

HUD PD&R Housing Market Profiles

Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina



Quick Facts About Myrtle Beach-Conway-North Myrtle Beach

Myrtle Beach, South Carolina

By Karen M. Ostrye | As of May 1, 2022

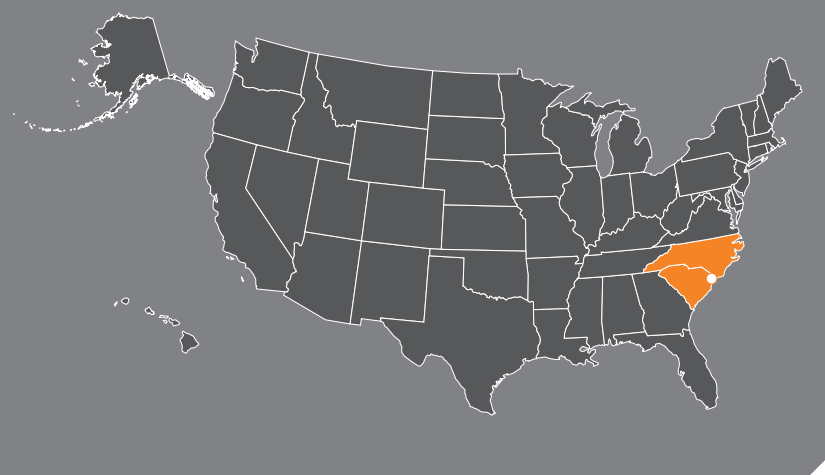
- Current sales market conditions: tight
- Current apartment market conditions: balanced
- With the 60-mile “Grand Strand” of sandy beaches and 90 championship golf courses, Myrtle Beach draws more than 19 million tourists each year and is an increasingly popular retirement area (Visit Myrtle Beach).

Overview

The Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area (hereafter, Myrtle Beach metropolitan area) is on the eastern shore of the Atlantic Ocean and includes Horry County in South Carolina and Brunswick County in North Carolina. The economic core of the Myrtle Beach metropolitan area is in Horry County, which includes the Grand Strand, and accounts for an estimated 79 percent of all nonfarm payrolls. The metropolitan area is also home to Coastal Carolina University in the city of Conway. The university, which had an enrollment of more than 10,400 students during the fall of 2021, is the second largest employer in the metropolitan area, with 2,200 employees and an annual economic impact of \$500 million in 2018 (coastal.edu).

- As of May 1, 2022, the population of the Myrtle Beach metropolitan area is estimated at nearly 526,300, an average annual increase of 12,400, or 2.8 percent, since 2010. Relatively low housing costs in the metropolitan area coupled with strong economic conditions throughout the nation nearly each year since 2014 have contributed to an influx of newly retired residents.

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- Population growth averaged 7,750 people, or 2.0 percent, annually from 2010 to 2014 (Census Bureau decennial census counts and population estimates as of July 1). By comparison, the population increased at a faster rate since 2014, up by an average of 14,900, or 3.2 percent, annually.
- Net in-migration has accounted for all the population growth in the metropolitan area since 2014. Net in-migration averaged 16,350 people annually but was partly offset by net natural decline of 1,450 people annually since 2014. From 2010 to 2014, net in-migration averaged 7,625 people annually, and net natural increase averaged 125 people annually.
- In 2019, approximately 36.3 percent of all residents in the metropolitan area were 60 or older, up from 24.7 percent in 2010 and above the portion for the nation, which rose to 29.4 percent in 2019 from 24.4 percent in 2010 (American Community Survey [ACS] 1-year estimates). This fast-growing cohort contributes to a higher median age in the metropolitan area, which rose from 41.6 in 2010 to 49.7 in 2019, compared with 37.2 in 2010 and 38.5 in 2019 nationally.

Economic Conditions

Economic conditions in the Myrtle Beach metropolitan area have strengthened in the wake of the downturn resulting from the COVID-19 pandemic. Nonfarm payrolls increased by 9,700 jobs, or 5.8 percent, year-over-year to an average of 177,000 jobs during the 3 months ending April 2022. The metropolitan area is a popular tourist destination, particularly for families and retirees. The significance of tourism in the metropolitan area contributed to severe job losses during the early stages of the COVID-19 pandemic, but recent monthly data point to a strong recovery. Payrolls in the metropolitan area declined by 34,800 jobs, or 20 percent, during April 2020 and, as of April 2022, are 6 percent above the prepandemic level (monthly data; not seasonally adjusted).

