

6| HOUSING, BUILDING AND LAND DEVELOPMENT TRENDS

HOUSING AND BUILDING PERMIT OBSERVATIONS

National Trends

- Residential building permits declined by 70 percent between 2004 and 2010.
- A slight increase of 4 percent between 2009 and 2010 may indicate this trend has stabilized.
- National trends in new residential development indicate lot sizes are decreasing and housing densities are increasing.
- Developments can maximize potential by offering a variety of housing options - single and multifamily, attached and detached - attracting multiple generations and a mix of housing prices. New homes tend to be energy efficient, low maintenance and include rooms with flexible uses, thereby increasing a home's life-span for the homeowner.
- Wealthier retired baby-boomers are often choosing "lifestyle" neighborhoods that provide high-end housing options which incorporate amenities, such as recreation and medical facilities, within the neighborhood.
- Rising transportation costs are having consumer's trade-off between a larger house in the suburbs for a home in closer proximity to work and amenities.
- Identifying adequate, affordable building sites within town will be an opportunity for cities and their developers.



State and Regional Trends

- Regionally, the South leads the nation in the number of residential building permits issued and comprised nearly half of all residential permits issued in the United States in 2010.
- Although the decline has seemed to stabilize in the South, the West and Northeast are rebounding at a quicker pace since last year, with increases of 9.8 percent and 7.7percent respectively.
- In North Carolina, residential building permits decreased by 66 percent in number and 60 percent by value. Construction value has decreased by \$7 billion, down from \$12 billion in 2004 to \$5 billion in 2010.

Local Trends

Housing Profile

- In 2009, Greensboro had ~122,000 housing units, with half of the units owner-occupied.

- The majority of these homeowners (76%) carried a mortgage on their home, with a median monthly mortgage of \$1,239.
- Median house values appeared to have increased 32 percent since 2000 to \$143,800.
- The percent of people spending more than 35% of their household income on monthly costs for owner-occupied homes was 27 percent compared to 41 percent for those who rent.
- The number of vacant housing units in Greensboro has doubled since 2000 to 14 percent in 2009.

Building Permits

Residential

- Steady growth was seen in residential building permits in Greensboro from 2002 with a peak occurring in 2005.
- A significant decline began in 2005 with a 75 percent cumulative decrease in single family home permits from 2005 to 2010 and an 80 percent decrease in Townhomes/Condos/Duplex permits during that same time period.
- Permit fees have experienced a 38 percent drop since 2007.
- The number of permits issued between 2009 and 2010 for multifamily residential construction, excluding apartments has doubled to ~ 200 permits.
- The average house value reported on a single family permit remained fairly constant at around \$155,000.
- The value for Townhomes/Condos/Duplex permits fell sharply by \$40,000 between 2009 and 2010.
 - *Since the decline in the economy, several major builders of townhomes have gone out of business, leaving unfinished multifamily neighborhoods throughout town.*

Commercial

- New commercial construction permits fluctuated from a high of 449 in 2006 to a low of 180 in 2010 since 2000, a decrease of 60 percent.
- There were 1,181 permits issued for commercial alterations/additions/repairs in 2010.
- The ratio of new commercial construction to alterations /additions/repairs has grown from 1 new construction permit to 2 others (1:2) to (1:7)
 - *Possibly indicating businesses have been more likely to add on or repair their existing structures rather than invest in new commercial construction.*

Housing Market

- Greensboro's existing housing market has taken a significant hit during the past decade. Since 2006, (projected) home sales dropped by nearly two-thirds.
- According to Jud and Associates, the total number of single-family detached homes sold in Guilford, Forsyth and Alamance counties combined was 10,620 in 2010, a 27 percent drop from the 14,605 homes sold in 2008.
- The average sales price for the three counties combined fell to \$154,534 in 2010, a 10 percent decline from \$172,403 in 2008.

- In 2008, the average Triad asking price was \$197,609, while the average selling price was \$172,403, a 14.6 percent difference.
 - In 2010, the average asking price fell to \$177,815, and the average selling price was \$154,534, a 15.0 percent difference.
 - With respect to apartment housing, significant differences exist between average rents and vacancy rates by sub-market in Guilford County. Northwest Guilford County has the highest number of units available and the lowest vacancy rate.
 - In a regional comparison of cities, Greensboro had the lowest average rent at \$662, yet the highest apartment vacancy rates at 9%.
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HOUSING PROFILE, GREENSBORO: 2000 AND 2009

Subject	2000 [^]	2000 Percent	2009* Estimate	2009 Percent
Housing Units	99,133		122,374	
<i>Occupied Housing units</i>	92,221	93%	105,082	86%
<i>Owner-occupied units</i>	44,119	48%	56,893	54%
<i>Median House Value (dollars)</i>	\$ 108,600		\$143,800	
Mortgage Status and Costs	44,119		56,893	
<i>With a mortgage</i>	32,454	74%	43,105	76%
<i>Not mortgaged</i>	11,665	26%	13,788	24%
<i>Median Mortgage Dollars</i>	\$ 1,012		\$ 1,239	
<i>Monthly Owner Costs >35% of Household Income</i>	6,704	21%	11,514	27%
Rental Units				
<i>Specified renter-occupied units</i>	43,418		47,255	
<i>Median (dollars) Gross rent</i>	\$ 608		\$ 714	
<i>No cash rent</i>	1,065	2%	934	2%
<i>Gross Rent >35% of Household Income</i>	12,545	29%	19,311	41%
Source: [^] US Census Bureau, Summary File 3, 2000. *American Community Survey, 2009.				

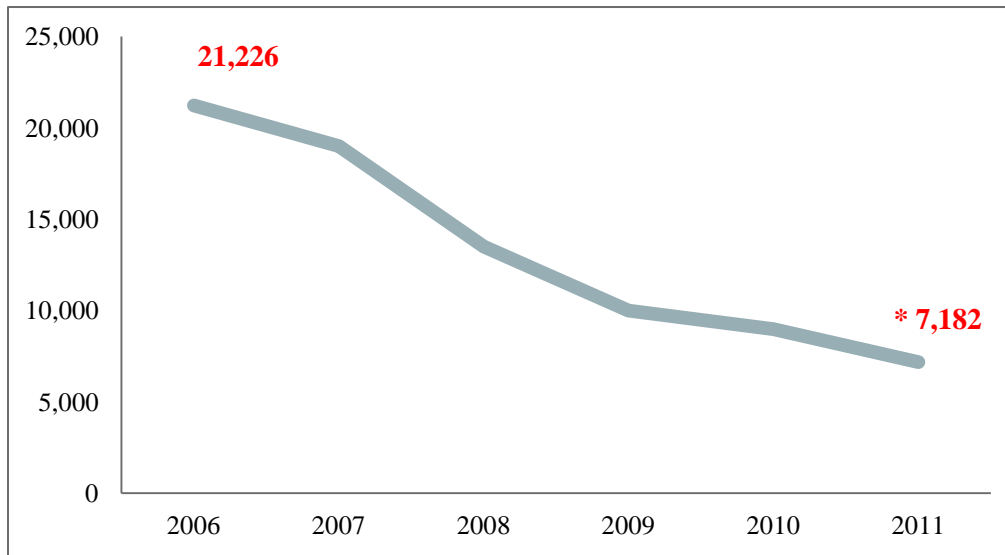
- **Vacant housing units have doubled since 2000. The percent of people spending more than 35% of their household income on rent has increased to 41%.**

AVERAGE HOME SOLD IN GUILFORD COUNTY: 2010

Home Profile	
Square Footage	2,105
Floors	1.5
Baths	2.3
Garage Spaces	1.3
Fireplaces	0.85
Age	26.7
In the City	77%
NW Quadrant in County	34%
Number Sold	2,334
Source: Jud & Associates, 2011	

- **This represents a profile of the average home sold in Guilford County in 2010.**

NUMBER OF HOMES SOLD IN THE TRIAD**, 2006-2011



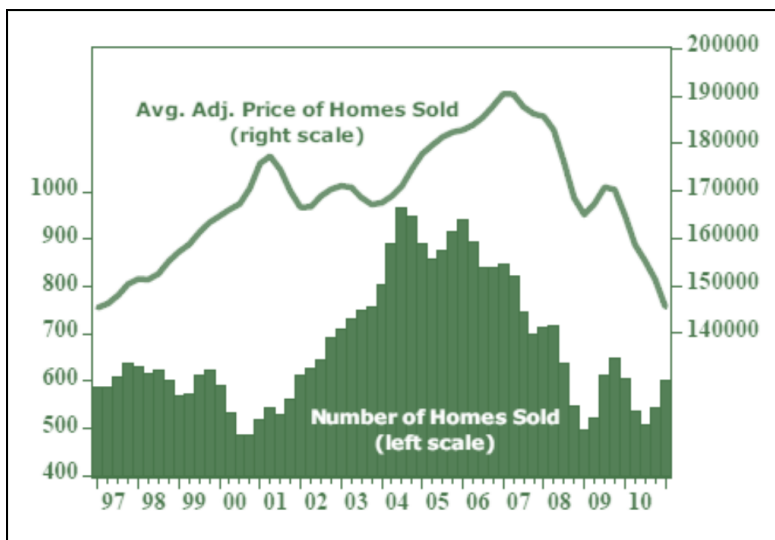
*Projected homes sales

**Includes Forsyth, Guilford and Alamance Counties

Source: Market Opportunity Research Enterprises

- Since 2006, (projected) home sales have dropped by nearly two-thirds.

