

# Beaufort County, South Carolina Housing Needs Assessment

**FINAL**

*Prepared For:*

Beaufort County Purchasing Department  
106 Industrial Village Road, Building #2  
Beaufort, SC 29906-4291

*Prepared By:*

Bowen National Research  
Author: Patrick M. Bowen, President  
155 E. Columbus Street, Ste. 220  
Pickerington, Ohio 43147  
(614) 833-9300  
patrickb@bowennational.com

*Effective Date*

April 6, 2018  
Revised: May 24, 2018

*Job Reference Number*

17-448

## Table of Contents

- I. Introduction
- II. Executive Summary
- III. Community Overview and Study Areas
- IV. Demographic Analysis
- V. Economic Analysis
- VI. Housing Supply Analysis
- VII. Other Housing Market Factors
- VIII. Housing Gap /Demand Estimates
- IX. Submarket Analysis
- X. Community Input - Survey Results and Analysis

*Note: Supporting and supplemental documentation is separate from this report and can be provided upon request.*

# I. Introduction

## A. Purpose

The Beaufort County government retained Bowen National Research in August of 2017 for the purpose of conducting a Housing Needs Assessment of Beaufort County, South Carolina.

With rapidly changing demographic and employment characteristics and trends expected over the years ahead, it is important for the County and its citizens to understand the current market conditions and projected changes that are expected to occur that will influence future housing needs. Toward that end, this report intends to:

- Provide an overview of present-day Beaufort County and selected submarkets.
- Present and evaluate past, current and projected detailed demographic characteristics.
- Present and evaluate employment characteristics and trends, as well as the economic drivers impacting the area.
- Determine current characteristics of all major housing components within the market (for-sale/ownership and rental housing alternatives).
- Calculate a housing gap by tenure and income segment.
- Evaluate ancillary factors that affect housing market conditions and development.
- Compile local stakeholder and local resident perceptions of housing market conditions and trends, opinions on future housing needs, and identify barriers to residential development in the area.

By accomplishing the study's objectives, government officials, area stakeholders, area employers, and area residents can: (1) better understand the County's rapidly evolving housing market, (2) modify or expand the County's housing policies, and (3) enhance and/or expand the County's housing market to meet current and future housing needs.

## **B. Methodologies**

The following methods were used by Bowen National Research:

### Study Area Delineation

The primary geographic scope of this study is Beaufort County, South Carolina, with supplemental analysis of selected submarkets within the county. The Primary Study Area (PSA) is the area within the county limits. Selected submarkets include the City of Beaufort, Town of Bluffton, Town of Hilton Head Island and the Town of Port Royal, as well as three unincorporated areas of the county referred to as Northern Unincorporated, Southern Unincorporated and Unincorporated Islands. Maps of the PSA and the selected submarkets are included in Section III of this report.

### Demographic Information

Demographic data for population, households, housing, crime, and employment was secured from ESRI, Incorporated, the 2000 and 2010 United States Census, Applied Geographic Solutions, U.S. Department of Commerce, and the American Community Survey. This data has been used in its primary form and by Bowen National Research for secondary calculations. All sources are referenced throughout the report and in Addendum I of this report. Data is presented for 2000, 2010, 2017 and 2022.

### Employment Information

Employment information was obtained and evaluated for various geographic areas that were part of this overall study. This information included data related to wages by occupation, employment by job sector, total employment, unemployment rates, identification of top employers, and identification of large-scale job expansions or contractions. Most information was obtained through the U.S. Department of Labor, Bureau of Labor Statistics. However, Bowen National Research also conducted numerous interviews with local stakeholders familiar with employment characteristics and trends of the PSA.

### Housing Component Definitions

This study is concerned with two major housing components: (1) for-sale/ownership and (2) rental. For-sale/ownership housing primarily includes single-family homes and condominiums. Rental housing includes single-family homes, multifamily apartments (generally five+ units per building), mobile homes, and vacation rentals. Note that for the purposes of this analysis, specific special needs groups such as seniors requiring special care, homeless, victims of domestic violence, active military personnel, veterans, persons with substance abuse, adults with severe mental illness, persons with disabilities, seniors age 65+, and persons living in poverty were also evaluated.

### Housing Supply Documentation

From October 2017 to April 2018, Bowen National Research conducted telephone research, as well as on-line research, of the area's housing supply. Additionally, market analysts from Bowen National Research traveled to the area in the fall of 2017, conducting research on the housing properties identified in this study, as well as obtaining other on-site information relative to this analysis. The following data was collected on each multifamily rental property:

1. Property Information: Name, address, total units, and number of floors
2. Owner/Developer and/or Property Manager: Name and telephone number
3. Population Served (i.e. seniors vs. family, low-income vs. market-rate, etc)
4. Available Amenities/Features: Both in-unit and within the overall project
5. Years Built and Renovated (if applicable)
6. Vacancy Rates
7. Distribution of Units by Bedroom Type
8. Square Feet and Number of Bathrooms by Bedroom Type
9. Gross Rents or Price Points by Bedroom Type
10. Property Type
11. Quality Ratings
12. GPS Locations

Information regarding for-sale housing was collected by Bowen National Research during the aforementioned research period. Home listings were obtained from the Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com. Information regarding the for-sale housing inventory includes property address, sales/asking price, square footage, number of bedrooms and bathrooms, price per square foot, and the number of days on market.

We also surveyed senior care facilities including assisted living facilities and nursing homes within the county. Information gathered on these communities include total beds, vacancies, fees/rents, unit mix by bedroom type, square footage, unit features/amenities, services, project/community amenities, project age and other design elements.

### Resident Survey

Bowen National Research conducted a survey of area residents. This survey included questions relative to the family composition (e.g. household sizes, household income, etc.), current housing conditions, and housing preferences and needs of the community. This data was aggregated and evaluated to assist in establishing the housing needs of Beaufort County. This analysis is included in Section X of the report. The survey instruments used in the survey are included in Addendum E.

### Stakeholder/Employer/Development Surveys

Bowen National Research staff conducted interviews of area stakeholders, as well as allowed stakeholders to partake in an online survey. These stakeholders included individuals from a variety of trades. Supplemental surveys were conducted with area employers and those knowledgeable of residential development. Questions were structured to elicit opinions on a variety of matters including current housing conditions, housing challenges for area residents and employers, barriers to housing development, future housing needs and recommendations to improve housing in the area. These interviews and surveys afforded participants an opportunity to voice their opinions and provide anecdotal insights about the study's subject matter. Overall, several dozens of individual interviews/surveys were completed and evaluated. Please note that individual names and organizations have not been disclosed in order to protect the confidentiality of participants and encourage their candor. The aggregate results from these interviews and surveys are presented and evaluated in this report in Section X. The questions used in this analysis are shown in Addendum E.

### Housing Demand

Based on the demographic data for the current (2017) year and projections for several years in the future, and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new units the PSA (Beaufort County) can support. The following summarizes the metrics used in our demand estimates.

- Rental Housing – We included renter household growth, the number of units required for a balanced market, the need for replacement housing and external market support as the demand components for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- For-Sale Housing – We considered potential demand from new owner-occupied household growth, renters converting to homeowners, need for replacement housing and external market support in our estimates for new for-sale housing. We accounted for the available supply of for-sale housing to yield a net support base of potential for-sale housing. Demand estimates were provided for multiple income stratifications and corresponding price points.
- Senior Care Housing – Demand estimates included the potential support that will originate from senior population growth and seniors preferring or requiring some level of assistance with activities of daily living. Base rents/fees of the existing local supply was used to establish the minimum income required for each housing alternative.

### **C. Report Limitations**

The intent of this report is to collect and analyze significant levels of data for Beaufort County and selected submarkets within the county. Bowen National Research relied on a variety of data sources to generate this report (see Addendum I). These data sources are not always verifiable; however, Bowen National Research makes a concerted effort to assure accuracy. While this is not always possible, we believe that our efforts provide an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

We have no present or prospective interest in any of the properties included in this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or use of this study. Any reproduction or duplication of this study without the expressed approval of Beaufort County or Bowen National Research is strictly prohibited.

## II. Executive Summary

The purpose of this report is to evaluate the housing needs of Beaufort County, South Carolina, with supplemental analysis conducted on seven predetermined submarkets within the county. In addition to collecting and analyzing various metrics, we have also provided recommended priorities and strategies to address such housing needs. To that end, we have conducted a comprehensive Housing Needs Assessment that considered the following:

- Demographic Characteristics and Trends
- Economic Conditions and Initiatives
- Existing Housing Stock Costs, Performance, Conditions and Features
- Various “Other” Housing Factors (e.g., Crime, Transportation, Proximity to Community Services, etc.)
- Community Input from Stakeholders, Residents & Employers
- Quantifiable Demand Estimates of Housing Product

Based on these metrics and input, we were able to identify housing needs by affordability and tenure (rental vs. ownership). Using these findings, we developed an outline of housing priorities and potential strategies that should be considered for implementation. This Executive Summary provides key findings and recommendations. Detailed data analysis is presented within the individual sections of this Housing Needs Assessment.

### **Study Area Delineation**

This report addresses the residential housing needs of Beaufort County, South Carolina. To this end, we have evaluated the demographic and economic characteristics, as well as the existing housing stock, of Beaufort County. Additionally, per the county’s request, we have conducted analysis of key metrics of seven selected submarkets within the county. The following summarizes the various study areas used in this analysis.

**Primary Study Area** - The Primary Study Area (PSA) includes all of Beaufort County, South Carolina.

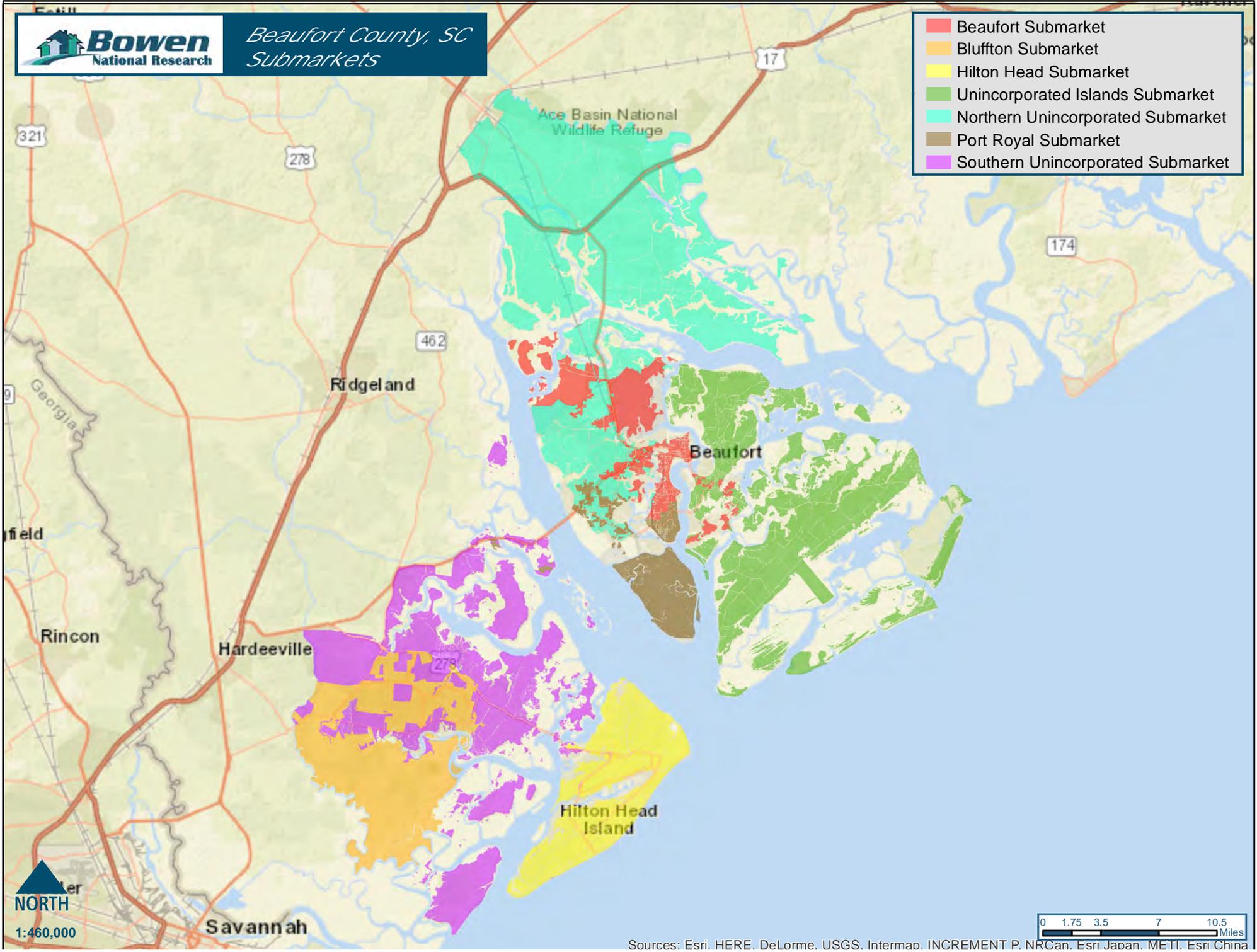
**Submarkets** – We have evaluated selected communities and unincorporated areas of the county. Specifically, the Town of Bluffton, City of Beaufort, Town of Hilton Head Island and Town of Port Royal were evaluated as were the predetermined areas referred to as the Northern Unincorporated area, the Southern Unincorporated area, and the Unincorporated Islands. These submarkets have been evaluated in comparison with each other, as well as individually.

A map delineating the boundaries of the various study areas are shown on the following page.



# Beaufort County, SC Submarkets

- Beaufort Submarket
- Bluffton Submarket
- Hilton Head Submarket
- Unincorporated Islands Submarket
- Northern Unincorporated Submarket
- Port Royal Submarket
- Southern Unincorporated Submarket



NORTH  
1:460,000

0 1.75 3.5 7 10.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## **Demographic Summary**

***Population and Household Growth has been Very Rapid in Beaufort County Since 2000 and is projected to Continue to Grow at Rapid Rates for the Foreseeable Future*** - The PSA (Beaufort County) experienced very rapid population and household growth between 2000 and 2017. During this time, the PSA's population grew by 55.0% (66,514 people), while the number of households grew by 63.6%, adding 28,959 households during this 17-year period. Between 2017 and 2022, it is projected that the PSA population will increase by 18,957 (10.1%) and the number of households will increase by 7,689 (10.3%). Additional details of demographic data and trends are included in Section IV. It is important to note that these projections assume no major changes occur such as large shifts in the employment base, new residential development follows recent trends, and no notable incentives to encourage economic or residential development activities are introduced over the next five years.

***Total Households in the County are Projected to Increase by more than 7,500 Between 2017 and 2022, Increasing the Demand for New Housing*** - The number of owner households are projected to increase by 5,393 (10.3% increase) between 2017 and 2022, while the number of renter households are projected to increase by 2,296 (10.3% increase) during this same five-year period. This growth will contribute greatly to the housing needs of the market.

***The Greatest Projected Growth by Household Age Group is expected to Occur Among Seniors*** - The largest share of households by age in the PSA in 2017 was among those between the ages of 65 and 74, which made up 22.3% of the households. While all household age segments are projected to grow between 2017 and 2022, the greatest growth is projected to occur among households ages 75 and older (3,747 new households, 34.6% increase), between the ages of 65 and 74 (1,711 new households, 10.3% increase), between the ages of 35 and 44 (1,367 new households, 13.7% increase), and between the ages of 25 and 34 (801 new households, 7.9% increase).

