

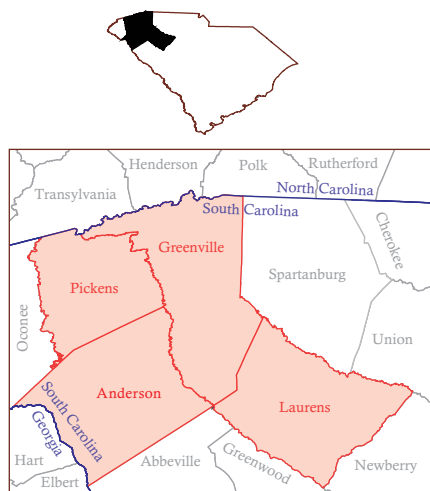


# Greenville-Anderson-Mauldin, South Carolina

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2017



## Housing Market Area



The Greenville-Anderson-Mauldin Housing Market Area (hereafter, Greenville HMA), coterminous with the Greenville-Anderson-Mauldin, SC Metropolitan Statistical Area (MSA) in upstate South Carolina, comprises Anderson, Greenville, Laurens, and Pickens Counties. Many of the cities and towns in the HMA were established in the late 1800s when workers settled around the local cotton mills. Clemson University, a public land-grant university and the 2016 National Collegiate Athletic Association (NCAA) football champion, is in Pickens County.

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## Summary

### Economy

The Greenville HMA recovered the number of jobs lost during the Great Recession by the end of 2013. During the 12 months ending September 2017, nonfarm payrolls increased 1.0 percent to average 412,300 jobs compared with the previous 12-month period. The mining, logging, and construction sector, which increased 12.4 percent to average 20,000 jobs primarily because of residential and commercial construction projects in the HMA, led job gains. The unemployment rate during the 12 months ending September 2017 was 3.8 percent, down from 4.6 percent a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.2 percent annually.

### Sales Market

The sales housing market in the HMA is currently tight. The estimated owner vacancy rate is currently 0.9 percent, down from 2.9 percent in 2010. During the 12 months ending August 2017, 20,150 new and existing homes sold, up 8 percent from a year earlier (CoreLogic Inc., with adjustments by the analyst). The average sales price also increased 8 percent to \$186,300. During the next 3 years, demand is expected for 10,400 new homes in the HMA (Table 1). The 2,000 homes under construction will meet part of the demand.

### Rental Market

The overall rental housing market is currently slightly tight, with an estimated vacancy rate of 4.4 percent, down from 11.4 percent in 2010. The apartment market is also slightly tight but easing. During the third quarter of 2017, the average vacancy rate increased to 4.7 percent, from 3.5 percent a year earlier (MPF Research). The average rent increased 3 percent to \$930. Builders responded to the tight rental market conditions by increasing apartment construction. During the next 3 years, demand is estimated for 6,000 new market-rate rental units in the HMA (Table 1). The 2,500 apartments under construction will meet a portion of the demand.

**Table 1.** Housing Demand in the Greenville HMA\* During the Forecast Period

|                    | Greenville HMA* |              |
|--------------------|-----------------|--------------|
|                    | Sales Units     | Rental Units |
| Total demand       | 10,400          | 6,000        |
| Under construction | 2,000           | 2,500        |

\* Greenville-Anderson-Mauldin HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2017. The forecast period is October 1, 2017, to October 1, 2020.

Source: Estimates by analyst

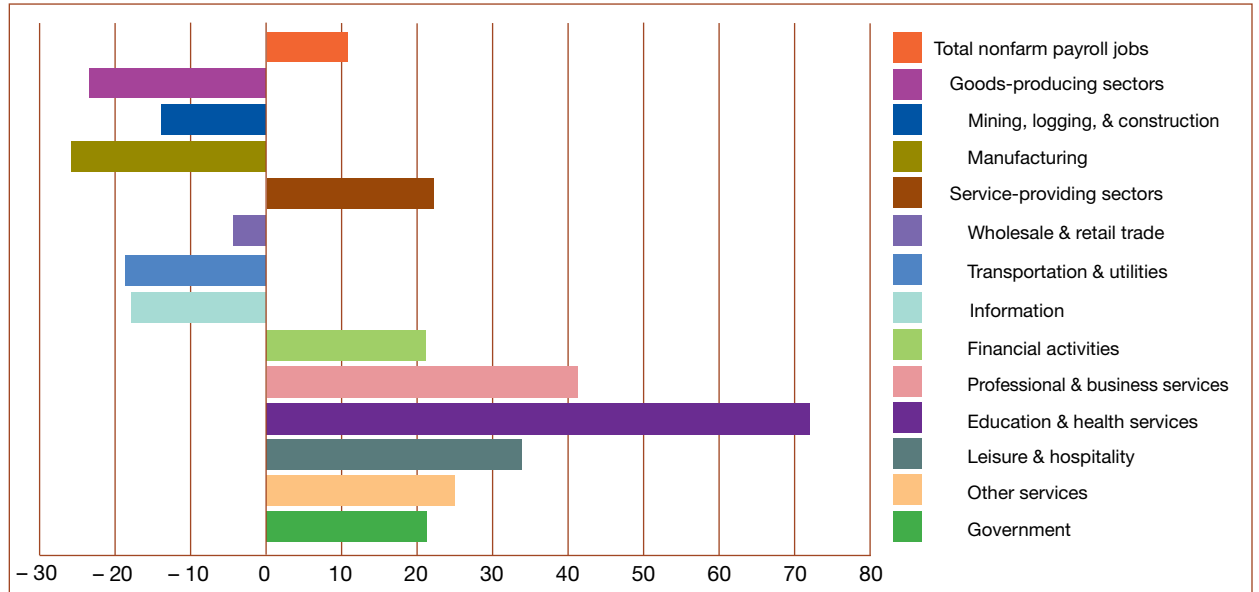
The Greenville HMA economy historically relied on manufacturing-related jobs, specifically cotton and textile manufacturing. Manufacturing comprised nearly 30 percent of total nonfarm payrolls in 1990 but declined to less than 14 percent currently. Since 1990, the textile industry has declined nationally and in the HMA, because many manufacturing jobs moved overseas for cheaper labor costs. Employment at textile mills accounted for 17 percent of manufacturing jobs in the HMA in 2001 but declined to 7 percent in 2011 (most recent data available).

