

# Housing Market Report

Fall 2023

Hillsborough Street Community Service Corporation



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# I. Neighborhood Demographics

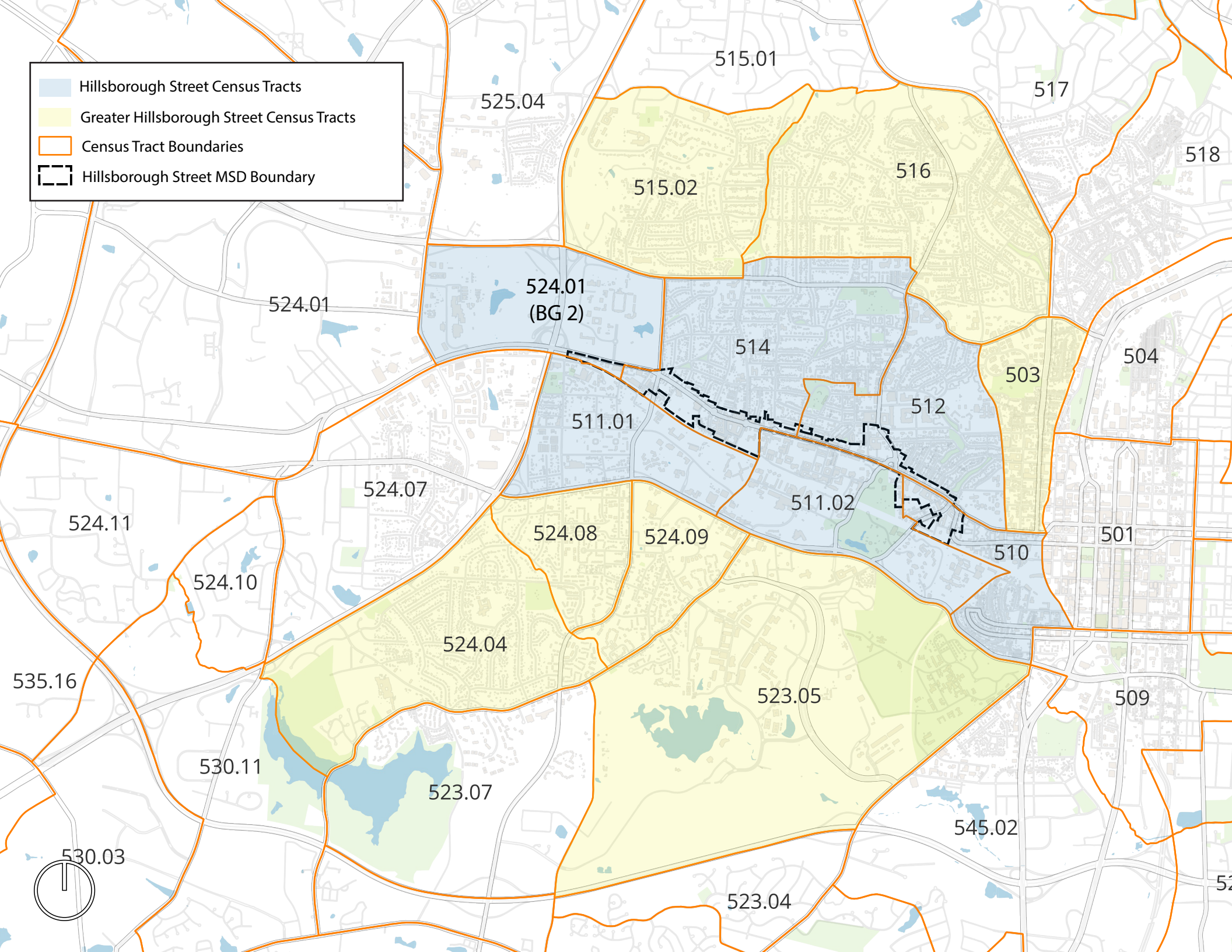


Hillsborough Street Census Tracts

Greater Hillsborough Street Census Tracts

Census Tract Boundaries

Hillsborough Street MSD Boundary





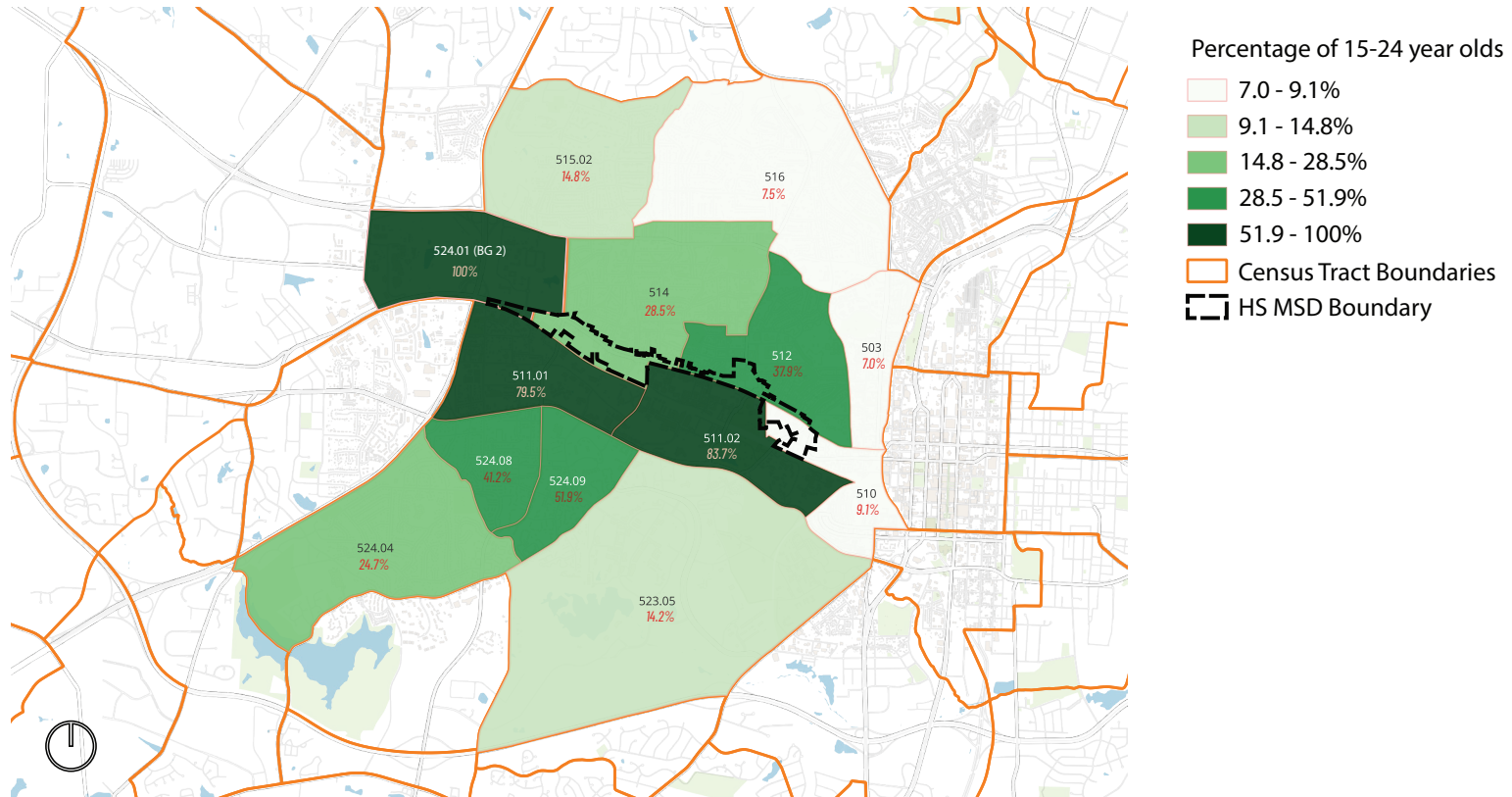
# NEIGHBORHOOD DEMOGRAPHICS

According to the U.S. Census Bureau's ACS 5-Year Estimates, 2021, the greater Hillsborough Street area includes a range of residential demographics across its census tracts. The total population is 47,045 with a sizable proportion of college-aged residents, comprising 38.6% of the population. Median household incomes range from \$20k to \$145k, with lower incomes generally corresponding to areas with higher percentages of renters and college-aged residents. The area overall has a median age of 27, including over 9,000 residents aged 15-19 and over 9,000 aged 20-24.

Hillsborough Street Census Tracts								Greater Hillsborough Street Census Tracts							
Census Tracts	510	511.01	511.02	512	514	524.01 (Block Group 2)	Subtotal	503	515.02	516	523.05	524.04	524.08	524.09	Grand total
<b>Total Pop.</b>	2,517	5,247	4,543	4,663	5,131	1,034	23,135	3,350	2,184	4,994	2,048	3,711	3,622	4,001	47,045
<b>Median HH Income</b>	\$67.9K	\$30.9K	\$20.3K	\$60.5K	\$63.9K	NA	—	\$81.0K	\$111.4K	\$145.4K	\$43.1K	\$77.8K	\$35.0K	\$27.0K	—
