

TPMA

Needs, Gaps, and Barriers Report

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Submitted to

Transylvania County, NC
Jaime Laughter, County Manager



Submitted by



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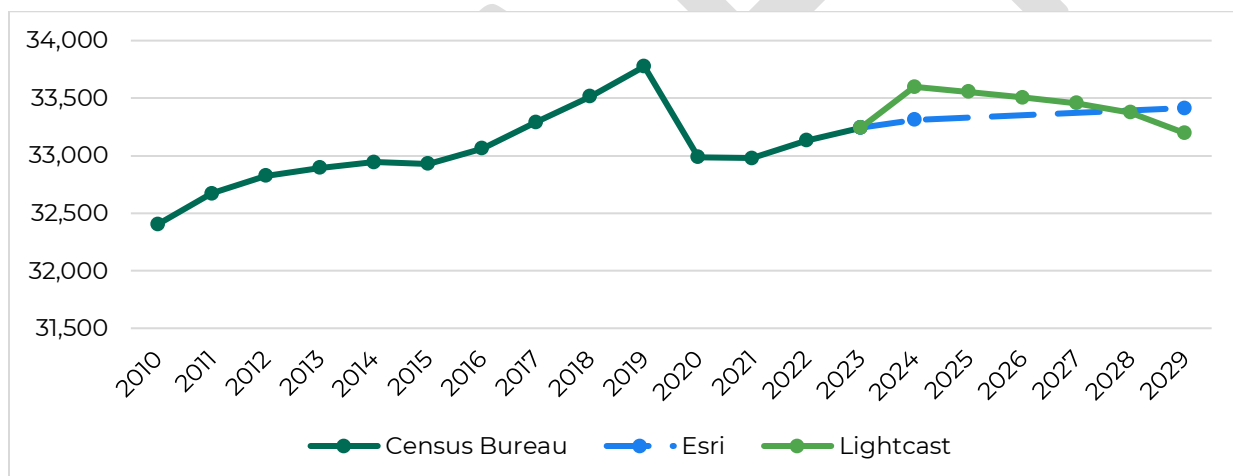
Finding 1:

Transylvania County's housing mix leans heavily toward single-family homes, which limits opportunities for residents seeking more diverse housing options.

Demographic Trends

Over the past ten years, Transylvania County's population has been relatively stagnant, characterized by a modest 1% increase. While long-term growth projections show conflicting perspectives, the more optimistic view shows a continuation of this trend, expecting a 0.3% increase in population between 2024 and 2029.

Figure 1: Population, 2010 – 2029 (projected)¹
Source: American Community Survey 5-Year Estimates, Decennial Census, Esri, Lightcast 2024.4



Modest population growth in recent years can be primarily attributed to the inbound migration experienced in the county. The impact of this migration on the overall population size is being tempered by the natural change in population, however.

Table 1: Components of Population Change, April 1, 2020, to July 1, 2023²
Source: US Census, Annual and Cumulative Estimates of the Components of Resident Population Change

	Births	Deaths	Gain/Loss
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¹ 2010 to 2019, 2021 to 2023 population estimates from the American Community Survey. 2020 population estimates from the Decennial Census.

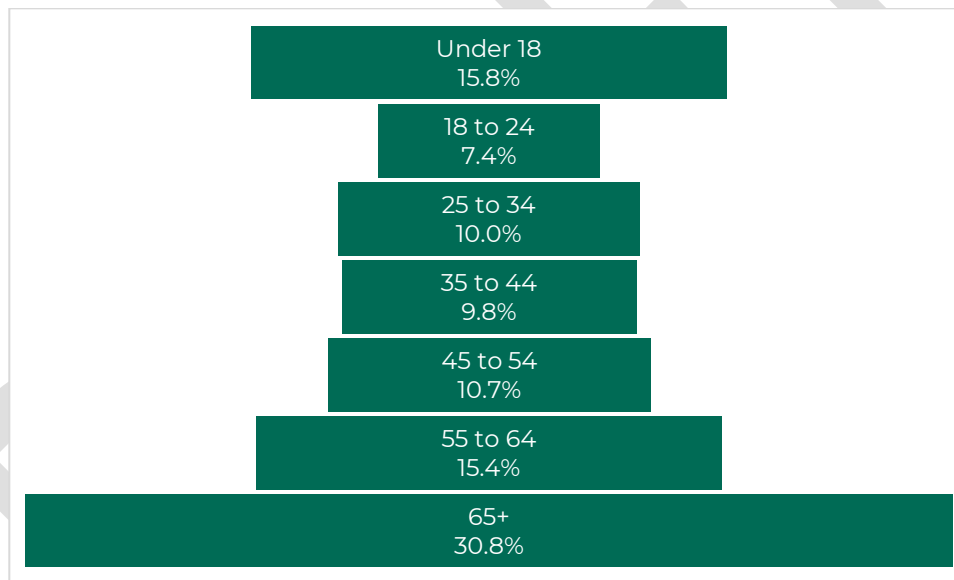
² Total population change includes a residual, a change in population that cannot be attributed to any specific demographic component of population change. Therefore, net migration and natural change will not sum to the total population change.

Natural Change	792	1,600	-808
Net Migration	International	Domestic	Gain/Loss
	88	1,293	1,381
Total Population Change			565

While an aging demographic is the trend nationwide, the percentage of residents over the age of 65 is significantly larger in Transylvania County than state or national averages. In 2023, 30.8% of the County's population was at least 65 years of age (compared to 16.9% in the state and 16.8% across the nation, respectively). This has resulted in an increasing median age, which has increased from 49.7 in 2013 to 51.9 in 2023. Based on the age of the current population, the median age is likely to continue to rise.

Figure 2: Age Distribution, 2023

Source: American Community Survey 5-Year Estimates

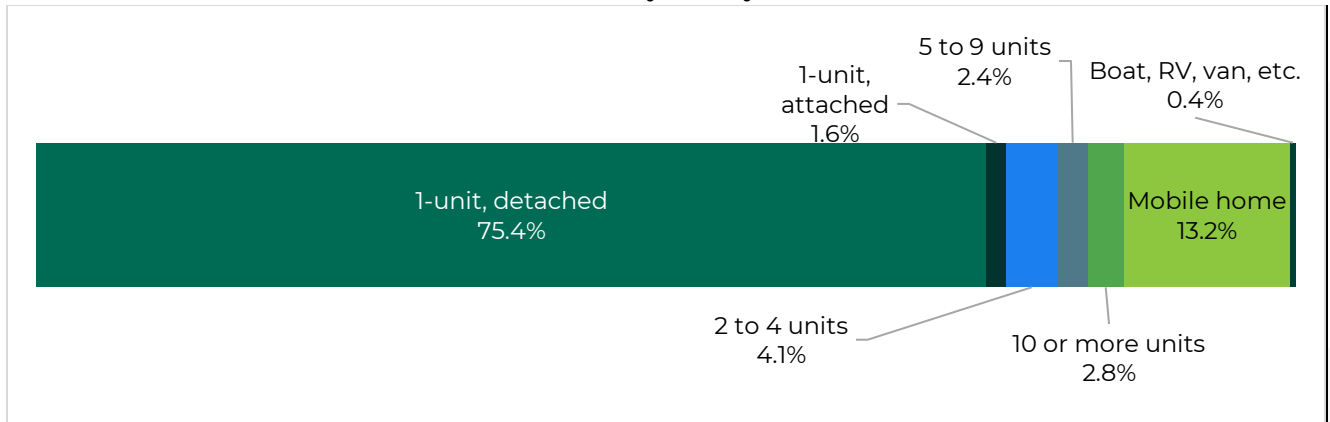


As people and populations age, the demands placed on the local housing market tend to shift as well, creating additional need for accessibility and other aging-in-place accommodations. Some communities will also experience a shortage of downsizing options, independent living facilities, or short- and long-term care centers. The aging of the “baby boomer” generation has, for many communities, exposed the need for a wider variety of housing types than recent development patterns have typically produced.

Development Trends

The local housing stock in Transylvania County is predominantly composed of single-family detached homes, representing 75.4% of all housing units in the county.

Figure 3: Housing Units by Units in Structure³
Source: American Community Survey 5-Year Estimates



Development trends in recent years have reinforced this pattern. Between 2020 and 2023, the number of new single-family homes increased steadily, rising from 117 to 201.

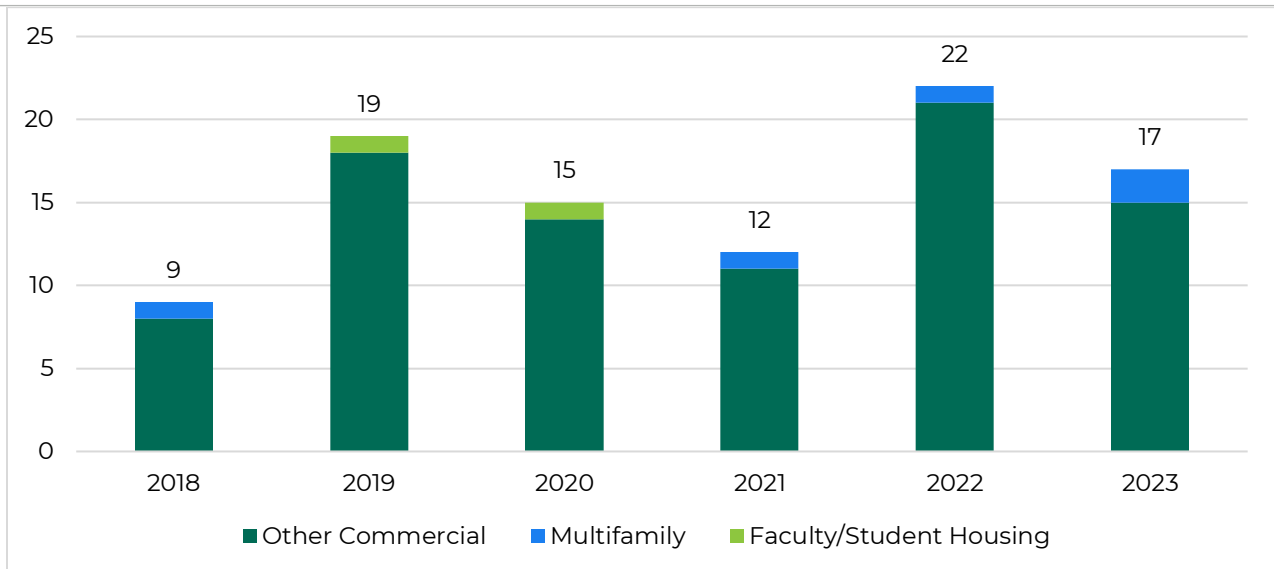
Table 2: Single Family Residential Permits for New Builds, 2020 to 2023
Source: Transylvania County Building Permitting and Enforcement Reports

	Permits	New House Value	Average Per House Value
2020	117	\$45,933,542	\$392,594
2021	177	\$98,878,772	\$558,637
2022	193	\$108,991,347	\$564,722
2023	201	\$118,174,496	\$587,933

While the number of new, single-family homes being developed has been steadily rising, permits for multifamily development have been more intermittent. Of the 94 permits issued for new commercial construction between 2018 and 2023, just five, about 5%, were for multifamily housing development, with two additional permits being for faculty or student housing.

Figure 4: New Commercial Permits for Housing by Issue Date, 2018 to 2023
Source: Transylvania County Building Permitting and Enforcement Permit Finder; permit analysis by TPMA

³ One-unit attached units are units separated from adjacent units with a ground-to-roof wall, have separate heating/air conditioning systems, have individual public utilities, and do not have units above or below. Units with units above or below, without a ground-to-roof wall, or with common facilities (attic, basement, heating, plumbing) are not included in the single-family category. Common housing types in this category include townhouses and row houses.



Looking at the four-year period for which single-family residential permits were analyzed, a total of 693 permits were issued for new housing construction (commercial and residential). Of those, 99% were for single-family residential construction, reinforcing the current housing mix in Transylvania County.

Table 3: Permits for Housing Development by Issue Date

Source: Transylvania County Building Permitting and Enforcement Permit Finder (permit analysis by TPMA), Transylvania County Building Permitting and Enforcement Reports

	Faculty/Student Housing	Multifamily	Single-Family Residential
2020	1		117
2021		1	177
2022		1	193
2023		2	201
Total	1	4	688

A look at permitting counts alone may not paint a fully accurate picture, however, as permits could include remodeling efforts on existing homes or the replacement of existing structures. For example, the single permit designated as faculty/student housing refers to the demolition and replacement of old dormitories. Furthermore, multifamily units might appear as a single permit but include dozens of housing units. Still, when accounting for the number of units developed, even if we attribute a percentage of single-family permits to renovations, the number of single-family homes greatly outweighs the number of other types of units developed over this four-year period.

