

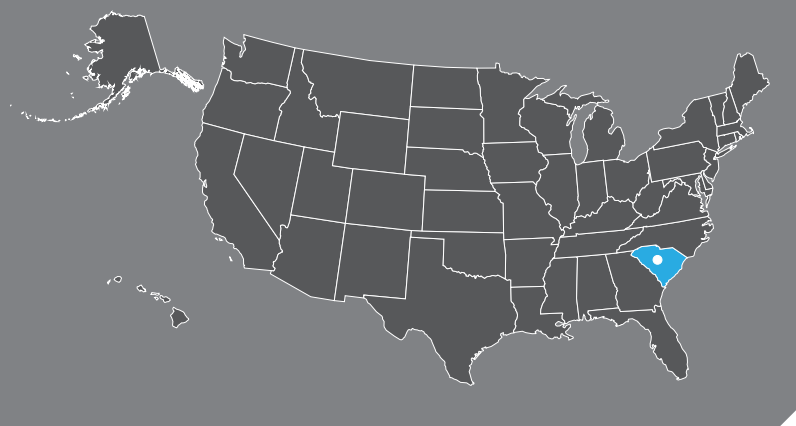
HUD PD&R Housing Market Profiles

Columbia, South Carolina



Quick Facts About Columbia

- Current sales market conditions: balanced
- Current rental market conditions: balanced
- The city of Columbia is home to the University of South Carolina (USC), which is the largest public university in the state by enrollment. USC is the sixth largest employer in the metropolitan area, with 5,750 employees, and it has an annual economic impact of \$6.2 billion on the state (USC, 2021).



By Steve Walker | As of November 1, 2022

Overview

The Columbia, SC Metropolitan Statistical Area (hereafter, Columbia metropolitan area) consists of Calhoun, Fairfield, Kershaw, Lexington, Richland, and Saluda Counties in central South Carolina. The city of Columbia, located in both Lexington and Richland Counties, is the state capital. The government sector is the largest employment sector in the metropolitan area, with approximately 77,500 jobs, or 19 percent of all nonfarm jobs. The government sector includes Fort Jackson Army Base (AB), which is the fourth largest employer, with 8,200 total payrolls (5,000 civilian and 3,200 active-duty military personnel). Fort Jackson AB is the main Basic Combat Training site for the U.S. Army, with approximately 50 percent of all new recruits coming to the base for their initial combat training (U.S. Army). Fort Jackson AB has an annual economic impact of approximately \$2.0 billion on the metropolitan area (South Carolina Military Task Force).

- As of November 1, 2022, the population of the Columbia metropolitan area is estimated to be 847,000, reflecting an average increase of 6,325, or 0.8 percent annually, since 2010 (U.S. Census Bureau and estimates by the analyst).

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- Population growth averaged 5,700 people, or 0.7 percent, annually from 2015 to 2019. During this period, net in-migration accounted for an average of 3,475 people annually, or 61 percent of the growth, whereas net natural change accounted for an average of 2,225 people annually, or 39 percent of the growth (U.S. Census Bureau population estimates as of July 1). Since 2019, population growth has averaged 6,975 people, or 0.8 percent, annually. During this period, net in-migration accounted for an average of 6,050 people, or 87 percent of the growth, whereas net natural change accounted for an average of 925 people annually, or 13 percent of the growth (current estimates by the analyst).
- In 2021, approximately 21.9 percent of all residents in the metropolitan area were aged 60 years or older, up from 16.8 percent in 2010 (American Community Survey [ACS] 1-year estimates). By comparison, the portion for the nation rose to 16.8 percent in 2021 from 13.1 percent in 2010.
- Because of an increased number of deaths associated with the COVID-19 pandemic, net natural increase has averaged 930 people annually in the metropolitan area since 2019, down from the average of 2,225 a year from 2015 to 2019 (U.S. Census Bureau population estimates as of July 1).

