

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

Analysis of the Raleigh, North Carolina Housing Market As of August 1, 2004



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration in the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, any findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to August 1, 2004, the as-of date of the analysis (Current date), and from the Current date to August 1, 2007, the Forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market's condition on the as-of date of the analysis. This analysis was prepared by Tammy Fayed, the Division's Field Economist in the Atlanta Regional Office, based on fieldwork conducted in August 2004. Questions regarding the findings and conclusions of the analysis may be addressed to Ms. Fayed at 404-331-5001, ext. 2475, and tammy_fayed@hud.gov.

Housing Market Area

The Raleigh, North Carolina Housing Market Area (HMA) is defined as the Raleigh-Cary Metropolitan Statistical Area as defined by the Office of Management and Budget (OMB) in June 2003 and includes Franklin, Johnson, and Wake Counties. For purposes of this report, the HMA is divided into three submarkets consisting of each individual county. The central city of the HMA is Raleigh, the capital of North Carolina, which lies approximately 55 miles south of the Virginia border in the central portion of North Carolina and 170 miles northeast of Charlotte, North Carolina.

Summary

Raleigh is part of a region of North Carolina known as the Triangle, the geographic area encompassing the cities of Raleigh, Durham, and Chapel Hill. The three cities, the largest of which is Raleigh, are known for research and postsecondary education and share a significant source of employment, Research Triangle Park (RTP).

Situated in both Durham and Wake Counties, RTP is home to more than 130 organizations and is the source of employment for 44,000 people. North Carolina State University, Duke University, and the University of North Carolina, located in Raleigh, Durham, and Chapel Hill, respectively, are also significant influences on the local economies. Although the Raleigh HMA does not include the cities of Durham and Chapel Hill, they are influential cities in the region.

Population in the Raleigh HMA grew rapidly in the 1990s because of the boom in the high-technology and biotechnology industries. Since 2000, growth has slowed slightly with the declines in technology industries. Employment in the area has remained relatively stable, resulting in only a minor reduction in the rate of population growth. During the 3-year forecast period, population growth is expected to remain strong as the local economy returns to growth rates near the levels of the 1990s. As a result of strong population growth during the forecast period, household formation in the HMA will also remain strong.

As of the Current date, August 1, 2004, conditions in the sales market in the HMA are relatively balanced and are expected to continue during the forecast period. New single-family home production has been sufficient in recent years to meet the growth in demand. Sales volume and prices in the HMA continue to rise. During the 3-year forecast period, it is estimated that 30,800 new sales units will be needed in the HMA to maintain balanced market conditions, a pace that approximates recent trends.

The rental market, however, is soft. Excess production during the late 1990s and early 2000s coupled with lower growth in renter households has led to a decline in the rental occupancy rate. The current overall rental occupancy rate is estimated at 89.2 percent; however, assuming construction continues at a pace similar to recent trends, the overall occupancy rate is expected to increase during the forecast period. By 2007, the HMA should require 4,225 additional new rental units, most of which will be needed toward the

end of the forecast period to allow the market sufficient time to absorb current excess vacant units.

Economy of the Area

The state of North Carolina and the Wake County Public School System are the leading employers in the HMA, each with more than 10,000 employees. As the capital of North Carolina, Raleigh has a strong foundation of employment in the government sector, which employs approximately 20 percent of the local workforce. Raleigh is home to North Carolina State University, which was founded in 1887 and enrolled nearly 30,000 students in the fall of 2004. The university employs nearly 7,000 people and has an annual budget of approximately \$820 million and an endowment of more than \$289 million.

RTP, partially located in Wake County, is a significant source of employment for the HMA. According to information from RTP about companies located in the park, those with the largest numbers of employees specialize in the fields of biotechnology, environmental sciences, information technology, pharmaceuticals, and health services.

The unemployment rate in the Raleigh HMA is one of the lowest in North Carolina. During the 1990s, the unemployment rate declined each year from a high of 3.9 percent in 1992 to a low of 1.5 percent in 1999. Since 2000, the unemployment rate has fluctuated but has remained below the rate for North Carolina as a whole and averaged 4.0 percent during the past 12 months. Due in part to a lower level of dependence on manufacturing in the HMA, the local economy has fared better since 2000 than other areas of the state, which have been hit hard by closures of large manufacturing facilities. In addition, increasing government employment since 2000 has been a stabilizing influence on the local economy. Table 1 presents historical levels of labor force, employment, and unemployment in the HMA.

