

Please welcome:



Danushka Nanayakkara-Skullington
AVP of Forecasting & Analysis



**National Association
of Home Builders**

The Fed Resumes Rate Cuts

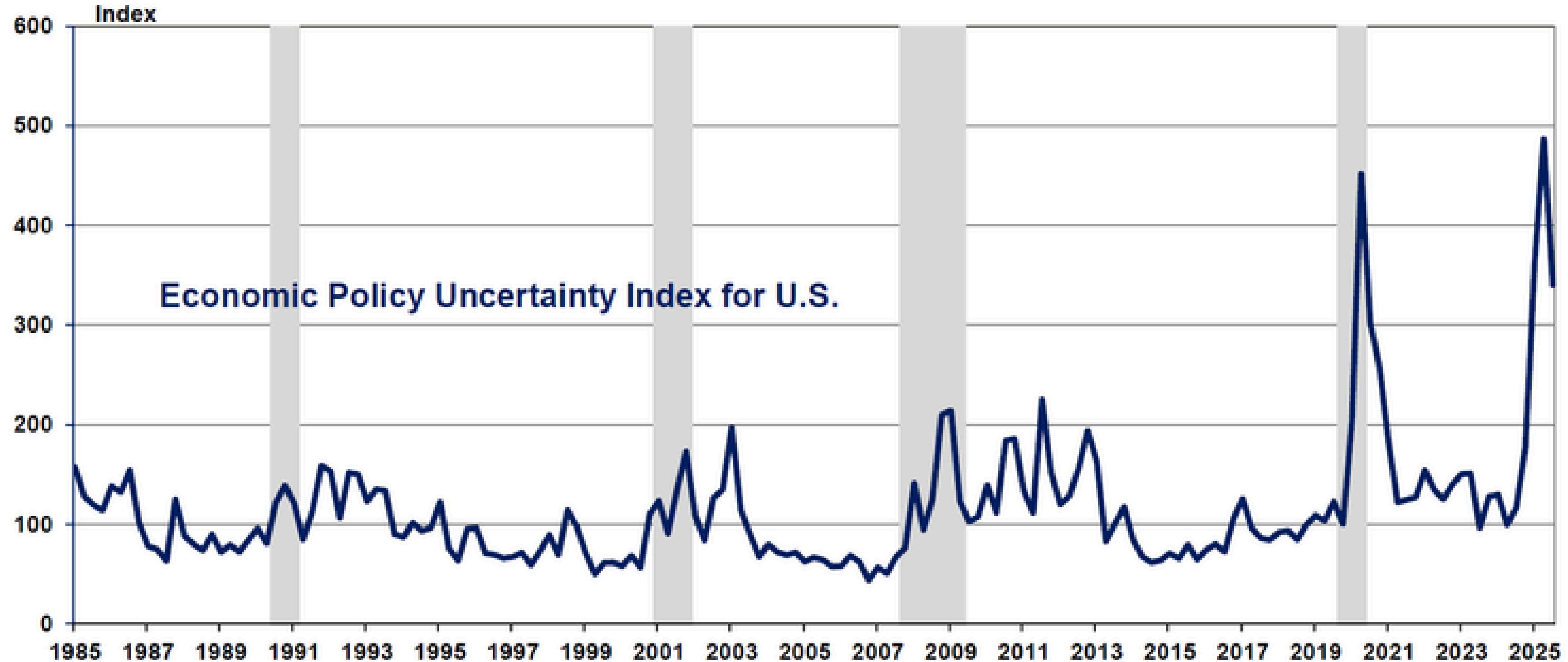
Home Builders Association of Greater Charlotte
January 15, 2026

Danushka Nanayakkara,
NAHB AVP, Forecasting and Analysis



Economic Policy Uncertainty Volatility

Uncertainty declined after reaching its highest level in decades

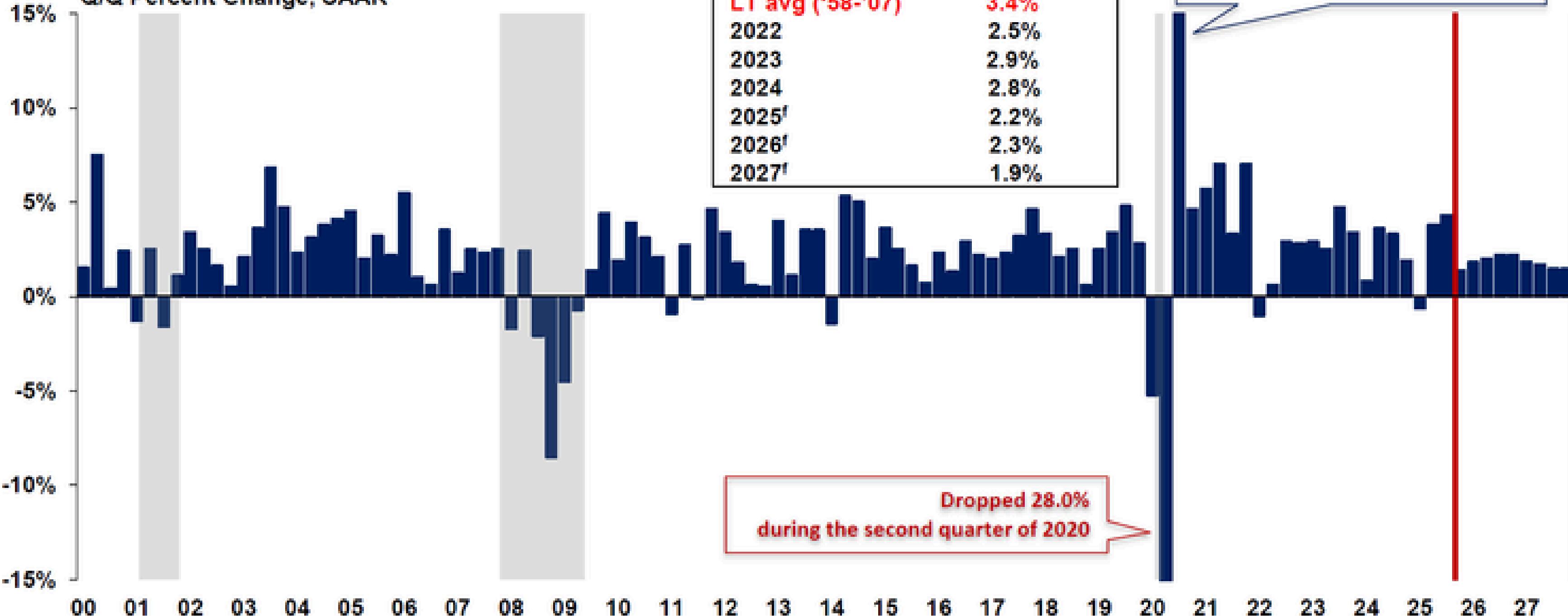


Source: Baker, Scott R.; Bloom, Nick; Davis, Stephen J. via FRED®

GDP Growth Slows with Tariffs

Recession risk – 30% chance

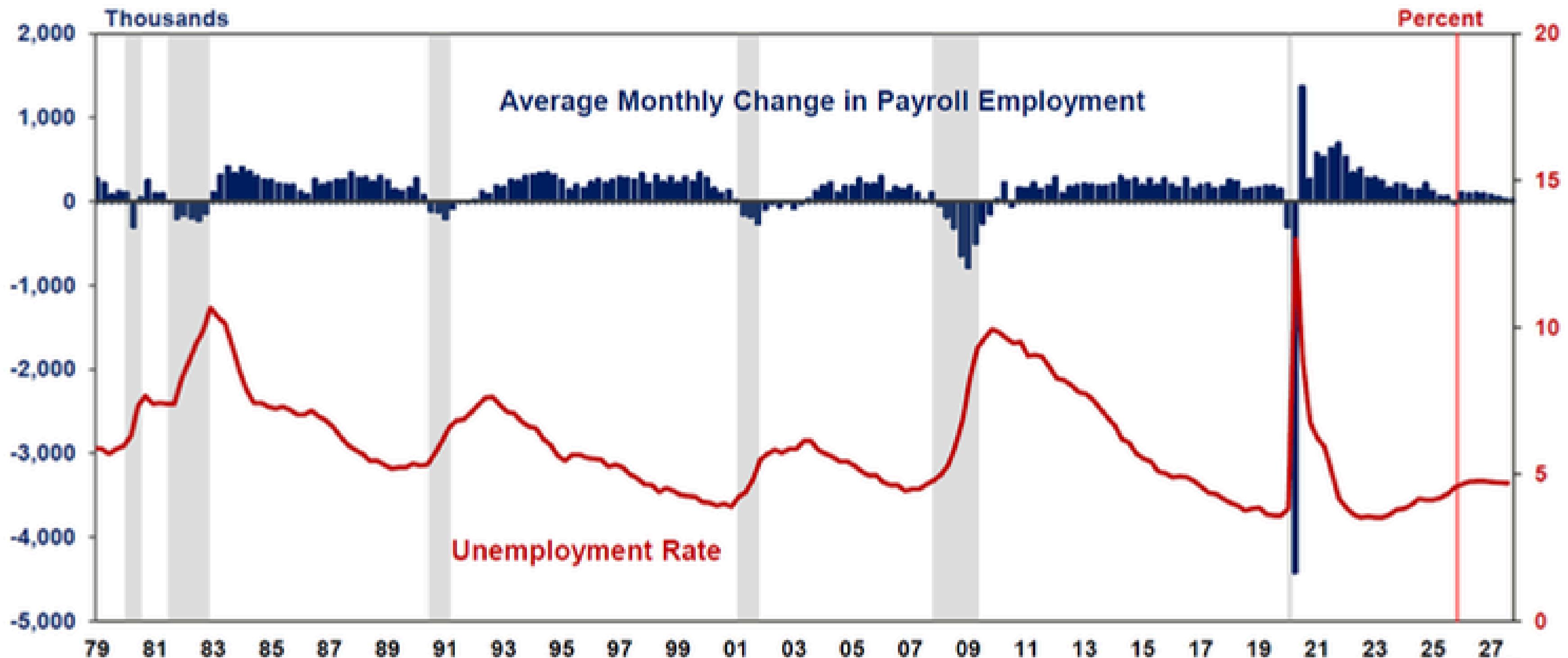
Q/Q Percent Change, SAAR



Source: U.S. Bureau of Economic Analysis (BEA) and NAHB forecast.

Unemployment Rising as Job Growth Slows

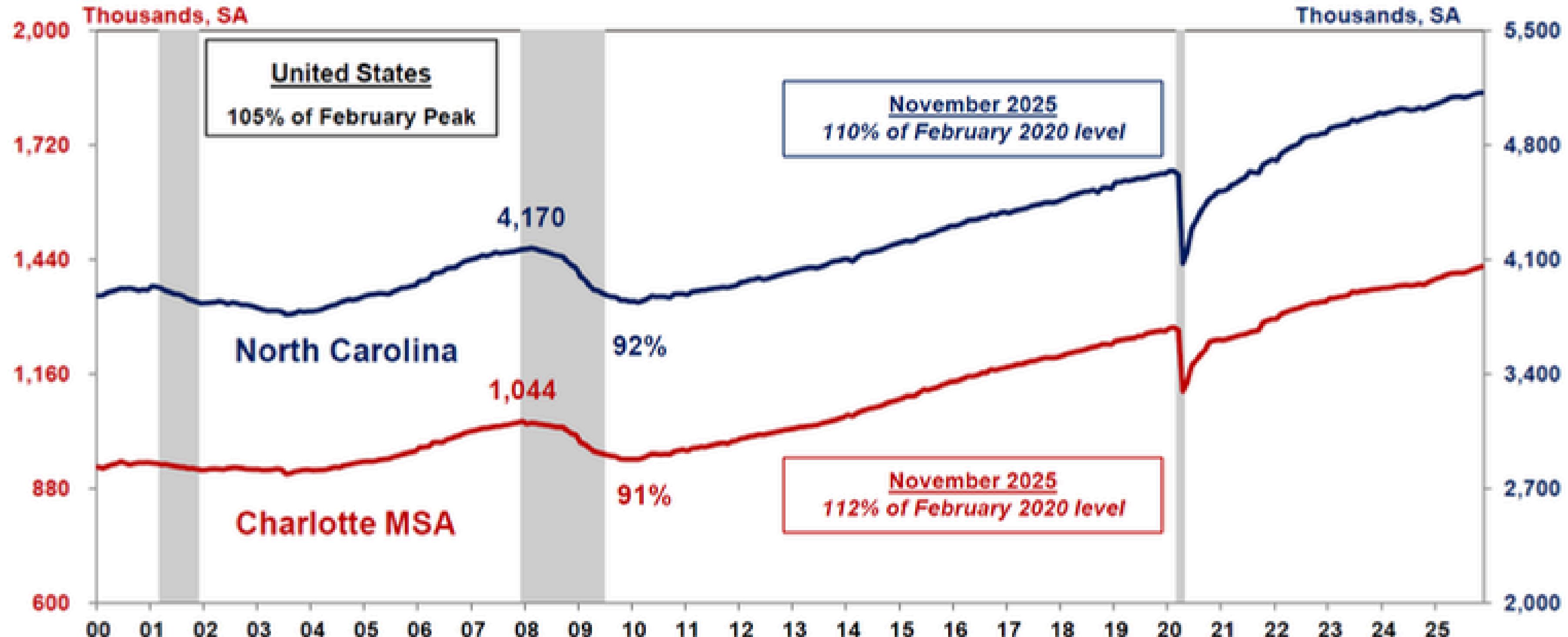
Job growth will continue to slow due to uncertainty and cost cutting



Source: U.S. Bureau of Labor Statistics (BLS) and NAHB forecast.

Payroll Employment

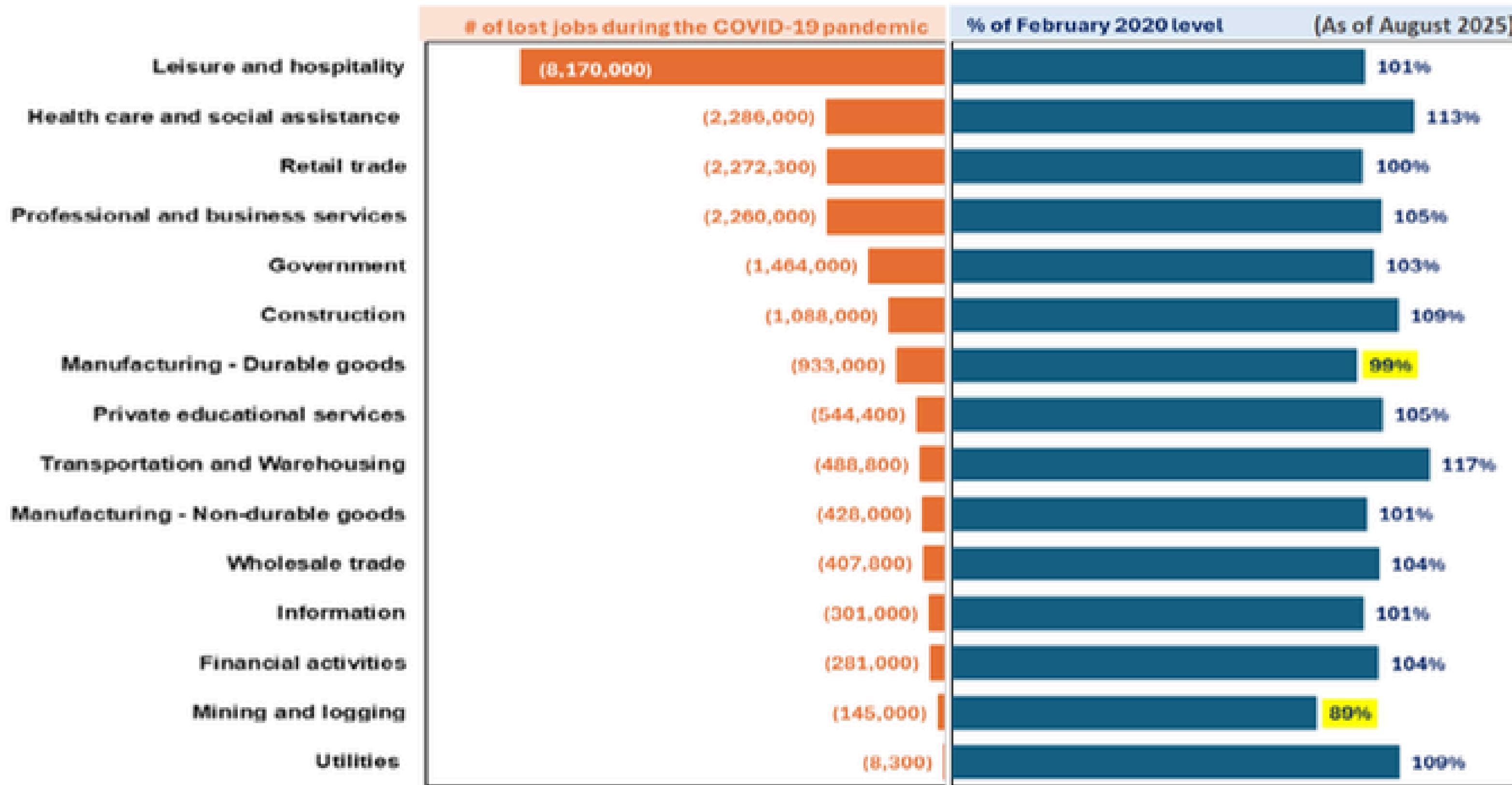
Charlotte MSA recovered from COVID-19 recession



Source: U.S. Bureau of Labor Statistics (BLS)

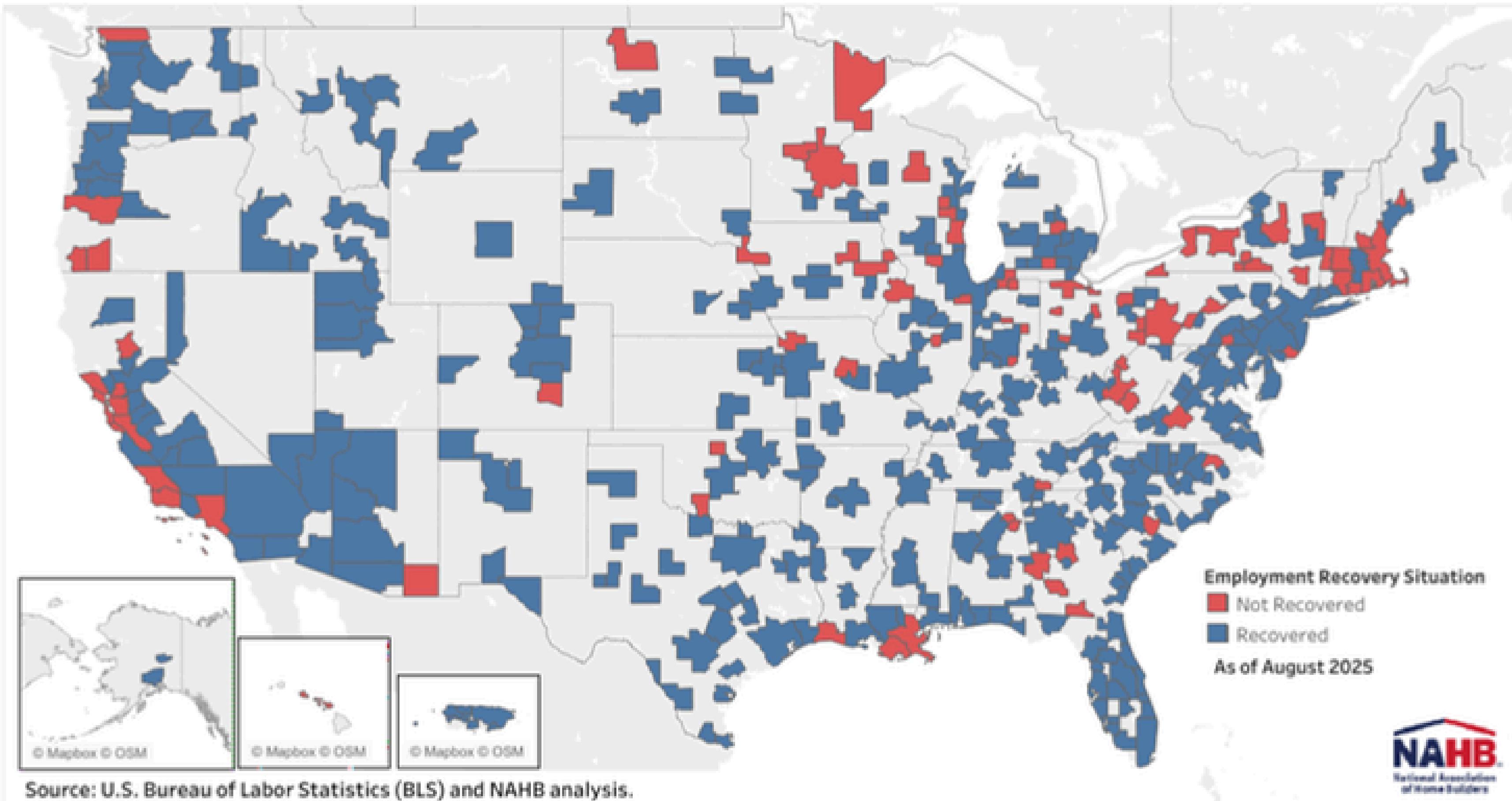
Job Loss and Recovery From the COVID-19 Pandemic by Industry

Most industries have recovered; mining & logging and durable goods still lag behind



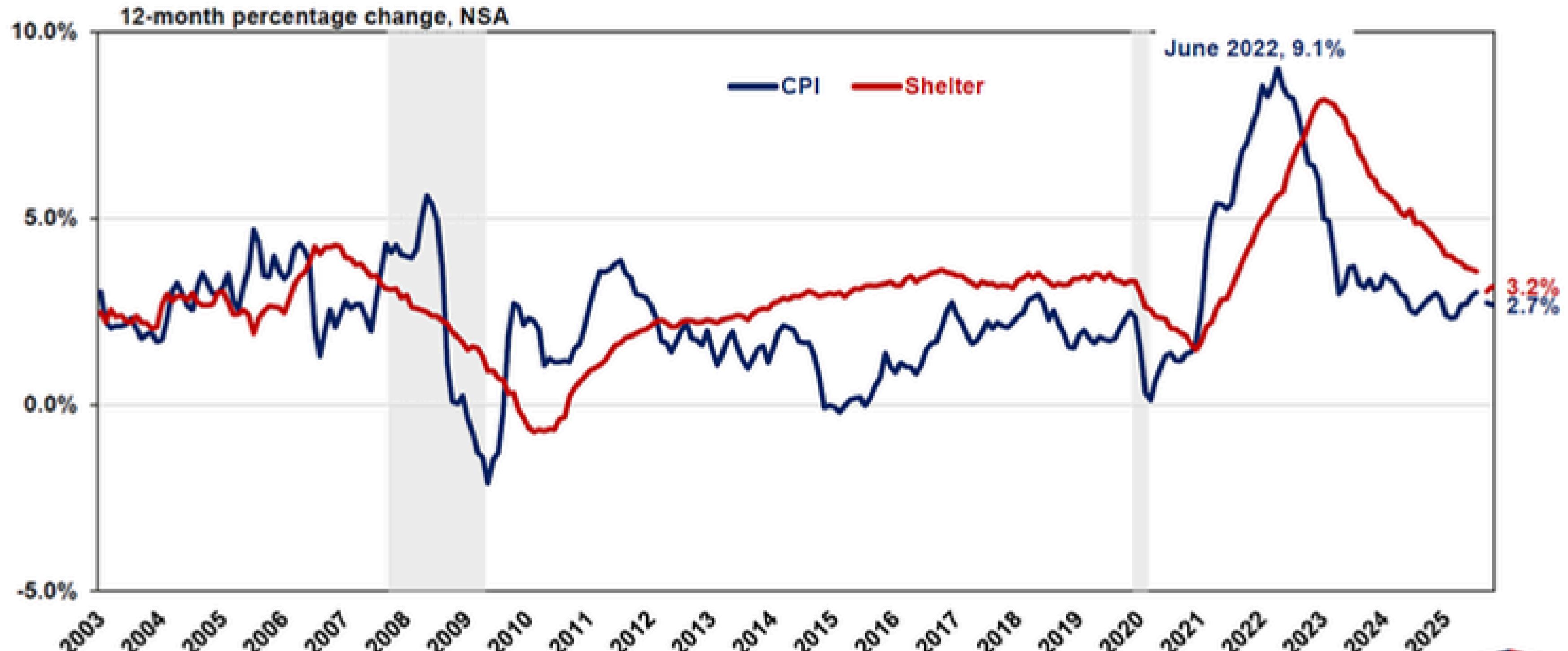
Source: Bureau of Labor Statistics.

Employment Recovery From the COVID-19 Pandemic by Metro Areas



Consumer Inflation – Headline Rate and Shelter

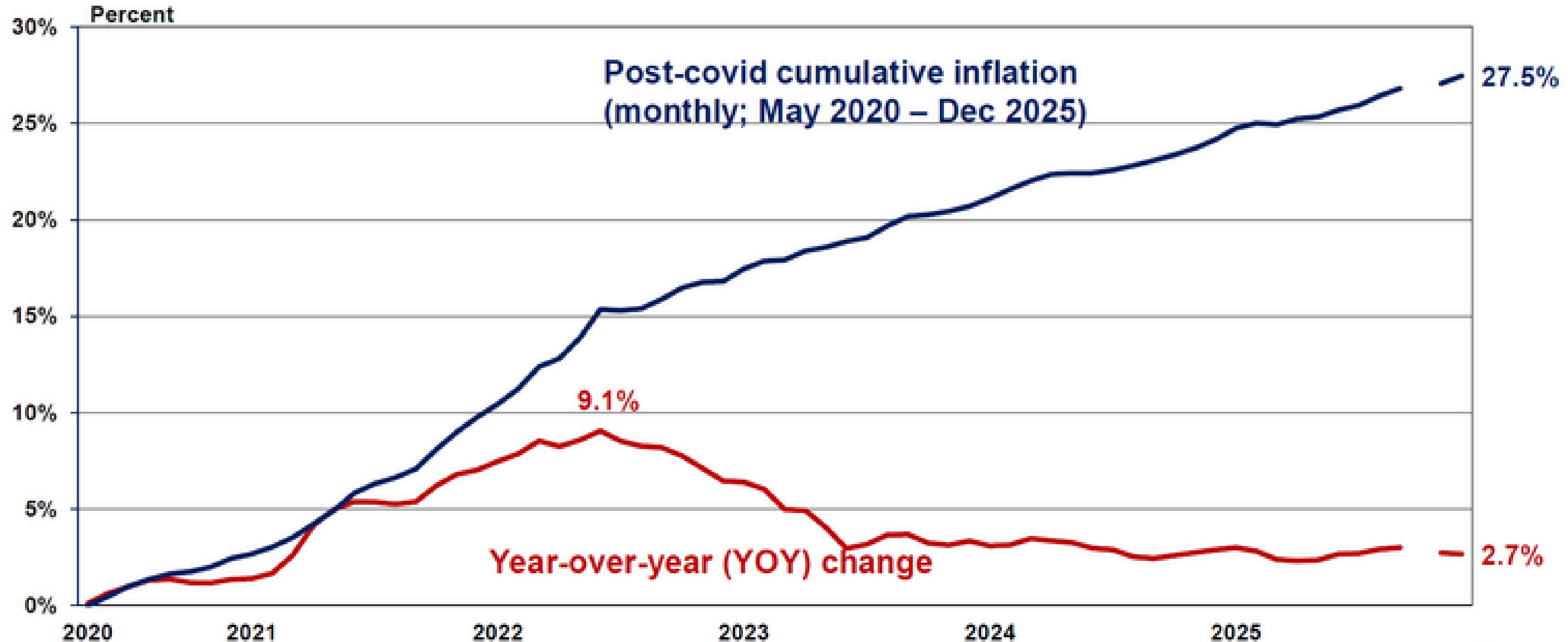
Shelter costs continue to outpace broader consumer prices – only more housing can fix



Source: U.S. Bureau of Labor Statistics (BLS)

Post-Covid Cumulative Inflation

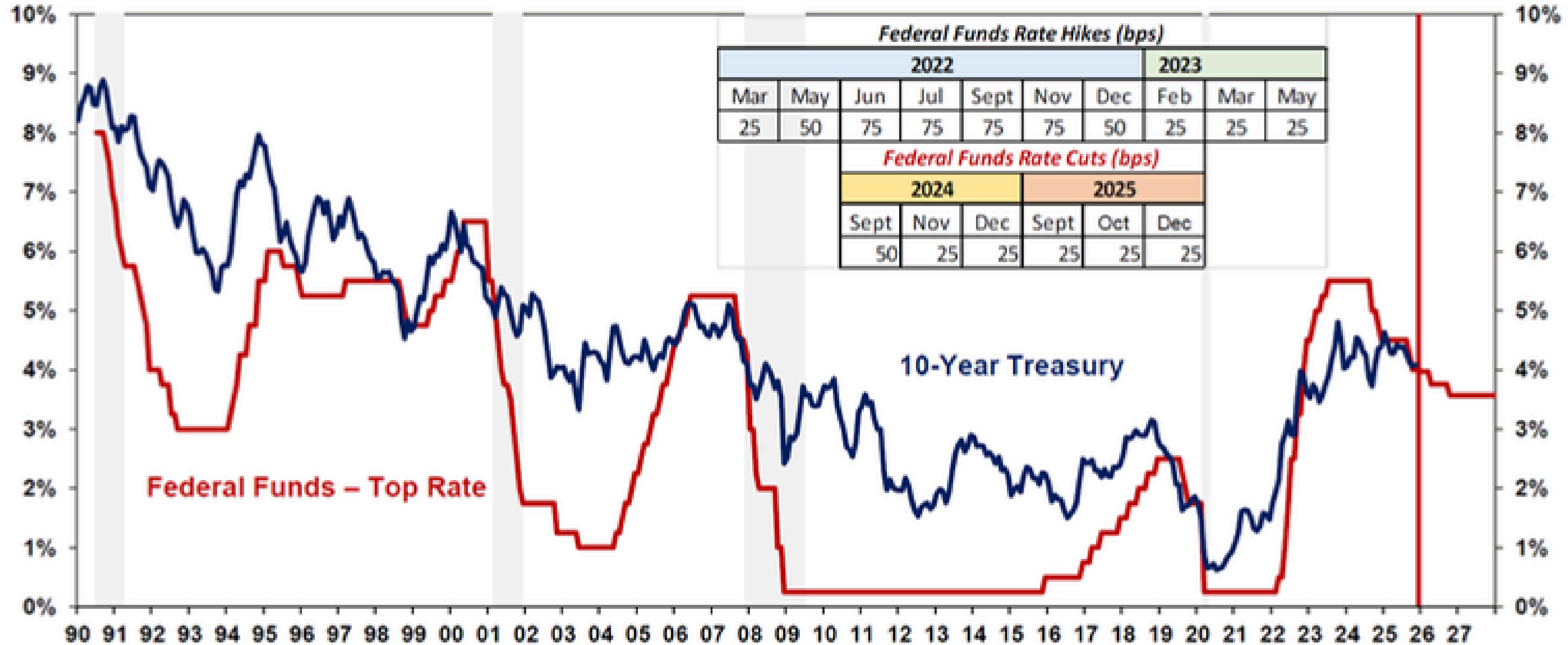
Cumulative inflation surged; YOY change has slowed from a peak of 9.1% in June 2022



Source: U.S. Bureau of Labor Statistics (BLS).

