The COVID-19 pandemic has resulted in unprecedented large and rapid changes in many data series, and similarly unprecedented large policy responses, making analysis of, and longer run predictions for, the economy and housing markets exceptionally difficult and uncertain. HUD will continue to monitor market conditions in the HMA and provide an updated report/ addendum in the future.

COMPREHENSIVE HOUSING MARKET ANALYSIS

Greenville, South Carolina

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of November 1, 2020

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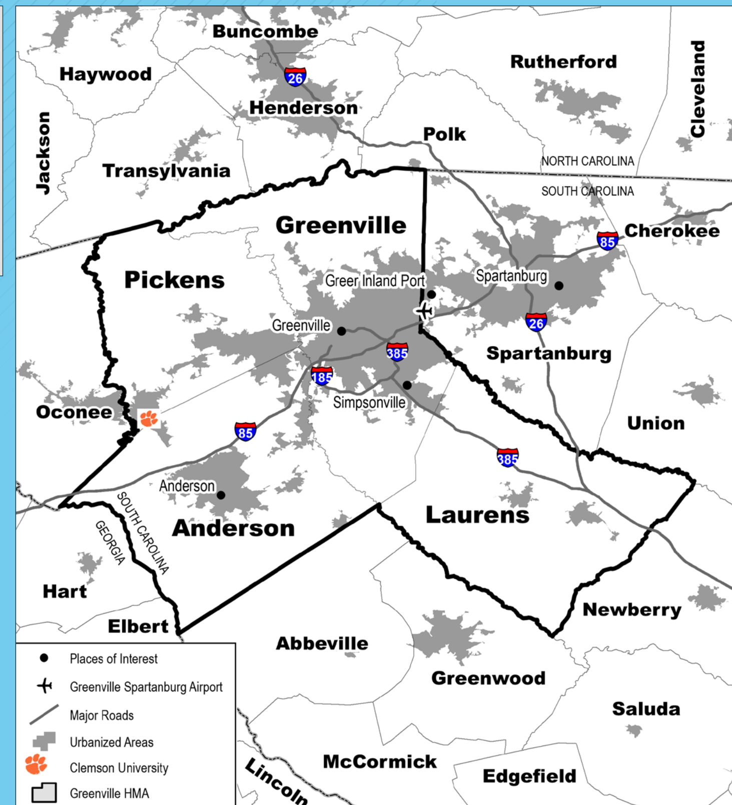

Executive Summary

Housing Market Area Description

The Greenville Housing Market Area (HMA) is coterminous with the Greenville-Anderson-Mauldin, SC Metropolitan Statistical Area (MSA), which is defined as Anderson, Greenville, Laurens, and Pickens Counties in South Carolina. The former textile manufacturing capital of the world is now focused mainly on automotive manufacturing and home to large manufacturers such as Michelin North America, Inc., and Robert Bosch LLC. Clemson University, downtown Greenville, and the natural scenery of upstate South Carolina attract tourists and retirees from across the country.

Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in the supplemental tables of this report.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Weak: Nonfarm payrolls declined by 12,600 jobs, or 2.9 percent, during the 12 months ending October 2020.

As a result of the COVID-19 pandemic, the economy in the Greenville HMA weakened significantly during the past 12 months. Job losses during the period occurred primarily in the professional and business services and the leisure and hospitality sectors, which accounted for more than 70 percent of total jobs lost. The unemployment rate reached a high near the beginning of the pandemic—at 12.3 percent in April 2020—but has since declined to 3.5 percent in October 2020. Nonfarm payrolls are expected to increase an average of 1.5 percent annually during the 3-year forecast period, as economic conditions continue to improve.

Sales Market

Balanced: The average existing home sales price increased 7 percent during the 12 months ending October 2020.

Sales housing market conditions in the Greenville HMA are currently balanced, with an estimated vacancy rate of 1.2 percent—down from 2.9 percent in April 2010. Recently, responses to the COVID-19 pandemic have contributed to a decrease in the supply of homes for sale. In October 2020, a 2.5-month supply of homes were for sale, compared with a 3.5-month supply a year ago. During the next 3 years, demand is estimated for 13,700 new homes. The 2,400 homes currently under construction will meet a portion of the demand during the first year of the forecast.

Rental Market

Balanced: Apartment market vacancy rates have remained around 4.3 percent since 2018.

Overall rental housing market conditions in the Greenville HMA are currently balanced, with an estimated rental vacancy rate of 7.5 percent—down from 11.4 percent in 2010, when the market was soft. The apartment market is also currently balanced, with vacancy rates during the third quarter of 2020 averaging 4.3 percent—unchanged from the same period a year ago. During the 3-year forecast period, demand is estimated for 5,350 additional rental units in the HMA. The 2,300 units currently under construction are expected to meet part of that demand during the first year of the forecast.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Greenville HMA	Total Demand	13,700	5,350
	Under Construction	2,400	2,300

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of November 1, 2020. The forecast period is November 1, 2020, to November 1, 2023.
Source: Estimates by the analyst

Economic Conditions

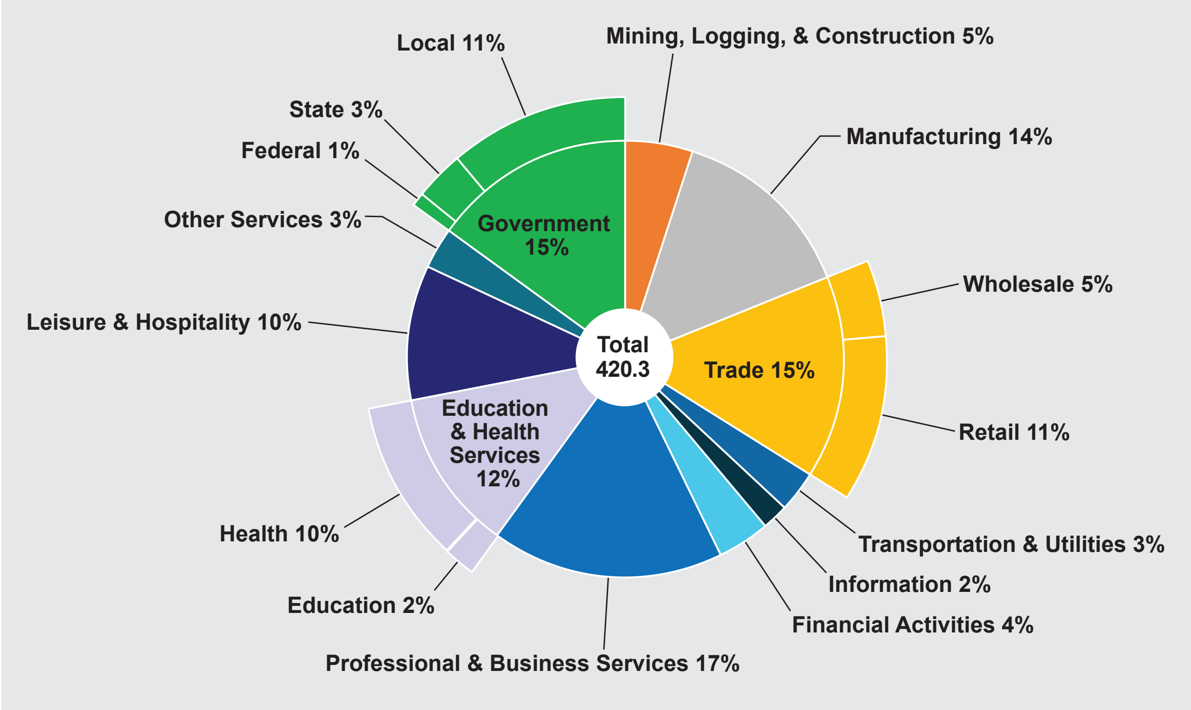
Largest Sector: Professional and Business Services

> Proximity to the BMW Manufacturing Co., LLC (BMW) production facility in the adjacent Spartanburg, SC MSA has a large effect on the economy in the Greenville HMA.