Total nonfarm payrolls averaged 374,100 jobs in 2000 but declined by an average of 6,200 jobs, or 1.7 percent, annually during the economic contraction from 2001 through 2003. Manufacturing comprised the greatest share of job losses, decreasing an average of 5,100 jobs, or 7.1 percent, annually. Approximately 40 percent of the losses in the manufacturing sector during this period occurred in the textile mills industry. Payrolls increased an average of 6,900 jobs annually from 2004 through 2007, led by the professional and business services sector, which increased by an average of 3,000 jobs, or 5.8 percent, annually. Partially offsetting gains, the manufacturing sector continued to decrease by an average of 1,600 jobs, or 2.8 percent, annually. By the end of 2007, the HMA gained the number of jobs lost since 2000; however, the economic expansion was brief. In 2008 and 2009, nonfarm payrolls decreased by an average of 13,000 jobs annually, or 3.5 percent. The professional and business services, the wholesale and retail trade, and the mining, logging, and construction sectors led declines, decreasing by averages of 3,800, 3,800, and 3,000 jobs annually, respectively.

The economy began to recover in 2010, and the number of jobs lost were recovered by the end of 2013. From 2010 through 2015, nonfarm payrolls increased by an average of 8,000 jobs, or 2.1 percent, annually. The professional and business services sector led the recovery, adding an average of 3,200 jobs, or 5.5 percent, annually. The manufacturing sector reversed years of declines and increased by an average of 1,000 jobs, or 1.4 percent, annually to 56,900 jobs. These increases were not in textile manufacturing, however. In the adjacent Spartanburg, SC MSA, expansions at the BMW Group Plant Spartanburg led to automotive supplier expansions in the Greenville HMA, including 80 jobs at JTEKT Corporation in 2012, 450 jobs at ZF Friedrichshafen AG in 2013, and 150 jobs at Magna International Inc. in 2015. Partially offsetting increases in manufacturing payrolls, Judson Mill, once the largest textile mill in Greenville County, closed in 2015, eliminating 200 jobs. Despite recent gains in manufacturing employment, the sector currently remains below the 77,100 jobs in 2000.

The education and health services sector has been the fastest growing payroll sector in the HMA. The sector has increased 72 percent since 2000 (Figure 1). Payrolls increased every year except 2012, which had a slight decline of 300 jobs, or less than 1 percent. The education and health services sector comprises about 12 percent of nonfarm payrolls (Figure 2). Employment at Greenville Health System (GHS) increased by 835 workers, or 7 percent, annually from 2010 through 2016; increases were from mergers with existing healthcare facilities, expansions, and opening new facilities. In 2017, GHS completed an expansion of the intensive care unit at

**Figure 1. Sector Growth in the Greenville HMA,\* Percentage Change, 2000 to Current**

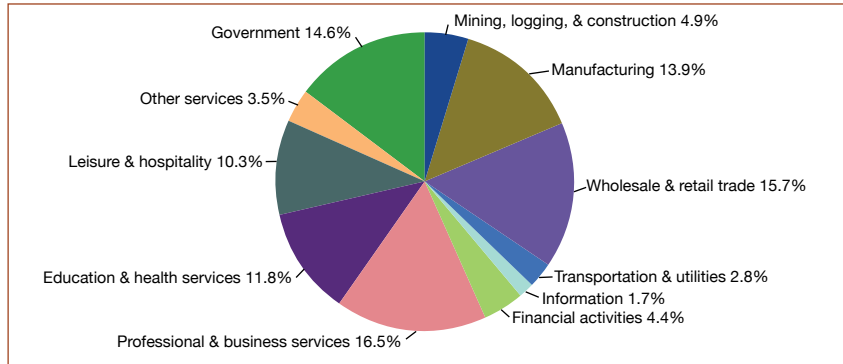


\* Greenville-Anderson-Mauldin HMA.

Note: Current is based on 12-month averages through September 2017.

Source: U.S. Bureau of Labor Statistics

**Figure 2. Current Nonfarm Payroll Jobs in the Greenville HMA,\* by Sector**



\* Greenville-Anderson-Mauldin HMA.

Note: Current is based on 12-month averages through September 2017.