Table 4: Units/Beds for Issued Permits, 2020 to 2023

Source: Transylvania County Building Permitting and Enforcement Permit Finder (permit analysis by TPMA), Transylvania County Building Permitting and Enforcement Reports

Faculty/Student Housing (beds)	Multifamily Development (units)	Single-family Residential (units)
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57 (7.3%)

36 (4.6%)

688 (88.1%)

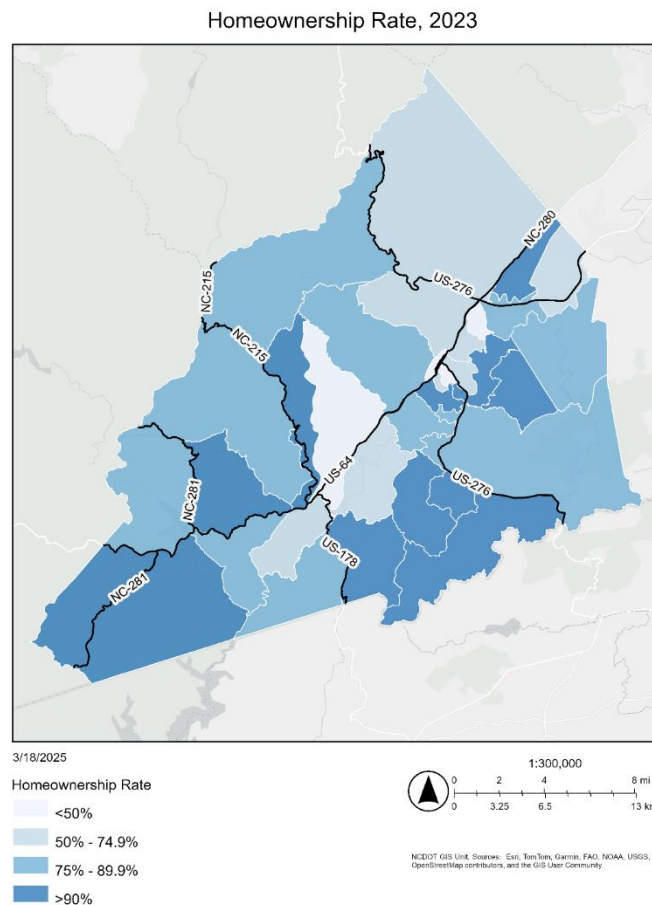
Housing Availability and Rental Market Conditions

In alignment with the predominance of single-family homes, the majority of households in the county are owner-occupied. Homeowners represent 75% of households in the county, a larger percentage than the state as a whole (66.3% owner-occupied).

While homeownership rates vary throughout the county, the lowest homeownership rates (and therefore, the highest percentage of renters) are around Brevard and Rosman. Many block groups throughout the county have homeownership rates exceeding 90%.

Figure 5: Homeownership Rate by Block Group, 2023

Source: American Community Survey 5-Year Estimates; mapping by TPMA



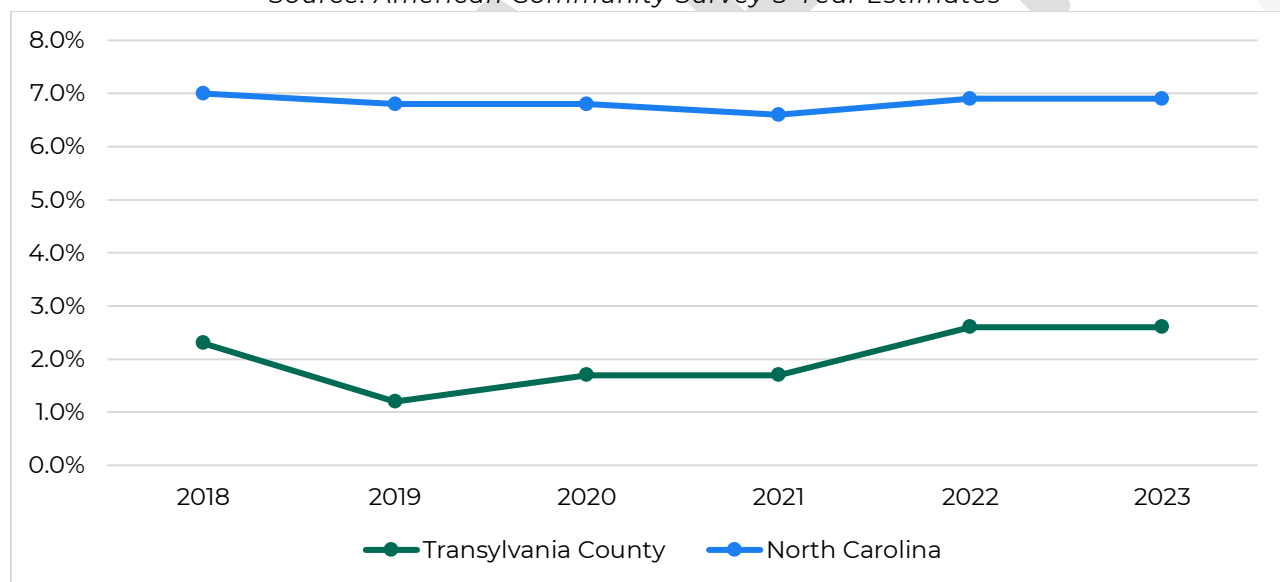
This emphasis on single-family homes and homeownership has influenced rental market conditions. The supply of rental housing in the county is constrained, with

rental units representing just 19.5% of the county's total housing stock (including both occupied and vacant units).⁴ Statewide, rental units account for 32% of the overall housing stock. While this discrepancy might suggest a lower demand for rental housing in Transylvania County than across the entire state, a look at vacancy rates suggest otherwise.

In real estate, the “natural” vacancy rate (the point at which there is balance between supply and demand, leading to price stability) is commonly thought to be 7% to 8%. However, between 2018 and 2023, the rental vacancy rate in Transylvania County consistently remained below 3%, significantly lower than both the natural vacancy rate and the statewide average (6.9%).

A low vacancy rate often indicates an undersupplied rental market, where limited availability drives up competition and prices. In Transylvania County, this could be the result of a housing mix that has limited housing options beyond single-family homes and is likely contributing to increased rent and affordability challenges. Without a broader range of housing choices, renters are left without affordable or suitable choices to meet their needs.

Figure 6: Rental Vacancy Rate, 2018 to 2023
Source: American Community Survey 5-Year Estimates



Further evidence of these pressures can be seen in the incidence of overcrowding. Overcrowding, defined as having more than one person per room in a housing unit, can be an indicator of limited housing affordability and availability. Between 2018 and 2023, overcrowding among owner-occupied households in the County decreased while it remained steady statewide. However, overcrowding within the County's renter-occupied households more-than-tripled in this period, with the

⁴ Calculated as the sum of renter-occupied units, vacant year-round units rented but awaiting occupancy, and vacant year-round units available for rent divided by the total housing stock (both occupied and vacant).

incidence of severe overcrowding jumping from 0.3% of renting households to 4.6%.⁵ Over this same five-year period, the incidence of severe overcrowding across the state of North Carolina remained steady at 1.4%.

Table 5: Overcrowding by Tenure, 2018 to 2023
Source: American Community Survey 5-Year Estimates

	Transylvania County				North Carolina			
	Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied	
	2018	2023	2018	2023	2018	2023	2018	2023
Overcrowded (1.01-1.5 occupants per room)	1.2%	0.9%	1.6%	2.1%	1.0%	1.0%	2.9%	2.6%
Severely Overcrowded (1.51+ occupants per room)	0.6%	0.6%	0.3%	4.6%	0.3%	0.3%	1.4%	1.4%
Total	1.9%	1.5%	1.9%	6.7%	1.3%	1.3%	4.3%	4.1%

The limited rental supply, low vacancy rates, and increasing overcrowding likely indicate a housing supply that does not offer a sufficient number of rental opportunities to meet demand.

Specialized Housing Needs

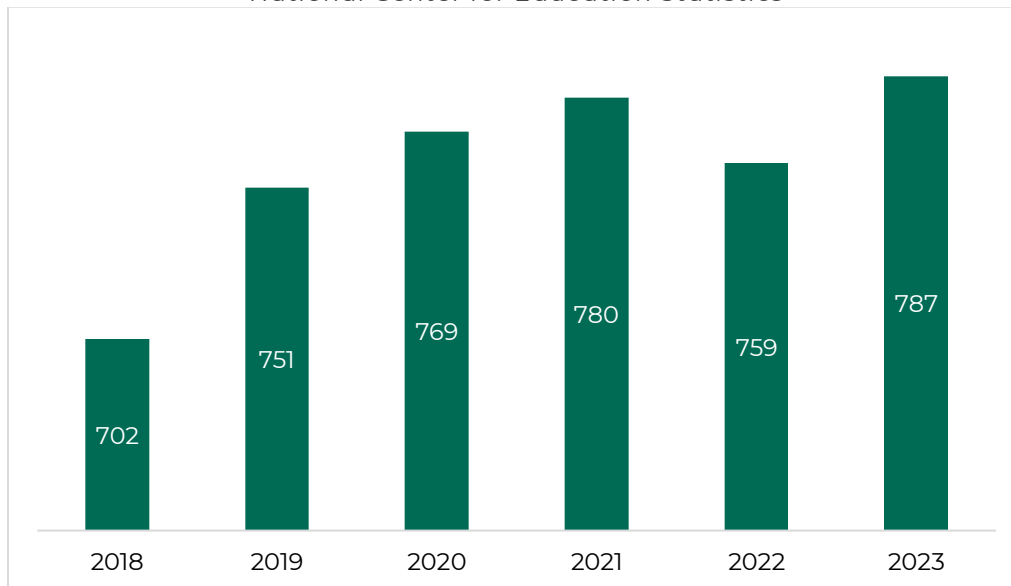
Students

Brevard College's rising enrollment further contributes to housing pressures. Between 2018 and 2023, enrollment grew by 12.1%. The vast majority, 99.0% in 2023, take at least one person class, so an increase in enrollment directly impacts the number of students seeking housing.

Figure 7: Higher Education Enrollment, Brevard College

⁵ More than 1.5 occupants per room.

Source: Integrated Postsecondary Education Data System,
National Center for Education Statistics



Brevard College has four on-campus housing options for students and reports that more than 80% of students live on campus. If 80% of students taking at least some in-person classes live on campus, then, at most, about 155 students would be seeking housing off-campus. If all students have one housemate, then there would be a need for about 78 rental units. While modest, this would account for about 2% of the county's existing rental stock, adding pressure to an already limited rental market. Of course, this does not account for students from the County and neighboring counties who live at home while attending Brevard College.

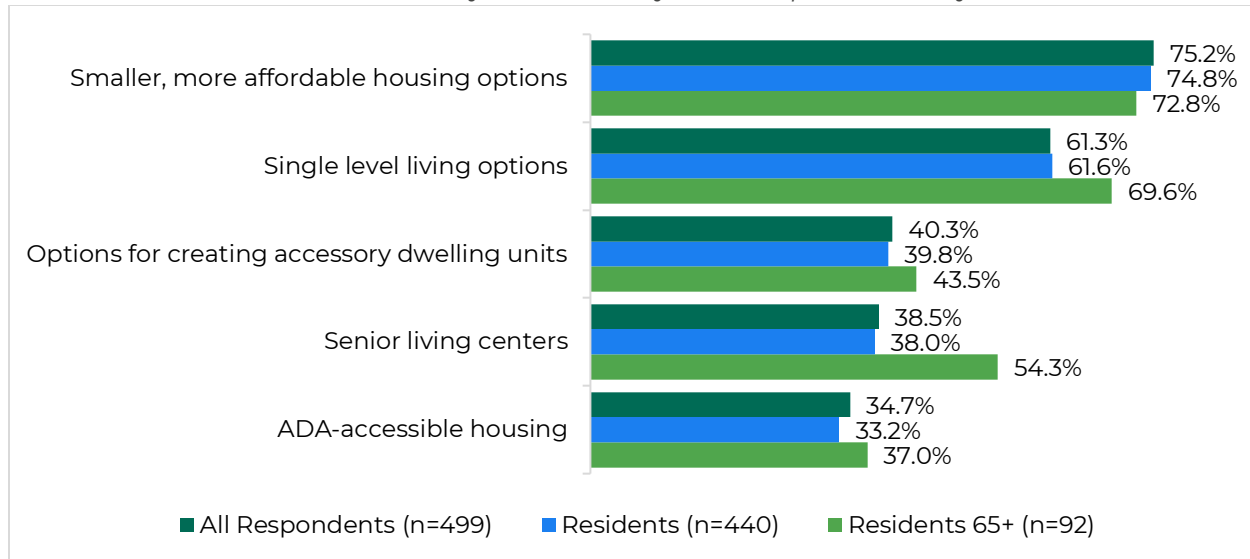
Seniors

As was previously discussed, Transylvania County has an aging population, with individuals 65 years or older comprising 30.8% of the population, a percentage that is likely to continue growing over time. Nearly half (48.4%) of households in the county include at least one member who is aged 65 or older, highlighting the importance of housing that supports aging in place.

Results from the public opinion survey show smaller, more affordable housing options as the most commonly identified housing need, to support seniors, followed by single level living options.

