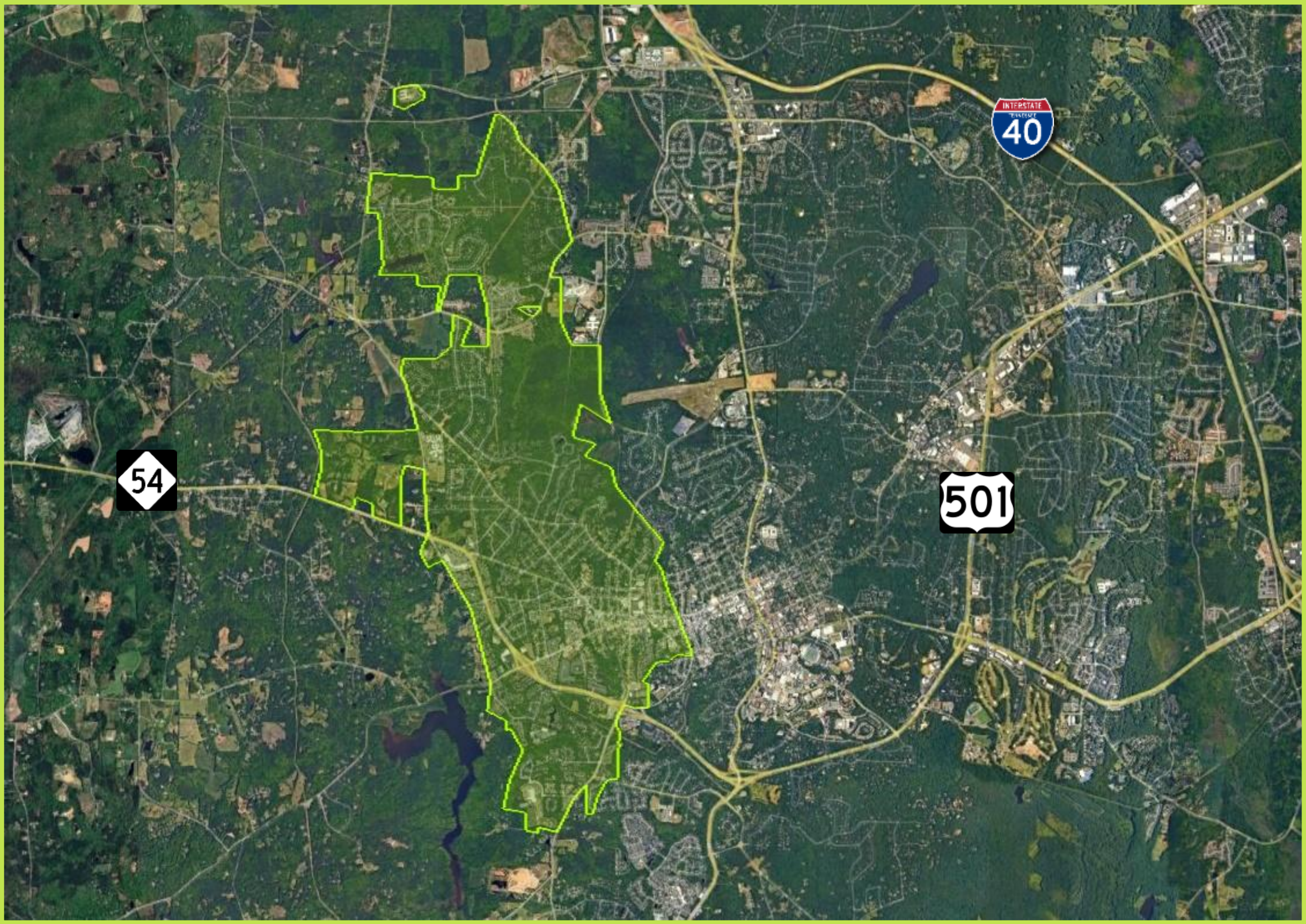


TOWN OF CARRBORO MARKET ANALYSIS

TOWN OF CARRBORO PLANNING DEPARTMENT
JANUARY 2025

www.NoellConsulting.com CONTACT | 404.681.0006

LOCATIONAL ANALYSIS

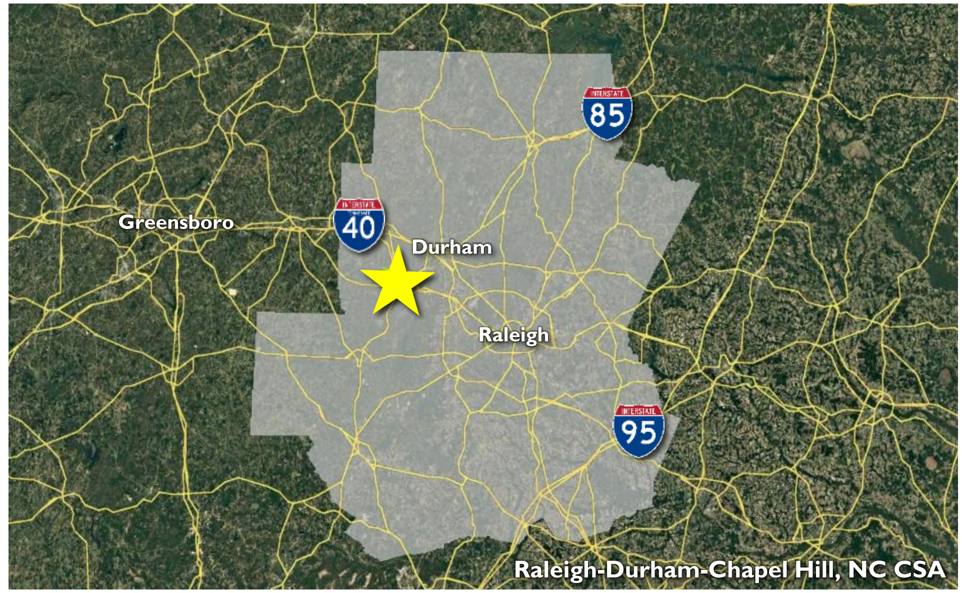
METRO POPULATION TRENDS

Noel Consulting Group

The Town of Carrboro is located in the Southeastern portion of Orange County. The Raleigh-Cary, NC Metropolitan Statistical Area (MSA) and Durham-Chapel Hill, NC MSA collectively form the Raleigh-Durham-Chapel Hill Combined Statistical Area (CSA), a regional home to over 2.3 million residents and a growing economic center in the Southeast region of the U.S.

The CSA has experienced consistent growth since 2000, decreasing from 2.8% seen 2000 - 2010 and leveling off at 1.7% annual growth from 2010 - 2023. Nearly 40,000 new residents have entered the CSA annually over the past decade bringing it to it's current population of 2,348,753. Orange County, where the subject site is located, has captured the 8th most population growth per year out of the entire CSA over the past decade at nearly 1%.

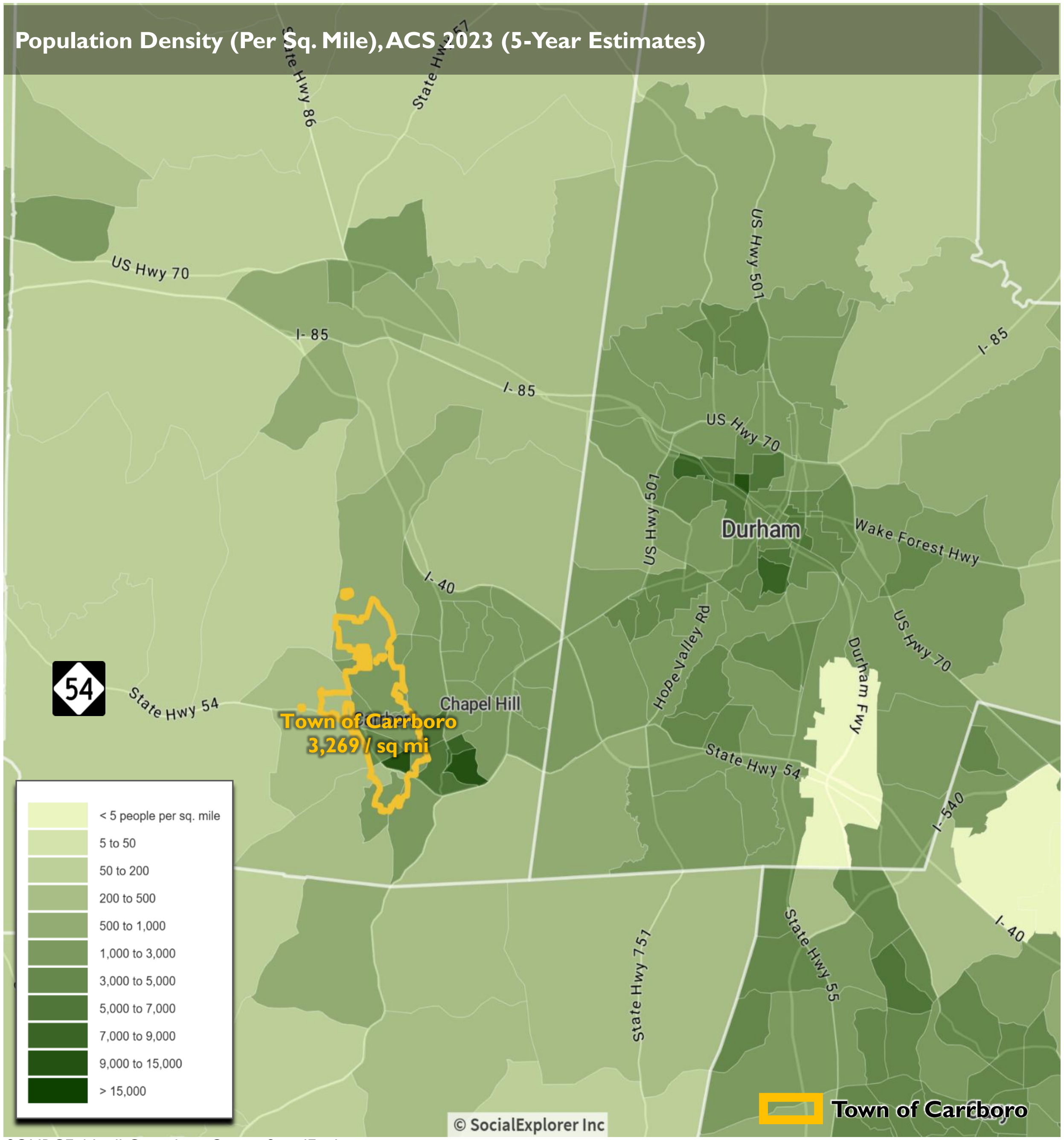
The Town of Carrboro has added 122 residents per year since 2010 leading to its current population of 21,170. The Town of Carrboro's smaller population is largely due to it having limited land area of just 7 square miles.



	LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH		CAPTURE OF REGION	
GEOGRAPHY	SQ MILES	% MSA	2023	% of MSA	2000-10	2010-23	2000-10	2010-23	2000-10	2010-23
Chatham County	682	12.4%	78,319	3.3%	1,418	1,140	2.6%	1.6%	3.1%	2.9%
Durham County	286	5.2%	329,405	14.0%	4,427	4,755	1.8%	1.6%	9.7%	12.0%
Franklin County	492	8.9%	71,962	3.1%	1,336	873	2.5%	1.3%	2.9%	2.2%
Granville County	532	9.7%	61,439	2.6%	1,142	117	2.1%	0.2%	2.5%	0.3%
Harnett County	595	10.8%	136,503	5.8%	2,365	1,679	2.3%	1.3%	5.2%	4.2%
Johnston County	791	14.4%	226,623	9.6%	4,691	4,442	3.3%	2.3%	10.3%	11.2%
Lee County	255	4.6%	64,565	2.7%	883	515	1.7%	0.8%	1.9%	1.3%
Orange County	398	7.2%	147,292	6.3%	1,557	1,038	1.2%	0.7%	3.4%	2.6%
Person County	392	7.1%	39,275	1.7%	384	-15	1.0%	0.0%	0.8%	0.0%
Vance County	254	4.6%	42,361	1.8%	247	-235	0.6%	-0.5%	0.5%	-0.6%
Wake County	834	15.1%	1,151,009	49.0%	27,315	19,232	3.7%	1.9%	59.7%	48.5%
Competitive City Comparison										
Carrboro	7	0.1%	21,170	0.9%	280	122	1.6%	0.6%	0.6%	0.3%
Cary	54	1.0%	176,686	7.5%	4,070	3,189	3.6%	2.1%	8.9%	8.0%
Chapel Hill	21	0.4%	59,889	2.5%	852	204	1.6%	0.3%	1.9%	0.5%
Durham	106	1.9%	288,465	12.3%	4,130	4,626	2.0%	1.8%	9.0%	11.7%
Wake Forest	20	0.4%	51,199	2.2%	1,733	1,601	8.8%	4.1%	3.8%	4.0%
Raleigh	142	2.6%	470,763	20.0%	12,780	5,144	3.9%	1.2%	27.9%	13.0%
CSA Total	**5,511**	**100.0%**	**2,348,753**	**100.0%**	**45,765**	**39,639**	**2.8%**	**1.7%**	**100.0%**	**100.0%**

SOURCE: Noell Consulting Group, U.S. Census Bureau

POPULATION DENSITY



SOURCE: Noell Consulting Group, SocialExplorer

Population density is a strong sign of positive growth and desirability of an area. The map to the left portrays the density levels of Carrboro and the surrounding areas. The shade of color on the map represents the level of density with darker shades representing denser areas.

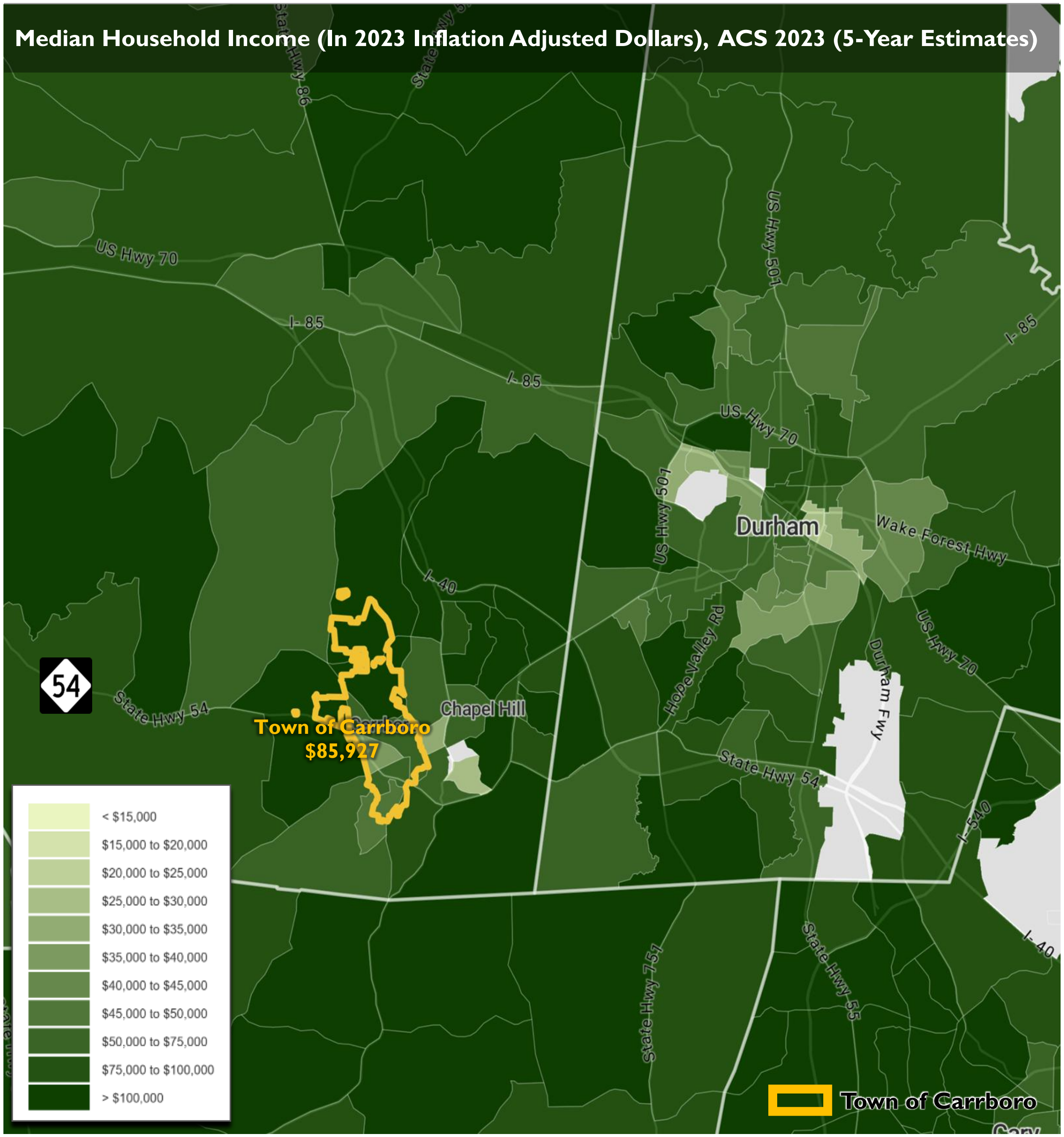
The Town of Carrboro has one of the highest population densities in the metro area at 3,269 people per square mile. Carrboro's density is growing at a pace slightly lower than that of Orange County. In comparison, Durham has higher population density growth at 13% largely due to having substantially more land area to develop.

As Carrboro sees more new development including more residential housing, NCG expects its population density to continue increasing.

Region	2013	2023	Increase (%)
Town of Carrboro	**3,108**	**3,269**	**5%**
Chapel Hill	2,749	2,765	1%
Durham	2,188	2,471	13%
Orange County	342	371	8%
Durham-Chapel Hill MSA	294	338	15%
Average	**1,736**	**1,843**	**6%**

INCOME LEVELS

Noell Consulting Group



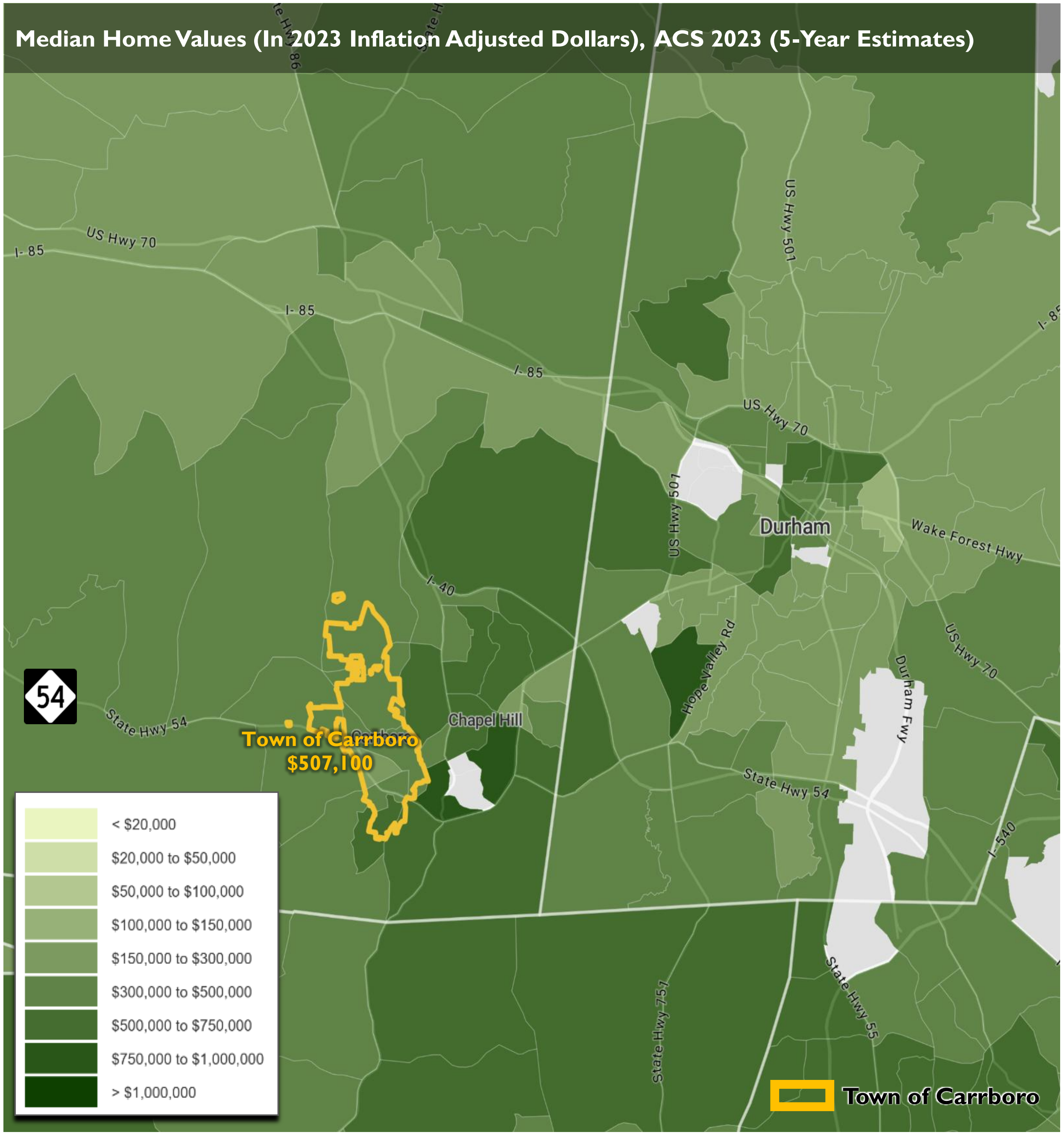
SOURCE: Noell Consulting Group, SocialExplorer

Median incomes are a strong indication of the level of housing potential households in an area can afford. Incomes usually also represent strong access to high-paying jobs. As those with strong incomes are able to choose more desirable areas to reside in. Many Carrboro residents are working locally in Carrboro and Chapel Hill or commuting into Durham and the Research Triangle, where income levels continue to increase due to the strong science/technology industries in the area.

Carrboro has seen a substantial 84% increase in median income over the past decade. Although incomes have historically been lower than other nearby cities, this growth in income has placed Carrboro above meidan household incomes of both Durham and the Durham-Chapel Hill MSA. NCG believes household incomes will continue to grow in these areas as residents continue to seek housing near lifestyle amenities and access to major employment cores.

Region	2013	2023	Increase (%)
Town of Carrboro	**$46,803**	**$85,927**	**84%**
Chapel Hill	$60,802	$85,825	41%
Durham	$49,160	$79,234	61%
Orange County	$55,569	$88,553	59%
Durham-Chapel Hill MSA	$52,549	$81,017	54%
Average	**$52,977**	**$84,111**	**59%**

HOME VALUES



SOURCE: Noell Consulting Group, SocialExplorer

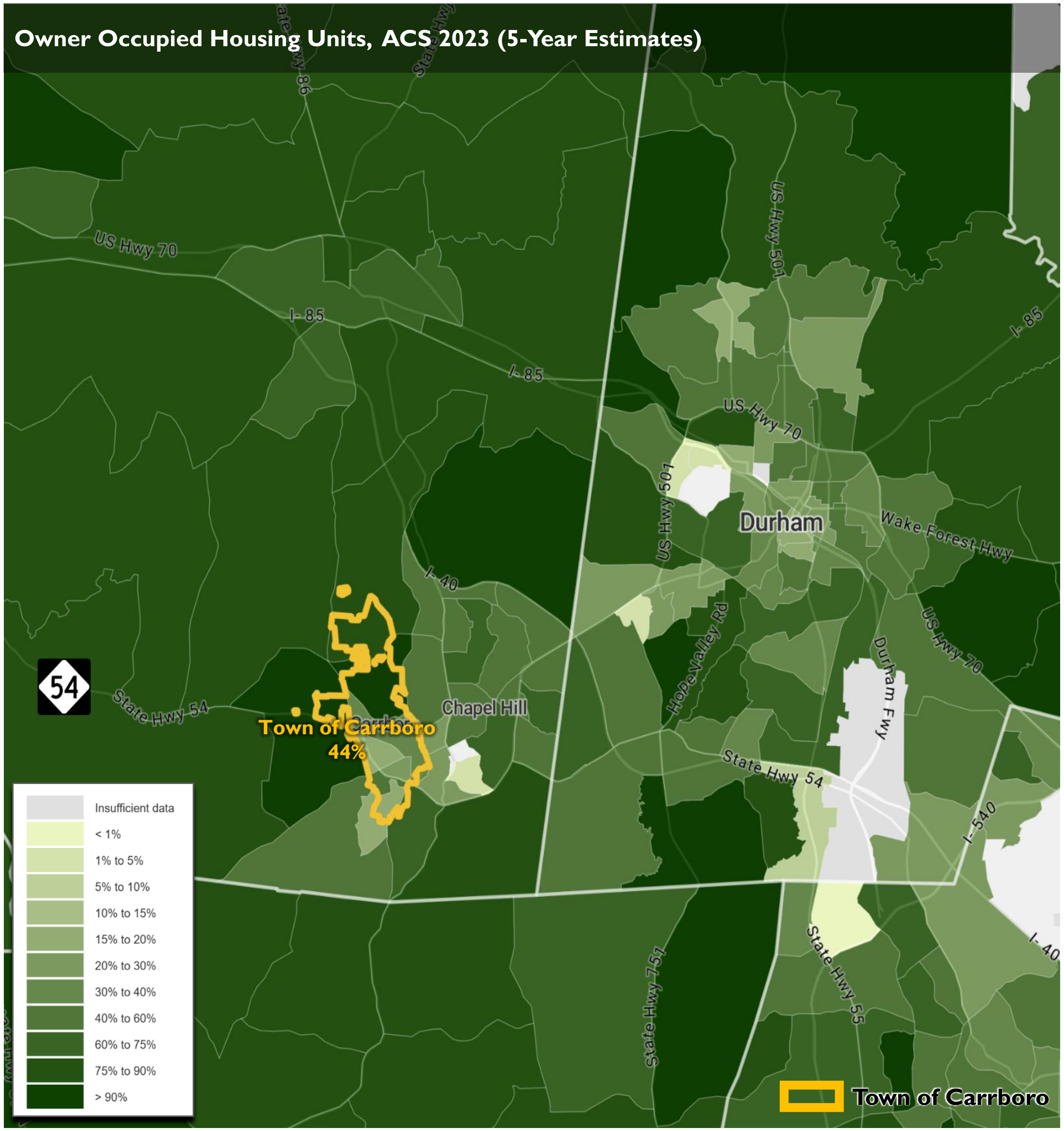
Median home values are another crucial indicator. Strong home values are correlated to an area's desirability for residents and typically coincide with excellent job access, and proximity to amenities such as grocery stores, restaurants, and retail outlets.

Carrboro's home values have seen strong growth from 2013 to 2023 (50%), however values have not grown as much as other areas in the region. Despite the lower % increase in home values, Carrboro has an impressive median home value of $507,100. This exceeds both Orange County and the Durham-Chapel Hill MSA, placing it above most neighboring towns excluding Chapel Hill ($576,500). Although resale homes currently listed for sale in Carrboro vary in price, the new construction homes listed are primarily higher end custom homes for $1 million+ or townhomes/condominiums in the $400K to $550K price range, limiting new home purchases to those with higher incomes. The introduction of more entry and mid-level new home construction will expand the audiences able to afford new product.