Primary Local Economic Factors

Since the 1990s, the Greenville HMA has transitioned from being the textile manufacturing capital of the world to a location known for advanced manufacturing. A more diverse manufacturing sector, with a focus on the automobile industry, has replaced the textile industry. The main cause of this shift toward the automobile industry has been the growth of the BMW production facility in the neighboring Spartanburg, SC MSA. The growth of BMW since 2000 has prompted many tier-1 automotive suppliers to move to the HMA and has promoted the growth of major employers already in the HMA, such as Michelin North America, Inc. (Michelin) and Robert Bosch LLC (Bosch). Professional and business services is the largest sector in the HMA, at 17 percent of nonfarm payroll jobs (Figure 1); the temporary-help services industry typically accounts for the largest share of jobs in this sector, at 33 percent in 2019. Across the nation, approximately 85 percent of temporary-help service production jobs are manufacturing-related and would otherwise be classified as jobs in the manufacturing sector but are not because they are contracted through employment agencies (Quarterly Census of Employment and Wages [QCEW], Bureau of Labor Statistics). MAU Workforce Solutions, one of the largest temporary-help service production companies in the HMA, hires contractors for BMW, Michelin, Bosch, and other manufacturers in the metropolitan area. The categorization of contractors in the professional and business services sector is partly reflected in the American Community Survey (ACS) data for the HMA, in which approximately 18 percent of respondents worked at a manufacturer and 10 percent worked at a company in the professional and business services sector (IPUMS USA 2019 1-year ACS estimates)—a contrast to the sector distribution of jobs.

Figure 1. Share of Nonfarm Payroll Jobs in the Greenville HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Wholesale and Retail do not sum to the Trade sector percentage due to rounding. Based on 12-month averages through October 2020.
Source: U.S. Bureau of Labor Statistics

The HMA has also become a popular retirement destination, leading to fast growth in the leisure and hospitality and the education and health services sectors once the economy began recovering from the Great Recession. Those sectors increased by averages of 1,500 jobs each—or 3.6 and 3.3 percent, respectively—annually from 2013 through 2019, adding the largest number of jobs after the professional and business services sector. The education and health services sector has grown almost every year since 2000 and was the fastest growing sector in the HMA, largely due to continued expansions at Prisma Health—the largest employer in the HMA (Table 1)—to keep up with strong net in-migration and the aging population.

The government sector is the third largest sector in the HMA and contains the second largest employer, Clemson University. Since 2012, Clemson University has averaged a 3-percent annual enrollment increase and a 3-percent increase in the number of employees (Clemson University). The university currently employs 5,400 people and had a $1.3 billion operating budget for the 2020–2021 academic year. The Clemson Tigers football team has made it to the College Football Playoffs every year since 2015, helping drive leisure and hospitality growth and tourism to the HMA.

Table 1. Major Employers in the Greenville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Prisma Health	Education & Health Services	16,450
Clemson University	Government	5,400
Michelin North America, Inc.	Manufacturing	4,725
Bon Secours Health System, Inc.	Education & Health Services	4,450
AnMed Health	Education & Health Services	4,050
Duke Energy Corporation	Transportation & Utilities	3,600
State of South Carolina	Government	3,425
GE Power	Manufacturing	3,400
ZF Transmissions Gray Court, LLC	Manufacturing	2,500
Robert Bosch LLC	Manufacturing	2,200

Note: Excludes local school districts.
Source: Upstate SC Alliance

Nonfarm Payroll Trends

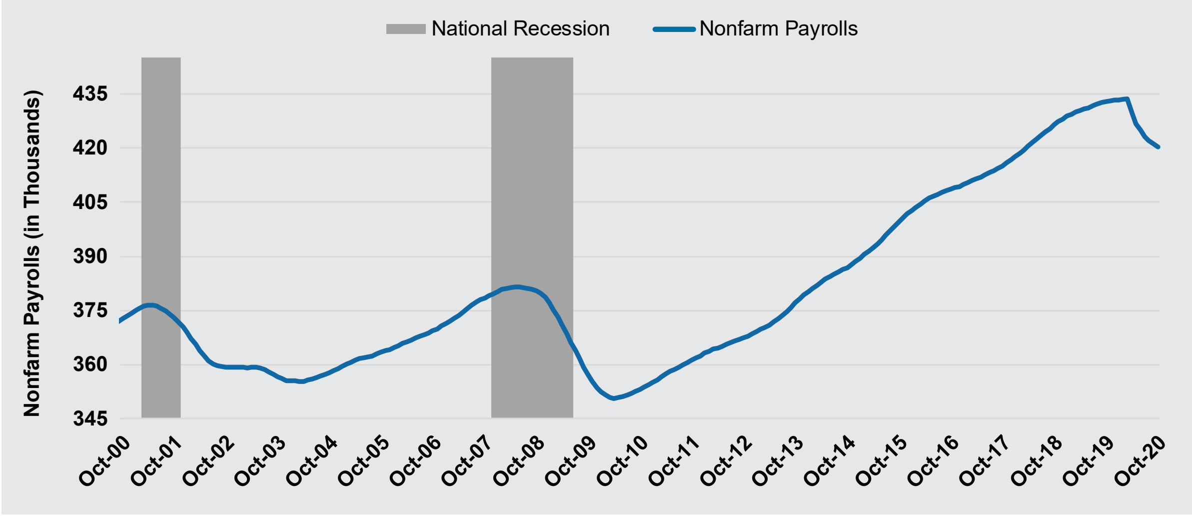
Total nonfarm payrolls declined by an average of 6,200 jobs, or 1.7 percent, annually from 2001 through 2003, as the recession during the early 2000s affected the already struggling manufacturing sector, which declined by 5,100 jobs, or 7.1 percent, annually during that period. Despite the still-declining manufacturing sector, total nonfarm payrolls increased by 4,600 jobs, or 1.3 percent, from 2004 to 2008, led by the professional and business services sector, which increased by 1,900 jobs, or 3.6 percent, annually. Nonfarm payrolls had just recovered from losses during the early 2000s when the effects of the Great Recession of 2007–2009 pushed nonfarm payrolls in the HMA to their lowest levels since before 2000. From 2009 through 2010, nonfarm payrolls declined by an average of 12,100 jobs, or 3.2 percent, annually. Manufacturing led the declines again, but the mining, logging, and construction sector declined by 3,100 jobs, or 15.9 percent, making it the fastest declining sector, as housing and other construction came to a standstill.

The economy began recovering in 2011, and total nonfarm payrolls grew every year from 2011 through 2018, increasing by an average 9,200 jobs, or 2.4 percent, annually, with growth in each sector. During that period, the recovery of jobs in the manufacturing sector helped nonfarm payrolls surpass the 2008 high. Professional and business services was the fastest growing sector and added the most jobs, increasing by an average 3.5 percent, or 2,200 jobs, annually from 2011 through 2018; that increase was due to growth in the manufacturing sector and expansions and the additions of several call centers and headquarters. Growth in the manufacturing sector slowed significantly in 2018, as the United States began imposing tariffs on goods that manufacturing suppliers and producers use and sell, such as steel, aluminum, electronics, and appliances. Bosch, Electrolux AB, and other manufacturing companies applied for exemption from the tariffs that affected them, but exemptions were generally denied (Office of the United States Trade Representative). Nonfarm payroll growth was accelerating—increasing by 11,400 jobs, or 2.7 percent, in 2018—but during 2019, growth slowed to 1.2 percent, with the addition of only 5,200 jobs. Manufacturing jobs began declining from several rounds of tariffs and retaliatory tariffs, increasing producer costs and reducing manufacturing employment around the country (Federal Reserve Board). Investment into the HMA also fell—from $3.69 billion to $2.37 billion—from 2017 through 2018, as companies delayed projects due to uncertainty surrounding the tariffs (Upstate SC Alliance).