Source: U.S. Bureau of Labor Statistics

**Table 2. Major Employers in the Greenville HMA\***

| Name of Employer                | Nonfarm Payroll Sector           | Number of Employees |
|---------------------------------|----------------------------------|---------------------|
| Greenville Health System        | Education & health services      | 14,787              |
| Michelin North America, Inc.    | Manufacturing                    | 7,120               |
| BI-LO, LLC                      | Wholesale & retail trade         | 4,600               |
| Bon Secours Health System, Inc. | Education & health services      | 3,985               |
| AnMed Health                    | Education & health services      | 3,915               |
| Clemson University              | Government                       | 3,814               |
| Duke Energy Corporation         | Transportation & utilities       | 3,300               |
| General Electric Company        | Transportation & utilities       | 3,200               |
| Fluor Corporation               | Professional & business services | 2,400               |
| ZF Friedrichshafen AG           | Manufacturing                    | 2,400               |

\* Greenville-Anderson-Mauldin HMA.

Note: Excludes local school districts.

Source: Upstate SC Alliance, 2017

Greenville Memorial Hospital, adding 15 additional patient rooms. The 72-bed Patewood Memorial Hospital opened in 2007 and expanded to offer obstetric services in 2017. GHS is the largest employer in the HMA with 14,787 workers, and the healthcare systems industry comprises three of the five largest employers in the HMA (Table 2).

During the 12 months ending September 2017, nonfarm payrolls averaged 412,300 jobs, up 4,100 jobs, or 1.0 percent, from the previous 12-month period (Table 3). Mining, logging, and construction payrolls led growth, increasing by 2,200 jobs, or 12.4 percent. Commercial and residential construction projects contributed to the increase. The shuttered cotton mills provided an opportunity for redevelopment into mixed-use and residential communities. Historic and revitalization tax incentives available to redevelop abandoned mills in the HMA make it attractive to developers. Examples of mills renovated to

**Table 3. 12-Month Average Nonfarm Payroll Jobs in the Greenville HMA,\* by Sector**

|                                  | 12 Months Ending |                | Absolute Change | Percent Change |
|----------------------------------|------------------|----------------|-----------------|----------------|
|                                  | September 2016   | September 2017 |                 |                |
| Total nonfarm payroll jobs       | 408,200          | 412,300        | 4,100           | 1.0            |
| Goods-producing sectors          | 74,500           | 77,400         | 2,900           | 3.9            |
| Mining, logging, & construction  | 17,800           | 20,000         | 2,200           | 12.4           |
| Manufacturing                    | 56,700           | 57,300         | 600             | 1.1            |
| Service-providing sectors        | 333,700          | 335,000        | 1,300           | 0.4            |
| Wholesale & retail trade         | 63,700           | 64,800         | 1,100           | 1.7            |
| Transportation & utilities       | 11,600           | 11,500         | -100            | -0.9           |
| Information                      | 7,200            | 7,000          | -200            | -2.8           |
| Financial activities             | 17,500           | 18,000         | 500             | 2.9            |
| Professional & business services | 69,700           | 68,000         | -1,700          | -2.4           |
| Education & health services      | 48,100           | 48,500         | 400             | 0.8            |
| Leisure & hospitality            | 42,100           | 42,500         | 400             | 1.0            |
| Other services                   | 14,000           | 14,300         | 300             | 2.1            |
| Government                       | 59,800           | 60,300         | 500             | 0.8            |

\* Greenville-Anderson-Mauldin HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2016 and September 2017.

Source: U.S. Bureau of Labor Statistics

residences include the Lofts at Mills Mill condominiums in 2004 and the West Village Lofts at Brandon Mill apartments in 2016. Construction projects are also under way at Clemson University; the largest project is the \$212.7 million Douthit Hills Village, which will include dormitories, dining, retail, and a student center. The project is expected to be complete by the start of the 2018–2019 school year. In addition to the construction impact, the university employed nearly 3,825 people in 2016. The university had an economic impact of \$1.6 billion on the Greenville-Spartanburg-Anderson, SC combined statistical area in 2013 (Clemson University).

Other sectors with significant contributions to payroll gains during the past 12 months include the wholesale and retail trade and the manufacturing sectors, which increased by 1,100 and 600 jobs respectively, or 1.7 and 1.1 percent from a year earlier. Partially offsetting payroll gains, the professional and business services sector lost 1,700 jobs, or 2.4 percent, compared with

the previous 12-month period. The professional and business services sector is nearly 3 percent lower than the previous peak in 2015. During 2016, all the jobs lost in the professional and business services sector were in the temporary help services.

Some manufacturing firms seek to retain flexibility in production and eliminate unnecessary costs by hiring temporary help workers, classified under the professional and business services sector, to fill some manufacturing jobs. Because of these evolving business practices in manufacturing, the overall declines in manufacturing payrolls since 1990 may be somewhat overstated. A temporary worker subsequently hired on directly by the manufacturing firm would change payroll classification (from the professional and business services sector to the manufacturing sector) but not job duties; anecdotal reports indicate this shift occurs less frequently than manufacturing workers replaced by temporary help workers. In 2004, approximately one-third of temporary