Region	2013	2023	Increase (%)
Town of Carrboro	**$337,000**	**$507,100**	**50%**
Chapel Hill	$367,800	$576,500	57%
Durham	$180,500	$355,300	97%
Orange County	$272,600	$428,500	57%
Durham-Chapel Hill MSA	$193,100	$359,400	86%
Average	**$270,200**	**$445,360**	**65%**

OWNER OCCUPIED HOMES

Noell Consulting Group



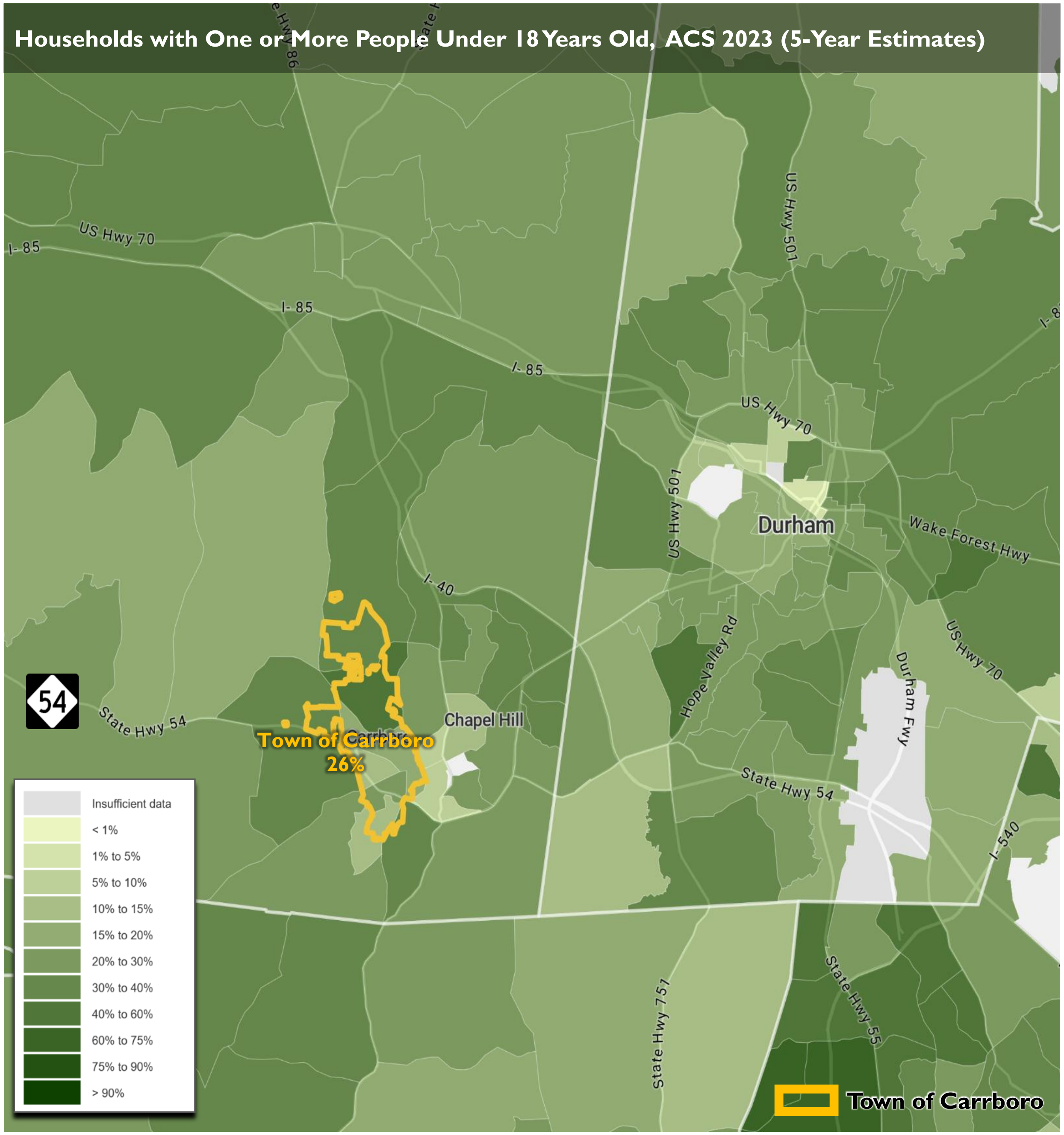
This exhibit examines the percentage of units that are owner occupied as of 2023 per census tract.

The Town of Carrboro has historically had a lower percentage of homes occupied by owners in comparison to Orange County and the overall Durham-Chapel Hill MSA. In 2013, Carrboro had 24% lower rates of ownership than Orange County as just 37% of homes were owner occupied. However, in the past decade this gap has narrowed and Carrboro has seen a substantial increase to 44% of owner occupied homes. Although the Town of Carrboro still has lower rates of ownership compared to Orange County and the MSA, it has experienced one of the highest rates of increase, nearing similar levels to Chapel Hill and Durham.

Region	2013	2023	Increase (%)
Town of Carrboro	**37%**	**44%**	**16%**
Chapel Hill	50%	49%	-3%
Durham	51%	52%	2%
Orange County	61%	64%	6%
Durham-Chapel Hill MSA	61%	62%	2%
Average	**52%**	**54%**	**4%**

SOURCE: Noell Consulting Group, SocialExplorer

FAMILY HOUSEHOLDS



Households with One or More People Under 18 Years Old, ACS 2023 (5-Year Estimates)

This exhibit portrays the percentage of households, per census tract, that consist of a household with children under the age of 18.

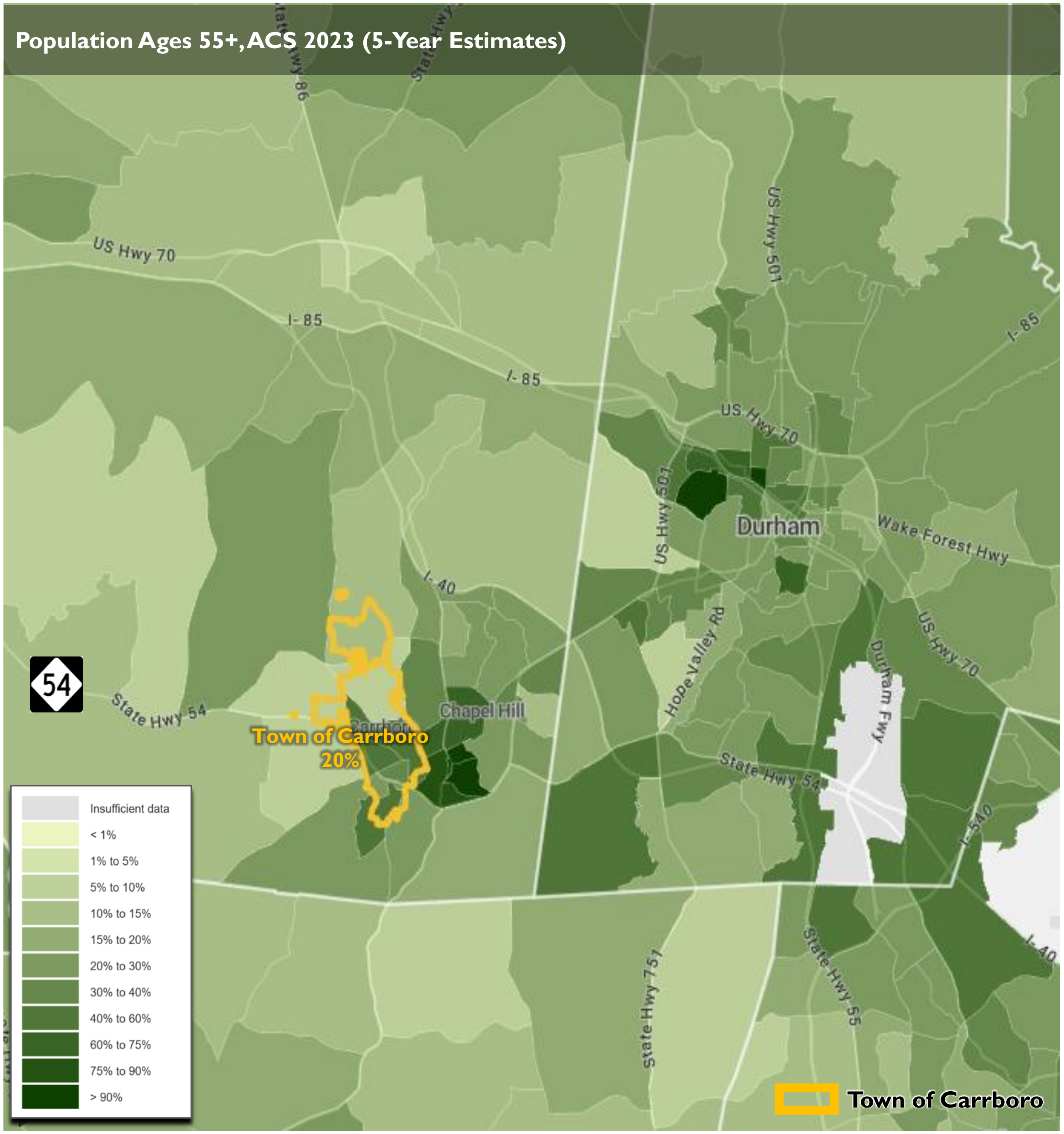
Approximately 26% of Carrboro households have one or more children under 18, which is a 15% decrease since 2013. This trend has been observed throughout the region with Durham experiencing a similar decrease in family households and Orange County seeing a 12% decrease. A number of factors play into decreasing family households such as aging population and children leaving the household while parents then become empty nesters. Younger families are also likely moving to more affordable markets and being priced out of Carrboro considering the relatively high home values in the area as noted on the previous exhibit.

New construction housing with larger floorplans will continue this decline as many families are priced out. Focusing on a variety of new home sizes and product types will best help to alleviate this decline.

Region	2013	2023	Increase (%)
Town of Carrboro	**31%**	**26%**	**-15%**
Chapel Hill	26%	25%	-5%
Durham	31%	26%	-17%
Orange County	30%	27%	-10%
Durham-Chapel Hill MSA	30%	27%	-12%
Average	**30%**	**26%**	**-12%**

SOURCE: Noell Consulting Group, SocialExplorer

POPULATION AGES 55+



SOURCE: Noell Consulting Group, SocialExplorer

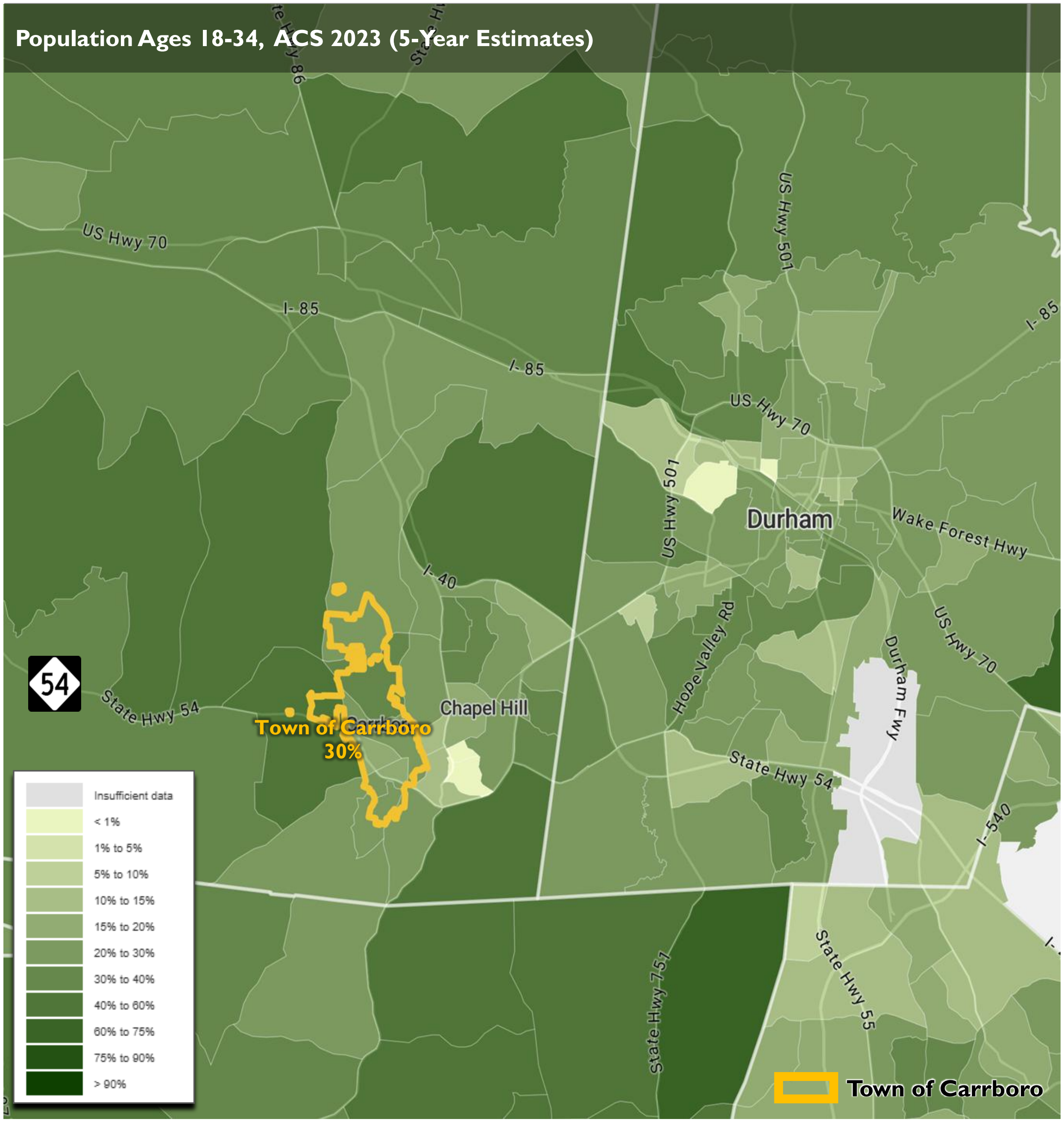
This exhibit outlines the concentration of the population, per census tract, aged 55+.

The Town of Carrboro has seen significant growth in its population of people over 55 years of age, increasing from 13% to 20%. This is comparable to Chapel Hill, while being lower than Orange County (28%) and the MSA (28%). Although Carrboro's 55+ population is lower than many surrounding areas, it has experienced significant growth compared to other towns in the area. This is in part due to residents aging in place, however it is also likely the high home values in Carrboro as a barrier for most younger individuals who are limited by affordability.

When speaking to leasing agents and sales agents in the Carrboro-Chapel Hill area, many mentioned empty nesters being relatively common in the market. This is especially prevalent within the for-sale market due to 55+ individuals generally having more wealth.

Region	2013	2023	Increase (%)
Town of Carrboro	**13%**	**20%**	**54%**
Chapel Hill	18%	21%	12%
Durham	19%	24%	24%
Orange County	22%	28%	27%
Durham-Chapel Hill MSA	24%	28%	21%
Average	**19.2%**	**24.1%**	**25.6%**

POPULATION AGES 18-34



This exhibit examines ages of residents as of 2023 to examine the growing number of 18 - 34 aged cohorts in a given area.

The region has overall seen a decrease in young population with the exception of Chapel Hill which remained stagnant. The Town of Carrboro has experienced a decrease of 14% in this younger demographic since 2013. As noted in the previous exhibit, this is in large part due to the population aging in place as well as affordability constraints for younger/lower income populations. Despite the 18 - 34 population decreasing, Carrboro still has a strong young population in comparison to the metro area (26%).

The development of more value oriented housing types such as rental apartments, for-sale townhomes, and small lot homes, can attract more young professionals to the area.

Region	2012	2023	Increase (%)
Town of Carrboro	**34%**	**30%**	**-12%**
Chapel Hill	45%	45%	1%
Durham	32%	30%	-5%
Orange County	31%	29%	-7%
Durham-Chapel Hill MSA	28%	26%	-4%
Average	**34%**	**32%**	**-5%**

SOURCE: Noell Consulting Group, SocialExplorer

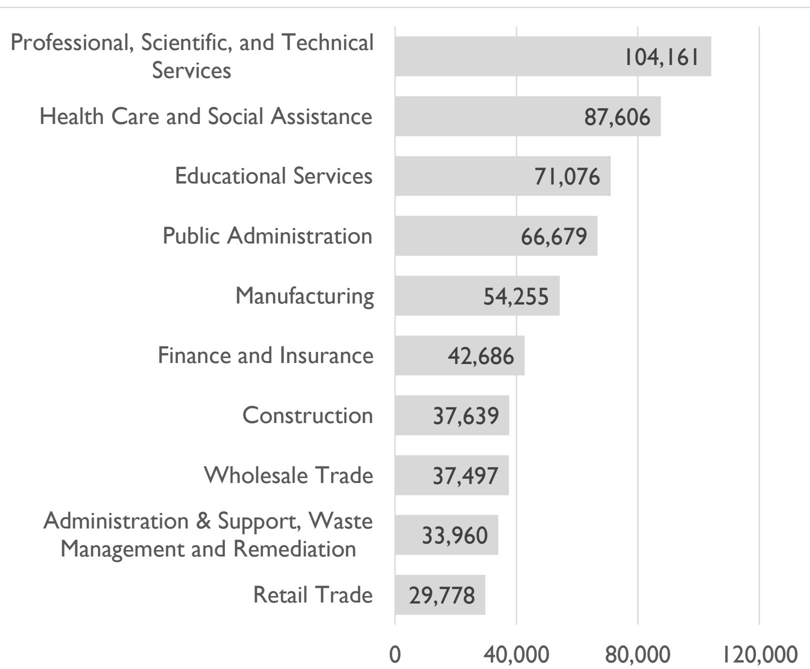
REGIONAL EMPLOYMENT

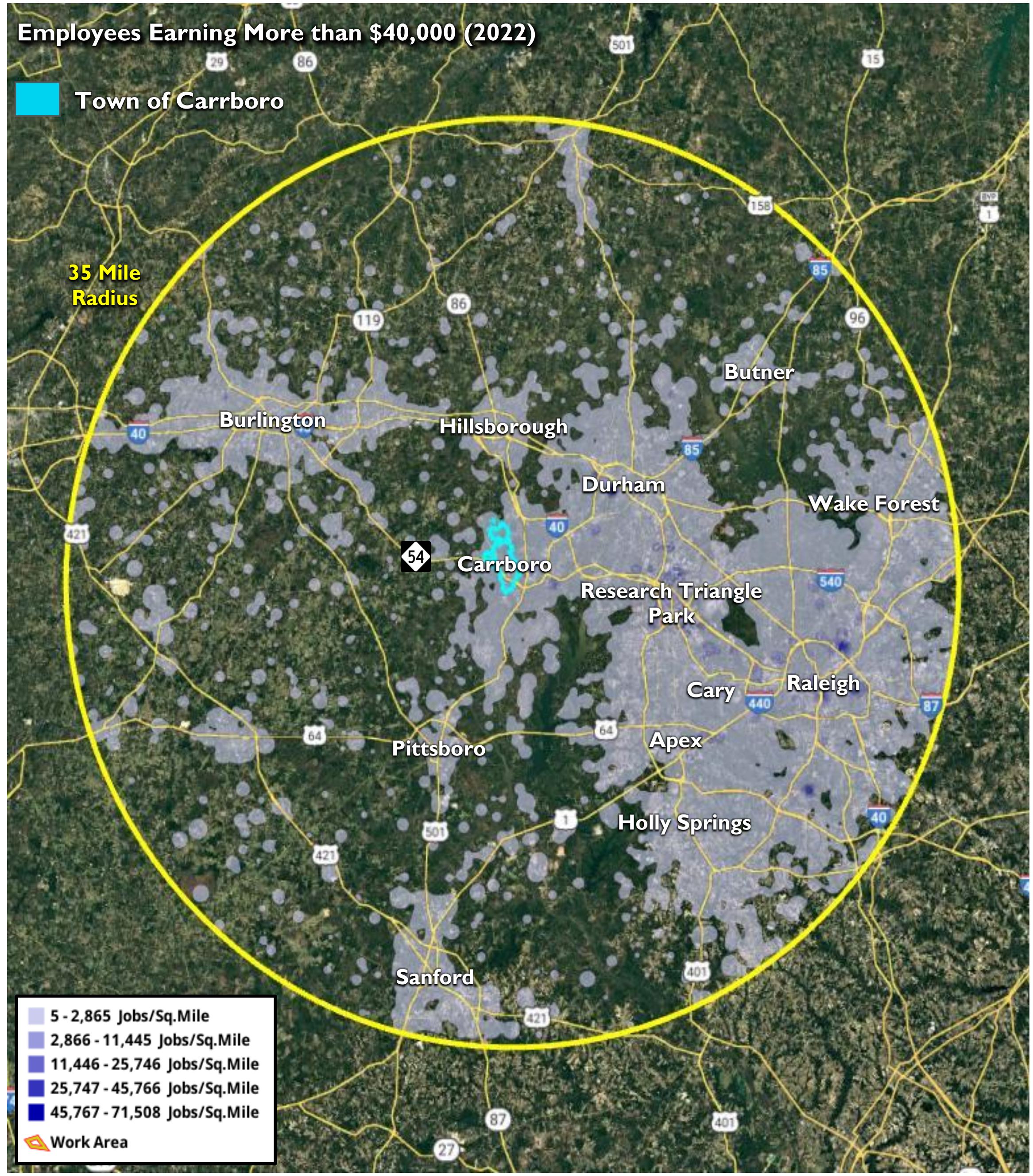
With nearly 670,000 jobs ($40,000 annual income or above) located within 35-miles, Carrboro's proximity to all of the region's prominent job cores has made it a popular destination for working professionals. Roughly 5% of these jobs are located within a 5-mile radius of Carrboro. Additionally, Carrboro has convenient access to NC-54 and I-40 allowing for regional connectivity.

Professional, Scientific, and Technical Services (16%) is the largest subsector primarily due to employment within Research Triangle Park and Downtown Raleigh. Healthcare (13%) is the second subsector thanks to the nearby medical centers such as UNC Hospitals and Duke University Hospital. These industries are primarily comprised of employees with higher educational degrees.

Carrboro's central location gives it strong access to the diverse job cores within the region and can be an ideal location for split commuting households.

Top 10 Industry Sectors Within 35 Miles, Above $40k





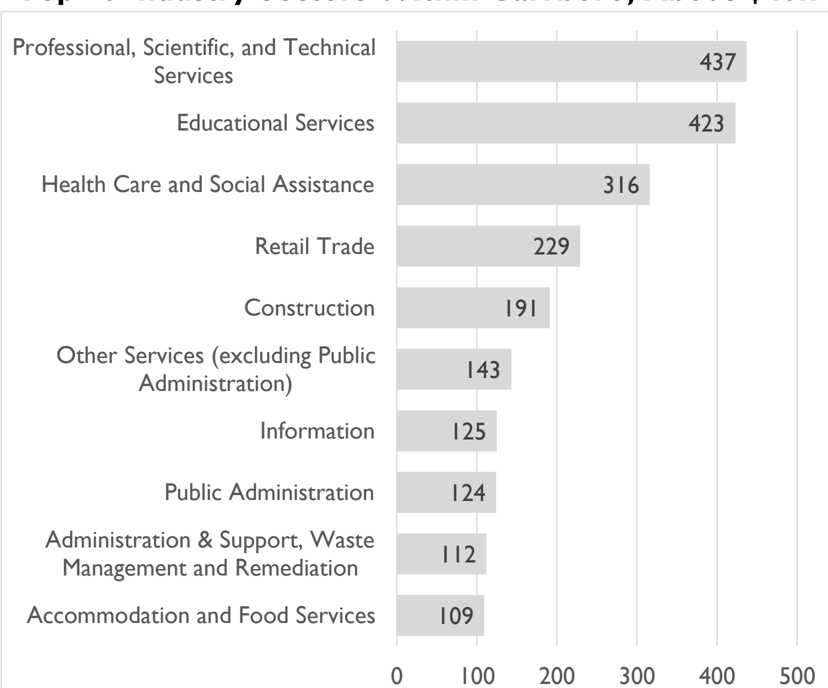
SOURCE: Noell Consulting Group, US Census / Bureau of Labor Statistics. Note $40k+ is the highest range BLS breaks out.

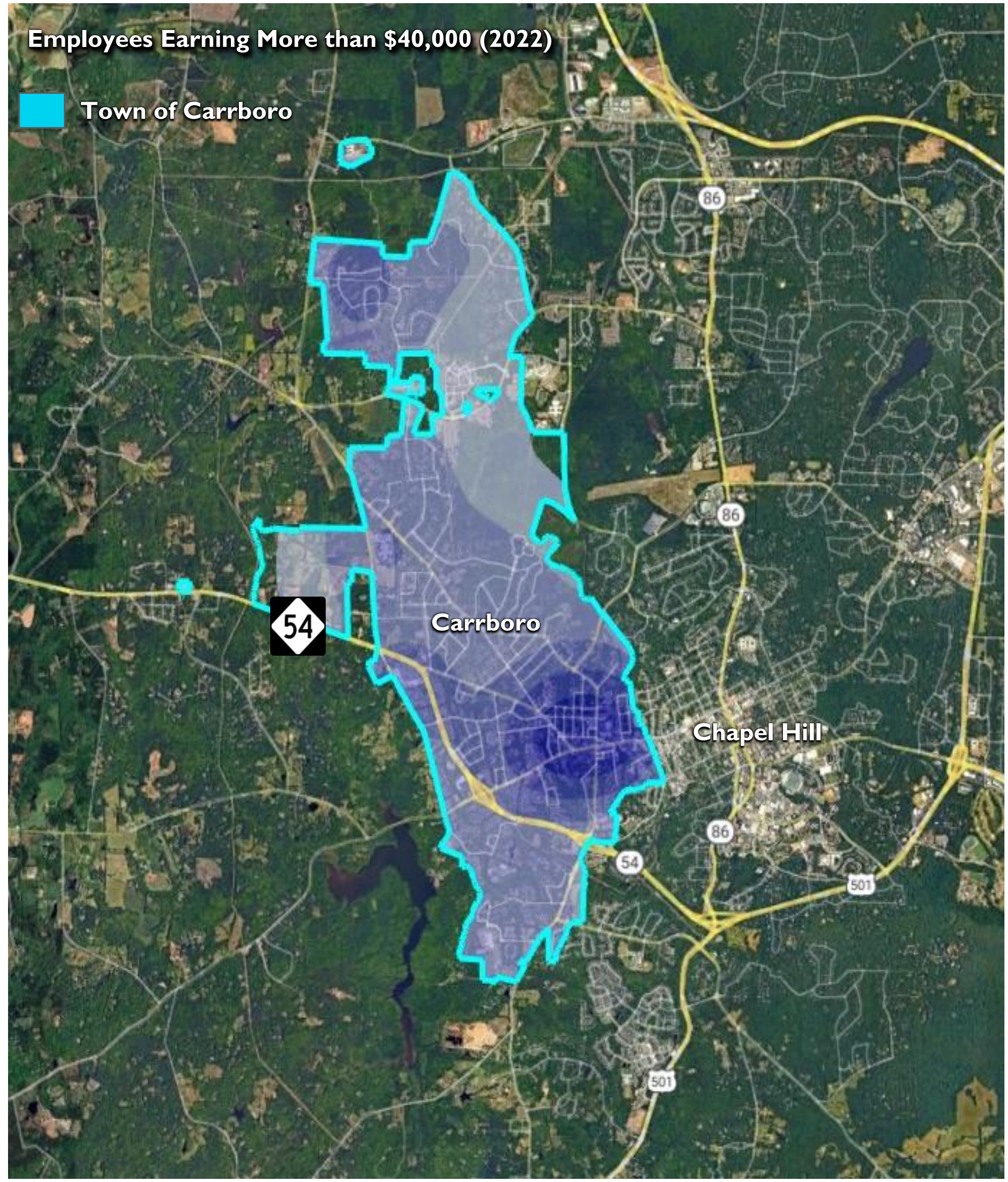
CARRBORO EMPLOYMENT

The Town of Carrboro employs a total of 4,641 people within the town limits. The largest employment sector within the town is in professional, scientific, and technical services at 17% followed by educational services at 16%.

Roughly 56% of employees working within Carrboro earn more than $3,333 per month or $40,000+ annually, 27% earn between $1,250 - $3,333 a month ($15,000 - $40,000 annually), and 17% earn less than $1,250 per month ($15,000 annually).

