



# Myrtle Beach-Conway-North Myrtle Beach, South Carolina-North Carolina

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2016



## Housing Market Area



The Myrtle Beach-Conway-North Myrtle Beach Housing Market Area (hereafter, Myrtle Beach HMA) is coterminous with the Myrtle Beach-Conway-North Myrtle Beach, SC-NC Metropolitan Statistical Area and consists of Horry County in South Carolina and Brunswick County in North Carolina. The HMA, situated along the Atlantic Coast, is a major destination for retirees and tourists because of the miles of white sand beaches. The Myrtle Beach Boardwalk, which opened in 2010, has been named the third best boardwalk in America by *National Geographic*.

## Market Details

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## Summary

### Economy

Nonfarm payrolls in the Myrtle Beach HMA increased during 2015, marking the fifth consecutive year of job growth. During 2015, nonfarm payrolls totaled 156,300 jobs, an increase of 4,100 jobs, or 2.7 percent, from 2014. Job growth was widespread; 9 of the 11 employment sectors in the HMA gained jobs. The unemployment rate in the HMA is currently 7.1 percent, down from 7.3 percent during 2014.

### Sales Market

The sales housing market in the HMA is currently balanced, with an estimated 2.3-percent vacancy rate, down from 5.2 percent in April 2010. Home sales totaled 14,225 during 2015, an increase of 1,500 homes sold, or nearly 12 percent, from 2014 (Metrostudy, A Hanley Wood Company, with adjustments by the analyst). During the 3-year forecast period, demand is estimated for 14,550 new homes (Table 1). The 1,200 homes currently under construction will satisfy a portion of this demand. In addition, some of the 80,500 other vacant units in the HMA may reenter the sales market to satisfy some of this demand. All demand estimates in this report are for the total year-round housing production needed to achieve a balanced market at the end of the forecast period and do not contain any estimates for

seasonal or vacation housing units in the HMA during the forecast period.

### Rental Market

Rental housing market conditions are currently balanced, with an estimated 8.4-percent vacancy rate (for year-round housing) based on the U.S. Department of Housing and Urban Development's Economic and Market Analysis Division (EMAD) estimates. A significant reduction in the vacancy rate has occurred, down from an estimated 14.1 percent in 2010, due to the limited production of year-round rental units since 2010. During the forecast period, demand is estimated for 1,950 new market-rate rental units (Table 1). The 480 units currently under construction will satisfy a portion of this demand.

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

	Myrtle Beach HMA*	
	Sales Units	Rental Units
Total demand	14,550	1,950
Under construction	1,200	480

\* Myrtle Beach-Conway-North Myrtle Beach 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 January 1, 2016. A portion of the estimated 80,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

The Myrtle Beach HMA, with nearly 90 miles of white sand beaches on the Atlantic Ocean, is a popular vacation destination. Tourism is the major component of the local economy and attracts more than 16 million people to the HMA annually, generating more than \$6.3 billion in economic activity during 2014 (Coastal Carolina University). The HMA, with more than 100 golf courses, is a popular vacation destination for golfers; in 2013, it is estimated that more than 3.2 million rounds of golf were played locally (Myrtle Beach Area Chamber of Commerce, *Myrtle Beach Area Statistical Abstract*, 24th edition). The beaches and numerous golf courses have also helped turn the HMA into a major retirement destination.

The local economy historically has closely followed trends in the national economy because national downturns reduce consumers' ability to travel and spend money on vacations, which negatively impact the local economy. During 2001, nonfarm payrolls in the HMA declined by 2,900 jobs, or nearly 2.3 percent, as the national economy entered a recession. The economic downturn in the Myrtle Beach HMA was more severe than the national downturn because the local economy depends heavily on tourism. The September 11, 2001, attacks greatly reduced travel and vacations toward the end of the year as other parts of the country were starting an economic recovery. During 2001, the leisure and hospitality sector lost 1,300 jobs, a decline of nearly 4.2 percent, and led job losses in the HMA. Manufacturing employment in the HMA declined by 1,200 jobs, or 13 percent, due in part to layoffs at AVX Corporation, an electronic components manufacturing company. After the

economic downturn in 2001, the local economy began expanding and, from 2002 through 2007, nonfarm payrolls increased by an average of 5,200 jobs, or 3.7 percent, annually, reaching an all-time peak of 156,600 jobs. This expansion was fueled by strong population growth as the first wave of baby boomers began to retire and move into the HMA. With retirees moving into the HMA, the education and health services sector increased by an average of 500 jobs, or 4.4 percent, annually from 2002 through 2007. During the same period, employment in the leisure and hospitality sector increased by an average of 1,500 jobs, or 4.4 percent, annually in response to the increasing number of retirees and higher levels of tourism in the HMA. The increasing population also set off a boom in residential construction. From 2002 through 2006, employment in the mining, logging, and construction sector increased by 1,200 jobs, or 9.1 percent, annually. Conversely, during 2007, employment in this sector declined by 1,600 jobs, or 9.1 percent, a precursor to the looming downturn in the local housing market, although most other sectors increased during 2007.

