

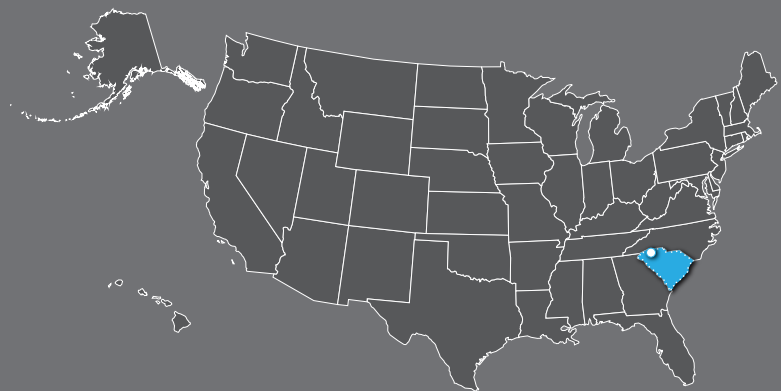
HUD PD&R Housing Market Profiles

Spartanburg, South Carolina



Quick Facts About Spartanburg

- Current sales market conditions: slightly tight
- Current rental market conditions: soft
- The only BMW (Bavarian Motor Works) automobile assembly plant in the United States is in the city of Greer in Spartanburg County. As of 2019, it was the largest BMW production plant by volume in the world (BMW Group).



By [Alex M. Remillard](#) | As of January 1, 2025

Overview

The Spartanburg, SC Metropolitan Statistical Area (hereafter, Spartanburg metropolitan area) includes Spartanburg and Union Counties in northern South Carolina. The metropolitan area is a manufacturing hub with growing materials engineering and agribusiness industries (OneSpartanburg, Inc.). BMW Manufacturing Co., LLC in Spartanburg County is the largest employer in the metropolitan area; a 2022 study by the University of South Carolina estimated the economic impact of the manufacturing plant on the state to be \$26.7 billion annually. Automotive component manufacturer Gestamp South Carolina, LLC is the largest employer in Union County (Upstate SC Alliance). Other automotive suppliers in the metropolitan area—such as Michelin North America, Inc. and Sage Automotive Interiors, Inc.—support the nearby assembly plants.

- As of January 1, 2025, the population of the metropolitan area is estimated at 399,400, representing an average annual increase of 9,300, or 2.5 percent, since April 2020. By comparison, from July 2015 to April 2020, the population increased by an average of 6,100, or 1.8 percent, annually

continued on page 2



continued from page 1

(U.S. Census Bureau population estimates as of July 1, U.S. Census Bureau decennial census counts; estimates by the analyst).

- Since April 2020, population growth in the metropolitan area has been entirely due to net in-migration, which averaged 9,640 people annually, up from 5,560 people a year from July 2015 to April 2020. During the period, net natural decrease averaged 340 people a year, reversing from an average annual net natural increase of 540 people from July 2015 to April 2020.

- All of the population growth in the metropolitan area during the past 10 years has been in Spartanburg County, where the population increased to 372,900 as of January 1, 2025—an average increase of 9,450, or 2.7 percent, annually since April 2020, compared with an average increase of 6,225, or 2.0 percent, annually from July 2015 to April 2020. By contrast, the population of Union County declined to 26,500 as of January 1, 2025, down by an average of 150, or 0.6 percent, since April 2020 and following an average annual decrease of 125, or 0.5 percent, from July 2015 to April 2020.

Economic Conditions

The economy of the Spartanburg metropolitan area is strong, but growth is moderating. Nonfarm payroll growth slowed or was unchanged from a year earlier in 9 of the 11 nonfarm sectors as of the fourth quarter of 2024. Payroll growth accelerated in the government sector, and the payroll decline in the transportation and utility sector slowed compared with the rate of job losses the year before, following the closure of Yellow Corporation during 2023. Nonfarm payrolls averaged 178,200 jobs during the fourth quarter of 2024, up by 3,800 jobs, or 2.2 percent, from the same period in 2023, following an increase of 5,000 jobs, or 2.9 percent, a year earlier. Current nonfarm payroll levels in the metropolitan area are 10,500 jobs, or 6.3 percent, higher than as of the fourth quarter of 2019, before the COVID-19 pandemic. By comparison, national payrolls increased 1.2 percent as of the fourth quarter of

2024 compared with a year earlier and were 4.5 percent higher than during the same period in 2019.

