

COMPREHENSIVE HOUSING MARKET ANALYSIS

Columbia, South Carolina

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

As of November 1, 2022



PD&R

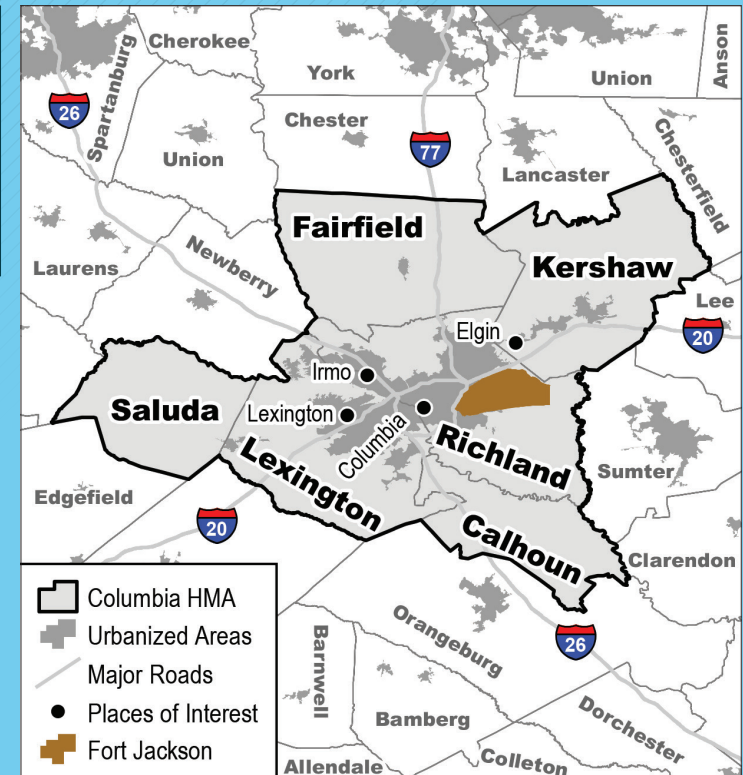
Share on:   

Executive Summary

Housing Market Area Description

The Columbia Housing Market Area (HMA) is coterminous with the Columbia, SC Metropolitan Statistical Area (MSA) and includes Calhoun, Fairfield, Kershaw, Lexington, Richland, and Saluda Counties in central South Carolina. The HMA is home to the state capital, the University of South Carolina (USC), and Fort Jackson Army Base (AB), all of which contribute to the economic stability of the HMA.

The current population is estimated at 847,000.



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 this report's [supplemental tables](#).
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: By August 2022, the economy recovered all of the 41,800 jobs lost during March and April 2020 from the impact of the COVID-19 pandemic (monthly data, not seasonally adjusted).

During the 12 months ending October 2022, nonfarm payrolls increased by 5,600 jobs, or 1.4 percent, compared with the 12 months ending October 2021. Job gains occurred in 7 of the 11 payroll sectors during the past 12 months. The unemployment rate averaged 3.1 percent during the 12 months ending October 2022, down from 4.0 percent during the previous 12-month period. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 1.1 percent annually, similar to the rate before the COVID-19 pandemic.

Sales Market



Balanced: During the 12 months ending October 2022, the average existing home sales price rose 14 percent to \$244,700 (CoreLogic, Inc., with adjustments by the analyst).

During the 12 months ending October 2022, home sales in the Columbia HMA totaled 21,900, a decrease of more than 6 percent from 1 year earlier (CoreLogic, Inc., with adjustments by the analyst). The average sales price for new and existing homes during the 12 months ending October 2022 was up 14 percent to \$255,600. During the 3-year forecast period, demand is estimated for 10,200 new homes. The 2,000 homes under construction are expected to meet a portion of demand during the first year of the forecast period.

Rental Market



Balanced: The rental vacancy rate is currently estimated at 6.3 percent, down from 11.8 percent in 2010 when the market was soft.

Although the overall rental market is balanced, conditions in the apartment market are slightly tight. As of the third quarter of 2022, the apartment vacancy rate was 4.3 percent, down from 4.6 percent as of the third quarter of 2021 (Moody's Analytics REIS). The average monthly rent increased 9 percent, to \$1,083, between the third quarter of 2021 and the third quarter of 2022, following rent growth of 5 percent between the third quarter of 2020 and the third quarter of 2021. By comparison, apartment rent growth averaged 3 percent annually from 2016 through 2019. During the forecast period, demand is expected for 3,825 new rental units. The 1,950 units under construction are expected to satisfy a portion of this demand.

TABLE OF CONTENTS

- Economic Conditions 4
- Population and Households 9
- Home Sales Market 13
- Rental Market 18
- Terminology Definitions and Notes 21

3-Year Housing Demand Forecast

	Sales Units	Rental Units
Columbia HMA		
Total Demand	10,200	3,825
Under Construction	2,000	1,950

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of November 1, 2022. The forecast period is November 1, 2022, to November 1, 2025.

Source: Estimates by the analyst



Economic Conditions

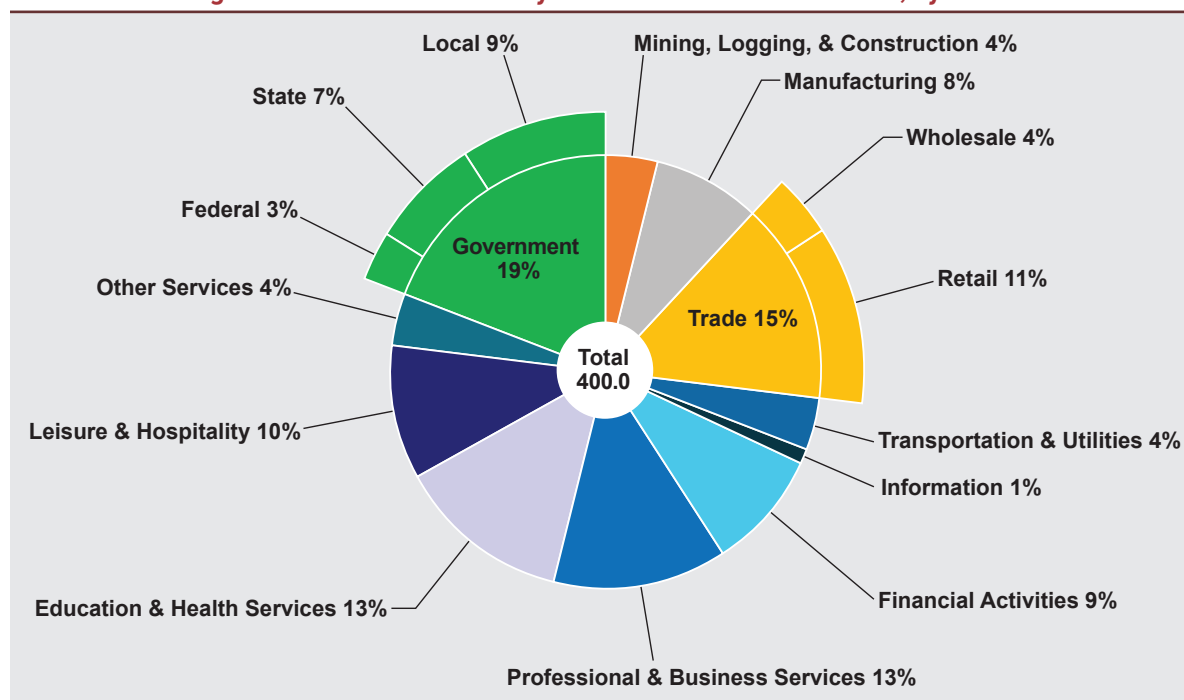
Largest Sector: Government

The government sector has been the largest nonfarm payroll sector in the Columbia HMA since 1990, accounting for an average of approximately one-fifth of jobs during this period.

Primary Local Economic Factors

The Columbia HMA is a major employment center for health care, education, management, and government in the central South Carolina region. The HMA economy depends heavily on the government sector, with 78,000 jobs during the 12 months ending October 2022, or 19 percent of all nonfarm payrolls (Figure 1). Five of the 10 largest employers in the HMA are in the government sector (Table 1). The State of South Carolina is the largest employer in the HMA, with 25,750 workers. Fort Jackson AB is the fourth largest employer. The army base employs 5,000 civilians and 3,200 active-duty military personnel, and it has an economic impact of more than \$2.0 billion on the HMA annually (South Carolina Military Task Force). Fort Jackson AB, east of downtown Columbia, is the main Basic Combat Training site for the Army, with approximately 50 percent of all new recruits coming to the base for their initial combat training (U.S. Army). The sixth largest employer, with 5,750 employees, is USC, a public research university in downtown Columbia. USC has an annual economic impact

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



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through October 2022.

Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Columbia HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of South Carolina	Government	25,750
Prisma Health	Education & Health Services	15,000
BlueCross BlueShield of South Carolina	Financial Activities	10,000
Fort Jackson Army Base	Government	8,200
Lexington Medical Center	Education & Health Services	7,900
University of South Carolina	Government	5,750
Amazon.com, Inc.	Transportation & Utilities	3,050
Richland County	Government	2,400
City of Columbia	Government	2,300
Michelin Tire Corporation	Manufacturing	2,250

Notes: Excludes local school districts. Employment estimates for Fort Jackson Army Base includes uniformed military personnel, who are not included in nonfarm payrolls.

Source: Richland and Lexington Counties Economic Development 2022



of \$6.2 billion on the state and supports a total of 63,700 direct and indirect jobs in the Columbia HMA (USC, 2021).

The education and health services sector, the third largest and fastest growing sector since 2001, accounts for 13 percent of all jobs and includes two of the largest employers in the HMA. In 2017, Palmetto Health and Greenville Health System merged to form Prisma Health, the second largest employer in the HMA. Prisma Health has an estimated \$9.1 billion annual economic impact on the state of South Carolina (Prisma Health). Lexington Medical Center, the fifth largest employer, has 7,900 employees and treats nearly 85,000 patients each year. The professional and business services sector, which includes corporate headquarters facilities, is the third largest employment sector in the HMA. Several companies have headquarters in the HMA, including Colonial Life and Accident Insurance Company, the second largest supplemental insurance company in the nation; The Ritedose Corporation, a pharmaceutical services company; and Spectrum Medical, an international medical software company.

Current Conditions—Nonfarm Payrolls

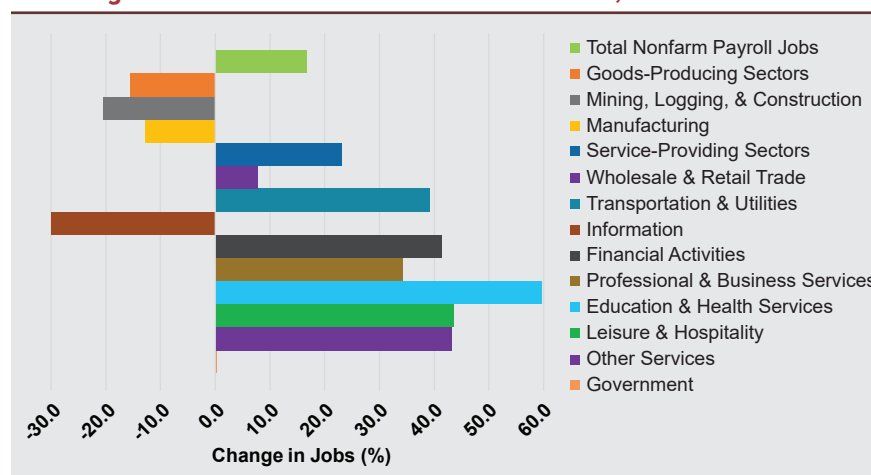
During the past year, nonfarm payrolls in the HMA increased as a result of the easing of statewide restrictions to slow the spread of COVID-19. As of August 1, 2022, all of the 41,800 jobs lost during March and April 2020 had been recovered (monthly basis; not seasonally adjusted). During the 12 months ending October 2022, nonfarm payrolls increased by 5,600 jobs, or 1.4 percent, compared with an increase of 4,700 jobs, or 1.2 percent, during the previous year (Table 2). Job growth occurred in 7 of 11 sectors during this period, and gains were greatest in the leisure and hospitality sector, the second fastest growing sector in the HMA since 2001 (Figure 2). The sector increased by 3,600 jobs, or 10.1 percent, during the past 12 months as tourism rebounded. In downtown Columbia, the five-story, 144-room, Cambria Hotel opened in the summer of 2022, contributing to job gains. The wholesale and retail trade and the financial activities sectors both added 1,700 jobs, or 3.0 and 5.2 percent, respectively, during the 12 months ending October 2022. Partly offsetting the gains, nonfarm payrolls declined in the government sector by 2,700 jobs, or 3.3 percent, compared with a 2.8-percent decrease a year

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

	12 Months Ending October 2021	12 Months Ending October 2022	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	394.4	400.0	5.6	1.4
Goods-Producing Sectors	48.1	48.4	0.3	0.6
Mining, Logging, & Construction	16.8	16.2	-0.6	-3.6
Manufacturing	31.3	32.3	1.0	3.2
Service-Providing Sectors	346.3	351.6	5.3	1.5
Wholesale & Retail Trade	57.4	59.1	1.7	3.0
Transportation & Utilities	17.0	16.6	-0.4	-2.4
Information	4.9	5.3	0.4	8.2
Financial Activities	32.6	34.3	1.7	5.2
Professional & Business Services	51.6	51.2	-0.4	-0.8
Education & Health Services	50.8	51.5	0.7	1.4
Leisure & Hospitality	35.6	39.2	3.6	10.1
Other Services	15.7	16.5	0.8	5.1
Government	80.7	78.0	-2.7	-3.3

Notes: Based on 12-month averages through October 2021 and October 2022. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Columbia HMA, 2001 to Current



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



earlier. All losses occurred in the federal and local government subsectors during the 12 months ending October 2022. In contrast to the overall job declines in the government sector, the Federal Bureau of Investigation opened a new field office in the fall of 2022 in the city of Lexington, investing more than \$41 million and adding 200 additional positions.

Job Losses During the COVID-19 Pandemic: 2020

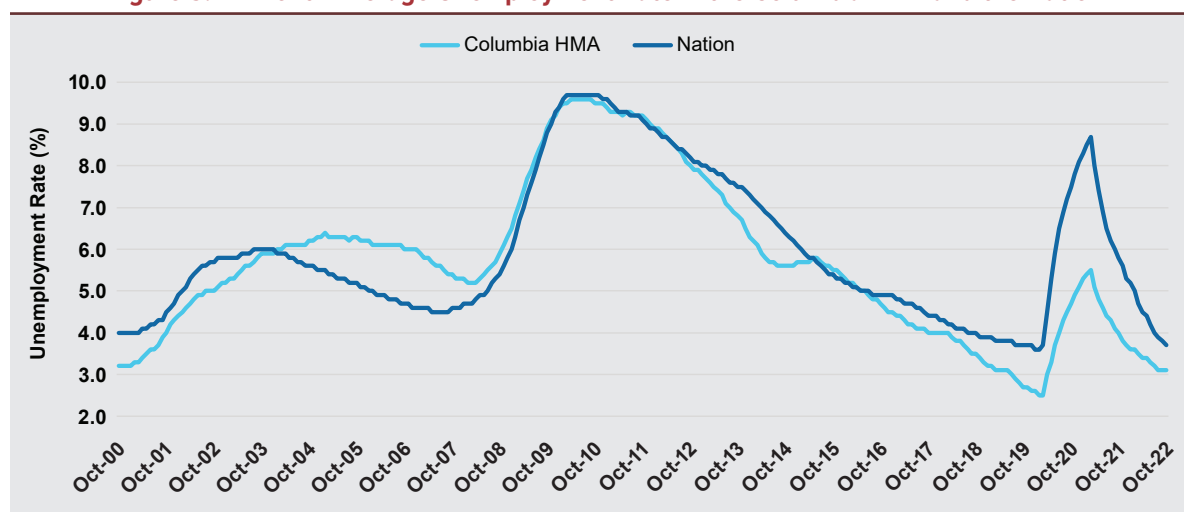
Early in 2020, measures to prevent the spread of COVID-19 caused economic conditions in the HMA to deteriorate rapidly. During March and April 2020, nonfarm payrolls declined by 41,800 jobs from the peak in February 2020 (monthly data; not seasonally adjusted). Countermeasures implemented to slow the spread of COVID-19 resulted in significant declines in the leisure and hospitality and the education and health services sectors; those declines combined to account for more than one-half of all jobs lost in the HMA. On an annual basis, nonfarm payrolls declined by 16,400 jobs, or 4.1 percent, during 2020, with 9 of 11 sectors losing jobs compared with 2019. The scale of job losses following the beginning of the COVID-19 pandemic was smaller in the HMA than in the nation but higher than in South Carolina, where nonfarm payrolls fell 5.8 and 1.5 percent, respectively, during 2020. Job losses in the HMA were largest in the leisure and hospitality sector,

which contracted by 7,100 jobs, or 17.5 percent, when indoor dining and many recreational activities were curtailed in mid-March 2020. The second largest decline in payrolls occurred in the education and health services sector, which fell by 2,100 jobs, or 4.1 percent. A moratorium on nonessential medical procedures implemented to preserve healthcare resources and minimize transmission of COVID-19 contributed to the loss of many jobs in this sector.