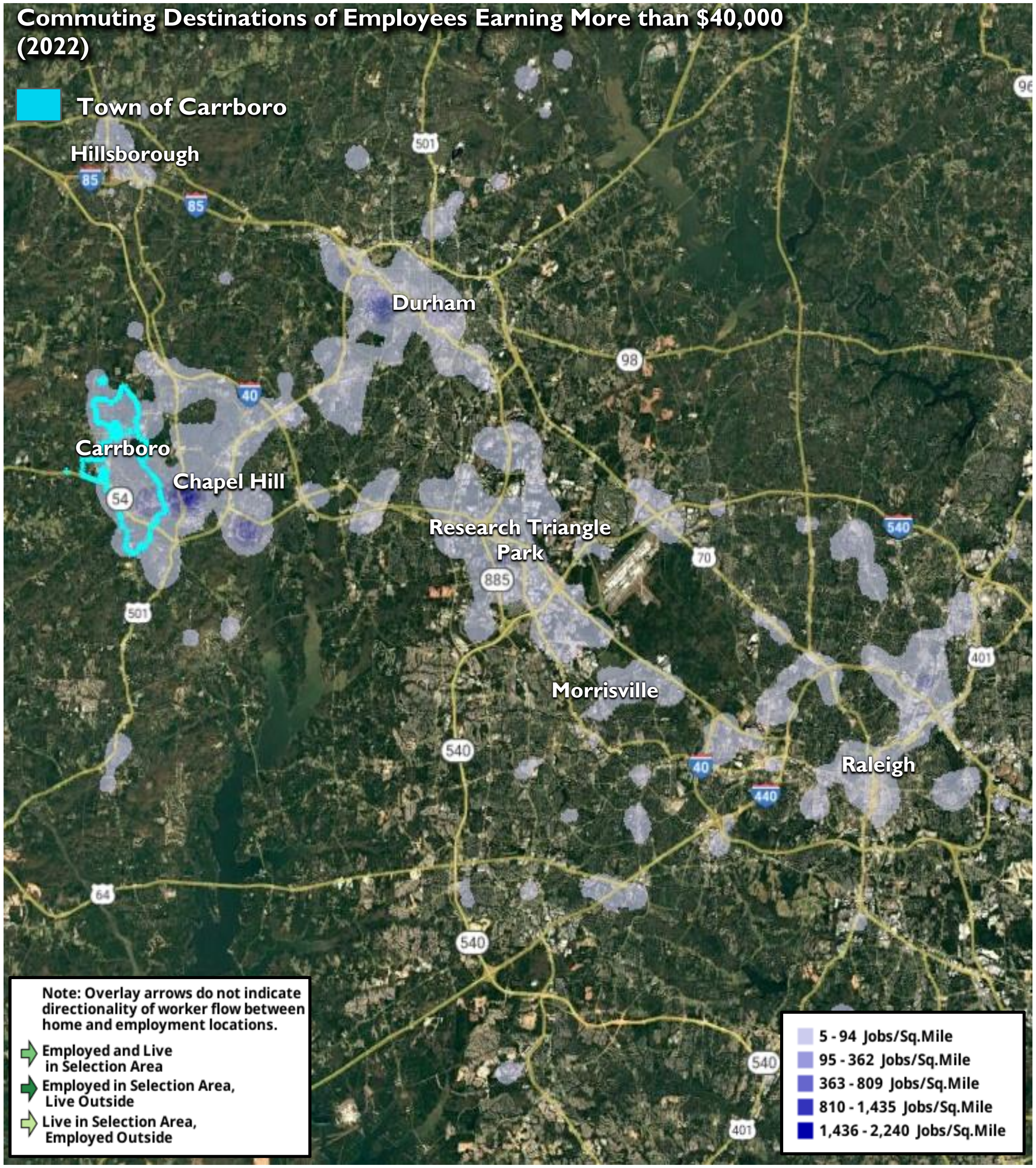
Top 10 Industry Sectors Within Carrboro, Above $40k





SOURCE: Noell Consulting Group, US Census / Bureau of Labor Statistics. Note $40k+ is the highest range BLS breaks out.

WORK OUTFLOW REPORT



SOURCE: Noell Consulting Group, US Census / Bureau of Labor Statistics. Note $40k+ is the highest range BLS breaks out.

Commuting patterns of residents can help identify target audiences for residential development. While residents making over $40k/year within Carrboro work all over the metro area, the highest concentration work locally within Chapel Hill (32.5%) and Carrboro (4.2%) while many commute further to Durham (21%) and Raleigh (10.1%) for employment. Additionally, a significant portion of residents commute to a variety of locations in the greater area such as Research Triangle Park and Morrisville.

The majority of residents (45.4%) commute less than 10 miles to work, thanks to Carrboro's proximity to major job cores like Chapel Hill and Durham, as well as it's convenience to North Carolina Highway 54. A notable portion are traveling 10-24 miles (30.1%), highlighting Carrboro's relatively central location to the greater metro area.

Top Work Destinations

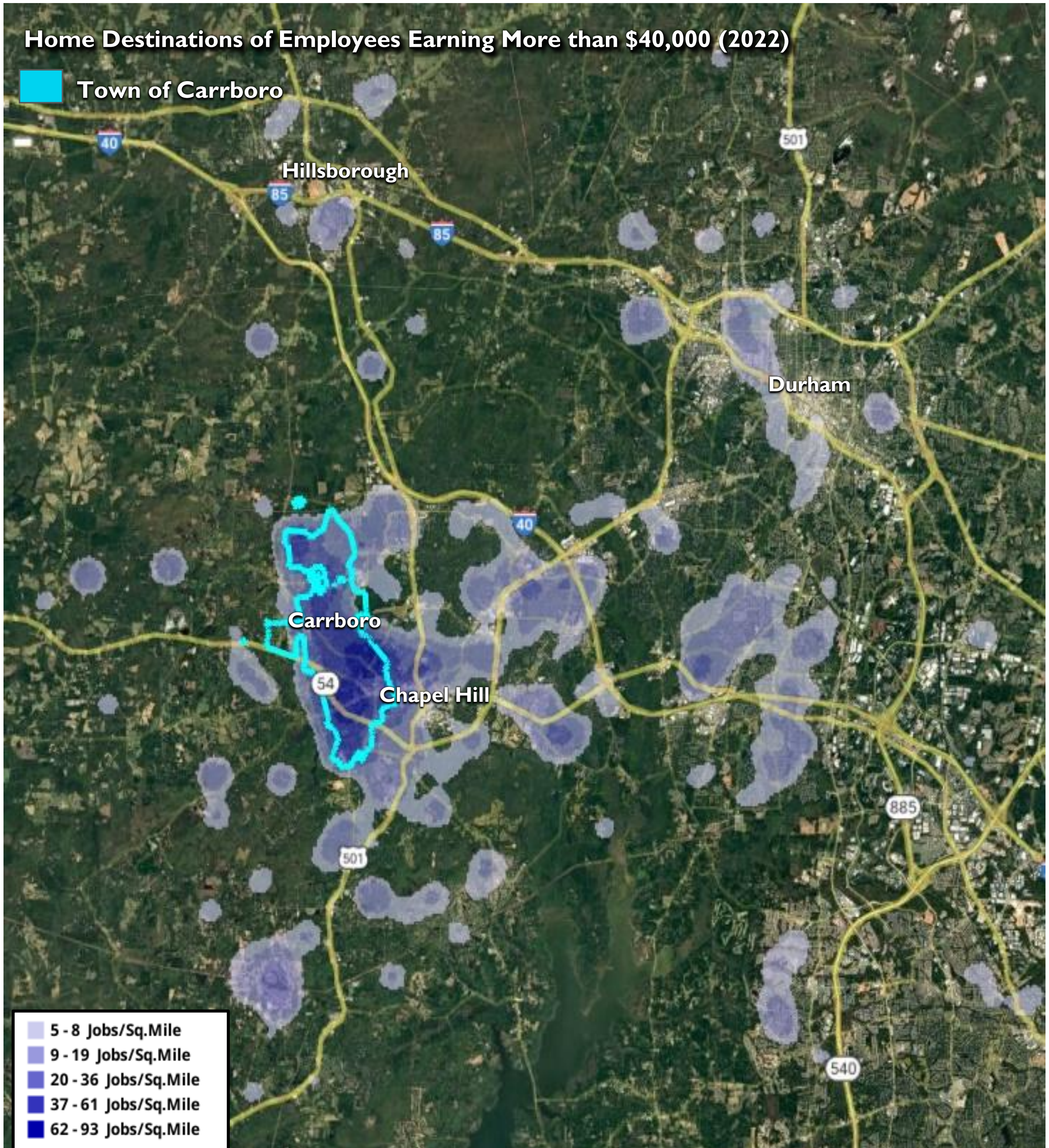
Location	Share
Chapel Hill	32.5%
Durham	21.0%
Raleigh	10.1%
Carrboro	4.2%
Research Triangle Park	3.2%
Morrisville	3.1%
Cary	1.2%
Brentwood	0.9%
Fearrington	0.6%

Commuting Distance

< 10 Miles	45.4%
10-24 Miles	30.1%
25-50 Miles	13.6%
> 50 Miles	10.9%

WORK INFLOW REPORT

Noell Consulting Group



In the previous exhibit we looked at where residents of Carrboro are employed. This exhibit shows where people who work in Carrboro are commuting in from.

The majority of jobs paying more than $40k/year in Carrboro are in the Professional, Scientific, and Technical Services Sector (16.8%), followed by Educational Services (16.3%). The highest portion of workers live nearby in Carrboro and Chapel Hill (30.4%), followed by 12.2% who live in Durham / Research Triangle. The remainder of employees largely live in more exurban areas such as Hillsborough, Fearrington, and Mebane. Most of the employees within Carrboro generally live in close proximity with nearly 40% residing within 10 miles.

Top Work Destinations

Location	Share
Carrboro / Chapel Hill	30.4%
Durham	8.0%
Research Triangle Park	4.2%
Hillsborough	3.2%
Fearrington	3.1%
Mebane	2.5%
Cary	2.3%
Graham	2.2%
Glen Raven	1.9%
Eno Valley	1.2%

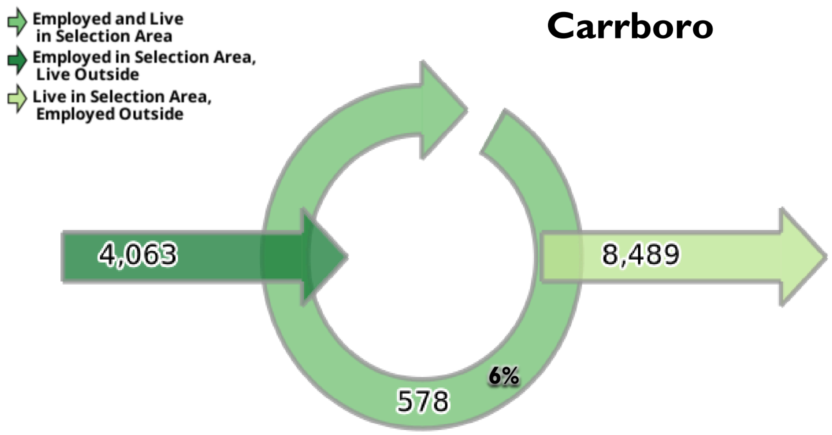
Commuting Distance

< 10 Miles	39.5%
10-24 Miles	30.0%
25-50 Miles	15.1%
> 50 Miles	15.4%

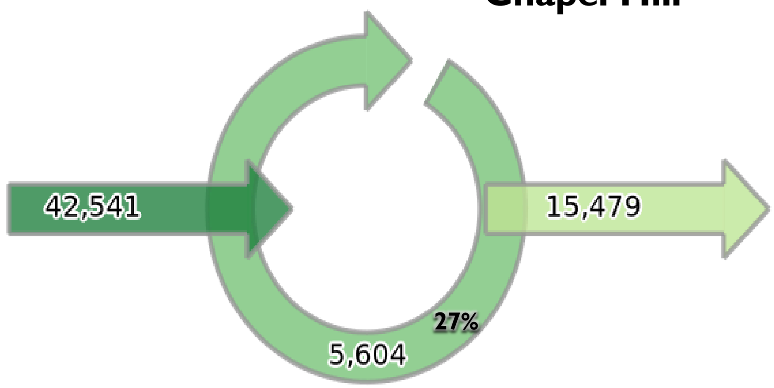
SOURCE: Noell Consulting Group, US Census / Bureau of Labor Statistics. Note $40k+ is the highest range BLS breaks out.

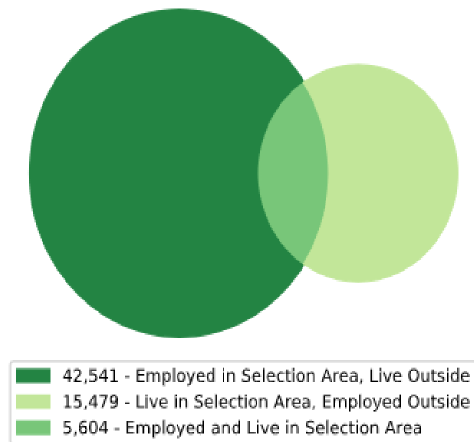
INFLOW/OUTFLOW COMPARISON

Carrboro

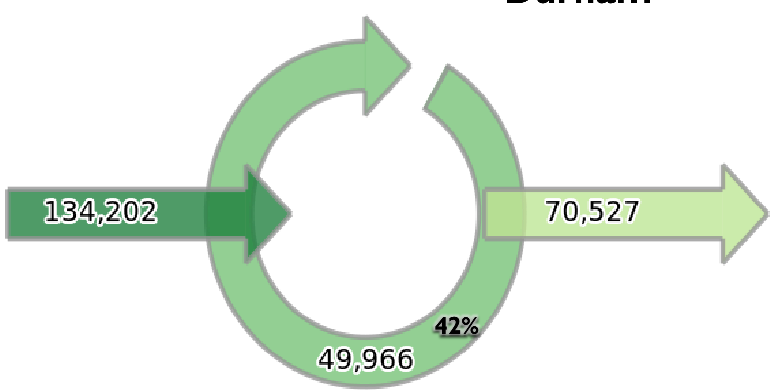


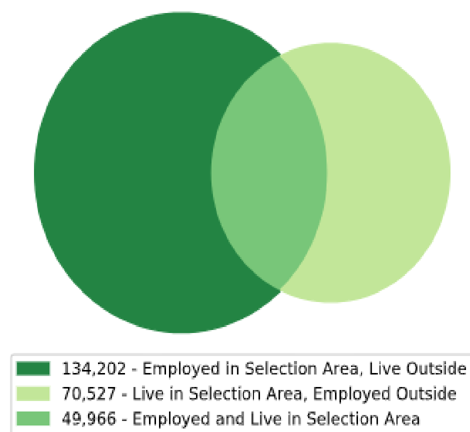
Chapel Hill





Durham



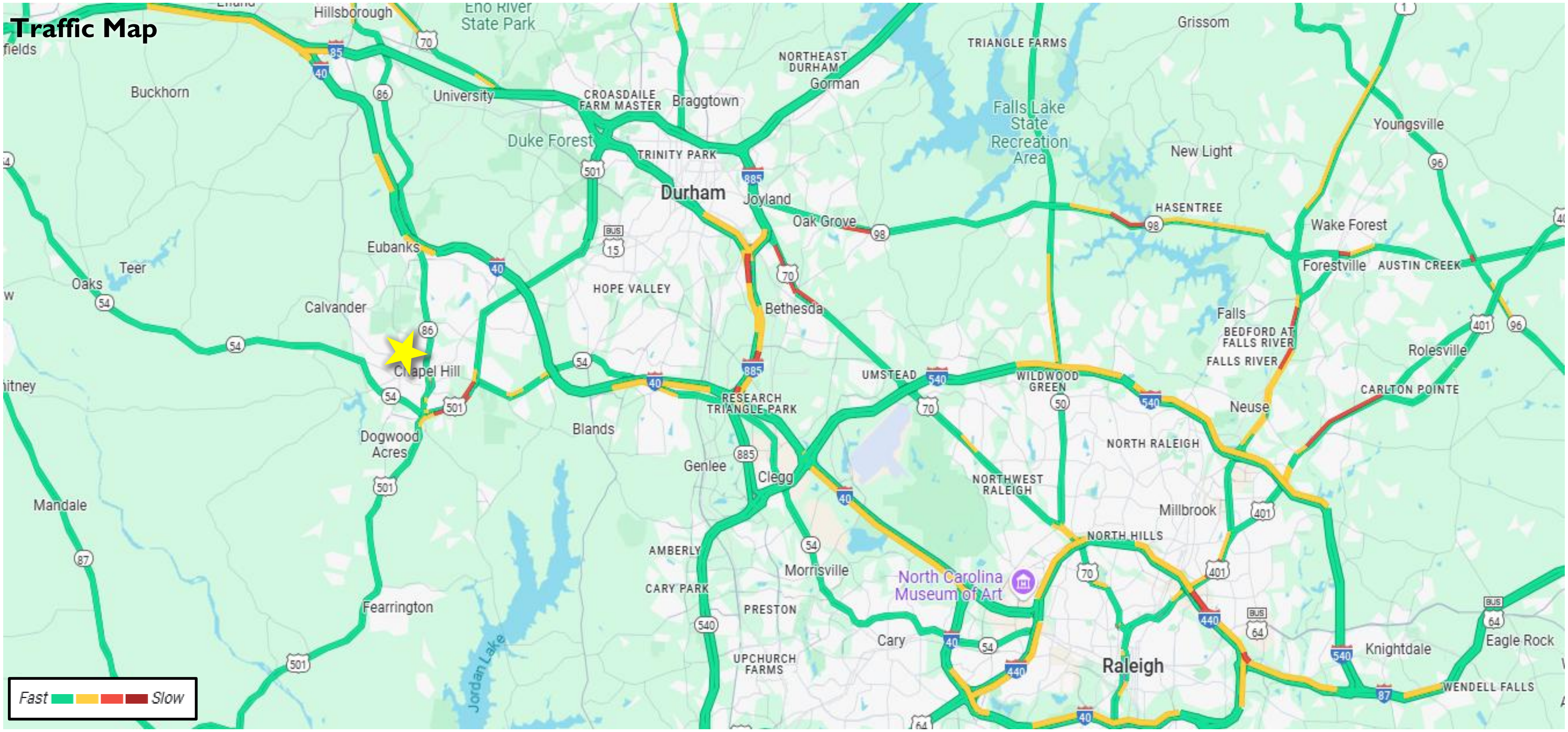


This exhibit examines the inflow and outflow traffic of where employees live and work within Carrboro, Chapel Hill, and Durham. A majority of residents in all of the selection areas are employed outside of where they live. Chapel Hill and Durham both have a significant portion of residents who are also employed where they live at 27% and 41% respectively, however only 6% of Carrboro residents are employed within Carrboro.

Given Carrboro's small size, there are not many large employers in the town leading many residents to commute to other job cores. As a result, more residents commute out of Carrboro than commute in. The inflow of Chapel Hill is strong, primarily due to the presence of University of North Carolina, a major employer in the metro area. A high amount of employees similarly commute into Durham given the multiple job cores located there.

SOURCE: Noell Consulting Group

COMMUTING OPTIONS



Starting Location	MIN	MAX	AVG	
Chapel Hill	4	6	5	Min.
Downtown Durham	22	45	34	Min.
Research Triangle	20	35	27.5	Min.
Downtown Raleigh	40	65	53	Min.
Hillsborough	22	28	25	Min.
Cary	30	50	40	Min.
Morrisville	28	50	39	Min.

**Assumes typical Tuesday morning at 8 AM.*

The map above shows typical traffic patterns in the metro area. Commuting times based on starting location are shown on the chart to the left. This is important to note for residents commuting to Carrboro for work.

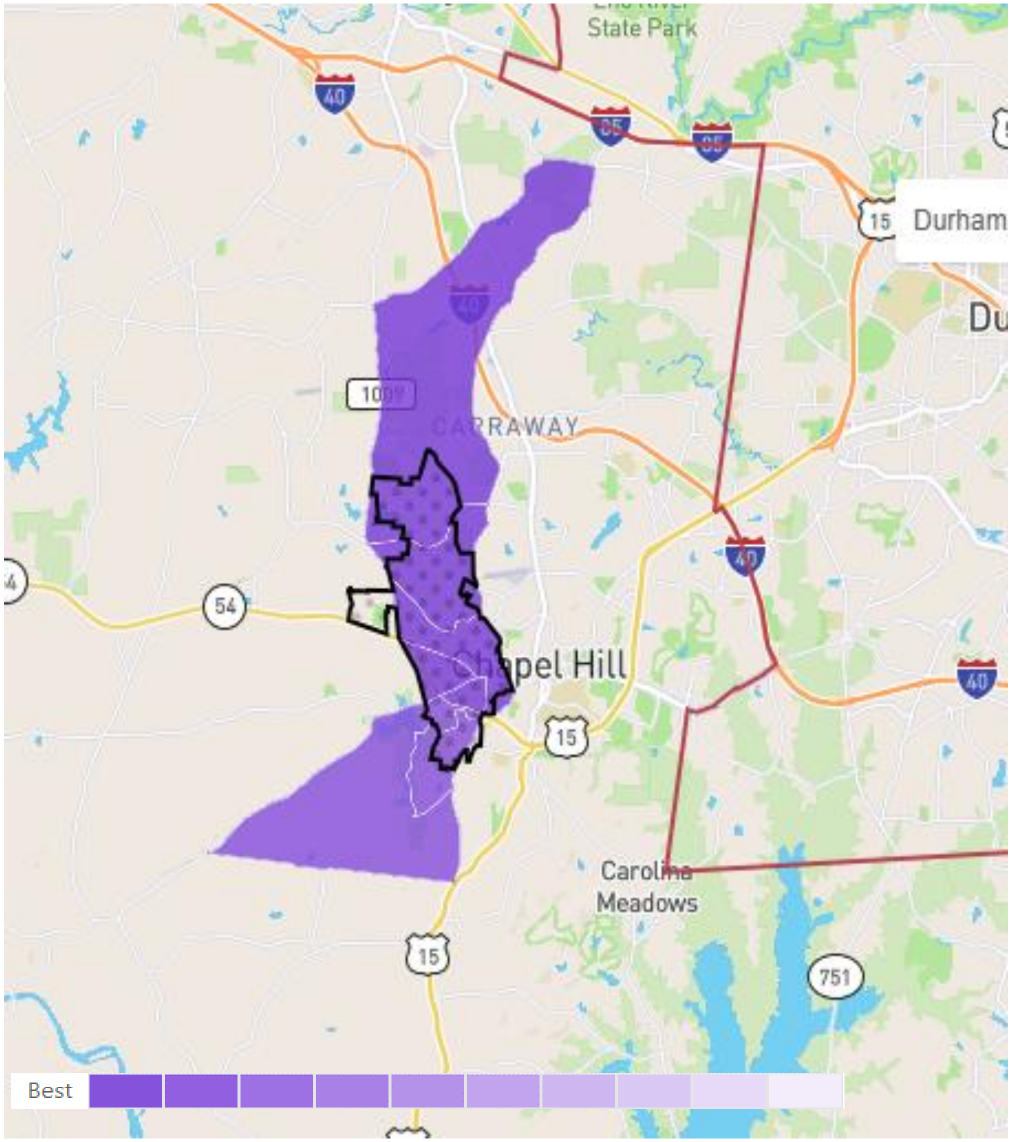
Ending Location	MIN	MAX	AVG	
Chapel Hill	4	6	5	Min.
Downtown Durham	22	45	34	Min.
Research Triangle	20	35	28	Min.
Downtown Raleigh	40	65	53	Min.
Hillsborough	22	28	25	Min.
Cary	30	50	40	Min.
Morrisville	26	45	36	Min.

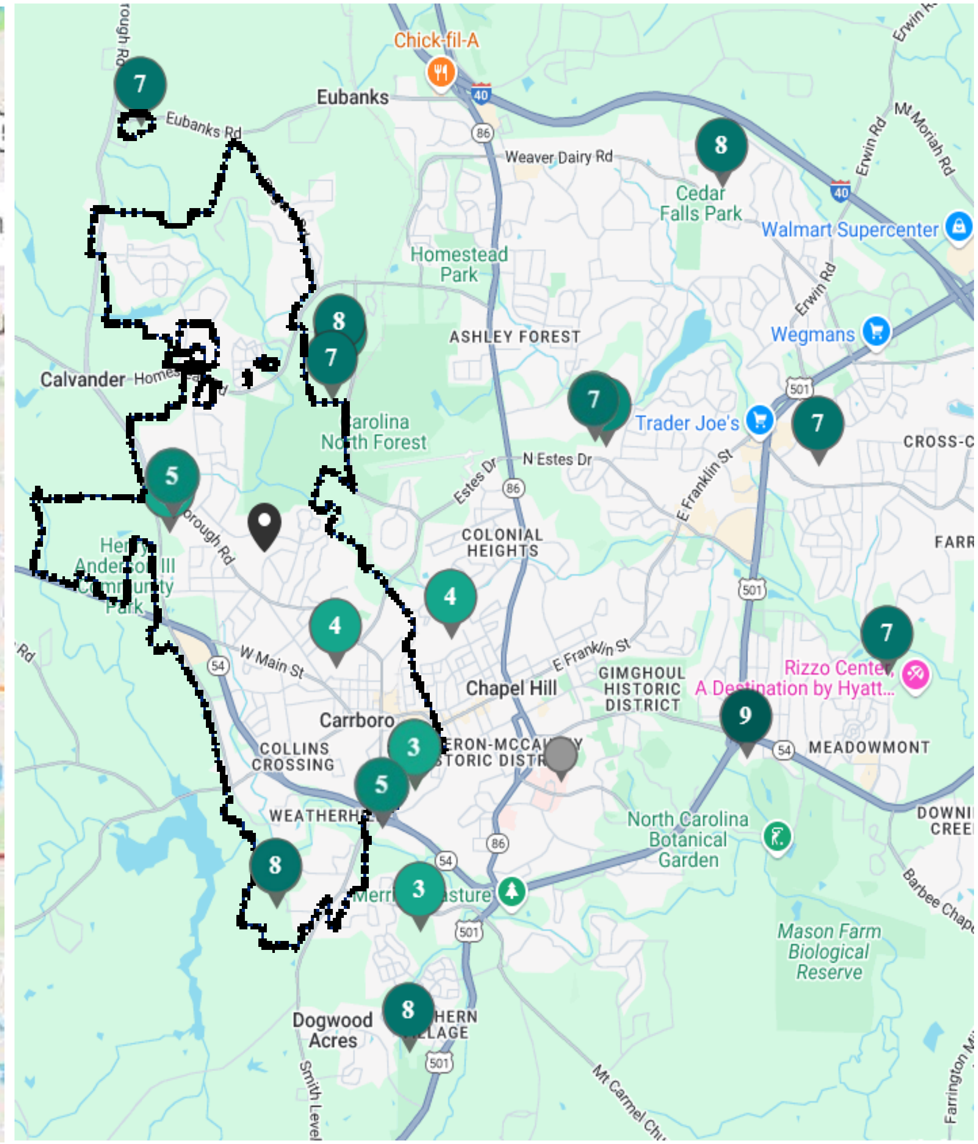
** Assumes typical Tuesday morning at 8AM.*

The chart to the left shows typical commute times to common employment nodes from the subject's location. Most residents commute alone in a car. Interviews with leasing professionals indicated that the majority of residents own a vehicle and this increases with more mature

SOURCE: Noell Consulting Group, Google Maps

SCHOOL SUMMARY





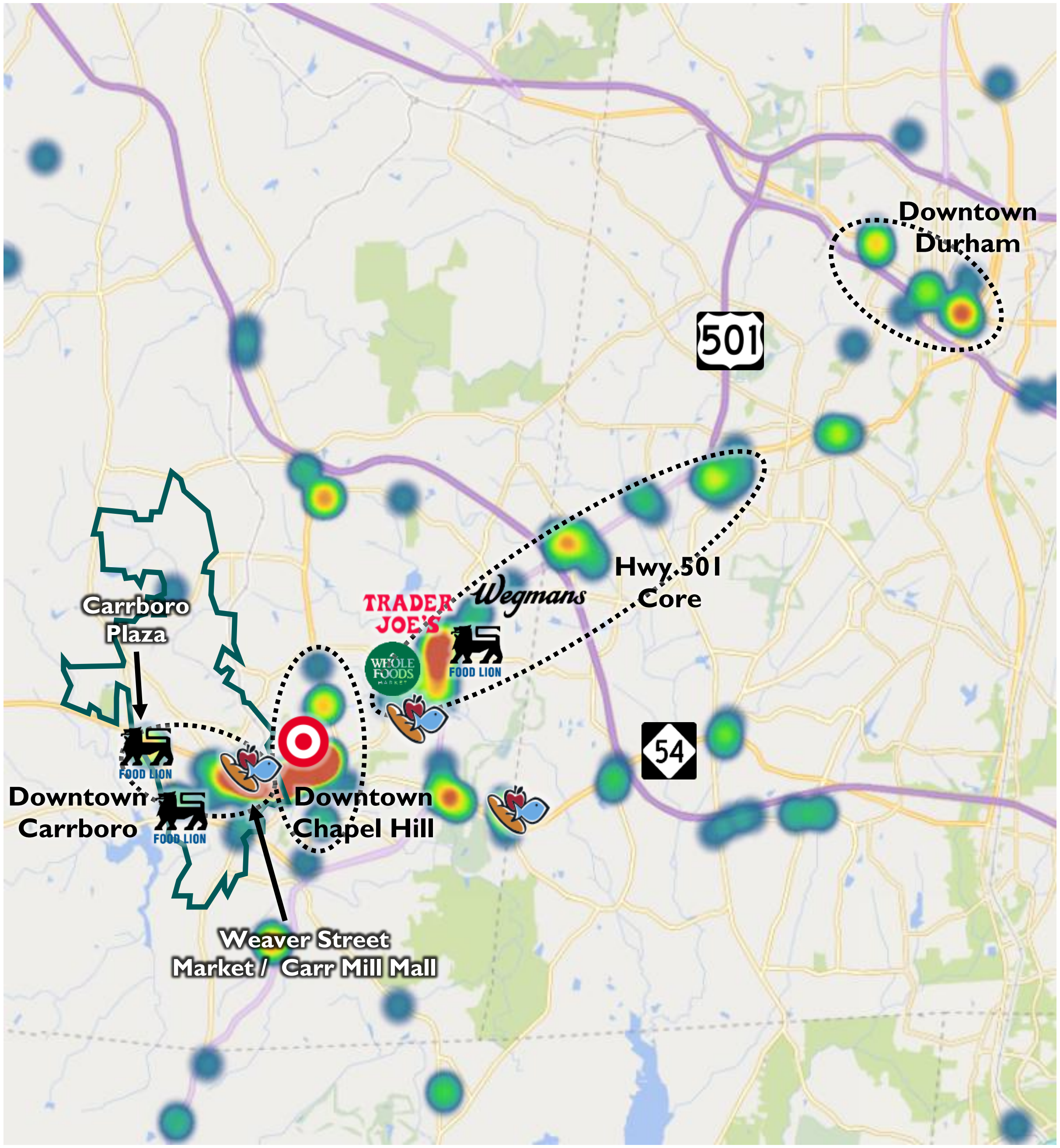
The map on the left displays Carrboro neighborhood boundaries based on their school quality. The map on the right displays the locations of all schools that fall within the Chapel Hill-Carrboro School District as well as their ratings. Many of the higher rated schools within Carrboro are located in the outer portions of the town. Residents living in the more suburban areas in the Northern and Southern portion of Carrboro have the best access to average/above average public schools in this school district.