<b>Median Age</b>	33.3	19.6	19.4	27.1	28.1	19.5	—	30.7	37.4	45.1	31.5	30.6	23.1	24.2	—
14 and under	146	202	0	194	611	0	1,153	130	369	920	125	442	671	241	4,051
15 to 19	35	3,019	3,129	538	165	710	7,596	19	132	259	0	270	215	543	9,034
20 to 24	195	1,154	674	1,231	1,298	324	4,876	214	191	117	290	647	1,279	1,532	9,146
25 to 34	1,038	325	247	1,027	1,038	0	3,675	1,642	328	618	818	675	489	1,252	9,497
35 to 49	477	284	203	577	1,114	0	2,655	467	444	976	386	604	429	212	6,173
50 to 64	424	191	210	658	552	0	2,035	400	391	982	380	571	457	221	5,437
65 to 79	198	62	80	391	290	0	1,021	424	222	878	8	372	76	0	3,001
80 and over	4	10	0	47	63	0	124	54	107	244	41	130	6	0	706

Source: U.S. Census Bureau. American Community Survey, ACS 5-Year Estimates Subject Tables, 2021

# COLLEGE-AGED POPULATION

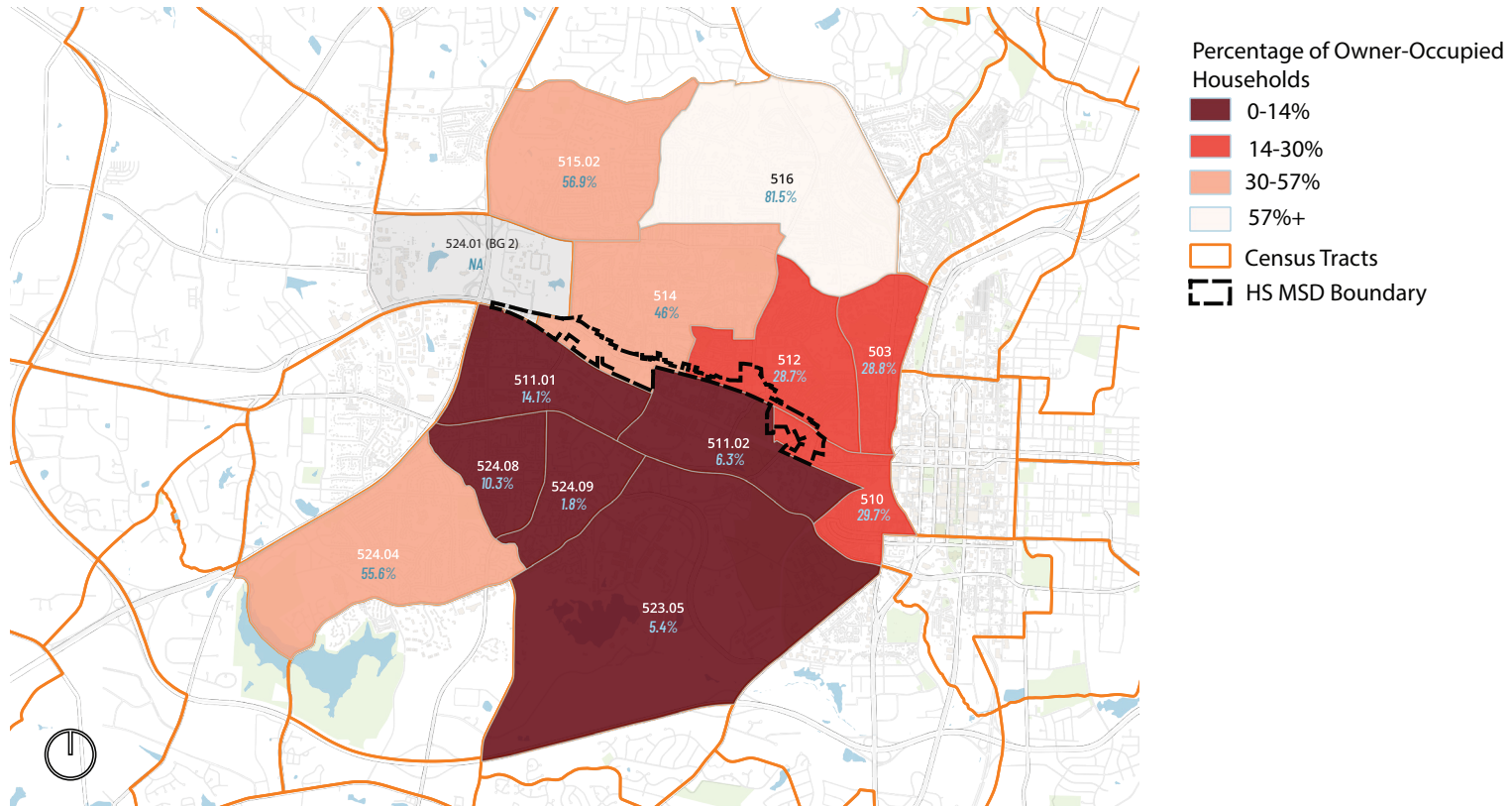


Census Tracts	510	511.01	511.02	512	514	524.01	503	515.02	516	523.05	524.04	524.08	524.09	Total
Total Population	2,517	5,247	4,543	4,663	5,131	1,034	3,350	2,184	4,994	2,048	3,711	3,622	4,001	47,045
15-19 year olds	35	3,019	3,129	538	165	710	19	132	259	0	270	215	543	9,034
20-24 year olds	195	1,154	674	1,231	1,298	324	214	191	117	290	647	1,279	1,532	9,146
Total 15-24 year olds	230	4,173	3,803	1,769	1,463	1,034	233	323	376	290	917	1,494	2,075	18,180
Pct. of total pop. aged 15-24	9.1%	79.5%	83.7%	37.9%	28.5%	100.0%	7.0%	14.8%	7.5%	14.2%	24.7%	41.2%	51.9%	38.6%