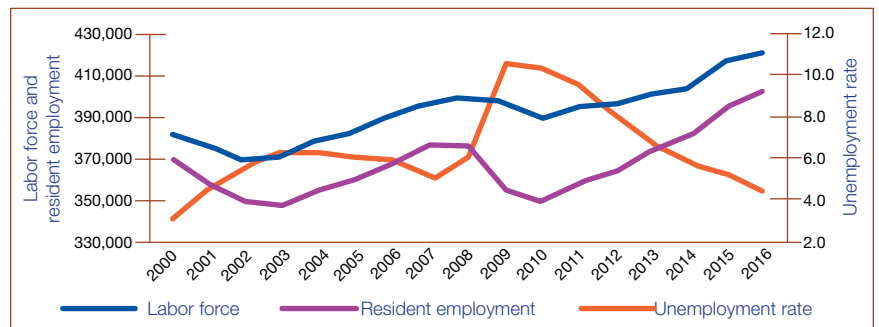
workers work in manufacturing (*Economic Report of the President*, 2004). A 2011 report stated, “Both the growth in professional and business services and the decline in manufacturing appear to have reflected manufacturing firms’ new staffing practices of heightened firing of full-time employees and greater use of temporary workers as replacements into those vacated core manufacturing slots. Hired via temporary help agencies rather than the manufacturer, these new workers were then classified as temporary service workers rather than manufacturing employees, though they might have been doing identical work” (The Brookings Institution, *Responding to Manufacturing Job Loss: What Can Economic Development Policy Do?*, 2011).

The unemployment rate during the 12 months ending September 2017 was 3.8 percent, down from 4.6 percent during the previous 12-month period. Figure 3 shows trends in labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2016. Growth in resident

employment outpaced growth in the labor force, contributing to the decrease. The unemployment rate declined from the peak 10.5-percent rate in 2009 during the Great Recession.

During the next 3 years, nonfarm payrolls are expected to increase an average of 1.2 percent annually. Construction employment is expected to contribute to the growth with continued redevelopments at former cotton mills. Preliminary work is under way at commercial projects within Woodside Mill and Judson Mill mixed-use redevelopments; residential plans are still being finalized. In addition, ongoing projects at Clemson University will support growth in construction payrolls. Manufacturing is also expected to continue to increase, following an additional expansion announced at the BMW factory in the city of Spartanburg, which will increase demand at automotive suppliers in the HMA. The wholesale and retail trade and the education and health services sectors are expected to increase to support the needs of the growing population.

**Figure 3.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Greenville HMA,\* 2000 Through 2016



\* Greenville-Anderson-Mauldin HMA.

Source: U.S. Bureau of Labor Statistics



# Population and Households

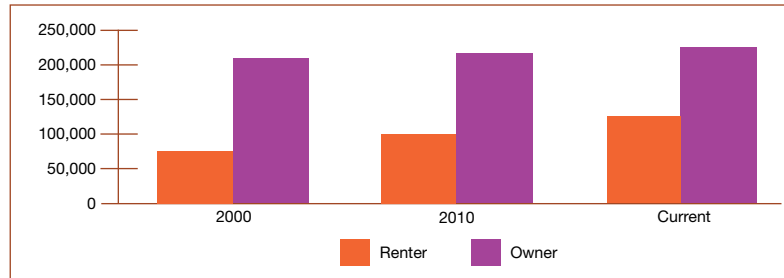
The population in the Greenville HMA is estimated at 898,800, an average increase of 9,950, or 1.2 percent annually since 2010. Approximately 56 percent of the HMA population lives in Greenville County, which includes Greenville, the largest city and economic center of the HMA. Anderson County is the second most populous county in the HMA, comprising 22 percent of the HMA population, and Pickens and Laurens Counties account for 14 and 8 percent respectively.

Net in-migration comprises the largest share of population growth in the HMA; however, it fluctuates with economic growth. From 2000 to 2005, during the first recession and initial stages of recovery, the population increased by an average of 7,125, or 1.0 percent, annually (Census Bureau decennial census and population estimates as of July 1). Net in-migration averaged 4,050 people, or 57 percent of population growth. From 2005 to 2008, population growth accelerated; during most of this period, the economy grew more strongly. The population increased by an average of 15,250, or 2.0 percent, annually. Net natural change (resident births minus resident deaths) increased slightly, but the largest share of the population increase was from net in-migration, which surged to 11,200 people annually, or 73 percent of population growth. As a result of the Great Recession, population growth slowed from the previous expansion. From 2008 to 2010, the population increased by 8,775, or 1.1 percent, annually. Net natural change slowed to an average of 3,700 people annually, but net in-migration fell to an average of 5,075 people annually. During the early stages of recovery

from 2010 to 2013, the population growth slowed further to average 7,775 people, or 0.9 percent, annually. Despite a slight increase in net in-migration to average 5,100 people annually, net natural change decreased to an average of 2,675 people annually, which caused the further slowdown in population growth. Because of the stronger economic growth in recent years, population growth increased again to average 11,650 people, or 1.3 percent, annually from 2013 to the current date. This economic recovery did not have as strong of an impact on net in-migration as the previous recovery, in part, because residents in the HMA reentering the labor force took jobs. Net in-migration averaged 9,175 people annually, however, comprising 79 percent of population growth.

The adjacent Spartanburg, SC MSA has attracted the largest share of people moving out of the HMA since 2010, comprising 12 percent of out-migrants from the HMA (2011–2015 American Community Survey [ACS] 5-year estimates). Spartanburg had a similar economic recovery from the most recent recession, but the average home price in the Spartanburg, SC MSA is nearly 25 percent lower than in the Greenville HMA and within a commutable distance. The Columbia, SC MSA contributed 7 percent of the people moving into the Greenville HMA, which was the largest share of any MSA, in part, because the economic recovery in the Columbia, SC MSA lagged that of the Greenville HMA.

