



Housing Needs Snapshot

Executive Summary

May 2, 2022

Introduction

The purpose of the attached Housing Needs Snapshot is to summarize housing issues and opportunities identified so far in Charleston County's *Housing Our Future* action planning process. The themes explored in this Snapshot reflect conversations with community stakeholders, discussions with the Housing Steering Committee, thorough review of previous studies, and detailed data analysis.

This Snapshot sets the foundation for creating a strategic housing plan. The strategic plan will outline how the County and its partners can best address housing needs in a holistic manner, including options for establishing a local affordable housing trust fund.

Overview of Key Issues & Opportunities

Housing challenges impact everyone in Charleston County. Household stability and financial wellbeing, talent recruitment and retention, traffic congestion, and workforce availability are all directly connected to housing. This Snapshot brings to focus numerous housing issues as a basis for identifying tangible, effective responses.

The following eight issues are explored in greater detail in the attached Snapshot.

1. **Housing costs in the county are mismatched to what the community can afford.** Even as incomes have risen, home values have increased at a rate faster than homeowner wages, and median rents remain unaffordable to renters.
2. **Population growth, economic growth, and migration are expanding housing demand in the Charleston region.** These forces are also adding large numbers of affluent households to the community, who are driving growth in the luxury market and in prices overall.
3. **The inventory of available homes for sale is at historically low levels, creating shortages that drive price increases.** A "healthy market" with moderately appreciating prices has between five and seven months of supply; the County currently has less than one month of supply, and has had less than six months of supply since 2014.
4. **The region is adding significant numbers of new jobs with opportunity for economic mobility.** In the previous decade, the region has added 15,000 new jobs in the construction, manufacturing, and transportation and warehousing sectors. Creating housing opportunities attainable to these workers will help to promote economic mobility.
5. **The County's stock of dedicated affordable units falls far short of demand, and many units will need preservation attention in the years ahead.** Across all major housing programs for low-income households in Charleston County¹, there are resources to support

¹ These programs include Housing Choice Vouchers (Section 8), the Low Income Housing Tax Credit program (LIHTC), public housing, and other multifamily assistance programs funded by the Department of Housing and Urban Development.

just 11,000 of the estimated 50,000 households who could qualify. A portion of these units have affordability restrictions that are slated to expire in the coming decade. Maximizing opportunities to add to this stock and preserve current supports are both important areas of focus.

6. **Infrastructure availability, flood risk, and conservation areas all place constraints on land suitable for new residential development.** Strategically leveraging available land will be crucial, as will be unlocking redevelopment opportunities in areas already served by infrastructure and/or transit.
7. **There is significant opportunity to create and preserve housing opportunities along the planned Low Country Rapid Transit line (LCRT).** The ½-mile station areas along the planned LCRT contain a combined 2,440 acres of vacant and/or underutilized land, and over 4,000 units of dedicated affordable housing. Mixed-income development and affordable preservation in these areas can cultivate walkable communities while encouraging use of the LCRT system.
8. **The gains of property appreciation in the County have not been shared in a racially equitable manner.** There are longstanding racial and ethnic disparities in homeownership rates, and homeownership among Black households has modestly declined in the last two decades. Supporting broad-based opportunities to access and sustain homeownership is an important component of economic opportunity.

Future Housing Demand

Drawing on several methods of market analysis, we estimate that the County will need an additional 29,000 to 36,000 housing units over the next ten years to meet anticipated demand. Housing will be needed across the entire income spectrum, with approximately:

- Thirty-five (35) percent of demand from households with incomes less than 80 percent of the area median income (AMI);
- Twenty (20) percent of demand from households with incomes between 80 percent and 120 percent of AMI; and
- Forty-five (45) percent of demand from households with incomes more than 120 percent of AMI.

Next Steps: Defining Specific Strategies

The next phase of *Housing Our Future* will explore specific actions that Charleston County and its partners can take to meet current and future housing needs. We will evaluate how best to mobilize available and potential resources (including revenue raised by a housing referendum), and recommend tools, policies, and programs across four focus areas:

1. **Production / New Construction:** Encouraging the creation of new housing that meets the community's needs in terms of quantity, price points, location, and type.
2. **Preservation:** Supporting the preservation of existing housing opportunities so that low- and moderate-income households can stay in their homes and communities.
3. **Access & Stability:** Reducing housing instability and creating secure opportunity.
4. **Capacity:** Cultivating the community and organizational capacity needed to implement priority strategies.