Current Conditions—Nonfarm Payrolls

During the 12 months ending October 2020, total nonfarm payrolls decreased by 12,600 jobs, or 2.9 percent (Figure 2). Declines in the leisure and hospitality and the professional business and services sectors made up 71 percent of those job losses (Table 2), mostly due to COVID-19-related restrictions. During the 12 months ending October 2020, the leisure and hospitality sector declined by 4,900 jobs, or 10.4 percent. Countermeasures to slow the spread of COVID-19 did not include

Figure 2. 12-Month Average Nonfarm Payrolls in the Greenville HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Greenville HMA, by Sector

	12 Months Ending October 2019	12 Months Ending October 2020	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**432.9**	**420.3**	**-12.6**	**-2.9**
Goods-Producing Sectors	77.1	76.3	-0.8	-1.0
Mining, Logging, & Construction	19.1	19.3	0.2	1.0
Manufacturing	58.0	57.0	-1.0	-1.7
Service-Providing Sectors	355.8	344.0	-11.8	-3.3
Wholesale & Retail Trade	64.9	65.0	0.1	0.2
Transportation & Utilities	12.8	12.8	0.0	0.0
Information	6.8	6.4	-0.4	-5.9
Financial Activities	19.3	18.8	-0.5	-2.6
Professional & Business Services	75.1	71.0	-4.1	-5.5
Education & Health Services	52.3	51.5	-0.8	-1.5
Leisure & Hospitality	46.9	42.0	-4.9	-10.4
Other Services	14.9	14.2	-0.7	-4.7
Government	62.9	62.4	-0.5	-0.8

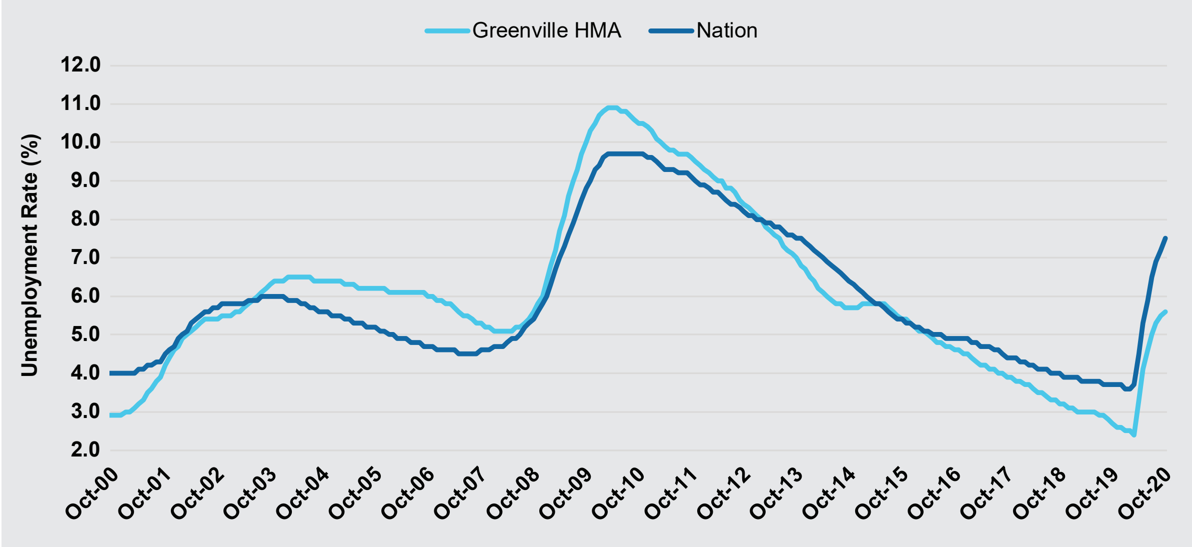
Notes: Based on 12-month averages through October 2019 and October 2020. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

restrictions on restaurants until August 2020, when the allowed capacity for restaurants became limited. On October 2, 2020, restrictions were eased and restaurants could open at full capacity, however limitations on in-restaurant alcohol sales remained. Since August 2020, entertainment venues have been required to reduce capacity to 50 percent, or a maximum of 250 people. Those restrictions, combined with a general reduction in consumer spending on leisure and entertainment, have slowed recovery in the leisure and hospitality sector, averaging 4.5-percent monthly growth from July through August 2020 and 0.7 percent from September through October 2020. The professional and business services sector also declined significantly during the past 12 months due to layoffs from companies such as MAU Workforce Solutions, which laid off roughly 1,425 workers who were contracted out to BMW in March and April 2020. During the 12 months ending October 2020, the professional and business services sector declined by 4,100 jobs, or 5.5 percent. The manufacturing sector declined by 1,000 jobs, or 1.7 percent, during the 12 months ending October 2020, but during the 3 months ending October 2020, the sector grew by 200 jobs, or 0.3 percent, from a year ago. Payrolls in the retail trade subsector suffered a relatively small decline relative to the nation; payrolls declined by 200 jobs, or 0.4 percent, during the 12 months ending October 2020, compared with a 4.2-percent decline in the nation, as business restrictions to slow the spread of COVID-19 were not generally applied to retail stores in the HMA.

Current Conditions—Unemployment

The unemployment rate averaged 5.6 percent during the 12 months ending October 2020—up from 2.7 percent during the previous 12 months (Figure 3). During April 2020, the unemployment rate rose to 12.3 percent from 2.7 percent during March 2020 and surpassed the 12-month peak of 10.9 percent during mid-2010. The unemployment rate has declined every month since April 2020, as restrictions to slow the spread of COVID-19 eased. The unemployment rate declined to 3.5 percent in October, compared with 6.6 percent for the nation.

Figure 3. 12-Month Average Unemployment Rate in the Greenville HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Sectors of Significance

Manufacturing

Before the national recession in 2001 and the concurrent decline in manufacturing jobs across the nation, the number of jobs in the manufacturing sector in the HMA had been slowly declining since 1990. The recession in 2001 exacerbated the decline in textile and textile-related product manufacturing. From 2002 through 2004, textile and textile-related manufacturing jobs declined by an average 2,100 jobs, or 15.2 percent, annually and accounted for nearly one-half of the manufacturing sector decline during that period. During the 2001-through-2009 period, the manufacturing sector contracted in tandem with national trends, averaging 3,000 jobs lost, or 4.7 percent, annually. Larger companies in the HMA began moving production overseas to save on labor costs. The appliance maker Electrolux laid off approximately 3,000 workers in 2005 and moved production abroad. By 2011, manufacturing sector growth had shifted toward the automotive sector, which had been heavily influenced by the constant investment of BMW in the neighboring Spartanburg, SC MSA automobile production plant. The plant, which operates in the city of Greer, increased employment from approximately 2,000 workers when the plant was fully operational in the early 2000s to 11,000 workers in 2019, which led to dozens of automotive suppliers moving to the HMA to be closer to the BMW production facility. In addition, the Greenville-Spartanburg International Airport and Inland Port Greer made the HMA an attractive location for automotive suppliers because of lower transportation costs. The growth of the BMW plant led the transportation equipment manufacturing industry to increase by an average of 270 jobs, or 3.5 percent, annually from 2011 through 2019. Suppliers to BMW make up some of the largest companies in the HMA, including Michelin and ZF Transmissions Gray Court, LLC, the latter of which opened in 2013. Despite the deep job losses during the late 2000s and the above-mentioned overlap between the manufacturing and professional and business services sectors, the manufacturing sector increased by an average of 1,100 jobs, or 2.1 percent, annually from 2011 through 2019 and was responsible for 12.5 percent of overall job growth during the period.

Professional and Business Services

The professional and business services sector is the largest sector in the HMA. The sector added the most jobs from 2001 through 2019, increasing by 1,400 jobs, or 2.3 percent, annually, making it the second fastest growing sector in the HMA. More than one-half of the growth during that period came from the employment services industry, which increased by 725 jobs, or 4.2 percent, annually from 2002 through 2019 and more than doubling in size. The employment services industry is largely made up of temporary jobs, which often are the first jobs to decline during recessionary periods and the first jobs to recover after a recession ends. During the Great Recession, the professional and business services sector lost the most jobs, declining by 7,000 jobs, or 12.2 percent, during 2009, and the employment services industry declined by 2,550 jobs, or 15.1 percent. By 2011, professional and business services was one of only two sectors that had recovered job losses, but total nonfarm payrolls did not completely recover until early 2014. From 2012 through 2019, the professional and business services sector added the most jobs of any sector, increasing by an average 1,800 jobs, or 2.6 percent, annually.