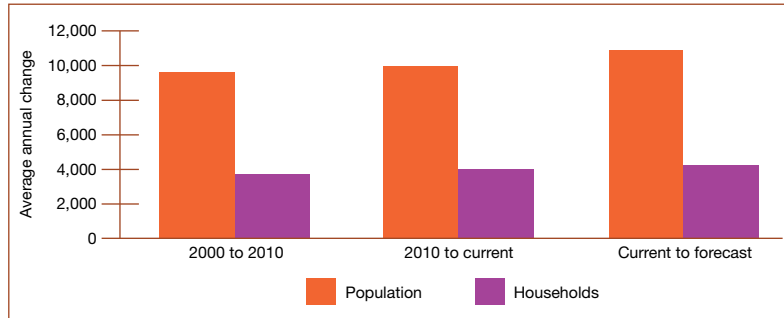
Clemson University enrolled approximately 24,375 students during the fall 2017 semester (Clemson University, Office of Institutional Research), and contributes to net in-migration by attracting students from outside the

Population and Households *Continued***Figure 4.** Number of Households by Tenure in the Greenville HMA,\* 2000 to Current

\* Greenville-Anderson-Mauldin HMA.

Note: The current date is October 1, 2017.

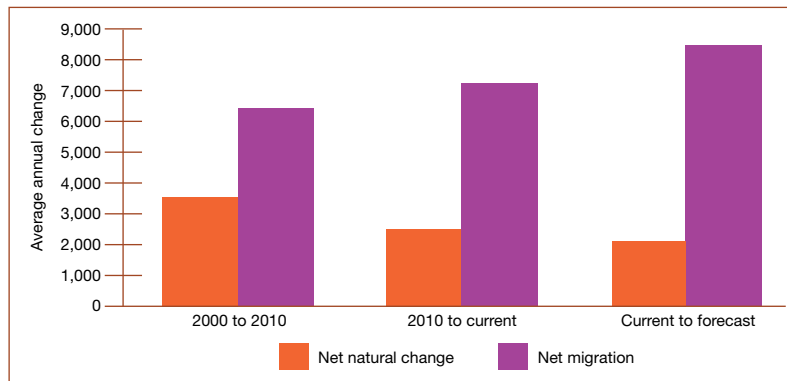
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 5.** Population and Household Growth in the Greenville HMA,\* 2000 to Forecast

\* Greenville-Anderson-Mauldin HMA.

Notes: The current date is October 1, 2017. The forecast date is October 1, 2020.

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

**Figure 6.** Components of Population Change in the Greenville HMA,\* 2000 to Forecast

\* Greenville-Anderson-Mauldin HMA.

Notes: The current date is October 1, 2017. The forecast date is October 1, 2020.

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

HMA. Clemson University students comprise less than 3 percent of the population but approximately one-third of students come from out of state. Enrollment increased an average of 3 percent annually since 2010.

An estimated 363,500 households reside in the HMA. The number of households increased by an average of 3,975, or 1.2 percent, annually since 2010. The homeownership rate declined, following national trends and the housing crisis, as households have increasing preferences to rent. Currently, an estimated 64.3 percent of households own their homes, down from 69.0 percent in 2010. Figure 4 shows the number of households by tenure in the HMA since 2000.

During the next 3 years, the population and households are expected to increase by an annual average of 11,000 and 4,200 respectively, or 1.2 percent each (Figure 5). Net in-migration is expected to comprise nearly 80 percent of the population growth, similar to recent trends (Figure 6). The number of students enrolled at Clemson University is expected to increase approximately 3 percent annually.

# Housing Market Trends

## Sales Market

The sales housing market in the Greenville HMA has improved significantly from soft conditions in 2010, and conditions are currently tight, with an estimated vacancy rate of 0.9 percent compared with 2.9 percent in 2010 (Table DP-1 at the end of this report). Recent economic and population growth contributed to the absorption of excess inventory, in addition to subdued home construction since 2008. The inventory of homes for sale represented a 4.6-month supply in September 2017, up from a 4.1-month supply a year earlier (Greater Greenville Association of Realtors®). The average sales price for all homes sold, including new and existing single-family homes, townhomes, and condominiums, increased 8 percent during the 12 months ending August 2017 to \$186,250 compared with a year earlier (CoreLogic, Inc., with adjustments by the analyst). The number of homes sold during the past 12 months also increased 8 percent to 20,150 sales.

During the 12 months ending August 2017, 17,300 existing homes sold, which includes regular resale and real estate owned (REO) single-family homes, townhomes, and condominium sales, an increase of nearly 7 percent from a year earlier (CoreLogic, Inc., with adjustments by the analyst). Existing home sales remain 17 percent below the previous peak of 20,700 homes sold in 2006. From 2001 through 2006, existing home sales increased 5 percent annually. Existing home sales declined leading up to the national housing crisis and Great Recession, and the declines continued into the early stages of the economic recovery. From 2007 through 2011, home sales decreased an average of

13 percent annually to 10,300 homes sold. Then, as the economy strengthened and buyer confidence increased, home values showed strong signs of recovery, and access to credit returned. Existing home sales increased again, averaging 9-percent gains annually from 2012 through 2016.

