

Pender County

Comprehensive Land Use Plan

Planning Influences



*Sociodemographic, Real Estate & Economic
Development Analysis*



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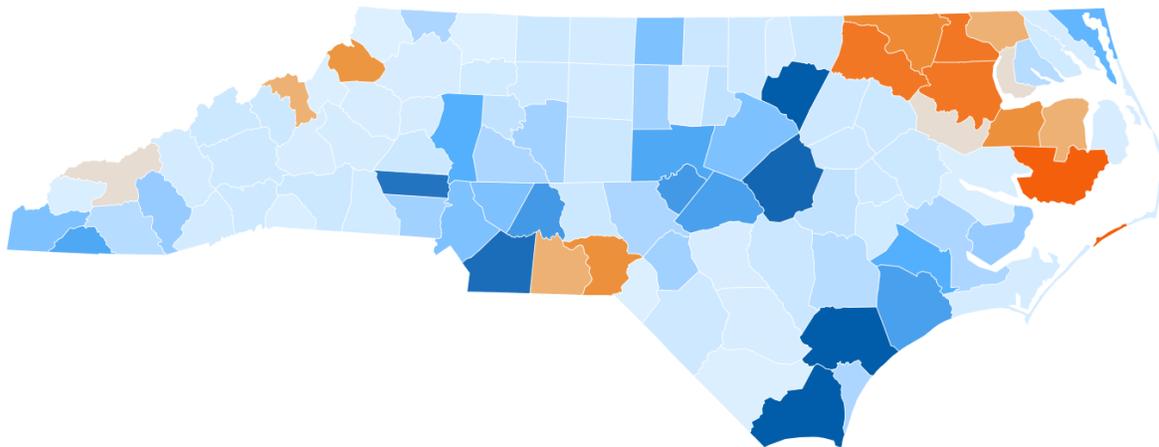
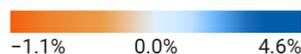
Introduction

Imagine Pender

Pender County is among one of the fastest growing counties in North Carolina. Updated estimates from the Census Bureau from July 2022 to July 2023 indicated that the counties with the largest population increases were in the coastal areas, and in the Charlotte and Raleigh metro suburbs. Pender County grew by 4.3%, second only to Brunswick County.

Fastest growth in coastal counties, Triangle and Charlotte Suburbs

% population change, July 1, 2022 to July 1, 2023

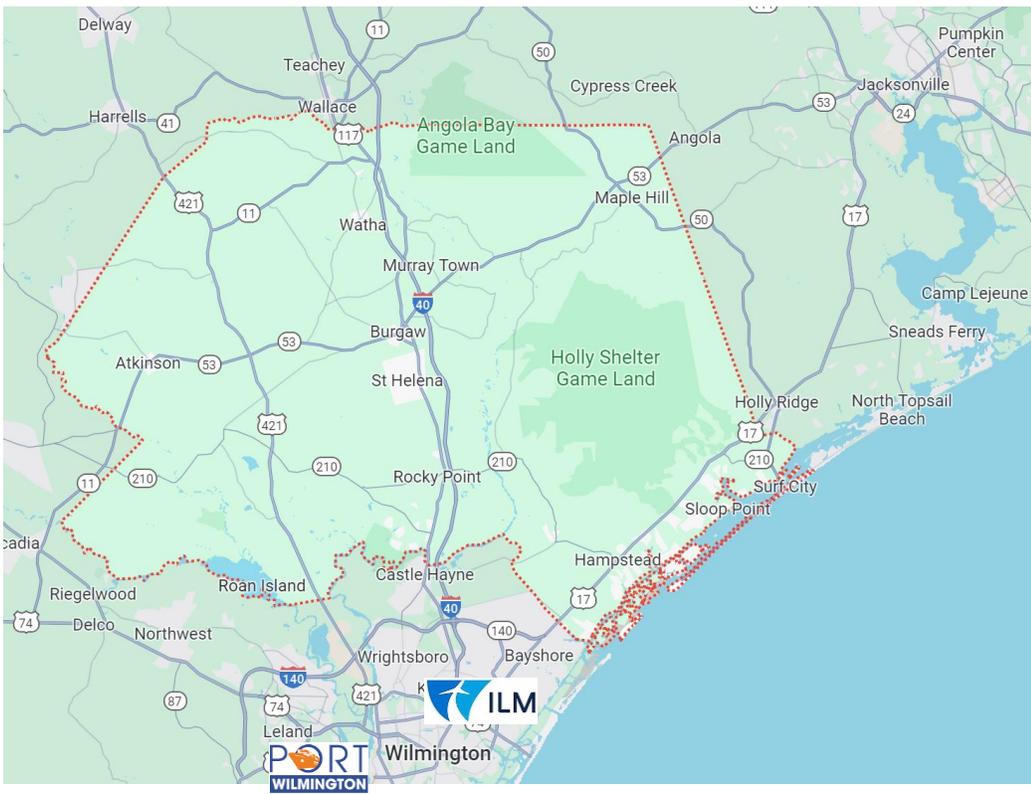


Map: Carolina Demography • Source: [U.S. Census Bureau](#) • [Get the data](#) • [Embed](#) • Created with [Datawrapper](#)

Rose Associates joined the Clarion team in developing **Imagine Pender, a comprehensive land use plan update**. Our work is designed to accommodate a range of market-driven land use and economic opportunities over the next 10-20 years. Markets evolve and change faster than ever. Market Analysis is both art and science. The plan includes strategies that are not intended to be rigid and inflexible. Our analyses, findings and recommendations are based upon current available market data that includes demographic, economic, tourism, and real estate.

Locational Analysis

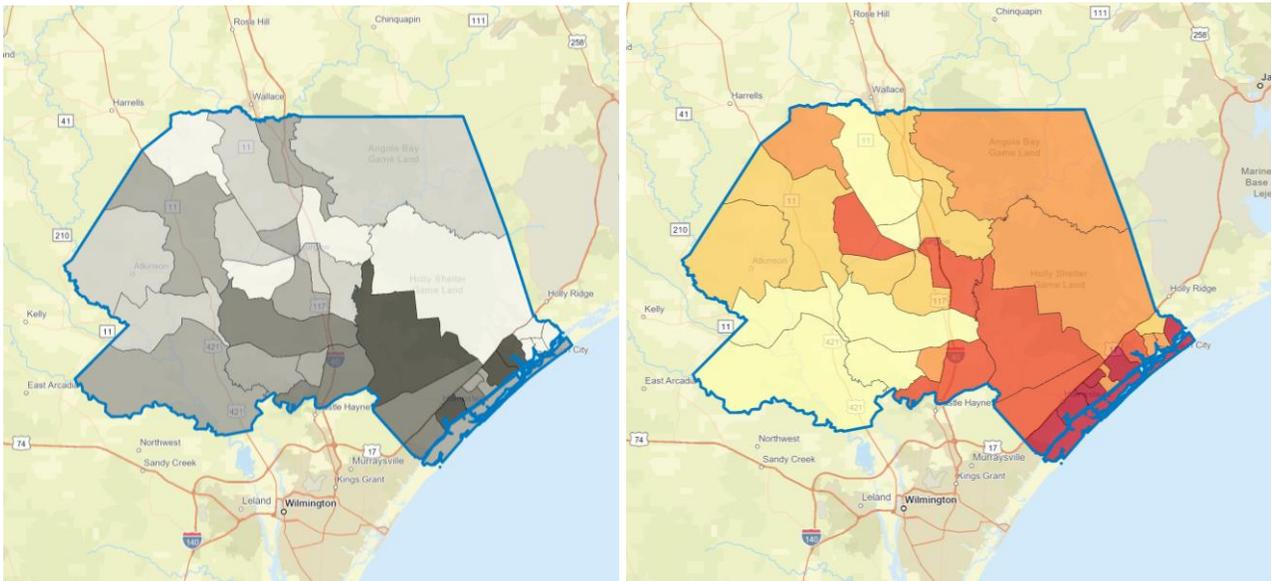
Pender County is located within the Wilmington Metropolitan Statistical Area (MSA), one of sixteen in the state of North Carolina. The MSA includes Brunswick, New Hanover and Pender Counties which comprise coastal towns and beaches, as well as rural and agricultural areas and game lands. The region has a rich history in agriculture, trade and transportation, military and defense, and naval operations. Major centers of influence include the City of Wilmington to the south and the City of Jacksonville and the military installations of Camp Lejeune to the north. Primary transportation routes include Interstate 40, US Highways 17 and 421, Wilmington International Airport and the Port of Wilmington.



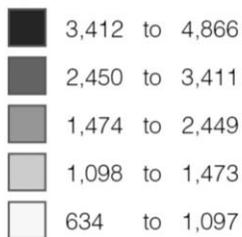
Pender County, NC

Geographic Dynamics

While Pender County has been rapidly growing, the population and household incomes are unevenly distributed. As shown below the concentration of population and wealth lies along the coastal areas primarily in the eastern half of the county.



