



Urban Land **Triangle**
Institute

Welcome

Annual Emerging Trends in Real Estate
Program + Housing Summit

November 8, 2018



Urban Land **Triangle**
Institute

ULI Americas Trends Report

Andy Warren | PwC

Annual Emerging Trends in Real Estate
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November 8, 2018

A nighttime photograph of a modern city square. In the foreground, a large, illuminated fountain with multiple jets of water is in motion, creating a blurred effect. The water reflects the city lights. In the background, a multi-story modern building with large glass windows is lit up from within. A sign on the building reads "Antero Resources". To the left, a red neon sign for "Dunkin' Donuts" is visible. The sky is dark, and the overall atmosphere is vibrant and urban.

Emerging Trends in Real Estate 2019

A New Era Demands New Thinking



40 years and counting

“Real estate as an asset class has matured. Market participants need to realize this and make the appropriate adjustments.”



Market sentiment

“Sure it feels like the activity level will moderate, but more like a plateau and not a sharp downhill slide.”

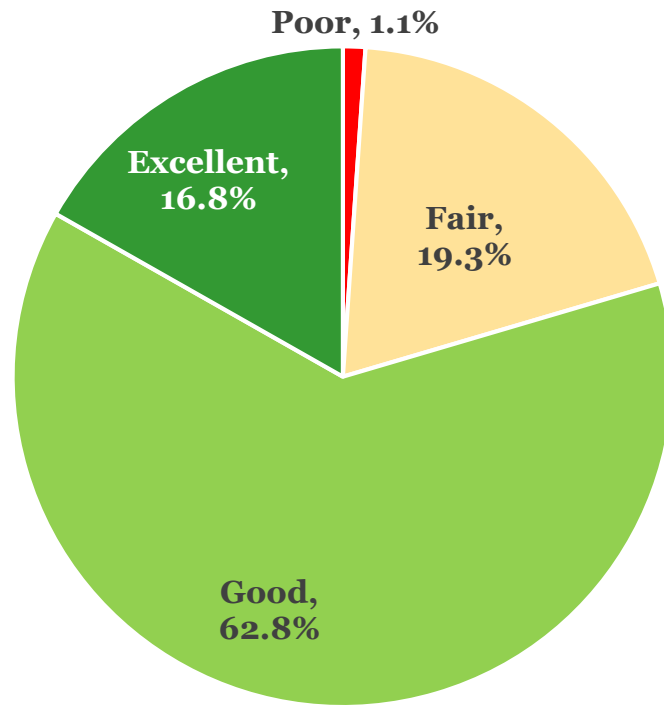
What word would you use to describe the 2019 real estate market?

Top 5

#1	Plateau
#2	Competitive
#3	Cautious
#4	Evolving
#5	Overheated

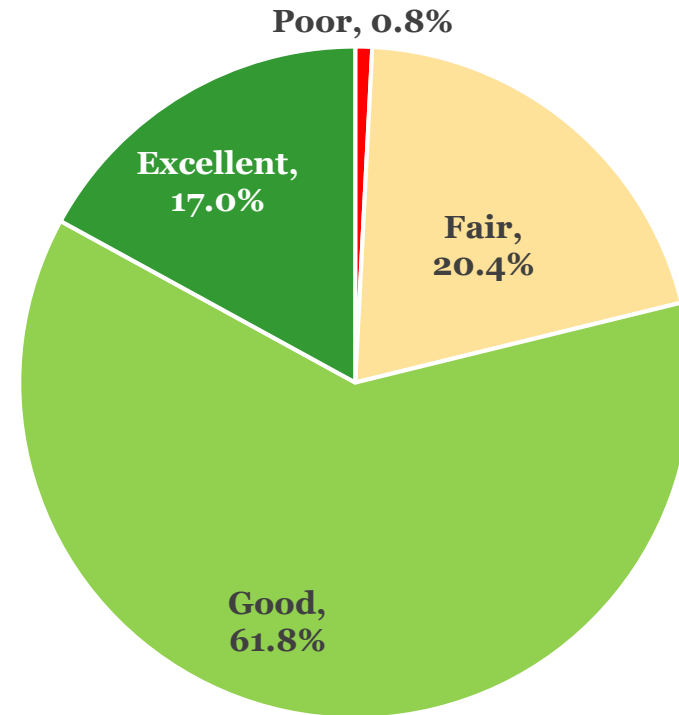
2019 Expected Profitability

2018



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

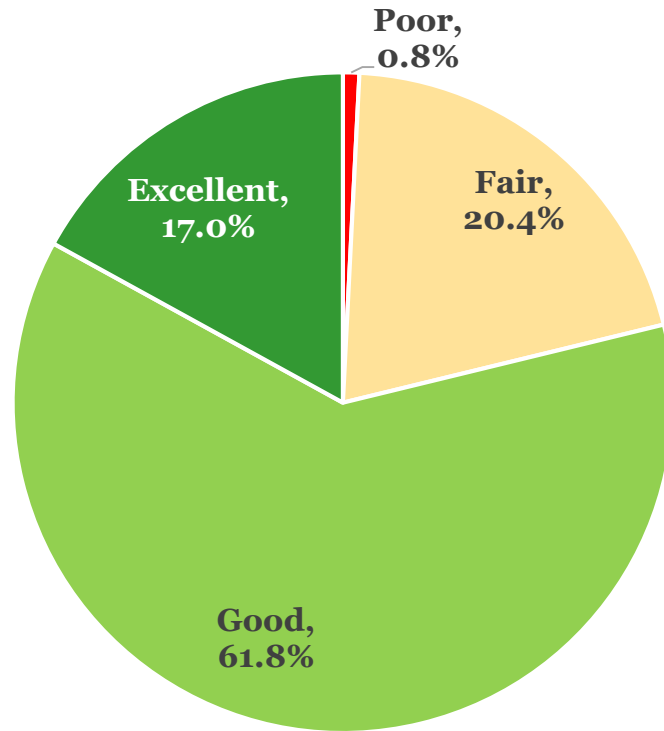
2019



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

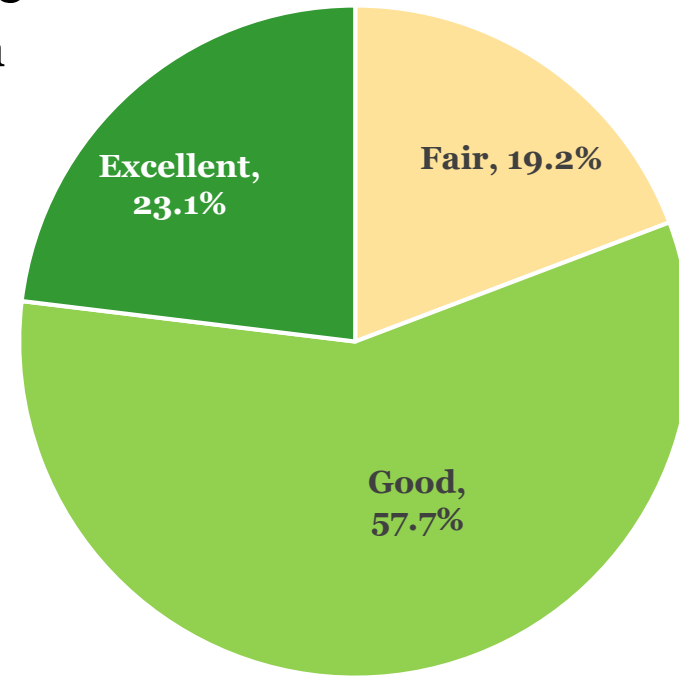
2019 Expected Profitability

**Total
Market**



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

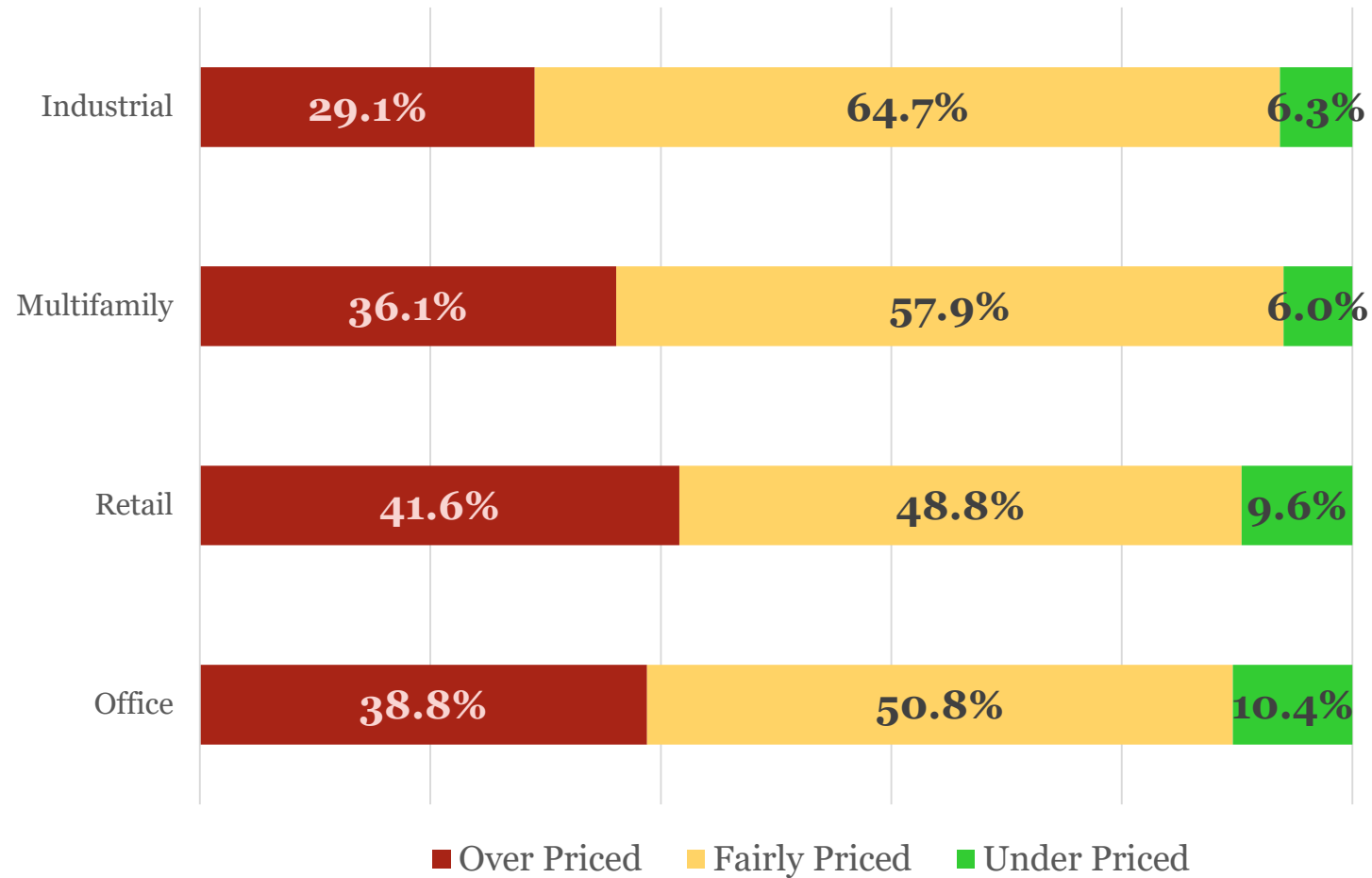
**Triangle
Region**



■ Abysmal ■ Poor ■ Fair ■ Good ■ Excellent

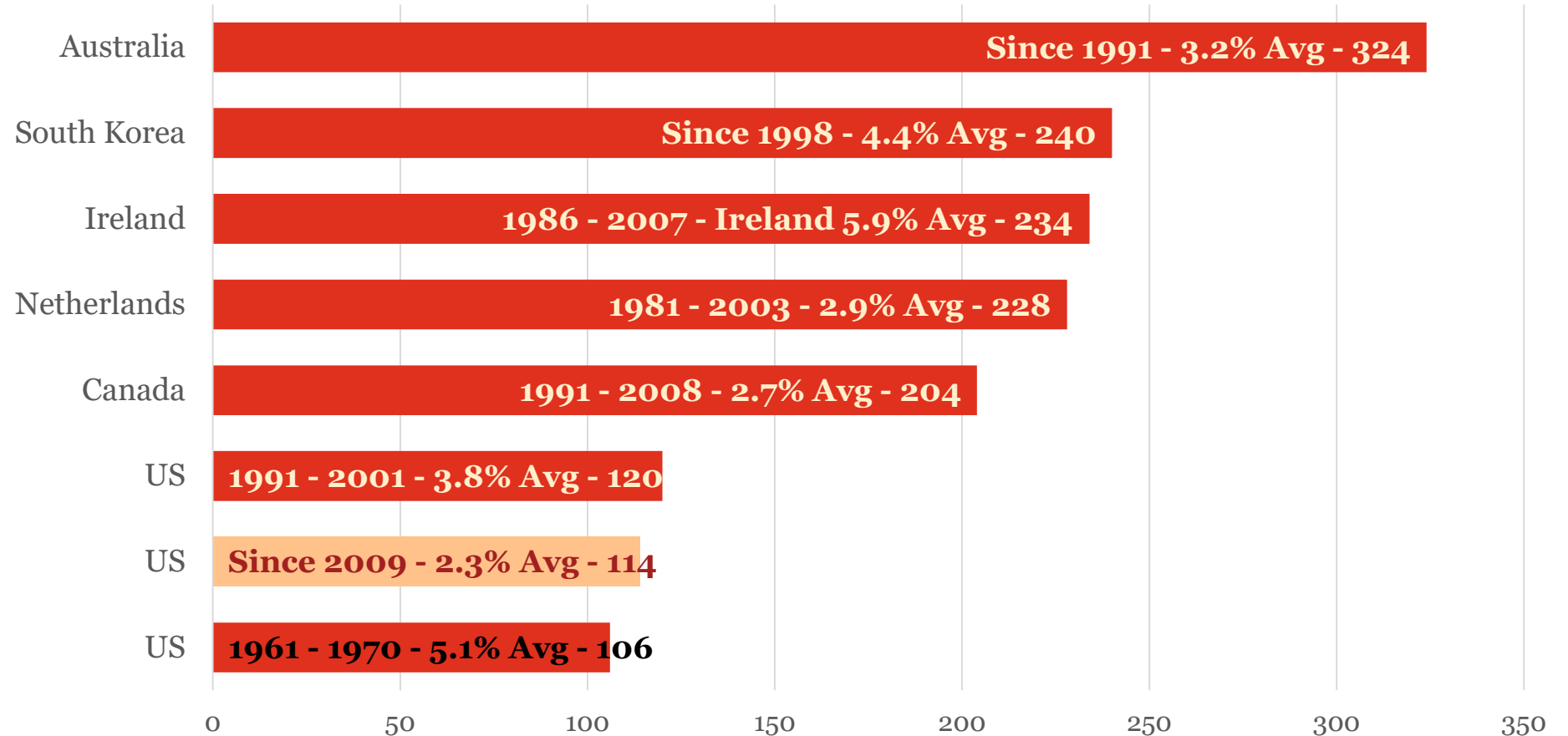
2019 Market Outlook

Opinion of current pricing doesn't appear to indicate a market peak



Market Outlook

Long economic expansions aren't that uncommon



What inning are we in?

25 innings

Longest major league game in baseball history. On May 8, 1984 the Chicago White Sox defeated the Milwaukee Brewers, 7 – 6.



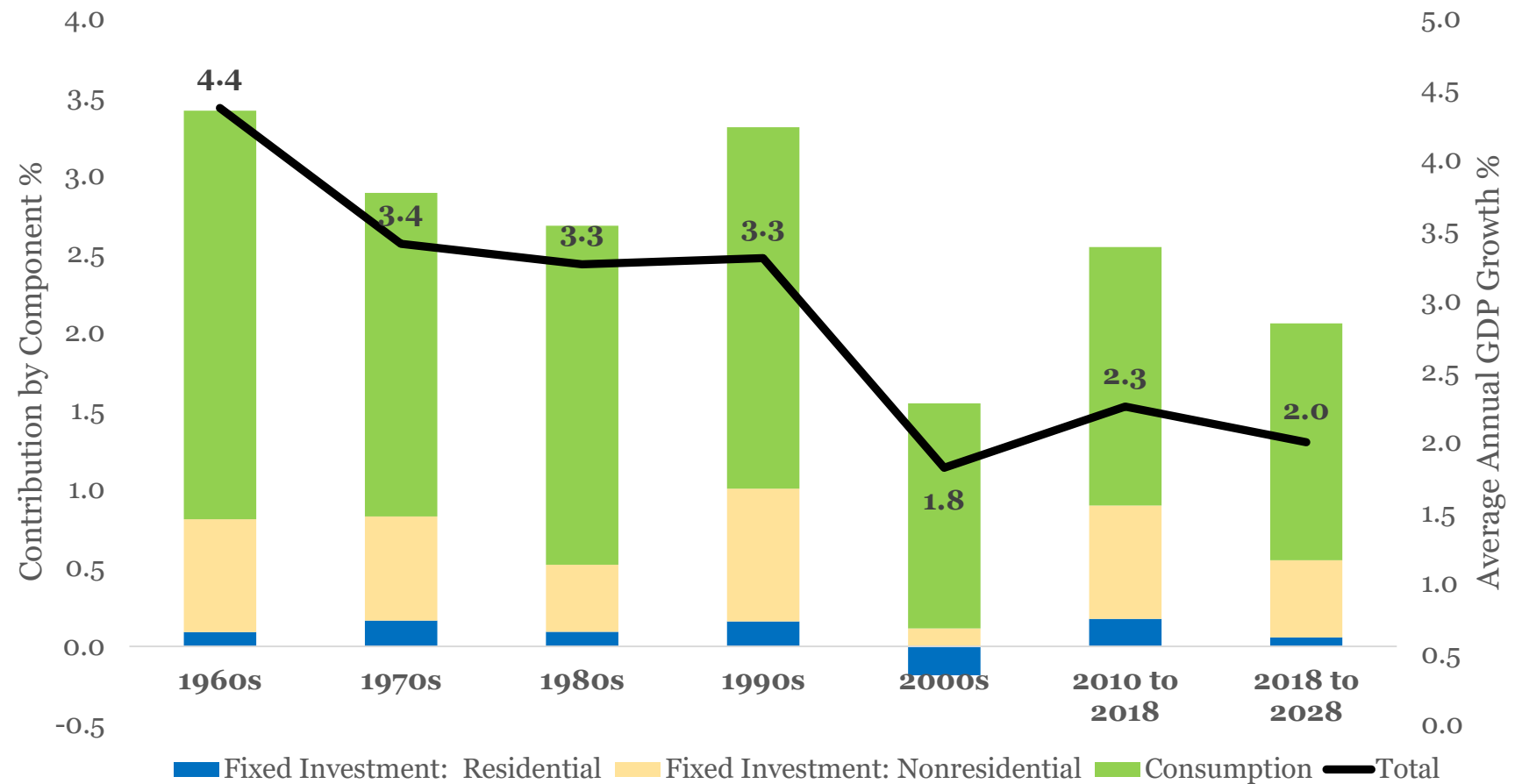
A changing industry

- ❑ Intensifying transformation
- ❑ Easing into the future

“Demographic growth is slowing and you can’t deny it will have an impact on the real estate industry. Making the right choices will be key.”

Intensifying Transformation

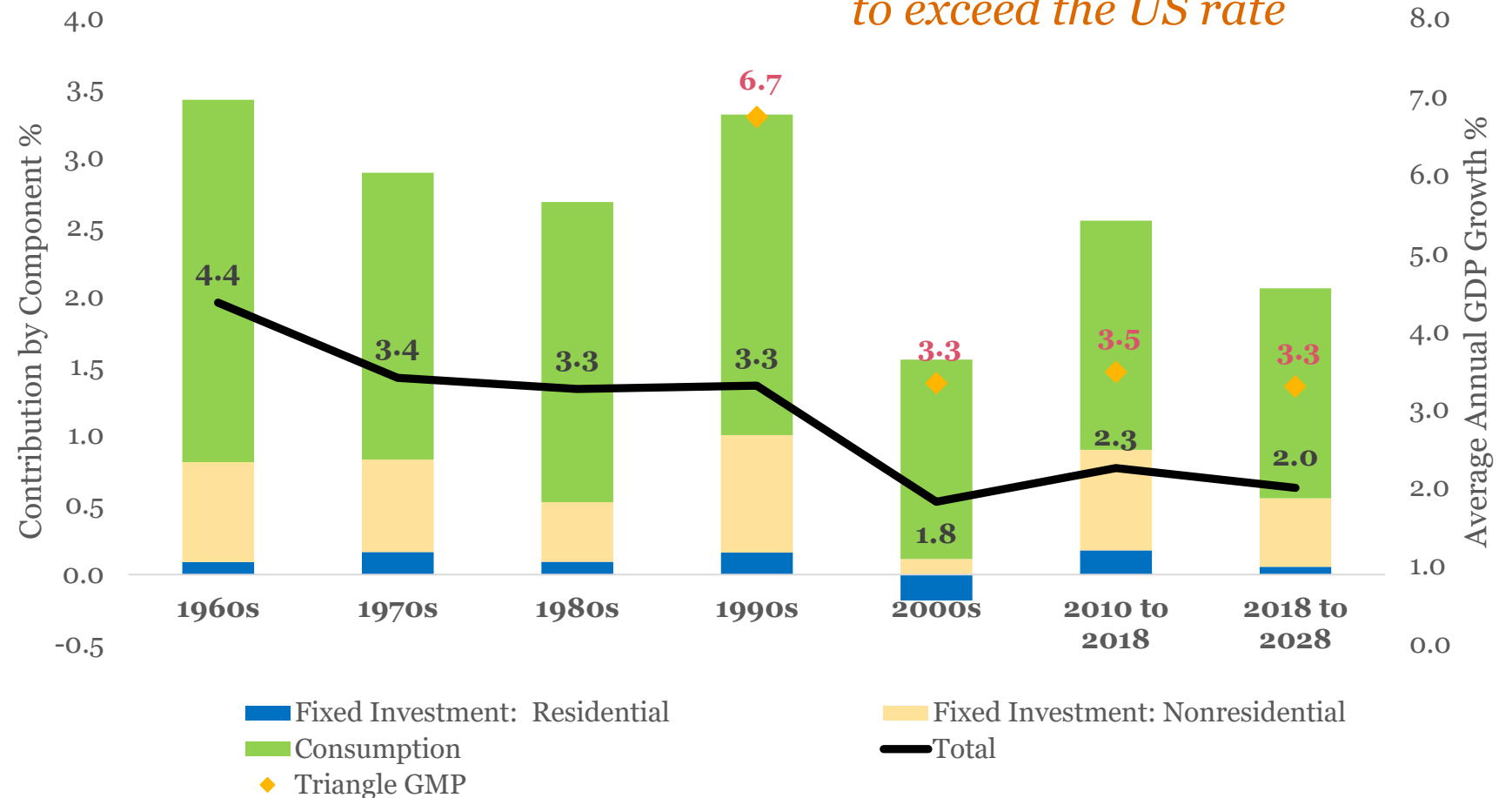
Slower GDP growth projected to be the norm, but contribution by component remains stable



Intensifying Transformation

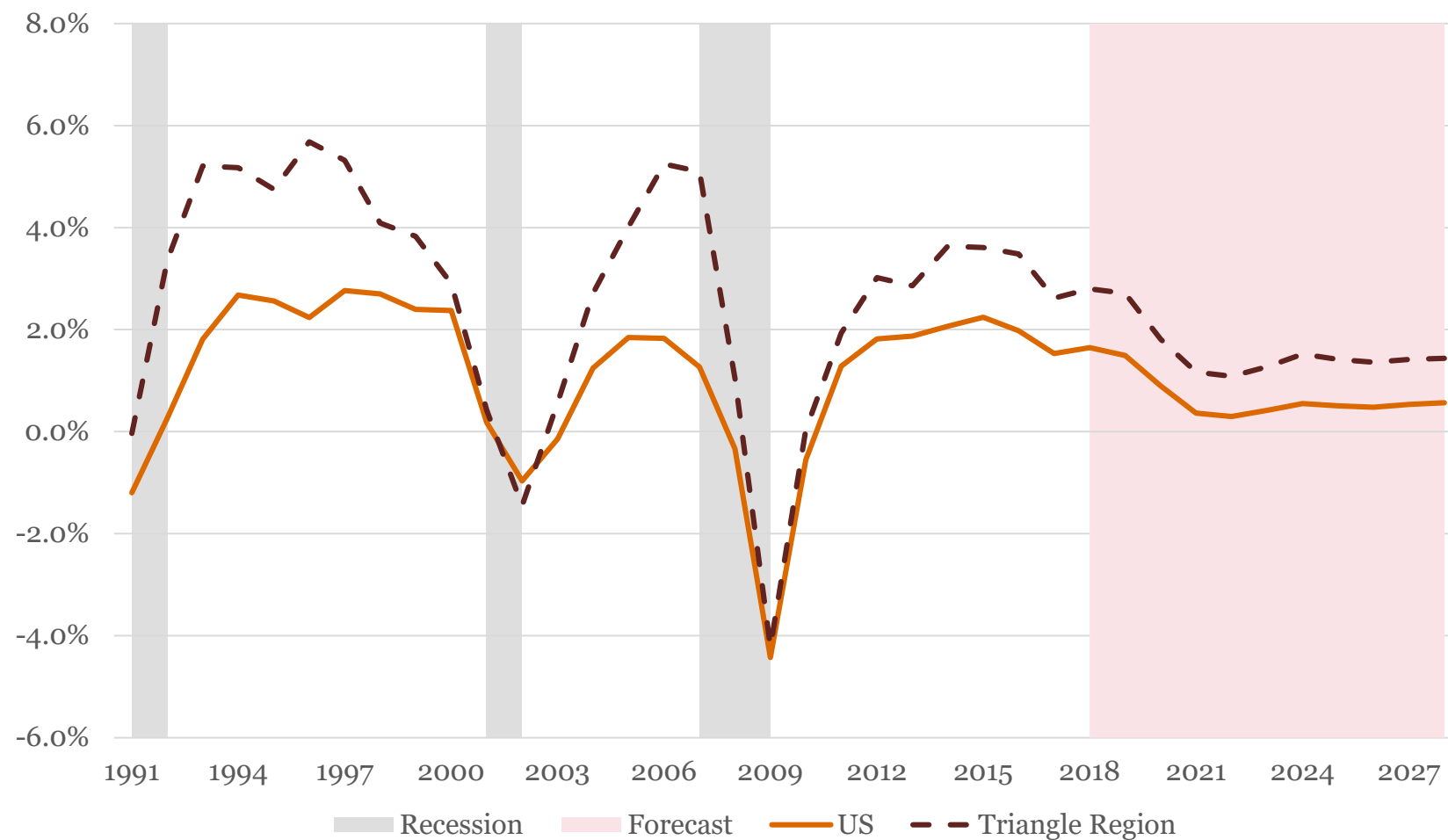
Slower GDP growth projected to be the norm, but contribution by component remains stable

