

3.0 HOUSING



3.1 OVERVIEW

As the population of North Charleston continues to increase, it is essential to plan for development of additional housing that will accommodate the growth. This planning starts by assessing the condition, availability, and affordability of existing housing. Diverse housing options in terms of housing types (single family/multi-family), housing unit sizes, and price points are assessed, as well as the affordability of current housing costs relative to incomes of residents. Such assessment assists in identifying gaps in the current housing inventory and what other types of housing might be needed in the future.

3.2 HOUSING SUPPLY

Categorization of North Charleston’s existing housing supply shows that close to a majority of housing units in the City are single-family detached residences. Multi-family units represent approximately one-third of the City’s housing supply. The remaining 17% of housing units are reported as townhomes, mobile homes, or boat, RV, and vans. When examining Table 4 (and building permit data later presented), it is easy to identify the housing bubble from 2000 to 2009. Table 4 indicates that only half as many housing units have been added to the inventory so far this decade (2010-2017), however as of 2017 the average annual increase in units since 2010 was more approximately 79% of the housing units added in the previous decade (2000-2010).

As illustrated in Table 4, the decrease in additional housing units can be attributed to a slowdown in the construction of single and multi-family units so far this decade (2010 and 2017).

Concurrently, townhomes have been added to the supply at a much greater rate. This is not to say that more actual Townhomes units were added to the inventory than single family or multi-family units, but that there has been more investment in construction of townhomes than in the previous decade. This shift could indicate a slight over-saturation of single family homes in the market as it rebounded from the 2008 downturn, rising land and/or development costs, the demand for more affordable options, or increased demand for smaller living quarters with less maintenance. Concurrent to these shifts, the inventory of Mobile homes, boats, RVs, and vans as housing types have continued to decline.

NORTH CHARLESTON HOUSING INVENTORY

	2000	2010	2017	% OF CURRENT INVENTORY	PERCENT CHANGE IN TOTAL UNITS	
					2000-2010	2010-2017
TOTAL UNITS	33,649	41,519	45,893		23.4%	10.5%
SINGLE-FAMILY	15,316	20,217	22,445	48.91%	32.0%	11.0%
TOWNHOMES	2,191	2,055	3,393	7.39%	-6.2%	65.1%
MULTI-FAMILY	10,600	14,665	15,693	34.19%	38.3%	7.0%
MOBILE HOME	5,514	4,573	4,355	9.49%	-17.1%	-4.8%
BOAT, RV, VAN	28	9	7	0.02%	-67.9%	-22.2%

Source: United States Census

Table 4: North Charleston Housing Inventory

Approximately 30% of North Charleston's housing units were built after 2000, meaning that almost 70% of the housing supply is from the 20th century. By 2020, approximately 45% of the City's current housing inventory will be at least 50 years old. Older homes often need more repairs and have outdated heating systems, inadequate plumbing, poor electrical systems, inadequate insulation, structural decay, and a lack of appropriate health and safety systems. On average 0.4% of the City's occupied housing units are considered substandard because they are lacking complete plumbing facilities and lacking complete kitchen facilities. Figure 13 illustrates where the higher proportion of substandard units are located.