Several well-known companies in the professional and business services sector have offices in the Greenville HMA, including Michelin, Verizon Communications Inc, and GE Power. In addition, several customer-support call centers for larger employers—such as Alorica Inc. (owned by Samsung Electronics Co., Ltd.); Toronto Dominion Bank (TD Bank); and Verizon Communications Inc—contribute jobs to the professional and business services sector.

Education and Health Services

Prisma Health—formerly known as Greenville Health System before merging with Palmetto Health in 2019 under the new Prisma Health brand name—is the largest employer in the HMA, with approximately 16,450 workers. Prisma Health has consistently expanded since 2010, increasing employment by an average of 670 employees, or 5 percent, annually. The popularity of the HMA as a retirement destination has been the main contributor to growth in the healthcare and social assistance industry, which has increased every year by an average of 1,100 jobs, or 3.7 percent, from 2000 through 2019—nearly doubling in size. From 2001 through 2008, the education and health services sector added the most jobs of any sector in the HMA, increasing by an average of 1,300 jobs, or 4.1 percent, annually. During the Great Recession, the education and health services sector was the only sector to add jobs during 2009, increasing by 500 jobs, or 1.3 percent. Growth slowed slightly after that recession compared with the previous decade, but the healthcare and social assistance industry still added an average of 1,150 jobs, or 3.3 percent, annually from 2010 through 2018. During 2019, the industry added only 400 jobs, or 1.0 percent.

Employment Forecast

During the forecast period, nonfarm payrolls are expected to increase an average of 1.5 percent annually. Total nonfarm payrolls at the end of the first year of the forecast period are expected to return to pre-pandemic levels. In 2020, announcements of new companies or expansions in the HMA amounted to more than 1,800 jobs expected to be added during the forecast period.

Techtronic Industries Co. Ltd., a Hong Kong-based power tool manufacturer, is expanding facilities and creating 525 jobs by the fourth quarter of 2022. Majorel Group Luxembourg S.A., a customer service company, completed its new call center in August 2020 and is expected to hire 500 workers by 2021.

Population and Households

Current Population: 936,100

Net in-migration has been strong since 2014, whereas net natural change has steadily declined since the Great Recession due to the aging population.

Population Trends

As of November 1, 2020, the population of the Greenville HMA is estimated at approximately 936,100 (Table 3). Since April 2010, population growth has averaged 10,600 people, or 1.2 percent, annually. Net in-migration has accounted for 80 percent of growth during that period, averaging 8,475 people annually (Figure 4). Net natural change (resident births minus resident deaths) has slowed nearly each year since 2010 because of an aging population. Population change for those ages 55 years and older has increased irrespective of economic conditions since 2010, whereas population change in younger age cohorts has fluctuated with economic conditions (see Age Cohort Trends on page 11).

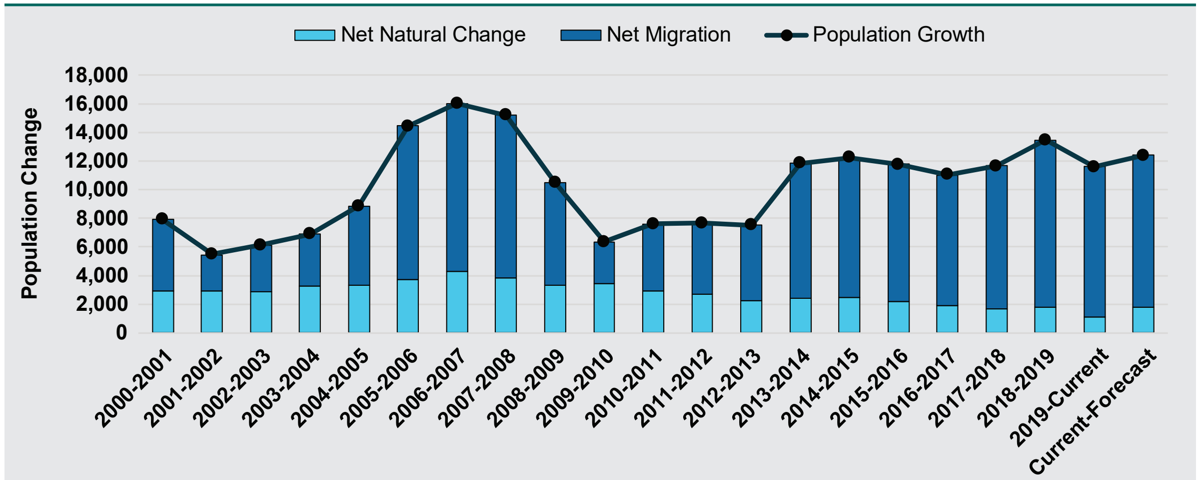
From 2000 to 2005, population growth increased by an average of 7,125 people, or 1.0 percent, annually (Census Bureau population estimates as of July 1). After the recession of the early 2000s and once declines in manufacturing slowed, population growth increased to an average of 15,250 people, or 2.0 percent, annually from 2005 to 2008. The rebound in manufacturing from the automotive industry and the revitalization of downtown Greenville during 2004 and 2005 contributed to the higher-than-average population growth rate. The Great Recession caused population growth to slow

Table 3. Greenville HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	824,112	936,100	973,300
	Average Annual Change	9,850	10,600	12,400
	Percentage Change	1.3	1.2	1.3
		2010	**Current**	**Forecast**
Household Quick Facts	Households	321,113	367,400	382,900
	Average Annual Change	3,825	4,375	5,175
	Percentage Change	1.3	1.3	1.4

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (November 1, 2020) to November 1, 2023.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Greenville HMA, 2000 Through the Forecast



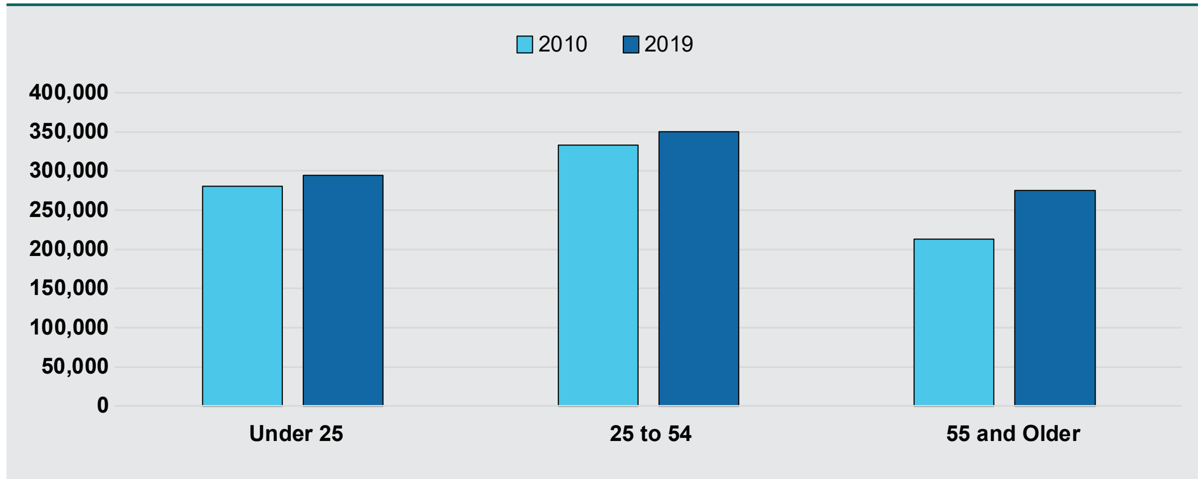
Notes: Net natural change and net migration totals are average annual totals over the time period. The forecast period is from the current date (November 1, 2020), to November 1, 2023.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

to previous recession levels, increasing by an average of 7,925 people, or 1.0 percent, annually from 2008 to 2013. From 2010 to 2013, 79 percent of the population growth came from the 55-years-and-older age cohort, increasing by an average 6,500 people, or 3.0 percent, annually during the period. As economic conditions strengthened, with nonfarm payrolls completely recovered from the recession-induced job decline in 2014, population growth averaged 12,000, or 1.4 percent, annually from 2013 to 2019. Net migration averaged 9,925 people annually, accounting for 83 percent of population growth, from 2013 to 2019. During the same period, net natural change slowed to an average of 2,075 people a year—down from 2,925 people a year during the 2008-to-2013 period.

