2014 Annual Report

Town of Kernersville Growth & Traffic Data

Introduction

Kernersville's' Board of Aldermen adopted *Thoroughfare and Street Plan* requires an annual review of the Town's growth data.

The *Plan* states:

> *A citizen group shall be formed by the Board of Aldermen to undertake an annual review of the Town's growth data and provide comments to the Planning Board and Board of Aldermen on data generated at the Town, county, regional, state, and federal levels. The citizen group shall be made up of residential, commercial, industrial, and institutional property owners.*

The Community Development Department has compiled the Town's 2014 growth data into this report. The report is broken down by five sections and consists of:

Section 1 - United States Census: The census section provides Kernersville's historic population growth. A comparison of Kernersville's census data is compared to the State of North Carolina and the United States in order to determine similarities. If a community is similar to State and National data, it can anticipate following State and National trends.

Section 2 - Town of Kernersville Growth Data: The Town has been maintaining permit data since 1995. That permit data provides historic development trends. The North Carolina State Demographer population estimates are also provided. The Demographer estimates assist in understanding what the current population is between the 10-year U.S. Census estimates.

Section 3 - Economic Data: The United States Census undertakes a census of businesses every five years. The business census provides an understanding of the economic diversity and trends in a community.

Section 4 - Growth Projections: Detailed growth projections are provided in this section. The projections are based upon development trends, economy, infrastructure, demographics, and supply of available development sites.

Section 5 - Traffic Data: The United States Department of Transportation traffic data is reviewed to determine the national trend. The North Carolina Department of Transportation detailed traffic counts, which are undertaken every two years is provided from 2003 to 2013. The data and projections in this report will be updated each year.

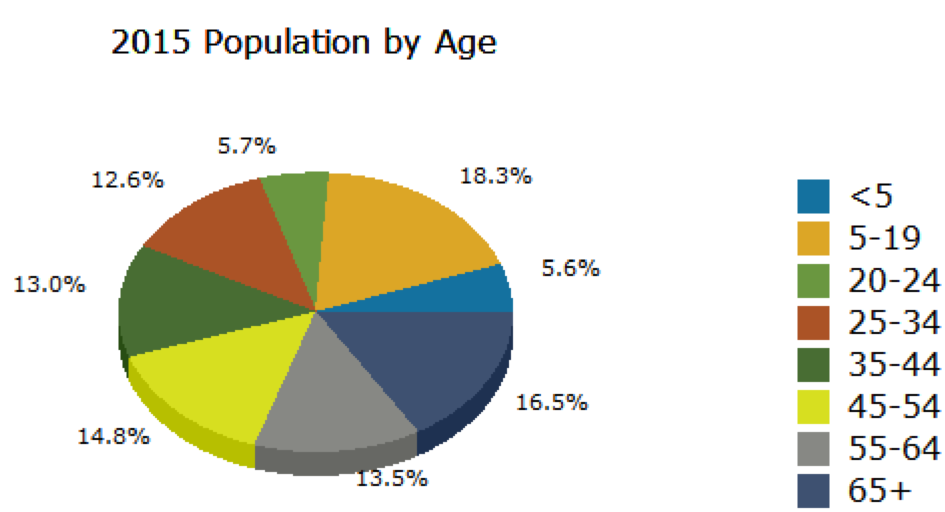
United States Census

Kernersville Demographic Data	
2000 Population	19,706
2010 Population	23,123
2015 Population	24,078
2020 Population	25,101
2000-2010 Annual Rate	1.61%
2010-2015 Annual Rate	0.77%
2015-2020 Annual Rate	0.84%
2015 Male Population	47.5%
2015 Female Population	52.5%
2015 Median Age	41.2

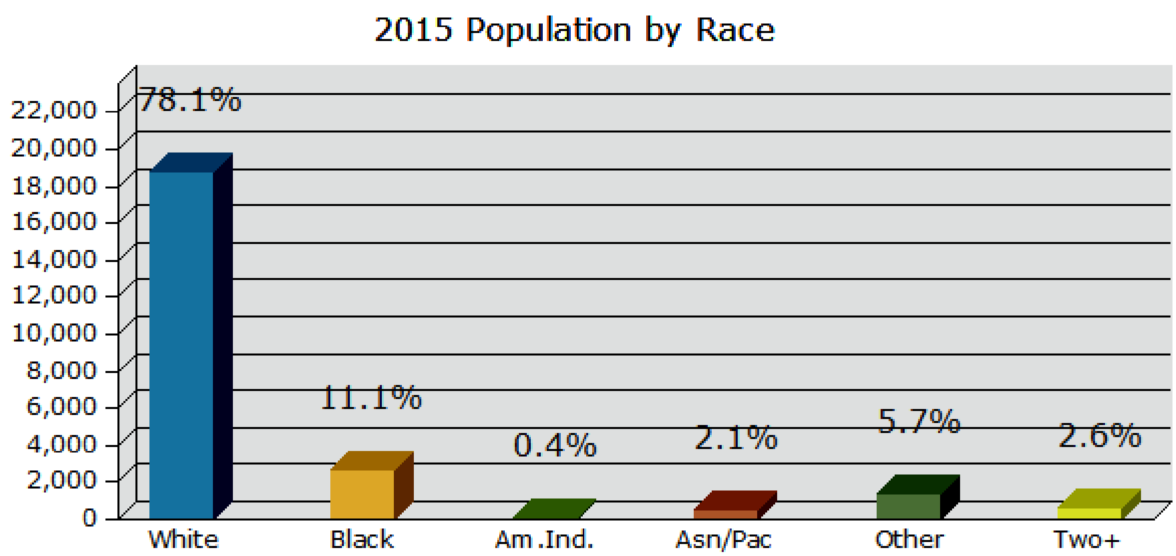
The projected population for 2015 is forecasted to be 24,078. In 2010, the Census count in the area was 23,123. The rate of change since 2010 was 0.77% annually. The five-year projection for the population is 25,101 representing a change of 0.84% annually from 2015 to 2020. Currently, the population is comprised of 47.5% male and 52.5% female.

Median Age

Kernersville's median age is 41.2, compared to NC at 38.3 and U.S. median age of 37.9



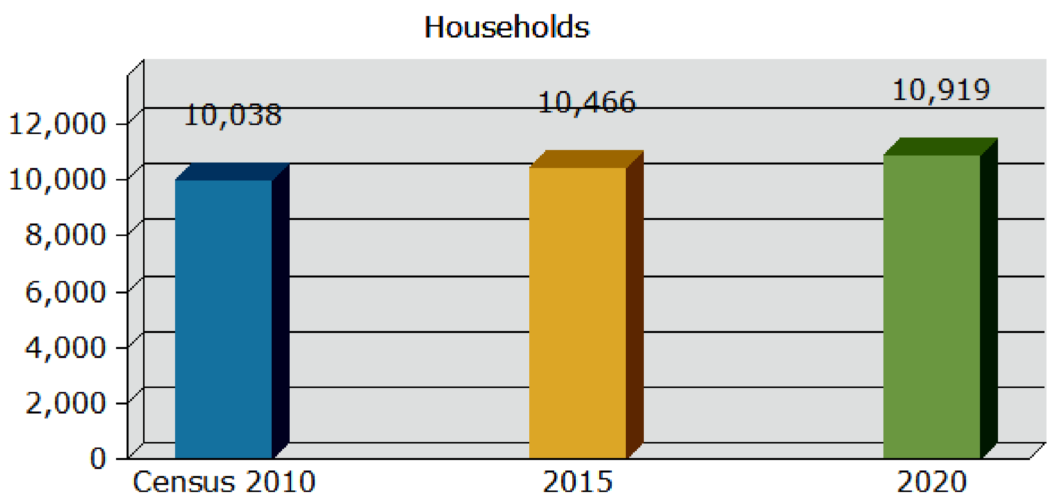
Race and Ethnicity	
2015 White Alone	78.1%
2015 Black Alone	11.1%
2015 American Indian/Alaska Native Alone	0.4%
2015 Asian Alone	2.0%
2015 Pacific Islander Alone	0.0%
2015 Other Race	5.7%
2015 Two or More Races	2.6%
2015 Hispanic Origin (Any Race)	11.0%



Persons of Hispanic origin represent 11.0% of the Kernersville population compared to 9.2% of North Carolina, and 17.6% of the U.S. population. Persons of Hispanic Origin may be of any race.

The Diversity Index is a number -- on a scale from 0 to 100 -- that represents the chance that two people chosen randomly from an area will be different by race and ethnicity. In more personal terms: "What is the chance that the next person I meet will be different from me?" A higher number means more diversity, a lower number, less. Kernersville's Diversity Index is 49.9, compared to North Carolina at 58.5 and 63.0 for the U.S. as a whole.

Households	
2000 Households	8,240
2010 Households	10,038
2015 Total Households	10,466
2020 Total Households	10,919
2000-2010 Annual Rate	1.99%
2010-2015 Annual Rate	0.80%
2015-2020 Annual Rate	0.85%
2015 Average Household Size	**2.30**



The household count in Kernersville has changed from 10,038 in 2010 to 10,466, a change of 0.80% annually. The five-year projection of households is 10,919, a change of 0.85% annually from the current year total. Average household size is currently 2.30, compared to 2.29 in the year 2010, with 6,568 families.

Median Household Income	
2015 Median Household Income	$47,212
2020 Median Household Income	$54,431
2015-2020 Annual Rate	2.89%

Average Household Income	
2015 Average Household Income	$68,735
2020 Average Household Income	$76,370
2015-2020 Annual Rate	2.13%

Per Capita Income	
2015 Per Capita Income	$29,847
2020 Per Capita Income	$33,192
2015-2020 Annual Rate	2.15%

Households by Income

Current median household income is $47,212 in Kernersville, compared to $46,306 in North Carolina, and $53,217 for all U.S. households. Median household income is projected to be $54,431 in five years, compared to $53,291 in North Carolina, and $60,683 for all U.S. households.

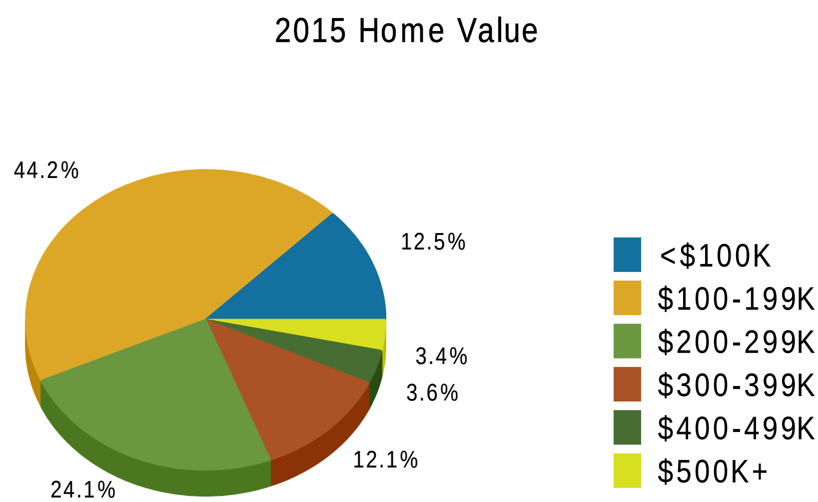
Current average household income is $68,735 in Kernersville, compared to $65,018 in North Carolina, and $74,699 for all U.S. households. Average household income is projected to be $76,370 in five years, compared to $73,670 for North Carolina, and $84,910 for all U.S. households.

Current per capita income is $29,847 in Kernersville, compared to $25,746 in North Carolina, and the U.S. per capita income of $28,597. The per capita income is projected to be $33,192 in five years, compared to $29,190 for North Carolina, and $32,501 for all U.S. households.

Housing

2000 Total Housing Units	8,883
2000 Owner Occupied Housing Units	5,149
2000 Renter Occupied Housing Units	3,090
2000 Vacant Housing Units	644
2010 Total Housing Units	10,951
2010 Owner Occupied Housing Units	5,737
2010 Renter Occupied Housing Units	4,301
2010 Vacant Housing Units	913
2015 Total Housing Units	11,296
2015 Owner Occupied Housing Units	6,049
2015 Renter Occupied Housing Units	4,417
2015 Vacant Housing Units	830

2020 Total Housing Units	11,667
2020 Owner Occupied Housing Units	6,254
2020 Renter Occupied Housing Units	4,665
2020 Vacant Housing Units	748



Currently, 53.5% of the 11,296 housing units in Kernersville are owner occupied; 39.1%, renter occupied; and 7.3% are vacant. In North Carolina, 55.4% of the housing units are owner occupied; 30.8%, renter occupied; and 13.8% are vacant, whereas in the U.S., 55.7% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.6% are vacant.

In 2010, there were 10,951 housing units in Kernersville - 52.4% owner occupied, 39.3% renter occupied, and 8.3% vacant. The annual rate of change in Kernersville's housing units since 2010 is 1.39%.

Median home value in the area is $185,131, compared to a median home value of $178,084 for North Carolina, and $200,006 for the U.S. In five years, Kernersville's median value is projected to change by 3.63% annually to $221,277.

Data Note: Income is expressed in current dollars
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

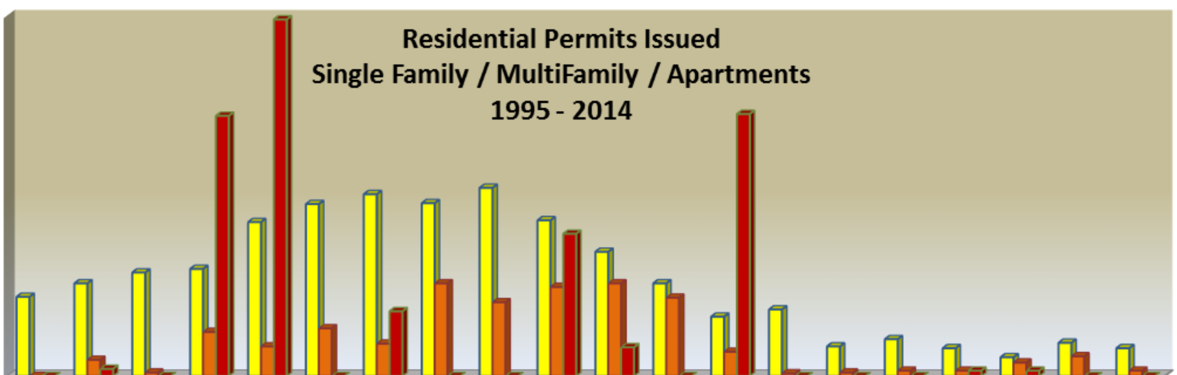
Town of Kernersville Growth Data

Building Permit Data

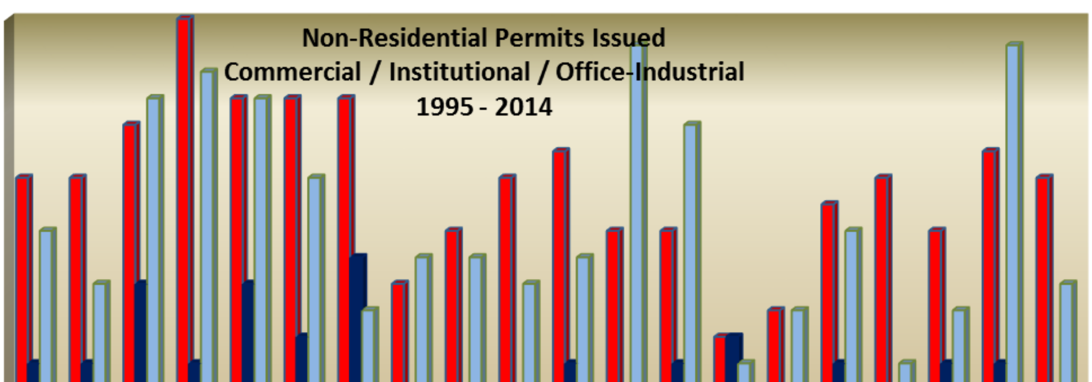
Building permit data is derived from the Town of Kernersville's historical permit data issued from new construction. In January of 2014 the Community Development staff reviewed the historical records to revise and update the permit categories to:

- detached single family residential
- attached single family residential
- apartments
- commercial
- institutional
- industrial/office

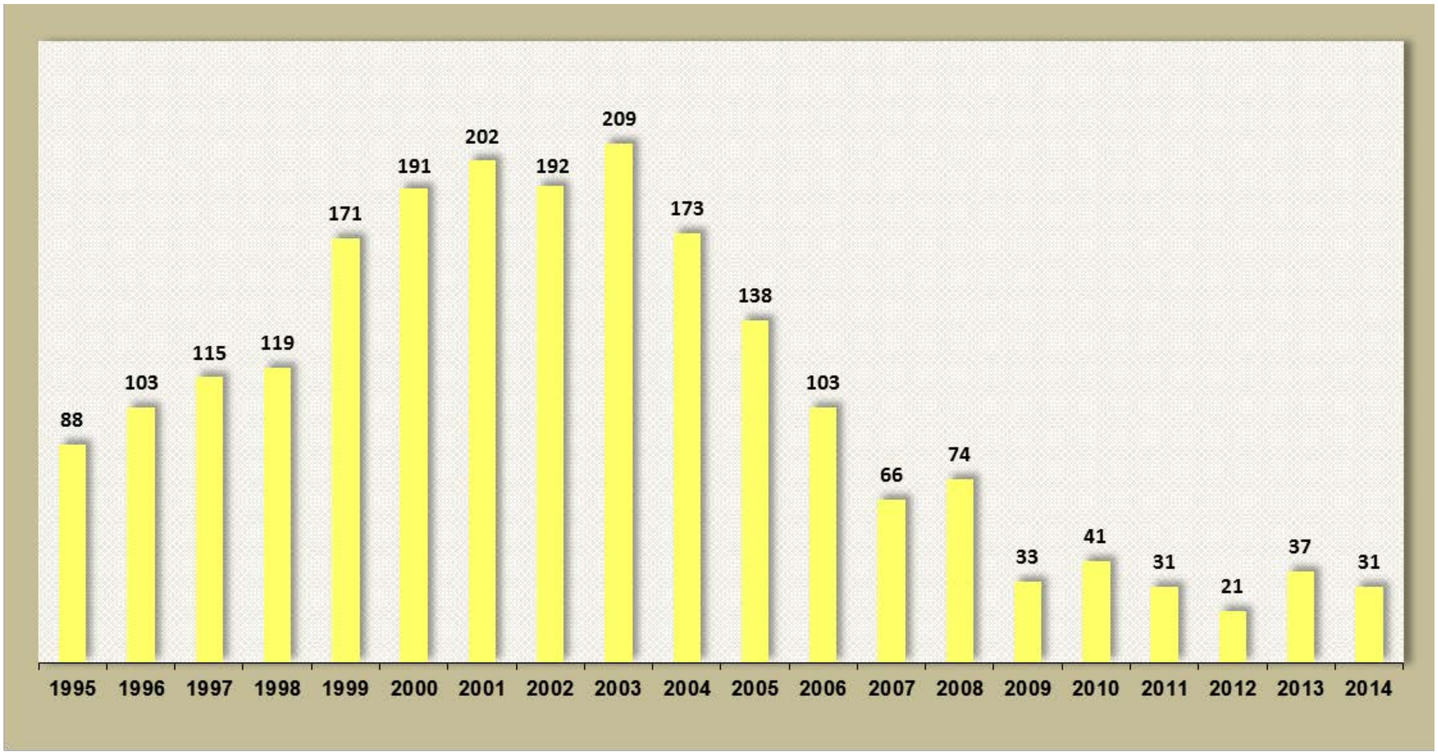
The following are the number of permits issued from 1995-2014 for those categories.