During the 3 months ending April 2022 —

- The leisure and hospitality sector added 2,500 jobs, or 6.8 percent, from the same period a year earlier and is approximately 94 percent of the level of payrolls during April 2019, before the pandemic (monthly data; not seasonally adjusted). The leisure and hospitality sector, the largest sector in the Myrtle Beach metropolitan area, accounts for 22 percent of total nonfarm payrolls, compared with 10 percent of total nonfarm payrolls nationally. Tourism generates an estimated \$7 billion in annual economic impact in the metropolitan area (Visit Myrtle Beach).

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Nearly all nonfarm payroll sectors added jobs in the Myrtle Beach metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	April 2021 (Thousands)	April 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	167.3	177.0	9.7	5.8
Goods-Producing Sectors	15.5	15.9	0.4	2.6
Mining, Logging, & Construction	10.9	11.0	0.1	0.9
Manufacturing	4.6	4.9	0.3	6.5
Service-Providing Sectors	151.9	161.1	9.2	6.1
Wholesale & Retail Trade	33.0	36.5	3.5	10.6
Transportation & Utilities	4.6	4.7	0.1	2.2
Information	2.3	2.4	0.1	4.3
Financial Activities	9.1	10.1	1.0	11.0
Professional & Business Services	16.4	17.4	1.0	6.1
Education & Health Services	19.8	19.8	0.0	0.0
Leisure & Hospitality	36.9	39.4	2.5	6.8
Other Services	6.5	6.7	0.2	3.1
Government	23.3	24.1	0.8	3.4
Unemployment Rate	6.0%	4.4%		

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

Source: U.S. Bureau of Labor Statistics



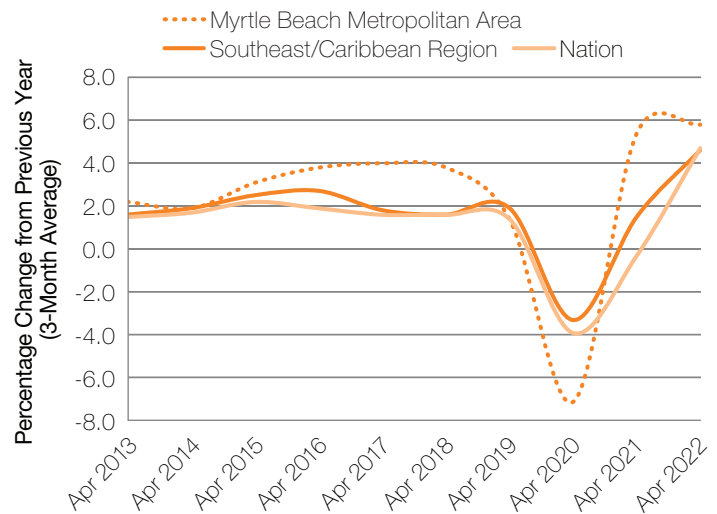
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- The wholesale and retail trade sector added 3,500 jobs, or 10.6 percent, had the largest increase of any sector, and some of those gains were attributed to the return of tourists.
- The mining, logging, and construction sector added 100 jobs, or 0.9 percent, compared with a year earlier. This growth is due to an increase in single-family and multifamily home construction in the metropolitan area and the construction of the dual Courtyard / Springhill Suites by Marriott on Ocean Boulevard, which opened in April 2022.
- The manufacturing sector increased by 300 jobs, or 6.5 percent, and is partly attributed to the establishment of the headquarters for Pacon Manufacturing Corporation and aerospace manufacturer Precision Swiss Products, Inc., both in Brunswick County, during 2021; these employers are expected to add 299 and 125 new jobs, respectively, by 2024.
- The unemployment rate declined to 4.4 percent from 6.0 percent during the same period a year earlier.

The increase in retirees to the metropolitan area has contributed to the rising demand for healthcare services. As a result, the education and health services sector has been the fastest growing sector during the past 2 decades, despite nonfarm payrolls remaining unchanged during the 3 months ending April 2022 compared with a year earlier. The sector represented 11 percent of all payrolls during the 3 months ending April 2022, compared with nearly 7 percent in 2000. Grand Strand Medical Center completed a \$54 million expansion in 2014 that added 54 beds to the hospital to accommodate the increasing population in the metropolitan area.