Overall, schools within the Chapel Hill-Carrboro City School Districts are highly rated with 53% of schools being rated "above average" by GreatSchools.

SOURCE: Noell Consulting Group, GreatSchools, NeighborhoodScout

ACCESS TO DINING AND RETAIL

Noel Consulting Group



Source: NCG, Yelp

Downtown Carrboro

Harris Teeter, Carrburritos Taqueria, Thai Station Restaurant, Venable, Al's Burger Shack, Tandem, Spotted Dog restaurant & bar, Carolina Brewery, CommunityWorx Youth. Equity. Opportunity.

Downtown Chapel Hill

Target, Bon Ton Ch, Cosmic Cantina, Panera Bread, Sup Dogs, Roots Natural Kitchen, Carolina Coffee Shop, Time Out, Buns

Highway 501 Core

Chick-fil-A, CAVA, Carrabba's Italian Grill, Kanki 50 Years Japanese House of Steaks & Sushi, First Watch, Lowe's, The Home Depot, Walmart, Best Buy, Marshalls, Kohl's

The Town of Carrboro has several cores nearby with a majority of the local restaurants being in the downtown area as well as Downtown Chapel Hill. The primary grocery stores for residents within Carrboro are the Harris Teeter located downtown and two Food Lions along NC-54. The Highway 501 Core additionally offers big box retailers, national chain restaurants and grocery brands such as Whole Foods, Wegmans, and Trader Joe's.

DEMOGRAPHIC ANALYSIS

DEMOGRAPHIC OVERVIEW

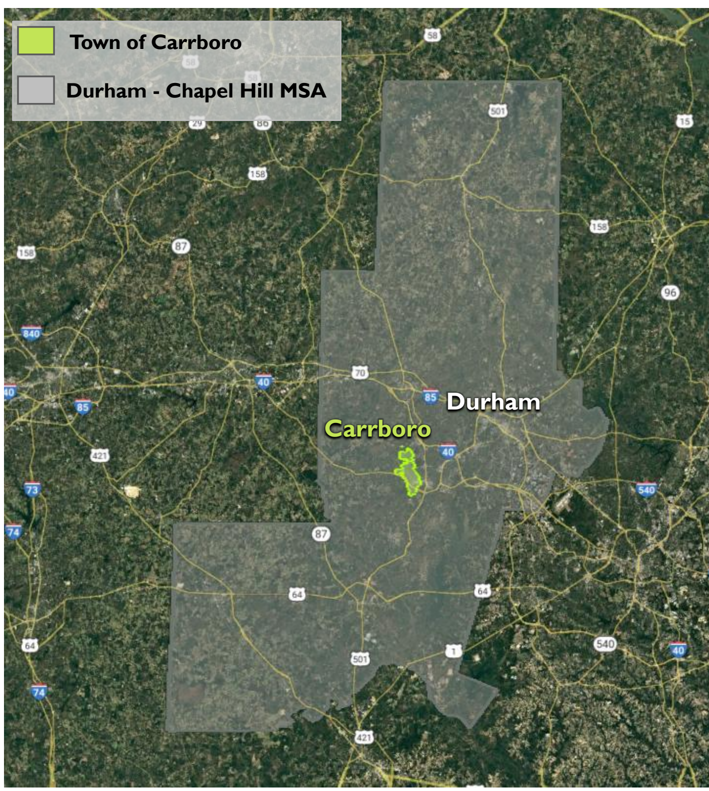
The Town of Carrboro is our Primary Market Area (PMA) and we have utilized the Durham-Chapel Hill MSA as a comparison. This exhibit assesses the demographic profile of residents within the Town of Carrboro.

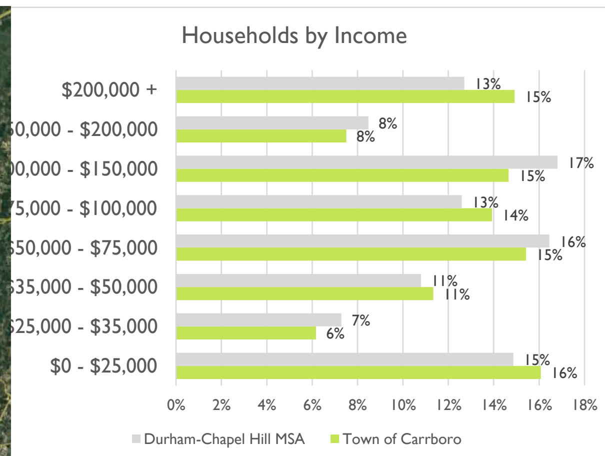
Carrboro households are diverse in terms of incomes and age groups. More than 37% of households earn over $100,000 with 15% of those households earning over $200,000 (compared to 13% in the MSA). Inversely, there are approximately 3,100 or 34% of households making under $75,000 which is primarily the 15 - 44 demographic.

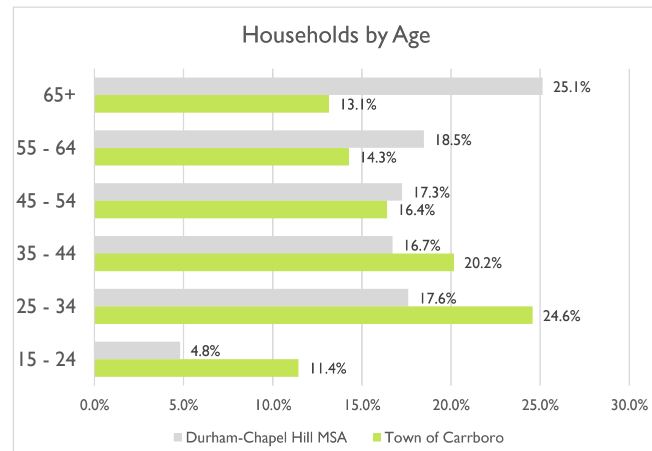
Carrboro has a higher rate of renter households (57%) compared to the Durham-Chapel Hill MSA (37%), primarily driven by the high prices of homes in the area. Additionally, households within Carrboro skew younger than the comparison area with the largest age group being 25 - 34, who are generally renters.

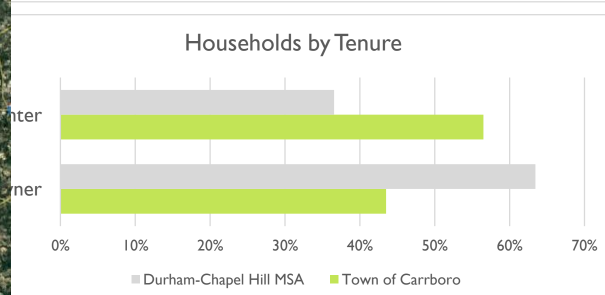
Households by Age and Income

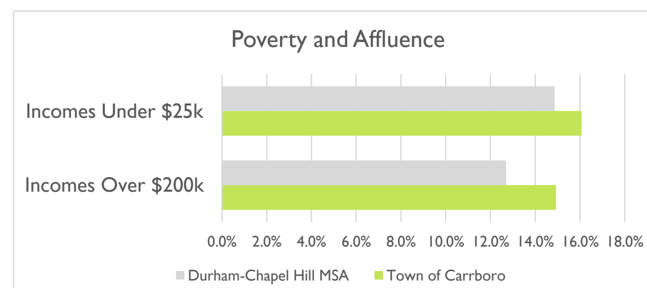
	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
$0 - $25,000	414	246	201	219	191	205	1,476
$25,000 - $35,000	135	170	140	29	25	67	566
$35,000 - $50,000	186	270	221	149	129	86	1,041
$50,000 - $75,000	120	505	414	122	106	149	1,416
$75,000 - $100,000	63	370	304	158	138	245	1,278
$100,000 - $150,000	41	274	225	300	260	246	1,346
$150,000 - $200,000	92	154	126	141	123	53	689
$200,000 +	0	268	219	389	338	156	1,370
Total	1,051	2,256	1,851	1,507	1,310	1,207	9,182
$50k +	316	1,570	1,289	1,110	965	849	6,099











SOURCE: Noell Consulting Group, US Census

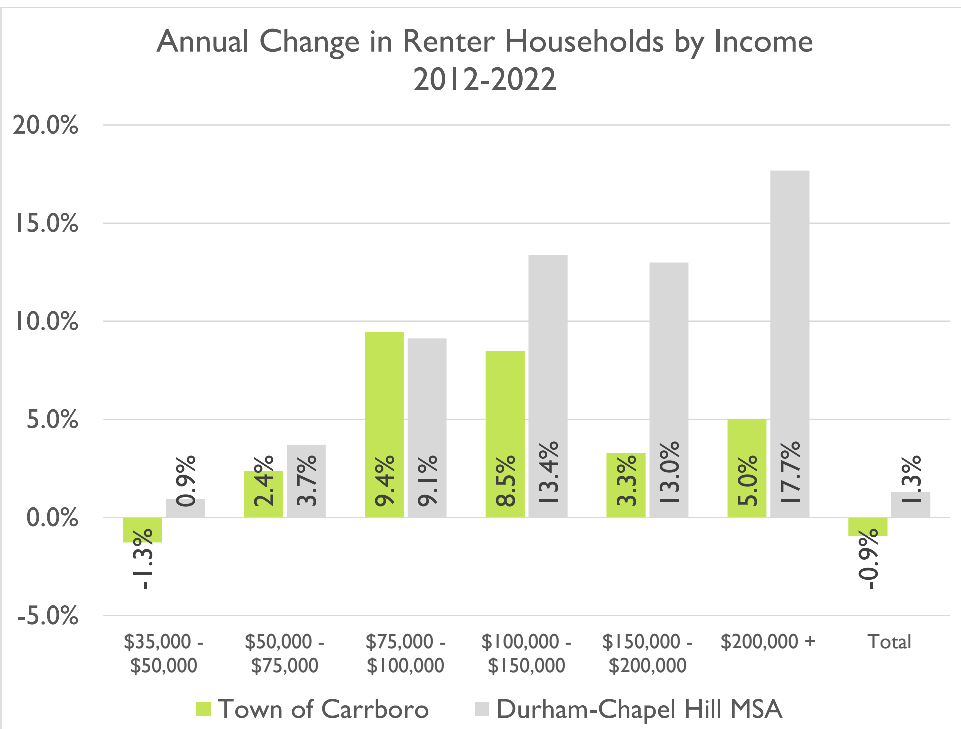
RENTER HOUSEHOLD GROWTH

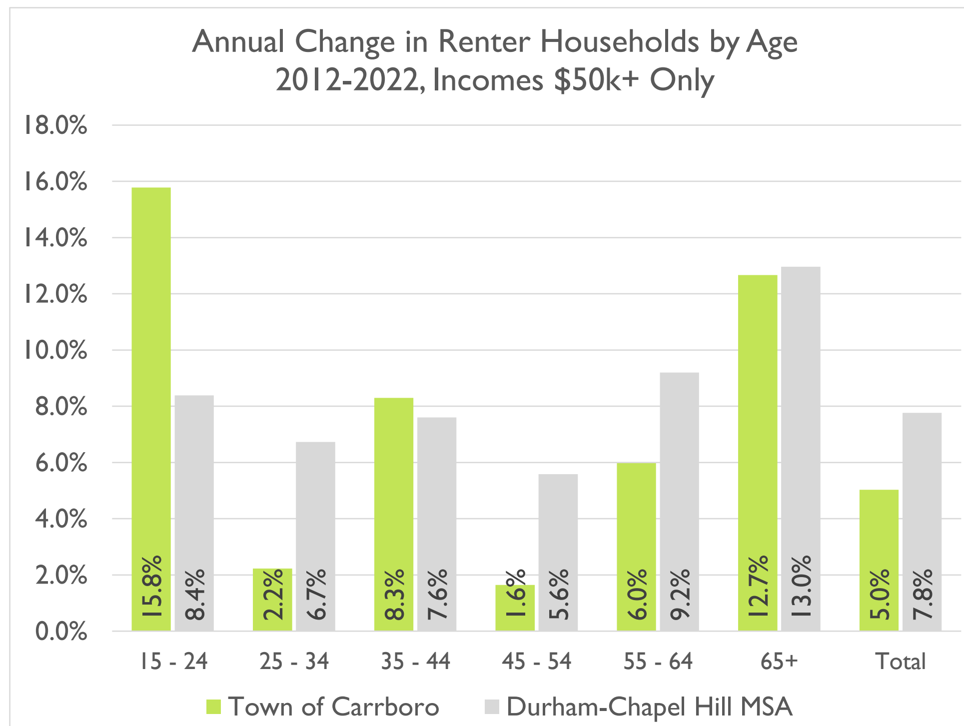
Renter households in Carrboro have increased over the last ten years for incomes above $50,000 and declined for lower-income households. This is an indication of housing supply constraints as many households with incomes under $50,000 are having to move to more affordable locations outside of Carrboro. The PMA has added an average of 97 renters per year earning over $50,000/year.

While the PMA has not grown as fast the Durham-Chapel Hill MSA overall, the growth rate among the $75,000 to $100,000 income renters has been significant considering in 2012 that income group only made up 5% of renters and is now 13% of renters. Renter households in Carrboro have increased the most in the 15 - 44 age groups, with the 15 - 24 renter household growth substantially outpacing the MSA. This is likely due to more UNC students renting within Carrboro than in the past.

Change in Renter Household, 2012-2022 (Inflation adjusted)

	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
$0 - $25,000	-106	-532	-231	0	34	-105	-940
$25,000 - $35,000	-91	-189	-60	-25	-14	-37	-416
$35,000 - $50,000	106	-274	-46	37	50	5	-123
$50,000 - $75,000	75	21	122	-28	-2	46	235
$75,000 - $100,000	40	163	113	10	24	37	387
$100,000 - $150,000	34	37	66	37	51	40	264
$150,000 - $200,000	40	-14	6	-1	1	-1	31
$200,000 +	0	16	14	7	12	5	54
Total	98	-774	-16	37	156	-10	-508
$50k +	189	222	321	26	86	127	971





SOURCE: Noell Consulting Group, US Census

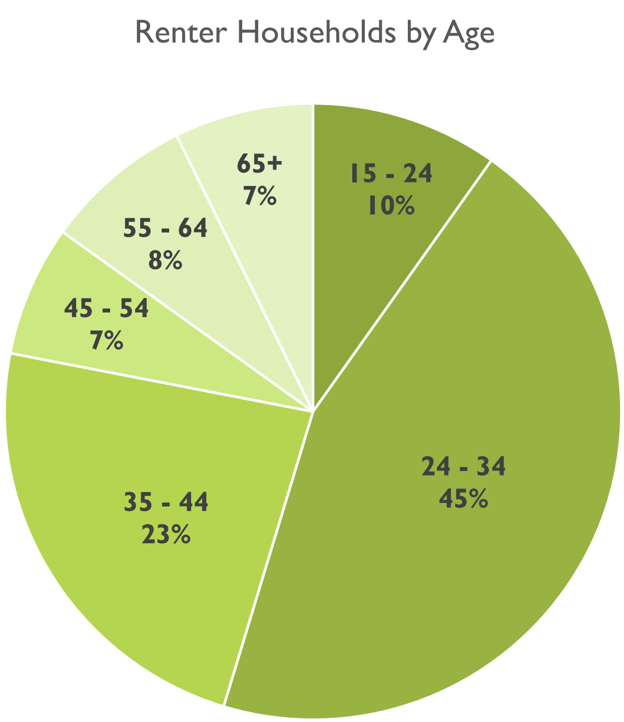
RENTAL AUDIENCE

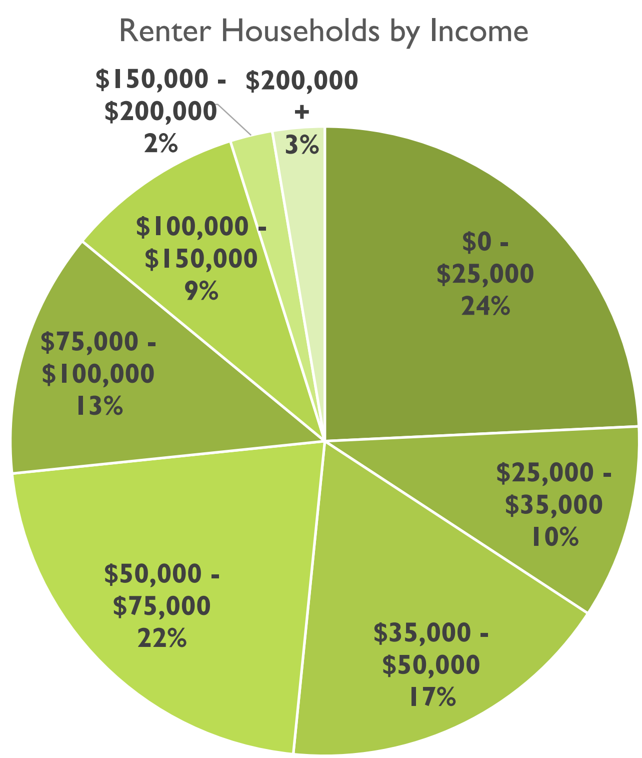
There is a total of 5,200 renter households within the Town of Carrboro. The Carrboro renter market is dominated by younger renters with nearly 55% of the rental market being under the age of 35 and nearly half of renters living alone. Renter households vary significantly in income, with 24% making under $25,000 and 52% with incomes being from $35,000 to $100,000.

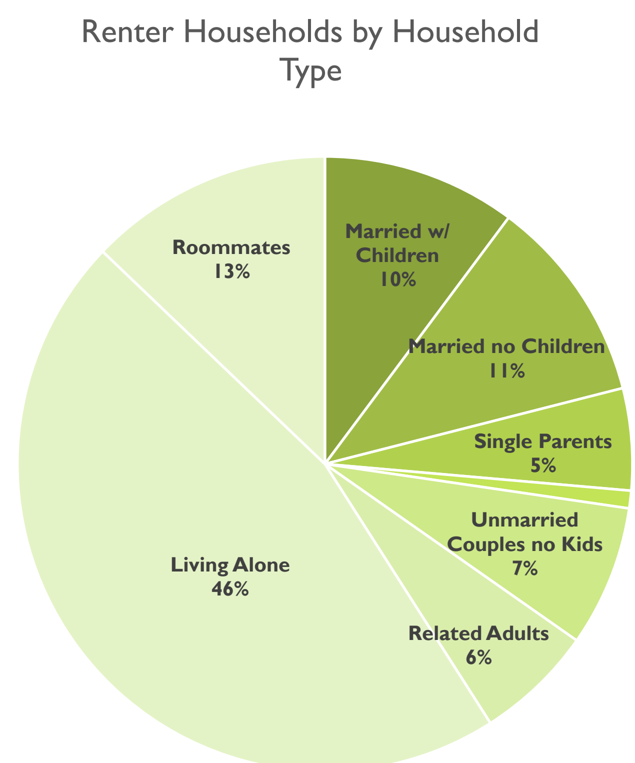
Although renter households are typically individuals living alone, the market is still diverse with couples making up 35% of households and 16% of households having kids. There is additionally a notable roommate audience which comprises approximately 13% of households.

Renter Households, 2022

	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
$0 - $25,000	406	238	174	151	146	139	1,254
$25,000 - $35,000	133	166	125	21	20	49	516
$35,000 - $50,000	183	262	193	103	100	59	899
$50,000 - $75,000	116	477	321	66	67	79	1,125
$75,000 - $100,000	56	306	149	39	45	58	652
$100,000 - $150,000	34	205	84	51	61	40	475
$150,000 - $200,000	40	50	11	4	6	2	113
$200,000 +	0	86	19	12	16	5	138
Total	968	1,789	1,077	448	461	429	5,172
$50k +	246	1,123	585	172	195	183	2,503







SOURCE: Noell Consulting Group, US Census

OWNER HOUSEHOLD GROWTH

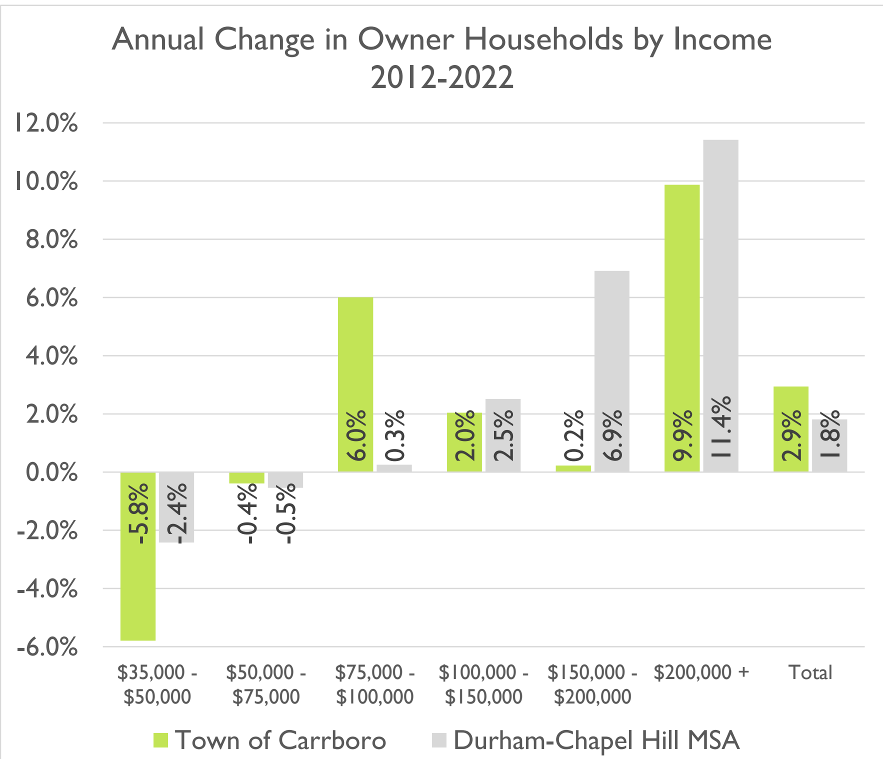
Noell Consulting Group

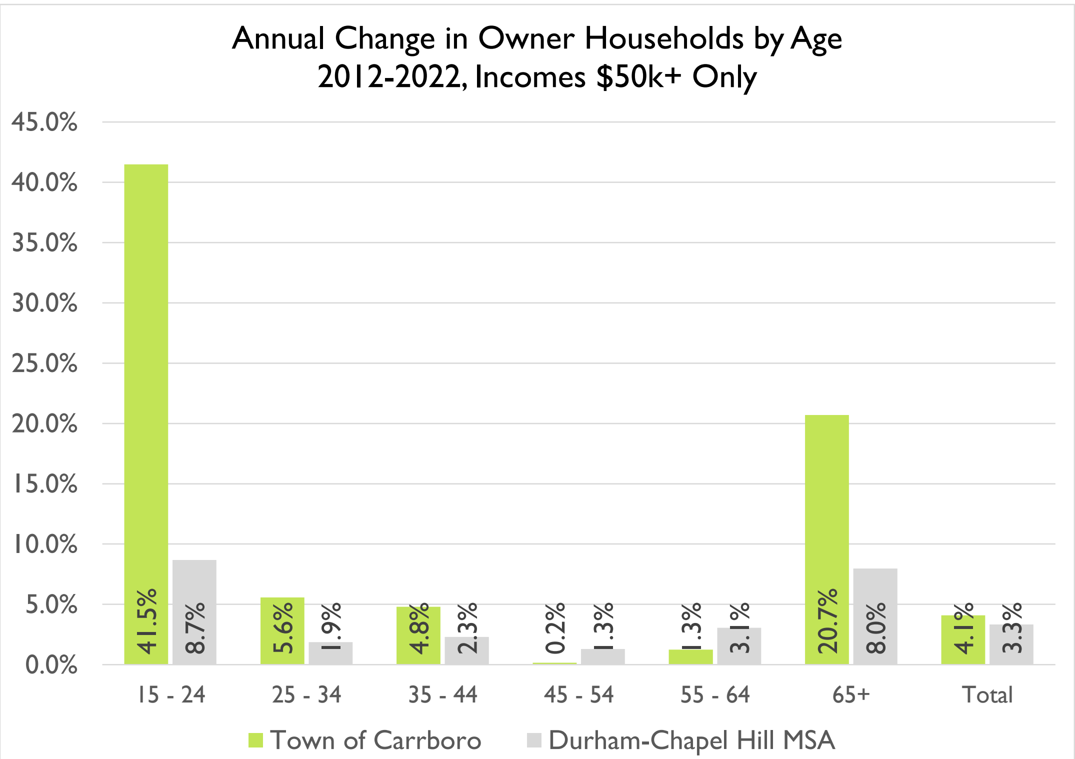
A total of 1,008 household have been added to the Town of Carrboro from 2012 to 2022. There has been a decrease in households with incomes under $75,000 whereas there has been an increase of 1,200 households with incomes above $75,000. A majority of these owner households were specifically in cohorts earning $75,000 to $100,000 and $200,000+.