During the 1990s, nonfarm employment in the HMA increased at a rapid rate of 4.8 percent a year. Nonfarm employment peaked in 2001 and then fell slightly the following 2 years. Although the number of jobs declined in 2002 and 2003, the annual rate of job loss in the HMA was less than 1.0 percent, which is below the rate of loss recorded in other areas of North Carolina. Nonfarm employment has begun to recover during the 12 months ending July 2004, with employment reaching an average of 687,600, up 1.1 percent from the previous 12 months. Employment growth during the forecast period is expected to continue to improve at a rate of 3.0 percent annually.

Nonfarm employment by industry sector is presented in Table 2. The statistics in Table 2 include Chatham, Durham, and Orange Counties in addition to the counties in the HMA because the U.S. Department of Labor, Bureau of Labor Statistics, currently estimates nonfarm employment for metropolitan areas based on June 1993 OMB definitions. Estimates for individual counties are unavailable; therefore, deleting Chatham, Durham, and Orange County is not possible.

Household Incomes

Between 1989 and 1999, the median family income in the HMA increased from \$39,723 to \$59,500, an average increase of 5.0 percent annually. HUD estimates the 2004 median family income in the Raleigh HMA to be \$69,800, the highest median family income in North Carolina.

Population

During the 1990s, population in the Raleigh HMA grew at a rapid annual rate of 4.7 percent. Strong economic growth and low unemployment encouraged in-migration and, as a result, population increased from 541,100 in 1990 to 797,071 in 2000. Despite the 2001 recession, population growth slowed only slightly, consistent with the mild economic downturn experienced in the HMA. Currently the population is estimated at 935,000. During the 3-year forecast period, economic growth is expected to continue to boost local population but at a lower rate than during the 1990s. Table 3 presents the trends in population and household growth in the HMA from 1990 through the Forecast date.

Since 1990, most of the population increase in the HMA has occurred in Wake County. In the 1990s, the highest rate of population growth was in Johnston County; since 2000, however, population growth in the county has slowed to a rate that approximates that for Wake County. Franklin County has the smallest population in the HMA, but during the 1990s, it grew at a strong annual rate of 3.0 percent. Growth in each county is expected to remain strong during the forecast period.

An analysis of data from the North Carolina State Center for Health Statistics reveals gradually increasing net natural increase (resident births minus resident deaths) for the HMA since 1990. From 1990 to 2000, annual net natural increase averaged approximately 6,000 people. Between 2000 and 2003, net natural increase averaged nearly 8,775 people annually and is expected to continue to increase steadily during the forecast period. From 1990 to 2000, annual net in-migration to the HMA averaged approximately 19,600. Since 2000, net in-migration has increased slightly and is expected to continue to increase during the forecast period as the local economy continues to improve.

Households

During the 1990s, vigorous economic and population growth in the HMA resulted in rapid household growth. Between 1990 and 2000, the number of households increased 4.5 percent annually. Since 2000, the rate of household growth has declined with the slowdown in the economy and population growth. However, the absolute average annual increase in households has risen 27 percent. From 2000 to the Current date, the number of households has grown an average 12,150 annually. Household formation during the 3-year forecast period is expected to average 14,250 households annually, a rate approximately equal to that since 2000. As in past years, household growth during the

forecast period is expected to be concentrated in Wake County. Household formation in Johnston and Franklin Counties will be primarily in owner-occupied households. Growth in the number of renter households is expected to occur primarily in Wake County, which has a higher percentage of renter households and a more urban environment.

In 2000, 68 percent of the 306,478 households in the HMA were owner occupied. As of the Current date, an estimated 359,200 households are in the HMA, and homeownership has reached an estimated 70 percent, due in part to historically low interest rates. Homeownership rates in the two outlying counties are significantly higher than in Wake County. Homeownership rates in Franklin and Johnston Counties are approximately 79 and 75 percent, respectively.