Source: U.S. Census Bureau. American Community Survey, ACS 5-Year Estimates Subject Tables, 2021



# RENTER-OCCUPIED VS. OWNER-OCCUPIED



Source: U.S. Census Bureau. American Community Survey, ACS 5-Year Estimates Subject Tables, 2021





## II. Market Highlights by Housing Type



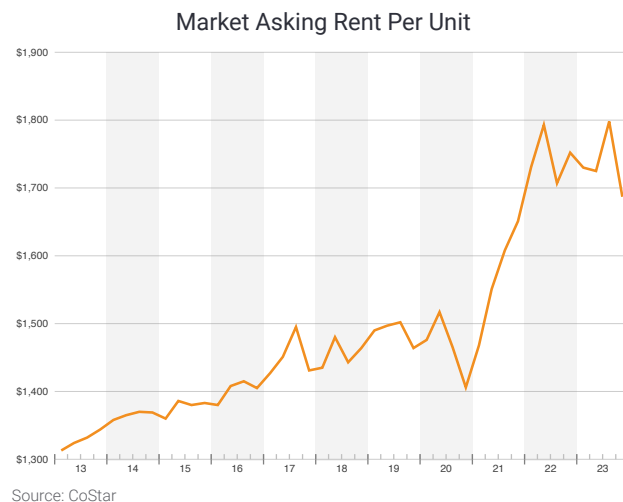
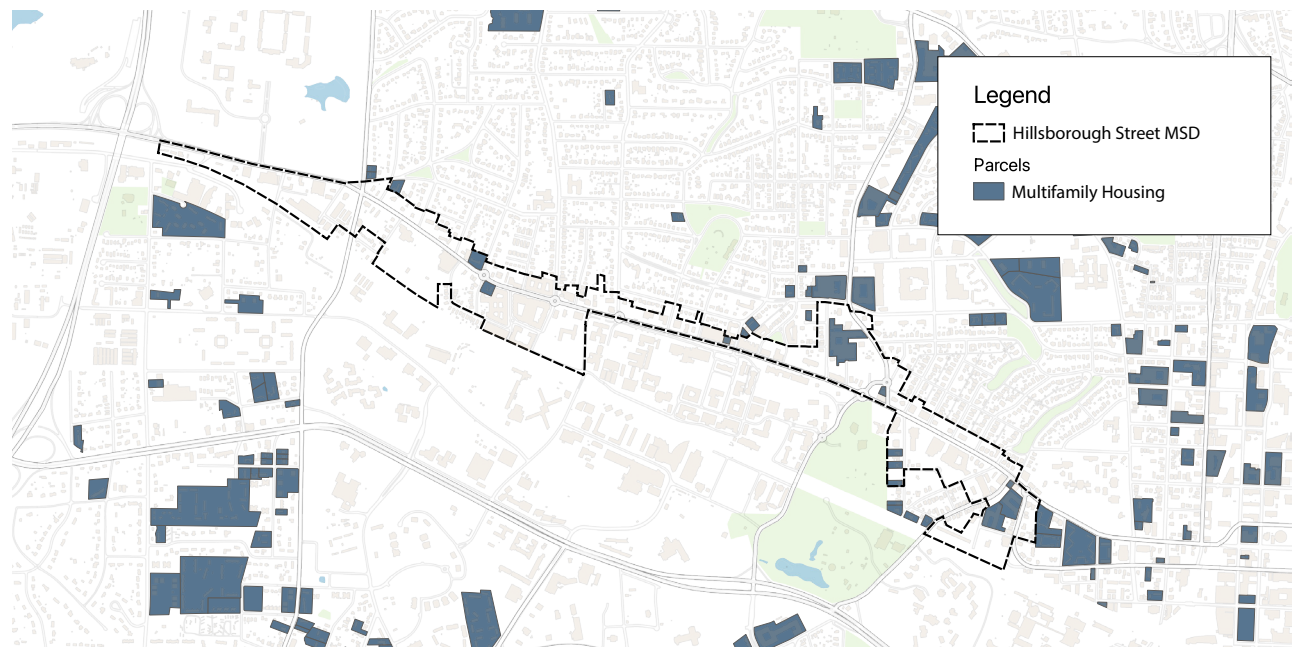
## A. MULTIFAMILY HOUSING [Excluding Purpose-Built Student Housing Properties]

The Hillsborough Street multifamily rental market currently contains 1,949 existing apartment units; this is not inclusive of the market rate student housing properties along the corridor. Among the multifamily properties, the average vacancy rate is 6.6%, slightly below the 5-year average of 7.1%.

The area has a mix of small and mid-size properties, such as Cameron Park Apartments (15 units), The Wilmont (24 units), and 927 West Morgan Apartments (249 units). The market caters to students and young professionals with mostly studio, one and two-bedroom units. Average asking rents are \$1,175 for studios, \$1,550 for one bedrooms, and \$1,815 for two bedrooms.

Effective rents show steady annual growth of around 3% as concessions remain low. Net absorption has been negative over the past year with -48 units absorbed, indicating some softness in the market. Recent construction deliveries are leased up quickly, achieving over 95% occupancy within a year after delivery.

The investment market saw five property sales in the past year totaling \$13 million, at an average price per unit of \$183k.