With the onset of the national recession and the housing crisis that began at the end of 2007, the local economy entered a downturn as people spent less money on vacations and the fall in housing prices prevented people from being able to retire, sell their homes, and relocate to the HMA. From 2008 through 2010, nonfarm payrolls in the HMA declined by an average of 5,200 jobs, or 3.4 percent, annually. The mining, logging, and construction sector was especially hard hit when in-migration to the HMA slowed significantly, drastically reducing demand for new housing units and

leaving the HMA with a glut of homes that had been built in anticipation of continued high numbers of retirees moving to the HMA. From 2008 through 2010, employment in the mining, logging, and construction sector declined by an average of 2,700 jobs, or 23 percent, annually.

During 2011, the economy of the HMA began to recover and nonfarm payrolls increased by 1,700 jobs, or 1.2 percent. The rate of nonfarm payroll growth increased every year from 2011 and, by 2014, nonfarm

payrolls increased by 4,200 jobs, or 2.6 percent. Job growth from 2011 through 2014 was led by the retail trade subsector, which increased by 800 jobs, or 3.0 percent, annually. Many retail outlets operate in the tourist area of the HMA, and, as the economy improved nationally and more people were willing to spend money, local employment in the retail trade sector increased.

During 2015, nonfarm payrolls in the Myrtle Beach HMA continued the recent trend of growth, increasing by 4,100 jobs, or 2.7 percent, to 156,300 jobs (Table 2), just 300 jobs below the all-time peak level in 2007. The unemployment rate in the HMA is currently 7.1 percent, down from 7.3 percent a year earlier. Figure 1 shows trends in labor force, resident employment, and the unemployment rate from 2000 through 2015.

With tourism dominating the local economy, the leisure and hospitality sector is the largest employment sector, with 39,800 jobs, accounting for 25.4 percent of all nonfarm payroll jobs in the HMA (Figure 2). During 2015, the leisure and hospitality sector increased by 500 jobs, or 1.3 percent. This sector has a very large seasonal component, with many college students spending their summers in the HMA working or retirees taking on part-time jobs. During the summer months, employment in the leisure and hospitality sector is usually about 25 percent higher than during the winter months. Also, many of the local establishments close for the winter, creating a drag on employment.

The wholesale and retail trade sector, the second largest employment sector in the HMA, is dominated by the retail trade subsector due to the

**Table 2. 12-Month Average Nonfarm Payroll Jobs in the Myrtle Beach HMA,\* by Sector**

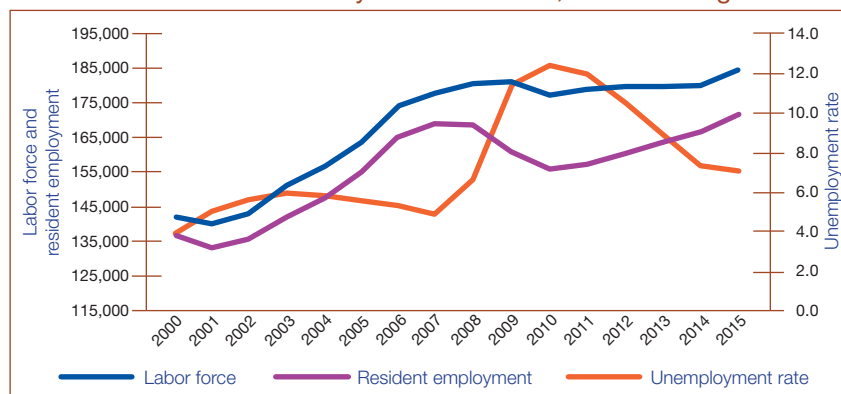
	12 Months Ending		Absolute Change	Percent Change
	December 2014	December 2015		
Total nonfarm payroll jobs	152,200	156,300	4,100	2.7
Goods-producing sectors	12,000	12,200	200	1.7
Mining, logging, & construction	7,400	7,600	200	2.7
Manufacturing	4,700	4,600	-100	-2.1
Service-providing sectors	140,200	144,100	3,900	2.8
Wholesale & retail trade	29,900	30,800	900	3.0
Transportation & utilities	3,500	3,800	300	8.6
Information	2,300	2,300	0	0.0
Financial activities	8,900	8,800	-100	-1.1
Professional & business services	13,300	14,800	1,500	11.3
Education & health services	15,900	16,500	600	3.8
Leisure & hospitality	39,300	39,800	500	1.3
Other services	5,900	5,900	0	0.0
Government	21,200	21,400	200	0.9

\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through December 2014 and December 2015.

Source: U.S. Bureau of Labor Statistics

**Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Myrtle Beach HMA,\* 2000 Through 2015**



\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Source: U.S. Bureau of Labor Statistics

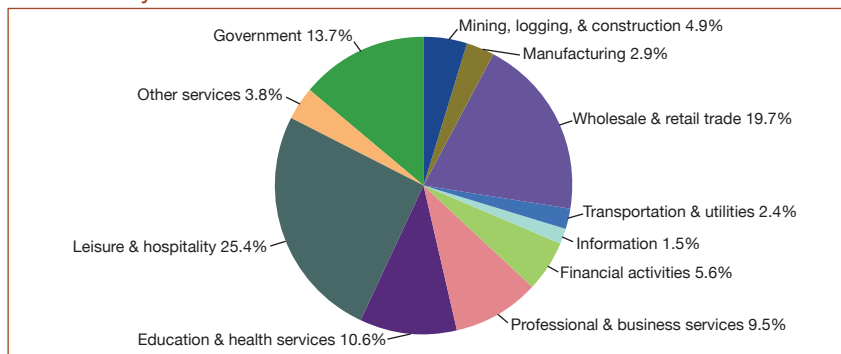
numerous outlet malls and shops that cater to tourists visiting the HMA. During 2015, the wholesale and retail trade sector increased by 900 jobs, or 3.0 percent, to 30,800 jobs. Most of this growth was in the retail trade subsector, which increased by 800 jobs, or 3.1 percent, to 27,800 jobs.