NUMBER AND PRICES OF EXISTING HOMES SOLD, GUILFORD COUNTY, 1997-2011*

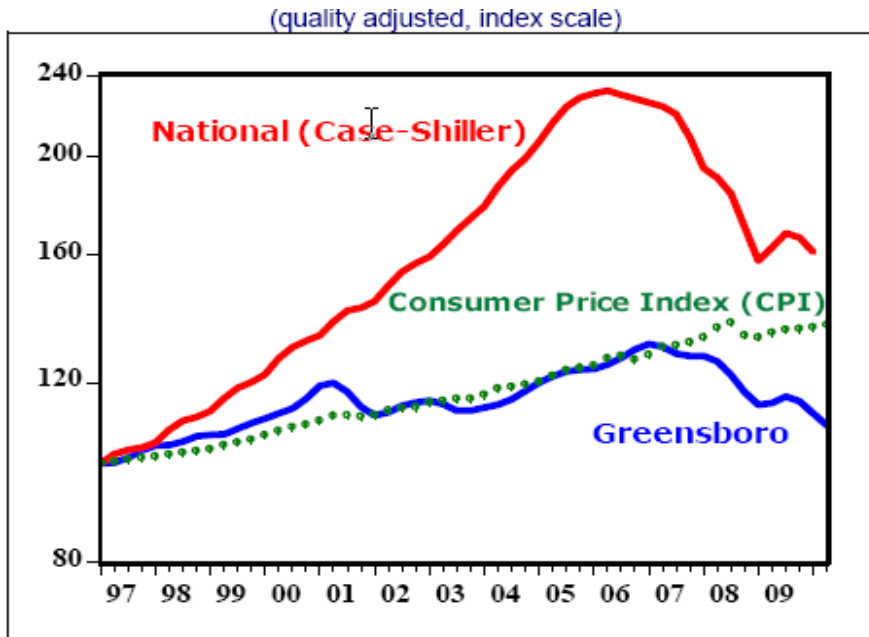


Note: Thru 1st Quarter 2011

Source: Jud and Associates, 2011.1

- The adjusted average price of homes sold has dropped from approximately \$190,000 in 2007 to \$145,000 in the first quarter of 2011.

EXISTING HOUSING PRICES IN GREENSBORO AND THE NATION, 1997 - 2010



Source: Jud and Associates, 2011

- Greensboro's housing prices did not have a similar peak as national prices; therefore, the drop in housing value was not as great as it was for some parts of the US.

DAYS ON MARKET BY SELLING PRICE, GREENSBORO, 2010



- Houses selling in the mid-range of \$150-299,000 were on the market an average of four months. Length on the market increased to over six months for homes a half million and higher.

REGIONAL APARTMENT RENT COMPARISONS, NOVEMBER 2010

	Vacancy Rate	Average Rent
Asheville	7.7%	\$788
Charlotte	9.0%	\$733
Greensboro	9.0%	\$662
Greenville	7.2%	\$684
Raleigh/Durham	7.1%	\$794
Richmond	6.8%	\$819

Source: [Real Data, aptindex.com](#)

- **Greensboro has the lowest average rent, yet the highest vacancy rate for regional comparison cities.**

GUILFORD COUNTY SUBMARKET APARTMENT COMPARISONS, NOVEMBER 2010

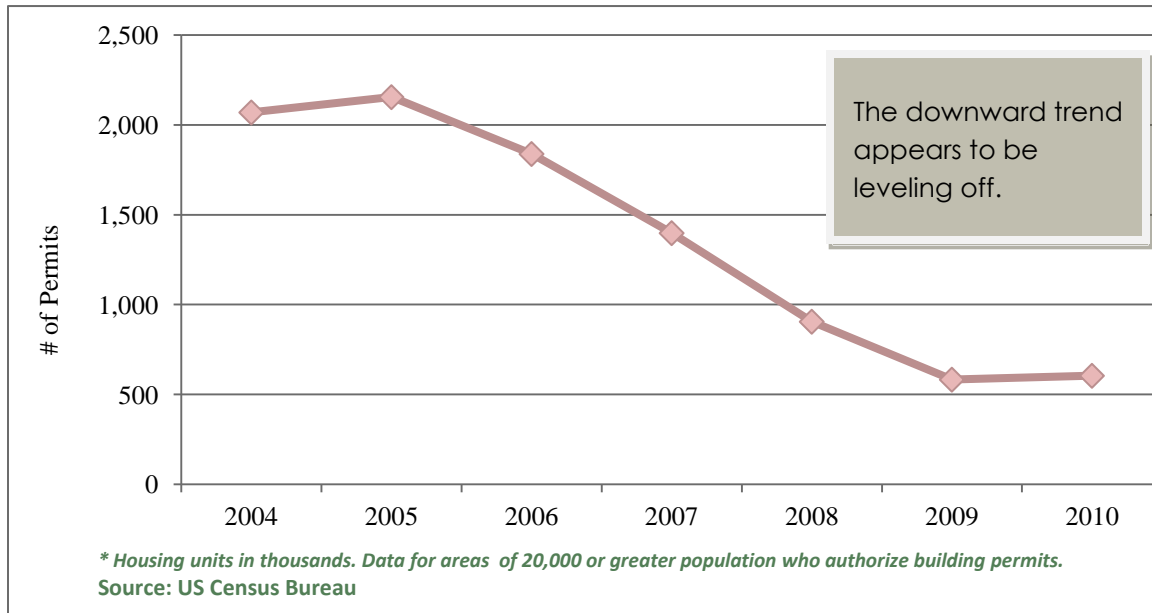
Region	Units Surveyed	Vacant Units	Vacancy Rates	Average Sq. Ft.	Average Rent	Average Rent/SF
Guilford- Central	3,200	375	11.7%	990	\$919	\$0.928
Guilford-High Point	3,784	430	11.4%	933	\$598	\$0.641
Guilford- North	4,688	328	7.0%	877	\$675	\$0.770
Guilford- Northeast	3,391	296	8.7%	887	\$609	\$0.687
Guilford- Northwest	8,945	564	6.3%	878	\$653	\$0.744
Guilford-South	4,592	365	7.9%	894	\$616	\$0.689
Guilford- Southwest	4,814	315	6.5%	1,051	\$771	\$0.734

Source: [Real Data, aptindex.com](#)

- **Within Guilford County, there are significant differences between average rents and vacancy rates by sub-market. Northwest Guilford County has the highest number of units available and the lowest vacancy rate.**

