

2014 Charleston Tri-County Region

Housing Blueprint



OUR REGION + DENSITY + COST + TRANSPORTATION + CONSTRUCTION

Produced for the community by:

Charleston Trident Association of REALTORS | South Carolina Community Loan Fund

Research and analysis by:

Riley Center for Livable Communities at the College of Charleston

HOUSING + OUR REGION

We believe housing is fundamental to the long-term economic prosperity of the Tri-County region. Our three county region (Berkeley, Charleston, and Dorchester counties) is home, workplace and inspiration to more than 700,000 voices, talents, passions and ideas. Three quarters of a million people who are globally connected through trade, technology and travel - and locally engaged to craft a legacy for the future.

Since 2010, the Charleston Regional Development Alliance has published an annual Regional Economic Scorecard of our region's economic progress compared to six similar metro areas and two leading economies. It provides our region's business, government, community and academic leaders with unbiased data to help focus a collective effort to address our weaknesses and maintain positive momentum. Overall, the Charleston region is performing well economically, while also undergoing a structural transformation into a more diversified, knowledge-based economy. **However, our region consistently ranks last in housing affordability.**

Local economic developers agree that a supply of housing within price-points affordable to the newly in-migrating workforce is critical to the sustainable economic health and well-being of the region. Further, to sustain a healthy economy, the existing population must have access to affordable housing. Local employers report difficulty recruiting high-skilled workers to the region and difficulty keeping entry level and service workers. Housing affordability – for all levels of workers – is a growing concern to the region's business community and is a threat to our long-term economic prosperity.

As the region has continued to grow, a lack of implementable incentives combined with reactive zoning regulations and ever increasing impact fees has prevented the development of higher density, lower cost housing in our region's urban core near existing jobs and infrastructure. As a result, new growth has continued to force housing development further outward in the region, resulting in increased sprawl, increased congestion and longer commutes for workers. Our transportation infrastructure is quickly reaching a tipping point and will no longer be able to handle our unsustainable growth patterns.

We have achieved the economic growth that we want as a region and now the challenge is how do we sustain it. It is our hope that this document serves as a blueprint of actionable items to increase the number of housing units affordable to the region's growing workforce because **Housing Matters.**



Michelle Mapp
Executive Director
South Carolina
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Action items

Allow higher density development in urban core

Update regulations that stifle housing affordability including minimum lot sizes and minimum parking requirements.

Say yes to new development for changing demographic

Approve non-traditional development proposals that attract talent to meet our job market demand.

Develop a 50-year transit and transportation plan

Rezone land immediately for transit-oriented development to allow the private sector time to provide density needed to support a multi-modal transit system.

Replicate innovative development solutions

Pass an accessory dwelling unit ordinance modeled after the award-winning Town of Mount Pleasant law.



Key housing questions for our region

HOUSING + DENSITY

Our region's population is projected to reach one million by 2027. Are we ready to HOUSE 302,561 new, primarily single-person households?

Density data points

- High home prices
- Housing density
- Population density



HOUSING + COST

Our region's high cost of living and below average wage levels make us one of the least affordable metros in the Southeast. What are we doing to address the cost of living while the Charleston Regional Development Alliance and others work to increase wages?

Cost data points

- Subsidized flood insurance policies
- Median monthly owner costs
- Cost of living index

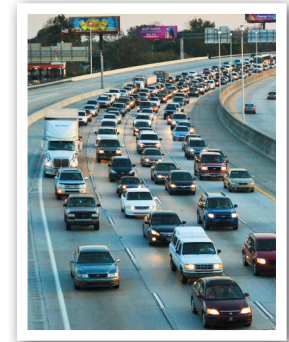


HOUSING + TRANSPORTATION

Our region's existing transportation infrastructure is inadequate to handle current needs and future growth. What are we doing today to create compact, walkable communities with enough density to support and pay for the future development of a high quality, multi-modal transit system?

Transportation data points

- Average travel time to work
- Share of working age residents near a transit stop
- Share of all jobs reachable via transit in 90 minutes



HOUSING + CONSTRUCTION

Our region is currently home to 68,721 single-person households (primarily seniors and young professionals); this will be the majority household type in the US by the 2020's. Are we making proactive development decisions to address these changing demographics?

