\$550	\$0.63
28	Morganton Trading Company	2	800 to 1625	\$950 to \$1425	\$0.88 to \$1.19
30	Park View Apts.	1.5	1000	\$650 to \$675	\$0.65 to \$0.68
		2	1000	\$695	\$0.70
32	Riverview Apts.	2	810	\$560 to \$570	\$0.69 to \$0.70
37	Southgate	1	870	\$510	\$0.59
41	Terrace II	1	810	\$550	\$0.68

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

PRICE PER SQUARE FOOT - MORGANTON, NORTH CAROLINA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
43	Union Square	2	845	\$500	\$0.59
50	Woodbridge Apts.	1 to 2	1000	\$650 to \$695	\$0.65 to \$0.70
		1.5	1000	\$670	\$0.67
18	Glenwood Hills	2	1030	\$398 to \$646	\$0.39 to \$0.63
24	Meadow Brook	1	793	\$450 to \$455	\$0.57 to \$0.57
35	Sienna	2	1045	\$400 to \$570	\$0.38 to \$0.55
47	Willow Ridge	1	900	\$515 to \$600	\$0.57 to \$0.67
48	Willow Run	1	880	\$516	\$0.59
49	Willows	1	850	\$511	\$0.60
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
8	Bost Road Apts.	1.5	1100	\$625	\$0.57
10	Cambridge I	1.5	1010	\$680	\$0.67
11	Cambridge II	1.5	1010	\$680	\$0.67
13	Cedarbrook Apts.	2	1275 to 1300	\$795 to \$810	\$0.62 to \$0.62
		2.5	1350	\$795 to \$815	\$0.59 to \$0.60
23	Huffman Street Apts.	1.5	1150	\$675	\$0.59
26	Mimosa Square	2	995	\$650	\$0.65
30	Park View Apts.	2	1300	\$795	\$0.61
37	Southgate	2	945	\$510	\$0.54
41	Terrace II	2.5	975	\$650	\$0.67
50	Woodbridge Apts.	2	1300	\$770	\$0.59
18	Glenwood Hills	2	1179	\$451 to \$738	\$0.38 to \$0.63
24	Meadow Brook	1	955	\$485 to \$490	\$0.51 to \$0.51
35	Sienna	2	1231	\$445 to \$650	\$0.36 to \$0.53
48	Willow Run	1.5	1150	\$579	\$0.50

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

AVERAGE NET RENT PER SQUARE FOOT - MORGANTON, NORTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.80	\$0.76	\$0.60
TOWNHOUSE	\$0.65	\$0.66	\$0.61

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.64	\$0.55	\$0.50
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.70	\$0.68	\$0.56
TOWNHOUSE	\$0.65	\$0.66	\$0.61

TAX CREDIT UNITS - MORGANTON, NORTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
35	Sienna	3	789	1	40%	\$325
18	Glenwood Hills	2	769	1	40%	\$333
◆ 49	Willows	22	660	1	50%	\$405
35	Sienna	3	789	1	50%	\$420
◆ 47	Willow Ridge	7	660	1	50%	\$432
18	Glenwood Hills	3	769	1	50%	\$436
◆ 49	Willows	12	660	1	60%	\$455
35	Sienna	6	789	1	60%	\$470
◆ 47	Willow Ridge	9	660	1	60%	\$500
◆ 25	Millside Manor	24	660	1	50%	\$517
27	Morgan Hills Apts.	16	650	1	60%	\$520 - \$637
18	Glenwood Hills	7	769	1	60%	\$540
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
18	Glenwood Hills	6	1030	2	40%	\$398
35	Sienna	10	1045	2	40%	\$400
24	Meadow Brook	14	793	1	50%	\$450
24	Meadow Brook	20	793	1	60%	\$455
35	Sienna	10	1045	2	50%	\$500
◆ 49	Willows	2	850	1	60%	\$511
◆ 47	Willow Ridge	5	900	1	50%	\$515
48	Willow Run	12	880	1	50%	\$516
18	Glenwood Hills	10	1030	2	50%	\$522
27	Morgan Hills Apts.	32	835	1	60%	\$540 - \$697
35	Sienna	20	1045	2	60%	\$570
◆ 47	Willow Ridge	7	900	1	60%	\$600
◆ 25	Millside Manor	4	850	1	50%	\$621
18	Glenwood Hills	20	1030	2	60%	\$646

◆ - Senior Restricted

TAX CREDIT UNITS - MORGANTON, NORTH CAROLINA

THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
35	Sienna	6	1231	2	40%	\$445
18	Glenwood Hills	2	1179	2	40%	\$451
24	Meadow Brook	2	955	1	50%	\$485
24	Meadow Brook	2	955	1	60%	\$490
35	Sienna	6	1231	2	50%	\$575
48	Willow Run	12	1150	1.5	60%	\$579
18	Glenwood Hills	2	1179	2	50%	\$594
35	Sienna	12	1231	2	60%	\$650
18	Glenwood Hills	8	1179	2	60%	\$738

◆ - Senior Restricted

QUALITY RATING - MORGANTON, NORTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

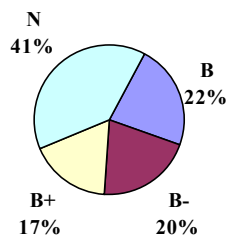
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN NET RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	2	116	0.0%		\$375	\$675	\$795	
B	3	149	2.0%		\$615	\$650	\$795	
B-	2	135	0.0%		\$450	\$670	\$770	
N.A.	11	268	10.8%		\$850	\$570	\$625	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