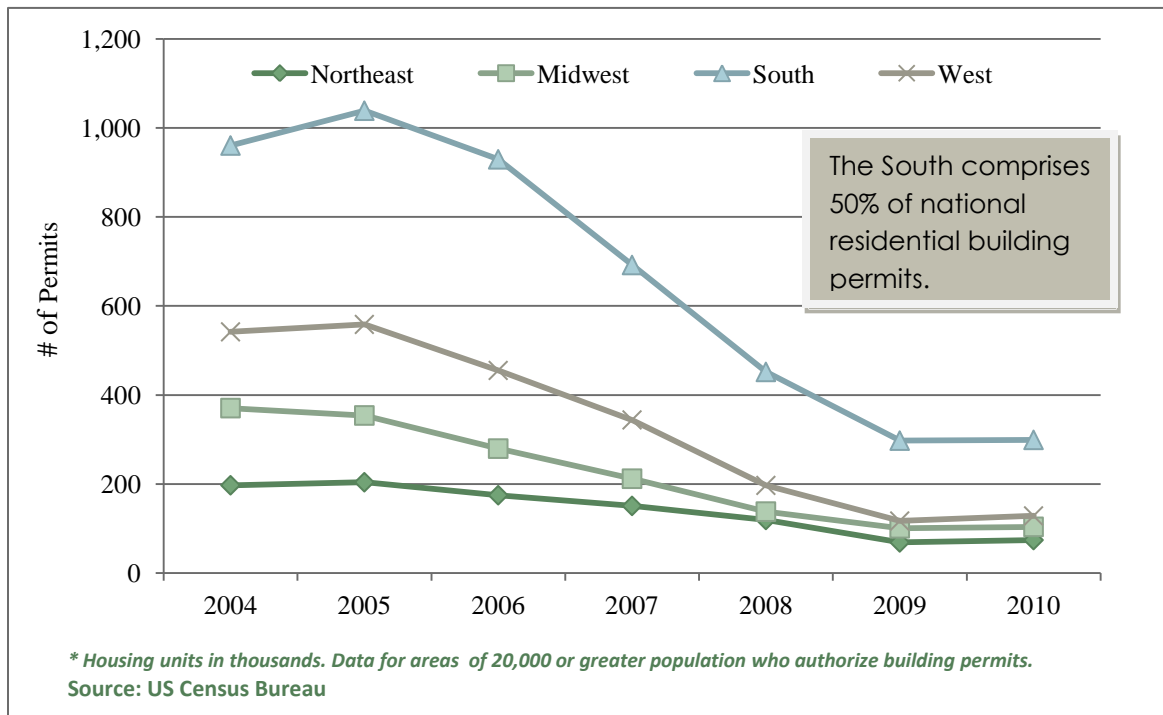
BUILDING PERMITS

RESIDENTIAL BUILDING PERMITS AUTHORIZED*, UNITED STATES, 2004-2010

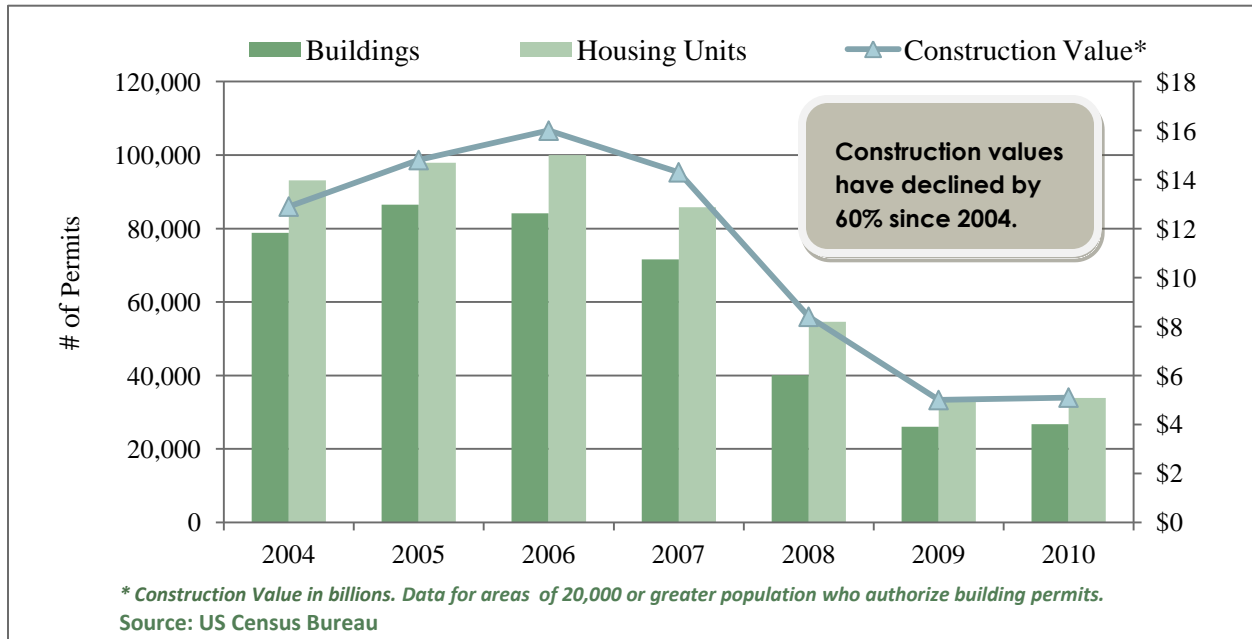


➤ 2010 indicates a slight growth of nearly 4 percent over 2009.