Triangle Region continues to exceed the US rate



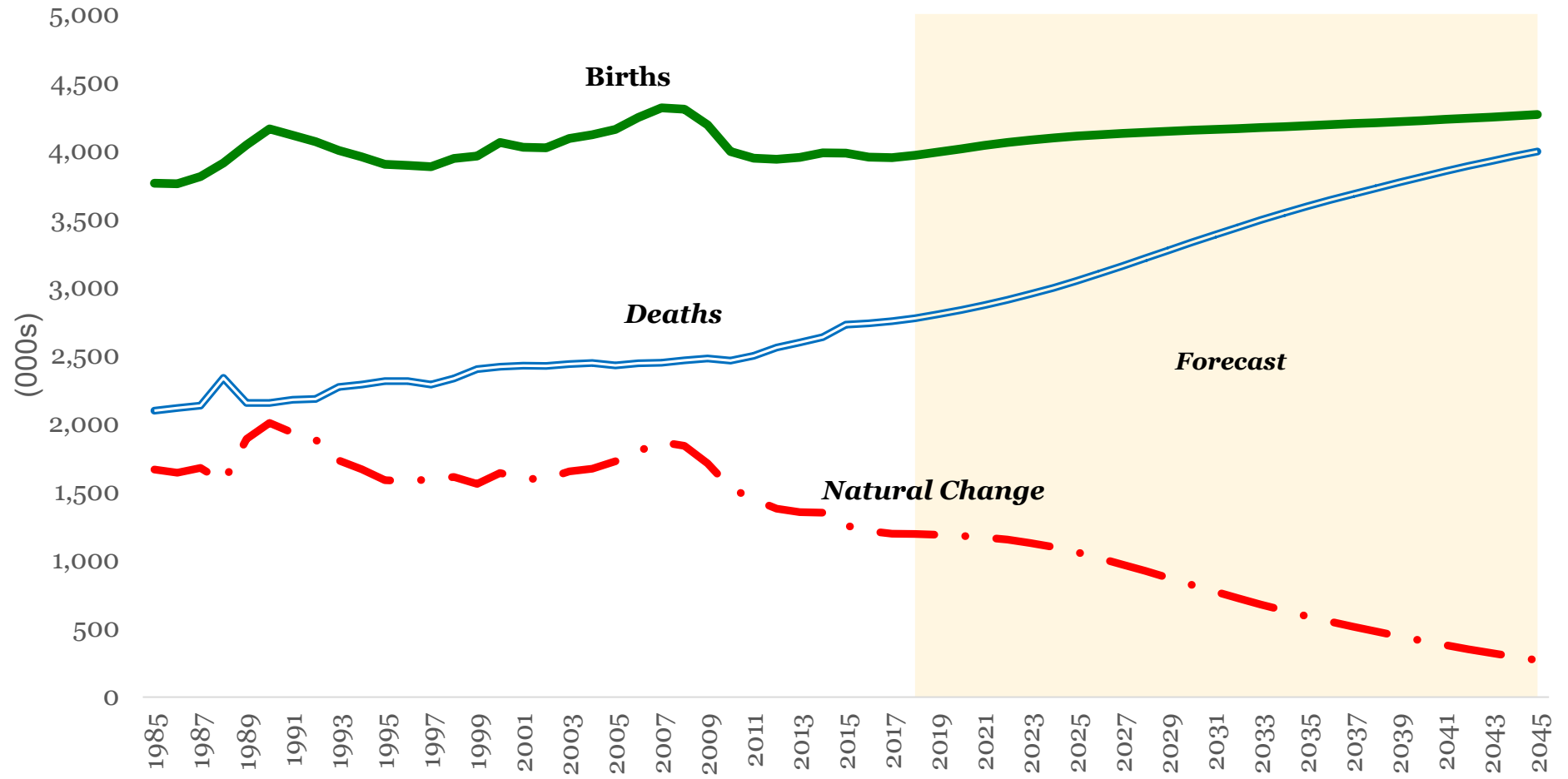
Intensifying Transformation

Triangle Region Annual Employment Growth Versus the US

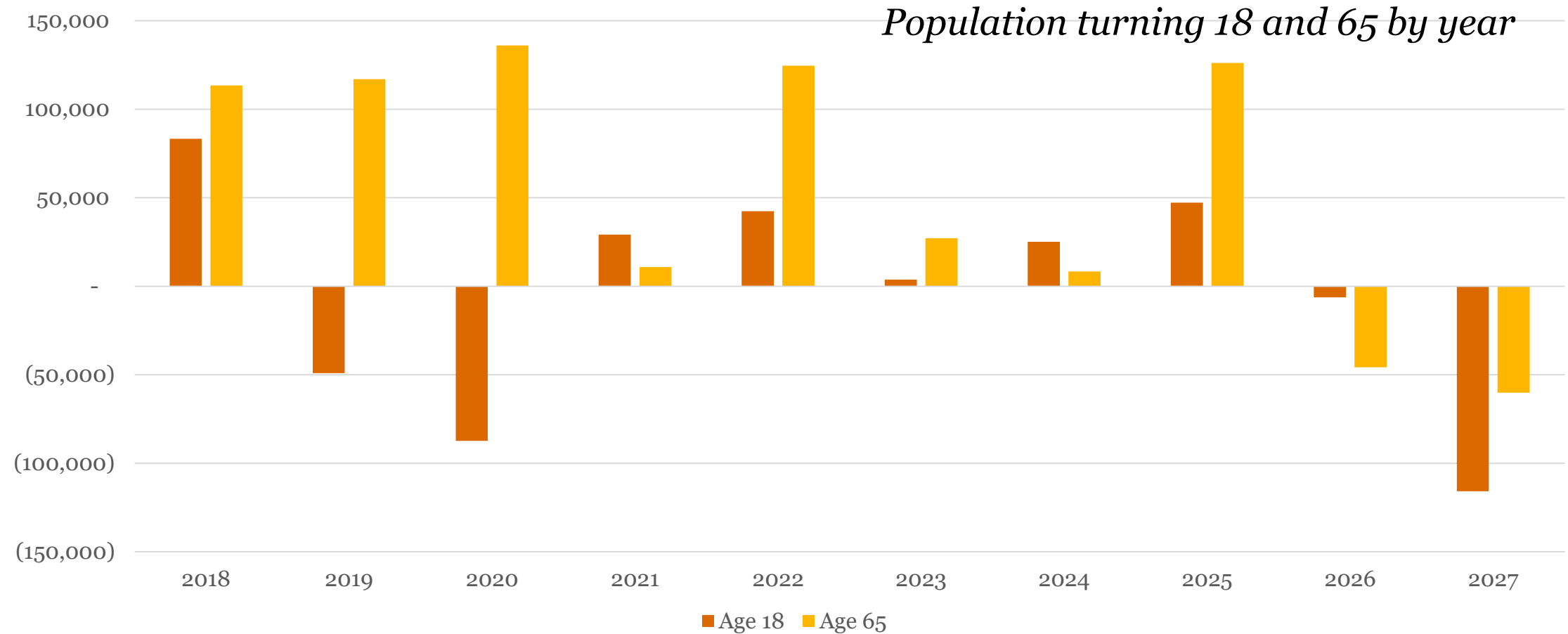


Easing into the Future

Natural
population
change



Easing into the Future: More workers leaving the workforce





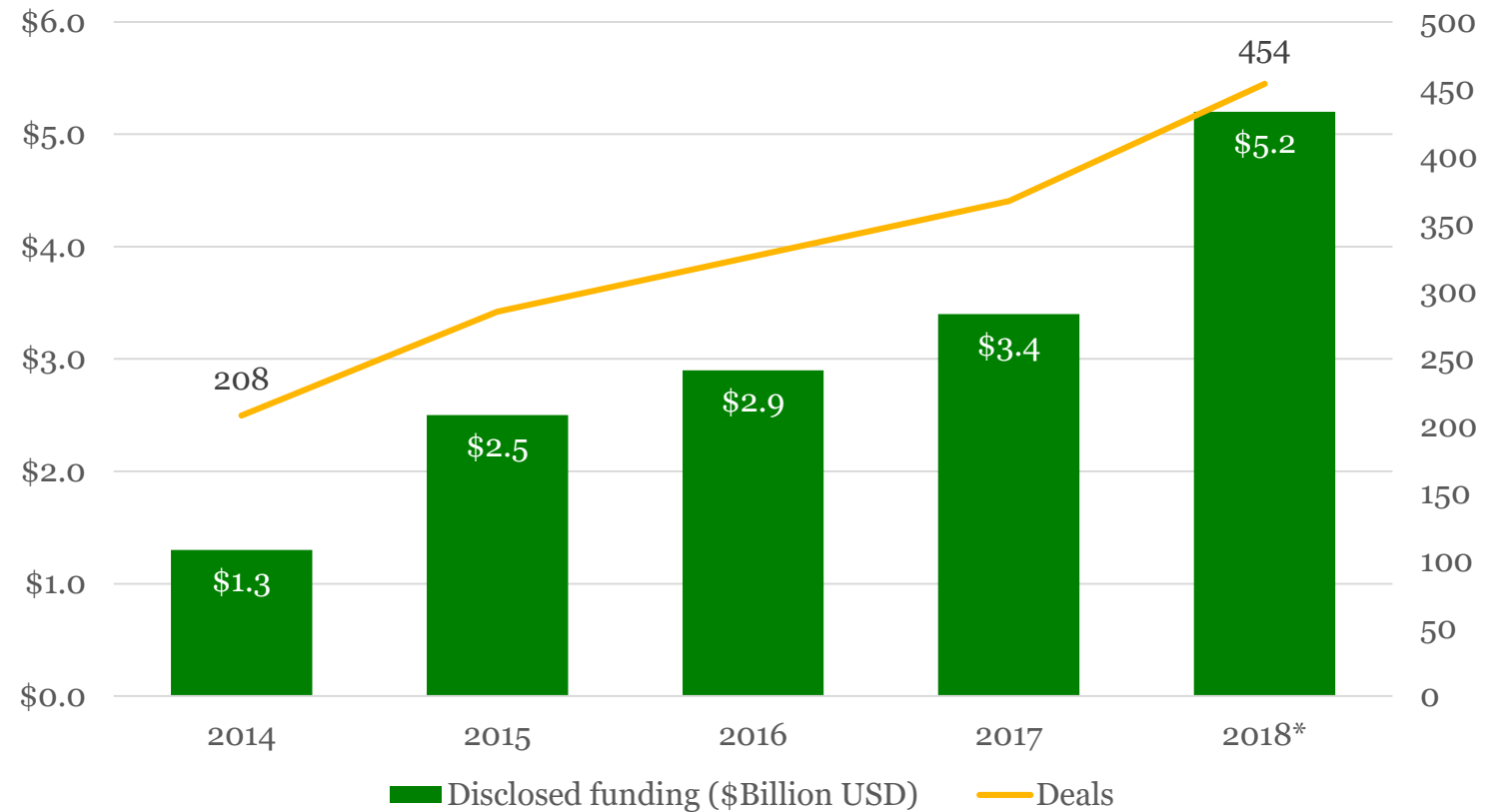
“Someday, the most valuable component of an office building may be the data it generates.”

Dealing with disruption

Accelerating Digital Transformation

41%
Annual increase
in global real
estate tech
investment over
the past 4 years

Real Estate Tech Financing



Accelerating Digital Transformation

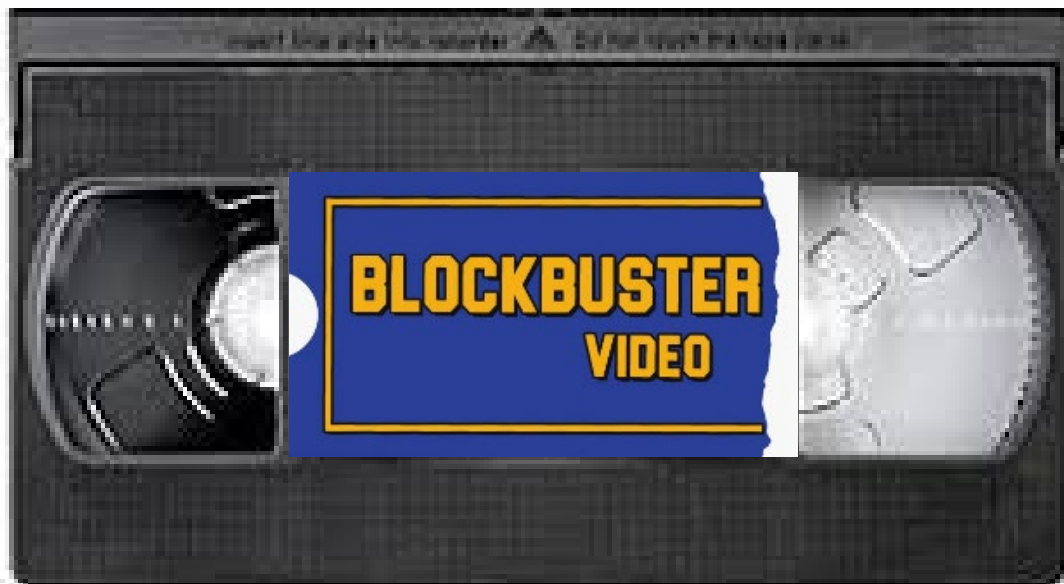
- ✓ Nearly \$7.0 trillion asset class
- ✓ 13.2% - real estate rental and leasing value add contribution to GDP
- ✓ Technology attracted to fragmented nature of the industry: ***Asset Management, Brokerage, Development, Due Diligence, Finance, Facility Management***
- ✓ Key industry companies have begun their own investment
- ✓ Maybe...



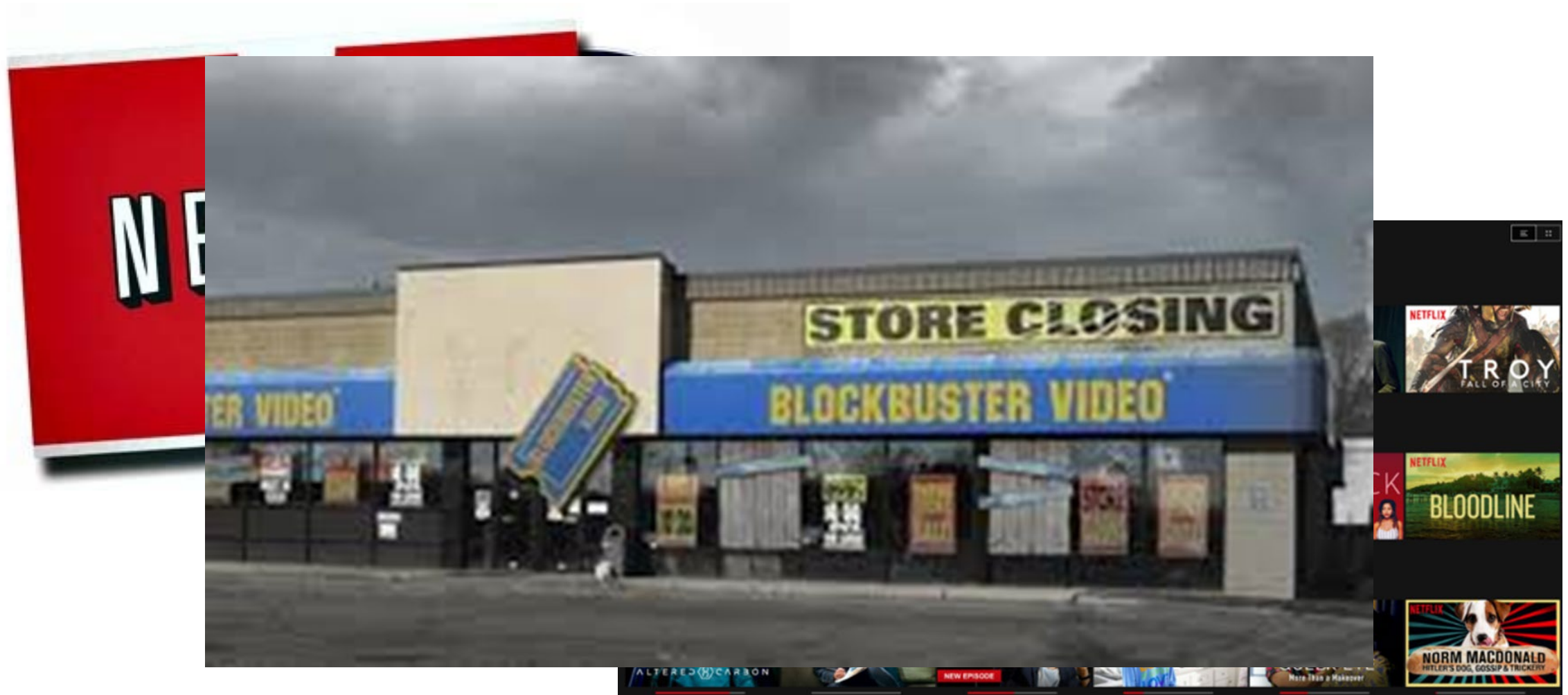
What does disruption look like ?



Their Biggest issues – people didn't rewind these



Taking their eye off the ball



Markets to watch

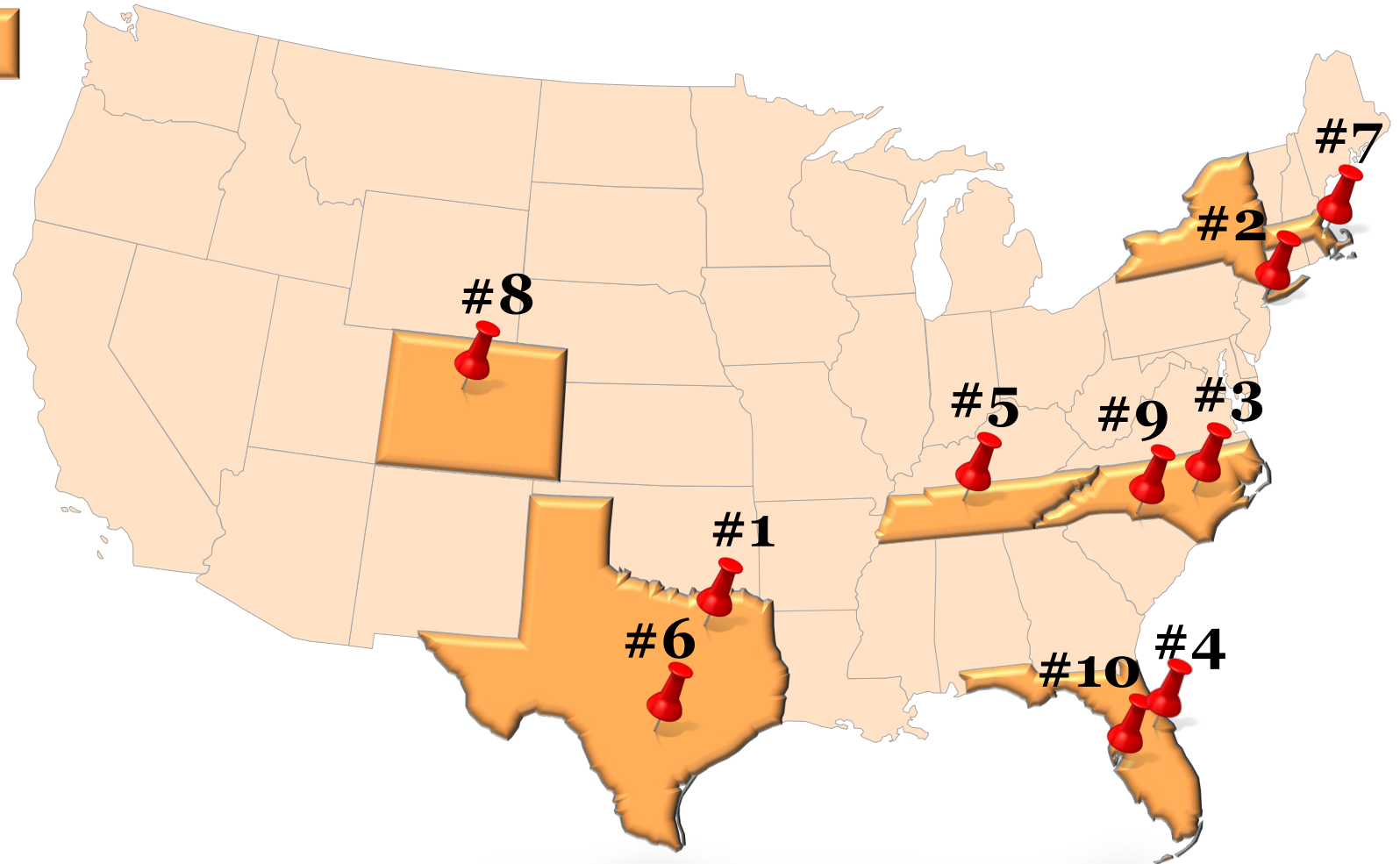
❑ 18-hour city 3.0

“The competition for talent makes being in the right market of vital importance.”

Markets to Watch

Overall Real Estate Prospects

- #1 Dallas/Ft. Worth
- #2 Brooklyn
- #3 Raleigh/Durham
- #4 Orlando
- #5 Nashville
- #6 Austin
- #7 Boston
- #8 Denver
- #9 Charlotte
- #10 Tampa/St. Petersburg



What Makes the Triangle Region #3?

❑ *Good to
Excellent outlook
for investment
and development
by property type*



What Makes the Triangle Region #3?

❑ *Not just a desirable place to invest, but a real chance that you could*



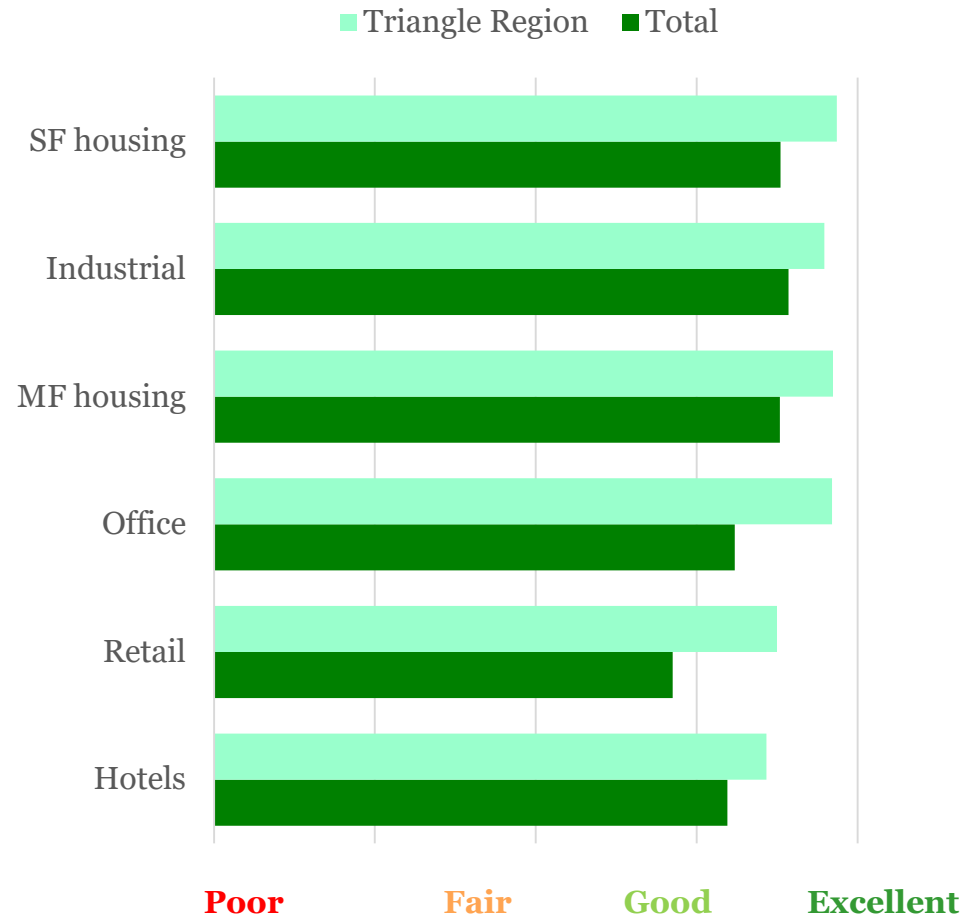
Property type outlook

- ❑ Retail transforms
- ❑ Myth of free delivery

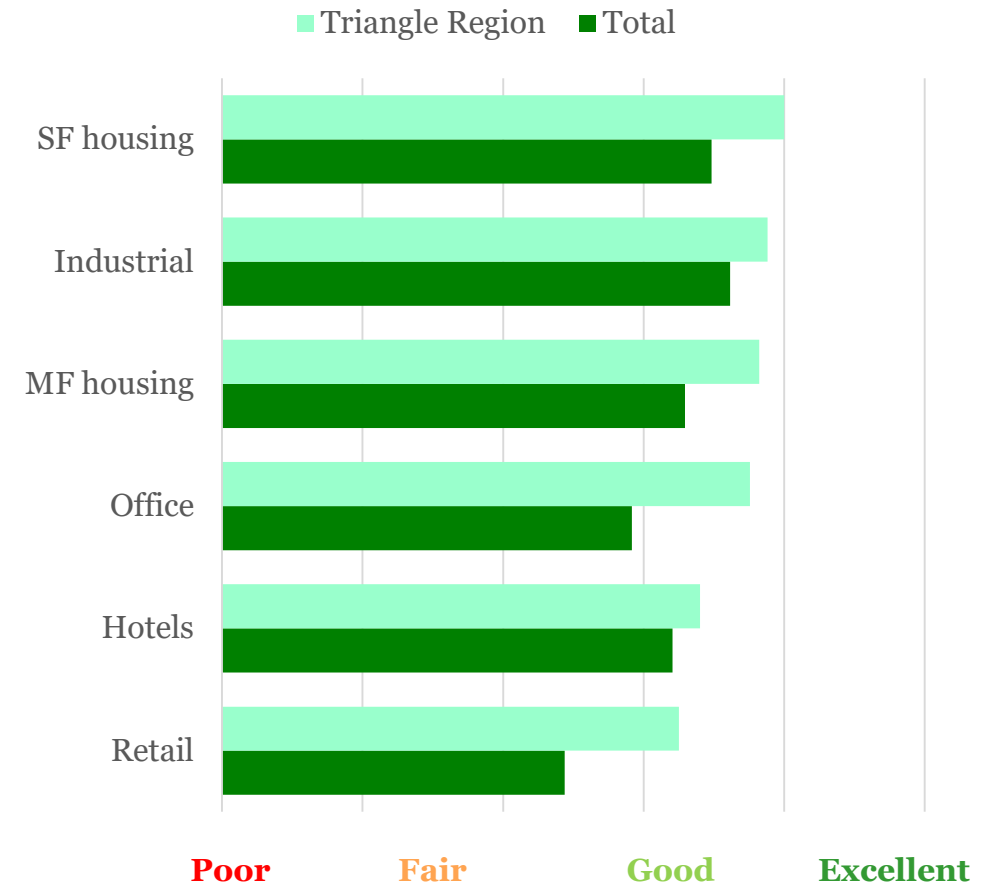
“The pace of change faced by all property types is making the future viability of each asset increasingly important.”