***Most of the Owner-Occupied Growth is Projected to Occur Among Higher-Income Households, though Low-Income Households are Also Projected to Increase Significantly*** - Overall, the largest income segment in the PSA in 2017 was among households earning between \$50,000 and \$74,999, representing one-fifth of households. All income segments are projected to grow between 2017 and 2022, with the greatest growth expected to occur among owner households earning between \$100,000 and \$149,999 (1,416 increase, 15.5%). Higher income households earning \$75,000 or more are projected to grow by 3,840 (11.5%) households, while low-income households earning less than \$35,000 are expected to grow by 2,178 (10.3%) by 2022.

***Most of the Renter-Occupied Growth is Projected to Occur Among Higher-Income Households, though Low-Income Households are Also Projected to Increase Significantly*** - In 2017, the largest number of *renter* households in the PSA had incomes between \$50,000 and \$74,999, with the next largest number making between \$35,000 and \$49,999. Combined, over 53% of the renter households in the PSA made between \$50,000 and \$99,999 in 2017. The greatest growth between 2017 and 2022 is projected to occur among households with incomes between \$75,000 and \$99,999 (512 new households, 20.1% increase), though notable growth is projected to occur among households with incomes between \$50,000 and \$79,999 (457 new households, 9.1% increase) and below \$15,000 (411 new households, 14.6% increase).

#### Economic Summary

***The Local Economy is Diverse, but Greatly Influenced by Tourism and Area Military Bases*** - The Beaufort County economy is relatively well balanced with no job sector comprising more than 20.1% of the overall employment base. The three largest industry sectors in the county include Accommodations & Food Service (20.1%), Retail Trade (16.0%) and Health Care & Social Assistance (13.0%). Beaufort County experiences a significant amount of tourism throughout the year due to its coastal location and that it is the home of the Parris Island Marine Corps Recruitment Depot and the Marine Corps Air Station. Between these two installations of the Marines, through family visitation and graduation ceremonies, they bring in nearly 200,000 visitors alone. The three previously mentioned industry sectors are likely heavily supported from tourism. In contrast, due to the area's recent adverse weather from several hurricanes and its negative impact on tourism, Beaufort County is shifting focus to develop plans to attract more high-tech manufacturing, distribution, bioscience, and information technology opportunities to the area.

***Recent Economic Trends have been Positive*** - While the Beaufort County economy was adversely impacted by the national recession from around 2008 to 2010, it was not as significantly impacted as much of the rest of the country. The Beaufort County employment base has experienced positive job growth since 2009, adding a total of 13,344 (23.2%) jobs during the past eight years. The annual job growth rate within the county has generally outpaced state growth, and has well outpaced national growth rates. Unemployment rates in the county have also stayed well below state and national averages for much of the past decade. After peaking at 8.7% between 2009 and 2011, the county's unemployment rate has declined in each of the past six years and reached a 10-year low unemployment rate of 4.0% as of October 2017.

***Public and Private Sectors Continue to Invest into the Local Economy, which will continue to Spur Economic Growth in the County*** - With multiple new business announcements and expansions, along with substantial public and private sector investments occurring in Beaufort County, it is likely that the local economy will continue to improve and expand for the foreseeable future. Notably, most of the new business openings and expansions reported fall within the service industry (as do the three largest job sectors for Beaufort County), which typically have low- to moderate-wages, and therefore, should be considered when evaluating current and future housing development needs.

#### Housing Supply Overview

***Despite the Amount of Rental Housing Product Developed in Recent Years, there Remains Limited Availability of Rental Units, Particularly Units Affordable to Lower Income Households*** - Based on Bowen National Research's survey of multifamily rental housing units, there were only 142 vacant multifamily units among the 5,963 units inventoried as part of this report, resulting in a relatively low vacancy rate of 2.4%. Typically, healthy and well-balanced markets have vacancy rates between 4% and 6%. The lack of available units is more pronounced among the product (Tax Credit and government subsidized) that is affordable to lower-income households, as there were only three vacant Tax Credit units (serving households with incomes up to 60% of AMHI) and no vacant units among the government subsidized units (serving households with incomes of up to 50% of AMHI). Wait lists at most Tax Credit and government subsidized projects are long. According to the local Housing Authority, the wait list for households to get a Housing Choice Voucher contains approximately 1,100 households. Based on our research, there appears to be a development opportunity for a variety of rental products, particularly for affordable rentals.

***While there are more than 2,800 housing units available to Purchase in the County, this Inventory does not meet Current or Future Housing Needs of Homebuyers*** - A total of 2,809 units were identified in the county as available to purchase in the county near the end of 2017 and early 2018. It is important to understand that a majority (70.4%) of the available product was priced above \$300,000, while only 10.2% was priced below \$200,000 and another 10.1% was priced between \$200,000 and \$299,999. Roughly 80% of the available supply in the PSA is priced at \$200,000 and higher, yet only one-half of all households (renters and owners) in the market can afford such product. As such, there appears to be an imbalance between the available housing supply and the product most households can afford.

***Household Growth of both Renters and Homeowners Over the Next Five Years is Projected to Outpace the Confirmed Units in the Residential Development Pipeline, Requiring the Development of Additional Units*** - It was confirmed that there are at least 2,400 residential units (rentals, for-sale and senior care) currently in the development pipeline that will likely be introduced into the market within the next 24 months. It is projected that Beaufort County will increase by nearly 7,700 households over the next five years. As a result, even with the new product that is

expected to be built, the market will require additional housing units over the next five years to keep pace with the projected growth in households. As shown in our Housing Gap Estimates, there will be demand for a variety of product at a wide range of affordability levels, including housing for both low- and high-income households, and consisting of both rental and for-sale product. Without the introduction of a sufficient number of housing units, the already limited availability of housing units will become scarcer.

***Despite the Inventory of Government Subsidized and Low-Income Housing Tax Credit Units Provided in the Market, Many PSA Residents are Still Cost/Rent Burdened*** – As shown in this report, there are virtually no vacant units among the surveyed Tax Credit and government subsidized rental product that is intended to provide affordable housing in the County, and a relatively small inventory of for-sale product priced under \$200,000. As a result, many lower-income households have to choose from various market-rate rental or higher priced for-sale housing alternatives that are not considered affordable to many of these households. Households that are “cost burdened” (typically paying 30% or more of their income towards housing costs) or “severe cost burdened” (typically paying 50% or more towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. Among Beaufort County’s *renter* households, a total of 9,370 (47.4%) are cost burdened and 3,883 (19.6%) are *severe* cost burdened. In South Carolina, these ratios are 45.7% and 23.3%, respectively. A total of 15,463 (33.5%) *owner* households are cost burdened, while 6,613 (14.3%) are severe cost burdened. The greatest shares of severe cost burdened *renter* households are in the City of Beaufort (21.8%) and Northern Unincorporated (21.6%) submarkets, while the greatest share of severe cost burdened *owner* households is within the Town of Hilton Head Island (18.8%) and City of Beaufort (16.0%) submarkets. As such, maintaining the existing stock of affordable housing and expanding affordable housing alternatives will be an important part to Beaufort County’s future housing plans.

***Given the Relatively Large and Rapidly Growing Base of Seniors in the County and the Lack of Available Senior-Oriented Housing Alternatives, There Appears to be a Need for Additional Senior Housing*** – The largest share (22.3%) of households by age in the County in 2017 was among those between the ages of 65 and 74. By 2022, it is projected that households between this same age group will still represent the largest share (22.3%) of households and those age 75 and older will represent the second largest share (17.7%). The greatest growth in the PSA between 2017 and 2022 is projected to occur among elderly households ages 75 and older (3,747 new households, 34.6% increase) and seniors ages 65 to 74 (1,711 new households, 10.3% increase). Submarkets that are projected to experience mostly senior household growth include the Town of Hilton Head Island, the Southern Unincorporated area and the Unincorporated Islands area. Based on these trends, it will be important for the future Beaufort County housing market to include additional senior-oriented housing that meets mobility, affordability, and service needs of the senior population.

## Housing Gap Estimates

Since the development of new housing in the PSA (Beaufort County) could include a variety of financing options and levels of affordability, our estimates for the number of new residential units that can be supported consider a variety of income levels. For the purposes of this analysis, we have segmented *rental* housing demand into five income segments, while the *for-sale* housing demand considers only the three highest income stratifications.

The following table summarizes the income segments used in this analysis to estimate potential housing demand. (Note: Maximum income limits were *generally* based on the published HUD income limits of a four-person household for each respective Area Median Household Income level)

Household Income Segments	
Household Type (% AMHI)	Income Range
Extremely Low-Income (<30% of AMHI)	<\$20,000
Very Low-Income (31% to 50% of AMHI)	\$20,000 to \$34,999
Low-Income (51% to 80% of AMHI)	\$35,000 to \$59,999
Moderate-Income (81% to 120% AMHI)	\$60,000 to \$84,999
High-Income (Above 120% AMHI)	\$85,000+

AMHI – Area Median Household Income

While different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, households who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners/management and lenders impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management/lender qualifying procedures (i.e. review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available.

For details on assumption and methodology of the housing gap estimates, please see Section VIII: Housing Gap/Demand Analysis.

**Rental Housing Demand** - The table below illustrates the housing gap estimates for rental units targeting various income segments considered in this analysis.

2017 - 2022 Rental Demand Potential by Income Level & Rent Beaufort County, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	443	85	489	479	611
Units Needed for Balanced Market	126	217	252	80	71
New Household Formations	245	247	383	241	219
Replacement Housing Needed	135	136	211	133	121
Total External Market Support	51	60	85	45	41
Gross Demand of Units Needed	1,000	745	1,420	978	1,063
Units in the Development Pipeline (Planned Projects)	-19	-201	-565	-599	-660
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>981</b>	<b>592</b>	<b>807</b>	<b>379</b>	<b>403</b>

Based on the preceding demand estimates, it is clear that there is a notable level of demand among all household income levels within Beaufort County. There is an overall housing need for over 3,100 additional rental units in the county over the next five years, even when more than 2,000 rental housing units in the development pipeline are considered. While the greatest need appears to be for the lowest income households, there is also a significant need for moderate-income and high-income households. As such, future rental housing development should consider a variety of rent and income-eligibility levels. Housing Gap estimates for individual submarkets are provided in Section IX, while long-term (2017 to 2027) housing gap estimates for the overall county are provided in Section VIII.

**For-Sale Housing Demand** - The following table summarizes the potential market support for new for-sale housing in the PSA (Beaufort County) by 2022.

2017-2022 For-Sale Housing Demand by Income Level & Price Point Beaufort County Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	1,006	467	2,574
Units Required for a Balanced Market	92	-264	-1,327
Total Potential Household Formations	310	161	146
Total Replacement Housing	126	47	0
Total External Market Support	11	0	0
Gross Demand of Units Needed	1,545	411	1,393
Units in the Development Pipeline (Planned Projects)	-266	0	-26
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>1,279</b>	<b>411</b>	<b>1,367</b>

As the preceding table illustrates, there is a need for up to 3,057 for-sale housing units within Beaufort County over the next five years. Despite the fact that the greatest number of housing units currently available to purchase in the county is product priced at \$300,000 and higher, this product pricing level appears to have the greatest remaining need over the next five years due to the very large amount of growth projected to occur among the highest income households. There is a nearly equal need for product priced under \$200,000, primarily due to projected household growth and limited available supply.

**Senior Care Housing Demand** - Senior care housing encompasses a variety of alternatives including residential care/assisted living facilities and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. However, there will be seniors seeking independent living with services, such as congregate care housing. We have addressed each of the different levels of senior care housing in this report.

Our estimates account for persons age 65 and older (congregate care), age 75 and older (assisted living) and age 85 and older (nursing care) that would require some level of services or assistance with Activities of Daily Living, if not full nursing care services. While a variety of product types, bedroom/unit types and pricing structures could be offered, we have assumed a base monthly price model of \$1,600 for congregate care, \$2,500 for assisted living and \$6,000 for nursing care housing based on the existing local market supply. We have used all of the PSA (Beaufort County) when assessing the base of potential support for senior care housing in Beaufort County. These estimates cover the potential housing need by 2022.

Senior Care Housing Needs Estimates			
Senior Care Housing Demand Components	Congregate Care (Age 65+)	Assisted Living (Age 75+)	Nursing Homes (Age 85+)
Total Income & Asset Qualified Households	21,981	16,707	3,436
Multiplied by Share of Housing Requiring ADL or NC	N/A	17.0%	32.7%
Total Senior Affliction Rate*	N/A	2,840	1,124
Multiplied by Typical Institutionalization Rate	20.0%	33.3%	50.0%
Gross Total Beds Needed	4,396	937	562
External Market Support**	488	234	141
Less Competitive Beds	-3,717	-300	-145
Less Beds in the Development Pipeline	-66	-202	-105
Net Total Beds Needed	1,101	669	453

ADL – Activities of Daily Living

NC- Nursing Care

\*Share of ADL was based on data provided by the U.S. Centers for Disease Control and Prevention’s *Summary Health Statistics for U.S. Population National Health Interview Survey*

\*\*Assumes at least 20% of the support will originate from outside of Beaufort County

Based upon senior population characteristics and trends, applying the ratio of persons requiring ADL or nursing care services and considering income/asset requirements, we estimate that there is potential support for up to 2,223 total senior care housing units that provide congregate care (e.g. housekeeping, dining facilities, etc.) or ADL services in Beaufort County over the next five years. The largest need will be for housing with basic services, but assisted living and nursing care services will also be an important housing need for seniors in the years ahead.

### **Housing Market Needs & Priorities**

The following summarizes the key housing needs and housing priorities of the *overall county*. Individual submarket-level housing needs and priorities are summarized at the end of this Executive Summary.

***Develop Housing Plans and Goals that meet the Specific Needs of the Different Areas of the County (High Priority)*** – While the overall county has clear housing needs, many of which are shared between individual communities, there are also housing needs that are distinct to the individual communities and areas of the county. As such, housing plans and goals should be developed that meet the *specific* needs of the different geographic areas of the county. We have provided individual recommendations that address housing needs and priorities for the seven individual submarkets considered in this report. These recommendations, which are discussed starting on page II-14, should be used as guides towards developing housing priorities and plans for these submarkets and the county overall.

***Support Affordable Rental Housing for Lower- and Moderate-Income Households (High Priority)*** – Based on Bowen National Research’s survey and inventory of various existing rental housing alternatives currently offered in the county, there is very limited availability of rental housing product. While normal vacancy rates in healthy and well-balanced markets are typically around 4.0% to 6.0% for rental housing, the overall Beaufort County multifamily supply has a vacancy rate of less than 3.0%. As such, vacancy rates are low in Beaufort County, indicating a shortage of rental product. This lack of housing is more pronounced among housing that serves moderate-income households, (generally earning between 80% and 120% of AMHI) and lower-income household segments (generally earning below 80% of AMHI). While vacancy rates are low among all rental housing segments, there are very few vacancies among product that serves lower-income households such as Tax Credit projects that have an overall vacancy rate of just 0.3% and government-subsidized product that has an overall vacancy rate of 0.0%. Most of these “affordable” projects have long wait lists. Based on the large number of responses from area stakeholders and residents, it appears that rental housing that is affordable to low- and moderate-income households and in particular, service industry (i.e. retail, hospitality, restaurant workers, etc.) and public service workers (i.e. police officers, fire fighters and teachers), should be an area of focus for future housing development. Based on the findings contained in this report, future housing plans should address rental housing that is affordable to households with incomes between 80% and 120% of AMHI and lower-income households earning up to 80% of AMHI.