Housing Inventory

During the 1990s, housing inventory growth in the HMA followed trends similar to population and household growth, increasing 4.6 percent annually. In 1990, the HMA had 226,275 total housing units, including occupied and unoccupied units. By 2000, the number of units had increased to 329,513, an average annual increase of 10,324 units. Approximately 78 percent of the housing units added to the inventory during the 1990s were owner-occupied units. Trends in housing inventory, occupancy tenure, and vacancy from 1990 to the Current date are shown in Table 4.

Since 2000, annual permit activity has averaged approximately 10,300 single-family homes and 2,800 multifamily units, respectively. Approximately 82 percent of single-family permits and 94 percent of multifamily permits were issued in Wake County. Since 2000, the pace of both single-family and multifamily unit production in HMA has increased. From 1990 to 1999, permits for an average of approximately 7,825 and 2,250 single-family and multifamily units a year, respectively, were issued. Multifamily activity in the HMA increased dramatically in the later half of the 1990s. In 1999 and 2000, permits were issued for 4,853 and 4,683 multifamily units, respectively.

According to the Downtown Raleigh Alliance, redevelopment of downtown Raleigh is currently in its early stages, and more than 1,400 multifamily units have been completed or are under construction. Multifamily development has included the construction of several new high-rise condominium and apartment buildings as well as Capitol Park, a mixed-income Hope VI project that replaced Halifax Court Apartments, a 318-unit public housing project. Completed in 2001, Capitol Park includes 24 apartments, 90 senior apartments, 58 townhomes, and 37 single-family homes. Additional development of the downtown area is expected to continue during the forecast period. Table 5 shows the number of housing units authorized by building permits in the HMA since 1990.

Manufactured housing plays a larger role in Franklin and Johnston Counties than in Wake County. In 2000, there were 32,985 mobile homes in the HMA; 57 percent were located in Franklin and Johnston Counties. In 2000, manufactured housing accounted for 10 percent of all housing in the HMA; however, 34 and 24 percent of housing units in Franklin and Johnston Counties, respectively, were manufactured housing units. Currently the HMA contains an estimated 36,300 manufacturing housing units.

Housing Vacancy

During the 1990s, housing production in the HMA slightly outpaced household formation; and sales and rental vacancy rates increased from 1990 to 2000. As a result of a rapid and substantial increase in multifamily construction in 1999 and 2000, the apartment vacancy rate in Wake County increased from 7.6 percent in January 2000 to a high of 12.3 percent in January 2003, according to Real Data, a company that collects and reports local apartment market information. Apartment vacancy rates have improved during recent months, due in part to a slowdown in apartment production. In July 2004, Real Data reported the apartment vacancy rate was 9.4 percent. The overall rental vacancy rate in the HMA as of the Current date is estimated to be 10.8 percent.

The sales market in the Raleigh HMA has boomed since the 2000 Census. In 2000, the sales vacancy rate was 2.5 percent. Although the average annual volume of single-family construction since 2000 has been greater than the average levels of the 1990s, the sales vacancy rate has not increased. Owner household growth has nearly matched new sales construction. As a result, the sales vacancy rate is currently estimated at 2.5 percent.

Sales Market Conditions

Between 1999 and 2003, existing home sales in the Triangle area, as reported by the North Carolina Association of REALTORS[®], increased from 18,108 to 23,992 units, or 8 percent annually. Sales figures, including both existing and new home sales, for the first 7 months of 2004 indicate an accelerating rate of sales demand. During this period, existing home sales reached 17,417, a 31-percent increase over the 13,271 units sold during the same period in 2003.

According to data from the North Carolina Association of REALTORS[®], the average price of homes increased \$5,204, or 2.9 percent annually, during the past 4 years. The average sales price in 1999 was \$174,389; in 2003, the price reached \$201,939. For the first 7 months of 2004, the average sales price was virtually unchanged from the same period in 2003, increasing only 0.2 percent to \$201,939.

Rental Market Conditions

As of the Current date, the overall rental market in the HMA is soft. High levels of multifamily unit construction during the late 1990s that exceeded renter household formation led to declines in occupancy rates. In addition, low interest rates enabled a number of renters to seek homeownership opportunities, further reducing growth in rental demand. According to Real Data, apartment occupancy in Wake County in July 2004 was 90.6 percent, up from 89.8 percent in July 2003. Current overall rental occupancy in the HMA is estimated at 89.2 percent.