Economic Conditions

The economy of the Columbia metropolitan area is currently strong. The number of nonfarm payroll jobs lost during the COVID-19 pandemic-related downturn returned to the prepandemic level by August 2022 (monthly data; not seasonally adjusted). During the 3 months ending October 2022, nonfarm payrolls in the metropolitan area averaged 404,900 jobs, reflecting an increase of 9,500 jobs, or 2.4 percent, from the 3 months ending October 2021, which followed an increase of 2.5 percent from the 3 months ending October 2020. By comparison, during the 3 months ending October 2020, payrolls were down by 19,200 jobs, or 4.7 percent year over year. For context, the economy expanded for 9 consecutive years before the pandemic at an average rate of 1.7 percent annually from 2011 through 2019.

During the 3 months ending October 2022—

- Nonfarm payrolls in the service-providing sectors increased 2.7 percent, whereas the goods-producing sectors decreased 0.2 percent. The leisure and hospitality sector added 4,000 jobs, or 10.7 percent, compared with a year ago, the largest increase of any sector. In downtown Columbia, the five-story, 144-room Cambria Hotel opened in the summer of 2022, contributing to job gains.
- The wholesale and retail trade sector gained 2,300 jobs, or 4.0 percent. CAIF Nutrition, a distributor of natural ingredients for food, beverage, and dietary supplements, opened a new facility in July 2022, adding 20 full-time positions in Lexington County.

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During the 3 months ending October 2022, jobs increased in 8 out of 11 payroll sectors in the Columbia metropolitan area relative to a year ago.

	3 Months Ending		Year-Over-Year Change	
	October 2021 (Thousands)	October 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	395.4	404.9	9.5	2.4
Goods-Producing Sectors	48.5	48.4	-0.1	-0.2
Mining, Logging, & Construction	16.8	15.9	-0.9	-5.4
Manufacturing	31.7	32.5	0.8	2.5
Service-Providing Sectors	347.0	356.4	9.4	2.7
Wholesale & Retail Trade	57.6	59.9	2.3	4.0
Transportation & Utilities	16.5	16.6	0.1	0.6
Information	5.1	5.4	0.3	5.9
Financial Activities	32.9	34.5	1.6	4.9
Professional & Business Services	52.0	51.6	-0.4	-0.8
Education & Health Services	50.3	52.7	2.4	4.8
Leisure & Hospitality	37.3	41.3	4.0	10.7
Other Services	15.9	16.9	1.0	6.3
Government	79.4	77.5	-1.9	-2.4
Unemployment Rate	3.4%	3.1%		

Note: Numbers may not add to totals due to rounding.

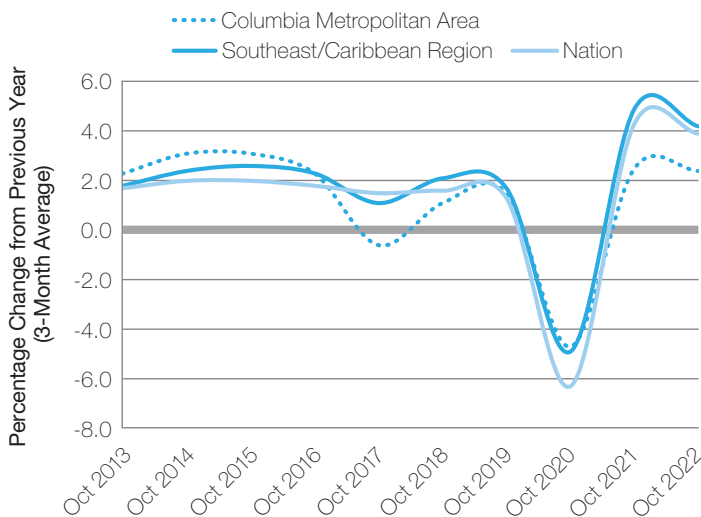
Source: U.S. Bureau of Labor Statistics



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- The government sector, the largest payroll sector, accounted for approximately 19 percent of total nonfarm payrolls. Declines in the government sector, which was down by 1,900 jobs, or 2.4 percent, moderated nonfarm payroll growth.
- The unemployment rate averaged 3.1 percent, down from 3.4 percent a year ago and below the 5.1 percent rate from 2 years ago.

