

Housing Affordability in the Triangle

A Regional Data Snapshot



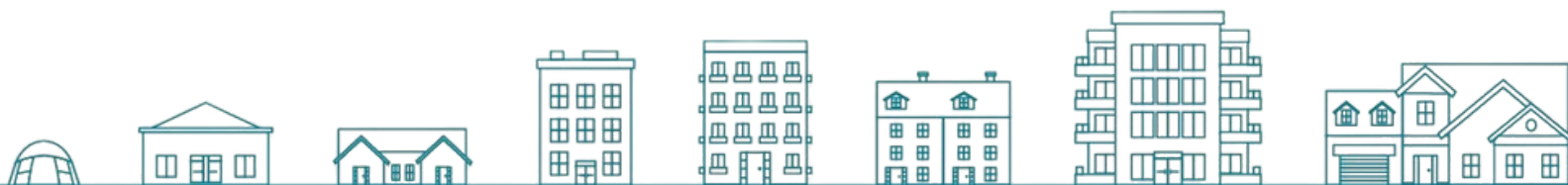
Spring 2025



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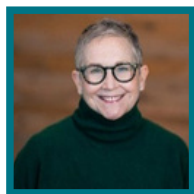
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At Triangle Community Foundation, we connect donors and nonprofits to improve the quality of life in the Triangle. Ultimately, our goal is to ensure everyone in the community has the resources to thrive.

We know that housing affordability is an issue for the Triangle. We are not experts in housing affordability. But we do have more than 40 years of experience building partnerships and funding solutions for the region's most pressing needs. We engaged Balance Community Advisors to help us better understand the housing ecosystem in our community. The data in this report, compiled from secondary data sources such as the Census and the American Community Survey, confirm what we're experiencing: housing affordability is a challenge across Chatham, Durham, Orange, and Wake Counties.

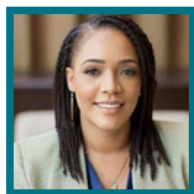
Working with nonprofit, public, private, and philanthropic partners, we hope to mobilize more philanthropic dollars in the Triangle to help make housing more affordable for more of our community members. We hope you will learn, engage, and invest alongside us to help make the Triangle a place where everyone can thrive.



Lori O'Keefe, President & CEO
Triangle Community Foundation

Housing markets are not limited to municipal boundaries, and neither should efforts to address housing affordability challenges. At Balance Community Advisors, we work to balance the strengths of the public, private, and nonprofit sectors in the interest of expanding healthy housing options and ending homelessness.

We are pleased to work with Triangle Community Foundation to help gather and analyze data to inform a regional approach to addressing housing affordability that can lead to a comprehensive and coordinated response where residents can confidently meet their housing needs.



Lorena McDowell, Chief Executive Officer
Balance Community Advisors

The Economic Landscape

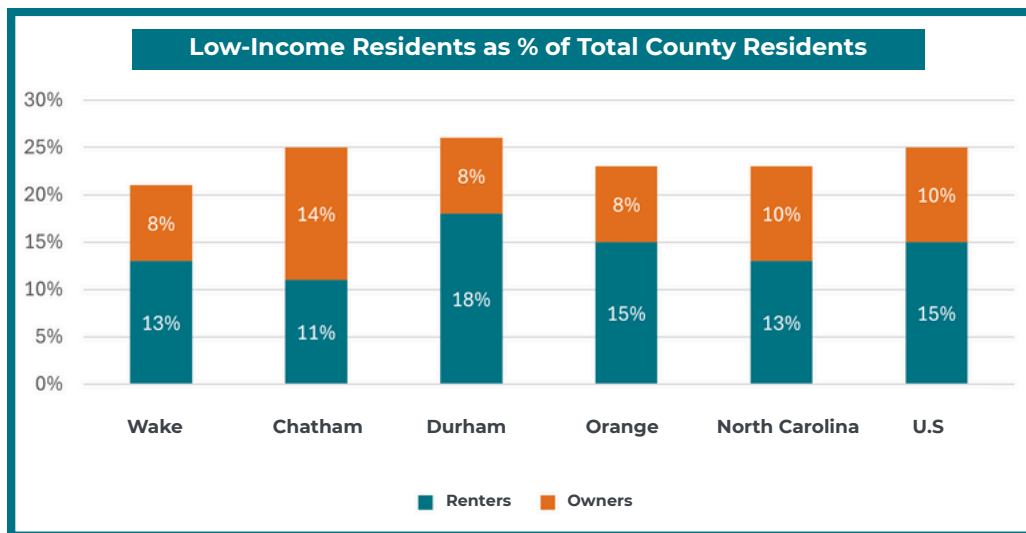
Understanding the economic context is key to addressing housing issues. For this analysis, we examine the regional and local Area Median Income (AMI). The U.S Department of Housing and Urban Development calculates the Area Median Income annually by identifying the midpoint of an area's income distribution. **Low-income households earn less than 50% of the AMI** while moderate-income households earn between 50% and 80% of the AMI.

