



## How Affordable Is Housing In Asheville?

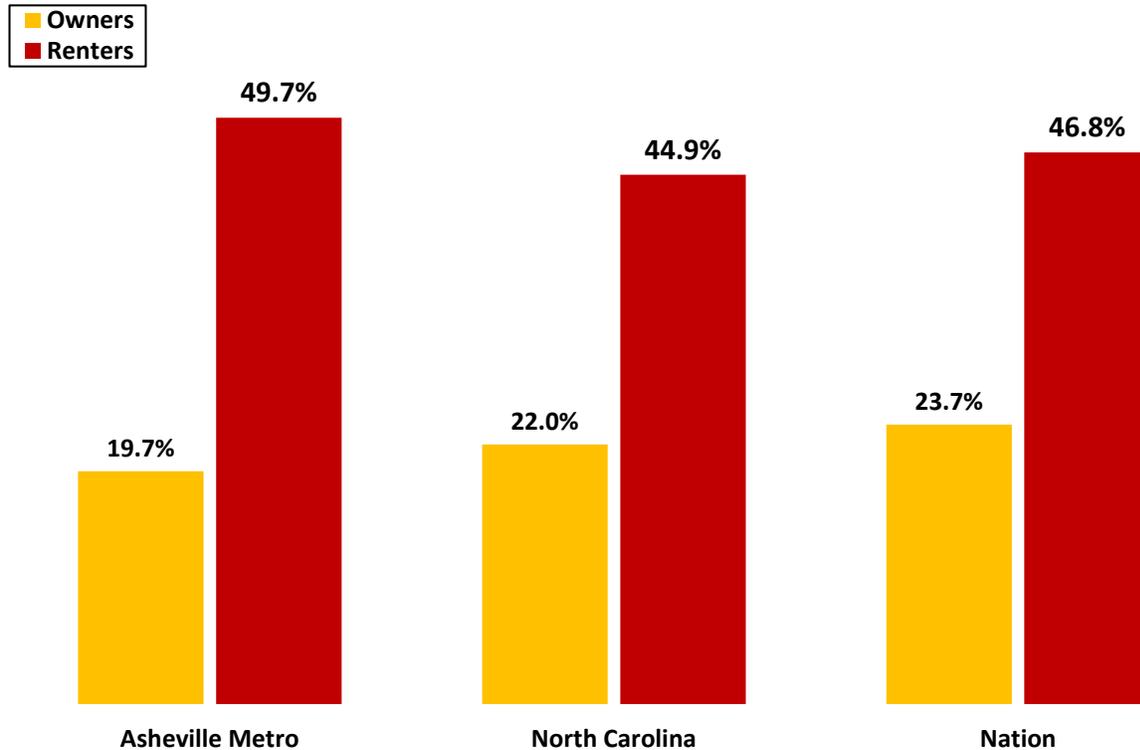
Housing affordability is a frequently discussed issue in the four-county Asheville metro area (Buncombe, Henderson, Haywood and Madison). Are houses more unaffordable in Asheville than in the state or nation? Has affordability worsened lately? Objectively measuring affordability can be a challenge. The costs and quality of housing, household incomes and housing demand and supply are just a few of the shifting variables that determine what is affordable or unaffordable.

Fortunately, there is a straightforward metric we can use to gauge housing affordability. According to the U.S. Department of Housing and Urban Development, *“Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.”* In its ongoing survey of households, the U.S. Census Bureau asks respondents to provide monthly housing costs which they then compare to their answers on income. For every location in the nation the Bureau can provide a breakout of the estimated number of households that are *cost burdened* or spending more than 30 percent of their income on housing.

As of 2015, about 55,000 households or 29.8 percent of all households in the Asheville metro were in costs burdened or unaffordable housing. This is slightly below the statewide rate of 30.3 percent and nationwide rate of 32.2 percent. But drilling down in those numbers provides a clue on why the issue may be a little different in Asheville. When broken out by owners and renters the numbers show that house owners are less likely to live in an unaffordable house in Asheville compared to the state and nation, but a renter is more likely (see chart below).



## Percent of Households in Unaffordable Housing\* 2015



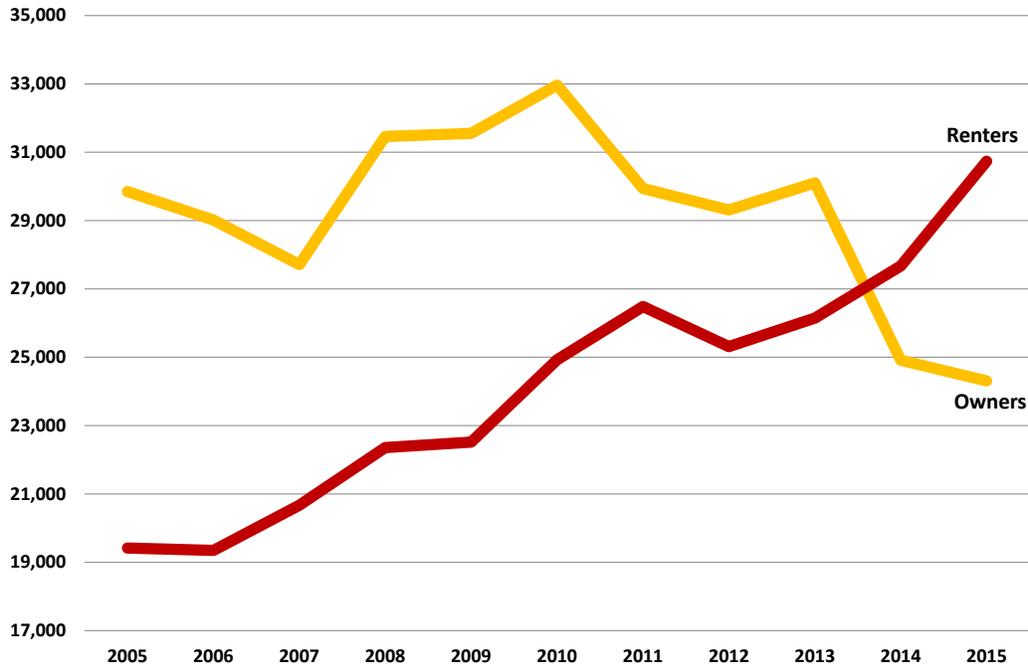
*\*Housing costs are 30 percent or more of total household income.*

*Source: U.S. Census Bureau*

Asheville's mix of home owners and renters has been changing. Owners make up the majority of households in Asheville; 67 percent in 2015. But the number was 72 percent just six years ago. Over the last decade the number of owner-occupied households increased by 4,129 or 3.5 percent in Asheville, while the number of renter-occupied households increased by 13,390 or 27.7 percent. Asheville's rising number of renter-occupied households, coupled with the higher likelihood that those households are cost burdened, has led to two diverging trends: fewer unaffordable owner-occupied households at the same time as more unaffordable renter-occupied households (see chart below). In 2014 the number of renter-occupied households in unaffordable housing exceeded the number of owner-occupied households in unaffordable housing.



## Number of Households in Unaffordable Housing\* Asheville Metro 2005-2015



*\*Housing costs are 30 percent or more of total household income.  
Source: U.S. Census Bureau*

So how affordable is housing in Asheville? It might depend on who you ask. For home owners Asheville is more affordable than ownership in the state or nation. However a renter would find higher housing unaffordability in Asheville. And if the present trend of more renter-occupied housing continues then we can expect to see the number and share of persons living in unaffordable housing to increase.

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