As of the fourth quarter of 2024—

- The manufacturing sector was the largest payroll sector in the metropolitan area, with 39,700 jobs, or 22 percent of nonfarm payrolls. The sector increased by 400 jobs, or 1.0 percent, from the same period a year earlier. The increase was partly due to the opening of new manufacturing plants in the metropolitan area, such as the Munich Composites GmbH and OMRON Automation plants.
- The largest nonfarm payroll increase was in the government sector, increasing by 1,800 jobs, or 6.2 percent, from the fourth quarter of 2023, following an increase of 1,400 jobs,

continued on page 3

As of the fourth quarter of 2024, job gains in the Spartanburg metropolitan area were fastest in the mining, logging, and construction sector.

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	174.4	178.2	3.8	2.2
Goods-Producing Sectors	47.4	48.4	1.0	2.1
Mining, Logging, & Construction	8.1	8.7	0.6	7.4
Manufacturing	39.3	39.7	0.4	1.0
Service-Providing Sectors	126.9	129.8	2.9	2.3
Wholesale & Retail Trade	26.2	26.2	0.0	0.0
Transportation & Utilities	10.5	10.4	-0.1	-1.0
Information	1.0	1.0	0.0	0.0
Financial Activities	5.2	5.2	0.0	0.0
Professional & Business Services	17.2	17.2	0.0	0.0
Education & Health Services	16.8	17.4	0.6	3.6
Leisure & Hospitality	15.3	15.6	0.3	2.0
Other Services	5.8	5.9	0.1	1.7
Government	29.0	30.8	1.8	6.2
Unemployment Rate	3.0%	4.5%		

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

Source: U.S. Bureau of Labor Statistics



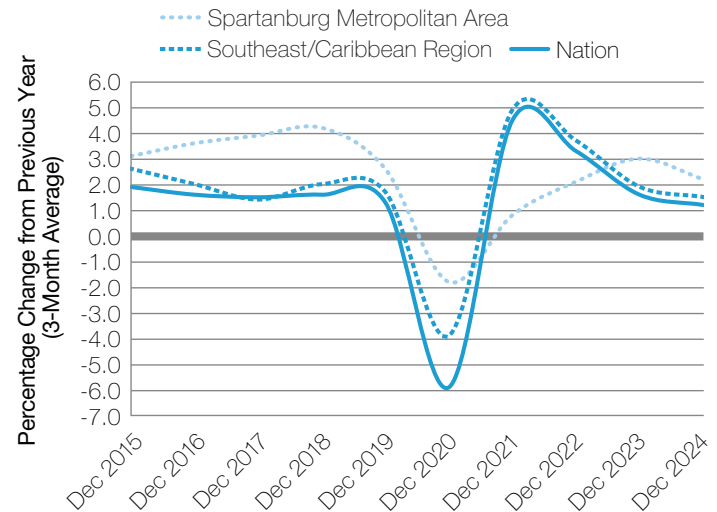
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or 5.2 percent, a year earlier. All of the increase was in the local government subsector.

- Payrolls in the transportation and utilities sector declined by 100 jobs, or 1.0 percent, compared with the fourth quarter of 2023, following a decline of 1,200 jobs, or 10.3 percent, a year earlier. Payrolls in the professional and business services, the financial activities, the information, and the wholesale and retail trade sectors were unchanged from the fourth quarter of 2023.
- The unemployment rate averaged 4.5 percent, up significantly from 3.0 percent a year ago and 2.2 percent as of the fourth quarter of 2019. By comparison, the national unemployment rate averaged 3.9 percent as of the fourth quarter of 2024, up from 3.5 percent a year earlier and 3.5 percent as of the fourth quarter of 2019.

The manufacturing sector contributes significantly to the economy of the metropolitan area, and except for a slight decline in jobs at the start of the pandemic, the sector has grown consistently throughout the past 10 years. The local area attracted \$745 million in capital investment during 2024 that supported a total of 1,220 new jobs across multiple sectors in Spartanburg County, following \$1.1 billion in capital investments supporting 1,150 new jobs the year before (OneSpartanburg, Inc.). New development projects in the area during 2024 included a \$9.6 million production facility for Smartpress, an online printing company in the city of Duncan, and \$9.2 million by OMRON Automation, which makes industrial automation equipment in the city of Greer. These projects are expected to contribute 150 and 162 jobs, respectively, to the metropolitan area. Along with businesses moving to the area, companies already established there are expanding. In late 2024, fiber optics equipment manufacturer AFL announced a \$155 million expansion expected to bring 150 jobs to the metropolitan area during the next several years, and in June 2024, BMW opened a \$200 million sheet metal stamping plant that added 200 jobs. Tourism also contributes to the economy of the metropolitan area. During 2024, Spartanburg County hosted 63 athletic tournaments, attracting an estimated 100,000 visitors and generating more than \$10 million in economic impact on the county (*GSA Business Report*). Fifth Third Park, a \$425 million,

Nonfarm payrolls in the Spartanburg metropolitan area grew faster than the national and regional rates during the past 2 years, following slower growth during 2021 and 2022.