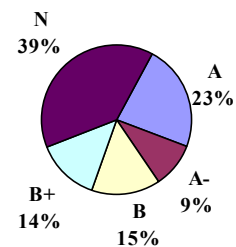
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN NET RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	60	0.0%		\$540	\$646	\$738	
A-	1	24	0.0%			\$516	\$579	
B+	1	36	0.0%		\$405	\$511		
B	1	38	0.0%			\$455	\$485	
N.A.	2	104	0.0%		\$470	\$570	\$575	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - MORGANTON, NORTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	4	170	28	16.5%	170	18.3%
1970 to 1979	7	177	0	0.0%	347	19.0%
1980 to 1989	3	227	3	1.3%	574	24.4%
1990 to 1999	2	74	0	0.0%	648	8.0%
2000 to 2005	2	46	0	0.0%	694	4.9%
2006 to 2010	2	71	0	0.0%	765	7.6%
2011	1	60	0	0.0%	825	6.5%
2012	0	0	0	0.0%	825	0.0%
2013	0	0	0	0.0%	825	0.0%
2014	0	0	0	0.0%	825	0.0%
2015	0	0	0	0.0%	825	0.0%
2016	3	105	1	1.0%	930	11.3%
2017	0	0	0	0.0%	930	0.0%
2018**	0	0	0	0.0%	930	0.0%
TOTAL	24	930	32	3.4%	930	100.0 %

YEAR RENOVATED - MORGANTON, NORTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	17	0	0.0%	17	34.7%
2000 to 2005	0	0	0	0.0%	17	0.0%
2006 to 2010	0	0	0	0.0%	17	0.0%
2011	0	0	0	0.0%	17	0.0%
2012	0	0	0	0.0%	17	0.0%
2013	0	0	0	0.0%	17	0.0%
2014	0	0	0	0.0%	17	0.0%
2015	0	0	0	0.0%	17	0.0%
2016	0	0	0	0.0%	17	0.0%
2017	0	0	0	0.0%	17	0.0%
2018**	1	32	28	87.5%	49	65.3%
TOTAL	2	49	28	57.1%	49	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of February 2018

APPLIANCES AND UNIT AMENITIES - MORGANTON, NORTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	25	100.0%	930
REFRIGERATOR	25	100.0%	930
ICEMAKER	3	12.0%	146
DISHWASHER	18	72.0%	697
DISPOSAL	13	52.0%	517
MICROWAVE	4	16.0%	111
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	22	88.0%	878
AC - WINDOW	3	12.0%	52
FLOOR COVERING	25	100.0%	930
WASHER/DRYER	4	16.0%	51
WASHER/DRYER HOOK-UP	23	92.0%	876
PATIO/DECK/BALCONY	12	48.0%	596
CEILING FAN	16	64.0%	761
FIREPLACE	2	8.0%	120
BASEMENT	0	0.0%	
INTERCOM SYSTEM	1	4.0%	28
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	24	96.0%	908
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	8.0%	64

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - MORGANTON, NORTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	3	12.0%	329
ON-SITE MANAGEMENT	9	36.0%	591
LAUNDRY	9	36.0%	482
CLUB HOUSE	0	0.0%	
MEETING ROOM	4	16.0%	161
FITNESS CENTER	3	12.0%	164
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	5	20.0%	362
COMPUTER LAB	2	8.0%	104
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	2	8.0%	71
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	3	12.0%	235
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	4.0%	28

DISTRIBUTION OF UTILITIES - MORGANTON, NORTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	6	302	20.2%
GAS	4	44	2.9%
TENANT			
ELECTRIC	28	1,030	68.9%
GAS	2	120	8.0%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	9	324	21.7%
GAS	1	22	1.5%
TENANT			
ELECTRIC	30	1,150	76.9%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	6	302	20.2%
GAS	4	44	2.9%
TENANT			
ELECTRIC	28	1,030	68.9%
GAS	2	120	8.0%
			100.0%
ELECTRIC			
LANDLORD	9	324	21.7%
TENANT	31	1,172	78.3%
			100.0%
WATER			
LANDLORD	27	1,099	73.5%
TENANT	13	397	26.5%
			100.0%
SEWER			
LANDLORD	27	1,099	73.5%
TENANT	13	397	26.5%
TRASH PICK-UP			
LANDLORD	35	1,302	87.0%
TENANT	5	194	13.0%
			100.0%

ADDENDUM C: PHONE SURVEY OF SENIOR FACILITIES

BURKE COUNTY, NORTH CAROLINA

The following section is a phone survey of senior housing alternatives with services. These properties were identified through a variety of sources including senior resource guides, yellow page listings, government agencies, and Chambers of Commerce. The intent of this phone survey is to evaluate the overall strength of the existing market for senior housing with services, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The phone survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as independent-living, congregate care (independent-living with services), assisted-living, and in some cases, nursing care. The phone survey is organized as follows:

- A color-coded map indicating each property surveyed by project type.
- A map identification list of properties surveyed by name, profit/non-profit status, year built and/or renovated, total beds or units, vacant beds or units, and occupancy rate. Projects are listed in numeric order and color coded by project type.
- Distribution of fees or rents, entrance fees (if any), and a distribution by bed/unit type, vacancies, and occupancy rate.
- A listing of properties surveyed with photograph, address, phone number, year built or renovated, number of units/beds, occupancies, any licensure, and relevant comments, and project ratings including building appearance, ease of access, and a neighborhood rating.
- A listing of unit amenities.
- A listing of project amenities.
- Fees per unit type for each project.
- Unit size in square feet for each project.