The housing recovery in the HMA led to a reduction in the REO inventory and absorption of the excess regular resale homes that were available during the soft housing market in 2010. The share of existing home sales that were REO sales peaked at an average of 21 percent in 2010 and 2011 and gradually decreased to 5 percent during the 12 months ending August 2017. The share of seriously delinquent mortgages (loans that are 90 or more days delinquent or in foreclosure) and REO properties also decreased. In August 2017, 1.8 percent of home loans were seriously delinquent or had transitioned into REO status, down from 2.3 percent a year earlier. Mortgages with this status peaked at 6.3 percent in February 2010. The rate in the HMA remains lower than the national rate of 2.2 percent and stayed below the national peak of 8.6 percent.

During the 12 months ending August 2017, the average price of an existing home increased 8 percent to \$174,950. The average price of an existing home previously peaked at \$140,400 in 2007, before decreasing an average of 4 percent annually to a low of \$129,150 in 2009. The average sale price remained flat in 2010 but, beginning in 2011, increased an average of 4 percent annually to \$167,300 in 2016. In 2013, the average existing sales price surpassed the previous peak from 2007.



## Housing Market Trends

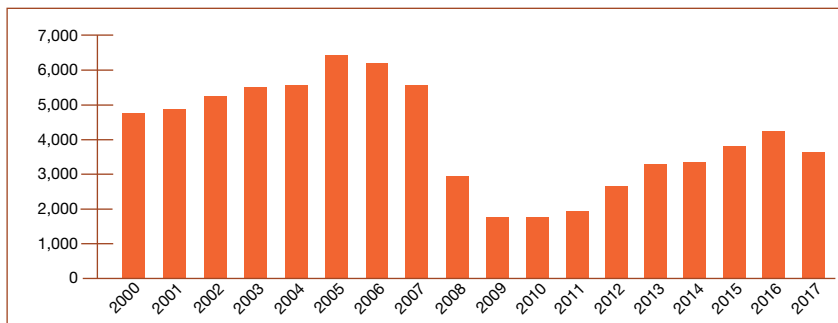
### Sales Market *Continued*

Sales of new homes in the HMA continue to increase following the economic recovery. Trends are similar to existing home sales trends but more pronounced, because new home sales are relatively small in volume compared with the number of existing homes sold. The recovery in new home sales lagged the economic recovery somewhat due to reduced homebuilding activity, but the lower levels of construction helped the market absorb the previous excess supply of existing homes. During the 12 months ending August 2017, 2,850 new homes sold, up 17 percent from a year earlier. New home sales comprise about 14 percent of all homes sold in the HMA, which is similar to the 15-percent rate from 2000 through 2003, when an average of 2,925 new homes sold annually. New home sales increased an average of 57 percent annually from 2004 through 2006 to 4,500 homes sold, while the economy was expanding, and population growth was strong. New home sales averaged 17 percent of all home sales in the HMA during this period. From 2007 through 2011, however, new home sales decreased an average of 24 percent annually. New home sales bottomed out in 2011, when fewer than 1,175 new homes sold, which was 10 percent of

all home sales. From 2012 through 2016, new home sales increased an average of 17 percent annually. New home sales remain 37 percent below the previous peak in 2007. During the 12 months ending August 2017, the average price of a new home was \$256,700, up 5 percent from a year earlier. The average price of a new home only recovered during the past year; the price is less than 5 percent higher than the previous peak of \$245,200 in 2008.

Overbuilding at the start of the 2000-through-2009 decade contributed to soft sales market conditions, which only recently alleviated. From 2000 through 2005, single-family homebuilding, as measured by homes permitted, increased an average of 6 percent annually to nearly 6,400 homes permitted in 2005 (annual permits data, with adjustments by the analyst). Homebuilding activity, in response to the soft sales market, began to decline in 2006 despite the surge in net in-migration. From 2006 through 2009, single-family homes permitted decreased an average of 28 percent annually, and from 2009 through 2011, homebuilding activity remained subdued, averaging 1,800 homes a year. The sales housing market has been able to recover, because single-family homebuilding activity, though increasing, remains below the levels at the beginning of the past decade, allowing excess homes to be absorbed by the growing population. From 2012 through 2016, single-family homebuilding increased 17 percent annually to 4,225 homes permitted. Home construction remains well below the previous peak. During the 12 months ending September 2017, 4,650 homes were permitted, up 13 percent from a

**Figure 7. Single-Family Homes Permitted in the Greenville HMA,\* 2000 to Current**



\* Greenville-Anderson-Mauldin HMA.

Notes: Includes townhomes. Current includes data through September 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

year earlier (preliminary data, with adjustments by the analyst). Figure 7 shows single-family homes permitted in the HMA since 2000. Homebuilding in the HMA is primarily in Greenville County, the location of the principal city of Greenville and much of the population and job growth. In southern Greenville County, the

107-lot Coventry subdivision in the city of Simpsonville began construction in summer 2017. Approximately 30 homes are under way, with prices starting at \$205,700 for a three-bedroom home with two bathrooms.

