

Introduction

In this Market Snapshot, **FORVIS** outlines independent living (IL) trends across some of North Carolina’s (NC) midsize markets, including a summary of demographics, inventory, and demand across five core-based statistical areas in NC. For the purposes of this Snapshot, FORVIS defines “midsize markets” as CBSAs with 5,000 to 25,000 age-qualified households.



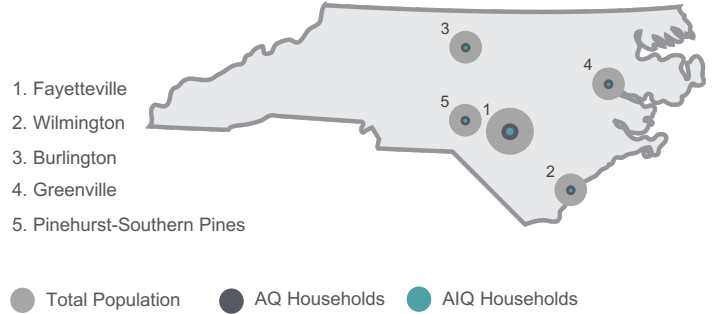
A core-based statistical area (CBSA) is a geographic area comprised of metropolitan and micropolitan areas.

Demographics

Some of the first indicators of a strong market are overall population and senior population growth. NC’s total population in 2023 is approximately 11,000,000.⁽¹⁾ Between 2021 and 2022, NC had the third highest net domestic migration compared to all 50 states and D.C., just behind Florida and Texas.⁽²⁾ By 2028, the projected population in NC is expected to be 3.7% higher than its current population.⁽¹⁾

The map (right) shows total population, age-qualified (AQ) and age- and income-qualified (AIQ) households in the five specified midsize CBSAs in NC. The table below compares these populations to NC and the United States.

North Carolina’s Population



2023	Fayetteville	Wilmington	Burlington	Greenville	Pinehurst-Southern Pines	NC	U.S.
Total Population	529,505	296,186	176,606	172,352	104,462	10,668,766	334,500,069
Age 75+ Population ^(a)	28,577 5.4%	22,923 7.7%	12,073 6.8%	10,285 6.0%	12,073 11.6%	765,349 7.2%	24,379,591 7.3%
AQ Households ^(b)	18,872	15,052	9,111	6,767	8,074	499,756	15,552,426
AIQ Households ^(b, c)	6,529 34.6%	6,835 45.4%	3,295 36.2%	2,490 36.8%	3,498 43.3%	193,330 38.7%	6,534,035 42.0%

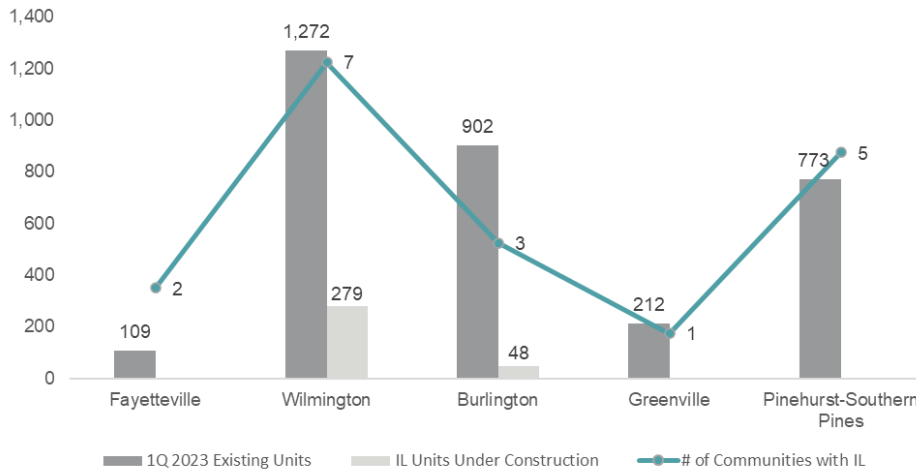
(a) – Age 75+ population is shown as a percentage of total population in 2023.

(b) – For purposes of this Market Snapshot, FORVIS defines AQ households as those 75 years of age or older and AIQ households as AQ households with an annual income \$50,000 and above.

(c) – AIQ Households are shown as a percentage of AQ Households in 2023.

Of the CBSAs profiled, the Pinehurst-Southern Pines market has the highest percentage of 75+ population (11.6%) and one of the highest percentages of AIQ households (43.3%) behind Wilmington (45.4%). Overall, Fayetteville has the greatest number of AQ households yet the lowest percent of AIQ households (34.6%). However, by 2028, the Fayetteville market has the highest projected growth in AIQ household population at 31.3% growth.⁽¹⁾

North Carolina’s Midsize Markets’ Inventory⁽³⁾



Inventory & Growth

Inventory is an important indicator of market depth. When measuring market depth, it is important to consider comparable products by factors such as services offered, amenities, and price points.