The transportation and utilities sector added 100 jobs, or 2.2 percent, during the 3 months ending April 2022, compared with a year earlier. The Duke Energy nuclear power plant in southeastern Brunswick County generates energy to power more than 1.5 million homes and provides jobs for more than 700 people in the metropolitan area. The nearby Port of Wilmington has given rise to a cluster of transportation and logistics companies along US Route 74 and Interstate-140 in northeastern Brunswick County. The proximity to the port, the presence of the CSX Corporation railroad company, the availability of low-cost electrical power, and the benefits of the

The Myrtle Beach metropolitan area lost more jobs and recovered at a faster rate than the Southeast/Caribbean region and the nation during the downturn caused by the COVID-19 pandemic.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Myrtle Beach Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Walmart Inc.	Wholesale & Retail Trade	3,000
Coastal Carolina University	Government	2,200
Conway Medical Center	Education & Health Services	2,000

Note: Excludes local school districts.

Source: Myrtle Beach Regional Economic Development Corp.

on-site Foreign Trade Zone make both the new Mid-Atlantic Industrial Rail Park and International Logistics Park an attractive site for companies to locate. The first phases of these adjacent industrial and manufacturing sites have more than 1,000 acres each, with the potential for further development in the northeastern portion of the metropolitan area.

Sales Market Conditions

Sales housing market conditions in the Myrtle Beach metropolitan area are currently tight. New and existing home sales prices continue to increase at a strong pace. During the 12 months ending April 2022, the average sales price of new and existing homes increased 16 percent to \$298,100, unchanged from the price growth during the previous 12-month

period (CoreLogic, Inc., with adjustments by the analyst). Approximately 32,000 new and existing homes sold during the 12 months ending April 2022, up 1 percent from the 31,600 homes sold during the previous 12-month period. Home sales growth slowed in the metropolitan area in the past year compared with a 28-percent increase during the 12 months

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ending April 2021 because of a low inventory of existing homes for sale. The inventory of existing homes was at a 1.2-month supply in April 2022, down from 1.5 months in April 2021 (Coastal Carolina Association of Realtors®).

During the 12 months ending April 2022—

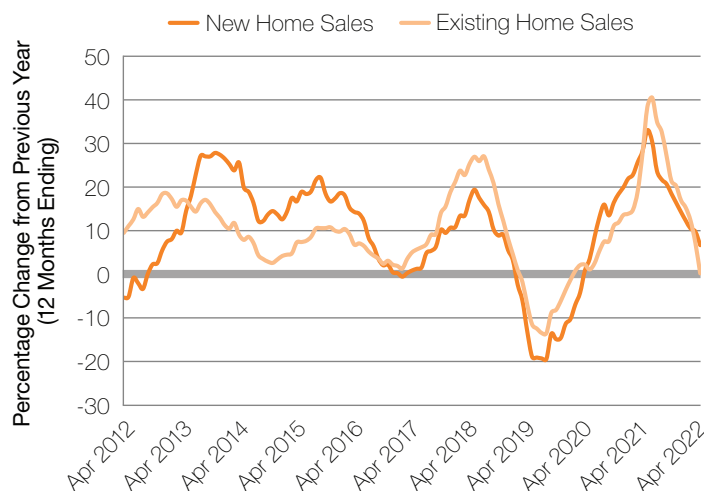
- New home sales totaled 5,900, up 7 percent from the 5,525 sales a year ago. The average sales price for a new home was \$337,800, an increase of 20 percent from a year earlier (CoreLogic, Inc., with adjustments by the analyst). Some of the increases in price can be attributed to higher construction costs and supply chain disruptions resulting from shutdowns in response to the COVID-19 pandemic.
- Existing home sales totaled 26,100, up less than 1 percent from 26,050 homes sold during the previous 12-month period. The average sales price for an existing home was \$292,100, an increase of 16 percent from \$252,000 a year earlier. The current existing home price is nearly double the recent low of \$146,400 in 2012. Amid strong population growth in the Myrtle Beach metropolitan area, price growth was strengthened by offers above the listing price as buyers competed for limited homes available.
- The percentage of mortgages that were seriously delinquent or had transitioned into real estate owned (REO) status fell to 0.9 percent, down from 2.2 percent in April 2021. The economic contraction at the onset of the COVID-19 pandemic led to a temporary rise in the delinquency rate, reaching a high of 3.1 percent during August 2020, lower

than the highs of 4.2 and 4.4 percent for South Carolina and the nation, respectively, during the same month.