With the large number of retirees moving to the HMA, demand for medical care has steadily increased. The education and health services sector has been the fastest growing employment sector since 2000,

increasing by an average of 500 jobs, or 4.2 percent, annually. Figure 3 shows percentage change in the employment sectors since 2000 and shows the education and health services sector is currently the fourth largest employment sector in the HMA, with 16,500 jobs. During 2015, this sector added 600 jobs for a 3.8-percent increase from 2014. The first and third largest employers in the HMA, Grand Strand Medical Center and Conway Medical Center, with 1,300 and 1,100 employees, respectively, are in the education and health services sector (Table 3). The Grand Strand Medical Center completed a \$54 million expansion in 2014 that added 54 beds to the hospital to accommodate the increasing population in the HMA.

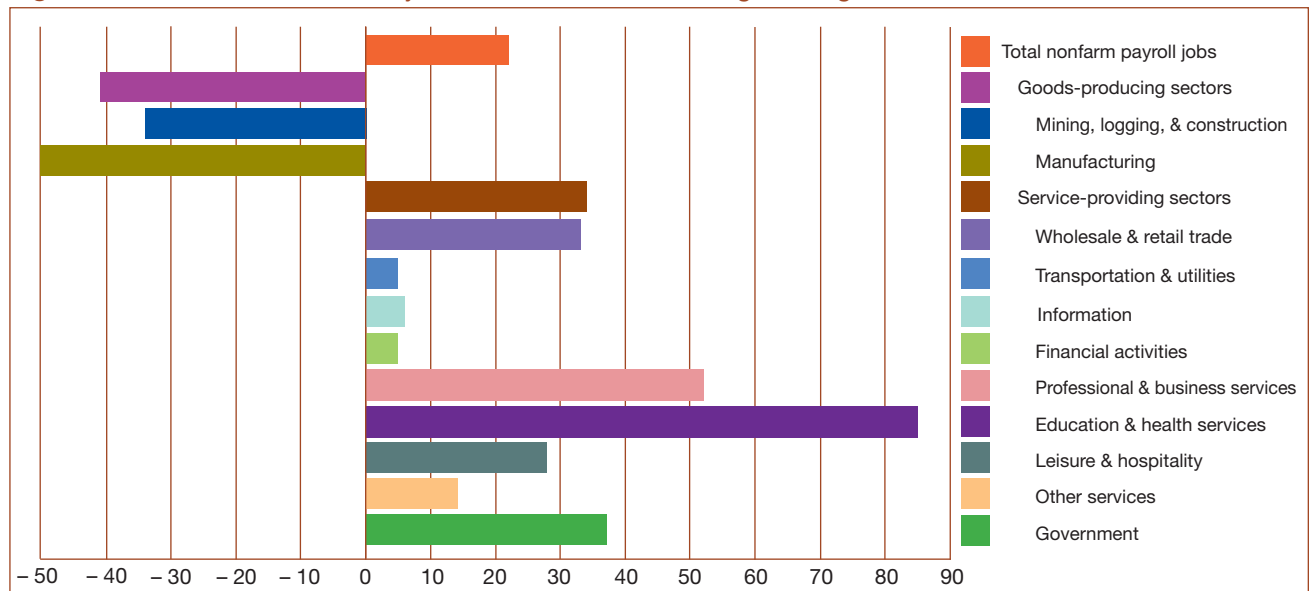
The professional and business services sector led job growth during 2015, increasing by 1,500 jobs, or 11.3 percent. Part of this increase was associated with Duke Energy conducting a shutdown for repairs and service at its nuclear power station in Brunswick

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



\* Myrtle Beach-Conway-North Myrtle Beach HMA.  
 Note: Based on 12-month averages through December 2015.  
 Source: U.S. Bureau of Labor Statistics

**Figure 3. Sector Growth in the Myrtle Beach HMA,\* Percentage Change, 2000 to Current**



\* Myrtle Beach-Conway-North Myrtle Beach HMA.  
 Note: Current is based on 12-month averages through December 2015.  
 Source: U.S. Bureau of Labor Statistics



**Table 3. Major Employers in the Myrtle Beach HMA\***

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Grand Strand Medical Center	Education & health services	1,300
Coastal Carolina University	Government	1,250
Conway Medical Center	Education & health services	1,100
Brunswick County	Government	1,050
Food Lion	Wholesale & retail trade	1,000
McLeod Health	Education & health services	940
Duke Energy	Transportation & utilities	900
Novant Health Brunswick Medical Center	Education & health services	880
BlueCross BlueShield of South Carolina	Mining, logging, & construction	840
Wyndham Vacation Ownership	Leisure & hospitality	700

\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Note: Excludes local school districts.