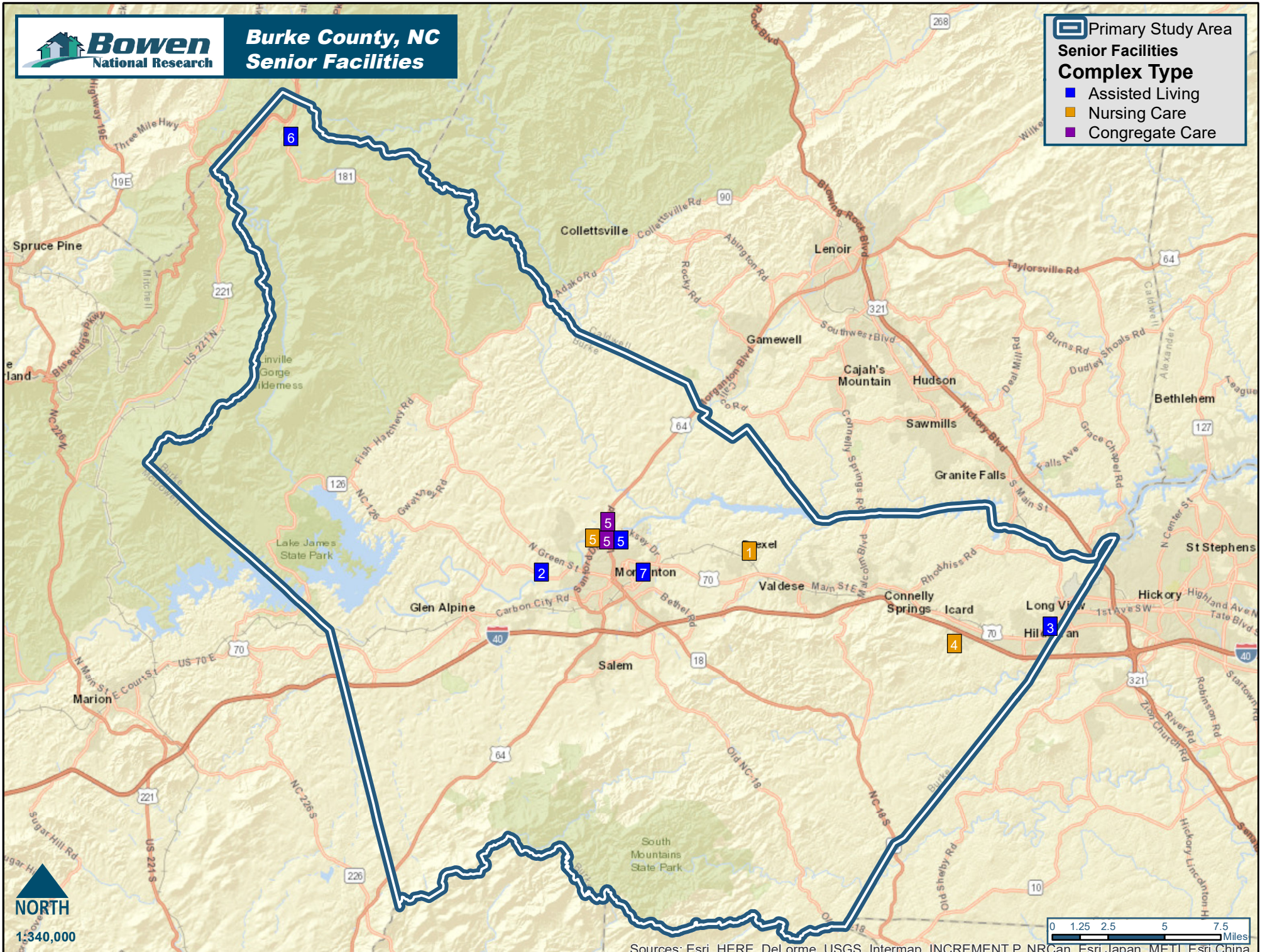


Burke County, NC Senior Facilities

Primary Study Area

Senior Facilities Complex Type

- Assisted Living
- Nursing Care
- Congregate Care



NORTH
1:340,000



MAP IDENTIFICATION LIST - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	FOR PROFIT	YEAR BUILT	TOTAL BEDS/UNITS	VAC.	OCC. RATE
N-1	Autumn Care of Drexel	YES	1974	120	28	76.7%
A-2	Burke Long Term Care	YES	1997	24	5	79.2%
A-3	Cambridge House	NO	1999	60	2	96.7%
N-4	Carolina Rehab Center of Burke	YES	2002	90	2	97.8%
A-5	Grace Ridge	YES	1992	47	11	76.6%
N-5	Grace Ridge	YES	1992	25	9	64.0%
C-5	Grace Ridge Villas	YES	1992	27	4	85.2%
C-5	Grace Ridge	YES	1992	125	9	92.8%
A-6	Jonas Ridge Adult Care	YES	1978	57	3	94.7%
A-7	Morganton Long Term Care - Southview Fa	YES	1995	64	28	56.3%

FACILITY TYPE	TOTAL PROJECTS	TOTAL UNITS/BEDS	OCCUPANCY RATE
CONGREGATE CARE	2	152	91.4%
ASSISTED LIVING	5	252	80.6%
NURSING CARE	3	235	83.4%

* - In Miles

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

DISTRIBUTION OF FEES BY SERVICE LEVEL - BURKE COUNTY, NORTH CAROLINA

CONGREGATE CARE						
BED TYPE	MONTHLY FEE	ENTRANCE FEES	UNITS	SHARE	VACANT	% OCCUPIED
ONE BEDROOM	\$1,700 - \$3,100	\$100,000 - \$300,000	75	49.3%	5	93.3%
TWO BEDROOM	\$1,700 - \$3,100	\$100,000 - \$300,000	77	50.7%	8	89.6%
			152	100.0%	13	91.4%