Monetary Policy Easing Cycle Ongoing

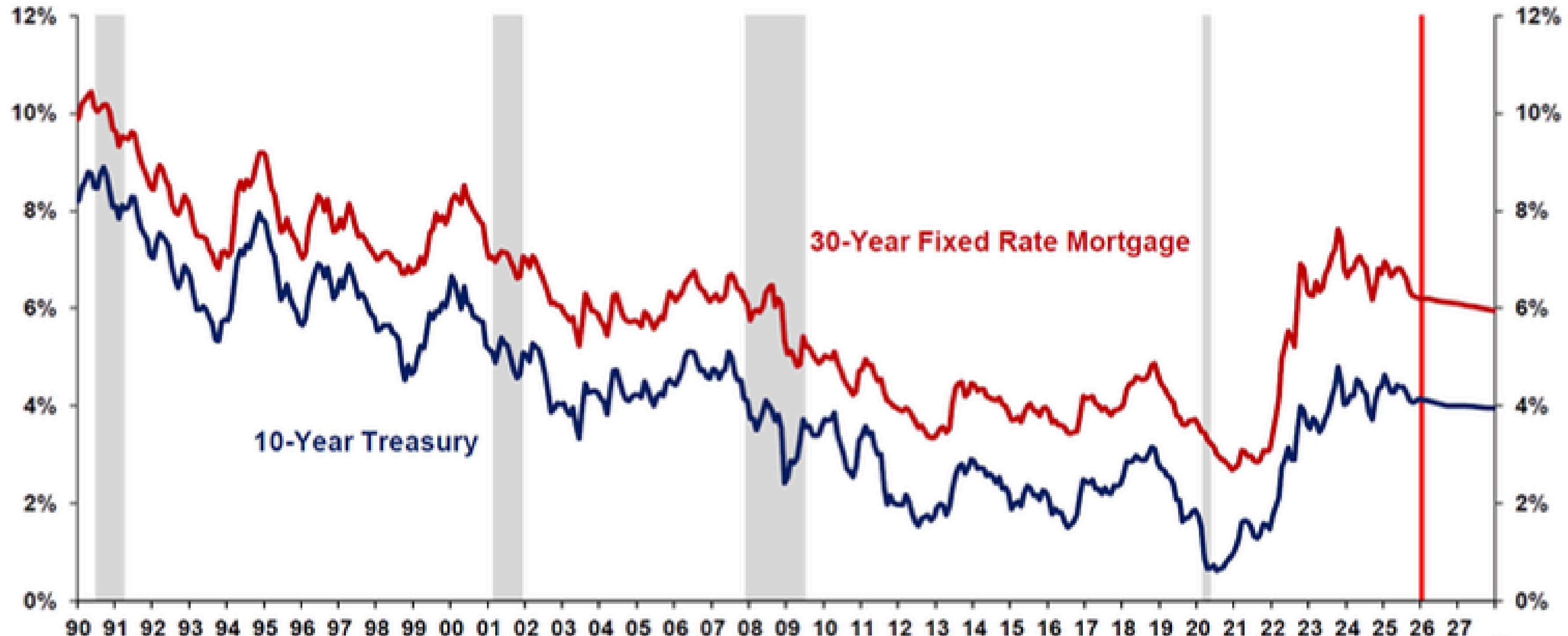
The Fed cuts rates and projects more easing to come



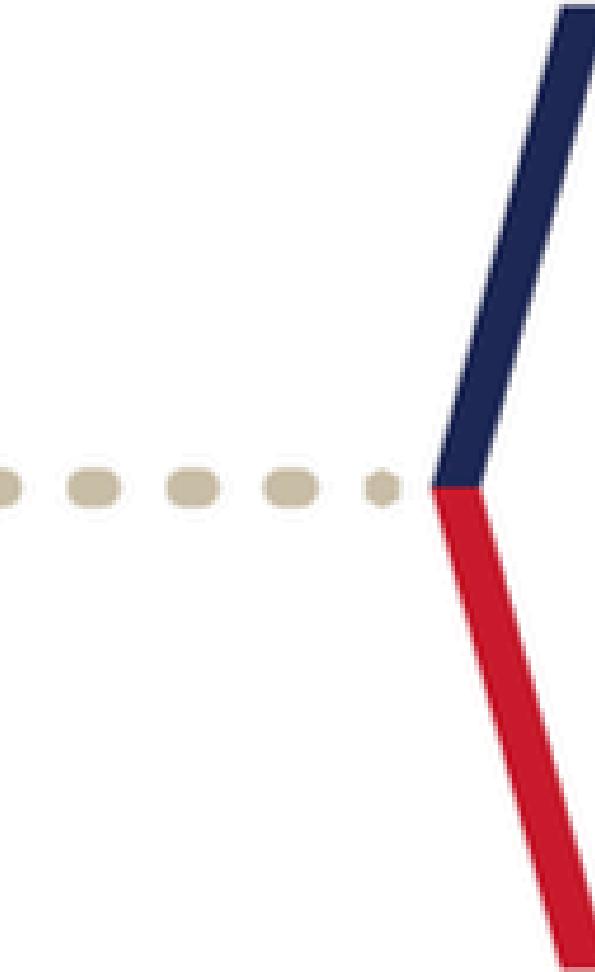
Source: U.S. Board of Governors of the Federal Reserve System (FRB).

Mortgage Rates Remain above 6%

Rates unevenly trending lower as Fed eases



Source: Federal Reserve and Freddie Mac data and NAHB forecast.

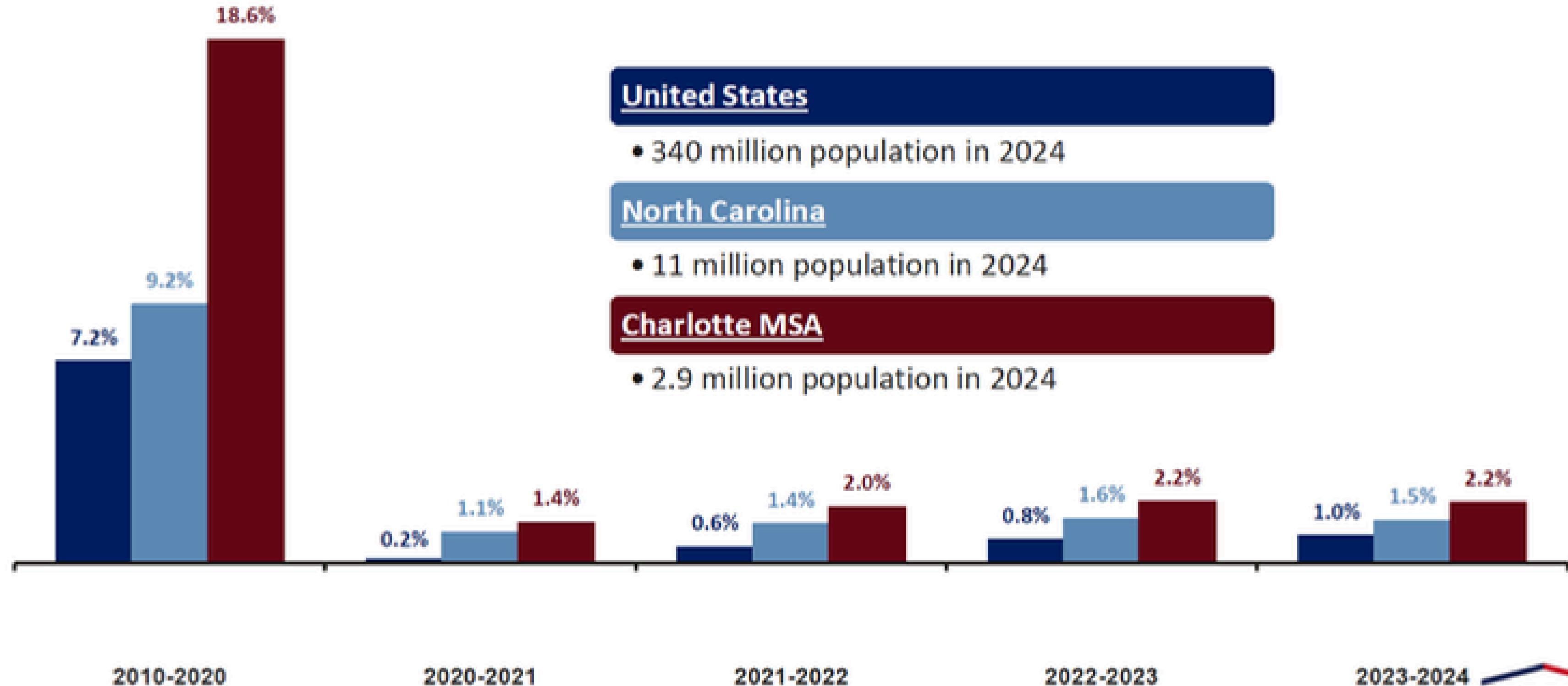


Demand-Side Economic Factors



Population Growth (2010 – 2024)

Charlotte MSA population grew faster than national and state rates

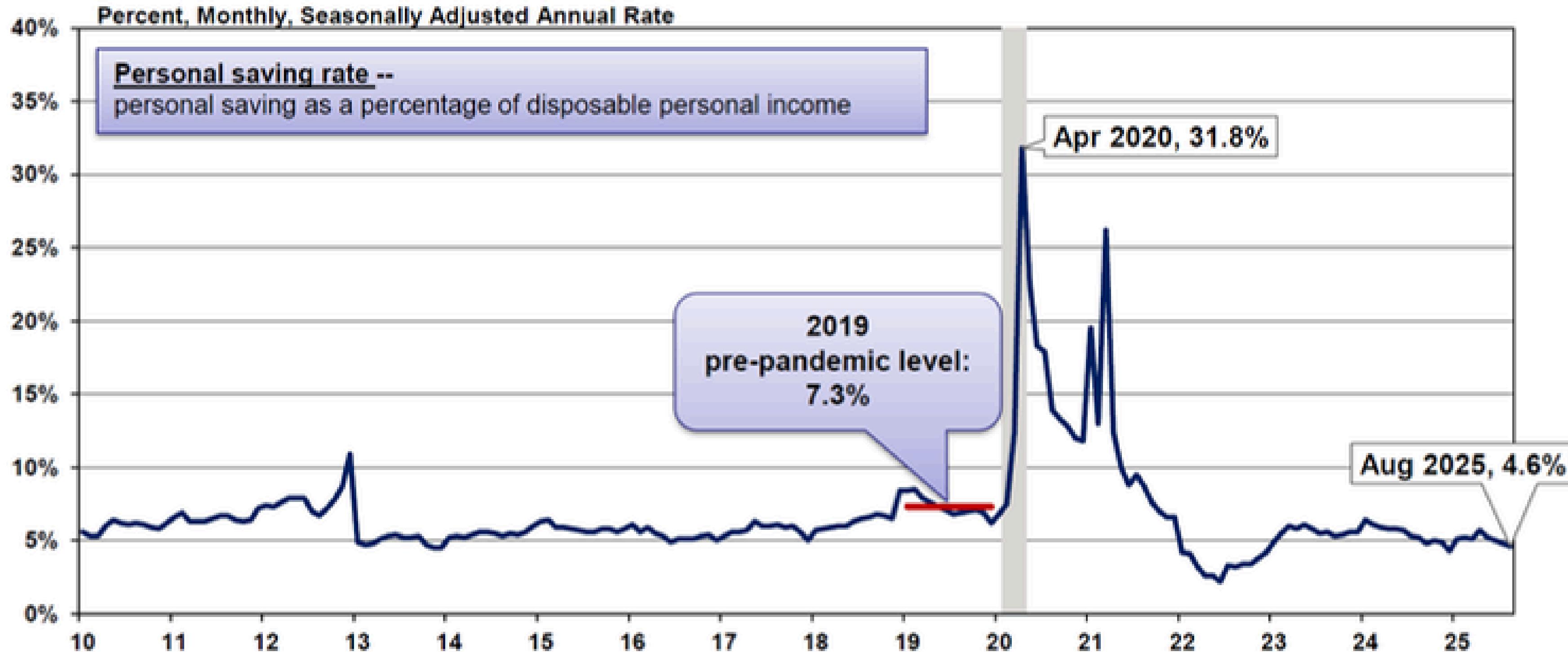


Source: U.S. Census Bureau (BOC).

Note: The population estimates (as of July 1) of 2020-2022 are developed from a base that incorporates the 2020 Census, Vintage 2020 estimates, and 2020 Demographic Analysis estimates.

Personal Saving Rate Falling

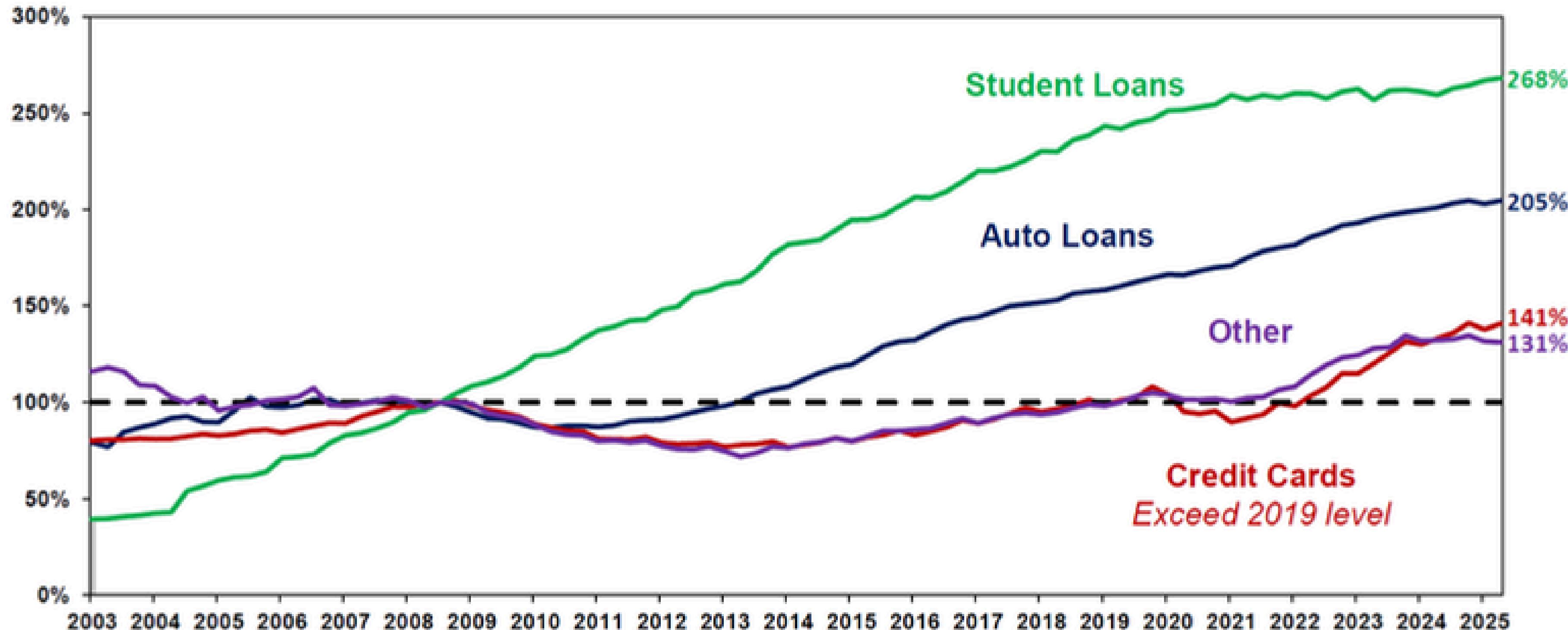
Consumers are dipping into savings to support spending



Source: U.S. Bureau of Economic Analysis (BEA).

Consumer Debt

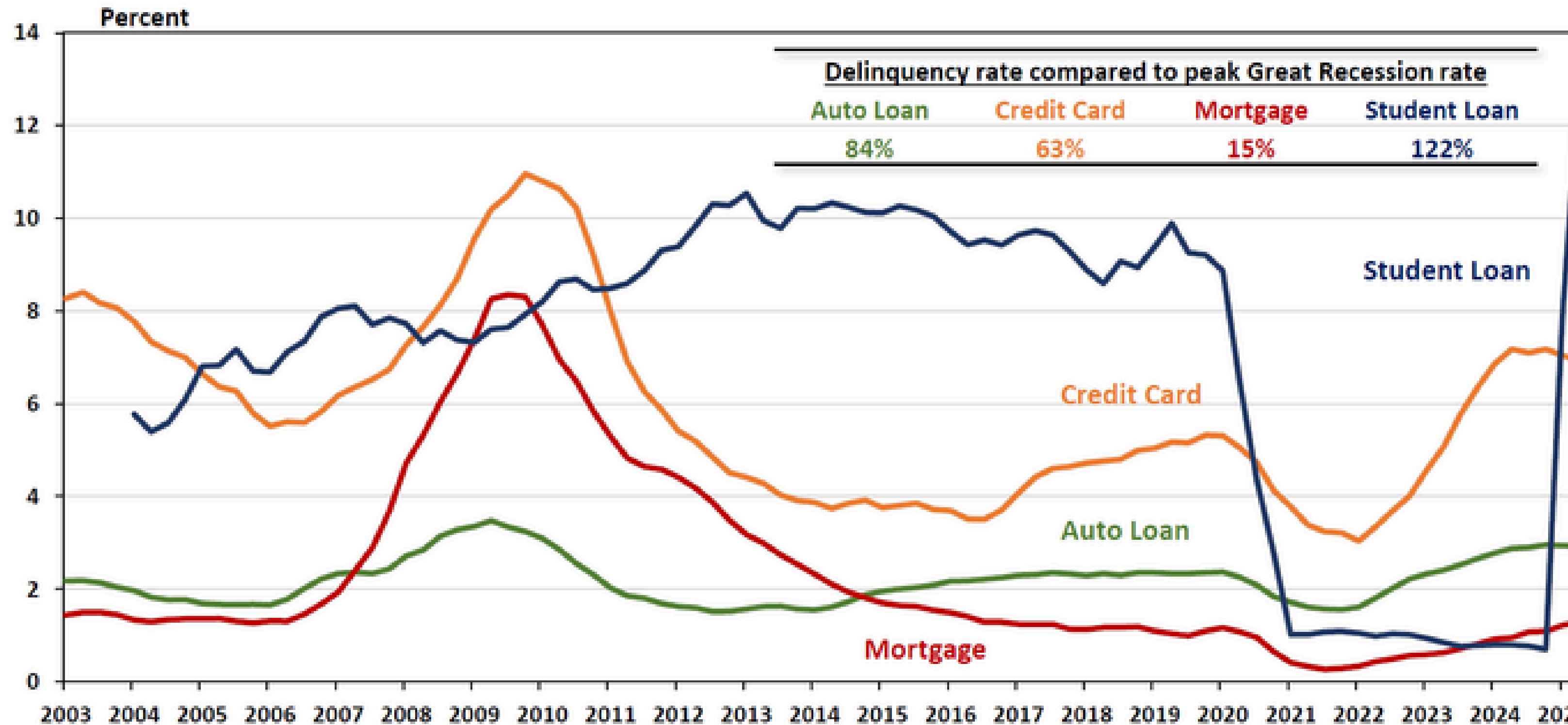
Credit card debt up 44% since 2002



Source: Federal Reserve Bank of New York

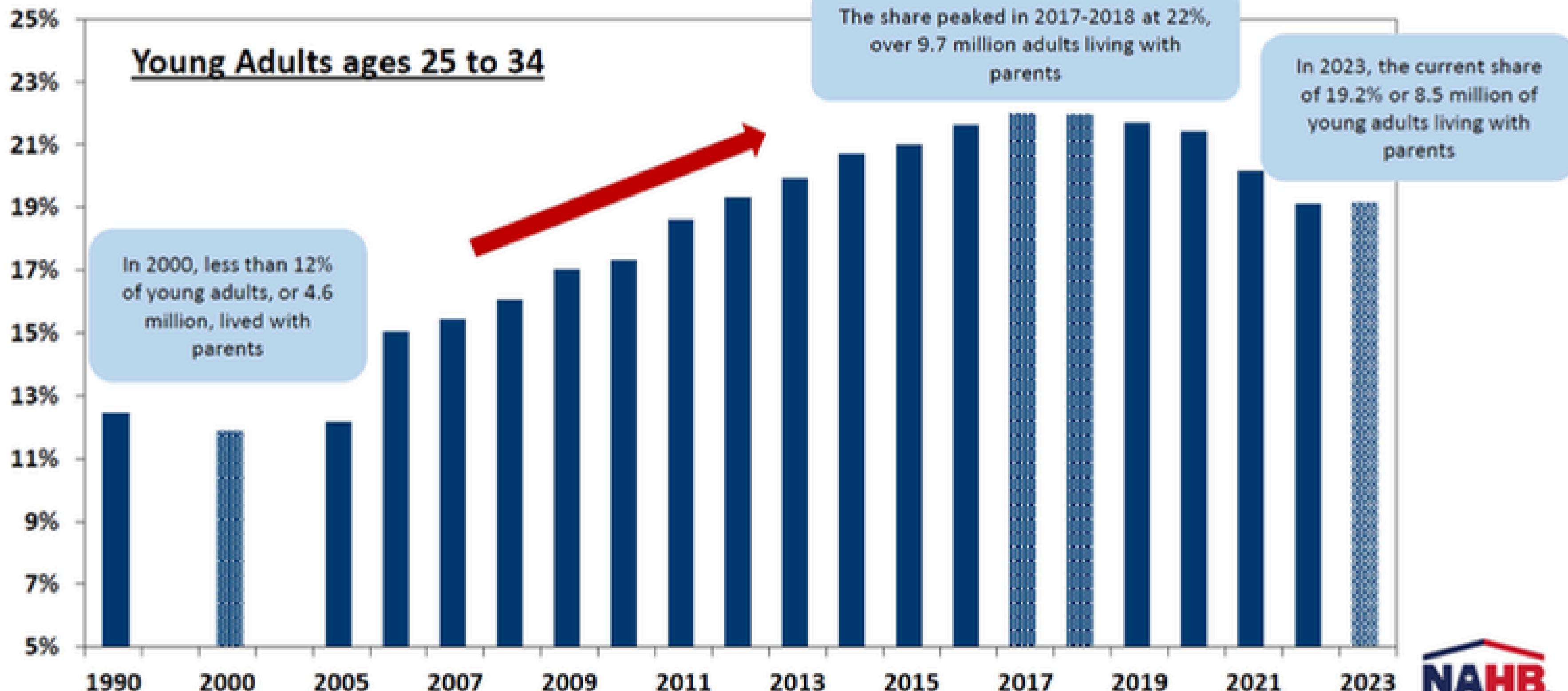
Seriously Delinquent Consumer Loans

Student loans a real concern



Source: New York Fed Consumer Credit Panel/Equifax

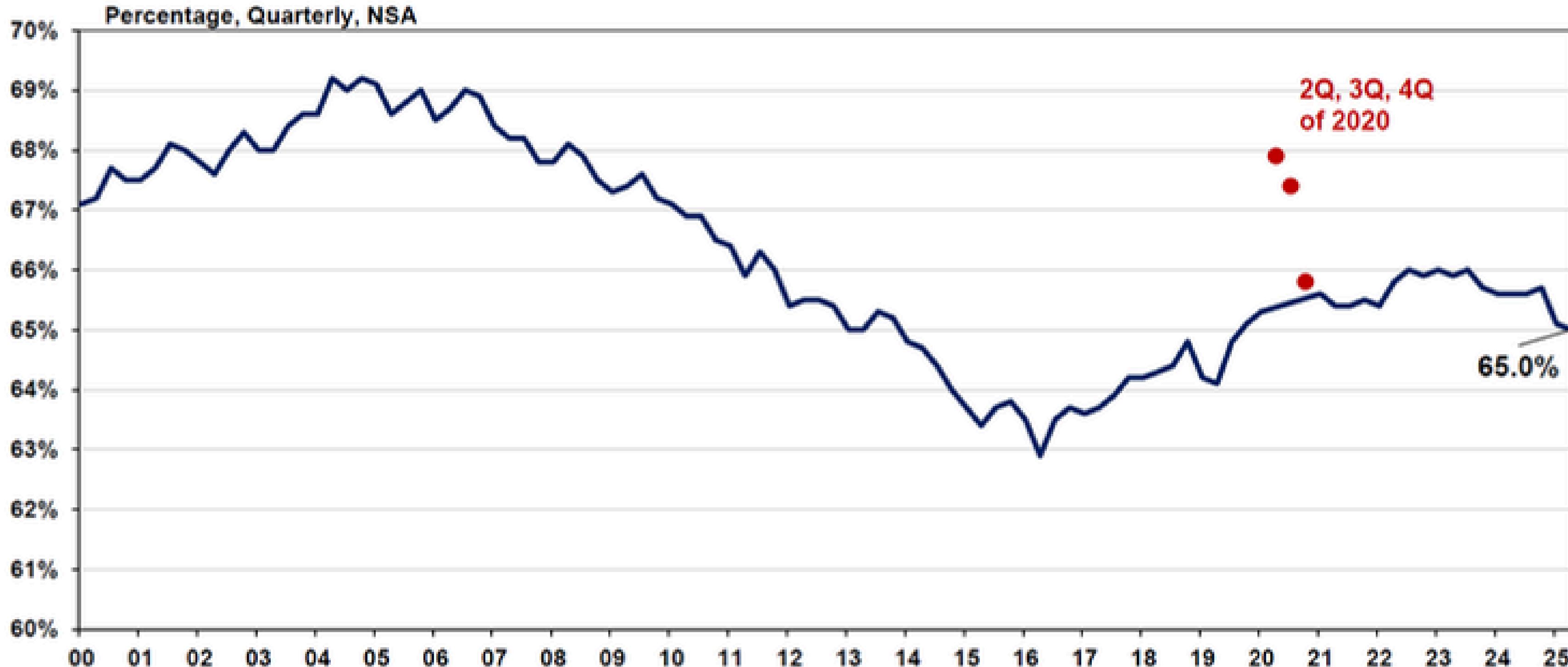
Share of Young Adults Living with Parents



Source: US Census 1990, 2000, PUMS, 2005-2023 ACS, PUMS, NAHB Estimates

Homeownership Rate

Homeownership rate declined to the lowest level since 2019

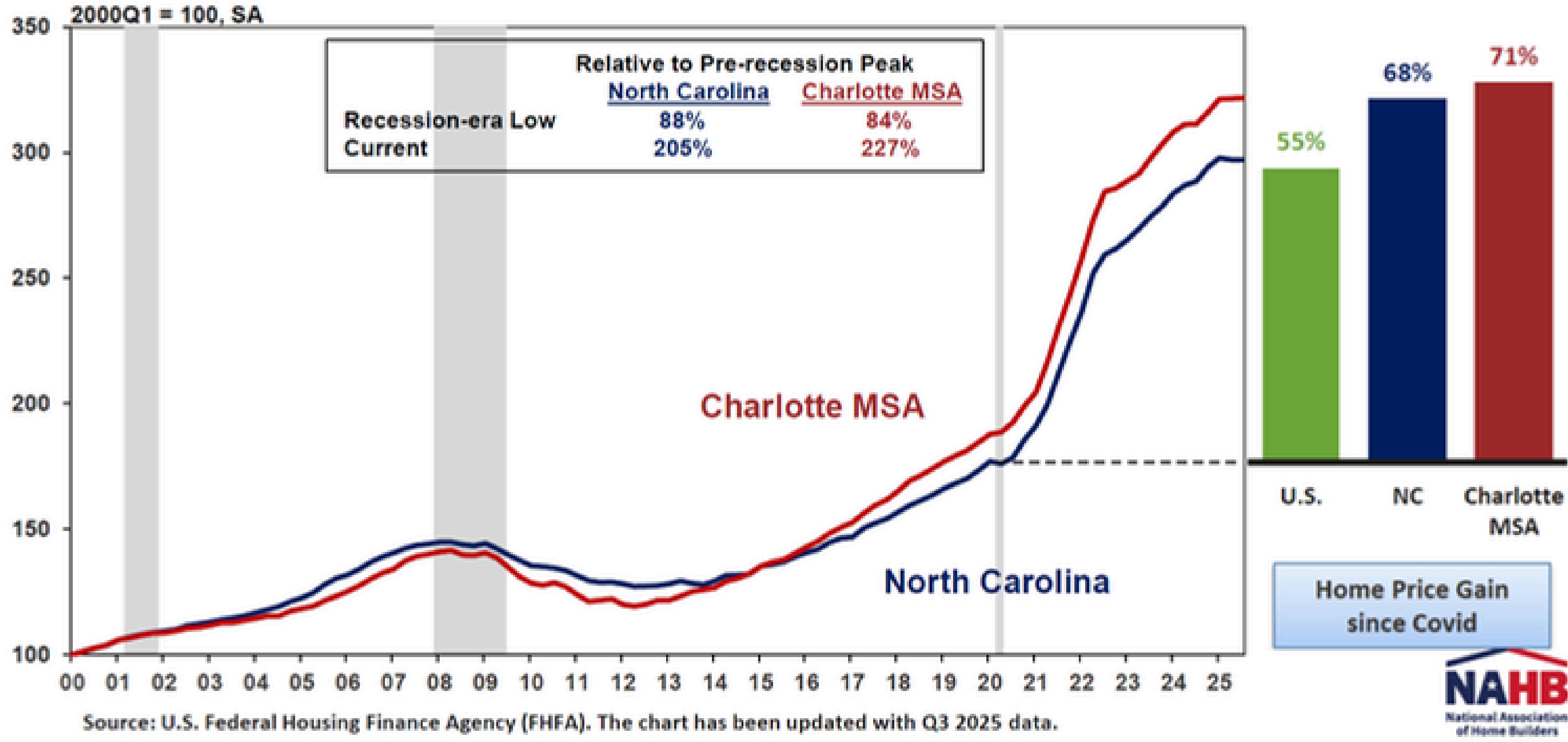


Source: U.S. Census Bureau (BOC): Housing Vacancies & Homeownership.