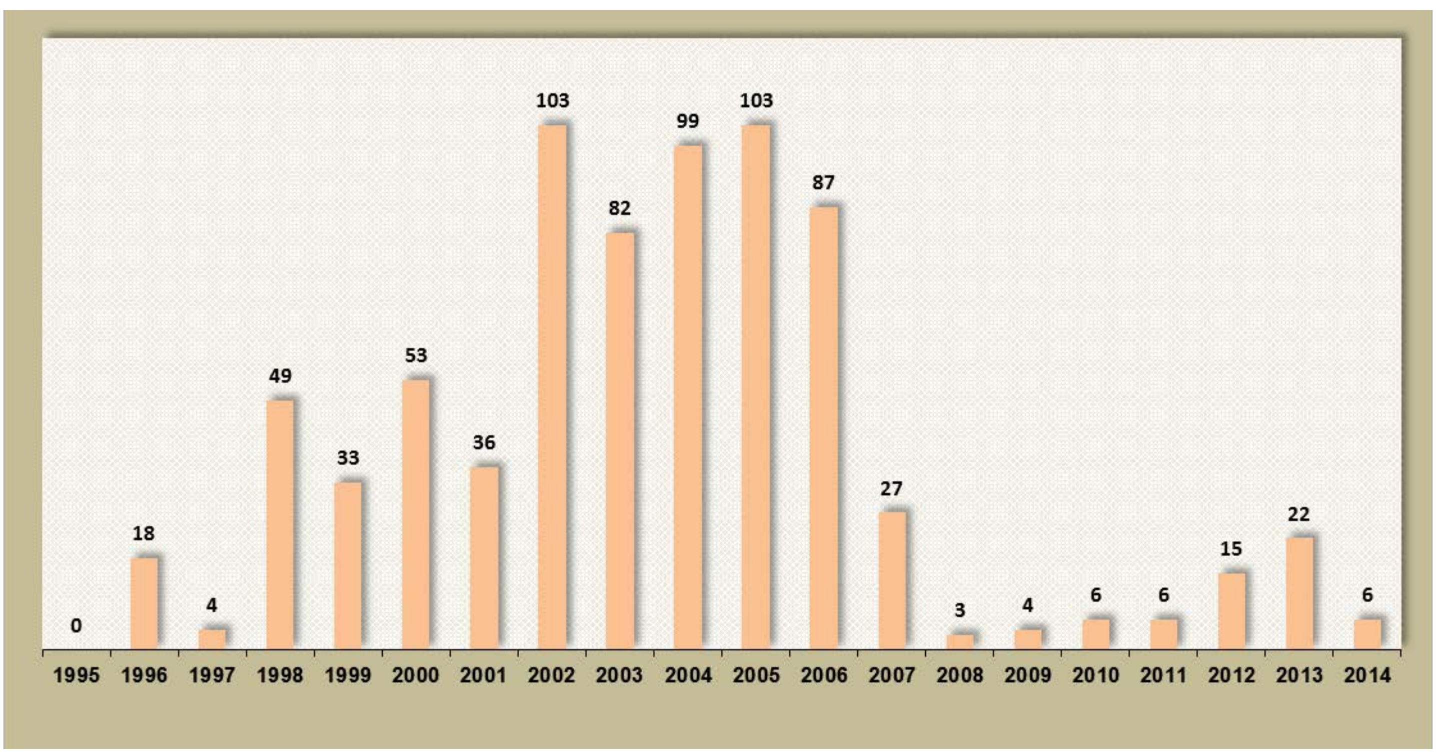
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Detached	88	103	115	119	171	191	202	192	209	173	138	103	66	74	33	41	31	21	37	31
Attached	0	18	4	49	33	53	36	103	82	99	103	87	27	3	4	6	6	15	22	6
Apartments	0	8	0	289	396	0	72	0	0	158	32	0	291	0	0	0	6	6	0	0



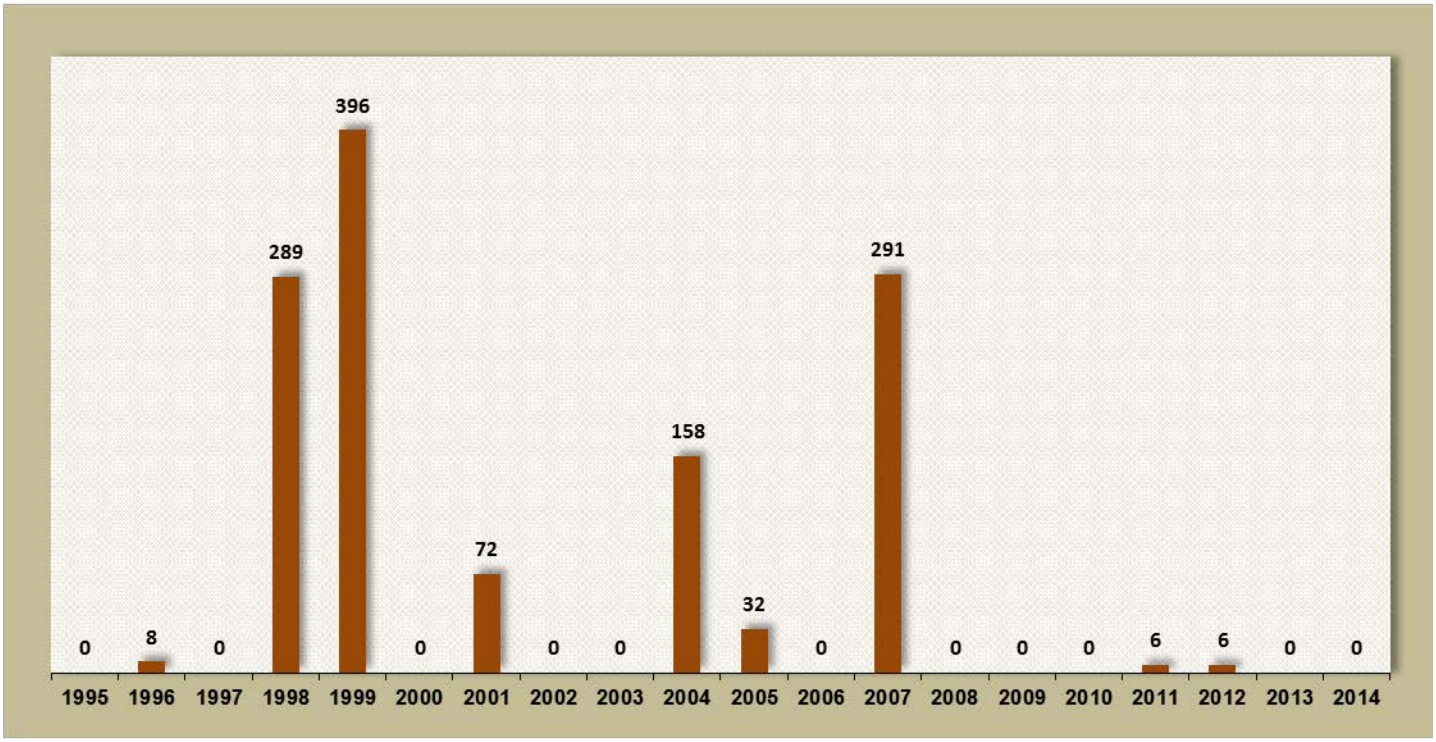
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commercial	8	8	10	14	11	11	11	4	6	8	9	6	6	2	3	7	8	6	9	8
Institutional	1	1	4	1	4	2	5	0	0	0	1	0	1	2	0	1	0	1	1	0
Office/Industrial	6	4	11	12	11	8	3	5	5	4	5	13	10	1	3	6	1	3	13	4



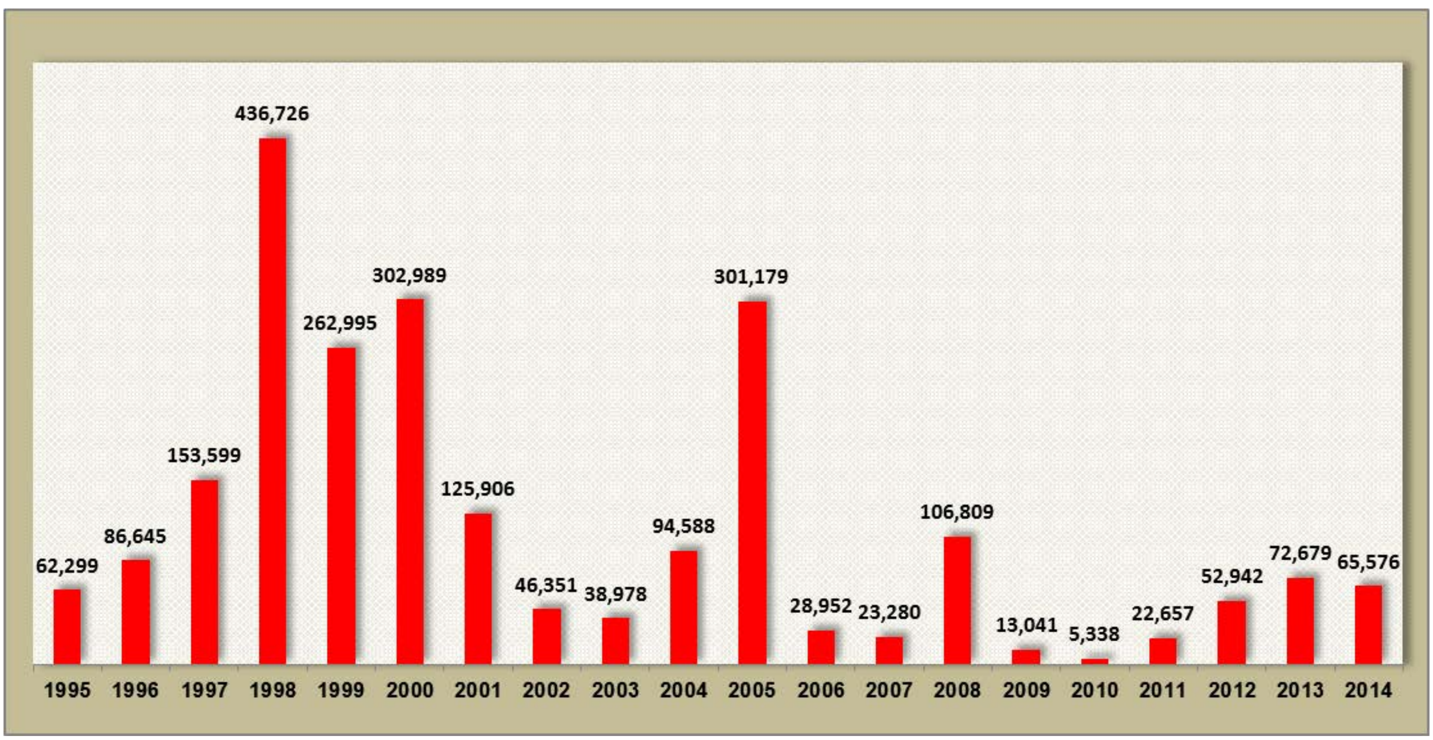
Graph 2-1
Detached Single Family Residential Units
1995-2014



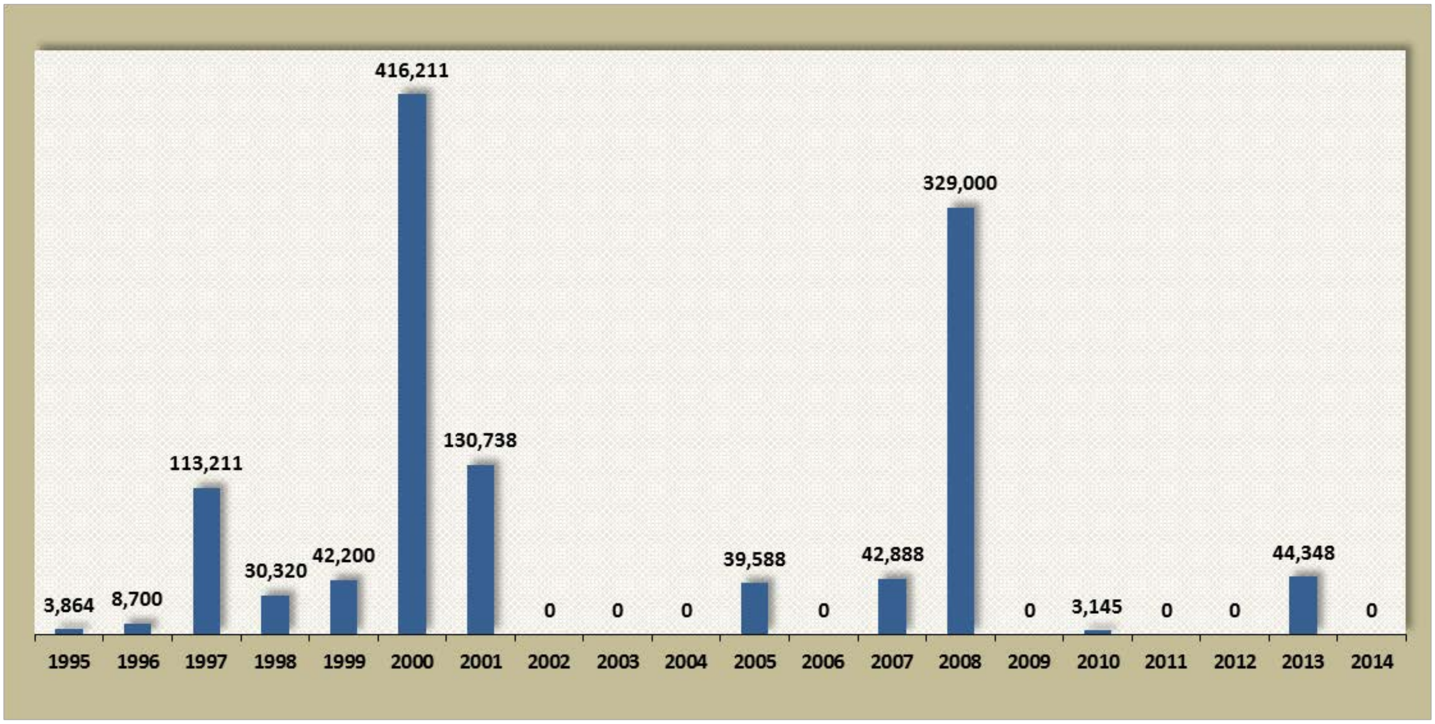
Graph 2-2
Attached Single Family Residential Units
1995-2014