Property Type Outlook

Investment



Development



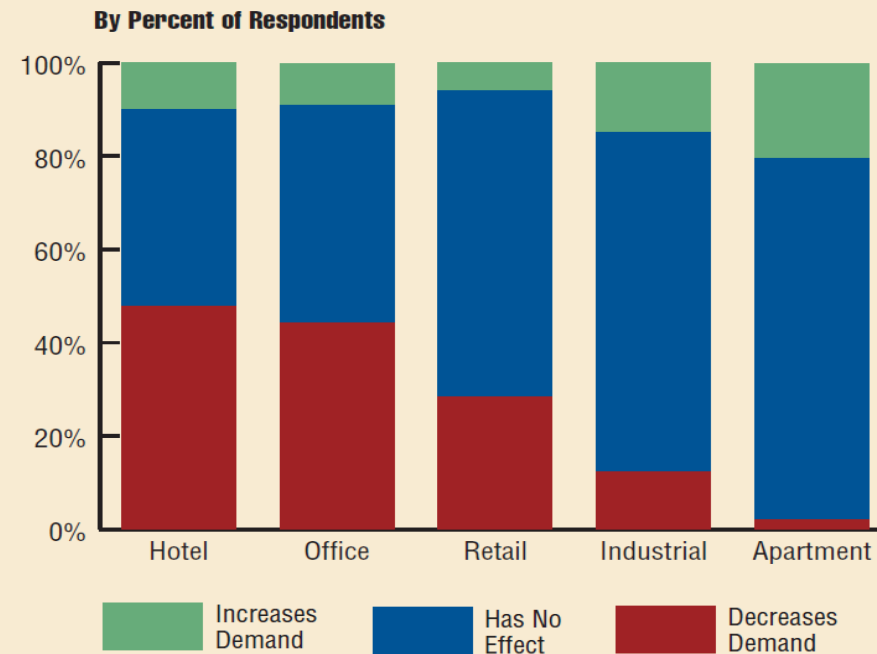
Why Do We Care About Technology?

70%

The percent of survey respondents who felt technology would have no impact on the demand for retail space.

Exhibit 1-10

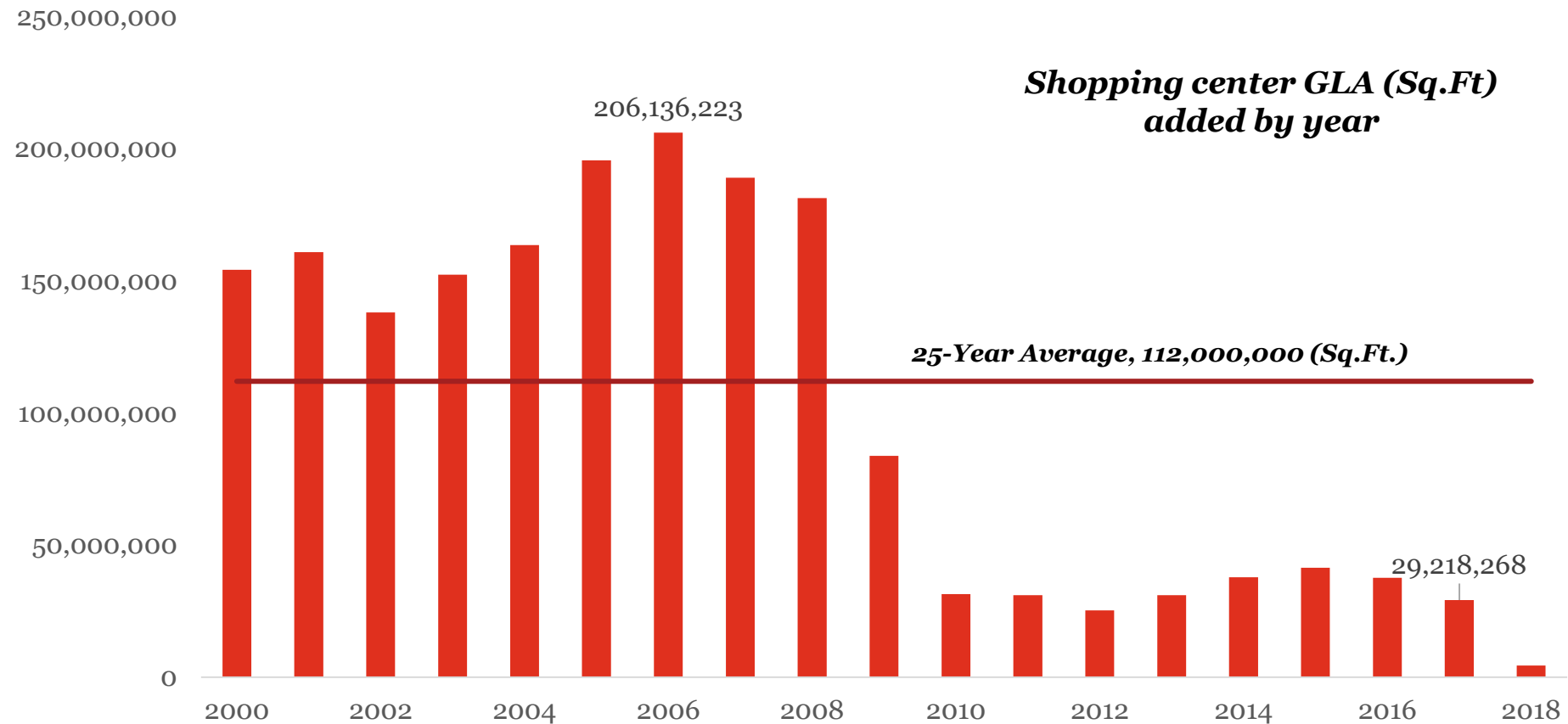
How Increased Use of Technology by Business and Consumers Affects Demand for Real Estate



Source: Emerging Trends in Real Estate 2004 survey.

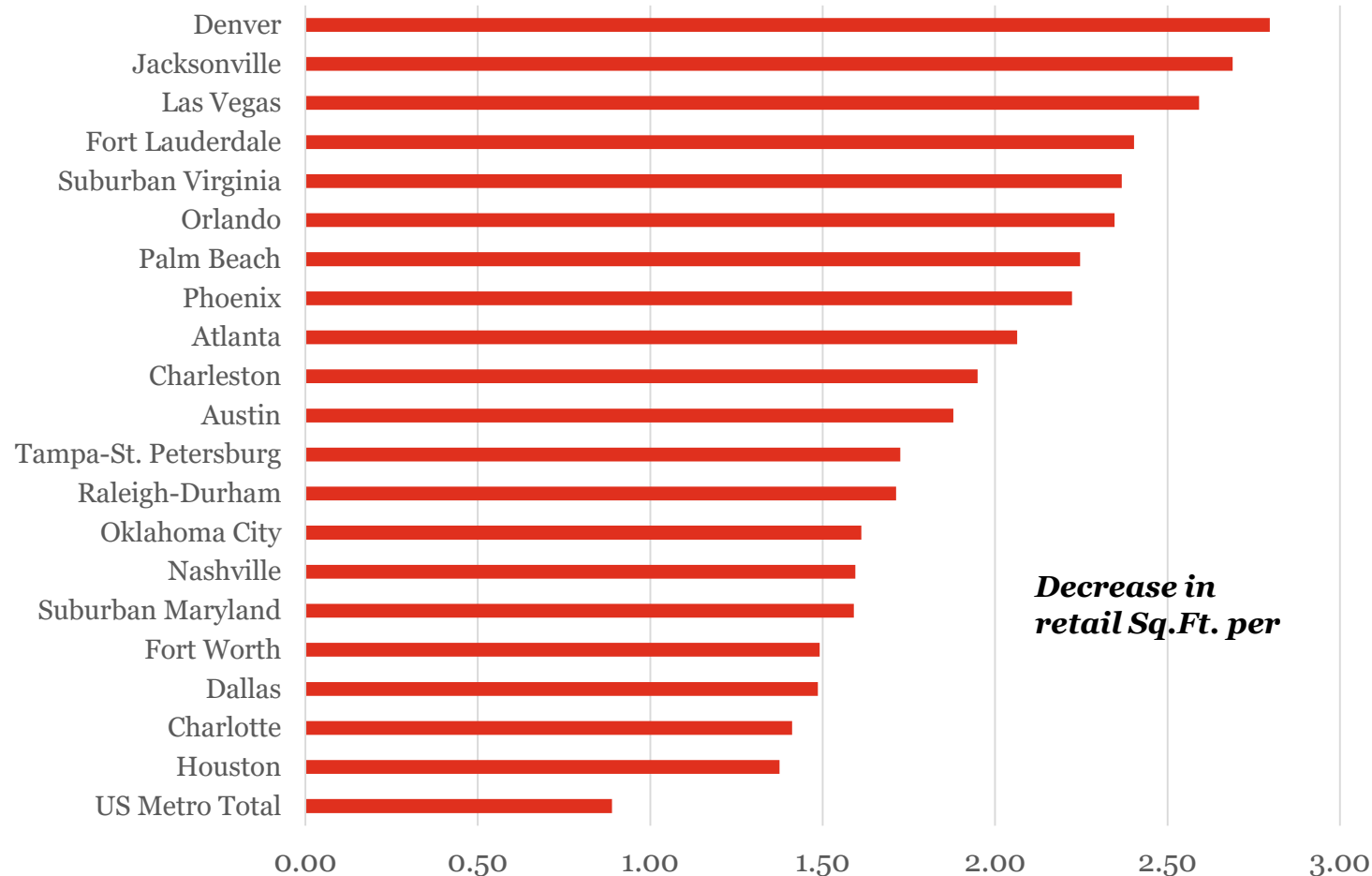
Retail Transforming to a new Equilibrium

Retail sector responds quickly to slowing demand



Retail Transforming to a new Equilibrium

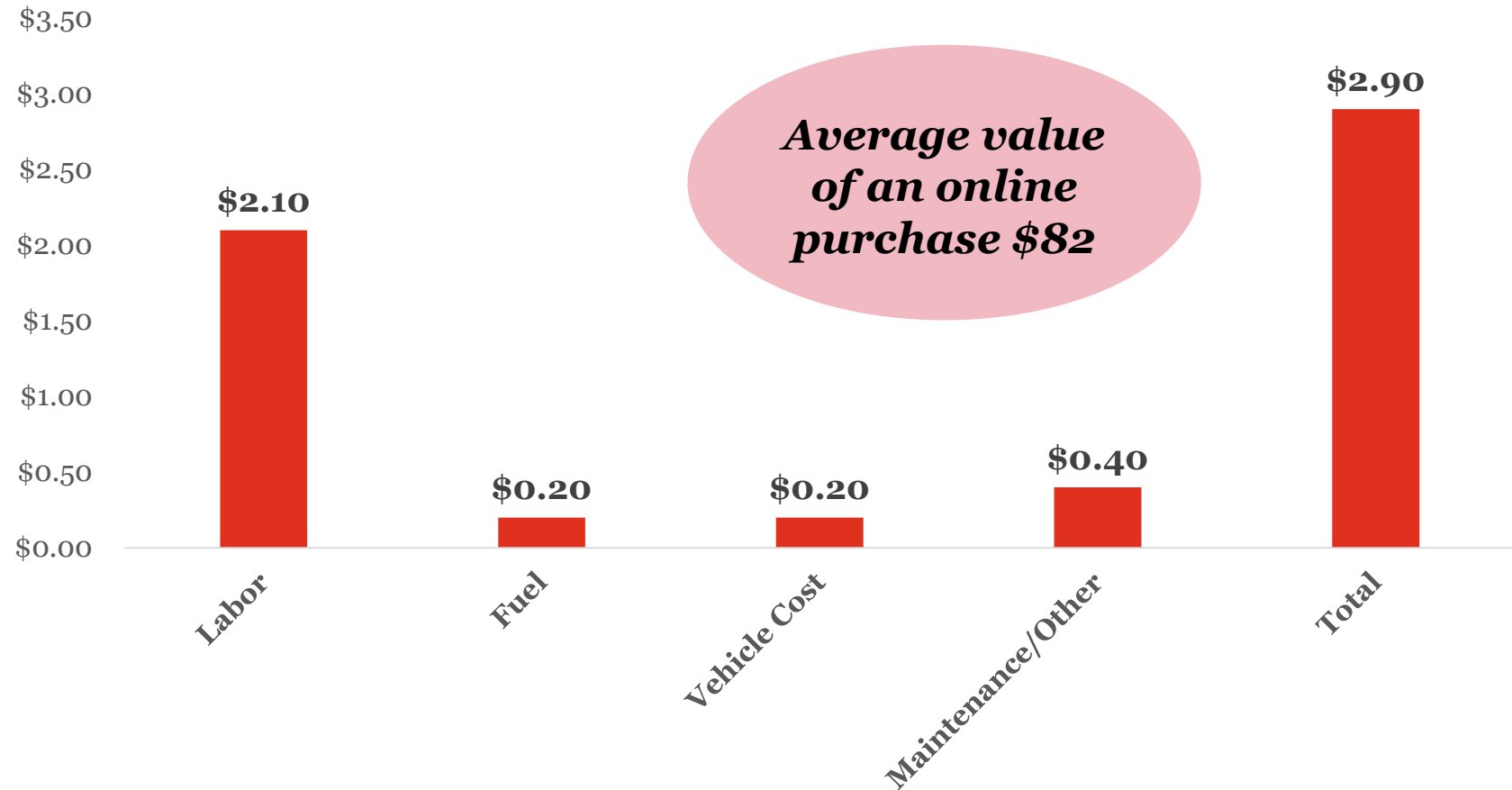
Transformation to less square feet per capita continues



The Myth of “Free Delivery”

Estimated last mile cost per package in a urban, high-density, e-commerce route

An average of 30% of online purchases will be returned



Contact us



Andy Warren
Director, Real Estate Research
515 314 4264
andrew.warren@pwc.com

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ULI Americas Trends *Response Panel*

Audie Barefoot | Fonville Morisey Barefoot
Skip Hill | Highwoods Properties
Tom Murphy | ULI (Moderator)
David Ravin | Northwood Ravin
Andy Warren | PwC
Chris Widmayer | Regency Centers

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ULI Americas Trends *Triangle Housing Market Continuum*

Bill King | DRA
Aspen Romeyn | TJ-COG
Kyle Vangel | HR&A

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ULI Triangle Housing and Real Estate Trends

Trends in Housing Affordability in Triangle





Image Source: Wake Up Wake County

KEY TRENDS IN HOUSING AFFORDABILITY

Kyle Vangel, HR&A Advisors

November 8, 2018

HR&A
Analyze. Advise. Act.

HR&A is an economic development and real estate consulting firm working at the intersection of the public and private sectors.



We approach and understand affordability issues at three comprehensive, mutually reinforcing levels.



HOUSING STRATEGIES

Analyzing local housing
market conditions



HOUSING POLICIES AND PROGRAMMING

Designing solutions that align
public and private interests



HOUSING TRANSACTIONS

Advising on the development
and preservation of housing

1. Affordability Key Terms
2. Indicators of Affordability Challenges
3. Drivers of Affordability Challenges

1. Affordability Key Terms
2. Indicators of Affordability Challenges
3. Drivers of Affordability Challenges

Area Median Income (AMI) is a metric used to benchmark and understand local need and affordability.

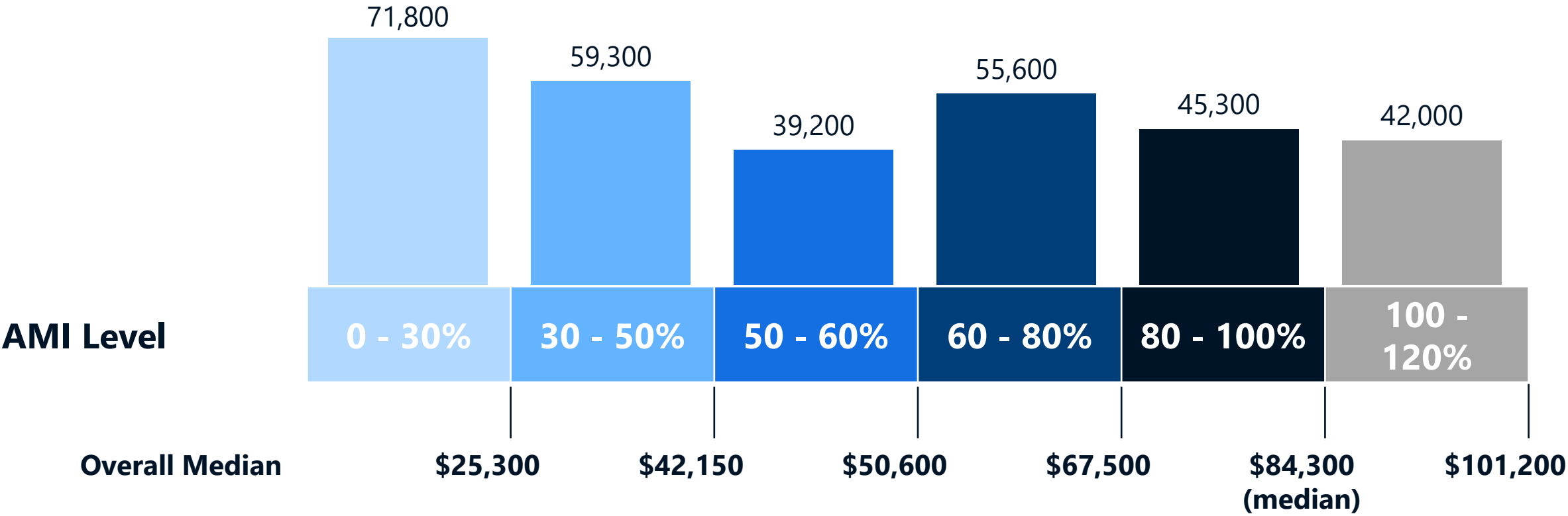
- Determined as midpoint in distribution of household incomes within a geographic region
- Provided annually by HUD* for different household sizes (1- to 8-person)
- Used to determine eligibility for income-restricted housing programs

Raleigh MSA AMI Levels 2018						
AMI Level	30%	50%	60%	80%	100% (median)	120%
Income for a 4- person household	\$25,300	\$42,150	\$50,600	\$67,500	\$84,300	\$101,200

**U.S. Department of Housing and Urban Development*
Source: HUD
HR&A Advisors, Inc.

In the Raleigh MSA, approximately 70% of households earn less than 120% of AMI.

Raleigh MSA Household Distribution by AMI Level
2018



Source: U.S. Census; HR&A Analysis
HR&A Advisors, Inc.

“Affordable housing” can have a variety of meanings in different jurisdictions. There are three common terms that align with the income bands they each typically serve.

Housing Type by Incomes Typically Served

AMI Level	0 - 30%	30 - 50%	50 - 60%	60 - 80%	80 – 100%	100 - 120%
Housing Type	Public Housing					
	Affordable Housing					
				Workforce Housing		

“Cost burden” is a measure of unaffordability that can apply to both renters and homeowners, at all income levels.

Per commonly-used HUD definitions:

- Cost-burdened households spend more than 30% of income on housing
- Severely cost-burdened households spend more than 50% on housing

Providing housing at different densities can add needed housing supply while better fitting the preferences and income levels of households.

Single-Family
Detached Home



Townhomes and
Small Multifamily (2 – 40 units)



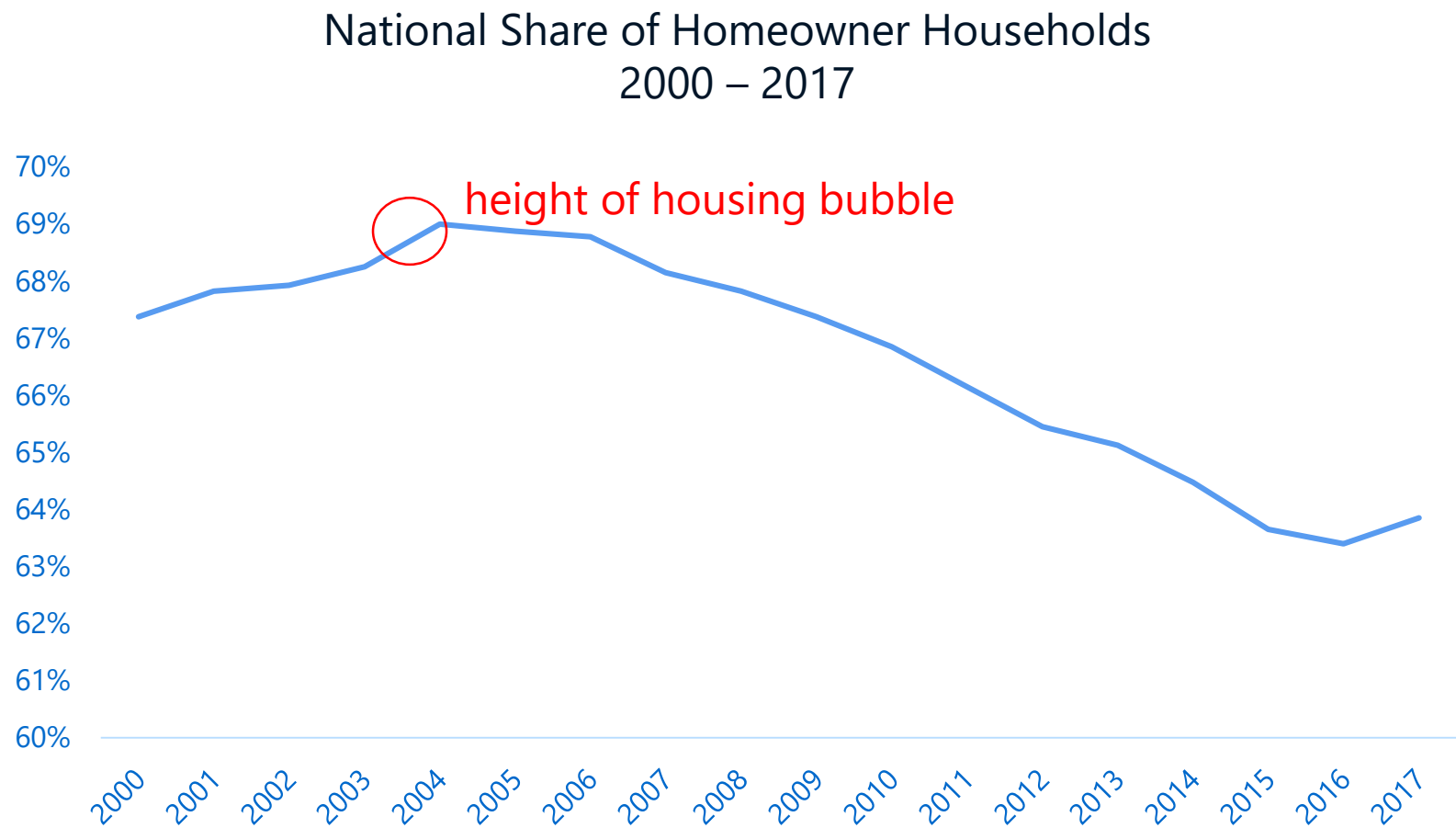
Large Multifamily
(40+ units)



The “Missing Middle”:
an opportunity to add supply

1. Affordability Key Terms
2. Indicators of Affordability Challenges
3. Drivers of Affordability Challenges

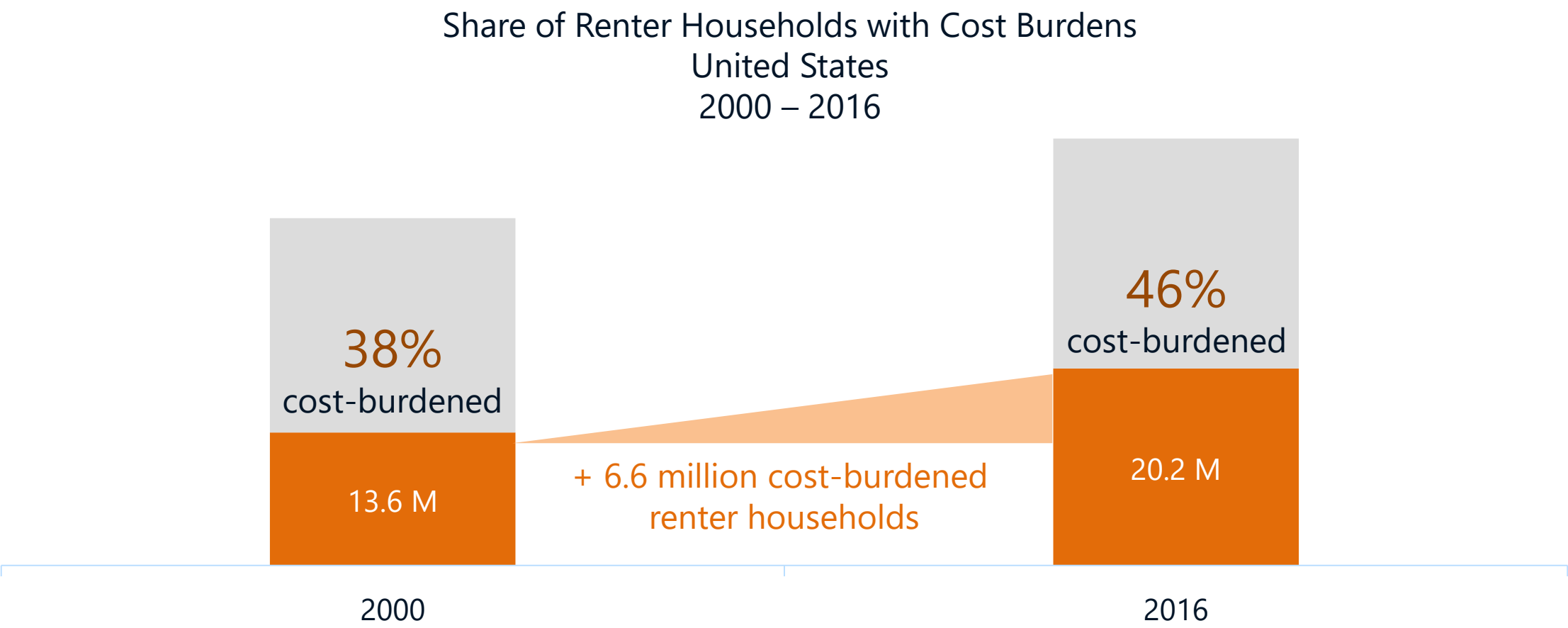
Homeownership rates have fallen to historic lows (albeit from historic highs).



Source: U.S. Census; Federal Reserve Economic Data; HR&A Analysis

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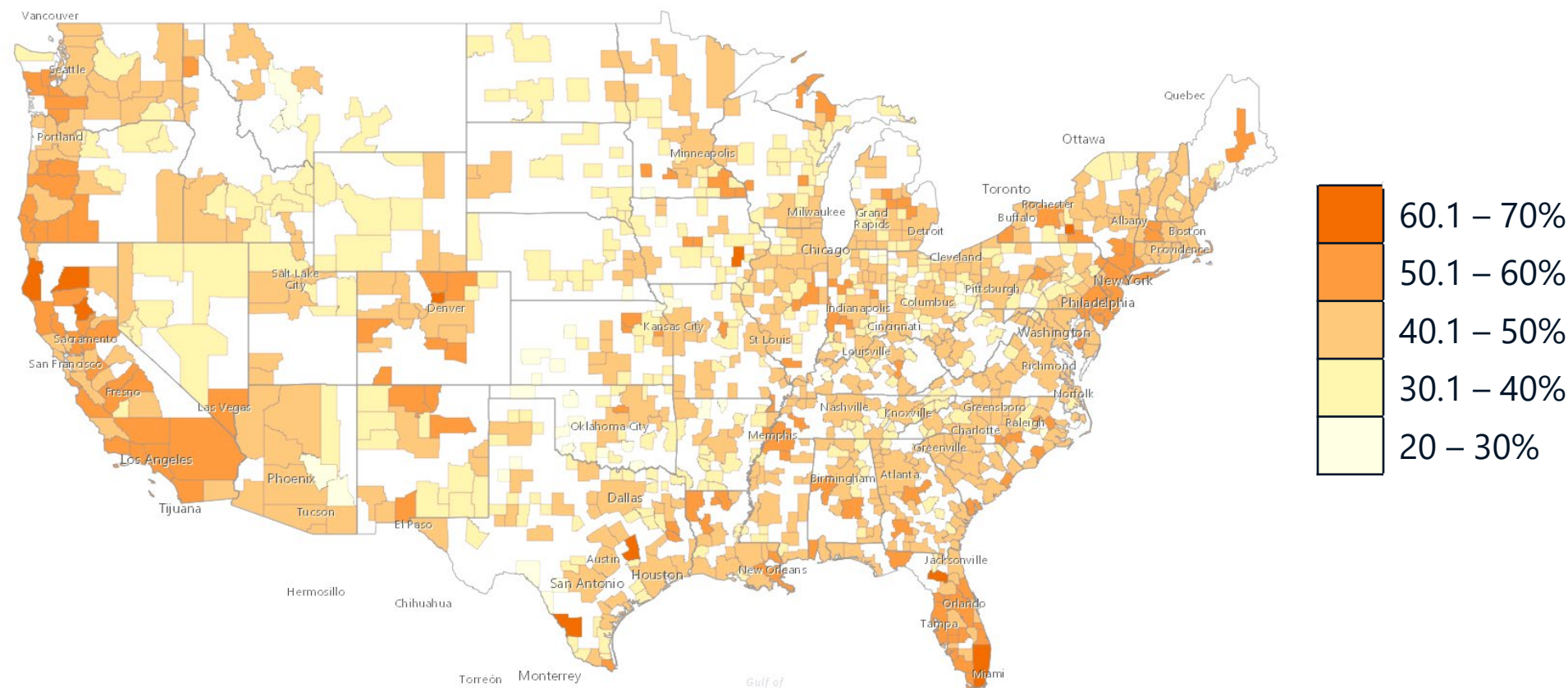
For the nation’s renter households, housing affordability in has severely worsened.



