Extreme Housing Conditions in North Carolina

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Cover Photo: Google Street View.
EXECUTIVE SUMMARY

Decent, secure and affordable housing is a fundamental human need. Beyond providing shelter from the elements, it provides a platform for undertaking other critical activities of life such as obtaining an education, finding and retaining employment and maintaining both physical and mental health. Without such housing it is extremely difficult to have a fulfilling life and to be a productive member of society.

Unfortunately, finding decent, secure and affordable rental housing is increasingly difficult for many North Carolinians. In recent years wages have stagnated while rents have continued to climb, resulting in a sharp increase in the number of cost-burdened rental households at risk of being unable to afford other necessities such as food and clothing. Moreover, those increasing rents have contributed to overcrowding, as households cannot afford to rent housing large enough to adequately accommodate their members. Finally, although progress has been made in reducing the number of substandard housing units in North Carolina, there were still thousands of rental housing units in the state that lacked complete plumbing and/or kitchen facilities.

The purpose of this study is to identify locations in North Carolina with extreme housing needs, defined as having relatively high percentages of at least two of the following three housing conditions: severe cost burden (households paying more than 50 percent of their income for rent), overcrowding (rental units inhabited by more than one person per room) and substandard conditions (rental units that lack complete kitchen and/or bathroom facilities).

Using 2013 American Community Survey 5-year estimates, we present data on the number of housing deficits by region (Mountains, Piedmont and Coastal Plain), by county and by census tract. In doing so, we look to bring attention to those conditions and to aid state, county, municipal and non-profit organizations in targeting their housing programs to areas of greatest need.

Findings

Our analysis of extreme housing conditions in North Carolina suggests that the members of over 377,000 households in the state are held back from leading fulfilling and productive lives by living in housing that lacks critical facilities, that is overcrowded or that imposes a severe cost burden on residents. More specifically, as of 2013, North Carolina had over 292,000 households that were severely cost burdened by their rents, more than 65,000 rental units that were...
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The distribution of extreme housing conditions indicates that a lack of affordable and safe housing is a statewide problem.

Statewide Extreme Housing Census Tracts

In addition to the maps in this report, an interactive map of Extreme Housing Conditions in North Carolina can be accessed by visiting http://bit.do/CURS_Housing.
overcrowded and more than 20,000 rental units that lacked either complete kitchen and/or complete bathroom facilities.

Moreover, this is a growing problem, with the number of severely cost-burdened households increasing by 22.5 percent and the number of overcrowded households by 45.4 percent between 2008 and 2013. The only bright spot is that the number of housing units lacking in complete kitchen or bathroom facilities decreased by 27 percent during this time period.

Extreme housing conditions can be found throughout the state in urban, suburban and rural communities (see Map 1). A total of 108 North Carolina census tracts had extreme housing conditions in 2013. We found census tracts with extreme housing conditions in 46 of North Carolina’s 100 counties and in all three geographic regions. Looking at the distribution by region, the largest concentrations were in the Piedmont and Coastal Plain. The Coastal Plain was the only region, however, to have its share of extreme tracts (35.2 percent) exceed its share of the state’s census tracts (28 percent), indicating that a disproportionately high number of tracts in the Coastal Plain had extreme housing conditions. Turning to the urban-rural breakdown, although there were more census tracts with extreme housing conditions in urban areas, the extreme tracts were roughly proportional to the percentage of urban and rural tracts in the state; 63 percent of all census tracts in our study were urban, while 62 percent of the extreme tracts were in urban areas.

In terms of the social characteristics of census tracts with extreme housing conditions, they tended to have higher percentages of African Americans, Hispanics and people living in poverty compared to all census tracts.

- African Americans made up 27.4 percent of the population in extreme tracts compared with 21.1 percent of the population in all census tracts.
- Hispanics made up 13.5 percent of the population in extreme tracts compared with 8.7 percent of the population in all census tracts.
- 22.1 percent of the population in extreme tracts lived in poverty compared with 17.2 percent of the population in all census tracts.

Our analysis of each of the three components of extreme housing conditions indicates that severe housing cost burden is a growing problem in North Carolina. In 2013, a total of 292,544, or 21.8 percent of North Carolina’s renter households, paid more than 50 percent of their income on housing costs. There were 53,737 more severely housing cost-burdened renter households in 2013 than there were in 2008, a 22.5 percent increase.

- In more than one-fifth of North Carolina census tracts, 30 percent or more of renter households were severely cost burdened.
- In eight census tracts, over 60 percent of renter households were severely cost burdened, with the highest percentage being 77.4 percent in a Wake County tract.

The analysis also indicates that approximately one in 20 rental housing units in North Carolina
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was overcrowded. In 2013 there were 65,410 overcrowded rental units in North Carolina.

There were 20,437 more overcrowded rental units in North Carolina in 2013 than in 2008, an increase of 45.4 percent.

- In more than one-fifth of North Carolina census tracts, the rate of renter household overcrowding was 10 percent or more.
- In six census tracts, over 30 percent of renter households were overcrowded, with the highest rate being 53 percent in a Wake County tract.

On a positive note, North Carolina has seen a reduction in the number of rental units that lack complete kitchen and/or plumbing facilities. In 2013, a total of 20,141, or 1.5 percent of North Carolina’s renter households, lacked these critical facilities, 7,315 fewer than in 2008.

- In over one-fifth of census tracts in North Carolina, 9 percent or more of rental households lacked critical facilities.
- In six census tracts, over 33 percent of rental households lacked critical facilities, with the highest being 58.1 percent in a Wake County tract.

Recommendations

The distribution of extreme housing conditions indicates that a lack of affordable and safe housing is a statewide problem. As a result, state government should play an important role in improving both housing conditions and affordability. Although the state provides funding for the North Carolina Housing Trust Fund and administers federal programs such as the Low-Income Housing Tax Credit and the HOME Investment Partnerships Program (HOME) programs, more needs to be done to improve and expand affordable rental housing in the state.

The most important action the state can take is to increase its contributions to the North Carolina Housing Trust Fund, which is used to produce quality affordable rental housing.

Local governments also have important roles to play. The larger ones receive Community Development Block Grant and HOME funds directly from the U.S. Department of Housing and Urban
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Development but they also need to develop and fund their own housing programs. Some North Carolina municipalities and counties have created their own housing programs and funded them with general tax revenues, general obligation bonds and/or the donation of publicly-owned land. Local governments can also address critical housing conditions through regulatory strategies such as increasing land zoned for multifamily housing, offering density bonuses for affordable housing developments, reducing development fees and streamlining approval processes. Finally, local governments can improve the condition of existing housing by strengthening and enforcing minimum housing codes.

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