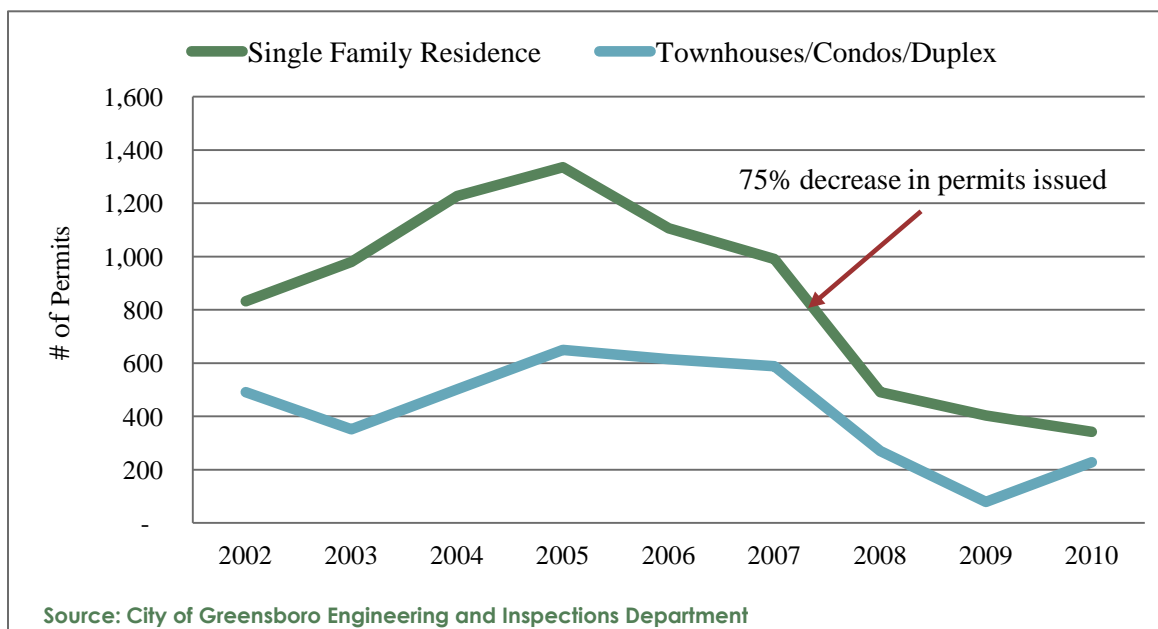
RESIDENTIAL BUILDING PERMITS AUTHORIZED*, BY REGION 2004-2010



RESIDENTIAL BUILDING PERMITS AUTHORIZED, NORTH CAROLINA 2004-2010

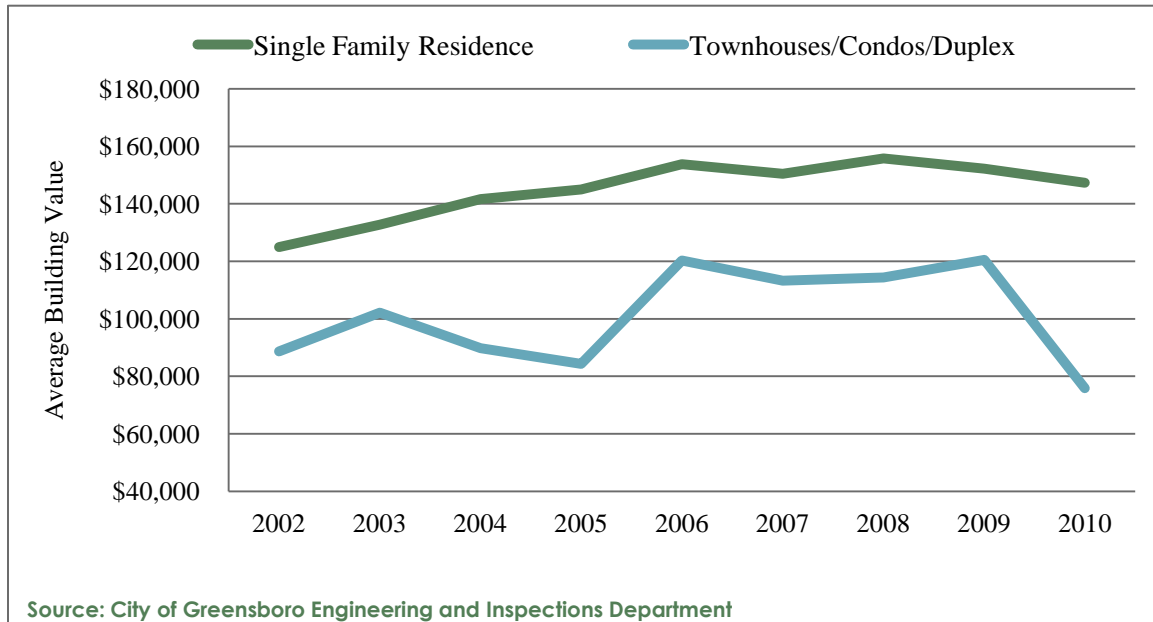


RESIDENTIAL PERMITS ISSUED BY TYPE, GREENSBORO, 2002-2010



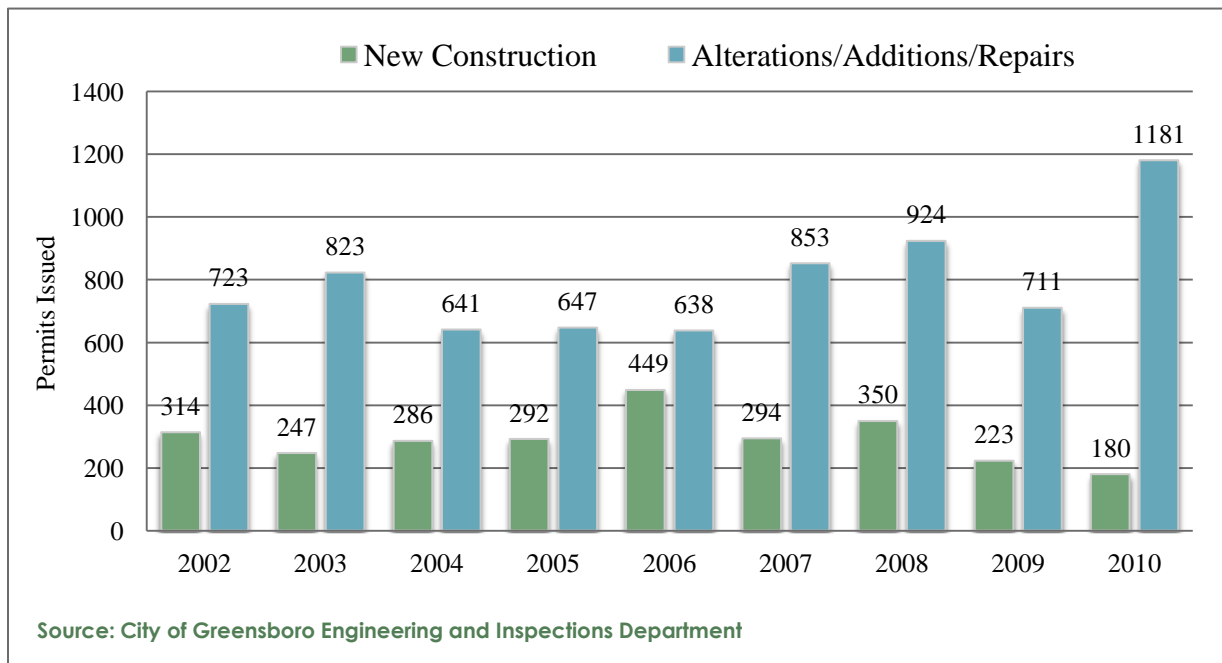
- **Single family and multi-family building permits have decreased significantly since 2005.**

AVERAGE VALUE OF RESIDENTIAL BUILDING PERMITS, GREENSBORO, 2002-2010



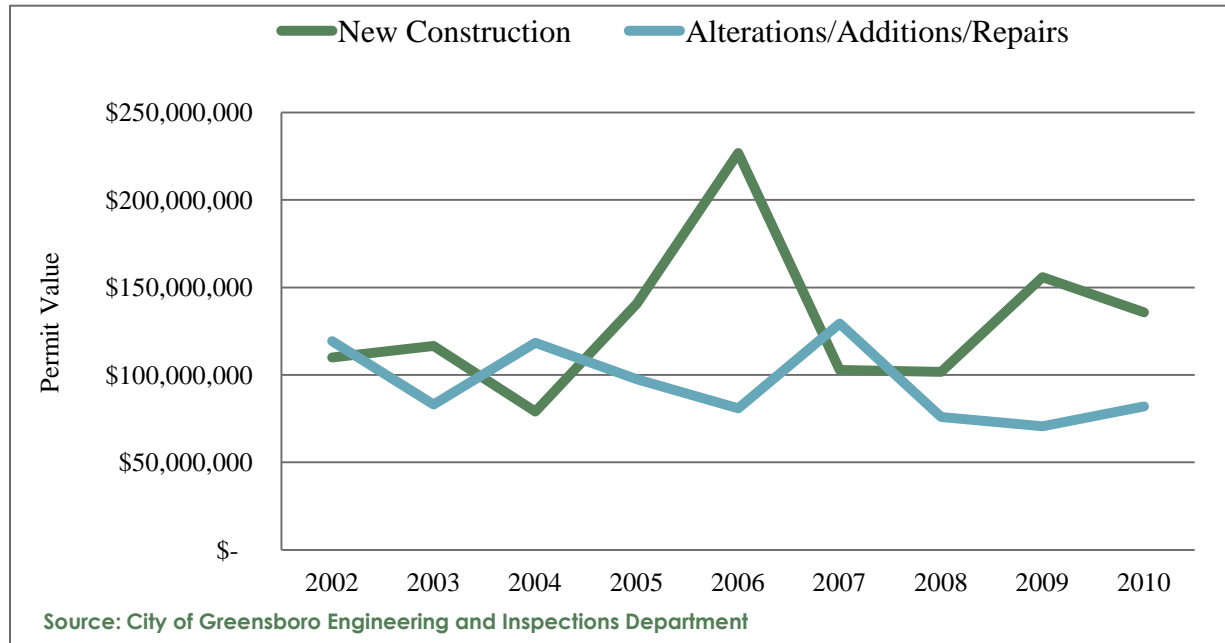
- Values in single family homes are more consistent than multi-family homes.

COMMERCIAL BUILDING PERMIT SUMMARY, GREENSBORO, 2002-2010



- The ratio of new commercial construction to alterations/additions/repairs has grown from 1:2 to 1:7.

COMMERCIAL CONSTRUCTION VALUE, GREENSBORO, 2002-2010



- **New construction values peaked sharply in 2006 at \$225,000,000 whereas values for alterations/additions/repairs has remained fairly consistent.**

PERMIT FEES, GREENSBORO, JANUARY TO AUGUST, 2007-2011

	2007	2008	2009	2010	2011
Building Fees	\$ 975,154	\$ 773,747	\$ 579,311	\$ 512,319	\$ 597,770
Driveway Fees	\$ 43,364	\$ 23,876	\$ 15,282	\$ 14,315	\$ 10,584
Electrical Fees	\$ 491,378	\$ 353,990	\$ 232,526	\$ 241,147	\$ 283,551
Mechanical Fees	\$ 389,941	\$ 339,914	\$ 240,893	\$ 298,451	\$ 335,651
Plumbing Fees	\$ 331,627	\$ 263,070	\$ 167,545	\$ 135,614	\$ 153,490
Total Fees	\$2,231,464	\$1,754,597	\$1,235,557	\$1,204,846	\$1,381,046
% Change		-21%	-30%	-2%	15%

Source: City of Greensboro Engineering and Inspections Department

- **Permit fees have decreased 38% overall for January – August when compared to the same time frame for 2007, as would be expected with the slowdown in construction and development activities. The eight months of 2011 indicate an increase of 15% over the same time period in 2010.**

LAND DEVELOPMENT AND ANNEXATION OBSERVATIONS

Land Development Plans

- Reflecting the slowdown in the national economy, land development activities, such as subdivisions and commercial site plan proposals have significantly slowed in Greensboro over the past five years.
- Plans submitted decreased by 50% from 2006 to 2008.
- Final approved plans have decreased 61 percent since 2006.
- The number of new lots created decreased by 92 percent and the size of the parcels decreased 72 percent since 2006.
- The first half of 2011 indicates a leveling off of this trend. However, future building construction activity may be impaired due to the decline in new lots created.