Source: American Community Survey 5-Year Estimates; HR&A Analysis
Note: Cost-burdened households are commonly defined as those spending over 30% of household income on housing.
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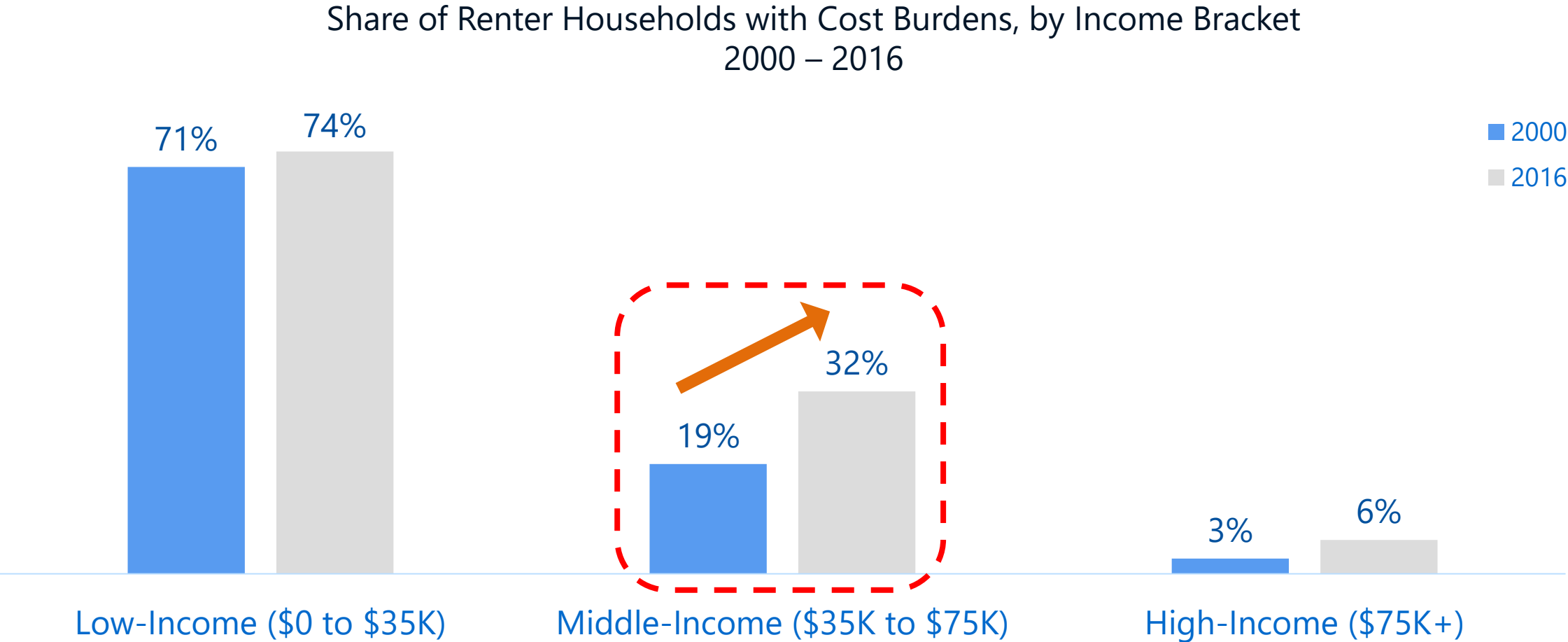
Notably, renters have become cost-burdened across the nation, outside of traditionally high-cost markets...

Share of Renter Households with Cost Burdens
2017



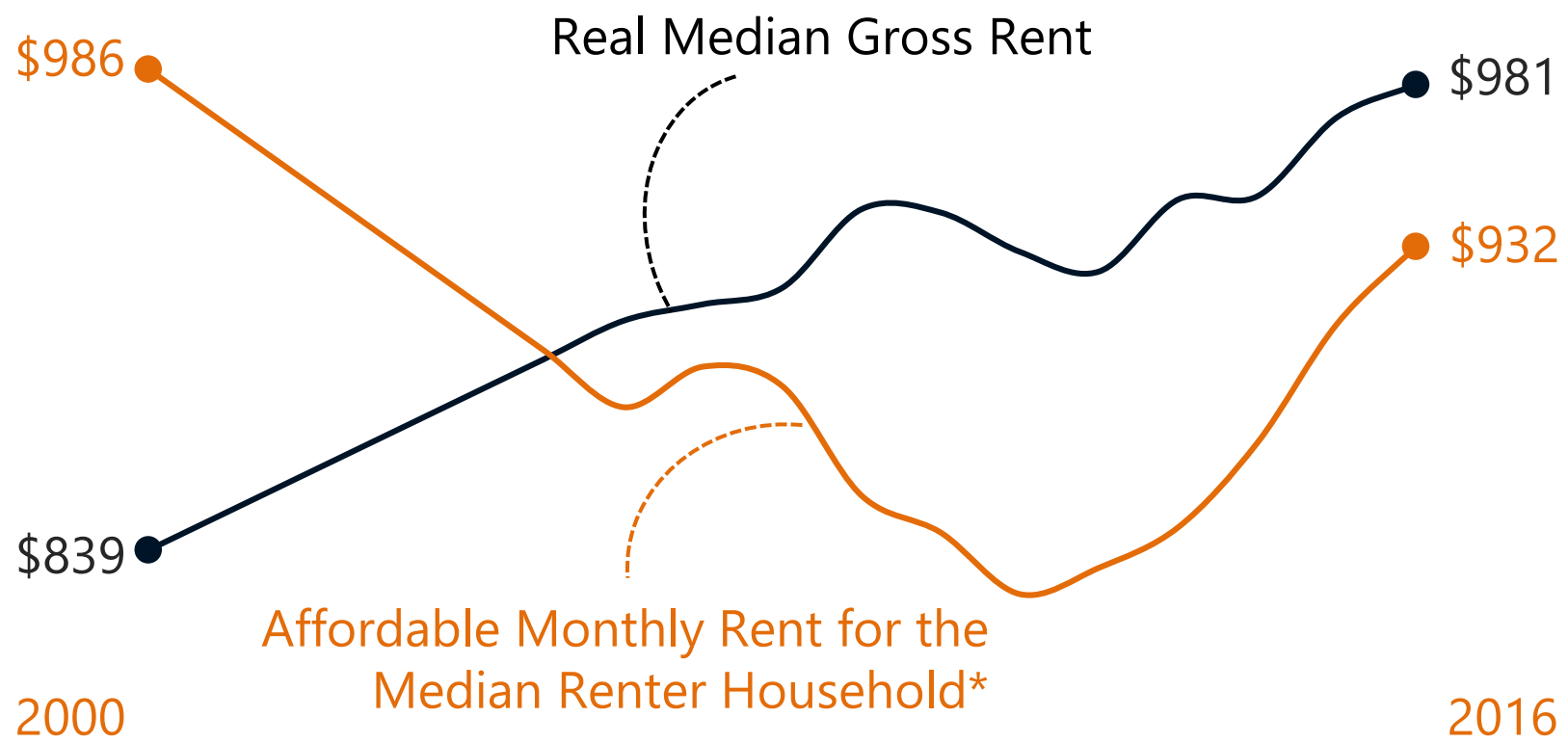
Source: Harvard Joint Center for Housing Studies
HR&A Advisors, Inc.

...and cost burdens have increased rapidly for middle-income renters.



Source: American Community Survey 5-Year Estimates; HR&A Analysis
HR&A Advisors, Inc.

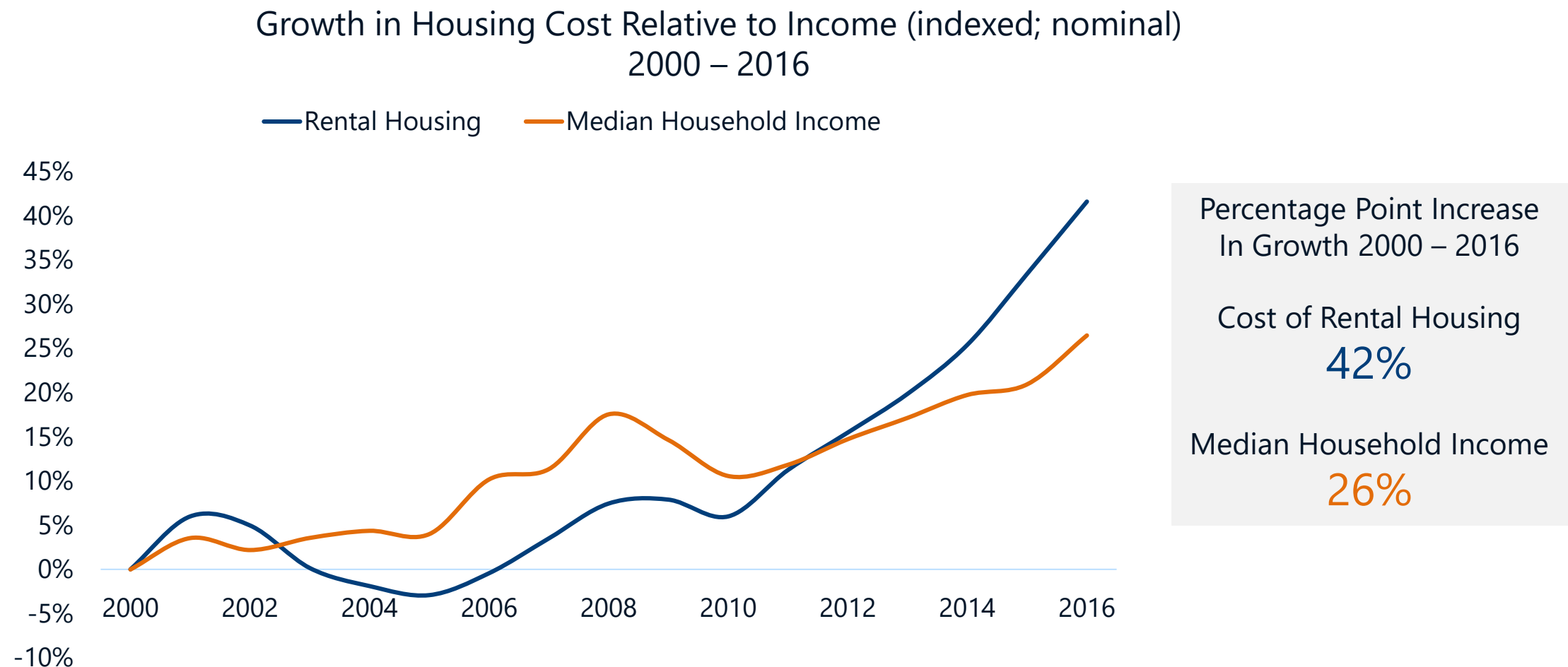
The increase in cost burden is a direct result of two trends: real renter incomes have been stagnant or falling, while real rents have risen.



Source: American Community Survey 5-Year Estimates; HR&A Analysis
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*Based on 30% of median monthly renter household income
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In Wake County, the rate of growth in housing costs for rental housing has outpaced income growth.



Source: U.S. Census; CoStar Group; Zillow; HR&A Analysis

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1. Affordability Key Terms
2. Indicators of Affordability Challenges
3. Drivers of Affordability Challenges

Rents have risen in the past two decades for three main reasons.

1. RISING
DEVELOPMENT COSTS

**Increase rents
necessary to support
development**

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DEVELOPMENT COSTS

Increase rents
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2. DECLINING PUBLIC
FUNDING

**Limits production and
preservation of deeply
affordable units**

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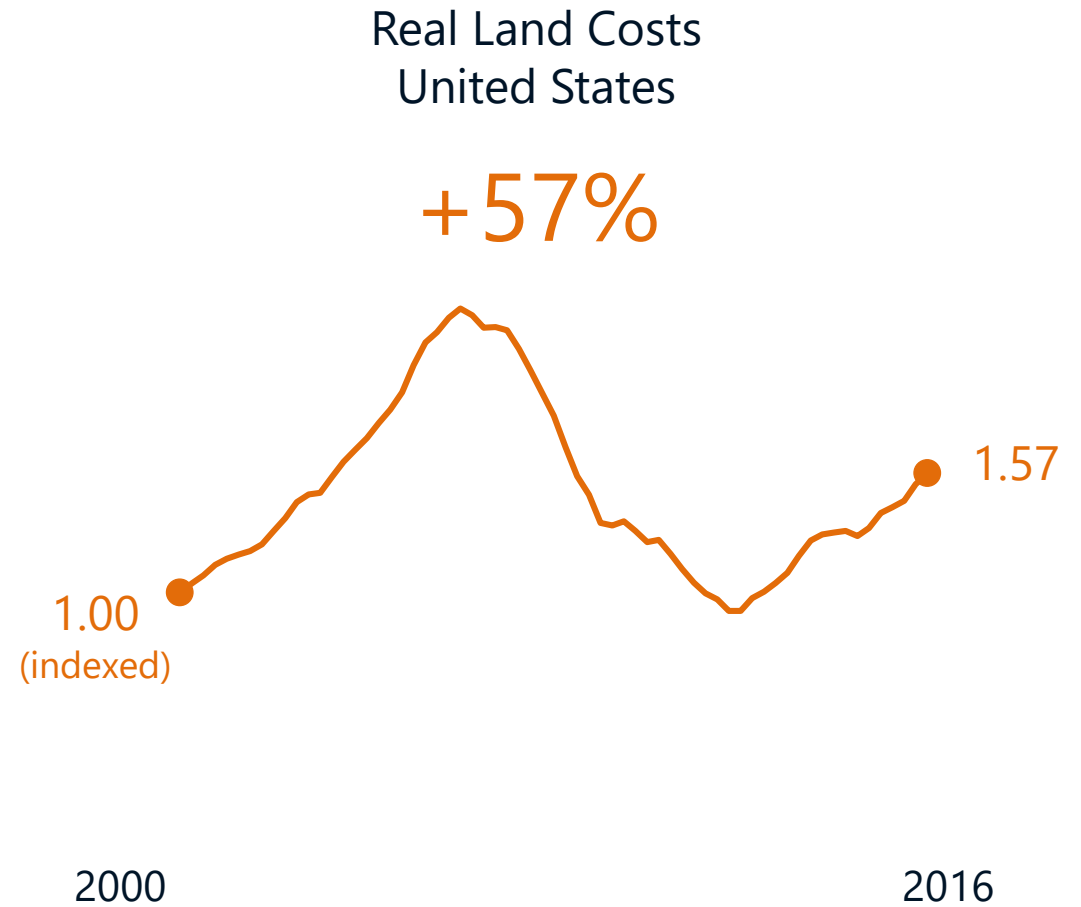
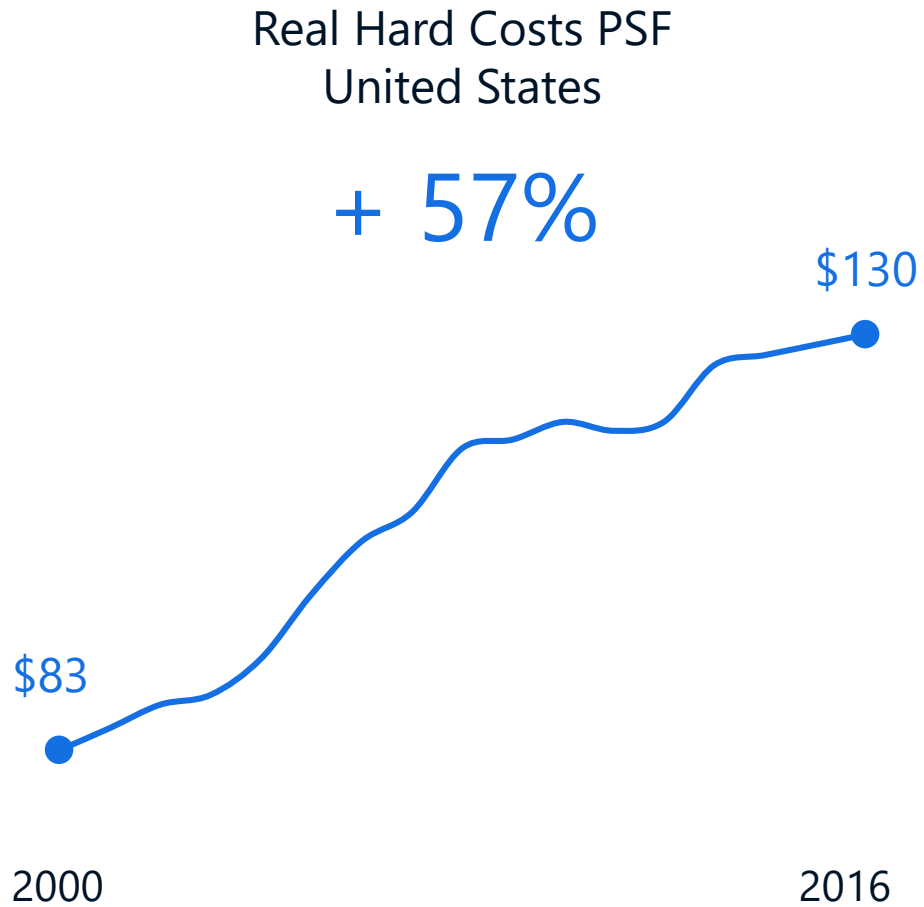
Limits production and
preservation of deeply
affordable units

3. SUPPLY-DEMAND
MISMATCH

**Intensifying competition due
to supply shortage and
greater willingness to pay**

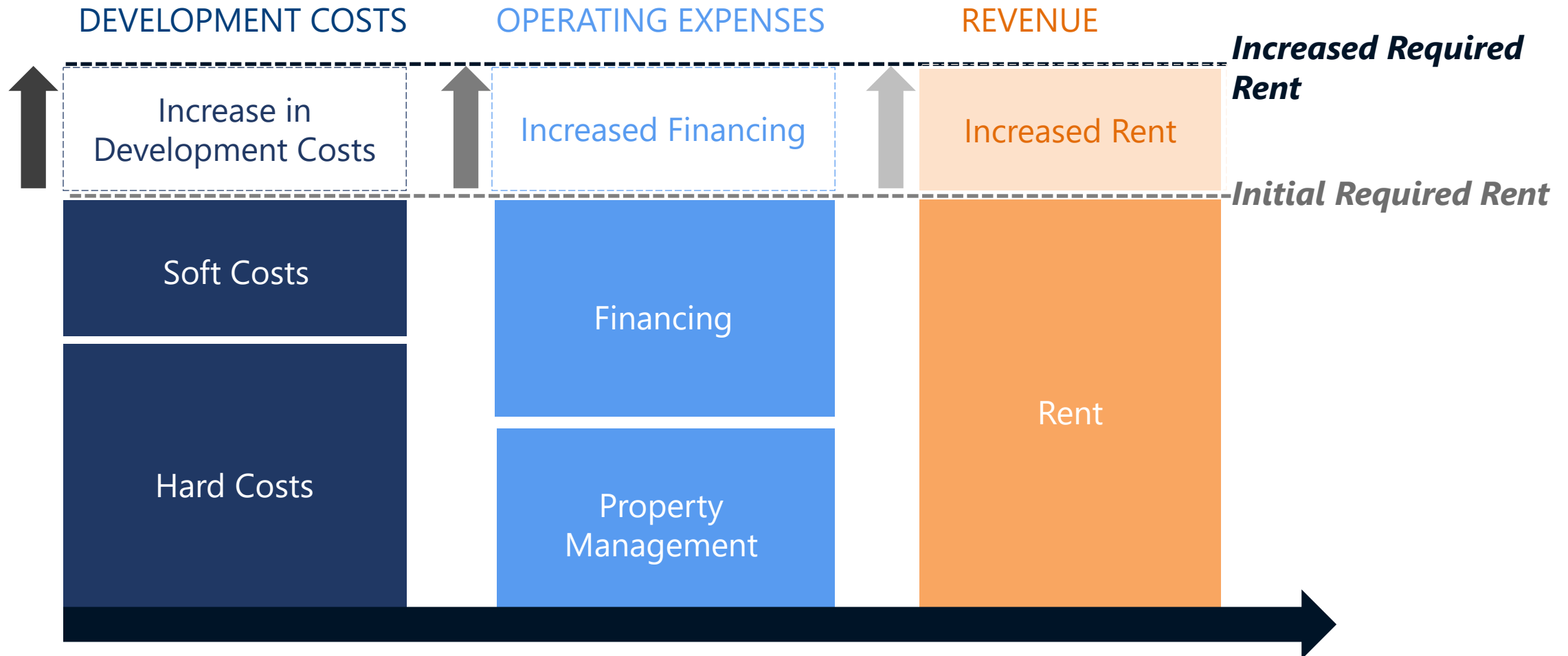
1. Rising Development Costs

Both hard and soft costs to development rose significantly from 2000 to 2016.

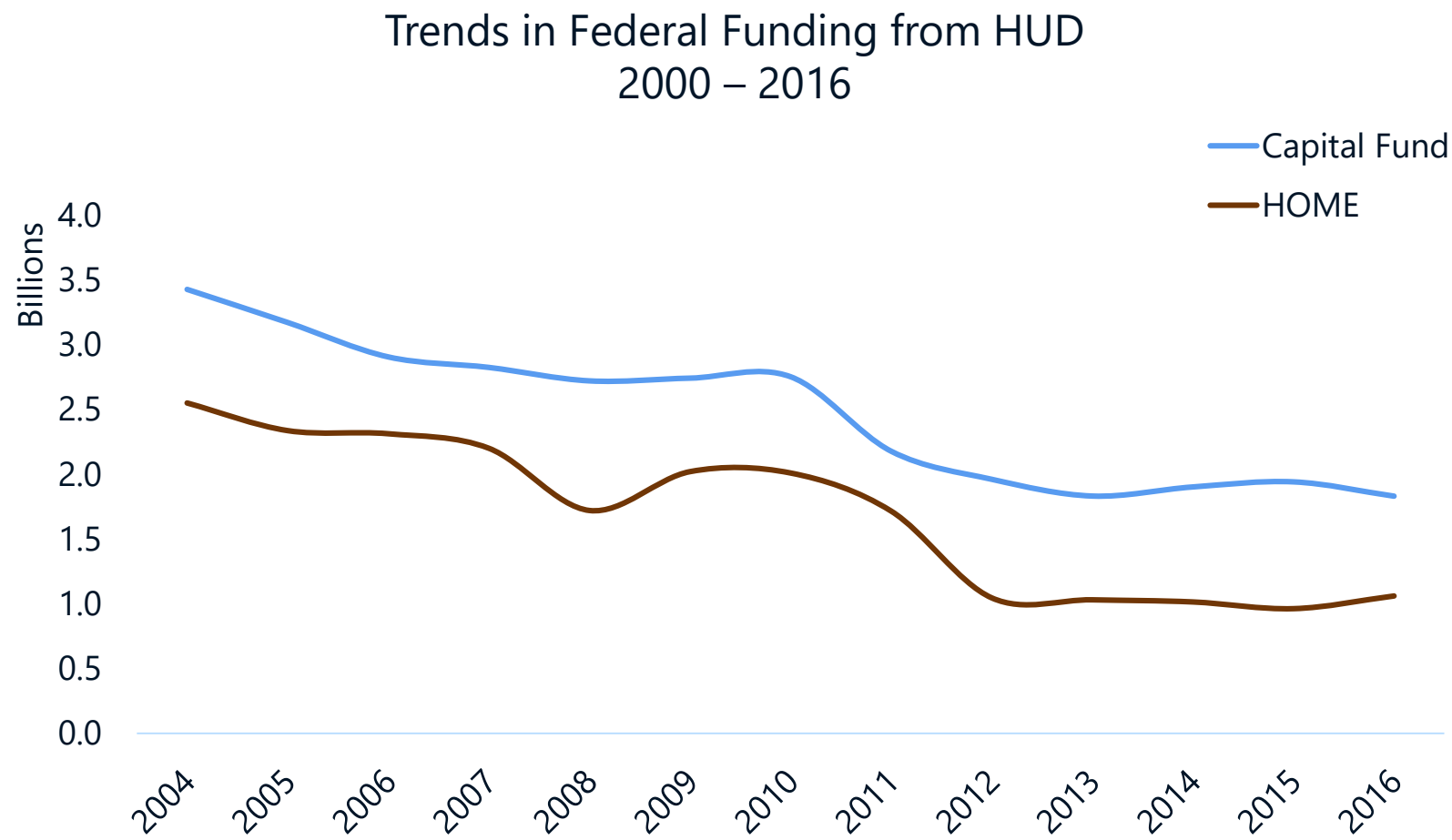


1. Rising Development Costs

Rising development costs worsen affordability directly by forcing up the rents necessary to develop new housing.