During the next 3 years, demand for 10,400 new homes is expected (Table 1). The 2,000 homes currently under construction will fill part of the demand. Nearly one-half of the demand will be for homes priced below \$250,000 (Table 4). Demand for new homes will be primarily in Greenville County, which has most of the population and jobs, but the other counties in the HMA offer some job opportunities and have more affordable home prices, which will be attractive to some buyers.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Greenville HMA\* During the Forecast Period

| Price Range (\$) |            | Units of Demand | Percent of Total |
|------------------|------------|-----------------|------------------|
| From             | To         |                 |                  |
| 150,000          | 249,999    | 4,900           | 47.0             |
| 250,000          | 349,999    | 3,750           | 36.0             |
| 350,000          | 449,999    | 1,250           | 12.0             |
| 450,000          | 549,999    | 310             | 3.0              |
| 550,000          | and higher | 210             | 2.0              |

\* Greenville-Anderson-Mauldin HMA.

Notes: The 2,000 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is October 1, 2017, to October 1, 2020.

Source: Estimates by analyst

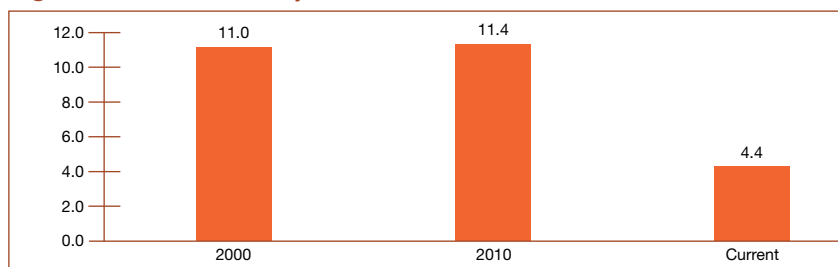
## Rental Market

Rental housing market conditions in the Greenville HMA are currently slightly tight, with an estimated vacancy rate of 4.4 percent. The rental market has tightened significantly since soft market conditions in 2000 and 2010, when the vacancy rate exceeded 11 percent (Figure 8). Approximately 54 percent of renter households in the HMA live in single-family homes or mobile

homes, 35 percent of renters live in multifamily units with five or more units per building, typically apartments, and the remaining 11 percent live in smaller multifamily buildings or other rental units (2016 ACS 1-year estimates). The vacancy rate among single-family rental homes was 2.5 percent in August 2017, similar to the rate a year earlier (CoreLogic, Inc.).

Apartment market conditions in the HMA are also slightly tight. The vacancy rate during the third quarter of 2017 was 4.7 percent, up from 3.5 percent a year earlier (MPF Research). The average rent increased 3 percent to \$930. In the MPF Research-defined Clemson/Pickens County market area, however, tight market conditions around the university are easing. The vacancy rate averaged 4.4 percent during the

**Figure 8.** Rental Vacancy Rates in the Greenville HMA,\* 2000 to Current



\* Greenville-Anderson-Mauldin HMA.

Note: The current date is October 1, 2017.

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

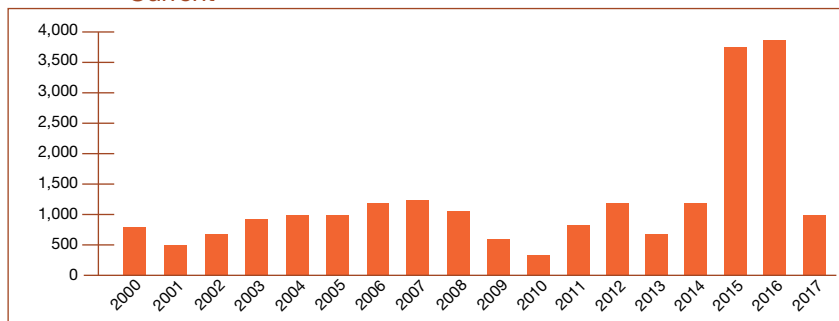
third quarter of 2017, up from 2.4 percent a year earlier. As a result of the increasing vacancy rate in the Clemson/Pickens County market area, average rents for units in the sample both years increased less than 1 percent from 2016 to 2017, to \$936 a month. Increased housing capacity at Clemson University alleviates the tight market conditions in the market area surrounding the campus. During the fall of 2016, new dormitories opened on the Clemson University campus to accommodate nearly 700 students. An additional residential project under construction, part of Douthit Hills Village, will provide beds for approximately 1,650 students when it opens before the start of the 2018 fall semester.

The housing recovery included a marked increase in apartments being built as a share of total residential construction in response to the shift toward increased rental demand. Sales and rental market conditions tightened since 2010, and new construction needed to meet rental demand, because the surplus during 2010 was absorbed. From 2000 through 2009, multifamily construction comprised 15 percent of all residential construction, including single-family and multifamily homes.

This percentage more than doubled to average 35 percent since 2010. Multifamily construction, including apartments and condominiums, increased an average of 17 percent annually from 2002 through 2007 to 1,200 units built. Amid uncertainty in the economy and soft rental market conditions during the Great Recession, multifamily construction decreased an average of 39 percent annually from 2008 through 2010 to 275 units permitted. During the initial stages of recovery, multifamily construction increased to average 940 units annually from 2011 through 2014 before surging to an annual average of 3,825 units permitted in 2015 and 2016. Multifamily construction slowed during the past year, with 1,939 units permitted during the 12 months ending September 2017, down 50 percent from the previous 12-month period in response to the easing rental market conditions (preliminary data, with adjustments by the analyst).