According to Real Data, between January 2000 and July 2003, net absorption (absorption minus completions) in Wake County was negative for five out of six semiannual periods. Currently the apartment market has begun to recover due largely to the decline in

production. Real Data reports 1,206 and 1,235 apartments were under construction in July 2003 and July 2004, respectively, a significant decline from July 2000 and July 2001 when 6,291 and 4,878 units, respectively, were under construction.

As of the Current date, approximately 2,625 rental units are under construction. Given the expected rate of renter household formation, balanced market conditions are expected to return during the forecast period. If no additional rental units are constructed during the forecast period, the occupancy rate will increase to 93.2 percent when the units currently under construction are absorbed.

Based on information obtained from Real Data, apartment rental rates in Wake County vary depending on location. In July 2004, rents averaged \$572 for one-bedroom units, \$688 for two-bedroom units, and \$891 for three-bedroom units. Average rental rates apartments in the county fell from July 2003 and averaged \$668, down from \$744.

University Housing

Currently more than 7,000 students live on campus at North Carolina State University. The university operates 20 dormitories that offer a variety of housing options for students, including traditional rooms, suites, honors housing, housing for first-year students, and housing for specific academic programs. Dormitories are classified as standard or premium, based on the style of the rooms and the amenities offered, and are priced accordingly. Each individual student pays \$1,495 a semester for double-occupancy rooms in standard dormitories and \$1,835 a semester for double-occupancy rooms in premium dormitories. The university also offers off-campus family apartments at rates below the average rental rates in the area. Rents for these unfurnished apartments are \$485 for studios, \$530 for one-bedroom units, and \$585 for two-bedroom units.

As of the Current date, the university is constructing 300 four-bedroom, two-bathroom apartments on campus that will be available to students classified as sophomores through graduate students. Each unit will house four students and will include a shared living room, kitchen, and washer/dryer unit. The apartment complex will feature amenities typical of off-campus housing, including a fitness room and cable television. A computer lab and convenience store will also be available. Apartment bedrooms will rent individually for \$2,140 a semester compared with rents of \$1,665 for single-occupancy rooms in standard dorms and \$2,040 for single-occupancy rooms in premium dorms.

Forecast Housing Demand

During the 3-year forecast period ending July 31, 2007, strong economic growth is expected to encourage in-migration to the HMA. Population growth should approach levels of the 1990s, resulting in strong household growth. During the forecast period, 29,800 owner-occupied households and 13,000 renter households will be added to the HMA. Although the rental market in the HMA is currently soft, balanced rental market conditions will return by the end of the forecast period, and new rental units will be needed. Taking into consideration current market conditions and the number of units under construction, demand for 30,800 new sales units and 4,225 new rental units is

expected in the HMA during the forecast period. To allow the market sufficient time to absorb current excess vacancies and the units currently under construction, new rental units should be delivered during the second and third years of the forecast period.

Table 6 presents a summary of qualitative rental demand for the Raleigh HMA for the 3-year forecast period. Demand will be strongest for two-bedroom units. At the minimum gross rents listed in the table, demand is expected for 2,825 one-bedroom units, 3,375 two-bedroom units, and 360 three-bedroom units during the forecast period. Because of current vacancies, demand is expected to be lower during the first year of the forecast period and higher in the second and third years.

Table 1
Labor Force and Total Employment
Raleigh HMA
1990 to July 31, 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos.	Current 12 Mos.
Labor Force	318,012	327,992	339,612	349,359	360,968	372,664	402,489	422,624	431,741	448,221	455,900	473,787	479,861	490,043	484,431	493,180
Total Employment	308,708	315,623	326,414	338,053	351,285	363,248	393,465	414,857	424,373	441,502	448,229	458,119	454,547	466,672	459,701	473,270
Unemployment	9,304	12,369	13,198	11,306	9,683	9,416	9,024	7,767	7,368	6,719	7,671	15,668	25,314	23,371	24,730	19,910
Rate (%)	2.9	3.8	3.9	3.2	2.7	2.5	2.2	1.8	1.7	1.5	1.7	3.3	5.3	4.8	5.1	4.0