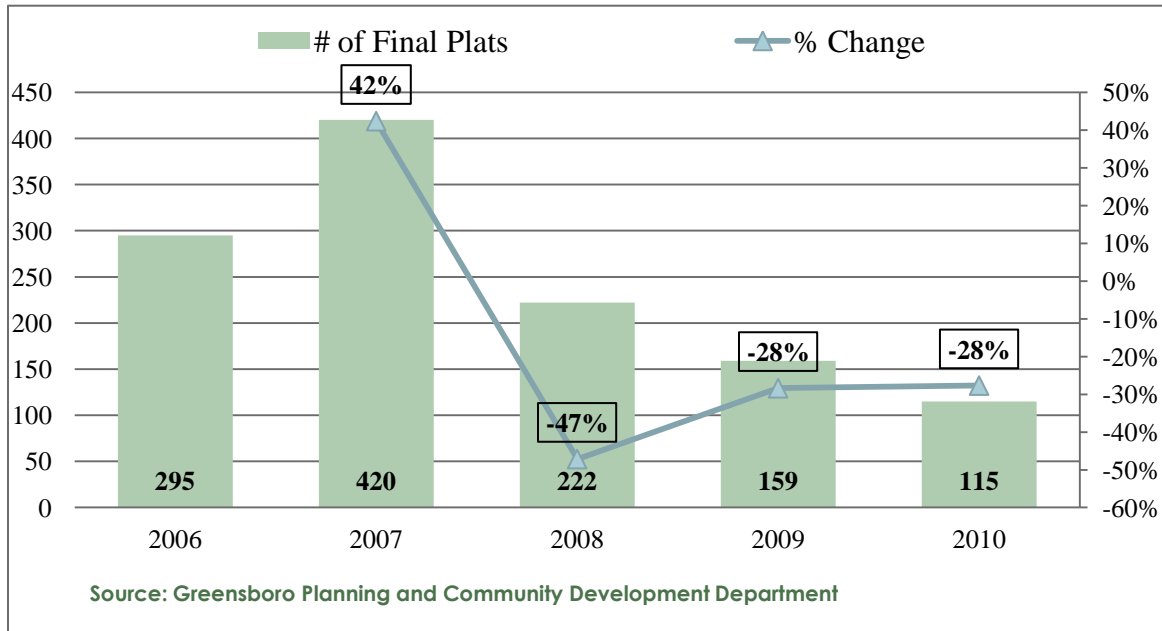


Annexation and Growth

Annexation is the process by which a city adds land to its jurisdiction. The city then extends its services, laws, and voting privileges to meet the needs of residents living in the annexed area. Typically, annexation takes place in areas that are adjacent to a municipality, where the population already has expanded or soon will expand to densities found in urban areas.

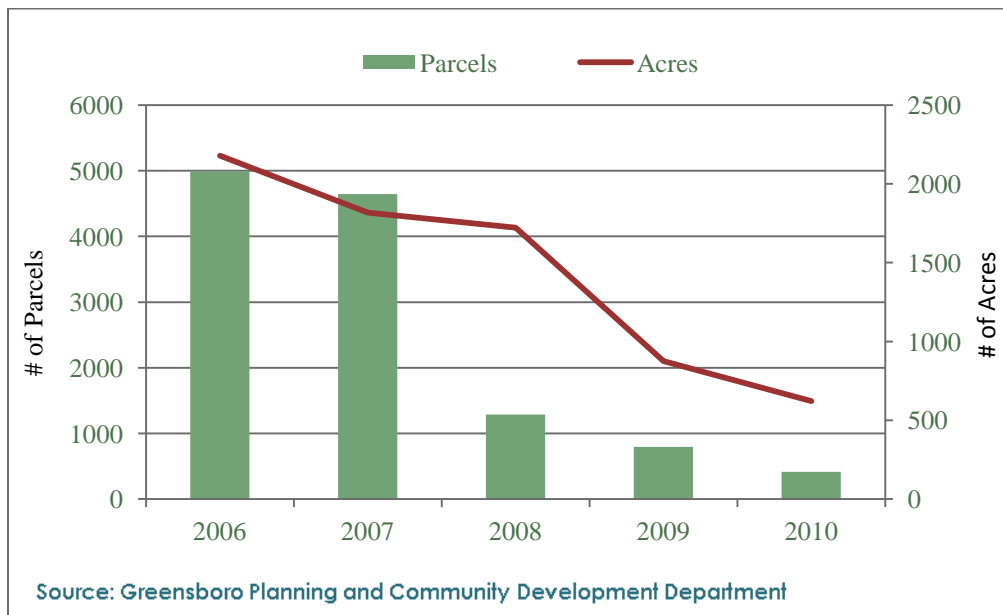
- Greensboro's population growth has been distributed between growth by annexation (55%) and urban growth (45%) during the previous decade.
 - Compared to the largest ten cities in North Carolina, Greensboro ranks in the middle of the pack.
- Greensboro's land area has grown by 26 percent since 2000 from 105 to 131 square miles, annexing 26 square miles. Greensboro's population has increased by 20.4% during this same time frame.
- Population density, or the number of people per square mile, has decreased by 4.4 percent since 2000 and by 21% since 1980, indicating the City has grown faster by land area than by population and is less dense than it was in previous decades.
- Since 2000, annexations contiguous to or adjoining the city represented slightly more than half of all annexation cases and 75 percent of the annexed land area.
- Half of all annexations during 2000-2010 were initiated by regular petitions - by citizens - and only 9 percent of annexations were City-initiated, the rest were based on water-sewer agreements.
- Only 9 percent of annexations were City-initiated, however, the number of acres annexed is almost equally divided between regular petitions and city-initiated (40.3% and 41.5%).
- New state legislation enacted in 2011, will greatly limit City-initiated annexations in the future.

PLATS SUBMITTED AND REVIEWED, 2006-2010



- There has been an overall decrease of 61% in approved final plats since 2006.

SNAPSHOT OF FINAL PLATS, GREENSBORO, 2006-2010



- The number of parcels created has decreased by 92% and the number of acres on final plats has decreased by 72% since 2006.

MUNICIPAL GROWTH AND ANNEXATION

MUNICIPAL GROWTH, 2000-2009

Municipality	July 2009 Population	July 2009 City Limits	% Growth Annexation (2000-2009)	Rank Based on Annexation %*	% Urban Growth (2000-2009)	Rank Based on Urban Growth %*
Charlotte	711,349	298,970	51.9%	6	48.1%	5
Raleigh	384,116	142,368	57.7%	4	42.3%	7
Greensboro	268,917	127,752	55.3%	5	44.7%	6
Winston-Salem	235,073	133,186	49.8%	7	50.2%	4
Durham	234,140	105,592	32.3%	8	67.7%	3
Fayetteville	207,779	146,404	102.2%	1	-2.2%	10
Cary	147,270	54,011	30.1%	10	69.9%	1
High Point	102,214	54,048	31.0%	9	69.0%	2
Wilmington	102,207	51,549	61.3%	3	38.7%	8
Greenville	82,569	35,006	79.8%	2	20.2%	9

Note*: Ranks are ordered from high to low values. 2010 data not yet available.