2023 Total Population by Block Groups

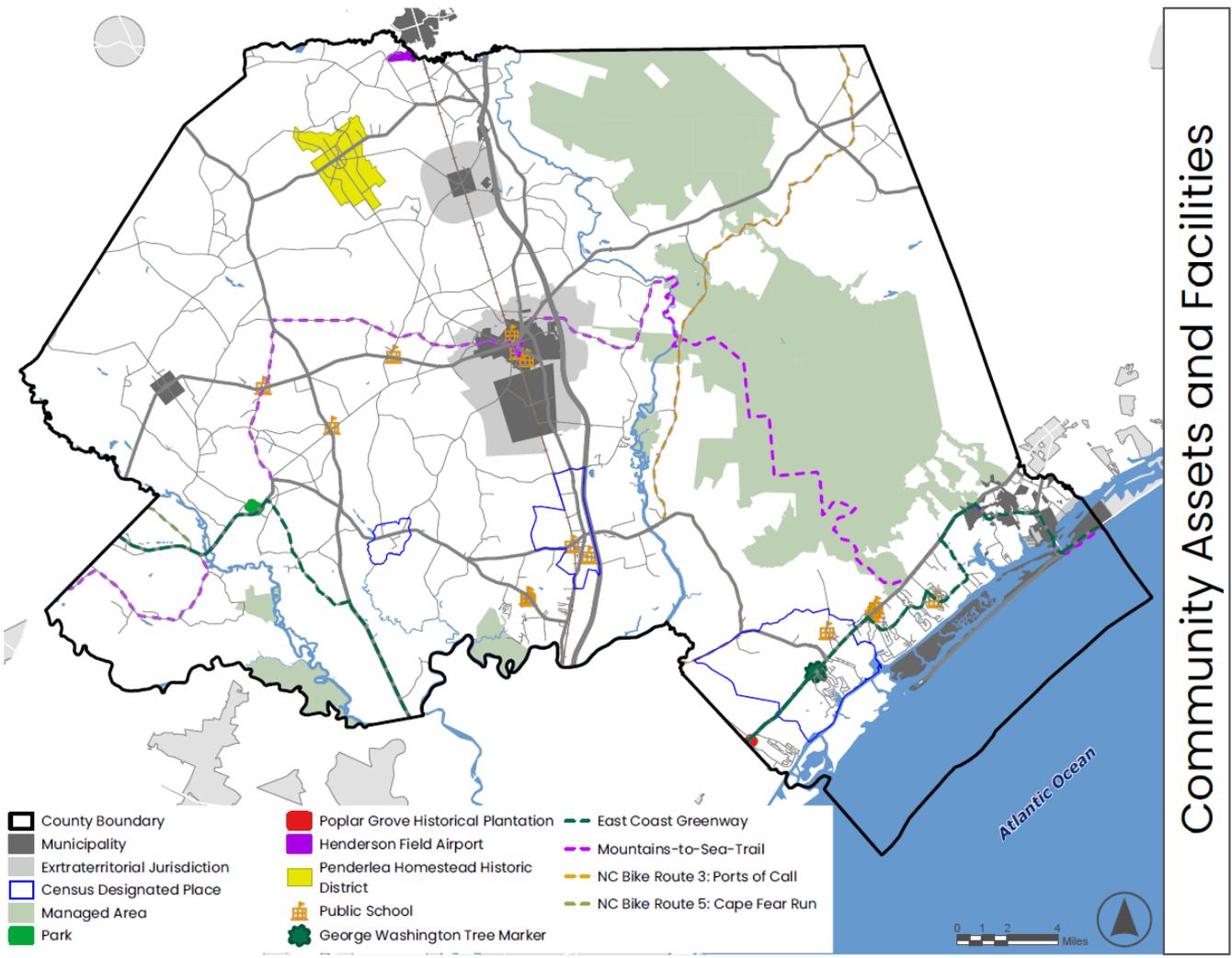


2023 Median Household Income by Block Groups



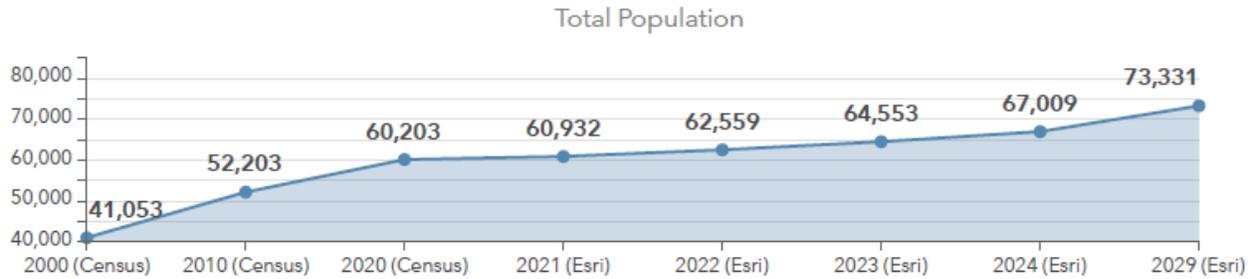
As a result of this disparity there is a misperception that one side of the county contributes to its economy more than the other. However, looking further we see that both the east and west side of the county make great contributions to the local economy and its fiscal health. While a large concentration of the population is located along the coastal areas due to the region's pristine **beaches, visitors** and **tourism** are only part of the appeal of Pender County. The area's rich **historical** and **agricultural assets** also add to the economic vitality and potential in Pender. And most recently, the development of the Pender Industrial Park has added **job opportunities** and **new industries** dependent on transportation networks located in Pender County and the

surrounding area. There are several unique assets throughout the county, from its northern edge south along the major corridors to Wilmington and coastal beaches.



Source: Clarion

Socio-Demographic Dynamics



Pender County has experienced a steady, gradual population growth with a 1.93% compounded annual growth rate from 2000-2020 based on Census data. The total population of **67,009** was reported by ESRI as of 2024. The North Carolina Office of State Budget and Management (NCOSBM) projects a 25.4% increase in population from 2020 – 2030, with most of the growth attributed to net migration vs natural births (negative). These projections would place Pender County 9th out of the 100 North Carolina counties for percentage change in population growth.

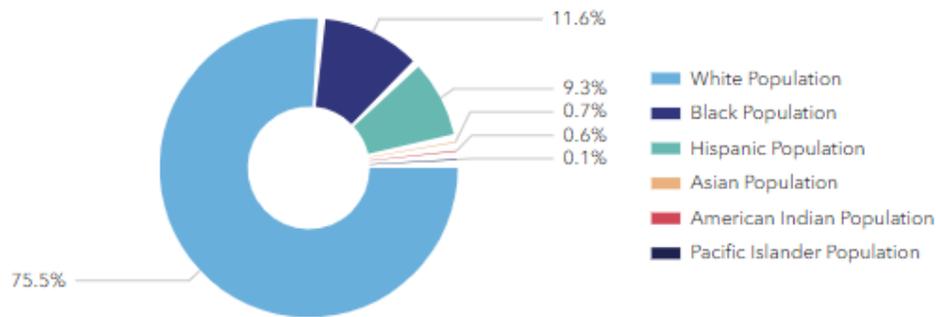
The median age for Pender County is **43.2** and growing based on 2024 ESRI estimates, with over 60% of the population over the age of 35. The largest age bracket by population percentage is 55-64 years old (13.8%).

43.2	\$58,140	67,009
Median Age	Median Disposable Income	Total Population

2000-2020 Compound Annual Growth Rate

		
1.93%	1.81%	1.84%
Population (Census)	Households (Census)	Housing Units (Census)

2024 Racial Demographic



The racial characteristics of the Pender County population is primarily Caucasian (White), comprising three quarters of the overall population. The remaining population profile includes African American (Black) (11.6%) and Hispanic (9.3%) descent. Estimates indicate that 6.3% of the population is bi-racial.

Tapestry Segmentation

Lifestyle Segmentation, as defined by ESRI's Tapestry®, combines socio-economic data to further understand lifestyle characteristics including housing, shopping and entertainment preferences. The entire U.S. population is categorized within 14 Tapestry LifeMode groups, from which 65 Tapestry Lifestyle Segments can be identified, grouped from rural to urban center populations. These provide in-depth information about the character of all households in the designated study area, combining demographic, social and behavior patterns. There are eight (8) unique Tapestry Lifestyle Segments throughout Pender County. The top three (3) Tapestry Lifestyle Segments within the County represent **63.8%** of households, all of which are in the **Rustic Outposts LifeMode Group**.