Source: North Carolina Employment Security Commission

Table 2
Nonfarm Employment by Industry
Raleigh HMA
1990 to July 31, 2004

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos.	Current 12 Mos.
Total Nonfarm	468.8	472.2	490.4	511.7	536.2	557.5	583.8	613.7	645.3	669.5	677.9	689.2	682.7	680.7	680.0	687.6
Goods-Producing	93.5	84.9	89.2	92.5	96.8	102.6	109.6	115.8	121.9	124.4	125.3	126.8	114.1	107.8	109.7	107.7
Manufacturing	67.9	61.9	66.0	68.2	71.0	73.6	78.8	81.2	84.0	83.1	83.8	84.3	73.8	69.1	70.7	68.0
Service-Providing	375.3	387.2	401.1	419.1	439.3	454.8	474.1	497.9	523.3	545.0	552.5	562.5	568.6	572.9	570.4	580.0
Trade, Trans., and Utils.	85.6	91.1	91.9	93.7	96.4	97.7	100.6	105.4	110.8	115.3	115.3	115.5	113.3	112.9	112.5	114.0
Wholesale & Retail	68.0	73.0	72.9	75.2	78.5	79.8	82.7	87.9	92.1	96.6	97.6	99.2	99.5	99.8	99.1	101.1
Financial Activities	22.7	22.8	23.2	23.3	24.2	24.4	26.5	28.2	29.6	31.2	31.4	30.6	32.3	32.2	32.2	32.5
Prof. Business Svcs.	52.3	53.8	57.5	62.1	67.9	74.4	83.4	90.0	95.6	100.3	104.1	105.4	101.9	101.7	101.7	102.5
Edu. and Health Svcs.	45.9	48.0	50.2	55.0	56.2	58.8	61.8	64.0	68.3	71.2	71.3	73.8	78.6	82.1	81.0	84.0
Leisure & Hospitality	36.8	36.8	39.2	40.3	42.3	43.8	45.0	47.2	49.1	51.9	53.1	55.4	56.7	57.3	57.2	57.5
Other Services	20.3	20.7	20.3	19.4	24.1	25.2	22.7	24.2	26.4	28.6	30.1	31.4	33.2	31.6	32.1	31.3
Government	100.4	103.4	107.8	112.0	114.2	115.7	116.5	120.5	124.1	124.9	123.7	126.2	129.6	133.2	131.3	136.5
Federal	8.5	8.5	8.8	8.7	8.6	8.7	8.9	9.4	9.5	9.8	10.6	10.0	10.2	10.4	10.4	10.4
State	54.3	56.4	59.0	61.3	62.7	63.5	63.3	64.9	67.1	67.2	63.7	63.9	65.8	68.4	66.7	70.9
Local	37.5	38.5	40.0	41.9	42.8	43.4	44.2	46.1	47.4	47.8	49.3	52.3	53.5	54.4	54.2	55.3

Notes: Figures include Chatham, Durham, and Orange Counties.
 Figures are in thousands. Numbers may not add up to totals due to rounding.
 Data have been classified according to the North American Industry Classification System.
 Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 3
Population and Household Trends
Raleigh HMA
April 1, 1990 to August 1, 2007

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Raleigh HMA	541,100	797,071	935,000	1,047,000	25,598	4.7	31,850	4.0	37,350	4.0
Wake County	423,380	627,846	738,500	828,500	20,447	4.8	25,550	4.1	30,000	4.1
Franklin County	36,414	47,260	53,200	57,800	1,085	3.0	1,375	2.9	1,550	2.9
Johnston County	81,306	121,965	143,300	160,700	4,066	5.0	4,925	4.0	5,800	4.0
Households										
Raleigh HMA	210,812	306,478	359,200	402,000	9,567	4.5	12,150	4.0	14,250	4.0
Wake County	165,743	242,040	284,500	318,900	7,630	4.6	9,800	4.0	11,450	4.0
Franklin County	13,503	17,843	20,200	22,150	434	3.2	550	3.1	650	3.2
Johnston County	31,566	46,595	54,500	60,950	1,503	4.8	1,800	3.9	2,150	3.9

Note: Annual averages rounded for purposes of comparison.
Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Raleigh HMA
1990 to August 1, 2004