ASSISTED LIVING						
BED TYPE	MONTHLY FEE	SECOND PERSON	UNITS	SHARE	VACANT	% OCCUPIED
SLEEPING ROOM	\$2,000 - \$6,205	-	216	85.7%	40	81.5%
ALZ/DEM	\$3,000 - \$9,125	\$3,000 - \$3,000	36	14.3%	9	75.0%
			252	100.0%	49	80.6%

NURSING CARE						
BED TYPE	PRIVATE*	SEMI-PRIVATE*	BEDS	SHARE	VACANT	% OCCUPIED
SLEEPING ROOM	\$204 - \$300	\$222 - \$265	175	74.5%	37	78.9%
SHORT-TERM	\$383	\$332	60	25.5%	2	96.7%
			235	100.0%	39	83.4%

* - Daily Fee

COMMUNITY CONFIGURATION - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	FOR PROFIT	CCRC	INDEPENDENT LIVING	CONGREGATE CARE	ASSISTED LIVING	NURSING CARE
1	Autumn Care of Drexel	YES	NO				X
2	Burke Long Term Care	YES	NO			X	
3	Cambridge House	NO	NO			X	
4	Carolina Rehab Center of Burke	YES	NO				X
5	Grace Ridge	YES	YES		X	X	X
6	Jonas Ridge Adult Care	YES	NO			X	
7	Morganton Long Term Care - Southview Facility	YES	NO			X	

PROPERTY PROFILES - BURKE COUNTY, NORTH CAROLINA

C-5 Grace Ridge		
No Picture on File	Location 500 Lenoir Rd. Morganton, NC 28655 Phone (828) 580-8300 Mgmt Co. Comments Offers bi-weekly laundry, linen & housekeeping; Offers membership to Phifer Wellness Center, Mimosa Hills Golf & Country Club; Unit mix estimated	Total Units 125 Occupancy Rate 92.8% Year Built 1992 Physical Structure N Ease of Access N Neighborhood N Visibility N
	C-5 Grace Ridge Villas	
No Picture on File	Location 500 Lenoir Rd. Morganton, NC 28655 Phone (828) 580-8300 Mgmt Co. Comments Offers bi-weekly laundry, linen & housekeeping; Offers membership to Phifer Wellness Center, Mimosa Hills Golf & Country Club	Total Units 27 Occupancy Rate 85.2% Year Built 1992 Physical Structure N Ease of Access N Neighborhood N Visibility N
	A-2 Burke Long Term Care	
No Picture on File	Location 125 Camellia Garden St. Morganton, NC 28655 Phone (828) 433-5875 Mgmt Co. Licensure Adult Care Home Comments Additional levels of care offered for a fee, fees not provided; Only offer semi-private rooms; Square footage estimated	Total Beds 24 Occupancy Rate 79.2% Year Built 1997 Physical Structure N Ease of Access N Neighborhood N Visibility N Medicaid Beds* 15 Medicare Beds* 0
	A-3 Cambridge House	
No Picture on File	Location 114 Tenth St. NE Hildebran, NC 28637 Phone (828) 325-4980 Mgmt Co. DePaul Licensure Adult Care Home Comments Levels of care are all inclusive; Square footage estimated	Total Beds 60 Occupancy Rate 96.7% Year Built 1999 Physical Structure N Ease of Access N Neighborhood N Visibility N Medicaid Beds* 38 Medicare Beds* 0

* - Occupied Beds

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

PROPERTY PROFILES - BURKE COUNTY, NORTH CAROLINA

A-5 Grace Ridge		
No Picture on File	Location 500 Lenoir Rd. Morganton, NC 28655 Phone (828) 580-8300 Mgmt Co. Licensure Adult Care Home Comments Levels of care are all inclusive; Square footage estimated	Total Beds 47 Occupancy Rate 76.6% Year Built 1992 Physical Structure N Ease of Access N Neighborhood N Visibility N
	A-6 Jonas Ridge Adult Care	
No Picture on File	Location 9051 Hwy 181 Jonas Ridge, NC 28641 Phone (828) 733-2224 Mgmt Co. Owner Licensure Adult Care Home Comments Wood flooring; Square footage estimated	Total Beds 57 Occupancy Rate 94.7% Year Built 1978 Physical Structure N Ease of Access N Neighborhood N Visibility N
	A-7 Morganton Long Term Care - Southview Facility	
No Picture on File	Location 151 Southview St. Morganton, NC 28655 Phone (828) 433-5069 Mgmt Co. Licensure Adult Care Home Comments Levels of care are all inclusive; Square footage estimated	Total Beds 64 Occupancy Rate 56.3% Year Built 1995 Physical Structure N Ease of Access N Neighborhood N Visibility N Medicaid Beds* 30 Medicare Beds* 0
	N-1 Autumn Care of Drexel	
No Picture on File	Location 307 Oakland Ave. Morgantown, NC 28655 Phone (828) 433-6180 Mgmt Co. Licensure Nursing Care Comments Not marketing vacant beds due to unit corridor is under renovation, expect completion 5/7/2018	Total Beds 120 Occupancy Rate 76.7% Year Built 1974 Physical Structure N Ease of Access N Neighborhood N Visibility N Medicaid Beds* 72 Medicare Beds* 0