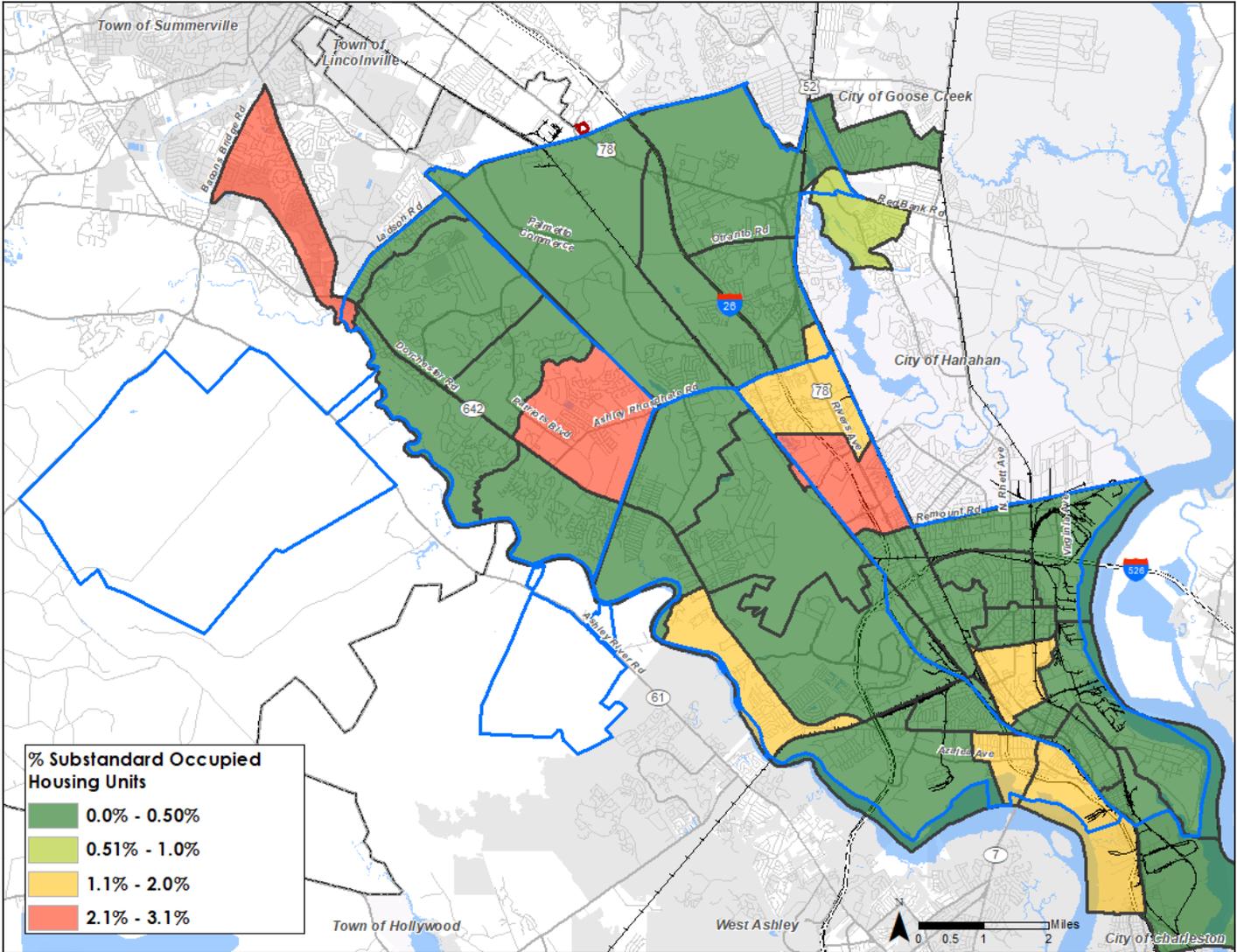


Figure 13: Substandard Housing in North Charleston (2017)

While age of housing is not the sole variable for how good the housing stock is, it is an indicator of how the City has developed and where growth is occurring in the region. Since 2000, North Charleston has built more new housing than surrounding jurisdictions except for the City of Charleston as shown in Table 5.

HOUSING SUPPLY CHANGES SINCE 2000

	NORTH CHARLESTON	CITY OF CHARLESTON	GOOSE CREEK	MONCK'S CORNER	SUMMERVILLE
TOTAL HOUSING UNITS (2017)	45,893	61,199	14,468	3,757	19,129
HOUSING BUILT AFTER 2000	13,795	17,945	6,289	1,672	8,411
CHANGE IN SUPPLY	30.1%	29.3%	43.5%	44.5%	44.0%

Source: United States Census

Table 5: North Charleston Changes in Housing Supply Since 2000

Table 6 indicates that the number of building permits issued for construction by the City of North Charleston has stayed relatively consistent since 2010 with Single-family residential still the predominant type of housing construction. As previously mentioned, Single Family construction surged from 2002 to 2007 prior to the recession and dropped off when the bubble burst in 2008. It is important to note that permitting does not always indicate all units have been constructed, but does illustrate relative stability in housing market demand.

NORTH CHARLESTON BUILDING PERMITS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
SINGLE-FAMILY	636	863	1,339	1,321	1,113	794	368	335	342	283	365	403	141	311	317	380
TOWNHOME	0	0	0	219	277	0	0	32	26	4	33	17	7	59	36	46
MULTI-FAMILY*	0	488	24	66	171	29	35	2	7	13	12	40	2	4	8	11
MOBILE HOME	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18	28	171	134	15	60	61	74

Source: City of North Charleston; BCDCOG

Table 6: North Charleston Building Permits 2002-2017

*Fluctuations prior to 2010 are due to discrepancies in permit reporting. MF permits since 2010 do not account for the number of units in a single building permitted.

One limitation to the construction of new housing could be the supply and cost of available land. In the recent past, new residential developments have been created on large tracts along Dorchester Road and further away from the historic core of the City. While North Charleston is not technically land locked, these larger projects are located at the periphery of North Charleston or in other jurisdictions that have more availability of larger tracts with easy access to jobs located at the edge of the City. However, these types of developments on the fringe have direct impacts on traffic and congestion, particularly within the City along already stressed corridors such as I-26 and Dorchester Road. Figure 14 indicates land currently assessed by Charleston County as vacant. While these do not necessarily present opportunities for re-development, the map provides a snapshot of potential areas where there may be opportunities for new construction.