- REO sales accounted for less than 1 percent of existing home sales, down from 2 percent a year earlier. The utilization of forbearance programs, a strong economic recovery, and the increase of retirees anxious to buy homes in the metropolitan area reduced foreclosures during the past year.

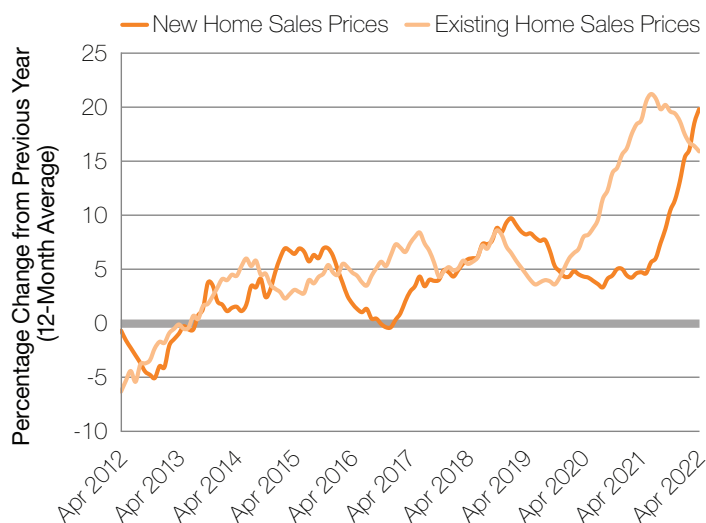
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After a recent peak in 2021, new and existing home sales growth has slowed in the Myrtle Beach metropolitan area.



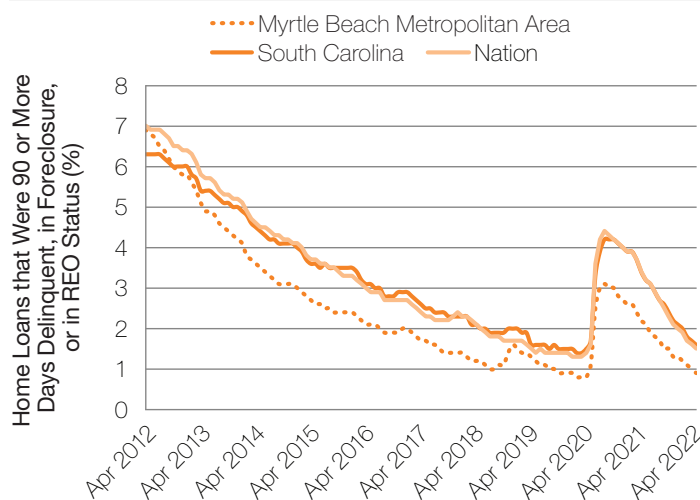
Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

Elevated construction costs have contributed to strong new home sales price growth in the Myrtle Beach metropolitan area during the past year.



Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

The rate of seriously delinquent mortgages and REO properties in the Myrtle Beach metropolitan area has slowly declined after a significant increase during 2020 and remains below rates for the state and the nation.



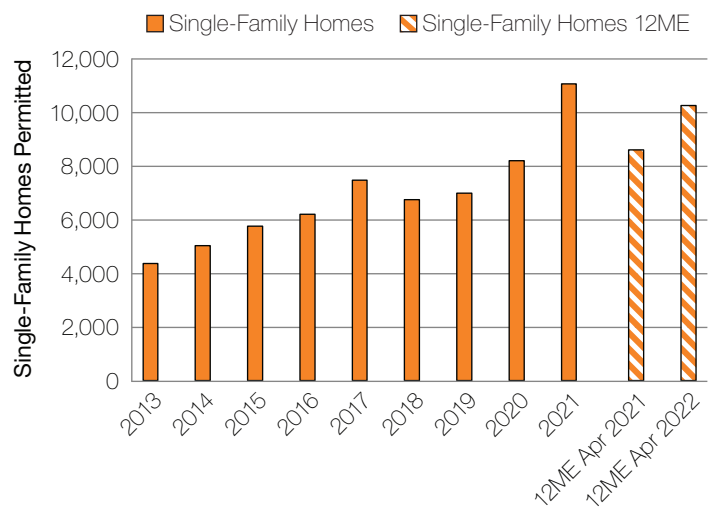
REO = real estate owned.
Source: CoreLogic, Inc.