Figure 8: Senior Housing Needs

Source: Transylvania County Public Opinion Survey

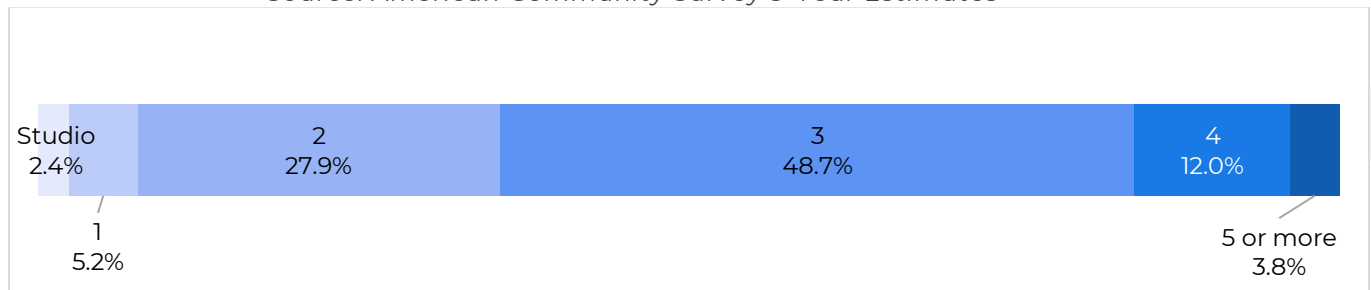


However, the current housing stock may not be aligned with these needs. Data show that just 27.9% of housing units are two bedrooms, while 7.6% are one-bedroom or studio units. This indicates a potential mismatch between the current housing stock and the preferences of older adults, who may be looking to downsize into smaller, more manageable homes. Moreover, many existing homes may not be equipped for aging in place. Only 10.3% of homes in the South Atlantic region are considered “aging-ready.”⁶ While data specific to Transylvania County are not available, this suggests that there is likely a gap in the county in aging-ready homes, a potential area for improvement.

As the senior population grows, the demand for accessible housing, independent living facilities, and long-term care options will increase. With only 167 nursing home beds and 136 residential care beds available, and more than 10,000 seniors in the county, many may have no choice but to seek housing and care services outside the community. Addressing these gaps will require the development of new housing and care facilities and substantial retrofitting of the existing housing stock to allow seniors to age in place and with dignity.

⁶ Aging-ready” homes are defined as those with a step-free entryway, a bedroom and full bathroom on the first floor, and at least one bathroom accessibility feature.

Figure 9: Housing Units by Number of Bedrooms, 2023
Source: American Community Survey 5-Year Estimates

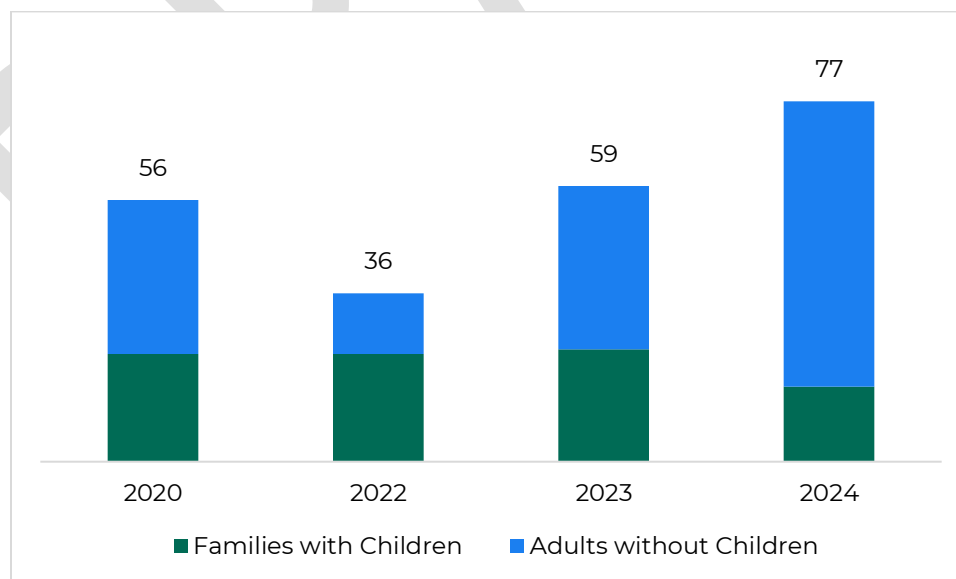


Unhoused Individuals

A lack of affordable housing directly contributes to housing instability. Cost-burdened households are more vulnerable to financial shocks, where a single unexpected expense, or missed shift, can lead to missed rent payments, eviction, and, in some cases, homelessness.

Transylvania County has seen an increase in unhoused individuals since 2021, following the same trend seen in the state. By 2024, the number of unhoused individuals in the county rose above pre-pandemic levels. At the time of this report, data are not available from the 2025 Point-in-Time Count and do not reflect the potential impact of recent events, such as Hurricane Helene, which may have exacerbated housing insecurity and increased the number of individuals experiencing homelessness in the region.

Figure 10: Unhoused Individuals, 2020 to 2024⁷
Source: North Carolina Coalition to End Homelessness Point-in-Time Count Data



⁷ 2021 excluded due to the Covid-19 pandemic.

Future Housing Demand

Looking ahead, the projected demand for new housing suggests the county will need an additional **1,542** residential units over the next ten years.

Table 6: Demand for New Housing Units

Source: Esri, American Community Survey 5-Year Estimates, TPMA calculations

	For-Sale	For-Rent	Total
Potential 10-Year Housing Demand	870	672	1,542
Annualized	87	67	154

This model does not account for demand from seasonal and second-home owners. Between 2018 and 2023, homes vacant for seasonal, recreation, or occasional use represented 18.6% of the housing stock. Assuming that remains constant over the next ten years, the County would require an additional 352 units to be built, bringing the total potential housing demand to 1,894 over the next ten years, or approximately 189 units per year.

Meeting this demand presents an opportunity to diversify the county's housing stock. New development should prioritize a range of housing types, including smaller units, accessible homes, and a mix of rental and ownership options, to better meet the community's evolving needs.

Finding 2:

Housing costs are out of line with resident incomes and lower wage jobs in the county.

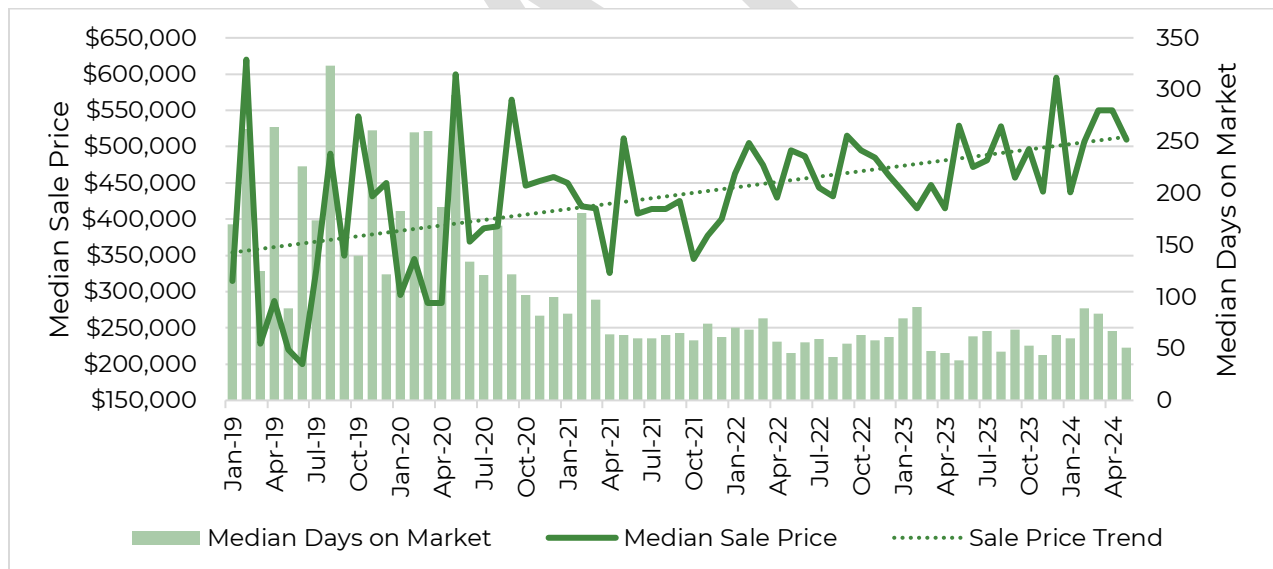
For-Sale Housing

Transylvania County's housing market has become increasingly expensive in recent years. Since 2019, home sale prices have risen steadily, reaching a median of \$544,000 by December 2024. At this price point, even households earning \$100,000 annually would be cost-burdened, highlighting a growing affordability gap for individuals and families looking to buy.

At the same time, homes are selling more quickly, reflecting increased competition in the market. This increased competition further drives up prices, escalating the affordability challenges for residents seeking to become homeowners.

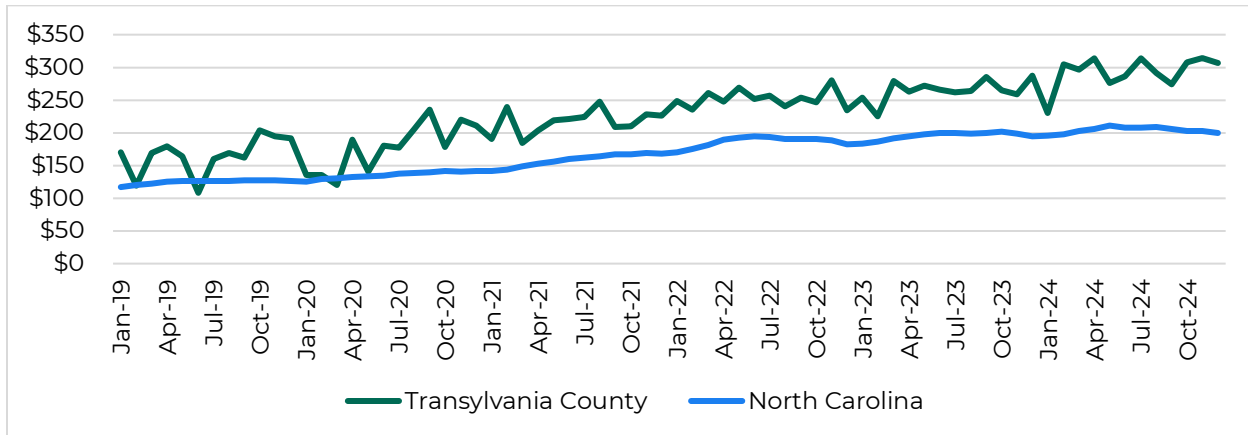
Figure 11: Median Sale Price and Days on Market, January 2019 to December 2024

Source: Redfin Data Center.



The five-year period between 2019 and 2024 saw dramatic increases in demand across the state as North Carolina's population grew faster than almost any other state in the country. This increased demand impacted sale prices, and by the end of 2024, the median price per square foot had risen by 71%. In Transylvania County, these costs rose by an even greater margin, rising nearly 80% over the same period.

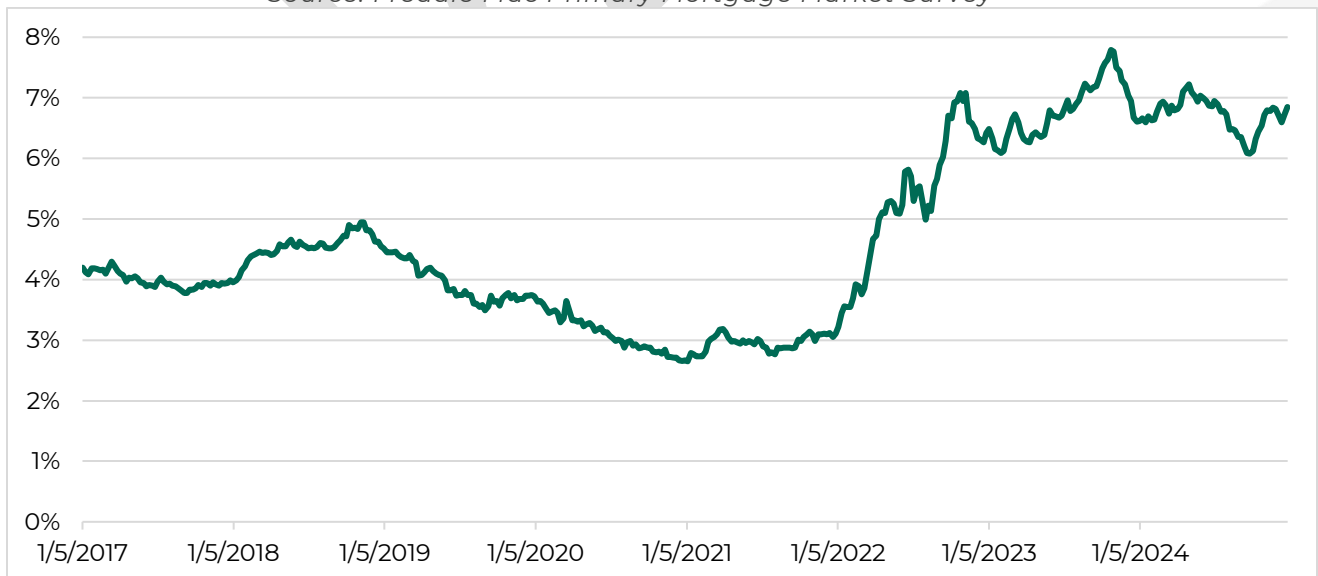
Figure 12: Median Sale Price Per Square Foot, January 2017 to January 2024.
Source: Redfin Data Center



Rising interest rates have also reduced homebuyers' purchasing power by increasing borrowing costs. As interest rates climb, homes become, in effect, more expensive, even if sale prices remain the same. For example, a household earning \$50,000 per year with a \$20,000 down payment could afford a home priced up to \$264,348 with a 3% interest rate on a 30-year mortgage.⁸ However, at a 7% interest rate, that same household's purchasing power would drop to \$184,686, a significant reduction driven solely by higher financing costs.