Source: U.S. Bureau of Labor Statistics

Major Employers in the Spartanburg Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
BMW Manufacturing Co., LLC	Manufacturing	11,000
Spartanburg Regional Healthcare System	Education & Health Services	>10,000
Michelin North America, Inc.	Manufacturing	1,400

Note: Excludes local school districts.

Sources: BMW Manufacturing Co., LLC; Spartanburg Regional Healthcare System; Michelin North America, Inc.

3,500-seat baseball stadium and an anchor for a mixed-use development, is under construction in Spartanburg County and expected to open in mid-2025. The city of Spartanburg also features a walkable downtown with galleries, event space, and the Spartanburg Art Museum. Union County hosts the annual Uniquely Union Festival featuring music, local vendors, and food. In 2024, the city of Union approved a 250-seat amphitheater approximately 1 mile from the city center that is expected to be complete by 2027.

Sales Market Conditions

The home sales market in the Spartanburg metropolitan area is slightly tight, with an estimated vacancy rate of 1.2 percent as of January 1, 2025, down from 1.6 percent in April 2020. During 2020, the number of home sales in the metropolitan area increased only 4 percent compared with the previous year. However, home sales price growth accelerated in 2020,

with prices up 11 percent, faster than the 6-percent increase a year earlier, partly because of the onset of the 2020 pandemic. During 2021, when mortgage interest rates were low, both home sales and home prices increased at the fastest rates in the past 10 years, up 17 and 23 percent, respectively, from a year earlier. Mortgage rates increased during 2022, and home

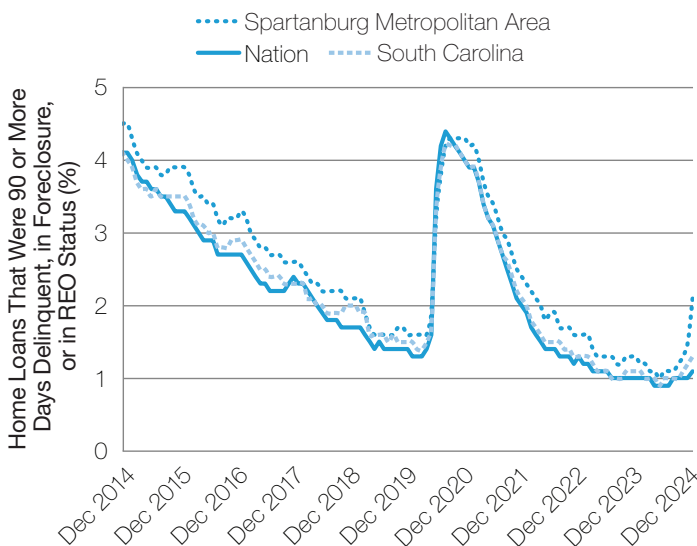
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sales demand weakened because the cost of homeownership increased and fewer homebuyers could afford mortgages. The interest rate for a 30-year, fixed-rate mortgage averaged 6.7 percent during December 2024, down slightly from 6.8 percent a year earlier but well above the December low of 2.7 percent in 2020 (Freddie Mac). Home sales declined rapidly during 2022 and 2023, decreasing an average of 13 percent annually, and home price growth slowed to the lowest rate since 2013, with prices in 2023 up 3 percent from a year earlier. During 2024, however, the decline in home sales slowed, and price growth was similar to prepandemic rates, partly because high levels of net in-migration to the metropolitan area continued. The 1,250 homes for sale in December 2024 represented a 1.6-month supply of inventory, down from a 1.9-month supply a year earlier (Redfin, a national real estate brokerage, with adjustments by the analyst). By comparison, when the market was very tight as of December 2021, the 710 homes for sale represented a 0.7-month supply.