Condominiums comprised approximately 20 percent of multifamily construction during the 2000-through-2009 decade; however, the share decreased to less than 1 percent since 2010. The decrease is because the number of condominiums built dropped, and apartment construction increased in response to growing preferences of households to rent, and condominium construction has not yet recovered from the decline during the housing crisis. Condominiums averaged about 85 units annually from 2000 through 2009 but decreased to 65 total units built since 2010. The increase in multifamily construction during the housing recovery has been nearly all apartments. Figure 9 shows multifamily units permitted in the HMA since 2000.

**Figure 9.** Multifamily Units Permitted in the Greenville HMA,\* 2000 to Current



\* Greenville-Anderson-Mauldin HMA.

Notes: Excludes townhomes. Current includes data through September 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

More than one-half of apartment construction in the HMA is in Greenville County. The 182-unit West Village Lofts at Brandon Mill in the city of Greenville is a renovated historic mill property. The apartments opened in 2016, and one-, two-, and three-bedroom units are available starting at \$1,200, \$1,455, and \$2,175 respectively. In downtown Greenville, construction began in summer 2017 at the mixed-use NorthPointe. On completion, the site will include 285 apartments, restaurants, and retail space, including a grocery store. The project is expected to take about 2 years to complete, and apartment rents are not yet finalized.

Continued growth in the number of renter households is expected to contribute to demand for 6,000 new market rate rental units (Table 1). The 2,500 units currently under construction will meet a portion of the demand, and new units should be timed to enter the market in the second and third years of the 3-year forecast period. Demand is expected to be strongest in the city of Greenville and immediate surrounding areas. Table 5 shows demand for new market-rate units in the HMA during the forecast period by unit distribution and rent.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Greenville HMA\* During the Forecast Period

| Zero Bedrooms     |                 | One Bedroom       |                 | Two Bedrooms      |                 | Three or More Bedrooms |                 |
|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|------------------------|-----------------|
| Monthly Rent (\$) | Units of Demand | Monthly Rent (\$) | Units of Demand | Monthly Rent (\$) | Units of Demand | Monthly Rent (\$)      | Units of Demand |
| 750 to 949        | 240             | 800 to 999        | 1,075           | 900 to 1,099      | 1,200           | 1,100 to 1,299         | 450             |
| 950 to 1,149      | 30              | 1,000 to 1,199    | 540             | 1,100 to 1,299    | 1,200           | 1,300 to 1,499         | 360             |
| 1,150 or more     | 30              | 1,200 or more     | 180             | 1,300 or more     | 600             | 1,500 or more          | 90              |
| <b>Total</b>      | <b>300</b>      | <b>Total</b>      | <b>1,800</b>    | <b>Total</b>      | <b>3,000</b>    | <b>Total</b>           | <b>900</b>      |

\* Greenville-Anderson-Mauldin HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 2,500 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2017, to October 1, 2020.

Source: Estimates by analyst

# Data Profile

**Table DP-1. Greenville HMA\* Data Profile, 2000 to Current**

|                           | 2000     | 2010     | Current  | Average Annual Change (%) |                 |
|---------------------------|----------|----------|----------|---------------------------|-----------------|
|                           |          |          |          | 2000 to 2010              | 2010 to Current |
| Total resident employment | 371,361  | 349,376  | 408,000  | -0.6                      | 2.3             |
| Unemployment rate         | 2.9%     | 10.4%    | 3.8%     |                           |                 |
| Nonfarm payroll jobs      | 374,100  | 354,500  | 412,300  | -0.5                      | 2.3             |
| Total population          | 725,680  | 824,112  | 898,800  | 1.3                       | 1.2             |
| Total households          | 282,801  | 321,113  | 350,900  | 1.3                       | 1.2             |
| Owner households          | 202,767  | 221,590  | 225,700  | 0.9                       | 0.2             |
| Percent owner             | 71.7%    | 69.0%    | 64.3%    |                           |                 |
| Renter households         | 80,034   | 99,523   | 125,200  | 2.2                       | 3.1             |
| Percent renter            | 28.3%    | 31.0%    | 35.7%    |                           |                 |
| Total housing units       | 312,255  | 362,189  | 385,700  | 1.5                       | 0.8             |
| Owner vacancy rate        | 2.1%     | 2.9%     | 0.9%     |                           |                 |
| Rental vacancy rate       | 11.0%    | 11.4%    | 4.4%     |                           |                 |
| Median Family Income      | \$47,200 | \$57,200 | \$63,500 | 1.9                       | 1.5             |

\* Greenville-Anderson-Mauldin HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2017. Median Family Incomes are for 1999, 2009, and 2016. The current Median Family Income (MFI) data are based on the 2013 Office of Management and Budget metropolitan statistical area (MSA) definition; the 2010 and 2000 MFI data are based on previous MSA definitions, which exclude Anderson County. The current date is October 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst



## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 10/1/2017—Estimates by the analyst  
 Forecast period: 10/1/2017–10/1/2020—  
 Estimates by the analyst

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**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.

**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.

**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.

For additional data pertaining to the housing market for this HMA, go to [http://huduser.gov/publications/pdf/CMARtables\\_Greenville\\_Anderson\\_MauldinSC\\_18.pdf](http://huduser.gov/publications/pdf/CMARtables_Greenville_Anderson_MauldinSC_18.pdf).

## Contact Information

Katharine Jones, Economist  
 Denver HUD Regional Office  
 303-672-5060  
[katharine.jones@hud.gov](mailto:katharine.jones@hud.gov)

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.

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.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).