The rate of job growth in the Columbia metropolitan area was lower than the rates for the Southeast/Caribbean Region and the nation during the past year.



Source: U.S. Bureau of Labor Statistics

The Columbia metropolitan area is a center for higher education and healthcare in the South Carolina region. The education and health services sector is the third largest nonfarm payroll sector in the metropolitan area, accounting for 52,700 jobs, or 13 percent of total jobs, during the 3 months ending October 2022. During the 3-month period, the sector grew by 2,400 jobs, the second most of any sector, compared with a 1,500-job increase during the previous year. In 2017, Palmetto Health and Greenville Health System merged to form Prisma Health, the second largest employer in the metropolitan area. Prisma Health has an estimated \$9.1 billion annual economic impact on the state of South Carolina (Prisma Health). Lexington Medical Center, also a major employer in the metropolitan area, has 7,900 employees and treats nearly 85,000 patients each year. During 2022, Lexington Medical Center and USC announced a partnership to build a 50,000-square-foot nursing simulation center and teaching space on the main campus of the hospital. The project is proposed to be complete by 2024 and is estimated to cost \$20 million.

Largest Employers in the Columbia Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of South Carolina	Government	25,750
Prisma Health	Education & Health Services	15,000
BlueCross BlueShield of South Carolina	Financial Activities	10,000

Note: Excludes local school districts.

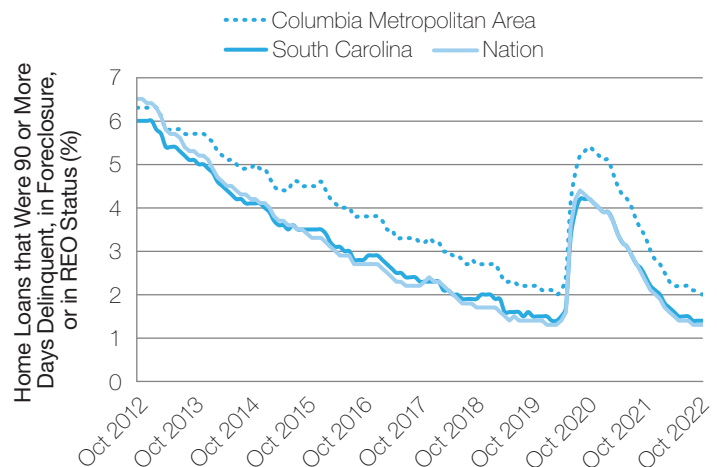
Sources: Richland County Economic Development Office; County of Lexington Department of Economic Development

Sales Market Conditions

Sales housing market conditions in the Columbia metropolitan area are currently balanced, with an estimated vacancy rate of 1.7 percent, down from 2.7 percent in April 2010. As of October 2022, the metropolitan area had 1.6 months of inventory available, up from 1.3 months a year ago and equal to the 1.6 months of supply in October 2020 (CoreLogic, Inc.). By comparison, the supply of homes available for sale peaked in October 2012 at 12.2 months. As of October 2022, 2.0 percent of home loans in the metropolitan area were seriously delinquent or had transitioned into real estate owned (REO) status, down from 3.3 percent a year earlier and 5.4 percent in October 2020. The decline in the rate primarily reflects a decrease in the number of loans 90 days or more delinquent from 2020, when the economic contraction during the COVID-19 pandemic made it more difficult for some homeowners to stay current on their mortgage payments. Despite the recent decline, the rate remains higher than the state and national rates of 1.4 and 1.3 percent, respectively.

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The rate of seriously delinquent mortgages and REO properties in the Columbia metropolitan area declined after a significant increase during 2020 but remains higher than the rates for the state and the nation.



REO = real estate owned.

Source: CoreLogic, Inc.