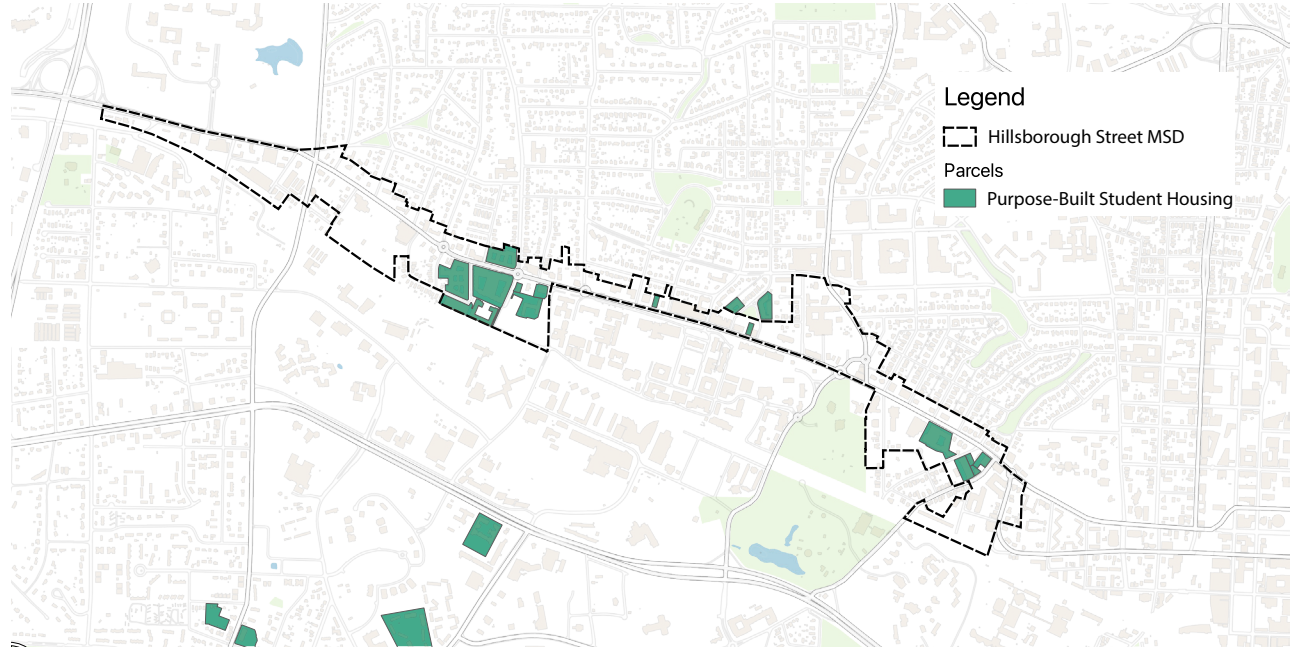


The Edition on Oberlin

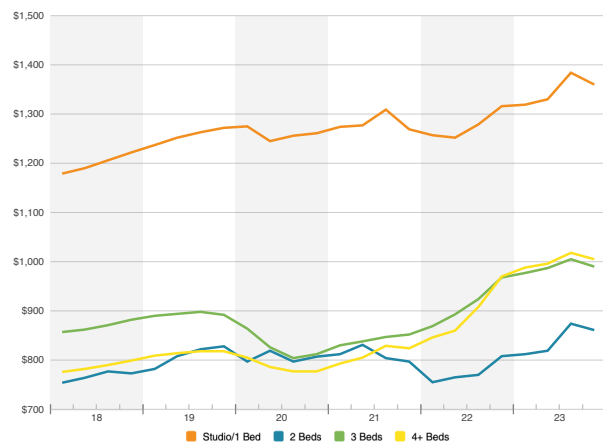
## B. PURPOSE-BUILT STUDENT HOUSING

The purpose-built student housing (PBSH) market along Hillsborough Street, which currently includes 5,291 beds, is healthy and growing, with low vacancy rates and rising rents. Average monthly rents per bed in 2023 Q4 are \$1,360 for Studios/1 Bed, \$1,005 for 4+ Beds, \$990 for 3 beds, and \$861 for 2 Beds. Rents have been increasing around 3% yearly.

Nearly 2,000 new beds have been added in the past 5 years through new construction, including The Standard at Raleigh (697 beds), Signature 1505 (525 beds), Uncommon Raleigh (345 beds), and Yugo Raleigh Logan (301 beds). New properties typically reach 95% occupancy within 6 months of completion.



PBSH: Market Rent Per Bed By Unit Size



Source: CoStar



Signature 1505



Stanhope Apartments



# PBSH UNIT MIX & TOTAL BEDS

Property	Address	Type	Year Built	GBA	Total Units	Studio Units	1 Bed Units	2 Bed Units	3 Bed Units	4 Bed Units	5 Bed Units	Avg. Rent/Bed	Total beds
Valentine Commons	3009 M E Valentine Dr	4 Star Mid-Rise	2012	385,000 SF	277	0	0	60	60	157	0	\$901	928
Stanhope Apartments	3001 Hillsborough St	4 Star Mid-Rise	2015	297,220 SF	300	56	12	80	26	126	0	\$1,226	810
University Towers <sup>1</sup>	111 Friendly Dr	3 Star Mid-Rise	1988	213,318 SF	420	0	100	320	0	0	0	\$585	740
The Standard at Raleigh	3101 Hillsborough St	4 Star Mid-Rise	2020	426,539 SF	234	29	9	36	53	107	0	\$1,368	697
Signature 1505	1505 Hillsborough St	4 Star Mid-Rise	2018	271,215 SF	150	0	4	16	31	99	0	\$1,036	525
College Inn	2717 Western Blvd	4 Star Mid-Rise	2004	179,036 SF	121	0	0	16	12	93	0	\$929	440
Uncommon Raleigh	3020 Hillsborough St	5 Star Mid-Rise	2020	226,806 SF	132	49	11	13	6	24	29	\$1,248	345
Yugo Raleigh Logan <sup>2</sup>	102 Logan Ct	4 Star Low-Rise	2019	117,579 SF	120	0	21	48	20	31	0	\$999	301
109 Park	109 Park Ave	3 Star Mid-Rise	2017	83,326 SF	86	0	34	40	12	0	0	\$1,490	150
1301 Hillsborough	1301 Hillsborough St	4 Star Mid-Rise	2015	31,180 SF	39	0	22	6	11	0	0	\$1,205	67
Live on Hillsborough	2811 Hillsborough St	4 Star Mid-Rise	2015	28,144 SF	30	2	7	6	15	0	0	\$1,173	66
Method Townhomes	700 Method Townes Ct	4 Star Low-Rise	2001	28,192 SF	24	0	0	8	16	0	0	\$636	64
Friendly Apartments	105 Friendly Dr	4 Star Mid-Rise	2016	28,247 SF	16	0	1	6	0	9	0	\$977	49
2604 Hillsborough	2604 Hillsborough St	4 Star Mid-Rise	2014	15,411 SF	14	0	3	0	11	0	0	\$1,004	36
104 Ashe	104 Ashe Ave	4 Star Mid-Rise	2020	12,281 SF	16	1	4	6	5	0	0	\$1,103	32
103 Park Apartments	103 Park Ave	3 Star Low-Rise	2020	10,902 SF	20	0	15	3	2	0	0	\$1,356	27
TOTAL					2,010	137	253	664	280	647	29	\$1,077	5,291

<sup>1</sup> Now fully leased (to purchase) by NC State

<sup>2</sup> Includes both 102 Logan Ct & 113 Chamberlain St

## C. UNIVERSITY HOUSING

There are a total of 10,300 on-campus student beds in the Hillsborough Street area, including 700 beds at Meredith College and 9,600 beds at NC State.

