

# Housing Market Profile

Southeast/Caribbean • HUD Region IV



## Greenville-Spartanburg, South Carolina

In the foothills of the Appalachian Mountains in upstate South Carolina, the Greenville-Spartanburg metropolitan area comprises Greenville, Laurens, Pickens, and Spartanburg Counties. The metropolitan area economy was textile reliant until the 1990s but has developed into a diversified center for international trade and manufacturing. The metropolitan area is the North American headquarters for Hubbell Lighting, Inc., Michelin North America, Inc., BMW Manufacturing Company, and Milliken & Company, and it is home to 23 colleges and universities, including Clemson University (CU). The estimated population as of January 1, 2013, was nearly 945,000, increasing at an average annual rate of 9,975, or 1.1 percent, since April 2010, slightly up from the 1.0-percent average annual growth rate recorded during the previous 3 years.

After 4 years of job losses, economic conditions in the metropolitan area began to recover in 2011. The metropolitan area lost an average of 10,450 jobs, or 2.4 percent, annually from 2007 through 2010 before rebounding with a gain of 6,700 jobs, or 1.6 percent, in 2011. During the 12 months ending November 2012, total nonfarm payrolls averaged 424,100 jobs, increasing by 5,200 jobs, or 1.2 percent, from the same period a year earlier but decreasing by 20,600 jobs, or 4.9 percent, from the 2007 peak level. During the 12 months ending November 2012, the largest rate of increase occurred in the education and health services sector, which gained 1,000 jobs, or 2.8 percent, with the health care and social assistance sub-sector accounting for nearly 80 percent of these gains. Greenville Hospital System (GHS) and Spartanburg Regional Healthcare System are the two largest employers in the metropolitan area, with 9,800 and 5,550 employees, respectively. In July 2012, GHS opened the University of South Carolina School of Medicine-Greenville campus, a 4-year medical school included in the hospital system. CU, a public land-grant institution and the sixth largest employer in the metropolitan area, currently enrolls 19,900 students and employs 3,400 faculty and staff. According to a 2010 impact study (the most recent data available), CU generates an annual economic impact of \$1.83 million for the state. Largely because of hiring in the automotive industry, manufacturing-sector employment increased by 900 jobs, or 1.6 percent, to 62,600 jobs during the 12 months ending November 2012. BMW Manufacturing

Company added 300 engineering positions during 2012. The Clemson University International Center for Automotive Research (CU-ICAR), an education and research facility that receives financial support from BMW of North America, LLC, Michelin North America, Inc., and International Business Machines Corporation, completed construction of a 60,000-square-foot research laboratory in May 2012. CU-ICAR added 50 jobs at the new facility in 2012.

The largest rate of nonfarm payroll decline occurred in the mining, logging, and construction sector, which lost 400 jobs, or 3.5 percent; more than 95 percent of these losses were in the construction subsector because of decreased homebuilding activity. During the 12 months ending November 2012, the average unemployment rate in the metropolitan area was 8.3 percent, down from 9.5 percent during the previous 12 months.

The sales housing market in the Greenville-Spartanburg metropolitan area is currently soft but improving. As of January 1, 2013, the estimated vacancy rate was 2.6 percent compared with the 2.8-percent rate recorded in April 2010. Based on data from Hanley Wood, LLC, during the 12 months ending November 2012, 6,675 existing single-family homes sold in the area, a 1.9-percent increase from a year earlier. The average home sales price increased 4 percent, to \$158,600. By comparison, from 2007 through 2010, existing single-family home sales averaged 8,100 annually, with an average home sales price of \$158,700. According to LPS Applied Analytics, as of November 2012, 8.0 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), slightly up from 7.8 percent in November 2011. Reflecting soft home sales market conditions in the metropolitan area, single-family homebuilding activity, as measured by the number of homes permitted, slowed to less than one-half of the 2007 peak of 7,125 homes. Based on preliminary data, permits were issued for 2,525 single-family homes during the 12 months ending November 2012, down 35 percent from a year earlier. Home construction in the metropolitan area averaged 2,500 homes permitted a year from 2008 through 2010. Construction is currently under way at several residential developments throughout the metropolitan area, with the most construction activity taking place in Greenville County, including The Cove at Savannah Pointe, which began construction in 2012. As of January 1, 2013, more than 25 homes have sold at The Cove at Savannah Pointe at an average price of \$186,500, and approximately 10 lots remain available for sale.



Overall rental housing market conditions in the Greenville-Spartanburg metropolitan area tightened during 2012 but remained soft as of January 2013. The estimated overall rental vacancy rate was 8.6 percent, a decrease from 11.6 percent in April 2010. According to Real Data, the apartment vacancy rate during November 2012 was 6.8 percent, a decrease compared with the 8.2-percent rate recorded during the same period in 2011. The average asking rent in the area in November 2012 was approximately \$720, up nearly 2 percent from a year earlier. Average rents for one-, two-, and three-bedroom apartment units were \$620, \$730, and \$860, respectively. CU, the largest university in the metropolitan area, significantly influences

the rental housing market in the city of Clemson. According to Real Data, the apartment vacancy rate in the CU area was estimated at 5.6 percent during November 2012, slightly down from 5.8 percent during the same time period a year earlier. Based on preliminary data, multifamily construction activity, as measured by the number of units permitted, was virtually unchanged during the 12 months ending November 2012 at about 85 units compared with the number permitted a year earlier. During 2012, construction activity was concentrated in the southern portion of Greenville County, including the 260-unit Springs at Greenville, which is expected to be complete in mid-2013.