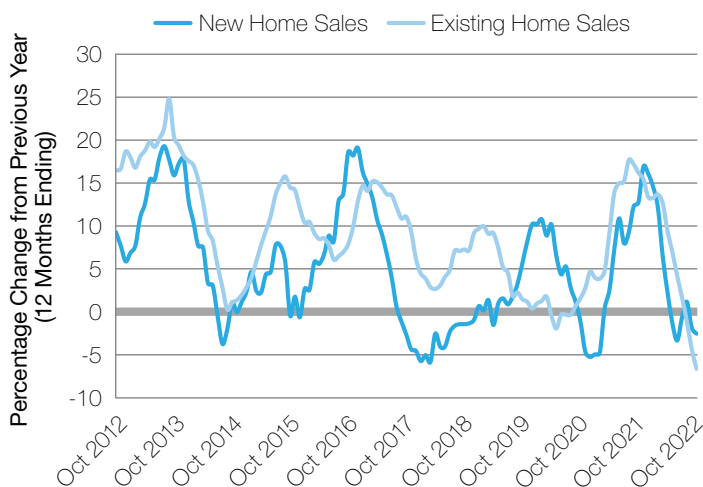


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During the 12 months ending October 2022 —

- Existing home sales totaled 18,750, down 7.0 percent from the 20,050 homes sold during the 12 months ending October 2021, but up from the 17,250 homes sold during the 12 months ending October 2020 (CoreLogic, Inc., with adjustments by the analyst).
- The average sales price of an existing home reached an all-time high of \$244,700, up by approximately \$29,200, or 14 percent, compared with the previous 12 months, when the average sales price of an existing home rose 12 percent. By comparison, the average existing home sales price increased approximately 14 percent during the 12 months ending October 2020 to \$192,300.
- New home sales decreased 3 percent compared with a year earlier to 3,150 homes sold. During the previous 12-month period ending October 2021, new home sales increased 12 percent. By comparison, during the 12 months ending October 2020, a period that included the early stages of the COVID-19 pandemic, new home sales decreased an average of 1 percent to 2,875 homes sold. Slower home sales growth during the past year was partly due to increases in mortgage interest rates coupled with higher new home sales prices.
- The average sales price of a new home was approximately \$322,400, up by \$46,250, or 17 percent, from the previous 12 months, when the average sales price of a new home rose 9 percent. By comparison, the average sales price of a new home increased 3 percent to \$254,200 during the 12 months ending October 2020.

The number of new home sales in the Columbia metropolitan area fell during the 12 months ending October 2022 but remained above prepandemic levels.



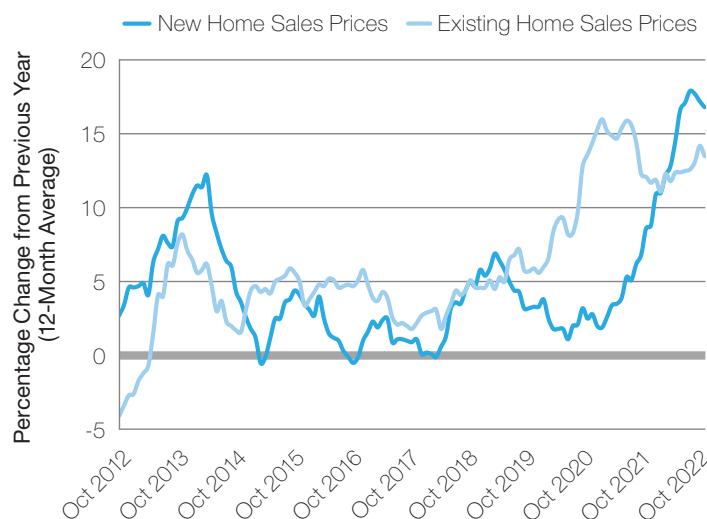
Note: Data include new and existing single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

New home construction, as measured by the number of sales units permitted and estimates by the analyst, generally increased from 2013 through 2021 to a high of 5,850 new homes built in the metropolitan area, but homebuilding slowed during the most recent 12-month period in response to decreased demand as interest rates increased.