Current Conditions—Unemployment

During the 12 months ending October 2022, the unemployment rate in the Columbia HMA averaged 3.1 percent, down from 4.0 percent during the previous 12 months. The unemployment rate in the HMA has been below the national rate for much of the period since 2010. The average unemployment rate in the HMA during the past 12 months was below the national average of 3.7 percent. The recent peak for the unemployment rate for the nation was 8.7 percent during the 12 months ending March 2021, whereas the unemployment rate in the HMA peaked at 5.5 percent during the same period. Figure 3 shows the 12-month average unemployment rate in the HMA and the nation since October 2000.

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



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics



Economic Periods of Significance

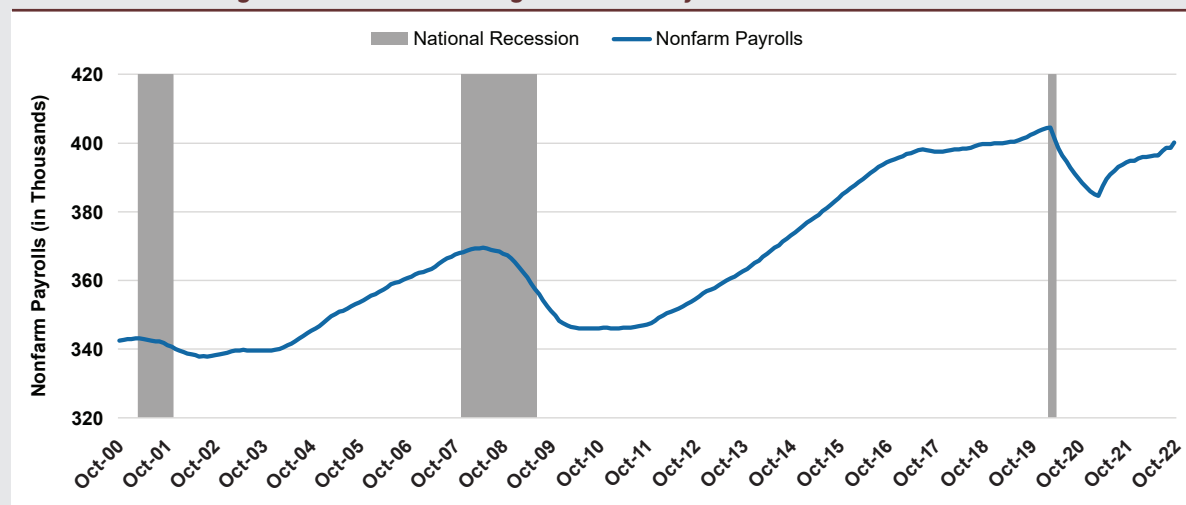
2003 Through 2007

Following the local economic downturn caused by the dot-com recession in 2001 and 2002, the HMA added jobs at a relatively rapid rate in the mid-2000s (Figure 4). Economic expansion occurred each year from 2003 through 2007, when nonfarm payrolls increased by an average of 5,900 jobs, or 1.7 percent, annually. In South Carolina and the nation, jobs grew at slower rates than in the HMA, averaging 1.6 and 1.1 percent annually, respectively. During the 5-year period, the professional and business services sector in the HMA added an average of 1,500 jobs, or 3.9 percent, annually—the largest gain of any sector. Economic expansion during the period was also a result of significant growth in the education and health services and the financial activities sectors, which added respective averages of 1,100 and 1,000 jobs, or 2.9 and 3.5 percent, annually. Gains in the education and health services sector included jobs added at multiple new medical facilities, such as the 124-bed, 200,000-square-foot Palmetto Health Heart Hospital, a state-of-the-art cardiac care facility, which opened in Richland County in 2006.

2008 Through 2010

The effects of the Great Recession in the late 2000s resulted in a decline in jobs in the Columbia HMA. From 2008 through 2010, nonfarm payrolls in the HMA declined by an average of 7,400 jobs, or 2.0 percent, annually.

Figure 4. 12-Month Average Nonfarm Payrolls in the Columbia HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

The average annual declines in South Carolina and the nation during that period were 2.4 and 1.9 percent, respectively. Jobs in 8 of 11 payroll sectors in the HMA declined during the period. The mining, logging, and construction sector lost the most jobs, declining by an average of 2,100 jobs, or 10.8 percent, annually, partly because of a sharp decline in residential permitting. During the period, home sales and rental building activity declined substantially. The wholesale and retail trade and the manufacturing sectors decreased by averages of 1,900 and 1,600 jobs, or 3.3 and 5.3 percent, a year from 2008 through 2010, respectively. FN Manufacturing, a company that specializes in the production of small firearms, cut 120 manufacturing jobs in 2010. During this period, the government sector increased by 600 jobs, or 0.8 percent. Growth in the federal government subsector occurred largely after the implementation of the 2005 Defense Base Closure and Realignment Commission recommendations for Fort Jackson AB, which added approximately 620 active-duty and civilian personnel.

2011 Through 2015

The HMA economy began to expand again in 2011, and by late 2013, it surpassed prerecession payroll levels. From 2011 through 2015, nonfarm payrolls in the HMA increased by an average of 8,000 jobs, or 2.2 percent, annually. During that 5-year period, jobs in South Carolina and the nation grew at slower rates, averaging 2.0 and 1.7 percent annually, respectively. The professional and business services sector led

job gains, adding an average of 1,800 jobs, or 4.0 percent, annually. General Information Services, Inc., which provides employment background screening services for technology companies, invested \$2.7 million in a new facility and added 90 jobs in 2015. The transportation and utilities and the leisure and hospitality sectors both added averages of 1,000 jobs, or 8.0 and 3.0 percent, annually, respectively. In 2011, Amazon.com, Inc. opened a \$100 million distribution center in Lexington County that added 1,250 full-time positions. The government sector added an average of 600 jobs, or 0.7 percent, a year. Within the government sector, the state government subsector added the most jobs, an average of 400 jobs, or 1.1 percent, annually.

2016 Through 2019

Job growth in the Columbia HMA slowed from 2016 through 2019, with gains averaging 4,300 jobs, or 1.1 percent, annually. By comparison, the

rates in South Carolina and the nation averaged 2.3 and 1.6 percent a year, respectively. The education and health services sector, which added an average of 1,100 jobs, or 2.3 percent, annually had the largest gains of any sector in the HMA. Nephron Pharmaceuticals Corporation spent \$12.5 million to expand its existing facility by 36,000 square feet in 2017 and created approximately 125 jobs. Economic expansion occurred in the leisure and hospitality and the manufacturing sectors, which added respective averages of 1,000 and 600 jobs, or 2.6 and 2.2 percent, annually during the period. The professional and business services sector added 600 jobs, or 1.3 percent. In January 2017, Capgemini, a software service provider, announced it was expanding and added 100 additional positions by the end of the year.

Forecast

During the 3-year forecast period, the economy of the HMA is expected to expand, with nonfarm payrolls increasing an average of 1.1 percent annually. Job growth is expected to be relatively steady throughout the forecast period and to be particularly notable in the professional and business services sector, partly because Spectrum, a cable and internet provider, is planning a \$2 million campus expansion in early 2023 in Lexington County, which will add 350 new jobs. Jobs in the government and the education and health services sectors are expected to continue increasing at steady paces, and job growth in the manufacturing sector is expected to accelerate during the

next 3 years. Pet Supplies Plus, a manufacturer of pet foods and accessories, announced that it is building a new \$53 million facility, which is expected to bring 275 new jobs by the end of 2024. USC and Lexington Medical Center developed a partnership to address the growing nursing shortage. A new state-of-the-art nursing simulation laboratory and teaching space on the hospital campus is currently under construction and is expected to open in the fall of 2024. In 2021, BlueCross BlueShield of South Carolina announced that it is adding \$60 million in new technology and expects to hire 700 new employees during the next 5 years.



Population and Households

Current Population: 847,000

The population of the Columbia HMA has increased every year since 2000, with net in-migration accounting for most of the population gain.