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The increase in retirees moving to the area has contributed to greater single-family home construction since 2018. From 2018 through 2021, an average of 8,250 single-family homes were permitted annually compared with 5,775 homes from 2013 through 2017. During the 12 months ending April 2022, 10,250 single-family homes were permitted in the metropolitan area, a 19-percent increase from 8,600 homes during the same period a year ago (preliminary data).

- Horry County has accounted for approximately 64 percent of all new homes permitted in the Myrtle Beach metropolitan area since 2017. New homes in the county tend to be near amenities like golf courses and beaches. The Parks of Carolina Forest sold 530 of the 800 homes planned at buildout, and the two- to five-bedroom homes, starting at \$335,000, are located 4 miles from World Tour Golf Links, north of State Route 31, which connects with US Route 501, leading to the cities of Conway and Myrtle Beach.
- Grande Dunes is a 2,200-acre master-planned community expected to have 5,000 homes at buildout and includes golf, ocean, and tennis clubs and a 126-slip marina. Del Webb at Grande Dunes is part of Marina Village, one of the four communities in Grande Dunes scattered along US Route 17, with approximately 60 percent of the planned 800 single-family homes and 200 villas already built. The Del Webb community is designed for residents 55 or older and has two- to three-bedroom homes starting in the high \$300,000s.
- Many new communities are under construction along US Route 17 in Brunswick County, which extends from the city of Leland in the northeast corner of the Myrtle Beach metropolitan area, near the Port of Wilmington, to the beaches in Horry County. Eagle Run has completed 80 of the 300 homes planned north of US Route 17, east of the

The number of single-family homes permitted in the Myrtle Beach metropolitan area has trended upward since 2013.



12ME = 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

South Carolina border; these 1,575 to 3,200 square-foot homes have two to five bedrooms and start at \$305,000.

- Approximately one-fifth of the new homes built in Brunswick County since 2016 are in the town of Leland. SeaBrooke is a 65-home community in the town of Leland, near Route US 17 and Interstate-140, with either leading to the city of Myrtle Beach or the city of Wilmington in a neighboring metropolitan area and close to the Brunswick River; these three-bedroom homes start at \$320,000, and 18 homes remain to be sold.

Apartment Market Conditions

The apartment market in the Myrtle Beach metropolitan area is currently balanced, compared with slightly soft conditions during 2014. High levels of in-migration since the mid-2010s, coupled with low multifamily construction, led to declining vacancy rates in the early to mid-2010s. Apartment vacancy rates increased during the late 2010s into 2020 because many new communities were leasing after multifamily construction strengthened. Following a modest increase during 2020, the average rent in the metropolitan area rose sharply during the past year, more than doubling any rent growth recorded in the past decade.

During the first quarter of 2022—

- The average rent in the Myrtle Beach metropolitan area was \$1,369, up 17 percent from a year ago, whereas the

average rent for the nation increased approximately 15 percent, to \$1,671 (CoStar Group). By comparison, the average rent in the Myrtle Beach metropolitan area rose an average of 3 percent annually from the first quarter of 2014 to the first quarter of 2021.

- The apartment vacancy rate in the metropolitan area was 7.3 percent, up from 7.0 percent during the first quarter of 2021, below the recent high of 9.1 percent in the first quarter of 2020, when many new units had been added.
- The CoStar Group-defined South Horry County market area had the highest percentage increase in average asking rent in the Myrtle Beach metropolitan area, up 24 percent to \$1,389. The vacancy rate in the South Horry County market