Sources: Myrtle Beach Regional Economic Development Corporation; Brunswick County Economic Development

County earlier in 2015. Many contract engineers and other support staff relocated to the HMA and worked at the plant during this process. The shutdown also provided a boost to employment in the transportation and utilities sector, which increased by 300 jobs, or 8.6 percent, during 2015. The shutdown was a temporary boost to employment locally; as the nuclear power station is brought back on line, the employment at the plant will return to normal levels.

The Myrtle Beach HMA is also home to Coastal Carolina University, in the city of Conway. The university, which had an enrollment of more than 10,200 students during the fall of 2015, is the second largest employer

in the HMA, with 1,200 employees. The university has a nearly \$500 million dollar impact on the local economy (*The Economic Impact of Coastal Carolina University on the State Economy in 2012*, the Center for Economic and Community Development, E. Craig Wall Sr. College of Business Administration, Coastal Carolina University).

During the 3-year forecast period, nonfarm payroll growth is expected to average 2.3 percent annually. Job growth is likely to remain strongest in the education and health services and leisure and hospitality sectors. Table DP-1 at the end of this report provides additional economic and demographic data.

## Population and Households

The population of the Myrtle Beach HMA is currently estimated at 437,100, reflecting an average annual increase of 10,500, or 2.6 percent, annually since 2010. Nearly all the population growth is the result of net in-migration, which has averaged

10,400 people annually since 2010 (Figure 4). The HMA, which is a popular retirement community that is responsible for the large net in-migration, had a median age of 45.6 years in 2014 (American Community Survey [ACS] 1-year data), which is

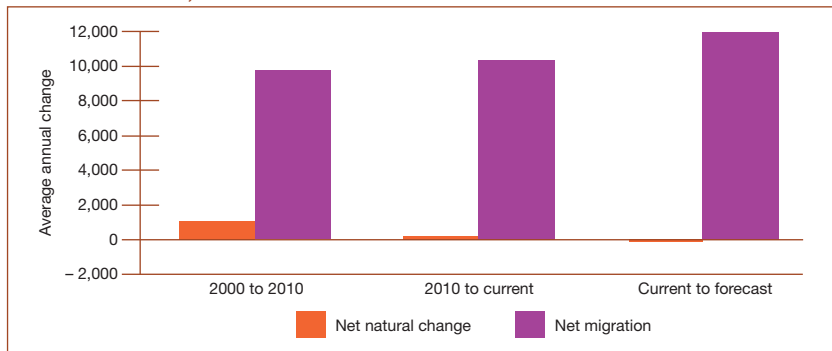
significantly higher than the national median age of 37.7 years. Of the HMA population, 30.3 percent is age 60 or older, up from 21.4 percent in 2000 (2014 ACS 1-year data).

From April 2000 to 2003, the population of the HMA increased by an average of 6,925, or 2.5 percent, annually, with in-migration averaging 6,150 people per year and accounting for more than 88 percent of all population growth (Census Bureau population estimates, as of July 1). This period of population growth was the slowest in the HMA, when the national economy was recovering from the economic downturn in 2001 and fewer people were able to retire to the HMA. Population growth was rapid

in the HMA from 2003 to 2008, when rising home prices throughout the nation enabled people to sell their homes when they retired and relocate to the HMA. Population growth averaged 14,300 people, or 4.5 percent, annually during these years, with in-migration accounting for 93 percent of the population growth and averaging 13,250 people a year. With the economic downturn and national housing crisis beginning in 2007, people had to delay retirement and no longer had as much equity in their homes when they were able to sell. These factors impacted population growth in the HMA, which slowed to an average of 7,575 people, or 2.0 percent, annually from 2008 to 2012, with net in-migration averaging 7,025 people per year. With an improving economy nationally and the housing market beginning to recover during 2012, in-migration from retirees to the HMA began to increase again. Since 2012, population growth has averaged 12,300 people, or 3.0 percent, annually, with all the growth a result of net in-migration. During the next 3 years, the population of the HMA is forecast to increase by an average of 11,850, or 2.6 percent, annually. A significant amount of the population growth is expected to continue to be from retirees moving to the HMA.

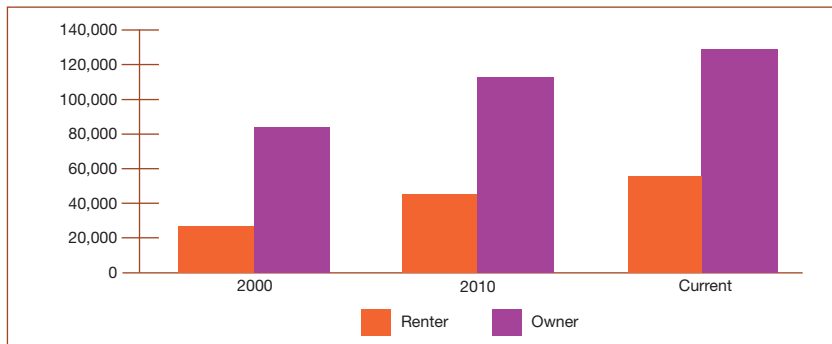
An estimated 184,350 households are currently in the HMA, an average increase of 4,500 households, or 2.7 percent, annually since 2010. Renter households have accounted for more than 73 percent of household growth since 2010, causing the homeownership rate to decline from 71.1 percent in 2010 to 69.9 percent currently. Figure 5 shows the number of households by tenure in the HMA. The current rate of household growth