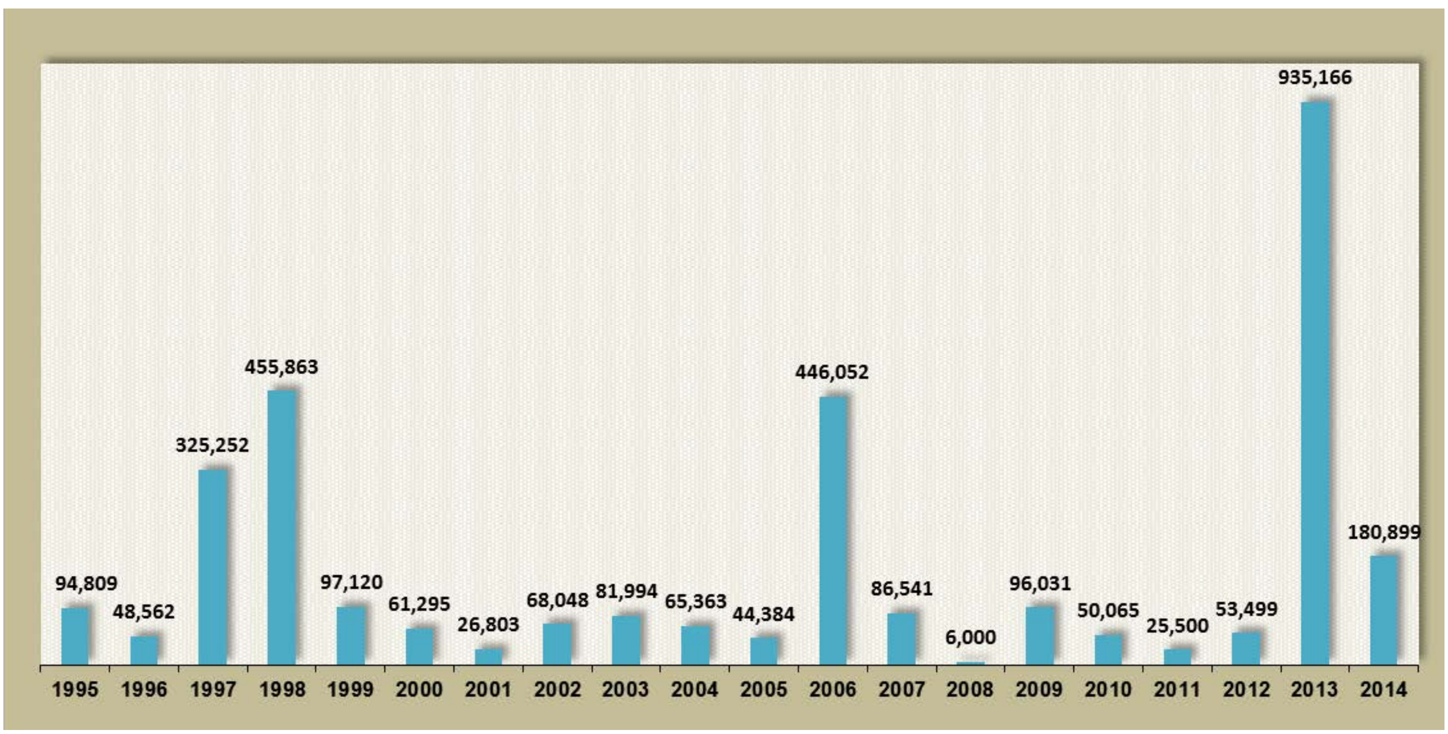
Graph 2-3
Apartment Complex Units
1995-2014



Graph 2-4
Commercial Square Footage
1995-2014



Graph 2-5
Institutional Square Footage
1995-2014



Graph 2-6
Office/Industrial Square Footage
1995-2014

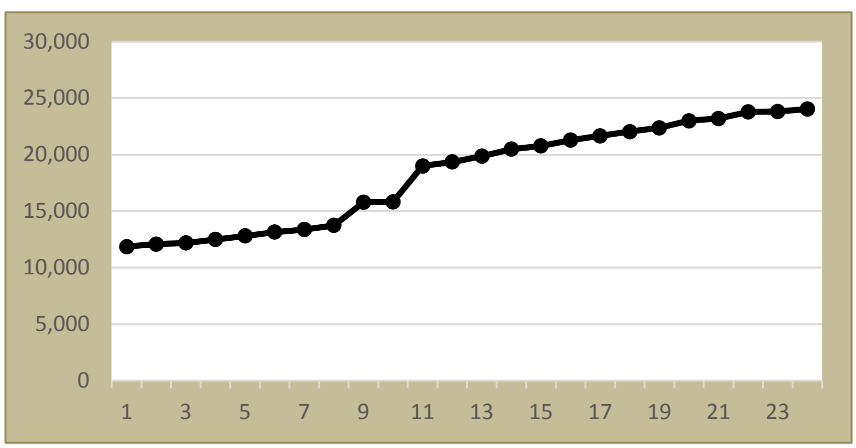
State Demographics

Table 2-1
State Demographics 1990-2013

State Demographic Population Estimates			
Year	**Population**	**Change**	**% Change**
1990	11,860		
1991	12,094	234	2%
1992	12,183	89	1%
1993	12,504	321	3%
1994	12,816	312	2%
1995	13,156	340	3%
1996	13,377	221	2%
1997	13,747	370	3%
1998	15,790	2043*	15%*
1999	15,825	35	>1%
2000	19,008	3183*	20%*
2001	19,361	353	2%
2002	19,860	499	3%
2003	20,494	634	3%
2004	20,770	276	1%
2005	21,277	507	2%
2006	21,661	384	2%
2007	22,036	375	2%
2008	22,368	332	2%
2009	22,997	629	3%
2010	23,199	202	1%
2011	23,782	583	3%
2012	23,823	41	>1%
2013	24,025	202	1%

*Note: The large increases shown in 1998 and 2000 included annexations

Graph 2-7
State Demographics 1990-2013



Economic Data

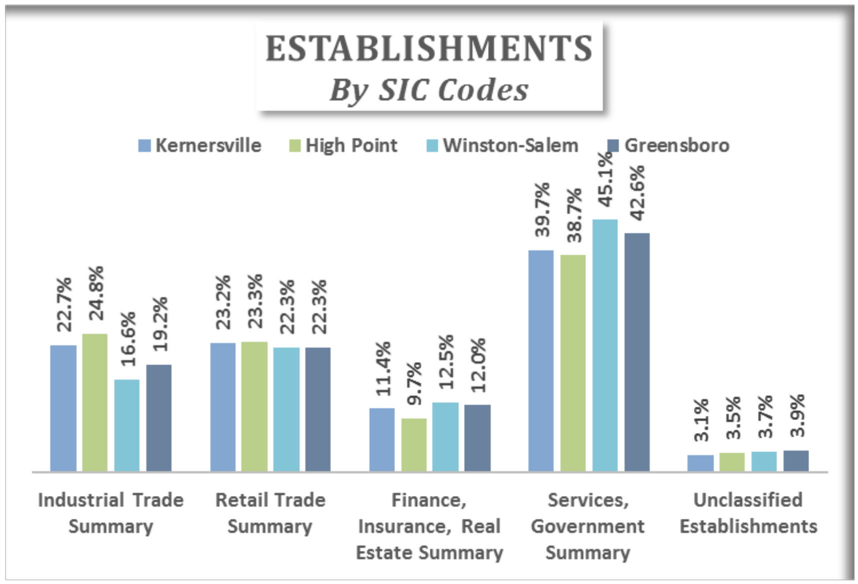
Business Summary – Area Comparison

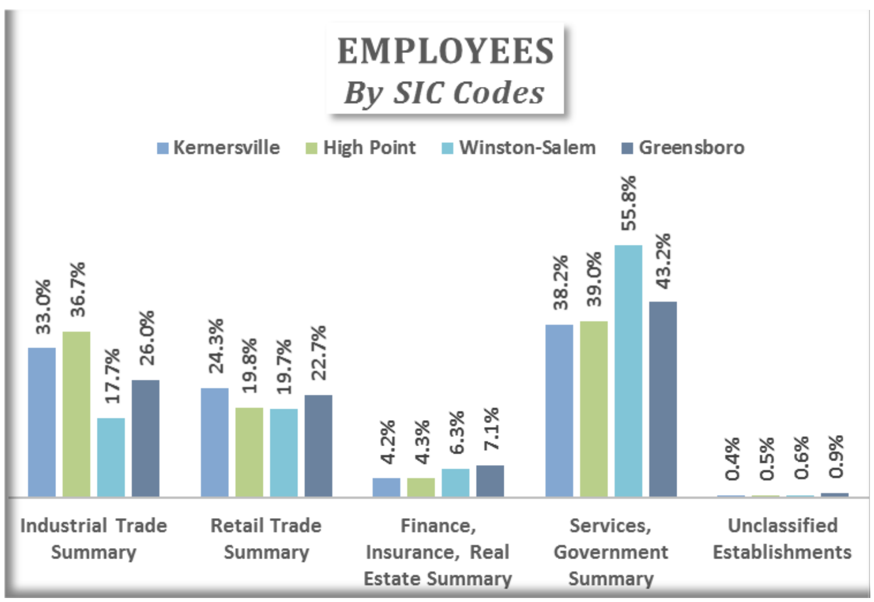
BUSINESS SUMMARY

Data for all businesses in area	Kernersville	High Point	Winston-Salem	Greensboro
Total Businesses:	1,645	5,482	10,440	15,027
Total Employees:	18,213	75,454	160,479	213,166
Total Residential Population:	24,078	107,860	236,833	278,584
Employee/Residential Population Ratio:	0.76:1	0.70:1	0.68:1	0.77:1

Triad Job Center

The business and employee data reflects that Kernersville is a major job center in the Triad metropolitan region. With an "*Employee/Residential Population Ratio*" of "*.76:1*", which is similar to Greensboro's "*.77.1*", and higher than Winston-Salem's "*.68.1*" and High Point's "*.70.1*". With 18,213 jobs and only 24,078 citizens of which 4,141 citizens are over the age of 65, and 5,999 are under the age of 19, Kernersville has to import workers. A major misconception about Kernersville is it is a bedroom community, whereas the economic data clearly shows it is a major job center in the metropolitan region.





Source: ESRI Business Online

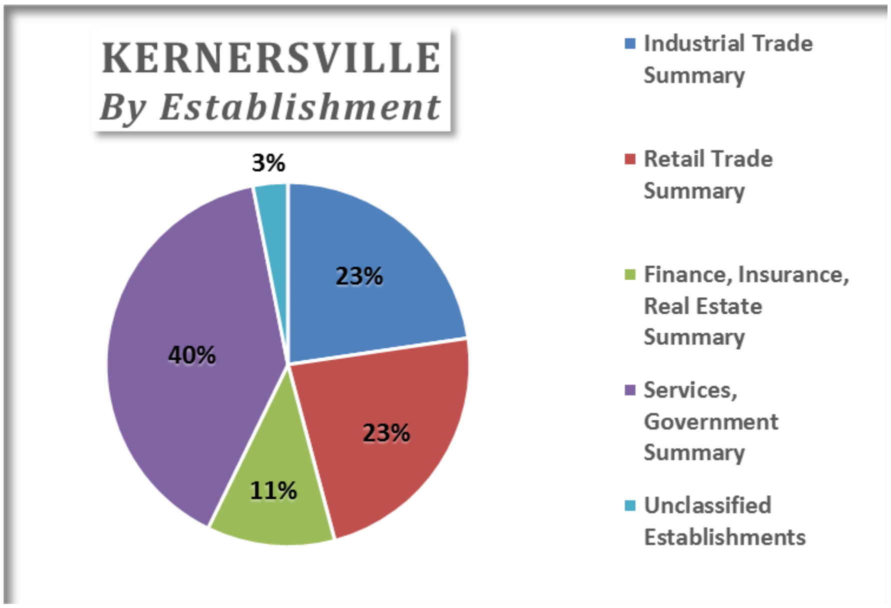
Business Summary – Kernersville

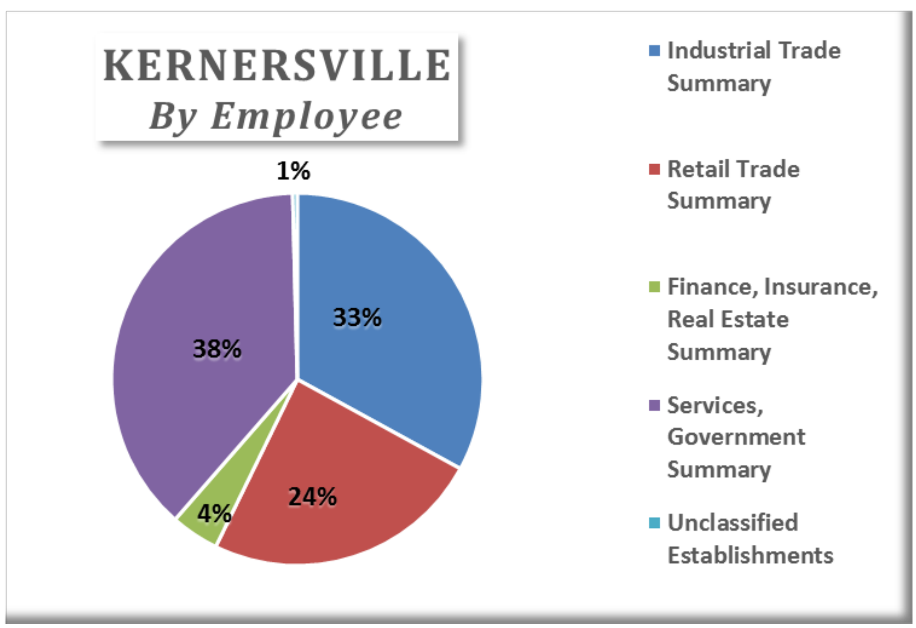
Kernersville

	Establishments		Employees	
by SIC Codes	**Number**	**Percent**	**Number**	**Percent**
Industrial Trade Summary	374	22.7%	5,997	33.0%
Retail Trade Summary	381	23.2%	4,434	24.3%
Finance, Insurance, Real Estate Summary	188	11.4%	765	4.2%
Services, Government Summary	651	39.7%	6,953	38.2%
Unclassified Establishments	51	3.1%	64	0.4%
Totals	1,645	100%	18,213	100%

Business Establishment Mix

The business mix of Kernersville is extremely balanced between industrial, retail, professional services (finance, insurance, and real estate), and government services. That balance has made Kernersville's economy more resilient during the economic downturns since the Town does not rely upon one type of business sector. The business mix also offers our citizens a wider range of employment options.





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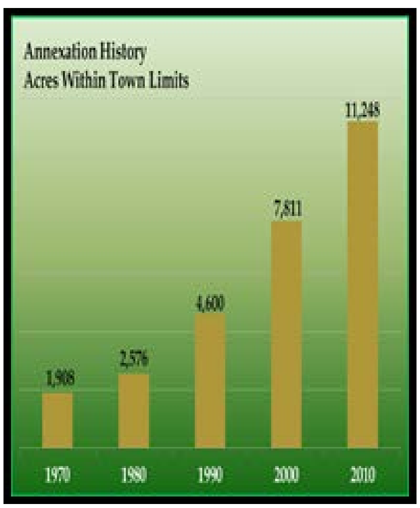
Growth Projections

Previous Projections

The Community Development Department's previous population projections were based on the Town of Kernersville following historic annexation trends and construction of new housing units. This projection technique, "*trend extrapolation*," takes past trends and carries them into the future. Trend extrapolation projections are reliable when the historic data remains the same, but in 2011 the State of North Carolina passed anti-annexation legislation, essentially inhibiting the Town of Kernersville from following previous annexation trends.

Graph 4-1
Annexation History 1970 to 2010



Without the ability to annex areas with existing populations, Kernersville's population growth rate will greatly decrease. To forecast the population without annexation will require the Town to concentrate only on new housing unit growth taking place within the current Town limits.

Economy

The economy is a major variable impacting the housing construction industry. Kernersville's growth is directly tied to the Piedmont Triad Metropolitan Region economy. As new jobs come to the community and the greater Triad metropolitan region, the demand for new housing construction occurs.

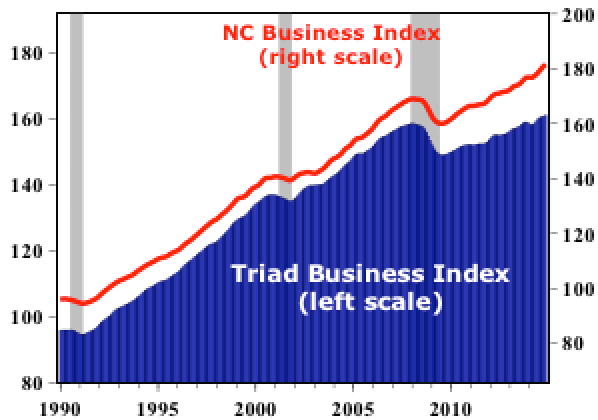
The University of North Carolina at Greensboro's Center for Business and Economic Research, Triad Business Index provides the most comprehensive analysis of the Triad economy. The Triad Business Index reflects that the Metropolitan Region is recovering from the 2007-09 recession (see Graph 4-2 on the following page).

Population projections need to consider recessions in the business cycle. Based on the Federal Reserve Bank's data, 11 recessions have taken place since World War II, with an average of approximately 6 years between recessions.

Graph 4-2

Dixon Hughes Goodman - Triad Business Index February 2015

The level of economic activity in the Piedmont Triad as measured by the Dixon Hughes Goodman Triad Business Index (1992 = 100). Over the past 12 months, the index has gained 2.1%, though it has risen at a 1.0% annualized rate over the past 3 months. In comparison, business activity in North Carolina was up 2.6% over the past 12 months and was higher by 0.1% in February.



[1]The Triad is defined as an eight-county area that is composed of Alamance, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, and Yadkin.

Infrastructure

Another important variable impacting the construction of new housing units is infrastructure. Kernersville's growth projections within the current Town limits are based on the fact that within the Town limits the community has available sewer, water and roads to support growth.

Housing Supply and Demand Trend

The supply of housing also needs to meet the demands of buyers. Demographic trends play a major role in housing demands. The following highlights were obtained from the 2015 National Association of Realtors and shows national homebuyer generational trends.

	Year Born:	Age in 2013:
Millennials/Gen Y/Gen Next:	1980-2000	34 and younger
Gen X:	1965-1979	35 to 49
Younger Boomers:	1955-1964	50 to 59
Older Boomers:	1946-1954	60 to 68
Silent Generation:	1925-1945	69 to 89

Characteristics of Home Buyers

- Gen Y comprises the largest share of home buyers at 32 percent, which is larger than all Baby Boomers combined. Younger Boomers comprise 16 percent and Older Boomers comprise 15 percent of recent home buyers. Generation X made up 27 percent of recent buyers and the Silent Generation has the smallest share of home buyers at 10 percent.
- While the demographics of recent buyers fall mostly in the expected range, income peaks for ages 35 to 59, and the prevalence of children in the home peaks for buyers 35 to 49.
- Gen Y has the largest share of first-time buyers at 68 percent. The share of first-time buyers declines as age increases. Among the Silent Generation only three percent of buyers are first-time buyers.
- Thirteen percent of all buyers purchased a multi-generational home, one in which the home consists of adult children over the age of 18, and/or grandparents residing in the home. This is most prevalent among Younger Boomers aged 50 to 59, at 21 percent. The most common reason for this living arrangement among Younger Boomers was children over 18 moving back into the house (37 percent), followed by health/caretaking of aging parents (21 percent).
- The prior living arrangement varies greatly for recent home buyers. Among those who are 33 and younger, 59 percent rented an apartment, while among those who are older than 50 years of age and older more than half owned their previous residence.
- Thirty-nine percent of Gen Y buyers primarily purchased a home just for the desire to own a home of their own. Gen X placed a high importance on owning a home of their own, but many needed to move for a change in a family situation or a job-related relocation. Older Boomers are more likely to move for retirement, the desire to be closer to friends, family, and relatives, and the desire for a smaller home, while Younger Boomers are likely to move for a job-related relocation and to downsize.
- As age increases among recent home buyers, the rate of owning more than one home also increases.