* - Occupied Beds

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

PROPERTY PROFILES - BURKE COUNTY, NORTH CAROLINA

N-4 Carolina Rehab Center of Burke				
No Picture on File	Location	3647 Miller Bridge Rd. Connelly Springs, NC 28612	Total Beds	90
	Phone	(828) 397-3144	Occupancy Rate	97.8%
	Mgmt Co.		Year Built	2002
	Licensure	Nursing Care	Physical Structure	N
	Comments	Nursing hours per resident per day: RN/2:30 & CNA/3:14; Square footage estimated	Ease of Access	N
			Neighborhood	N
			Visibility	N
			Medicaid Beds*	35
			Medicare Beds*	48
N-5 Grace Ridge				
No Picture on File	Location	500 Lenoir Rd. Morganton, NC 28655	Total Beds	25
	Phone	(828) 580-8300	Occupancy Rate	64.0%
	Mgmt Co.		Year Built	1992
	Licensure	Nursing Care	Physical Structure	N
	Comments	Only residents who have paid entrance fee to CCRC are admitted to nursing care facility	Ease of Access	N
			Neighborhood	N
			Visibility	N

* - Occupied Beds

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

FACILITY CAPACITY - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	LICENSED CAPACITY	MARKETED BEDS	SHARE OF LIC.
N-1	Autumn Care of Drexel	120	120	100.0%
A-2	Burke Long Term Care	24	24	100.0%
A-3	Cambridge House	60	60	100.0%
N-4	Carolina Rehab Center of Burke	90	90	100.0%
A-5	Grace Ridge	47	47	100.0%
N-5	Grace Ridge	25	25	100.0%
A-6	Jonas Ridge Adult Care	57	57	100.0%
A-7	Morganton Long Term Care - Southview Facility	64	64	100.0%
		487	487	100.0%

■ Assisted Living
■ Nursing Care Facility

Survey Date: February 2018

CONGREGATE CARE FEE SCHEDULE - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	ENTRANCE FEES	STUDIO	ONE-BEDROOM	TWO-BEDROOM	THREE-BEDROOM	OTHER
5	Grace Ridge	\$100,000 - \$300,000	-	\$1,700 - \$3,100	\$1,700 - \$3,100	-	-
5	Grace Ridge Villas	\$100,000 - \$300,000	-	-	\$1,700 - \$3,100	-	-

ASSISTED LIVING FEE SCHEDULE - BURKE COUNTY, NORTH

SLEEPING ROOM						
MAP ID	BASE RATE (PRIVATE)	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4+	RANGE
A-3	\$4,000	-	-	-	-	\$4,000 - \$4,000
A-5	\$4,592 - \$6,205	-	-	-	-	\$4,592 - \$6,205
A-6	\$2,000 - \$3,250	\$250	\$500	\$750	-	\$2,000 - \$4,000
A-7	\$5,000	-	-	-	-	\$5,000 - \$5,000

ALZHEIMER'S/DEMENTIA						
MAP ID	BASE RATE (PRIVATE)*	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4+	RANGE
A-2	\$3,000	-	-	-	-	\$3,000 - \$3,000
A-5	\$6,205 - \$9,125	-	-	-	-	\$6,205 - \$9,125

* - Daily Fee

ASSISTED LIVING BED TYPES - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	MEDICAID		PRIVATE PAY	
		BEDS	PERCENT	BEDS	PERCENT
2	Burke Long Term Care	15	78.9%	4	21.1%
3	Cambridge House	38	65.5%	20	34.5%
5	Grace Ridge	0	0.0%	36	100.0%
6	Jonas Ridge Adult Care	0	0.0%	54	100.0%
7	Morganton Long Term Care - Southview Facility	30	83.3%	6	16.7%
		83	40.9%	120	59.1%

NURSING CARE FEE SCHEDULE - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	SLEEPING ROOM		ALZ / DEM		SHORT TERM / RESPITE	
		SEMI	PRIVATE	SEMI	PRIVATE	SEMI	PRIVATE
1	Autumn Care of Drexel	\$222	\$225				
4	Carolina Rehab Center of Burke	\$265				\$332	\$383
5	Grace Ridge		\$204 - \$300				

Reported as Daily Fees

Survey Date: February 2018

NURSING CARE BED TYPES - BURKE COUNTY, NORTH CAROLINA

MAP ID	PROJECT NAME	MEDICAID		MEDICARE		PRIVATE PAY	
		BEDS	PERCENT	BEDS	PERCENT	BEDS	PERCENT
1	Autumn Care of Drexel	72	78.3%	0	0.0%	20	21.7%
4	Carolina Rehab Center of Burke	35	39.8%	48	54.5%	5	5.7%
5	Grace Ridge	0	0.0%	0	0.0%	16	100.0%
		107	54.6%	48	24.5%	41	20.9%

UNIT SIZE BY BEDROOM TYPE - BURKE COUNTY, NORTH CAROLINA

CONGREGATE CARE						
MAP ID		STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	THREE- BEDROOM	OTHER
C-5	Grace Ridge Villas	-	-	1,650 - 2,200	-	-
C-5	Grace Ridge	-	600 - 1,000	1,100 - 1,600	-	-

ASSISTED LIVING							
MAP ID		SLEEPING ROOM	STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	ALZ'S/ DEM	SHORT- TERM
A-2	Burke Long Term Care	-	-	-	-	250	-
A-3	Cambridge House	275 - 320	-	-	-	-	-
A-5	Grace Ridge	200	-	-	-	200	-
A-6	Jonas Ridge Adult Care	250	-	-	-	-	-
A-7	Morganton Long Term Care - Southview Facility	250	-	-	-	-	-