**Figure 4. Components of Population Change in the Myrtle Beach HMA,\* 2000 to Forecast**



\* Myrtle Beach-Conway-North Myrtle Beach HMA.  
 Notes: The current date is January 1, 2016. The forecast date is January 1, 2019.  
 Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5. Number of Households by Tenure in the Myrtle Beach HMA,\* 2000 to Current**

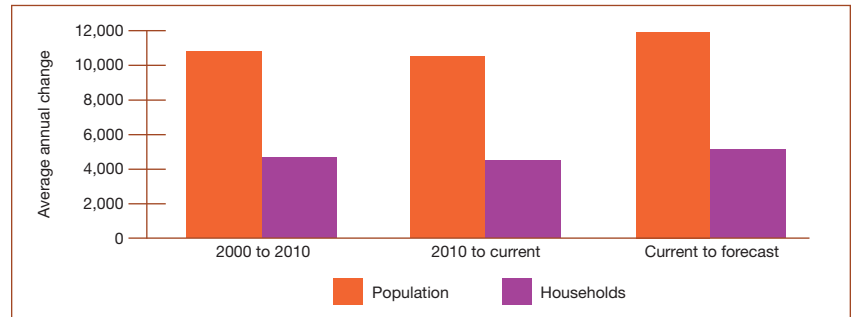


\* Myrtle Beach-Conway-North Myrtle Beach HMA.  
 Note: The current date is January 1, 2016.  
 Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

is lower than during the years of 2000 to 2010, when household growth averaged 4,625 households, or 3.5 percent, annually due to slower population growth since 2010. During the forecast period, the number of households is

expected to increase by an average of 5,125, or 2.7 percent, annually. Figure 6 shows population and household growth from 2000 through the forecast period.

**Figure 6. Population and Household Growth in the Myrtle Beach HMA,\* 2000 to Forecast**



\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: The current date is January 1, 2016. The forecast date is January 1, 2019.

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

## Housing Market Trends

### Sales Market

The sales housing market in the Myrtle Beach HMA is currently balanced, with an estimated 2.3-percent vacancy rate, which is a significant improvement from the 5.2-percent vacancy rate in April 2010. During December 2015, a 6.1-month supply of single-family homes (including townhomes) was on the market, down from 7.7 months a year earlier (Coastal Carolina Association of Realtors®). A similar decline also occurred in the inventory of condominium units, which had an 8.2-month supply on the market, down from 10.1 months a year earlier. The months of inventory for both single-family homes and condominiums have declined significantly from December 2010, when each had approximately 20 months of supply

due to the severe downturn in the local housing market. Of all home loans in the HMA, 3.1 percent were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status as of December 2015, down from 3.5 percent a year ago and less than one-half the peak of 8.8 percent reached during January 2012 (Black Knight Financial Services, Inc.). The 3.1 percent of loans seriously delinquent or in REO in the HMA during December 2015 is below the 4.2-percent average of South Carolina and the 4.1-percent average of the nation. Seriously delinquent and REO loans in South Carolina and the nation peaked during January 2010, at 7.8 and 9.2 percent, respectively.

## Housing Market Trends

### Sales Market *Continued*

The national housing crisis had a significant impact on the local market. Sales of existing single-family homes (including townhomes) and condominiums hit a low in 2008, but the average sales price kept declining through 2012. This continuing decline was the result of a large number of REO sales in the HMA that kept the sales numbers high as investors with cash purchased housing units in the HMA at reduced prices. In 2007, REO sales totaled 270 homes sold and accounted for less than 2 percent of all sales; that number increased to 2,925 homes sold during 2012, reflecting an average increase of 530, or 61 percent, annually and accounting for more than 26 percent of all sales (Metrostudy, A Hanley Wood Company, with adjustments by the analyst). During those years, condominiums accounted for 33 percent of all REO sales because a large number of the nearly 7,000 condominium units permitted during 2005 and 2006 went unsold due to impacts from the national housing crisis. Since reaching a peak in 2012, the number of REO sales has declined by an average of 490 homes sold, or nearly 21 percent, annually, to 1,450 REO homes sold during 2015, or 10 percent of all homes sold. The large number of REO homes sold, many of which were purchased by investors, kept the overall sales numbers from declining drastically during the housing crisis; REO sales accounted for more than 21 percent of all sales from 2008 through 2012. During 2012, when REO sales peaked, the average sales price of an REO single-family home was \$121,700; this lower price had a significant impact on the overall average sales price of an existing single-family home in the HMA.

Absence any REO sales, the average sales price of a single-family home in the HMA was \$236,500, but the REO sales brought the average price down by \$29,900, or nearly 13 percent, to \$206,600.