Note: Red dots denote technical issues for the last four quarters.

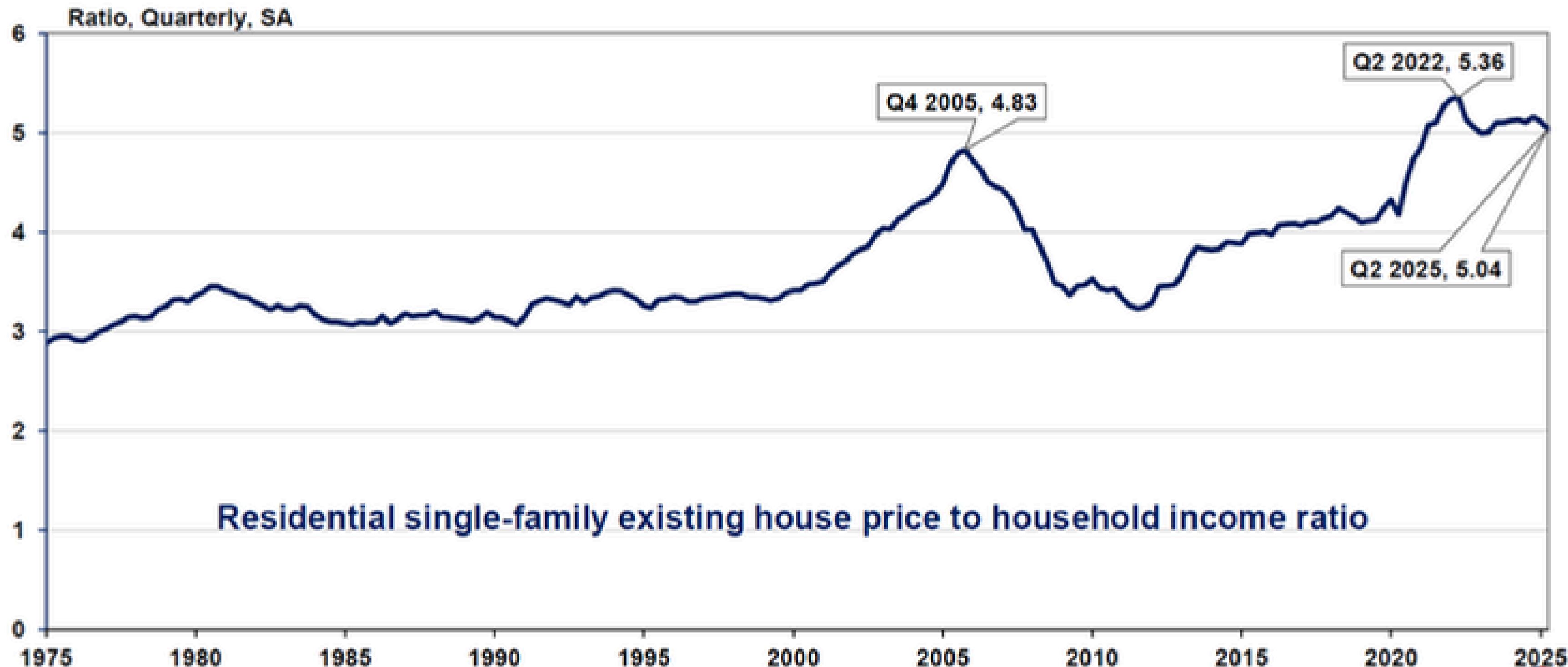
Existing House Price Index

Charlotte MSA 71% home price gain since covid, 68% for North Carolina and 55% for U.S.



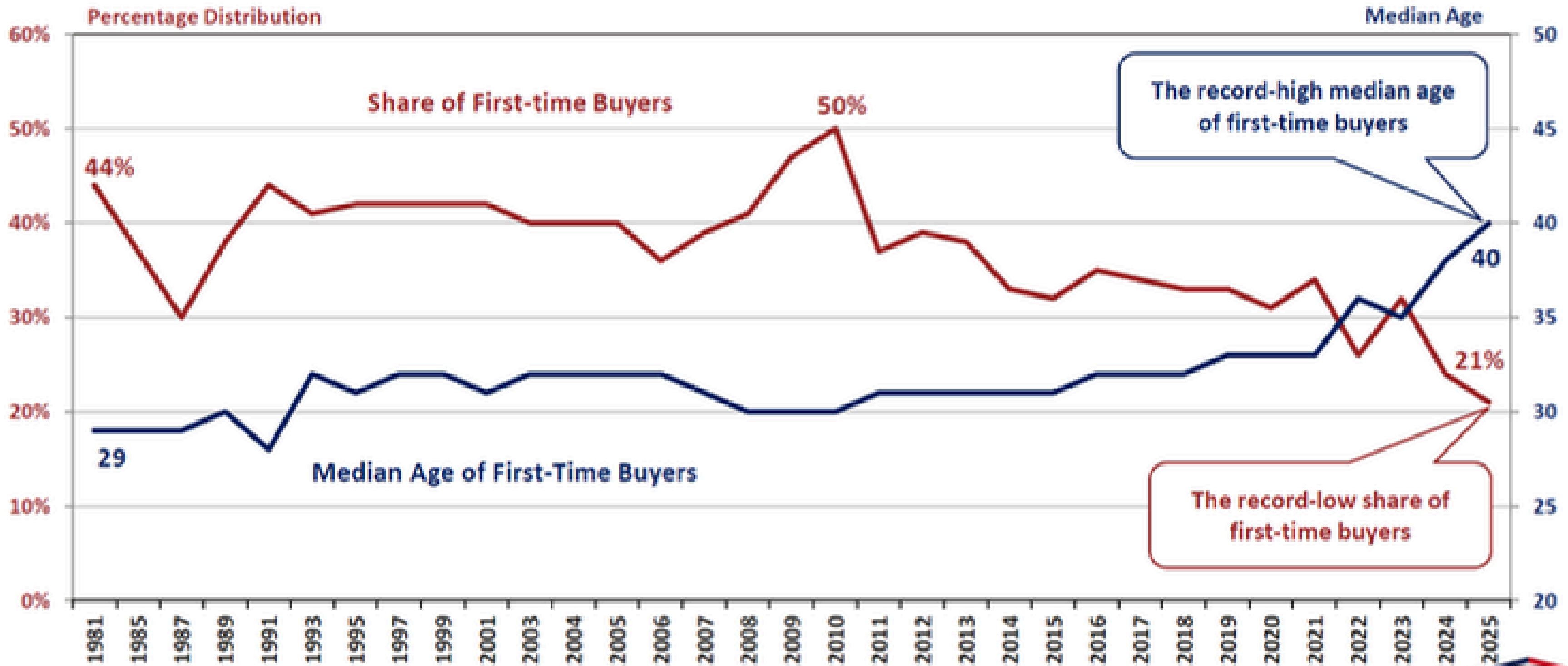
Home Price to Household Income Ratio

Home price to income ratio was lower decades ago, reached record high in 2022

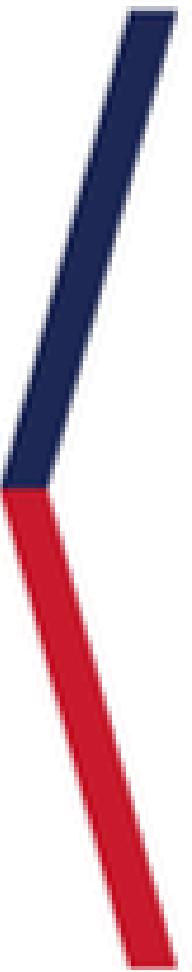


Source: National Association of Realtors (NAR); U.S. Bureau of Economic Analysis (BEA); U.S. Census Bureau (BOC); Moody's Analytics Estimated

Unaffordable Housing Drives First-Time Buyers Away



Source: National Association of Realtors (NAR); 2025 Profile of Home Buyers and Sellers

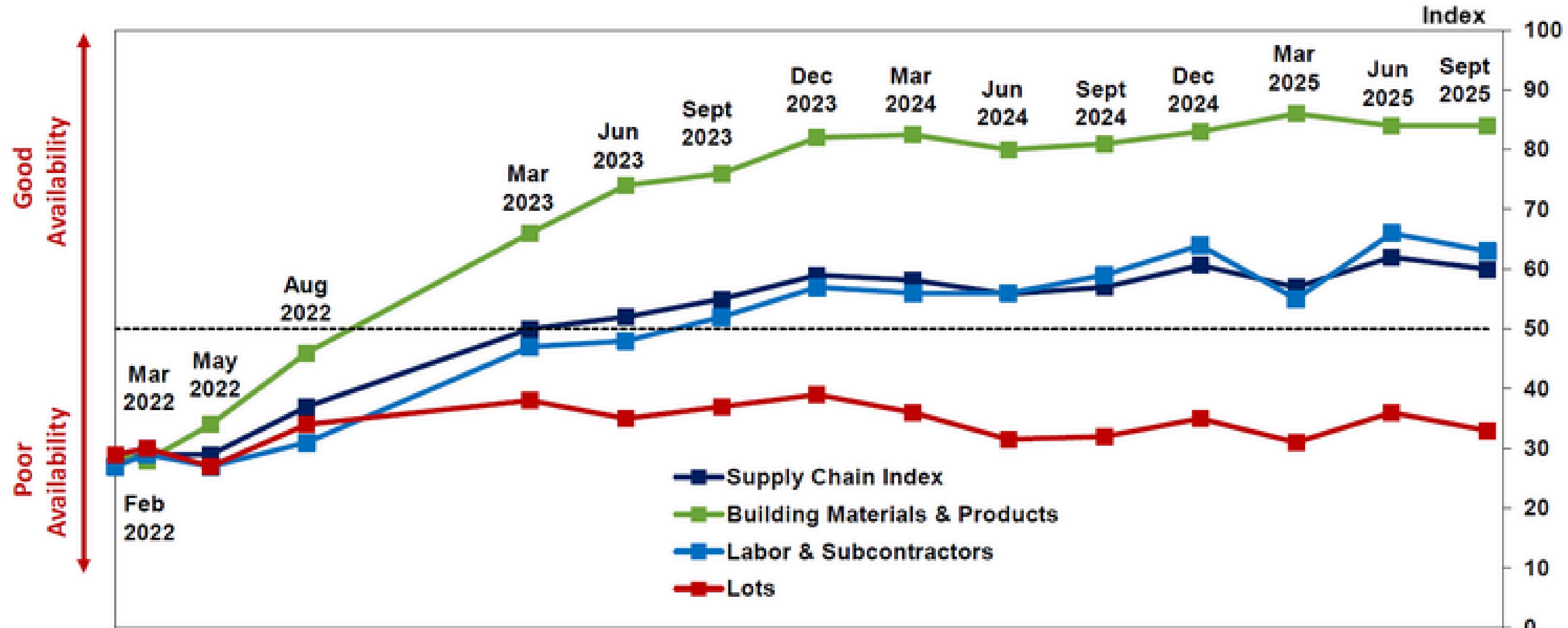


Construction Outlook



NAHB Supply Chain Index

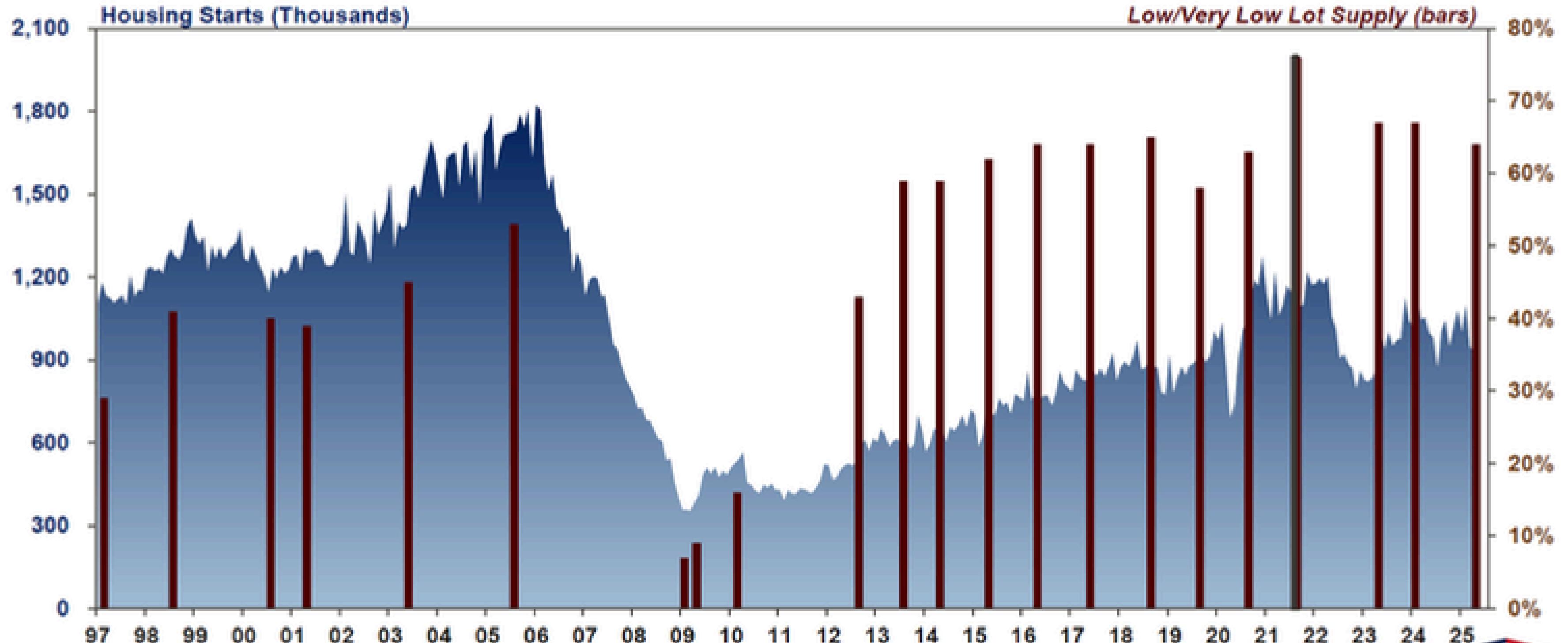
Material constraints easing while lot and labor shortages persist



Source: NAHB/Wells Fargo HMI survey

Lot Shortages Reported by Single-Family Builders

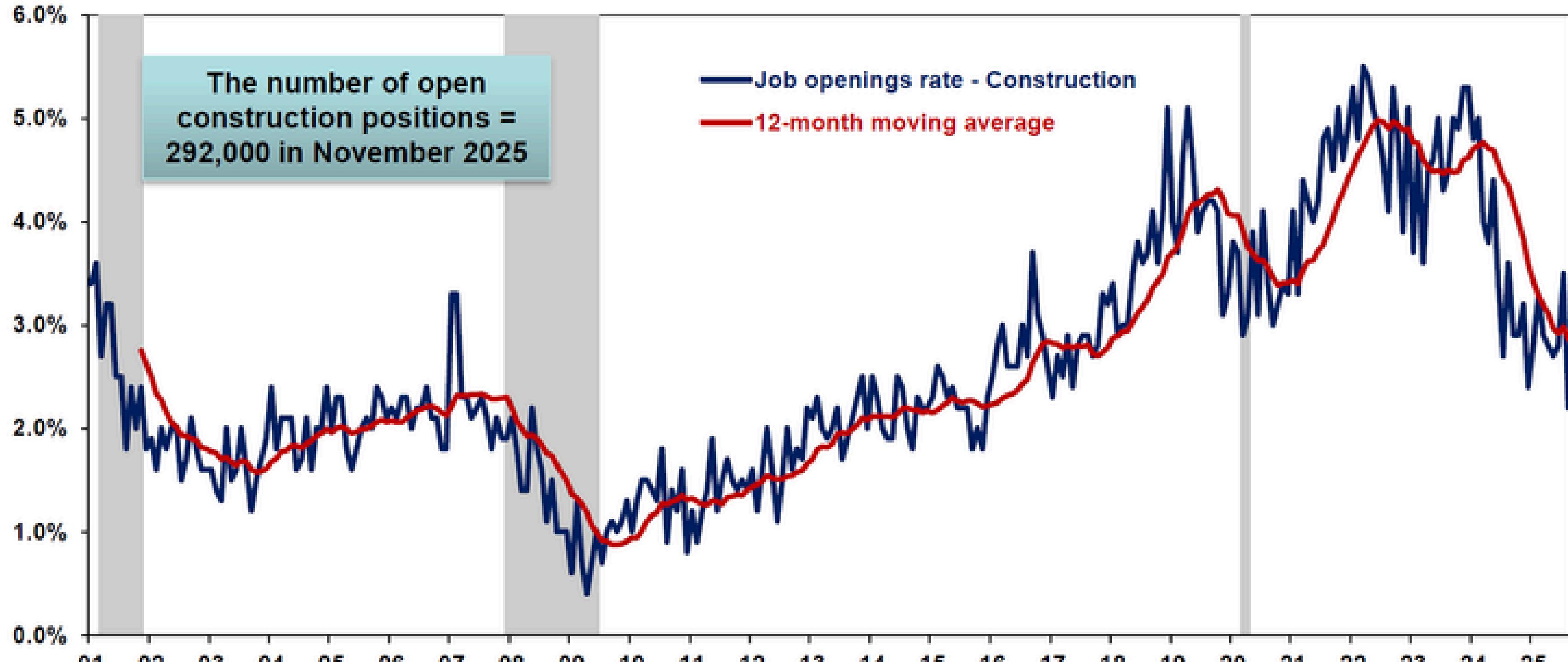
Shortage of lots reached a new record in 2021



Source: Census Bureau and NAHB/Wells Fargo HMI survey

Labor – Construction Job Openings Peaked for Cycle

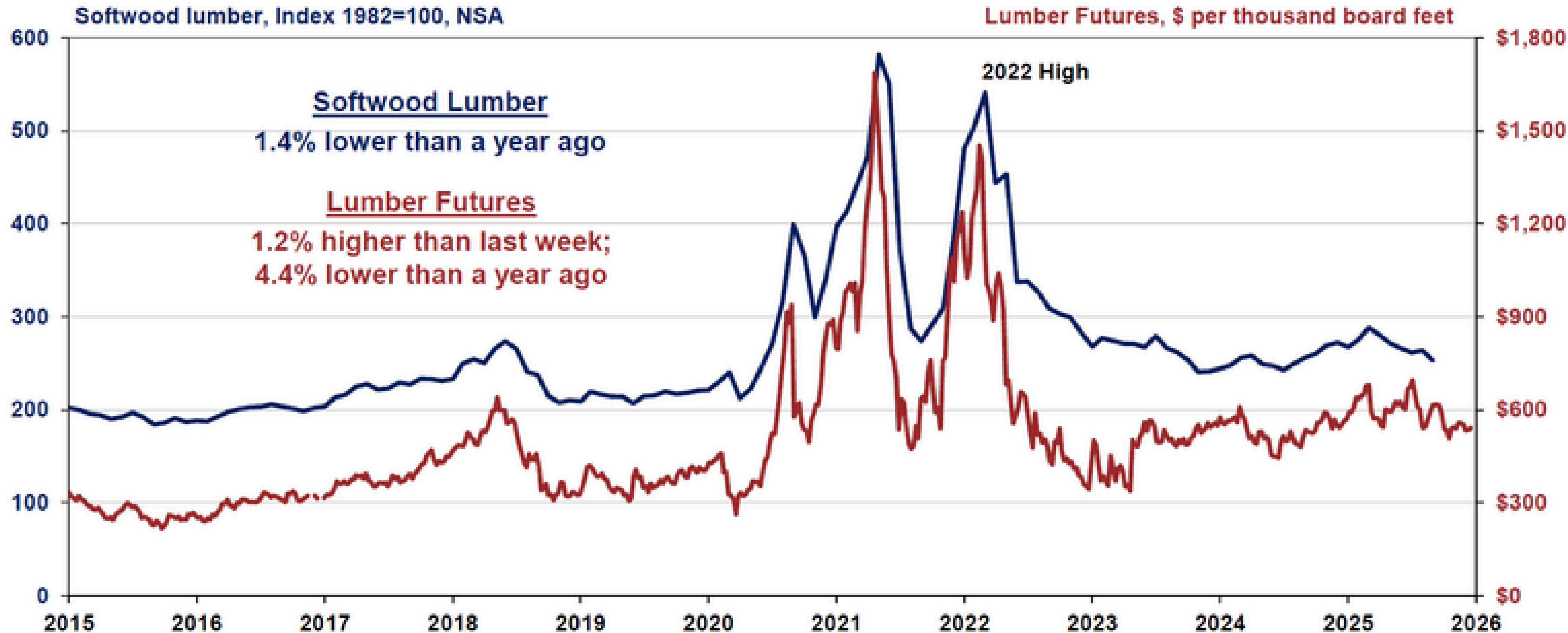
Skilled labor shortage persists; 379,500 net gain for residential construction since Jan 2020



Source: U.S. Bureau of Labor Statistics (BLS).

