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SC Housing, USC Moore School release first phase of Palmetto State Housing Study report

Study shows population growth, depressed housing supply driving affordability gap in the state

COLUMBIA, S.C. (March 1, 2023) – The South Carolina State Housing Finance and Development Authority (SC Housing) and the University of South Carolina’s Darla Moore School of Business released the first part of the Palmetto State Housing Study today.

The study, commissioned by the South Carolina General Assembly, is a comprehensive, statewide needs assessment to examine housing conditions in the state — across geographic regions, housing markets, populations and organizations.

The study explores a broad range of housing issues facing the state from a supply and demand perspective, analyzing housing production and inventory trends over the last two decades and comparing them with the emerging housing needs by geographic areas and various populations.

According to the supply and demand analysis (phase 1 of the study), a continually growing and shifting population — more people moving to South Carolina, and more current South Carolina residents moving from rural areas to metropolitan areas — is driving the state’s housing demand. This has resulted in the need for increased construction in high-demand urban areas like Greenville, Charleston and Horry counties, with rural counties more in need of housing preservation and rehabilitation.

The study demonstrates rapid population growth throughout the 21st century in South Carolina coupled with a more recent period of underbuilding that began in 2008 following the Great Recession; both have culminated in a severe shortage in housing inventory.

In addition, the state is experiencing a drastic decline in the inventory of homes marketed at a more affordable sales price point. In 2022, the number of houses sold for less than \$100,000 fell below 5 percent of the total number of homes sold in the state for the first time ever. This decrease is especially pronounced in most coastal metropolitan regions of the state, as well as portions of Aiken and Greenville counties.

“This study shows what a lot of South Carolinians are feeling every day,” says Bonita Shropshire, executive director of SC Housing. “Having a safe, quality affordable home to live in and raise your family is slowly slipping out of reach for so many hard-working members of our community. As housing costs steadily rise, outpacing available income,

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South Carolinians at all income levels find themselves facing the same affordability gap — whether you are a renter or homeowner.”

According to Darla Moore School of Business research economist Joseph Von Nessen, Ph.D. and the author of the study, the Palmetto State Housing Study also demonstrates the need for an increased focus on workforce housing options throughout the state.

“Although low-income households face housing affordability challenges at the highest rates, this study reveals that families traditionally considered to be middle-income are often housing-cost burdened as well,” Von Nessen said. “And because South Carolina is likely to see high population growth rates that will exceed the national average in the coming years, addressing these challenges will become even more important as the state moves forward.”

According to the study, 43 percent of single-parent households with three children, earning between \$45,000-\$75,000, are housing-cost burdened. The U.S. Department of Housing and Urban Development (HUD) defines a cost-burdened household as one that pays more than 30 percent of its income for housing.

By this measure, approximately 50 percent of renting households and 25 percent of households with a mortgage are housing-cost burdened in South Carolina. However, the study states that this “classic” definition of cost burdened does not account for differences in costs of living and may not sufficiently capture the true housing needs of a community. Using an alternative “residual cost method,” approximately 70 percent of renting households and 38 percent of households with a mortgage currently face affordability challenges.

[View the entire report.](#)

The final Palmetto State Housing Study report is due to the state legislature by June 30, 2023. [View the study timeline.](#)

SC Housing is seeking input directly from the community for the next phase of the study. [Submit your feedback by taking a brief survey.](#)

For further information about the first phase of the Palmetto State Housing Study or to interview Joey Von Nessen, please contact Marjorie Riddle Duffie at marjorie.duffie@moore.sc.edu or 803-576-7337.

For further information about the overall Palmetto State Housing Study or affordable housing in the state, please email palmettohousingstudy@schousing.com or visit our webpage at SCHousing.com.

About SC Housing

SC Housing is a self-sustaining housing finance agency committed to ensuring that South Carolinians have the opportunity to live in safe, decent and affordable housing. Agency operations are supported by a funding base that includes fees and other revenue earned through the administration of agency programs. For more information, visit SCHousing.com. About SC Housing

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