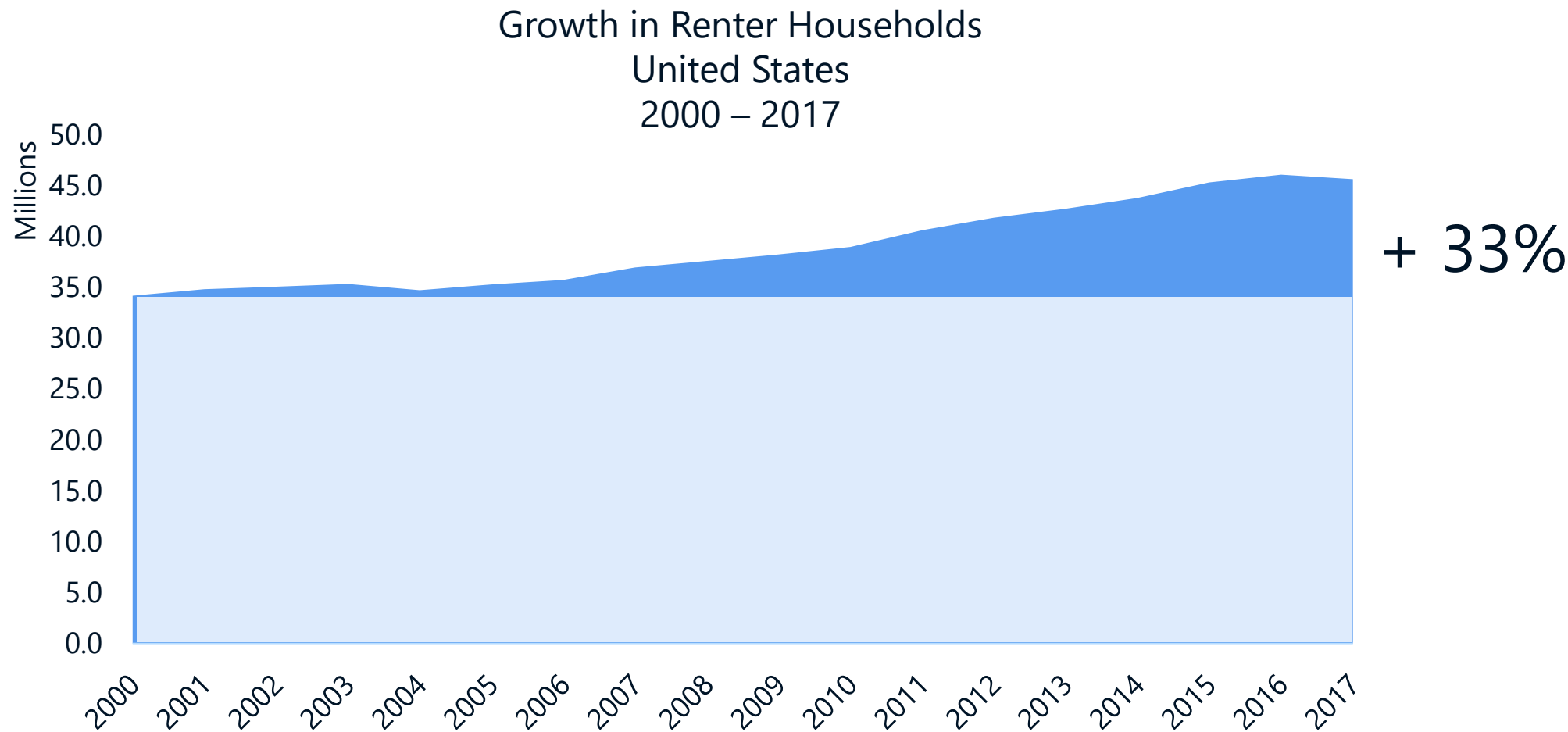


Federal funding for income-restricted affordable housing has steadily decreased.



Source: Housing of Urban Development; HR&A Analysis
HR&A Advisors, Inc.

Demand for rental housing has grown by a third since 2000.



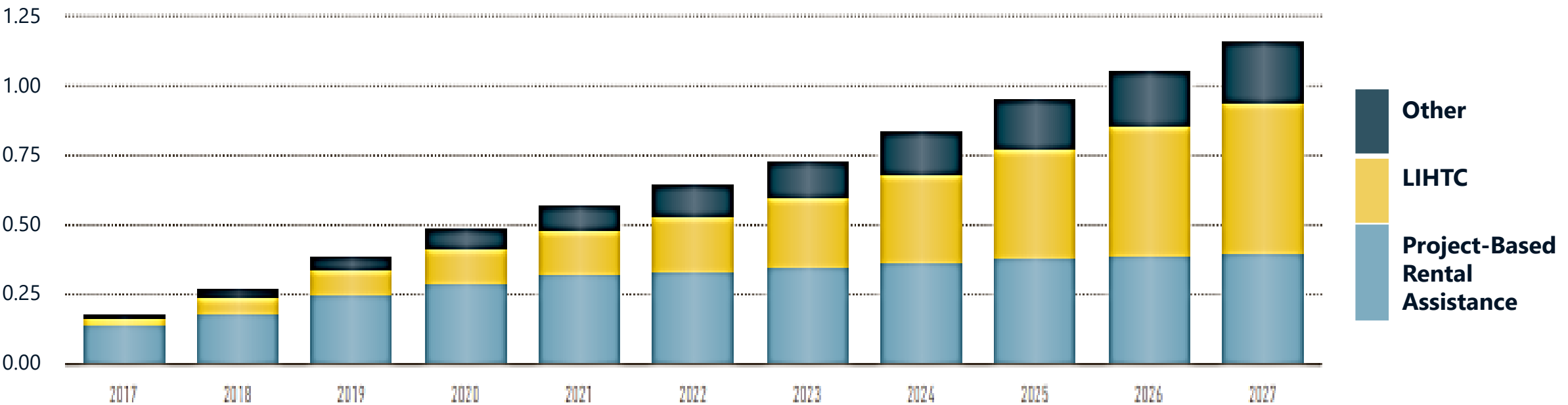
Source: Federal Reserve Economic Data; HR&A Analysis
HR&A Advisors, Inc.

3. Supply-Demand Mismatch

At the same time, the supply of subsidized affordable housing is expected to rapidly decline, assuming a continued lack of both new development and preservation.

Cumulative Publicly Assisted Units with Expiring Subsidies (Millions)

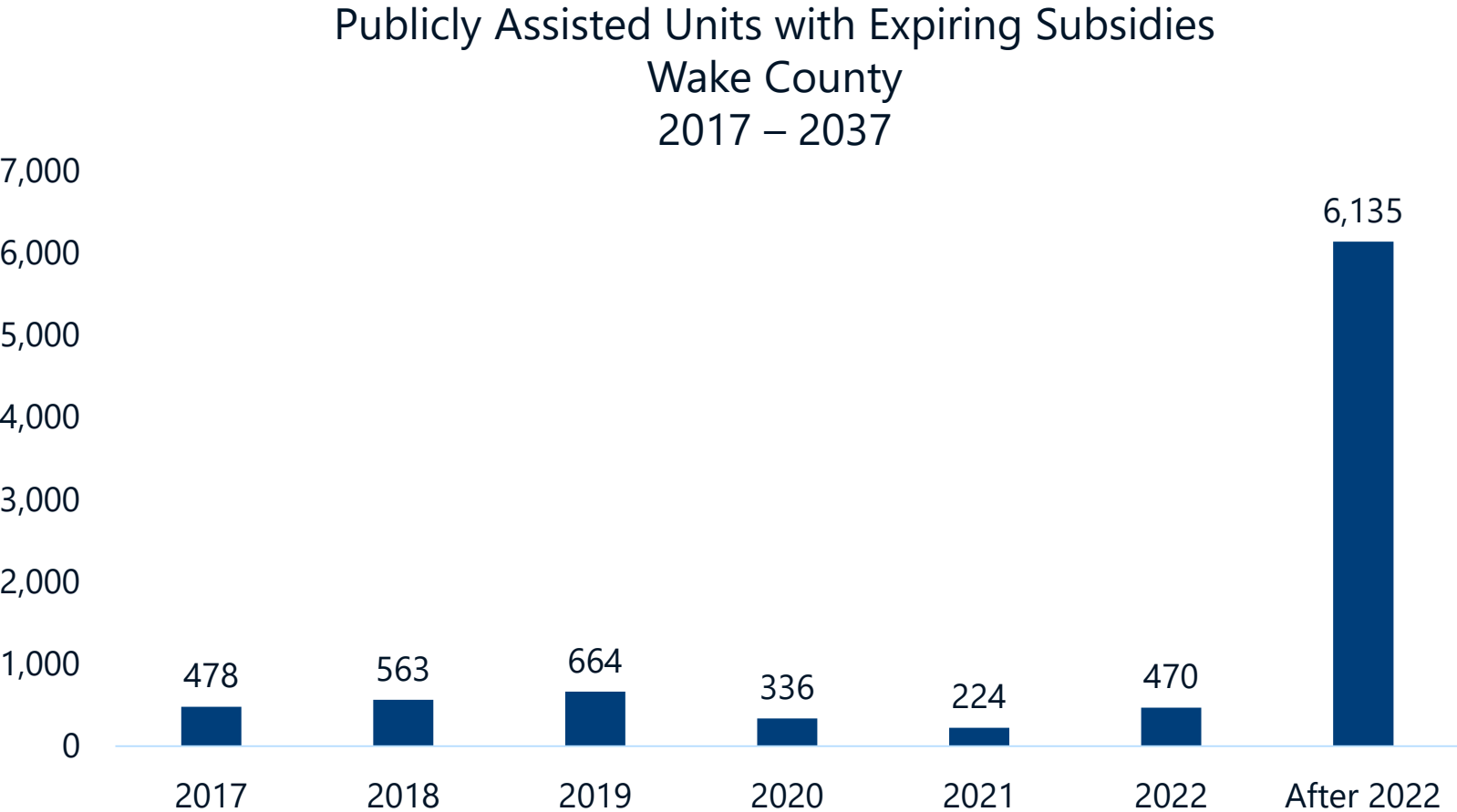
United States
2017 – 2027



Source: Harvard Joint Center for Housing Studies; U.S. Census; HR&A Analysis
HR&A Advisors, Inc.

3. Supply-Demand Mismatch

In Wake County, nearly 9,000 publicly assisted units could lose their affordability provisions in the next 20 years.



Source: National Housing Preservation Database; HR&A Analysis
HR&A Advisors, Inc.

3. Supply-Demand Mismatch

In addition to needing subsidized housing, low-income renters also rely upon affordable, unsubsidized housing: NOAH.

“Naturally Occurring” Affordable Housing, or NOAH, refers to rental housing that is affordable to low-income renters despite being unsubsidized by any government programs. This housing tends to be older, lower-quality housing in less-desirable neighborhoods.

Source: National Housing Preservation Database; HR&A Analysis

HR&A Advisors, Inc.

This supply of “naturally affordable” market-rate housing is declining nationally.

NOAH is not actually “naturally occurring.” It is the result of filtering in the market as properties age. When housing supply becomes tight, the filtering process slows or stops. As a result, NOAH units may be “lost” to rent growth when rents for aging product are pushed higher in supply-constrained markets. Units may also be lost to obsolescence.

Net Decrease in NOAH Units

United States
2000 - 2016

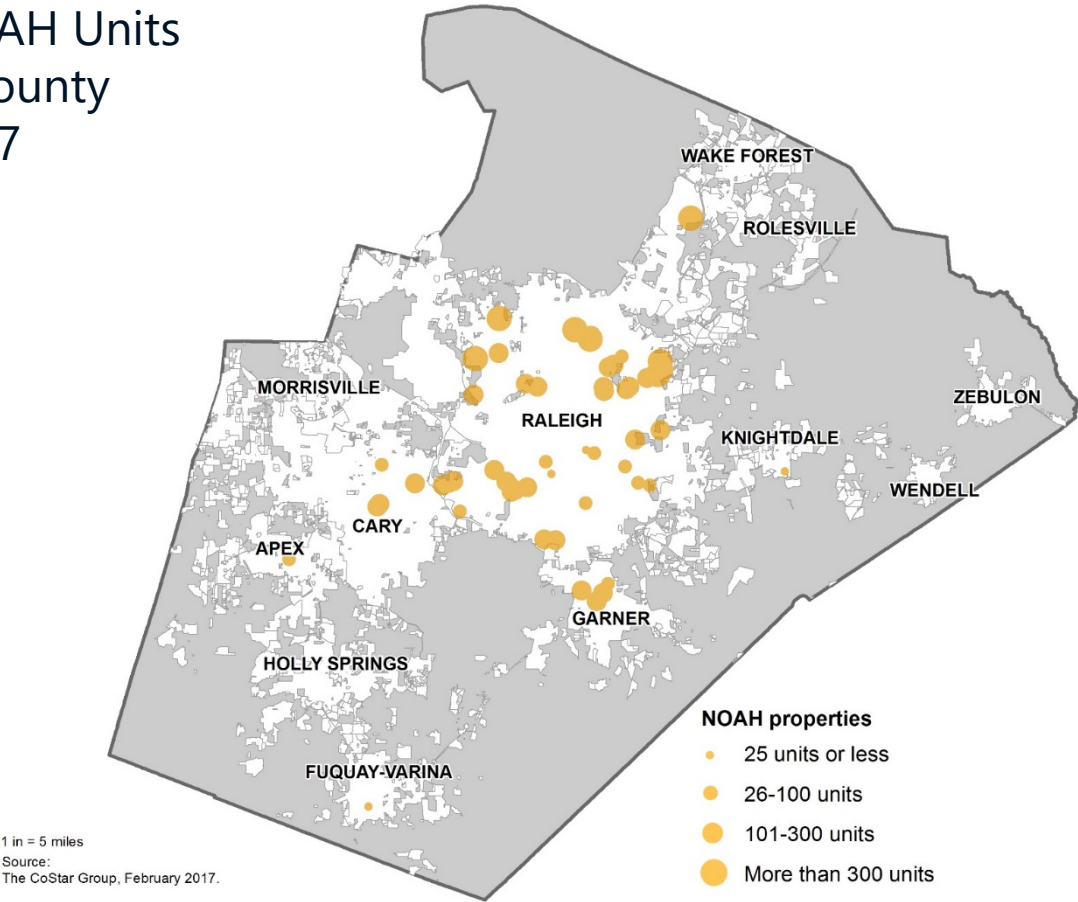
1.3 Million

Source: U.S. Census; HR&A Analysis

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In Q1 2017, Wake County had 9,800 NOAH units.

Map of NOAH Units
Wake County
2017



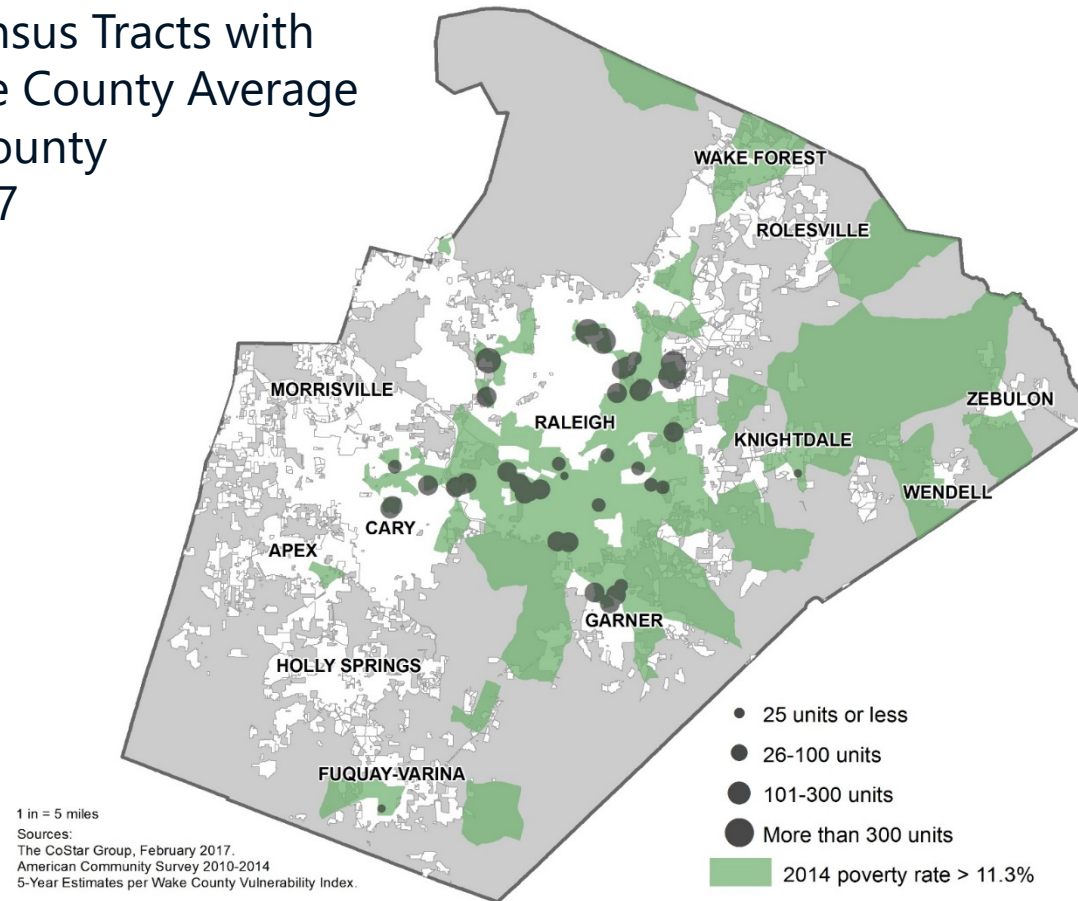
Source: CoStar Group; HR&A Analysis

Note: Map shows 1-bedroom units at \$766 or below. Rent limit set to reflect maximum monthly rent affordable to a two-person household at 50% AMI.
HR&A Advisors, Inc.

3. Supply-Demand Mismatch

80% of these NOAH units are located in areas with higher-than-average poverty rates, relative to the county overall.

NOAH Units in Census Tracts with Poverty Rates Above County Average Wake County 2017



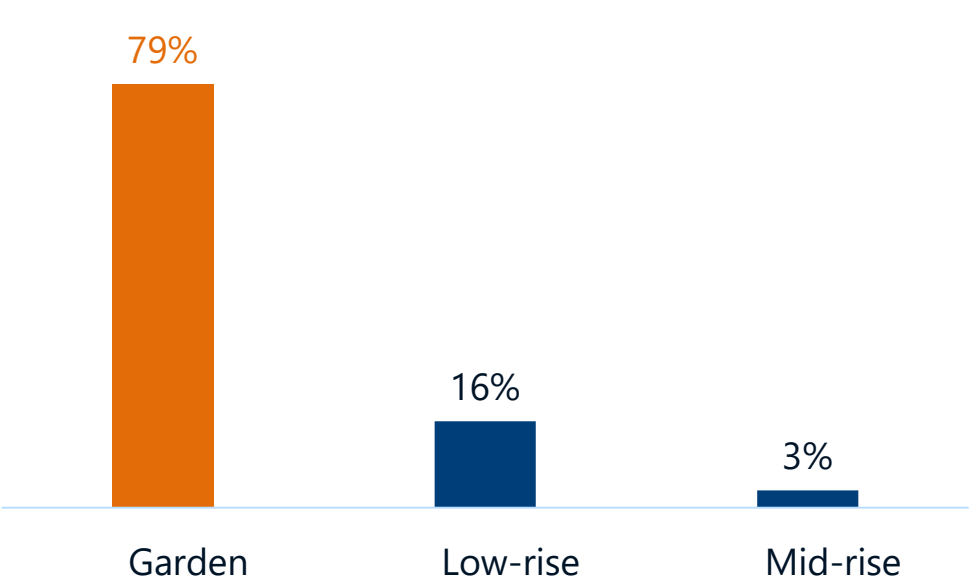
Source: CoStar Group; HR&A Analysis

Note: Map shows 1-bedroom units at \$766 or below. Rent limit set to reflect maximum monthly rent affordable to a two-person household at 50% AMI.

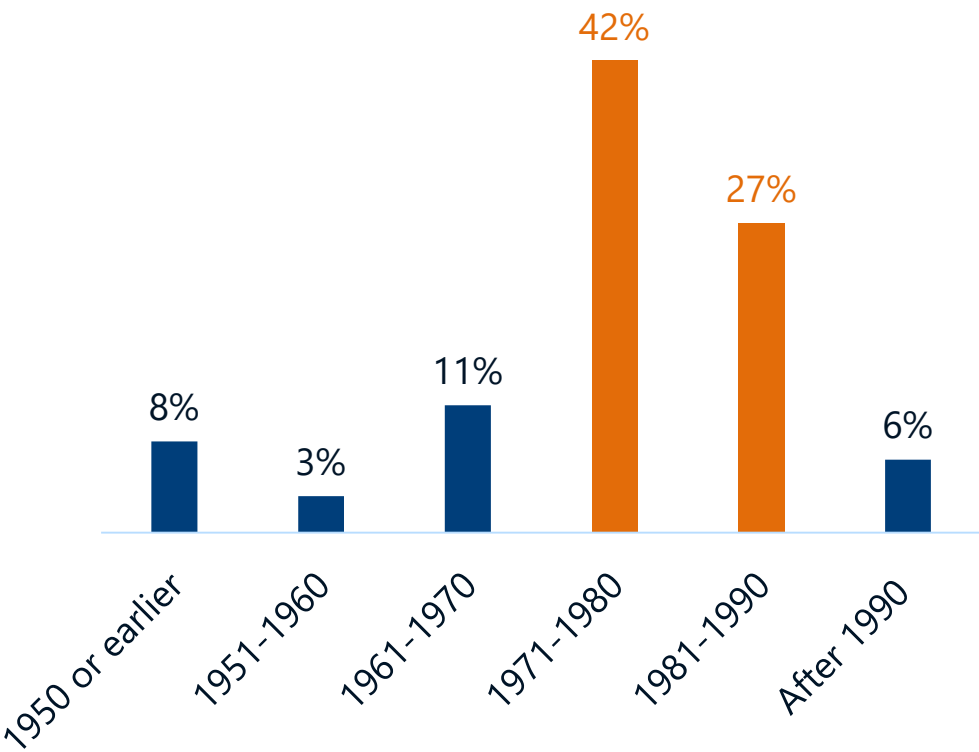
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Most of these units are in garden-style apartment buildings built 30 – 50 years ago.

Share of NOAH properties by Building Style
Wake County
2017



Share of NOAH properties by Year Built
Wake County
2017



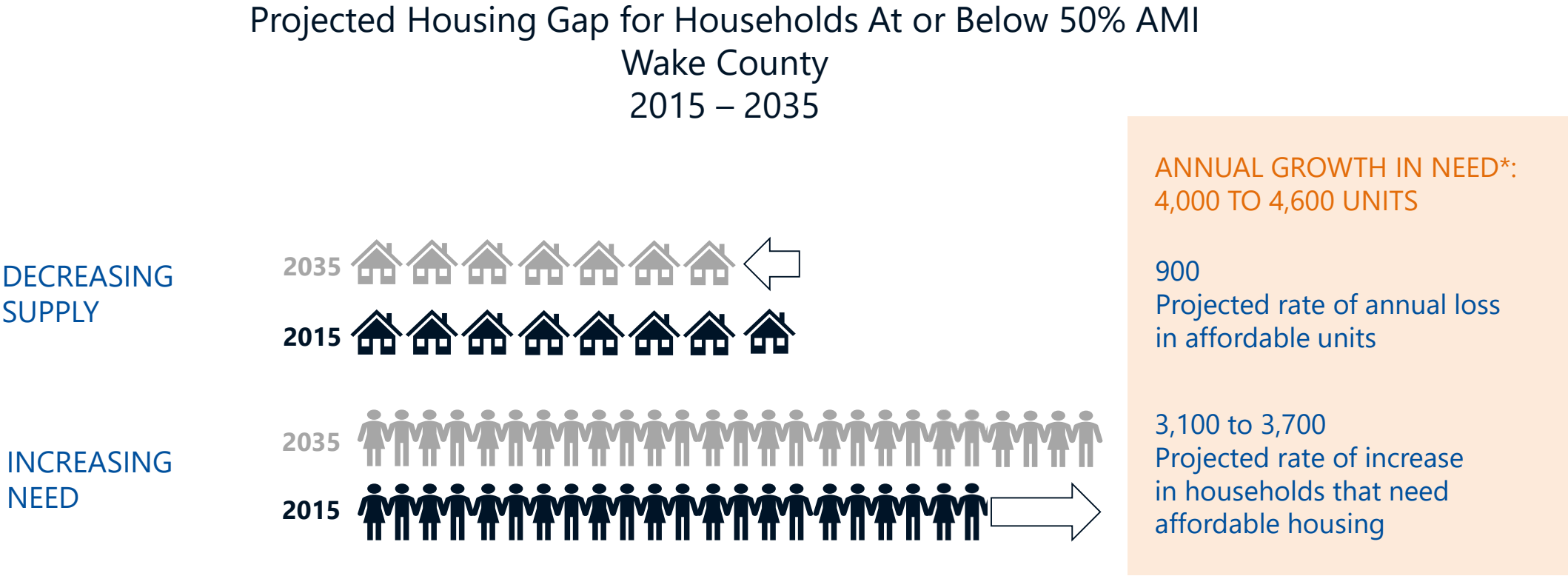
Source: CoStar Group; HR&A Analysis

Note: Measure of 1-bedroom units at \$766 or below. Rent limit set to reflect maximum monthly rent affordable to a two-person household at 50% AMI.

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3. Supply-Demand Mismatch

As a result, the local “gap” between supply and demand for affordably priced housing is expected to grow by over 4,000 units per year.



**These projected rates are mitigated by efforts such as preservation and new development of affordable housing, outsized income growth, or displacement of low-income households.*
Note: Low-income is defined as 50% of AMI or \$39,400 for a four-person household based on HUD's 2015 income limits for Wake County.
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For additional information, contact:

HR&A Advisors
925 15th Street NW, 3rd Floor
Washington, DC 20005
202-903-0725
www.hraadvisors.com



Regional Housing Snapshot

John Hodges-Copple on behalf of Aspen Romeyn
Principal Planner, Triangle J Council of Governments
November 8, 2018



Housing is a Regional Issue

- TJCOG Board of Delegates identified Transportation & Housing as top priority regional issues in 2016.
- Input at the 2017 TJCOG Regional Summit brought up the same themes:

Identifying Challenges



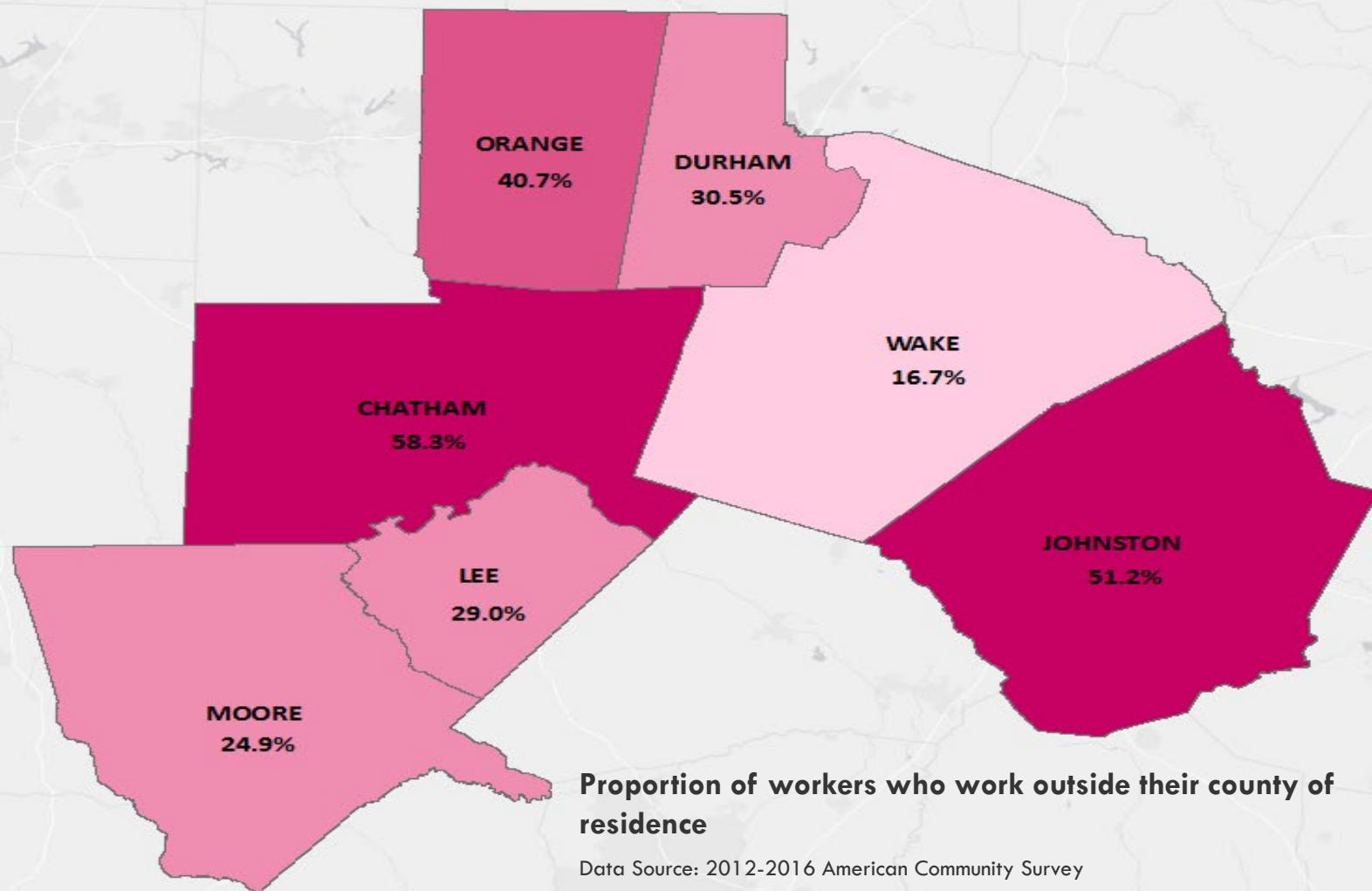
Two generations from now,
what challenges do you hope
will be overcome in this
region?