Figure 13: Average Interest Rate for a 3-Year Fixed Rate Mortgage, January 2017 to December 2024

Source: Freddie Mac Primary Mortgage Market Survey



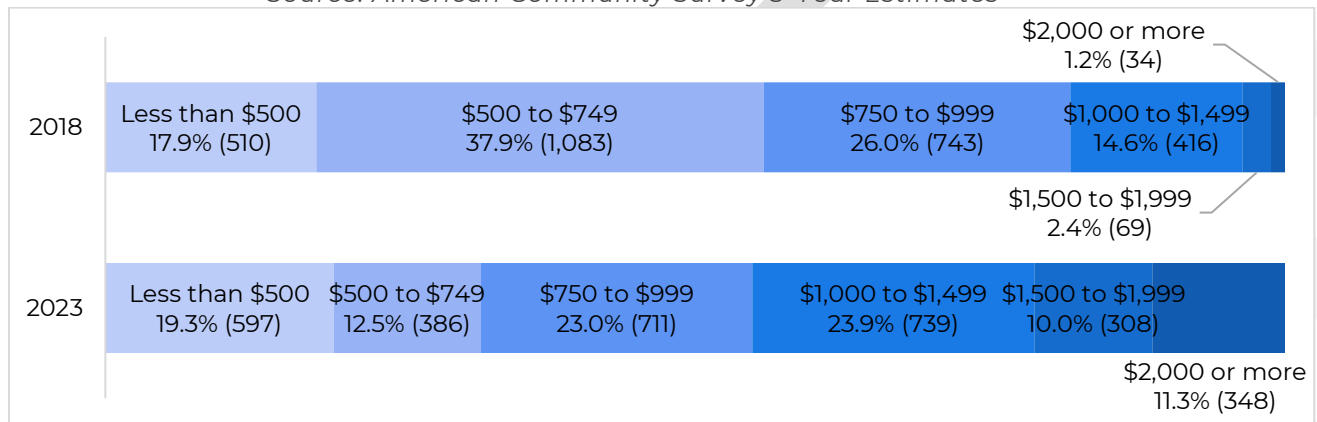
⁸ Includes private mortgage insurance; does not include taxes and insurance. Assumes a maximum monthly housing payment equal to 30% of the monthly income, or \$1,250.

For Rent Housing

As the cost to purchase and own a home has increased, so has the cost of rental housing. In 2018, more than 50% of rentals in the county cost less than \$750 per month, representing 1,593 units. By 2023, that had dropped to 31.8% of rentals, or 983 housing units. Simultaneously, the number of higher-priced units grew substantially. In 2018, just 3.6% of rentals cost \$1,500 or more per month, or 103 units. That number grew more than sixfold between 2018 and 2023, to 656 units, or 21.2% of rental units.

Figure 14: Gross Rent, 2018 and 2023

Source: American Community Survey 5-Year Estimates



Income Trends

Incomes throughout the county have risen substantially over the past five years. During this period, the median income increased from \$46,629 to \$64,523, a 38.4% increase. This outpaced the statewide increase of 33.4%, helping to narrow the income gap between Transylvania County and the state median.

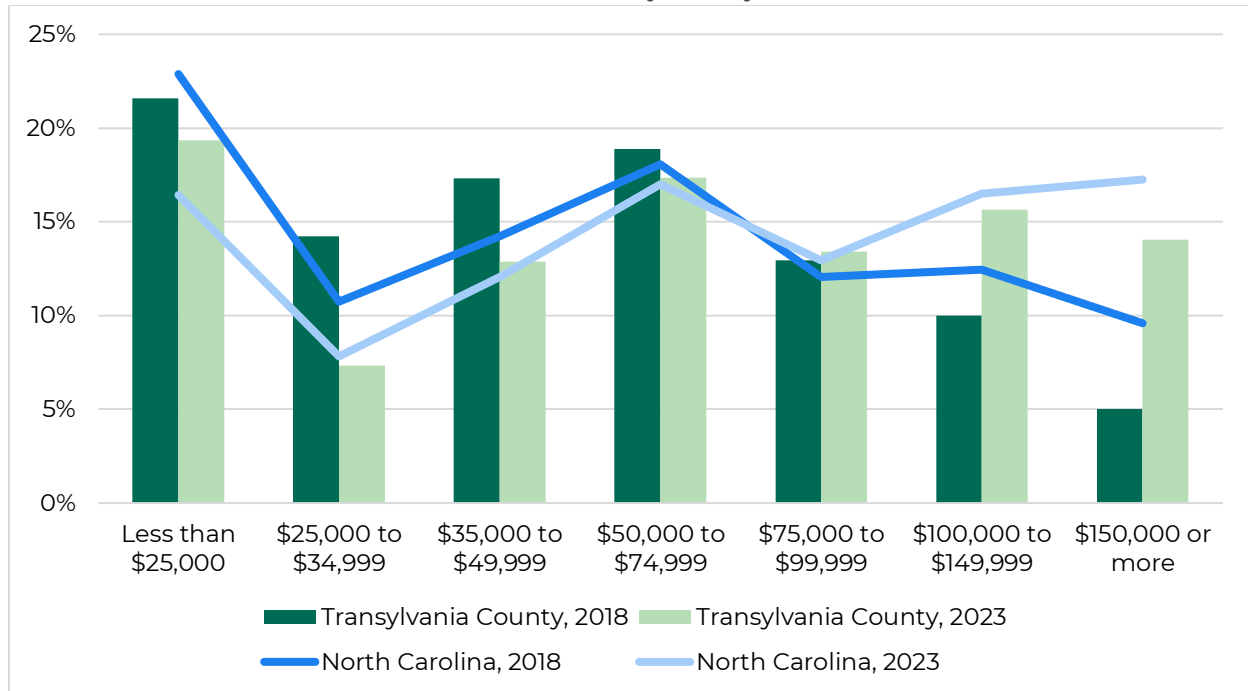
Table 7: Median Household Income, 2018 and 2023

Source: American Community Survey 5-Year Estimates

	2018	2023	% Change
Transylvania County	\$46,629	\$64,523	38.4%
North Carolina	\$52,413	\$69,904	33.4%

In 2018, 53.1% of Transylvania County households had annual incomes less than \$50,000 (compared to 47.8% statewide). By 2023, that number had dropped to 39.5% in the county, and 36.3% in the state as a whole. On the opposite end of the income spectrum, the percentage of households earning \$100,000 or more per year increased by 14.7 percentage points, from 15.0% to 29.7%. While there were meaningful increases, household incomes in Transylvania County continue to lag behind the statewide distribution.

Figure 15: Household Income Distribution, 2018 to 2023
Source: American Community Survey 5-Year Estimates



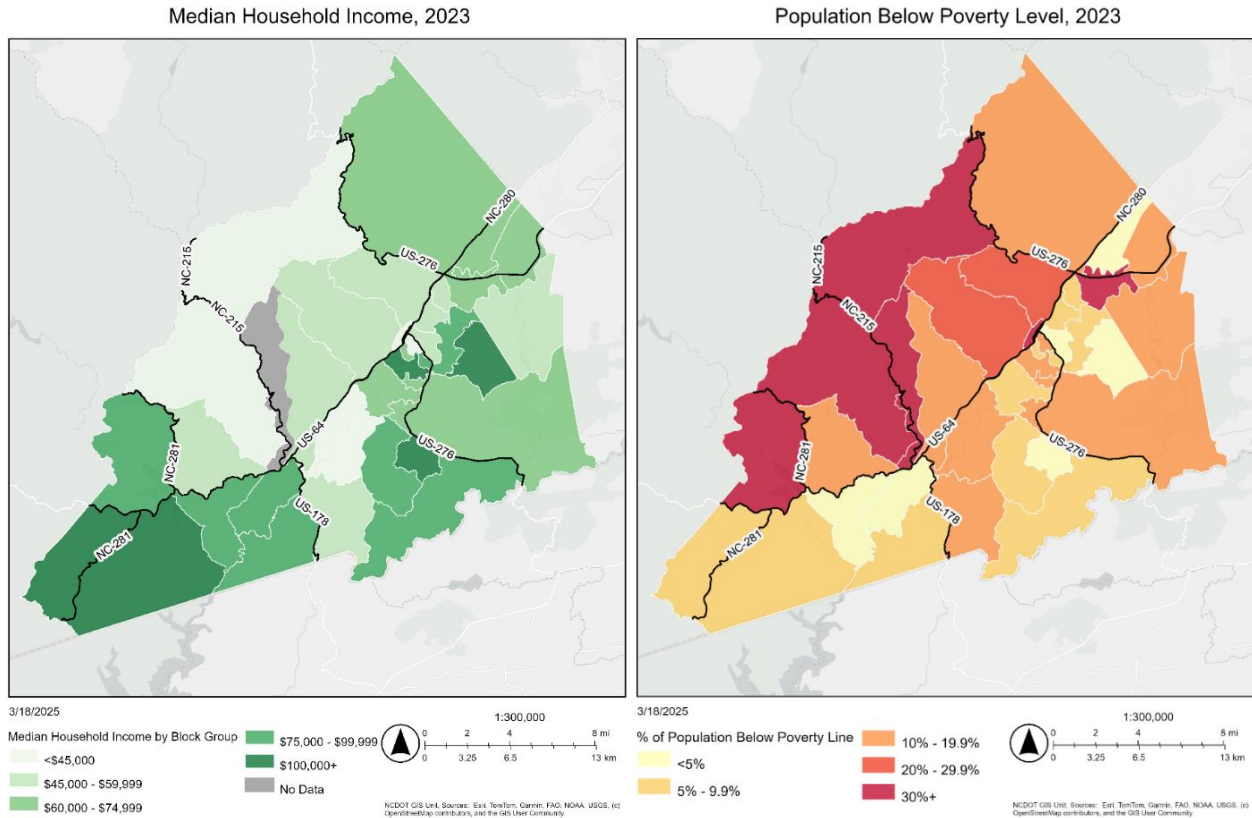
While the county has experienced broad-based income growth in recent years, there is still substantial geographic variation in median household income and poverty levels.

Higher-income, lower-poverty areas are primarily located in the southern and western portion of the county, in subdivisions with amenities, where many of the homes are vacation rentals, second homes, or high-income households. Conversely, lower-income, higher-poverty areas tend to be clustered in the sparsely populated northwestern section of the county, in addition to the areas in and around Brevard and Rosman.

The county is characterized by geographic distribution differences in wealth and poverty; however, there are some areas, such as the north-west area of NC 281 that show higher incomes and higher poverty in the same community.

Figure 16: Median Household Income and Percent of Population Below the Poverty Level by Block Group, 2023

Source: American Community Survey 5-Year Estimates; mapping by



Despite the overall economic growth throughout the county, the income gap between owner- and renter-occupied households has grown in recent years. In 2018, the median household income for owner-occupied households was nearly double that for renter-occupied households. Expanding this gap, between 2018 and 2023, owner-occupied households had a 35.6% increase in median household income, greater than the 21.3% increase in median household income for renter-occupied households. As a result of the faster income growth for owner-occupied households, their median household income in 2023 was 2.2 times larger than that of renter-occupied households.

Higher income households are more likely to own their homes, however, there is not data available to gauge whether the income changes are reflective of households moving from renting to owning along with growing incomes.