NURSING CARE							
MAP ID		SLEEPING ROOM	STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	ALZ'S/ DEM	SHORT- TERM
N-1	Autumn Care of Drexel	200 - 240	-	-	-	-	-
N-4	Carolina Rehab Center of Burke	290	-	-	-	-	250 - 290
N-5	Grace Ridge	200	-	-	-	-	-

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

UNITS/(VACANCIES) BY BEDROOM TYPE - BURKE COUNTY, NORTH

CONGREGATE CARE						
MAP ID		STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	THREE- BEDROOM	OTHER
C-5	Grace Ridge Villas	0 (0)	0 (0)	27 (4)	0 (0)	0 (0)
C-5	Grace Ridge	0 (0)	75 (5)	50 (4)	0 (0)	0 (0)
TOTAL UNITS		0	75	77	0	0
TOTAL VACANT		0	5	8	0	0

ASSISTED LIVING							
MAP ID		SLEEPING ROOM	STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	ALZ'S/ DEM	SHORT- TERM
A-2	Burke Long Term Care	0 (0)	0 (0)	0 (0)	0 (0)	24 (5)	0 (0)
A-3	Cambridge House	60 (2)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
A-5	Grace Ridge	35 (7)	0 (0)	0 (0)	0 (0)	12 (4)	0 (0)
A-6	Jonas Ridge Adult Care	57 (3)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
A-7	Morganton Long Term Care - Southview Facility	64 (28)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
TOTAL UNITS		216	0	0	0	36	0
TOTAL VACANT		40	0	0	0	9	0

NURSING CARE							
MAP ID		SLEEPING ROOM	STUDIO/ EFFICIENCY	ONE- BEDROOM	TWO- BEDROOM	ALZ'S/ DEM	SHORT- TERM
N-1	Autumn Care of Drexel	120 (28)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
N-4	Carolina Rehab Center of Burke	30 (0)	0 (0)	0 (0)	0 (0)	0 (0)	60 (2)
N-5	Grace Ridge	25 (9)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

UNITS/(VACANCIES) BY BEDROOM TYPE - BURKE COUNTY, NORTH

NURSING CARE							
MAP ID		SLEEPING ROOM	STUDIO/ EFFICIENCY	ONE-BEDROOM	TWO-BEDROOM	ALZ'S/ DEM	SHORT-TERM
	TOTAL UNITS	175	0	0	0	0	60
	TOTAL VACANT	37	0	0	0	0	2

■	Assisted Living
■	Nursing Care Facility
■	Congregate Care
■	Independent Living

Survey Date: February 2018

UNIT AMENITIES - BURKE COUNTY, NORTH CAROLINA

MAP ID	AIR CONDITIONING	WINDOW TREATMENTS	CARPETING	DISHWASHER	EMERGENCY CALL SYSTEM DISPOSAL	MICROWAVE	RANGE	REFRIGERATOR	PORCH/PATIO	EXTRA STORAGE	WASHER / DRYER	PARKING (A/D/C/O)	OTHER
A-2	X	X	X										
A-3	X	X	X		X								
A-5	X	X	X		X								
A-6	X	X											
A-7	X	X	X		X								
C-5	X	X	X	X	X	X	X	X	X		S		
C-5	X	X	X	X	X	X	X	X	X		S		

Assisted Living
Nursing Care Facility
Congregate Care
Independent Living

X - All Units
S - Some Units
O - Optional

Window Coverings
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
D - Detached
C - Carport
O - Optional

Refrigerator
F - Full
M - Mini/Small

PROJECT AMENITIES - BURKE COUNTY, NORTH CAROLINA

MAP ID	BANK	BEAUTY/BARBER SHOP	BILIARDS AREA	CHAPEL	LOUNGES	CRAFT/HOBBY ROOM	PUBLIC DINING ROOM	PRIVATE DINING ROOM	ELEVATOR	EXERCISE ROOM	CONVENIENCE STORE	WELLNESS CENTER	ICE CREAM PARLOR	LAUNDRY ROOM	BISTRO / CAFE	LIBRARY	SWIMMING POOL	WHIRLPOOL/SPA	MOVIE THEATER	SECURED ENTRANCE	OUTSIDE WALK PATH	COMMUNITY ROOM	COMPUTER LAB	PICNIC AREA	PET FRIENDLY	OTHER
A-2					X		X									X										
A-3		X			X		X	X								X										
A-5		X	X				X			X						X					X					
A-6		X			X		X									X						X				WIFI
A-7		X			X		X																			
C-5		X	X		X	X	X	X	X	X		X		F	X	X			X	X	X	X			X	SOLARIUM; AUDITORIUM WIFI
C-5		X	X		X	X	X	X		X		X		F	X	X			X	X	X	X			X	SOLARIUM; AUDITORIUM WIFI

■ Assisted Living
■ Nursing Care Facility
■ Congregate Care
■ Independent Living

Laundry
F - Free
C - Coin

Survey Date: February 2018



Addendum D: Sources

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- 2000 and 2010 U.S. Census
- American Community Survey
- American Seniors Housing Association.: The State of Seniors Housing 2017
- Burke County Board of REALTORS
- Burke Development Incorporated
- CraigsList: www.CraigsList.com
- ESRI Demographics
- FBI Uniform Crime Reports
- Hotpads: www.hotpads.com
- InfoGroup
- Management and Leasing Agents for each property included in the survey
- Medicare: www.Medicare.com
- North Carolina Department of Health and Human Services - Division of Health Service Regulation
- North Carolina Housing Finance Agency
- North Carolina Office of State Budget and Management
- Novogradac, Inc.
- Planning Representatives for each Planning Jurisdiction
- Realty Trac: www.realtytrac.com (foreclosure data)
- Ribbon Demographics
- Senior Housing Facility Representatives
- SOCDS Building Permits Database
- U.S. Department of Agriculture; Rural Development Multi-Family Housing Rentals
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor, Bureau of Labor Statistics
- Urban Decision Group (UDG)
- Various Stakeholders
- Western Piedmont Council of Governments

Addendum E: 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 percent 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 over 100 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).