Characteristics of Homes Purchased

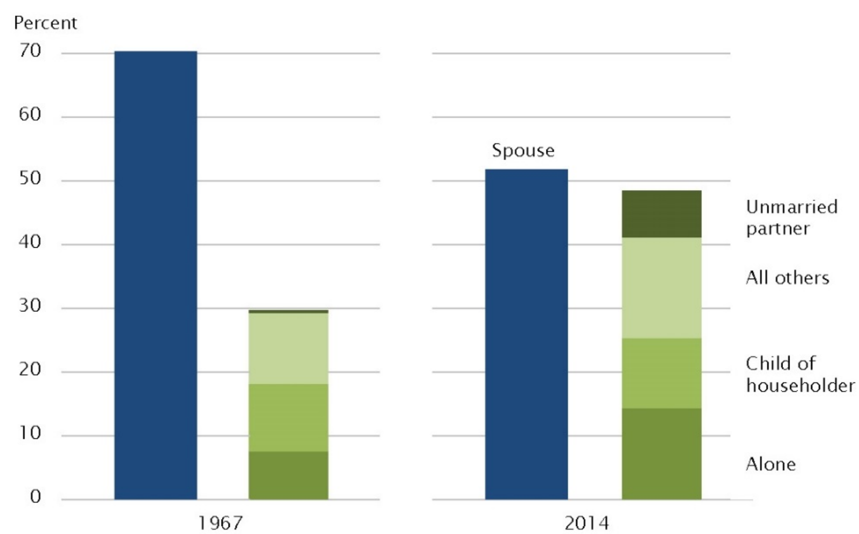
- At least 80 percent of buyers who are aged 59 and younger bought a detached single-family home, while it is increasingly common for buyers over the age of 59 to purchase townhouses and condos.
- Thirteen percent of buyers over the age of 49 purchased a home in senior-related housing for themselves or others. This is most common for buyers over the age of 69, a category in which nearly one-quarter of buyers purchased a home in senior-related housing.
- Gen Y and Gen X tend to stay close to their previous residence, often staying within 10 miles, while Older Boomers tend to move the longest distance 30 miles and the Silent Generation tend to move 20 miles from their previous home.
- Younger buyers tend to buy older homes, and are more likely to buy previously owned homes. Most often they do so because the home is a better price and better overall value. Older Boomers and the Silent Generation are more likely than other generations to purchase a new home, most often doing so to avoid renovations or problems with plumbing or electricity and for the amenities in new home construction communities.

- Neighborhood factors which are important to buyers show strong connections to the buyer's generation. Gen Y places the highest preference compared to other generations on convenience to job as well as affordability of homes. As buyers' children reach school age, the quality of school districts and convenience to schools starts to have a larger importance—this is most often true for Gen X. Older Boomers and the Silent Generation place higher priority on convenience to friends and family and convenience to health facilities.
- Younger buyers placed a high importance on commuting costs, while older buyers placed higher importance on landscaping for energy conservation and energy efficient lighting.
- The older the home buyer, the fewer compromises the buyer tended to make with their home purchase—48 percent of the Silent Generation made no compromises on their home purchase. Younger buyers tended to make sacrifices on the price of the home, size of the home, and condition of the home purchased.
- After finding the home they wanted, Gen Y and Gen X expect to live in their home for 10 years before moving on. Younger Boomers and the Silent Generation expect to live in their home for 15 years and Older Boomers plan to live in their home for 20 years. It should be noted that expected tenure is generally longer than actual tenure in home.

Graph 4-3
Household Composition 1967 to 2014

Figure AD-3a. Living arrangements of adults 18 and over

Growing complexity
Almost half of adults today do not live with a spouse



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU
census.gov

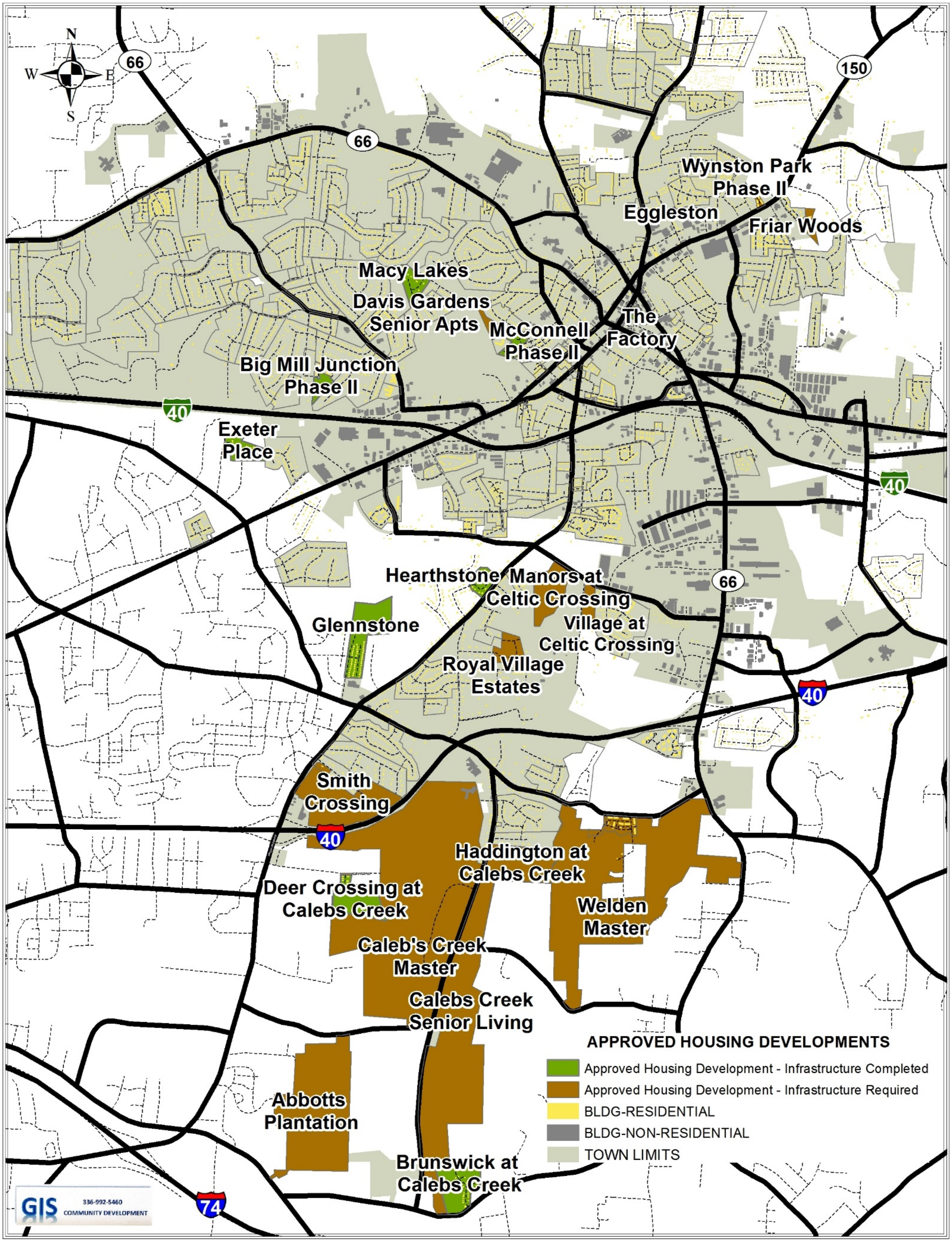
Source: Current Population Survey, Annual Social and Economic Supplement, 1967-2014

Table 4-1
Approved Housing Development - Infrastructure Completed

Approved Housing Developments - Infrastructure Completed					
SUBDIVISION	YEAR APPROVED	DEVELOPMENT TYPE	ACREAGE	APPROVED	REMAINING
Big Mill Junction Phase I	2002	SF Residential Subdivision	14.02	23	10
Exeter Place	2005	SF Residential Subdivision	16.31	38	18
Macy Lakes	2006	SF Residential Subdivision	15.24	22	17
Glennstone	2006	SF Residential Subdivision	46.93	117	68
Hearthstone	2006	SF Residential Subdivision	12.86	30	17
Eggleston	2006	MF Quadraplex	1.05	4	4
The Factory	2006	MF Condominiums	3.22	14	12
Brunswick at Calebs Creek	2009	SF Residential Subdivision	43.77	78	56
Deer Crossing at Calebs Creek	2014	SF Residential Subdivision	35.85	120	100
McConnell Phase II	2014	MF Condominiums	9.93	80	74
TOTAL			**199.18**	**526**	**376**

Table 4-2
Approved Housing Development - Infrastructure Required

Approved Housing Developments - Infrastructure Required					
SUBDIVISION	YEAR APPROVED	DEVELOPMENT TYPE	ACREAGE	APPROVED	REMAINING
Caleb's Creek Master	2001	Mixed Residential	963.13	2333	2318
Royal Village Estates	2003	SF Residential Subdivision	17.11	42	42
Wynston Park Phase II	2005	MF Condominiums	4.78	62	30
Abbotts Plantation	2005	SF Residential Subdivision	191.97	459	459
Welden Master	2005	Mixed Residential	402.01	1000	800
Manors at Celtic Crossing	2008	SF Residential Subdivision	36.82	51	51
Village at Celtic Crossing	2008	SF Residential Subdivision	13.68	40	40
Haddington at Calebs Creek	2009	SF Residential Subdivision	54.14	104	104
Calebs Creek Senior Living	2013	MF Apartments	34.06	240	240
Smith Crossing	2013	MF Apartments	86.98	372	372
Friar Woods	2014	MF Apartments	7.75	84	84
Davis Gardens Senior Apts	2014	MF Apartments	6.72	74	74
Big Mill Junction Phase II	2014	SF Residential Subdivision	8.02	12	12
TOTAL			**1827.17**	**4,873**	**4,626**


66
150
66
Wynston Park
Phase II
Eggleston
Friar Woods
Macy Lakes
Davis Gardens
Senior Apts
The
Factory
McConnell
Phase II
Big Mill Junction
Phase II
40
Exeter
Place
40
Hearthstone
Manors at
Celtic Crossing
66
Glennstone
Village at
Celtic Crossing
Royal Village
Estates
40
Smith
Crossing
40
Haddington at
Calebs Creek
Deer Crossing at
Calebs Creek
Welden
Master
Caleb's Creek
Master
Calebs Creek
Senior Living
APPROVED HOUSING DEVELOPMENTS
Approved Housing Development - Infrastructure Completed
Approved Housing Development - Infrastructure Required
BLDG-RESIDENTIAL
BLDG-NON-RESIDENTIAL
TOWN LIMITS
Abbotts
Plantation
Brunswick at
Calebs Creek
GIS
336-992-5460
COMMUNITY DEVELOPMENT
74

A recent analysis of new housing construction in the housing market south of Kernersville since 2008 shows that the primary housing demand is for housing in the price range of $132,000 for SF Attached, and $195,000 for SF Detached (see Table 4-3 below). Of the approved housing developments with "infrastructure required", Welden (formerly Carrolton) is the largest development that will have housing in that price range.

Table 4-3
New Home Construction

2008-2012

SF ATTACHED (21/YR)			
YRBUILT	ACREAGE	SQFT	TOTVAL
AVERAGES	0.07	1,442	$131,764

SF DETACHED (119/YR)			
YRBUILT	ACREAGE	SQFT	TOTVAL
AVERAGES	0.42	2,231	$194,561

ATTACHED 2012 (13 UNITS)			
MEAN (average)	0.07	1,447	$124,654
MEDIAN (middle value)	0.07	1,281	$136,800
MODE (most often)	0.05	1,222	$82,700

DETACHED 2012 (86 Units)			
MEAN (average)	0.35	2,591	$192,531
MEDIAN (middle value)	0.23	2,666	$192,000
MODE (most often)	0.21	1,805	$263,700

ATTACHED 2011 (10)			
MEAN (average)	0.04	1,366	$110,560
MEDIAN (middle value)	0.03	1,344	$102,850
MODE (most often)	0.02	1,529	$108,400

DETACHED 2011 (132)			
MEAN (average)	0.56	2,133	$188,057
MEDIAN (middle value)	0.18	1,988	$174,800
MODE (most often)	0.15	2,448	$160,400

ATTACHED 2010 (26)			
MEAN (average)	0.06	1,377	$129,077
MEDIAN (middle value)	0.07	1,314	$133,350
MODE (most often)	0.02	1,314	$108,400

DETACHED 2010 (142)			
MEAN (average)	0.22	2,083	$176,946
MEDIAN (middle value)	0.17	1,938	$168,400
MODE (most often)	0.14	2,740	$133,000

ATTACHED 2009 (19)			
MEAN (average)	0.06	1,405	$130,821
MEDIAN (middle value)	0.07	1,420	$133,700
MODE (most often)	0.02	1,184	$108,400

DETACHED 2009 (69)			
MEAN (average)	0.58	2,101	$201,206
MEDIAN (middle value)	0.20	2,136	$186,950
MODE (most often)	0.15	2,239	$108,800

ATTACHED 2008 (35)			
MEAN (average)	0.10	1,617	$163,706
MEDIAN (middle value)	0.10	1,612	$165,700
MODE (most often)	0.11	1,852	$179,900

DETACHED 2008 (168)			
MEAN (average)	0.40	2,250	$214,064
MEDIAN (middle value)	0.21	2,130	$181,550
MODE (most often)	0.15	2,048	$123,300

Source: FC Tax Office

2014 to 2025 New Housing Start Projections

The Community Development Department's housing and population projections are based on the Town's historical housing start trends, the available supply of approved housing projects, the Dixon Hughes Goodman LLC & *Triad Business Index* prepared by the University of North Carolina at Greensboro's Center for Business and Economic Research, and the Federal Reserve Banks housing projections. During the past 18 year period in which housing unit numbers have been compiled, two national recessions occurred. By 2025 the supply of developable lots will begin to decline due to the Town's fixed city limits. Community Development staff will continue to monitor the demographic, development and economic trends and make annual adjustments to the projections.

Historically, multi-family rental communities have been in demand in the Kernersville market. The 2010 Census shows 40% of the housing in Kernersville is rental housing. With a large supply of rental housing, limited available land for apartments, and a *Kernersville Development Plan* goal of "residential areas that are predominantly single-family residential", new rental communities will be limited in the future. The downtown area, Caleb's Creek, Smith Crossing, and Welden are areas designated for future rental community growth.

The downtown area along with the approved mixed-use developments of Welden, Caleb's Creek, and Smith Crossing are designated areas to meet the demands for walkable mixed-use developments with the potential for attached single-family residential housing and small lot detached housing. The Town is also aggressively pursuing the construction of greenways and sidewalks to retrofit existing residential and commercial areas to make them more attractive for future buyers and businesses that are looking for walkable mixed-use livable communities.

The *Kernersville Development Plan* goal of "establishing Kernersville as a unique high quality community within the Triad" will assist in making Kernersville competitive in maintaining demand for our large lot single-family residential detached housing. With a future lower demand for large lot homes within the Triad, there will be a decline in some large lot residential areas. The Town's focus on "quality" through a diverse economic base, vibrant downtown, strong sense of place, and a system of sidewalks, greenways and parks will continue to make our large lot residential neighborhoods competitive for the future limited market demand for large homes on large lots.

A major contributor of the 2007 recession was speculative housing construction and lending practices. The recession allowed for an adjustment in the housing market by severely limiting the supply of new homes. During this housing market adjustment, foreclosed homes have competed with new housing. Also, the new homes that are being built are many times attracted to the low priced lots that are available in foreclosed residential subdivisions. As the foreclosed lots are absorbed and the house foreclosures begin to decline, Kernersville's new housing construction numbers will begin to increase. The two graphs on the following page from the Federal Reserve illustrate the drastic decline in housing starts in a historic context.

Graph 4-5

United States Housing Starts 2008 to 2014

(*Shaded area is 2008 recession*)

Graph 4-6

United States Housing Starts 1960 to 2014

(*Shaded areas are recessions*.)

Single-Family Residential Detached

Single-family residential "detached" homes are housing units that are detached from any other housing unit. The single-family residential "detached" homes are also platted by lot or the footprint of the building.

Between 1995 and 2013, 2,107 single-family residential detached homes were built in the Town of Kernersville and a small percent in the extra-territorial jurisdiction (ETJ). On average, approximately 111 homes were built each year.