Age Cohort Trends

The largest age cohort in the HMA is the 25-to-54-years group, which makes up 38 percent of the population—a decline from 40 percent in 2010 (Figure 5). From 2010 to 2014, this age cohort increased much more slowly than the 55-years-and-older cohort, averaging an increase of 690 people, or 0.2 percent, annually, compared with the 55-years-and-older cohort, which increased by an average 6,750 people, or 3.0 percent. From 2014 to 2019, the 25-to-54-years age cohort increased by an average of 3,025 people, or 0.9 percent, annually, as economic conditions strengthened. The fastest growing cohort was the age-55-and-older cohort, which increased by an average of 7,100 people, or 2.8 percent, from 2014 to 2019. These trends have contributed to slowing net natural change in the HMA since 2008.

Figure 5. Population by Age Range in the Greenville HMA

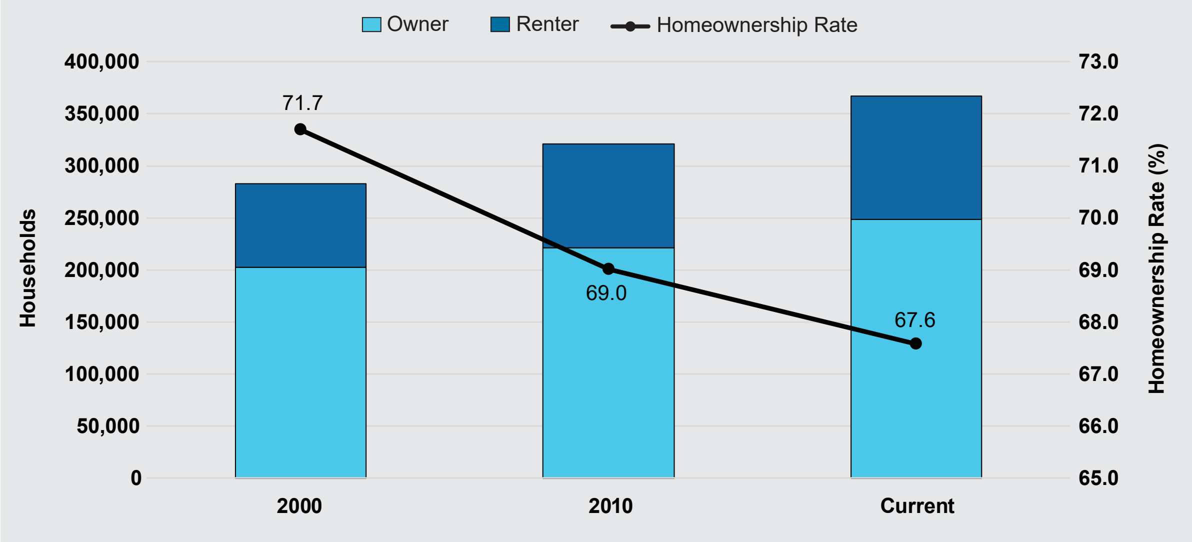


Sources: U.S. Census Bureau; 2010 and 2019 ACS 1-year estimates

Household Trends

Currently, an estimated 367,400 households live in the HMA, reflecting an average annual increase of 4,375 households, or 1.3 percent, since 2010 and a continuation of the 1.3-percent growth rate from 2000 to 2010. Household growth has been slightly higher than population growth due to growth in the 55-and-older age cohort, which has caused the average household size to decrease since 2010. The homeownership rate in the HMA has declined to an estimated 67.6 percent from 69.0 percent in 2010 due, in part, to demographic trends and the aftereffects of the Great Recession (Figure 6). The rate of homeownership declined to an estimated low of 62.2 percent by 2016 and has increased every year since then as the working age cohort has been more willing to buy during the stronger economic conditions. Among those aged 25 to 54, homeownership increased from 59.6 percent in 2012 to 64.6 percent in 2019, whereas among those aged 55 and older, homeownership increased from 78.8 to 79.4 percent (IPUMS USA; 2012 and 2019 ACS 1-year estimates).

Figure 6. Households by Tenure and Homeownership Rate in the Greenville HMA



Note: The current date is November 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Population and Household Forecast

Population growth during the first and second years of the forecast period is expected to be slightly slower than recent years, with growth picking up during the third year of the forecast period. Overall, the population is estimated to increase by an average of 12,400 people, or 1.3 percent, a year. Net in-migration is expected to remain similar to recent years, as economic conditions continue to improve from the recent downturn. Households are expected to increase by an average of 5,175, or 1.4 percent, annually during the forecast period, continuing the trend of slightly higher household growth compared with population growth.

Home Sales Market

Market Conditions: Balanced

Existing home sales price growth has recently increased because changes in seller behavior—in response to the COVID-19 pandemic—have restricted supply.

Current Conditions

Sales housing market conditions in the Greenville HMA are currently balanced, with an estimated vacancy rate of 1.2 percent (Table 4)—down from 2.9 percent in April 2010. The months' supply of homes in the HMA is currently low, at 2.5 months in October 2020—down from 3.5 months a year ago (CoreLogic, Inc.). Recently, low mortgage interest rates have supported demand despite the economic contraction.

Existing Home Sales and Prices

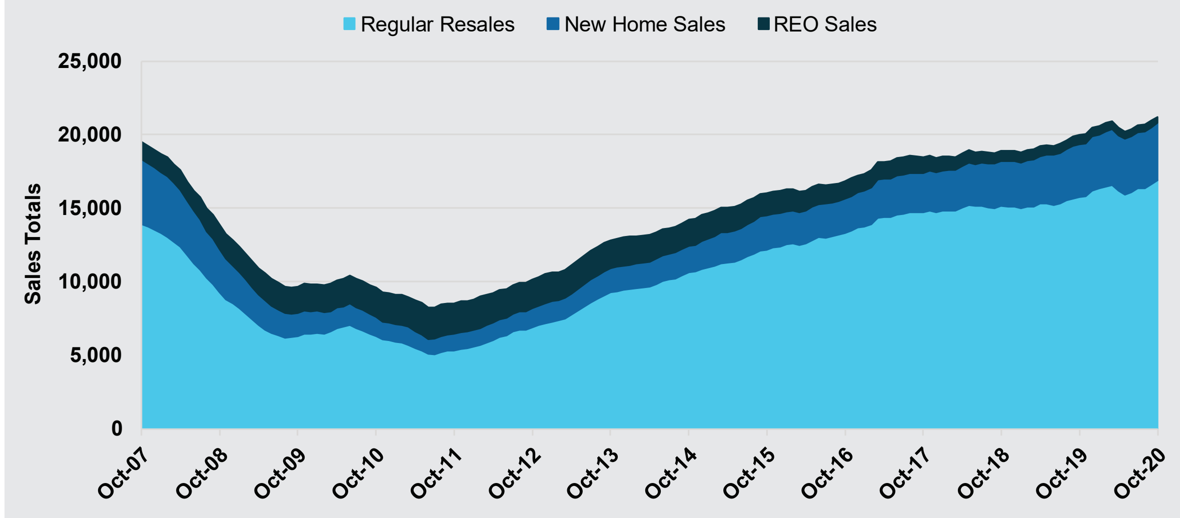
During the 12 months ending October 2020, existing home sales (including single-family homes, townhomes, and condominiums) increased by 950 homes, or 7 percent, to 17,300 (Zonda). Growth increased from the 12 months ending October 2019, when sales increased by 520, or 3 percent, from the year prior (Figure 7). Existing home sales declined by an average 1,775 homes, or 14 percent, annually from 2007 through 2011 due to the