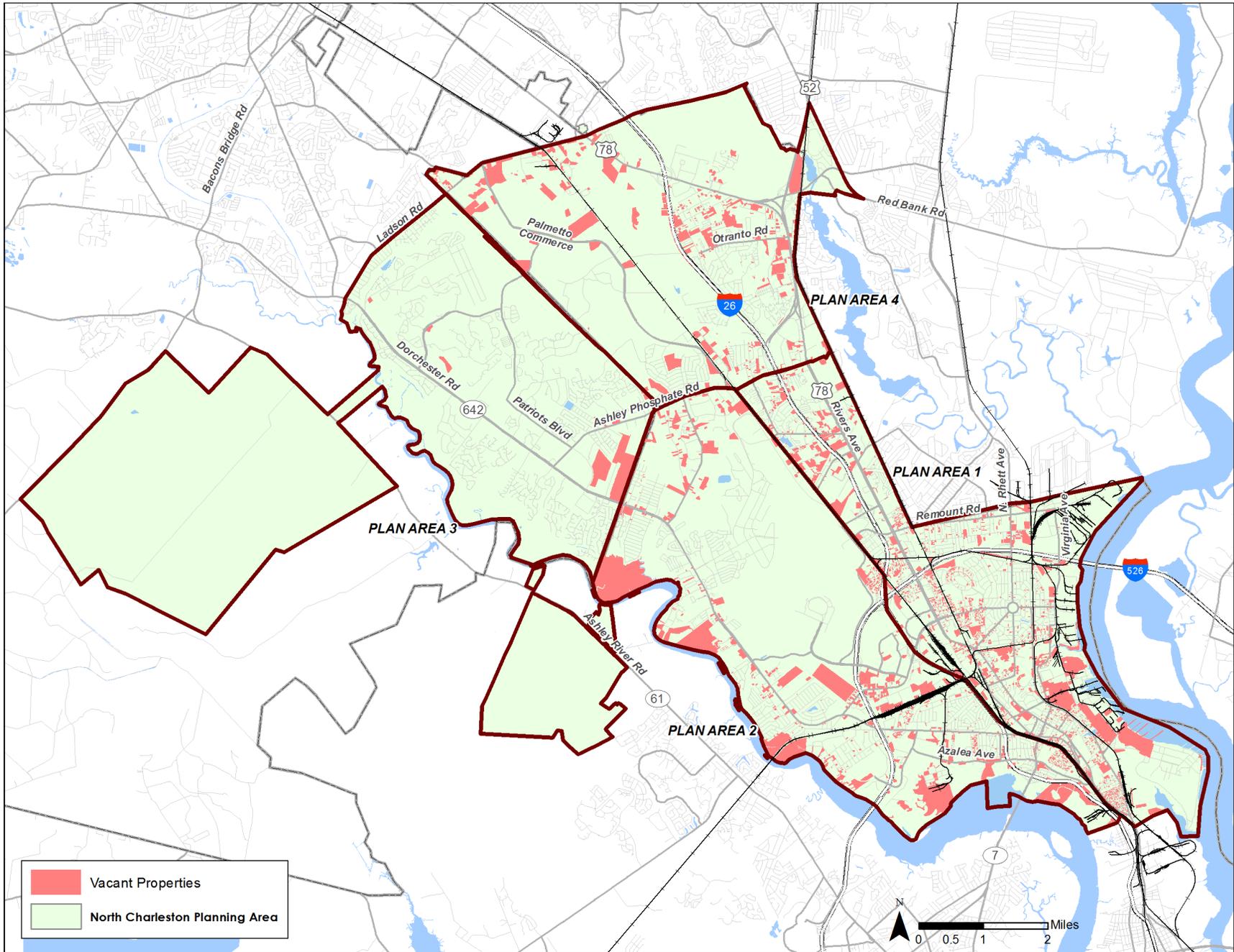


Figure 14: North Charleston Vacant Properties

3.2.1 Housing Occupancy

Housing occupancy is an indicator of economic stability. Typically, a higher rate of owner occupancy indicates greater investment in a community. Table 7 shows the trend in housing occupancy as either owner occupied, renter occupied, or vacant. While the majority of occupied housing units in North Charleston have consistently been renter occupied units, renter occupied units have increased at a much greater rate than owner-occupied units since 2010. This could be attributed to the increase in rental unit demand that was observed regionally as a result of foreclosures during the recession, in-migration of new residents being transferred with new companies moving to the region, and/or the desire of certain age groups to have more mobility offered by leasing.

NORTH CHARLESTON OCCUPANCY CHARACTERISTICS

	2000	2010	2017	% OF TOTAL UNITS 2017	CHANGE IN TOTAL UNITS	
					2000-2010	2010-2017
TOTAL UNITS	33,649	41,519	45,893		23.4%	10.5%
OCCUPIED, TOTAL	29,747	34,926	40,577	88.42%	17.4%	16.2%
OWNER OCCUPIED	13,757	16,935	18,038	39.30%	23.1%	6.5%
RENTER OCCUPIED	15,990	17,991	22,539	49.11%	12.5%	25.3%
VACANT	3,902	6,593	5,316	11.58%	69.0%	-19.4%

Source: United States Census

Table 7: North Charleston Occupancy Characteristics

COMPARATIVE OCCUPANCY IN 2017

	NORTH CHARLESTON	CHARLESTON	GOOSE CREEK	SUMMERVILLE
Occupied, Total	40,577	53,845	13,756	17,565
Owner Occupied	44.5%	54.4%	68.0%	64.1%
Renter Occupied	55.5%	45.6%	32.0%	35.9%

Source: United States Census

Table 8: Comparative Occupancy in 2017

Vacant units, which grew significantly between 2000 and 2010, have decreased between 2010 and 2017.