Construction data points

- Number of housing units
- Building permits for single-family units
- Building permits for multi-family units



HOUSING + DENSITY

Why does this matter?

Our region's population is projected to reach one million by 2027.
Are we ready to HOUSE 302,561 new, primarily single-person households?



Key points

Minimum lot size

Minimum lot size land use restrictions significantly impact house prices by forcing the development of low-density neighborhoods where every lot and every home must have the same size, dimension, and very little diversity of price points.

Urban sprawl

Increased development of land in suburban and rural areas outside of the region's urban centers characterized by low-density development and marked by detached single-family homes, strip malls and reliance on the automobile for transportation.

Minimum parking

The relationship between population density, parking spaces and public transit availability is a critical one. When a municipality mandates more parking than would actually be used, parking becomes a barrier to smart growth and a barrier to transit-oriented development.



By the numbers

2027

The year our region's population is projected to reach one million.



302,561

New residents by 2027, which will primarily form single-family households.



72%

Percentage of U.S. households under 30 that rent.



the Facts

High home prices

The region's high home prices do not correlate with housing and population density compared to its peer cities. Why?












Austin:	\$231,300
CHARLESTON:	\$224,100
Richmond:	\$214,925
Raleigh:	\$198,800
Jacksonville:	\$166,500
Greenville:	\$159,600
Knoxville:	\$152,600
Lexington:	\$148,000

Source: National Association of REALTORS

Housing density

Housing density or residential density refers to the number of homes per unit of land.

 = 300 housing units per square mile






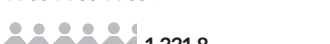



Richmond		1,644.4
Raleigh		1,232.5
Austin		1,189.13
Greenville		1,026.1
Knoxville		893.3
Savannah		599.9
Jacksonville		490.3
Lexington		476.5
Charleston		188.6

Source: U.S. Census Bureau

Population density

Population density refers to the number of people per unit of land.

 = 500 people per square mile

Richmond		3,414.7
Raleigh		2,826.3
Austin		2,653.2
Lexington		2,404.7
Knoxville		1,504.9
Jacksonville		1,331.8
Savannah		1,321.2
Charleston		1,101.9
Greenville		896.5

Source: U.S. Census Bureau



Regional view *Housing density in units per square mile*

Density is not always enough to ensure affordability. Local governments must intervene with creative development incentives to ensure that new high-density units are also affordable.

Charleston	Goose Creek	Mount Pleasant	North Charleston	Summerville
546.17	336.34	680.43	576.84	1,028.09

Source: U.S. Census Bureau

HOUSING + COST

Why does this matter?

Our region's high cost of living and below average wage levels make us one of the least affordable metros in the Southeast. What are we doing to address the cost of living while Charleston Regional Development Alliance and others work to increase wages?



Key points

Flood insurance

Our region's share of homes that require flood insurance coverage is astronomically higher than our economic competitors, which leads to more expense for homeowners. Municipalities must look at ways to further strengthen their role in the Community Rating System, which gives discounts on flood insurance premiums.

Attracting talent

Attracting young professionals to the region and making them feel part of the community is important to keeping talent here.

Cost of Living

Housing is the single largest monthly expense for most households. As a region, we must ensure that there are a sufficient number of housing units available that are affordable to residents at every income level.



By the numbers

\$68,843

Annual income needed by a household to afford the 2013 median priced home in the region of \$206,530.

\$35,838.40

Annual income needed by a household to afford a 2-bedroom apartment at the region's fair market rent of \$896.