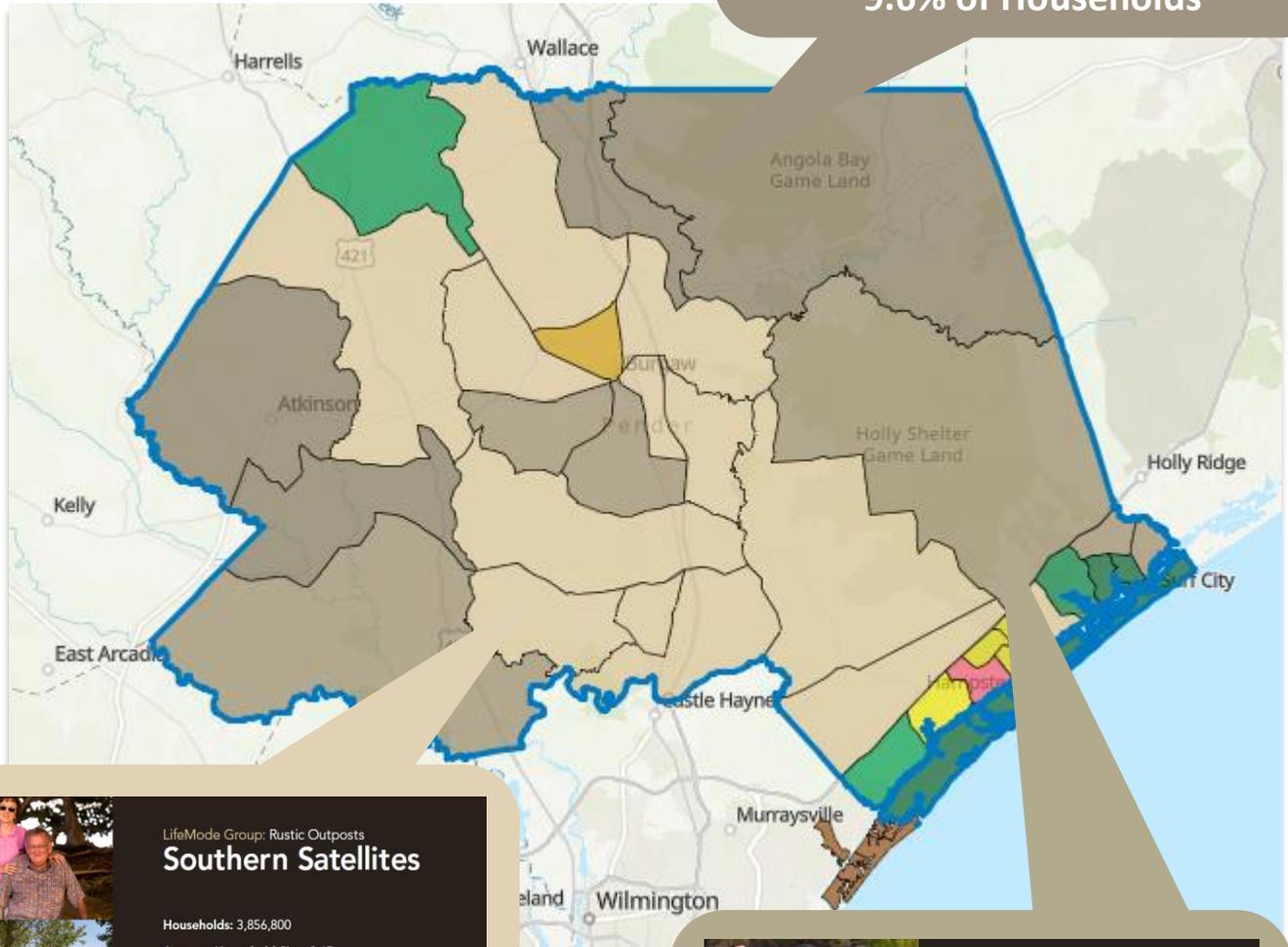
The map on the following page provides visual representation of the dominant Tapestry Segments by block groups and provides insight as to the lifestyle characteristics of these residents in relation to the County as a whole. The only variation being in two areas in the northeastern area and along the coast.



LifeMode Group: Rustic Outposts
Rural Bypasses

Households: 1,646,400
Average Household Size: 2.55
Median Age: 40.4
Median Household Income: \$33,000

9.6% of Households



LifeMode Group: Rustic Outposts
Southern Satellites

Households: 3,856,800
Average Household Size: 2.67
Median Age: 40.3
Median Household Income: \$47,800

43.6% of Households



LifeMode Group: Rustic Outposts
Down the Road

Households: 1,406,700
Average Household Size: 2.76
Median Age: 35.0
Median Household Income: \$38,700

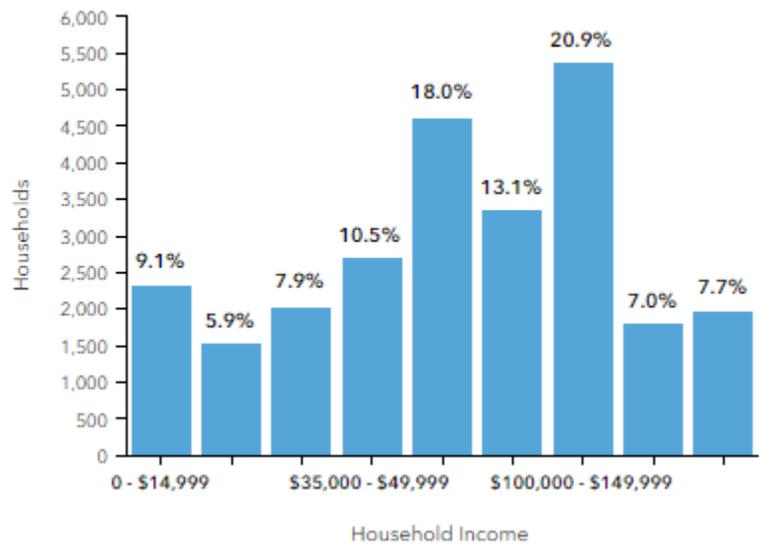
10.6% of Households

Understanding the lifestyle dynamics of residents will influence housing, shopping, and other development recommendations while aligning with the future growth of the county. Additional information on each of the Tapestry Segments throughout the county can be found in the Appendix.

The current median household income for Pender County is **\$72,325**. Just over half of the households fall into the \$50,000-\$150,000 range of income as highlighted. ESRI’s projections for 2029 indicate a 16.1% increase to \$83,986.

There are an estimated **33,332** households in the county currently, 77% of which are occupied full time and most being two or more person households. Of the homes that are owner occupied, data from 2020 shows that 28.3% of these households own their homes free and clear of a mortgage. Roughly one out of five households are renter occupied. This together with vacant housing includes homes that may be short-term vacation rentals in the coastal areas. The 2020 US Census revealed that 53.5% of the vacant units (or 3,726 of 6,965 vacant housing units) were seasonal/recreational/occasional use. Additional information on the housing market is available in the Real Estate section of this report.

2024 Household Incomes



20,775

2024 Owner Occupied Housing Units (Esri)



4,901

2024 Renter Occupied Housing Units (Esri)



7,656

2024 Vacant Housing Units (Esri)



33,332

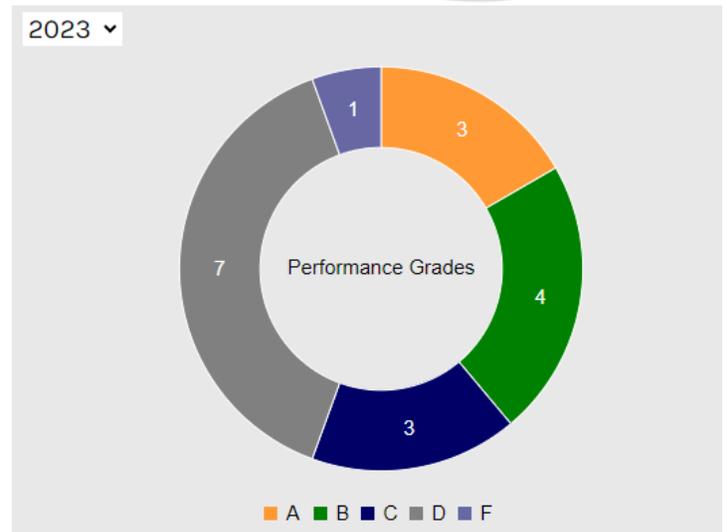
2024 Total Housing Units (Esri)

Educational Attainment

Data shown from ESRI 2024 analytics demonstrates Pender County residents are educated and work-ready, as 43.3% of residents over 25 years of age are college degree holders and 91.9% are high school graduates or GED holders.

- Cape Fear Community College
- University of NC at Wilmington

Of the 19 public primary and secondary (K-12) schools analyzed in 2023, over half of the schools received a grade of “C” or better, with two new schools receiving an “A” grade from the previous year (see right). Additional information on school rankings and data can be found on the [North Carolina School Report Cards](#) website.



Source: K-12 Performance Grades, <https://ncreports.ondemand.sas.com/src/>

Workforce

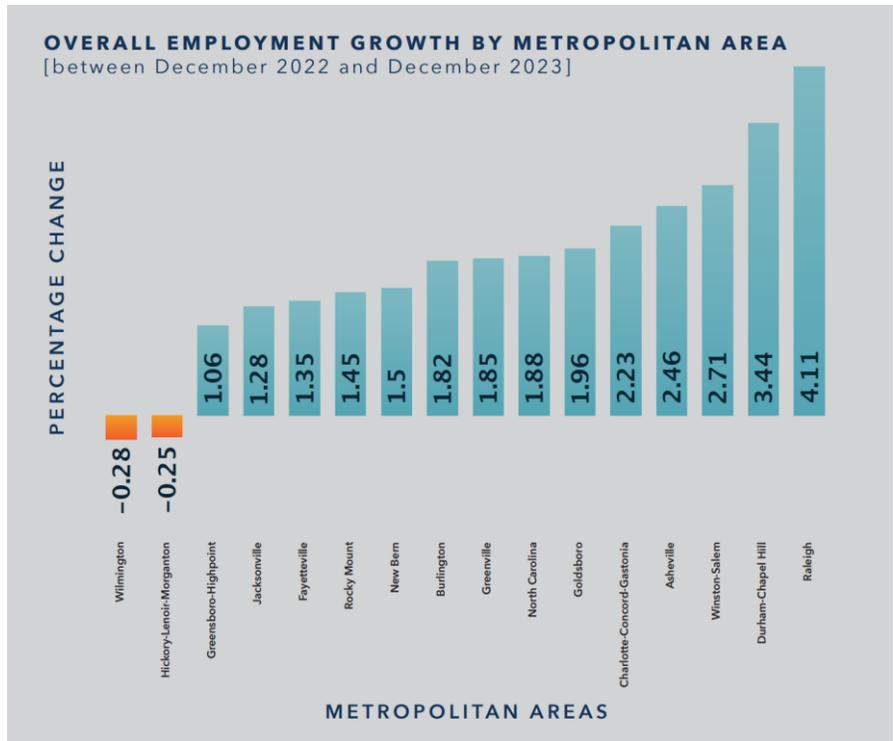
Pender County boasts a relatively balanced workforce. Of the working population 58.7% are in White Collar professions, 23.2% in Blue Collar, and 18.1% in Services related industries. The 2024 data from ESRI indicates an unemployment rate of 4.2%, which accounts for the working civilian population age 16+. Average employment figures from US Bureau of Labor



Statistics (BLS) for 2024 for the month of July however suggest a rate of 3.4%, seasonally adjusted, for the year.