The share of mortgages in the metropolitan area that were seriously delinquent or in real estate owned (REO) status was 2.1 percent as of December 2024, up from 1.3 percent a year ago and above the respective rates of 1.1 and 1.3 percent for the nation and South Carolina (CoreLogic, Inc.). By comparison, the share of mortgages that were seriously delinquent or in REO status in the metropolitan area reached a recent December high of 4.3 percent in 2020 during the pandemic, when many mortgages were in forbearance.

The percentage of home loans that are 90 or more days delinquent, in foreclosure, or in REO status in the Spartanburg metropolitan area has been above the national and state averages since late 2020.



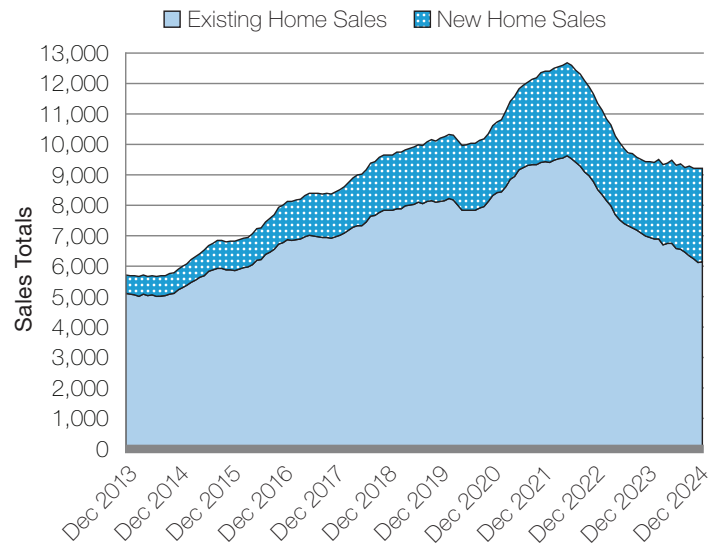
REO = real estate owned.
Source: CoreLogic, Inc.

During 2024—

- Approximately 3,050 new homes sold in the metropolitan area, up by 560 homes, or 22 percent, from 2023 and following a decline of 320 homes, or 11 percent, during the year before. The new homes sold during 2024 represented the highest annual total in the past 10 years, up from the previous high of 2,975 new homes during 2021 (CoreLogic, Inc., with adjustments by the analyst).
- Existing home sales decreased by 790 homes, or 11 percent, from 2023 to 6,150, the lowest annual existing home sales since 2015. The decline during the past year followed a decrease of 1,575 homes, or 19 percent, during 2023.
- The average new home price declined by \$4,500, or 1 percent, from 2023 to \$310,900, following an increase of \$15,000, or 5 percent, a year before. In contrast, the average existing home price increased by \$24,750, or 11 percent, from 2023 to \$248,300, after increasing less than 1 percent a year earlier.
- New and existing home sales in Spartanburg County decreased 2 percent from 2023 and accounted for approximately 96 percent of all home sales in the metropolitan area, whereas home sales in Union County decreased 10 percent from 2023. The average home price in Spartanburg County was \$275,700, up 8 percent

continued on page 5

During 2024, existing home sales in the Spartanburg metropolitan area continued to decline, but new home sales increased significantly compared with 2023.



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



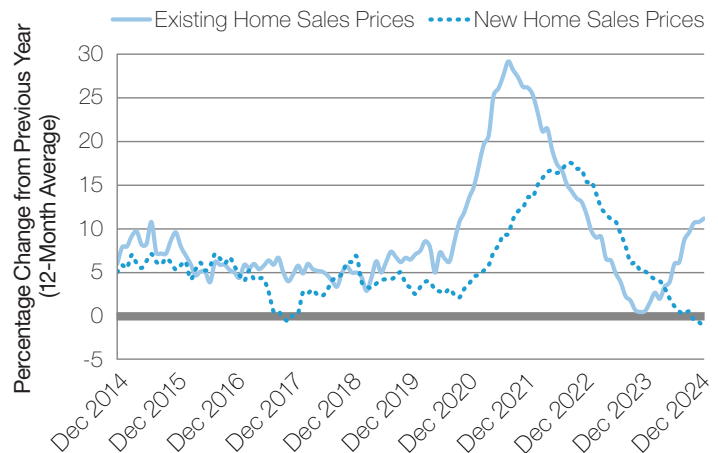
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from 2023, and the average home price in Union County increased 11 percent during the same period to \$124,800.