Compared to surrounding jurisdictions listed in Table 8, the City is the only jurisdiction that carries a higher renter occupancy rate. Renter-occupied units are up 4% from 2010 when they comprised 51.5% of occupied units in the City.

According to ATTOM Data Solutions 2018 report, buying a home is more affordable than renting in 54% of the United States; however 64% of the United States population lives in areas that are more affordable to rent than to buy. Although home ownership is currently more affordable than renting in Dorchester and Berkeley Counties, Charleston County is an area where it has been deemed more affordable to rent than buy. In addition, areas in the City of North Charleston are considered to be the most affordable for renters within Charleston County. Figure 15 and 16 indicate relative concentrations of renter occupied housing units and owner-occupied units.

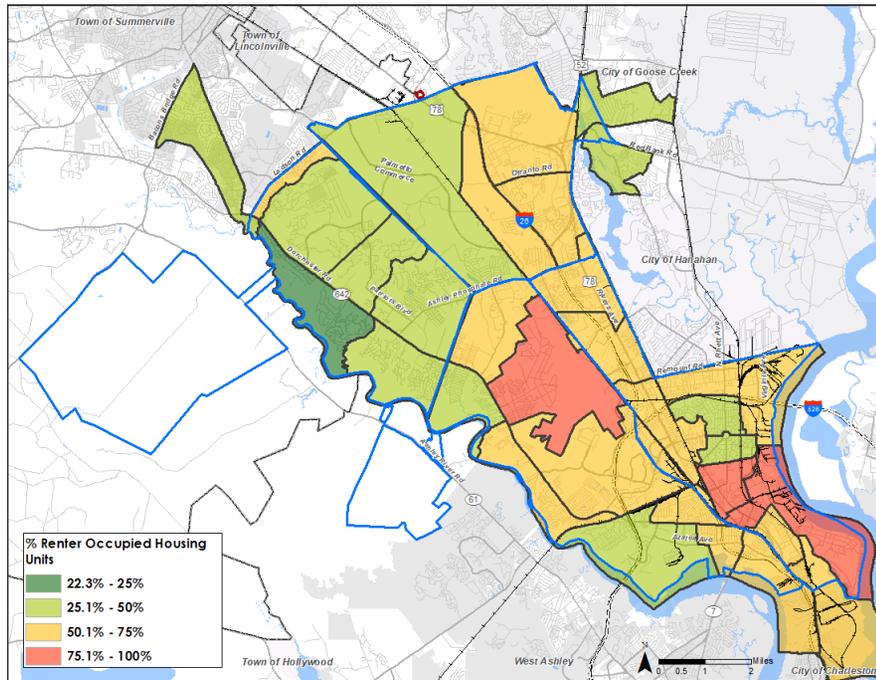


Figure 15: North Charleston Renter Concentrations

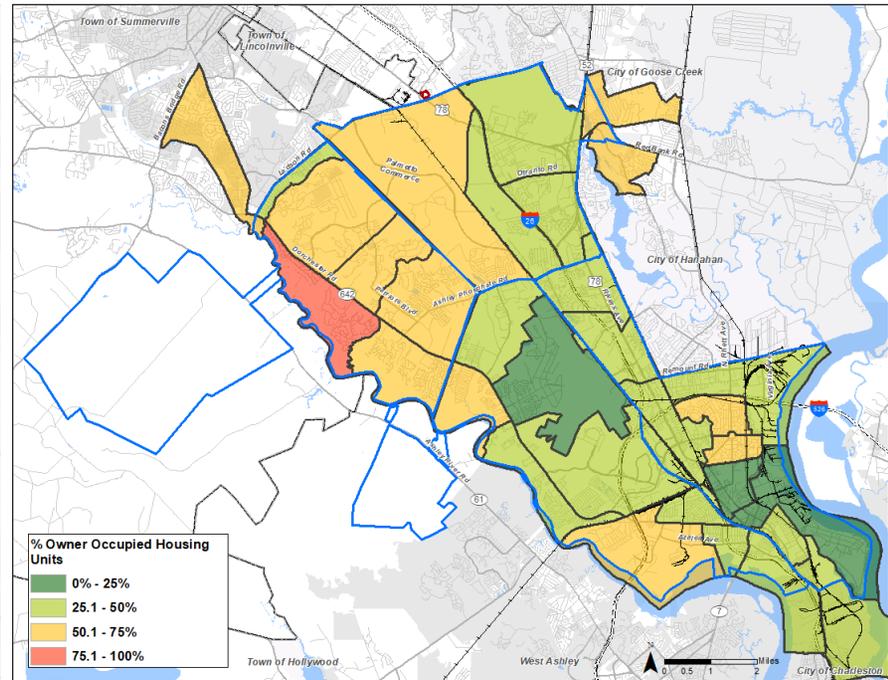


Figure 16: North Charleston Owner Concentrations

3.2.2 Households, Families, and Nonfamilies

The Census Bureau defines a household as “all the people who occupy a housing unit” and it “includes the related family members and all the unrelated people.” There are two major categories of households, “family” and “nonfamily.” A family is two or more people whom are related by birth, marriage or adoption, whereas nonfamilies are those households that consist of only unrelated persons (group quarters, such as halfway homes, and single individuals living alone are excluded from household counts and are not included in the Table 9 below). These distinctions are necessary to understand the current housing utilization in North Charleston.