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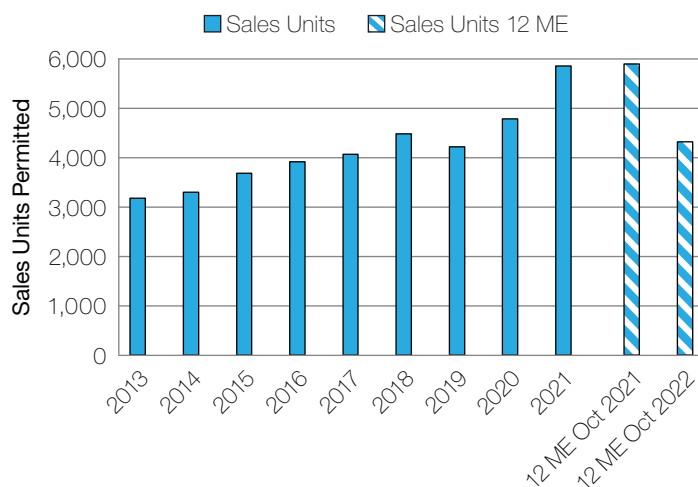
New home sales prices increased at a faster pace than existing sales prices in the Columbia metropolitan area during the 12 months ending October 2022.



Note: Data include new and existing single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

Construction of sales units in the Columbia metropolitan area increased nearly every year from 2013 through 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- The number of sales units permitted was 4,325 during the 12 months ending October 2022, down 27 percent from the 5,900 homes permitted during the previous 12 months (preliminary data).
- An average of 5,325 homes were permitted each year from 2020 through 2021, up from an average of 3,850 homes permitted annually from 2013 through 2019.
- Shoals Landing is currently under construction in the city of Irmo, approximately 12 miles northwest of downtown

Columbia, with 18 new homes being built. Home prices in this subdivision start at \$300,000, with two- and three-bedroom homes available.

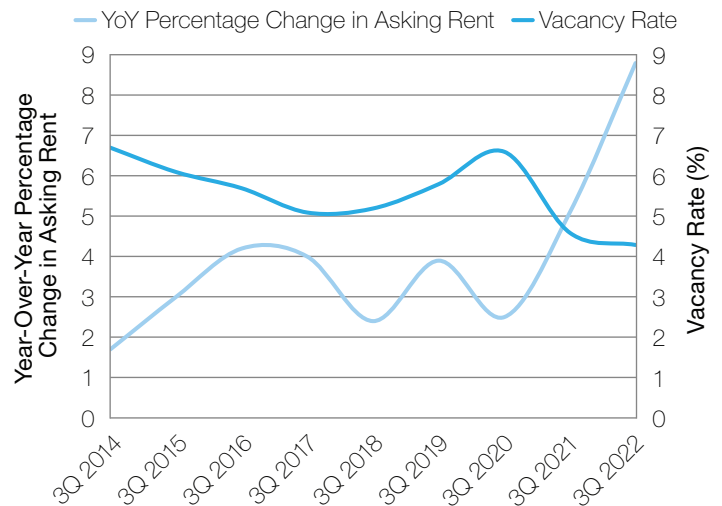
- Jacob's Millpond, a 24-townhome development northeast of downtown Columbia, offers three-bedroom, 2.5-bathroom homes that start at \$210,999 and are expected to be complete by the end of 2023.

Rental Market Conditions

Rental market conditions in the Columbia metropolitan area are balanced compared with soft conditions in 2010. The estimated vacancy rate for all rental units (including single-family homes, mobile homes, and apartments) is 6.3 percent as of November 1, 2022, down from 11.8 percent in April 2010. Structures with five or more units, typically apartments, are the most common types of rental units in the metropolitan area, accounting for 38 percent of all occupied rental units in 2021, down from 40 percent in 2010 (ACS 1-year data). Single-family homes accounted for 33 percent of all occupied rental units during 2021, unchanged from 2010.