Sales housing construction in the metropolitan area, as measured by the number of single-family homes, townhomes, and condominiums permitted for sale, increased during the early stages of the pandemic and reached a recent high during 2021. Sales construction declined to prepandemic levels during 2022, partly because of the impact of rising interest rates on sales demand, before increasing again during 2023 and 2024.

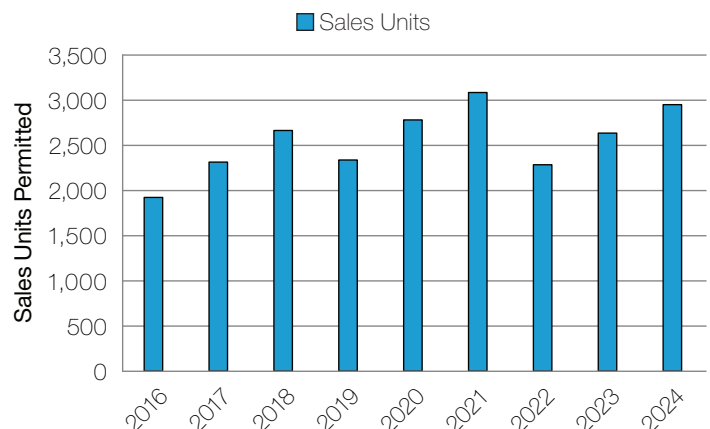
- During 2024, approximately 2,950 sales units were permitted in the metropolitan area, up by 310 units, or 12 percent, from 2023 (preliminary and final data, with adjustments by the analyst).
- The highest number of sales units permitted in the past decade was 3,075 units during 2021, representing an increase of 300 units, or 11 percent, from 2020 (annual data, with adjustments by the analyst).
- Spartanburg County accounted for approximately 2,890, or 98 percent, of all sales units permitted in the metropolitan area during 2024, up by 310 units, or 12 percent, from 2023. By comparison, approximately 60 sales units were permitted in Union County during 2024, unchanged from 2023.
- Trailside at Drayton Mills is a single-family home and townhome development in Spartanburg County. Out of a total of 28 single-family homes and 16 townhomes planned at buildout, 5 single-family homes and 5 townhomes are complete, and 3 lots are available for sale. Home prices in the development range from \$235,000 for a three-bedroom, 1,550-square-foot townhome to \$369,000 for a four-bedroom, 2,175-square-foot single-family home.

New home sale prices in the Spartanburg metropolitan area declined during 2024, whereas existing home sales price growth accelerated.



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

After declining during 2022, construction of sales units in the Spartanburg metropolitan area increased during 2023 and 2024.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Rental Market Conditions

Rental market conditions in the Spartanburg metropolitan area are currently soft, with an estimated rental vacancy rate of 11.3 percent as of January 1, 2025, up from 9.2 percent in April 2020. Single-family homes are a sizeable portion of the rental inventory, accounting for 36 percent of renter-occupied housing units in 2023, but that share was down from 48 percent in 2019, partly because of significant apartment construction in recent years (American Community Survey 1-year data). Many new apartment projects began construction during 2021, including projects on hold during 2020 because of the

pandemic. The substantially higher net in-migration to the metropolitan area since 2020 contributed to elevated apartment absorption, encouraging additional development. However, many rental projects that were started in 2021 did not come on line until 2022 and 2023, and the large wave of completions outpaced absorption, resulting in rising vacancy rates. During 2023, the apartment vacancy rate reached the highest fourth quarter rate in at least 20 years, and the average apartment rent increased at the slowest fourth quarter rate in more than 10 years. The market has improved slightly since 2023 because

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net in-migration has been elevated, and rental completions declined during the past year.

