

BARRIERS to APARTMENT CONSTRUCTION

CHARLOTTE

BARRIERS RANKING¹

33

NEW MF DEMAND²

61.7k

HIGH RENT BURDEN²

40%

STAR SHARE⁴

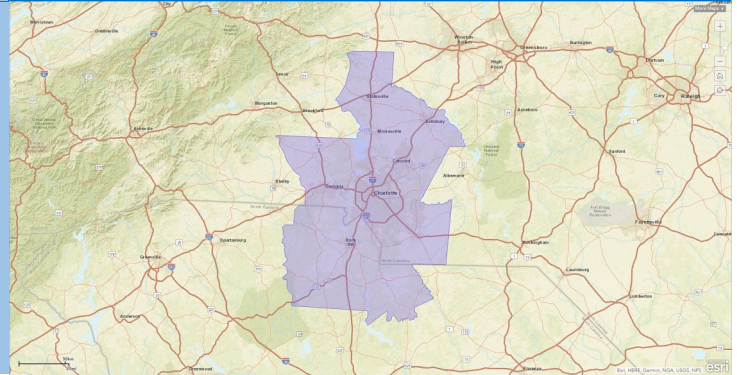
18%

MEDIAN RENTAL HOUSEHOLD INCOME

\$40,470

INCOME REQUIRED FOR AVERAGE RENT⁵

\$43,840



MOST RESTRICTIVE APARTMENT CATEGORIES:



APPROVAL TIMELINE



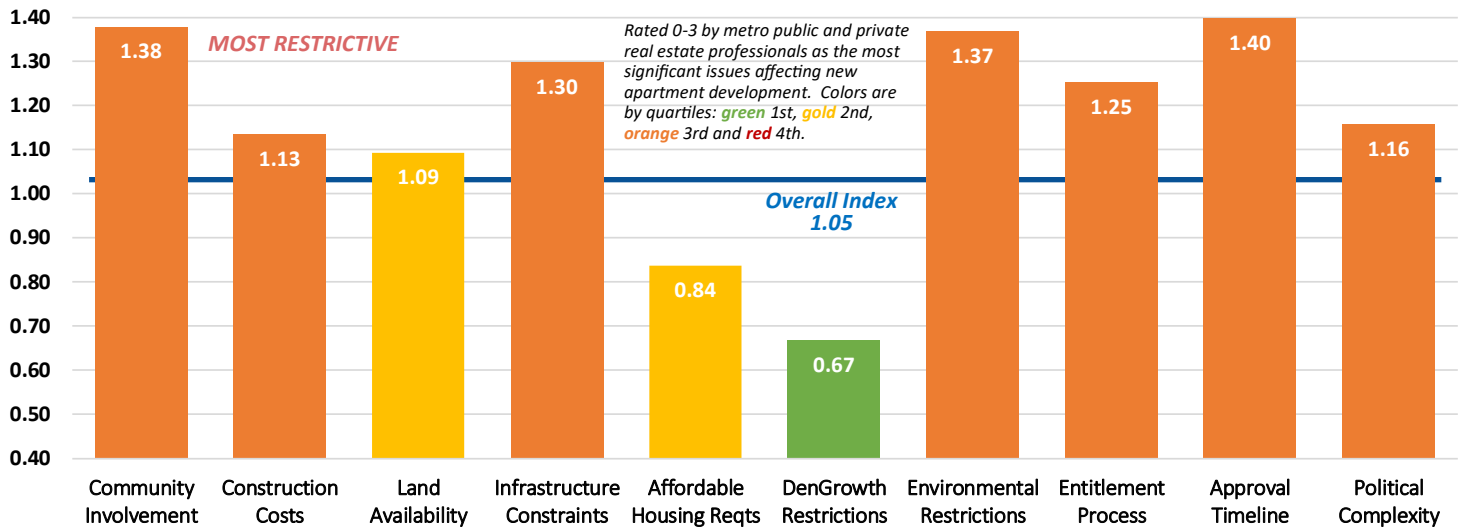
COMMUNITY INVOLVEMENT



ENVIRONMENTAL RESTRICTIONS

With an overall supply index of 1.05, Charlotte is ranked below the median of other major metros. Survey respondents highlight many restrictive issues as shown below. Community involvement is based upon public opposition and the number of public meetings required. Infrastructure constraints are led by high traffic, fees and school crowding, while environmental restrictions are driven by open space and coastal water requirements, plus their mitigation. Approval timelines are cited as the most restrictive. Median rental incomes are fairly aligned with average metro rents, some 8.0% below the requirements for average market rents of \$1,095. However, some 40% of renters will pay over 35% of income on their lease.

Barriers to Apartment Construction Subindices



BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

DEFINITIONS and NOTES:

¹**BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.

²**NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).

³**HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.

⁴**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as **Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.

⁵**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.