Table 8: Change in Median Household Income, 2018 to 2023

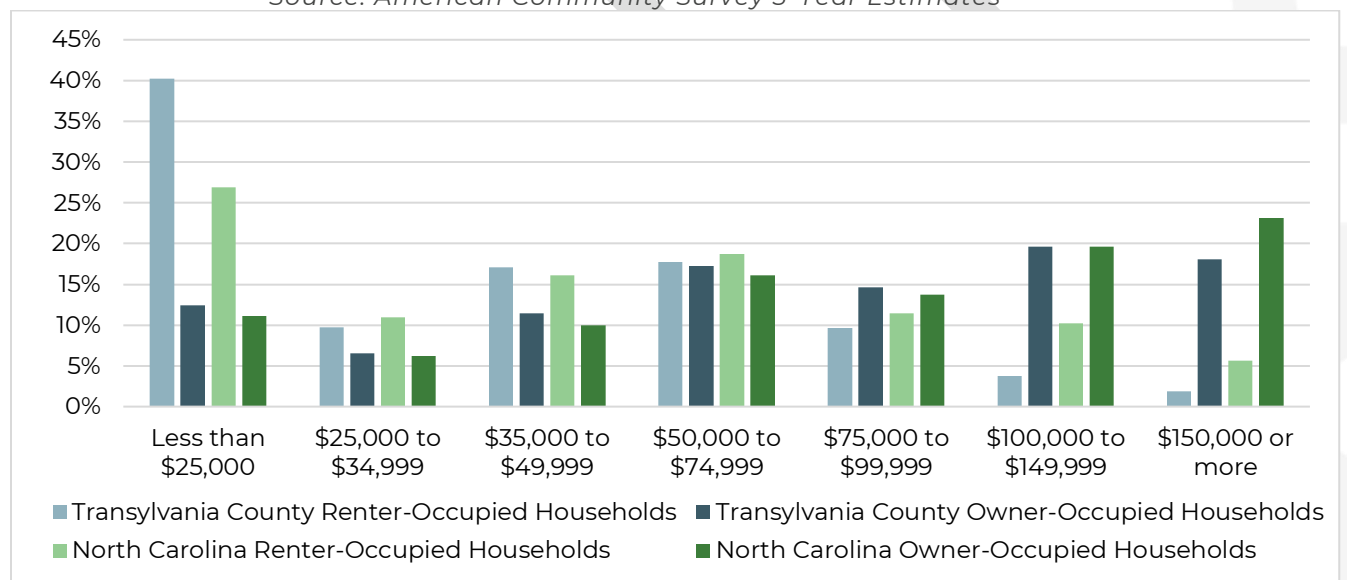
Source: American Community Survey 5-Year Estimates

Transylvania County		North Carolina	
2018	2023	2018	2023

Owner-Occupied Households	\$57,156 (n=10,846)	\$77,486 (n=10,961)	\$65,961 (n= 2,548,705)	\$86,146 (n=2,778,672)
	↑35.6%		↑30.6%	
Renter-Occupied Households	\$28,862 (n=3,277)	\$35,016 (n=3,629)	\$33,968 (n=1,369,892)	\$45,970 (n=1,408,252)
	↑21.3%		↑35.3%	

Despite the income growth, 40% of renter households in Transylvania County earn less than \$25,000 annually, compared to just 12.4% of owner households and 26.9% of renter households statewide. The existing supply of housing that is affordable to residents in these income ranges is minimal, and given the current development landscape, adding new affordable units to meet this demand will be a substantial challenge.

Figure 17: Household Income by Tenure, 2023
Source: American Community Survey 5-Year Estimates



Increases in housing costs in Transylvania County continue to outpace income growth for renter-occupied households. Between 2018 and 2023, the median gross rent increased by 26.3%, while the median household income for renter-occupied households increased by 21.3%. Meanwhile, at the state level, the percentage change in median household income was larger than the change in median monthly housing costs, for both renter and homeowner households.

Table 9: Percent Change in Housing Costs and Income by Tenure, 2018 to 2023

Source: American Community Survey 5-Year Estimates

	Transylvania County		North Carolina	
	Renter Households	Homeowner Households	Renter Households	Homeowner Households
% Change in Median Monthly Housing Costs, 2018-2023⁹	26.3%	21.9%	32.5%	21.0%
% Change in Median Household Income, 2018-2023	21.3%	35.6%	35.3%	30.6%

Cost Burden

These issues are evident in the incidence of cost burden. Households are considered cost-burdened if they spend 30% or more of their monthly income on housing costs. Cost-burdened households may be forced to choose between paying for their housing and other necessities, such as food, healthcare, and transportation.

Despite the higher income levels, owner-occupied households had a slight increase in the incidence of cost burden, rising from 18.1% to 18.8%, or nearly 1 in 5 households. Renter-occupied households saw a decrease in overall cost burden and is below the state percentage of 43.7%. **However, more than 1 in 3 renter households remains cost burdened.**

Table 10: Cost Burden by Tenure, 2018 to 2023

Source: American Community Survey 5-Year Estimates

	Transylvania County		North Carolina	
	2018	2023	2018	2023
All Households	24.4%	23.8%	28.9%	27.2%
Owner-Occupied	18.1%	18.8%	20.7%	18.8%
Renter-Occupied	44.9%	38.8%	44.1%	43.7%

Despite the decrease in the overall incidence of cost burden, severe cost burden increased, driven by impacts on renter households. Households that are severely cost-burdened spend 50% or more of their monthly income on housing costs, leaving very limited resources available for their remaining necessities such as food, transportation costs, childcare, etc.

In 2023, about 1 in 4 renter-occupied households are considered severely cost-burdened, up from 18.4% in 2018 and greater than the statewide rate of 21.0%. These

⁹ Median gross rent for renter households; median monthly housing costs for housing units with a mortgage for homeowner households.

figures indicate that, although overall, rental costs relative to incomes may have improved slightly; however, those still facing affordability challenges, the degree to which they are cost-burden has gotten worse.

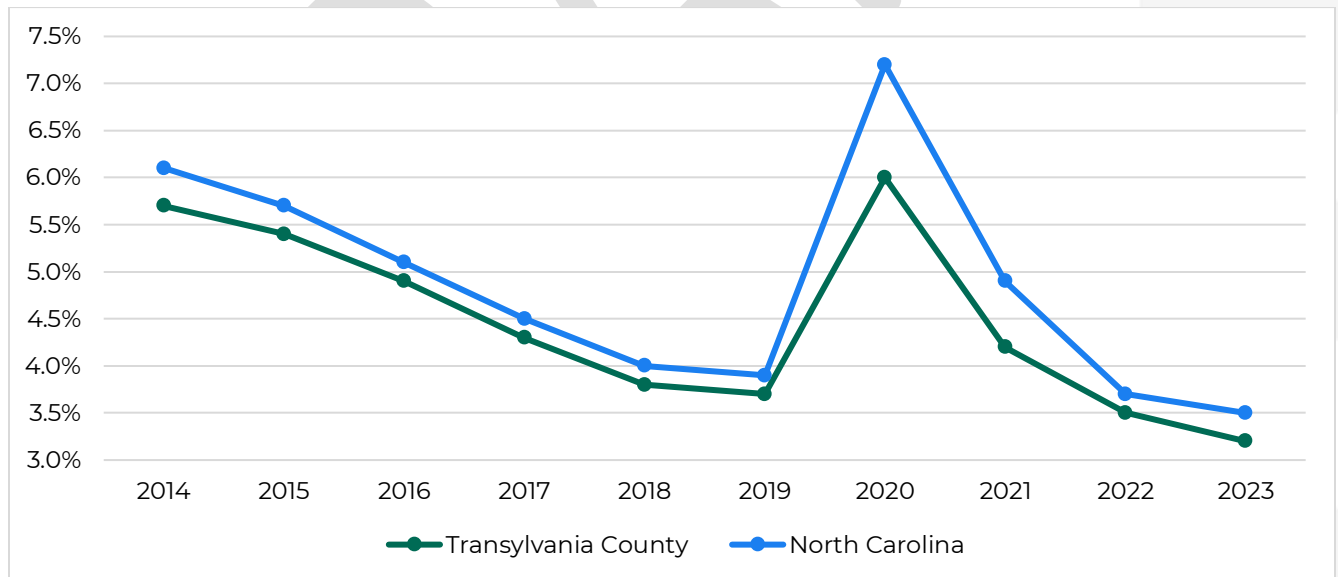
Table 11: Severe Cost Burden by Tenure, 2018 and 2023
Source: American Community Survey 5-Year Estimates

	Transylvania County		North Carolina	
	2018	2023	2018	2023
All Households	10.7%	11.7%	12.8%	12.2%
Owner-Occupied	8.4%	7.1%	8.2%	7.8%
Renter-Occupied	18.4%	25.6%	21.4%	21.0%

Most Common Occupations

Transylvania County experienced steady economic growth between 2018 and 2023, with a 6.4% increase in real gross regional product and a 6.7% rise in employment. In 2022 and 2023, Transylvania County had unemployment rates of 3.5% and 3.2%, respectively, well below the natural rate of unemployment.

Figure 18: Unemployment Rate, 2014 – 2023
Source: US BLS



As the economy grows, so does the demand for workers, as reflected in the low unemployment rate. However, many of the most common occupations in the County are service-related jobs that typically offer relatively low wages. In fact, nine of the ten most common occupations have median wages below the 80% income limit for a one-person household, as set by the US Department of Housing and Urban Development (HUD).

To better understand housing challenges for the local workforce, it is important to define "affordable." Housing affordability is defined as housing costs that are no more than 30% of a household's monthly income. For many of Transylvania County's most common occupations, this housing affordability ceiling equates to a monthly housing budget of less than \$1,000 for a one-income household or \$2,000 for a two-income household. Workers in some occupations, such as cashiers, waiters and waitresses, and housekeepers, can only afford to spend about \$750/month on housing-related costs for each income earner.

**Table 12: Most Common Occupations (5-Digit SOC)
in Transylvania County by Number of Jobs**
Source: Lightcast 2024.4

Occupation	2023 Jobs	Median Annual Earnings	Housing Affordability Ceiling
Cashiers	386	\$29,846	\$746
Retail Salespersons	337	\$32,541	\$814
Waiters and Waitresses	237	\$24,247	\$606
Landscaping and Groundskeeping Workers	222	\$35,411	\$885
Stockers and Order Fillers	209	\$35,435	\$886
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	202	\$31,815	\$795
Cooks, Fast Food	194	\$25,116	\$628
Maids and Housekeeping Cleaners	188	\$29,947	\$749
Cooks, Restaurant	185	\$37,029	\$926
Maintenance and Repair Workers, General	175	\$41,549	\$1,039

Essential Workers

Essential workers are critical to the health, safety, and overall functioning of a community. They include first responders, healthcare workers, educators, and other public service employees whose roles are fundamental to maintaining daily life and emergency response systems.

Earnings data show that the median annual income for nine of the most common essential occupations is below \$45,000, limiting affordable housing costs to \$1,125 or less per month for a single worker or to \$2,250 for a two-income household with both workers earning similar wages. When essential workers cannot find affordable housing locally, it can lead to longer commutes, staffing shortages, and weaker emergency response capabilities.

Table 13: Essential Worker Occupations and Earnings, Transylvania County
Source: Lightcast 2024.4, North Carolina Compensation for Public School Employees

Occupation	Median Annual Earnings	Housing Affordability Ceiling
Emergency Medical Technicians	\$36,088	\$902
Firefighters	\$30,289	\$757
First Year Teachers ¹⁰	\$44,485	\$1,112
Home Health & Personal Care Aides	\$26,410	\$660
Licensed Practical & Licensed Vocational Nurses	\$60,285	\$1,507
Nursing Assistants	\$36,161	\$904
Paramedics	\$41,087	\$1,027
Police & Sheriff's Patrol Officers	\$44,597	\$1,115
Public Safety Telecommunicators	\$36,668	\$917
Registered Nurses	\$79,168	\$1,979
Teacher Assistants ¹¹	\$44,712	\$1,118
Tenth Year Teachers ¹²	\$53,545	\$1,339

Affordable Housing Availability

All of the most common occupations, and many essential workers, have median incomes that support a housing budget below or near \$1,000 per month (the highest being \$1,039). However, affordable rental options at this price point are nearly nonexistent without a second income in the household. Across multiple listing platforms, only one rental unit countywide was listed for less than \$1,000 per month, suggesting that many of the single-income households in these occupations would be competing for a single available unit.

Even when expanding the budget to \$1,499 per month, which would accommodate some additional essential workers occupations, such as first-year and tenth-year teachers, teacher assistants, and police officers, the number of available rental units increases only marginally, to two units across the entire county. The vast majority of on-market rentals are priced at \$1,500 per month or higher, out of reach for the median income for all but two of the most common jobs and essential workers in the county.

¹⁰ No national certification; includes 8.5% local salary supplement.

¹¹ Average of monthly minimum and maximum from the [North Carolina State Salary Schedules, FY 2024-2025](#). Monthly minimum is \$2,600 (\$31,200 per year); monthly maximum is \$4,852 (\$58,224 per year).

¹² No national certification; includes 8.5% local salary supplement.