Source: NC State Data Center

- **Greensboro ranks in the middle for the percent of growth based on annexation and percent of growth based on urban growth. Cities such as Greenville and Wilmington have grown primarily due to annexation.**

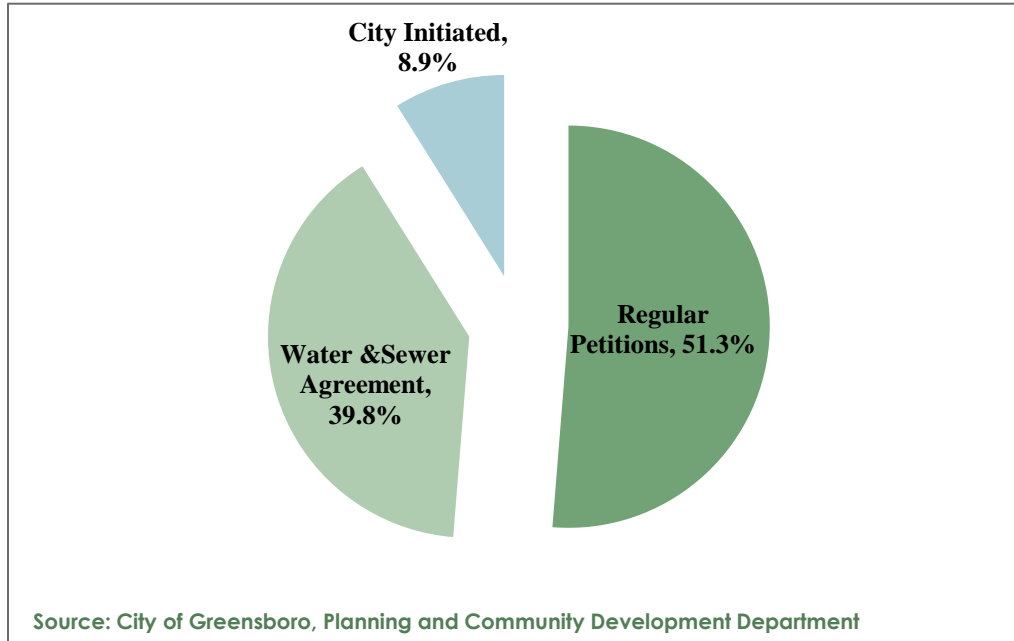
GREENSBORO POPULATION AND LAND AREA, 1980-2010

Greensboro	1980	1990	2000	2010	1980-1990 % Change	1990-2000 % Change	2000-2010 % Change
Population	155,642	183,894	223,891	269,666	18%	22%	20%
Land Area (Sq. Mile)	60.4	80.5	104.7	131.9	33%	30%	26%
Persons/Sq Mile	2578.1	2283.5	2138.3	2043.9	-11.4%	-6.4%	-4.4%

Source: NC State Data Center

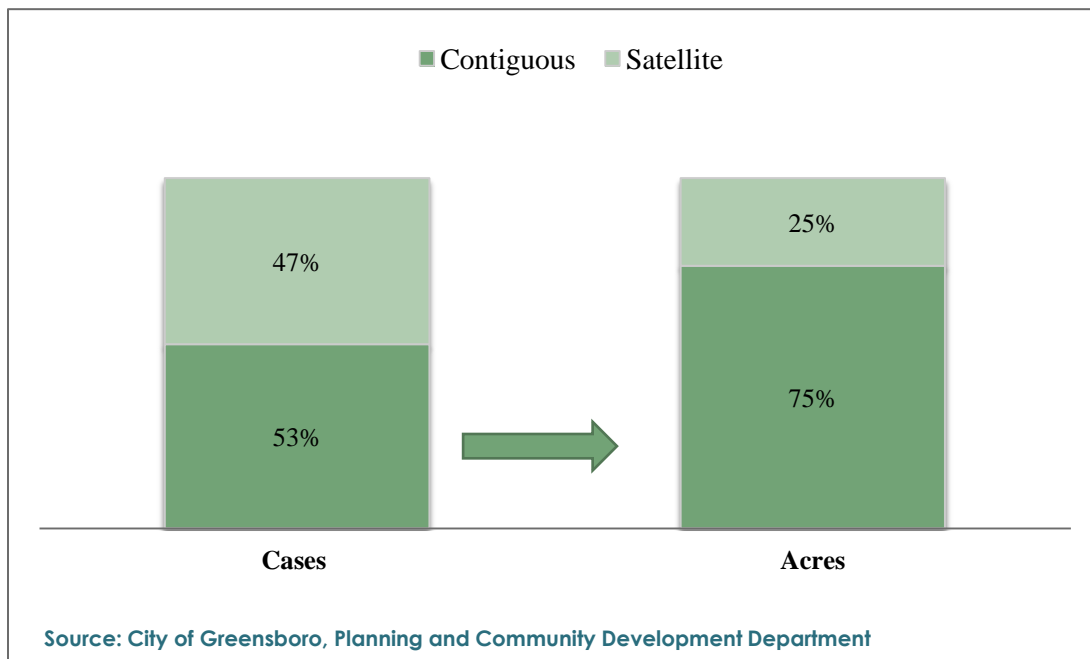
- **Greensboro's density or person's per square mile has decreased since 2000 by 4.4%. The City has grown more in land area than in population, although this difference has become smaller since 1980.**

GREENSBORO ANNEXATIONS BY TYPE, 2000-2010



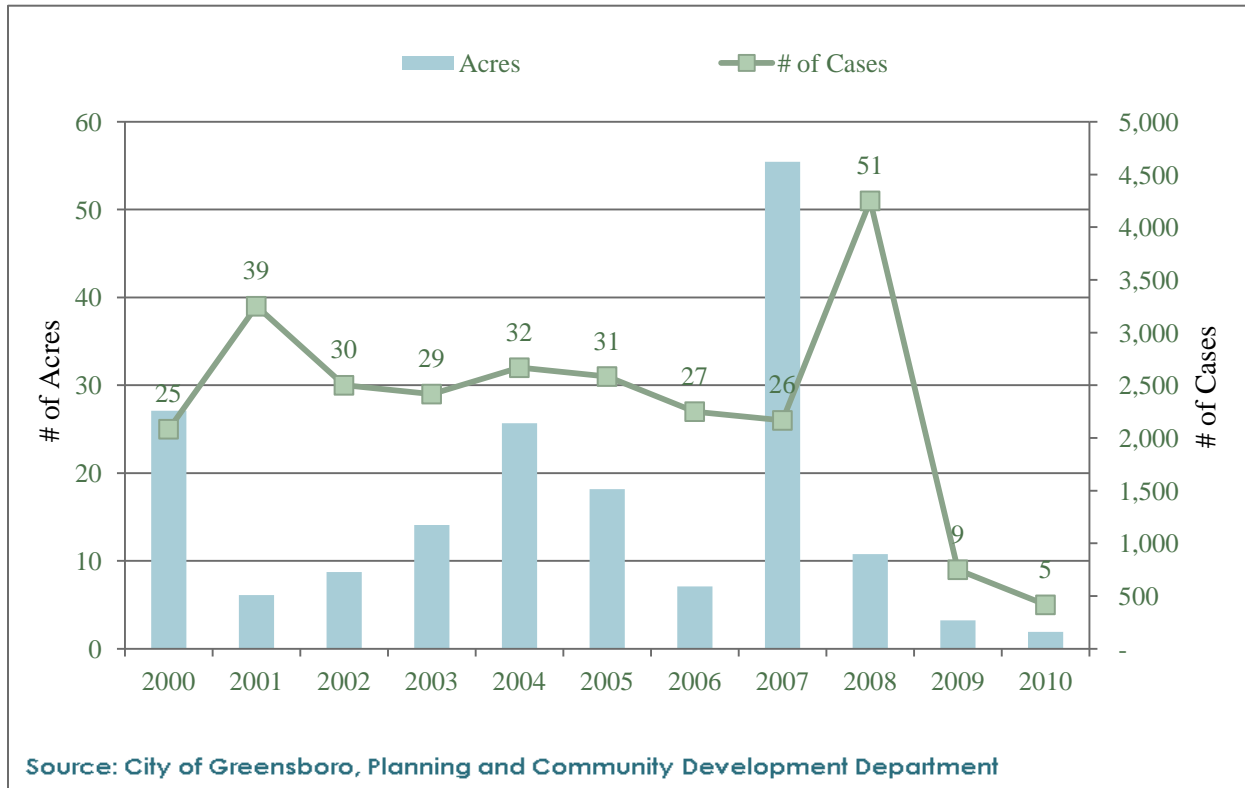
- Most annexation cases are regular petitions submitted by a property owner and may include properties contiguous to the city (touching) or satellite (within 3 miles).