Building Materials - Lumber Prices

Uncertainty for pricing given soft demand and tariff effects



Source: U.S. Bureau of Labor Statistics (BLS); Producer Price Index (PPI); Random Lengths Composite Index; NAHB Analysis

Regulatory Costs \$93,870 Per New Home (11% Gain 2016 to 2021)

Total effect of building codes, land use, environmental and other rules

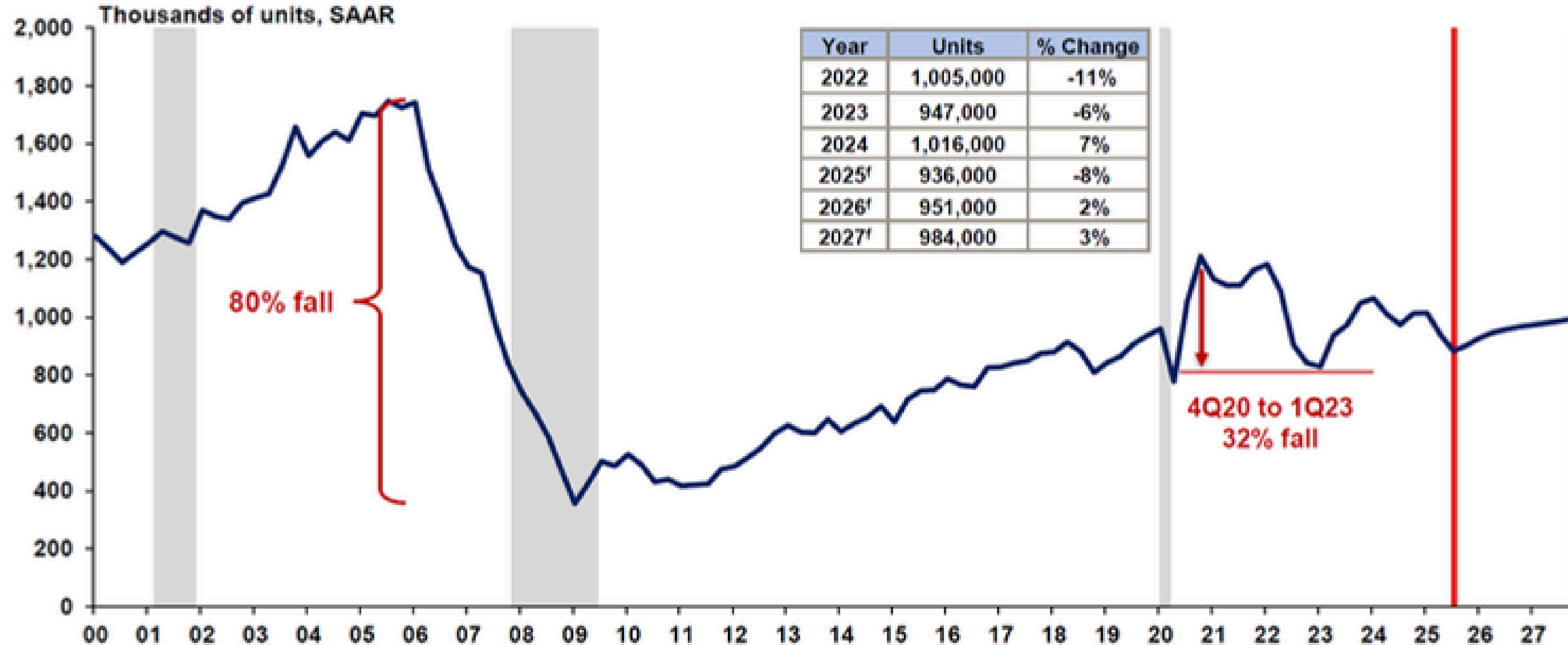
23.8% of price



Source: NAHB/Wells Fargo Housing Market Index (HMI)

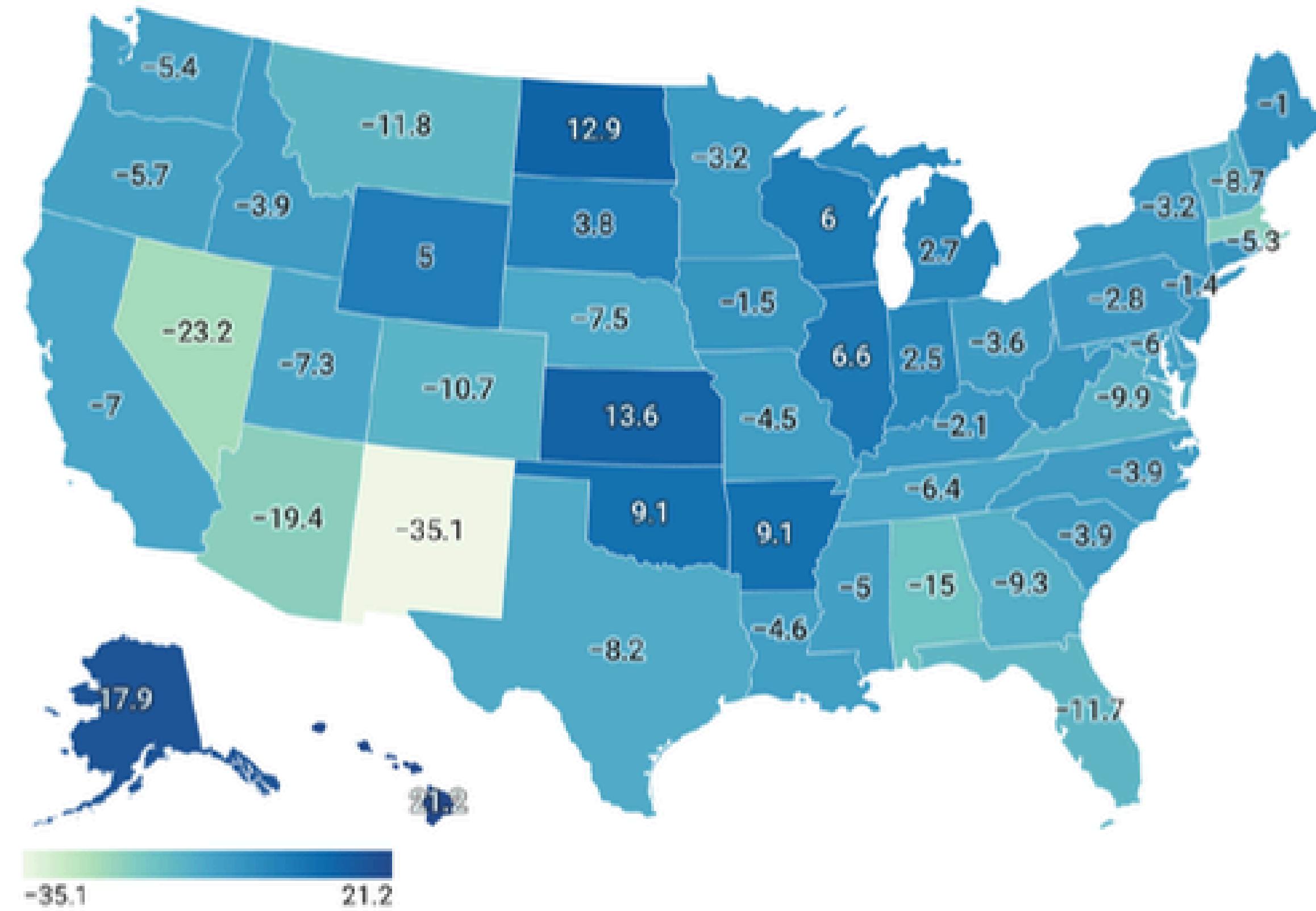
Single-Family Starts

Single-family starts will grow slowly in the years ahead



Source: U.S. Census Bureau (BOC) and NAHB forecast.

Single-Family Permit Growth Rate by State

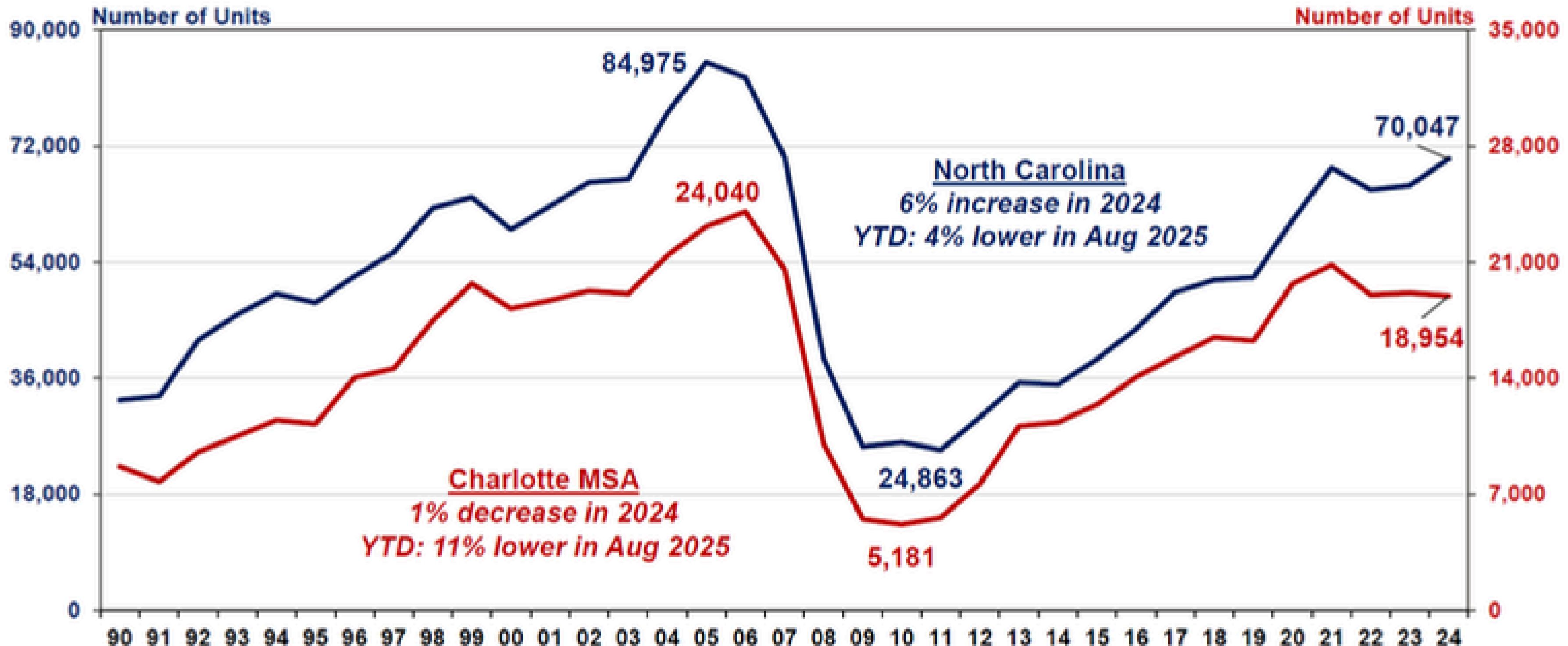


Top 10 Largest Single-Family Markets by Permits

Top 10 Largest SF Markets	Aug 2025 (# of units YTD, NSA)	YTD % Change (compared to Aug 2024)
Houston-Pasadena-The Woodlands, TX	33,595	-8%
Dallas-Fort Worth-Arlington, TX	29,001	-13%
Phoenix-Mesa-Chandler, AZ	16,686	-21%
Atlanta-Sandy Springs-Roswell, GA	15,557	-17%
Charlotte-Concord-Gastonia, NC-SC	11,957	-11%
Austin-Round Rock-San Marcos, TX	11,011	-8%
Orlando-Kissimmee-Sanford, FL	10,589	1%
Tampa-St. Petersburg-Clearwater, FL	9,545	-3%
Nashville-Davidson--Murfreesboro--Franklin, TN	9,531	-9%
Los Angeles-Long Beach-Anaheim, CA	8,338	5%

Source: U.S. Census Bureau (BOC).

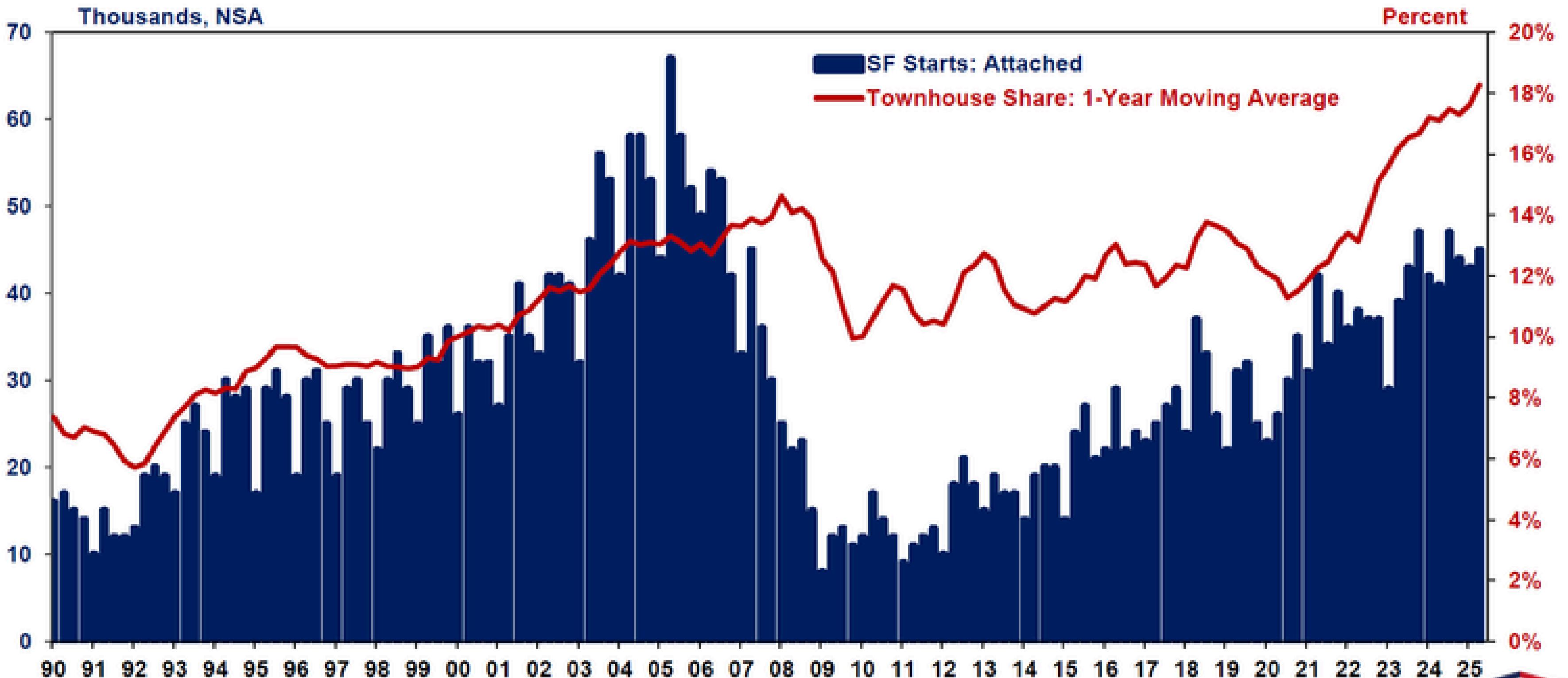
Single-Family Building Permits – North Carolina and Charlotte MSA



Source: U.S. Census Bureau (BOC).

Townhouse Construction Gains Continue

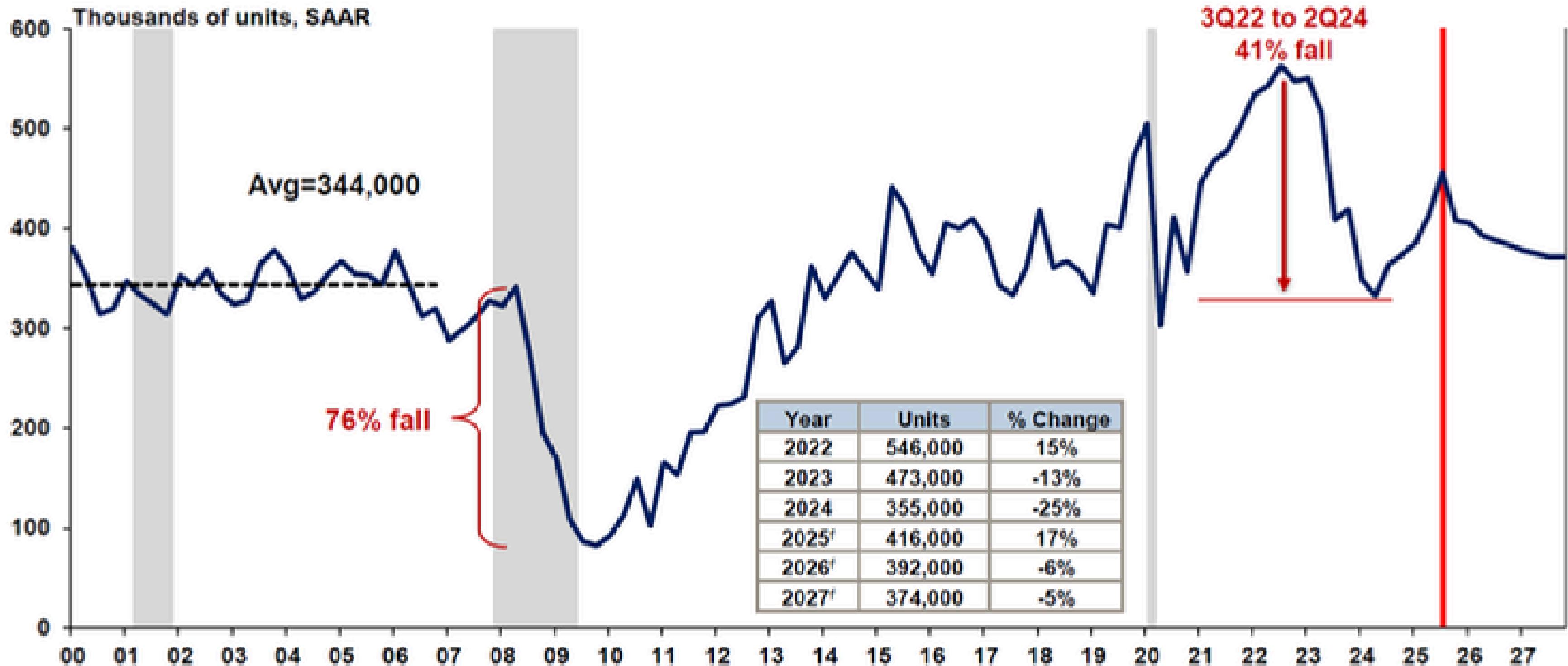
Market share at multidecade high



Source: U.S. Census Bureau (BOC)

Multifamily Construction

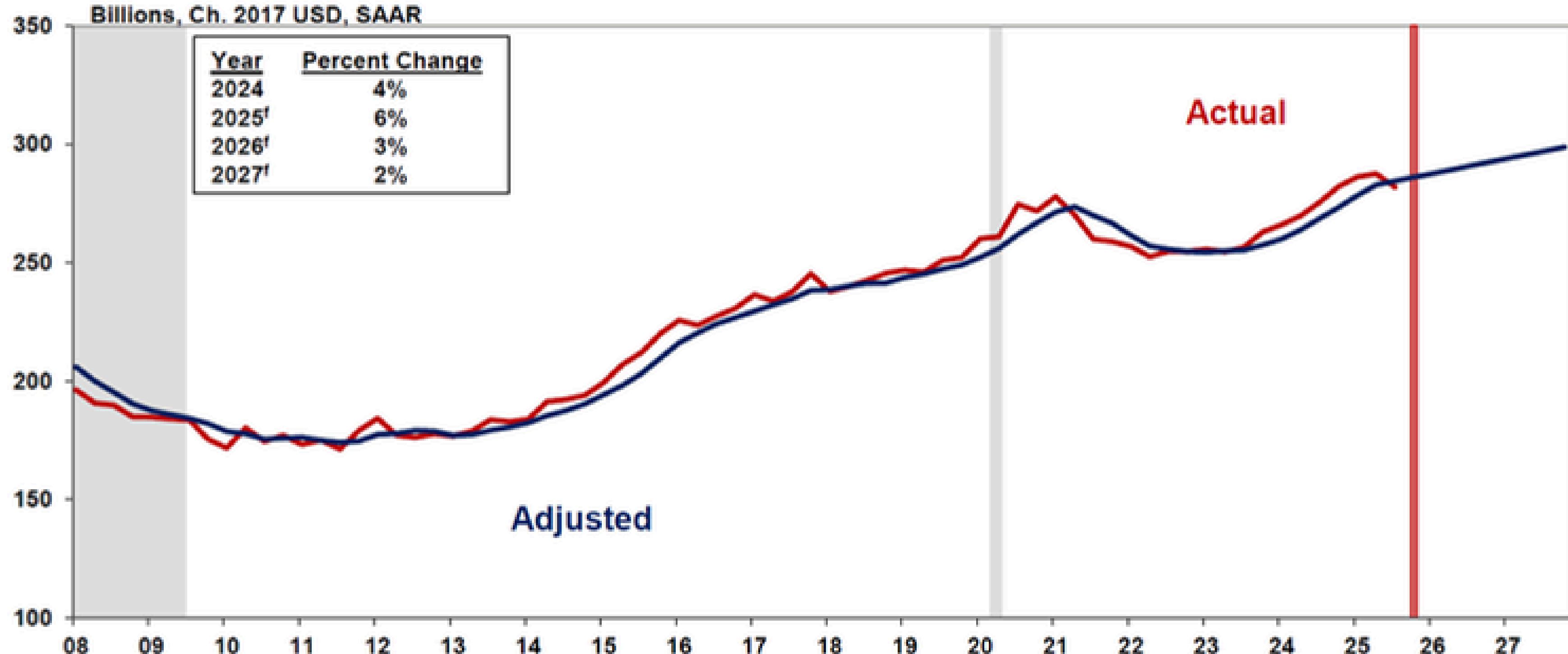
Apartment construction leveling off near pre-covid levels



Source: U.S. Census Bureau (BOC) and NAHB forecast

Residential Remodeling Outlook

Growth continues, but at a slower rate

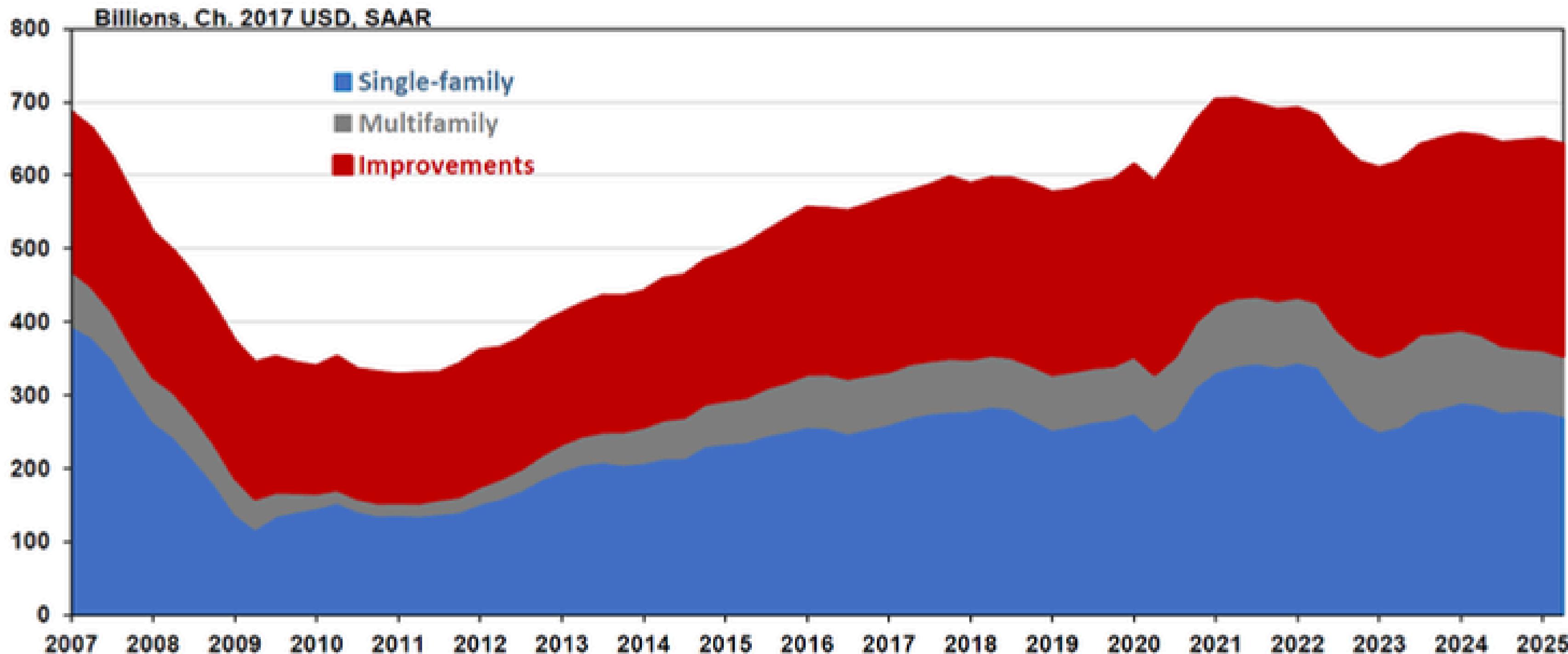


Source: U.S. Bureau of Economic Analysis (BEA); National Income and Product Accounts (NIPA) and NAHB forecast.

Note: In the analysis, 1-year moving average is used for adjusted data to smooth the trend.

Remodeling Gaining Market Share for Residential Construction

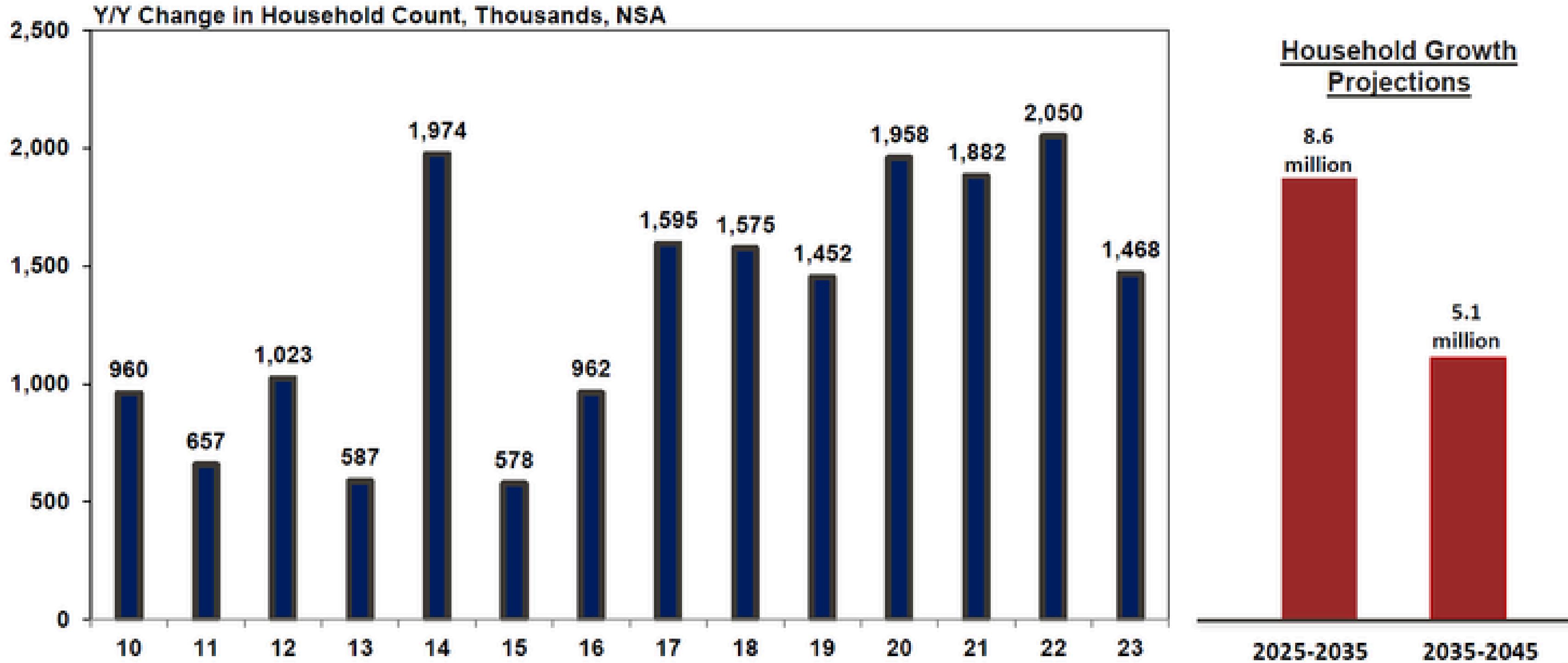
Improvement spending share increased from 33% in 2007 to 45% in 2Q2025



Source: Bureau of Economic Analysis: National Income and Product Accounts (NIPA)

Household Formation Declines in 2030s

Household growth will slow with demographic trends



Source: U.S. Census Bureau (BOC): Housing Vacancies & Homeownership and the Joint Center for Housing Studies (JCHS) projections

https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_household_projections_mccue_2024_0.pdf



Thank you

Questions?

dnanayakkara@nahb.org



Economic Leadership Sponsor



Home Mortgage

eyeonhousing.org
housingeconomics.com

Please welcome:



Dr. Kiplan Womack
Belk College of Business





2025 State of Housing Report: Highlights

HBA of Greater Charlotte, State of Housing 1/15/26

Kiplan S. Womack, PhD
Associate Professor of Real Estate

KIPLAN WOMACK



Associate Professor of Real Estate

Friday 147B

704-687-7584

kwomack4@uncc.edu

Dr. Kiplan S. Womack is an Assistant Professor of Real Estate in the Belk College of Business at the University of North Carolina Charlotte. His research focuses on applying the principles of financial option pricing to the valuation of real estate (real options), land values, development, redevelopment, as well as corporate finance issues (particularly mergers and acquisitions) faced by Real Estate Investment Trusts. Dr. Womack earned a Ph.D. in real estate from the University of Georgia, an M.B.A. from the University of Alabama-Birmingham, a B.S. degree in finance from Auburn University, and has over ten years of professional experience in corporate finance and real estate.

Degree(s):

Ph.D. in Real Estate, University of Georgia

M.B.A., University of Alabama at Birmingham (High Distinction)

B.S. in Finance, Auburn University (Magna Cum Laude)

Expertise:

Real Estate

Finance



Video Introduction



BELK COLLEGE
OF BUSINESS



CHILDRESS KLEIN CENTER FOR REAL ESTATE

The Childress Klein Center for Real Estate was established in 2005 with support from Charlotte, NC, real estate industry and program alumni. Their financial contributions have supported course development, scholarships for incoming graduate students, special events and community outreach activities.

The Childress Klein Center for Real Estate administers the following programs:

- Master of Science in Real Estate (MSRE) program
- M.S. in Real Estate and Master of Business Administration (MBA) dual degree
- Real Estate Finance and Development Concentration in the Master of Business Administration (MBA) program
- Graduate certificate programs in Real Estate Finance and Development
- Undergraduate Concentration in the Finance major

Additionally, the Center manages programming and outreach to the Real Estate Alumni Association and Real Estate Advisory Board.

CHARLOTTE CHILDRESS KLEIN CENTER FOR REAL ESTATE

Belk College of Business

M.S. IN REAL ESTATE

ACADEMIC PROGRAMS

M.S. in Real Estate (MSRE)

- Curriculum
- Graduate Certificate in Real Estate
- Dual Degrees with MSRE
- International Study Program
- Professional Designations
- Student-Managed Real Estate Investment Fund

REQUEST INFORMATION

APPLY NOW

Connect with the Belk College



The Master of Science in Real Estate (MSRE) program is designed to provide students with the skills necessary to analyze, evaluate and execute complex real estate investment and development transactions.