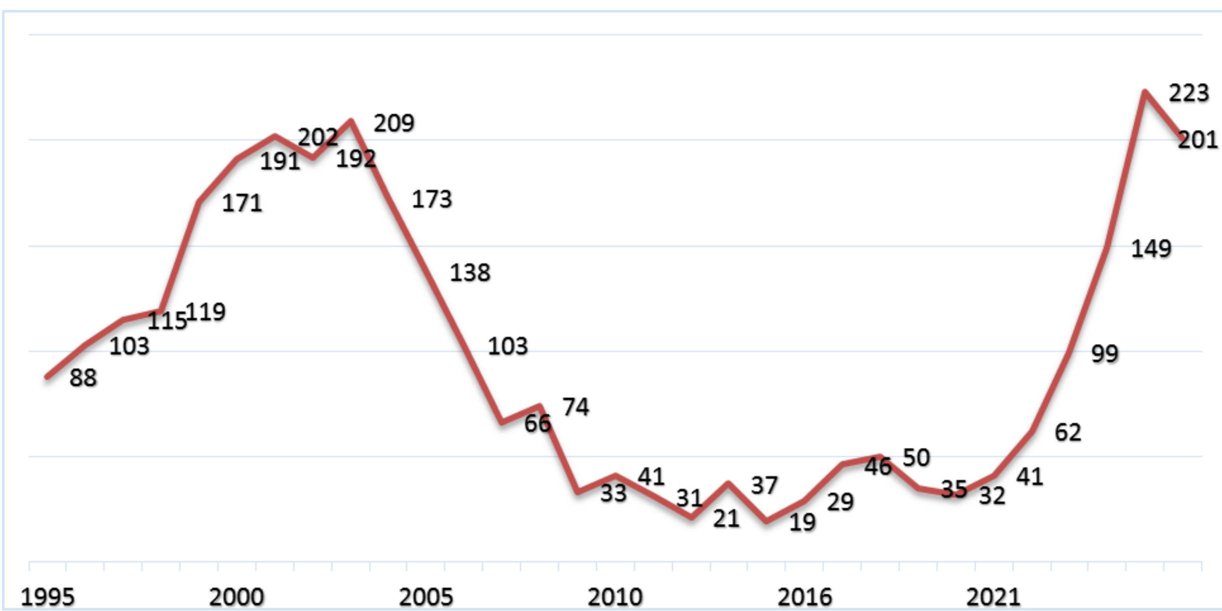
Kernersville's "single-family residential detached" new housing starts peaked at 209 in 2003. During that period of time, the Town of Kernersville began to oppose "tract housing", which is multiple similar-design homes built within the same housing tract. This was the preferred housing type of national residential building companies during the housing bubble. The Town felt "tract housing" did not contribute to the Town's goals of "maintaining a small town atmosphere" and "establishing Kernersville as a unique high quality community within the Triad."

PROJECTIONS		
Year	Units	% Change
2014	19	-49%
2015	29	53%
2016	46	59%
2017	50	9%
2018	35	-30%
2019	32	-9%
2020	41	28%
2021	62	51%
2022	99	60%
2023	149	51%
2024	223	50%
2025	201	-10%

Table 4-4
New Single-Family Residential "Detached" Projections 2014 to 2025

The Community Development Department's projection for single-family residential detached homes shows a steady increase in new detached housing units until 2017. With recession historically occurring approximately every 6 years, 2017 is projected to be the approximate year of the next recession. After recovery, a steady growth rate factor is used until 2024. From 1995-2013 an average of 111 detached housing units were built annually. The 2014-2025 projections have 82 detached housing units built annually. The decrease in the annual average is based on the projected decreased demands for detached housing, along with a decrease in the supply of available housing lots.

Graph 4-7 New Single-Family Residential "Detached" Housing Starts 1995 - 2013 & Projections 2014 to 2025



Single-Family Residential Attached

Single-family residential "attached" homes are housing units that are attached, and may include duplexes, townhomes and condominiums. This type of multi-family housing is distinguished from a rental multi-family due to the fact that the housing units are platted and recorded separately.

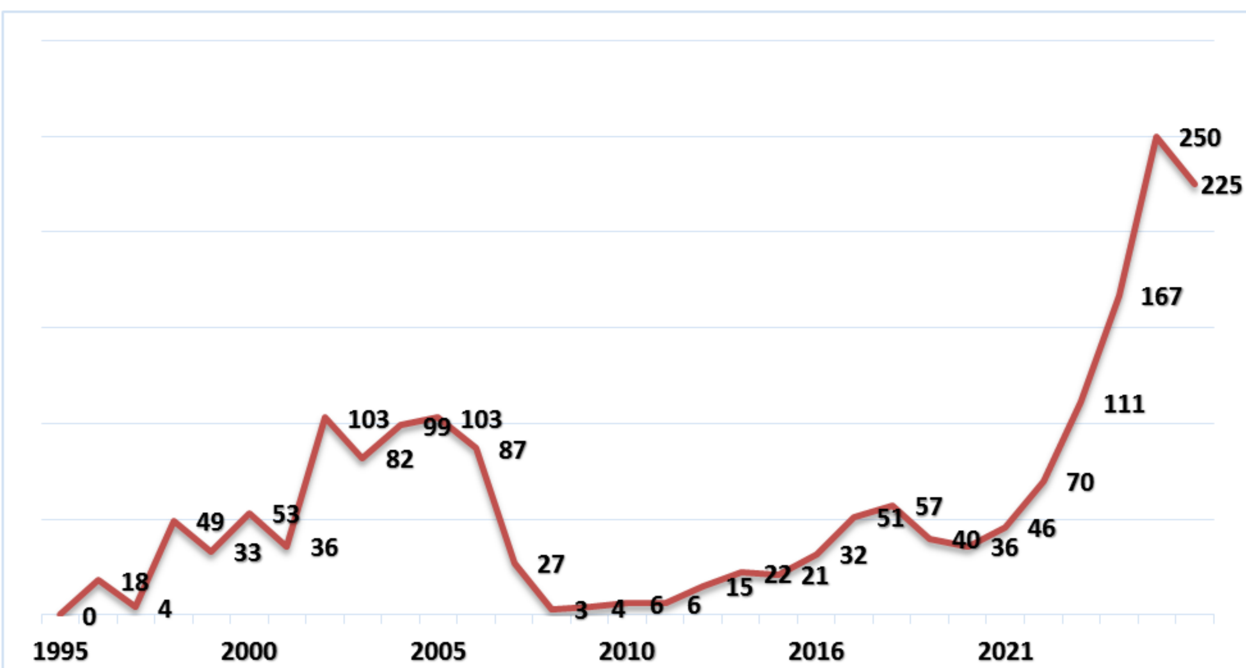
Between 1995 and 2013, 750 single-family residential attached homes were built in the Town of Kernersville. On average, approximately 44 attached homes were built each year. The single-family residential "attached" does not have the straight trend as seen with the previously discussed single-family residential "detached," due to the small housing market size of Kernersville and "attached" housing units are typically constructed in multiple structures on a speculative bases.

PROJECTIONS		
Year	Units	% Change
2014	21	-5%
2015	32	52%
2016	51	59%
2017	57	12%
2018	40	-30%
2019	36	-10%
2020	46	28%
2021	70	52%
2022	111	59%
2023	167	50%
2024	250	50%
2025	225	-10%

Table 4-5
New Single-Family Residential "Attached" Projections 2014 to 2025

The 2014-2025 projections have an average of 92 detached housing units built per year. The higher per year average is based on the projected increase in demand for attached housing along with a potential supply of attached housing options in Carrollton, Caleb's Creek and Smith Crossing.

Graph 4-8
New Single-Family Residential "Attached" Housing Starts 1995 to 2013 & Projections 2014 to 2025



Rental Communities

Rental communities are typically apartment complexes. They can also be retirement facilities for elderly residents. During the past 17 years, 29% of the rental communities' housing units have been for elderly housing either in an assisted living or independent living format.

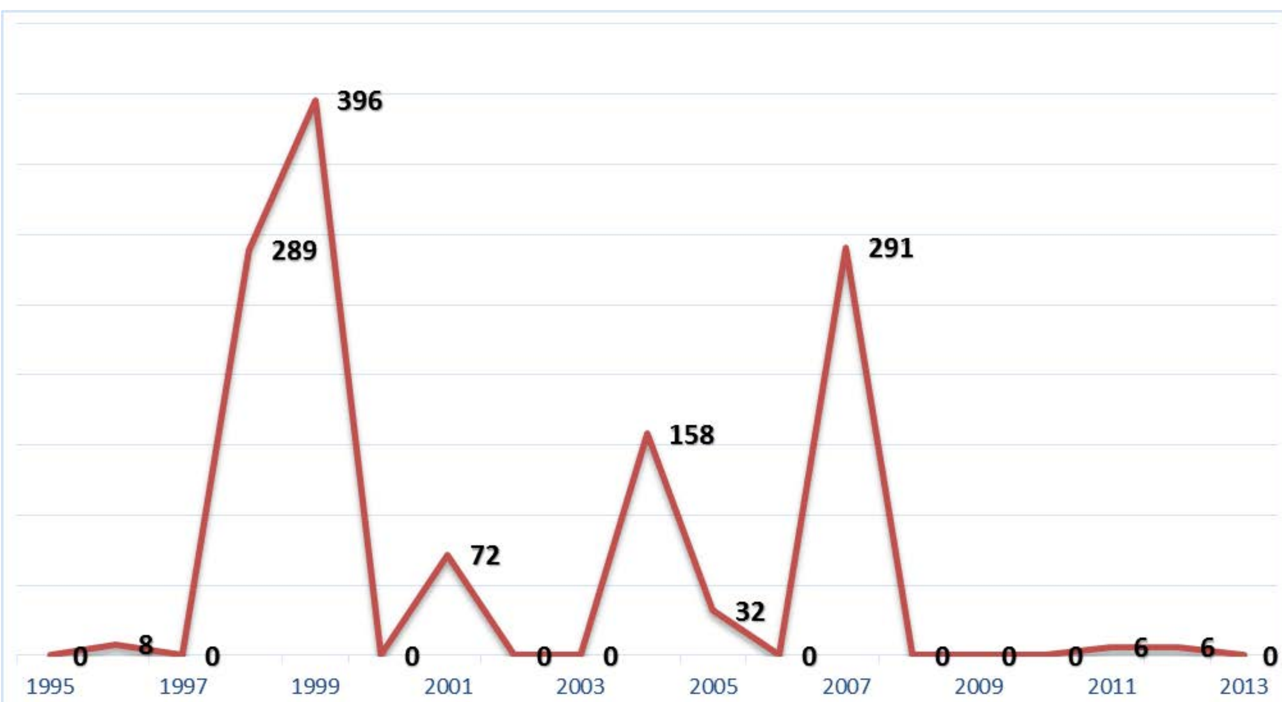
Year	Name	Units
1996	Pitts Street	8
1998	Abbotts Creek	240
	Jefferson Street	49
1999	Abbotts Creek	144
	Briarcliff	48
	Madison Place	204
2001	Lyons Walk	72
2004	Gateway Center	108
	Mountainview	50
2005	Gabriel Retirement	32
2007	Ridgecare	70
	The Meadows	200
	Gabriel Retirement	28
2011	Gateway Center	6
2012	Gateway Center	6

Table 4-6
New Rental Community Units
1995 to 2013

Between 1995 and 2013, 1,343 rental community housing units were built in the Town of Kernersville, with an average of 79 apartment units built each year.

The typical market rate rental community is approximately 200 housing units. Elderly apartments typically average between 50 to 100 housing units. Starting in 2014, staff is projecting the previous 17 year average of 70 rental community housing units per year to continue. The actual construction over the next 13 years will be a series of peaks and declines similar to the previous 16 years. The market demand for rental community housing will remain high because homeownership is declining and certain demographics will continue to create demand for rental communities. Currently the Town has a limited supply of rental community sites available for permitting.

Graph 4-9
New Rental Community Units
1995-2013



Housing and Population Projected Growth 2014 -2026

Based on the projected "attached", "detached", and "apartment" units with the current average of 2.11 persons per housing unit, it is projected that the 3,124 new housing units will increase population from 23,123 in 2010 to 29,716 in 2026.

Table 4-7
Housing Units and Population
Projections 2014 to 2026

Year	Attached	Detached	Apartment	Total
2010	6	41	0	47
2011	6	31	6	43
2012	15	21	6	42
2013	22	37	0	59
2014	21	19	70	111
2015	32	29	70	131
2016	51	46	70	167
2017	57	50	70	177
2018	40	35	70	145
2019	36	32	70	137
2020	46	41	70	158
2021	70	62	70	202
2022	111	99	70	280
2023	167	149	70	386
2024	250	223	70	544
2025	225	201	70	496
Total	**1,156**	**1,116**	**852**	**3,124**

Year	Housing Units	*Population
2010	10,951	23,123
2011	10,998	23,222
2012	11,041	23,313
2013	11,083	23,402
2014	11,142	23,526
2015	11,253	23,759
2016	11,383	24,035
2017	11,551	24,388
2018	11,728	24,762
2019	11,873	25,068
2020	12,010	25,358
2021	12,168	25,691
2022	12,369	26,116
2023	12,650	26,708
2024	13,036	27,522
2025	13,579	28,669
2026	14,075	29,716

2014 to 2025 Commercial, Industrial & Office and Institutional Projections

Commercial

"Commercial" data in this report is for new square footage of retail and commercial type businesses such as restaurants, drug stores, gas stations, retail stores and hotels.

Year	Sq. FT.
1995	62,299
1996	86,645
1997	153,599
1998	436,726
1999	262,995
2000	302,989
2001	125,906
2002	46,351
2003	38,978
2004	94,588
2005	301,179
2006	28,952
2007	23,280
2008	106,809
2009	13,041
2010	5,338
2011	22,657
2012	52,942
2013	72,679
2014	46,277
2015	110,254
2016	77,359
2017	86,182
2018	48,405
2019	25,466
2020	22,428
2021	46,427
2022	122,478
2023	39,450
2024	33,653
2025	124,214

Table 4-8
Commercial
1995 -2013 Actual
2014-25 Projection

Historically the construction of commercial retail space in the United States has seen rapid growth. Compared to other western countries, the United States has an extraordinary amount of retail space for consumers. In the United States the amount of retail space per capita estimates exceed 22 square feet per capita, with some estimates as high as over 40 square feet per capita. This compares to some estimates in Canada at 14 square feet per capita, and in Europe estimates average around 2 square feet per capita.

Many retail analysts forecast that the growth rate of retail stores will be much slower than in previous years. The growth of online shopping will be a major contributor in the slow growth rate of new commercial space. However, brick and mortar stores will not go away. Residential growth will continue to be the major factor for creating additional demand for retail stores. Many of the national retail stores that are attracted to Kernersville will be smaller than their current proto type. However, some commercial businesses such as gas stations like Sheetz, and grocery stores are going with larger stores to allow them to offer more sales items. "Category stores" like the electronics "category store" Best Buy, and major retail stores like Walmart are moving towards smaller format stores. Also small "showroom" stores such as Apple Stores are being constructed to meet the consumer demand to review and touch the product and then go home and purchase on-line. The "big box" stores are also creating "showrooms" within their stores to promote e-commerce sales. Existing national retail stores will also be used as a place to pick-up and return items purchased on-line. All these trends will continue to require convenient retail locations for the consumers.

The successful implementation of the Kernersville's *Land Use Plan* has allowed commercial growth to be strategically concentrated within commercial pockets, whereas many other communities allowed unplanned disbursement of commercial developments, thus causing decline of many of their commercial areas. The competitive nature of the retail industry along with the consumers wanting a pleasant shopping experience is promoting the trend towards well-planned shopping and town centers. Friendly Center in Greensboro is a prime example of meeting the consumer's shopping experience expectations and offering retailers a competitive atmosphere. Well-planned neighborhood shopping centers will also be needed to meet the future commercial demands caused by residential growth. The Kernersville *Land Use Plan* and overlay districts are both development tools promoting commercial development that will substantially meet future commercial development demands.

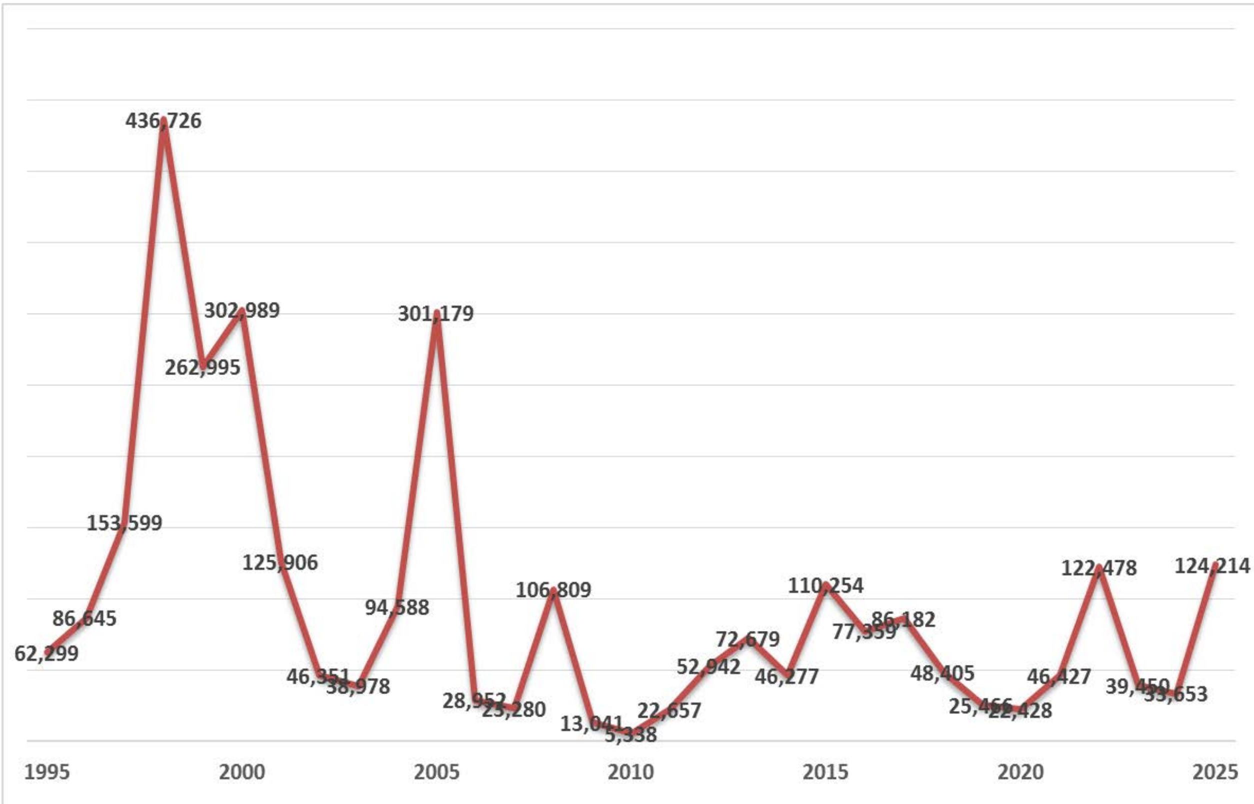
From 1995 to 2013 Kernersville averaged 117,787 square feet of new commercial space per year. That large amount of commercial space per year was based on several factors. In the mid-1990s there was sufficient demand to attract “big box” retail. The Town strategically placed Walmart on South Main Street to allow it to anchor the revitalization of the existing retail centers and attract additional retail such as Lowes and Target. South Main Street transitioned from a community retail center to a regional retail center serving eastern Forsyth and western Guilford. Additional retail growth took place along North Main Street and scattered around town. Such retail growth was fueled by not only consumer demand but also ready available financing.