### Cost Comparison

#### On-Campus Housing at Meredith College

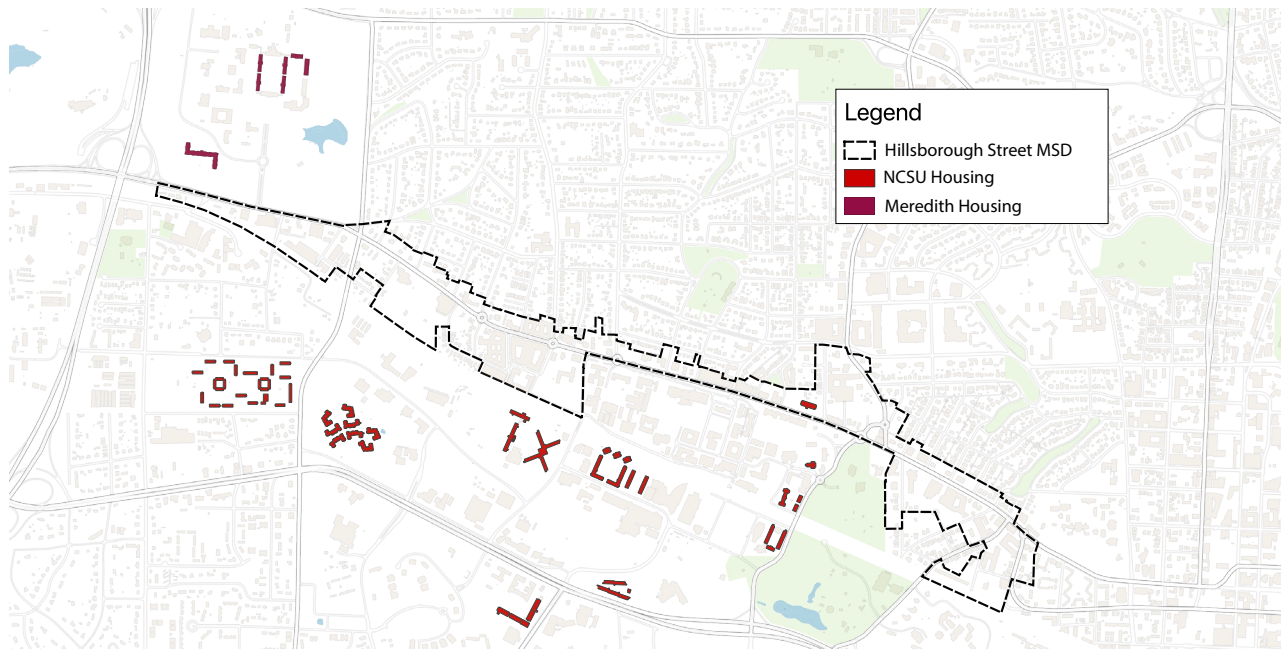
Approximately **\$6,460 - \$13,452** per year per bed (not including summer or breaks). A traditional residence hall room is the least expensive option, while a 2-bedroom apartment is the most expensive option, but there are a range of housing styles and costs to choose from.

#### On-Campus Housing at NC State

Approximately **\$7,050 - \$10,800** per year per bed (not including summer or breaks). The exact amount will depend on whether the student chooses a traditional residence hall room or an apartment, if they opt for a single or shared room, as well as if they live in on-campus summer and/or transition housing.

#### Off-Campus Purpose-Built Student Housing

Approximately **\$10,332 - \$16,320** per year per bed. A bed in a 2-bedroom apartment is the most affordable, while a bed in a studio/1-bedroom apartment is the most expensive. The exact amount depends on how many roommates a student is willing to live with, the location of the apartment, its amenities, etc.



Faircloth Residence Hall (Meredith College)



North Hall (NC State)



## D. SINGLE FAMILY HOUSING BY NEIGHBORHOOD

### University Park

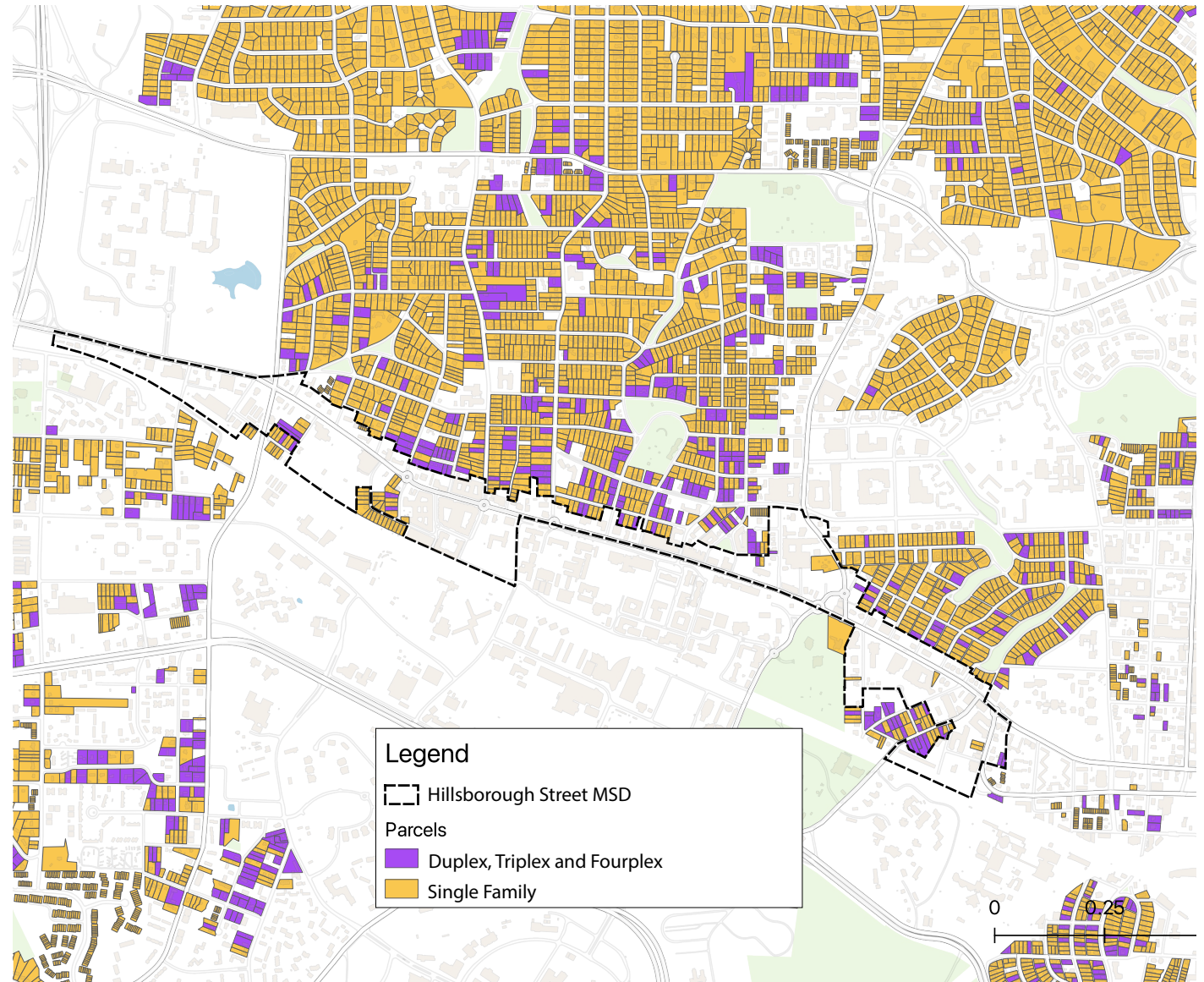
In September 2023, the median listing home price in University Park was \$774.5K, trending up 11.4% year-over-year. The median listing home price per square foot was \$496. The median home sold price was \$1.2M. On average, homes in University Park sell after 56 days on the market, slightly up since last year.

### Forest Park (ZIP Code 27605)

In September 2023, the median listing home price in 27605 was \$460K, trending up 12.2% year-over-year. The median listing home price per square foot was \$415. The median home sold price was \$390K. On average, homes in 27605 sell after 27 days on the market, slightly down since last year.