The Unemployment Rate has been gradually decreasing over the past decade and remains historically low, despite summer/fall seasonality.

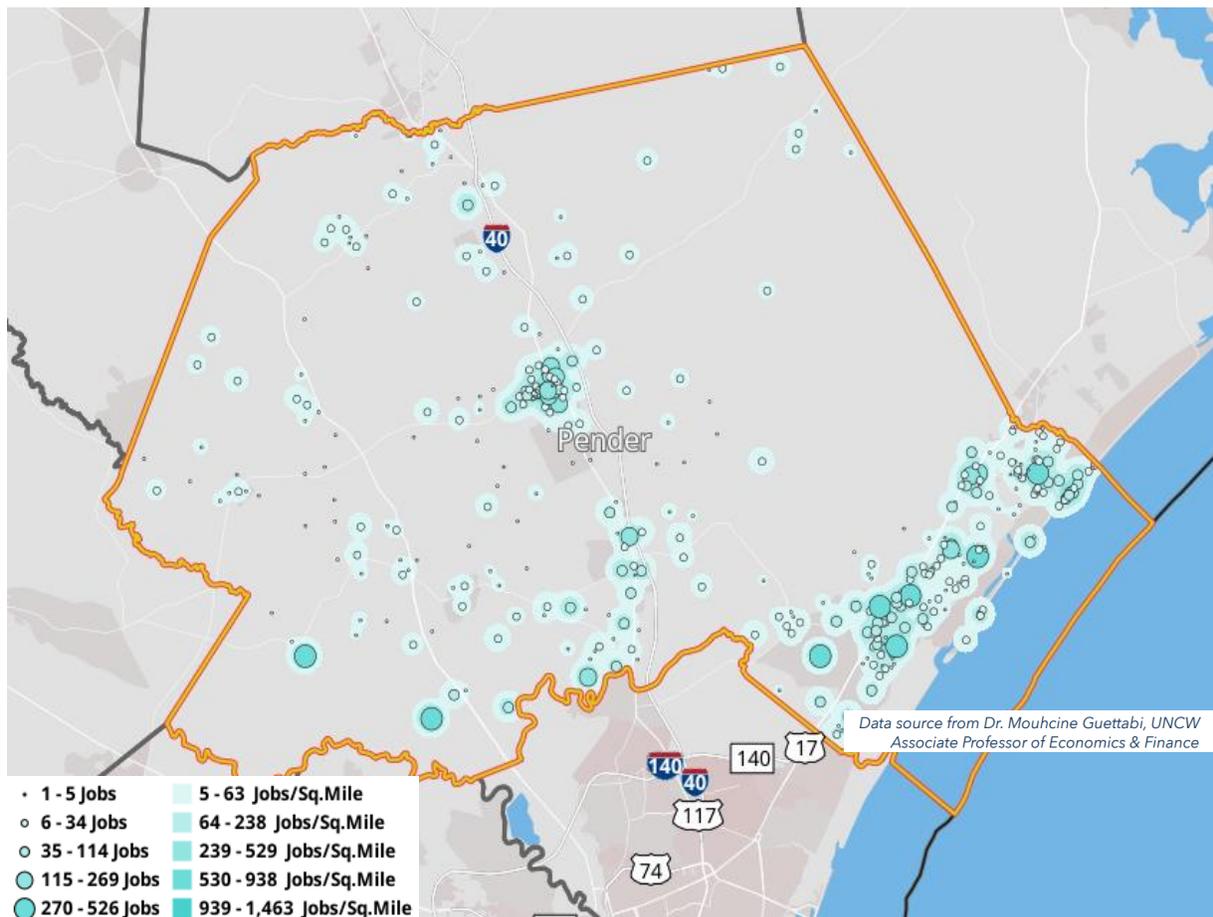
Employment from 2019 to 2023 in the Wilmington area however, experienced a year over year reduction in job growth to 2023 compared to other areas in the



grew 6.86% in the MSA, year over year reduction from 2022 compared metro state:

Despite regional reductions in employment growth, Pender County grew by 514 jobs.

Job Concentration using US Census Bureau data below reveals employment clusters within the County. The data is current through 2021 and indicates where the concentration of residents are working, which include along primary transportation routes (I-40, Hwys 17 and 421), along the coast, and in communities such as Burgaw and Rocky Point.



Source: <https://onthemap.ces.census.gov/>

The top industries (NAICS) within the county by **percentage of employment** include:

- Retail Trade (19.13%)
- Accommodation & Food Services (16.72%)
- Healthcare & Social Assistance (13.92%)
- Construction (11.75%)

Together, these four employment sectors made up 61.52% of the 2023 average employment according to the Bureau of Labor Statistics. The top two industries suggest an economy driven by tourism. Other notable contributing industries include Manufacturing (5.87%) and Administrative (6.05%).

However, the greatest percentage of employment does not necessarily coincide with the primary jobs that have the greatest impact on economic growth. The industries that fuel the economy are based on those products and services exported outside the local market, also known as **primary or basic employment**. The ratio of county employment exceeding U.S. employment averages, or location quotient (“LQ”) above 1.0 are the primary drivers of job and economic growth. The top sectors with the largest LQs in Pender County suggest a different dynamic:



3.93
Agricultural, Forestry,
Fishing, Hunting



2.09
Real Estate
(Rental & Leasing)



1.70
Construction



1.60
Arts, Entertainment and
Recreation



1.37
Accommodation &
Food Services

Much of the growth over the past decade in Arts, Entertainment and Recreation as well as Accommodation & Food Services has come from the county's adjacency to the beach and coastal areas. While much of Pender County's economy points to tourism, the leading economic sectors based on the past year's labor data include Agricultural, Forestry, Fishing and Hunting as well as Real Estate & Construction, driven by the housing boom because of inbound migration. The addition of manufacturing growth in the western side of the county will impact the ratio between white collar, blue collar and service employment in the coming year.

Tourism

Tourism is widely regarded as a key sector for economic development. Every new resident or business first experiences a place as a visitor. Tourism imports consumer spending, creates jobs, increases the wealth of an area, and often leads to economic growth in the community.

The tourism industry is comprised of various sectors that house, feed, transport, and entertain visitors. There are five primary sectors within the tourism industry, each covers a broad range, providing a distinct variety of goods and services.

- 1) Lodging
- 2) Transportation
- 3) Entertainment, recreation & activities
- 4) Food & beverage
- 5) Retail

While separate from one another, they can often overlap and work in conjunction to create one complete and comprehensive visitor experience. The COVID-19 pandemic in early 2020 halted the tourism industry, but research shows that domestic visitor spending has not only fully recovered, but continues to break records for North Carolina in 2023, according to annual data released by Visit NC of the N.C. Department of Commerce. Travel spending statewide rose 6.9 percent to \$35.6 billion in 2023 to

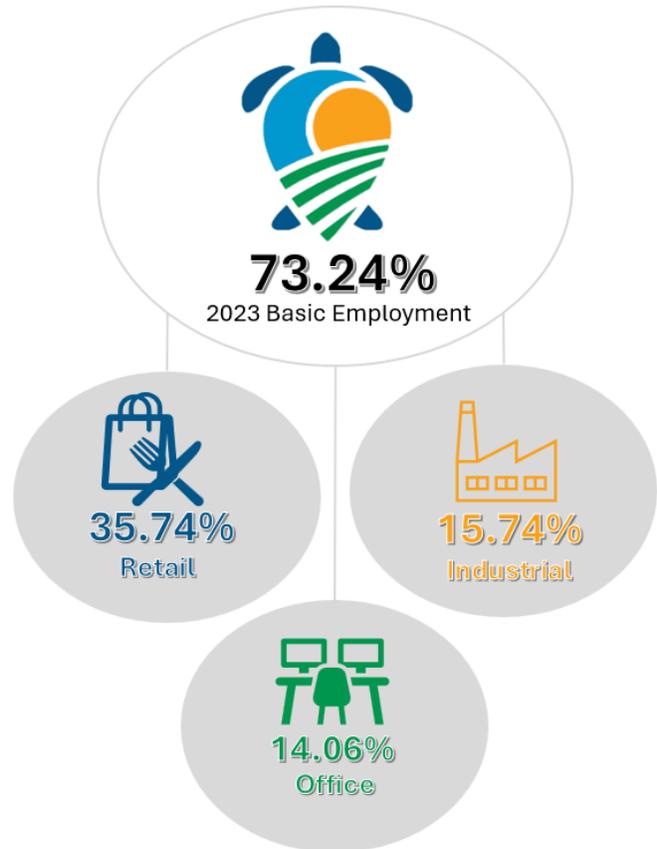
set a record in visitor spending. Direct tourism employment also increased statewide by 4.8% to 227,000.