* Access & Equity of
Education



Commuting Patterns

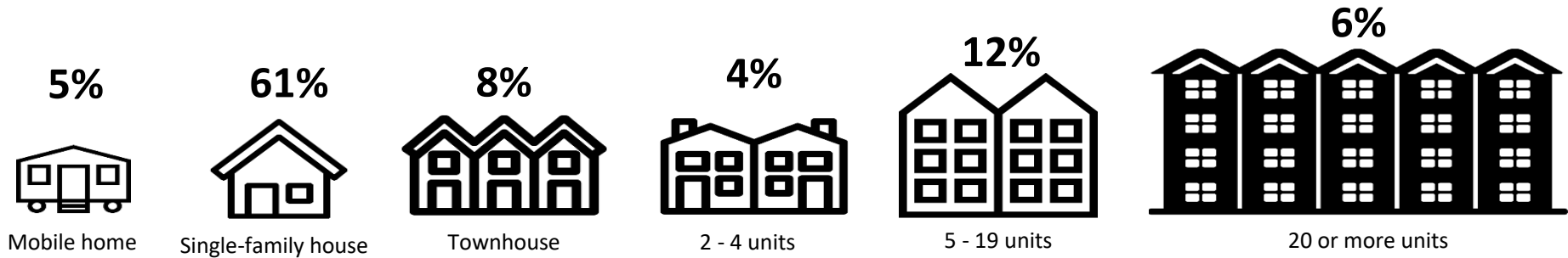
- ▶ There are approximately 900,000 workers that live within the seven Triangle J counties.
- ▶ Almost **235,000** of them, or **26%**, work in a different county from where they live.
- ▶ More than **half** of residents in Chatham and Johnston counties work in another county.



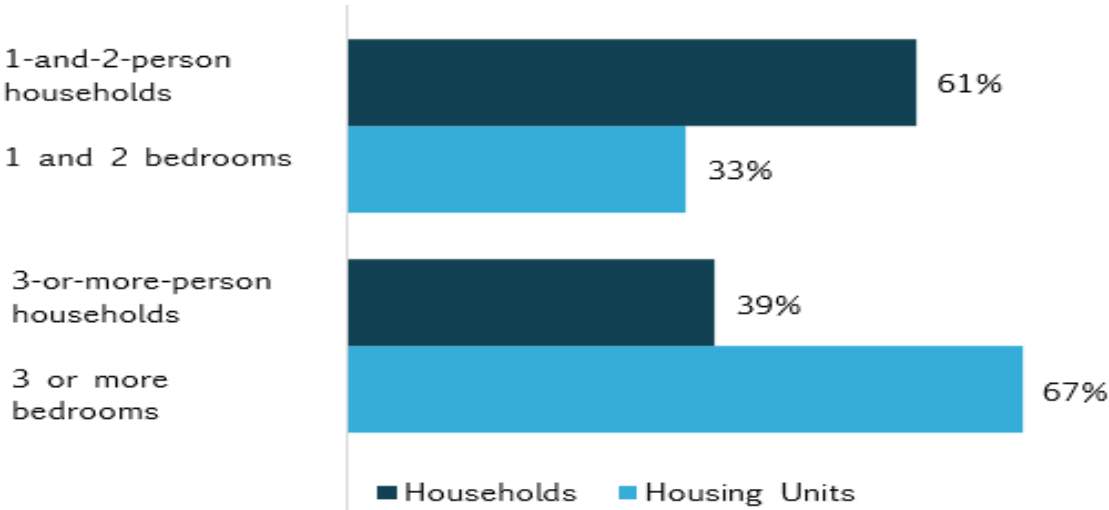
Housing Stock

Chatham, Durham, Johnston, Orange, & Wake Counties

There are over **680,000** homes in the Triangle, **37%** of which are rented



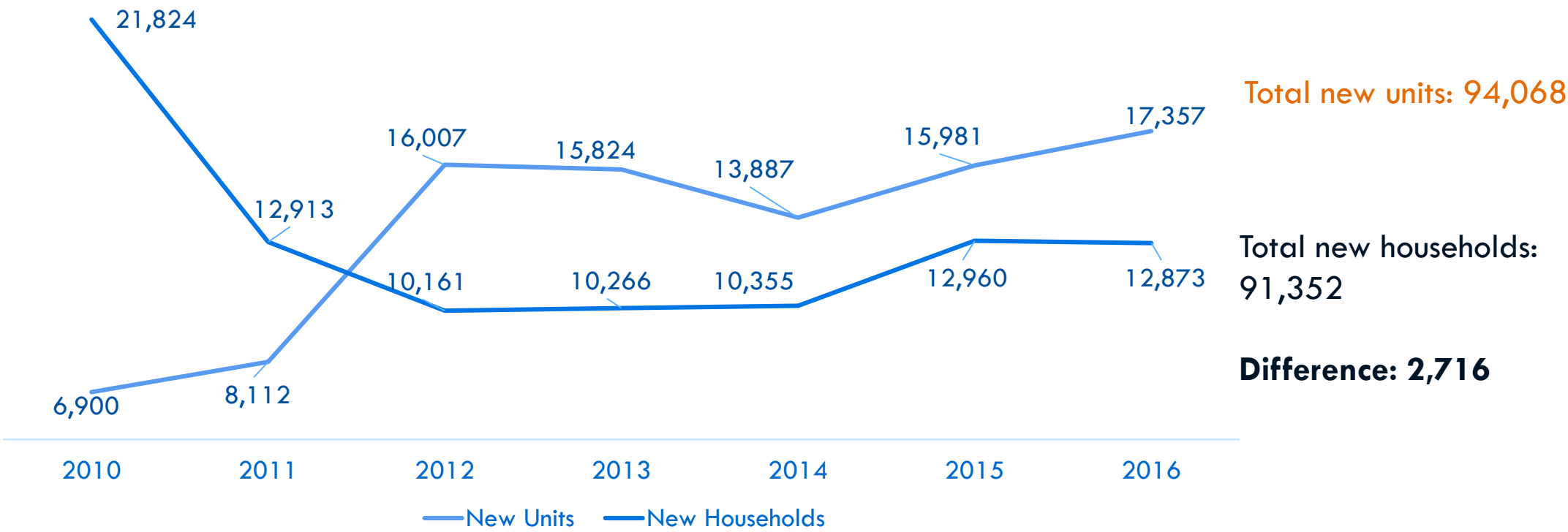
61% of households are **1-and-2-person households**, yet just **one-third** of housing units are **1 and 2-bedroom units**. There are limited options for those who want smaller homes.



Data Source: 2012-2016 American Community Survey

Population Growth vs. Building Permits

Chatham, Durham, Johnston, Orange, & Wake Counties

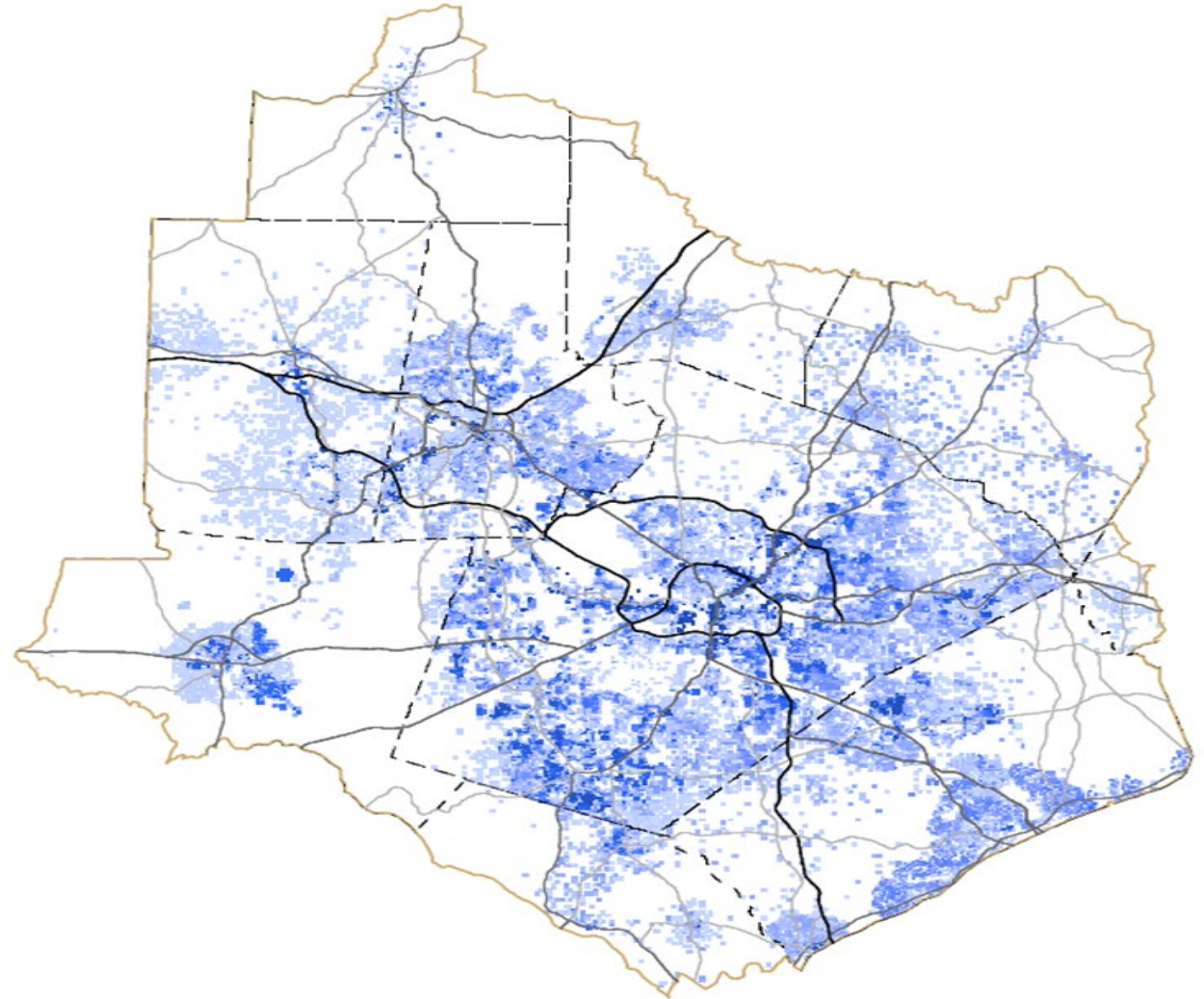


Data from the American Community Survey 5-Year Estimates and U.S. Census Bureau Building Permit Survey

Projected Population Growth

Chatham, Durham, Johnston, Orange, & Wake Counties

- ▶ Currently **1.7 million** people live in the five counties.
- ▶ By 2045, we expect the population will grow to **2.8 million**.
- ▶ Will mean an additional **400,000 households**



Regional Composite Map - New Household Distribution - 32-Year Forecast (2013-2045)



Building Permits by Housing Type

Chatham, Durham, Johnston, Orange, & Wake Counties

Q: Of residential units that received a building permit over the past six years, what proportion are for units in larger apartment buildings (5+ units)?

A.12%

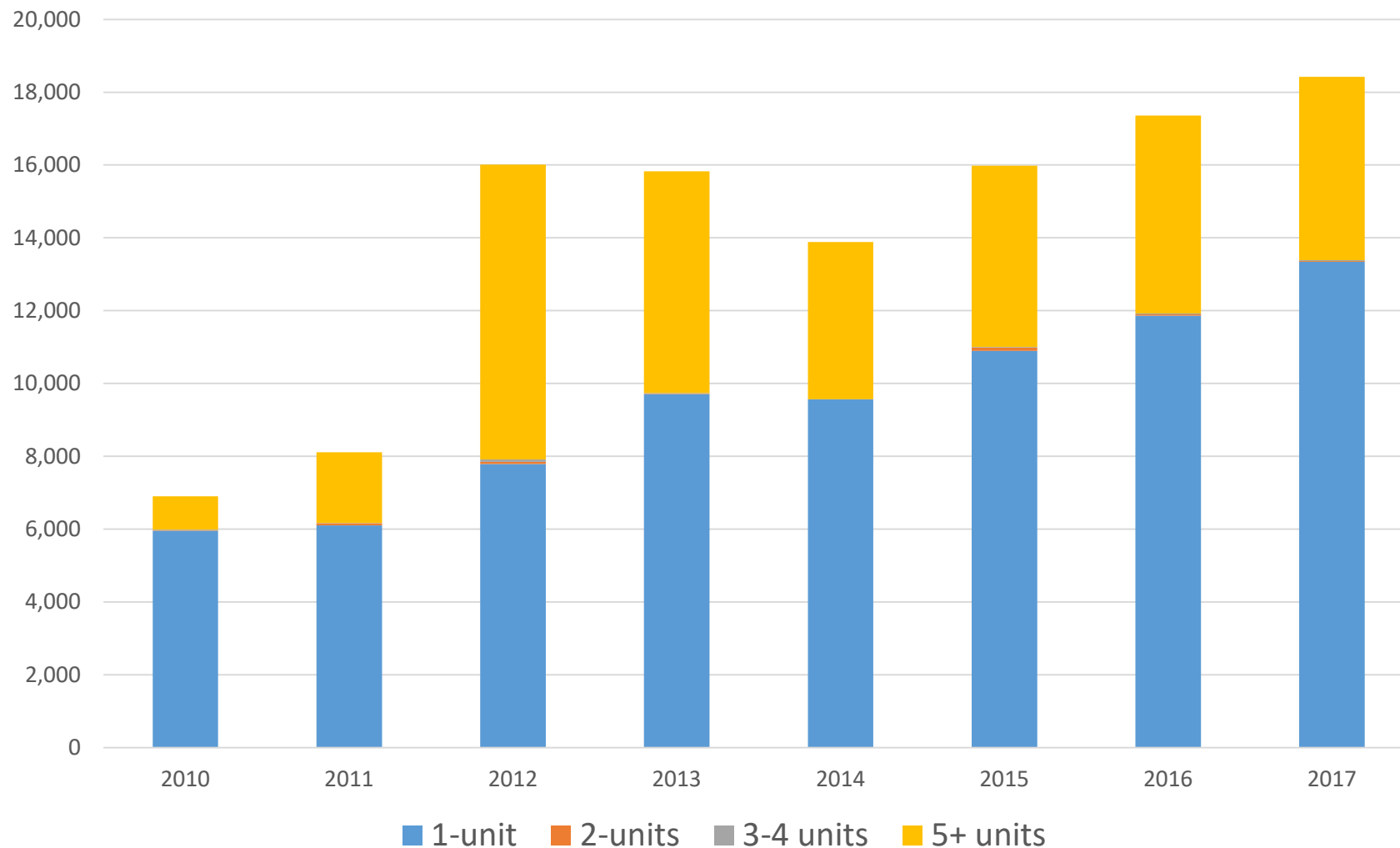
B.25%

C.31%

D.43%

Building Permits by Housing Type

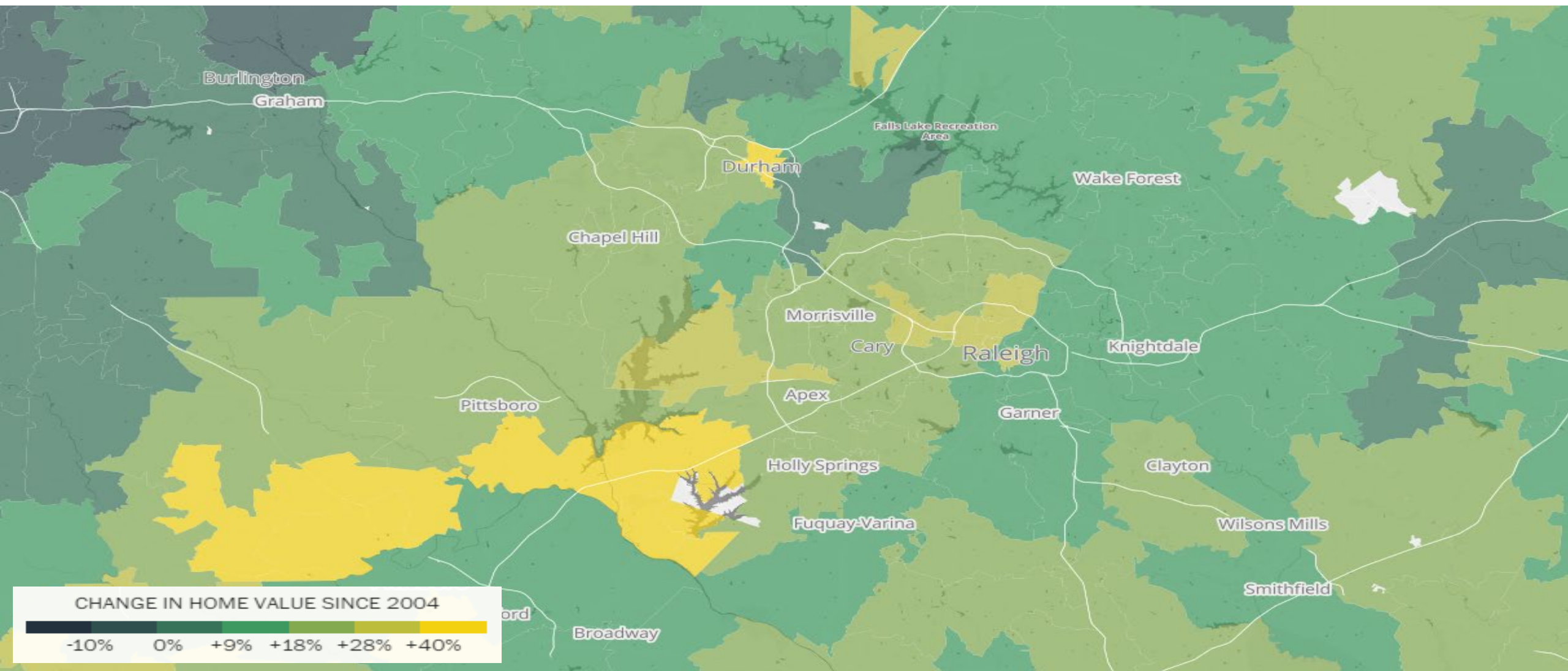
Chatham, Durham, Johnston, Orange, & Wake Counties



- Larger apartments generally make up around 30% of new units permitted in a year
- Missing middle housing types, or 2-4 units, make up less than 1% of new units

Data from the U.S. Census Bureau Building Permit Survey

Rapid Increase in Housing Values, 2004-2015



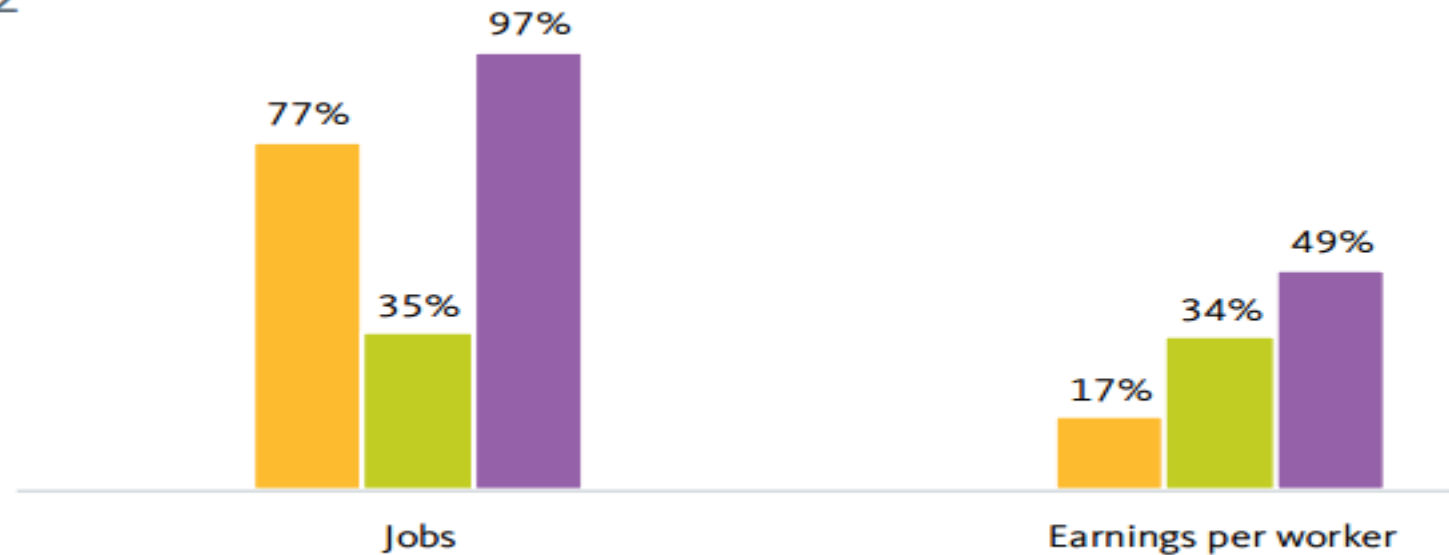
Source: <https://www.washingtonpost.com/graphics/business/wonk/housing/overview/>

Job and earnings growth

The region has seen high growth in low-paying jobs, but low wage gains in those low-paying jobs.

Growth in Jobs and Earnings by Industry Wage Level, 1990 to 2012

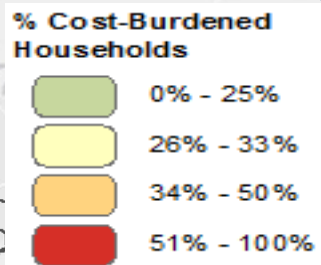
- Low-wage
- Middle-wage
- High-wage



Source: U.S. Bureau of Labor Statistics; Woods & Poole Economics, Inc. Universe includes all jobs covered by the federal Unemployment Insurance (UI) program.

Cost-Burdened Households

Chatham, Durham, Johnston, Orange, & Wake Counties

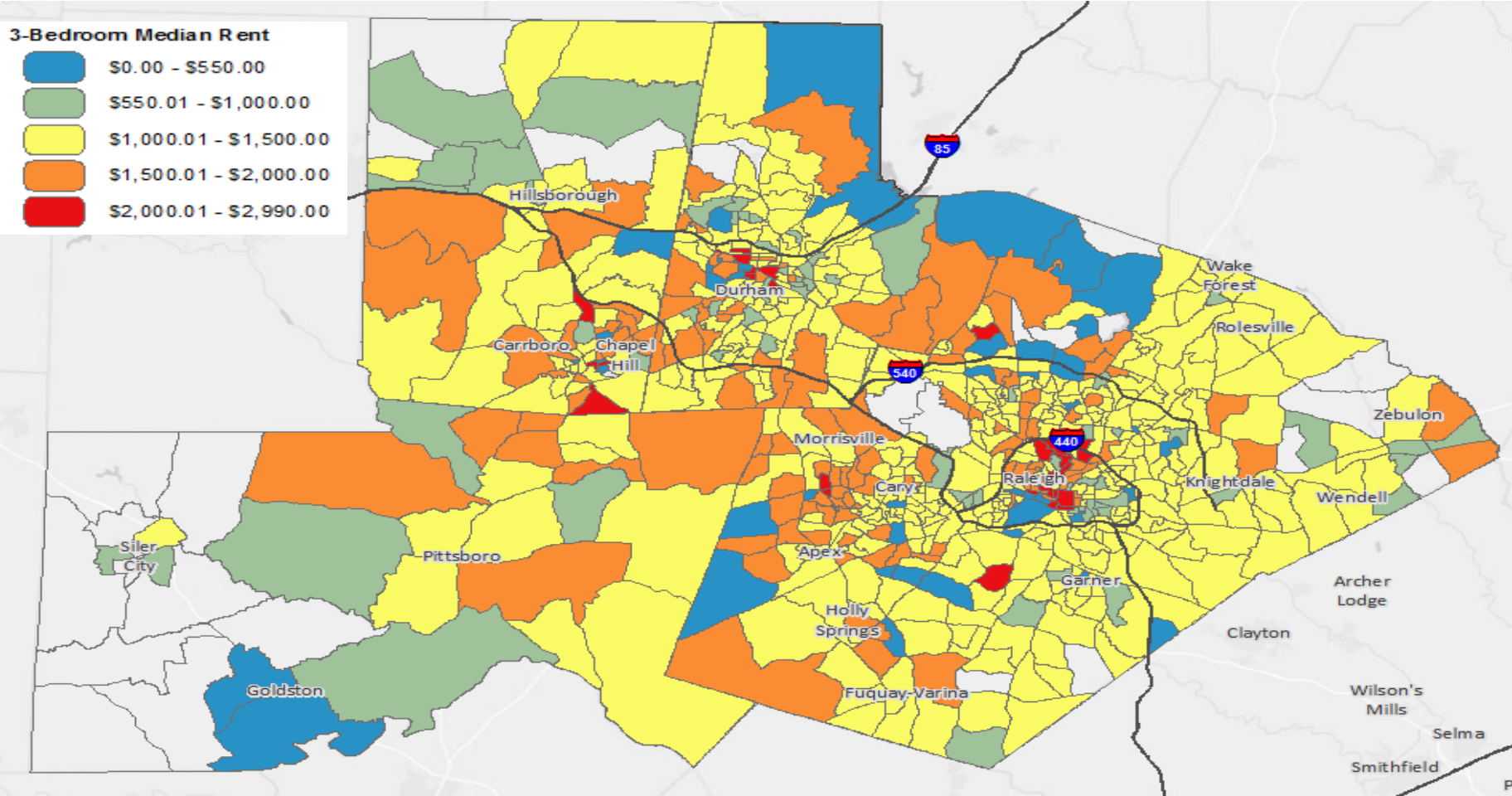


Housing cost-burdened households spend more than 30% of their income towards rent/mortgage and utilities

154,000 low- and moderate-income households (**64%**) are housing cost burdened across the region.