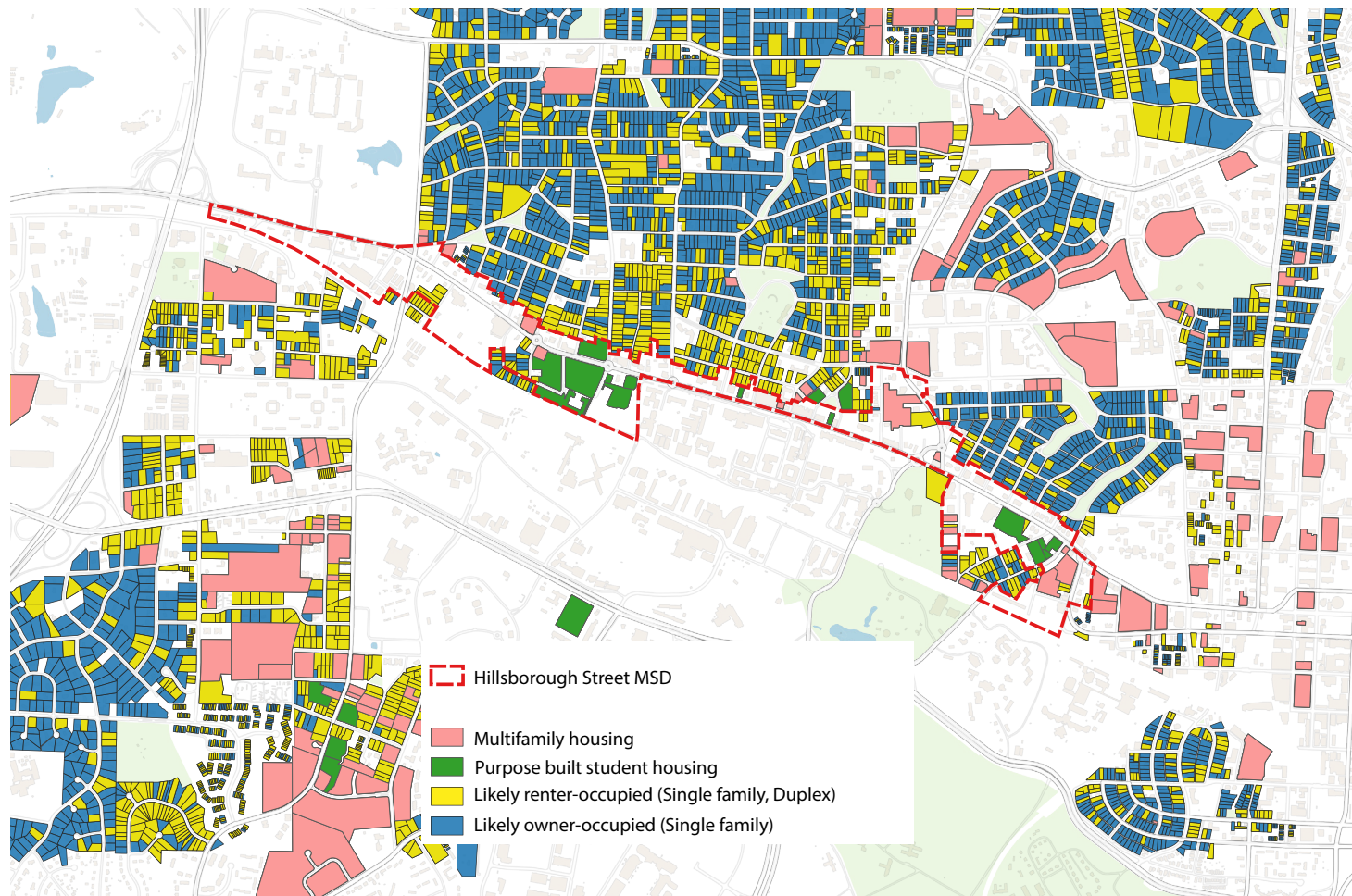
### Five Points (ZIP Code 27608)

In September 2023, the median listing home price in 27608 was \$1.4M, trending up 47% year-over-year. The median listing home price per square foot was \$441. The median home sold price was \$1M. On average, homes in 27608 sell after 46 days on the market, slightly up since last year.



# PARCEL ANALYSIS: RENTER-OCCUPIED VS. OWNER-OCCUPIED

To identify renter-occupied vs. owner-occupied properties in the greater Hillsborough Street area, parcel data from Wake County's GIS database was analyzed. Parcels with a mismatch between site address and owner address are highlighted in yellow, as this suggests the owner does not reside on site and likely rents the property. Parcels without a mismatch are marked in blue, indicating they are likely owner-occupied residences. This methodology provides a visualization of where renters likely live based on parcel ownership records, though some limitations exist as rental properties with owners living on-site may not be captured.