Population Trends

The HMA is the second most populous metropolitan area in South Carolina after the Greenville-Anderson metropolitan area. The current population in the HMA is estimated at 847,000, reflecting an average increase of 6,325, or 0.8 percent, annually since 2010 (Table 3). During this period, net in-migration averaged 4,100 people each year and accounted for 65 percent of the population growth.

From 2000 to 2005, the population in the HMA increased by an average of 9,900, or 1.5 percent, annually (U.S. Census Bureau decennial census count and population estimate as of July 1). Net in-migration averaged 6,375 people a year, or 64 percent of population growth during the period, and net natural change accounted for the remaining average annual increase of 3,525 people. The return of military personnel to Fort Jackson AB from deployment in Afghanistan contributed to the population of the HMA

Table 3. Columbia HMA Population and Household Quick Facts

	2010	Current	Forecast	
Population Quick Facts	Population	767,598	847,000	867,000
	Average Annual Change	12,050	6,325	6,675
	Percentage Change	1.7	0.8	0.8
Household Quick Facts	Households	294,881	338,700	349,100
	Average Annual Change	4,950	3,475	3,475
	Percentage Change	1.9	1.1	1.0

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, 2022) to November 1, 2025.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by the analyst

increasing from 2005 to 2009 by an average of 15,050, or 2.1 percent, annually, despite job losses during the end of the period. Net in-migration averaged 11,000 people a year during the period, or 73 percent of population growth, and net natural change averaged 4,050 people.

Population growth slowed from 2009 to 2015 during the economic downturn and the initial years of the recovery that followed. During the period, the population rose by an average of 6,925, or 0.9 percent, annually. Net in-migration slowed to an average of 3,800 people a year, accounting for 55 percent of the total population growth, and net natural change averaged 3,125 people each year.

From 2015 to 2020, population growth slowed further to an average of 5,950 people, or 0.7 percent, annually, because of a slowdown in net natural change. Net in-migration rose modestly to an average of 3,875 people a year as residents moved into the HMA for job opportunities; however, net natural change averaged only 2,075 people each year. An increase in senior residents aged 60 years and older contributed to the slower net natural change.

Since 2020, population growth has averaged 6,975 people, or 0.8 percent, annually. During this period, net in-migration rose to an average of 6,225 people a year, accounting for 89 percent of the total population growth. Net natural change slowed to an average of 750 people a year. The continued increase in the share of older residents migrating to the HMA and the impact of the COVID-19 pandemic are responsible for much of the slowdown in net natural change. Figure 5 shows the components of population change from 2000 through the forecast period.



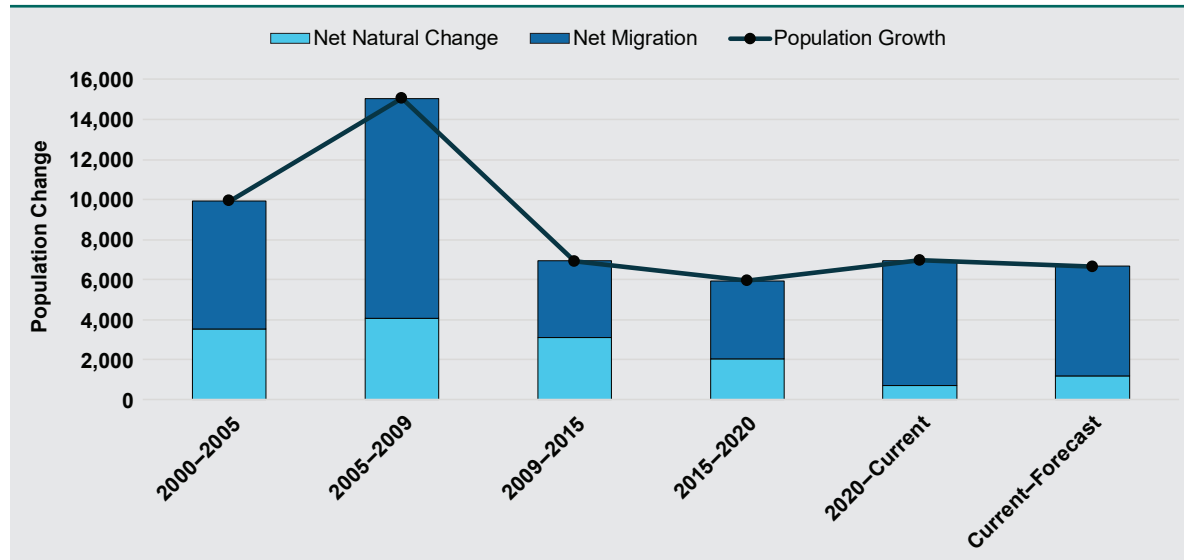
Age Cohort Trends

The warm southern climate and relatively affordable housing in the Columbia HMA attract many retirees, particularly retired military personnel who benefit from services at Fort Jackson AB. As a result, the median age in the HMA during 2021 was 37.2 years, up from 35.6 years in 2010 (American Community Survey [ACS] 1-year data). The median age in the HMA rose at a faster rate than the national median, which increased from 37.2 years of age in 2010 to 38.8 in 2021. The share of seniors living in the HMA increased from 16.8 percent in 2010 to 21.9 percent in 2021, whereas the share of all other age cohorts declined (Figure 6). The decreases were significant among residents in the 20-to-59 age cohorts, which make up most of the labor force, partly because of people leaving for job opportunities in the cities of Charlotte, Raleigh, and Atlanta. The share of the population aged 40 to 59 declined the most, from 27.4 percent in 2010 to 24.6 percent in 2021.

Household Growth Trends

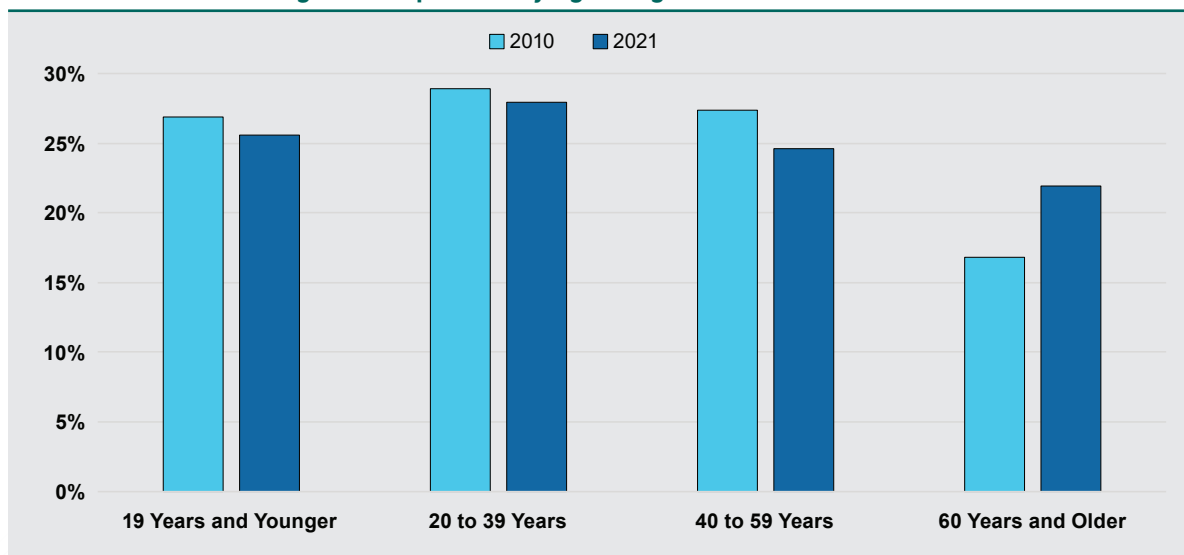
Household growth trends in the HMA since 2000 have generally followed population trends. The number of households is currently an estimated 338,700, representing an average annual increase of 3,475 households, or 1.1 percent, since 2010. By comparison, the number of households increased an average of 1.9 percent annually during the 2000s. The slower rate in household growth since 2010 compared with the 2000s

Figure 5. Components of Population Change in the Columbia HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (November 1, 2022) to November 1, 2025. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Figure 6. Population by Age Range in the Columbia HMA



Source: 2010 and 2021 American Community Survey 1-year data



reflects a slower population growth rate. The rate of household growth has exceeded population growth during the past 2 decades, due in large part to the growing senior population, which tends to have smaller household sizes.

