

2025 HOUSING PAG MISSION

Housing in North Carolina is more than structures and market trends—it's about creating opportunities, building stability and fostering growth in every community across the state. Together, we face a shared challenge: to ensure that the evolving housing landscape serves the diverse needs of our fellow North Carolinians while preserving what makes this state such an incredible place to call home.

To address this challenge, we must turn insights into actionable solutions that benefit North Carolina and its residents. As a collective force, we can shape the future of housing in our state.

The reality we face is daunting. Over the next five years, **North Carolina is projected to have a housing gap of 764,478 units**—a challenge that affects homebuyers and our economy alike. This issue spans all income levels and housing types, including rentals. Housing is foundational to the security of North Carolina's future, influencing our ability to attract jobs, support families, and sustain thriving communities. Importantly, this is more than an urban issue; rural areas also grapple with availability and affordability challenges, with many counties experiencing vacancy rates well below healthy levels.

When we ask, "Where do we need to go from here?" we must view housing not as a standalone issue but as the backbone of our economy. President John McPherson is challenging this Housing PAG to identify potential solutions as a starting point for industry leaders, elected officials, and community stakeholders to build a future where housing is accessible, attainable, and supportive of economic growth.



NC REALTORS® - Shaping Real Estate's Future In NC

PAG Goals – The Why & How:

Tackling housing availability, affordability, and barriers through implementing collaborative and innovative thinking

Submitted to President John McPherson by:

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Access Full Report



Key Focus Areas

Dormant Restrictive Covenants

Outdated covenants can limit property use, create legal/financial burdens, and sometimes contain unlawful language. Most are unenforceable, making reform a potentially low-resistance opportunity. Next step: Explore legal pathways to eliminate or modify.

After-the-Fact Permits

Unpermitted construction creates financial penalties, safety concerns, and inconsistencies across jurisdictions. Solutions: Streamline permitting, establish fair fees, expand education, and consider grandfathering older work.

Land Banks

Powerful tools for revitalization, land banks repurpose vacant/abandoned properties but lack statewide enabling legislation. Currently, Chapel Hill is the only one that exists. Opportunity: Pursue enabling policy, build local–state partnerships, and highlight community benefits.

Community Land Trusts (CLTs)

CLTs preserve long-term affordability but face challenges with scale, financing, awareness, and governance. Several operate in NC. Solutions: Expand partnerships, improve mortgage access, and increase public education while balancing homeowner wealth-building concerns.

Excessive Permit Conditions

Burdensome requirements drive up housing costs (infrastructure upgrades, excessive fees, and open space requirements). Approach: Advocate for balanced regulations that protect communities without stifling affordability.

Private Lumber Use

Allow property owners to use timber from their land for building. This could lower costs but raises liability and oversight issues. Approach: Continue monitoring as legislation has faced repeated roadblocks.

Opportunity Zones

OZs bring investment to low-income areas, but oversight and alignment with housing goals need improvement. Recommendation: Advocate for housing inclusion in zone selection and engage with state leaders in 2026 re-designation.

Housing Coalition

Empower pro-housing voices to influence decisions at the local level. Priority: Unify housing advocates, educate communities, and build strong coalitions to advance housing solutions statewide.

Mortgage Portability Pilot

Allow homeowners to transfer existing mortgages. The idea faces cost, risk, and banking industry opposition. Recommendation: While not currently viable, consider monitoring for opportunities.

Public Perception & Education

Drive narrative changes to counter misinformation and address concerns at the local level. Strategy: Spotlight essential workers, engage local associations, and deploy social media campaigns to shift public sentiment.

Innovation Clearinghouse

Centralized hub for sharing strategies and best practices. Risk: Redundancy without adoption. Focus on collaboration, scalability, and advocacy-aligned solutions.

Local Association Toolkit

Customizable resources tailored to local housing advocacy efforts. Goal: Empower associations with flexible tools, training, and messaging support.