	Raleigh HMA			Wake County			Franklin County			Johnston County		
	1990	2000	Current	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total Housing Inventory	226,275	329,513	388,500	177,146	258,953	306,400	14,957	20,364	23,200	34,172	50,196	58,900
Occupied Units	210,812	306,478	359,200	165,743	242,040	284,400	13,503	17,843	20,300	31,566	46,595	54,500
Owners	133,275	207,536	250,000	101,003	159,446	193,000	10,193	13,877	16,100	22,079	34,213	40,900
%	63.2	67.7	69.6	60.9	65.9	67.9	75.5	77.8	79.3	69.9	73.4	75.0
Renters	77,537	98,942	109,200	64,740	82,594	91,400	3,310	3,966	4,200	9,487	12,382	13,600
%	36.8	32.3	30.4	39.1	34.1	32.1	24.5	22.2	20.7	30.1	26.6	25.0
Vacant Units	15,463	23,035	29,300	11,403	16,913	22,000	1,454	2,521	2,900	2,606	3,601	4,400
Available Units	9,972	14,695	19,550	8,309	12,071	16,250	505	787	950	1,158	1,837	2,350
For Sale	2,943	5,254	6,350	2,379	4,074	4,950	187	414	500	377	766	900
Rate (%)	2.2	2.5	2.5	2.3	2.5	2.5	1.8	2.9	2.9	1.7	2.2	2.9
For Rent	7,029	9,441	13,200	5,930	7,997	11,300	318	373	450	781	1,071	1,450
Rate (%)	8.3	8.7	10.8	8.4	8.8	11.0	8.8	8.6	10.0	7.6	8.0	9.5
Other Vacant	5,491	8,340	9,750	3,094	4,842	5,750	949	1,734	1,950	1,448	1,764	2,050

Sources: 1990 and 2000—U.S. Census Bureau
 Current and Forecast—Estimates by analyst

Table 5
Residential Building Permit Activity
Raleigh HMA
1990 to July 31, 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Jan.–July 2004
Raleigh HMA															
Total	5,091	5,570	7,027	8,179	11,428	10,356	10,729	11,917	14,401	16,092	14,202	13,782	11,678	12,660	8,604
Single-family	4,057	4,765	6,429	7,343	7,984	7,548	8,491	9,435	10,906	11,239	9,519	10,681	10,581	10,357	7,200
Multifamily	1,034	805	598	836	3,444	2,808	2,238	2,482	3,495	4,853	4,683	3,101	1,097	2,303	1,404
Wake County															
Total	4,160	4,551	5,822	6,981	10,133	8,909	9,214	10,058	12,171	13,527	12,193	11,438	9,566	10,631	7,527
Single-family	3,275	3,848	5,328	6,295	6,747	6,167	7,046	7,697	8,776	8,951	7,967	8,444	8,580	8,385	6,129
Multifamily	885	703	494	686	3,386	2,742	2,168	2,361	3,395	4,576	4,226	2,994	986	2,246	1,398
Franklin County															
Total	233	224	240	269	284	287	320	341	347	417	374	530	416	435	282
Single-family	187	212	238	245	284	275	312	331	347	417	372	528	416	435	282
Multifamily	46	12	2	24	0	12	8	10	0	0	2	2	0	0	0
Johnston County															
Total	698	795	965	929	1,011	1,160	1,195	1,518	1,883	2,148	1,635	1,814	1,696	1,594	795
Single-family	595	705	863	803	953	1,106	1,133	1,407	1,783	1,871	1,180	1,709	1,585	1,537	789
Multifamily	103	90	102	126	58	54	62	111	100	277	455	105	111	57	6

Source: U.S. Census Bureau, Building Permits Survey

Table 6
Estimated Qualitative Demand for New Market-Rate Rental Housing
Raleigh HMA
August 1, 2004 to August 1, 2007

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
600	2,825	750	3,375	950	360
700	2,225	850	2,525	1,050	270
800	1,650	950	1,775	1,150	210
900	1,050	1,050	1,125	1,250	160
1,000	810	1,150	880	1,350	140
1,100	620	1,250	690	1,450	120
1,200	470	1,350	530	1,550	70
1,300	350	1,450	400	1,650	35
1,400	250	1,550	100	1,750	30
1,500	180	1,650	30	1,850	25
1,600	50	1,750	25	1,950	25

Note: Distribution above is noncumulative.
 Source: Estimates by analyst