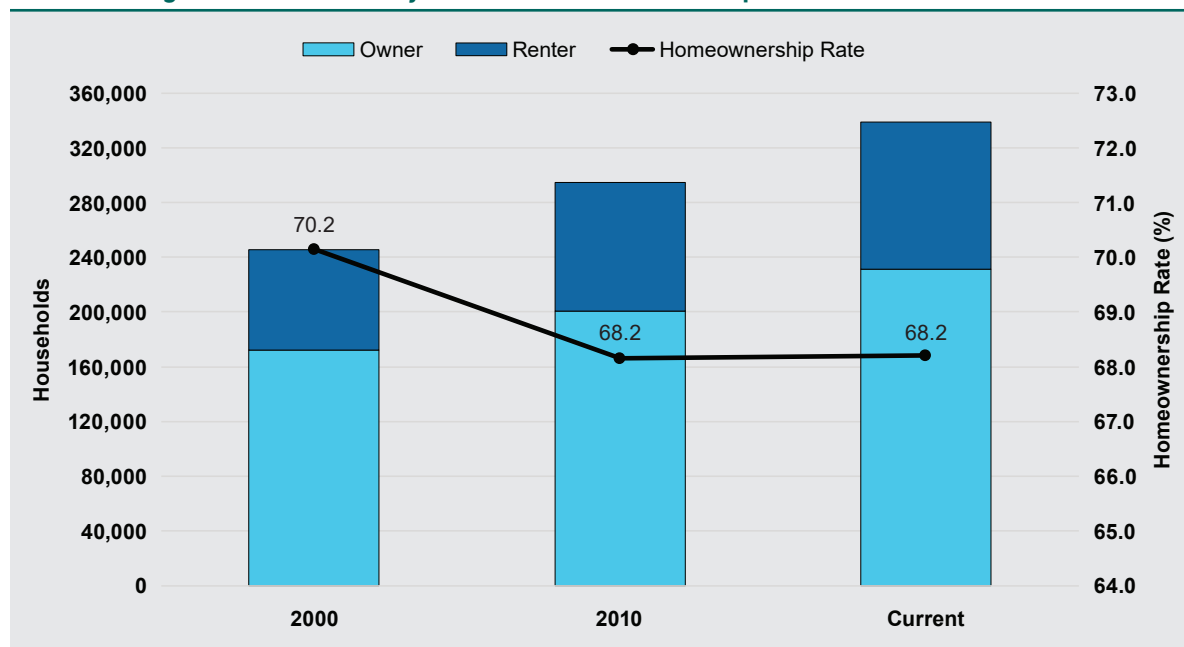
Households by Tenure

Weak economic conditions contributed to a decline in the homeownership rate in the HMA during the late 2000s and early 2010s. Economic conditions have since recovered, although tightened mortgage lending standards and an increased propensity to rent have continued to limit homeownership relative to historical levels. The current homeownership rate is an estimated 68.2 percent, the same as in 2010 but down from 70.2 percent in 2000 (Figure 7). Since 2010, the number of owner households has increased an average of 1.1 percent each year and accounted for 69 percent of total household growth. By comparison, the number of owner households rose an average of 1.6 percent, accounting for 58 percent of all household growth during the 2000s.

Military and Student Households

Fort Jackson AB and USC affect household formation in the HMA. Fort Jackson AB is home to approximately 3,200 active-duty military personnel, and it provides unaccompanied housing for approximately 600 military personnel and more than 820 single-family homes for officers and their dependents. The remaining

Figure 7. Households by Tenure and Homeownership Rate in the Columbia HMA



Note: The current date is November 1, 2022.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

1,780 active-duty military personnel and their family members live off base. The military provides a monthly basic allowance for housing, ranging from \$1,050 to \$2,253, and military personnel may use it for rent or to purchase a home off base. An estimated 67 percent of active-duty military personnel households in the HMA choose to rent instead of purchase homes.

Student enrollment at USC has increased an average of 1.5 percent a year since 2010 to 35,400 during the fall of 2022 (USC, with estimates by the analyst). Of those students, approximately 8,000 are housed in dormitories. The remaining 27,400 students live off campus.

Population and Household Forecast

During the next 3 years, the HMA population is expected to increase by an average of 6,675, or 0.8 percent, annually, to 867,000, similar to the 2010-to-current growth rate. Net in-migration will continue



to be strong, averaging 5,475 people annually. Net natural change is expected to increase, despite an aging population, averaging 1,200 people a year during the 3-year forecast period as the impact of COVID-19 moderates. The number of households in the HMA is anticipated to increase

at an average of 3,475, or 1.0 percent, a year, to reach 349,100 by the end of the forecast period. The household growth rate is expected to continue to exceed population growth, partly because of a continued increase in the share of older residents.



Home Sales Market

Market Conditions: Balanced

The Columbia HMA had a 1.6-month supply of for-sale inventory as of October 2022, up from a 1.3-month supply a year ago and well below the peak of 12.2 months in October 2012 (CoreLogic, Inc.).

Current Conditions

The home sales market in the HMA is currently balanced, with an estimated vacancy rate of 1.7 percent (Table 4), down from 2.7 percent in April 2010 when conditions were soft. The home sales vacancy rate had decreased before the onset of the pandemic, partly because of increased home sales demand stemming from job growth during most years of the 2010s. During the past 2 years, home sales market conditions have continued to decline, partly because of a significant decline in the number of homes available for sale. During October 2022, the number of available homes for sale represented a 1.6-month supply, up from a 1.3-month supply a year earlier and the same as the 1.6-month supply in October 2020 (CoreLogic, Inc.). By comparison, the inventory of homes available for sale peaked in October 2012 at 12.2 months of supply. During the 12 months ending October 2022, new and existing

Table 4. Home Sales Quick Facts in the Columbia HMA

	Columbia HMA	Nation
Vacancy Rate	1.7%	NA
Months of Inventory	1.3	1.9
Total Home Sales	21,900	6,875,000
1-Year Change	-6%	-11%
New Home Sales Price	\$322,400	\$476,700
1-Year Change	17%	15%
Existing Home Sales Price	\$244,700	\$397,400
1-Year Change	14%	10%
Mortgage Delinquency Rate	2.0%	1.3%

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 2022; and months of inventory and mortgage delinquency data are as of October 2022. The current date is November 1, 2022.

Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with adjustments by the analyst

home sales in the HMA decreased 6 percent to 21,900 because of the limited supply of available homes (CoreLogic, Inc., with adjustments by the analyst), and the average sales price increased 14 percent to \$255,500 compared with the same period during the previous year.

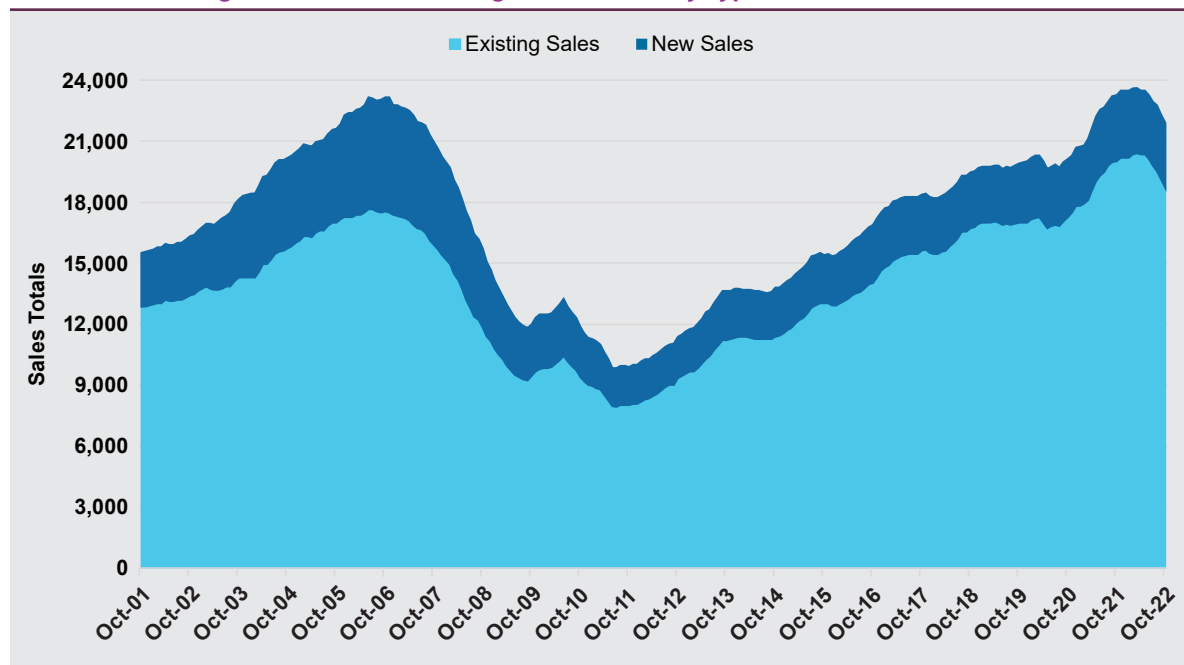
New Home Sales

Since 2002, trends in new home sales in the HMA have followed the overall trends in the economy, with sales growth reflecting job trends. From 2002 through 2006, new home sales increased by an average of 550, or 15 percent, annually, partly because of elevated net in-migration. From 2007 through 2011, new home sales fell by an average of 700, or 18 percent, annually, largely because of the Great Recession and the housing market downturn. The HMA reached a low of 1,925 new homes sold in 2011. From 2012 through 2019, the number of new home sales increased by an average of 130, or 6 percent, annually, to 3,025 homes sold in 2019. During 2020, with job losses partially due to the COVID-19 pandemic, sales of new homes decreased by an average of 150, or 5 percent, to 2,875 homes sold. Approximately 3,150 new homes sold in the HMA during the 12 months ending October 2022, down 3 percent from the 3,250 sold during the previous year. Currently, the number of new home sales is approximately 42 percent below the high of 5,425 homes sold during 2006 (Figure 8).