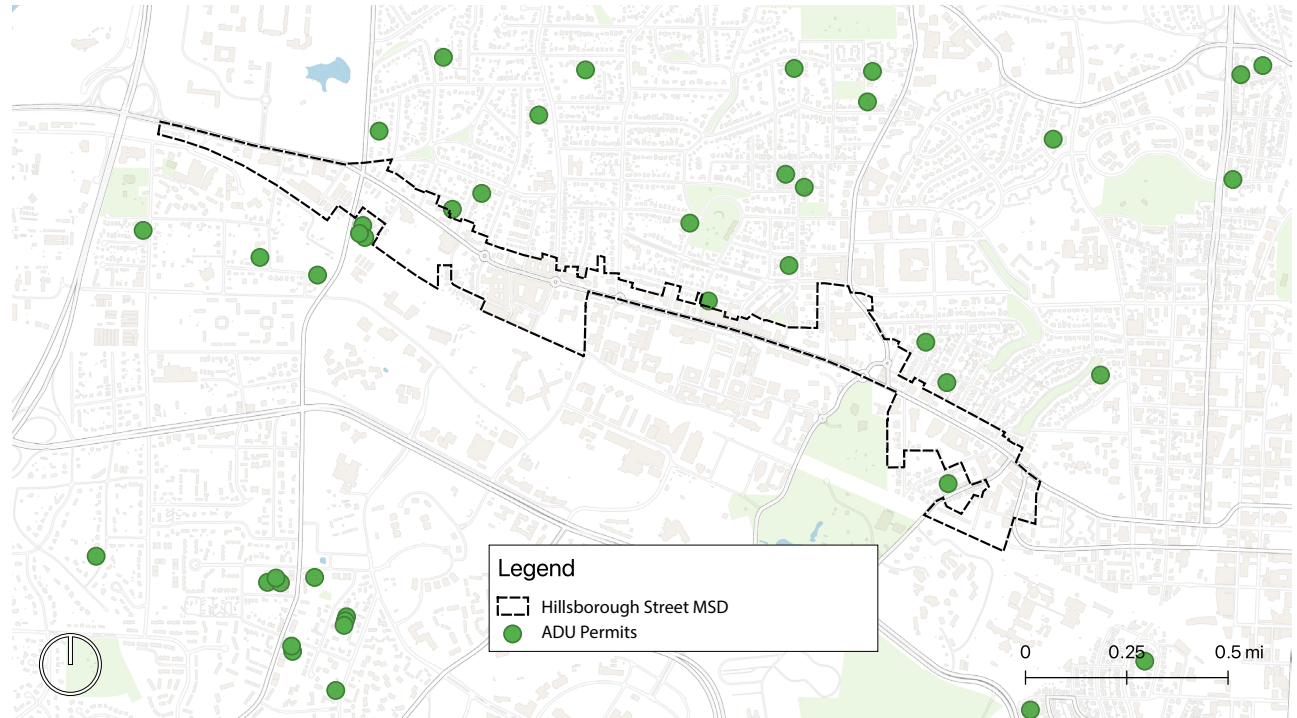




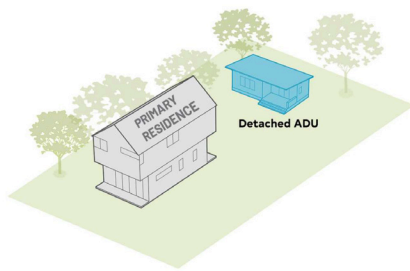
## E. ACCESSORY DWELLING UNITS

Accessory Dwelling Units (ADUs), also known as granny flats or in-law suites, have become an increasingly popular housing option in Raleigh in recent years. The city approved new zoning rules in 2019 that made it easier for homeowners to build detached ADUs on their property by relaxing restrictions such as lot size and parking requirements.

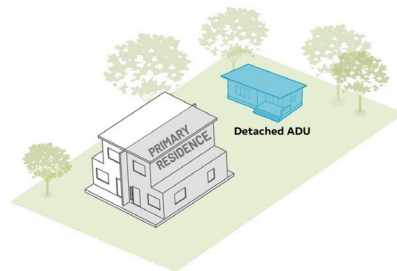
ADUs help increase affordable housing supply in desirable neighborhoods and allow multi-generational families to live together on one lot. As of October 2023, over 150 ADU permits have been issued under the new zoning code, indicating growing adoption of this flexible housing type in Raleigh.