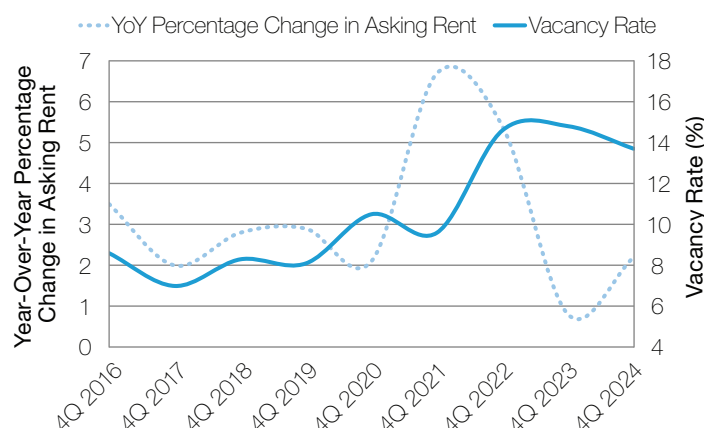
As of the fourth quarter of 2024 —

- The apartment market in the metropolitan area was soft, with a vacancy rate of 13.7 percent, down from 14.8 percent a year earlier. By comparison, the apartment vacancy rate was 8.1 percent as of the fourth quarter of 2019, before the COVID-19 pandemic (CoStar Group).
- The average monthly apartment rent increased 2 percent to \$1,216 from the fourth quarter of 2023, following a 1-percent increase a year earlier. By comparison, the fastest rate of apartment rent growth in more than 10 years was 7 percent as of the fourth quarter of 2021.
- The average rents for studio, one-bedroom, two-bedroom, and three-bedroom apartments during the fourth quarter of 2024 were \$1,132, \$1,055, \$1,190, and \$1,414, respectively. The rents represented increases from a year before ranging from 1 percent for a two-bedroom apartment to 3 percent for a three-bedroom apartment.
- Spartanburg County accounted for approximately 98 percent of the apartment units in the metropolitan area and had the same vacancy rate as the metropolitan area overall, 13.7 percent, with an average apartment rent of \$1,226. The apartment market in Union County is made up of mostly units classified by CoStar Group as affordable and had a vacancy rate of 7.3 percent, with an average apartment rent of \$594.

Rental construction in the metropolitan area, as measured by the number of rental units permitted, increased dramatically during the early months of the pandemic and reached a recent high in 2021. Rental construction declined significantly during 2022 when many units permitted during the previous 2 years came on line. Since 2022, rental permitting has been above the average annual prepandemic level but much lower than during 2020 and 2021.

- During 2024, the number of rental units permitted in the metropolitan area decreased from 2023 by 110 units, or 9 percent, to 1,125 units (preliminary data, with adjustments by the analyst). By comparison, a recent high of 3,400 rental units were permitted during 2021, more than double the number permitted in 2020 (annual data, with adjustments by the analyst).
- Since 2019, single-family, built-for-rent homes have made up a significant portion of rental permitting in the metropolitan area, averaging 260 homes annually, or 17 percent of the total rental units permitted, compared with an average of 12 homes, or 2 percent of total rental units permitted, from 2015 through 2018.

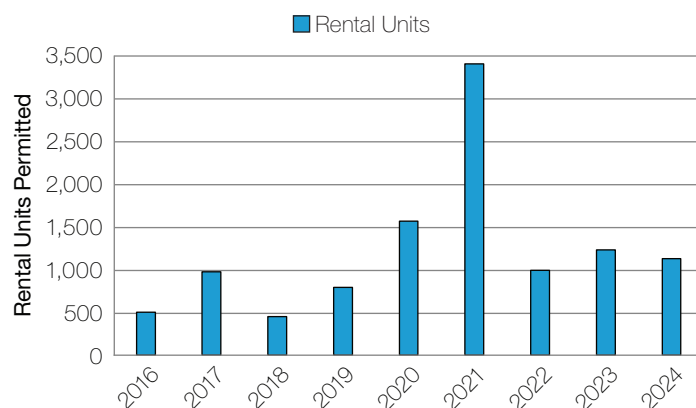
As of the fourth quarter of 2024, the apartment vacancy rate in the Spartanburg metropolitan area declined slightly from the recent fourth quarter high in 2023, and the average apartment rent growth accelerated.



4Q = fourth quarter. YoY = year over year.

Source: CoStar Group

During 2024, the number of rental units permitted in the Spartanburg metropolitan area was above prepandemic levels but well below the recent high during 2021.



Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

- All of the rental units permitted in the metropolitan area since 2017 have been in Spartanburg County, and approximately 430, or 38 percent of the units permitted in the metropolitan area during 2024, were in the city of Spartanburg. Rental units permitted in the cities of Boiling Springs, Inman, and Greer accounted for 32, 25, and 5 percent, respectively, of the units permitted in the metropolitan area during 2024.
- The One at Spartanburg, an apartment development in Spartanburg County completed in 2024, offers 180 units with one to three bedrooms. Rents range from \$1,325 for a one-bedroom, 875-square-foot unit to \$1,900 for a three-bedroom, 1,350-square-foot unit.

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up. A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
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 Decrease	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings with no ties to new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
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.
2.	The HUD Southeast/Caribbean region includes Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and the U.S. Virgin Islands.