***Support Efforts to Enable Older Adults and Seniors to Transition into Housing to Meet Their Specific Needs (High Priority)*** – Beaufort County has a large share of senior (age 65+) households, which are projected to experience the greatest growth in the county over the next several years. Between 2017 and 2022, senior households are projected to increase by 5,458 (19.9%). While many of these households will be older adults aging in place, a large number of these seniors will also be new to the area. As a result of this expected growth, new housing will need to meet the needs of seniors that become empty nesters (result of children moving out of their parent’s homes) and/or who for personal or financial reasons reach a point when they seek to downsize into smaller and more maintenance-free living environments. New housing product for seniors that should be considered include independent living rentals, senior care housing (residential care/assisted living facilities and nursing homes), and for-sale condominiums.

***Encourage Development of For-Sale Housing Affordable to Moderate- and High-Income Households (High Priority)*** – A total of 2,809 for-sale housing units were identified as being available to purchase in the county. When considering these available units with the estimated 52,244 owner-occupied households in the county, the for-sale housing market has a 5.0% vacancy rate, which is slightly above the typical 3.0% vacancy rate seen in most balanced and healthy for-sale housing markets. However, in high growth areas with a strong presence of vacation/seasonal housing available for purchase, a 5.0% vacancy rate is more typical. It is important to point out that nearly three-fourths (70.4%) of the available for-sale product is priced at \$300,000 or higher, yet this price point is not affordable to half of the households in the county. There are approximately 386 available for-sale housing units priced between \$150,000 and \$250,000, yet the number of households that would generally have the incomes (\$50,000 to \$74,999) that could afford and would likely respond to product at this price range is projected to increase by nearly 800 households over the next five years. Therefore, the existing inventory of product priced between \$150,000 and \$250,000 is insufficient to meet the projected need. Additionally, while the largest number of homes available in the market is priced at \$300,000 and higher, the number of households (earning \$100,000 or more annually) that can reasonably afford and would respond to product at or above \$300,000 is projected to grow the most through at least 2022. The 1,978 available units at \$300,000 or higher is far short of the 2,673 additional households that will be added to the market that can afford this price point. Therefore, the market will need additional product priced at \$300,000 and higher to meet the projected growth of high-income households.

***Adopt a Balanced Approach to Developing Housing Plans and Goals that meet the Broad Housing Needs of the County (High Priority)*** – The combination of the broad and significant household growth that is projected across the county in the years ahead and the lack of *available* housing inventory among all levels of affordability indicates that the housing needs of the county cover a broad spectrum of affordability levels and product types. While current housing shortages are more pronounced among product affordable to lower-income households and need to be addressed, the projected household growth among higher income households is significant and the market will need to provide housing to meet this growth as well. Additionally, growth is projected to be robust among both renter- and owner-occupied households and among both younger and older adult cohorts, providing further evidence that future housing development will need to be diverse to meet the varied needs of each of these household segments.

***Support Residential Development of Product that will Appeal to Millennials and Young Professionals (Moderate Priority)*** – Between 2017 and 2022, Beaufort County is projected to experience an increase of 801 (7.9%) households between the ages of 25 and 34, which are generally classified as millennials, many of which would be young professionals. The current housing stock offers limited availability of product that would appeal to and that is affordable to most millennials and young professionals. While the housing product, features and locations of housing that might appeal to young adults will vary, it is believed that residential product designed with modern features and generous amenity packages, and located within a reasonable walking distance of desirable community services and attractions, would appeal to most millennials and young professionals. As a result, it is recommended that product located in walkable communities, possibly near the downtowns of some of the larger communities in the county, be considered for development that serves the young adult population. Products in established areas, possibly within mixed-use projects with first-floor retail or retail within walking distance should be considered.

***Continue Efforts to Maintain the County's Existing Housing Stock (Moderate Priority)*** – While the Beaufort County housing stock is relatively modern, some (9.7%) existing residential units were built prior to 1970 and are showing signs of disrepair and deferred maintenance. It will be important for the long-term outlook of Beaufort County that the older housing stock is maintained to expected community standards. The preservation of such housing will help extend the usefulness of existing housing, reduce the need for new housing, help to maintain or increase property values, possibly reduce crime, encourage the maintenance of other housing and neighborhoods, and encourage additional neighborhood investment.

## *Housing Strategies*

The following is an outline of potential strategies that should be considered for implementation which can ultimately assist the county and local governments/communities in meeting its housing objectives. The strategies were organized by general categories: Policies, Financing, Initiatives and Planning/Oversight.

### *Policies*

---

The following summaries potential government policies or regulatory tools that the county and/or local governments should consider which could encourage specific types of residential development that the community may seek to provide or support.

***Implement Inclusionary Zoning for Targeted Residential Projects*** – One tactic to add housing product that is affordable to lower-income households is to implement inclusionary zoning. Inclusionary zoning requires developers to include a percentage of affordable housing units in new residential developments. The affordability level of the designated units can target one or more income groups, such as households earning a certain percentage of the area’s median income. For for-sale housing, the resale price of the affordable units is typically restricted for a set number of years, ensuring that they remain affordable for some time.

***Offer Density Bonus to Developments that Achieve Public Policy Goals*** – Another strategy to encourage the development of affordable housing is for local government entities to offer a density bonus for projects that meet public policy goals. A density bonus is an incentive-based tool that permits developers to increase the maximum number of units developed on a property in exchange for helping the community achieve public policy goals. The cost of providing the affordable units is offset with a density bonus. The government entity could enable a tiered approach whereby the greater number of affordable housing units included in a developer’s project allows the developer a greater density up to a certain point that is acceptable to the community.

***Establish Expedited Permitting Processes for Targeted Residential Projects*** – Development costs associated with an extended development timeline are often a primary factor in impacting the rents or prices that are ultimately passed on to consumers. In an effort to keep costs down, government entities should consider expediting the permitting process for projects they deem to fit the overall community’s goals (e.g. affordable, senior, etc). Such projects could be made a priority in the various review and permitting processes that will appeal to developers.

***Waive/Reduce Residential Development Fees to Support Targeted Residential Projects*** – An additional method to reduce residential development costs and incentivize the development of housing that is affordable to lower-income households is to waive or reduce development fees associated with such things as zoning or building permit costs, impact fees, or tap fees. The reduction of fees could be tied to the amount of affordable housing that is built, whereby developers that offer a greater number or target the lowest income households receive the greatest

reduction in fees. The waiver or reduction of fees can also be applied to other development product types (e.g. senior housing) that the community may have established as a priority.

***Offer Tax Abatements for Targeted Residential Projects*** – Local government entities could provide tax abatements for residential projects that offer product types that meet certain public policy goals (e.g. housing affordable to low-income households, senior housing, etc.). The reduction of taxes would help developers keep residential development costs low, which would enable them to keep the rents and prices they charge lower.

## ***Financing & Resources***

---

While the need for affordable housing in the county is significant, the financing of such product can be a challenge for developers. The following summarizes potential housing finance strategies and resources that may assist in supporting residential development within the county.

**Issue a Housing Bond** – The county may want to pursue raising money to support affordable housing initiatives through the issuance of a housing bond. Housing bonds are debt securities issued by state or local governments to raise money for affordable housing development. Housing bonds can either be short- or long-term issuances. Housing bonds can be issued on behalf of qualified profit and non-profit developers to finance low-income multifamily and senior housing projects. The proceeds from housing bonds may also be issued to provide low-cost mortgage financing to low-income families or individuals so they can purchase a home. The county may want to look at Charleston, South Carolina and the bond issue recently approved by voters there in late 2017, as this bond is expected to be repaid by revenue generated from housing developed through the bond and not by a tax increase.

**Establish Local Housing Trust Fund** – Consider establishing a housing trust fund to assist in the financing of affordable housing. This housing trust fund can be supported through various means including a bond issue, in-lieu fees, impact fees, penalties on late property tax payments, tax increment financing and other means. It is recommended that the county explore the possibility of establishing a housing trust fund and identify potential resources for funding it. Once established, the fund may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing.

**Explore Grant Funding Opportunities** – Federal and state grants are often used as a financial resource to address housing issues. These are often targeted to specific housing uses such as addressing blight, supporting downtown redevelopment and repairing/maintaining existing housing. Within South Carolina, notable grants include the South Carolina Safe Home Program (make properties more resistant to hurricane and high-wind damage), HOME Program (funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits), and Community Development Block Grants (funds for infrastructure or

other activities to support affordable housing, minor repairs, energy efficiency improvements, handicap accessibility, demolition and clearance of vacant and dilapidated properties). The county and individual eligible communities should explore grant opportunities related to housing and consider establishing its own grants tied to addressing specific housing issues and priorities in the county.

**Establish Down Payment Assistance for Lower-income First-Time Homebuyers**

– While the limited number of *available* for-sale housing units priced under \$200,000 in the county is relatively low, an additional challenge for lower-income households (generally earning below 80% of AMI, or below \$60,000) is the difficulty securing a loan with a reasonable interest rate and/or having sufficient funds to make a down payment on a home. SC Housing, South Carolina’s housing finance authority, offers mortgage loans and down payment assistance to help lower income households buy a home. Beaufort County government entities may want to establish a similar program to assist lower-income households seeking to buy a home in the county. Additionally, the county may want to explore establishing a program similar to SC Housing’s Palmetto’s Heroes Program, enabling first-time homebuyers within specified professions (e.g. law enforcement officers, firefighters, EMTs, Paramedics, correction officers, teachers, nursing and nursing aides, SC National guard and veterans) to secure low-interest mortgages and down payment assistance.

**Establish a Revolving Loan Fund for Residential Maintenance & Repairs –**

While the local housing stock is relatively modern, some of the local housing supply is showing signs of its age or suffering from disrepair and deferred maintenance. The county may want to consider establishing a low- or no-interest revolving loan program for lower-income households that will enable them to access money (typically up to a set amount, often around \$5,000) necessary for documented home repairs and maintenance. Such funding will enable lower-income households the ability to preserve existing housing which, in turn, will prolong the usefulness of the older housing stock and help to maintain property values in older and often, lower-income areas. The funds are often paid back by borrowers, enabling the funds to be re-used by other qualified homeowners.

***Initiatives***

---

The following is a summary of potential initiatives that should be considered and would support targeted residential development within the county and its communities.

***Establish an Affordable Housing Land Trust (Community Land Trust) -***

A Community Land Trust is a private nonprofit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. Land is taken out of the market and separated from its productive use so that the impact of land appreciation is removed, therefore enabling long-term affordable and sustainable local development. Through CLTs, local residents and businesses participate in and take responsibility for planning and

delivering redevelopment schemes. Such a land trust in Beaufort County could focus on supporting affordable housing alternatives.

***Support/Encourage Residential Land Leases to Reduce Initial Development Costs***

- Land lease is a type of financial arrangement in which the ground under a structure is leased, rather than sold to the builder, meaning that the land and the structure are owned independently. There are several reasons to enter such a contract, but it occurs most commonly when a real estate investor wishes to retain a piece of land, but not necessarily put energy into developing it. In this instance, the investor might work with a developer to create a land lease contract, allowing the developer to build a structure and rent or sell it, with the understanding that the land is leased and does not come with the building. This type of arrangement is more common in urban areas, and is often associated with cooperatives or tenant-owned buildings.

***Encourage or Establish Public-Private Partnerships to Support Targeted Residential Development***

– While affordable housing alternatives were identified as an overarching need within the county, it was also determined that specific employment sectors have difficulty securing housing within the county or portions of the county. Public-Private partnerships should be established to support the development of affordable housing that serves groups such as teachers, police, firefighters, and hospitality (e.g. lodging, restaurants, etc.) industry workers. Possible housing projects may include employer-sponsored down-payment assistance, project-based rental subsidy/stipend or other assistance to help reduce housing costs of targeted professions.

***Support Adaptive Reuse of Existing Vacant/Unused Structures for Residential Purposes***

– While it was not a focus of this Housing Needs Assessment, dozens of existing structures were observed in the county that were vacant/unused structures that represent potential adaptive reuse opportunities. Such structures could have lower development costs, as they should have existing infrastructure. This, in turn, would increase the likelihood that such redevelopment could include affordable housing options. Additional benefits of redeveloping these vacant structures include improved neighborhood appeal, helping maintain or improve property values, and adding to the tax base.

***Support Projects Developed with Low-Income Housing Tax Credit Financing for Rental Housing Development***

- Federal low-income housing tax credits are another source of capital that may be used instead of or in addition to housing bonds in order to finance affordable housing projects. In exchange for the Tax Credits, developers are required to keep units affordable to low-income households for an extended period.

***Make Filling the Housing Enrichment Coordinator Position a Priority*** – Beaufort County currently has a position available for a Housing Enrichment Coordinator. This housing coordinator position will be a critical part of helping the county and communities of meeting their housing needs. Given the large and broad scope of the county’s housing needs, the diversity of potential funding sources, and the complexity of housing issues, it will be important that this position is filled as soon as reasonably possible by an experienced professional. Continued efforts should be made to promote this position, including outreach efforts that may need to be expanded.

## ***Planning & Oversight***

---

***Set Realistic Housing Goals and Objectives*** – Using the housing needs estimates and recommendations outlined in this Housing Needs Assessment as guidelines, the county should set realistic and achievable goals for the next five to 10 years. Such goals should include establishing the number of housing units that should be built, broadly outline the types of housing (rentals and for-sale) that should be supported, and outline affordability (rent/price and corresponding income levels to be served) objectives and market segments (e.g. families, seniors, special needs, etc.). Some consideration may be given to geographical area housing needs, as well. From such goals the county and individual communities can develop policies and initiatives to help achieve established goals.

***Develop Next-Steps Plans with the Lowcountry Affordable Housing Coalition and Interested Parties*** – While this Housing Needs Assessment includes housing needs estimates and provides recommendations and strategies to address housing issues, the community will need to find consensus on how to move forward into the future. Through community input from organized focus groups and/or community meetings, efforts should be made to begin to prioritize housing objectives and refine housing strategies that best fit the overarching goals of the community.

***Monitor Residential Housing Market Conditions and Effectiveness of Housing Initiatives on a Periodic Basis*** - Due to the county’s significant population and household growth that is expected in the years ahead, the amount of residential product in the development pipeline, and potential initiatives that are expected to be implemented to address housing, it will be important that the housing market is monitored and evaluated on a regular basis (possibly annually). Baseline metrics that can be evaluated include a sample survey of area multifamily rentals (evaluating vacancy and rental rate increases), for-sale housing alternatives (inventory of available supply by price point and evaluation of changes in annual home prices), and senior care alternatives (evaluation of vacancy and rental rates). Comparing these key housing market metrics periodically will allow the county to determine how market conditions are changing, evaluate the effectiveness of housing policies or initiatives, and determine if the county is meeting its established housing goals. Based on such an assessment, the county can adjust its strategy, as needed.

Additional recommendations and priorities that are specific to the seven individual submarkets considered in this report are on the following pages. While we did not provide individual housing strategies for each submarket, many of the county-side strategies recommended earlier in this Executive Summary could be considered for the individual submarkets. These submarkets include the following:

- City of Beaufort
- Town of Bluffton
- Town of Hilton Head Island
- Town of Port Royal
- Northern Unincorporated
- Southern Unincorporated
- Unincorporated Islands

For maps and additional data and analysis of these submarkets, please refer to Section IX: Submarket Analysis.