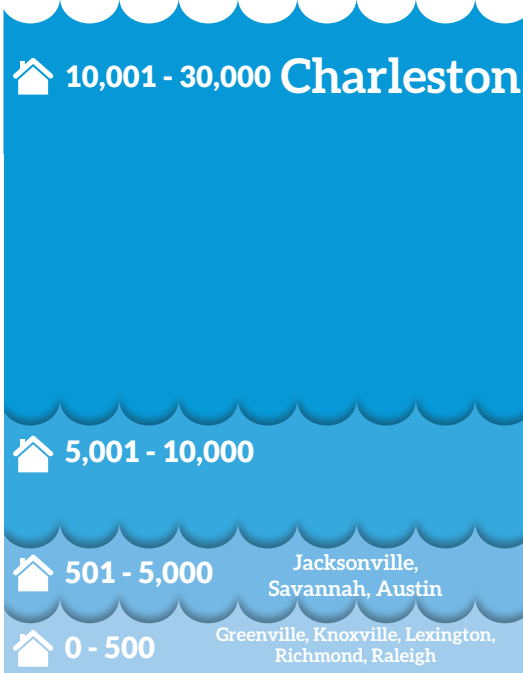
95

Work hours per week needed by a minimum wage worker to afford a 2-bedroom apartment at the region's fair market rent, which equates to 2.375 full time jobs.

the Facts

Subsidized flood insurance policies

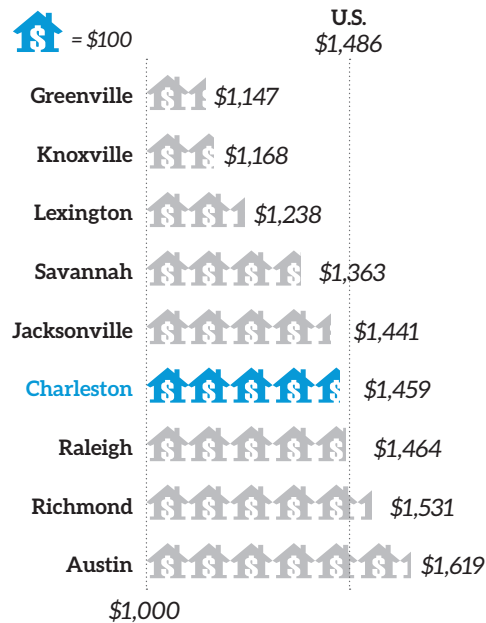
The National Flood Insurance Program, run by FEMA, provides subsidized flood insurance at reduced price to policyholders living in flood-prone regions.



Source: NFIP Flood Insurance

Median monthly owner costs

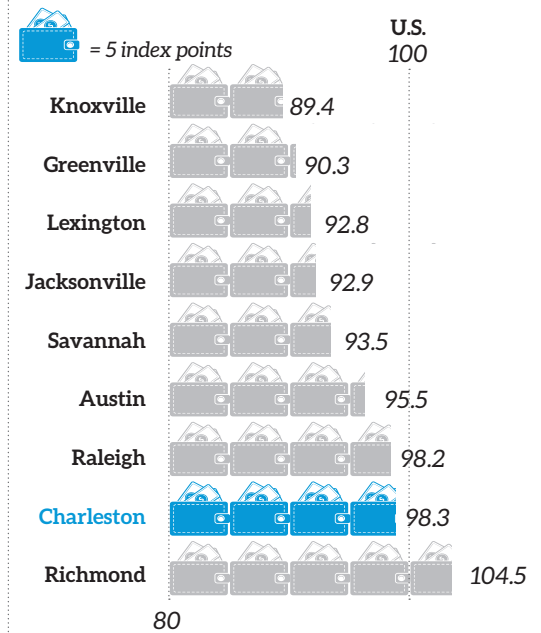
Selected monthly owner costs are calculated from the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs and condominium fees.



Source: U.S. Census Bureau

Cost of living index

Measures relative price levels for consumer goods and services in 300 participating cities each quarter.



Source: ACCRA

Regional view Median monthly owner costs with a mortgage

Homeownership costs more than a mortgage payment. Insurance, utility and property tax costs must also be competitive with other regions.



Source: U.S. Census Bureau

HOUSING + TRANSPORTATION

Why does this matter?

Our region's existing transportation infrastructure is inadequate to handle current needs and future growth. What are we doing today to allow compact, walkable communities with enough density to support and pay for the future development of a high quality, multi-modal transit system?



Key points

Employment near existing housing

More land near existing residential communities needs to be available for use as an employment center. Too often, our region puts employment centers in sparsely populated areas. We need to reverse this trend and place infill job centers adjacent to and near existing residential areas to cut commute times.

Ability to allow walkable communities

Modified zoning codes are necessary to begin integrating land use in order to create more compact communities, thus cutting down transportation needs.