The 2014 to 2025 projections are estimating growth of 65,216 square feet per year of new commercial growth and does not include a “big box” anchored shopping center. Without a “big box” anchored shopping center, the total amount of new commercial square footage will be substantially less than from 1995 to 2013. The projected growth build-out uses the historical commercial construction trend of peaks and valleys. That trend is due to the fact that Kernersville is a small commercial market with periods of large commercial projects that absorbs consumer demands and then periods of residential growth refueling the demand.

The commercial growth would potentially take place in neighborhood shopping centers at Beeson Cross Roads and the NC 66 Metro Activity Center; restaurants, and small scale retail growth at the intersection of South Main Street and Old Winston Road; restaurants, hotels, and small scale retail space at the intersection of NC 66 and the Kernersville Medical Parkway area; and restaurants, and small scale retail at Smith Crossing. A scattering of infill commercial projects will take place within other commercial areas.

The current *Land Use Plan* and traffic studies have identified the “NC 66 Metro Activity Center” as the next large scale commercial retail area. The projected residential growth south of I-40 further supports retail growth on the south side of I-40 nearest to that residential growth. The new commercial retail space dynamics of the potential towards less growth and smaller scale retail space may not warrant the construction of an additional “big box” shopping center, but rather create a demand for a town center type commercial development. The timing of that center will be based on the rate of residential construction and the evolving retail industry. Community Development staff will continue to follow the residential construction trends and the commercial industry to adjust the projections with any changing trends that occur in the future.

Graph 4-10
Commercial
1995 – 2013 Actual
2014-25 Projection



Industrial & Office

"Industrial & Office" data in this report is for new square footage of industrial and office type structures used for logistics operations, manufacturing, medical services, construction companies, service businesses, and other industrial and office uses.

Historically Kernersville has had a diverse industrial and office base. The Piedmont Triad businesses involved with tobacco, furniture, and textiles that have seen a drastic decline in their operations, do not make up a large percentage of businesses in Kernersville.

As illustrated in the photo to the right, Kernersville's central location in a metropolitan region, along with two interstates bisecting the community, and the close proximity to the Piedmont Triad Airport has stimulated the diverse industrial and office base. The logistic company of FedEx Ground's selection of Kernersville for a southeastern regional hub is an example of companies being attracted to the interstate system. The expanding medical services that include VA Health Center, medical office construction by Novant, Moses Cone, and High Point Regional are all examples of businesses selecting Kernersville due to its central location within the metropolitan region.

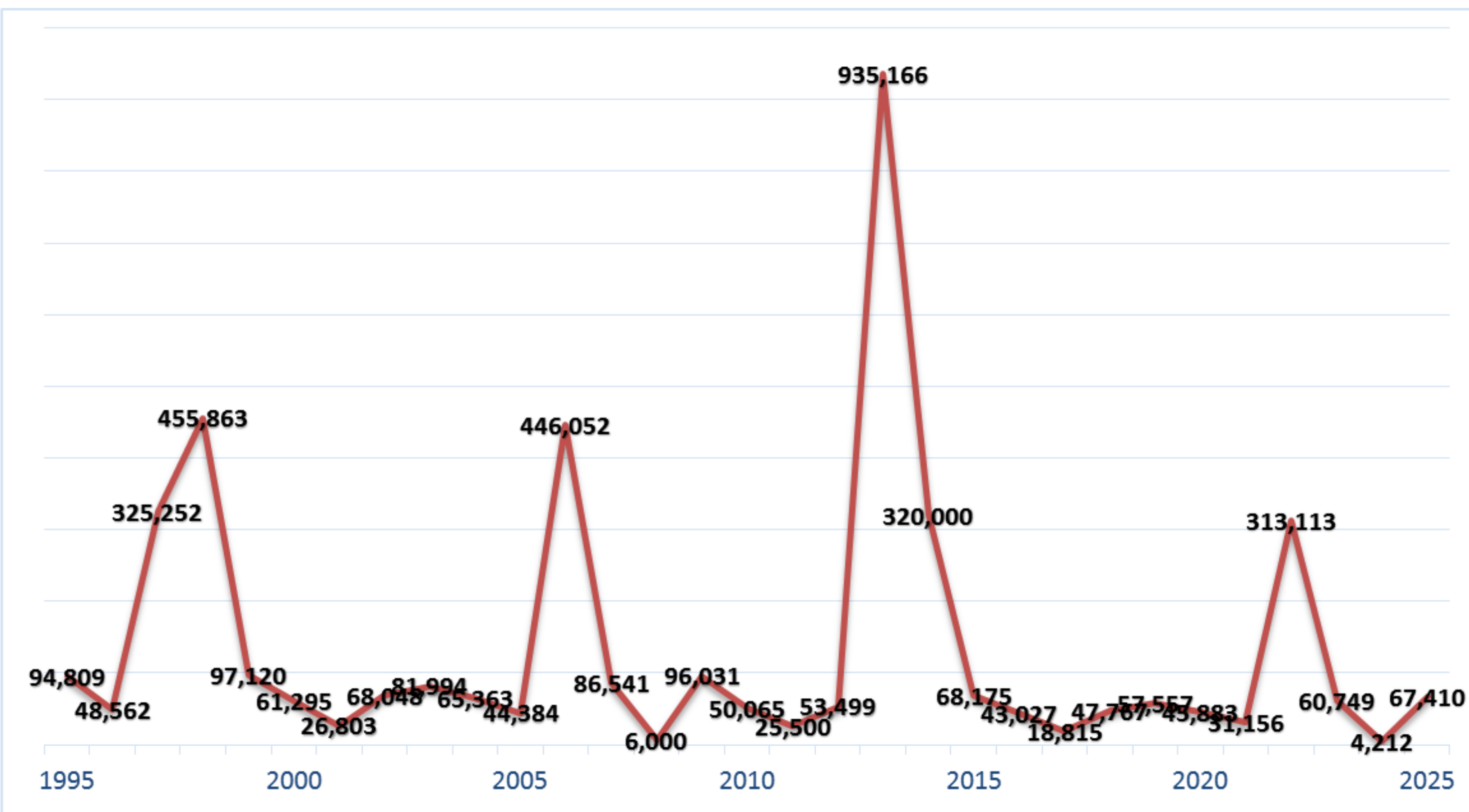
Year	Sq. Ft.
1995	94,809
1996	48,562
1997	325,252
1998	455,863
1999	97,120
2000	61,295
2001	26,803
2002	68,048
2003	81,994
2004	65,363
2005	44,384
2006	446,052
2007	86,541
2008	6,000
2009	96,031
2010	50,065
2011	25,500
2012	53,499
2013	935,166
2014	320,000
2015	68,175
2016	43,027
2017	18,815
2018	47,767
2019	57,557
2020	45,883
2021	31,156
2022	313,113
2023	60,749
2024	4,212
2025	67,410

Pope Companies, based out of Kernersville, has been a major contributor of the construction of new industrial space for lease. Their new lease space is located off the NC 66 corridor and is served by the interstate system. They have also assembled large tracts of vacant land for industrial and office development. Along with Pope Companies, Kernersville has seen major investment by TDO Land Holding (developers of Triad Business Park), and PM Development (developers of Welden). A large percentage of those land investments has been in areas in which the Town of Kernersville has strategically provided sewer infrastructure.

In addition to a robust interstate system, available sewer, and assemblage of larger tracts of land, a community needs to have growth management tools of a land use plan, zoning, and thoroughfare plan that supports the creation and sustainability of industrial and office developments. A major element in a sustainable industrial and office development is diversity. Reliance on one or two major businesses creates the situation similar to what has been seen in the tobacco, furniture and textile communities. Kernersville's *Land Use Plan* and *Zoning Ordinance* provides for a wide range of industrial and office options. The *Land Use Plan* also provides for the framework of our *Thoroughfare Plan* to assure that the capacity of the roads is distributed to a diversity of uses.

From 1995 to 2013, Kernersville averaged 161,492 square feet of new industrial and office space per year. The 2014 to 2025 projections uses the projection technique "trend extrapolation", which carries forward previous trends to create future projected trends. The projection establishes an average of 89,822 square feet of new industrial and office space per year, using the same percentages of change as the growth period from 1998 to 2009. The numbers are higher based upon Deere Hitachi's construction of approximately 500,000 square feet in 2013, and the Veterans Administration medical clinic construction.

Graph 4-11
Industrial & Office
1995 -2012 Actual



Institutional

"Institutional" data in this report is for new square footage for schools, churches, governmental buildings, and the hospital.

From 1995 to 2013, Kernersville experienced over 1.2 million square feet of new institutional uses. The 220,000 square foot hospital was a major contributor for that growth. Also constructed during that period were Kernersville Middle and Caleb's Creek Elementary schools. East Forsyth Middle school was annexed into the Town after construction. Large church expansions along with one new church were constructed.

From 2014 to 2025 it is projected that the Town will experience less institutional use growth as it did from 1995 to 2013. Institutional uses are typically built to have the ability to absorb future users, which lengthen the period between new institutional structures needing to be built. There are no current submitted plans to expand the Kernersville Medical Center, however once the Veteran Administration clinic is open, it may create a demand for additional hospital beds. As residential home construction begins to pick-up, additional schools and churches will need to be built to serve a growing population. It is currently projected that from 2014 to 2025 that 418,840 square feet of space will be required, which is half the average annual amount constructed between 1995 and 2013. The amount would accommodate potential institutional uses such as construction of a new fire station, recreational center, Public Services building(s), library, school(s) and religious institutional buildings.

Year	Sq. Ft.
1995	3,864
1996	8,700
1997	113,211
1998	30,320
1999	42,200
2000	416,211
2001	130,738
2002	0
2003	0
2004	0
2005	39,588
2006	0
2007	42,888
2008	329,000
2009	0
2010	3,145
2011	0
2012	0
2013	44,348
Total	**1,204,213**

Table 4-10
Institutional
1995-2013 Actual

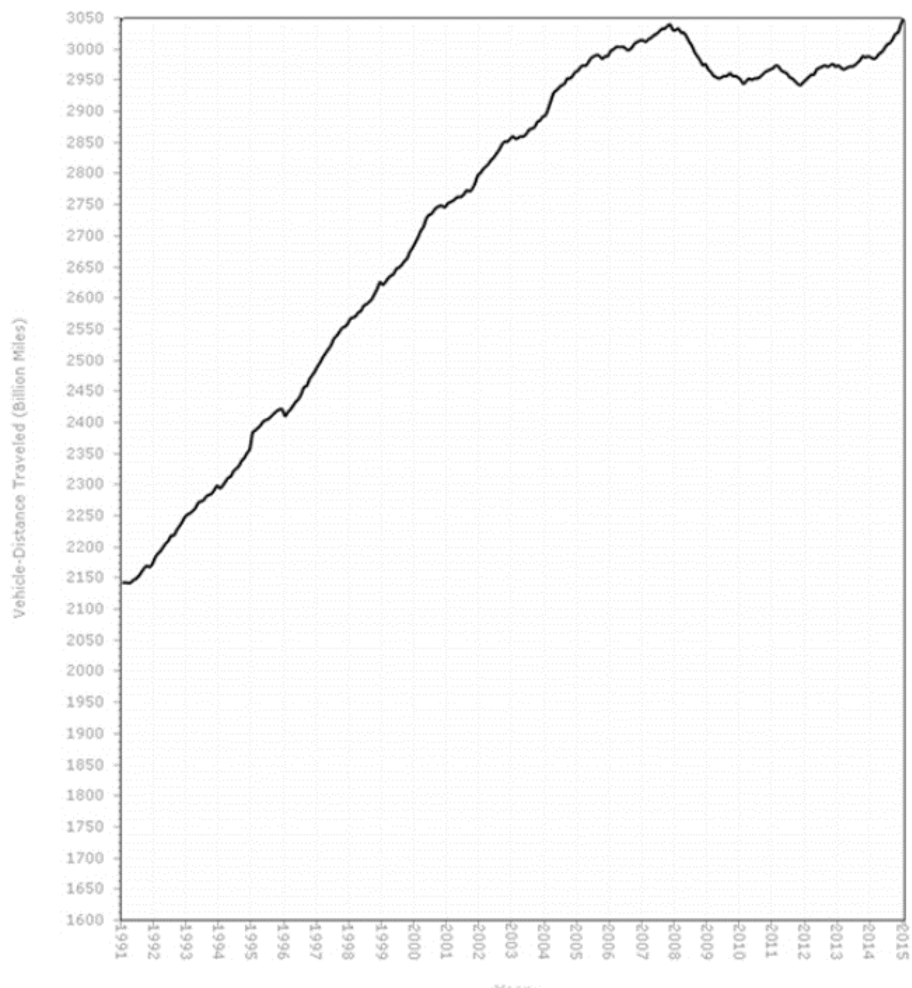
United States Department of Transportation

The U.S. Department of Transportation monitors traffic volume trends. The national trends show a traffic volume decline during the recession, rebounding to a national level increase of 4.9% for the year (2014). The data makes it clear that traffic volumes are growing nationwide. A 2015 study from INRIX and Texas A&M Transportation Institute (TTI) shows that traffic congestion has returned to pre-recession levels. This is due to the fact the U.S. economy has regained nearly all of the 9 million jobs lost during the recession. The NCDOT 2015 traffic data will not be release until the end of 2016 or beginning of 2017.