Table 14: On-Market Rentals by Price¹³
Source: Realty Websites

	Less than \$1,000	\$1,000 to \$1,499	\$1,500 to \$1,999	\$2,000 to \$2,499	\$2,500 or more	Total
Zillow	0	2	15	3	9	29
Apartments.com	1	1	6	1	3	12
Realtor.com	0	1	6	1	2	10
Redfin	0	1	5	1	4	11
Trulia	0	2	15	3	9	29

If workers instead explore homeownership options, they will, again, find that affordable units remain scarce. Assuming a \$15,000 down payment and monthly housing costs of \$1,000 per month, a buyer would find less than five homes on the market within their affordability range.¹⁴ Even registered nurses, the highest-paid of the essential workers and most common jobs, would find that less than 5% of the available for-sale housing falls within their affordability threshold.¹⁵

Table 15: Homes for Sale by Price¹⁶
Source: Realty Websites

	Under \$150,000	\$150,000 - \$214,999	\$215,000 - \$274,999	\$275,000 - \$339,999	\$340,000+
Approx. monthly costs	~\$1,000	~\$1,000-\$1,499	~\$1,500-\$1,999	~\$2,000 - \$2,499	\$2,500+
Zillow	3	3	5	13	239
Realtor.com	2	3	5	13	258
Redfin	2	3	5	12	239

This mismatch between housing costs and wages is evident in the existing affordable housing deficit. An analysis of data from the HUD Comprehensive Affordability Strategy (CHAS) reveals an existing shortfall of more than 3,000 units for households with incomes at or below 80% of the HUD area median family income (HAMFI). This deficit is likely underestimated, given the ongoing increase in housing costs, interest rates, and limited new housing development.

Without targeted efforts to increase the supply of affordable housing, Transylvania County's essential workers, those in the most common occupations, and the

¹³ As of May 19th, 2025

¹⁴ Assuming a one-person household.

¹⁵ Assumes a one-person household.

¹⁶ Listing counts as of May 20, 2025. Includes mobile homes. Excludes pending/contingent homes.

workforce at large will continue to face mounting challenges in finding housing within their financial means.

Table 16: Existing Affordable Housing Deficit, 2021¹⁷

Source: HUD CHAS

	Supply (Units)	Demand (Households)	Surplus/Deficit
Less than or equal to 50% of HAMFI	1,354	2,530	-1,176
Greater than 50% but less than or equal to 80% of HAMFI	525	2,420	-1,895
Total <=80% HAMFI	1,879	4,950	-3,071

¹⁷ 2021 is most recent year available.

Finding 3:

Transylvania County's popularity as a tourist destination is limiting access to its existing housing supply.

Tourism Industry

Tourism accounts for a significant portion of Transylvania County's economic activity, which is consistent with the region. Nearly 12% of all businesses and 17% of total employment in the County are tied to tourism-related industries.

Table 17: Tourism-Related Businesses and Employment, 2023¹⁸
Source: US Bureau of Labor Statistics

	Number of Establishments	% of Establishments	Number of Employees	% of Employment
Transylvania County	149	11.8%	1,669	17.3%
Buncombe County	1,285	9.9%	22,208	16.1%
North Carolina	31,718	8.5%	536,321	11.1%

A primary concern for tourism-heavy economies is the imbalance between wages paid in these industries and the high housing costs that are common in these popular destinations. Leisure and hospitality (L&H) industries, for example, tend to have some of the lower-earning jobs in an economy. This trend holds true for Transylvania County where eight of the top ten L&H industries by employment show average annual earnings below \$45,000, which is roughly 25% lower than the average earnings per job across all industries in the county (\$54,769).

Table 18: Top Leisure and Hospitality Industries, Employment and Earnings, 2023
Source: Lightcast 2024.4

NAICS	Description	2023 Jobs	Avg. Earnings Per Job
722511	Full-Service Restaurants	493	\$32,345
722513	Limited-Service Restaurants	301	\$23,977
721214	Recreational and Vacation Camps (except Campgrounds)	264	\$38,652
721110	Hotels (except Casino Hotels) and Motels	141	\$40,699
713910	Golf Courses and Country Clubs	111	\$85,808

¹⁸ "Tourism-related" industries are defined as those that fall into the North American Industry Classification System (NAICS) sectors 71 (Arts, Entertainment, and Recreation) and 72 (Accommodation and Food Services).

722515	Snack and Nonalcoholic Beverage Bars	79	\$24,762
713940	Fitness and Recreational Sports Centers	72	\$22,927
721211	RV (Recreational Vehicle) Parks and Campgrounds	52	\$46,842
711510	Independent Artists, Writers, and Performers	51	\$36,883
713990	All Other Amusement and Recreation Industries	49	\$33,613

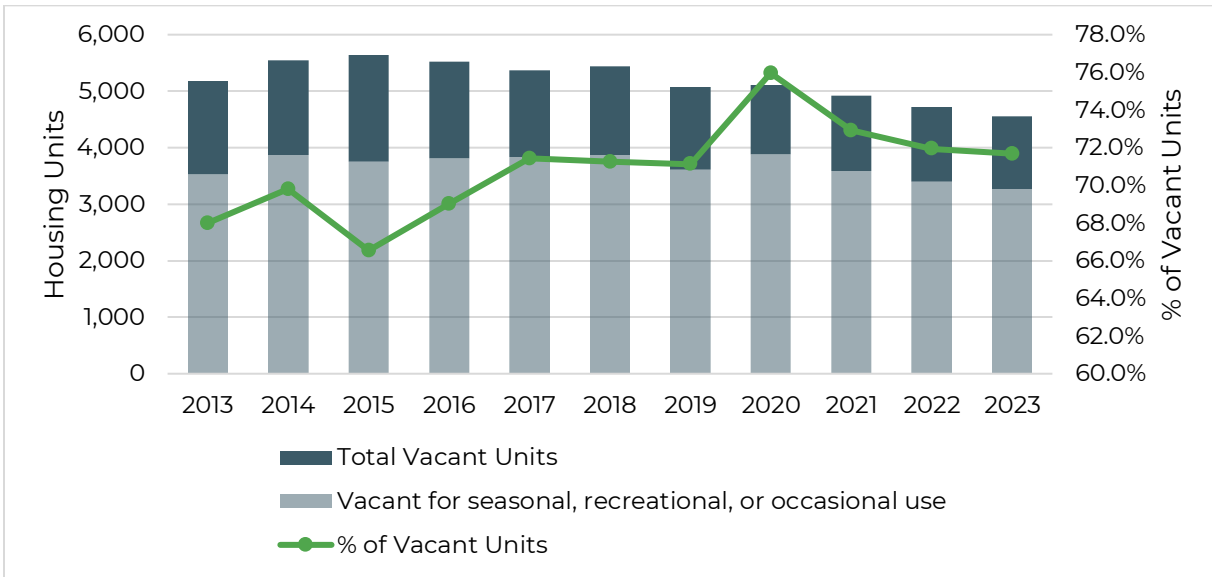
As the previous section indicated, these wages do not align with the cost of housing throughout the county. While housing types and development trends are partially responsible for this imbalance, several other factors are influencing the affordability and availability of housing.

Seasonal Housing and STRs

One of the contributing factors to the shortage of housing options can be tied to the region's popularity as a tourist destination. Transylvania County is also experiencing another issue common in tourism-heavy markets: the prevalence of seasonal housing, which can have a significant impact on the utilization of a local housing supply.

Seasonal housing, comprised mostly of second homes and short-term rentals (STRs), makes up a significant portion of the existing housing supply throughout the county. In 2023, Transylvania County had approximately 19,147 housing units, of which 4,557 (about 25%) were categorized as "vacant." Nearly 72% of these "vacant" homes were identified as being used for seasonal, recreational, or occasional purposes, commonly referred to as "seasonal units," accounting for over 17% of all housing units in the county.

Figure 19: Seasonal Vacant Housing Units, 2013 to 2023¹⁹
Source: American Community Survey 5-Year Estimates



These percentages put Transylvania County roughly in line with the affluent and heavily-tourism dependent areas in southern Jackson and Macon Counties, in which the seasonal housing comprises over half of all local housing and about a quarter of the entire counties' housing stock. While Transylvania County's overall population is more on par with Jackson and Macon Counties, its seasonally vacant unit count is more in line with Henderson County, which has a population that is roughly 3.5 times Transylvania's population.

Table 19: Comparison of Seasonal Vacant Housing Units, 2023
Source: American Community Survey 5-Year Estimates

	Units vacant for seasonal, recreational, or occasional use	% of Vacant Housing Stock	% of Total Housing Stock
Transylvania	3,266	71.7%	17.1%
Buncombe	5,705	19.3%	4.3%
Haywood	4,991	58.5%	14.1%
Henderson	3,364	48.6%	5.9%
Jackson	6,779	73.5%	24.8%
Macon	7,149	79.6%	26.4%

Seasonal housing and STRs do play an important role in the local economy and generate revenue through the occupancy tax that STR owners pay. **However, state law requires that occupancy tax revenues be governed by separate tourism boards**

¹⁹ Seasonal vacant housing units defined as those classified as being vacant for "seasonal, recreational or occasional use" by the US Census Bureau.

and not by local government. It further requires that 2/3 of the revenues from this tax (approximately \$1.3 million annually) be used for marketing activities. The remaining funds are required to be used for other tourism-related activities, which Transylvania Tourism Authority dedicates to support staffing and grants in the community for tourism related programs and facilities.²⁰

STRs can also contribute to the local economy by adding to the supply of lodging options for tourists, especially in areas where not many hotels or other traditional lodging accommodations exist. Communities in popular tourist destinations often face a difficult balancing act between embracing STRs for their potential economic benefits while also trying to limit the potentially negative impacts they can have local housing markets and costs that result from them occupying a portion of the available housing supply.

Nearly eight percent of Transylvania County's housing stock is being utilized as STRs, which ranks first among neighboring counties; and despite having the fewest number of total housings units, Transylvania County has a higher overall number of STRs than Henderson and Jackson Counties.

Table 20: STR Prevalence in Transylvania County and Comparison Counties

Source: AirDNA, provided by the Transylvania County Tourism Development Authority and American Community Survey 5-Year Estimates

County	STR Units	Total Housing Units	% of Total Housing Units
Transylvania	1,483	19,072	7.8%
Buncombe	5,627	130,081	4.3%
Haywood	2,010	35,051	5.7%
Henderson	1,399	56,744	2.5%
Jackson	1,412	26,967	5.2%
Macon	1,502	26,929	5.6%

During interviews and focus groups, stakeholders indicated frustration with the prevalence of STRs and the impact they are having on housing availability and on housing costs. In communities with limited opportunities to build new housing (see Finding 5), the prevalence of STRs is likely restricting supply to the point of driving up the cost of both the for-sale and for-rent markets.

Regulating STRs has been a heavily debated issue for many tourism-based communities across the country. However, North Carolina state law significantly limits the ability of local governments to restrict short-term rental use. For example, state courts have ruled that requiring the registration of STRs (an important step in

²⁰ Two-thirds of the revenue generated by the occupancy tax must be spent "to promote travel and tourism," and the other third must be spent "for tourism-related expenditures", per North Carolina state statutes [G.S. 153A-155](#). Currently, the maximum tax rate in Transylvania County is 6%.

maintaining a balance of STRs in the market) violates a state statute prohibiting rental registrations.

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Finding 4:

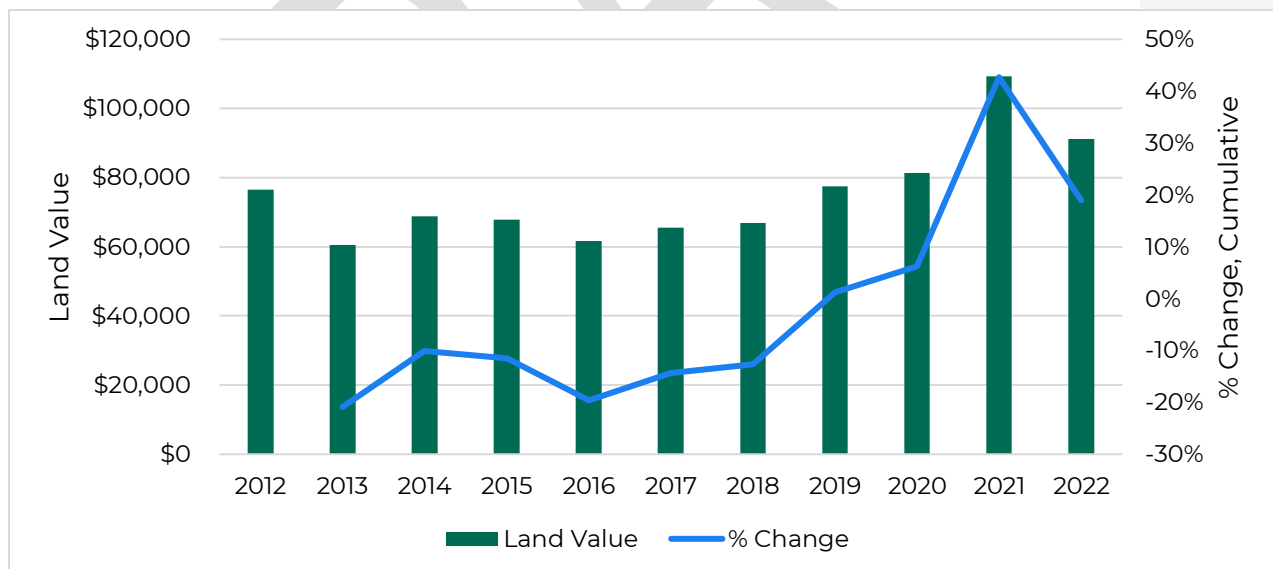
There are a number of practical barriers limiting the county's opportunities to increase, diversify, and improve affordability in the county's housing supply.