To emphasize the multidisciplinary nature of the real estate industry and the diverse skill set required for success, the curriculum draws from a variety of academic disciplines such as:

- Architecture
- Economics
- Engineering
- Finance
- Geography

Students graduating from the program have the skills necessary to qualify for positions such as development associates, underwriters, brokers, asset and property managers, acquisition specialists, and investment/financial analysts.

The graduate students that we attract to the program have diverse professional backgrounds and experience levels. Often students have a specialty in one area of commercial real estate (e.g., lending, brokerage, site planning, etc.) and join our program to acquire the interdisciplinary knowledge and the financial acumen to better evaluate commercial real estate opportunities.

Prior real estate experience ranges from 0 - 10+ years as we recruit students directly from highly competitive undergraduate institutions as well as experienced professionals with 10+ years of experience in a specialized niche of commercial real estate. Most of our students enroll in the program part-time, while continuing to work full-time in their current positions. We also enroll full-time students who often complete internships during the academic year.



96%

POSTGRADUATION PLACEMENT RATE



1:1

EMPLOYED WITH RECENT GRADS



~\$86,500

REPORTED AVERAGE STYLING SALARY
(INCLUDES BONUSES)

MSRE



Yongqiang Chu
Director
Childress Klein
Center for RE
Distinguished
Professor



Daniel Wright
Associate
Director
Childress Klein
Center for RE
Senior Lecturer



Patrick Smith
Program
Director MSRE
J. Crosland Sr.
Distinguished
Professor



Kiplan Womack
Associate
Professor
Real Estate



Chandler Lutz
Steven Ott
Distinguished
Scholar in Real
Estate



Shannon Cooke
Childress Klein
Center for RE
and MSRE
Program
Manager



Amy Riter
Executive
Director of
Graduate
Programs



Kimberly McLaurin
Assistant
Director
Graduate
Programs
Enrollment



Kalli Vimr
Assistant
Director of
Graduate
Student
Services



Bill Graves
Associate
Professor
Geography



Mike Wilson
Sr. VP, General
Counsel
Northwood
Ravin



**Connie
Henderson**
VP TD Bank



**Peter
Stipicevic**
Asset Manager
at Mountain
Funding



Eric Reichard
President
Rogers
Builders

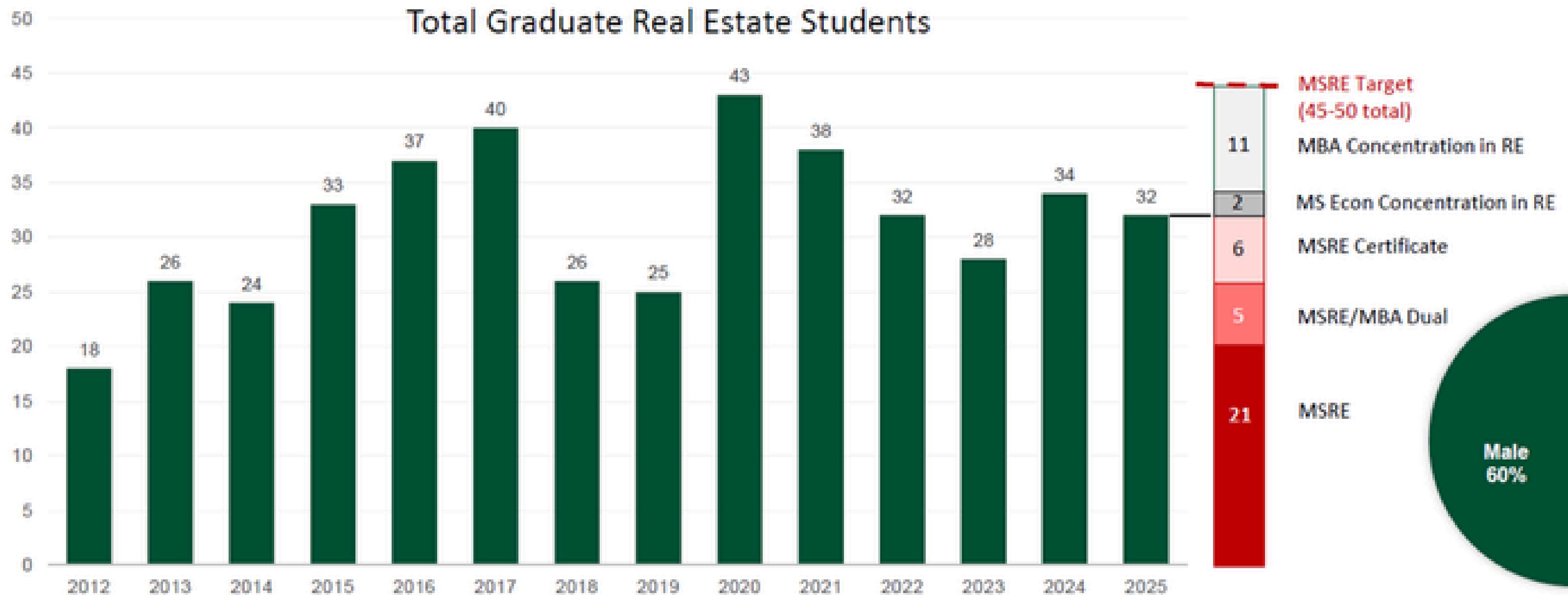


Grant Meacci
Senior Urban
Designer,
Landscape
Architect for
CJS|BMI



**Tarang
Vakharia**
Capital Markets
Crescent
Communities

MSRE



MSRE Activities



Spring 2025 Graduates

Certificate

Chase P. Allen

MSRE

Amy H. Albright

Chris C. Cooke

Gant M. Derrick

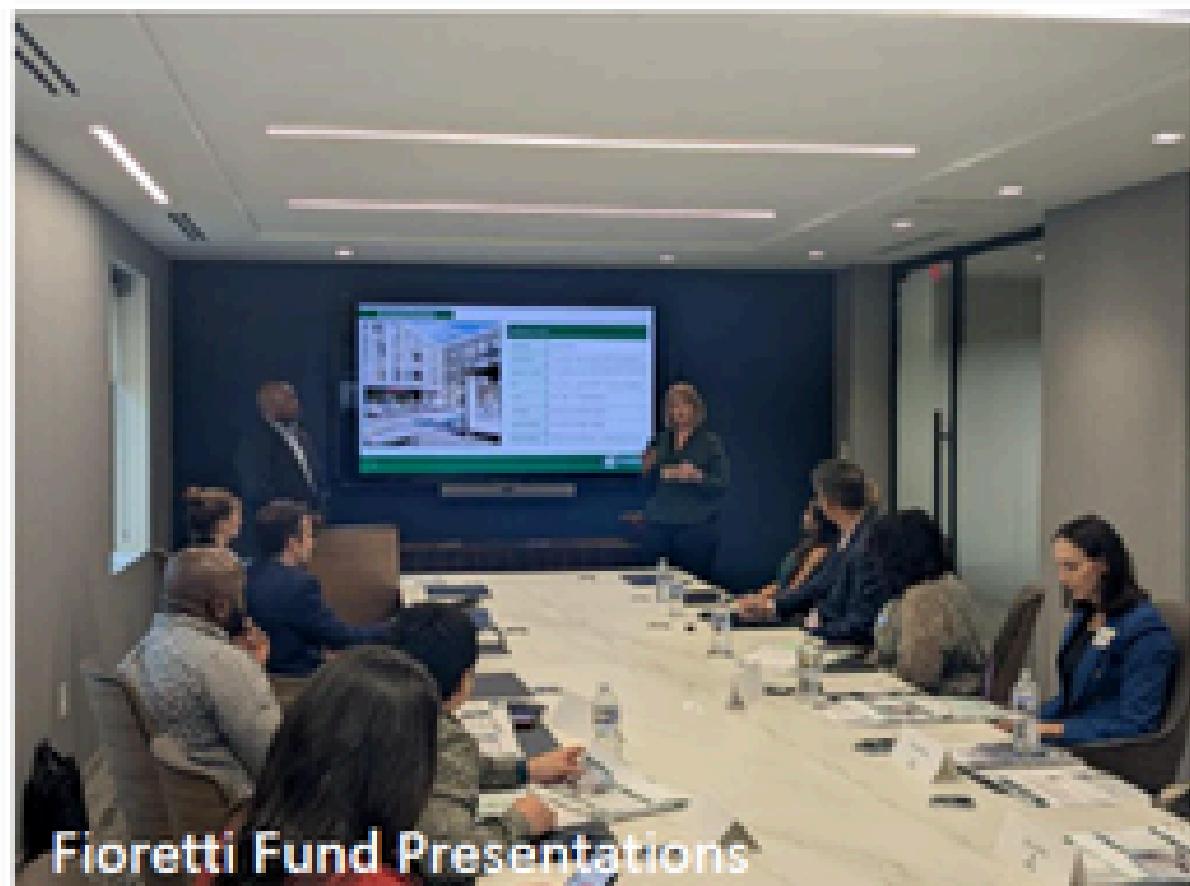
Jerry J. Lee

Henri Miethke

Whitney R. Nilsen

Alan R. Oliva Chapela

Charlie Shepherd



Courses

- RE Market Analysis
- Site Feasibility
- Development
- Building Construction
- Valuation, Finance, and Investment Analysis
- Property Management
- Asset Management
- Capital Markets
- RE Law
- Study Abroad Trip (Milan or Dublin)
- 2 Professional Development Courses



BELK COLLEGE
OF BUSINESS

EXPERIENTIAL LEARNING OPPORTUNITIES

1 Student Managed Investment Fund

We offer a dynamic, hands-on, Student-Managed Real Estate Investment Funds in the U.S., giving students experience in the analysis, investment, and management of private real estate securities.

2 Mentoring

Students are paired with two mentors; a member of our Advisory Board or another high-level executive within our networks, and an alumnus working in the Charlotte market, developing lifelong professional relationships.

3 Industry Association Involvement

Trade organizations and industry leaders sponsor our students' education, providing a significant amount of scholarship money for qualified students.

4 Seminar Series

Monthly seminar series are offered, free of charge, to students and as continuing education for alumni. Industry experts provide informative viewpoints on current topics in real estate and public policy.

5 Software Training and Certification

MSRE students receive rigorous training to become certified in Argus. Students also master Excel, ESRI BAQ, Real Data, Costar, and STR reports, and receive industry-specific negotiation and communication training.

6 Professional Designations

MSRE curriculum counts towards CCIM designation and puts graduates on a fast-track to CPM designation. It also replaces the pre-licensing course, allowing graduates to immediately sit for the Broker's License exam.

7 One-on-One Career Coaching

We work one-on-one with students and connect them to the commercial real estate community through internships and job shadowing.

8 Real Estate Advisory Board

Our curriculum is informed by high-ranking professionals in one of America's most dynamic real estate cities. These industry experts are available to students for networking and mentorship opportunities.

PROFESSIONAL DESIGNATIONS

Graduates of the Childress Klein Center for Real Estate MSRE program are eligible for real estate professional designations. Academic coursework from the MSRE program can be used toward the following:

CCIM (Certified Commercial Investment Member)

- Graduates receive credit for three of the [four CCIM core courses](#) and for all three elective credits normally required. MSRE graduates will need to complete the following to become a CCIM member:
 - Submit a CCIM University Fast Track Application and apply for Candidacy
 - Complete CCIM core course: CI 103 User Decision Analysis
 - Fulfill the [CCIM Portfolio Requirement](#)
 - Pass the CCIM Comprehensive Exam

[CPM® \(Certified Property Manager\) Designation Fast Track](#)

[MAI \(Member, Appraisal Institute\) Designation Fast Track](#)

[North Carolina Real Estate License Fast Track \(see Page 6, Option 3\)](#)



2025 SOH Report

- 10/29/24: Report presentation, panel session, reception
- 69 pages, 70ish graphs/charts
- 3rd party, unbiased analysis to foster discussion/action
- Data: Census, MLS, Metrostudy, CoStar, HUD, Federal Reserve
- Data: Census 2024, Industry: 3Q2025
- Population, income, housing units
- “Housing units” = SF, MF, Condos, Townhomes, MHCs, etc. for both owner occupied and rental housing
- Analyses of SF, SFR, MF, subsidized and public rental housing
- Affordability and cost burden analyses
- Comparative analyses with regional and national competitor cities
- “Charlotte” = CLT MSA, Mecklenburg ~ 50%



STATE OF HOUSING 2025 REPORT CHARLOTTE



The Belk College of Business and the Childress Klein Center for Real Estate would like to gratefully acknowledge our resources and data partners, whose generous support enables us to provide this crucial research to the Charlotte community.

Founders Circle



Gold Sponsor



Silver Sponsors

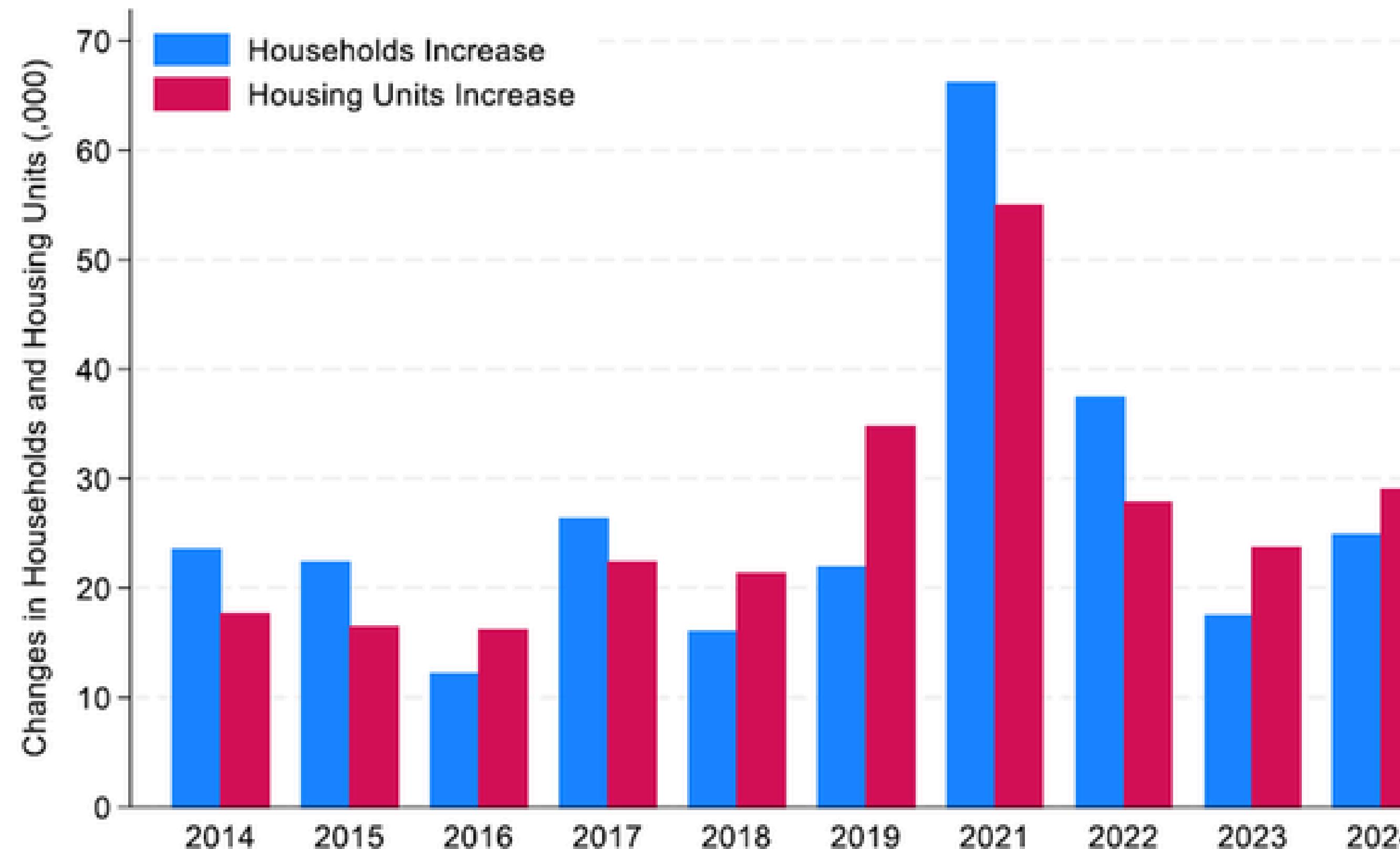


Key Takeaway #1

The supply side continues to catch up with demand

- The Charlotte MSA added 28,951 housing units in 2024, which is a surplus of 4,114 housing units
- Continues positive supply trend that began in 2023
- Underbuilt 20k+ housing units in 2020 - 2022

Figure II.9: Charlotte MSA Annual Changes in Housing Units and Households 2014 to 2024



Crash in House Prices??

- Supply is tight and migration continues to increase
- To forecast a crash in house prices you must tell a story of why demand suddenly stops
- 10 years of steady population increases and projections that growth will only increase more

Key Takeaway #2

House price growth continues to moderate; however, it is still growing.

- Median home prices in the Charlotte MSA increased 3.25% from \$429,890 in 2024 to \$443,850 in 2024
- Prior year YOY growth was 3.8%
- **Much** lower than COVID-era



BELK COLLEGE
OF BUSINESS

Figure III.2: Charlotte Region and Mecklenburg County Average and Median House Prices 2001 to 2025

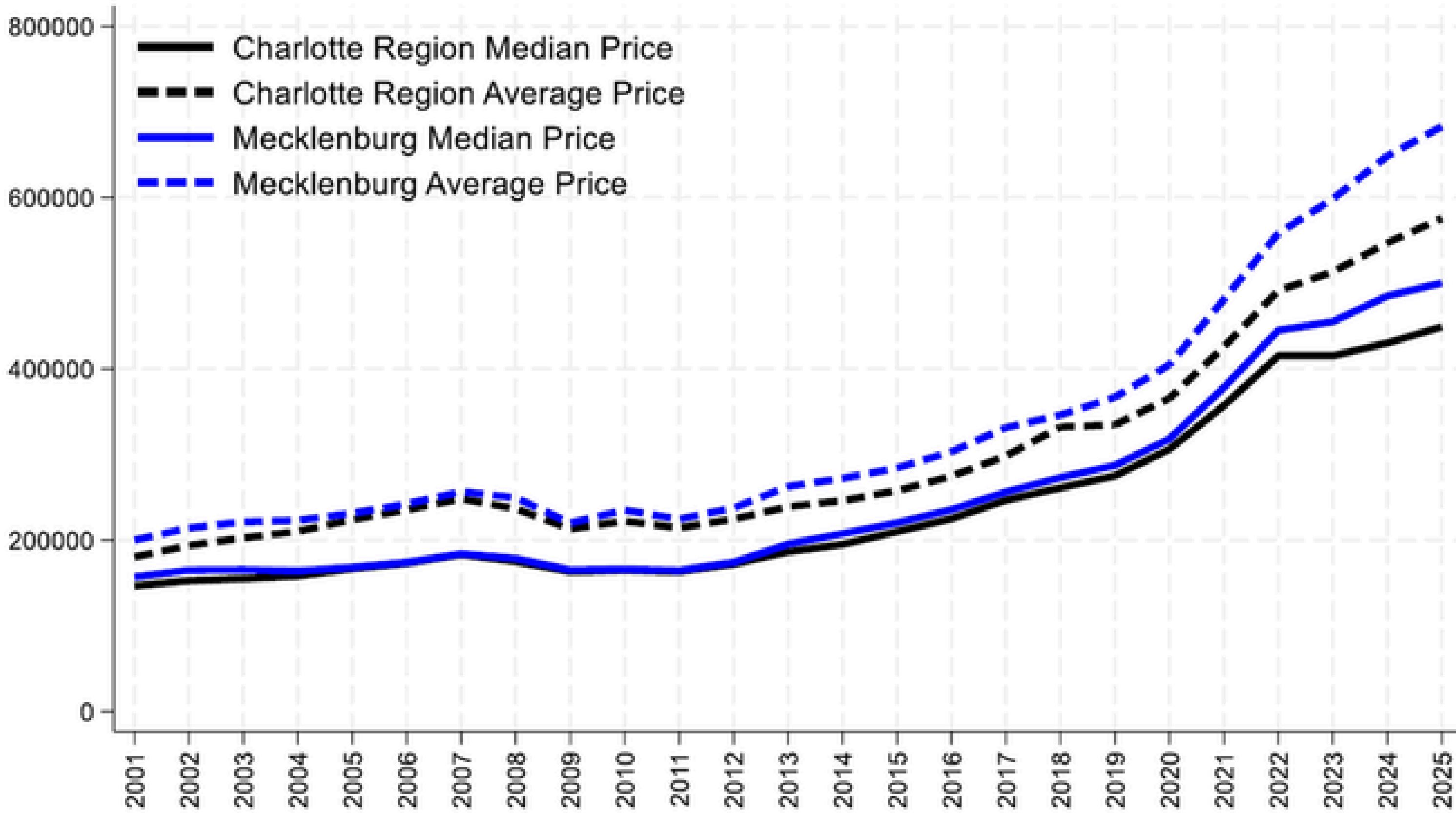


Figure III.12: Dynamics of House Price Distribution 2001-2025

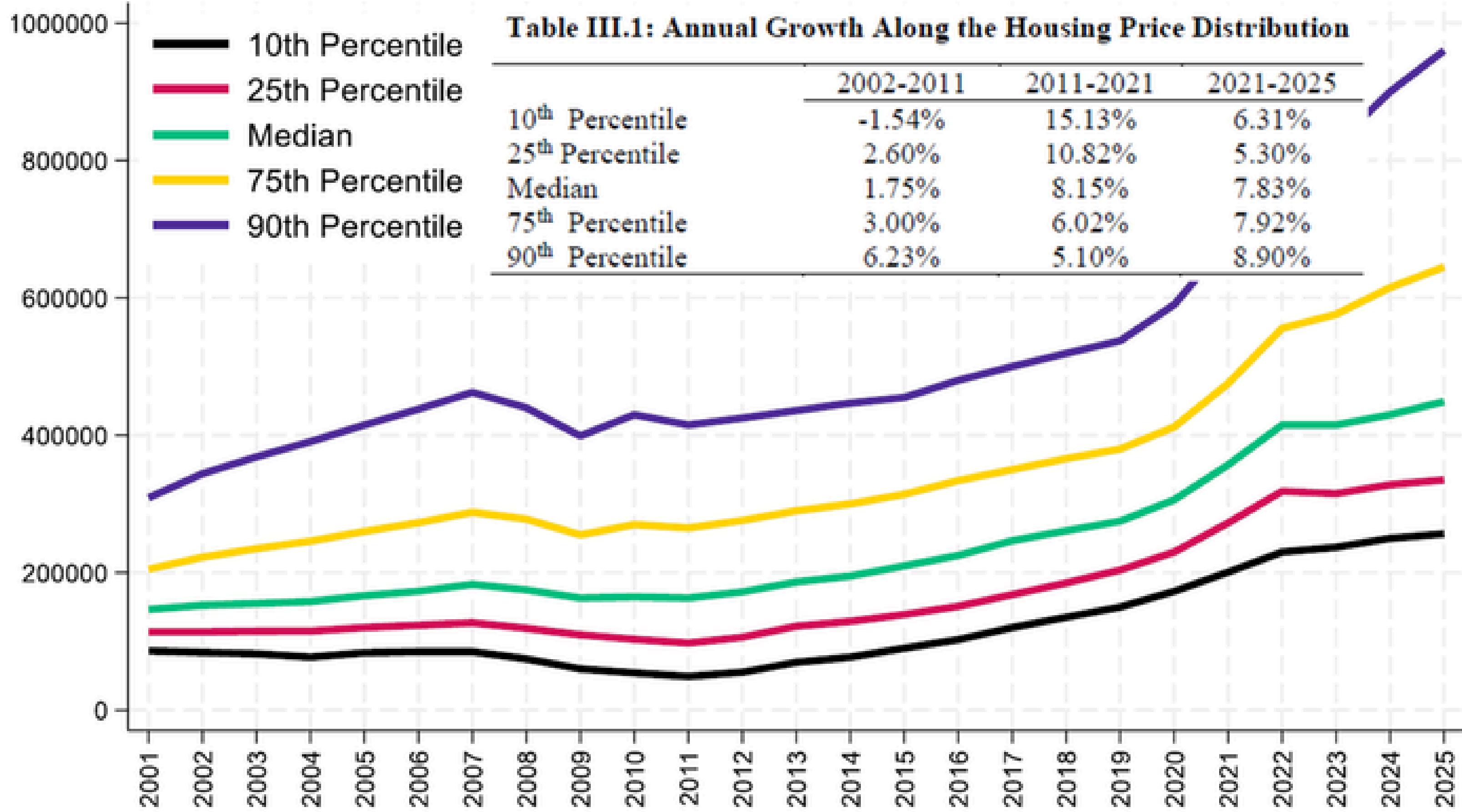


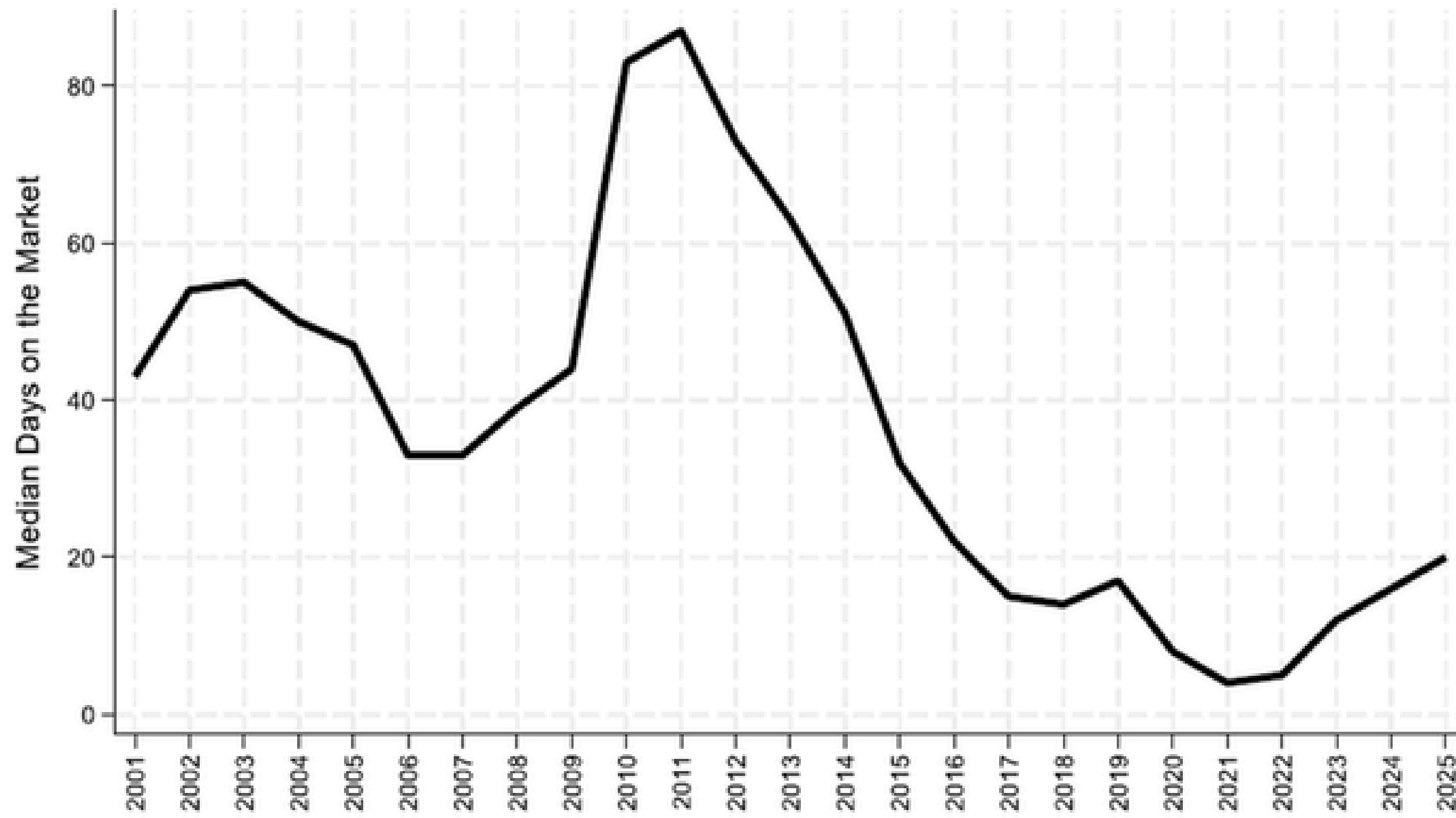
Table III.1: Annual Growth Along the Housing Price Distribution