Adaptive Reuse

Repurpose vacant buildings into affordable living units. Obstacles include zoning, fee, and financing hurdles. Solutions: Update zoning codes, remove excessive fees, incentivize financing, and highlight successful models.

Comprehensive Presidential Advisory Group Report

- I. ADVOCACY & REGULATORY CHANGES**
- II. PUBLIC PERCEPTION & EDUCATION**
- III. RESEARCH & FUTURE PLANNING**

I. ADVOCACY & REGULATORY CHANGES

End Dormant Restrictive Covenants

Definition:

- Private legal agreements often written into property deeds or subdivision plats that place limits on how land or property is used.

Issues:

- Old covenants limit how property is used or developed.
- Can lead to financial burdens (Legal Disputes, HOA Fees, etc.).
- Can include language that violates Fair Housing Laws.

Considerations/Solutions:

- Modify or terminate the covenant.
- Could be an opportunity for improvement, as there likely won't be a well-organized group resisting these changes.
- While some in the community may want to maintain the covenants, there will likely be no way to enforce the restrictive covenants.

Government Affair Staff Comment

- Extensive research needed to determine the "other side" of this issue.

After-The-Fact Permits

Definition:

- Issued when construction, renovation or land-use activity has already taken place without first obtaining the required state or local permits.

Issues:

- Property owners completing construction without the proper permits.
- Previous owners completing construction without the proper permits and it impacts current tenant.
- Property owners are faced with steep penalties and fines.
- Inconsistencies across jurisdictions creates uncertainty.
- The safety issue will cause concern and pushback.

Considerations/Solutions:

- Streamline permitting process.
- Establish reasonable fees.
- Provide education that positions this as a tool supporting housing initiatives.
- Work to secure a REALTOR® or an affordable housing advocate on the Residential Code Council.
- Grandfather in work that was done prior to the existence of the regulation.

Utilization of Land Banks

Definition:

- Public or community-owned entities that are created to acquire, manage, maintain, and repurpose vacant and abandoned properties, most of which have fallen victim to tax foreclosure.
 - In NC, local governments can perform the basic functions of a land bank.
- A land bank is not the same as a land trust, in which property may be held in perpetuity for a community purpose, such as affordable housing or conservation.

Issues:

- NC does not have state/territory enabling legislation for land banks.
- Currently the only land bank in the state is located in Chapel Hill.
- The majority of parcels held by land banks are vacant lots.

Considerations/Solutions:

- Support the role of land banks in revitalizing communities.
- Support community revitalization by acquiring and maintaining distressed property with the goal of transferring it back to responsible ownership for productive use.
- Collaboration is needed between local & state governments to ensure these properties are placed back into productive use.
- Many of these programs are in areas with large-scale blight and significant abandonment. More communities are now seeing the benefits of proactively implementing a land bank program to prevent contagious blight from taking hold of areas.
- Educate on the benefits that land banks offer as a powerful tool to transform vacant, abandoned, or underutilized properties into opportunities for affordable housing, economic development, and community growth.
- Policy changes enabling land banks.

Utilization of Land Trusts

Definition:

- Legal entities that hold and manage real estate on behalf of property owners or other beneficiaries.
- It protects property by offering privacy and avoiding probate.
- Two main types, conservation and community land trusts (CLTs).
- Conservation land trusts protect farmland, natural areas and open space to ensure it remains undeveloped.
- CLTs preserve long-term affordable housing and prevent displacement.
 - Buyer signs a long-term lease with resale restrictions for the purpose of keeping the home affordable for the next buyer.
- For community land trusts, NC law sets resale restrictions, requires a long-term lease of at least 99 years, and specifies how property is taxed.

Issues:

- CLTs could be restrictive and prevent growth since the land stays permanently in the trust.
- Governed by a tripartite board (residents, community members, and partner representatives).
- Concerns center on obtaining capital, scale, awareness/education, legal clarity, and long-term management.