## Submarket Recommendations

### City of Beaufort Submarket

**Support Senior Residential Alternatives** – The largest share of households in the city consist of senior households, ages 65 and older. Between 2017 and 2022, the greatest household growth by age group is projected to occur among senior households between the ages of 65 and 75, and 75+. As such, senior-oriented housing should be one of the housing segments given priority in this city, including housing that will enable seniors to downsize and age-in-place.

**Support Development of Both Market-Rate and Affordable Housing Alternatives** – Due to the lack of available rental product among all affordability levels and the limited inventory of for-sale product priced under \$300,000, the market appears to have a housing shortage across a wide range of rents/price points and tenure (rentals and for-sale product). It is worth pointing out that while the largest share of available for-sale product is priced at \$300,000 and higher, the households that can afford product at this higher price point is expected to experience notable growth over the next few years. Therefore, higher priced for-sale housing will also need to be developed to meet this projected growth. Overall, the City of Beaufort should adopt a balanced approach that encourages development of new rental product that serves a broad spectrum of affordability levels.

**Support Development of Affordable Housing Alternatives** – According to the survey of the City of Beaufort residents that was part of this Housing Needs Assessment, affordability appears to be the most common housing issue facing residents. Based on Bowen National Research’s survey of rental and for-sale housing alternatives in the City of Beaufort, there is a very limited inventory of available product, particularly product that is affordable to lower-income households. According to ACS estimates, 47.5% of renters and 29.8% of homeowners are cost burdened, which are considered households paying a disproportionately high share of income towards housing costs. The city would benefit from the introduction of product that is affordable to lower-income households, generally earning up to 80% of Area Median Household Income.

### Town of Bluffton Submarket

**Support Housing Product that will Appeal to Millennials and Younger Families** - The greatest projected growth by age group in the Town of Bluffton between 2017 and 2022 is projected to occur among millennials (ages 25 and 34) and among young families (ages 35 and 44). As a result, it will be important for the Town of Bluffton to support development that will appeal to both millennials and younger families. Mixed-use product within walking distance of downtown Bluffton would likely appeal to millennials, while single-family homes, including entry-level housing, would likely appeal to many family households. Such product types should be priorities for the town.

**Support Empty-Nester and Senior-Oriented Residential Alternatives** – While the greatest household growth by age group is projected to occur among younger households, it is also projected that between 2017 and 2022 the number of households ages 55 and older will increase by more than 300. As such, it is recommended that the Town of Bluffton support new housing product that will allow older adults (ages 55 to 64) and seniors (ages 65 and older) to downsize and/or transition into housing that will meet their changing housing needs. Smaller rental and for-sale product, including condominiums, should be considered for potential development.

**Support Development of Housing Alternatives that are Affordable to Lower- and Moderate-Income Households** –Based on Bowen National Research’s survey of local housing alternatives, there are no *vacant* Tax Credit rental units (serving households with incomes of up to 60% of AMHI) or government subsidized rental units. Additionally, there are only 15 available homes priced under \$200,000. As such, there appears to be minimal available housing stock that is affordable to households earning less than \$60,000. The Town would benefit from the introduction of product that is affordable to lower-income households, generally earning up to 60% of Area Median Household Income.

### **Town of Hilton Head Island Submarket**

**Support Senior Residential Alternatives** – The largest share of households in the Town of Hilton Head Island consists of senior households, ages 65 and older, representing nearly one-half of all households. Between 2017 and 2022, the greatest household growth by age group is projected to occur among senior households between the ages of 65 and 75, and ages 75 and older. As such, senior-oriented housing should be one of the housing segments given priority in the Town of Hilton Head Island, including housing that will enable seniors to downsize and age-in-place.

**Support the Development of Moderate and High-end For-Sale Housing** – Although over 80% of all available for-sale product in the Town of Hilton Head Island is priced at \$300,000 or higher, the 734 units at this price point will fall far short of the demand that is expected to be generated from the projected household growth of higher-income households over the next few years. This is also true of more moderate-income households earning between \$75,000 and \$99,999 and who can afford product generally priced between \$200,000 and \$299,999, yet there is limited supply of such product. It is projected that the Town of Hilton Head Island will experience an increase of approximately 350 households earning \$150,000 or more and an additional 349 households earning between \$75,000 and \$99,999. Therefore, the Town of Hilton Head Island will need to support development that will meet the needs of these moderate- and higher-income homebuyers.

**Support the Development of Affordable Housing Alternatives that will Bring More Balance to the Town of Hilton Head Island Housing Market** – As shown in Bowen National Research’s survey of area multifamily rental alternatives, there are no vacancies among the surveyed Tax Credit (serving households with incomes of up to 60% of AMHI) or government subsidized (serving households with incomes of up to 50% of AMHI) projects in the market. In fact, wait lists for this affordable product are long, illustrating the pent-up demand for such housing. Our inventory of available for-sale product illustrates that there are only 61 homes currently listed as available for purchase that are priced below \$200,000. As such, the market has a shortage of product generally affordable to households with incomes below \$60,000. Given the projected growth that is expected to occur among these lower-income households, there will be an increased demand for housing to serve these particular households. Based on the survey of the Town of Hilton Head Island residents, the greatest housing need in the market is for rental housing that will serve both low- and moderate-income households. Based on these findings, it will be important that the Town of Hilton Head Island support the development of rental product that is affordable to lower-income households, generally earning below \$50,000, and for-sale product that is affordable to moderate-income households, generally earning between \$50,000 and \$74,999. The development will put the market more in balance and enable the Town of Hilton Head Island to provide adequate housing for much of its more moderate-income population, particularly those in the service industries (retail, hospitality, restaurants, etc.) and public sector employees (e.g. teachers, police, firefighters, etc.).

### **Town of Port Royal Submarket**

**Support Family and Senior Residential Alternatives, Both Rental and For-Sale Product** – Between 2017 and 2022, the greatest growth by age is projected to occur among households between the ages of 35 and 44, though notable growth is also projected to occur among seniors ages 65 and older. As such, family-oriented housing should be one of the housing segments given priority in this submarket, as well as senior-oriented housing product that will accommodate the specific needs of seniors and will allow them to age-in-place. Given that the Town of Port Royal is projected to increase by 384 households over the next five years and this growth is expected to be relatively evenly distributed between renter households and owner households, future development should be balanced between both new rental product and new for-sale product.

**Support Development of Affordable and Market-rate Rental Housing Alternatives** – Based on Bowen National Research’s survey of multifamily rental alternatives, there are very few market-rate rental units available to rent and all of the Tax Credit (serving households with incomes of up to 60% of AMHI) and government subsidized (serving households with incomes of up to 50% of AMHI) are fully occupied. As such, there is a clear shortage of multifamily rental housing. The need appears to be greatest for product serving lower-income households, as evidenced by their 100% occupancy rates and wait lists for such product. The town would benefit from the introduction of affordable (Tax Credit and government subsidized) and market-rate product.

**Support a Broad Mix of For-Sale Residential Development Alternatives** – While the Town of Port Royal offers one of the more diverse mixes of available for-sale housing inventories in the county, this inventory consists of only 135 available units. It is projected that between 2017 and 2022, the town will add an estimated 175 owner-occupied households, an increase of 12.2% during this five-year period. As a result, the current inventory of available for-sale product is insufficient to meet the anticipated need for new for-sale product in the years ahead. It appears that half of the growth will be among households that will be able to afford product priced under \$200,000, while nearly one-half of the growth will be among households able to support product priced above \$300,000. Therefore, the town will need to support the development of new for-sale product that meets the needs for both pricing segments.

### Northern Unincorporated

**Support Both Senior and Family Residential Alternatives** – Between 2017 and 2022, the greatest growth is projected to occur among households between the ages of 35 and 44, though growth among seniors ages 65 and older is also expected to be significant in this submarket. As such, family-oriented housing should be one of the housing segments given priority in this submarket, along with senior-oriented product. This should include a mix of both rentals and for-sale product.

**Support Development of Affordable and Market-Rate Rental Housing Alternatives** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning below \$15,000 and between \$35,000 and \$49,999. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-income households.

**Provide More Balance to the Market by Adding For-Sale Housing** – While the Northern Unincorporated Submarket offers 136 for-sale housing units that are currently available for purchase, the number of owner-occupied households that are projected to be added to the market over the next five years totals 583 households. As a result, this submarket lacks sufficient for-sale housing to meet the growing need for such product. Given that projected owner-household growth is expected to occur among low-, moderate- and high-income households, the submarket would benefit from for-sale product that offers a variety of price points.

### Southern Unincorporated

**Support Millennial, Family and Senior Residential Alternatives** – Between 2017 and 2022, the greatest growth is projected to occur among households ages 75 and older, with notable growth also projected to occur among households between the ages of 35 and 44 and between the ages of 25 and 34. As such, the market will need to introduce a variety of projects with designs and features that can meet the diverse base of new households that are expected to be added to the market. This should include a mix of both rentals and for-sale product.

**Support Development of Affordable and Market-Rate Rental Housing Alternatives** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. There are no government subsidized projects of notable size offered in the submarket. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning between \$35,000 and \$49,999 and between \$50,000 and \$74,999. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-and moderate-income households.

**Support the Development of For-Sale Housing to Keep Pace with Projected Owner Household Growth** – While the Southern Unincorporated Submarket offers 498 for-sale housing units that are currently available for purchase, the number of owner-occupied households that are projected to be added to the market over the next five years totals 1,407 households. As a result, this submarket severely lacks sufficient for-sale housing to meet the growing need for such product. While owner household growth is projected at a variety of income levels, more than half of the projected growth is expected to occur among households earning \$100,000 or more. As a result, a notable portion of new for-sale housing development will need to be product priced at or above \$300,000 in order to keep pace with the projected growth of high-income households, though lower priced product will also need to be supported.

### Unincorporated Islands

**Support Millennial, Family and Senior Residential Alternatives** – Between 2017 and 2022, the greatest growth is projected to occur among households ages 65 and older, with notable growth also projected to occur among households between the ages of 25 and 34 and between the ages of 35 and 44. As such, the market will need to introduce a variety of projects with designs and features that can meet the diverse base of new households that are expected to be added to the market, including both rentals and for-sale product.

**Support Development of Affordable and Market-Rate Rental Housing Alternatives** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. There are no government subsidized projects of notable size offered in the submarket. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning \$100,000 and higher. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-and higher-income households.

**Support the Development of For-Sale Housing that is Affordable to Lower- and Moderate-Income Households** – While the submarket offers 716 for-sale housing units that are currently available for purchase, 72.9% are priced at \$300,000 and higher. The 194 available units that are priced under \$300,000 are insufficient to meet the projected growth of several hundred new owner households earning less than \$100,000 that are expected to be added to the market over the next five years and who will seek housing priced under \$300,000. In fact, a majority of the need will be for product priced under \$200,000.

### III. Community Overview and Study Areas

#### A. Beaufort County, South Carolina

This report focuses on the housing needs for citizens (both current and future) of Beaufort County, South Carolina. Beaufort County is located in the far southeast portion of South Carolina. The county is the tenth largest county in the state, based on total population in 2016. The county consists of a total of nearly 600 square miles (over 300 additional square miles consist of water) and is bounded by Colleton County to the north, the Atlantic Ocean to the east, the Savannah River to the south, and Jasper County to the west. Primary highways serving the county include state routes 170, 280 and 802 and U.S. Highways 17, 21 and 278. The city of Beaufort serves as the county seat.

The Spanish discovered what is now Beaufort County in 1514 and for many years the Spanish and the French would try to settle here with great difficulty, usually either by warring with each other or with Native Americans. By the late 1500's, the English had come to the area and drove out the Spaniards. In 1663, King Charles II, granted the land to eight British Lords and they were the ones to name the area Carolina in honor of King Charles I. When they settled here, they created their economy based on plantations like they had in the West Indies. They brought slaves to work on the plantations, which produced indigo, cotton and rice. By the early 1700's, the majority of the population in Beaufort were slaves from Africa.

In 1776, Thomas Haywood Jr., a local plantation owner, signed the Declaration of Independence and with his and the signature of another 55 men, would be the beginning of the Revolutionary War. Hilton Head was constantly under attack during the Revolutionary War as they sided with the Patriots and a British encampment was nearby. Before the Revolutionary War, indigo was the main export from the area, and the British had been the main consumers of it. However, after the war, the British had ceased buying the indigo and farmers started growing sea island cotton, which then became highly demanded throughout the world.

In 1915, the United States Marine Corps created a base on Parris Island. Today, it's one of only two training camps in the country and close to 20,000 Marines graduate from the Marine Corps of Parris Island every year.

By the early 1900's the economy was based mostly upon fishing, lumber and agriculture. However, over recent decades Beaufort County has become known as a vacation spot for water recreation, golfing and the location of many historical sites and other attractions. As a result, tourism has become a major industry for Beaufort County.

Additional information regarding the County's demographic characteristics and trends, economic conditions, housing supply, community services and other attributes and challenges are included throughout this report.

## **B. Study Areas - PSA & Submarkets Delineations**

This report addresses the residential housing needs of Beaufort County, South Carolina. To this end, we have evaluated the demographic and economic characteristics, as well as the existing housing stock, of Beaufort County. Additionally, per the county's request, we have conducted analysis of key metrics of seven selected submarkets within the county. These submarkets were established as "Planning Areas" and outlined in the County Council of Beaufort County's Request For Proposal for the Beaufort County Housing Needs Assessment (Proposal Notice No. 051117). The following summarizes the various study areas used in this analysis.