CONTIGUOUS OR SATELLITE ANNEXATIONS, 2000-2010



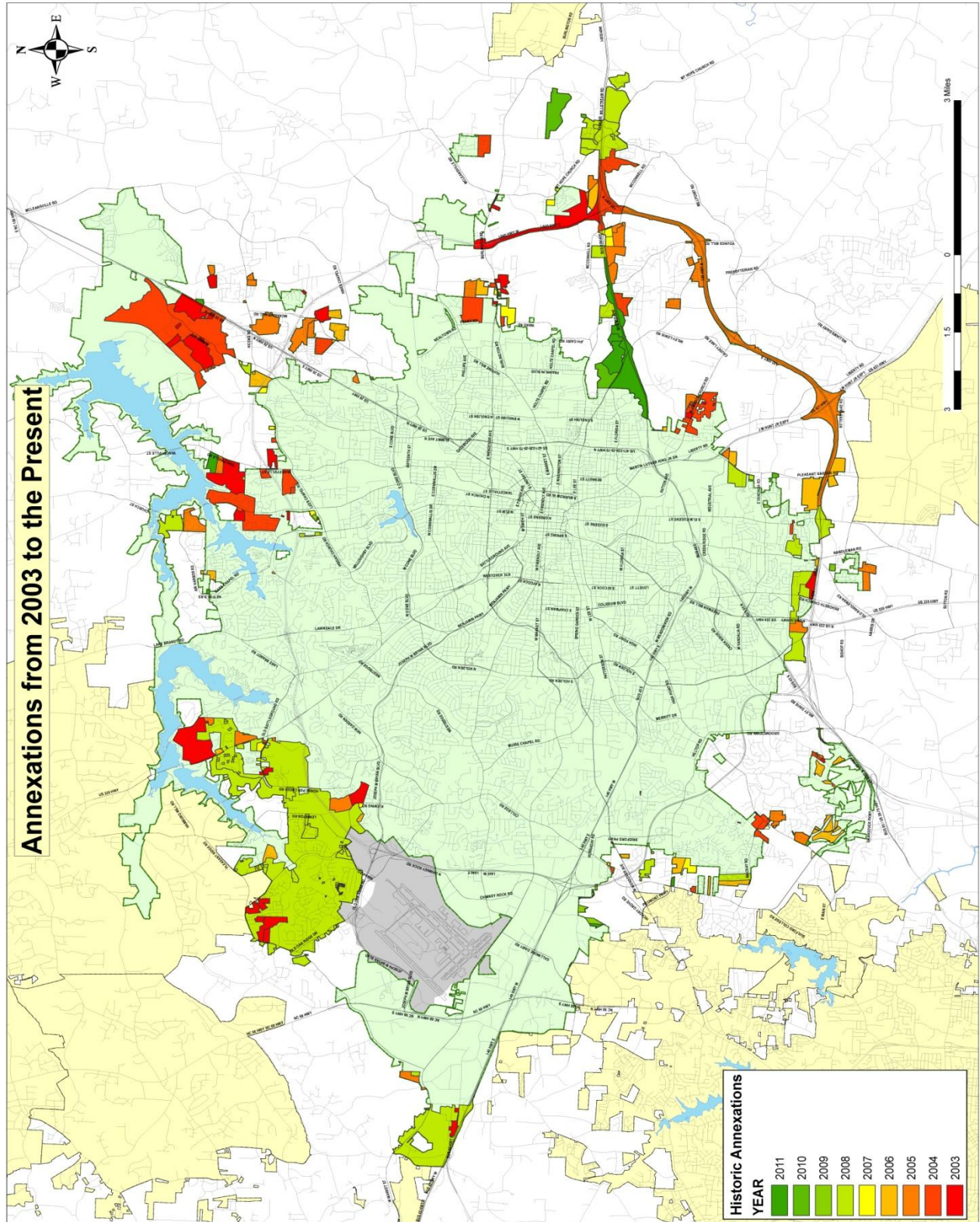
- Over half of the cases and 75% of the acres annexed into the City of Greensboro were contiguous, or touching the City.

GREENSBORO ANNEXATION SUMMARY, 2000-2010



- **The number of annexations has averaged 27 cases per year since 2000 with 2008 being a notable exception. Annexations have leveled off to below average for 2009 and 2010.**

GREENSBORO ANNEXATIONS BY YEAR, 2003-2011



LAND USE AND THE GENERALIZED FUTURE LAND USE MAP

The most recent "Existing Land Use Study" was completed for Greensboro in July 2002 in conjunction with the Comprehensive Plan, *Connections 2025*. An updated land use study is needed as we move toward the Comprehensive Plan Update process. Before the study begins, certain issues must be addressed including: the boundaries of the study area, land use classifications, definitions, and study methodology. Resources available to assist in the determination of land uses include the following: GIS mapping, 2000 and 2010 aerial maps, building permit data, site plan/preliminary plans, rezoning information, and windshield surveys.

In 2002, the City's distribution of land use was thought of in three broad categories: where people live (residential uses), where people work and shop (nonresidential uses), and land which is undeveloped. Single-family residential was the largest single land use category by a wide margin, covering nearly 31% of the City's land area. Another 6% was devoted to multi-family housing, bringing the proportion of the City's overall land area in residential use to 37%. While this proportion is not unreasonable, the fact that single-family residential areas exceed areas devoted to multi-family by a factor of 6 to 1 raises questions points to the need for more diverse, affordable and compact housing choices.

The Generalized Future Land Use map, as set forth in the Comprehensive Plan, *Connections 2025*, depicts broad policies for the desired future distribution of land uses and activity centers throughout the City to be achieved over a 10 to 20-year period. When compared to existing land use, it is evident that planned future land uses (except in areas outside the City and within the water/sewer boundary) reflect patterns that are already well established throughout much of Greensboro.

The Generalized Future Land Use Map (GFLUM) should not be interpreted as a zoning map, nor is it appropriate for application at a parcel-by-parcel scale. However, a rezoning application that is at odds with the Comprehensive Plan or Generalized Future Land Use Map will require a request for an amendment. Amendments to the Comprehensive Plan may be either text or map amendments.

Comprehensive Plan Amendment Trends

- There have been 134 amendments submitted since 2003 through December of 2010: 127 were for map, 6 for text and 1 for a map/text amendment.
- Since 2003, there has been a substantial reduction (~16,000 acres) of areas classified as Industrial /Corporate Park and Mixed Use Corporate Park
- Interim residential, a classification added after the Comprehensive Plan was adopted due to changes in agreements with Guilford County, has increased substantially (~40,000 acres).
- Large increases have also been seen in areas designated as Parks and Open Space (~9,000 acres).
- A revised study may indicate whether more diverse housing choices have been achieved since 2002 and will help the City set new goals with regard to housing mix, density, and availability of prime industrial land.

EXISTING LAND USE WITHIN STUDY AREA (JULY 2002)

Land Use Code	City Land Use		Water/Sewer Boundary		Study Area Total	
	Acres	Percent	Acres	Percent	Acres	Percent
Agriculture	98	0.13%	15,051	25.59%	15,149	11.44%
Single Family	22,583	30.68%	14,126	24.02%	36,709	27.72%
Multi-Family	4,371	5.94%	700	1.19%	5,071	3.83%
Commercial	3,463	4.71%	617	1.05%	4,080	3.08%
Downtown	358	0.49%	n/a	n/a	358	0.27%
Office	1,133	1.54%	347	0.59%	1,480	1.12%
Institutional	3,498	4.75%	1,270	2.16%	4,768	3.60%
Light Industrial	3,957	5.38%	1,066	1.81%	5,023	3.79%
Heavy Industrial	3,828	5.20%	1,757	2.99%	5,585	4.22%
Airport Property	n/a	n/a	3,238	5.51%	3,238	2.45%
Open	2,498	3.39%	1,711	2.91%	4,209	3.18%
Woods	11,536	15.67%	13,187	22.42%	24,723	18.67%
Park Land	3,172	4.31%	1,278	2.17%	4,450	3.36%
Golf Courses (Private)	1,189	1.62%	117	0.20%	1,306	0.99%
Water	3,341	4.54%	142	0.24%	3,483	2.63%
Owner Association Open Space	249	0.34%	45	0.08%	294	0.22%
Right-of-Way	8,324	11.31%	4,155	7.07%	12,479	9.42%
Total	73,597	100.00%	58,807	100.00%	132,405	100.00%

NOTES:

- The study area includes the City of Greensboro plus the area outside of the current city limits within the water/sewer boundary
Source: [Connections 2025, Greensboro's Comprehensive Plan](#)

COMPREHENSIVE PLAN AMENDMENTS BY TYPE, 2004-2010

Type	Map	Text	Text & Map	Grand Total
Approved	89	6	1	96
Denied	12			12
Withdrawn	23			23
Not Required	3			3
Grand Total	127	6	1	134

Source: Greensboro Planning and Community Development Department

**70% of Map
Amendments submitted
have been approved
since 2004.**

- The majority of amendments have been map amendments.