With an improving local economy and increased in-migration to the HMA, the market for new single-family homes has begun to improve during the past few years. Sales of new single-family homes totaled 2,100 homes sold during 2015, an increase of 320 homes, or nearly 18 percent, from 2014. The average sales price of a new single-family home during 2015 was \$241,900, an increase of \$13,200, or nearly 6 percent. New single-family home sales peaked during 2005, with 5,700 homes sold, and declined by an average of 720 homes sold, or more than 21 percent, annually until reaching a bottom in 2011, with 1,375 new single-family homes sold. During 2012, the sale of new single-family homes began to increase again when improving economic conditions nationally helped contribute to an increased number of people retiring and relocating to the HMA. By 2014, new single-family home sales totaled 1,800 homes sold, an average increase of 140 homes, or more than 9 percent, annually since 2012. New single-family home sales prices peaked in 2007, at \$266,900. Following this peak, the average price of a new home declined for 5 consecutive years and, by 2012, was \$196,400, an average decline of \$14,100, or 6 percent, annually. After reaching the recent bottom, home prices began to increase again and, by 2014, the average sales price of a new single-family home was \$228,700, indicating an average annual increase of \$16,150, or nearly 8 percent.



## Housing Market Trends

### Sales Market *Continued*

Sales of existing single-family homes during 2015 totaled 6,800 homes sold, an increase of 780 homes, or 13 percent, from 2014. The average sales price of an existing single-family home during 2015 was \$228,400, an increase of \$10,450, or nearly 5 percent, from 2014. Although sales of existing single-family homes have increased recently, they are still below the peak level of 7,400 homes sold during 2005. Following the peak level of sales in 2005, existing single-family home sales declined for 3 straight years, by an average of 1,300 homes sold, or more than 22 percent, annually and bottomed out in 2008, when 3,475 homes sold. In 2009, sales began to increase again and, by 2014, totaled 6,000 homes sold, indicating an average annual increase of 420 homes sold, or nearly 10 percent. Although home sales peaked in 2005, the average sales price for an existing home did not peak until 2007, at \$287,300. Following this peak, the average sales price for an existing single-family home declined for 5 consecutive years and, by 2012, was down to \$206,600. The average price for existing single-family homes began to increase again in 2013 and, by 2014, was up to \$217,900, reflecting an average annual increase of \$5,650, or nearly 3 percent.

The condominium market locally was severely impacted during the national housing crisis and the production of new condominium units remains limited in the HMA, even with improving conditions. Sales of condominiums in the HMA peaked in 2006, with 10,200 units sold. Of these 10,200 units, 5,500, or nearly 54 percent of all condominiums sold, were for new units. Following this peak, the local market was hard

hit and condominium sales totaled 3,700 units in 2008, reflecting an average annual decline of 3,250 units sold, or nearly 40 percent. In 2008, new condominium sales accounted for 1,200 units sold, or 32 percent of the total condominium sales. Condominium sales began to increase again during 2009 and, by 2015, totaled 5,325 units sold, indicating an average increase of 230, or slightly more than 5 percent, annually. During 2015, sales of new condominium units accounted for 5 percent of all condominium sales in the HMA because the construction and sales of new condominium units have been very limited in the HMA since the start of the last recession. The average sales price of a condominium unit peaked in 2007, at \$258,300, and declined by an average of \$19,900, or nearly 10 percent, annually during the next 6 years, reaching an average sales price of \$139,000 in 2013. The sharp decline in the average sales price was partly a result of a large number of condominium units sold as distressed sales (REO sales and short sales) and the fact that new condominium construction declined rapidly, causing downward pressure on the average sales price. With improving market conditions overall and a reduction in the number of distressed sales in the HMA, the average sales price of a condominium increased during the past 2 years by an average of \$3,450, or less than 3 percent, annually, to \$145,900 during 2015.

Single-family home construction, as measured by the number of homes permitted, totaled 5,000 homes permitted in the Myrtle Beach HMA during 2015, down by 25 homes, or less than 1 percent, from 2014. With the improving economy, single-family

home construction started to rebound in 2011, when 2,400 single-family homes were permitted; by 2013, the number of homes permitted reached 4,375, an average increase of 990 homes, or 35 percent, annually since 2011. During 2000, the number of single-family homes permitted totaled 3,250, and the number increased each year during the next 5 years by an average of 1,500 homes permitted, or 27 percent, annually, to 10,750 single-family homes permitted during 2005, when the population of the HMA was rapidly increasing. During 2006, 10,600 single-family homes were permitted, a decline of 130 homes, or 1 percent, from 2005. During the next 4 years single-family construction declined every year by an average of 2,075 homes permitted, or 32 percent, annually, to the 2,300 single-family homes permitted in 2010, when the impacts from the national housing crisis affected the HMA. Figure 7 shows the number of single-family homes permitted annually from 2000 through 2015.