CHARACTERISTICS OF HOUSEHOLDS

	NORTH CHARLESTON		CHARLESTON		GOOSE CREEK		SUMMERVILLE	
	2010	2017	2010	2017	2010	2017	2010	2017
TOTAL HOUSEHOLDS	34,926	40,577	49,288	53,845	11,178	13,756	15,529	17,565
TOTAL FAMILIES	21,809	23,431	25,628	28,274	8,973	10,263	10,634	12,059
PERCENT OF FAMILIES	62.4%	57.7%	52.0%	52.5%	80.3%	74.6%	68.5%	68.7%
AVERAGE FAMILY SIZE	3.21	3.34	2.97	3.01	3.21	3.26	3.14	3.42
NON-FAMILY HOUSEHOLDS	13,117	17,146	23,660	25,571	2,205	3,493	4,895	5,506
PERCENT OF NONFAMILIES	38%	42%	48%	47%	20%	25%	32%	31%

Source: United States Census

Table 9: Characteristics of Households

As seen in Table 9, while the total number of households and families in each jurisdiction have increased from 2010 to 2017, both North Charleston and Goose Creek have seen greater increases in the proportion of non-family households. The increase in non-family households along with the increase in renter occupied units may not be coincidental as housing cost increases may dictate the need for roommates to offset increasing rents.

While the average size of families is on the rise, the proportion of households in North Charleston made up by families has decreased. Combined with greater increases in non-family households and renter occupied units, these are likely contributors to the fact that North Charleston has the second lowest average household size of the four jurisdictions that surround the City (Table 10). These trends are indicative of an area that is urbanizing.

AVERAGE HOUSEHOLD SIZE

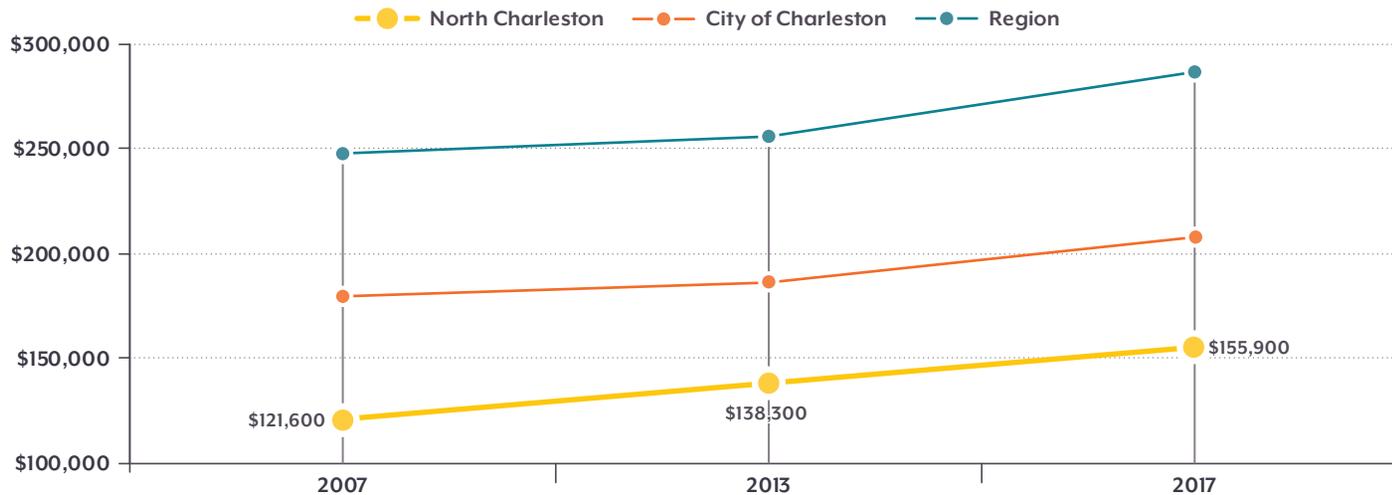
	NORTH CHARLESTON		CHARLESTON		GOOSE CREEK		SUMMERVILLE	
	2010	2017	2010	2017	2010	2017	2010	2017
OWNER-OCCUPIED UNITS	2.60	2.57	2.40	2.45	2.90	2.86	2.70	2.86
RENTER-OCCUPIED UNITS	2.50	2.50	2.10	2.18	3.00	2.76	2.30	2.64
AVERAGE OWNER/RENTER	2.55	2.54	2.25	2.32	2.95	2.81	2.50	2.75

Source: United States Census

Table 10: Average Household Size

3.2.3 Housing Values and Affordability

North Charleston’s homes are slightly lower in value when compared to homes in the City of Charleston and the tri-county region as shown in Figure 17. However, over the past decade North Charleston has exceeded both the City of Charleston and the metropolitan region in valuation growth. In 2017, the median home value in North Charleston was \$155,900, which represents a 28.2% increase from \$121,600 in 2007. During the same period, the City of Charleston and regional home values only grew 15.8%.