Co-Occurring Disorders is the presence of two or more disabling conditions such as mental illness, substance abuse, HIV/AIDS, and others.

Cost overburdened households are those renter households that pay more than 30% or 35% (depending upon source) of their annual household income towards rent. Typically, such households will choose a comparable property (including new affordable housing product) if it is less of a rent 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 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 60% 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 demand for new for-sale housing. For the purposes of this analysis, we have evaluated growth between 2015 and 2020. The 2010 households by income level are based on ESRI estimates applied to 2010 Census estimates of total households for each study area. The 2015 and 2020 estimates are 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 2015 and 2020. These estimates of growth are provided by each income level and corresponding price point that can be afforded.

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 IHFA, 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 (2013) 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.

Section 515 Rural Rental Housing (Rural Development 515) is a USDA rural housing program authorized under Section 515 of the Housing Act of 1949 (42 U.S.C. 1485). The Rural Housing Service (RHS) is authorized to make loans to provide rental housing for low- and moderate-income families in rural areas. Though rarely used for this purpose, Section 515 loans may also be used for congregate housing for the elderly and handicapped. Loans under the Section 515 program are made to individuals, corporations, associations, trusts, partnerships, or public agencies. The loans are made at market interest rates, but are subsidized with an interest credit subsidy that brings the effective rate of the loan to 1%. Loans are amortized for up to 50 years and have terms of 30 to 50 years depending on when the loan was made.

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.

Special needs population is a specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.

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.

Unaccompanied Youth persons under 25 years of age, or families with children and youth, who do not qualify as homeless under this definition, but who are homeless under section 387 of the Runaway and Homeless Youth Act, Violence Against Women Act, or McKinney-Vento homeless Assistance Act as defined by HUD.

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.

Addendum F: 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 is a member of the NCHMA Executive Committee and is a co-chair of the NCHMA Standards Committee.

Patrick Bowen has served as the lead author/analyst and primary contacts of the following housing assessments since 2010:

Bowen National Research – Housing Needs Assessment Experience

Preliminary Downtown Housing Market Analysis - Cleveland, Ohio	Housing Needs Assessment Survey – Dublin, Georgia
Downtown Housing Needs Analysis – Springfield, Illinois	Preliminary Housing Needs Assessment – Harrisburg, PA
Downtown Residential Feasibility Study – Morgantown, WV	Preliminary Housing Needs Assessment – Canonsburg, PA
Downtown Residential Feasibility Study – Charleston, West Virginia	Housing Needs Assessment – Preble County, Ohio
Citywide Housing Market Study & Tornado Impact Analysis–Joplin, MO	Hill District Housing Needs Assessment – Pittsburgh, PA
Housing Market Study – Fort Wayne (Southeast Quadrant), Indiana	Tribal Housing Needs Assessment – Spokane Reservation, WA
Citywide Comprehensive Housing Market Study – Rock Island, IL	Town Housing Needs Assessment – Nederland, Colorado
Statewide and County Level Housing Needs Assessments – Vermont	Citywide Housing Needs Assessment – Evansville, Indiana
Regional Housing Needs Assessment – Asheville, North Carolina Region	Housing Study & Needs Assessment – St. Johnsbury, Vermont
East District Rental Housing Needs Assessment – New Orleans, LA	Housing Needs Assessment – Yellow Springs, Ohio
Employer Survey & Housing Needs Assessment – Greene County, PA	Housing Needs Assessment – Penobscot Nation, Maine
Preliminary Employee & Housing Needs Assessment – W. Liberty, KY	Countywide Housing Needs Assessment – Preble County, OH
Statewide Rural and Farm Labor Housing Needs Analysis – Texas	Affordable Housing Market Analysis – Jacksonville, NC
Countywide Rental Housing Needs Analysis & Hurricane Dolly Housing Impact Analysis– Hidalgo County, TX	Countywide Housing Needs Assessment – Beaufort County, SC

The following individuals provided research and analysis assistance and have been involved with previous housing needs assessment completed by our firm in some capacity:

June Davis, Office Manager of Bowen National Research, has 29 years of experience in market feasibility research. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

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. 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.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Craig Rupert, Market Analyst, has conducted on-site market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Stephanie Viren is the Research & Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2008. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

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 G : Stakeholder Survey Instrument

**The following pages contain the stakeholder survey instrument used in this analysis.
Full results from this survey are available upon request.**



Background

Bowen National Research has been retained by the Burke County Board of REALTORS to conduct a study of the county's current and future housing needs. As part of this study, we are conducting interviews with community leaders and organizations to gather valuable data and insight into the area and the factors that impact housing. Your responses will remain confidential and only aggregate results will be presented in our report.