- In October 2021, the average vacancy rate for professionally managed single-family homes was 6.2 percent, unchanged from a year earlier, and the average rent for professionally managed, three-bedroom single-family homes was \$1,538, up 13 percent from a year ago (CoreLogic, Inc.).
- During the third quarter of 2022, the apartment market was slightly tight, with a vacancy rate of 4.3, down from 4.6 percent a year earlier and slightly below the 4.4-percent rate for the nation (Moody's Analytics REIS). The apartment vacancy rate declined as home sales prices rose, making it increasingly difficult for first-time homebuyers to purchase homes in the metropolitan area.
- During the third quarter of 2022, the average monthly apartment asking rent increased approximately 9 percent, to \$1,083, compared with a 5-percent increase a year earlier. Nationally, rents increased 10 percent in the third quarter of 2022 to \$1,687.
- During the third quarter of 2022, apartment vacancy rates in the four Moody's Analytics REIS-defined market areas within the metropolitan area ranged from 2.4 percent in the Lexington County market area to 7.8 percent in the South Columbia market area, where USC and Fort Jackson AB are located. During the same period, average apartment rents

The apartment vacancy rate in the Columbia metropolitan area decreased slightly during the past year, whereas the average rent has increased significantly.



3Q = third quarter. YoY = year-over-year.
Source: Moody's Analytics REIS

ranged from \$877 in the Dutch Fork/West River market area to \$1,403 in the South Columbia market area.

Rental construction in the metropolitan area, as measured by the number of rental units permitted and estimates by the analyst, has fluctuated since 2013, ranging from approximately 1,750 units permitted in 2015 to a low of approximately 480 units permitted in 2020, when economic conditions weakened during the early stages of the COVID-19 pandemic. The number of rental units permitted rose sharply during the past 12 months, however, as developers responded to declining apartment vacancy rates and stronger rent growth.

- During the 12 months ending October 2022, 1,850 rental units were permitted in the Columbia metropolitan area,

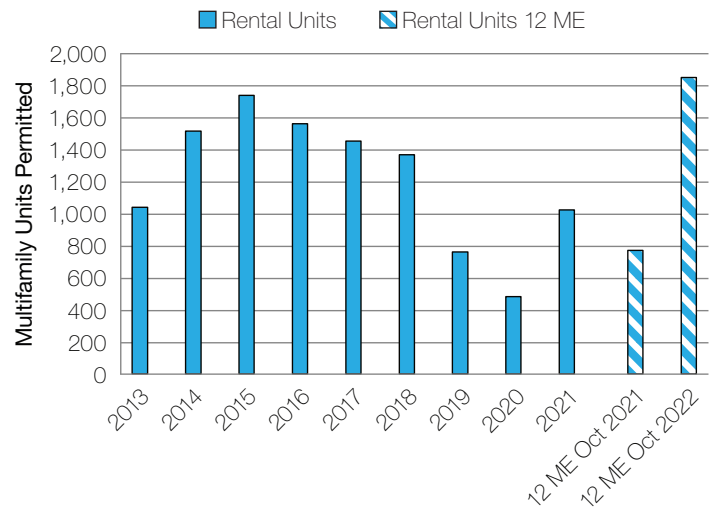
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up from the 770 units permitted during the 12 months ending October 2021 (preliminary data).

- An average of 1,275 units were permitted annually from 2016 through 2019, higher than the average of 750 units permitted during 2020 and 2021.
- The Haven at Congaree Pointe is an age- and income-restricted apartment community south of downtown Columbia. The 196-unit property is under construction and is opening in the first quarter of 2023, with monthly rents starting at \$805 for one-bedroom units and \$970 for two-bedroom units.
- The 109-unit The Lady apartment community in downtown Columbia was completed during the second half of 2021 and offers studio, one-, two-, and three-bedroom units that rent from \$1,050 to \$3,150.

Rental units permitted reached a high during the most recent 12 months in the Columbia metropolitan area.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned (REO) sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Regular Resales	Includes short sales but excludes REO sales.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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