Density needed to support multi-modal transportation system

The only true way to deal with increasing traffic is to build both roads and transit as quickly as possible in hopes to not fall too far behind. The region should create a 50-year transit and transportation plan with funding identified and then appropriately upzone land immediately to allow the private sector time to provide the needed density.



By the numbers

10

Studies show that for every 10 minutes a person spends in a daily car commute, time spent in community activities falls by 10%.

\$34.8M

A study by the U.S. Government Accountability Office from 2000 found that the average capital cost per mile for busways was \$13.5 million, while light rail average costs were \$34.8 million.

14,720

According to the Urban Land Institute, the minimum density needed to support light rail is 14,720 people per square mile.

the Facts

Average travel time to work

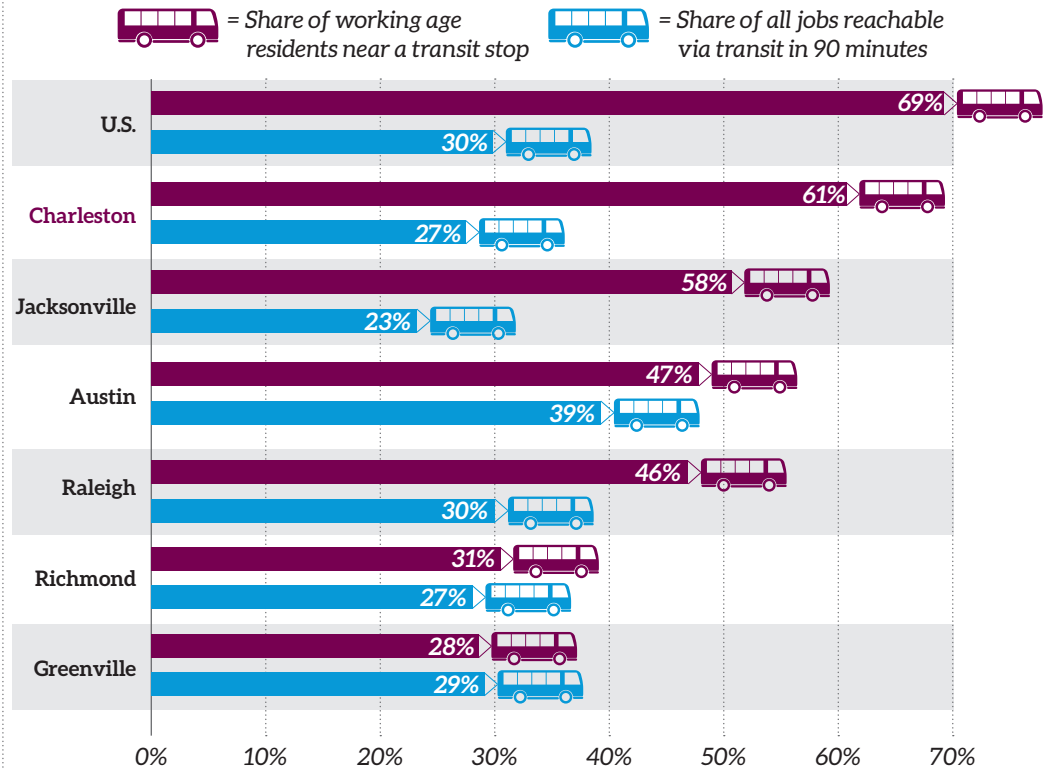
Commuter time is an important metric for homebuyers and renters, who should consider proximity, major traffic fluctuations and opportunities to take advantage of public transportation, or walking.



Source: U.S. Census Bureau

Transit usage and stops

61% of residents live near a transit stop but only 27% of jobs in the region are reachable by transit.



Source: Brookings Institute

Regional view Walk Score

The Walk Score algorithm awards points based on the distance to the closest amenity in each category. Each category is weighted equally and the points are summed and normalized to yield a score from 0-100. The number of nearby amenities is the leading predictor of whether people walk.

Relevant amenities include businesses, parks, theaters, schools and other common destinations.

Charleston

46

Goose Creek

23

Mount Pleasant

31

North Charleston

34

Summerville

27

Source: Walk Score

HOUSING + CONSTRUCTION

Why does this matter?