Area Median Household Income in the Triangle* and Beyond¹

Regional: \$ 88,559
North Carolina: \$69,904
United States: \$77,719

Chatham: \$88,534
Durham: \$79,501
Orange: \$88,583
Wake: \$101,760

The following graph shows the proportion of low-income (50% AMI or below) residents who are either renters or homeowners as a percentage of all residents. The data highlights the disproportionate representation of low-income households among renters compared to homeowners, **underscoring the importance of targeted policies that address rental housing affordability.**



**For the purposes of this report, "The Triangle" includes Chatham, Durham, Orange, and Wake Counties.*

To assess rental housing affordability in the Triangle region, we can compare the regional median monthly income with regional median housing costs.²

A household would need to earn at least \$65,500 annually (\$31.50/hour) to afford a modest two-bedroom rental in the Triangle. The combined Fair Market Rent³ for a 2-bedroom home is \$1,639/month. Minimum wage workers earning \$7.25/hour can only afford rent of \$377/month, creating a gap of \$1,262/month.

The findings highlight the mismatch between household earnings and rental affordability in the Triangle. Improving housing affordability for households at all income levels requires interventions that address the widening affordability gap.

Housing Vacancy and Availability

Vacancy rates show the estimated portion of properties that are vacant at any given time. The U.S Census Bureau calculates this rate annually through the American Community Survey (ACS). The vacancy rate calculus includes rental homes available for lease, homes for purchase, unoccupied rented or purchased homes, and seasonal or recreational residential properties. A 5-8% homeowner or rental vacancy rate is indicative of a healthy housing market.⁴ Below 5% and there is a supply shortage, over 8% and there is an oversupply that does not meet the population needs.

⁵ Location	Homeowner Vacancy Rate (%)	Rental Vacancy Rate (%)
United States	1.0	5.5
North Carolina	1.3	6.9
Wake	0.7	9.2
Chatham	0.7	6.3
Durham	0.6	6.3
Orange	1.2	5.7

Homeowner vacancy rates for all communities within the Triangle remain at or below 1%, following state and national trends. This indicates a **limited supply of homes available for purchase**, which leaves renters interested in establishing permanent residency competing for limited housing resources. The scarcity of affordable homeownership opportunities means low- and moderate-income renters have no choice but to remain in rental units that are also increasing in cost.




While these vacancy rates would typically indicate a healthy rental market, between 65%-90% of low-income renters across the Triangle are cost burdened by their housing, showing a **mismatch of available rental units and resident income**.

Home Values⁶

Home values are subject to changing market conditions across the region. A home’s value is assessed via the tax valuation process to determine the property taxes owed on the home. As the assessed value of a home increases, so do the property taxes. Rapid increases in property taxes can create affordability challenges for low- to moderate-income homeowners whose household budgets cannot absorb these increases.

Durham County experienced a 58% increase in median home value since 2019, the largest percentage increase in the Triangle. Orange County experienced the smallest increase in median home value (39%) since 2019 but has the highest median home value of the Triangle at \$428,500.

The table below represents changes in the median home value, which, like Area Median Income, is the midpoint of home value distribution.

Location	Median Home Value	Changes since 2019
Regional	\$413,150	 47%
North Carolina	\$259,400	 50%
United States	\$303,400	 40%

Note: The 2023 ACS 1-year and 2023 ACS 5-year show significant variability in Median Home Value. We use the 2023 ACS 5-year because it uses a larger sample size and offers more precision than the 1-year.

Renters and Homeowners⁷

In North Carolina, **around 65% of residents own their home and 35% rent**. In the Triangle, Wake County and Orange County reflect that same pattern. In Chatham County, 76% of residents are homeowners and 24% are renters. In Durham County, residents are more evenly split, with 54% owning their home and 46% renting.

Rental costs, like home values, continue to outpace the purchasing power of residents. **Median monthly rental costs in the Triangle have increased by 30% in the last five years.** It is most expensive to rent in Wake County, with median rental prices at \$1,508/month, while Chatham County appears to be more affordable for renters at \$1,066/month.

The variation in residential makeup and housing costs represent differences in market dynamics for each community, but the persistence of an affordable housing deficit exists throughout the region.