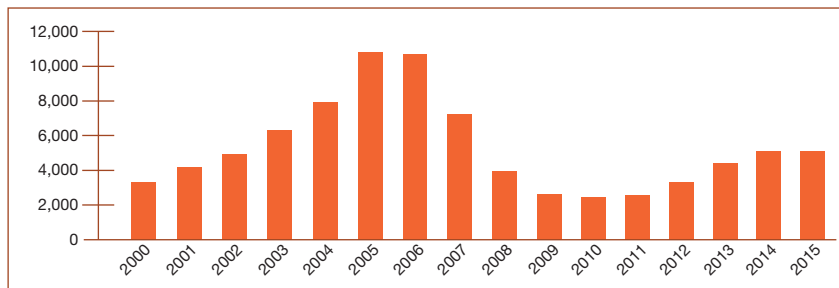
Note that a significant portion of housing construction in the HMA is geared toward vacation or seasonal homes. The number of housing units classified as vacant for seasonal, occasional, or recreational use totaled

73,800, an increase of 33,325 units, or nearly 83 percent, from the 40,485 housing units listed in this category in 2000 (2010 Census). The increase of housing units in this category between the 2000 and 2010 Census would account for nearly 36 percent of all housing units permitted in the HMA during this time.

New sales housing developments in the HMA include the Arrowhead Grand subdivision in Horry County, a 151-unit development that is nearing completion, with 14 lots left for development. Home prices start at \$230,000 for a three-bedroom, two-bathroom home. St. James Plantation is an ongoing 77-lot development in Brunswick County, with home prices starting at \$282,000 for a two-bedroom, two-bathroom home. Completion of this development is expected in mid-2017. Many of the new single-family developments in the HMA are located along golf courses to cater to the large number of retirees who move to the HMA and play golf regularly.

During the 3-year forecast period, demand is estimated for 14,550 new homes (Table 1). The 1,200 homes currently under construction and some of the 80,500 other vacant units in the HMA that may reenter the market will satisfy a portion of that demand. Demand will be greatest for new homes in the \$200,000-to-\$249,999 price range (Table 4). Approximately 90 percent of the demand in the HMA is likely to be for single-family homes (including townhomes) and to occur within 20 miles of the coast, with construction farther inland very limited. Demand should increase during each year of the forecast period as population increases each year.

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



\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: Includes townhomes. Current includes data through December 2015.

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

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

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,175	8.0
150,000	199,999	3,775	26.0
200,000	249,999	4,075	28.0
250,000	299,999	3,350	23.0
300,000	349,999	1,175	8.0
350,000	399,999	580	4.0
400,000	499,999	290	2.0
500,000	and higher	150	1.0

\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: The 1,200 homes currently under construction and a portion of the estimated 80,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

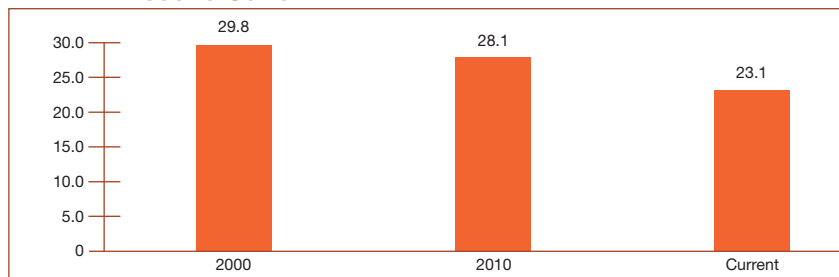
## Rental Market

Rental market conditions in the Myrtle Beach HMA are currently balanced, with an estimated 8.4-percent vacancy rate. The rental market vacancy rate is down from an estimated 14.1 percent in 2010. These rental vacancy rates are EMAD's estimates of current rental market conditions for year-round market-rate units and are not comparable with census vacancy rates shown in Figure 8. The census vacancy rate is currently 23.1 percent, significantly lower than the 28.1-percent vacancy rate recorded in 2010. The high census vacancy rates in the HMA reflect the large number of vacation and other short-term rental properties that are captured in the available-for-rent data. The large number of vacation

and other short-term rental properties are periodically held off the market and are not typically available on a long-term, year-round lease (EMAD fieldwork). Of all renter households, 30 percent live in single-family homes in the HMA (2014 ACS 1-year data). It is estimated that 70 percent of the short-term rental housing units in the HMA consist of single-family homes. (This short-term rental unit estimate excludes hotel rooms.)

The apartment market is currently balanced, with a 6.2-percent vacancy rate during the fourth quarter of 2015, up from the 5.1-percent vacancy rate during the fourth quarter of 2014 (Reis, Inc.). The current rental vacancy rate is similar to the fourth quarters of 2013 and 2012, when the apartment vacancy rates were 6.0 and 6.2 percent, respectively. The apartment market has improved dramatically since the first quarter of 2010, when the vacancy rate in the HMA was 14.3 percent because the high levels of newly constructed units from 2004 through 2008 were left unabsorbed due to the economic downturn that significantly curtailed in-migration to the HMA.

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



\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Note: The current date is January 1, 2016.

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

The average monthly rent for an apartment during the fourth quarter of 2015 was \$841, an increase of \$33, or nearly 5 percent, from the fourth quarter of 2014. Since 2010, the average rent for an apartment in the HMA has increased by an average of \$20, or nearly 3 percent, annually.