***Primary Study Area*** - The Primary Study Area (PSA) includes Beaufort County, South Carolina.

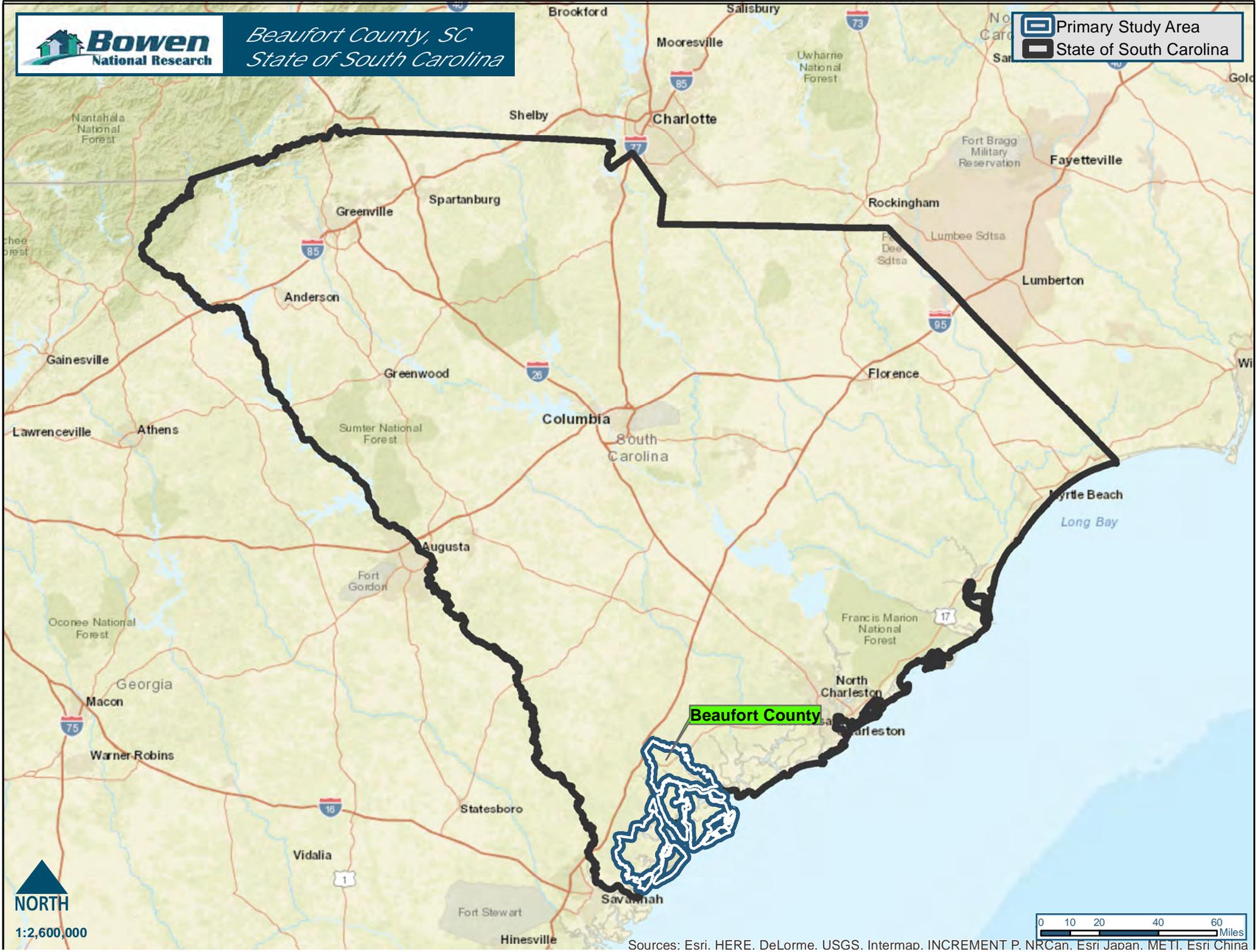
***Submarkets*** – We have evaluated selected communities and unincorporated areas of the county. Specifically, the Town of Bluffton, City of Beaufort, Town of Hilton Head Island and the Town of Port Royal were evaluated as were the predetermined areas referred to as the Northern Unincorporated area, the Southern Unincorporated area, and the Unincorporated Islands. These submarkets have been evaluated in comparison with each other, as well as individually.

Maps delineating the boundaries of the various study areas are shown on the following pages.



*Beaufort County, SC*  
*State of South Carolina*

- Primary Study Area
- State of South Carolina



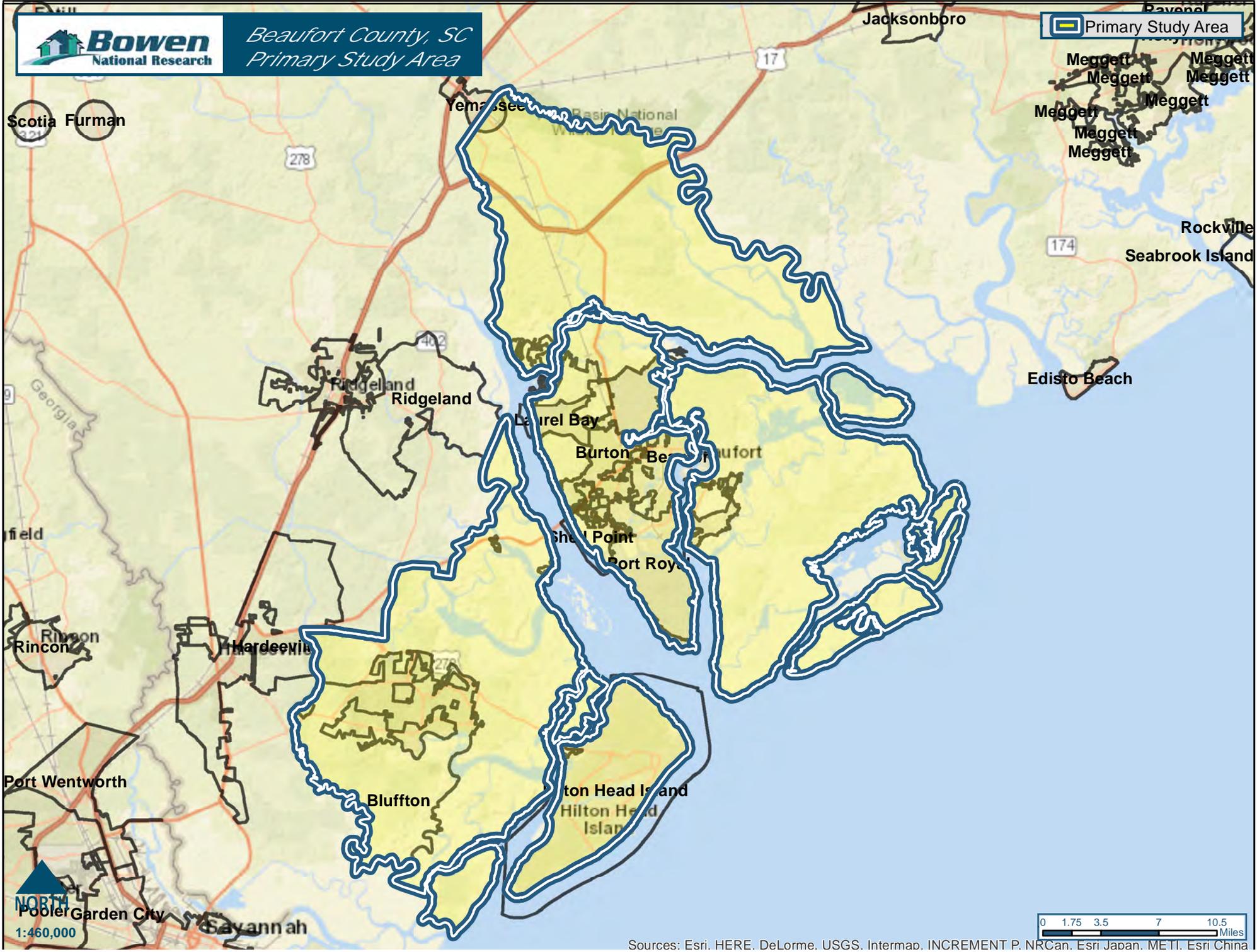
Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Primary Study Area

Primary Study Area

Scotia Furman



NORTH  
1:460,000

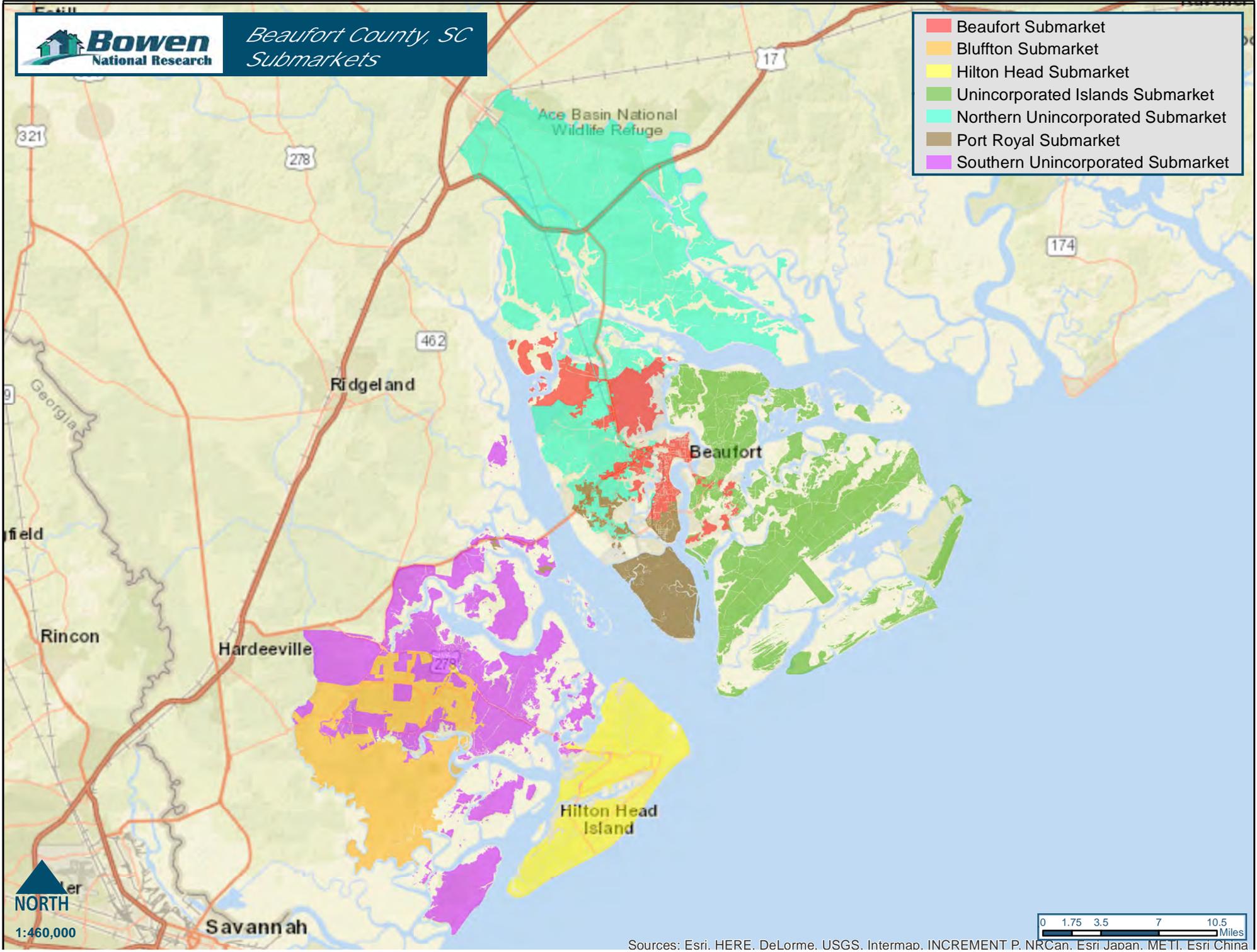


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



# Beaufort County, SC Submarkets

- Beaufort Submarket
- Bluffton Submarket
- Hilton Head Submarket
- Unincorporated Islands Submarket
- Northern Unincorporated Submarket
- Port Royal Submarket
- Southern Unincorporated Submarket