Table 4. Home Sales Quick Facts in the Greenville HMA

Home Sales Quick Facts		Greenville HMA	Nation
	Vacancy Rate	1.2%	NA
	Months of Inventory	2.5	2.8
	Total Home Sales	21,200	5,536,000
	1-Year Change	6%	-3%
	New Home Sales Price	$273,400	$401,900
	1-Year Change	1%	-1%
	Existing Home Sales Price	$236,200	$338,000
	1-Year Change	7%	9%
	Mortgage Delinquency Rate	3.0%	4.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending October 2020; and months of inventory and mortgage delinquency data are as of October 2020. The current date is November 1, 2020.
Sources: CoreLogic, Inc.; Zonda

Figure 7. 12-Month Sales Totals by Type in the Greenville HMA

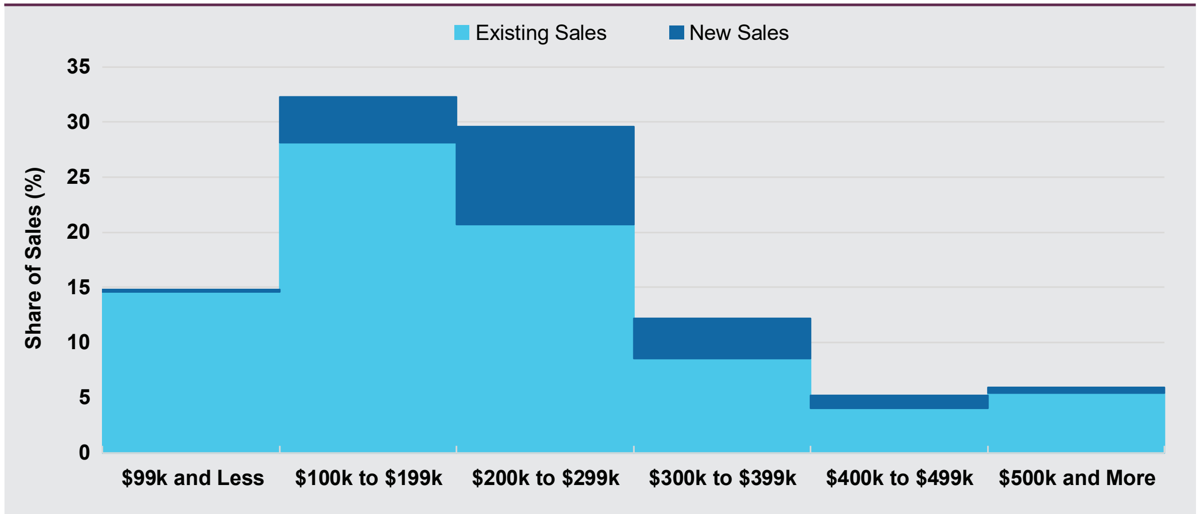


REO = real estate owned.
Source: Zonda

Great Recession and slowing net in-migration, to a low of 2,925 homes sold. From 2012 through 2017, when economic conditions and net in-migration were strong, existing home sales increased by an average of 1,350 homes, or 13 percent, annually, to 12,150. As the inventory of homes for sale declined to 3.5 months of supply in 2018, sales growth was flat for the year, with almost no change. Approximately 49 percent of total home sales during the 12 months ending October 2020 were existing homes priced from $100,000 to $300,000 (Figure 8). Existing homes priced below this range accounted for 15 percent of total sales and homes priced higher than $300,000 accounted for 18 percent of total sales.

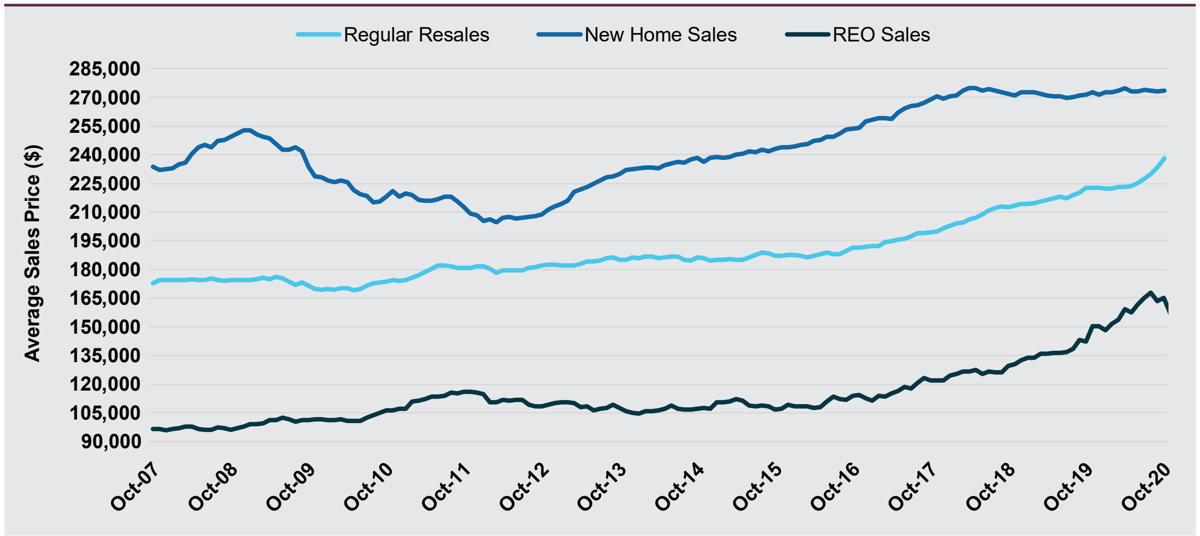
Supply constraints and stable demand have caused existing sales prices to increase by $15,250, or 7 percent, during the 12 months ending October 2020, to an average price of $236,200 (Figure 9). The growth in existing home prices slowed in the months leading up to May 2020, when there were fewer willing buyers and seller behavior restricted inventory in response to the pandemic. During the 3 months ending May 2020, existing home sales price growth slowed to an average 2 percent from 5 percent during the 3 months ending May 2019. From 2007 through 2009, economic conditions and population growth slowed, causing prices to decline by an average of $2,125, or 1 percent, annually, to a low of $156,900. As population growth and economic conditions began improving after the recession,

Figure 8. Share of Sales by Price Range During the 12 Months Ending October 2020 in the Greenville HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Figure 9. 12-Month Average Sales Price by Type of Sale in the Greenville HMA



REO = real estate owned.
Source: Zonda

home prices gradually increased by an average of $3,925, or 2 percent, annually from 2010 through 2015, to $180,500. As net in-migration improved from strengthening economic conditions and excess inventory was absorbed, existing home sales prices increased by an average of $10,100, or 5 percent, annually from 2016 through 2019, to $220,900.

New Home Sales and Prices

New home sales increased by 290 homes, or 8 percent, during the 12 months ending October 2020, to 3,875 (Zonda)—slower than the year-over-year increase of 550 homes, or 18 percent, during the 12 months ending October 2019. Sales construction has kept up with increasing demand, contributing to relatively flat new home sales price growth since 2018. New home sales declined from 2007 through 2011 by an average of 670 homes, or 24 percent, annually, to a low of 1,125 because of the Great Recession. From 2012 through 2019, new home sales increased by an average of 320 homes, or 16 percent, annually, to 3,675, as the economy strengthened.

New home sales price growth was relatively slow compared with growth in existing home sales prices during the 12 months ending October 2020, increasing by an average $2,100, or 1 percent, to $273,400 despite the increase in sales during this period. This growth is a slight increase from flat prices during 2018 through 2019 despite a 17-percent increase in sales during this period. New home sales prices declined sharply from 2009 through 2011 because of the Great Recession, decreasing by an average of $14,700, or 6 percent, annually, to a low of $208,500. From 2012 through 2017, new home sales prices increased by an average $10,150, or 4 percent, annually, to $269,500, before prices stabilized.