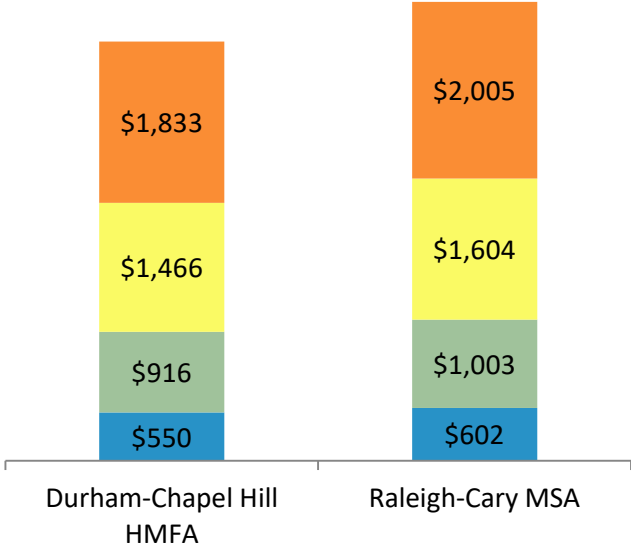
Median Rent & Affordability Thresholds

Chatham, Durham, Orange, & Wake Counties



Rent affordable at:

- Median income
- 80% of AMI
- 50% of AMI
- 30% of AMI



Data from the 2017 Out of Reach Report, and the DataWorks NC 2017 Triangle Rent Summary

Affordable Rental Units

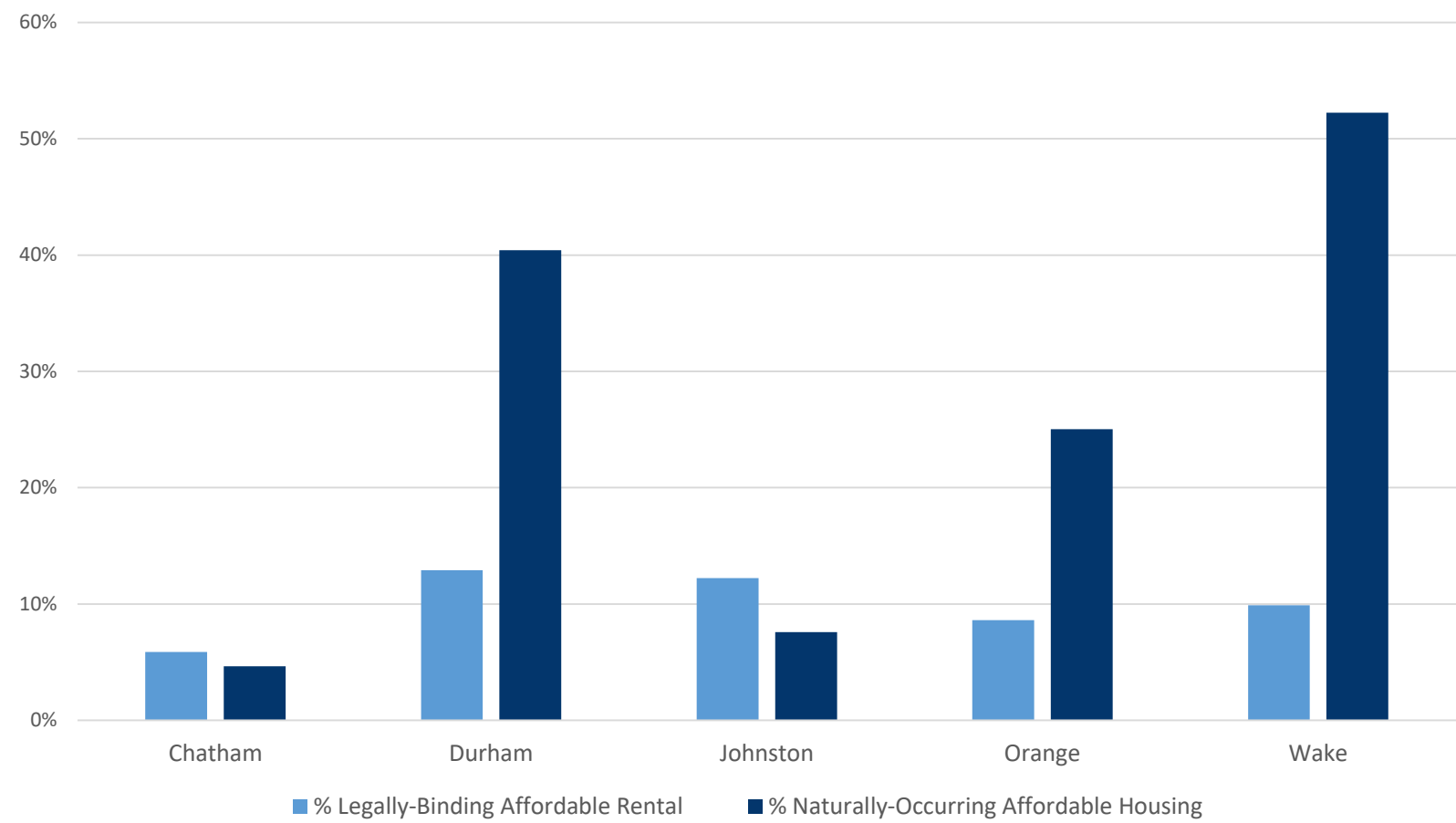
Chatham, Durham, Johnston, Orange, & Wake Counties

Q: What proportion of rental units in the five counties have legally-binding affordability restrictions (income-based rents)?

- A.5%
- B.11%
- C.18%
- D.24%

Affordable Rental Units

Chatham, Durham, Johnston, Orange, & Wake Counties



- LBAR units make up **11%** of all rental units
- NOAH units make up **41%** of all rental units

Units considered affordable if affordable to at or below 80% AMI based on household size/number of bedrooms.
Data sources: National Housing Preservation Database, CoStar, local government and nonprofit housing providers

Thank You

Resources: **www.tjcog.org/housing.aspx**

Aspen Romeyn
Principal Planner
Triangle J Council of Governments
aromeyn@tjcog.org
919-558-9319

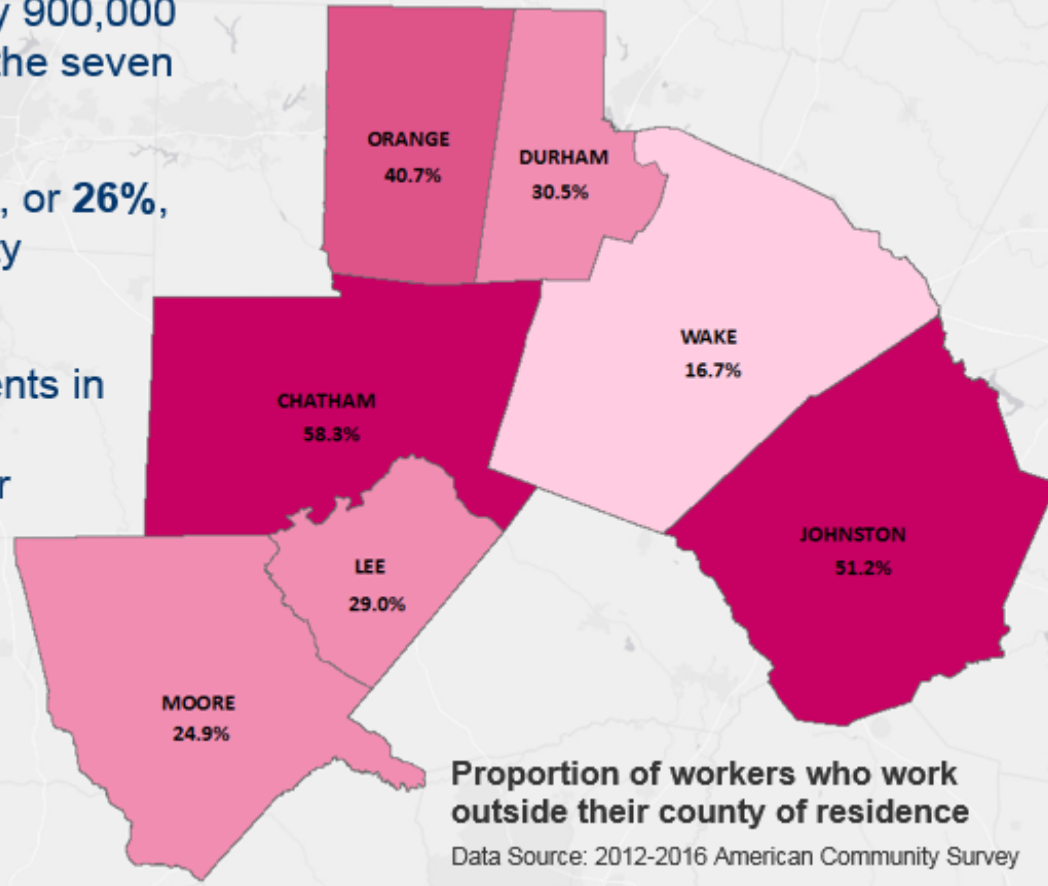
Why Does it Matter?

Bill King, Downtown Raleigh Alliance



Commuting times and congestion

- ▶ There are approximately 900,000 workers that live within the seven Triangle J counties.
- ▶ Almost **235,000** of them, or **26%**, work in a different county from where they live.
- ▶ More than **half** of residents in Chatham and Johnston counties work in another county.



Commuting times and congestion

Residential Real Estate

1,000-home development gaining steam south of Fuquay-Varina

LOCAL

America's fastest-growing suburb is in the Triangle

Public Health + Educational Attainment

- Longer commutes = less physical activity
- Asthma, exposure to toxins from substandard and old housing
- More opportunity for green building to reduce energy costs
- Housing security can reduce stress and improve mental health and educational attainment
- Lower housing costs = more spending on other needs
- Better neighborhoods mean more walking and access to amenities



Neighborhood Effects

- Displacement
- Concentration of poverty can lead to isolation and limited economic mobility
- Homogenous communities are less dynamic
- More housing can slow rent growth

CITYLAB

DESIGN / TRANSPORTATION / ENVIRONMENT / EQUITY / LIFE



Nick Adams/Reuters

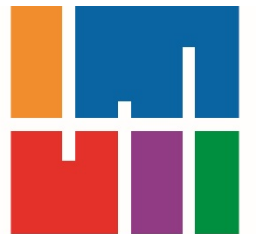
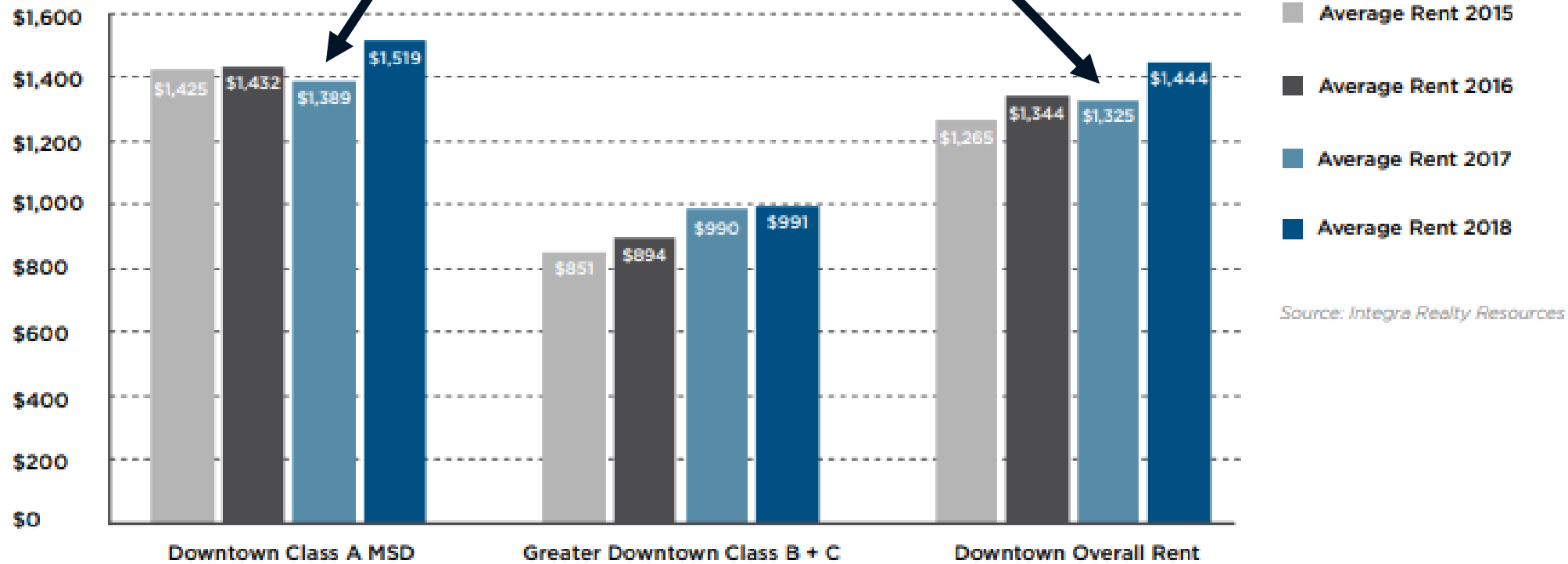
If You Want Less Displacement, Build More Housing

JOE CORTRIGHT AUG 28, 2018



Rent Growth

1,803 units added in
20 months



Economic Development

- Cost of living is powerful attraction for employers
- Housing availability matters to employers
- Growth will continue

Amazon's HQ2 Could Worsen The Housing Crisis, New Report Says

The Urban Institute concludes we'll need 267,000 additional residences by 2025 to keep up

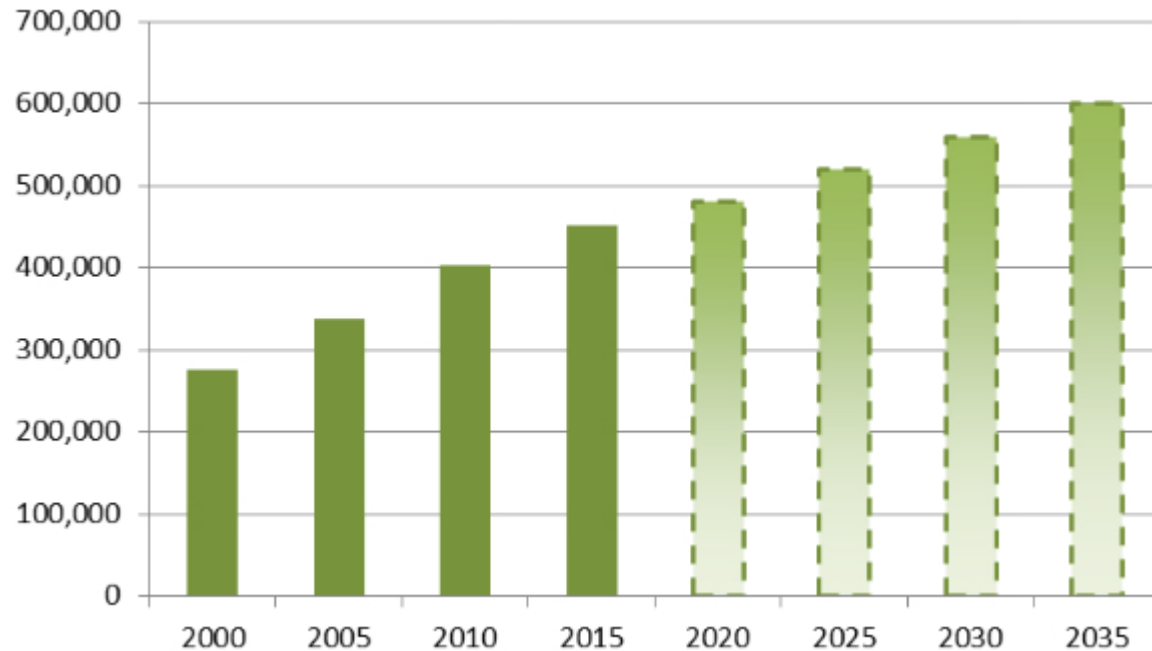
7 horrible things that could happen to cities if they win Amazon's HQ2 bid

LOCAL

Is Raleigh's housing market good enough for Amazon's HQ2? Zillow says maybe.



Economic Development



Only the Triangle, Atlanta, Boston, NYC, Los Angeles, Washington D.C., and Chicago have **three Tier-1 Research Universities** in one metropolitan region

#2

HOTTEST SPOT FOR
TECH JOBS—FORBES

#2

BEST PLACE FOR BUSINESS
AND CAREERS—FORBES

#2

AREA WITH THE HIGHEST
NUMBER OF TECH JOBS—
NEW YORK TIMES

#3

BEST CITY FOR JOB
SEEKERS IN 2017—INDEED

#4

HIGHEST % OF WORKFORCE
IN STEM—WALLETHUB

#4

CITY WITH FASTEST GROWING
INCOMES—SMARTASSET



Future



Future



Thank You!

Questions?





Urban Land **Triangle**
Institute

ULI Americas Trends *National Perspective*

George “Mac” McCarthy | Lincoln Institute of Land Policy
Tom Murphy | ULI

Annual Emerging Trends in Real Estate
Program + Housing Summit

November 8, 2018



Urban Land **Triangle**
Institute

ULI Americas Trends ***Economics of Delivering New Housing***

Alex Cathcart | FCP

Erica Leatham | MI Homes

Tim Morgan | Evergreen

Joe Whitehouse | Creative Urban Environments, Inc. (Moderator)

Annual Emerging Trends in Real Estate
Program + Housing Summit

November 8, 2018



Urban Land **Triangle**
Institute

ULI Americas Trends ***Tools to Make Housing More Affordable***

Natalie Britt | DHIC

Loryn Clark | Town of Chapel Hill

Robin Currin | City of Raleigh

Tom Murphy | ULI (Moderator)

Molly Stuart | Morningstar Law Group

Pat Young | City of Durham

Annual Emerging Trends in Real Estate
Program + Housing Summit

November 8, 2018



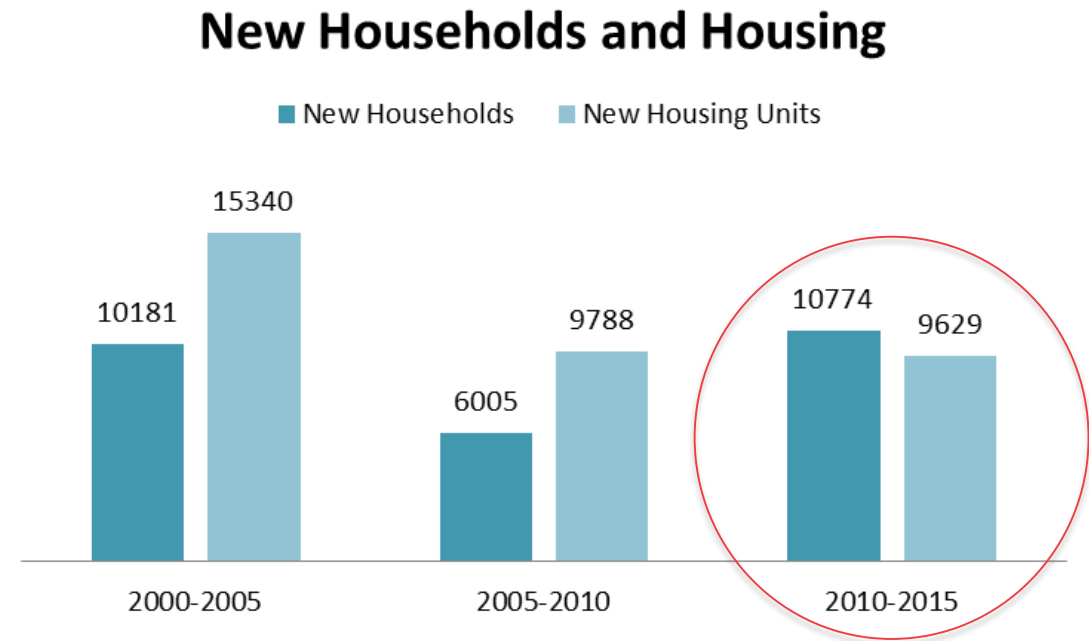
Expanding Housing Choices in Durham

November 8, 2018

Housing and Real Estate Trends in the Triangle: Aligning Supply, Demand and Affordability

Evidence of a housing shortage

Between 2010-2015, the number of households grew more than the number of new housing units.



Source: US Census, American Community Survey



919.560.4137

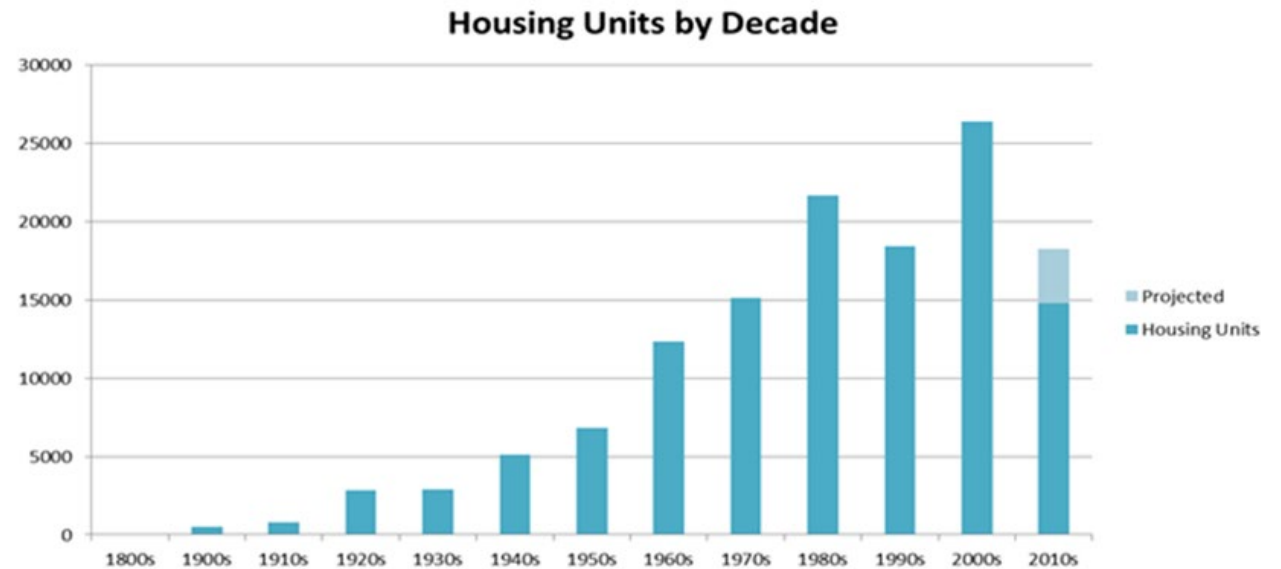
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What's causing the shortage?

1. Housing development is not keeping pace with population growth



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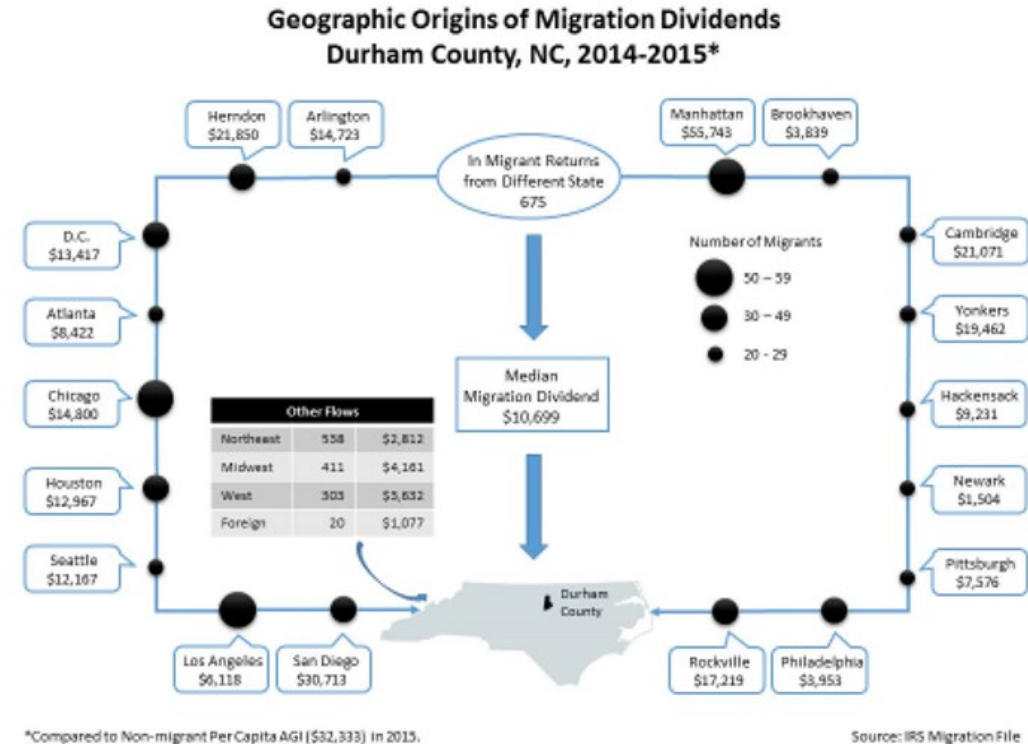
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What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes



Data and graphic Dr. Jim Johnson, UNC



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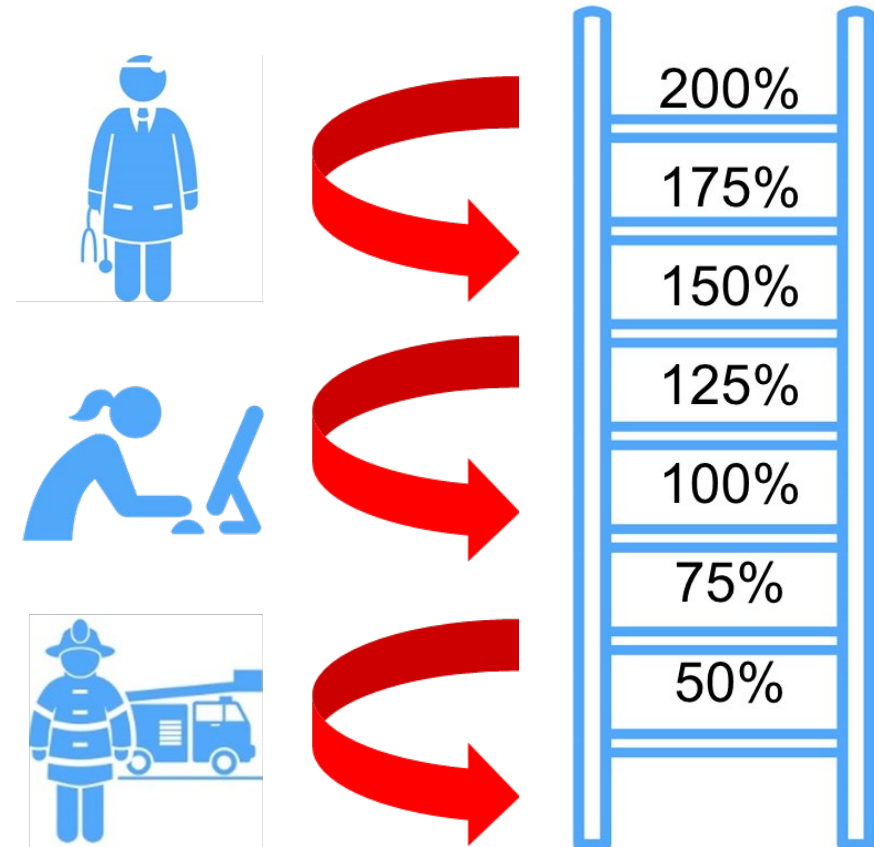
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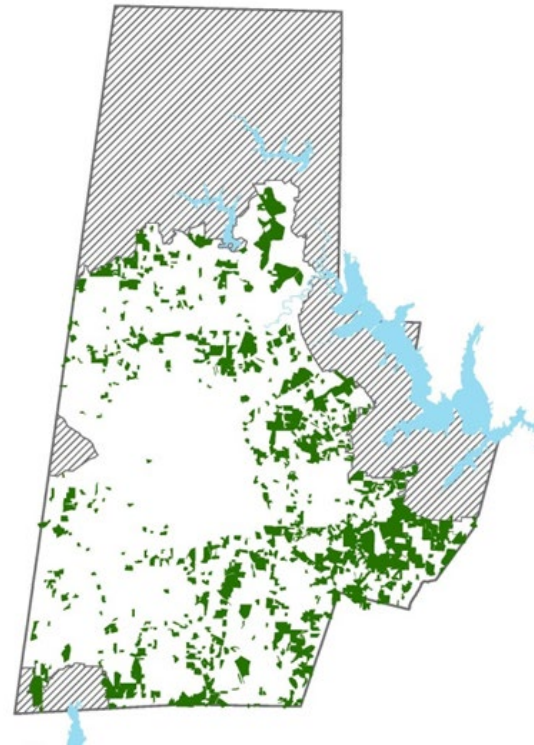
People at the bottom of the income ladder have the fewest options

If housing doesn't exist at higher price points, people will buy "down the ladder," leaving fewer options for those with the lowest incomes.