The bulk of added households were in the 65+ age group making up over half of all new owner households and increasing by nearly 21%, outpacing the annual change of 65+ owner households in the Durham-Chapel Hill MSA. Fostering a variety of senior housing product types will be important to maintaining this growth segment. The under 24 age group in Carrboro also outpaced the MSA in terms of annual change, however that age group only encompassed 7% of new households within Carrboro.

Change in Owner Household, 2012-2022 (Inflation adjusted)

Households by Age (Incomes over $50k)	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
$0 - $25,000	4	-2	-40	3	-4	20	-19
$25,000 - $35,000	0	-1	-19	-15	-12	0	-46
$35,000 - $50,000	2	-7	-66	-25	-22	2	-116
$50,000 - $75,000	3	14	7	-51	-40	55	-12
$75,000 - $100,000	6	47	93	-11	-4	146	277
$100,000 - $150,000	7	-23	1	-27	-4	206	160
$150,000 - $200,000	52	40	42	-83	-45	7	13
$200,000 +	0	110	120	188	183	151	751
Total	74	178	139	-22	53	587	1,008
$50k +	68	187	264	15	90	565	1,189





SOURCE: Noell Consulting Group, US Census

OWNER AUDIENCE

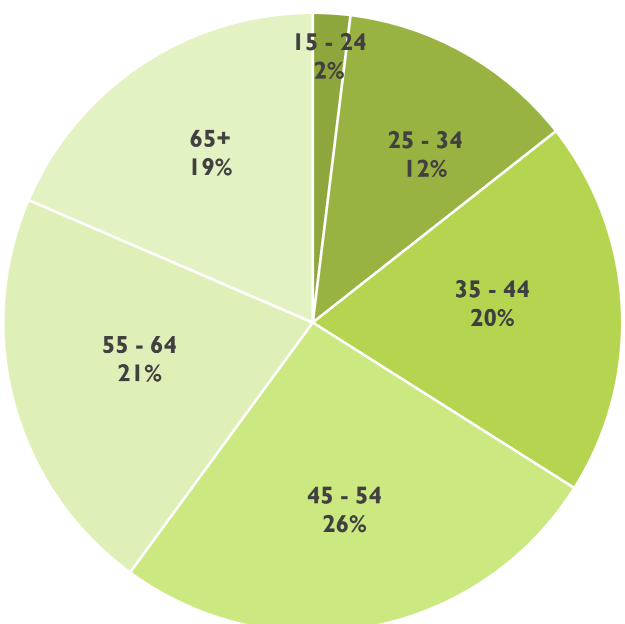
Owner households within the Town of Carrboro are also very diverse, however are primarily comprised of household incomes of $75,000+ which make up more than 82% of households. Households making $200,000 or more make up 31% of households, largely due to the relatively high home prices in Carrboro as previously mentioned.

Owner households in Carrboro are primarily owned by married couples making up 75% of the market, of whom 36% have children. Ownership is fairly evenly split between age cohorts above the age of 34, with the 45 to 54 age group making up the largest share at 26%.

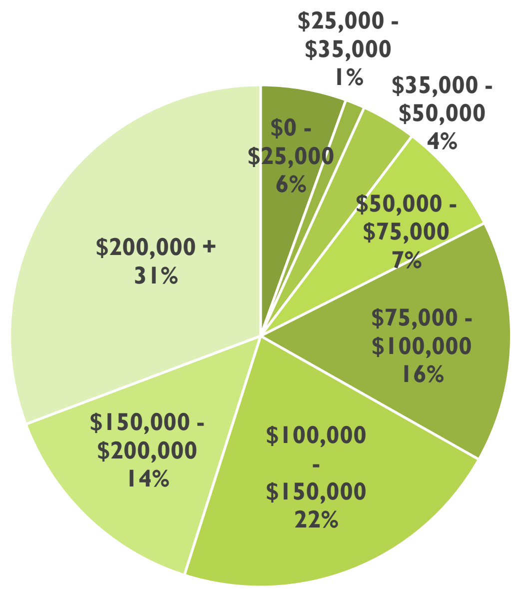
Owner Households, 2022

	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	Total
$0 - $25,000	8	7	27	69	44	66	222
$25,000 - $35,000	2	4	15	7	5	18	50
$35,000 - $50,000	3	8	29	45	29	27	142
$50,000 - $75,000	4	28	93	56	39	70	291
$75,000 - $100,000	7	65	155	119	93	187	626
$100,000 - $150,000	7	69	141	249	200	206	871
$150,000 - $200,000	52	104	115	137	117	51	576
$200,000 +	0	181	200	377	322	151	1,232
Total	83	467	774	1,059	849	778	4,010
$50k +	70	448	704	938	770	666	3,596

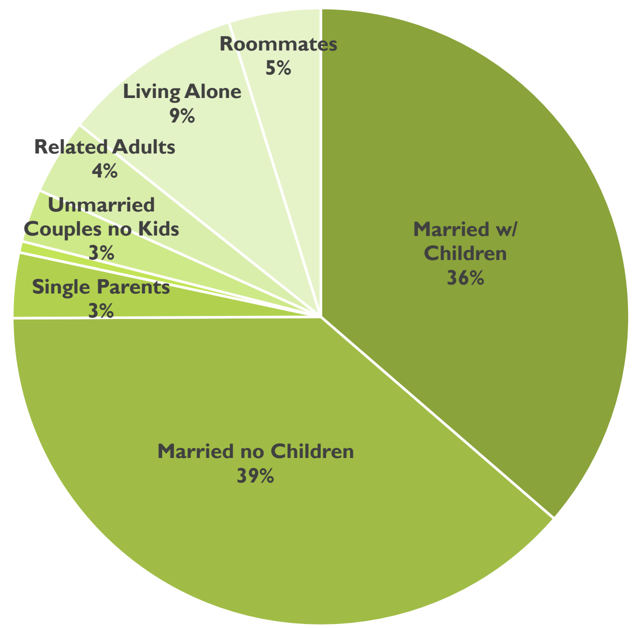
Owner Households by Age



Owner Households by Income



Owner Households by Household Type



SOURCE: Noell Consulting Group, US Census

CARRBORO VS. CHAPEL HILL COMPARISON

Noell Consulting Group

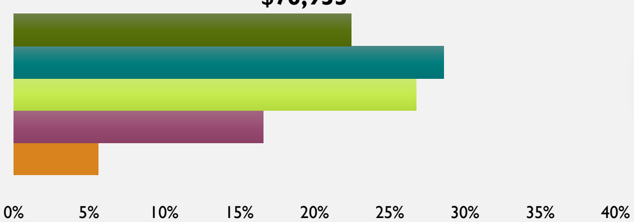
CARRBORO

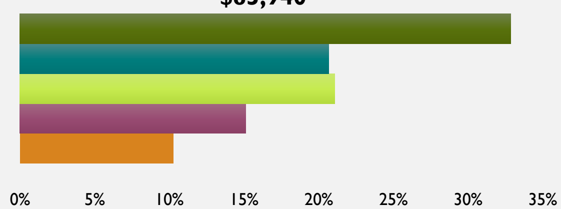
CHAPEL HILL

Median Household Income

$76,933

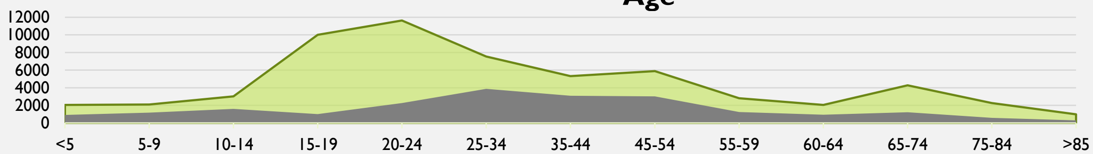
$85,940





Age

34
Median Age

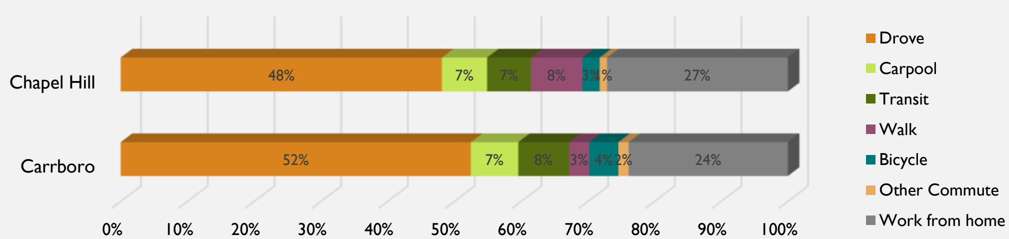


26
Median Age

Households

Family Households	Nonfamily HHs			Nonfamily HHs	Family Households
51%	49%	9,182	19,965	48%	52%

Commuters



This exhibit compares the demographics of the towns of Carrboro and Chapel Hill. Chapel Hill has nearly 11,000 more households than Carrboro with a similar percentage of family households. Carrboro's median age tends to skew higher with Chapel Hill having a lower median age primarily due to the high amount of UNC students.

Carrboro's income ranges tend to be more evenly distributed compared to Chapel Hill. Chapel Hill has a higher median income with the largest portion of incomes being more than $150,000. In comparison, Carrboro has a lower median income at around $77,000 with the largest share of household incomes being in the $75,000 to $150,000 range, closely followed by households in the $35,000 to $75,000 range.

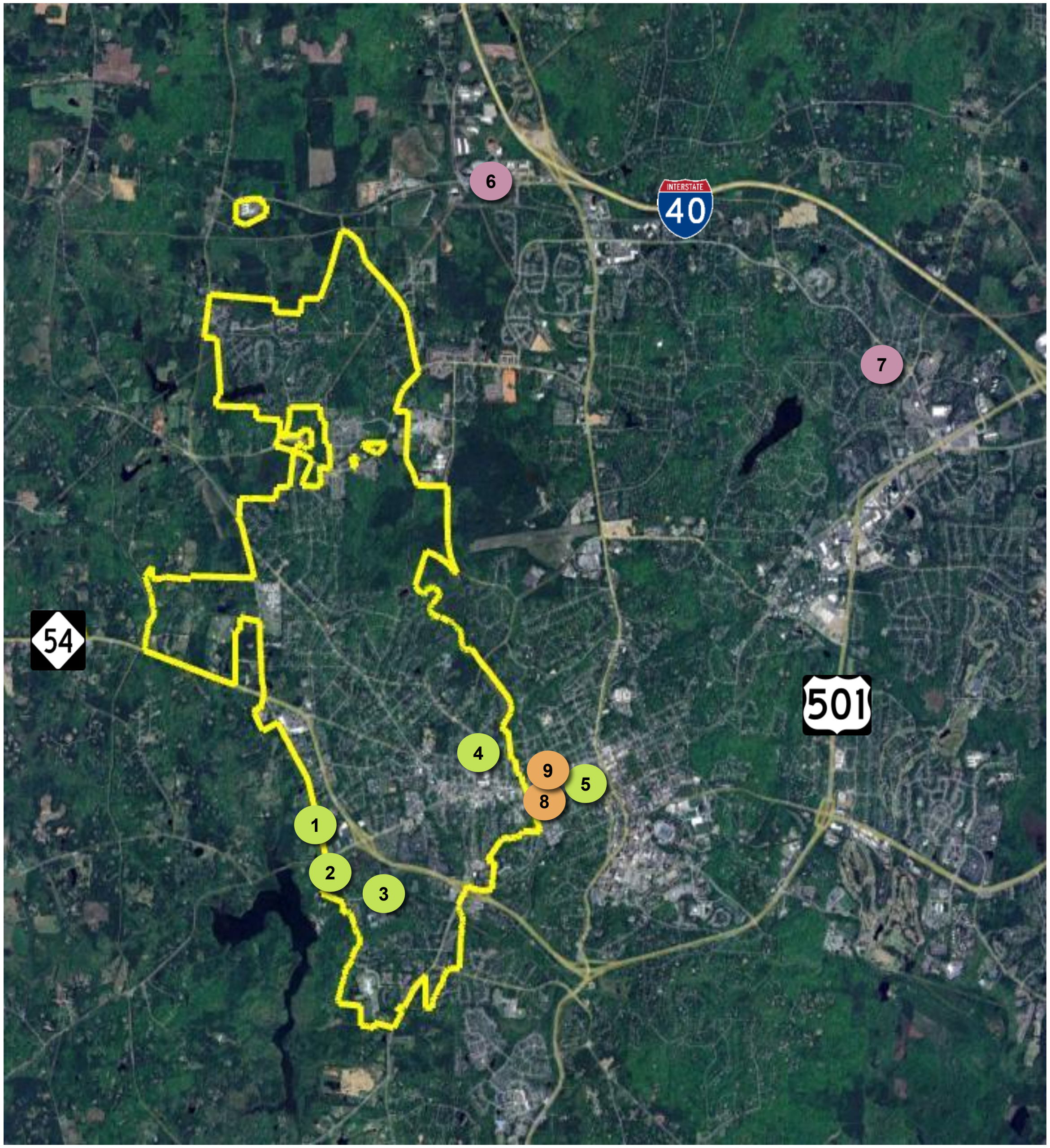
Given the more moderate incomes within intown Carrboro, there is opportunity for more value oriented/affordable housing within Carrboro. In for-sale housing this can be achieved by building smaller homes on minimal lot sizes and/or efficient townhomes. With multifamily rentals, higher density zoning can allow for more efficient floorplans and unit types which will generally have lower absolute rents.

SOURCE: Noell Consulting Group, US Census

RENTAL COMPETITIVE ANALYSIS

COMPETITIVE MARKET MAP

Noell Consulting Group



SOURCE: Noell Consulting Group, Costar

Class B / C Conventional Apts		Units	$/SF
1	Autumn Woods	236	$1.51
2	Poplar Place	230	$1.25
Class B / C Conventional Apts Average		233	$1.38

Class A Conventional Apts		Units	$/SF
3	River View	102	$1.87
4	Shelton Station	94	$1.99
Class A Conventional Apts Average		98	$1.93

Class A Mixed Use Apts		Units	$/SF
5	Carolina Square	246	$3.17

Rental Townhome		Units	$/SF
6	Chapel Watch Village	120	$1.74
7	Regent Place	20	$1.48
Rental Townhome Average		70	$1.61

Student Housing		Units	$/SF
8	Shortbread Lofts	85	$3.26
9	Edition on Rosemary	62	$4.53
Student Housing Average		74	$3.90

Average All	**133**	**$2.31**
Class B / C Conventional Apts Average	233	$1.38
Class A Conventional Apts Average	98	$1.93
Class A Mixed Use Apts Average	246	$3.17
Rental Townhome Average	70	$1.61
Student Housing Average	74	$3.90

COMPETITIVE MARKET SUMMARY

ID	Community Name	Submarket	Year Built	Total Units	Unit Size Range		Weighted Avg. Unit Size	Quoted Gross Rent Range		Weighted Average Rent	Weighted Average $/SF	% Less than 2B/2b
1	Autumn Woods	ass B / C Conventional A	1997/2017	236	738	1,382	1,053	$1,363	$1,900	$1,586	$1.51	27%
2	Poplar Place	ass B / C Conventional A	1986/2000	230	780	1,025	922	$998	$1,238	$1,150	$1.25	35%
3	River View	Class A Conventional Apt	1985/2024	102	660	900	773	$1,295	$1,495	$1,442	$1.87	53%
4	Shelton Station	Class A Conventional Apt	2019	94	640	1,269	930	$1,077	$2,500	$1,848	$1.99	55%
5	Carolina Square	Class A Mixed Use Apts	2017	246	456	1,840	1,100	$1,670	$5,930	$3,489	$3.17	31%
6	Chapel Watch Village	Rental Townhome	2011	120	1,300	2,220	1,475	$2,382	$3,087	$2,562	$1.74	0%
7	Regent Place	Rental Townhome	1983	20	1,000	1,456	1,113	$1,518	$1,986	$1,649	$1.48	0%
8	Shortbread Lofts	Student Housing	2014	85	883	1,562	1,306	$2,140	$5,860	$4,256	$3.26	0%
9	Edition on Rosemary	Student Housing	2023	62	542	1,637	1,319	$1,820	$7,750	$5,977	$4.53	5%
		Market Average	2011	133	778	1,477	1,110	$1,585	$3,527	$2,662	$2.31	23%
		Class B / C Conventional Apts Average	1989	233	759	1,204	988	$1,181	$1,569	$1,368	$1.38	31%
		Class A Conventional Apts Average	2019	98	650	1,085	851	$1,186	$1,998	$1,645	$1.93	54%
		Class A Mixed Use Apts Average	2017	246	456	1,840	1,100	$1,670	$5,930	$3,489	$3.17	31%
		Rental Townhome Average	1997	70	1,150	1,838	1,294	$1,950	$2,537	$2,106	$1.61	0%
		Student Housing Average	2019	74	713	1,600	1,312	$1,980	$6,805	$5,116	$3.90	2%

The competitive set is made up of conventional apartment, rental townhome, and student housing communities all located within the towns of Carrboro and Chapel Hill. Aside from Shelton Station, a majority of the rental product within Carrboro is more dated with some having been renovated in recent years.

SOURCE: Noell Consulting Group

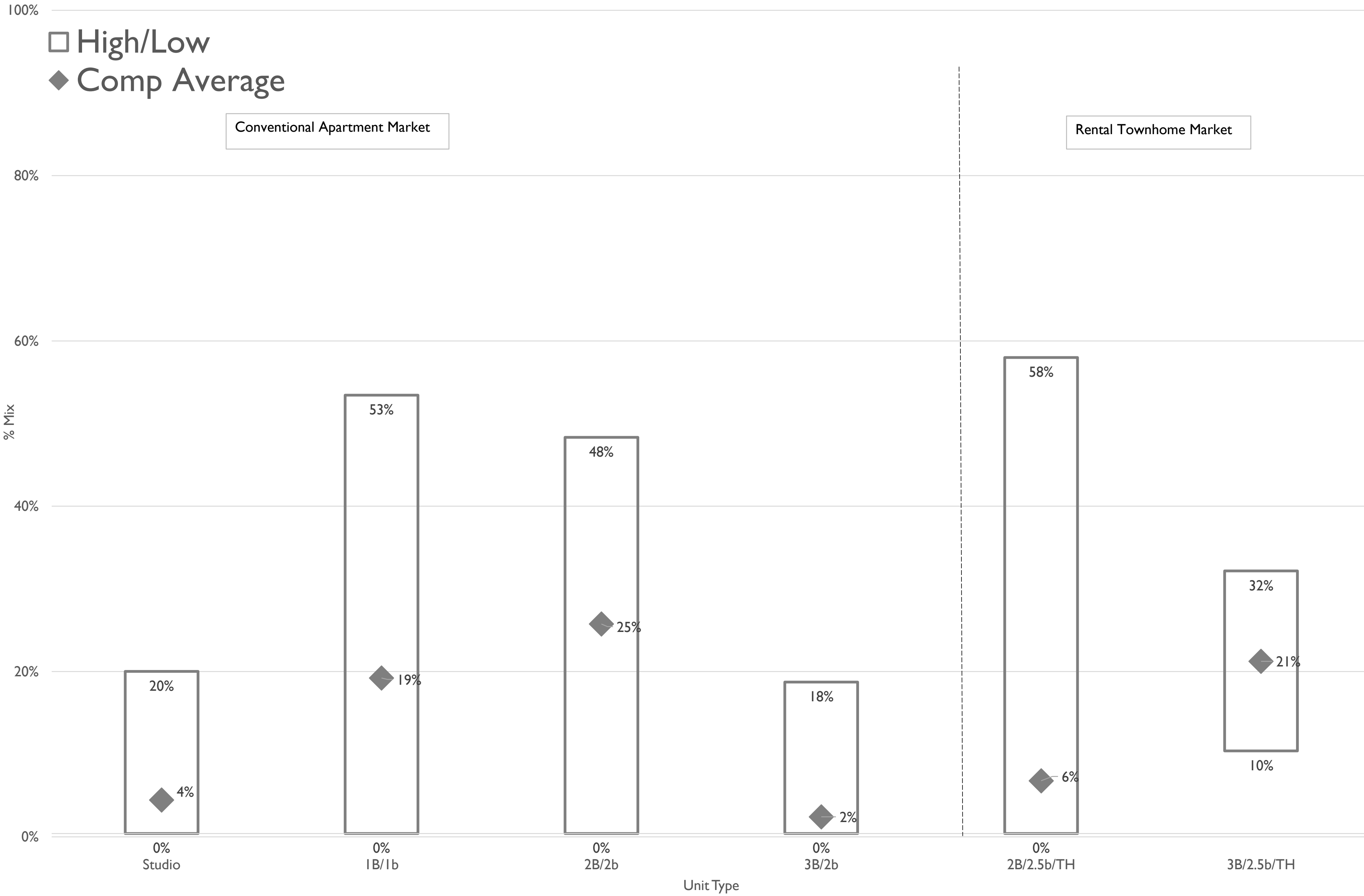
DEMO SUMMARY OF KEY RENTAL COMPS

Noell Consulting Group

Property	Avg SF	% less than 2BR	Demographic Notes	Building Notes
Autumn Woods				
	**1,053**	**27%**	Mix of audiences with the location and proximity to UNC being the primary driver for residents. The 2 and 3 Bed units are heavily roommates as opposed to couples.	A 3-story garden complex located on Old Fayetteville Rd in Carrboro that was built in 1997 and renovated in 2017. Has market average finishes and decent amenities.
River View				
	**773**	**53%**	Sees a wide range of residents including UNC students and UNC employees. Sees a lot of roommates and most living in the 1 Bed apartments are singles. Majority of residents are commuters, there are not many that work from home.	A 3-story garden complex located off of NC-54 in Carrboro. It is the oldest comp in the set as it was built in 1986, however units were recently renovated in 2024. Has market average finishes.
Shelton Station				
	**930**	**55%**	Approximately 40% - 45% of residents are empty nesters sizing down who do not want any home maintenance. Around 30% are UNC students with some being roommates. The remainder of residents are young professionals, many of whom are work from home employees.	Built in 2019, Shelton Station is the newest apartment building in Carrboro and is a 4-story mid-rise in downtown. The finishes are average, however it's location drives a premium to other comps within the Town of Carrboro.
Carolina Square				
	**1,100**	**31%**	Although it is not a student housing apartment, a majority of residents are UNC students. Additionally, there are some young UNC employees that move here as well.	Carolina Square is a 6-story mid-rise located in downtown Chapel Hill. A majority of it's floorplans cater to roommates due to its close proximity to UNC. Top of market finishes and amenities.
Chapel Watch Village				
	**1,475**	**0%**	A lot of residents are families moving here for the local school district. The 3 Beds are the most popular floorplan with 3 Bed basements being highly popular among empty nesters due to those units having a master on main. There are also a notable portion of roommates which are primarily UNC students.	Chapel Watch Village is a 2-story townhome community in Chapel Hill. All units are 2 and 3 Bed townhomes with a total of 120 units. Finishes are somewhat dated and amenities are average.