Pender County ranked 35th in total spending among the 100 North Carolina Counties in 2023. Domestic and international visitors to and within Pender County spent \$199.12 Million dollars in 2023, an increase of 5 % from 2022. The five sectors within the county’s tourism industry generated \$9.1 million in sales tax revenue from spending for the year:

2023 Pender County Millions in Spending	Category
\$60.13	Food & Beverage
\$39.69	Air & Ground Transport
\$52.21	Lodging (hotels + STRs)
\$30.33	Recreation
\$16.77	Retail

Source: VisitNC

The Real Estate Market is assessed by **demand**, driven by job growth and lifestyle relocations and is impacted by supply. Economic Base Analysis is used to understand the regional economy and determine real estate demand. The underlying theme suggests that for every (basic/primary) job that is created, a multiplier effect increases overall employment (both basic and non-basic), thus increasing both population and income within an area benefiting from such job growth. The corresponding growth (or decline) in jobs, as well as population and income drive demand for commercial and residential uses of real estate.



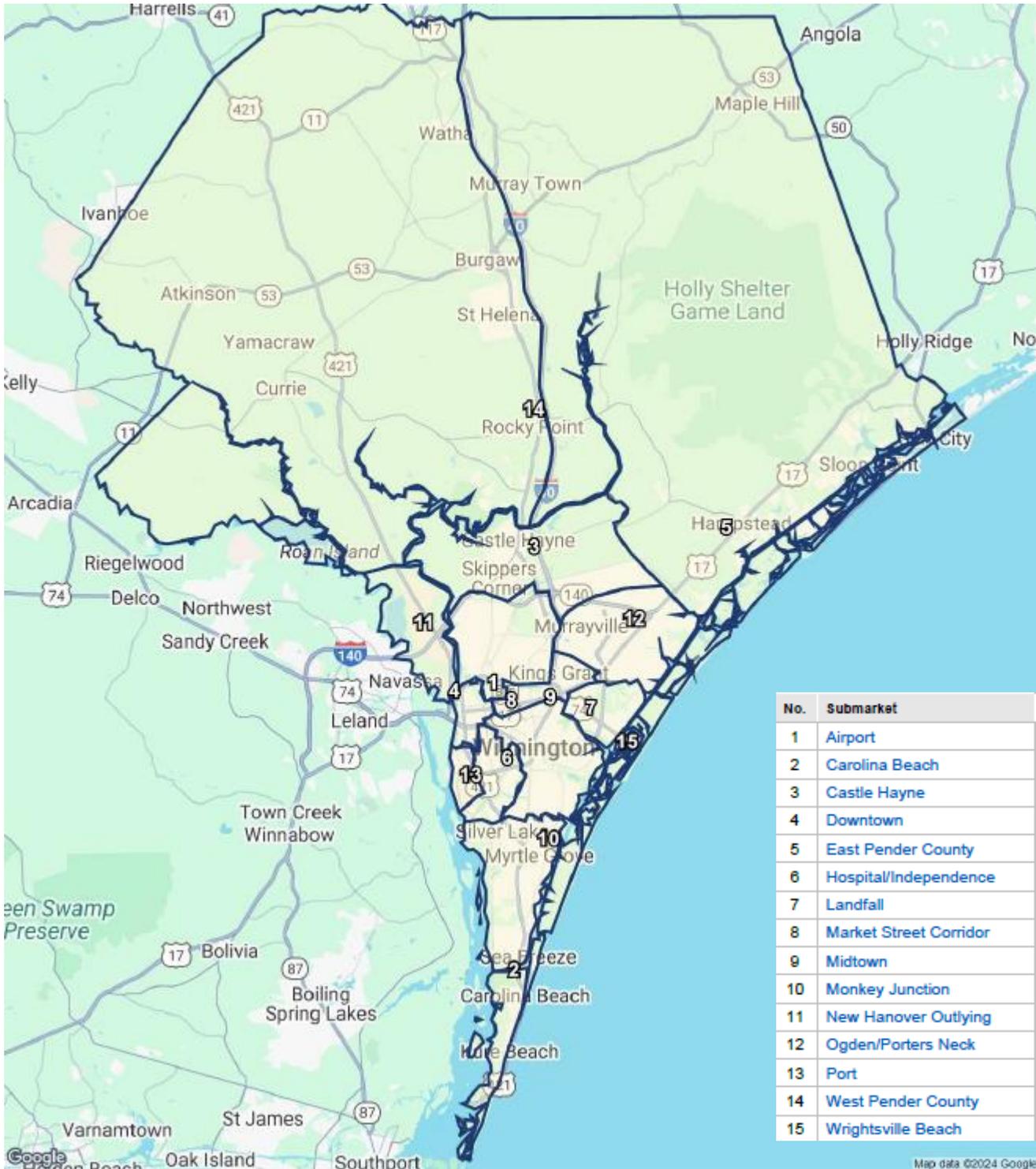
The primary/basic job growth created in Pender County indicates expanded demand for commercial space resulting from year over year job growth of over 500 jobs for 2022-2023. Assuming continued year over year growth for 2023-2024, a real estate **demand estimate** based upon local market capture **over a 10-year period** includes:



Real Estate **supply** data is customarily reported by product type to include Industrial, Office, and Retail space. Housing data is also reported for rental in multifamily apartments (4+ units) and for sale units, blending single family, townhomes and duplexes (1-4 units). Real estate data is tracked by both product type and submarkets, which are important elements when determining local market capture in the context of the larger regional marketplace. Data is provided by the US Census, local realtor associations, and other proprietary sources, such as CoStar, a national commercial real estate data provider along with its affiliate LoopNet.

The Wilmington MSA is divided into fifteen submarkets, including East Pender and West Pender County.

The data below includes a summary of units and/or total square footage (SF) of space for each product category, as well as available space (vacancy rate), absorption of vacant space, average rental rates and new construction. Industry standards suggest that low vacancy rates (< 5%) indicate full occupancy or market equilibrium providing for additional supply potential, while high vacancy rates (10% >) suggest product oversupply.



Of the overall regional market, the West Pender submarket currently ranks first in 12-month industrial deliveries and second in overall industrial inventory. West Pender also ranks second in 12-month deliveries for retail space, with the East Pender submarket third in 12-month retail deliveries. There are no notable inventory or delivery rankings in the office category for either submarket as it relates to the overall market.

	May-24	West Pender	East Pender
Industrial	Inventory	2,692,722 SF	289,027 SF
	12 Mo Net Absorption	416,000 SF	7,200 SF
	Vacancy Rate	4.1%	0%
	Market Rent/unit	\$7.77/SF	\$13.35/SF
	New Construction	433,074 SF	7,200 SF
	Under Construction	0 SF	0 SF
Office	Inventory	252,496 SF	366,145 SF
	12 Mo Net Absorption	(7,600) SF	713 SF
	Vacancy Rate	3.0%	6.6%
	Market Rent/unit	\$25.15/SF	\$23.73/SF
	New Construction	0 SF	0 SF
	Under Construction	0 SF	14,960 SF
Retail	Inventory	888,620 SF	1,684,953 SF
	12 Mo Net Absorption	1,300 SF	10,900 SF
	Vacancy Rate	0.9%	1.10%
	Market Rent/unit	\$11.98/SF	\$21.00/SF
	New Construction	10,500 SF	35,983 SF
	Under Construction	0 SF	34,460 SF

Source: Rose Associates & Costar

Clearly, Pender County has demand for additional product capacity in the industrial and retail categories given the limited supply inventory available or under construction.

Industrial & Retail

Much of the **industrial** space in Pender County is driven by traditional industry and its need for warehouse and distribution space as a result of online shopping. The recent growth in population has contributed to this dynamic. Therefore, growth in this type of industrial development and retail go hand in hand. The Wilmington Business Development Corporation is the primary economic development organization marketing the communities throughout the Wilmington Region including New Hanover and Pender Counties. In addition to marketing industrial parks and products, the industry sectors it has attracted and continues to target include Fintech, Distribution & Logistics, Food Processing, Aviation, Pharma/CRO, Call Centers/Back Office, and Advanced Manufacturing. They also provide regional workforce data and training, incentives and other services to attract, retain and expand industry. They have been successful in attracting investment and development at the Pender Industrial Park, which is now nearly 100% occupied.

Most of the growth and expansion of **retail** nationwide has been in the discount and food and beverage categories. With low- and middle-income shoppers pulling back, big box chains and discounters are revising discounted product lines. Grocery stores continue to dominate the growth in retail, followed by restaurants in various categories from fast casual to eat-in. Small, unique establishments found in rural areas, downtowns and mixed-use developments provide an opportunity to showcase local fare to attract visitors.