Source: US Census

Figure 17: Comparative Median Home Values

This increase in value is good for current home owners, but not necessarily for renters. As values increase, landlords may increase rents to offset increasing assessments and taxes making it more difficult for renters to afford housing and/or save to become home owners.

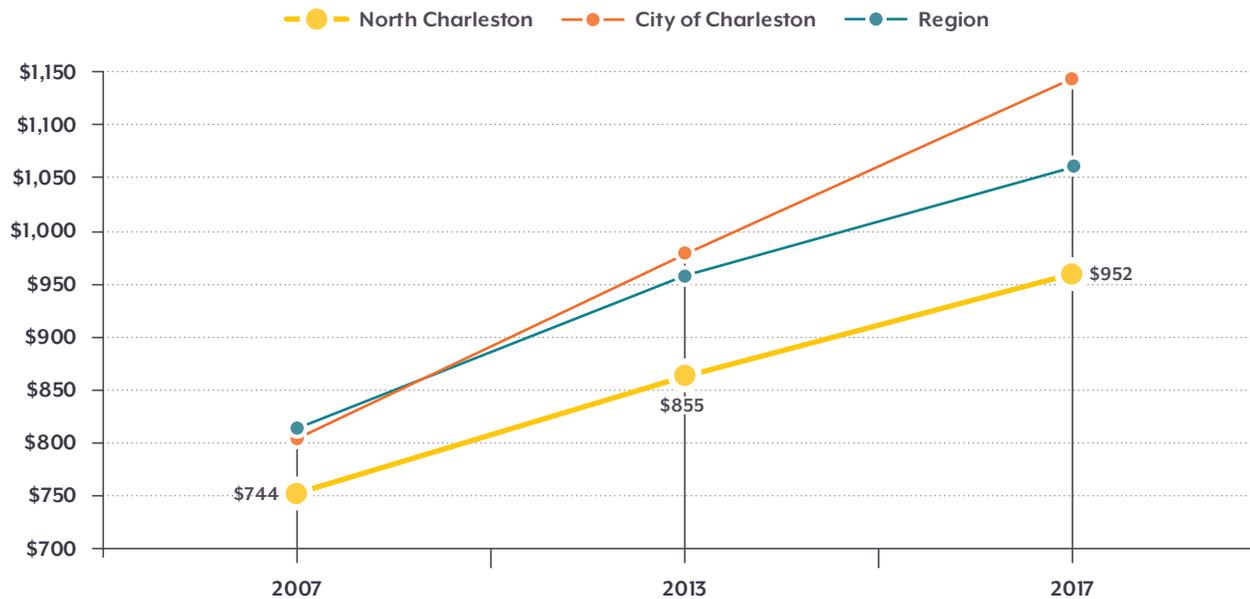


Figure 18: Households Paying Greater than 30% Income on Gross Housing Costs*
Source: US Census

Rental costs are also on the rise regionally due to higher demand. In 2013 the median rent in North Charleston was \$744 per month, which grew to \$952 per month in 2017, representing a 28% increase (Figure 18) in less than a decade.

However, during the same period, rents in the City of Charleston grew by 42.6% and regional rents grew by 30.9%, a factor making North Charleston a more attractive location for renter households.

The United States Department of Housing and Urban Development (HUD) defines housing as “affordable” when housing costs, inclusive of rent or mortgage payments and utility costs, are 30% or less of a household’s combined annual income. In 2017, an estimated 43.6% (or 17,709) of households in the City of North Charleston spent 30% or more of their total household income on housing costs. Of the estimated 12,135 households in North Charleston that had a mortgage, 35% spent 30% or more of their income on housing. For those homeowners in North Charleston who did not have a mortgage, 15.4% paid more than 30% of their income on housing. At the same time, a clear majority (58.5%) of renters in North Charleston were spending more than 30% of their income on housing. These numbers are slightly higher compared to Charleston, Goose Creek, and Summerville, but consistent with the affordability issue that the region is facing, particularly for renters.

HOUSING AND RENTAL AFFORDABILITY COMPARISON

	NORTH CHARLESTON			CHARLESTON			GOOSE CREEK			SUMMERVILLE		
	TOTAL	SPEND 30% OR MORE INCOME ON HOUSING	PERCENT OF TOTAL	TOTAL	SPEND 30% OR MORE INCOME ON HOUSING	PERCENT OF TOTAL	TOTAL	SPEND 30% OR MORE INCOME ON HOUSING	PERCENT OF TOTAL	TOTAL	SPEND 30% OR MORE INCOME ON HOUSING	PERCENT OF TOTAL
OWNER-OCCUPIED HOUSEHOLDS WITH MORTGAGE	12,135	4,335	35.7%	20,678	6,235	30.2%	7,526	1,747	23.2%	8,699	2,497	28.7%
OWNER-OCCUPIED HOUSEHOLDS WITHOUT MORTGAGE	5,657	870	15.4%	8,259	1,324	16.0%	1,730	210	12.1%	2,508	275	11.0%
RENTAL-OCCUPIED HOUSEHOLDS	21,371	12,504	58.5%	22,224	11,448	51.5%	4,119	2,150	52.2%	6,007	3,117	51.9%