SOURCE: Noell Consulting Group

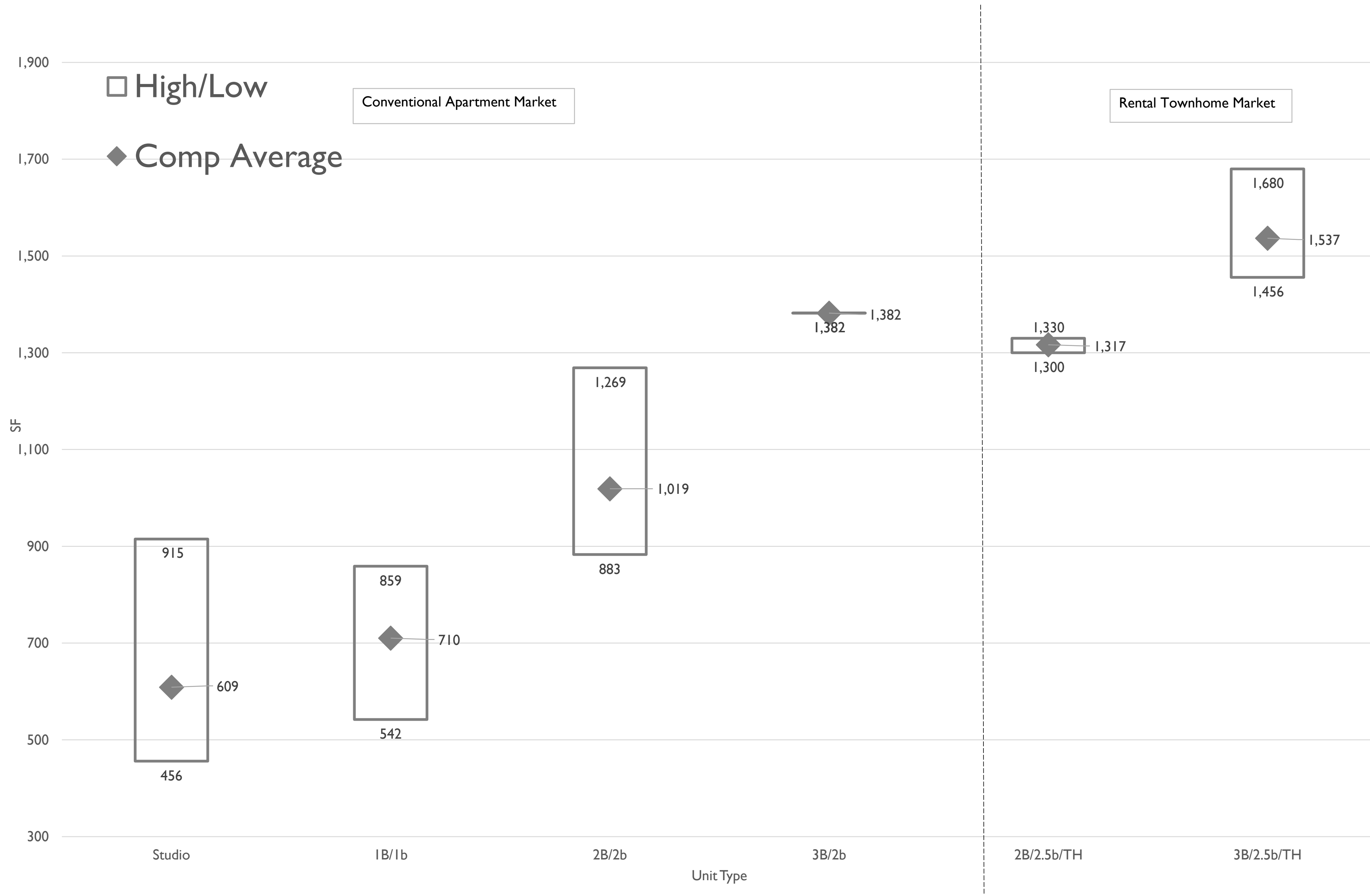
MARKET SUMMARY MIX



SOURCE: Noell Consulting Group

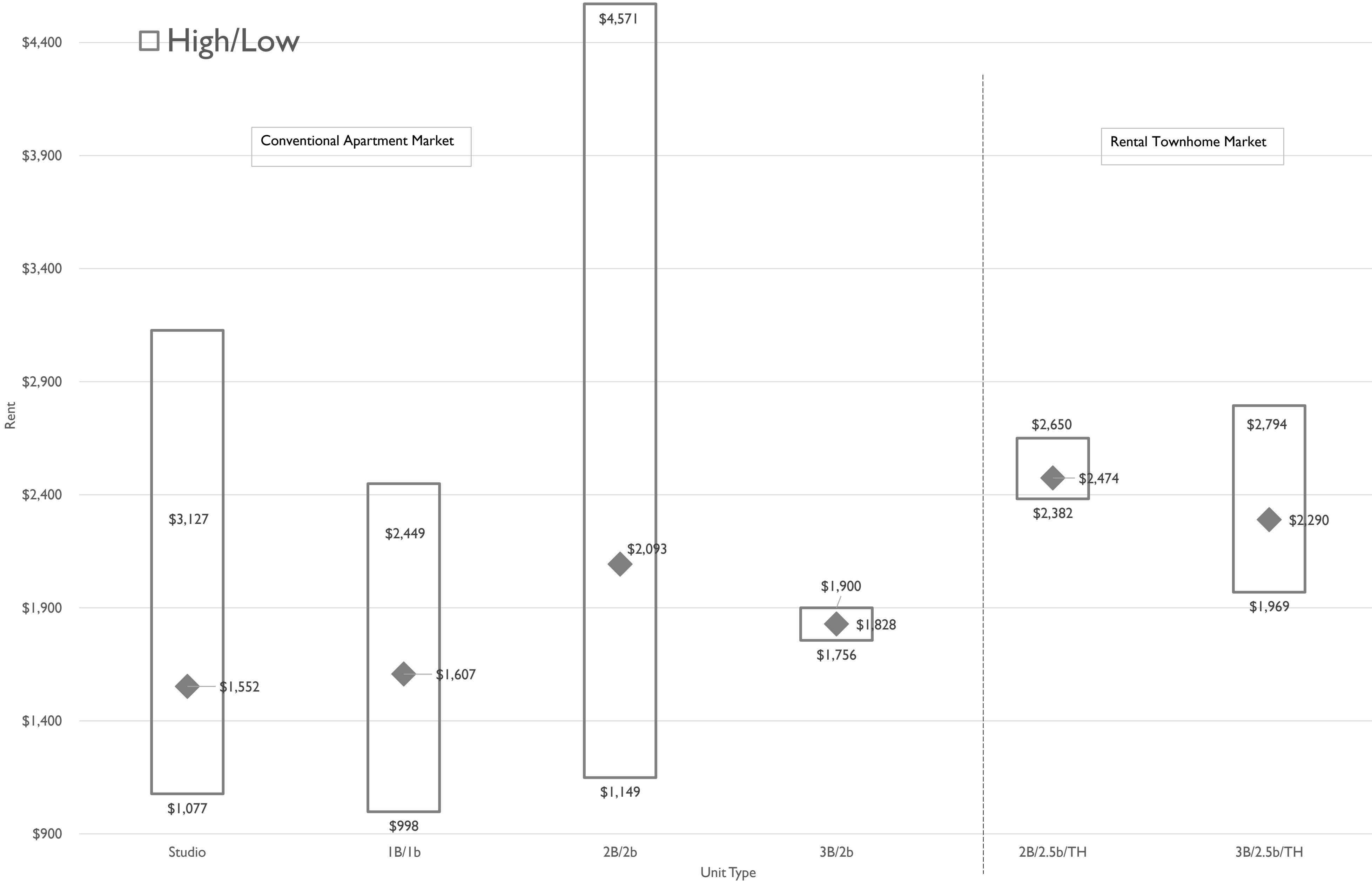
MARKET SUMMARY SIZE

Noell Consulting Group



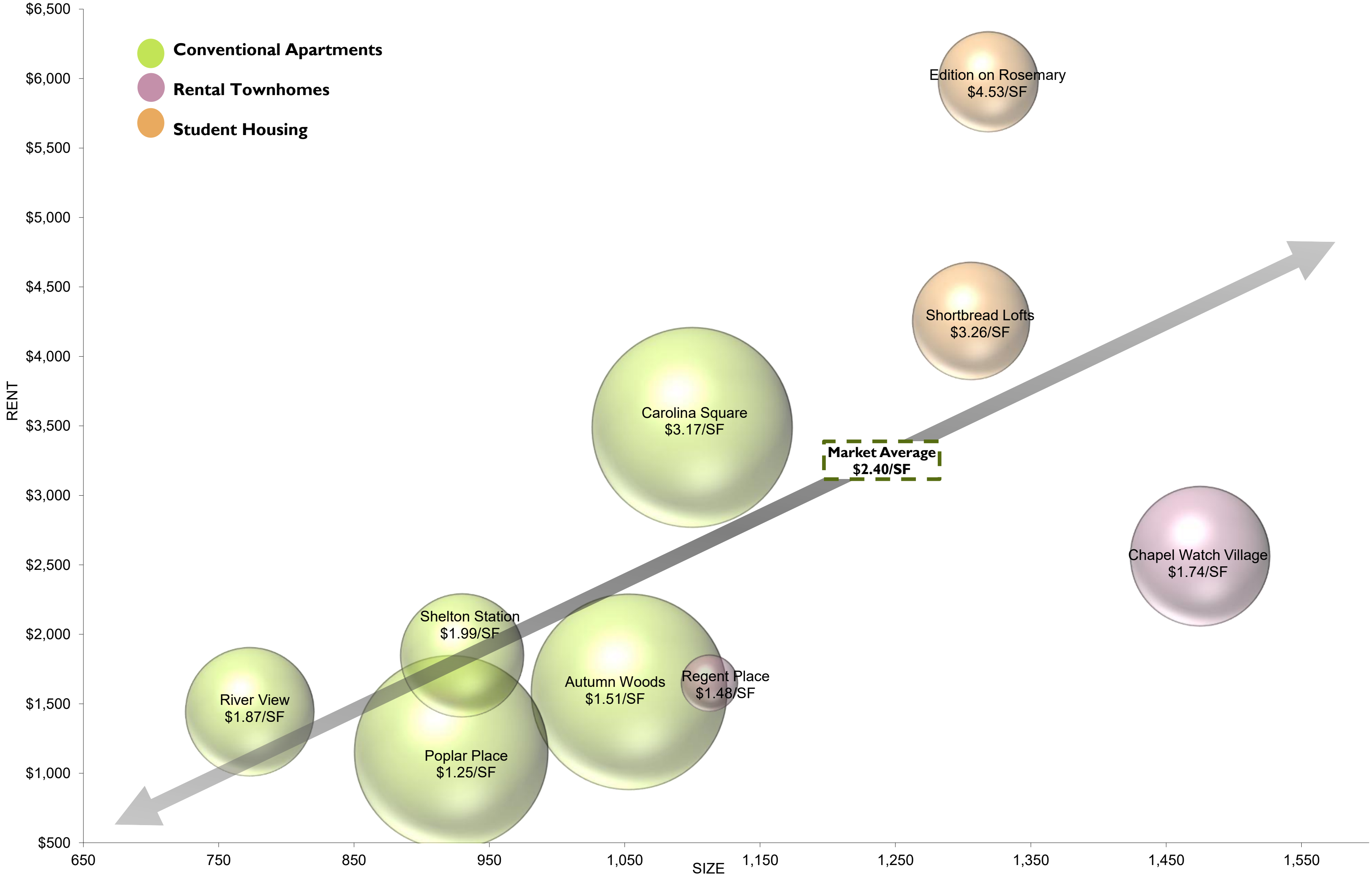
SOURCE: Noell Consulting Group

MARKET SUMMARY RENT



SOURCE: Noell Consulting Group

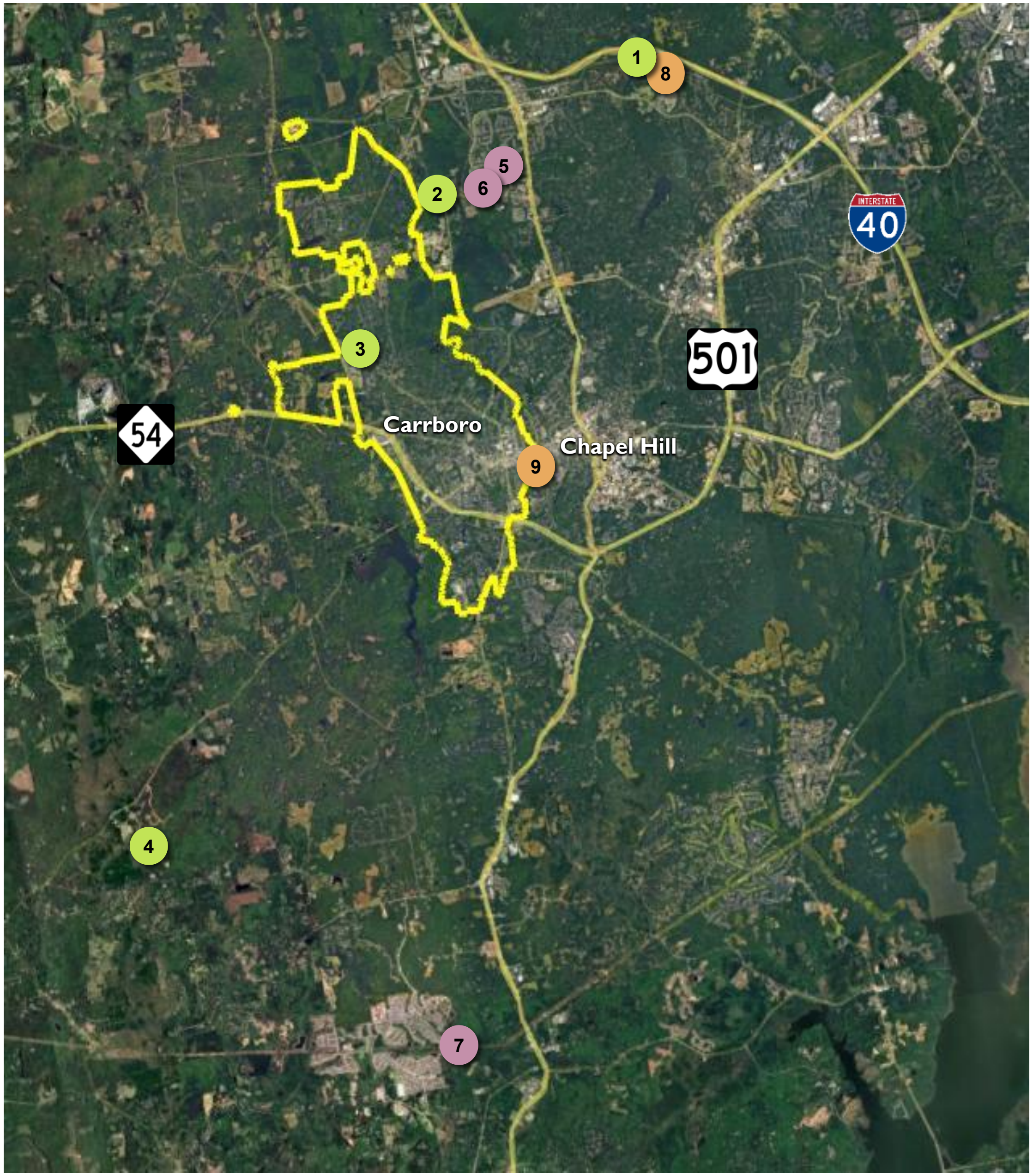
RENT-SIZE POSITIONING



SOURCE: Noell Consulting Group based on surveys of properties.

FOR-SALE MARKET ANALYSIS

FOR-SALE COMPETITIVE MARKET MAP



SOURCE: Noell Consulting Group, Google Earth, Google Maps

SFD		Yr. Built	Units	Average Price	$/SF
1	Garman Homes at Weavers Grove	2024	40	$510,065	$300
2	Chandler Woods	2020	62	$881,500	$233
3	Sanderway	2023	18	$1,147,400	$330
4	The Summit at Morgan Ridge	2025	24	$953,745	$243

Townhomes		Yr. Built	Units	Average Price	$/SF
5	Stanat Place	2024	47	$507,990	$293
6	Bridgepoint	2023	54	$501,490	$289
7	Briar Chapel Townhomes (Deardom Wy)	2021	89	$532,150	$252

Condominiums		Yr. Built	Units	Average Price	$/SF
8	The Whitley at Weavers Grove	2025	80	$460,000	$450
9	Greenbridge	2009	265	$745,000	$377

	Units	Average Price	$/SF
Average All	**112**	**$553,620**	**$352**
SFD Average	**100**	**$698,542**	**$221**
Townhome Average	**63**	**$513,877**	**$278**
Condominium Average	**173**	**$602,500**	**$414**

COMPETITIVE MARKET SUMMARY

Noell Consulting Group

ID	Community Name	Submarket	Year Built	Units Sold	Total Units	Unit Size Range		Average Unit Size	Sales Price Range		Average Price	Average $/SF
1	Garman Homes at Weavers Grove	SFD Communities	2024	17	40	1,576	1,820	1,698	$484,990	$535,140	$510,065	$300
2	Chandler Woods	SFD Communities	2020	62	62	2,833	4,729	3,781	$733,000	$1,030,000	$881,500	$233
3	Sanderway	SFD Communities	2023	8	18	3,355	3,590	3,473	$1,124,900	$1,169,900	$1,147,400	$330
4	The Summit at Morgan Ridge	SFD Communities	2025	0	24	3,256	4,586	3,921	$808,490	$1,099,000	$953,745	$243
5	Stanat Place	Townhomes	2024	26	47	1,566	1,913	1,737	$482,990	$532,990	$507,990	$293
6	Bridgepoint	Townhomes	2023	50	54	1,566	1,913	1,737	$478,990	$523,990	$501,490	$289
7	Briar Chapel Townhomes (Deardom Wy)	Townhomes	2021	87	89	1,949	2,273	2,111	$461,300	$603,000	$532,150	$252
8	The Whitley at Weavers Grove	Condominiums	2025	0	80	675	1,369	1,022	$330,000	$590,000	$460,000	$450
9	Greenbridge	Condominiums	2009	96	100	708	3,241	1,975	$290,000	$1,200,000	$745,000	$377

Pricing for Greenbridge Condominiums is based on 2022 - 2024 resale prices.

	Year Built	Units Sold	Total Units	Unit Size Range		Average Unit Size	Sales Price Range		Average Price	Average $/SF
Market Average	2022	38	57	1,943	2,826	2,922	$577,184	$809,336	$693,260	$307.55
SFD Communities Average	2023	22	36	2,755	3,681	3,218	$787,845	$958,510	$873,178	$277
Townhomes Average	2023	54	63	1,694	2,033	1,861	$474,427	$553,327	$513,877	$278
Condominiums Average	2017	48	90	692	2,305	1,498	$310,000	$895,000	$602,500	$414

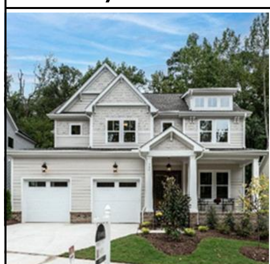
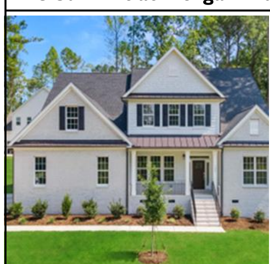



Market Overview Statistics	
HOA Fee:	SFD ranges from $200 - $360/qtr, THs range from $150 - 205/mo.
	Most SFD don't include common area maintenance
Finishes	Builder grade, granite/quartz, mix of wood vinyl and carpet, SS appliances
Parking	SFD and TH's mostly have 2-car garages, some THs have none
Amenities	Overall limited offering, best have clubhouse, pool, and playground
SFD Lot Size	SFD ranges 0.08 - 0.25 homes per acre
TH Lot Size	TH ranges 0.06 - 0.07 per acre

The for-sale offering is limited throughout Carrboro due to its small land area. Much of the comp set is comprised of product located in the area surrounding Carrboro, most of which is in Chapel Hill. Most of the new SFD product is built by custom home builders and are priced anywhere from $500k to $1.1+ million, however most homes are on the higher end of this range. Townhome communities are generally more affordable with prices around $460k to $600k, while often being in more central locations. There are not many condos being constructed in the area, however pricing varies greatly from approximately $300k to $1.2 million.

SOURCE: Noell Consulting Group

SUMMARY OF KEY COMPS

Property	Type	Year Built	No. Units	Size Range	Avg Size	Price Range	Average Price	Amenities	Notes
Garman Homes at Weavers Grove									
	**SFD**	**2024**	**40**	**1,576 - 1,820**	**1,698**	**$484,990 - $535,140**	**$510,065**	Community Lawns, Playgrounds, Natural Spaces, Pavilions	These single family homes are part of the Weavers Grove mixed income development plan. These homes are all on small lots and are smaller in size than what is typically found in new construction SFD within the Chapel Hill / Carrboro market.
Chandler Woods									
	**SFD**	**2020 - 2024**	**62**	**2,833 - 4,729**	**3,781**	**$733,000 - $1,030,000**	**$881,500**	Playground, Community Garden	A community in Chapel Hill built by Lennar Homes. Originally completed first homes in 2020, offering a house plans of varying sizes allowing for a relatively wider price range. Limited amenities and decent finishes.
Sanderway									
	**SFD**	**2023**	**18**	**3,355 - 3,590**	**3,473**	**$1,124,900 - $1,169,900**	**$1,147,400**	None	Most residents are in higher income professions such as doctors, UNC professors, etc. that are moving up from an entry/mid level home. Around half of buyers are relocating to the area and residents are mostly comprised of families. Location is a major driver for buyers here. No amenities, however well-executed finishes.
The Summit at Morgan Ridge									
	**SFD**	**2025**	**24**	**3,256 - 4,586**	**3,921**	**$808,490 - $1,099,000**	**$953,745**	None	Homes in Chapel Hill currently under construction by HHunt Homes with expected closings beginning in Q3 2025. Although sales haven't started, the audience is highly similar to Sanderway based on inquiries. Many UNC employees with some moving into town for work, some are having elderly parents move in and need a larger home.

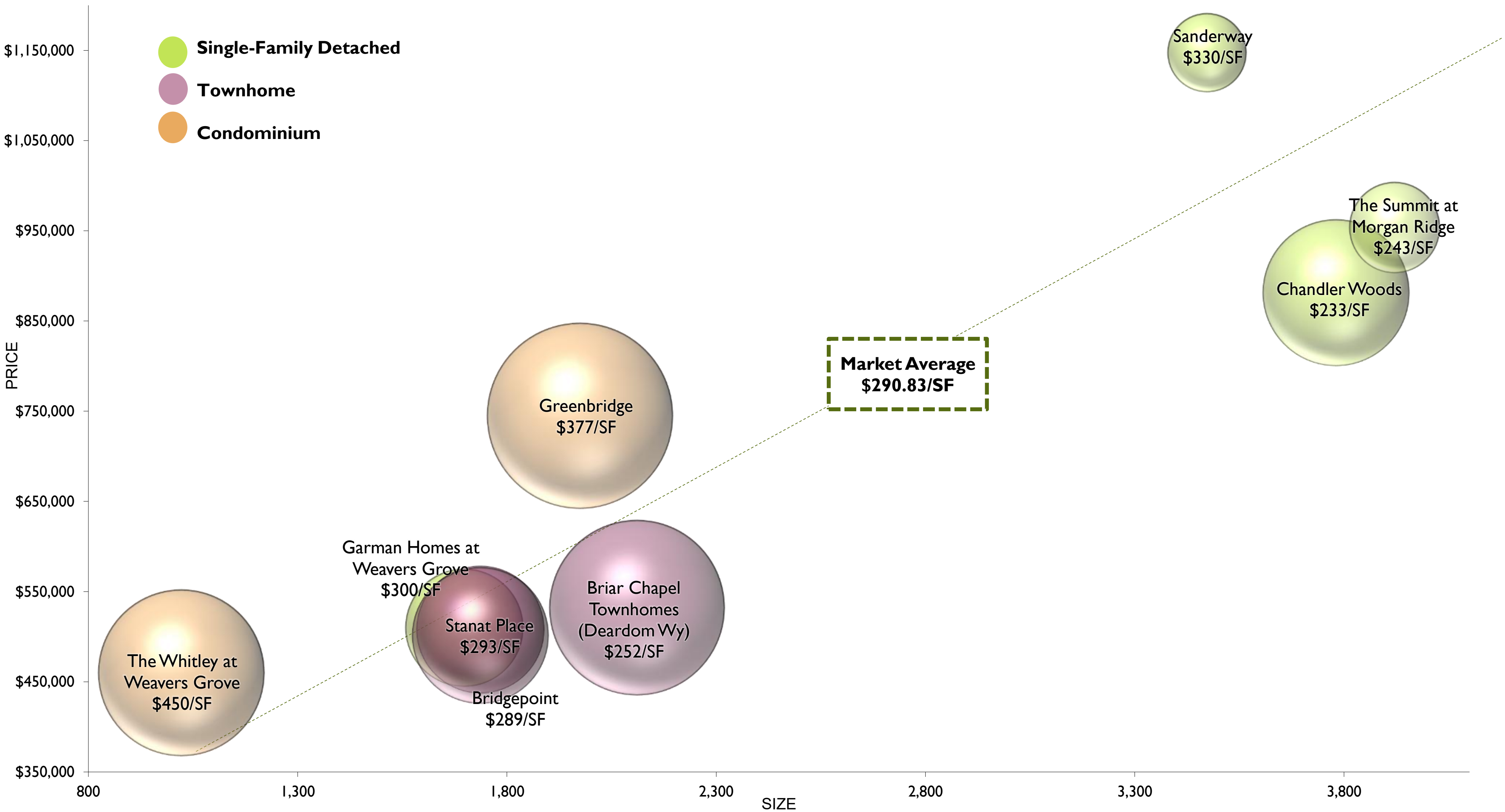
SOURCE: Noell Consulting Group

SUMMARY OF KEY COMPS

Property	Type	Year Built	No. Units	Size Range	Avg Size	Price Range	Average Price	Amenities	Notes
Stanat Place									
	Townhome	2024	47	1,566 - 1,913	1,737	$482,990 - $532,990	$507,990	Clubhouse, swimming pool, tennis courts, and playground	2-story townhomes built by KB Homes on the Northside of Chapel Hill off of Homestead Rd. These townhomes are more moderately priced given the small lot sizes they sit on. Residents move here for UNC and the audience is slightly younger than what would typically be found in
Bridgepoint									
	Townhome	2023	54	1,566 - 1,913	1,737	$478,990 - $523,990	$501,490	None	These townhomes were also built by KB Homes prior to Stanat Place and utilized the same floorplans. Pricing is very similar to Stanat Place, however there are no amenities.
Briar Chapel Townhomes (Deardom Wy)									
	Townhome	2021	89	1,949 - 2,273	2,111	$461,300 - $603,000	$532,150	Access to Briar Chapel Community Amenities	Townhomes connected to the Briar Chapel Planned Community which completed sales in December 2023. Many moved here for proximity to UNC. Residents include UNC employees (professors, healthcare, etc.), singles, professional couples, some empty nesters. and ~10% UNC
The Whitley at Weavers Grove									
	Condo	2025	80	675 - 1,369	1,022	$330,000 - $590,000	$460,000	Dog Park, Community Garden, Pavilion, Clubhouse, Splash Pad, Playground, Basketball Court, Repair Shop	A mixed income development in Chapel Hill which is currently under construction with expected completion in Q4 2025. Pricing is currently estimated, however will offer 1 to 3 Beds with efficient floor plans to allow for more affordability.
Greenbridge									
	Condo	2009	100	708 - 3,241	1,975	$290,000 - $1,200,000	$745,000	Sky Lounge, Fitness Center, Movie Theater, Secure Deck Parking	An older condo on the border of Chapel Hill & Carrboro offering a wide variety of unit sizes. Greenbridge is in a much more walkable area than the other for-sale comps in the set. There is ground floor commercial space with tenants including a hair salon, law firm, and an art studio.

SOURCE: Noell Consulting Group

PRICE-SIZE-POSITIONING

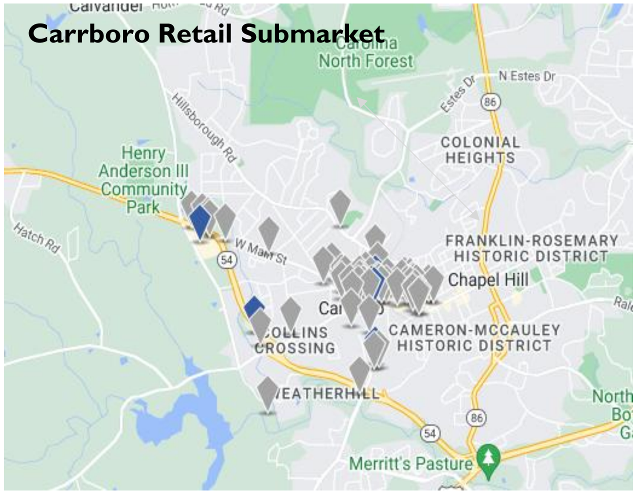


The graph above shows the price and size positioning of the communities surveyed within and surrounding the Town of Carrboro. A majority of new SFD have a high SF and is higher end product with gross prices ranging from $800k to over $1 million. Garman homes offers a more affordable product with a significantly smaller average SF than the other SFD communities in the market. Similarly, the surveyed townhome communities are offering smaller unit sizes allowing for them to provide greater affordability while achieving a higher $/SF, due to their smaller layout sizes. There are few new condo buildings in the area, however the two within our comp set vary in terms of finish level and size. Greenbridge condominiums have a higher gross price driven by the large sizes of the units whereas The Whitley at Weavers Grove units are nearly half as large on average, but are nearly $75 less per SF driven by efficient floorplans.

SOURCE: Noell Consulting Group based on surveys of properties.

RETAIL MARKET ANALYSIS

LOCAL RETAIL OVERVIEW

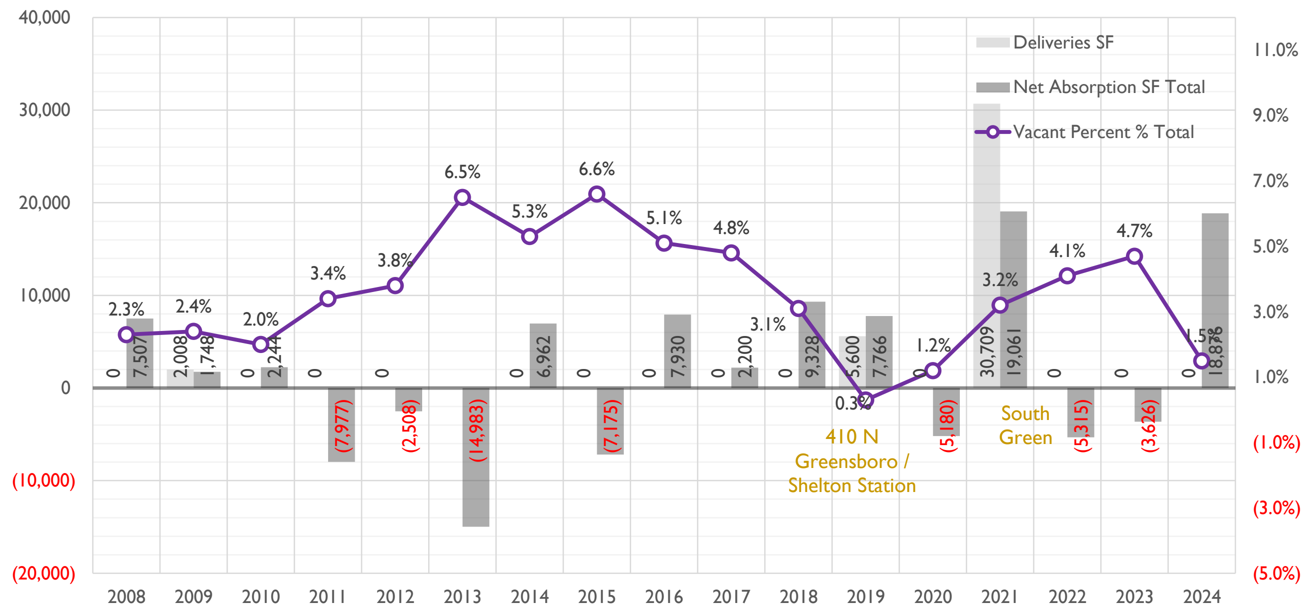


The Town of Carrboro retail submarket has nearly 560,000 square feet of retail space, of which approximately 480,000 SF are better-quality spaces (3-4-5 stars). The majority of retail space is concentrated within the downtown of Carrboro. Retail configurations include various types, including strip centers, neighborhood, and mixed-use.