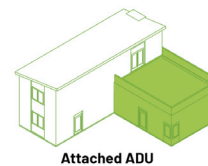
Detached ADU



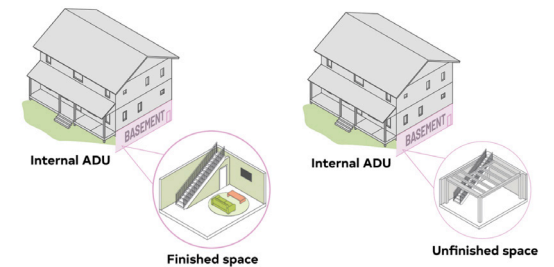
Detached ADU with Primary Duplex



Attached ADU



Converting an Internal Space



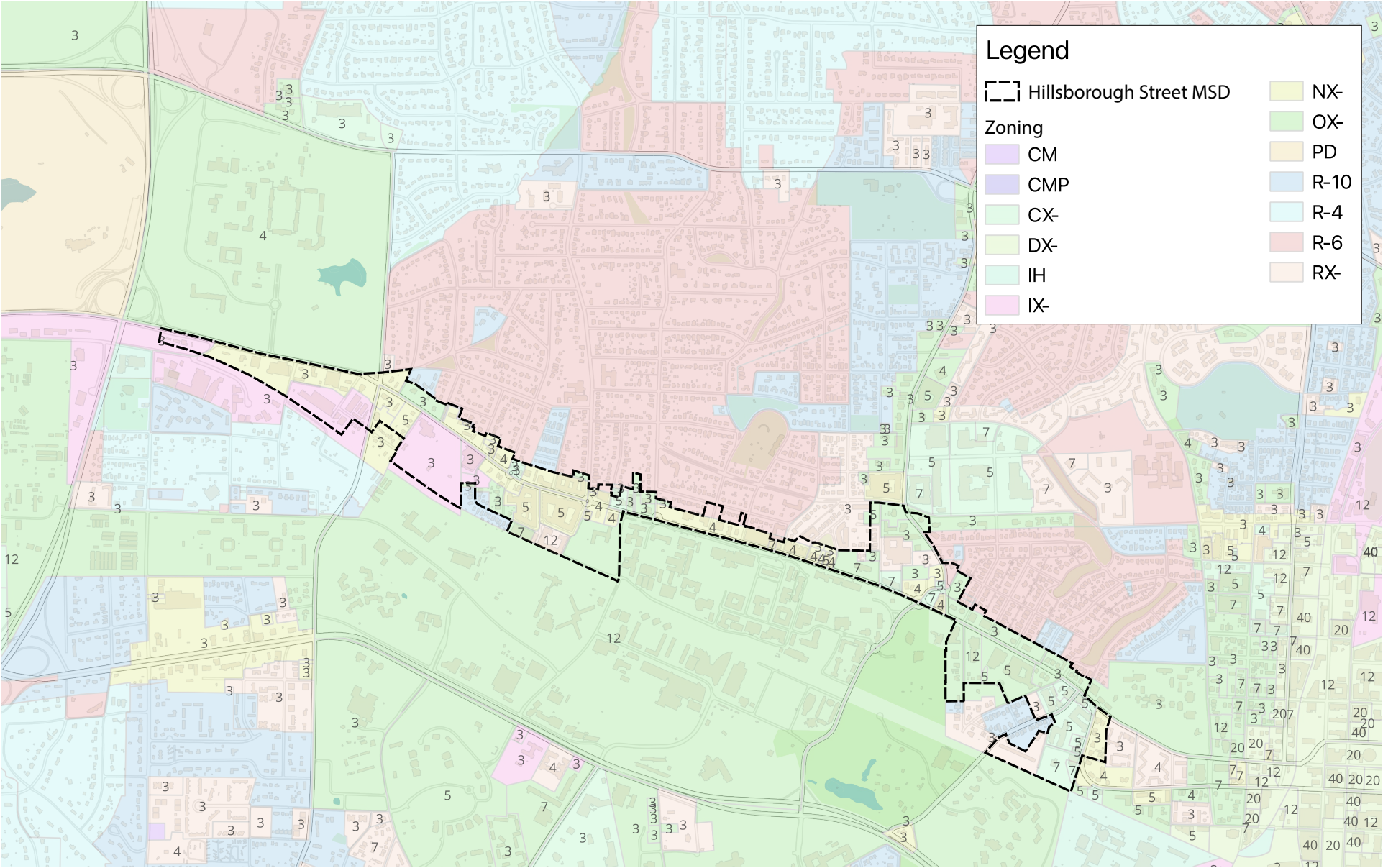




### III. Planning and Development

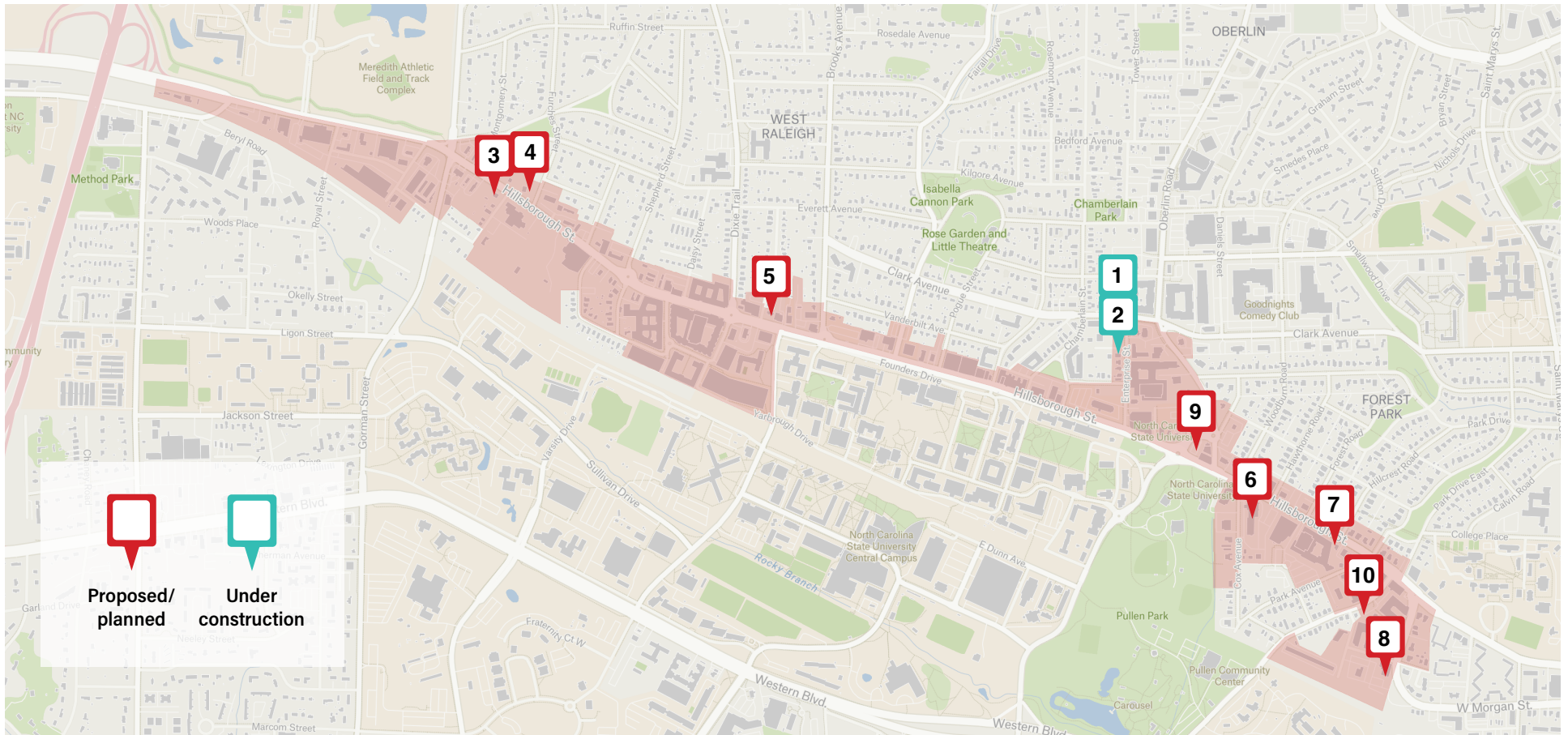


# ZONING MAP



# RESIDENTIAL DEVELOPMENT PIPELINE

There are 10 residential projects either under construction or planned totaling just under 1,700 units and \$510 million in investment. Under construction are 2 projects with 84 units and over \$68 million in investment. There are 8 major projects in planning stages with 1,629 units and over \$441 million investment proposed. The projects range from student apartments to mixed use and condos. Overall, the residential pipeline signals strong continued growth in the Hillsborough Street area, with major investment transforming the corridor. The projects will bring new residents and activity that will shape Hillsborough Street's future.





# RESIDENTIAL DEVELOPMENT PIPELINE

Under construction						
#	Year	Address/Name	Investment	SF	Units	Type
1	2024	101 Enterprise St - The Lansing	\$54,000,000	95,000	53	Condos
2	2024	29 Enterprise St - 29 Enterprise	Not announced	32,867	31	Condos
SUBTOTAL			\$68,790,150 <sup>1</sup>	127,867	84	
Proposed, planned or in site preparation						
#	Year	Address/Name	Investment	SF	Units	Type
3	TBD	3411 Hillsborough St - The Turnhill	Not announced	180,000	180	Apartments
4	TBD	3402 Hillsborough St	Not announced	71,000	106	Apartments
5	TBD	2812 Hillsborough St	Not announced	150,000	138	Apartments
6	TBD	1707 Hillsborough St - Hub on Campus	Not announced	1,019,178	663 (2,000 beds)	Apartments - Student
7	TBD	1415 Hillsborough St	\$7,000,000	22,600	100	Apartments - Student
8	TBD	865 W Morgan St	Not announced	438,856	401	Apartments
9	TBD	1912 Hillsborough St	Not announced	54,000	35	TBD
10	TBD	105 Ashe Ave	Not announced	26,000	8	Condos
SUBTOTAL			\$441,098,509 <sup>1</sup>	1,961,634	1,629	
TOTAL			\$509,888,659 <sup>1</sup>	2,089,501	1,713	

<sup>1</sup> Totals based on investment estimates

Source: CoStar

# HOST: HOUSING OPTIONS FOR STUDENTS TODAY

HOST is a new Raleigh-based non-profit organization that aims to address the issue of homelessness amongst college students. The program matches students experiencing housing insecurity with volunteer hosts who provide a room in their home for short-term stays.

According to HOST, homelessness impacts up to 15% of college students. Contributing factors include a lack of sufficient housing to meet demand, high costs of living, and financial pressures. HOST was created after two years of planning by students, experts, and advocates seeking an innovative solution.

HOST is modeled on best-practice host-home programs. Volunteer hosts are thoroughly vetted and receive training on topics such as boundaries, expectations, conflict resolution, and cultural awareness. Student guests get support from a case manager to work towards long-term stable housing while staying with a host.

HOST is a cost-efficient model requiring minimal infrastructure, unlike shelters or transitional housing. Hosts open up space in their existing homes to students in need. HOST currently operates on donated office space from Pullen Memorial Baptist Church and is funded from individual donors, Wake County, and the City of Raleigh.

To get involved with HOST and be part of the solution to student homelessness in our community, visit their website at [HOSTNC.org](http://HOSTNC.org). On the site, you can learn more about becoming a volunteer host, donating funds, or advocating for the program.







The Hillsborough Street Community Service Corporation (HSCSC) is an independent, 501(c)(3), not-for-profit, municipal service district created in the fall of 2009 by the City of Raleigh in partnership with NC State University and the property owners, merchants, and residents on and around Hillsborough Street. The HSCSC territory is a 3-mile long corridor on both sides of Hillsborough Street, from St. Mary's School to the I-440 Beltline, including W. Morgan Street and a few side streets. The territory includes diverse businesses, organizations, institutions, and residential options. The organization's mission is to make the Hillsborough Street community a distinct destination in Raleigh by providing services and programs that improve the economic sustainability of the territory's businesses and increase the market value of its properties.

The information in this report has been secured from sources HSCSC believes to be reliable. However, HSCSC makes no representations or warranties, expressed or implied, as to the accuracy of the information.

Questions or comments? Contact Hayes Boone, HSCSC Interim Director of Economic Development and Planning, at [hayes@hillsboroughstreet.org](mailto:hayes@hillsboroughstreet.org).

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