Existing Home Sales

Existing home sales in the HMA increased sharply during the early to mid-2000s. From 2002 through 2006, a period that included strong population growth, existing home sales increased by an average of 880, or 6 percent, each year, reaching a high of 17,400 homes in 2006 before the housing market crisis. From 2007 through 2011, the number of existing home sales declined by an average of 1,825, or 14 percent, annually, to a low of 8,075 homes in 2011, and distressed sales increased an average of 15 percent annually, reaching a high of 27 percent of existing home sales in late 2011. In response to improving economic conditions and strong population growth, existing home sales increased from 2012 through 2018. During that period, existing home sales increased by an average of 1,250, or 11 percent, annually, as excess distressed inventory was cleared. Distressed sales decreased an average of 10 percent a year and accounted for 6 percent of existing home sales in 2018. During 2019 and 2020, existing home sales increased by an average of 430, or 2 percent, annually; simultaneously, the number of distressed sales declined at an average rate of 7 percent annually, accounting for 5 percent of existing sales in 2020. During the 12 months ending October 2022, the number of existing home sales totaled 18,750, a decrease of 7 percent from the 20,050 homes sold during the previous year. Distressed sales accounted for approximately 1 percent of existing home sales during the 12 months ending October 2022, unchanged from the previous year.

Figure 8. 12-Month Average Sales Totals by Type in the Columbia HMA



Source: CoreLogic, Inc., with adjustments by the analyst

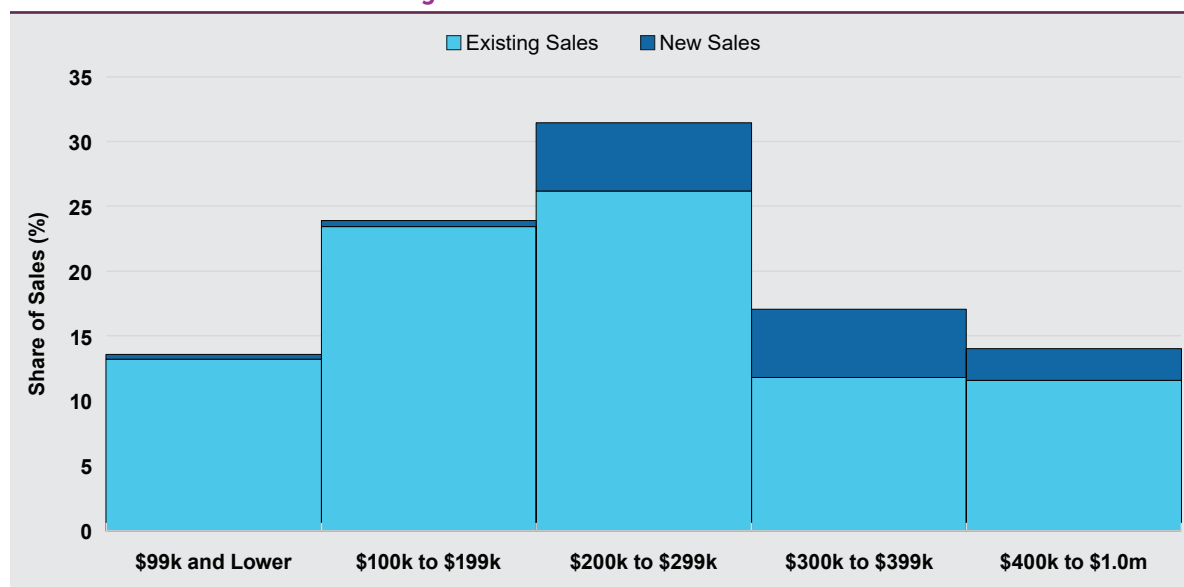
Seriously Delinquent Mortgages and REO Properties

In October 2022, 2.0 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, down from 3.3 percent in October 2021 (CoreLogic, Inc.). The rate increased from 2.0 percent in March 2020 to 5.4 percent in October 2020 because of an increase of more than two and a half fold in the number of home loans that were 90 or more days delinquent. The rate increase from March through October 2020 was largely attributed to households not being able to make mortgage payments due to elevated unemployment rates during the economic downturn of the COVID-19 pandemic. As the economy recovered and the unemployment rate declined, more households caught up on payments. As a result, the number of home loans that were 90 or more days delinquent has declined 62 percent since October 2020, and the rate of home loans that were seriously delinquent or had transitioned into REO status declined in each of the past 24 months. In October 2022, the rate of home loans that were seriously delinquent or had transitioned into REO status in the HMA was higher than the statewide and national rates of 1.4 and 1.3 percent, respectively.

New Home Sales Prices

Stronger demand for homes since the onset of the pandemic, lower inventory levels, and rising construction costs caused growth in home sales prices in the HMA to accelerate from previous years. The average sales price for a new home during the 12 months ending October 2022 was \$322,400, reflecting an increase of 17 percent, compared with an increase of 9 percent during the previous year. New home sales prices increased because of more competition among homebuyers resulting from job gains in the HMA. From 2002 through 2007, the average sales price for a new home in the HMA rose an average of \$9,000, or 6 percent, annually, to \$194,000 in 2007. By contrast, lower demand for homes because of weaker economic conditions caused new home prices to decrease an average of 4 percent a year during 2008 and 2009, reaching a low of \$178,900 in 2009. Despite weak economic conditions during 2010, the price of a new home increased 3 percent before rising an average of 6 percent annually from 2011 through 2013, to reach \$213,100 in 2013, as economic conditions in the HMA strengthened. From 2014 through 2020, new home sales prices continued to rise, albeit at a slower rate, an average of 3 percent annually, to \$255,100 in 2020. Figure 9 shows the share of home sales by price range during the 12 months ending October 2022.

Figure 9. Share of Overall Sales by Price Range During the 12 Months Ending October 2022 in the Columbia HMA



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

Existing Home Sales Prices

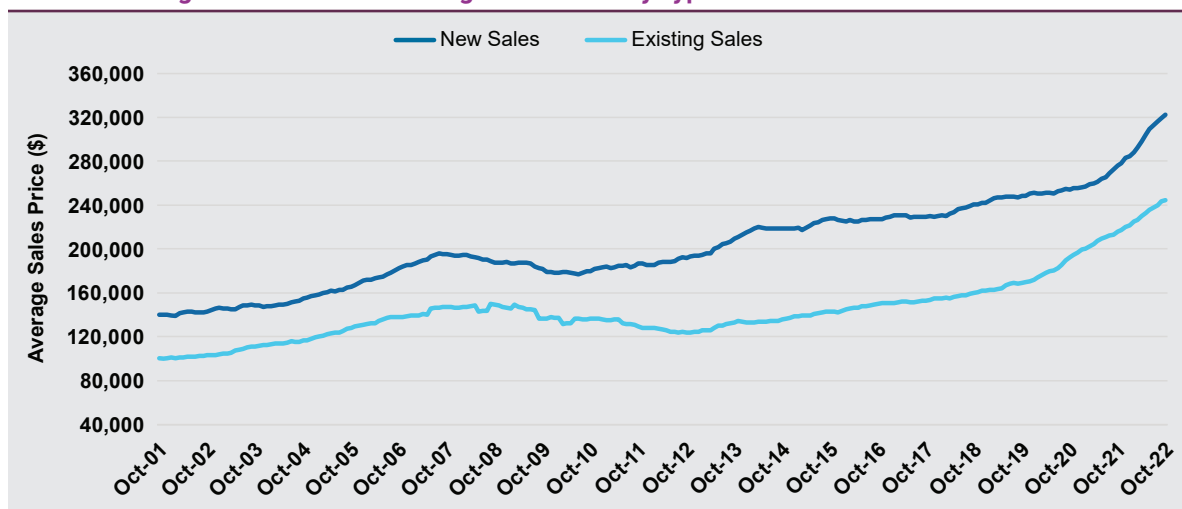
The average sales price of an existing home increased during the past year as relatively low levels of for-sale inventory contributed to upward pressure on home sales prices. During the 12 months ending October 2022, the average sales price of an existing home was \$244,700, up 14 percent from the previous year, compared with 12-percent price growth a year earlier. From 2002 through 2007, when the economy was expanding, the average sales price for existing homes increased an average of 6 percent annually. As the recession started, the average sales price for existing homes declined. From 2008 through 2012, the average existing home sales price declined an average of 3 percent annually to a low of \$124,500 in 2012. An increase in distressed home sales during that period, which sold at a discount compared with resales, contributed to the declining average sales price for existing homes. The average sales price of a distressed home was \$96,850 in 2012, compared with \$134,900 for a resale home. Prices for existing homes increased

