



## **Lack of Home Ownership Opportunities for Critical Workers Threatens Vitality of North Carolina Economy and Communities**

The continued economic competitiveness of North Carolina's communities is threatened by the widening home affordability gap for critical workers, and the disappearance of traditional middle-income neighborhoods.

Workforce Housing, homes that can be afforded by people in our community who earn between 60 and 120 percent of the area's average median income, is crucial to attracting and retaining a productive workforce. People earning workforce wages fill the majority of jobs in nearly every sector of the economy: public service, tourism, health care, service, retail trade, and construction. Good, local, reasonably affordable housing has a direct effect on workers critical to the quality of life of the community: police, nurses, teachers, fire fighters, EMTs, social workers, healthcare workers who work in home or elder care, and others who serve and protect our communities.

Wages are not keeping pace with housing costs in some markets, effectively "pricing out" these everyday neighborhood heroes who are forced to move farther from their jobs. We define "affordable" as a cost that does not consume more than 30 percent of the household's income or falls within owner affordability standards common among lenders in today's mortgage environment.

People and families are forced by circumstances to a "drive until you qualify" situation to own a decent home with quality schools, pushing them far away from the community they serve. If our communities are to thrive, we must find housing options within the community for working families and individuals. In Atlanta, for

example, 75 percent of city employees cannot afford to live there. Only 49 percent of people who work in Seattle live in the city. We certainly don't want that to happen here in NC.

Consider also, when workers cannot afford to live close to where they work they must drive long distances—highway congestion intensifies, open space and farmland disappears, and urban sprawl is accelerated. More practically, essential goods and services—transport, delivery, installation, and maintenance—become increasingly expensive and quality as a competitive advantage disappears.

The problem is illustrated by the following data for one N.C. city: The median home price in Asheville is around \$180,000, which requires an income of about \$53,731 to purchase. A licensed practical nurse (LPN) makes on average \$36,439 annually; a police officer \$45,802; a fire fighter \$37,203, and an elementary school teacher \$46,351. None can afford the home. And remember, those are median wages; entry-level wages are much lower. It's the same in Raleigh and Wilmington.

Homes4NC, with the help of its parent organization, NC Association of REALTORS® and corporate partner, Bank of America, is aggressively working to head off the problem by establishing pilot Workforce Housing programs in three NC cities: Asheville, Raleigh and Wilmington. The pilot program has three goals:

1. Providing a thorough education and training program for REALTORS® to become Certified Workforce Housing Specialists, thus helping more families buy homes in their communities;
2. Educating and informing potential homebuyers through a REALTOR® network about financial programs, tools, and available housing options that can help address the problem of affordability in their communities;
3. Helping bring state, regional and city government, civic and business leaders, and employers' attention to bear on the problem.

We urge communities and civic leaders to join Homes4NC and real estate professionals around the state to act on Workforce Housing opportunities now before the problem becomes pervasive and acute. If we do not, the brain drain will make it more difficult for businesses to recruit and keep skilled workers. Potential new businesses may select other states and existing businesses may choose to relocate. Creating good Workforce Housing opportunities and educating our critical workers would improve the competitiveness of each metropolitan area in North Carolina as an attractive place to live and work. We all benefit from that.

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**About John Newman**

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