Development and Construction Costs

Transylvania County's ability to expand its housing supply is constrained by a combination of rising development costs, limited infrastructure, and physical topography. Since 2020, the overall costs associated with construction inputs, labor, and land have increased. While prices fluctuated prior to the pandemic, recent years have seen significant growth across all three of these primary components of development, contributing to rising housing prices. These increased costs have made it extremely difficult to develop new housing, especially for low- and moderate-income households.

Figure 20: Estimated Average Price of Land Per Acre, As-Is, Single-Family Homes in Transylvania County, 2012 to 2022

Source: Federal Housing Finance Agency Experimental Dataset for the Price of Residential Land²¹



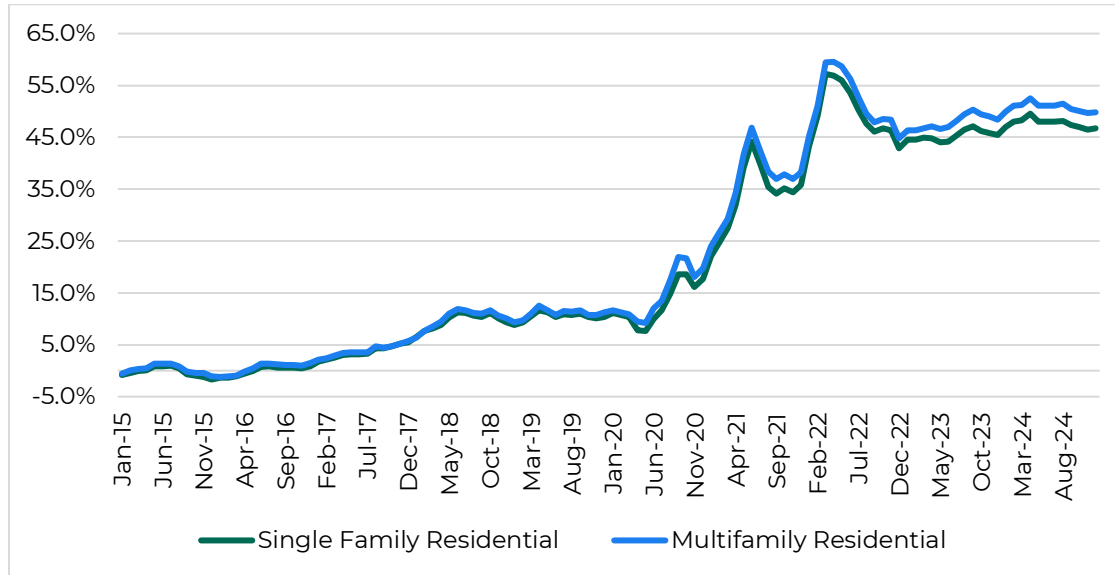
Prior to the Covid-19 pandemic, inputs for construction rose slowly, with the cumulative percent change in prices from January 2015 to January 2020 being 11.7%,

²¹ <https://www.fhfa.gov/research/papers/wp1901>

or about 2.3% per year. Labor and supply chain disruptions, coupled with increased demand, resulted in price surges. Prices peaked in Quarter 2 of 2022 and have since cooled slightly. However, the prices of construction inputs remain significantly elevated, resulting in higher development costs.

Figure 21: Cumulative change in the price of inputs to new single-family and multifamily construction, excluding capital investment, labor, and imports

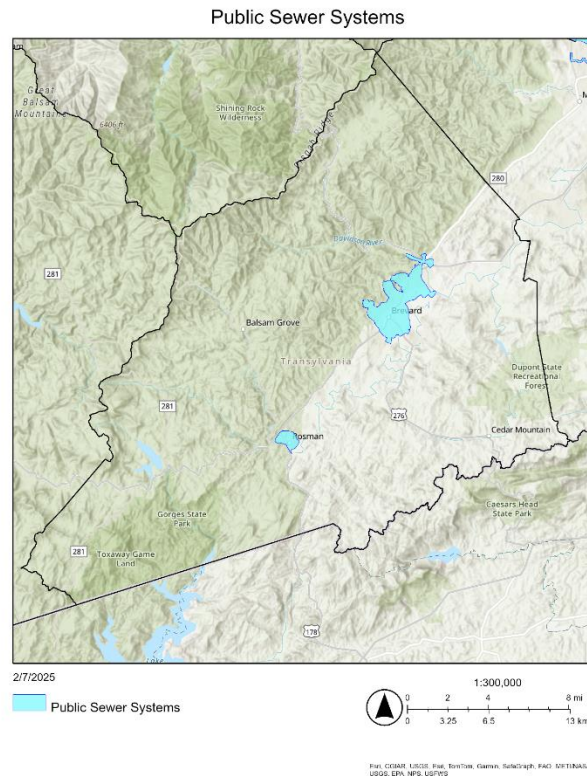
Source: US BLS Series WPUIP231110, WPUIP231120



In addition to substantial increases in land and construction costs in recent years, concerns surrounding access to public infrastructure are also being raised by local stakeholders. The lack of adequate water and sewer infrastructure to support new housing has been cited as a barrier to developing additional housing in the county. **The existence of this type of infrastructure is a critical factor in the ability to produce housing at a greater density, which itself is necessary to bring down the per unit development costs and potentially improve affordability.**

However, a number of recent efforts have sought to help mitigate these obstacles, including the Town of Rosman's Future Water Expansion Project and the US-64 Water and Sewer Project, which expanded infrastructure between Rosman and Brevard to support local economic development. Additional efforts include an infrastructure project to extend water to a major employer, Pisgah Labs, and future plans to further connect water systems between Brevard and Rosman and extend water and sewer to Gallimore Road. Transylvania County is also currently undertaking a watershed study that could secure additional high quality water capacity for the County and support future intake locations for the water systems.

Source: Type A Current Public Sewer Systems, North Carolina Center for Geographic Information and Analysis, NC OneMap; mapping by TPMA



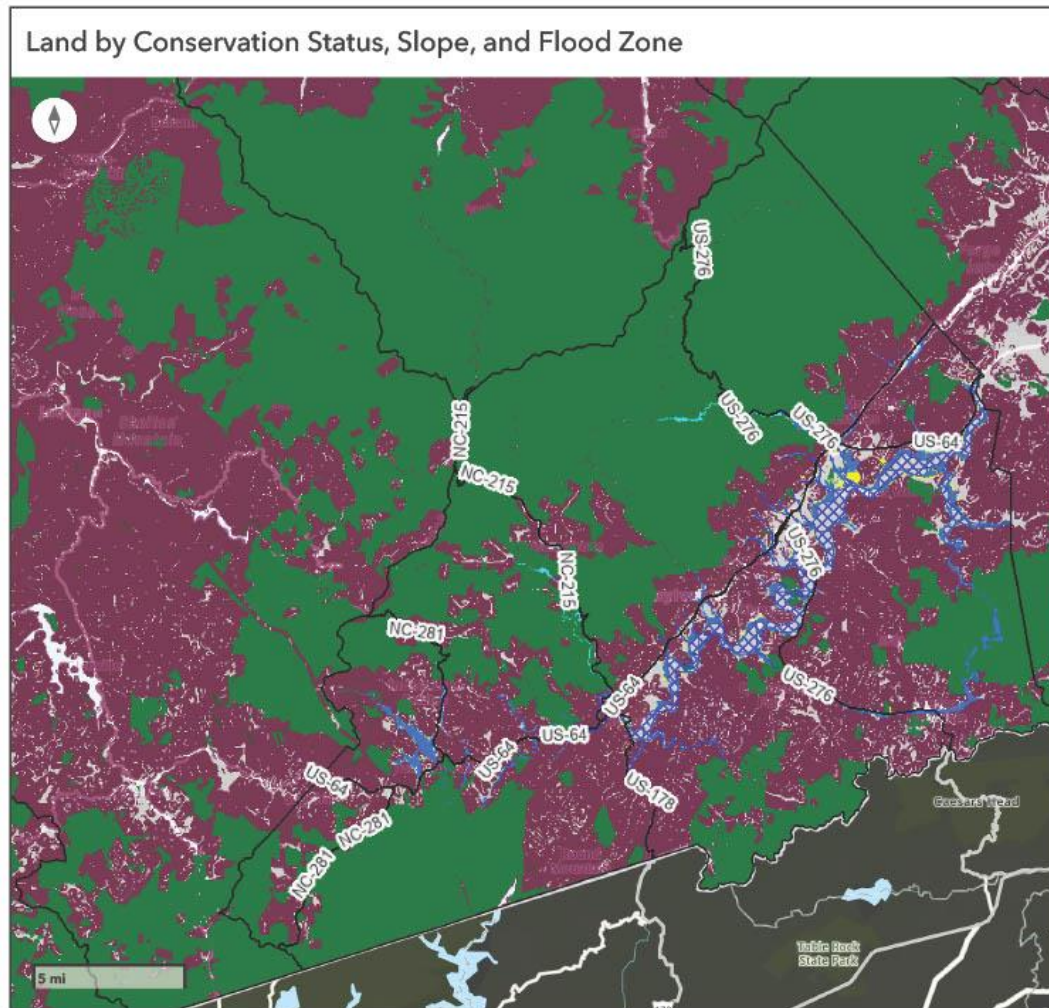
Other efforts have proven unsuccessful, however. Despite gaining support from the County Commission, the City of Brevard has twice been denied funding through HUD's Pathways to Removing Obstacles program to extend water service to underserved neighborhoods. The City and County have been actively pursuing other infrastructure and housing grants as there is also a growing concern that the City of Brevard's wastewater treatment facility is approaching its operational limits. Without expansion, future development could be further constrained.

Availability of Developable Land

Land availability adds another layer of complexity to housing development in Transylvania County. More than 50% of the county's land is publicly owned and protected from development—much of it in national and state forests, parks, and conservation lands. These natural assets are vital for environmental preservation and tourism, but sharply limit the amount of land available for residential growth.

Figure 23: Land by Conservation Status, Slope, and Flood Zone

Source: North Carolina Department of Commerce, NC OneMap, Land of Sky Regional Council, North Carolina Natural Heritage Program, ArcGIS; mapping by TPMA



North Carolina Flood Hazard Area Effective - Flood Hazard Areas



Conserved Lands **Digital Elevation Model (3 ft. Grid Cells) - Slope**



The County's mountainous topography places further restrictions on development. Large portions of the land have slopes exceeding 25%, making construction more difficult, expensive, and often impractical. The few relatively flat areas available for development are typically located along the French Broad River and its tributaries, which fall within floodplains. While development is possible in these zones under certain conditions, it requires additional permitting, flood mitigation measures, and higher costs. The recent impact of Hurricane Helene has also raised concerns about the vulnerability of floodplain development.

In September 2024, Hurricane Helene inflicted catastrophic damage to the southwest portion of the state, including Western North Carolina and Transylvania County. On top of taking the life of 250+ individuals, the natural disaster destroyed and damaged thousands of homes, damaged infrastructure, and expanded flood plains, further constricting the scarce developable land across the southeastern part of the county. Compounding the adverse effects of the hurricane, much of the region's dense vegetation was destroyed creating an environment that is conducive to wildfires. For much of the spring season, the region has had to respond to this continued destruction. Transylvania County was specifically impacted by the Table Rock Complex Fire that entered the county from South Carolina. A separate fire in the Pisgah National Forest was contained before reaching the county line.

Finding 5:

From the federal and state to the local level, a lack of clarity and coordination around policies are further obstructing efforts to address housing issues.

Shifting Funding and Policy Barriers

As of Spring 2025 there is uncertainty about federal and state funding streams that have traditionally been used to support community development. Programs like the Community Development Block Grant (CDBG) and the HOME Investments Partnership Program (HOME) from the Department of Housing and Urban Development (HUD) are potentially facing cutbacks or changes to funding requirements that could lead to changes in how affordable housing is addressed throughout the country.