The graph to the left shows the total number of existing and IL units under construction for each CBSA in 1Q 2023 and compares the number of communities with IL.

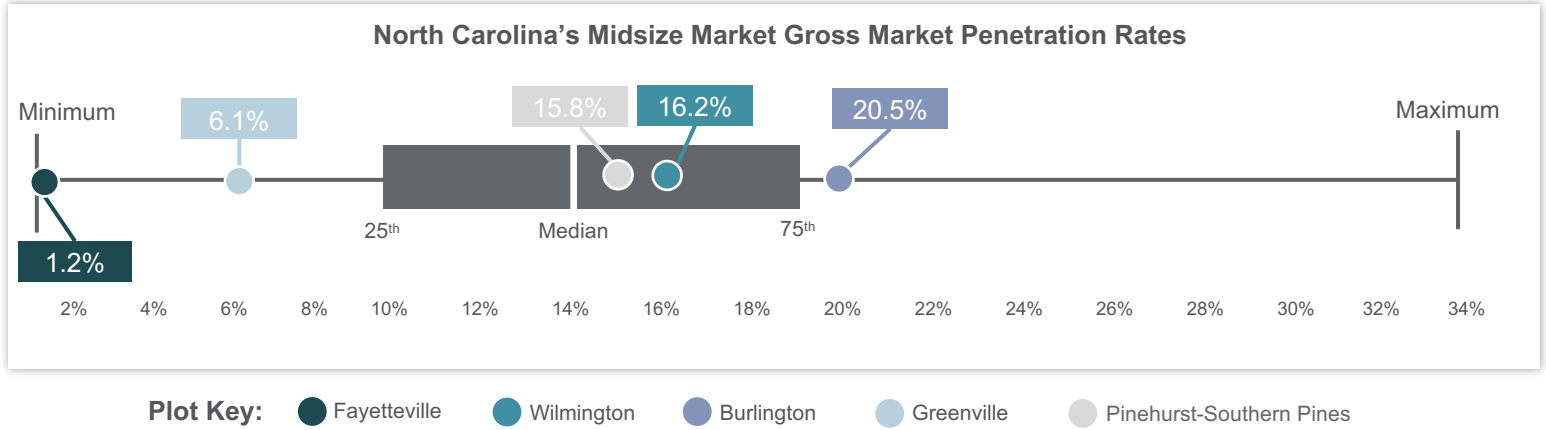
As a percent of total units, Wilmington (18%) has the most units under construction, followed by Burlington (5%).

Among the markets profiled, Wilmington has the greatest number of both existing and units under construction, followed by Burlington.

Demand

Penetration rates demonstrate the degree to which a market is underserved or oversaturated. The Gross Market Penetration Rate (GMPR) is the percentage of AIQ households the total market area must absorb for the entire market to achieve stabilized occupancy.

The box and whisker plot below illustrates the GMPR for the \$50,000 income qualification according to the FORVIS proprietary IL database, which includes over 200 senior housing projects across 35 states.⁽⁴⁾ Each dot plotted on the graph represents the 2023 GMPR for the five specified midsize CBSAs.



In the plot above, the minimum and maximum GMPR are denoted by the lines on the far left and far right, respectively. The 25th and 75th quartiles are denoted by the left side and right side, respectively, of the inner gray box. The white bar in the middle indicates the median.

Penetration rates are an indicator of market demand and should be supplemented with consideration of occupancy levels, proposed projects, unit designs, community spaces, contracts, marketing plans, demographic trends, local economic conditions, awareness and acceptability of the product, and velocity of pre-sales at projects.

Conclusion

While the senior living industry still faces challenges post-pandemic, many of the midsize markets in NC are experiencing growing demand and positive GMPRs. These trends may indicate opportunities for providers to explore additional service offerings across midsize markets in NC.

About FORVIS

FORVIS, LLP is a professional services firm providing assurance, tax, and advisory services. Created by the merger of equals of BKD, LLP and Dixon Hughes Goodman LLP (DHG), FORVIS is driven by the commitment to use our forward vision to deliver an **Unmatched Client Experience**[®]. Ranked among the top 10 public accounting firms in the country, FORVIS has 5,700 dedicated professionals who serve clients in all 50 states as well as across the globe. FORVIS is built upon the strong legacies of BKD and DHG, which are reflected in a name that comprises partner initials and represents our unique focus on preparing our clients for what is next. Visit forvis.com for additional information.

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Sources

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- (2). U.S Census Bureau. (2022, December 22). Growth in U.S. Population Shows Early Indication of Recovery Amid COVID-19 Pandemic.
- (3). VisionLTC data and Continuing Care Retirement Communities Disclosure Statements from the North Carolina Department of Insurance.
- (4). FORVIS. (2023, April). Independent Living Penetration Rate Database.