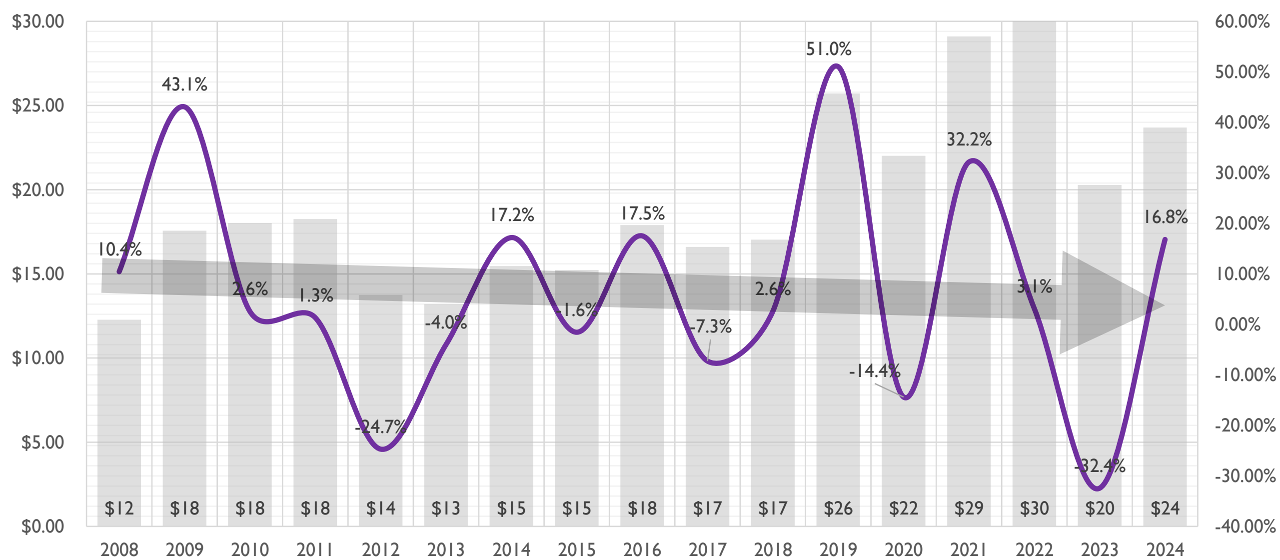
The market has seen fluctuating delivery levels, but around 38,000 total square feet of new retail space has been delivered since 2008. The most recent deliveries have included the South Green retail development in 2020/2021 and the retail strip adjacent to Shelton Station at 410 N Greensboro. Overall, vacancy has been trending downwards in the submarket, going from 6.6% in 2015 to just 1.5% in 2024. The average vacancy rate in Carrboro places it lower than the Durham Metro which is at 9.4% and Chapel Hill at 12.1%.

Retail lease rates in Carrboro historically hovered between $12 to $18 per SF, however rents have increased substantially since 2019 with rates fluctuating between $22 and $30 per SF across the market. That said, higher-quality spaces in desirable areas are often leased for $25 - $30/SF+, whereas as more dated or less desirable properties are often around $15 to $20 per SF.

Local Retail Activity: 2008-2024

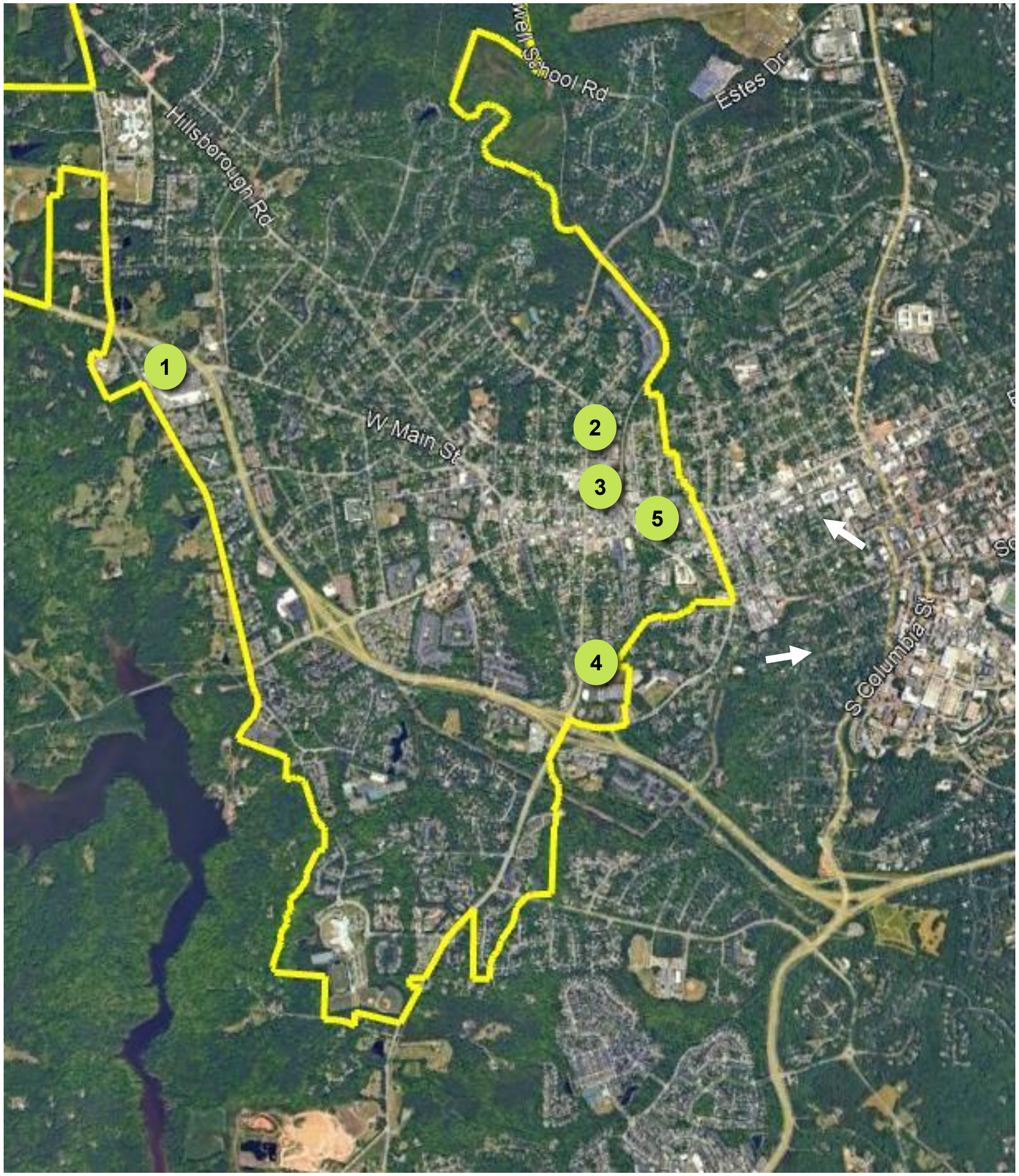


Retail Rent Growth in the Local Submarket



Source: NCG, CoStar

RETAIL COMPARABLE PROPERTIES



SOURCE: Noell Consulting Group, Costar, Google Earth

	Center Name	Year Built / Reno.	SF / GLA	Leased %	Avg. Est. Rate Range	Avg. Rates (NNN)
	Retail Offerings					
1	Carrboro Plaza	1985/1998	122,525	99%	$9 - $28	$18
2	410 N Greensboro St	2019	11,400	100%	$28 - $28	$28
3	Carr Mill Mall	1977	88,000	99%	$25 - $30	$28
4	South Green	2020	27,500	96%	$25 - $25	$25
5	East Main Square	1987/2013	69,500	99%	$32 - $32	$32
	Average		**63,785**	**99%**	**$9 - $32**	**$26**

RETAIL COMPARABLES DETAIL

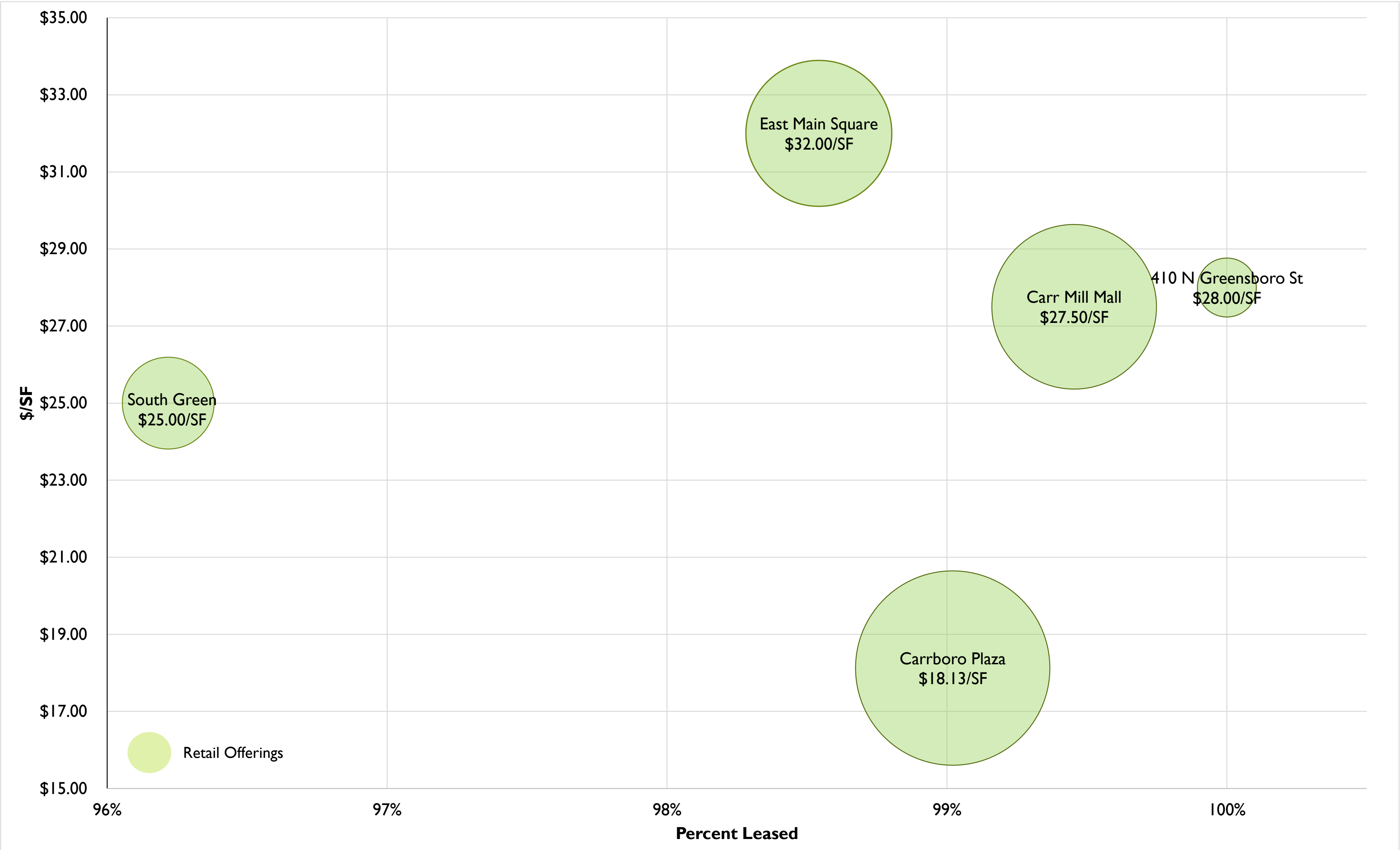
Noell Consulting Group

Photo	Retail Name	Year Built / Reno.	Rentable Building Area (Est.)	Avail. Square Feet (Est.)	% Leased	Est. Quoted Lease Rates	Avg. $/SF	CAM	Parking Type	Comment / Tenants
	Carrboro Plaza 104 NC Highway 54	1985/1998	122,525	1,200	99%	$8.75 - $27.50	$18.13	Undisclosed	Surface Parking 5.37/1,000 SF 685 Spaces	An older retail center off of NC-54 which was originally built in 1985. Food Lion is its anchor and has a variety of other tenants including restaurants, supply stores, a Dollar General, and multiple service providers.
	410 N Greensboro St	2019	11,400	0	100%	$28.00 - $28.00	$28.00	$2.50/SF	Surface Parking 2.80/1,000 SF 28 Spaces	An office/retail building adjacent to Shelton Station apartments. 1 month of free rent is typically offered to new tenants, however incentives vary and are negotiable. There are 2 retail tenants including Breakaway Carrboro and Dingo Dog Brewing Company.
	Carr Mill Mall 200 N Greensboro St	1977	88,000	480	99%	$25.00 - $30.00	$27.50	$6.50/SF	Surface Parking 4.01/1,000 SF 572 Spaces	Carr Mill Mall is located in the center of Carrboro and houses over 25 local businesses including office and retail tenants. Retail leases are NNN and free rent is negotiable. Retail tenants include Tandem Restaurant, Oasis Coffee, The Fragrance Shop, Love & Peace Boutique, Ceremony Salon, Golden Fig Books, Sofia's Boutique, and more.
	South Green 101 Two Hills Dr	2020	27,500	1,040	96%	$25.00 - $25.00	$25.00	$6.50/SF	Surface Parking	3 Retail building located off of South Greensboro Rd. The adjacent pad to the site is planned to have a 57 unit condo building called South Green Flats. The incentives to the tenants vary depending on credit and lease term, however TI allowance and free months of rent are negotiable. Tenants include The Flying Pierogi restaurant, Deluxe Laundry, Kumon Math Center, Emerge Pediatric Therapy, Noble Orthodontics, and more.
	East Main Square 310-380 E Main St	1987/2013	69,500	1,013	99%	$32.00 - $32.00	$32.00	Undisclosed	Surface / Garage Parking 500 Spaces	A mixed-use development in downtown Carrboro, bordering Chapel Hill. The development consists of retail and office space, as well as a Hampton Inn. The most notable tenants include Cat's Cradle Music Venue, the ArtsCenter, Fleet Feet, Oak Leaf restaurant, Hickory Tavern, and more.
SUMMARY / AVERAGE		**2005**	**63,785**	**747**	**99%**	**$8.75 - $32.00**	**$26.13**			

SOURCE: Noell Consulting Group, Costar, LoopNet

RETAIL PRICES AND OCCUPANCY

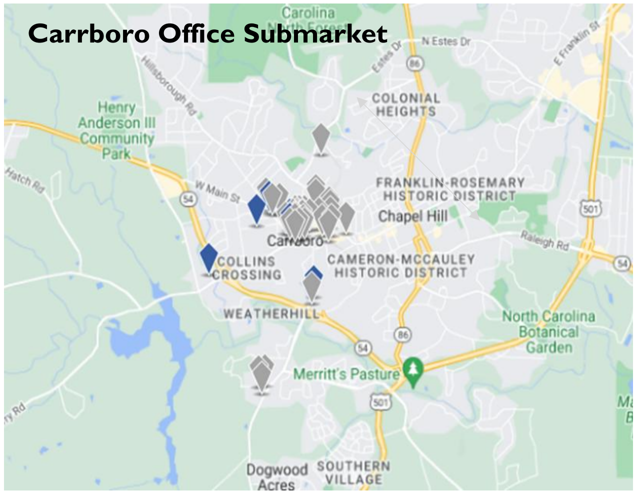
Noell Consulting Group



Source: NCG, CoStar

OFFICE MARKET ANALYSIS

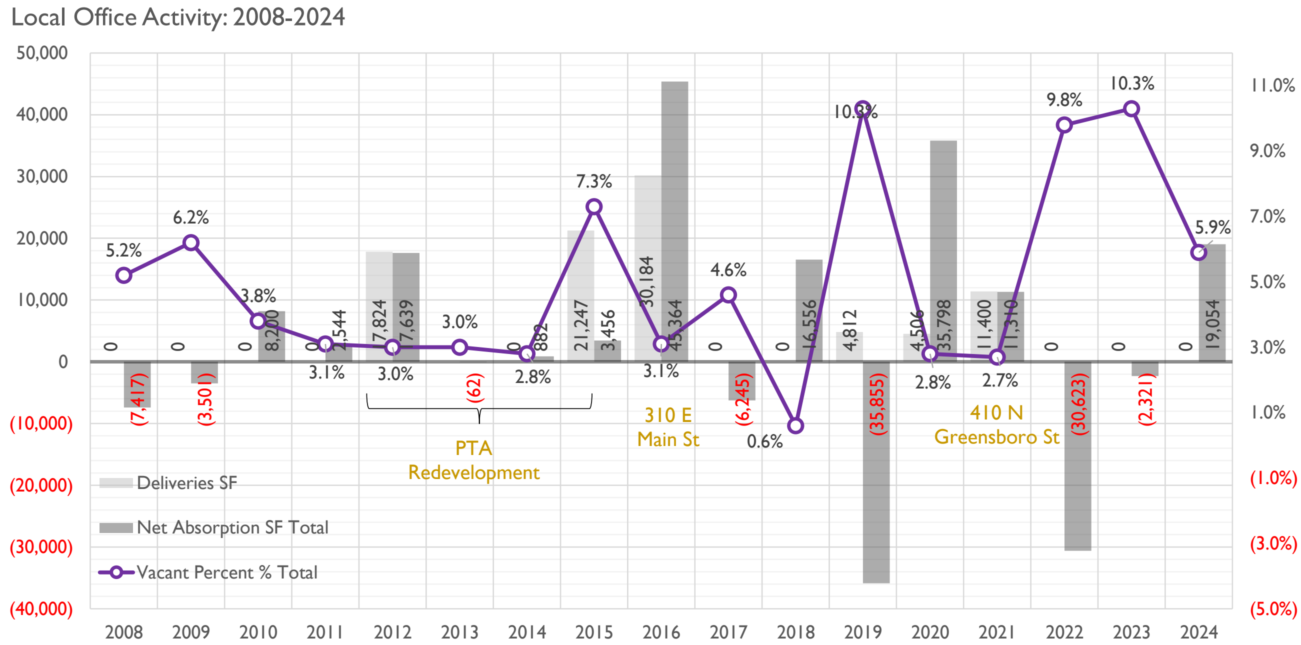
LOCAL OFFICE OVERVIEW

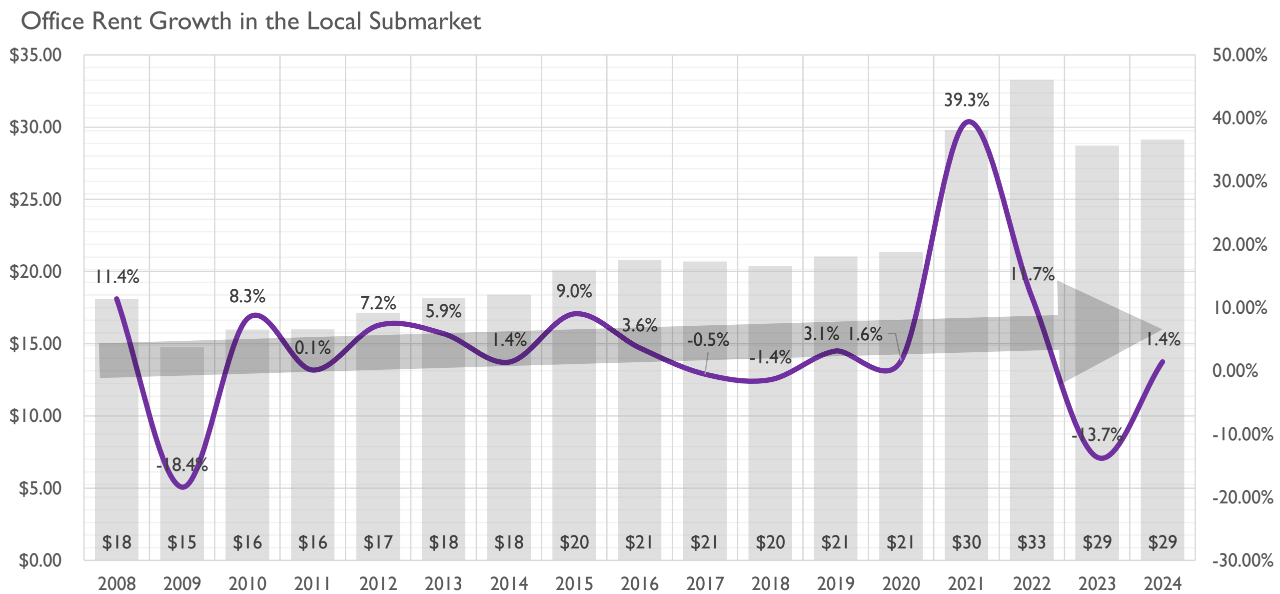


The office market within the Town of Carrboro has nearly 434,000 square feet of office space, of which approximately 192,000 SF are better-quality spaces (3-4-5 stars). Similar to retail, the office space in Carrboro is mostly concentrated within the downtown area. A majority of office spaces are date with many being 2 to 3 story office buildings.

Office market deliveries have been sporadic, but there has been around 75,000 SF of new office space delivered since 2008. The most recent deliveries have included the PTA Redevelopment, 310 E Main Street, and 410 N Greensboro Street. Office vacancies spiked during the height of COVID reaching as high as 10.3% in 2023, however vacancies have decreased down to 5.9% since then. In comparison, Chapel Hill and the Durham metro have overall vacancy rates of 12.1% and 9.5% respectively.

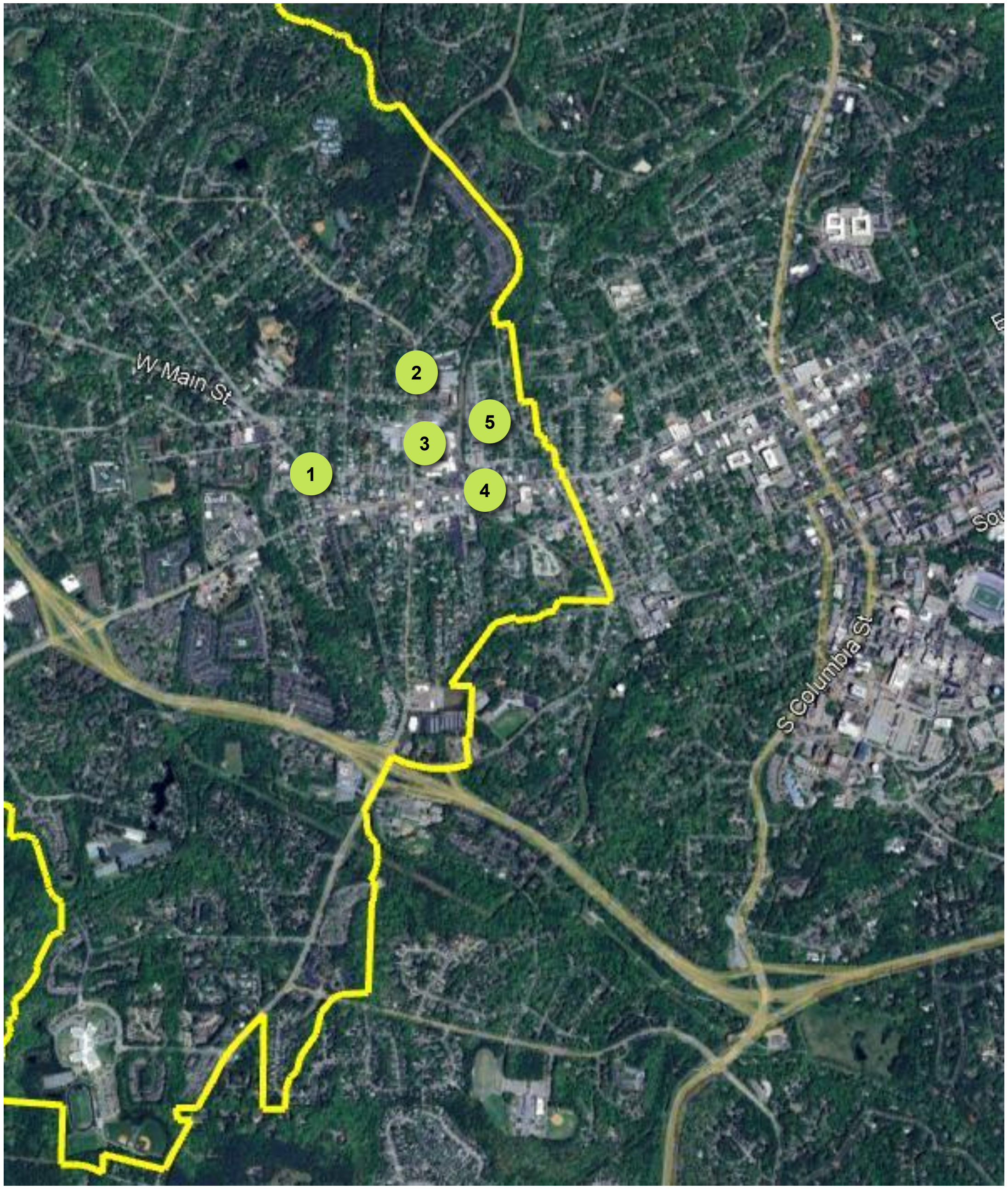
Between 2015 to 2020, rental rates were consistently around $20/SF, however in the last 4 years rates have considerably increased to $29+/SF.





Source: NCG, CoStar

OFFICE COMPARABLE PROPERTIES



SOURCE: Noell Consulting Group, Costar, Google Earth

	Center Name	Year Built / Reno.	SF / GLA	Leased %	Avg. Est. Rate Range			Avg. Rates (NNN)
	Office Offerings							
1	The Walkaway	1993	10,850	97%	$23	-	$25	$24
2	410 N Greensboro St	2019	11,400	100%	$28	-	$28	$28
3	Carr Mill Mall	1977	55,000	96%	$25	-	$25	$25
4	310 E Main St	2014	23,453	100%	$24	-	$25	$25
5	Lloyd Street Court	2000	14,200	100%	$25	-	$25	$25
	Average		**22,981**	**99%**	**$23**	**-**	**$28**	**$25**

The Town of Carrboro office market has a mix of medical office and professional service companies. Due to Carrboro's proximity to Chapel Hill, the University of North Carolina has a significant presence within the Carrboro office space with multiple office locations. Most other offices are primarily occupied by local small businesses. Typical office buildings are 3-story stand-alone buildings with some of the buildings in heavily trafficked areas having ground floor retail. Rents for Class-B office space is relatively similar throughout the market with a range from $23 - $28/SF and leases are generally full service or modified gross.