an average of 6 percent annually from 2013 through 2020 as economic conditions improved and inventory of distressed homes was absorbed (Figure 10). The largest concentration of existing home sales during the past 12 months was for homes priced from \$200,000 to \$299,999, which accounted for nearly 26 percent of sales (Zonda).

Sales Construction Activity

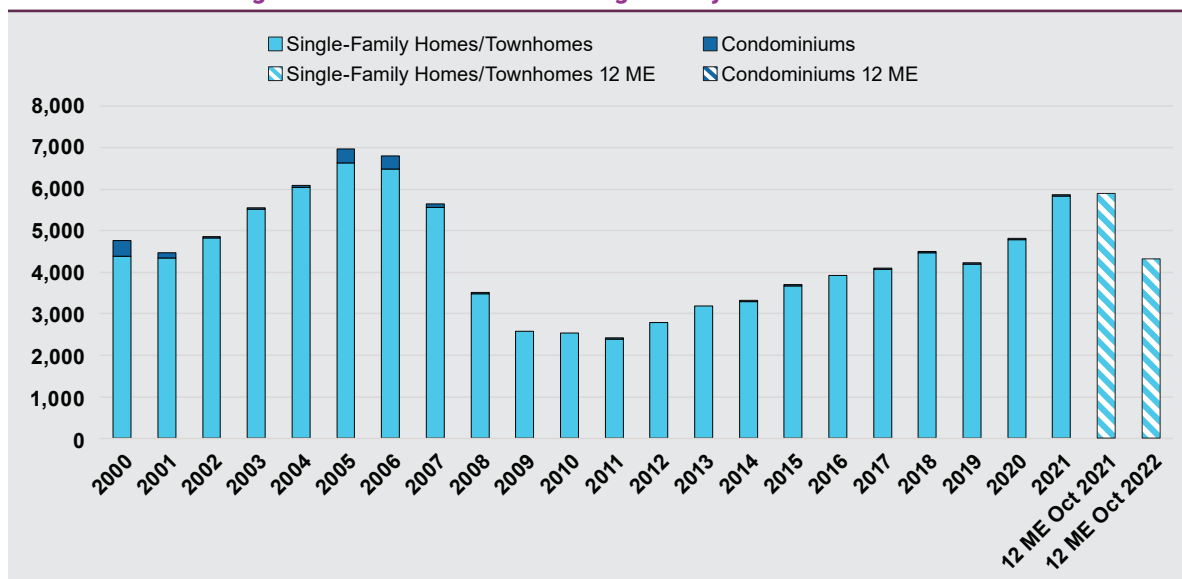
The current level of homebuilding activity—as measured by the number of single-family homes, townhomes, and condominiums permitted (see [building permits](#))—is below the level during the early to mid-2000s (Figure 11). From 2000 through 2008, an average of 5,400 homes were permitted annually. Elevated home sales and rising home sales prices during the early 2000s contributed to growth in housing production during that period. From 2009 through 2012, permitting slowed, with an average of 2,575 homes permitted annually. Builders responded to improving economic conditions and rising new home sales, and an average of 3,950 homes were permitted annually from 2013 through 2020, below the high levels of permitting in the early to mid-2000s. During the 12 months ending October 2022, 4,325 homes were permitted, a 27-percent decrease from the 5,900 homes permitted during the previous 12 months (preliminary data, with adjustments by the analyst). The construction of condominiums has not been prevalent in the HMA. From 2000 through 2006, approximately 1,200 condominium units were permitted; however, since 2010, fewer than 50 condominium units have been permitted.

Figure 10. 12-Month Average Sales Price by Type of Sale in the Columbia HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 11. Annual Sales Permitting Activity in the Columbia HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



New Construction Properties

Recent developments in the Columbia HMA include the 90-home Shoals Landing community northwest of downtown Columbia in the city of Irmo, which has 18 new homes under construction. Home prices in this subdivision start at \$300,000, with two- and three-bedroom homes available. Jacob’s Millpond is a 24-townhome development northeast of downtown Columbia, with home prices starting at \$210,999 for three-bedroom, 2.5-bathroom homes. Buildout for both developments is expected to be complete by the end of 2023.

Forecast

Based on current and anticipated economic, population, and household growth in the HMA, demand is estimated for 10,200 new homes during the

next 3 years (Table 5), with demand evenly distributed each year of the forecast period. The 2,000 homes currently under construction are expected to meet a portion of the demand during the first year of the forecast period. Despite increasing interest rates, demand is expected to increase during the forecast period because of continued net in-migration and economic growth.

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

Sales Units	
Demand	10,200 Units
Under Construction	2,000 Units

Note: The forecast period is from November 1, 2022, to November 1, 2025.
 Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

The average rent for an apartment increased approximately 9 percent during the third quarter of 2022 compared with the previous year (Moody's Analytics REIS).

Current Conditions and Recent Trends

Rental housing market conditions in the Columbia HMA are balanced and have improved since 2010, when conditions were soft. The vacancy rate for all rental units—including single-family homes, mobile homes, and apartments—is estimated at 6.3 percent, down from 11.8 percent in 2010 (Table 6). Rental market conditions had been soft during much of the previous decade from 2000 to 2010. The overall rental market has generally improved since 2010, when the HMA economy began recovering from steep job losses that began in 2008. In 2021, 62 percent of renter households in the HMA resided in detached single-family homes, townhomes, mobile homes, and two- to four-unit structures (2021 ACS 1-year data). The remainder of renter households resided in multifamily structures with five or more units that are typically apartments.

Table 6. Rental Market Quick Facts in the Columbia HMA

Rental Market Quick Facts	2010 (%)	Current (%)	
	Rental Vacancy Rate	11.8	6.3
Occupied Rental Units by Structure	2010 (%)	2021 (%)	
	Single-Family Attached & Detached	33	33
	Multifamily (2–4 Units)	12	17
	Multifamily (5+ Units)	40	38
	Other (Including Mobile Homes)	15	12

Notes: The current date is November 1, 2022. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2021 American Community Survey 1-year data

Single-Family Rental Market Conditions

In 2021, an estimated 33 percent of renter households in the HMA resided in single-family homes, the same percent as in 2010 (ACS 1-year data). The market for professionally managed single-family rental homes is balanced, unchanged from a year ago. Vacancy rates for these homes during October 2022 averaged 6.2 percent, unchanged from a year ago and slightly above the October 2013 rate of 5.7 percent (CoreLogic, Inc.). During the past year, average rents increased for all unit types, ranging from a 12-percent increase for four-bedroom homes to a 14-percent increase for two-bedroom homes. As of October 2022, average monthly rents for one-, two-, three-, and four-bedroom homes were \$1,244, \$1,343, \$1,538, and \$2,085, respectively.