Our region is currently home to approximately 92,025 single-person households (primarily seniors and young professionals); this may well be the majority household type in the US in the 2020's. Are we making proactive development decisions to address these changing demographics?



Key points

Availability of units

Housing affordability is a problem that is further compounded by the change in living preferences and household size that has resulted in a fall in household occupancy rates and a demand for more rental units and smaller single-family units.

Population growth

Population growth is a major underlying factor for the demand of housing and without a new supply of housing units, prices will continue to increase for both renting and purchasing dwellings.

Innovative solutions

Local government can create widespread opportunities for mixed-income housing in suburban and urban neighborhoods at virtually no public expense by simply amending building codes and residential zoning to allow for construction of accessory dwelling units.



By the numbers

2030

The year the South will become the destination of choice for U.S. households.

92,025

Number of single-person households in the region.



2030

Year in which one in five Americans will be over the age of 65; this will have important implications for current transportation systems as well as land use and the placement of homes, businesses, and stores.

the Facts

Number of housing units

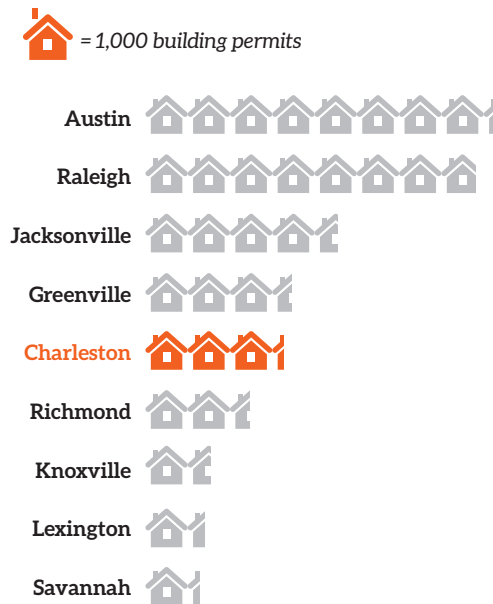
Is the region experiencing a housing gap—the difference between the net number of dwelling units added to the housing supply in a given time period, and the number needed to accommodate population change?



Source: U.S. Census Bureau

Building permits for single-family units

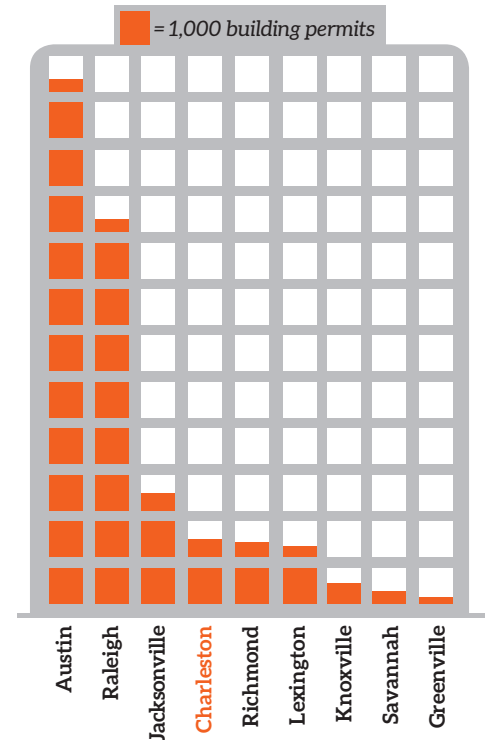
Since building permits usually precede outlays for construction, employment, financing and even furnishings, they are often a leading indicator for developments in the rest of the economy.



Source: Real Estate Center

Building permits for multi-family units

Wary of buying, consumers have chosen to rent. The demand for multi-family housing is expected to continue to rise due to the continued migration of the U.S. population to metropolitan areas.



Source: U.S. Census Bureau

Regional view *Cost to build a single-family house*

It is the summation of fees (building permit fee, plan review fee and applicable development impact fees including appropriate water and sewer provider) to build a \$250,000 single family house as published by each local municipality.

Charleston	Goose Creek	Mount Pleasant	North Charleston	Summerville
\$7,269	Not available	\$13,203	\$3,850	\$6,306

Source: Charleston Trident Association of REALTORS

Produced for the community by:

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