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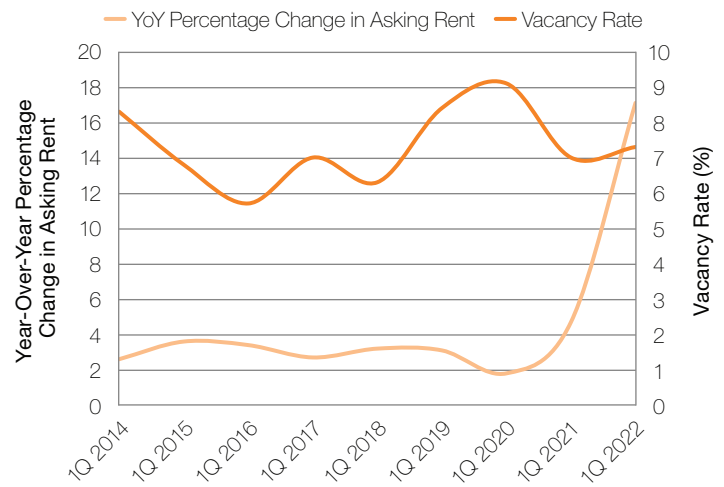
area was 4.6 percent in the first quarter of 2022, down from 4.9 percent the previous year.

- The North Myrtle Beach market area had the highest vacancy rate in the Myrtle Beach metropolitan area at 18.9 percent, up from 13.9 percent during the first quarter of 2021. Some of these vacant units can be attributed to the recent increase in multifamily construction; the inventory of apartments in this area has increased 78 percent since the first quarter of 2018.

Multifamily construction activity, as measured by the number of units permitted, has been elevated since 2017 in response to strong population growth. During the 12 months ending April 2022, 1,350 units multifamily units were permitted in the Myrtle Beach metropolitan area, compared with 1,625 units permitted during the previous year (preliminary data). As of May 1, 2022, an estimated 1,400 multifamily units were under construction in the metropolitan area; all are intended for renter occupancy.

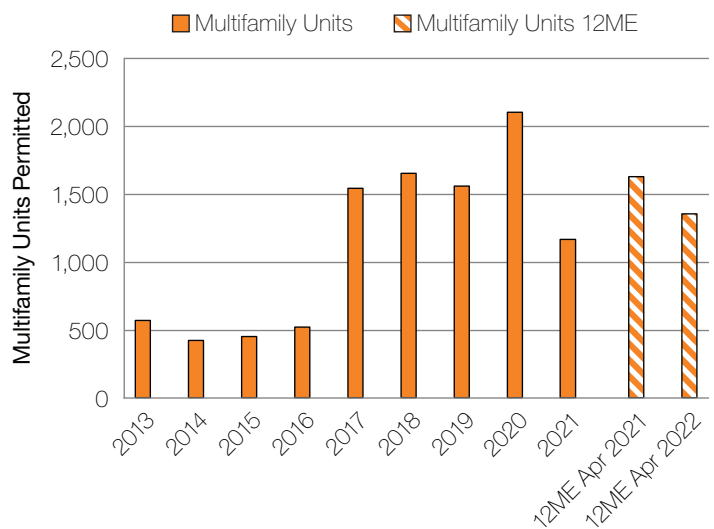
- From 2013 through 2016, multifamily permitting averaged 490 units annually compared with an average of 1,600 units annually from 2017 through 2021.
- The city of Leland, in the northeast corner of the Myrtle Beach metropolitan area, accounted for 18 percent of all apartments added since 2020. Waterleaf at Leland, completed in 2021, has 248 studio to 3-bedroom units, with rents ranging from \$1,495 to \$2,135.
- Notable new apartment construction is also occurring in the southern part of the metropolitan area along US Route 17 in the city of Myrtle Beach, Lively Grand Dunes, a 322-unit property in the Grande Dunes community began to lease up in early 2022 and is expected to be completed by November 2022. The property is near Grand Strand Medical Center and will offer studio, one-bedroom, two-bedroom, and three-bedroom units with rents starting at \$1,775, \$1,670, \$1,950, and \$2,515, respectively.
- Nearly one-half of the apartment units added in the past 2 years were designed for residents 55 and older. The 194-unit Inspire Coastal Grand is a 55-years-and-older community leasing near the Atlantic Ocean and the Myrtle Beach International Airport, with rents ranging from \$1,555 to \$3,130 for one- to three-bedroom units.

Rent growth has accelerated, and the vacancy rate has trended downward in the Myrtle Beach metropolitan area since 2020.



1Q = first quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily construction in the Myrtle Beach metropolitan area has been elevated since 2017.



12ME = 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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90+ 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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