Apartment Market Conditions

As measured in the third quarter of 2022, the apartment vacancy rate in the HMA was 4.3 percent, down from 4.6 percent in the third quarter of 2021 (Moody's Analytics REIS). The vacancy rate as of the third quarter of 2022 represents the lowest rate for a third quarter during the past 22 years (Figure 12). From the third quarter of 2021 to the third quarter of 2022, apartment rents rose 9 percent year over year to \$1,083, compared with a 5-percent increase between the third quarter of 2020 and the third quarter of 2021. By comparison, the apartment vacancy rate generally increased from 6.5 percent as of the third quarter of 2000 to 11.0 percent in 2004, partially a result of a shift from renting to homeownership, and the rent rose an average of 2 percent annually to \$640. As of the third quarter of 2005, the apartment vacancy rate had dropped to 8.7 percent, partially because of population growth in the HMA. The apartment vacancy rate was steady in 2006 and started to increase in 2007 to a peak of 12.9 percent in the third quarter of 2009, as economic conditions worsened, and a record number of new rental units entered the market; the average rent rose 2 percent annually to \$706. The vacancy rate then trended downward through the third quarter of 2017 to a rate of 5.1 percent, and rents increased an average of \$21, or 3 percent, annually. By the third quarter of 2018, the vacancy rate increased slightly

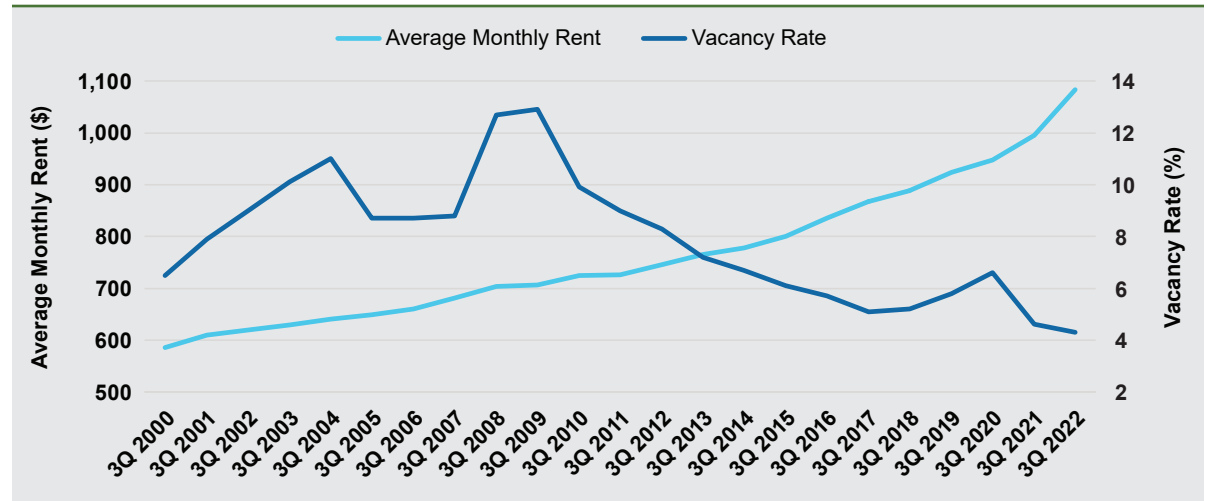
to 5.2 percent as net in-migration slowed and new apartment units entered the market. For the remainder of the decade, the vacancy rate gradually increased and reached 6.6 percent in the third quarter of 2020. From the third quarter of 2018 to the third quarter of 2020, rent increased an average of 3 percent, or by \$29 annually.

Moody’s Analytics REIS defines four market areas in the HMA, generally corresponding to areas north of downtown Columbia, south of downtown Columbia, Lexington County, and the Dutch Fork/West River area along I-26 between Lexington County and the North Columbia market areas. Vacancy rates were generally lowest in the Lexington County and Dutch River/West River market areas, with vacancies of 2.4 and 3.1 percent, respectively, as of the third quarter of 2022. In the South Columbia market area, where USC and Fort Jackson AB are located, the vacancy rate was the highest, at 7.8 percent, as a result of elevated levels of new apartment completions. In the third quarter of 2022, rents ranged from \$877 in the Dutch Fork/West River market area to \$1,403 in the South Columbia market area.

Rental Permit Activity

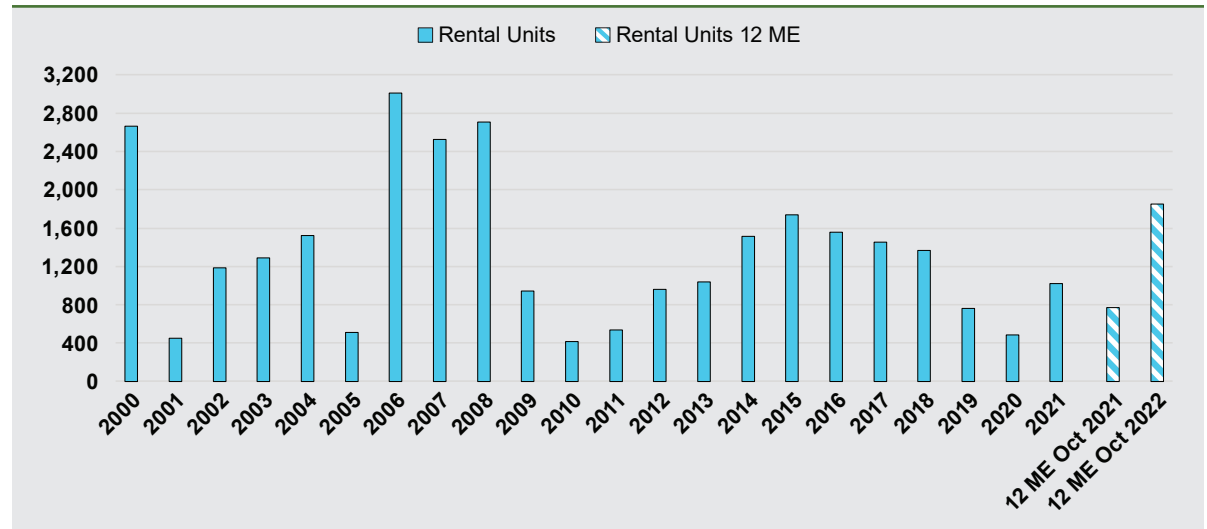
Rental construction in the HMA, as measured by the number of rental units permitted, has been generally lower since 2010 than during the 2000s because of slower population growth (Figure 13). From 2000 through 2005, an average of 1,275 units were permitted annually. From 2006 through

Figure 12. Apartment Rents and Vacancy Rates in the Columbia HMA



3Q = third quarter.
Source: Moody’s Analytics REIS

Figure 13. Annual Rental Permitting Activity in the Columbia HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



2008, the average number of units permitted increased to 2,750 annually as builders responded to the high rate of net in-migration. As the large number of units permitted from 2006 through 2008 came online, the rental market softened, and builders pulled back on development. Rental construction averaged 710 units permitted annually from 2009 through 2012. Rental construction rebounded following the Great Recession and averaged 1,450 units permitted annually from 2013 through 2018 as new apartment units were absorbed. Rental construction slowed to an average of 620 units permitted during 2019 and 2020, partially because of the uncertainty and disruption of the COVID-19 pandemic. In 2021, approximately 1,025 rental units were permitted, reflecting an increase from the previous 2 years due to improving conditions. In the HMA, 1,850 units were permitted during the 12 months ending October 2022, up from the 770 units permitted during the previous 12 months (preliminary data, with adjustments by the analyst).

Recently Completed and Under Construction Rental Properties

Some current developments in the HMA include the Haven at Congaree Pointe, an age- and income-restricted apartment community south of downtown Columbia. The 196-unit property is under construction and

opening in the first quarter of 2023, with monthly rents starting at \$805 for one-bedroom units and \$970 for two-bedroom units. The Lady is a 109-unit apartment development that opened in 2021 in downtown Columbia, with studio, one-, two-, and three-bedroom units that rent from \$1,050 to \$3,150. Killian Terrace apartments is a 288-unit income-restricted development that opened in 2020 north of downtown Columbia, with one-, two-, and three-bedroom units that rent from \$610 to \$1,030.

Forecast

During the 3-year forecast period, demand is estimated for 3,825 new rental units in the HMA (Table 7). Demand is expected to be evenly distributed among all years of the forecast period. The 1,950 units currently under construction are expected to satisfy demand into the second year of the forecast period.

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

Rental Units	
Demand	3,825 Units
Under Construction	1,950 Units

Note: The forecast period is from November 1, 2022, to November 1, 2025.
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 a housing market area. 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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resales, short sales, and REO sales, where resales are home closings that have no ties to either new home closings (builders) or foreclosures and were previously constructed and sold to an unaffiliated third party.
Forecast Period	11/1/2022–11/1/2025—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.



Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are 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.

C. Additional Notes

1.	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.
2.	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

Cover Photo	Adobe Stock
--------------------	--------------------

Contact Information

Steve Walker, Economist
Atlanta HUD Regional Office
678-732-2725
steven.h.walker@hud.gov