Key Takeaway #3

The housing market is gradually loosening

- Median days-on-the-market in September 2025 was 27
- Last year it was 19
- Houses sold > list price dropped to 15% in September 2024
- In May 2022 it was 60%

**Figure III.6: Annual Days on Market
2001 to 2025**



**Figure III.8: Percent Sold Above Listing Prices
2001-2025**

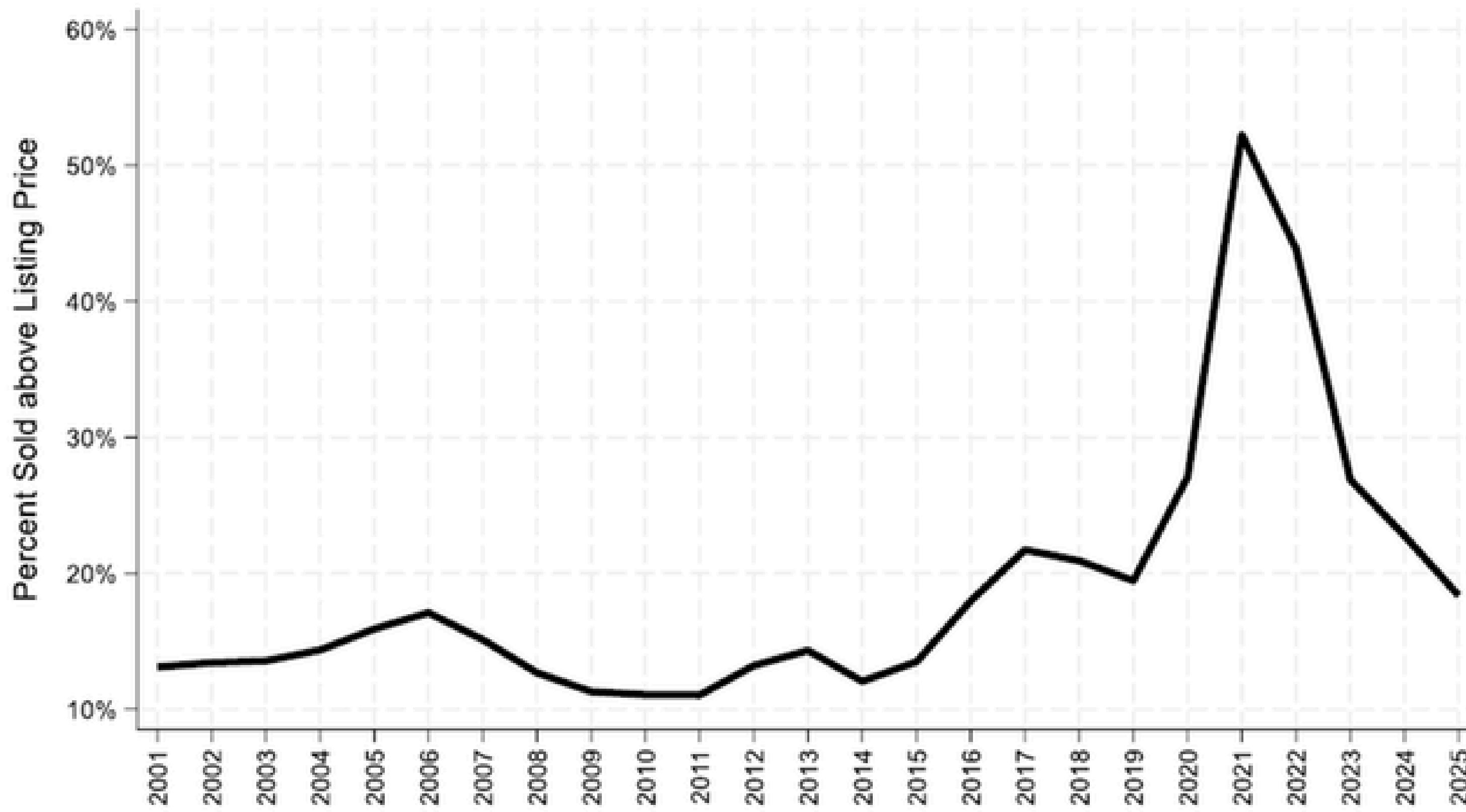
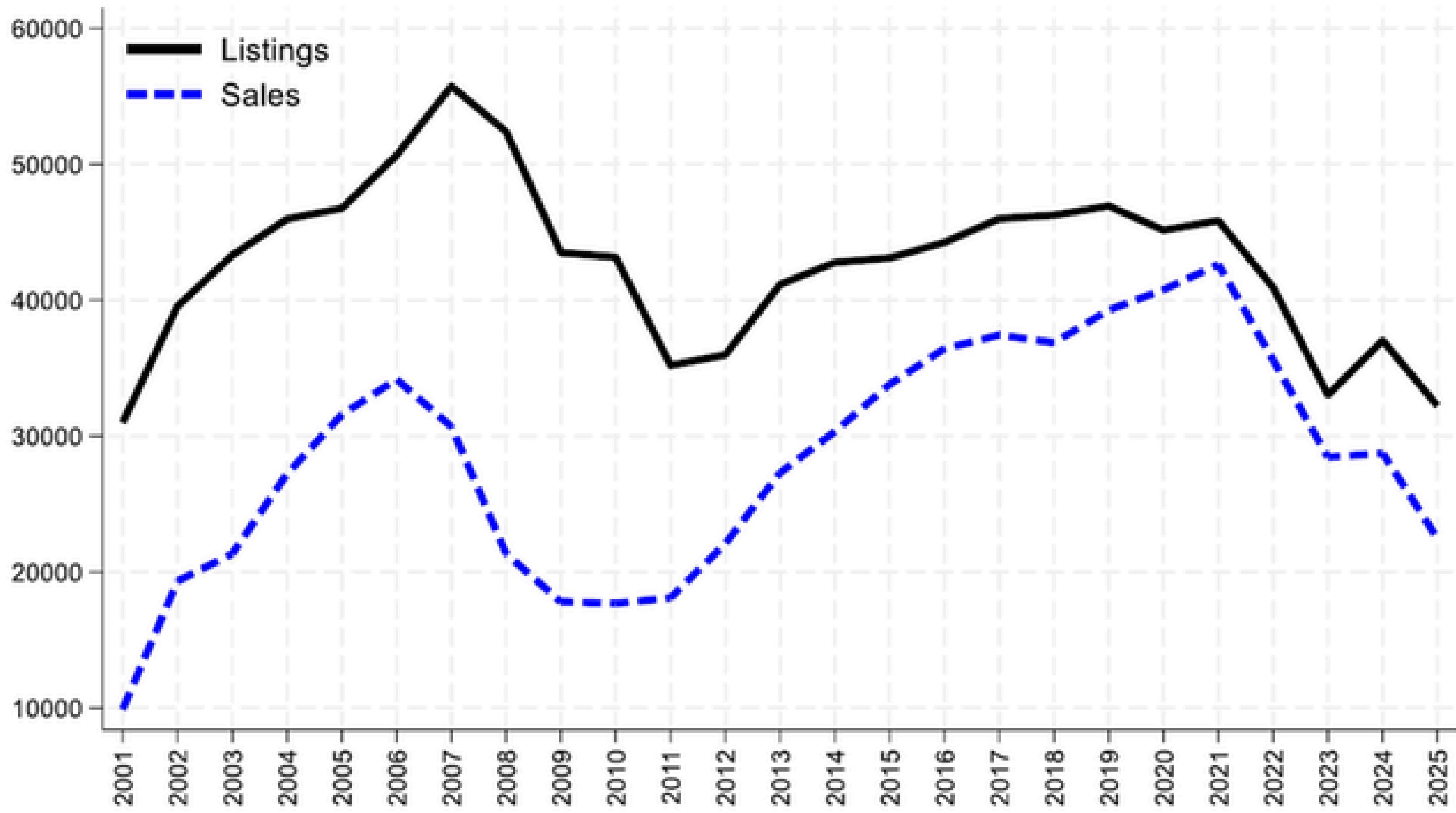


Figure III.4: Listings and Sales 2001 to 2025



Key Takeaway #4

Affordable housing remains critically scarce

- Only 1.88% of houses were sold for under \$150,000 in 2025, and only about 17.8% of houses were sold for under \$300,000
- This is a dramatic shift from 2021, when the percentages were 4.75% and 35.7%, respectively

Figure III.11: House Price Distribution 2014

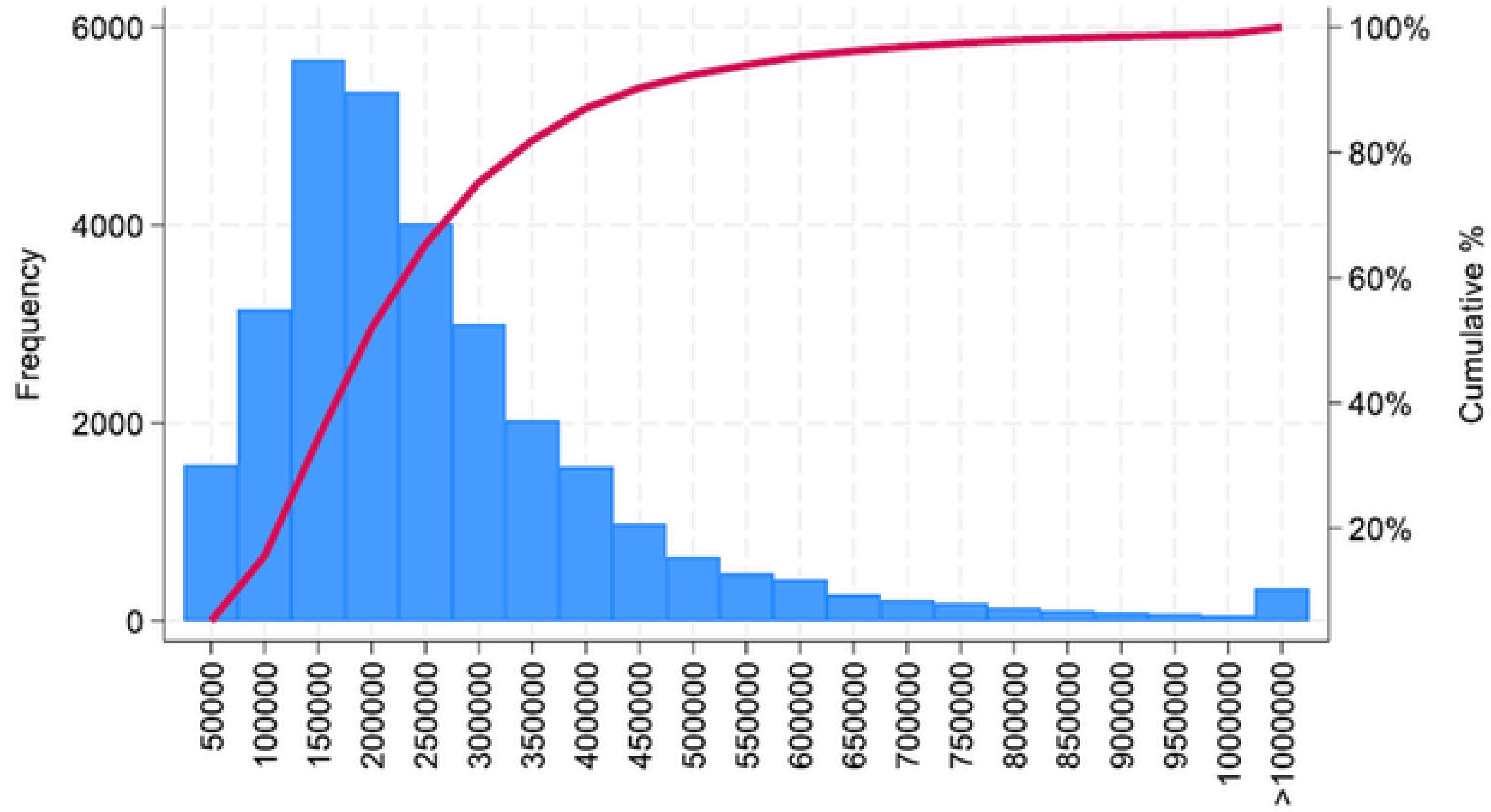
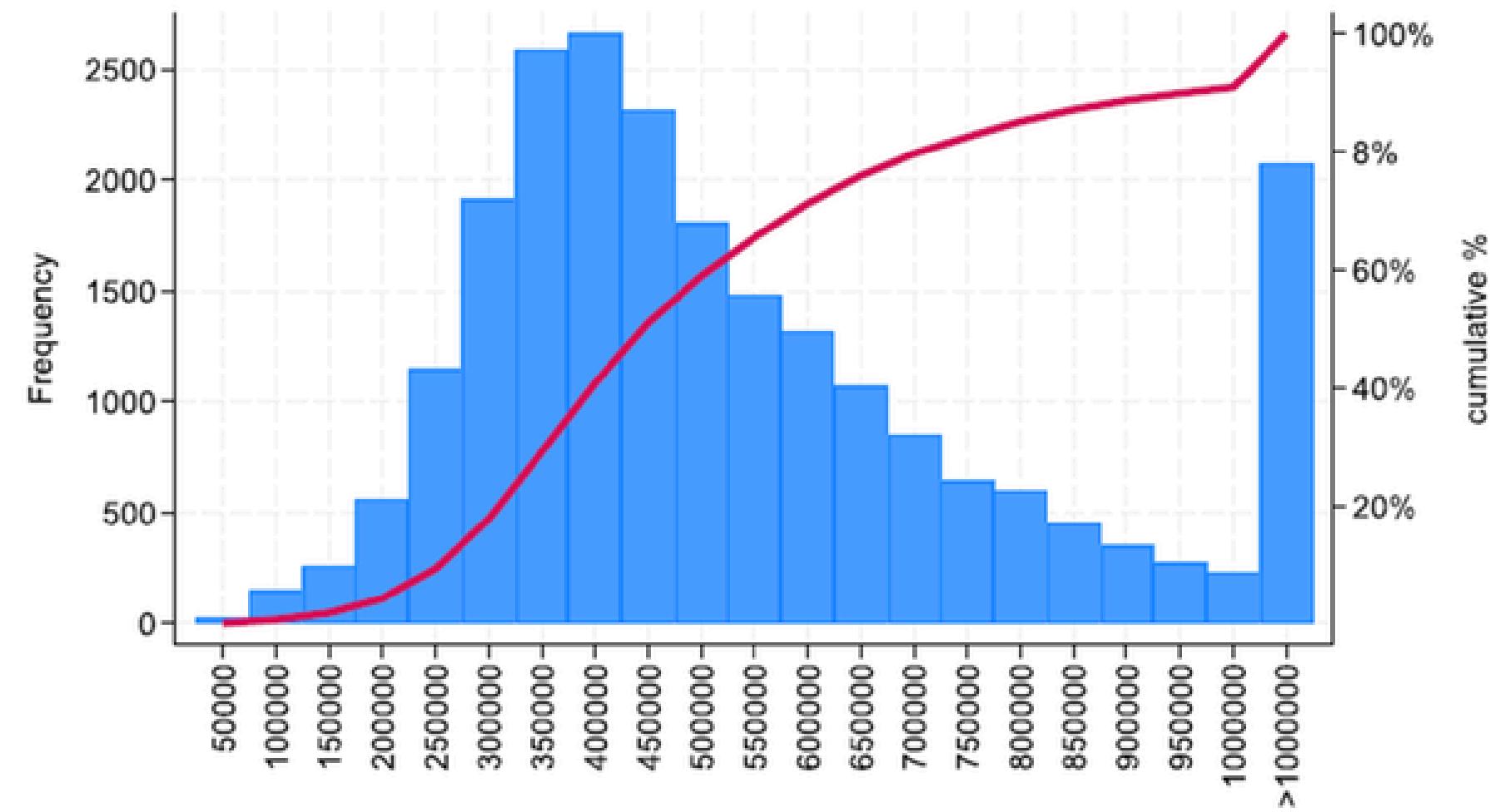


Figure III.9: House Price Distribution 2025



Key Takeaway #5

Housing affordability shows modest improvement due to declining interest rates and strong income growth

- It would take a family income of **\$87K for a 10th percentile** and **\$146K for a median** (50th percentile) house in 2025
- This compares to \$93K and \$138K noted in 2024
- However, household income growth has outpaced house price growth, providing some relief
- The median multiple (ratio of median home price to median income) decreased slightly from 4.69 in 2023 to 4.65 in 2024



BELK COLLEGE
OF BUSINESS

Figure II.4: Charlotte MSA Average Income 2014 to 2024

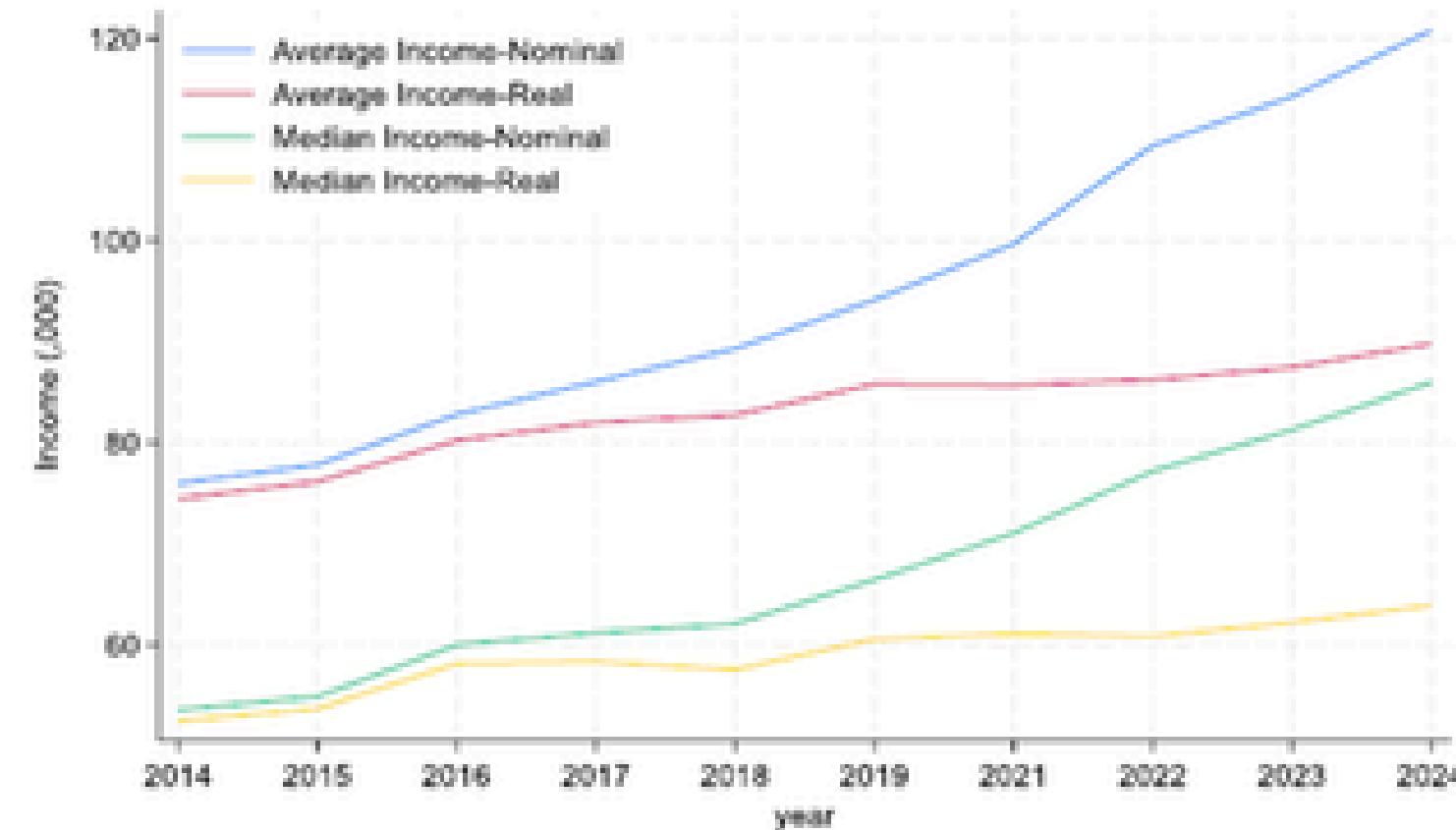


Figure II.5: Charlotte MSA Income Distribution 2014 and 2024

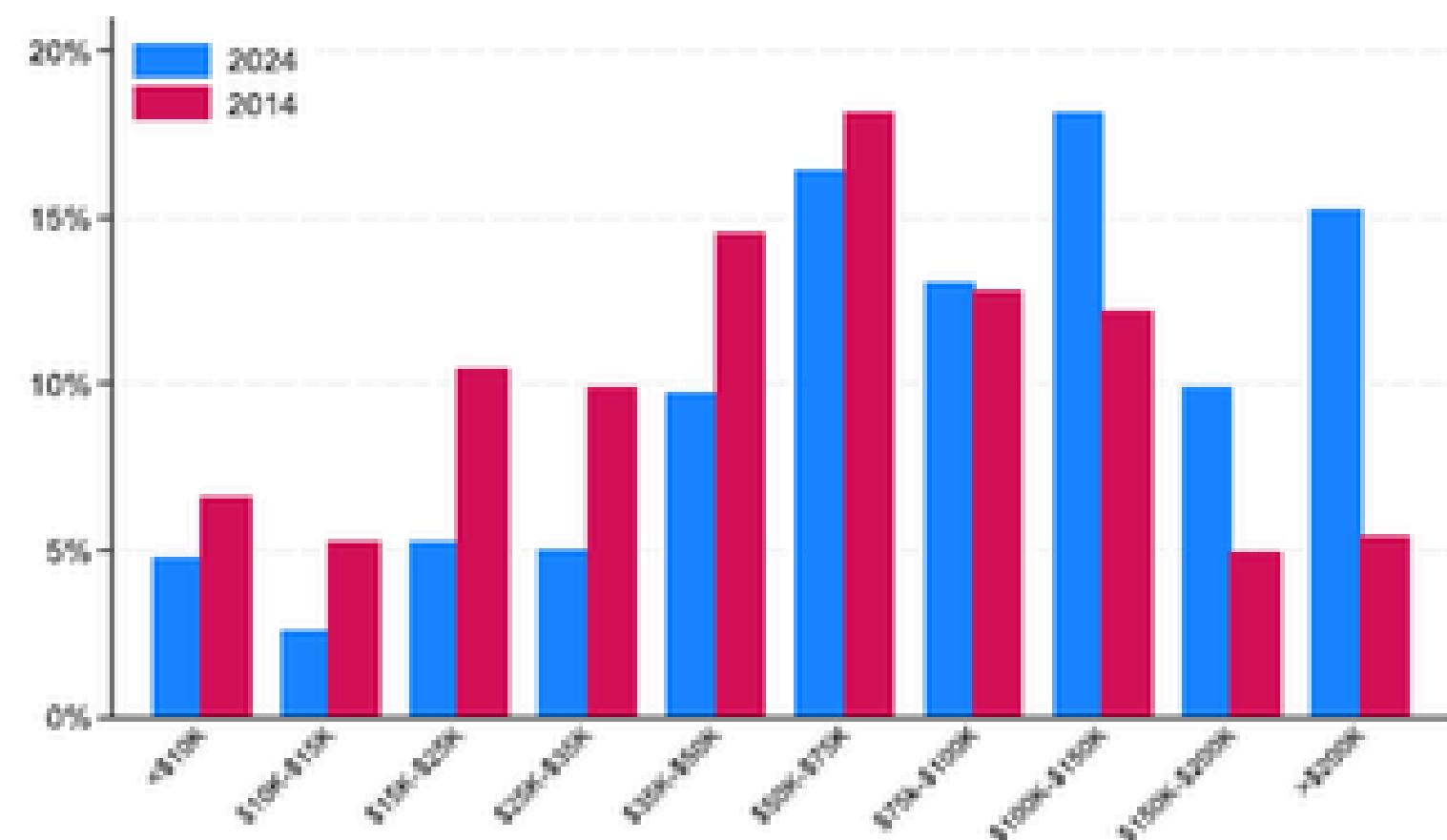


Figure V.5: Regional Competitor MSAs
Median Multiple 2024 and Growth 2023 to 2024

Median multiple

- One of the most commonly used measures of housing affordability.
- *Median Multiple = Median House Price / Median Income*
- Measures how many years of income the median earner in a region would have to use to buy the median house.
- < 3 = “affordable”
- Between 3 and 4 = “moderately unaffordable”
- > 4 = “unaffordable”

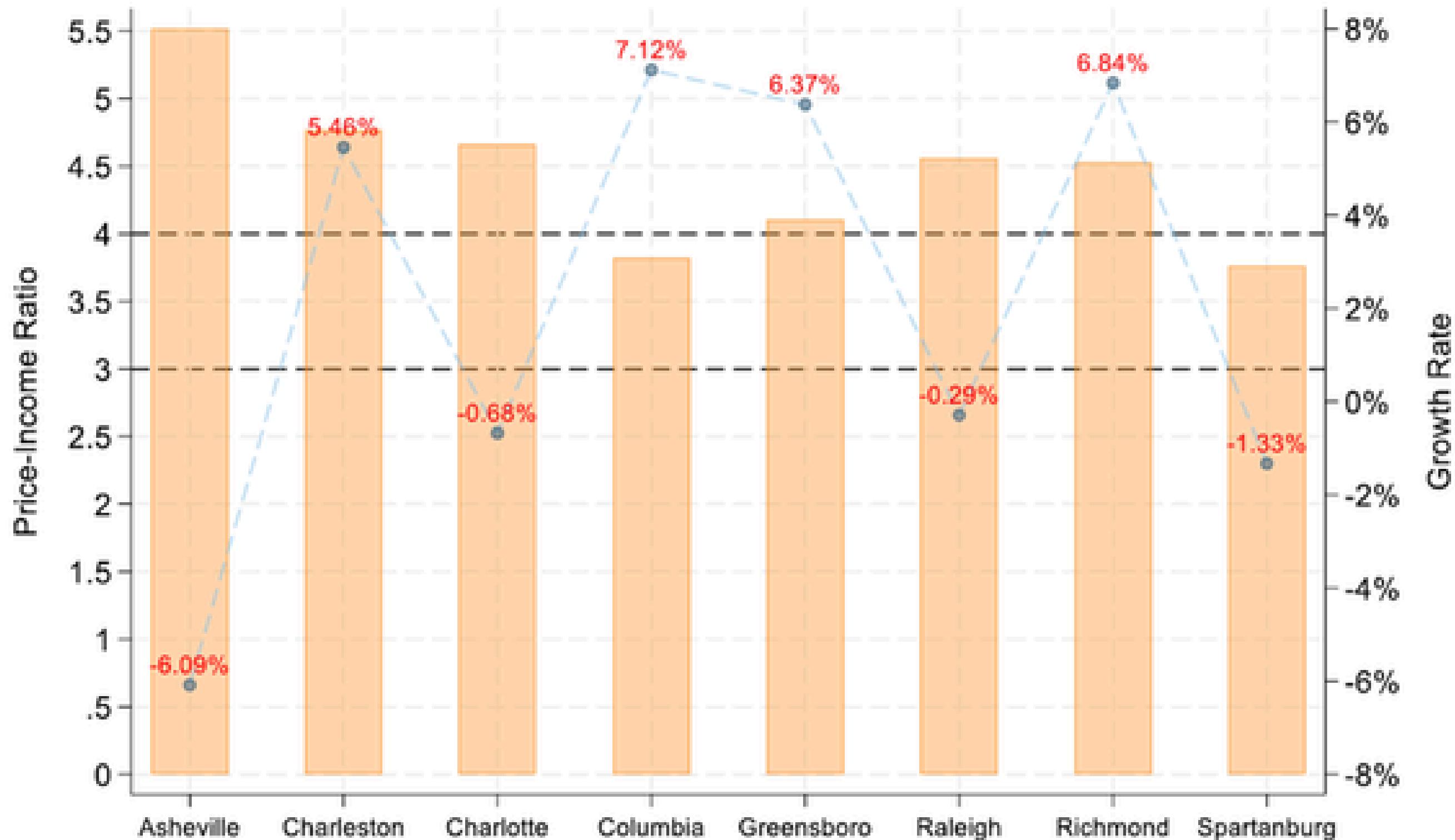


Figure V.6: National Competitor MSAs
Median Multiple 2024 and Growth 2023 to 2024

Median multiple

- One of the most commonly used measures of housing affordability.
- *Median Multiple = Median House Price / Median Income*
- Measures how many years of income the median earner in a region would have to use to buy the median house.
- < 3 = “affordable”
- Between 3 and 4 = “moderately unaffordable”
- > 4 = “unaffordable”

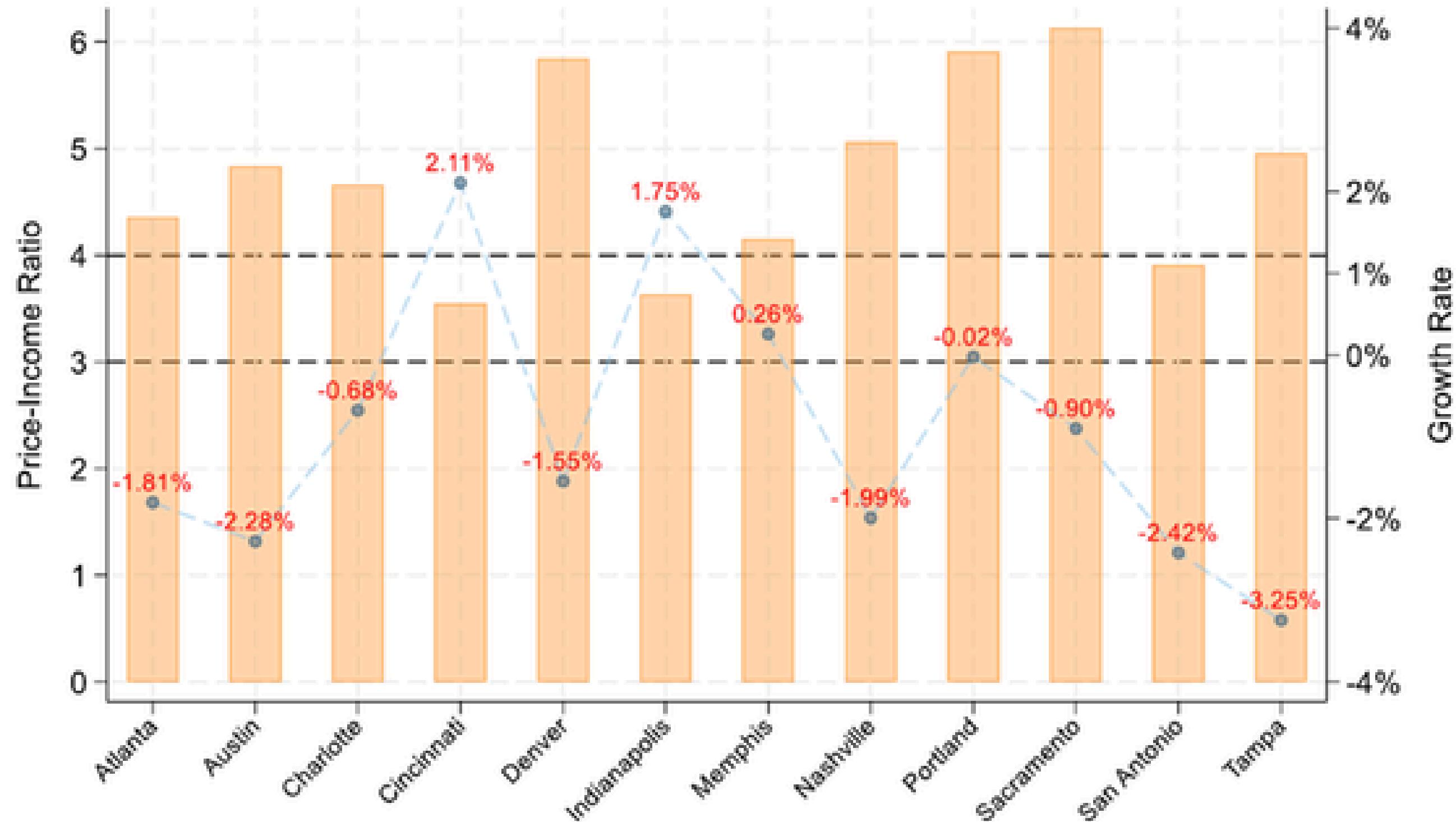


Figure V.9: Regional Competitor MSAs
Price-to-Rent Ratio 2024 and Growth 2023 to 2024

Price-to-Rent Ratio

- A common metric used to measure the relative value of buying versus renting a home
- *Price-to-Rent Ratio* = *Median Home Price / Median Annual Rent*
- A higher ratio means that home prices are high relative to rents, and a low ratio means home prices are low relative to rents.
- A higher ratio means that a region is more favorable for renting, and when it is low, it is more favorable for home buying.