Seriously Delinquent Home Mortgages and REO Properties

The number of seriously delinquent mortgages and real estate owned (REO) properties has increased significantly since May 2020. As of October 2020, 3.6 percent of home loans were seriously delinquent or had transitioned into REO status—up from 1.2 percent during October 2019 (CoreLogic, Inc.). The increase in the rate began in June 2020, when the rate rose to 2.7 percent from 1.4 percent in May 2020. Since then, the percentage of seriously delinquent mortgages and REO properties has gradually increased every month. The sudden increase reflects the number of borrowers who were unable to make mortgage payments because of a loss of income during the pandemic, becoming severely delinquent on their mortgages by June. That trend occurred on the national level as well, with the percentage of seriously delinquent mortgages and REO properties increasing from 1.6 percent in May 2020 to 4.0 percent in June 2020. The current percentage of seriously delinquent mortgages in the HMA is still much lower than the 6.3-percent peak that occurred in January 2010 during the Great Recession.

Sales Construction Activity

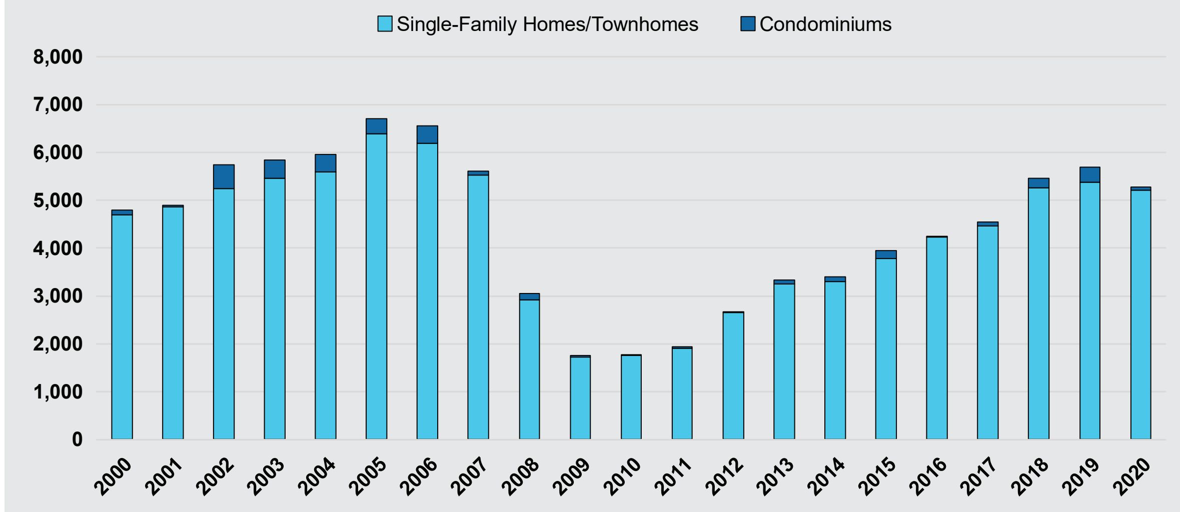
Sales construction activity—as measured by the number of single-family homes, townhomes, and condominiums permitted (hereafter, homes)—in the Greenville HMA has steadily increased since 2011 and has nearly returned to pre-recession levels (Figure 10). From 2001 through 2005, the number of homes permitted increased by an average 380 homes, or 7 percent, annually, to a peak of 6,700 homes, despite economic conditions being relatively weak. The Great Recession led to construction declining significantly from 2006 through 2010, averaging a decline of 990 homes, or 23 percent, annually, to a low of 1,750. Much of the growth in permitting in the 2000s was in Greenville County, which made up 70 percent of permitting activity in 2010. As economic conditions and population growth improved, the number of homes permitted increased by an average of 440, or 14 percent, annually from 2011 through 2019. The fastest growing area during this period was the city of Greer, where the number of homes permitted increased by an average of 70 units, or 24 percent, annually from 2011 to 2019, to 750 homes in 2019. During the 12 months ending October 2020, sales construction increased by 840 homes, or 16 percent, from a year ago, to 6,050 homes. Sales construction in the city of Greer increased to 1,070 units permitted—an increase of 340 units, or 47 percent, from a year ago.

The Verdae development in the city of Greenville is a large-scale project that the developer estimates will have 10,000 residents by completion during the next 15 years. Currently, the Chelsea Townes neighborhood of the development will have a total of 78 three-bedroom townhomes, with 24 homes left to construct. Prices start from the mid-$300,000s and sizes range from 2,025 to 2,325 square feet. Pinecrest will feature 68 single-family homes and construction is currently underway. Prices will start from the high $300,000s, with sizes ranging from 2,125 to 2,375 square feet. Roughly 300 of the 900 acres to be used for residential purposes have been developed. In the city of Greer, Katherine's Garden will be offering 108 single-family homes priced between $184,000 and $326,000. The homes range from 1,200 to 2,750 square feet, with three to four bedrooms.

Forecast

During the next 3 years, demand is estimated for 13,700 new homes (Table 5). The 2,400 homes currently under construction are expected to meet a portion of the demand during the first year of the forecast. Demand is expected to be lower during the first year of the forecast and increase in the second and third years, as the economy recovers from the current downturn. Growth is expected to continue to be concentrated in Greenville and Anderson Counties.

Figure 10. Average Annual Sales Permitting Activity in the Greenville HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through October 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

Table 5. Demand for New Sales Units in the Greenville HMA During the Forecast Period

Sales Units	
Demand	13,700 Units
Under Construction	2,400 Units

Note: The forecast period is from November 1, 2020, to November 1, 2023.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Strong net in-migration and increasing enrollment at Clemson University have led to increased rental construction and decreasing vacancy rates in the HMA since the economy recovered from the Great Recession.

Current Conditions and Recent Trends

Overall rental housing market conditions (which includes single-family homes, townhomes, and mobile homes for rent) in the Greenville HMA are currently balanced, with an estimated rental vacancy rate of 7.5 percent—down from 11.4 percent in 2010, when the market was soft (Table 6). Multifamily structures with five or more units, typically apartments, made up 38.5 percent of occupied rental housing in the HMA in 2019—a significant increase from 34.9 percent in 2010. The apartment market is currently balanced, with vacancy rates during the third quarter of 2020 averaging 4.3 percent—unchanged from the same period a year ago (RealPage, Inc., with adjustments by the analyst). Despite the slowdown in economic activity during 2020, increasing enrollment at Clemson University, strong net in-migration, and the order from the Centers for Disease Control and Prevention to temporarily halt residential evictions have kept vacancy rates from increasing during 2020.

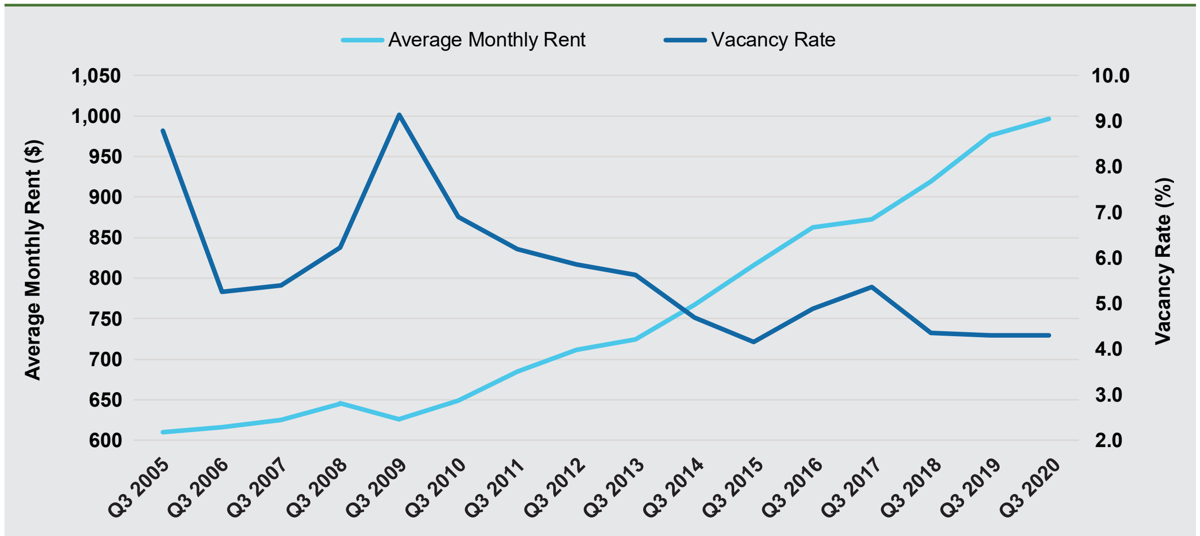
Vacancy rates in the Greenville HMA apartment market, where approximately 91 percent of apartment supply is located in Greenville County, declined quickly after the Great Recession, from 9.1 percent in 2009 to 4.2 percent by 2015 (Figure 11) because of strong net in-migration and increasing enrollment in Clemson University. Since 2015, vacancy rates have remained relatively low; however, an increase