NORTH  
1:460,000

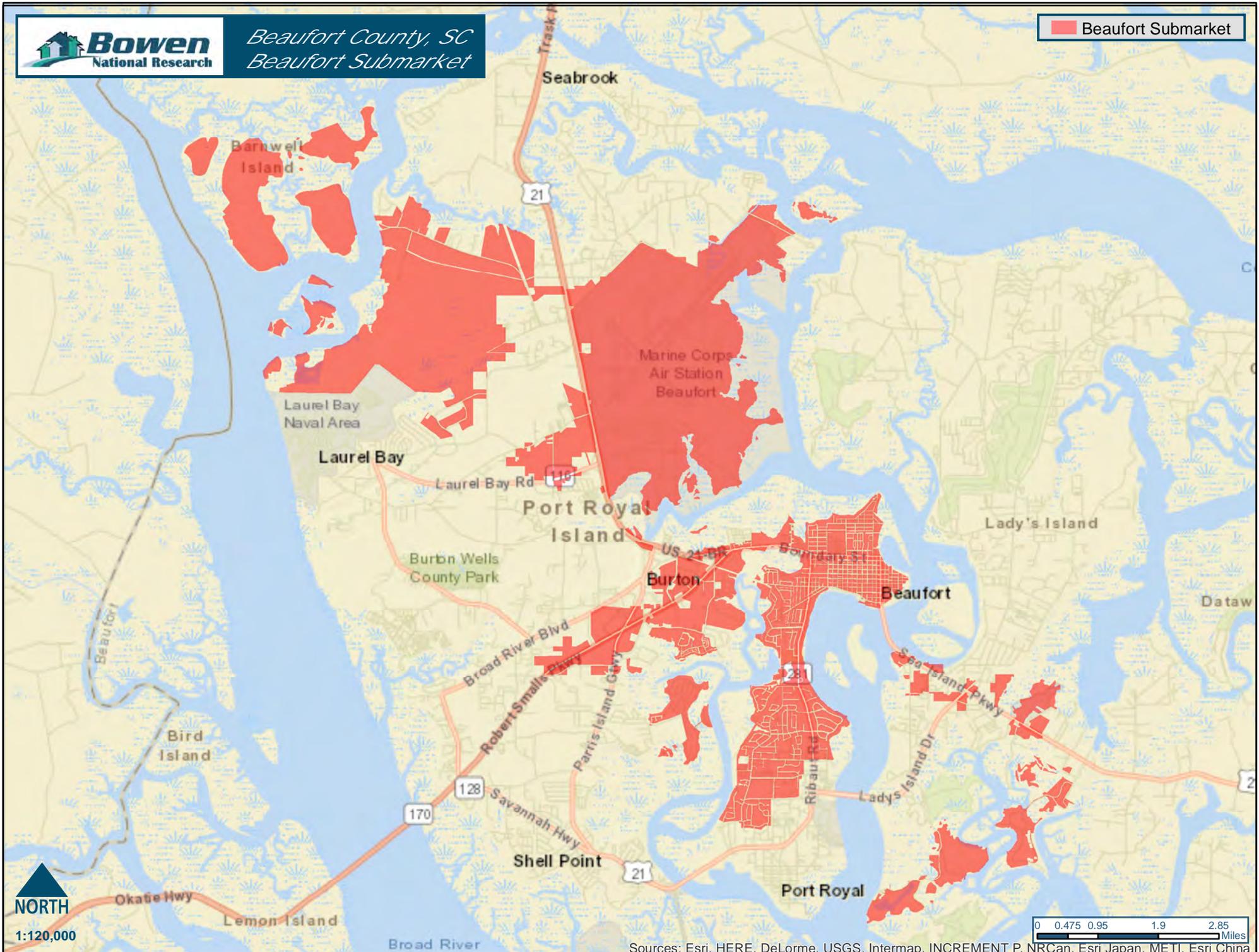


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



*Beaufort County, SC*  
*Beaufort Submarket*

Beaufort Submarket



**NORTH**  
1:120,000

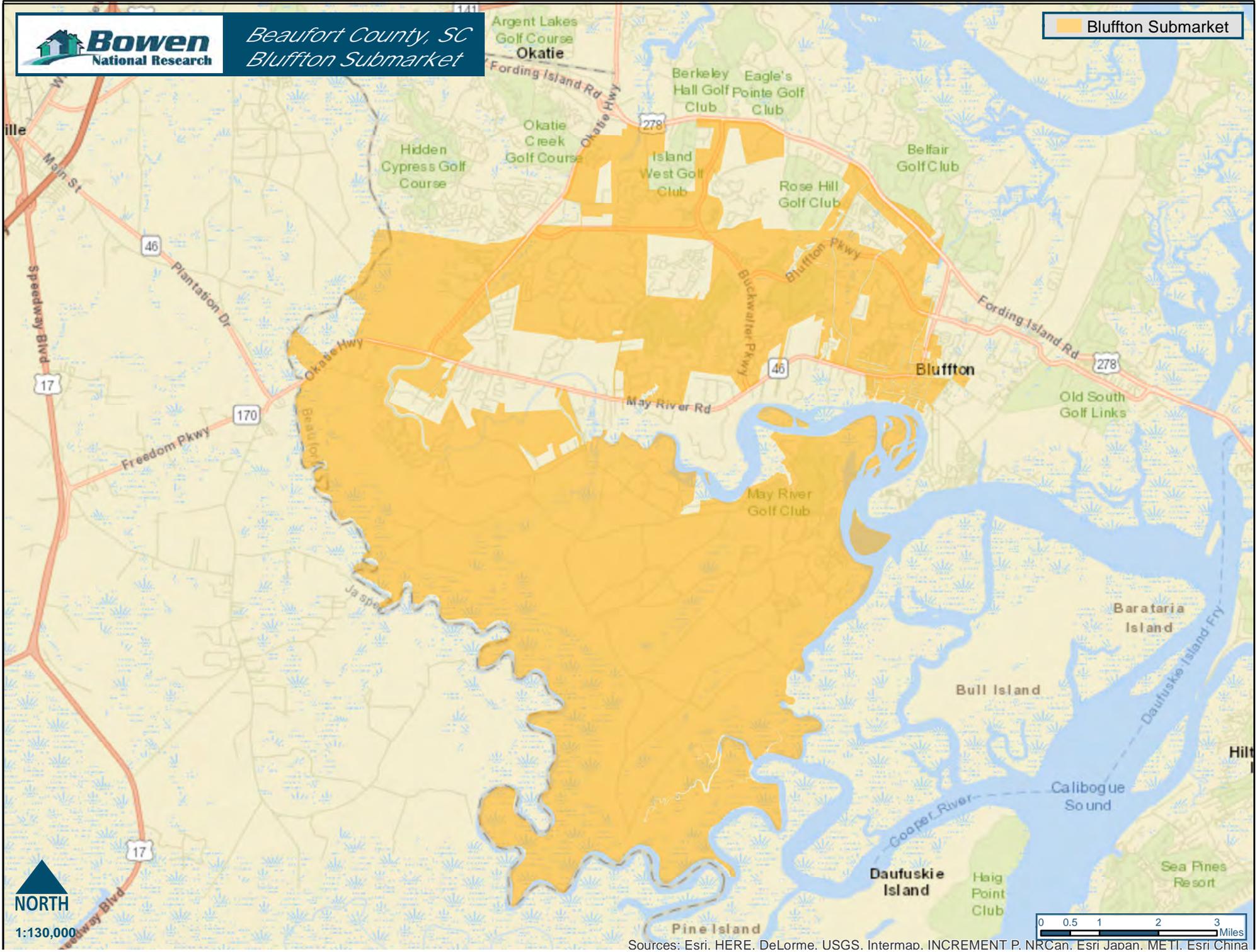


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Bluffton Submarket

Bluffton Submarket



NORTH

1:130,000

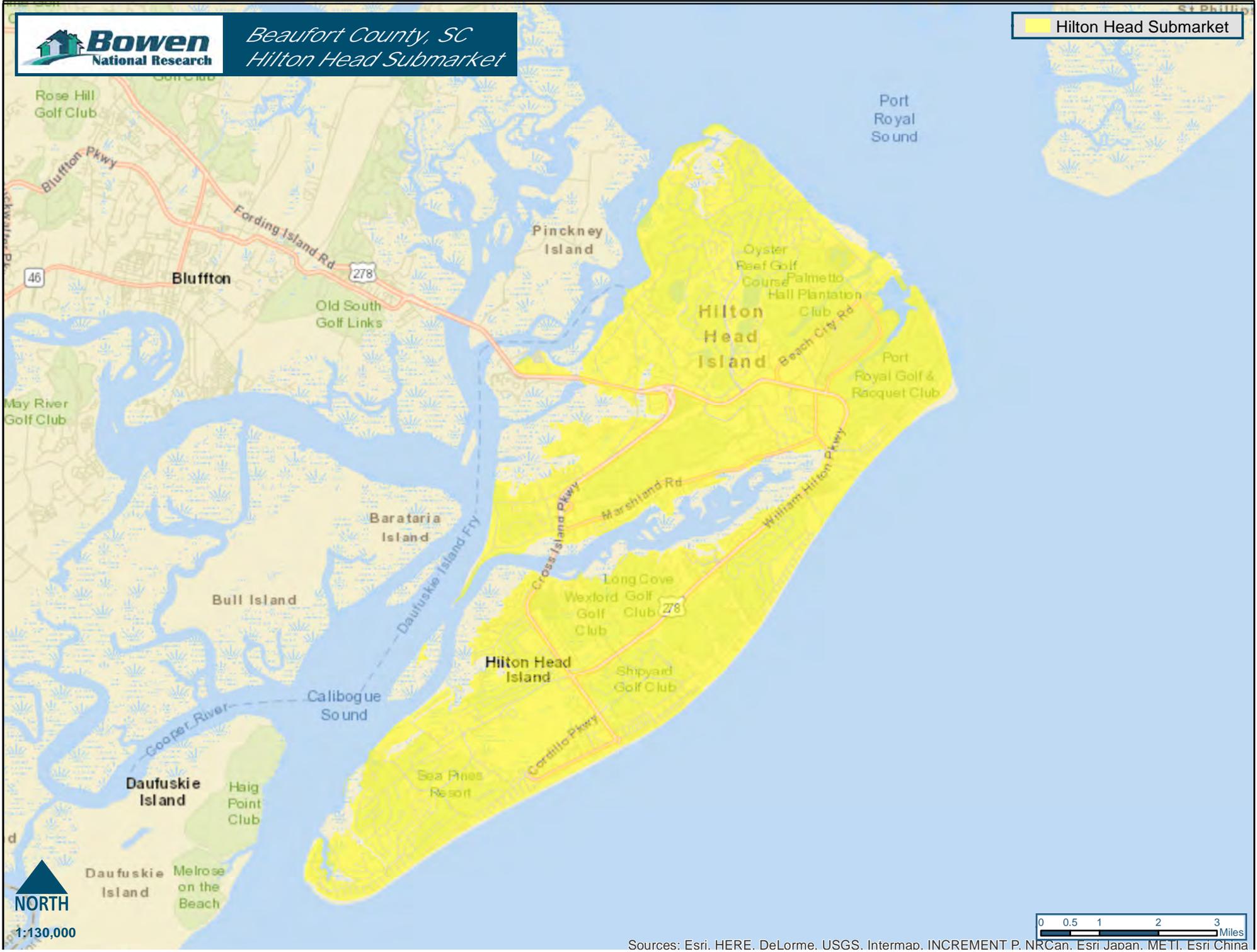
0 0.5 1 2 3 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Hilton Head Submarket

Hilton Head Submarket



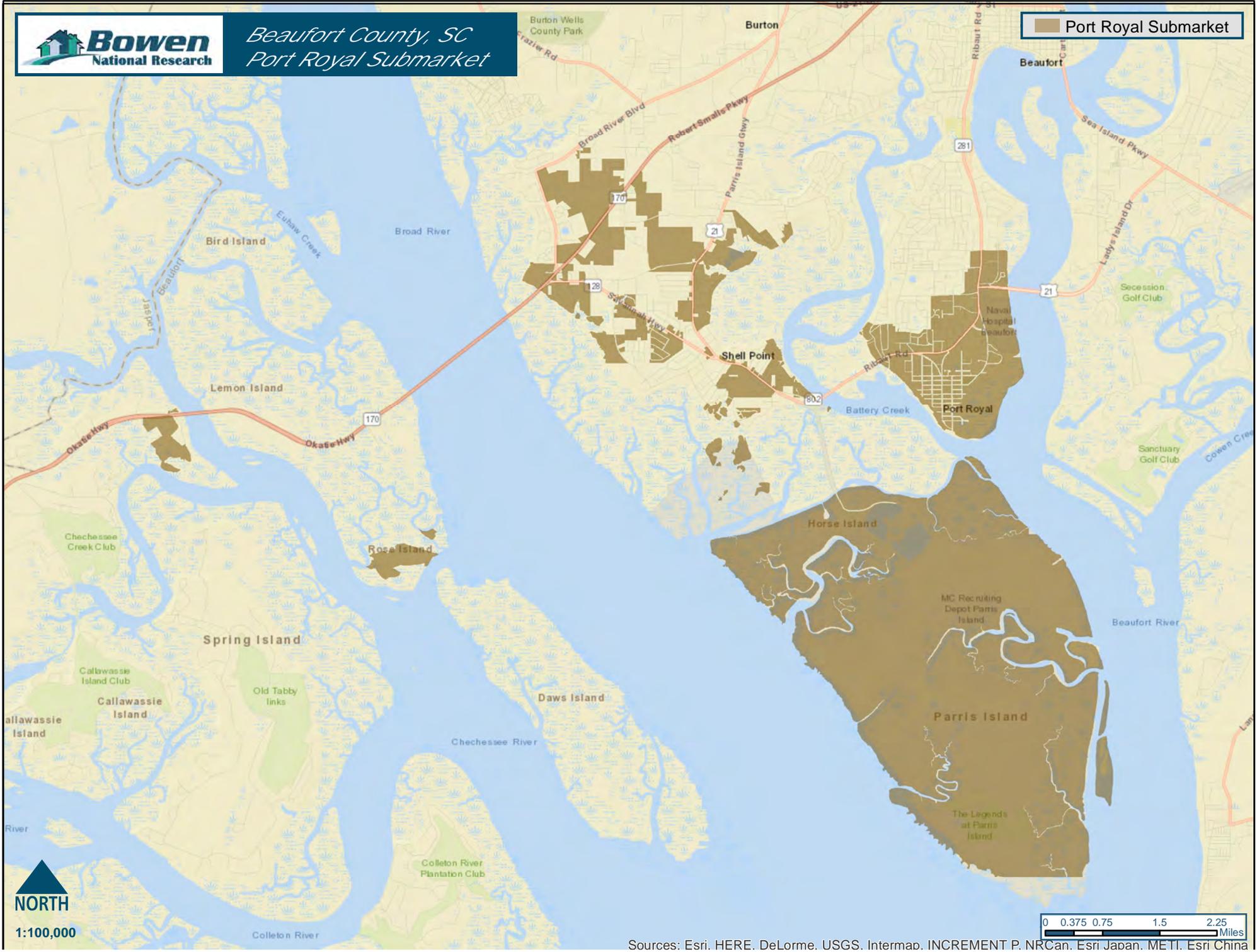
NORTH  
1:130,000

0 0.5 1 2 3 Miles



Beaufort County, SC  
Port Royal Submarket

Port Royal Submarket



**NORTH**  
1:100,000

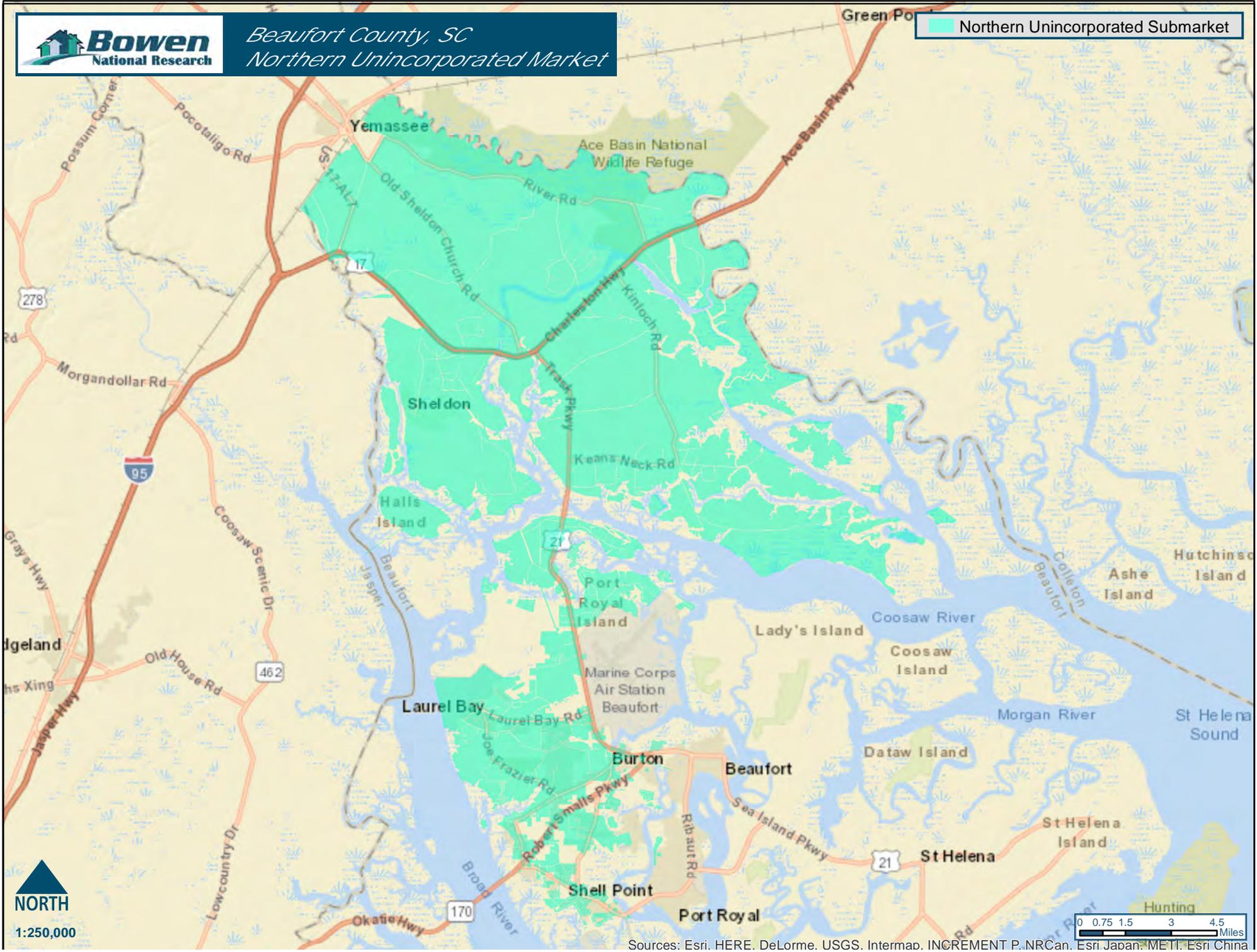


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Northern Unincorporated Market