What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes
3. **Running out of easily developable land**



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What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes
3. Running out of easily developable land
4. **Zoning limitations**



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More growth is on the way

- NC Office of State Budget and Management projects 160,000 new people by 2045
- Equivalent to 62,200 new households during that same time period
- Approximately 2,000 units a year to keep up with population growth



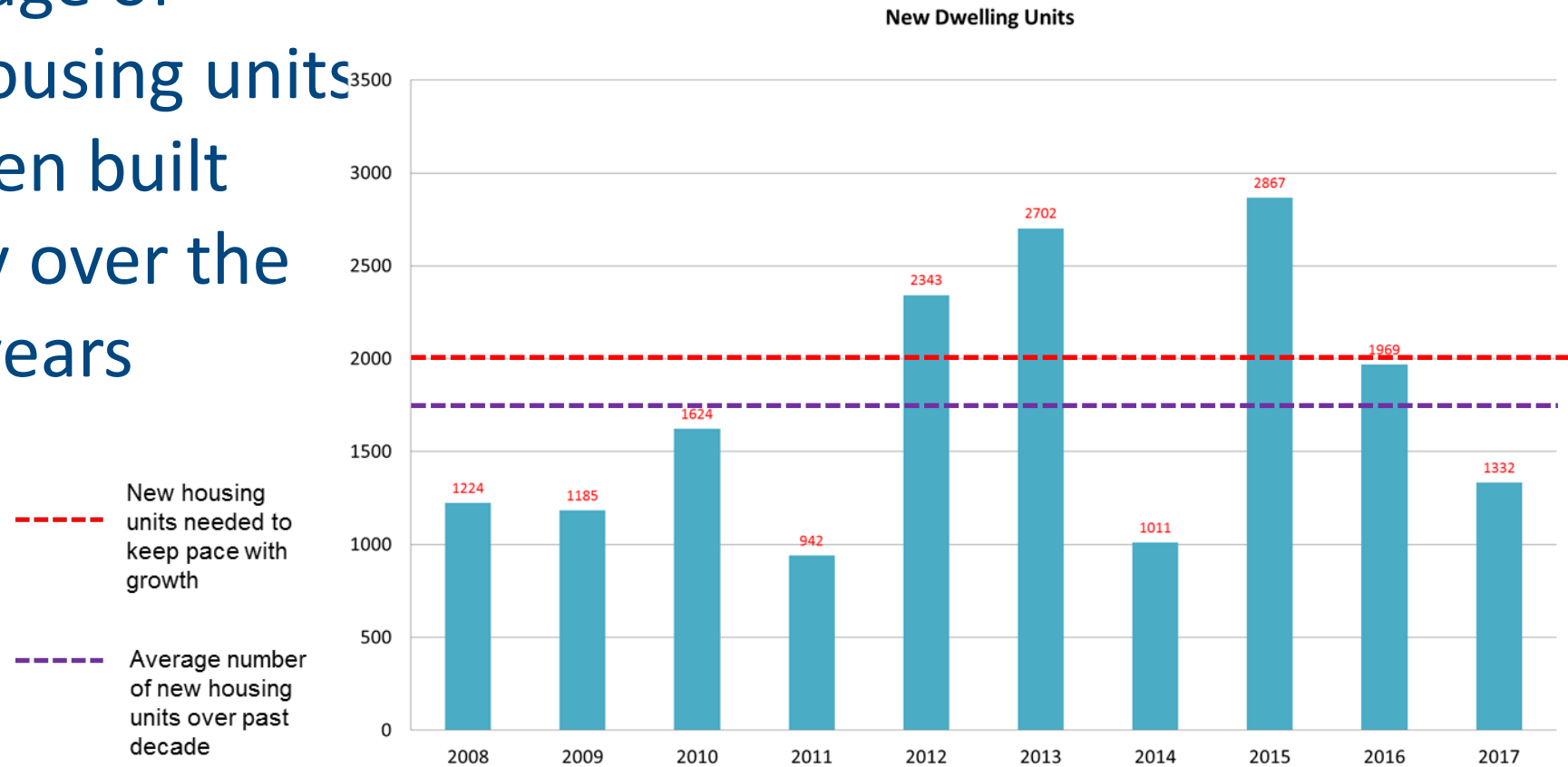
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An average of
1,720 housing units
have been built
annually over the
last 10 years



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Objectives for Expanding Housing Choices

Vary the menu of housing types available to meet an increasingly diverse set of needs;

Stabilize housing prices, over the long term, by expanding the supply of housing to keep pace with the rate of population and job growth;

Balance densification with context-sensitive development;

Create opportunities for small-scale creative infill, particularly in areas where demand is highest, and finally;

Streamline processes by making choices allowable without seeking special approvals.



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Menu of Zoning Change Proposals



Infill Standards

Modify residential infill standards to promote more context-sensitive development.



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Menu of Zoning Change Proposals



Accessory Dwelling Units
Modify UDO regulations to increase viability for more properties.



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Menu of Zoning Change Proposals



Duplexes

Allow duplexes as a housing type in more locations, especially within the Urban Tier.



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Menu of Zoning Change Proposals



Lot Dimensions and Density

Adjust lot dimensional standards to allow more opportunities for small-scale infill.



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Menu of Zoning Change Proposals



Small House/Small Lot

Create a new housing type/lot dimensional standard to accommodate small houses.



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Menu of Zoning Change Proposals



Cottage Court

Create a new housing type/lot dimensional standard to allow for clusters of small homes built around a common green space.



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Alignment with City's Affordability Strategy

City's Five Year Affordable Housing Goals focused on:

- Creating and preserving affordable rental opportunities for households at or below 50% AMI (approximately \$32k for a 2-person household).
 - Includes focus on strengthening homeless housing system and expanding housing opportunities for homeless households
- Stabilizing neighborhoods that are experiencing significant price appreciation, including:
 - Creation and preservation of smaller scale units in target neighborhoods
 - Repair and rehab assistance for existing homeowners



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Examples of Current Affordable Housing Initiatives

- Partnership with Durham Housing Authority to redevelop public housing as mixed-income communities, beginning with five properties totaling 50 acres in central Durham
- Creation of a \$15-20 million loan fund to enable affordable housing developers to acquire properties for future development
- Utilization of city-owned land for affordable housing development
 - Willard Street Apartments
 - Vacant lots for single family development



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Potential Intersections with Expanding Housing Opportunities

- Expand education and outreach to low and moderate income homeowners to forestall predatory acquisitions, and to educate about available housing and tax assistance programs
- Create education and financing programs to enable low and moderate income homeowners to build wealth through creation of ADUs
- Provide financing for affordable housing developers interested in developing affordable units that take advantage of UDO changes



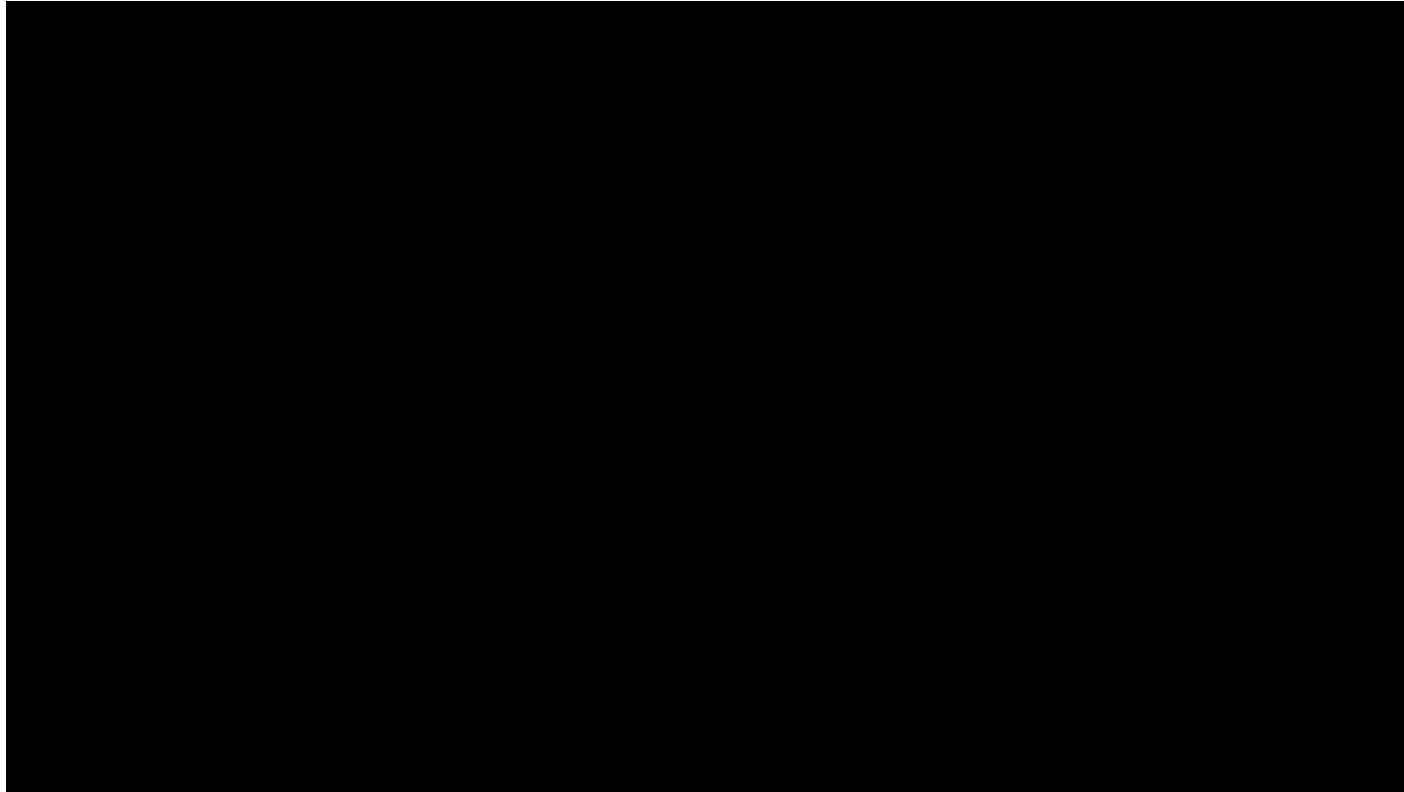
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Greenfield Place and Greenfield Commons



Greenfield Place 80 family apartments

SECU Foundation (3%, 30 years)		\$2,748,448
NCHFA RPP Loan (2%, 20 years)		\$1,000,000
DHIC Loan		\$300,000
Orange County Loan		\$154,500
Town of Chapel Hill Loan		\$145,500
Deferred Developer Fee		\$99,495
LIHTC Equity	1.055	\$8,282,250
Total		\$12,730,193



Greenfield Commons

69 seniors (55+) apartments

Centrant (5.76%, 35 years)		\$2,000,000
NCHFA RPP Loan (2%, 20 years)		\$1,200,000
DHIC Loan		\$260,000
Town of Chapel Hill Loan		\$450,000
Town of Chapel Hill Loan		\$700,000
Deferred Developer Fee		\$416,273
LHHC Equity	0.88	\$5,817,890
Total		\$10,844,163



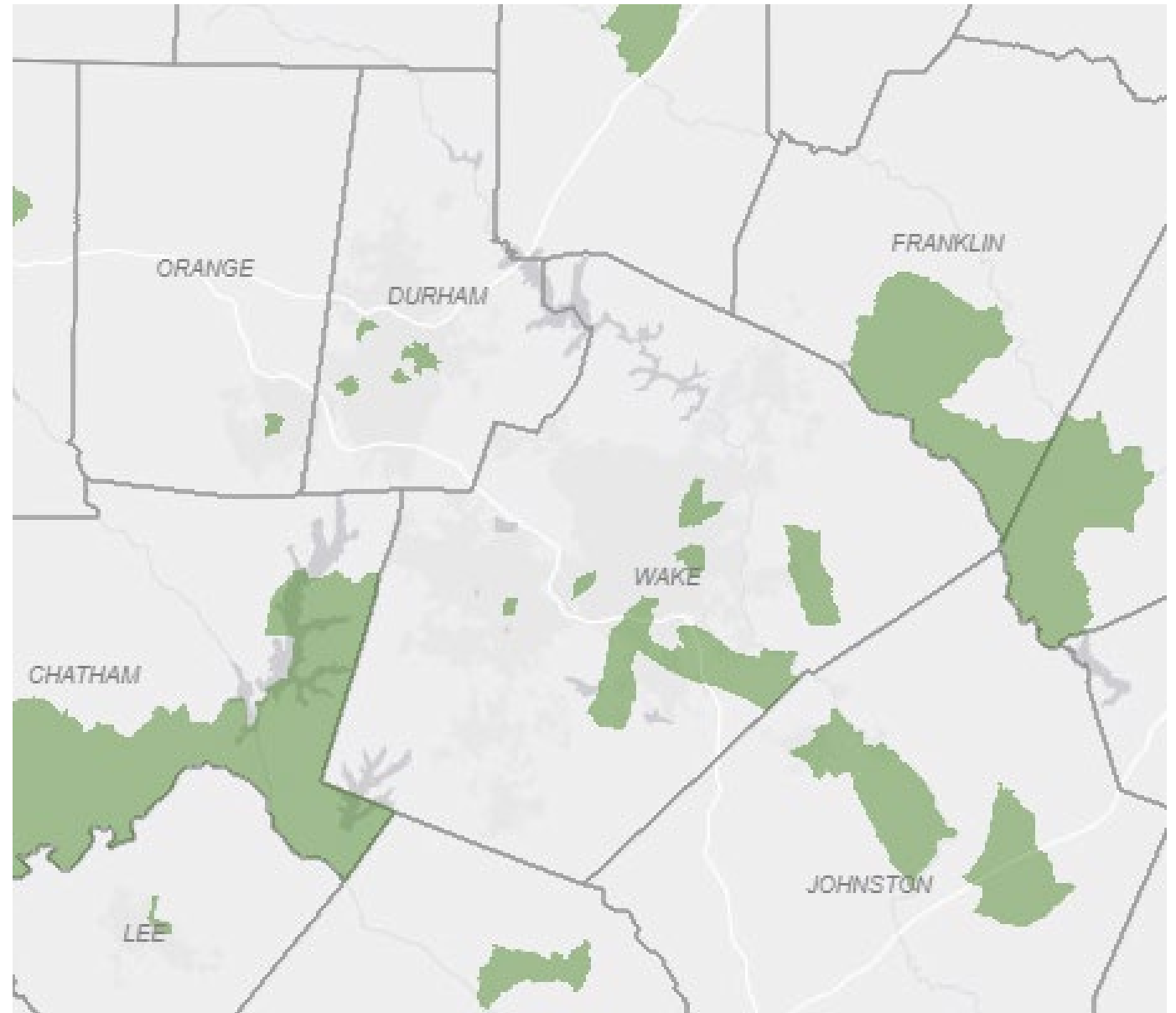
What's new in
Washington?

Federal Update

A New Vision for
Housing Affordability

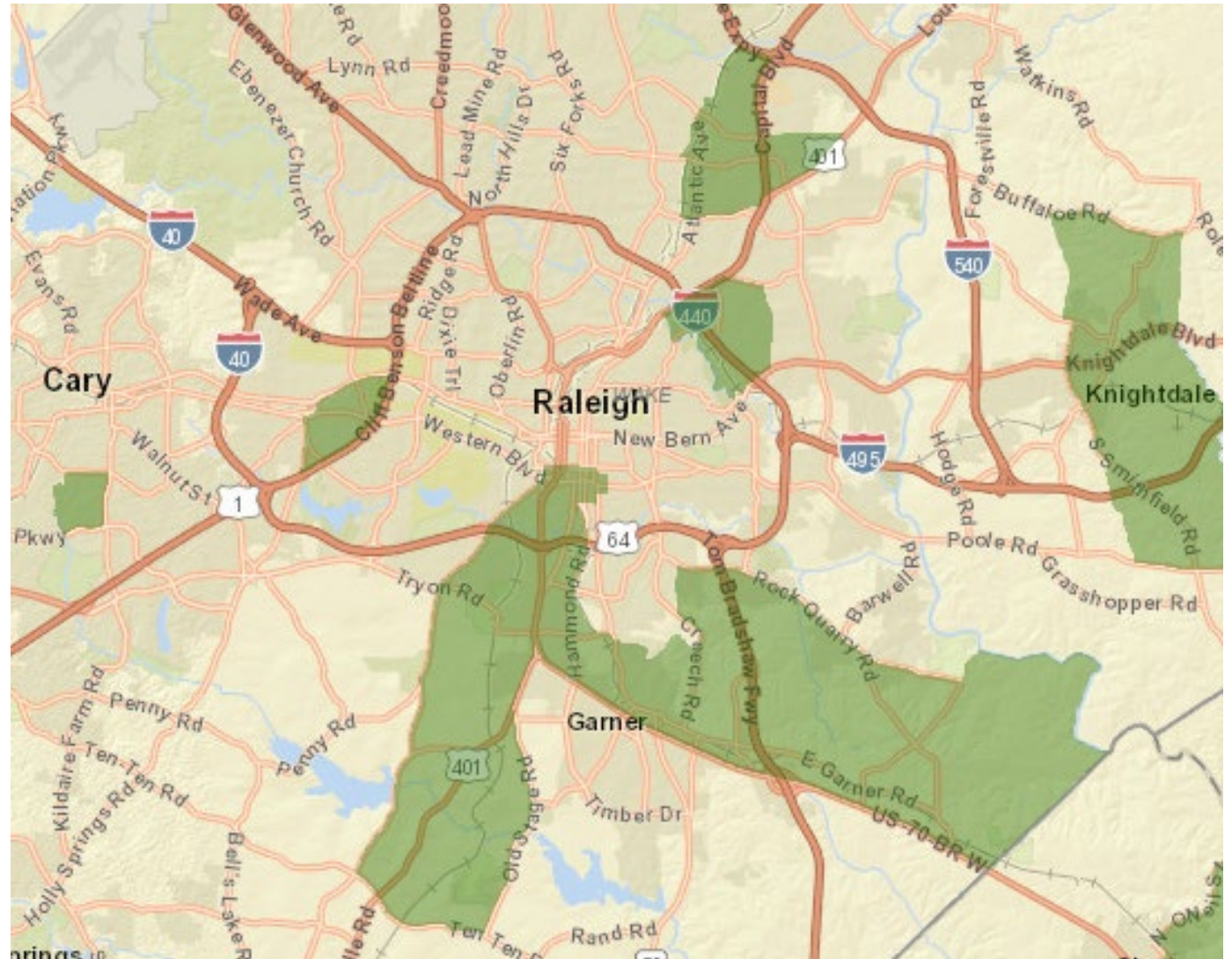
American Housing and Economic Mobility Act

Where are the Opportunity Zones?



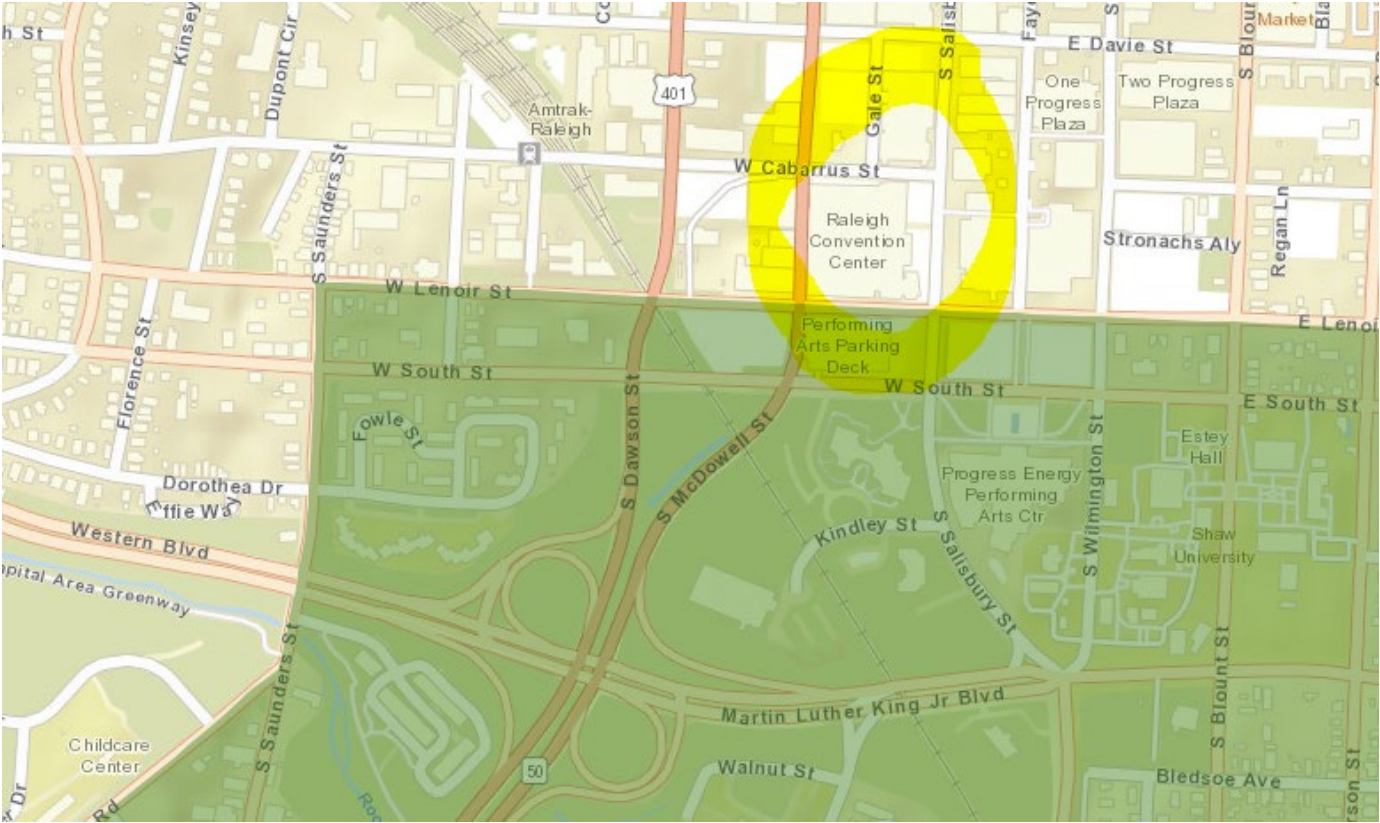
Source: communityenterprise.org

Raleigh



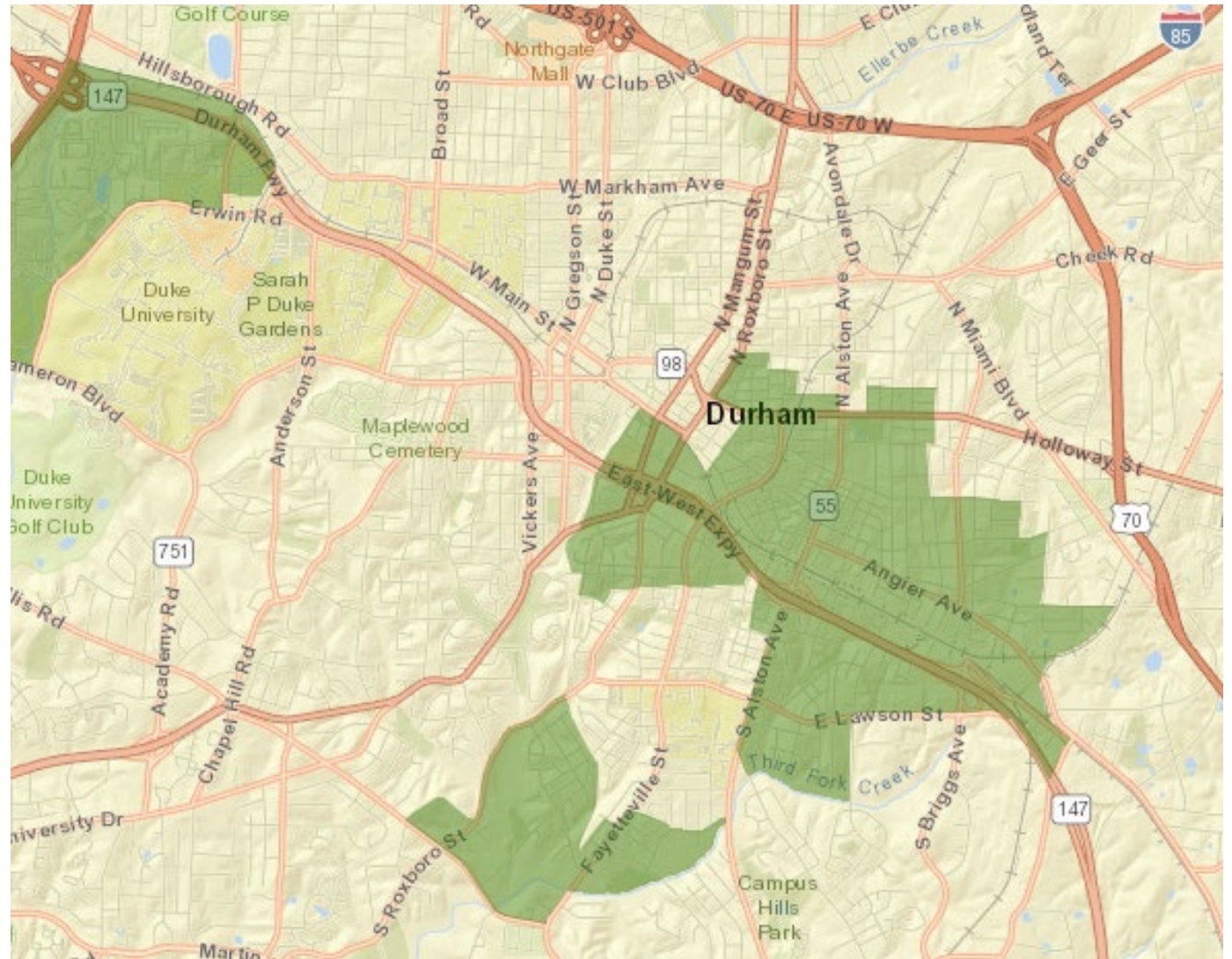
Source: communityenterprise.org

Across the Street



Source: communityenterprise.org

Durham



Source: communityenterprise.org

Policy Choices Will Matter More Than Ever