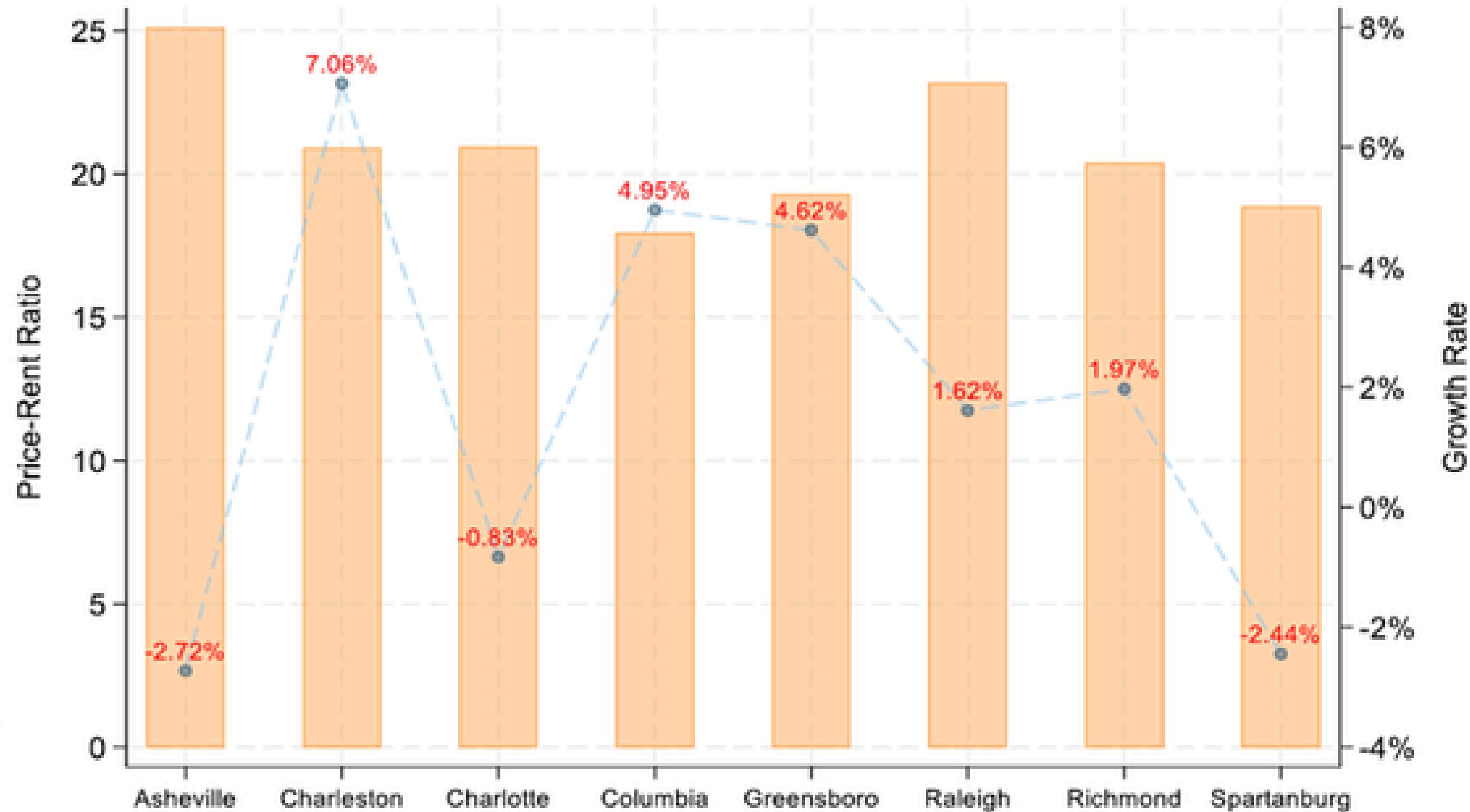


Figure V.10: National Competitor MSAs
Price-to-Rent Ratio 2024 and Growth 2023 to 2024

Price-to-Rent Ratio

- A common metric used to measure the relative value of buying versus renting a home
- *Price-to-Rent Ratio* = *Median Home Price / Median Annual Rent*
- A higher ratio means that home prices are high relative to rents, and a low ratio means home prices are low relative to rents.
- A higher ratio means that a region is more favorable for renting, and when it is low, it is more favorable for home buying.

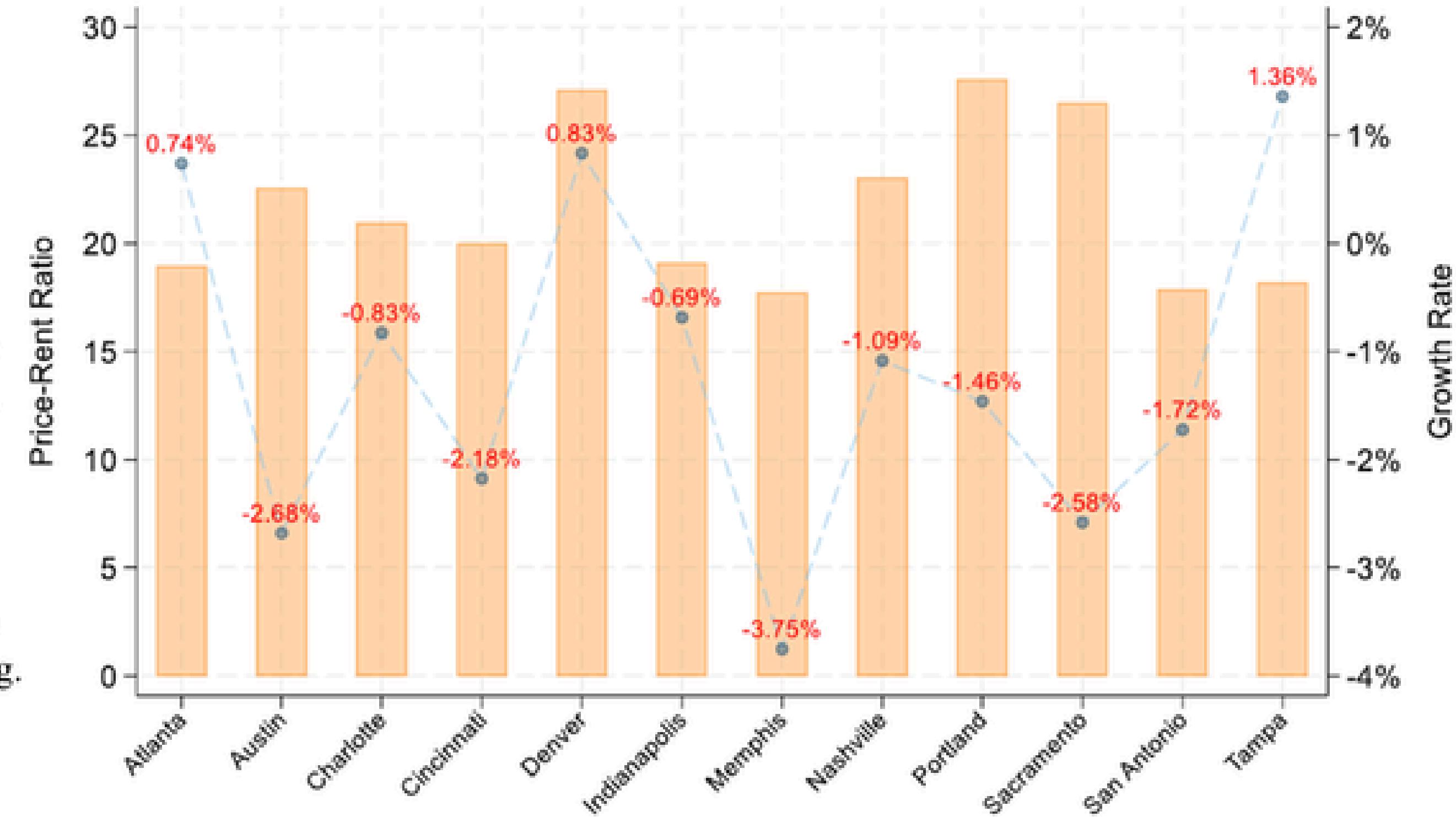
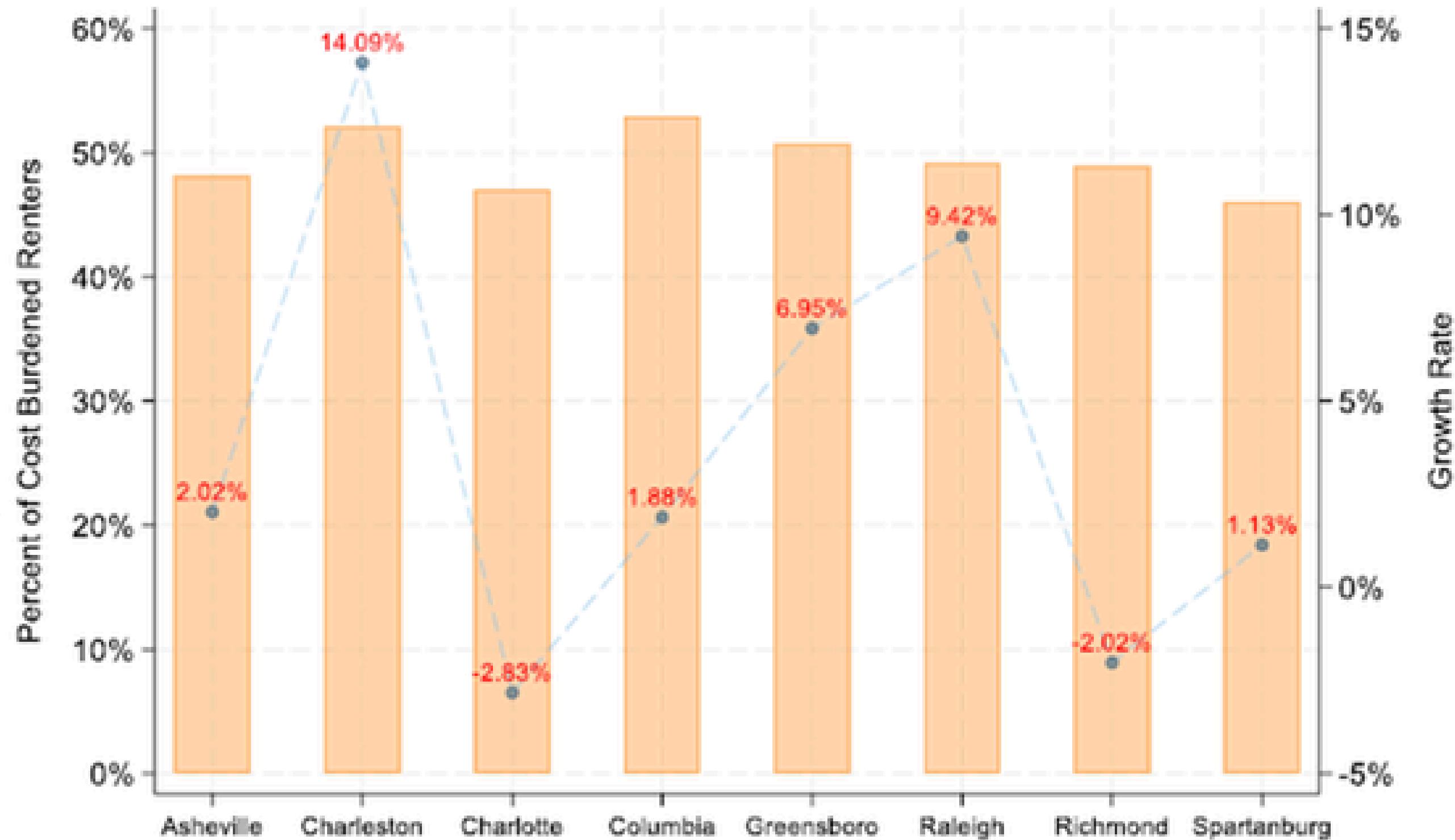


Figure V.11: Regional Competitor MSAs
Cost-Burdened Renters 2024 and Growth 2023 to 2024

Cost Burdened Renters

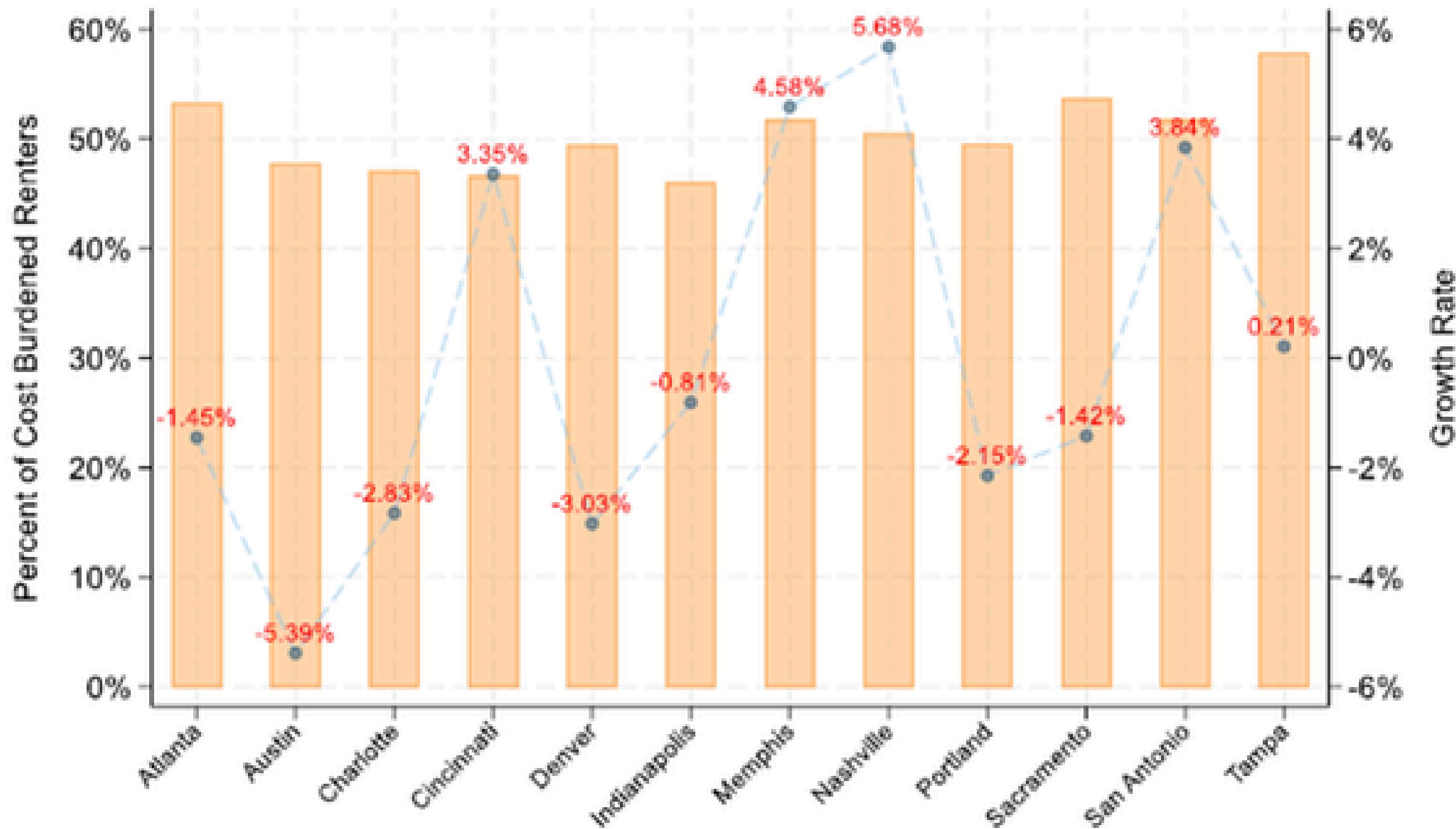
- One of the challenges facing any region is the degree to which its residents are cost-burdened when obtaining housing.
- The standard definition of being cost-burdened is spending more than 30% of GMI, including utilities.
- **For the Charlotte MSA, about 47% of all renters are cost-burdened.**
- Perhaps more surprising is that this is the third-best ratio in the data set, with only Asheville and Spartanburg having lower percentages of cost-burdened renters.
- However, Charlotte has one of the highest growth rates in the percentage of cost-burdened renters.



Cost Burdened Renters

- One of the challenges facing any region is the degree to which its residents are cost-burdened when obtaining housing.
- The standard definition of being cost-burdened is spending more than 30% of GMI, including utilities.
- **For the Charlotte MSA, about 47% of all renters are cost-burdened.**
- Perhaps more surprising is that this is the third-best ratio in the data set, with only Asheville and Spartanburg having lower percentages of cost-burdened renters.
- However, Charlotte has one of the highest growth rates in the percentage of cost-burdened renters.

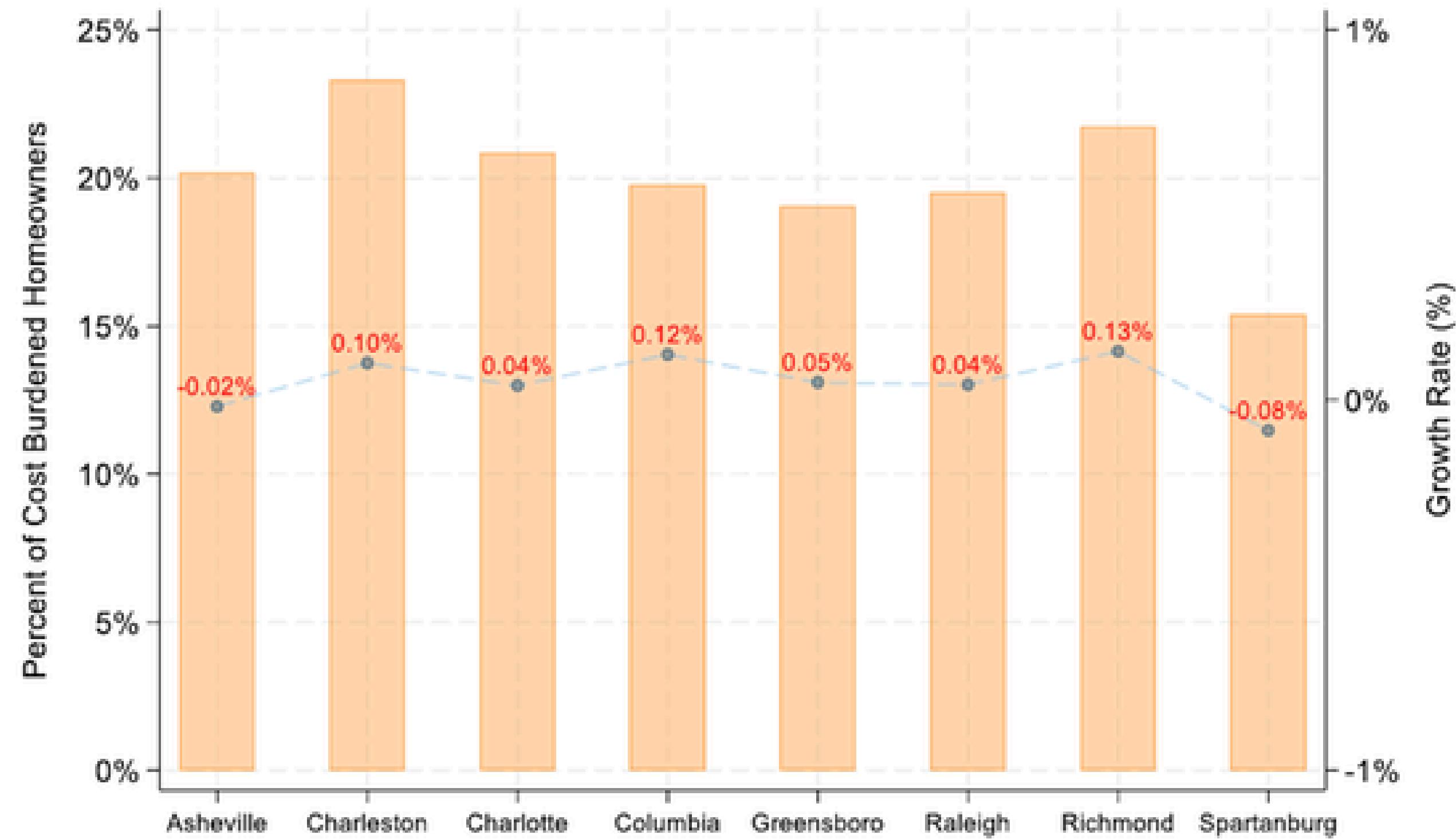
Figure V.12: National Competitor MSAs
Cost-Burdened Renters 2024 and Growth 2023 to 2024



Cost Burdened Homeowners

- We construct a similar measure for homeowners to determine what % pay $> 30\%$ of their GMI toward housing expenses.
- One would expect this number to be relatively low because most lenders will not originate mortgages where the monthly payment is $> 28\%$.
- However, conditions can change over time, especially with respect to income.
- Additionally, a household could take on a second mortgage, increasing total housing expense $> 30\%$.
- **For the Charlotte MSA, about 21% of all owners are cost-burdened.**
- The %s are much lower than renters.

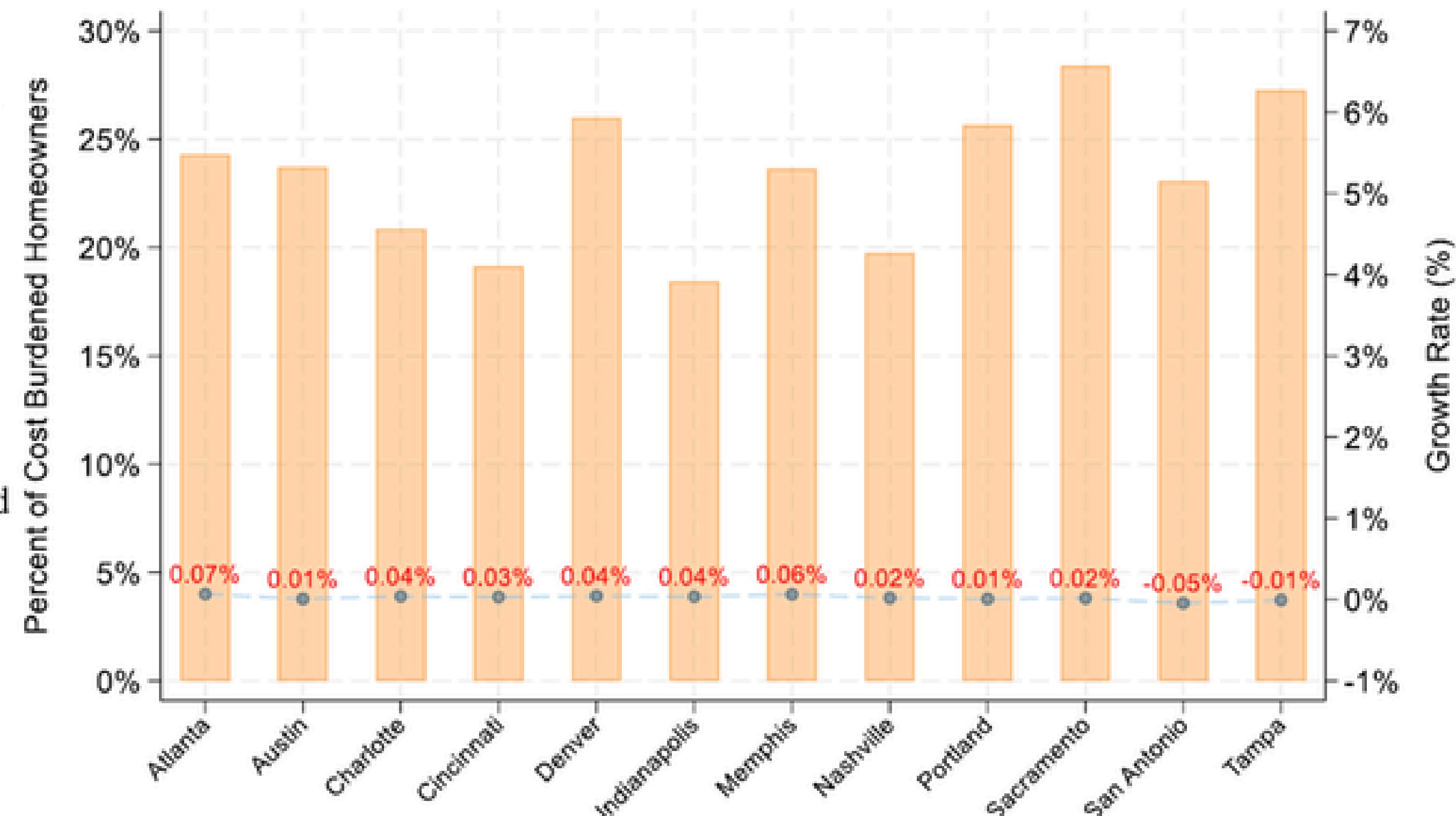
Figure V.13: Regional Competitor MSAs
Cost-Burdened Homeowners 2024 and Growth 2023 to 2024



Cost Burdened Homeowners

- We construct a similar measure for homeowners to determine what % pay $> 30\%$ of their GMI toward housing expenses.
- One would expect this number to be relatively low because most lenders will not originate mortgages where the monthly payment is $> 28\%$.
- However, conditions can change over time, especially with respect to income.
- Additionally, a household could take on a second mortgage, increasing total housing expense $> 30\%$.
- **For the Charlotte MSA, about 21% of all owners are cost-burdened.**
- The %s are much lower than renters.