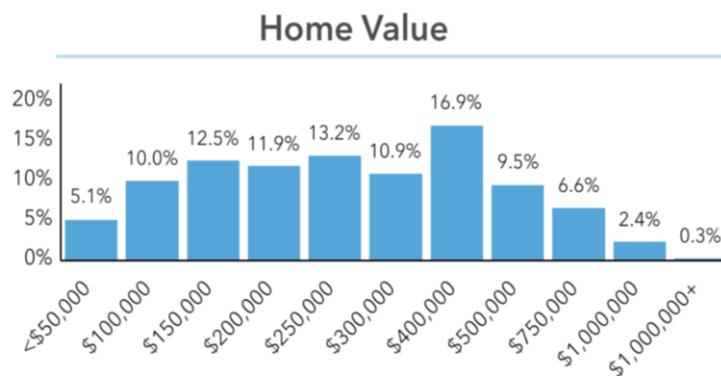


Office

Emerging trends in current workforce practices post-pandemic, however, include increased remote work. Companies integrating a flexible 4-day in office/onsite work weeks continues to change the dynamic of when, where, and how people work, particularly in the office environment. The current interest rate environment for new projects impacting costs and returns has impacted new construction, coupled with limited demand. Very little speculative space is being built and space needs in this category will be driven by medical office, as well as small professional and co-working environments.

Housing

Data from the Census Bureau's American Community Survey (ACS) and ESRI indicates there were 31,927 housing units within Pender County as of 2023. Of those, 63.1% were owner occupied, 14.6% renter occupied, and 22.4% vacant. Mobile homes make up 23.9% of the total housing stock.



Many new residents first experience Pender County as a visitor, and many return to purchase vacation homes as seasonal dwellers. The ACS 2018-2022 5-year average suggests that of the vacant housing units, 53.6% were seasonal/occasional use. A report by [All the Rooms](#), which tracks Short Term Rentals, suggests that 73% of all the inventory in Pender County is located in Surf City and 23% in Topsail Beach. As noted,

Pender County has experienced substantial population growth due to job opportunities and lifestyle relocations (e.g. retirement into seasonal home). The resulting expansion of construction of homes has contributed to housing growth and home values. Data is generally collected in two segments: Multi-family apartments and single-family housing.

Multi-Family Apartments (4+ units)

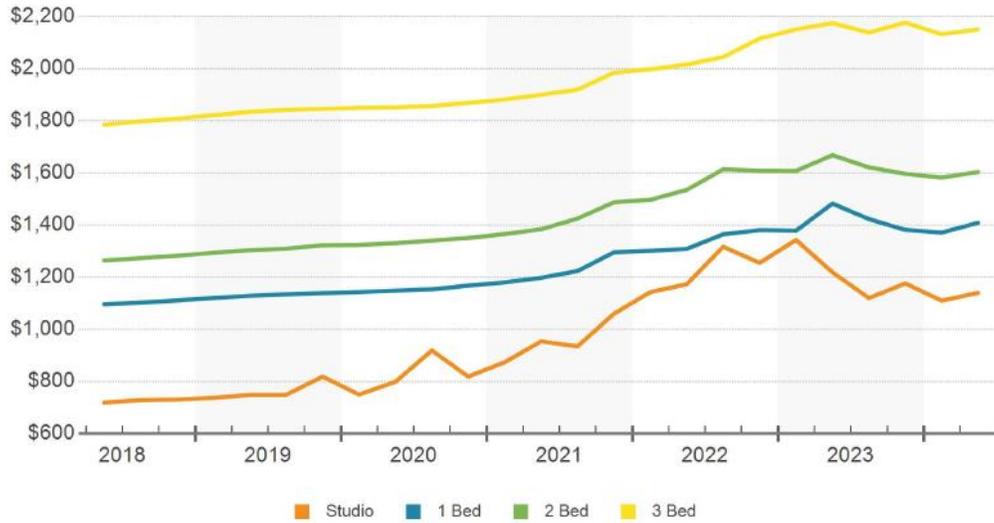
Rental demand comes from a variety of sources, including students (student housing), visitors (vacation rentals), relocating families and those who rent due to income, affordability or lifestyle choice. The Pender County multifamily submarket is comprised of roughly 1,500 units, according to CoStar. The overall vacancy rate for apartments is 26.7%, ranging from 14.1% vacancy (lower rent, older units) to 33.4% vacancy in newer/updated units with amenities. This vacancy rate is 7.6% lower than it was this time last year (2Q23). The current vacancy is higher than its trailing three-year average of 18.0%. The three-year average for Pender County is above the trailing three-year average for the Wilmington market as a whole, which is 9.0%.

The Pender County market has an average rent of \$1,700/month for all units, with a 1.1% decrease in rent growth from the previous 12 months. Rents have increased 16.5% over the past three years, higher than the 15.8% trailing three-year average of the overall Wilmington market.

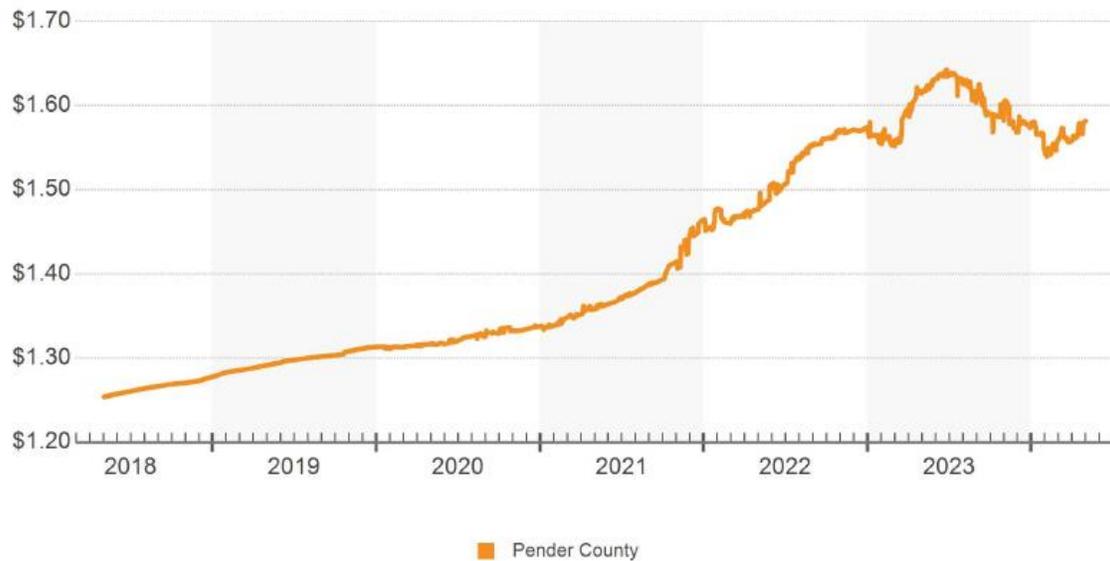
Rent

Pender County Multi-Family

MARKET RENT PER UNIT BY BEDROOM



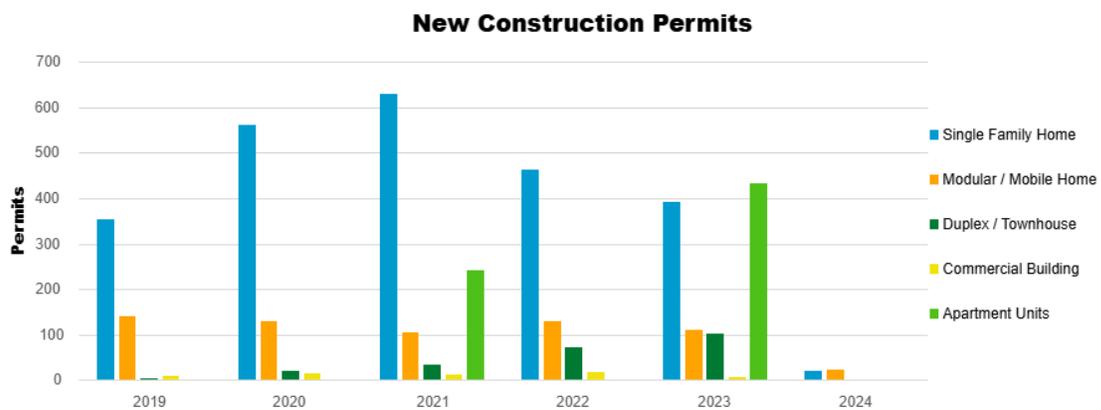
DAILY ASKING RENT PER SF



755 multi-family units have been delivered in Pender County over the past 2 years, with another 484 units under construction expected to be delivered over the next 2 years. These projects are located primarily in East Pender, near the coast and along Highway 17.