Considerations/Solutions:

- Limits wealth building that traditional homeowners experience.
- Legal and regulatory awareness and challenges.
- Build public/private partnerships (local government, developers, etc.).
- Drive education and awareness.
- Improve mortgage access.
- Establish guardrails to ensure long-term sustainability.
- Research the following land trusts:
 - North Carolina Community Land trust Coalition
 - Raleigh Area Land Trust
 - Durham Community Land Trustees
 - Greensboro is in the process of establishing a CLT

Government Affairs Staff Comment:

- Extensive research needed to determine the “other side” of this issue.

Limit Excessive Permit Conditions

Definition:

- Requirements imposed by state or local governments when granting development, building, or land-use permits.

- The intent is to ensure projects meet safety, environmental and community standards but they can become excessive which significantly impacts affordability.

Issues:

- Overly burdensome development requirements such as:
 - Costly infrastructure upgrades
 - Excess design and aesthetic standards
 - Duplicative or excessive fees
 - Unreasonable environmental or landscaping mandates

Considerations/Solutions

- Research balanced alternatives that meet community needs without stifling development.

Allow Use Of Private Lumber

Definition:

- Private lumber refers to timber owned by private landowners.
 - Timber – wood that has not yet been milled or cut into planks
 - Lumber – wood that has been processed

Issues:

- Need to be mindful of meeting specifications.
- Rather than being seen as a cottage industry, it might be viewed as a big industry competitor.

Considerations/Solutions:

- Allow property owners to use and sell downed timber from their land for repairing, or improving a residence or accessory dwelling unit.
 - Promotes sustainable building practices and lowers costs

Government Affairs Staff Comments:

- Liability issues when selling.
- NC Real Estate Commission has concerns over disclosures.
- No oversight of lumber used.
- Legislation has been introduced for years and has not passed.

Opportunity Zones Engagement

Definition:

- The Opportunity Zone (OZ) program was established to attract investment capital into low-income areas by offering qualified investors certain tax benefits when they invest unrealized capital gains into designated OZs.
 - Now a permanent fixture of the federal tax code.

Issues:

- Oversight and transparency has been an issue but new federal law requires greater oversight and reporting.
- Benefits need to reach the right communities.
- Government needs better understanding of the importance of housing when identifying OZs.

Considerations/Solutions:

- Support housing projects in existing Opportunity Zones and pursue expansion of these zones to additional high-need areas to encourage targeted investment.
- Encourage Chris Chung, Chief Executive Officer - Economic Development Partnership of NC, to engage with Governor Stein as he identifies the new zones in 2026 and understands the importance of housing in the zone selection process.

Building A Housing Coalition

Definition:

- Leverage the power and influence of NC REALTORS® to shape housing policy in NC.

Issues:

- The influence of the NIMBY voice at the local level.
- How to overcome fear and false narratives around housing expansion.
- If left unaddressed the housing crisis is likely to worsen significantly and hinder economic development.

Considerations/Solutions:

- Have a unified voice in NC.
- Identify ways to work with opponents.
- Provide education at the local level.

Mortgage Portability Pilot

Definition:

Portable mortgage permits you to transfer your mortgage to a new property. This differs from an assumable mortgage, which enables a buyer to assume the existing mortgage on a property.

Issues:

- There needs to be outside benefits such as tax benefits, neighborhood reinvestment, etc.
- Which loan takes priority, the largest one? Who will subordinate their interest? Which loan will be considered secondary, and what are the implications?
- NAR has not developed an official policy on portable mortgages, though it does support the assumable mortgage.
- Portability increases investor risk of being locked into a low rate, leading them to charge additional fees to offset the risk, which ultimately drives rates higher.
- The cost estimates that NAR experts have seen to make existing mortgages portable are in the \$500B-\$750B range.

Consideration/Solution:

- Work with state-chartered banks and credit unions to launch a pilot program allowing homeowners to transfer their existing mortgage to a new property without losing favorable loan terms.

Government Affairs Staff Comments:

- Banks will not support this making it impossible to advance in the Senate.
- Are we able to pursue this at the state level?

II. PUBLIC PERCEPTION & EDUCATION

Housing Perception Shift Campaign & Humanizing The Data

Definition:

- Define the narrative and change it when needed, incorporate the community impact and utilize messaging tools.