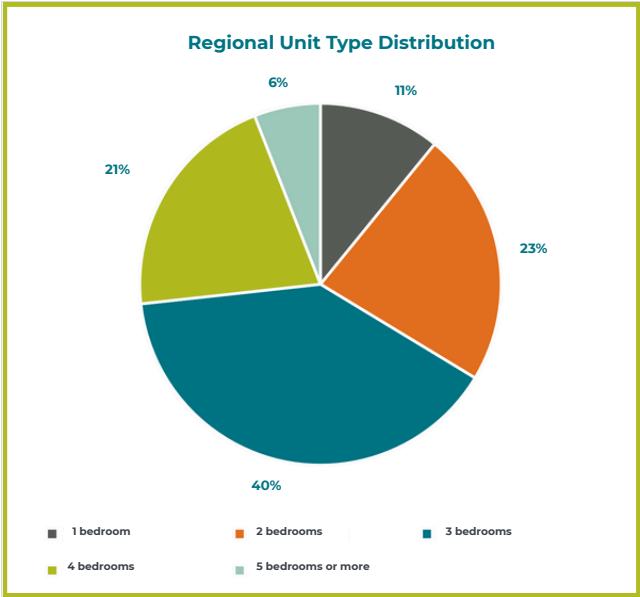
2023 Median Rent		
Regional	North Carolina	United States
\$1,401/month	\$1,162/month	\$1,348/month
↑ 30% since 2019	↑ 28% since 2019	↑ 27% since 2019

The Built Environment

Unit age, type, and configuration represent a community's capacity to accommodate diverse household sizes. A mismatch between physical housing characteristics and population needs can lead to overcrowding, inaccessibility for people with disabilities, and prevent older adults from aging in place.

Triangle Housing Stock Data: ⁸

- **Three-bedroom, single-family units predominate, representing 38-50%** of all housing units.
- Two-bedroom units are the second largest unit configuration.
- Most housing stock in the Triangle was built between 1980 and 2009, with **peak production between 2000 and 2009**.
- **Only 7-14% of homes** in the Triangle were **built after 2009**.
- Residential housing production, both nationally and locally, has not kept pace with population growth and demand.



Nearly 60% of the housing stock will reach its 30-year life cycle this decade, wherein properties, apartments and single-family homes alike, need significant repair. This impacts both homeowners and renters. Homeowners will need significant capital to address these repairs, yet more than 60% of low-income homeowners are already cost-burdened by their housing,⁹ leading to displacement.¹⁰ For renters, building owners may increase rental costs to recoup the cost of repairs or sell the complex to a new owner, who will still need to make the repairs, and likely raise the rents.

Limited housing diversity, aging housing stock, and insufficient new construction create market pressure that drive housing costs up.

Conclusion

The Triangle faces significant housing affordability challenges that require coordination and collaboration across municipalities. With homeowner vacancy rates at less than 1%, and substantial increases in home values across the region, **residents across all income levels struggle to meet their housing needs.** The data shows many distinct patterns across the four counties- Chatham, Durham, Orange, and Wake. From the predominance of three-bedroom homes - which may not meet changing residential needs - to slow unit production and an aging housing stock, homes available across the Triangle do not adequately meet the diverse needs of Triangle residents. A regional approach can both acknowledge the distinct housing challenges of each community, while using a broader, more comprehensive view of regional housing needs. As the Triangle continues to evolve, addressing housing affordability will be essential to a diverse and thriving region.

Citations:

1. BCA Analysis, U.S Census Bureau 2023 American Community Survey (ACS) 5-Year, U.S Department of Housing and Urban Development (HUD) Consolidated Planning/CHAS Data: 2017-2021
2. 2023 National Low Income Housing Coalition Out-of-Reach Report: North Carolina, Wake County HMFA, Durham-Chapel Hill HMFA
3. The U.S Census Bureau and U.S Department of Housing and Urban Development establish the Fair Market Rent, annually. Fair Market Rent is calculated using the 40th percentile of gross rental costs in a housing market. This means 40% of all rental units in an area cost the same as or less than the Fair Market Rent.
4. This may vary by community and is driven by the surrounding housing market.
5. BCA Analysis, 2023 ACS 5-year
6. BCA Analysis, 2023 ACS 5-yearNote: The 2023 ACS 1 year and 2023 ACS 5-year show significant variability in Median Home Value. We use the 2023 ACS 5-year because it uses a larger sample size and offers more precision than the 1-year.
7. BCA Analysis, 2023 ACS 5-year
8. BCA Analysis, 2023 ACS 5-year
9. U.S Department of Housing and Urban Development (HUD) Consolidated Planning/CHAS Data: 2017-2021
10. Direct housing displacement refers to the involuntary relocation of households who can no longer afford their homes due to rising housing costs, deteriorating housing conditions, evictions, lease non-renewal, and eminent domain. University of Texas at Austin. (n.d.). Understanding gentrification and displacement. The Gentrification Project

**For the latest updates on our actions in the
housing affordability space:**



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