1. Please provide your contact information, should we need to follow-up with this response.

Name

Organization

Email Address

Phone Number

2. What type of organization do you represent (select all that apply)?

- | | |
|---|--|
| <input type="checkbox"/> Agency on Aging/Senior Services | <input type="checkbox"/> Landlord |
| <input type="checkbox"/> Community Action Agency | <input type="checkbox"/> Local Government/Municipal Official |
| <input type="checkbox"/> Economic Development Organizations | <input type="checkbox"/> Property Management Company |
| <input type="checkbox"/> Housing Authority | <input type="checkbox"/> Realtor Association/Board of Realtors |
| <input type="checkbox"/> Housing Developer | |
| <input type="checkbox"/> Other (please specify) | |



Housing Needs & Issues

3. Rank the degree of housing need for each of the following housing types in Burke County (as a whole) and Morganton.

	Burke County	Morganton
Rental	<input type="text"/>	<input type="text"/>
For-Sale (Homeowner)	<input type="text"/>	<input type="text"/>
Single-Person/ Young Professionals	<input type="text"/>	<input type="text"/>
Senior Apartments (Independent Living)	<input type="text"/>	<input type="text"/>
Senior Care Facilities (Assisted and Nursing)	<input type="text"/>	<input type="text"/>
Special Needs (Homeless, Disabled, etc.)	<input type="text"/>	<input type="text"/>

4. Rank the need for each of the housing styles in Burke County (as a whole) and Morganton.

	Burke County	Morganton
Apartments	<input type="text"/>	<input type="text"/>
Duplex/Triplex/Townhomes	<input type="text"/>	<input type="text"/>
Condominiums	<input type="text"/>	<input type="text"/>
Detached Houses (Single-Family Homes)	<input type="text"/>	<input type="text"/>
Mobile Homes/ Manufactured Housing	<input type="text"/>	<input type="text"/>

5. On a scale of 1 to 3 (3 being the highest), rank the need for housing for each household income level in Burke County and Morganton.

	Burke County	Morganton
\$0 - \$25k	<input type="text"/>	<input type="text"/>
\$26k - \$50k	<input type="text"/>	<input type="text"/>
\$51k - \$75k	<input type="text"/>	<input type="text"/>
\$76k - \$100k	<input type="text"/>	<input type="text"/>
\$101k or More	<input type="text"/>	<input type="text"/>

6. Rank the degree to which each of the following housing issues are experienced in Burke County and Morganton.

	Burke County	Morganton
Foreclosure	<input type="text"/>	<input type="text"/>
Limited Availability	<input type="text"/>	<input type="text"/>
Overcrowded Housing	<input type="text"/>	<input type="text"/>
Lack of Community Services (grocery, doctor, etc.)	<input type="text"/>	<input type="text"/>
Rent: Burdened/ Affordability	<input type="text"/>	<input type="text"/>
Substandard Housing (quality/condition)	<input type="text"/>	<input type="text"/>
Lack of Public Transportation	<input type="text"/>	<input type="text"/>
Lack of Down Payment for Purchase	<input type="text"/>	<input type="text"/>
Cost of Renovation/ Upkeep	<input type="text"/>	<input type="text"/>
Purchase: Burdened/ Affordability	<input type="text"/>	<input type="text"/>

7. Rank the priority that should be given to each of the following construction types of housing.

	Burke County	Morganton
Adaptive Resuse (i.e. Warehouse Conversion)	<input type="text"/>	<input type="text"/>
Renovation/Revitalization	<input type="text"/>	<input type="text"/>
New Construction	<input type="text"/>	<input type="text"/>

8. Rank the priority that should be given to each of the funding types for housing development.

	Burke County	Morganton
Homebuyer Assistance	<input type="text"/>	<input type="text"/>
Project-Based Rental Subsidy	<input type="text"/>	<input type="text"/>
Tax Credit Financing	<input type="text"/>	<input type="text"/>
Other Rental Housing Assistance (i.e. Vouchers)	<input type="text"/>	<input type="text"/>
Other Homeowner Assistance	<input type="text"/>	<input type="text"/>

9. Are there any *specific* housing development programs that should be given priority as it relates to housing development in Burke County and/or Morganton?

10. Are there are *specific* housing development programs (local or state level) that are *not currently offered* in Burke County and/or Morganton and should be explored?



Barriers to Housing Development

11. What common barriers or obstacles exist in Burke County (as a whole) that you believe limit residential development (select all that apply)?

- | | | |
|--|---|--|
| <input type="checkbox"/> Availability of Land | <input type="checkbox"/> Financing | <input type="checkbox"/> Local Government Regulations ("red tape") |
| <input type="checkbox"/> Cost of Labor/Materials | <input type="checkbox"/> Lack of Infrastructure | <input type="checkbox"/> Lack of Parking |
| <input type="checkbox"/> Cost of Land | <input type="checkbox"/> Lack of Transportation | |
| <input type="checkbox"/> Community Support | <input type="checkbox"/> Lack of Community Services | |

Other (please specify)

12. What common barriers or obstacles exist in Morganton that you believe limit residential development (select all that apply)?

- | | | |
|--|---|--|
| <input type="checkbox"/> Availability of Land | <input type="checkbox"/> Financing | <input type="checkbox"/> Local Government Regulations ("red tape") |
| <input type="checkbox"/> Cost of Labor/Materials | <input type="checkbox"/> Lack of Infrastructure | <input type="checkbox"/> Lack of Parking |
| <input type="checkbox"/> Cost of Land | <input type="checkbox"/> Lack of Transportation | |
| <input type="checkbox"/> Community Support | <input type="checkbox"/> Lack of Community Services | |

Other (please specify)

13. How do you believe these obstacles/barriers could be reduced or eliminated? (Responses will be limited to 500 characters)

14. Are there any other issues, priorities or opportunities that you believe are important that would help support residential development in the area? (Responses will be limited to 500 characters)