



Rental Home Companies Are an Important Part of Charlotte's Housing Mix

Washington, D.C. (April 25, 2022) – Judging by recent media attention, Charlotte, North Carolina has become the center of the single-family rental home world. Most of the coverage seems to be limited to the fact that providers of single-family rental homes do indeed maintain an active commitment to the region's housing market, while not attempting to explain why this might be the case, and whether housing consumers in Charlotte are benefitting from the presence of professionally-managed single-family rental home companies. So, here are a few points to provide some needed context concerning the single-family rental home market in Charlotte and throughout the state of North Carolina:

First, some data regarding the presence of single-family rental home companies in North Carolina: there are more than 4.7 million housing units in North Carolina¹; 720,000 of which are single-family rental homes². NRHC member companies own approximately 25,000 homes in the state. This equates to about 0.5% of the residential housing and roughly 3.5% of the number of single-family rental homes.

Second, demand for rental housing is directly correlated to job growth and population growth, and on both fronts the Charlotte region is booming. The U.S. Census Bureau reported that Charlotte was among the fastest-growing cities in the country over the past decade with population growth of over 21%³. It was also the 4th fastest-growing city for job growth in 2021 and is expected to see a nearly 50% increase in the employment base over the next decade⁴. In the Urban Land Institute's 2022 *Emerging Trends* report, Charlotte was ranked as the seventh best city for real estate investment and Raleigh-Durham the second⁵. As Charlotte's economy continues to attract new residents and businesses, the supply of rental housing will have to expand accordingly.

Third, while the number of properties owned by providers of single-family rental homes has increased in the Charlotte area, so too have the number of properties in both the owner-occupied and multifamily housing markets – dramatically so. In fact, between 2010 and 2019 the number

¹ U.S. Census Bureau <https://www.census.gov/quickfacts/fact/table/NC/HCN010212?>

² Freddie Mac <https://staging-rentalhomecouncilorg.kinsta.cloud/wp-content/uploads/2019/01/single-family-rental-markets.pdf>

³ Charlotte Business Journal <https://www.bizjournals.com/charlotte/news/2021/08/13/census-figures-for-charlotte.html>

⁴ WCNC <https://www.wcnc.com/article/news/local/charlotte-region-expected-to-grow-50-percent-by-2050-population-growth-york-lancaster-diversity-south-carolina-north-carolina/275-33158760-d79f-4c2c-9da0-eb368e4ca5bf>

⁵ Urban Land Institute <https://knowledge.uli.org/-/media/files/emerging-trends/2022/final-global-emerging-trends-2022.pdf?rev=bd96393d80c8405dac79fd3ceb22bcf5&hash=02E2AB6DD5DCB31F5C6AA8BFE857F132>



of total housing units in the Charlotte market increased by more than 15%⁶. In 2021 there were more units of multifamily housing delivered in Charlotte (10,692) than any single year on record⁷. Lastly, the number of building permits for residential housing issued in the Charlotte market in 2021 was at its highest level in five years at 73,000⁸.

Fourth, the claim that providers of single-family rental homes are somehow adversely impacting homeownership in Charlotte is dubious at best. Between 2016 and 2020 the homeownership rate in the Charlotte metro area *increased* from 66% to 73%⁹. Further, providers of single-family rental homes are increasingly shifting to the building of new homes for rent rather than the purchasing of existing homes. This is particularly evident in new build-for-rent communities throughout the Charlotte region.

Finally, and most importantly, providers of single-family rental homes are committing significant resources to the Charlotte market for one reason: demand. In a recent survey conducted by NRHC, the Charlotte and Raleigh-Durham markets led the nation in single-family rental home occupancy levels at a rate of 98%¹⁰. Companies are investing in local staff, hiring local contractors and business partners, and bringing property management expertise to the local market all to assure a positive experience for residents and families who choose a single-family rental home lifestyle. As evidence, NRHC member companies invested nearly \$2 billion in home renovations, upgrades, and other property-level operations in 2021, and each of NRHC's five largest member companies maintain an A+ rating from the Better Business Bureau¹¹.

The Charlotte area housing market should be one that reflects the diverse needs and circumstances of those who call this vibrant and dynamic region home. Single-family rental home providers are an important part of the housing ecosystem in Charlotte, throughout North Carolina, and across the country. As testament to the role of single-family rental homes in neighborhoods and communities, a report by Harvard's Joint Center for Housing Studies and AARP in 2021 found, "the most livable neighborhoods offer the most diverse set of housing options, including multifamily and rental opportunities as well as single-family and owner-

⁶ 2021 State of Housing in Charlotte Report <https://realestate.charlotte.edu/research/state-housing-charlotte-report>

⁷ Multifamily News <https://www.multihousingnews.com/top-10-multifamily-markets-by-units-delivered-in-2021/>

⁸ Axios Charlotte https://charlotte.axios.com/292133/charlottes-building-boom-in-numbers/?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axioslocal_charlotte&stream=top

⁹ WCNC <https://www.wcnc.com/article/news/verify/verify-yes-charlotte-has-one-of-the-highest-homeownership-rates/275-0cc7847d-d3b8-41a9-a232-dc38858fde8e>

¹⁰ NRHC/John Burns Real Estate Consulting Single-Family Rental Index, 4th Quarter 2021

¹¹ Better Business Bureau <http://www.bbb.org>



occupied homes.”¹² NRHC member companies are working diligently to respond to the demand for quality, affordably-priced, rental housing in safe, well-located neighborhoods. By making long-term commitments to the communities in which they invest and build, single-family rental home companies – large and small – are providing families with more options for housing to meet the needs of local residents.

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About NRHC

The National Rental Home Council (NRHC) is the nonprofit trade association representing the single-family rental home industry. NRHC members provide families and individuals with access to high-quality, single-family rental homes that contribute to the vitality and vibrancy of neighborhoods and communities. For more information on NRHC or the single-family rental home industry visit www.rentalhomecouncil.org

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¹² Harvard Joint Center for Housing Studies <https://www.jchs.harvard.edu/blog/housing-and-livable-neighborhoods>