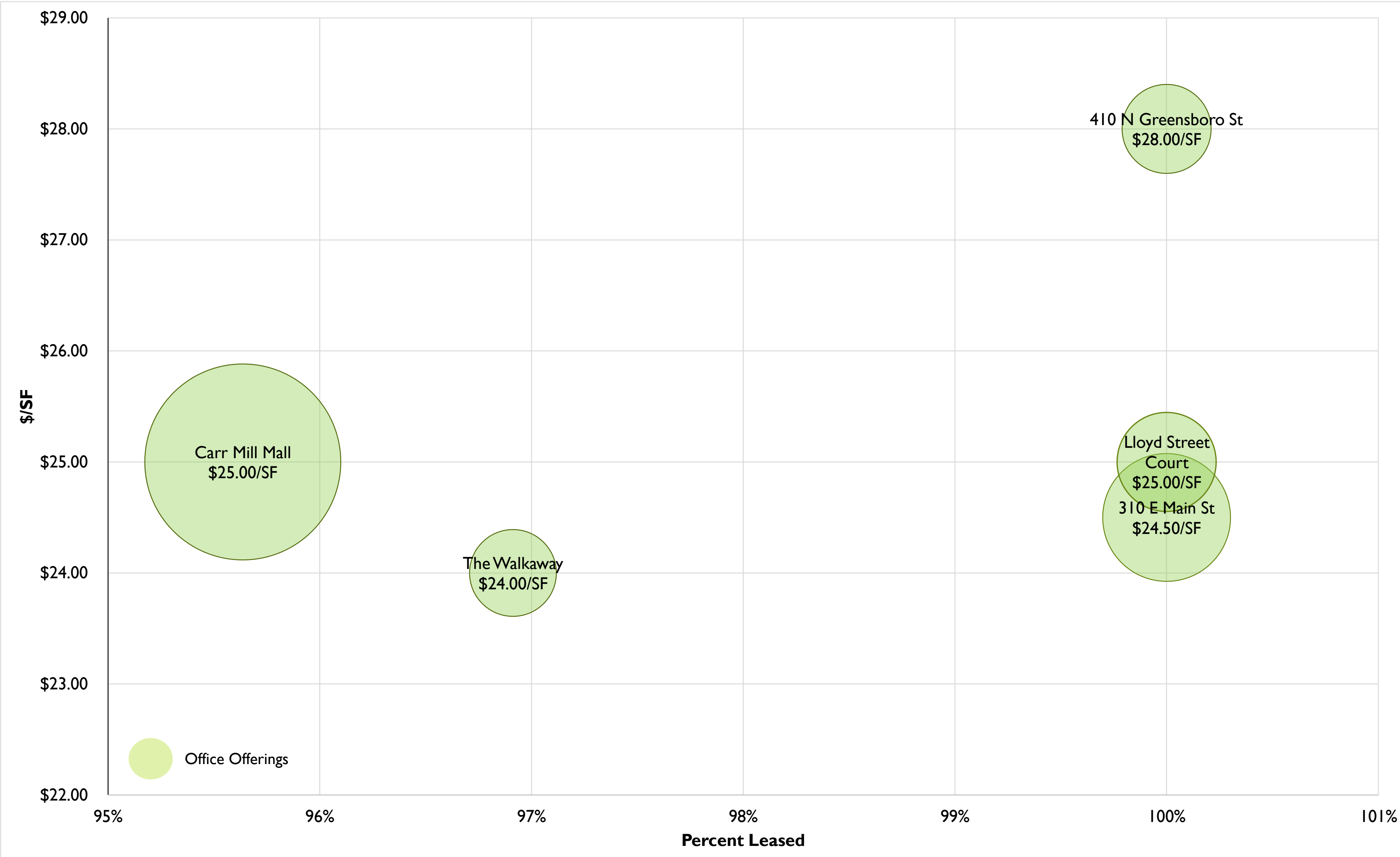
OFFICE COMPARABLES DETAIL

Noell Consulting Group

Photo	Office Name	Year Built / Reno.	Rentable Building Area (Est.)	Avail. Square Feet (Est.)	% Leased	Est. Quoted Lease Rates	Avg. $/SF	CAM	Parking Type	Comment / Tenants
	The Walkaway 205 W Main St	1993	10,850	335	97%	$23.00 - $25.00	$24.00	None	Surface Parking 4.61/1,000 SF 50 Spaces	An older office building on West Main St built in 1993. Leases are modified gross (tenant pays utilities). There is no free rent or TI allowance offered to incoming tenants. Houses a number of different tenants including Allyn Sharp Law, Legal Aid of North Carolina, Kind Pest Control, Glazed Expectations Ceramic, Southeastern Camera, etc.
	410 N Greensboro St	2019	11,400	0	100%	$28.00 - $28.00	$28.00	$2.50/SF	Surface Parking 2.80/1,000 SF 28 Spaces	An office/retail building adjacent to Shelton Station apartments. 1 month of free rent is typically offered to new tenants, however incentives vary and are negotiable. The primary office tenant is UNC Horizon medical center.
	Carr Mill Mall 200 N Greensboro St	1977	55,000	2,400	96%	$25.00 - $25.00	$25.00	None	Surface Parking 4.01/1,000 SF 572 Spaces	Carr Mill Mall is located in the center of Carrboro and houses over 25 local businesses including office and retail tenants. Office tenants include UNC, multiple attorneys, appraisers, a publishing company, health/fitness coordinators, and more.
	310 E Main St	2014	23,453	0	100%	$24.00 - $25.00	$24.50	None	Surface Parking .20/1,000 SF 47 Spaces	A 3-story building on East Main St built in 2014. The base level is around 10,000 SF of retail space and the 2nd and 3rd floors are office space. Has a variety of office tenants including dentists, realtor companies, a tour company, and more.
	Lloyd Street Court 209 Lloyd St	2000	14,200	0	100%	$25.00 - $25.00	$25.00	None	Surface 2.96/1,000 SF 42 Spaces	A 3-story office building on Lloyd St. Leases are modified gross (tenant pays utilities). Tenants include law offices, a mental health care provider, medical offices, a lab, a political office, etc.
SUMMARY / AVERAGE		**2001**	**22,981**	**547**	**99%**	**$23.00 - $28.00**	**$25.30**			

SOURCE: Noell Consulting Group, Costar, LoopNet

OFFICE PRICES AND OCCUPANCY

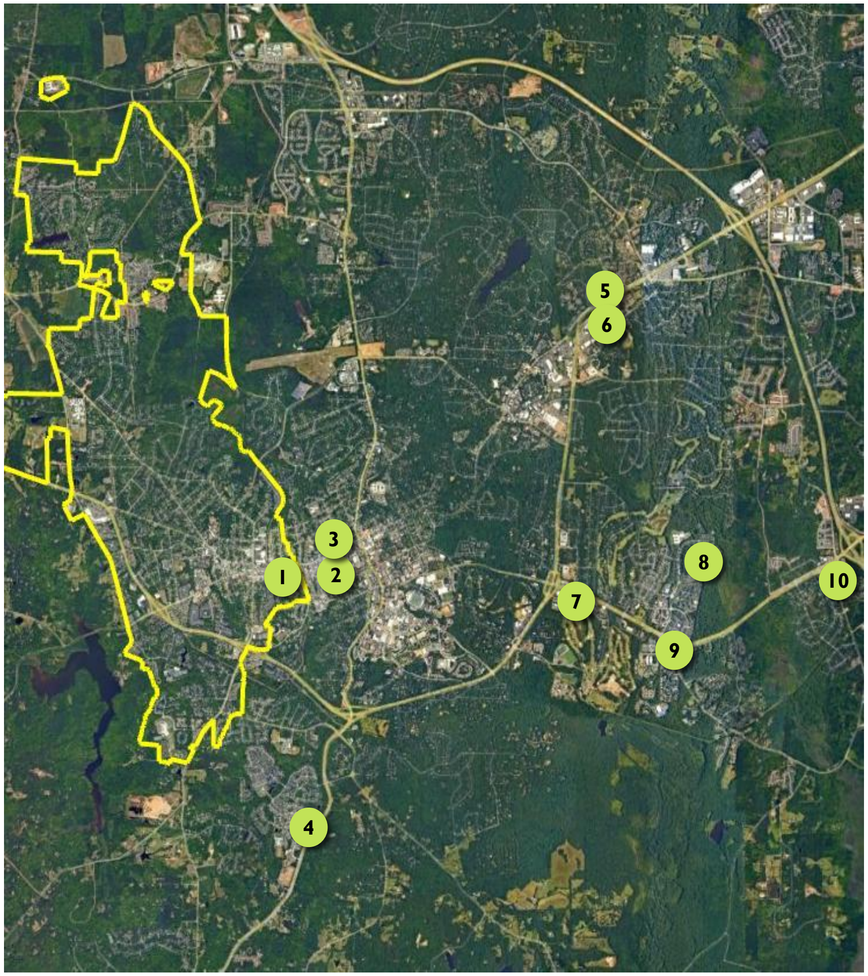


Source: NCG, CoStar

HOTEL MARKET ANALYSIS

MAP & SUMMARY OF SELECTED HOTELS

Noell Consulting Group



	Name	Scale	Year Open	# of Rooms	Min ADR		Max ADR	Avg ADR	Brand
1	Hampton by Hilton Inn Chapel Hill	Upper Midscale	2013	142	$128	-	$201	$159	Hilton
2	Graduate Chapel Hill	Upper Upscale	2007	69	$157	-	$639	$305	Hilton
3	AC Hotels by Marriott Chapel Hill	Upscale	2017	123	$146	-	$599	$302	Marriott
4	Hyatt Place Chapel Hill Southern Village	Upscale	2017	110	$124	-	$327	$161	HYATT
5	Residence Inn Chapel Hill	Upscale	2007	108	$136	-	$474	$208	Marriott
6	Tru by Hilton Chapel Hill	Midscale	2022	98	$107	-	$143	$119	Hilton
7	Aloft Chapel Hill	Upscale	2010	130	$104	-	$359	$175	Marriott
8	Destination Hotels Rizzo Center	Luxury	2000	183	$127	-	$330	$207	HYATT
9	Courtyard Chapel Hill	Midscale	2004	169	$119	-	$427	$172	Marriott
10	Holiday Inn Express Chapel Hill	Upper Midscale	2001	64	$116	-	$360	$138	IHG HOTELS & RESORTS

Midscale Average ADR	$145
Upper Midscale Average ADR	$148
Upscale Average ADR	$211
Upper Upscale Average ADR	$305
Luxury ADR	$207
Average All ADR	$195

The competitive set is made up of hotels all located within the Carrboro and Chapel Hill areas. These hotels all opened after 2000 and vary in terms of room count, scale and hotel company brand. Based on surveys of local hotel manager, the local hospitality market is highly influenced by UNC with prices often fluctuating with UNC game days,

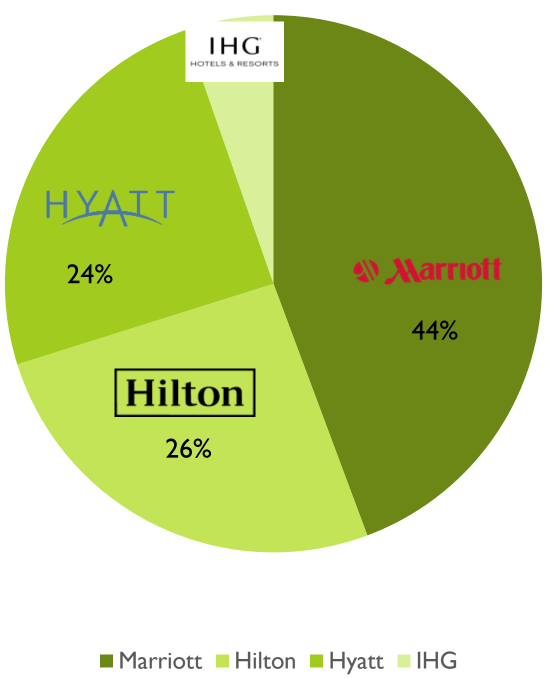
SOURCE: Noell Consulting Group, Google Maps

PROJECT AND REGIONAL OVERVIEW

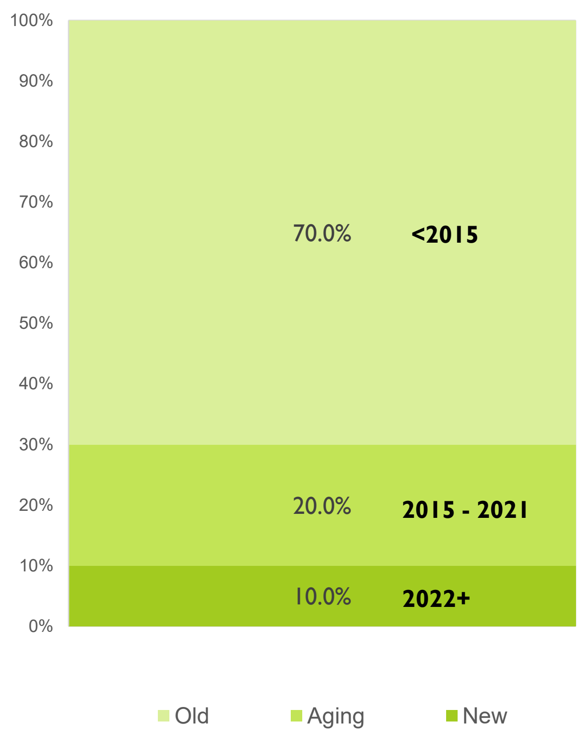
The local hotel market is very limited within the Town of Carrboro itself. A majority of local hotels are in the Town of Chapel Hill with their occupancy largely being driven by University of North Carolina. Based on conversations with local hotel manager, UNC football game days and other major UNC events are typically when they experience the highest occupancy and charge the highest rates.

The local hospitality market is primarily dominated by Marriott which makes up 44% of the hotels in the market. Hilton and Hyatt both also make up a significant share for a combined 50%. Of the 10 hotels in our comp set, only one was built after 2021. The majority of hotels are older with most being built prior to 2015. Most hotels in the market are considered to be upscale and there are additionally 2 higher end luxury hotels as well.

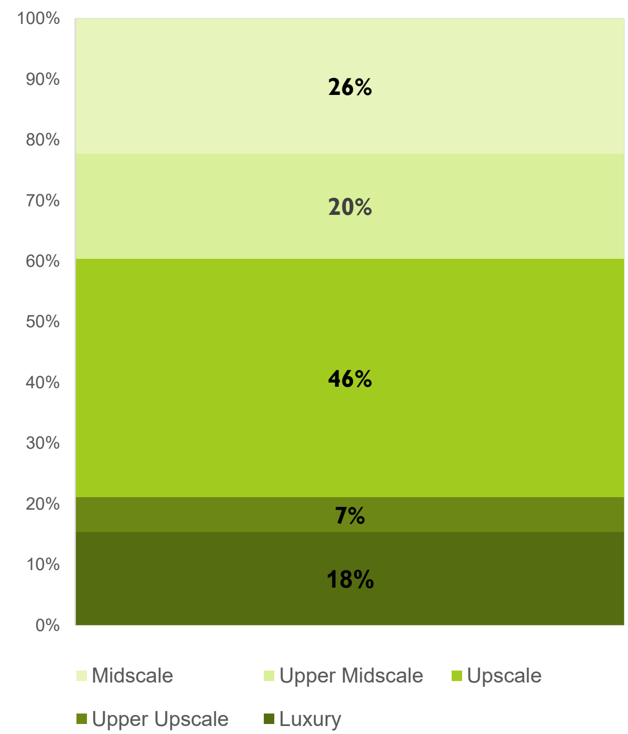
Brand Market Share



% of Properties by Age

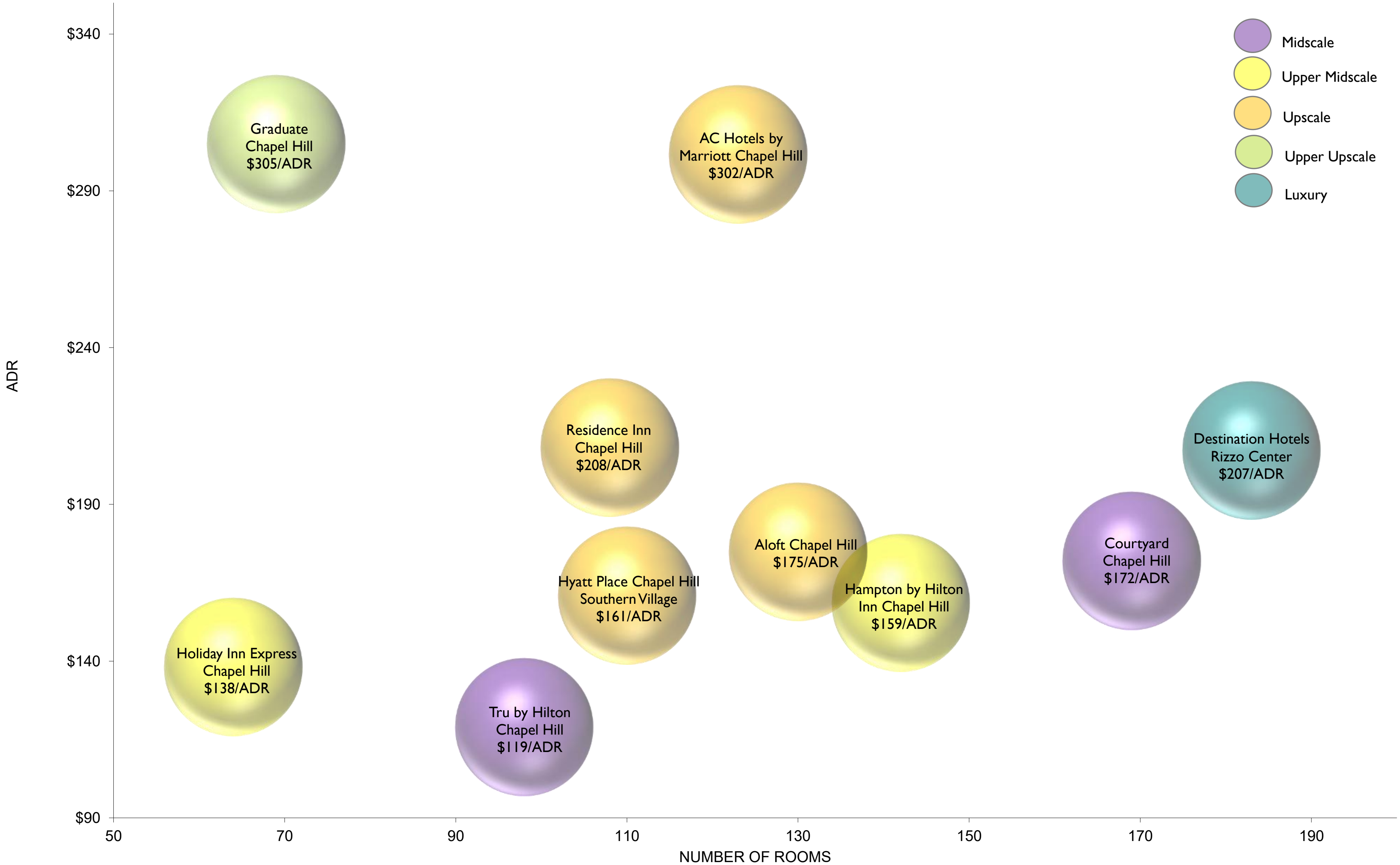


% of Rooms by Chain Scale



SOURCE: Noell Consulting Group, Costar

ADR/ROOM-COUNT POSITIONING

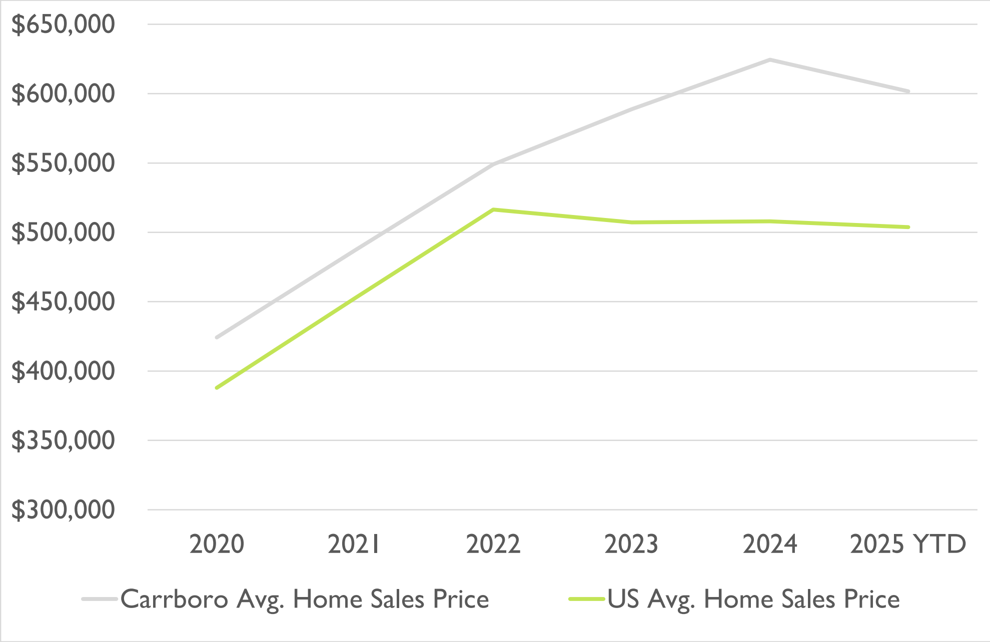


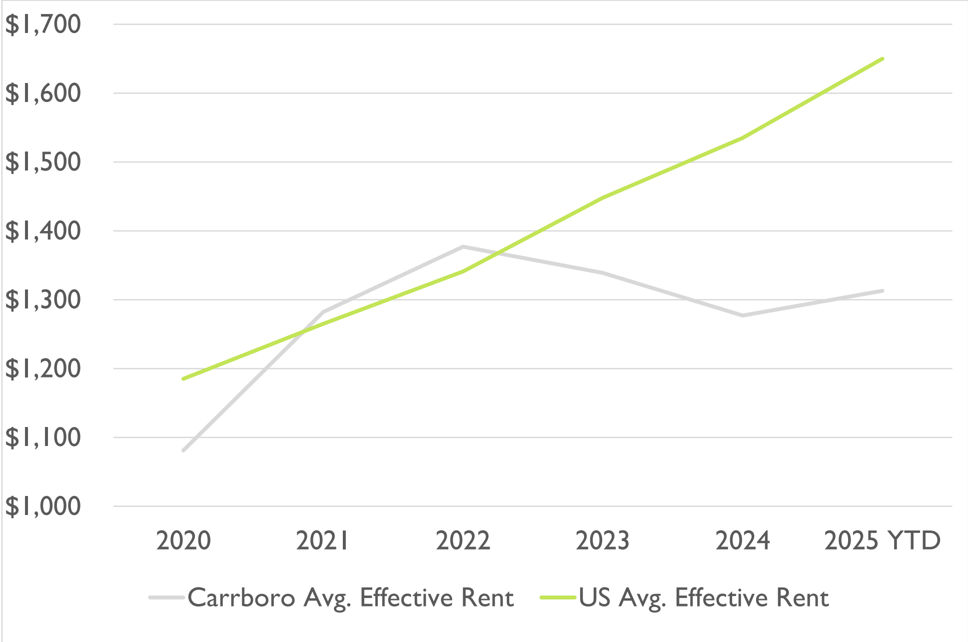
SOURCE: Noell Consulting Group based on surveys of properties.

AFFORDABILITY CHALLENGES

GROWING AFFORDABILITY CHALLENGES

Noell Consulting Group





Over the last 5 years, median household income levels in Carrboro have grown by an average of 3.1% annually, while average home sales prices have increased an average of 7.4% annually, and average effective rents have increased an average of 4.3% annually. The result is fewer existing residents can afford home ownership, and an increasing amount are finding renting to be more challenging as well - as is true nationwide.

Carrboro is now 19.4% more expensive than the US average home sale price, but remains 20.4% below the US average effective rental rate.
That said, at an average current home sale price of $602k, only an estimate 21% of Carrboro residents (those earning $150k+ in household income) can afford to purchase an average home, whereas back in 2020 this percentage was closer to 40%. An estimated 66% of Carrboro residents (those earning $47k+ in household income) can afford to rent an average rental home, whereas back in 2020 this percentage was closer to 80%. Currently, the 34% of Carrboro residents that earn less than $47k in median household income, must rent a below average home, or move out of the community.

It should also be noted that the percentage of homes sold that are attached (townhomes or condominiums) has increased from 20% of all sales in 2020 to 24% in 2025 - an indication of evolving ownership needs, both due to affordability, but also ease of maintenance. New construction sales have dropped form being 13% of the market in 2020, to just 3% in 2025, and the average new home sales price has gone from $575,000 in 2020 to $1,242,500 in 2025, although this is skewed by only having sales at one community - Sanderway.

SOURCE: SmartRE data from tax records, Costar, US Census, and Claritas

CARRBORO AFFORDABLE UNIT MKT DEPTH

Noell Consulting Group

Carrboro Households by Age and Income, 2025

Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total	AMI Levels (Based on 2 Person HH)	Est. Annual For-Sale Demand	
Less than $15,000	254	92	71	111	165	47	32	17	**789**	**Under 15%**	**1**	
$15,000 - $24,999	131	132	86	74	96	61	44	20	**644**	**15-25%**	**11**	
$25,000 - $34,999	80	283	141	50	48	50	29	4	**685**	**25-35%**	**7**	
$35,000 - $49,999	177	368	189	121	129	101	59	15	**1,159**	**35-50%**	**10**	
$50,000 - $74,999	55	564	308	135	116	114	49	12	**1,353**	**50-75%**	**15**	
$75,000 - $99,999	71	317	204	189	166	122	52	10	**1,131**	**75-100%**	**31**	
$100,000 - $124,999	14	263	192	233	174	178	64	8	**1,126**	**100-125%**	**45**	
$125,000 - $149,999	36	119	98	98	75	126	43	7	**602**	**125-150%**	**24**	***Can generally find market**
$150,000 - $199,999	12	117	147	138	105	52	15	4	**590**	**150-200%**	**34**	**rate product above $500k**
Income $200,000 +	0	122	277	449	334	180	63	12	**1,437**	**200%+**	**83**	**though typically resale only**
Total	**830**	**2,377**	**1,713**	**1,598**	**1,408**	**1,031**	**450**	**109**	**9,516**			

Based on existing households and current tenure and turnover patterns (Census), the greatest potential demand for affordable for-sale units is from households earning $50-125k, or approximately 50-125% AMI based on 2-person households. Typically affordability for these households is for homes in the $150,000 - $500,000 range, however as we will describe in greater detail on the next exhibit, inventory levels of homes in this price band are limited. This limitation has been caused by increases in existing home values within the community, and land/construction cost increases making it more difficult to deliver new construction in this price range without subsidy or intentional affordability design. Natural affordability through design measures like higher density, no garages, more efficient unit sizes, and even one bedroom offerings have largely not yet been addressed by the private sector - in some cases a result of entitlement constraints/challenges.

SOURCE: Noell Consulting Group based on data obtained from US Census and Claritas.

CARRBORO GROWTH & GENTRIFICATION

Noell Consulting Group

Carrboro Growth, Gentrification, and Implications to New Housing Product Needs

Carrboro Household Projected Growth Next 5 Years by Age and Income, 2025 - 2030

Income/Age	15 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85+	Total	Min-Max Rent at 20-33% Income	Min-Max Sales Price at 3x Income
Less than $15,000	-63	3	-7	0	-13	4	16	2	-58	Land/construction costs do not justify without substantial subsidy	
$15,000 - $24,999	-31	-16	-13	-4	-11	0	14	6	-55		
$25,000 - $34,999	-21	-18	-9	-5	0	-2	1	4	-50		
$35,000 - $49,999	-51	-28	7	-12	-13	-3	17	3	-80	$583 - $1,375	$105,000 - $149,999
$50,000 - $74,999	-11	-29	-6	-16	-13	-26	12	-2	-91	$833 - $2,062	$150,000 - $224,999
$75,000 - $99,999	-14	6	4	7	8	-13	20	0	18	$1,250 - $2,750	$225,000 - $299,999
$100,000 - $124,999	-2	-18	-30	-19	-8	-13	22	3	-65	$1,667 - $3,437	$300,000 - $374,999
$125,000 - $149,999	-2	40	24	15	15	16	31	4	143	$2,083 - $4,125	$375,000 - $449,999
$150,000 - $199,999	1	45	1	8	14	8	12	-1	88	$2,500 - $5,500	$450,000 - $599,999
Income $200,000 +	2	62	-18	74	72	42	52	5	291	$3,333+	$600,000+
Total	**-192**	**47**	**-47**	**48**	**51**	**13**	**197**	**24**	**141**		

Market Risk Level

High	- Decreasing opportunity for the private sector to hit these price points without subsidy
Medium	- Moderate ability for the private sector to deliver this product without subsidy
Low	- Strong ability for the private sector to deliver this product without subsidy

Without the ability for new housing stock to hit the potential demand levels, particularly rental product below $1,000 and for-sale product below $300,000, demographic projections forecast a loss in households earning less than $75,000, and the majority of future growth is projected from those earning greater than $125, 000 through 2030.

While much of the new apartment development is obtainable for those earning above $75,000, land and constriction costs are making it harder for those earning under $75k, and especiall y under $50k to rent in the community, making renter households earning $35-50k the most at risk. Preservation/new construction of garden apartments represent the best opportunity to solve this.

New single-family homes are generally obtainable for those earning above $200,000 (though often just outside of Carrboro), but i t is largely only townhome and/or condominiums that are affordable to those earning $100-200k, or older resale SFD. Increasing land and construction costs are making it considerably harder for those earning $100-200k (often young singles/couples and starter families) to purchase. This makes those in the estimated 100-200% AMI levels the most at risk. Starter townhomes, including one bedrooms and those without garages to maximize affordability, represent the best opportunity to solve this.

SOURCE: Noell Consulting Group based on data obtained from US Census and Claritas.