HOUSING · ASHEVILLE, NC

The Cooldown That *Skips Us*

In the first half of 2026, the national headlines said housing demand was finally cooling and rents were dipping. Asheville has its own glut of new apartments, and apartment rents here have also dipped. But the relief has gone mainly to renters who can afford a market-rate apartment, and most of our rental shortage is among the households who usually cannot.

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Sources & notes (17 linked documents) · PDF version

THE CLAIM

Across the country, demand softened, vacancies climbed, and asking rents for professionally managed apartments fell year over year for the first time since 2021. In a long list of cities, prices went down, not up. If you're paying too much for a place to live, that sounds like relief on the way. By August 2026, though, those asking rents were up a little from a year earlier.

The cooling everyone is reading about is partly a story about cities that built far too much during the boom and are now working off the excess. Asheville has built a lot: Buncombe County approved a record 2,224 apartments in 2024, roughly double any year before it. Only a small share of what it has built is cheap enough for households earning half the area median income or less. Helene's flood took homes out of a supply that was already short. A softer national market does almost nothing to fix a local shortage.

The relief goes where the empty units are. We built too, but only a small share went where the need is.

THE HEADLINE

What is *actually cooling*

The national softening is real, but it's concentrated in one kind of place.

In May 2026, 77 of the country's 300 largest housing markets had lower home prices than a year earlier. In the rest, prices were still rising. The national price index barely moved, up less than 1 percent. Builders pulled back.

Those price declines cluster in the Sun Belt and the Mountain West, in the metros that saw the wildest run-ups during the pandemic. Austin and Cape Coral, Florida, were each down about 6 percent from a year earlier.

That's part of what's behind the cheerful headlines. Higher mortgage rates cooled demand nearly everywhere, but in the Sun Belt, a wave of new homes made the softening worse.

Harvard's housing center finds a similar pattern: vacancy rates are up from their pandemic-era lows in every region, and the size of the rise depends largely on how much each region built. The South, where the construction wave was largest, has seen the biggest rise.

THE DIFFERENCE

Why the relief *misses the need* here

We have a glut and a shortage at once, and they are mostly not in the same buildings.

Western North Carolina did have a building boom, and it arrived late and at the high end of the market. Buncombe County approved 11,413 apartments between 2010 and 2025, a fifth of them in 2024 alone. The mountains, the water and sewer limits, and the cost of land all kept new construction well behind the need for decades. A 2025 regional housing study by Bowen National Research, commissioned by the Land of Sky Regional Council, put the five-year gap at **34,358 homes** across the Asheville region. Of that total, 13,921 are rentals and 20,437 are homes to buy. More than half of the rental need is among households earning half the area median income or less.

Federal data folded into the same study counted nearly 20,000 housing units damaged by Helene across the four-county region. About 1,450 of them were damaged so badly they likely need to be replaced. The five-year gap already includes those 1,450. Buncombe County had more homes on the market in August 2026 than a year earlier. But in a region still short tens of thousands of homes, a few more for-sale signs do not close a gap this size.

On Zillow's home value index, the measure behind the count of 77 markets, home values in the Asheville metro slipped about 3.6 percent from May 2025 to May 2026. That was a smaller drop than in Austin or Cape Coral. Sale prices are mixed. The Buncombe County median was **$501,000** in August 2026, up 2.1 percent from a year earlier. In July it was down 4.9 percent year over year. Across Canopy's four-county Asheville area, the August median was up 3.5 percent from a year earlier. That area's median for the first eight months of 2026 was down 0.4 percent. Sales over the same eight months were up from a year earlier.

The contrast with the nation is in the empty units. On the Census Bureau's quarterly vacancy survey, the national rental vacancy rate was 5.6 percent in 2022, the lowest in more than 40 years. It rose to **7.3 percent** in the first three months of 2026. That is the slack that lets a cooling market push rents down. A different Census survey, the American Community Survey, puts Buncombe County's rental vacancy rate at **18.2 percent** and the city of Asheville's at 19.3 percent, against 5.5 percent for the nation. All three are averages over 2020 through 2024. There's more slack here than in the country as a whole, but it's in the wrong buildings, at rents the households in need cannot pay.

34,358
homes the Asheville region needs over five years to meet demand
BOWEN / LAND OF SKY, 2025

~20,000
housing units damaged by Helene across the four-county region
FEDERAL DATA, VIA THE 2025 ASSESSMENT

$501K
Buncombe County median sale price in August 2026, up 2.1 percent from a year earlier
CANOPY MLS, AUGUST 2026

WHY IT MATTERS

A softer market somewhere else is *not a cheaper rent here*

Prices and rents depend on what's available locally, not on a national average.

When demand cools in a place that overbuilt, the extra units are right there, sitting empty, and prices fall to fill them. That is roughly what happened here. But the relief went mostly to the top of the market. CoStar's average rent for apartments in the Asheville market fell about 6 percent from the July-to-September quarter of 2024 to the same quarter of 2026. That average is the rent before move-in deals. In the year to August 2025, the cuts were deepest at the more expensive properties: asking rents fell 4.2 percent there and 1.4 percent in the middle tier, and rose 2.3 percent at the cheapest. Across all rental homes, Zillow's index of asking rents was down about 1 percent in August 2026 from its 2024 peak.

What the typical Buncombe renter actually pays rose 13.5 percent in 2024, the year asking rents peaked. That was the biggest one-year rise since at least 2010. A softer market lowers rents for people moving in. It has not brought down the rents people already pay. Nationally, the rent measure in the Consumer Price Index, which covers all renters, was still rising in April 2026, up 2.8 percent over the year. The rise was slower than a year earlier. That measure is slow to reflect changes.

A price drop in Austin does not lower the rent on Haywood Road. The thing that lowers our rent is more homes here, priced for local incomes. The boom built few homes like that for the households with the deepest need, and the flood made the shortage worse.

The obvious take on the 2026 news gets it backwards for us. The headlines are about cooling national demand. Our problem is supply: the number of homes here has trailed the need for decades. In this region, the wage it takes to afford a modest one-bedroom is already far above what many local jobs pay.

Pay here also trails the country. Private-sector pay in the Asheville metro averaged $32.84 an hour in February 2026, against $37.55 nationally. Buying is further out of reach. Tom Tveidt, the economist who founded Syneva Economics, cited Federal Reserve figures in July 2026. They put the household income needed to buy a median-priced home in the Asheville region at about $125,000, against a median income of about $83,000.

Young adults come and go. Syneva's analysis of Census data for 2020 through 2024 puts the yearly average at 4,382 people aged 25 to 34 moving into Buncombe from elsewhere in the country and 4,287 moving out. That is a net gain of 95. Fewer people aged 55 to 64 moved in, about 42 percent fewer than people aged 25 to 34. But the older group's net gain was 1,328, nearly 14 times the younger group's.

THE POINT

The good news skips *the people who need it*.

The national cooldown is real, and it partly reflects overbuilt cities working off a glut they created. Asheville has empty apartments too, at rents its lowest-income households cannot pay. In complexes built with federal low-income tax credits, almost nothing sits empty. We face a five-year gap of more than 34,000 homes.

The only thing that ends our shortage is building here, at the prices our neighbors can pay. Waiting for relief to arrive from somewhere else is waiting for the wrong thing.

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- America Didn't Always Have This Problem
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