Graph 5-1

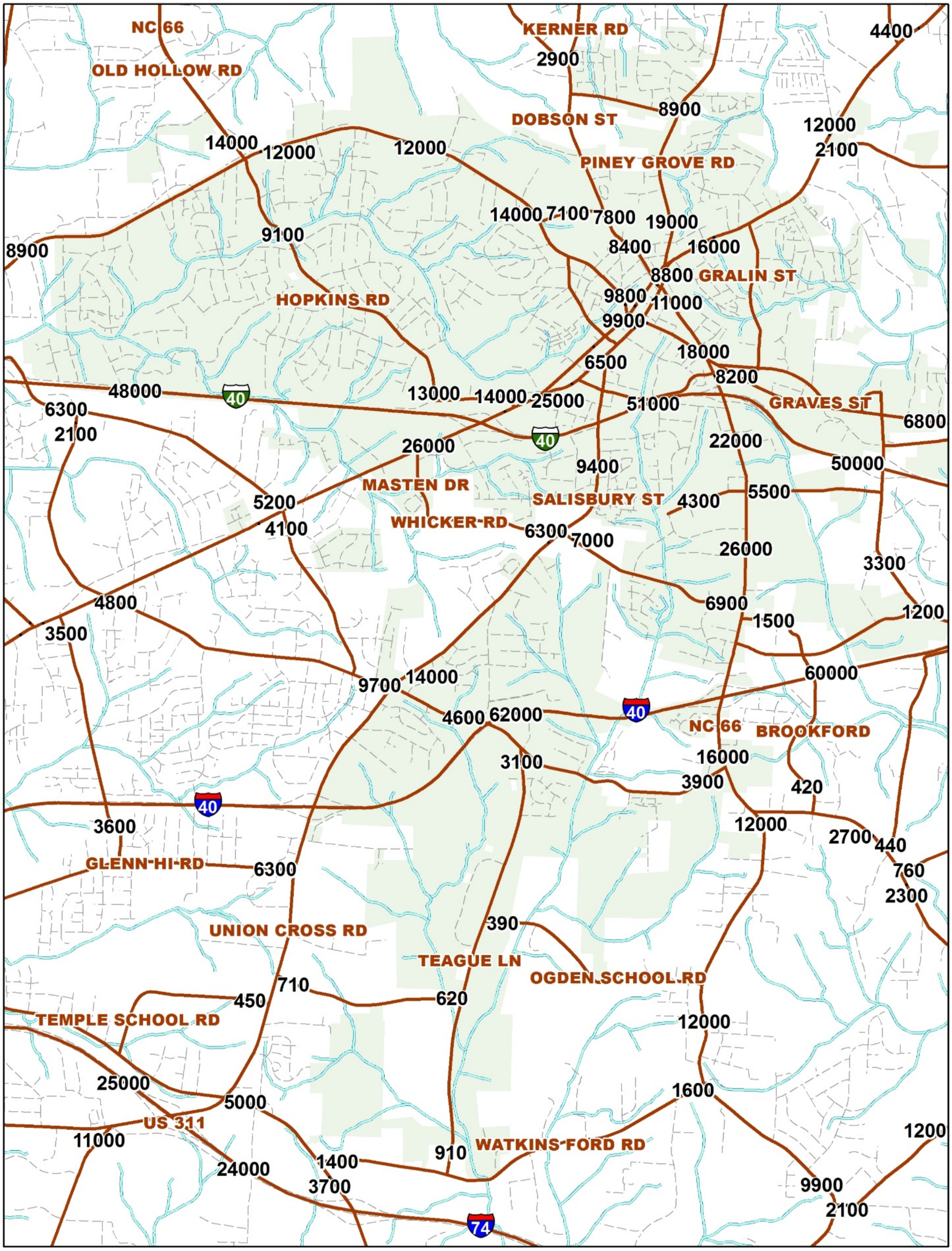
Traffic Volumes 1991-2014

Moving 12-Month Total on ALL Highways

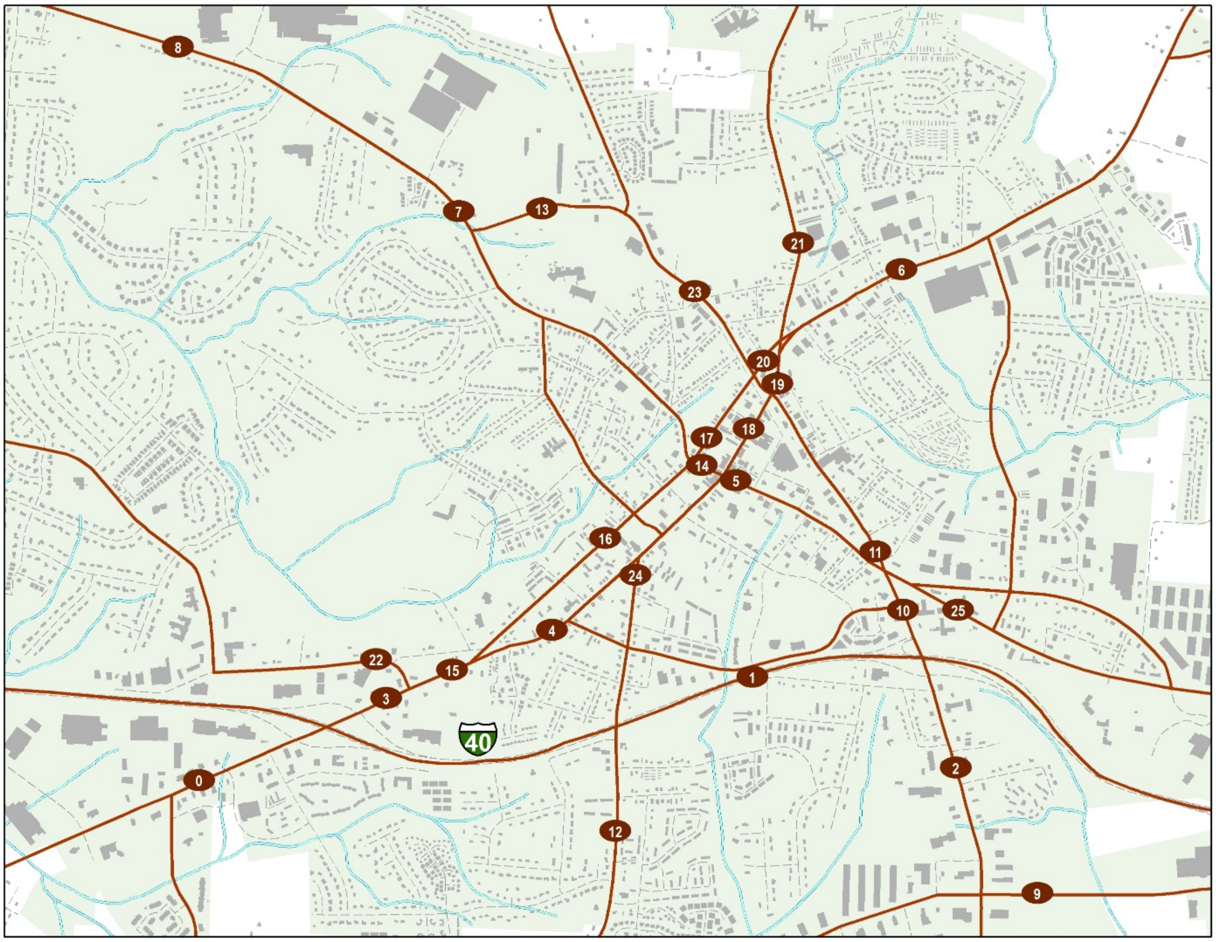


Source: U.S. Department of Transportation, Federal Highway Administration, Office of Highway Policy Information, Travel Monitoring and Traffic Volume, January 2015 Traffic Volume Trends

Traffic Data - NCDOT 2013 Traffic Counts



5-1 Central Area Traffic Data NCDOT Traffic Counts

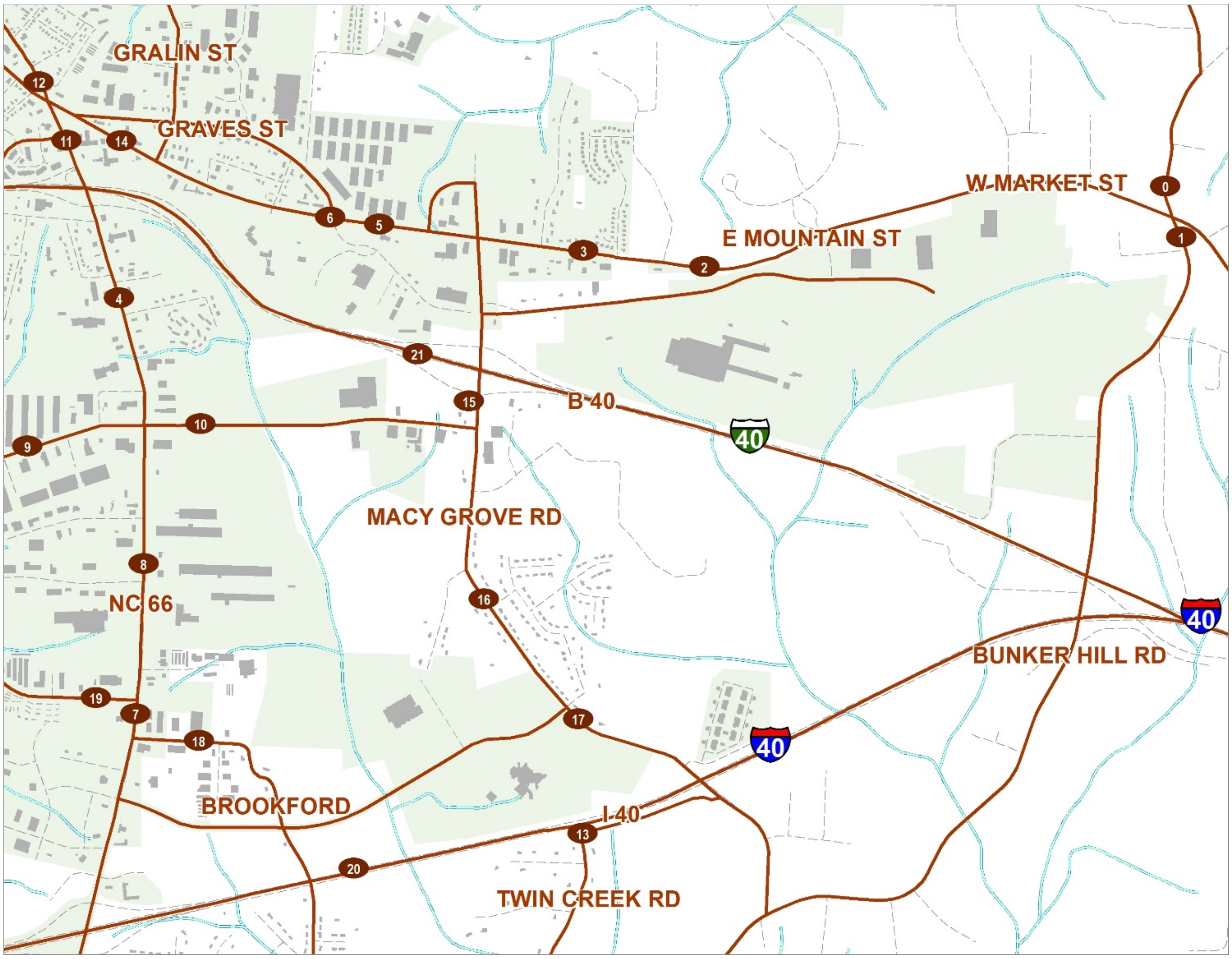


FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	2003-2013 GROWTH
0	MAIN ST @ MASTEN DR	26,000	20,000	19,000	19,000	20,000	17,000	53%
1	BUSINESS 40	51,000	51,000	49,000	51,000		42,000	21%
2	NC66 @ TULANE DR	22,000	24,000	22,000	25,000	24,000	25,000	-12%
3	MAIN ST @ B-40	32,000	36,000	34,000	36,000	29,000	35,000	-9%
4	MAIN ST @ PINEVIEW DR	14,000	15,000	13,000	15,000	13,000	13,000	8%
5	MOUNTAIN ST @ S MAIN ST	10,000	10,000	11,000	12,000	12,000	12,000	-17%
6	MAIN ST @ GRALIN	16,000	16,000	16,000	15,000	18,000	15,000	7%
7	MOUNTAIN ST @ W BODENHAMER ST	14,000	13,000	13,000	15,000	16,000		-13%
8	MOUNTAIN ST @ MOORE ACRES ST	12,000	12,000	11,000	13,000	13,000	12,000	0%
9	INDUSTRIAL PARK DR @ NC66	5,500	3,700	3,100	3,200	3,500	3,800	45%
10	NC66 @ PINEVIEW DR	30,000	29,000	28,000	31,000	31,000	28,000	7%
11	BODENHAMER ST @ TRENT ST	18,000	18,000	18,000	20,000	22,000	19,000	-5%
12	SALISBURY ST @ DEWEY ST	9,400	9,700	9,600	10,000	11,000	9,700	-3%
13	BODENHAMER ST	7,100	7,700	7,700	8,300	9,500	7,500	-5%
14	MOUNTAIN ST S OF CHERRY ST	7,600	7,900	7,900	9,100	9,100	8,900	-15%
15	MAIN ST @ CHERRY ST	25,000	24,000	26,000	28,000	26,000	27,000	-7%
16	CHERRY ST @ CHERRY COVE DR	12,000	13,000	13,000	12,000	13,000	14,000	-14%
17	CHERRY ST N OF MOUNTAIN	7,900	8,700	8,300	7,800	8,700	9,100	-13%
18	MAIN ST N OF HUGH ST	11,000	11,000	10,000	11,000	11,000	11,000	0%
19	MAIN ST @ KING ST	22,000	20,000	20,000	22,000	22,000	22,000	0%
20	CHERRY ST N OF NC 66	8,800	8,100	8,100	8,000	9,000	8,800	0%
21	PINEY GROVE N OF NELSON ST	19,000	13,000	14,000	15,000	16,000	13,000	46%
22	OLD WINSTON RD W OF CHERRY ST	14,000	15,000		14,000	19,000		-26%
23	BODENHAMER E OF CHERRY ST	8,400	12,000	11,000	13,000	15,000		-44%
24	SALISBURY ST S OF MAIN ST	6,500	7,100	6,900	7,300	7,500		-13%
25	MOUNTAIN ST E OF GRAVES ST	8,200	6,900	8,600	9,100	8,000		3%

5-2 Northern Area Traffic Data NCDOT Traffic Counts

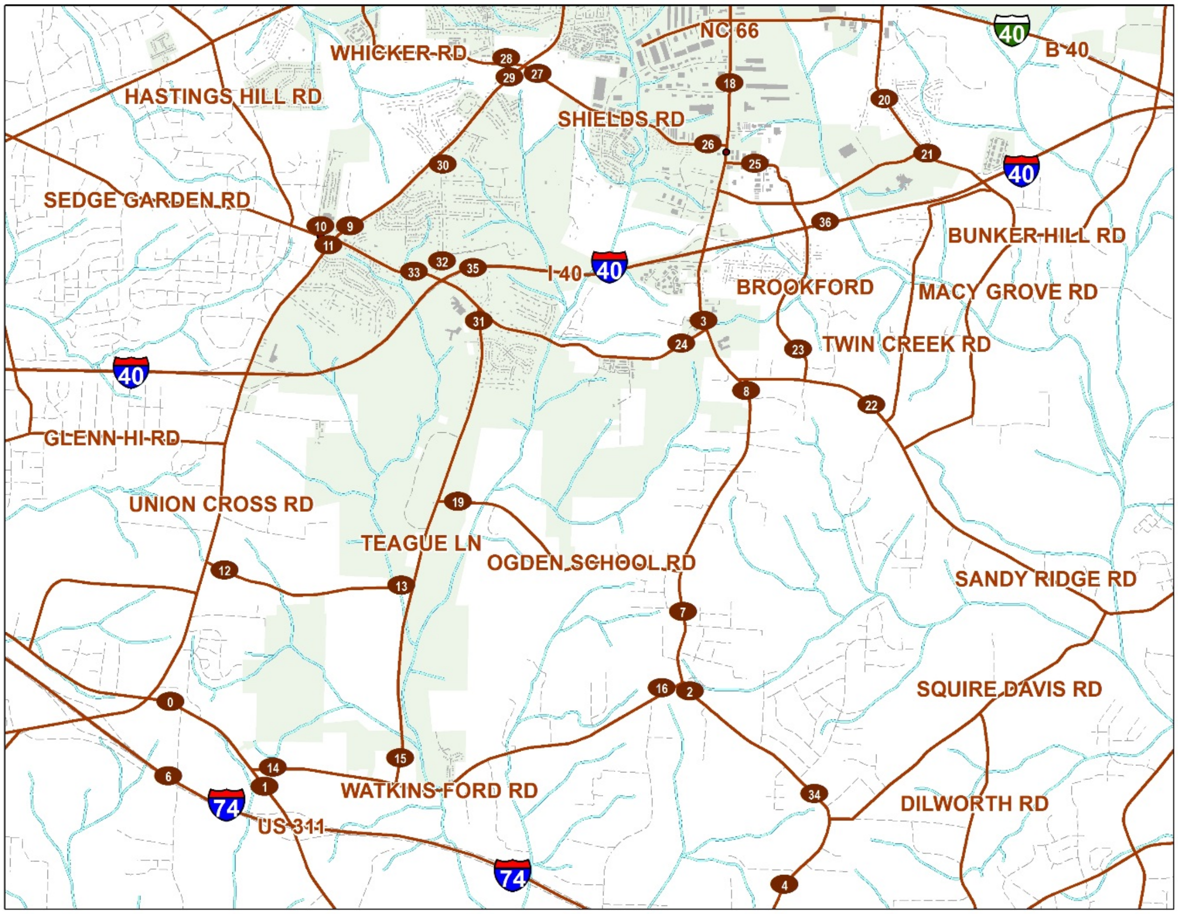
FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	2003-2013 GROWTH
0	MAIN ST W OF GRALIN ST	16,000	16,000	16,000	15,000	18,000	15,000	7%
1	MOUNTAIN ST N OF BODENHAMER	14,000	13,000	13,000	15,000	16,000		-13%
2	MOUNTAIN ST E OF MOORE ACRES ST	12,000	12,000	11,000	13,000	13,000	12,000	0%
3	MAIN ST N OF COUNTY LINE RD	12,000	12,000	12,000	12,000	12,000	11,000	9%
4	DOBSON ST S OF LINVILLE SPRINGS RD		7,600	7,900	8,500	9,500	8,300	-8%
5	BODENHAMER ST W OF MOUNTAIN ST	7,100	7,700	7,700	8,300	9,500	7,500	-5%
6	PINEY GROVE RD N OF NELSON ST	19,000	13,000	14,000	15,000	16,000	13,000	46%
7	PERRY RD N OF MOUNTAIN ST	350		70	130	150		133%
8	KERNER RD N OF DOBSON ST	5,500	6,300	6,600	7,000	7,400		-26%
9	OLD VALLEY SCHOOL RD W OF DOBSON ST	2,900	3,300	3,300	3,400	4,200	3,300	-12%
10	LINVILLE SPRINGS RD E OF DOBSON ST		3,800	3,800	3,900	4,100		-7%
11	PINEY GROVE RD N OF LINVILLE SPRINGS	8,900	9,300	9,700	10,000	10,000		-11%
12	FLYNNWOOD RD N OF MAIN ST	1,600	1,800	1,800	1,800	2,000		-20%
13	COUNTY LINE RD E OF MAIN ST	2,100	2,700	2,700	3,100	3,200	2,900	-28%
14	SMITH EDWARDS RD E OF MAIN ST	470	570		530	670	490	-4%
15	BODENHAMER ST W OF CHERRY ST	8,400	12,000	11,000	13,000	15,000		-44%