Northern Unincorporated Submarket



NORTH  
1:250,000

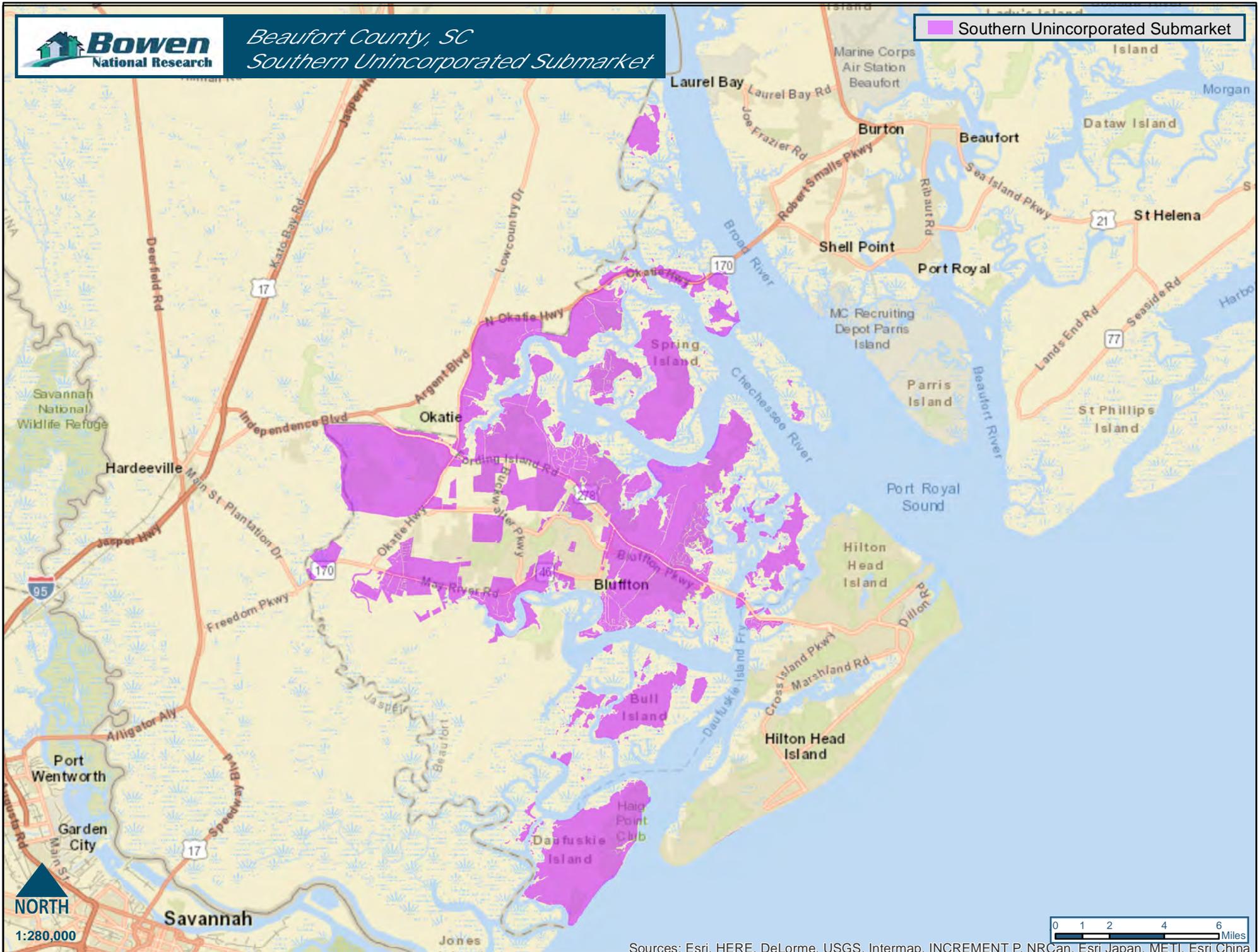


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Southern Unincorporated Submarket

Southern Unincorporated Submarket



NORTH

1:280,000

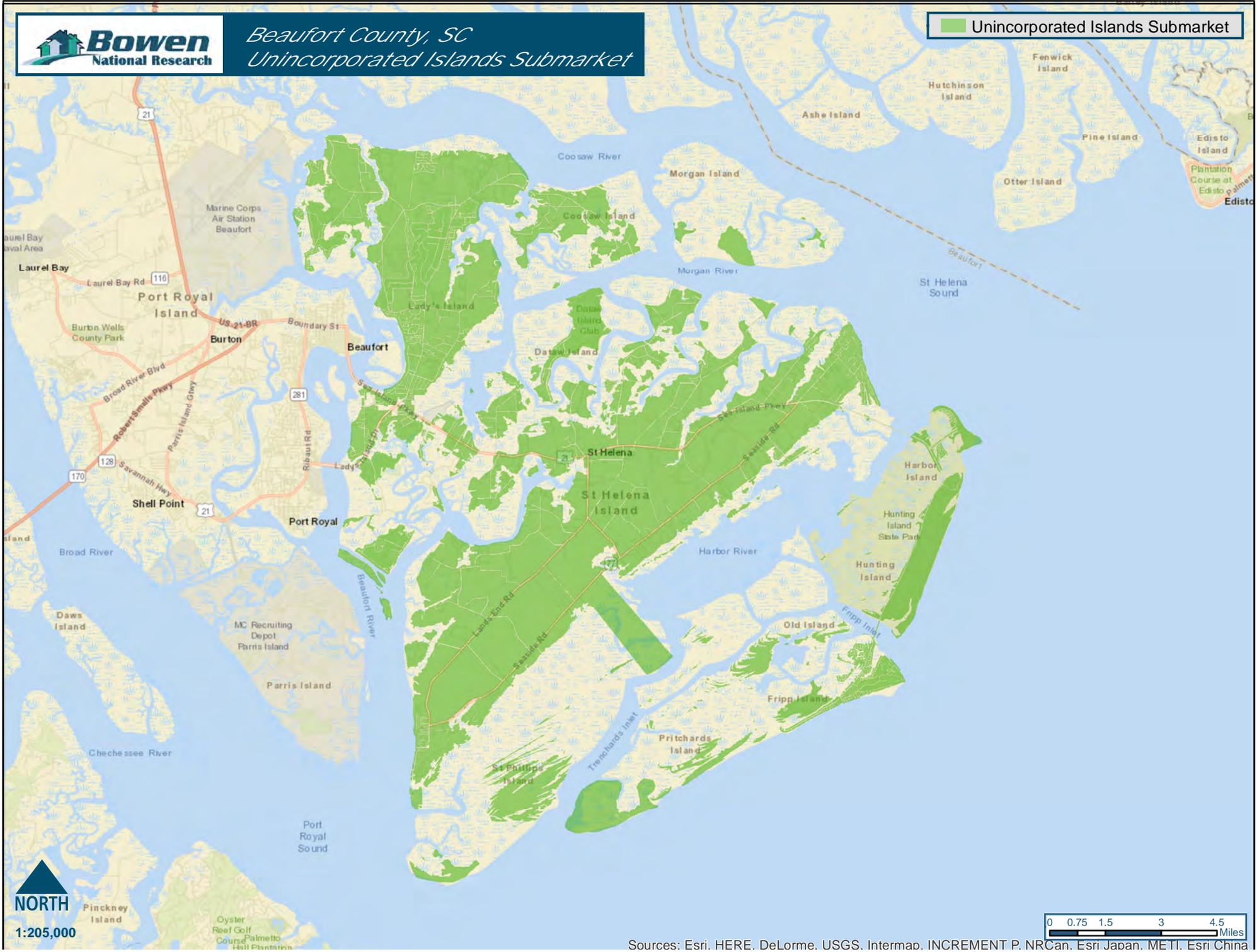


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



Beaufort County, SC  
Unincorporated Islands Submarket

Unincorporated Islands Submarket



NORTH  
1:205,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## IV. Demographic Analysis

### A. Introduction

This section of the report evaluates key demographic characteristics for the Primary Study Area (Beaufort County), various submarkets, and the state of South Carolina.

Through this analysis, unfolding trends and unique conditions are often revealed regarding populations and households residing in the selected geographic areas. Demographic comparisons among these geographies provide insights into the human composition of housing markets. Critical questions, such as the following, can be answered with this information:

- Who lives in Beaufort County, and what are these people like?
- In what kinds of household groupings do Beaufort County residents live?
- What share of people rent or own their Beaufort County residence?
- Are the number of people and households living in Beaufort County increasing or decreasing over time?
- How do Beaufort County residents compare with residents in the rest of the surrounding area (SSA), including surrounding communities?

This section is comprised of three major parts: population characteristics, household characteristics, and demographic theme maps. Population characteristics describe the qualities of individual people, while household characteristics describe the qualities of people living together in one residence. Theme maps graphically show varying levels (low to high concentrations) of a demographic characteristic across a geographic region and are included in this section of the report.

It is important to note that 2000 and 2010 demographics are based on U.S. Census data (actual count), while 2017 and 2022 data are based on calculated estimates provided by ESRI, a nationally recognized demography firm. The accuracy of these estimates depends on the realization of certain assumptions:

- Economic projections made by secondary sources materialize;
- Governmental policies with respect to residential development remain consistent;
- Availability of financing for residential development (i.e. mortgages, commercial loans, subsidies, Tax Credits, etc.) remains consistent;
- Sufficient housing and infrastructure is provided to support projected population and household growth.

Significant unforeseen changes or fluctuations among any of the preceding assumptions could have an impact on demographic projections/estimates.

It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding.

## B. Population Characteristics

Population by numbers and percent change (growth or decline) for selected years is shown in the following tables:

	Total Population									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
<b>Beaufort County</b>	120,931	162,229	41,298	34.2%	187,445	25,216	15.5%	206,402	18,957	10.1%
<b>Beaufort</b>	11,880	10,737	-1,143	-9.6%	12,010	1,273	11.9%	13,086	1,076	9.0%
<b>Bluffton</b>	3,243	13,048	9,805	302.3%	18,889	5,841	44.8%	21,819	2,930	15.5%
<b>Hilton Head</b>	30,567	33,425	2,858	9.3%	37,797	4,372	13.1%	41,317	3,520	9.3%
<b>Port Royal</b>	9,861	10,456	595	6.0%	11,958	1,502	14.4%	12,879	921	7.7%
<b>Northern Unincorporated</b>	22,520	24,037	1,517	6.7%	26,842	2,805	11.7%	29,370	2,528	9.4%
<b>Southern Unincorporated</b>	15,520	39,168	23,648	152.4%	44,325	5,157	13.2%	48,795	4,470	10.1%
<b>Unincorporated Islands</b>	14,588	17,235	2,647	18.1%	19,570	2,335	13.5%	21,466	1,896	9.7%
<b>South Carolina</b>	4,012,006	4,625,360	613,354	15.3%	5,037,126	411,766	8.9%	5,348,193	311,067	6.2%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

	Total Population – Long Term (10-Year) Projections			
	2017 (Estimated)	2027 (Projected)	Change 2017-2027	
			Number	Percent
<b>Beaufort County</b>	187,445	225,359	37,914	20.2%
<b>Beaufort</b>	12,010	14,162	2,152	17.9%
<b>Bluffton</b>	18,889	24,749	5,860	31.0%
<b>Hilton Head</b>	37,797	44,837	7,040	18.6%
<b>Port Royal</b>	11,958	13,800	1,842	15.4%
<b>Northern Unincorporated</b>	26,842	31,928	5,056	18.8%
<b>Southern Unincorporated</b>	44,325	53,265	8,940	20.2%
<b>Unincorporated Islands</b>	19,570	23,362	3,792	19.4%

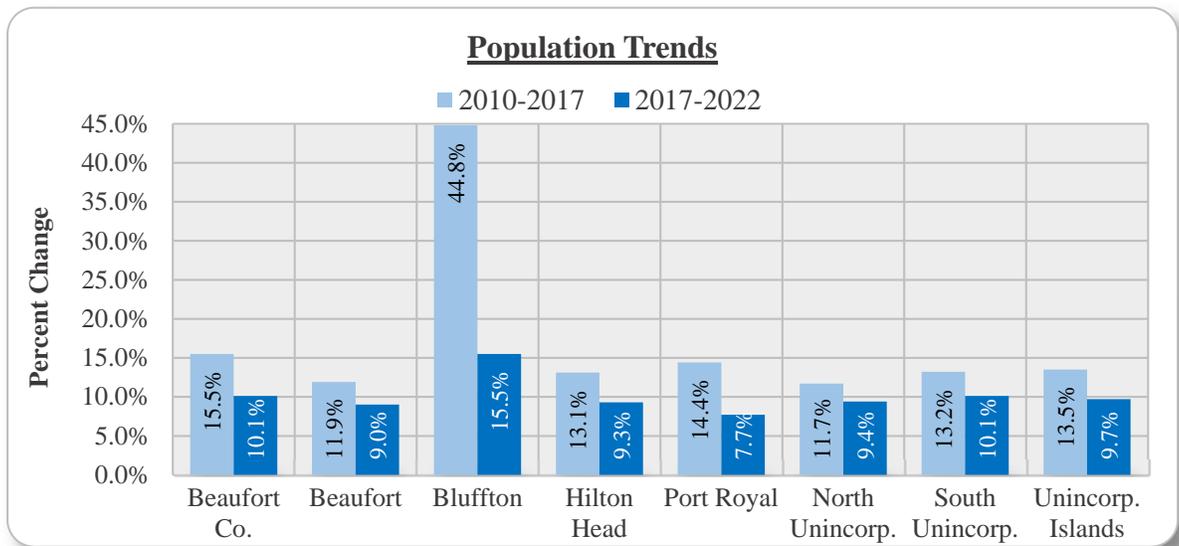
Noteworthy observations from the preceding tables include:

- From 2000 to 2010, the PSA (Beaufort County) population increased by 41,298, or by 34.2%, and added an additional 25,216 (15.5%) people between 2010 and 2017. These growth rates were roughly double the rates of growth for the state of South Carolina. It is projected that the county will add 18,957 people between 2017 and 2022, representing an increase of 10.1%, which is faster than the state's projected growth rate of 6.2%. Assuming growth trends continue at a similar rate through 2027, the county's population is projected to increase by nearly 38,000 during the 10-year projection period.
- Within the four subject communities of the City of Beaufort, Town of Bluffton, Town of Hilton Head Island, and Town of Port Royal, only the City of Beaufort experienced a decline in its population (-1,143, 9.6%) between 2000 and 2010. The Town of Bluffton grew the fastest of these communities during this time, adding 9,805 people, which represented a

302.3% increase. The Towns of Port Royal and Hilton Head Island grew by 6.0% and 9.3%, respectively. During the past seven years (2010 to 2017), all four communities grew by double-digit percentages, with the Town of Bluffton growing the most (5,841 people, 44.8%), and the Town of Hilton Head Island adding a nearly equal amount of new people (4,372, 13.1%). It is projected that all four communities will grow at notable rates, faster than the state, between 2017 and 2022. The Town of Hilton Head Island is projected to experience the greatest population growth between 2017 and 2022, adding 3,520 people, an increase of 9.3%. The Town of Bluffton's growth will be similarly strong, adding 2,930 people during this time period. While slower than these two preceding communities, both the City of Beaufort (1,076 people, 9.0%) and the Town of Port Royal (921 people, 7.7%) are projected to experience very positive growth as well.

- The three unincorporated study areas of Beaufort County have also grown significantly since 2000, adding a combined total of 38,109 people during the past 17 years. The fastest growth has occurred in the Southern Unincorporated area of the county, which increased by 23,658 (152.4%) people between 2000 and 2010 and additional 5,157 people (13.2%) between 2010 and 2017. It is projected that the population in each of these unincorporated areas will grow by nearly 10% between 2017 and 2022, with the Northern Unincorporated area growing by 2,528 (9.4%) people, the Southern Unincorporated area growing by 4,470 (10.1%), and the Unincorporated Islands growing by 1,896 (9.7%) people.