Figure V.14: National Competitor MSAs
Cost-Burdened Homeowners 2024 and Growth 2023 to 2024



Key Takeaway #6

Rents have been decreasing since 2023

- Due to unprecedented supply increases in apartment deliveries over the last several years
- The Charlotte area added 19,754 apartment units from 2024 Q3 to 2025 Q3
- **...the largest annual increase ever recorded!**
- Effective rents have decreased from \$1,591 in 2022 to \$1,566 in 2025 (despite inflation)
- **This decrease will be temporal as units are absorbed**



BELK COLLEGE
OF BUSINESS

**Figure IV.1: Number of Apartment Units in the Charlotte Region
2000 to 2025**

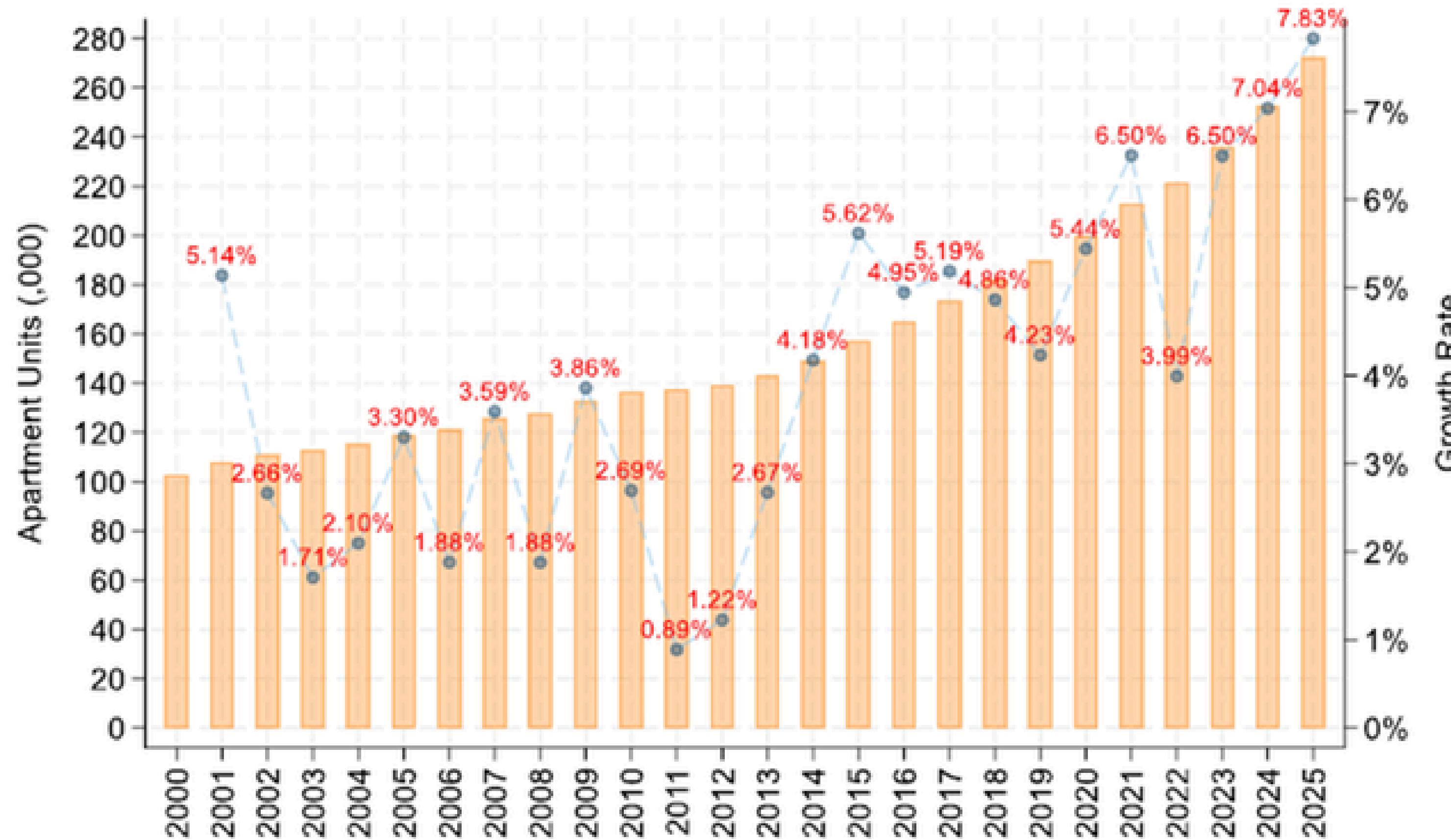
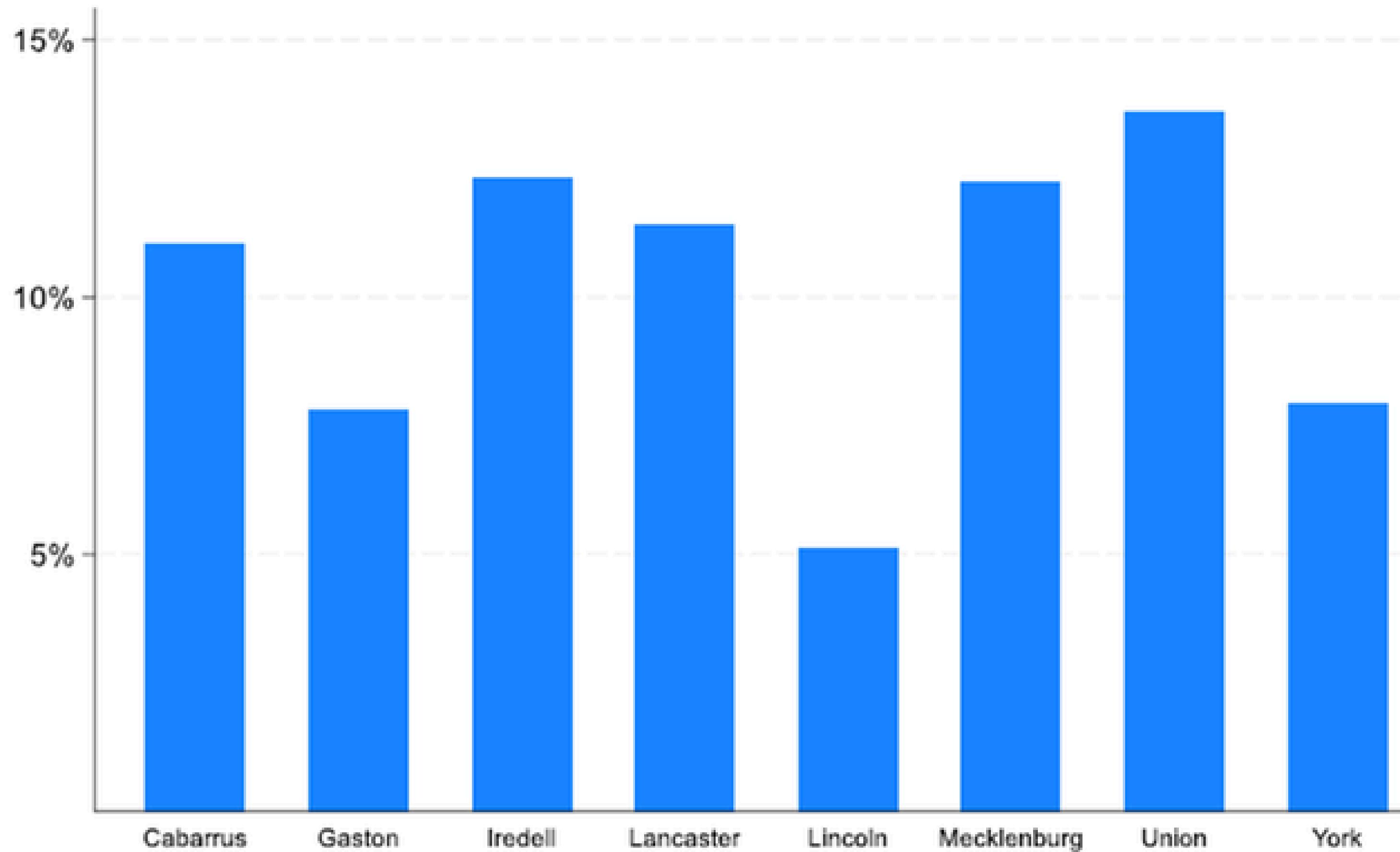
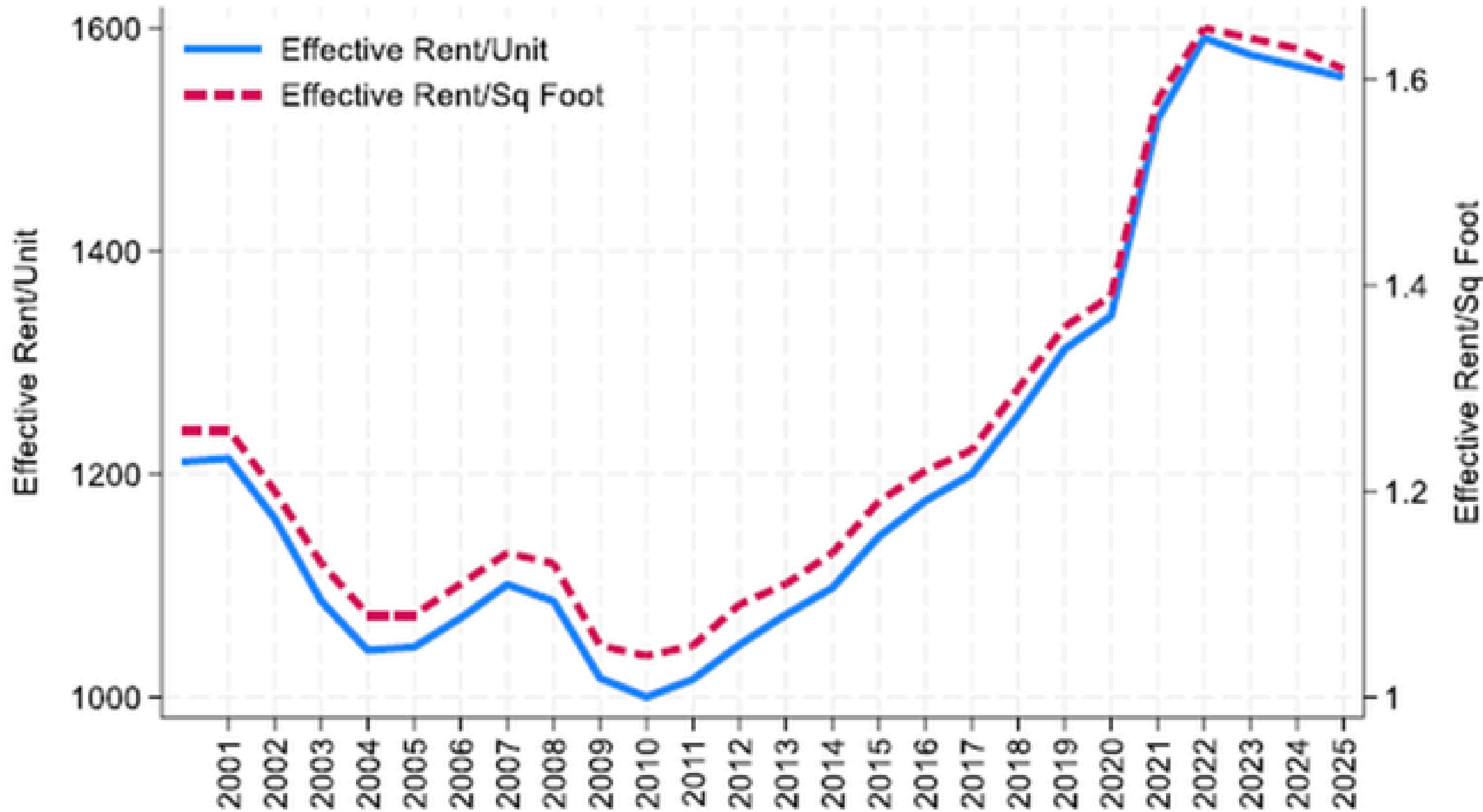


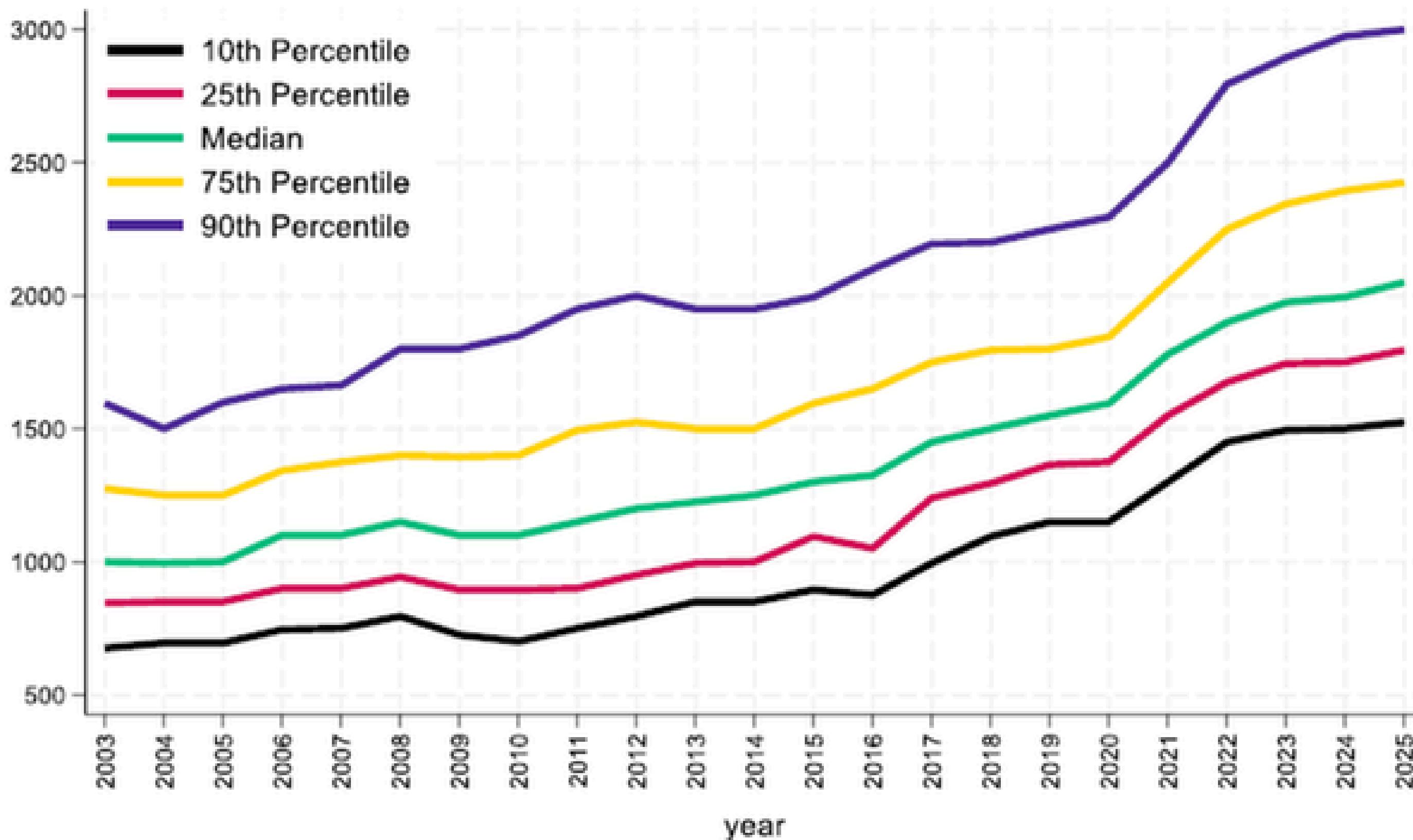
Figure IV.8: Vacancy Rate by County 2025



**Figure IV.5: Charlotte Region Effective Rent for Apartments
2000 to 2025**



**Figure IV.14 Dynamics of the Single-Family Rent Distribution
2003-2025**

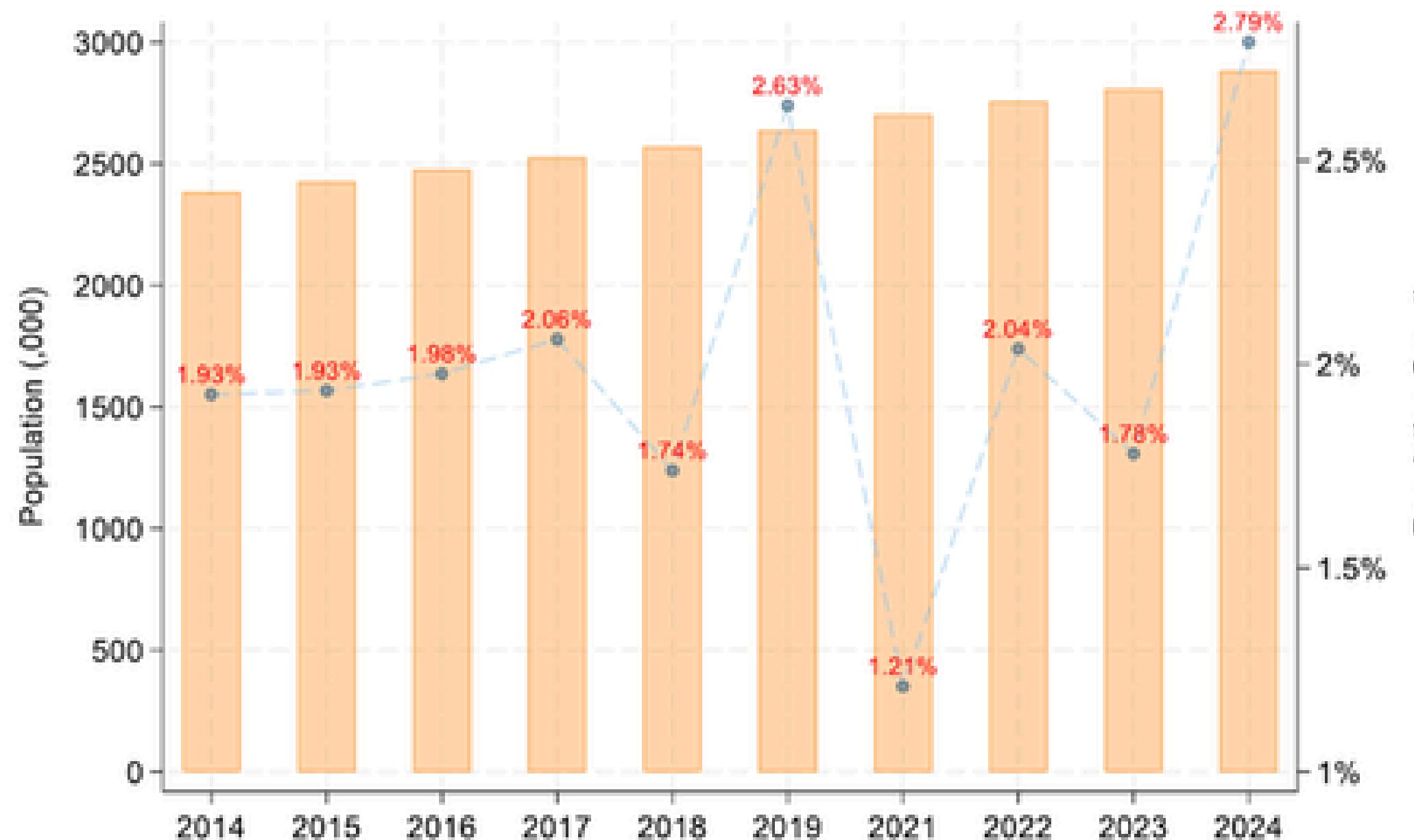


Key Takeaway #7

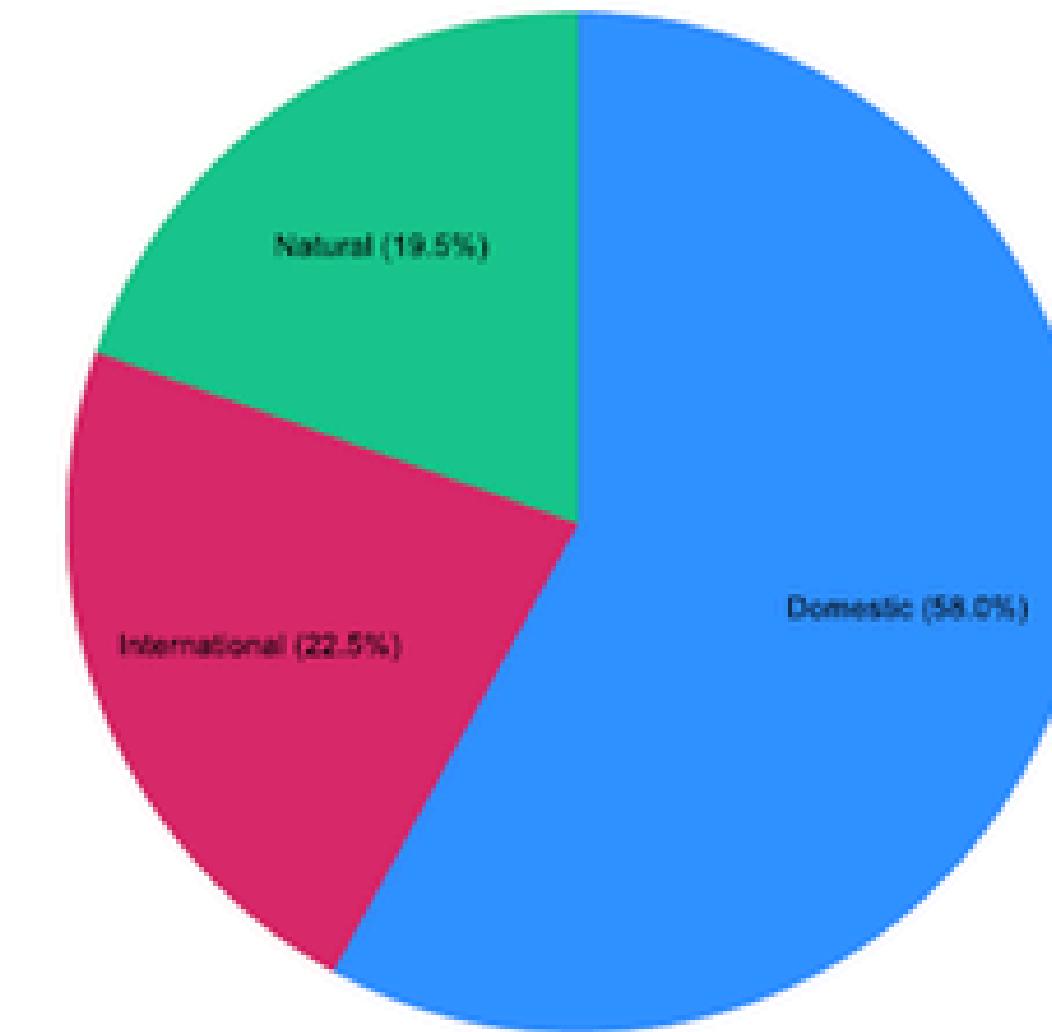
Population & household growth accelerated in 2024

- The Charlotte MSA grew by 78,255 people from 2023 to 2024, achieving a 2.79% growth rate
- **...the highest since 2014**
- The region is adding approximately ____ people per day
- **214**

**Figure II.1: Charlotte MSA Population and Population Growth
2014 to 2024**



**Figure II.2 Charlotte MSA Source of Population Growth
2022 to 2023**

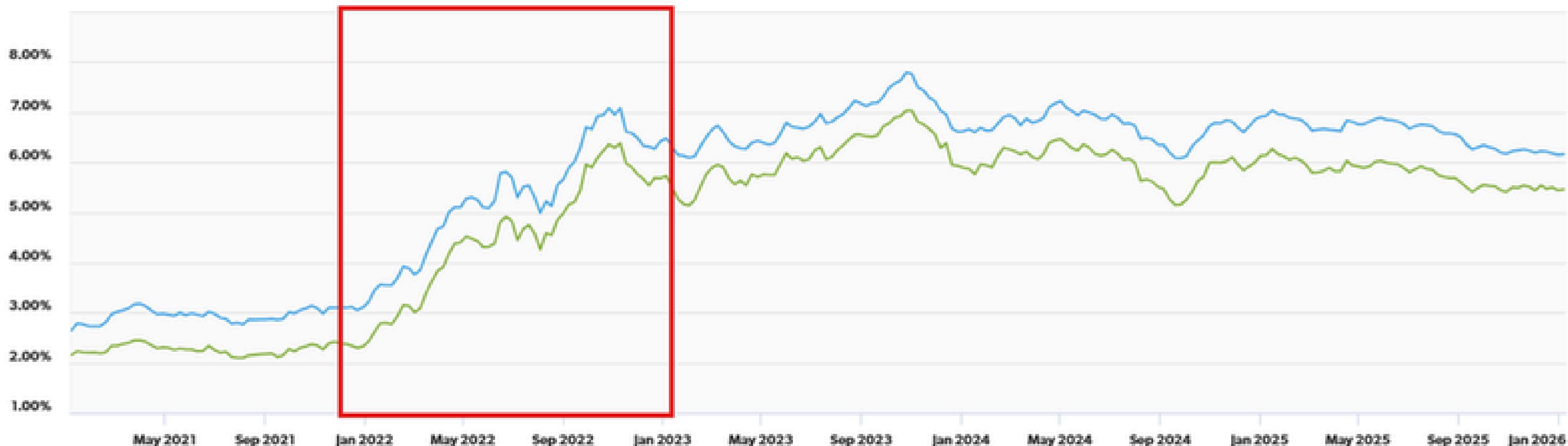


Key Takeaway #8

Future supply challenges loom

- Significant construction slowdown in 2022-2023
- Mortgage rates **more than doubled** vs prior 2 years (\$178 per \$100k, or 42%)
- Likely to cause dramatic decreases in housing deliveries in 2026 and beyond
- Potentially reigniting affordability pressures

Mortgage Rates



Fundamental Conclusions

- House prices have increased very quickly in Charlotte in recent years, making housing in Charlotte increasingly unaffordable.
- While there have been several positive signals suggesting that housing affordability in Charlotte has slightly improved in recent years...
- **We are not optimistic about the future direction.**
- The significant slowdown in construction during the last 2-3, combined with the easing monetary policy, will put significant upward pressure on house prices going forward.
- **Much needs to be done to improve housing affordability- by all stakeholders.**



My opinion...

- Supply ↓
- Construction **not penciling**
 - Land, labor, materials ↑
 - Landowner-developer valuation gaps
 - Multifamily oversupply pauses starts
- Existing homes **not coming to market**
 - Owners locked into low rates
 - Downsizers staying put
- Demand ↑
 - Population growth continues
 - “Rates will fall” = delays buys
 - Expectation reset = **pent-up demand surge**

My forecast...

- Short-run affordability continues to improve...**BUT**
- Long-run supply constraints + delayed demand set the stage for renewed affordability pressure

Housing at All Prices Helps!

- Counterintuitive - but well established in housing economics
- Based on the **Filtering Model of Housing**
- New houses built to HBU primarily for upper income, depreciation builds and owners choose to reno or move
- If they move, houses filter down income levels
- Key implication - Building new, higher-end housing absorbs upper-income demand
- This reduces pressure on older, smaller homes, allowing them to:
 - Avoid teardown or luxury renovation
 - Continue filtering down to lower-income households
- **Bottom line...New housing - even at higher price points - supports affordability by preserving the filtering chain**



Comments & Questions?

(also: research, consulting, & expert witness services)

kipwomack@charlotte.edu

One Last Thing....

Primaries are on March 3rd!

Access REBIC's Voting Guide Here:



Thank You!