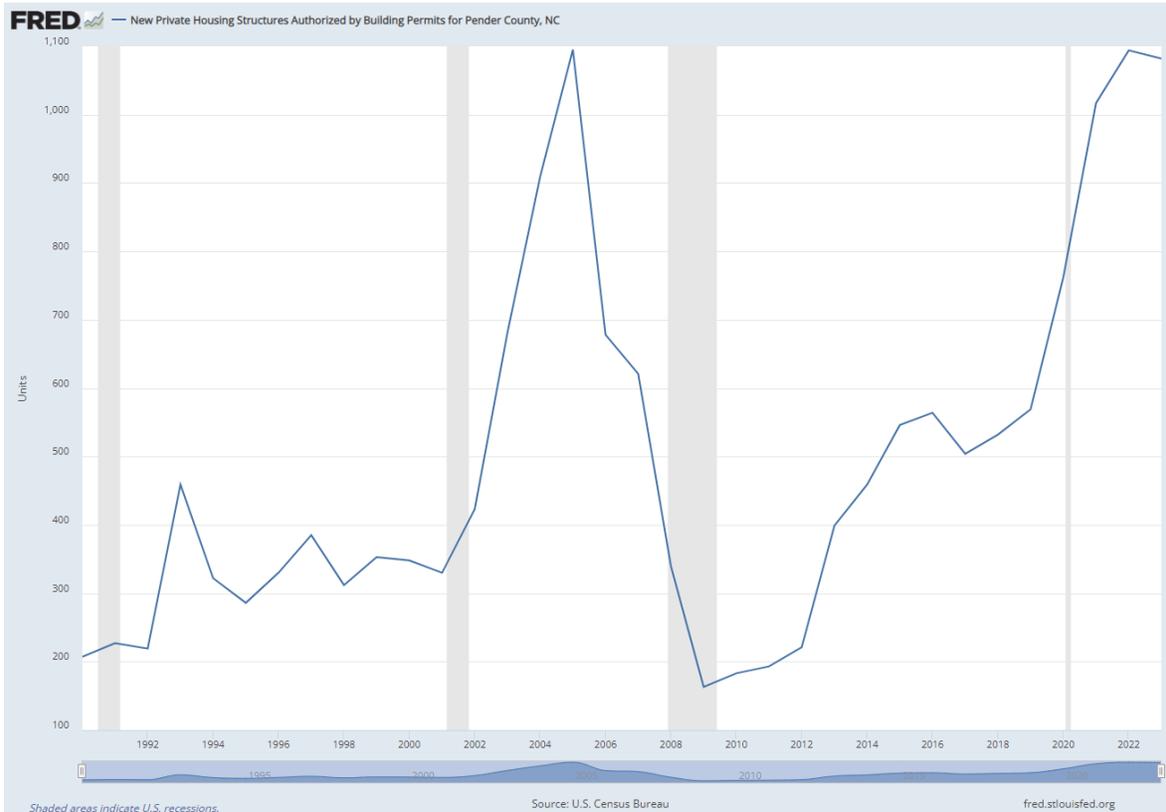
Single Family Homes

Single Family homes have dominated the new construction landscape in Pender County until 2023 when apartment units outpaced new construction permits.

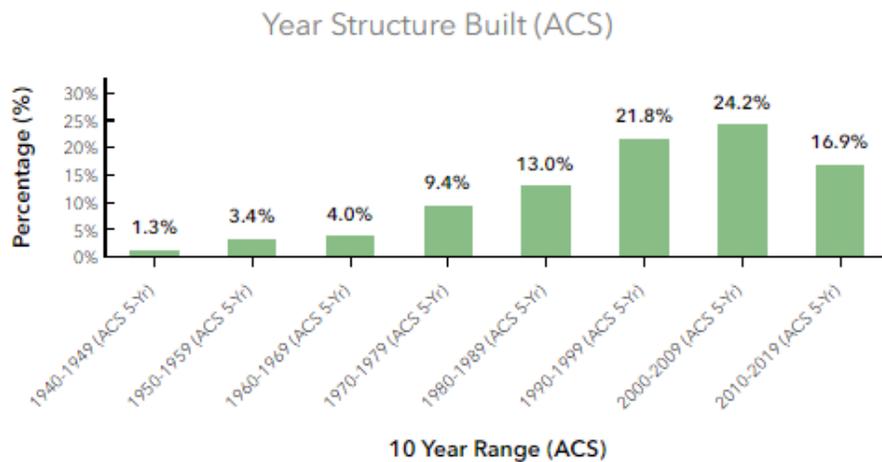


Pender County Permits

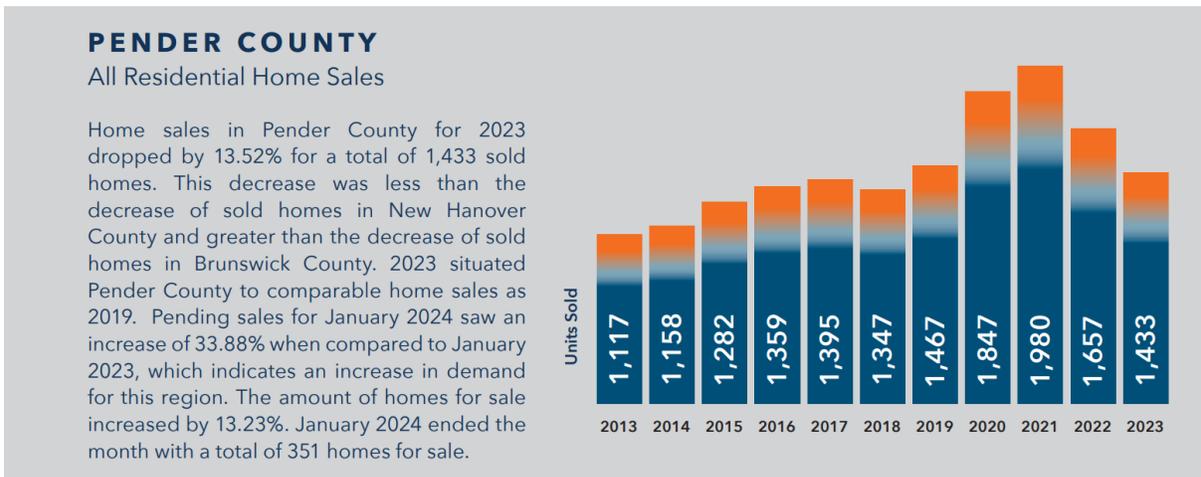
Shown on the graph below, there were a total of 1,082 new private housing structures authorized by building permits in 2023 for Pender County, showing a healthy increase since the Great Recession.



ACS records for housing units built up to 2020 indicated that 62.9% of the structures were built after 1990.



There has been a recent slowdown of the housing market as evidenced by price reductions over 2023 due to lingering high interest rates and a challenged economy. Traditionally, existing-home sales account for the majority of total home sales. Of the 10,878 closed sales for 2023 in the Wilmington MSA, existing-home sales accounted for 69.44% of total home sales. Existing home inventory sustains a three-year historic low, as demand for new homes continues. However, there remains a wide range of home values.



According to the Cape Fear Association of Realtors’ [Housing Data Reports](#) the housing market remains resilient in Pender County. As of August 2024, the median price of a home is \$432,450 in Pender County with a limited supply of approximately 2 months of inventory.

LOCAL MARKET UPDATE — AUGUST 2024

A reliable source for real estate Market data provided by Cape Fear REALTORS®, compiled from NCRMLS.

RESIDENTIAL Key Metrics	AUGUST			LAST 3 MONTHS		
	2024	% Change	2023	Jul 24	Jun 24	May 24
Active Listings	351	8.00%	325	323	347	340
New Listings	152	-9.52%	168	146	173	166
Pending Sales	109	-24.83%	145	129	151	143
Closed Sales	172	10.97%	155	143	163	167
Median Sales Price	\$432,450	-7.00%	\$465,000	\$415,000	\$414,000	\$430,000
Average Cumulative DOM	44	-21.43%	56	42	49	60
Month’s Supply of Inventory	2.04	-2.86%	2.10	2.26	2.13	2.04

Housing Unit Demand

The majority of housing consists of single-family homes, with 23.9% of the housing stock mobile homes. And only 14% of the current households are renter occupied. In addition to job growth, housing demand is also driven by migration, with relocations from other parts of the country and within the state. The cost of living and home prices often drive commuters further away from employment centers in more urban and suburban areas. A growing trend in housing diversification is the build-to-rent sector. Build-to-rent (BTR) or purpose-built neighborhoods of single family or townhome rentals has been an emerging sector in the past several years. From a land use standpoint, they are regulated as any other single-family development, however, they are generally owned and rented by institutional investors. This sector began its growth trajectory during the early years of the pandemic due to a variety of factors, largely due to rising interest rates, housing costs and debt which impacted housing affordability. The first of these projects in the Wilmington MSA are the [Cottages at Riverlights](#).

Future housing demand is based on both employment and population growth to estimate a range of overall demand for the county. This would include both for rent and for sale units, in single-family, townhome or apartment configurations.



Total Average Annual Housing Unit Demand

371

Job Growth to Resident Housing Needs	Pender County
Total Businesses:	2,047
Total Employees:	17,314
Total Resident Population:	67,009
Employee/Resident Population Ratio:	0.26
Annual Estimated Average Employment Growth	514
Average Annual Estimated Housing Demand	411

Estimated Population Growth to Resident Housing	Pender County
2023 Total Population	64,750
2028 Estimated Total Population	68,968
Projected Added Population	4,218
2023 - 2028 Average HH Size	2.56
Estimated Housing Unit Demand (2023 – 2028)	1,648
Average Annual Estimated Housing Demand	330

Looking at these dynamics means that policy makers would have to confront the density issue. Density is something that most people would prefer not to have, but the environmental constraints along the coastal areas and need for housing and improved infrastructure in rural areas raises the question. Areas that might be under consideration for higher density are those that have existing infrastructure in place, including transportation, water, sewer and broadband. And rural areas that are challenged by water quality and septic capacity might benefit from clustered “agri-hoods” with common well and septic infrastructure.