Issues:

- Most effective ways to educate the public needs research.
- Individuals affected by the crisis (first responders, teachers, etc.) are unseen and unheard.

Consideration/Solutions:

- Amplify the pro-housing voice and make it the leading voice in the conversation.
- Utilize social media to educate and change the narrative.
- Engage local associations.
- Spotlight the workers essential to the community who can't afford to live there.

III. RESEARCH & FUTURE PLANNING

Innovation Clearinghouse

Definition:

- A centralized hub that offers and gathers innovative strategies research, tools and case studies making them accessible to advocates, policymakers, and partners to accelerate change.

Issues:

- Risk of redundancy or not enough new content to be considered the primary resource.
- Challenges with adoption of ideas – being the resource doesn't necessarily equate to change.
- Information overload.

Consideration/Solutions:

- Encourage and incorporate collaboration.
- Establish a resource hub, and determining what it should look like.
- Create scalability that works towards solutions instead of reinventing the wheel.
- Consistency and alignment.
- Work towards advancing successful innovations and being mindful of timing and ideas that are not ready to be implemented.
- Focus should center on strengthening advocacy efforts.

Local Association Toolkit

Definition:

- Customizable resource for local associations to promote housing efforts that will be most effective for their areas of influence.

Issues:

- Be mindful of local sensitivities when advancing housing initiatives.
- Be prepared to combat any efforts to dilute or misrepresent our message.

Consideration/Solutions:

- Toolkit needs to be customizable.
- Empower local associations.
- Provide training and support.

Adaptive Reuse Research

Definition:

- Adaptive reuse projects renovate or repurpose old, underused or historic structures into affordable living units that meet the community needs.

Issues:

- Zoning and land use restrictions.
- Excessive development fees.
- Building code and safety standards.
- Financial challenges.

Consideration/Solutions:

- Modernize zoning codes.
- Eliminate excessive development fees and other barriers.
- Flexible building codes.
- Incentivize financing.
- Use real-world examples and benefits to spotlight successes.
- Create visuals that show vacant structures.

From Insight to Action: PAG Recommendations for Success

From Insight to Action:

Short-Term Considerations

- Dormant Restrictive Covenants → Eliminate outdated and unenforceable restrictions.
- After-the-Fact Permits → Streamline permitting, establish fair fees, grandfather older work.
- Public Perception & Education → Launch housing perception shift campaign, spotlight essential workers, and mobilize local associations.
- Local Association Toolkit → Deploy customizable advocacy tools with training and support.

Long-Term Considerations (Strategic Planning)

- Land Banks → Pursue enabling legislation, build state/local partnerships.
- Community Land Trusts (CLTs) → Expand partnerships, improve financing/mortgage access, balance affordability with homeowner equity.
- Excessive Permit Conditions → Advocate for balanced regulations to reduce affordability barriers.
- Adaptive Reuse → Modernize zoning, reduce fees, incentivize financing, and highlight successful models.
- Housing Coalition → Build a unified statewide housing voice to counter NIMBY influence.
- Opportunity Zones → Ensure housing inclusion in zone designations; engage with state leaders in 2026 selection process.
- Innovation Clearinghouse → Develop cautiously to avoid redundancy; focus on collaboration and advocacy alignment.

Research (High Barriers, Requires Strategic Planning)

- Private Lumber Use → Cost-savings potential but liability and oversight concerns remain.
- Mortgage Portability Pilot → High costs, investor risk, and industry opposition make passage problematic. Continue monitoring federal conversations and look for a local or regional champion.

This PAG study makes it clear: the need for housing solutions in North Carolina is urgent but within our reach. By aligning policy, resources, innovative solutions and partnerships, NC REALTORS® has the opportunity to ensure that housing at all price points is attainable for every North Carolinian.

The PAG recommends: that we review this report yearly over a five- year period so that we are able to monitor and report successes of our REALTOR® efforts to our REALTOR® members.