COMPREHENSIVE PLAN AMENDMENTS SUBMITTED BY YEAR

Year and Type	2004/05	2006	2007	2008	2009	2010	Grand Total
Map	31	22	46	19	4	5	127
Text	3		1	1		1	6
Text & Map			1				1
Grand Total	34	22	48	20	4	6	134

Source: City of Greensboro Planning and Community Development Department

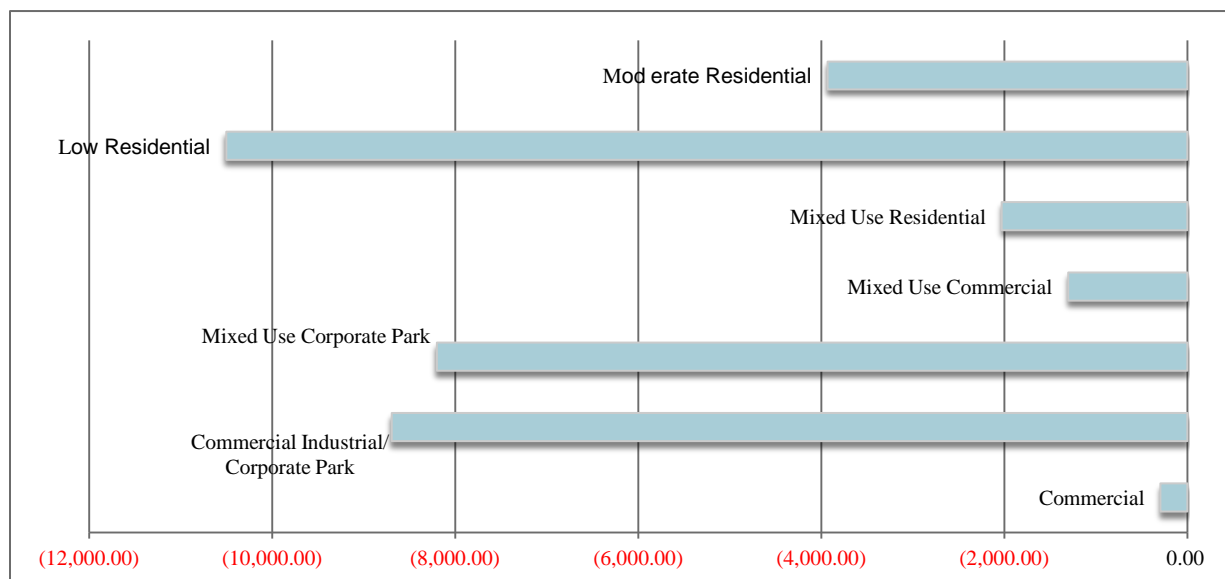
- 2007 represented the most amendments submitted since 2004.

ACREAGE CHANGE IN GENERALIZED FUTURE LAND USES (SINCE PLAN ADOPTION)

Land Use	Est. Acreage at Plan Adoption (5/03)	% of Acres 5/03	Current Acreage 2011	% of Acres 2011	Total Acreage Change since 2003	% Change since 2003
Commercial	3,215	2.5%	2,919	2.3%	-295.92	-9.2%
Industrial/Corporate Park	24,022	18.8%	15,330	12.0%	-8,692.43	-36.2%
Institutional	2,859	2.2%	2,864	2.2%	5.25	0.2%
Mixed Use Corporate Park	16,520	12.9%	8,318	6.5%	-8,201.57	-49.6%
Mixed Use Commercial	8,423	6.6%	7,120	5.6%	-1,302.79	-15.5%
Mixed Use Residential	6,687	5.2%	4,658	3.6%	-2,029.30	-30.3%
Low Residential	50,217	39.3%	39,715	31.0%	-10,501.76	-20.9%
Mod Residential	13,267	10.4%	9,335	7.3%	-3,932.33	-29.6%
High Residential	2,719	2.1%	2,841	2.2%	122.05	4.5%
Major Parks/ Open Space			9,246	7.2%	9,245.82	100.0%
Mixed Use Commercial Business District			493	0.4%	492.54	100.0%
Mixed Use Planned Community			4,099	3.2%	4,099.43	100.0%
Neighborhood / Corridor Plans			2,123	1.7%	2,122.93	100.0%
Potential Employment Center			4,648	3.6%	4,647.55	100.0%
Interim Corp / Business Park			2,707	2.1%	2,706.88	100.0%
Interim Residential			40,166	31.4%	40,166.13	100.0%

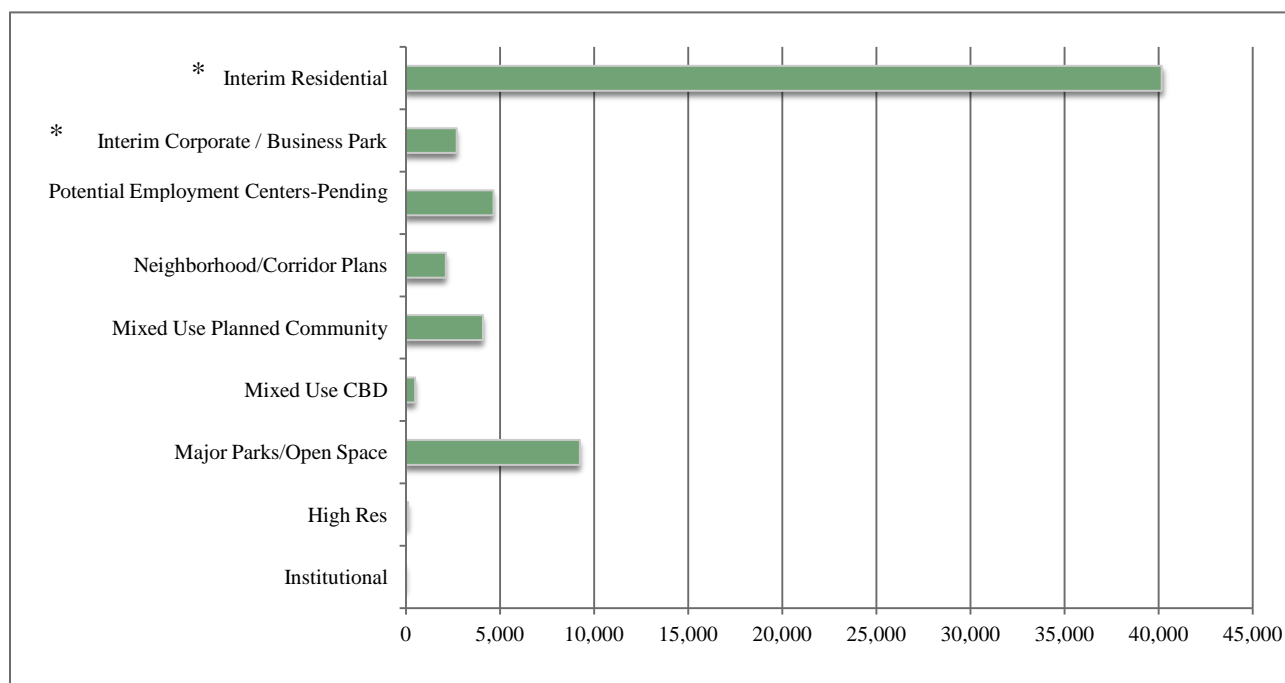
Source: City of Greensboro Planning and Community Development Department

GENERALIZED FUTURE LAND USE DECREASES IN ACREAGE SINCE 2003



Source: City of Greensboro Planning and Community Development Department

GENERALIZED FUTURE LAND USE INCREASES IN ACREAGE SINCE 2003



* Note: "Interim" is a temporary designation, pending additional study regarding the appropriate density.

Source: City of Greensboro Planning and Community Development Department