Table 6. Rental and Apartment Market Quick Facts in the Greenville HMA

		2010 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	11.4	7.5
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	33.2	31.4
	Multifamily (2–4 Units)	13.5	14.6
	Multifamily (5+ Units)	34.9	38.5
	Other (Including Mobile Homes)	18.4	15.4

Notes: The current date is November 1, 2020. Percentages may not add to 100 due to rounding. For Occupied Rental Units by Structure, the current date is 2019.
Sources: 2010 and 2019 ACS 1-year data; estimates by the analyst

Figure 11. Apartment Rents and Vacancy Rates in the Greenville HMA



Q3 = third quarter.
Source: RealPage, Inc.

in construction activity during 2015 and 2016 contributed to a rise in the vacancy rate, which was 5.4 percent in 2017; the vacancy rate then declined to 4.4 percent in 2018. Rents have steadily increased since 2009, increasing by an average of $34, or 4 percent, annually due to generally decreasing or low vacancy rates during that period, in combination with strengthening economic conditions. Rents averaged $630 in 2009 and have increased to an average of $1,000 during the third quarter of 2020. Although rent growth has steadily increased since 2009, growth has slowed during the past year. The average rent increased 2 percent during the past year, slowing from an increase of 6 percent a year earlier.

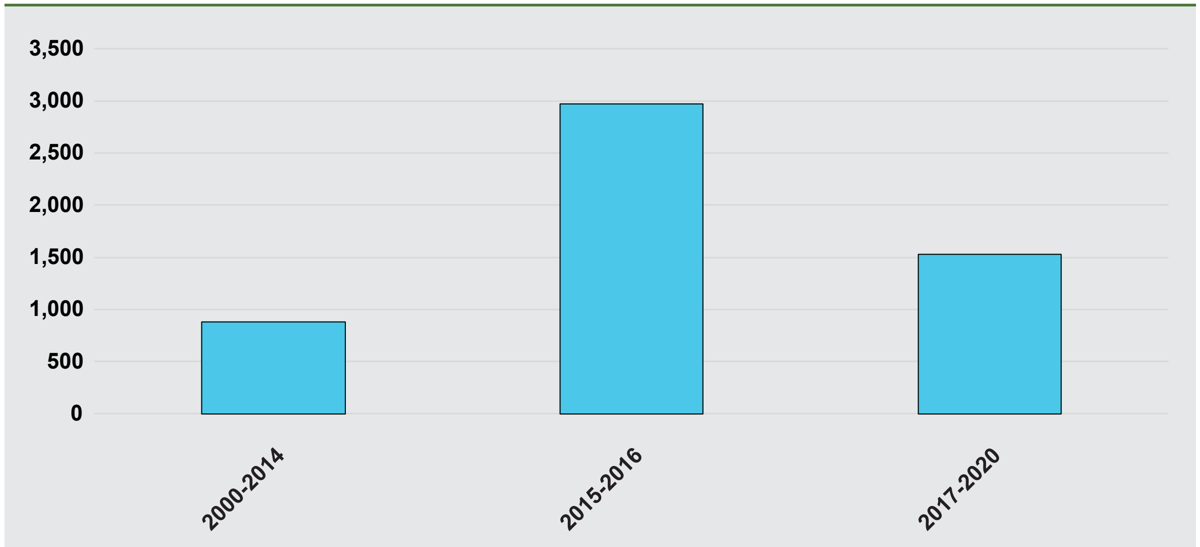
The apartment markets in Anderson and Pickens Counties have tightened during the third quarter of 2020, as construction has occurred primarily around the city of Greenville in Greenville County. The vacancy rate in Anderson County was 2.9 percent during the third quarter of 2020, increasing slightly from 2.8 percent in 2019, but rent increased 4 percent, to $880. In Pickens County, where Clemson University is located, the vacancy rate was 2.0 percent during the third quarter of 2020—declining from 3.2 percent during the third quarter of 2019, although rent declined 2 percent, to $975.

Rental Construction Activity

Rental construction activity in the Greenville HMA, as measured by the number of rental units permitted, was relatively low until 2015, when economic activity and net migration began to strengthen. From 2000 through 2014, an average of 880 units were permitted annually (Figure 12). As net in-migration increased and once the economy fully recovered, construction activity rose to 3,425 units permitted during 2016 to keep pace with demand. After that surge in construction, levels slowed to an average of 1,600 units annually from 2017 through 2019. During the 12 months ending October 2020, an average of 1,675 units were permitted—a 37-percent increase from the 1,225 units permitted a year earlier. Approximately 87 percent of the units built since 2011 were in Greenville County, with the majority of those in the cities of Greenville and Simpsonville.

Old textile mills have become popular buildings to repurpose to multifamily or mixed-use structures since 2004, when South Carolina passed the Textile Communities Revitalization Act. That act added tax credits to historic buildings such as Monaghan Mill, the first repurposed mill, which became The Lofts of Greenville in 2006. The 144-unit Cotton Mill Luxury Apartments in Simpsonville was completed in 2019. Builders repurposed parts of an old mill, adding housing units onto the structure of a cotton mill.

Figure 12. Average Annual Rental Permitting Activity in the Greenville HMA



Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through October 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2019—final data and analyst estimates; 2020—preliminary data and estimates by the analyst

One-, two-, and three-bedroom apartment rents start at $1,000, $1,275, and $1,375, respectively.

Student Housing

Student households in the HMA made up an estimated 9 percent of total rental households in 2019—down from 11 percent in 2012; approximately 62 percent of students in the HMA resided in dormitory housing in 2019 (IPUMS USA ACS 1-year estimates). Clemson University is the only higher education institution in the HMA to have had increasing enrollment since the Great Recession. The lack of rental construction near campus after the recession led the university to turn away 850 students who wanted to live on campus in 2015. In 2018, the university completed the Douthit Hills mixed-use development on campus to increase the supply of student housing. Douthit Hills has the capacity to house approximately 1,750 students and includes restaurants and retail shops. Apartments in Pickens County, where Clemson University is located, had an average vacancy of 2.0 percent during the third quarter of 2020—down from 3.3 percent a year earlier (Real Page, Inc.). Due to low vacancy rates in student housing, students have paid gross rents that have increased from $790 in 2012 to $1,000 in 2019, or 4 percent annually. Those rents are compared with an average increase of 3 percent annually, from $700 to $860, for all rental housing in the HMA during the same period (IPUMS USA ACS 1-year estimates).

Forecast

During the 3-year forecast period, demand is estimated for 5,350 additional rental units in the HMA (Table 7). The 2,300 units currently under construction are expected to meet demand during the first year of the forecast. Demand is expected to be stronger in the second and third years of the forecast period, primarily a result of improving economic conditions.

Table 7. Demand for New Rental Units in the Greenville HMA During the Forecast Period

	Rental Units
Demand	5,350 Units
Under Construction	2,300 Units

Note: The forecast period is November 1, 2020, to November 1, 2023.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Forecast Period	11/01/2020–11/01/2023—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Other Vacant Units	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

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.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.

C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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