Source: United States Census

Table 11: Housing and Rental Affordability Comparison

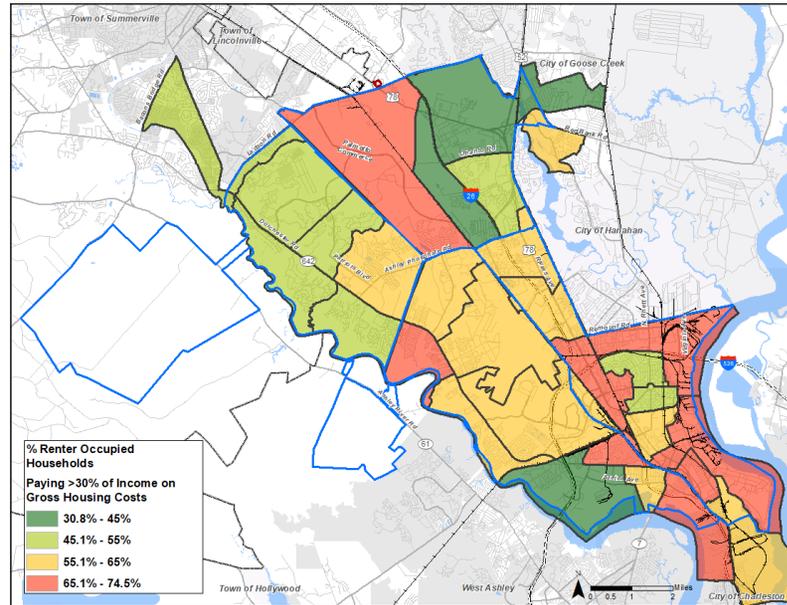
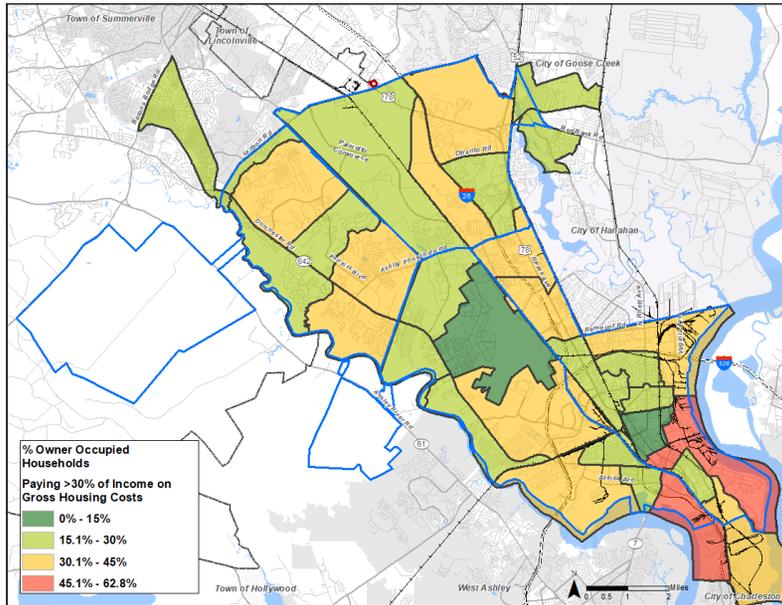


Figure 19: Households Paying Greater than 30% Income on Gross Housing Costs*

*Gross Housing Costs Include Mortgage, Rent, Utilities, & Taxes

A more accurate assessment of housing affordability can be derived comparing recent sales prices to median household incomes. Over the past five years, median sales prices for housing in Charleston County have increased 25.5%, while sales prices in Dorchester County increased 27.2% (CTAR 2018 Annual Report on the Charleston Area Housing Market). Three Multiple Listing Service (MLS) areas account for the majority of the City's jurisdiction. While these do not align with the City's Planning Areas (Figure 20), they can be described as follows:

- **MLS Area 31:** Neighborhoods inside I526 between the Ashley and Cooper Rivers, including the “Neck” area, Park Circle.
- **MLS Area 32:** Neighborhoods outside I-526 between Hanahan and the Ashley River, including the Remount Road, Rivers and Dorchester Road corridor in Charleston County.
- **MLS Area 61:** Neighborhoods in Dorchester County along Dorchester Road.

While reported sales prices within the City of North Charleston have been consistently lower than those for the three counties, these areas kept pace in the overall proportionate increases in median sales prices at an average of almost 9% annually over the past five years.

As reported in a regional Housing Needs Assessment released in 2014, home sales within these MLS areas dictated that a prospective purchaser earn between 39%-110% of the region's median household income which was \$51,332 at the time. In 2018, the median sales price in these MLS areas dictated that prospective purchasers earn between 98%-144% of the region's median household income.