On December 21, 2024 Congress passed the Disaster Relief Supplemental Appropriations Act, 2025, which provided federal disaster recovery funds for the US Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-CR) program. HUD allocated approximately \$1.4 billion in CDBG-DR funds to the state of North Carolina to address the impacts of Hurricane Helene, based on HUD's calculation of unmet recovery needs. North Carolina Department of Commerce's Division of Community Revitalization has prepared a plan for approval under the direction of Governor Josh Stein to administer the federal CDBG-CR funds and that request has been approved. The plan must still comply with HUD requirements that dictate categories of usage of the funds including:

- 80% for HUD-Identified Most Impacted and Distressed (MID) areas, which includes Transylvania County
- 70% to benefit low and moderate income (LMI) households
- 60% for owner-occupied housing
- 13.4% for rental housing
- 13.6% for infrastructure
- 13% for mitigation
- 7.8% for economic revitalization

The details of how qualifying communities will be able to access these funds to support housing and infrastructure projects are still determined, but Transylvania County is working with the Land of Sky Council of Governments and the North Carolina Association of County Commissioners to learn about each program and identify potential projects.

Communities that are best suited to adapt to this shifting environment will be those that can maneuver quickly and overcome obstacles. A number of factors are likely to make it difficult for Transylvania County to respond quickly to these changes – and many of them are beyond local control to change.

State policy in North Carolina restricts the ability for counties and municipalities to adopt some solutions being employed elsewhere and defines how funding mechanisms for housing are allocated. The ability for counties to regulate STRs or charged rents, to levy new or differentiated taxes, to flexibly spend revenues or provide gap financing, or to utilize inclusionary zoning or incentivize affordable housing developments through fee waivers are all heavily restricted or outright prohibited by state policy.

To take a single example, Transylvania Tourism Development was able to raise over two million dollars from the Occupancy Tax in Fiscal Year 2021-2022. However, the use of these revenues is restricted by state law to tourism-related activities.²² Under the current statute, spending to offset the impact that STRs have on the local housing supply is not an allowable tourism-related use.

Transylvania County Commissioners have advocated for the state to consider changes in how TDA funds are used in communities to free up funding to support the impacts tourism can have on housing.

Awareness of Housing Topics and Policy Limitations

Understanding the political structure of North Carolina and the restrictions that are imposed on the state level for local governments are at the root of stakeholder frustration and resident confusion about housing issues. Public sentiment often shapes the trajectory of decision-making. This can be particularly challenging where gaps persist between what has been achieved, what is realistically possible, and what remains beyond reach due to forces that are not in local control.

Stakeholders have indicated a perceived lack of collaboration among housing stakeholders and service providers. However, there have been collaborative efforts at the local government level to address barriers and challenges in housing such as using public and private grant funds to expand water and sewer infrastructure and using HOME funds to repair existing housing for low-income households.

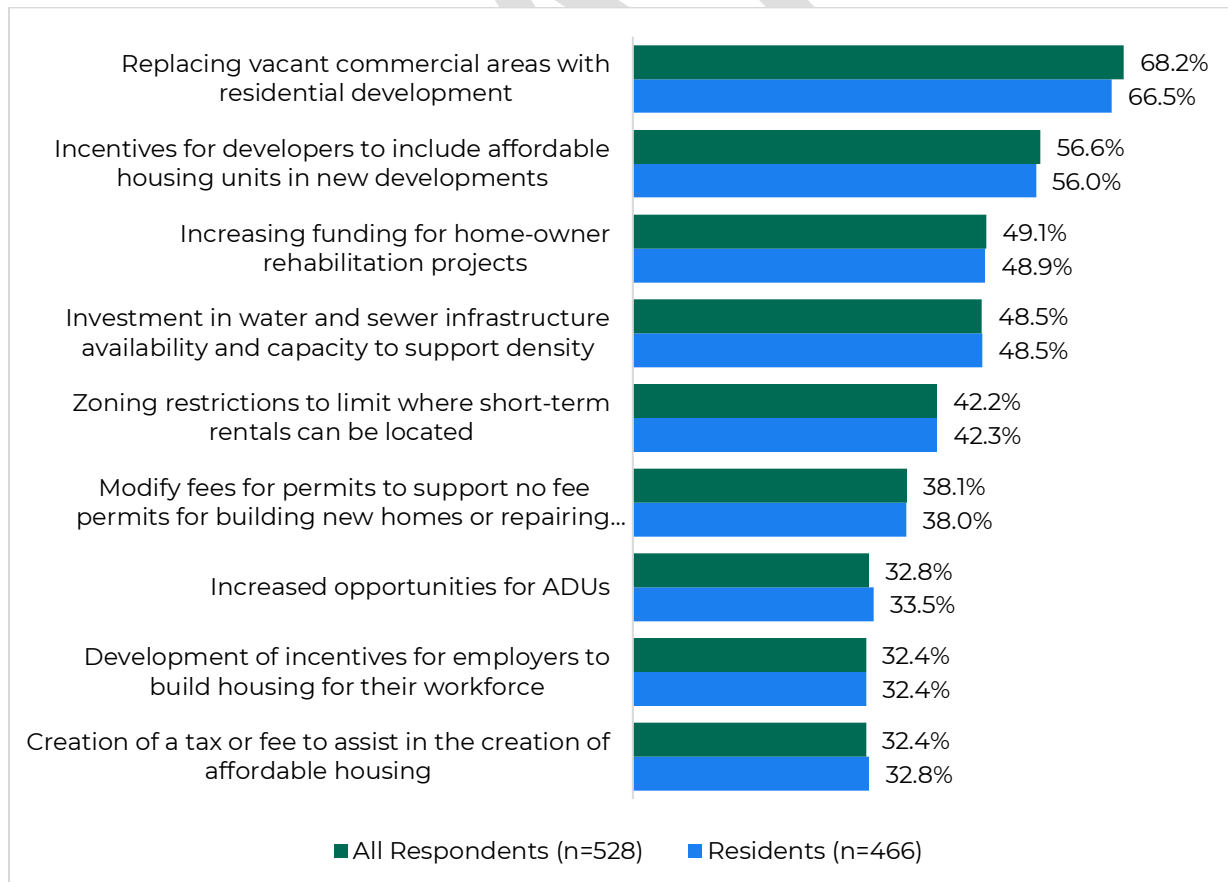
In many cases, stakeholders and residents lack a full understanding of legal constraints placed on local governments resulting from North Carolina's orientation as a Dillon's Rule state, which requires the state to issue specific authorization before for local governments are permitted to adopt certain policies or dedicate funding to certain programs and services.

²² North Carolina Counties: Occupancy Taxes - https://www.ncacc.org/wp-content/uploads/2024/01/2024_01_OccupancyTaxes.pdf. This is the most recent data as of this publication.

Comments from focus groups and survey responses indicate a desire for local government to enact policies that are not currently available to them under state statutes. For example, respondents indicated some support for policies such as zoning restrictions, developer incentives, or new taxes that could only be enacted at the local level through a change to state policy (either passed by the state legislature or through a statewide referendum vote to change the State Constitution). As such, frustrations arising from a lack of local action on these issues do not necessarily indicate a lack of regional coordination and should not be directed solely at local governments.

It can also be difficult to ascertain the levels of community support for further development. These topics are complicated and nuanced, and community desires appear mixed. For example, survey respondents indicated both a strong preference for single-family homes and a desire for increased affordability. However, given the limited availability of land and the costs associated with development, increased residential density may be required to bring down the cost to produce a housing unit. Nonetheless, additional multi-family development did not receive high levels of support.

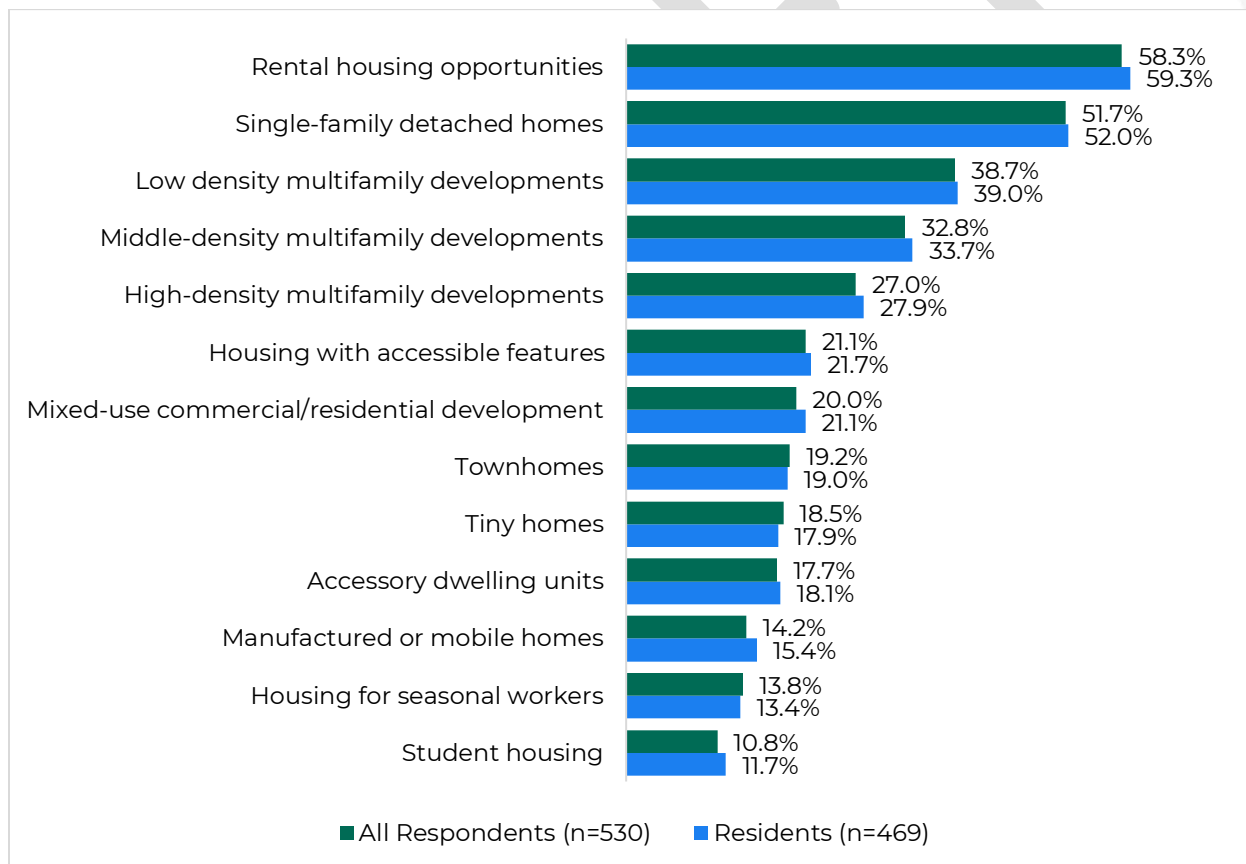
Figure 24: Housing Policy Support
Source: Public Opinion Survey



Replacement of vacant commercial property with residential development received the highest levels of support. While this “adaptive reuse” of commercial structures for residential development could increase the overall supply of housing, the costs associated with this kind of redevelopment are unlikely to lead to more affordable housing without additional subsidy, many of which are not available under the current legal structure.

Many of these policy barriers can be complicated and in many cases residents can be forgiven for not knowing much about them on a detailed level. However, there is further evidence that could speak to a general lack of knowledge about fundamental concepts relating to housing costs and development. For instance, survey respondents simultaneously indicated the importance of broadening the mix of housing types in the county and creating more rental opportunities while simultaneously expressing relative disinterest in adding developments with any kind of density, as even “low-density” multifamily polled at below 40% support.

Figure 25: Development Preferences
Source: Public Opinion Survey



It is difficult to determine whether there is a significant disagreement among residents or if there is a lack of understanding about the causes and effects of housing policy. Either way, the conflicting nature of public opinion presents a major

challenge for the community and local governments as they attempt to balance public perception with strategies that are simultaneously effective and permissible within the current legal framework.

Housing Ecosystem and Partnerships

Addressing housing affordability is hard. There is no panacea. Communities that are best equipped to make a meaningful impact in this space are typically characterized by a rich ecosystem of diverse and dynamic partnerships that bring together stakeholders from a broad range of public, nonprofit, and private sectors.

Partnerships to address housing needs have begun to develop in and around Transylvania County, some of them in response to the natural disasters that these communities have faced in the last year. However, more collaboration and (perhaps more importantly) coordination will be needed in the face of recovery efforts, potential changes in federal funding, and the policy choices being made at the state level.

In North Carolina, counties and municipalities are granted different policy levers that they can utilize. Non-profit and private sector organizations have their own set of roles they can play to support housing. Given this situation, it becomes critical for all stakeholders to focus efforts on leveraging the abilities of local government, non-profits and private sector in coordination to build solutions for housing in the community. Enhancing coordination across these sectors also opens the door for collective advocacy to identify barriers that are not in local control and speak collectively outside of the County to influence change.

Recently, Transylvania County, along with three other counties and the municipalities in the Land of Sky Council of Government jurisdiction have received a grant through NC Impact to support this kind of effort on a regional basis. This 18-month opportunity allows a regional team of diverse stakeholders to engage with other teams from across North Carolina and with the UNC School of Government to understand the various roles stakeholders can have in housing solutions and to explore successful strategies being employed across the state. The lessons learned are intended to allow the team members to bring back information and resources to their local communities to help facilitate collaboration at the local and regional level around housing needs.