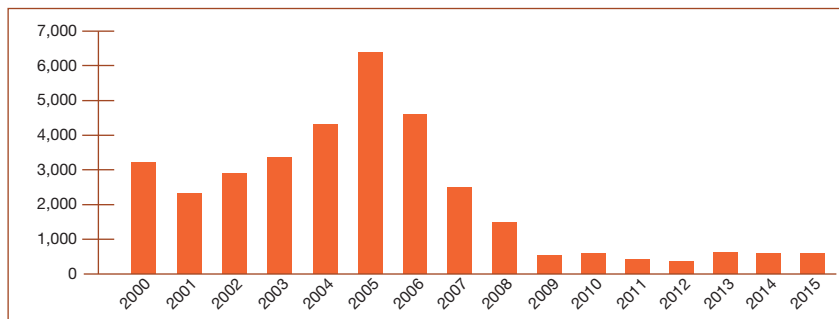
Multifamily construction, as measured by the number of units permitted, totaled 560 units permitted in the Myrtle Beach HMA during 2015, unchanged from 2014 (preliminary data). The number of units permitted during the past 2 years is down from the 630 units permitted during 2013. From 2009 through 2012, multifamily construction averaged 470 units permitted annually because high levels of construction from 2004 through 2008, coupled with reduced population growth, limited the need for new construction. Construction since 2009 has been well below the level of earlier periods. From 2000 through 2003, an average of 2,950 multifamily units were permitted annually in the HMA. From 2004 through 2008, multifamily construction increased to an average of 3,850 units permitted annually. Of the 31,000 multifamily units permitted in the HMA from 2000 through 2008, an estimated 17,000 units, or more than 55 percent,

were built as owner-occupied units for either retirees migrating to the HMA or for seasonal second homes. Since 2009, less than an estimated 28 percent of all multifamily units in the HMA have been built for owner occupancy. Figure 9 shows the number of multifamily units permitted in the HMA from 2000 through 2015.

Part of the higher levels of multifamily construction in the HMA in the early 2000s to mid-2000s was the result of apartment construction to meet the housing demand at Coastal Carolina University, when the university expanded from about 4,700 students in the fall of 1999 to more than 10,000 by 2008. Enrollment at the university has increased slightly since 2008, is currently at 10,200 students, and is likely to remain stable during the next 3 years. The apartment market within 3 miles of the university is tighter than the overall market, with an estimated 4.5-percent vacancy rate. Rents near the university are lower than the HMA overall and currently average \$775 per month. Students at Coastal Carolina University make up an estimated 7 percent of the overall rental market in the HMA.

Recently completed developments in the HMA include the Vinings at Carolina Bays in the city of Myrtle Beach, a 192-unit development that opened in late 2014. This project consists of one-, two-, and three-bedroom units, with rents starting at \$925, \$1,100, and \$1,275, respectively. Another new development in Brunswick County is Abbington Oaks of Southport, a 72-unit low-income housing tax credit project. Rents at Abbington Oaks at Southport are expected to be restricted to 60 percent of Area Median Income.

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



\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: Excludes townhomes. Current includes data through December 2015.

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



## Housing Market Trends

### Rental Market *Continued*

During the 3-year forecast period, demand is estimated for 1,950 new market-rate rental housing units (Table 1) and will increase slightly each year of the forecast period. Demand is expected to be greatest for two-bedroom units in the \$1,080-to-\$1,279

price range (Table 5). The 480 units currently under construction will meet a portion of the forecast demand. Most new apartment construction in the HMA during the next 3 years is likely to occur along the U.S. Highway 17 and 501 corridors.

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

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
780 to 979	230	880 to 1,079	290	975 to 1,174	70
980 to 1,179	500	1,080 to 1,279	630	1,175 to 1,374	120
1,180 or more	40	1,280 or more	50	1,375 or more	10
Total	780	Total	970	Total	190

\* Myrtle Beach-Conway-North Myrtle Beach HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 480 units currently under construction will likely satisfy some of the estimated demand. The forecast period is January 1, 2016, to January 1, 2019.

Source: Estimates by analyst

## Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	136,746	155,555	171,800	1.3	2.0
Unemployment rate	3.9%	12.3%	7.1%		
Nonfarm payroll jobs	128,500	141,100	156,300	0.9	2.1
Total population	269,772	376,722	437,100	3.4	2.6
Total households	112,238	158,522	184,350	3.5	2.7
Owner households	84,726	112,716	128,900	2.9	2.4
Percent owner	75.5%	71.1%	69.9%		
Renter households	27,512	45,806	55,450	5.2	3.4
Percent renter	24.5%	28.9%	30.1%		
Total housing units	173,516	263,474	284,500	4.3	1.3
Owner vacancy rate	3.4%	5.2%	2.3%		
Rental vacancy rate	29.8%	28.1%	23.1%		
Median Family Income	NA	NA	\$49,300	NA	NA

\* Myrtle Beach-Conway-North Myrtle Beach HMA.

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2015. Median Family Income is for 2014. The current date is January 1, 2016.

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: 1/1/2016—Analyst’s estimates  
 Forecast period: 1/1/2016–1/1/2019—Analyst’s estimates

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 the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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 [huduser.gov/publications/pdf/CMARtables\\_MyrtleBeach\\_Conway\\_NorthMyrtleBeachSC\\_NC\\_16.pdf](http://huduser.gov/publications/pdf/CMARtables_MyrtleBeach_Conway_NorthMyrtleBeachSC_NC_16.pdf).

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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 HUD’s Economic and Market Analysis Division. 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).