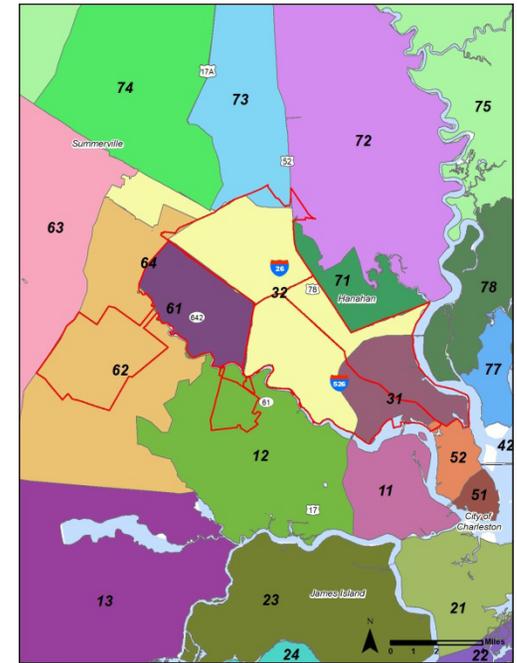


Figure 20: Multiple Listing Service In North Charleston

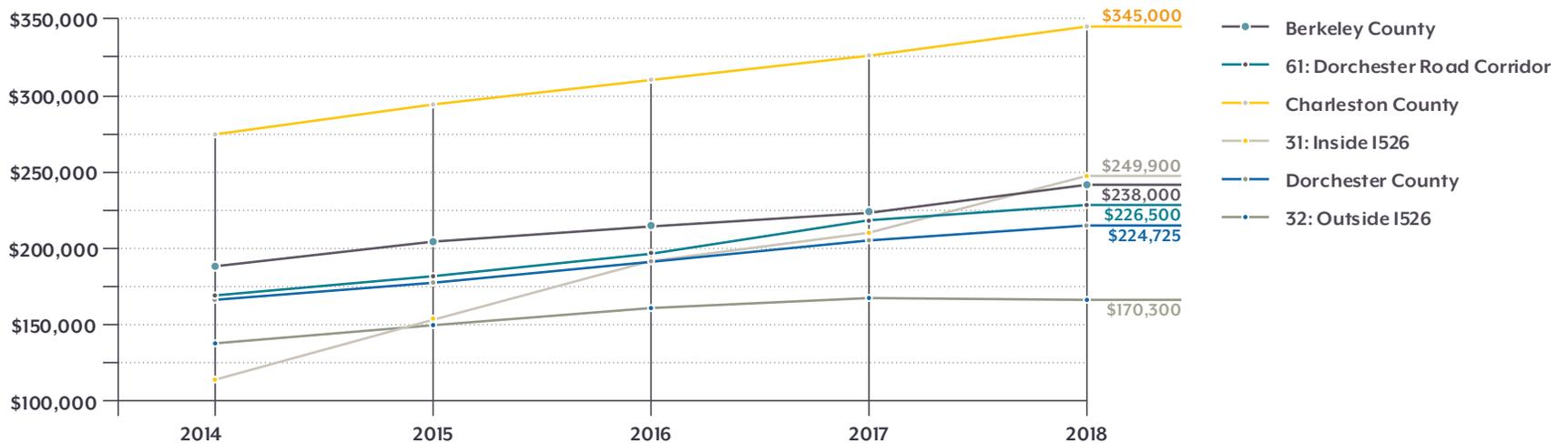


Figure 21: Comparative Median Sales Prices

However, these areas are even less affordable to existing North Charleston residents. With a median household income of \$39,944 in 2017, more than half of the City’s current households are theoretically stretched to afford purchasing a home for approximately \$120,000. However, with median home prices in the City ranging from \$170K-\$250K, the majority of current residents cannot afford the current market. It is important to note that the less expensive area of the City is not what is commonly referred to as the Neck Area, where the majority of residents earn far below the City’s median income. Thus this area continues to attract new homeowners from outside the City, while current residents remain renters.

It is much more difficult to obtain market rental costs (versus those reported by the Census). However, with a median household income of \$39,944, most renter households can afford housing that costs just under \$1,000 per month. As discussed above, average rental rates are getting close to that threshold.

3.2.4 Homelessness

Understanding the extent of the homelessness in the City is important. However, trying to get an accurate count of the transient population is exceptionally difficult. Housing and homeless service providers are required by HUD to participate in an annual “Point-In-Time” (PIT) count of the people who are homeless in their community. The 2017 PIT count showed a total of 3,916 homeless individuals in South Carolina, of which 425 were located in the Charleston/Lowcountry area. Table 12 shows figures for 2010 and 2017, and, while it appears that homelessness is increasing slightly, it should be noted that a PIT count is only conducted in the last 10 days of January each year and many homeless individuals are not accounted for when they chose not to take advantage of services and resources that are available.

HOMELESSNESS

	CHARLESTON/LOWCOUNTRY		SOUTH CAROLINA	
	2010	2017	2010	2017
TOTAL HOMELESS	416	425	4,473	3,916
SHELTERED HOMELESS	347	221	3,036	2,415
UNSHeltered HOMELESS	69	204	1,437	1,501

Source: United States Department of Housing and Urban Development

Table 12: HUD Homelessness Counts