5-3 Eastern Area Traffic Data NCDOT Traffic Counts



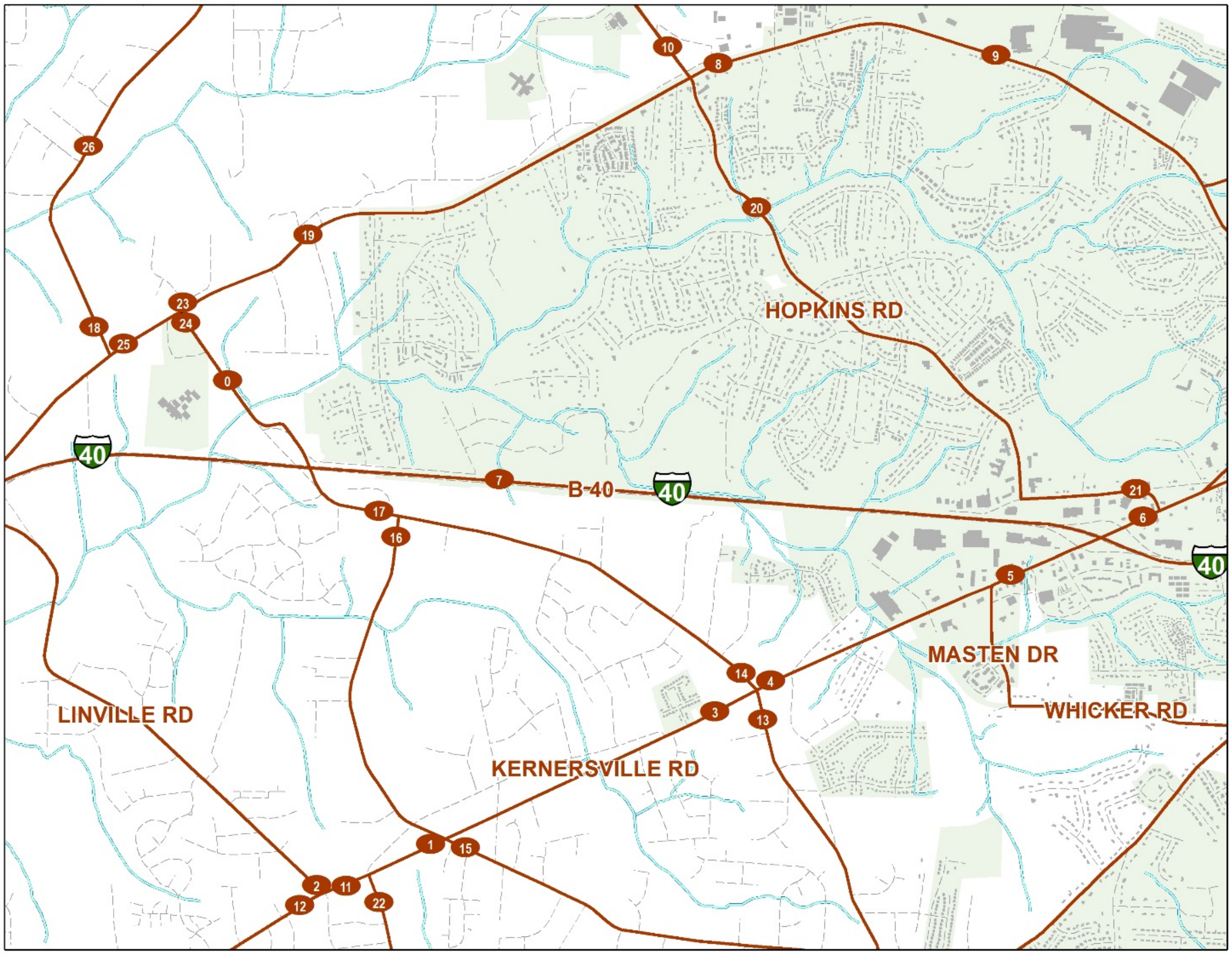
FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	2003-2013 GROWTH
0	BUNKER HILL RD N OF MARKET ST	3200		3000	3000	2400	2500	28%
1	BUNKER HILL RD S OF MARKET ST	1200	1300	1100	1200	930	1100	9%
2	MARKET ST E OF PRATT RD	7000	7800		9300	9000		-22%
3	MOUNTAIN ST E OF LAKEVIEW DR	6800	7100	7300	8200	9400	10000	-32%
4	NC66 S OF TULANE DR	22000	24000	22000	25000	24000	25000	-12%
5	MOUNTAIN ST E OF GRAVES ST		8000	8400	9400	10000	11000	-27%
6	MOUNTAIN ST W OF GRAVES ST		6600	9400		11000	12000	-45%
7	NC66 S OF SHIELDS RD	25000	23000	20000	26000	26000	24000	4%
8	NC66 N OF PARK CENTRE DR	26000	22000	20000	24000	24000	22000	18%
9	SOUTH PARK DR W OF NC 66	4300	2700	3000	3400	4000	4500	-4%
10	INDUSTRIAL PARK DR E OF NC 66	5500	3700	3100	3200	3500	3800	45%
11	NC66 N OF MOUNTAIN	30000	29000	28000	31000	31000	28000	7%
12	BODENHAMER N OF TRENT ST	18000	18000	18000	20000	22000	19000	-5%
13	TWIN CREEK RD N OF STEEN RD	360	260	260	240	250	240	50%
14	MOUNTAIN ST E OF NC66	8200	6900	8600	9100	8000		3%
15	MACY GROVE RD N OF INDUSTRIAL PARK DR	5000	2600	2500	2500	2500		100%
16	MACY GROVE RD S OF INDUSTRIAL PARK DR	3300	2500	1800	1500	1500	1700	94%
17	MACY GROVE RD W OF KERNERSVILLE MEDICAL PKWY	1200	1100	1200	920	930		29%
18	BROOKFORD RD E OF NC 66	1500	1500	1700	1900	2300	2200	-32%
19	SHIELDS RD W OF NC 66	6900	5100	4900	5300	5200		33%
20	INTERSTATE-40	60000	59000	58000	61000	57000	50000	20%
21	BUSINESS-40	50000	51000	48000	49000			2%

5-4 Southern Area Traffic Data - NCDOT Traffic Counts



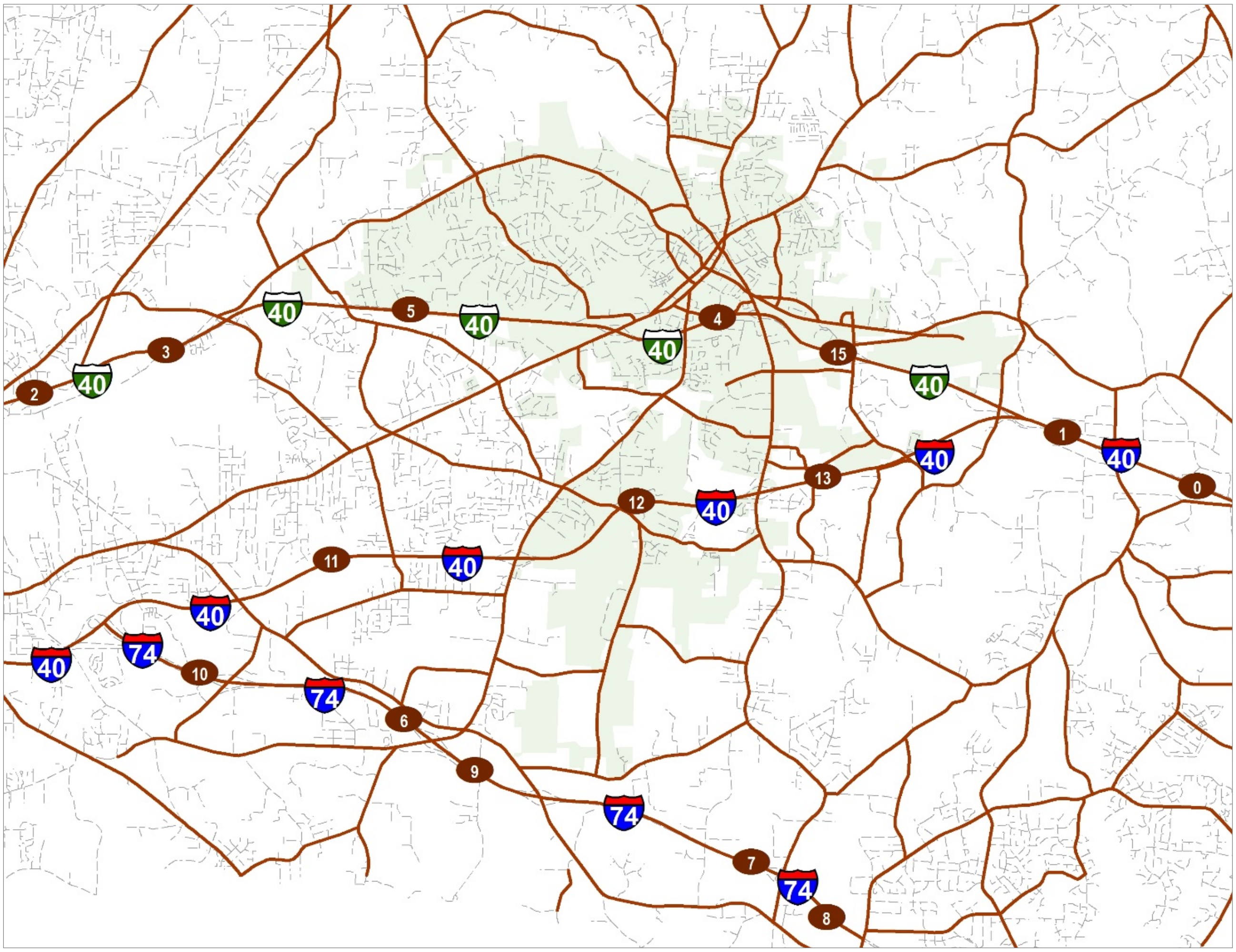
FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	2003-2013 GROWTH
0	HIGH POINT RD E OF UNION CROSS RD	5,000	5,900	4,000	6,000	4,900	5,600	-11%
1	HIGH POINT RD N OF US 311	3,700	4,300	3,600	4,200	3,600		3%
2	NC66 S OF WATKINS FORD RD	11,000	9,100	8,600	9,500	9,700	8,700	26%
3	NC66 N OF OLD SALEM RD	16,000	13,000	12,000	15,000	14,000	13,000	23%
4	NC66 N OF US 311	12,000	9,700	9,300	10,000	10,000	9,300	29%
5	US311 W OF NC66	24,000	26,000	21,000	23,000	22,000	20,000	20%
6	US311 W OF UNION CROSS RD	24,000	25,000	22,000	24,000	23,000	21,000	14%
7	NC66 S OF OGDEN SCHOOL RD	12,000	9,600	9,200	10,000	11,000	9,200	30%
8	NC66 S OF BUNKER HILL RD	12,000	10,000	9,800	11,000	11,000	9,600	25%
9	UNION CROSS RD N OF OLD SALEM RD	14,000	11,000	12,000	12,000	12,000	11,000	27%
10	SEDGE GARDEN RD W OF UNION CROSS RD	9,700	9,800	9,600	9,100	8,800	8,900	9%
11	UNION CROSS RD S OF OLD SALEM RD	15,000	15,000	15,000	15,000	15,000		0%
12	HEDGECOCK RD E OF UNION CROSS RD	710	690	550	670	690	770	-8%
13	HEDGECOCK RD W OF TEAGUE LN	620	580	500	590	600		3%
14	WATKINS FORD RD E OF HIGH POINT RD	1,400	1,200	1,400	1,500	1,700	1,200	17%
15	TEAGUE LN N OF WATKINS FORD RD	910	810	940	970	1,100	810	12%
16	WATKINS FORD RD W OF NC 66	1,600	1,500	1,500	1,700	1,900	1,500	7%
17	NC66 S OF SHIELDS RD	25,000	23,000	20,000	26,000	26,000	24,000	4%
18	NC66 N OF PARK CENTRE DR	26,000	22,000	20,000	24,000	24,000	22,000	18%
19	OGDEN SCHOOL RD E OF TEAGUE LN	390	420	350	430	400	410	-5%
20	MACY GROVE RD N OF KERNERSVILLE MEDICAL PKWY	3,300	2,500	1,800	1,500	1,500	1,700	94%
21	MACY GROVE RD W OF KERNERSVILLE MEDICAL PKWY	1,200	1,100	1,200	920	930		29%
22	BUNKER HILL RD E OF NC66	2,700	2,500	2,400	2,800	2,700	3,000	-10%
23	BROOKFORD RD N OF BUNKER-HILL SANDY RIDGE RD	420	400	450	510	490		-14%
24	OLD SALEM RD W OF NC66	3,900	3,700	2,900	2,800	2,300	3,100	26%
25	BROOKFORD RD E OF NC 66	1,500	1,500	1,700	1,900	2,300	2,200	-32%
26	SHIELDS RD W OF NC66	6,900	5,100	4,900	5,300	5,200		33%
27	SHIELDS RD E OF UNION CROSS RD	7,000	6,100	6,100	6,300	6,300	5,900	19%
28	WHICKER RD W OF UNION CROSS RD	6,300	6,200	6,500	7,800	7,000	6,600	-5%
29	UNION CROSS RD S OF SHIELDS RD	13,000	13,000	12,000	14,000	13,000		0%
30	GLENNWOOD RD W OF UNION CROSS RD	1,900	1,700	1,500	1,600	1,400		36%
31	TEAGUE LN S OF OLD SALEM RD	3,100	3,300	2,100	2,100	1,800		72%
32	GLENNWOOD RD N OF OLD SALEM RD	2,000	1,800	1,500	1,700	1,400	1,500	33%
33	OLD SALEM RD W OF UNION CROSS RD	4,600	4,300	3,700	3,600	2,900		59%
34	NC66 N OF PAYNE RD	9,900	7,900	7,500	8,500	8,400	8,000	24%
35	INTERSTATE 40 FROM EXIT 201 TO EXIT 203	62,000	61,000	58,000	62,000	59,000	54,000	15%
36	INTERSTATE 40 FROM EXIT 203 TO EXIT 206	60,000	59,000	58,000	61,000	57,000	50,000	20%

5-5 Western Area Traffic Data - NCDOT Traffic Counts



FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	20013-2013 GROWTH
0	HASTINGS HILL S OF MOUNTAIN ST	5,100	5,100	5,200	5,200	5,300		-4%
1	KERNERSVILLE RD W OF SEDGE GARDEN RD	12,000	13,000	12,000	13,000	13,000	12,000	0%
2	LINVILLE RD N OF KERNERSVILLE RD	6,800	6,700	7,000	7,500	6,100	5,900	15%
3	KERNERSVILLE RD W OF HASTINGS HILL	11,000	12,000	12,000	12,000	13,000	11,000	0%
4	KERNERSVILLE RD E OF HASTINGS HILL	17,000	18,000	17,000	18,000	18,000	16,000	6%
5	MAIN ST S OF I-40 BUS	26,000	20,000	19,000	19,000	20,000	17,000	53%
6	MAIN ST N OF I-40 BUS	32,000	36,000	34,000	36,000	29,000	35,000	-9%
7	B-40 FROM EXIT 10 TO EXIT 14	48,000	47,000	45,000	47,000			2%
8	MOUNTAIN ST W OF STANLEY FARM DR	12,000	12,000	11,000	13,000	13,000	14,000	-14%
9	MOUNTAIN ST E OF MOORE ACRES ST	12,000	12,000	11,000	13,000	13,000	12,000	0%
10	NC66 N OF MOUNTAIN ST	14,000	13,000	12,000	13,000	13,000	12,000	17%
11	KERNERSVILLE RD W OF OAK GROVE RD	13,000	14,000	14,000	15,000	14,000	13,000	0%
12	KERNERSVILLE RD W OF LINVILLE RD	11,000	12,000	11,000	12,000	12,000	10,000	10%
13	HASTINGS HILL S OF KERNERSVILLE RD	4,100	4,300	4,200	4,200	4,100		0%
14	HASTINGS HILL N OF KERNERSVILLE RD	5,200	5,500	5,500	5,500	5,700		-9%
15	SEDGE GARDEN S OF KERNERSVILLE RD	4,800	5,000	5,000	5,100	4,100		17%
16	SEDGE GARDEN S OF HASTINGS HILL	2,100	2,100	1,900	1,900	1,600		31%
17	HASTINGS HILL W OF SEDGE GARDEN	6,300	6,300	6,100	6,300	5,500	5,500	15%
18	WALKERTOWN-GUTHRIE N OF MOUNTAIN ST	3,700	3,900	4,100	4,100	4,600		-20%
19	MOUNTAIN ST W OF HOPKINS RD	8,900	9,200	9,100	9,400	9,400	9,000	-1%
20	HOPKINS RD S OF SUTTER LN	9,100	9,100	9,100	9,100	9,100		0%
21	OLD WINSTON RD W OF CHERRY ST	14,000	15,000		14,000	19,000		-26%
22	OAK GROVE S OF KERNERSVILLE RD	3,500	3,700	3,700	3,700	3,100	2,800	25%
23	MOUNTAIN ST E OF HASTING HILL RD	9,000	9,500	9,400	9,800	10,000	8,400	7%
24	HASTINGS HILL S OF MOUNTAIN ST	5,700	5,800	5,900	6,100	4,600	3,600	58%
25	MOUNTAIN ST E OF WALKERTOWN-GUTHRIE RD	10,000	10,000	10,000	11,000	11,000	9,800	2%
26	WALKERTOWN-GUTHRIE N OF MOUNTAIN	3,400	3,600	3,800	3,900	4,400	4,100	-17%

5-6 Interstates Traffic Data - NCDOT Traffic Counts



FID	LOCATION	AADT_2013	AADT_2011	AADT_2009	AADT_2007	AADT_2005	AADT_2003	2003-2013 GROWTH
0	I-40 FROM EXIT 208 TO EXIT 210	108,000	107,000	101,000	105,000	94,000	80,000	**35%**
1	I-40 FROM EXIT 206 TO EXIT 208	109,000	109,000	105,000	108,000	98,000	86,000	**27%**
2	B-40 FROM EXIT 7 TO EXIT 8	72,000	70,000	69,000	70,000			**3%**
3	B-40 FROM EXIT 8 TO EXIT 10	52,000	51,000	50,000	51,000			**2%**
4	B-40 FROM EXIT 14 TO EXIT 15-16	51,000	51,000	49,000	51,000		42,000	**21%**
5	B-40 FROM EXIT 10 TO EXIT 14	48,000	47,000	45,000	47,000			**2%**
6	I-74 N OF SR 2643	25,000	21,000	19,000	22,000	21,000	19,000	**32%**
7	I-74 W OF NC 66	24,000	26,000	21,000	23,000	22,000	20,000	**20%**
8	I-74 E OF NC 66	28,000	25,000	24,000	25,000	24,000	22,000	**27%**
9	I-74 W OF UNION CROSS	24,000	25,000	22,000	24,000	23,000	21,000	**14%**
10	I-74 E OF I-40	29,000	25,000	23,000	25,000	24,000	22,000	**32%**
11	I-40 FROM EXIT 196 TO EXIT 201	59,000	57,000	54,000	57,000	58,000	54,000	**9%**
12	I-40 FROM EXIT 201 TO EXIT 203	62,000	61,000	58,000	62,000	59,000	54,000	**15%**
13	I-40 FROM EXIT 203 TO EXIT 206	60,000	59,000	58,000	61,000	57,000	50,000	**20%**
14	I-40 FROM EXIT 195 TO EXIT 196	89,000	82,000	81,000	82,000	81,000	78,000	**14%**
15	B-40 FROM EXIT 15-16 TO I-40	50,000	51,000	48,000	49,000			**2%**