Economic Opportunities

Despite the challenges of a changing economy, North Carolina continues to attract new businesses and residents who are moving from other states and regions due to climate, cost of living and job opportunities. North Carolina continues to be a leading state for business attraction and investment. The Wilmington Metropolitan Statistical Area (MSA) experienced the 5th greatest percentage of job growth from 2019 to 2023.

As of December 2023, The Wilmington MSA has -0.278% or 400 fewer jobs than it did on the same month last year. The fastest growing metropolitan area is Raleigh at 4.1%, followed by Durham at 3.44% and the statewide average was 1.88%. The overall decline in employment in the Wilmington metropolitan area is largely driven by declines in Leisure and Hospitality and Professional Business services which are down by 7.51% and 4.79%, respectively. On the other end of the spectrum, Healthcare and Manufacturing are leading the area and have added 4.08% and 3.28%, respectively.

Goal: Job Growth

The Land Use Plan should consider expanded opportunities in industrial and commercial development in areas where transportation networks and utilities already exist to support job growth and assist in balancing the tax base.

The current commercial property tax base in Pender County is approximately 7.2% of the overall tax revenue. By comparison, other similar size counties that lie adjacent to major metro areas in North Carolina can range between 15-35% of the overall tax revenue. Balancing the tax base will ensure that servicing residential growth in areas of police, fire and education will be supported by revenues from retail sales tax and commercial property tax revenue. Residential growth should be supported by commensurate commercial growth as the cost to service residential households is often twice as much as the cost to service commercial space.

County	Residential	Commercial	Industrial	Other	Total*
Pender	\$7,104,742,938	\$544,186,823	\$6,368,572	0	\$7,282,010,057

* Includes reductions for exclusions, exemptions & deferments.

Pender County Tax Base:

92.8 % Residential | 7.2% Commercial/Industrial

Pender County Municipalities	Total Taxable Real Property
Atkinson	\$ 12,615,982
Burgaw	\$ 241,013,899
Saint Helena	\$ 35,599,356
Surf City (Pender only)	\$1,312,461,948
Topsail Beach	\$ 784,818,923
Wallace (Pender only)	\$ 91,756
Watha	\$ 8,258,943

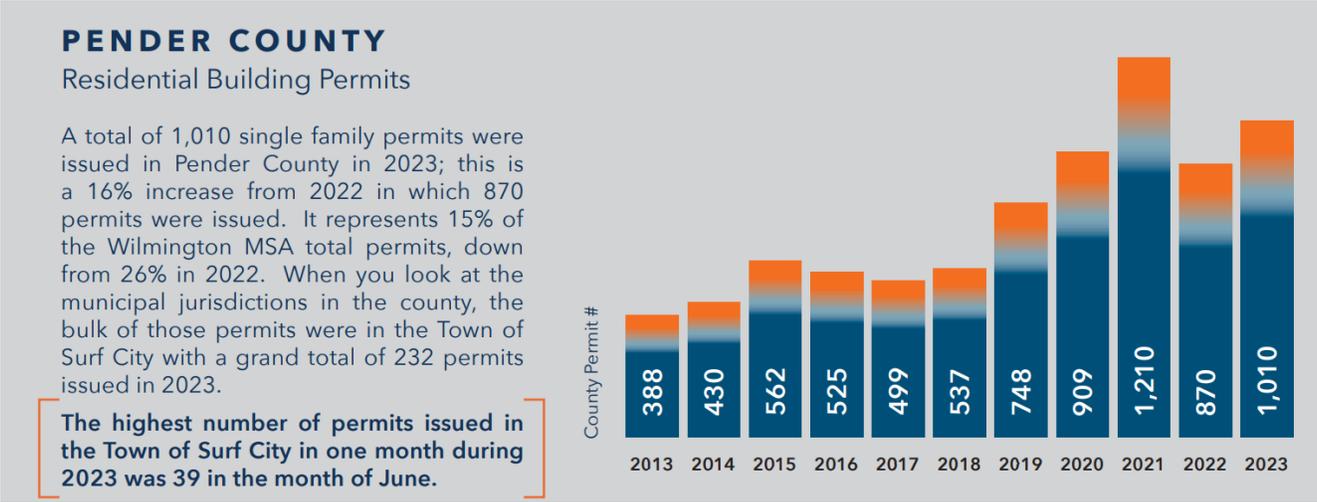
Source: NCDOR

Job Growth Strategies:

- Convert residential zoned land to industrial/commercial in primary corridors (e.g. Hwy 421) where infrastructure exists. Provide future nodes for such development to concentrate around key intersections where access to services exist.
- Consider opportunities to identify land parcels suitable for the NC Department of Commerce and/or utility company's Site Certification program.
- Continue to partner with Wilmington Business Development Corporation to assist in marketing industrial parks and lands.
- Identify and coordinate county site tours with Wilmington Business Development Corporation, site selectors and commercial real estate brokers.

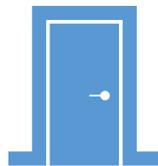
Housing: The Land Use Plan should consider diverse housing strategies that support attainable housing for those families working in service industries, tourism and manufacturing. This includes opportunities for both home ownership and rentals.

The 2012 Pender County Housing Needs Assessment identified areas of need for expanded and affordable housing. The pace of new construction home permits continues to outpace other areas of the state. According to the Cape Fear Housing Report by the Association of Realtors, the Wilmington MSA (New Hanover, Pender, and Brunswick Counties) finished 2023 with a combined total of 6,754 permits. This represents a 1.25% increase above its level one year ago of 6,670 permits. It is currently 329% higher than its 2011 recession-era bottom of 1,571 permits and currently 13.7% below its 2005 peak permit level of 7,685 permits. Pender County accounted for 17% of the MSA permits in 2023:



Housing affordability remains a concern in most areas of the state and Pender County is no exception. Affordable (also referred to as “attainable”) housing is defined as modestly priced nonsubsidized housing that is affordable to households with incomes between 80 and 120 percent of the area median income (AMI). Guidelines are established annually by State Housing Finance Agencies and the FDIC. Households that

spend more than 30% of household income on housing costs are considered cost burdened. According to a 2024 report by the [NC Housing Coalition](#), 26% (5,827 households) of Pender County households are cost burdened. With a poverty rate of 14%, the cost burden impacts a greater share of renters, as 41% of renters and 24% of homeowners are cost burdened.



Cost Burdened:

41% renters

vs.



24% homeowners

In a tourism dominant economy such as Pender, vacation homes and short-term rentals constrain housing supply. Often these ownerships are the result of private and institutional investors acquiring multiple properties for investment. Without new construction that provides affordable homes for lease or purchase for local residents and service industry workers that support tourism, this can result in a housing supply vacuum as experienced by other tourism dependent communities. Many communities experience housing relocations to more rural areas as the “drive until you qualify” dynamic pushes workers to expand commutes in search of affordable housing.

Housing Growth Strategies:

- Evaluate higher density options (e.g. bonuses) in areas where infrastructure, including school capacity, exists. This could include both for rent and for sale housing. Include policies that consider build-to-rent (BTR) housing development, which are typically single family homes on small lots, such as townhomes or patio homes.
- Consider policies that balance owner-occupied housing with vacation/short-term rentals. Many Homeowners Associations (HOA) limit short term rentals in single family neighborhoods.
- Allow for redevelopment of mobile home parks into tiny home parks, duplexes and other affordable housing options.

- Evaluate criteria for applications in housing with the [North Carolina Housing Finance Authority](#). Policies that support the criteria for tax credit funding will encourage and enable developers seeking opportunity sites.

Tourism: The Land Use Plan should support expanded opportunities in those sectors that support tourism in rural parts of the county. These include lodging, food & beverage and recreation in agricultural and/or low-density residential areas where appropriate.

Tourism is a key contributor to the Pender County economy. However, much of the impact is in the coastal communities and beaches. While providing tax revenue, the challenges include environmental, traffic and housing affordability. There are several opportunities for the expansion of historical, cultural and agricultural tourism in other areas of the county that may reduce the burden of cost and provide economic opportunity for the more rural areas. This includes lodging in and around the game lands, historical sites and farm tours that highlight events and locally produced food, crafts and other goods.

Tourism Growth Strategies:

- Convert residential zoned land to commercial in primary corridors (e.g. Hwy 421) that area adjacent to game lands, and other agricultural/historical/cultural sites for small scale lodging and dining/retail experiences.
- Partner with the [North Carolina State Extension Tourism Department](#) to facilitate farm tours and agri-tourism opportunities. This will also assist in meeting public health goals for access to healthy food.
- Continue to expand partnership with [VisitNC](#) to schedule events, tourism visits and leverage partnership with the NC Outdoor Alliance (Pender County is a member).

- Consider certification with RetireNC to become a certified retirement community. This will expand visits to the county and bring additional residents and investment, particularly in rural areas.