The following graph compares percent change in population (growth) for two time periods, 2010 to 2017 and 2017 to 2022:



Population by age cohorts for selected years is shown in the following table:

		Population by Age							Median Age
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	
<b>Beaufort County</b>	2010	50,791 (31.3%)	20,137 (12.4%)	17,534 (10.8%)	18,580 (11.5%)	22,158 (13.7%)	20,135 (12.4%)	12,895 (7.9%)	40.6
	2017	55,220 (29.5%)	23,165 (12.4%)	19,629 (10.5%)	19,617 (10.5%)	24,517 (13.1%)	28,593 (15.3%)	16,704 (8.9%)	42.7
	2022	60,065 (29.1%)	25,031 (12.1%)	22,268 (10.8%)	19,562 (9.5%)	24,307 (11.8%)	32,089 (15.5%)	23,080 (11.2%)	43.0
	Change 2017-2022	4,845 (8.8%)	1,866 (8.1%)	2,639 (13.4%)	-55 (-0.3%)	-210 (-0.9%)	3,496 (12.2%)	6,376 (38.2%)	N/A
<b>Beaufort</b>	2010	3,893 (36.3%)	1,521 (14.2%)	1,099 (10.2%)	1,266 (11.8%)	1,291 (12.0%)	852 (7.9%)	816 (7.6%)	34.6
	2017	4,092 (34.1%)	1,694 (14.1%)	1,250 (10.4%)	1,242 (10.3%)	1,513 (12.6%)	1,231 (10.2%)	988 (8.2%)	36.6
	2022	4,398 (33.6%)	1,749 (13.4%)	1,442 (11.0%)	1,260 (9.6%)	1,561 (11.9%)	1,498 (11.4%)	1,178 (9.0%)	37.6
	Change 2017-2022	306 (7.5%)	55 (3.2%)	192 (15.4%)	18 (1.4%)	48 (3.2%)	267 (21.7%)	190 (19.2%)	N/A
<b>Bluffton</b>	2010	4,857 (37.2%)	2,416 (18.5%)	2,212 (17.0%)	1,542 (11.8%)	1,200 (9.2%)	594 (4.6%)	228 (1.7%)	32.1
	2017	6,701 (35.5%)	2,854 (15.1%)	3,149 (16.7%)	2,453 (13.0%)	1,831 (9.7%)	1,352 (7.2%)	549 (2.9%)	34.6
	2022	7,920 (36.3%)	3,492 (16.0%)	3,533 (16.2%)	2,602 (11.9%)	2,029 (9.3%)	1,472 (6.7%)	771 (3.5%)	33.7
	Change 2017-2022	1,219 (18.2%)	638 (22.4%)	384 (12.2%)	149 (6.1%)	198 (10.8%)	120 (8.9%)	222 (40.4%)	N/A
<b>Hilton Head</b>	2010	7,383 (22.1%)	3,295 (9.9%)	3,396 (10.2%)	4,061 (12.1%)	5,442 (16.3%)	5,378 (16.1%)	4,470 (13.4%)	51.5
	2017	7,785 (20.6%)	3,549 (9.4%)	3,315 (8.8%)	4,095 (10.8%)	6,040 (16.0%)	7,397 (19.6%)	5,616 (14.9%)	55.3
	2022	8,015 (19.4%)	3,962 (9.6%)	3,491 (8.4%)	3,879 (9.4%)	6,224 (15.1%)	8,590 (20.8%)	7,156 (17.3%)	57.5
	Change 2017-2022	230 (3.0%)	413 (11.6%)	176 (5.3%)	-216 (-5.3%)	184 (3.0%)	1,193 (16.1%)	1,540 (27.4%)	N/A
<b>Port Royal</b>	2010	6,024 (57.6%)	1,602 (15.3%)	796 (7.6%)	751 (7.2%)	641 (6.1%)	335 (3.2%)	309 (3.0%)	23.4
	2017	6,265 (52.4%)	2,088 (17.5%)	1,099 (9.2%)	764 (6.4%)	793 (6.6%)	562 (4.7%)	387 (3.2%)	24.4
	2022	6,683 (51.9%)	2,051 (15.9%)	1,384 (10.7%)	815 (6.3%)	786 (6.1%)	686 (5.3%)	474 (3.7%)	24.5
	Change 2017-2022	418 (6.7%)	-37 (-1.8%)	285 (25.9%)	51 (6.7%)	-7 (-0.9%)	124 (22.1%)	87 (22.5%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

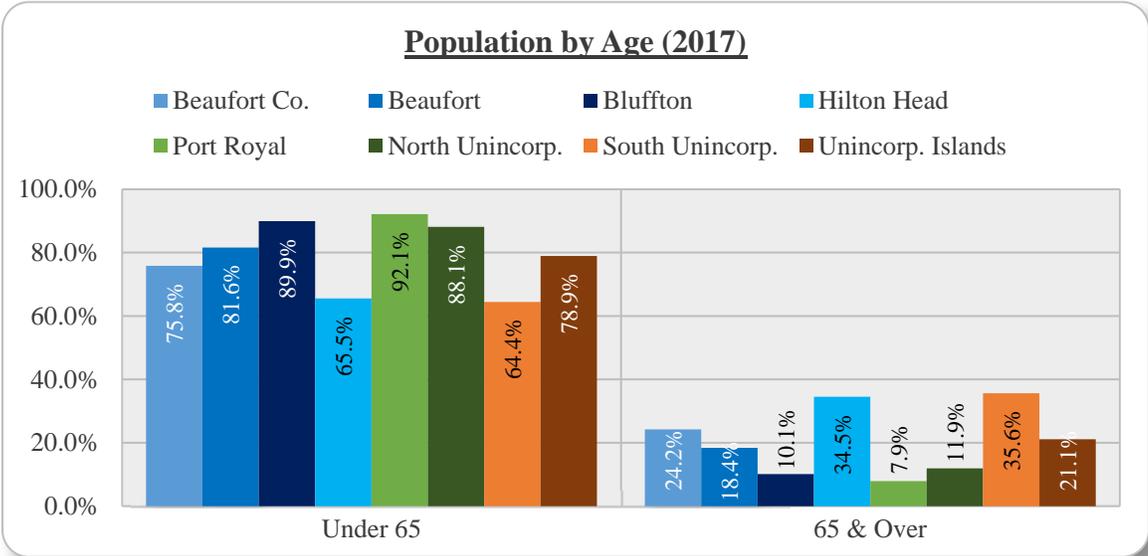
		Population by Age							
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Median Age
<b>Northern Unincorporated</b>	2010	10,041 (41.8%)	3,893 (16.2%)	2,547 (10.6%)	2,825 (11.8%)	2,579 (10.7%)	1,356 (5.6%)	798 (3.3%)	29.3
	2017	10,340 (38.5%)	4,852 (18.1%)	2,888 (10.8%)	2,594 (9.7%)	2,973 (11.1%)	2,164 (8.1%)	1,031 (3.8%)	31.0
	2022	11,203 (38.1%)	4,877 (16.6%)	3,575 (12.2%)	2,595 (8.8%)	3,062 (10.4%)	2,660 (9.1%)	1,398 (4.8%)	32.1
	Change 2017-2022	863 (8.3%)	25 (0.5%)	687 (23.8%)	1 (0.0%)	89 (3.0%)	496 (22.9%)	367 (35.6%)	N/A
<b>Southern Unincorporated</b>	2010	9,068 (23.2%)	4,161 (10.6%)	3,972 (10.1%)	3,658 (9.3%)	6,294 (16.1%)	8,078 (20.6%)	3,937 (10.1%)	51.4
	2017	9,888 (22.3%)	4,378 (9.9%)	4,261 (9.6%)	3,981 (9.0%)	6,041 (13.6%)	10,733 (24.2%)	5,043 (11.4%)	54.2
	2022	11,003 (22.5%)	4,795 (9.8%)	4,716 (9.7%)	3,945 (8.1%)	5,255 (10.8%)	11,263 (23.1%)	7,818 (16.0%)	54.8
	Change 2017-2022	1,115 (11.3%)	417 (9.5%)	455 (10.7%)	-36 (-0.9%)	-786 (-13.0%)	530 (4.9%)	2,775 (55.0%)	N/A
<b>Unincorporated Islands</b>	2010	5,552 (32.2%)	1,781 (10.3%)	2,002 (11.6%)	2,470 (14.3%)	2,507 (14.5%)	1,847 (10.7%)	1,075 (6.2%)	41.6
	2017	5,894 (30.1%)	2,045 (10.4%)	2,065 (10.6%)	2,537 (13.0%)	2,890 (14.8%)	2,702 (13.8%)	1,437 (7.3%)	43.9
	2022	6,302 (29.4%)	2,257 (10.5%)	2,313 (10.8%)	2,522 (11.7%)	2,941 (13.7%)	3,074 (14.3%)	2,057 (9.6%)	44.4
	Change 2017-2022	408 (6.9%)	212 (10.4%)	248 (12.0%)	-15 (-0.6%)	51 (1.8%)	372 (13.8%)	620 (43.1%)	N/A
<b>South Carolina</b>	2010	1,556,919 (33.7%)	592,056 (12.8%)	601,292 (13.0%)	659,428 (14.3%)	583,794 (12.6%)	369,041 (8.0%)	262,831 (5.7%)	37.8
	2017	1,586,110 (31.5%)	672,847 (13.4%)	619,212 (12.3%)	649,428 (12.9%)	671,303 (13.3%)	519,820 (10.3%)	318,406 (6.3%)	39.1
	2022	1,643,574 (30.7%)	682,267 (12.8%)	677,018 (12.7%)	639,131 (12.0%)	697,368 (13.0%)	605,126 (11.3%)	403,709 (7.5%)	40.0
	Change 2017-2022	57,464 (3.6%)	9,420 (1.4%)	57,806 (9.3%)	-10,297 (-1.6%)	26,065 (3.9%)	85,306 (16.4%)	85,303 (26.8%)	N/A

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The median age (42.7) for the PSA’s population in 2017 is older than the overall state of South Carolina (39.1). It is projected that the PSA’s median age will increase slightly to 43.0 by 2022.
- Excluding the under age 25 cohorts, the largest number of people by age within the county is among the 65 to 74 age group, with 15.3% of the county’s population falling within this age range in 2017. Despite this large share of seniors, people under the age of 65 represent three-fourths (76.0%) of the county’s population. The greatest projected growth in the county is expected to occur among seniors age 75+ (6,376 new people, 38.2%), children and young adults under the age of 25 (4,845 new people, 8.8%), and seniors ages 65 to 74 (3,496 new people, 12.2%).
- Among the four selected communities, the Town of Port Royal has the youngest population with a median age of 24.4, while the Town of Hilton Head Island is the oldest with a median age of 55.3 in 2017. Between 2017 and 2022, the greatest population growth by age group is projected to occur among people under the age of 25 within the City of Beaufort, the Town of Bluffton, and the Town of Port Royal, while the Town of Hilton Head Island is projected to experience the greatest growth among people ages 75 and older and people between the ages of 65 and 74.

The following graph compares population age cohort shares for 2017:



Population by race for 2010 is shown in the following table:

		Population by Race					
		White Alone	Black or African American Alone	Asian Alone	Some Other Race Alone	Two or More Races	Total
<b>Beaufort County</b>	Number	116,602	31,290	1,889	9,115	3,333	162,229
	Percent	71.9%	19.3%	1.2%	5.6%	2.1%	100.0%
<b>Beaufort</b>	Number	7,178	2,772	167	346	274	10,737
	Percent	66.9%	25.8%	1.6%	3.2%	2.6%	100.0%
<b>Bluffton</b>	Number	9,199	1,797	239	1,441	372	13,048
	Percent	70.5%	13.8%	1.8%	11.0%	2.9%	100.0%
<b>Hilton Head</b>	Number	27,951	2,355	306	2,412	401	33,425
	Percent	83.6%	7.0%	0.9%	7.2%	1.2%	100.0%
<b>Port Royal</b>	Number	7,130	2,332	233	393	367	10,455
	Percent	68.2%	22.3%	2.2%	3.8%	3.5%	100.0%
<b>Northern Unincorporated</b>	Number	12,593	9,580	254	941	669	24,037
	Percent	52.4%	39.9%	1.1%	3.9%	2.8%	100.0%
<b>Southern Unincorporated</b>	Number	32,587	2,894	373	2,628	685	39,167
	Percent	83.2%	7.4%	1.0%	6.7%	1.7%	100.0%
<b>Unincorporated Islands</b>	Number	10,390	5,929	182	400	334	17,235
	Percent	60.3%	34.4%	1.1%	2.3%	1.9%	100.0%
<b>South Carolina</b>	Number	3,059,996	1,290,684	59,051	135,694	79,935	4,625,360
	Percent	66.2%	27.9%	1.3%	2.9%	1.7%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The large majority (71.9%) of the PSA’s population is categorized as “White Alone”, while well over one-quarter of the PSA’s population was categorized one of the non-White categories.
- Among the submarkets evaluated in this report, the Town of Hilton Head Island had the highest share of White Alone population (83.6%), while the Northern Unincorporated area had the smallest share (52.4%).

Population by marital status for 2017 is shown in the following table:

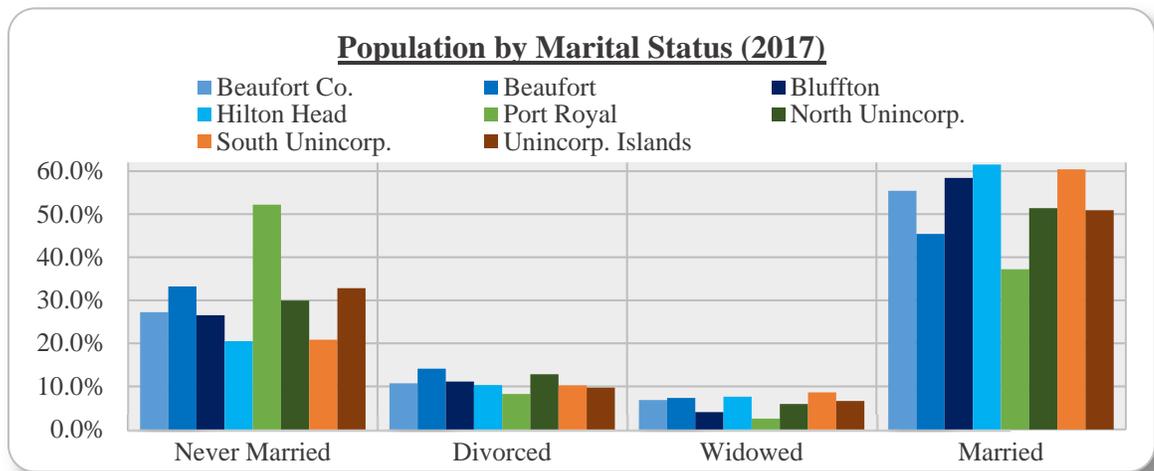
		Population by Marital Status				
		Not Married			Married	Total
		Never Married	Divorced	Widowed		
<b>Beaufort County</b>	Number	42,061	16,592	10,477	85,766	154,896
	Percent	27.2%	10.7%	6.8%	55.4%	100.0%
<b>Beaufort</b>	Number	3,281	1,391	726	4,495	9,893
	Percent	33.2%	14.1%	7.3%	45.4%	100.0%
<b>Bluffton</b>	Number	3,793	1,588	579	8,352	14,312
	Percent	26.5%	11.1%	4.0%	58.4%	100.0%
<b>Hilton Head</b>	Number	6,828	3,435	2,543	20,440	33,246
	Percent	20.5%	10.3%	7.6%	61.5%	100.0%
<b>Port Royal</b>	Number	5,148	806	245	3,671	9,870
	Percent	52.2%	8.2%	2.5%	37.2%	100.0%
<b>Northern Unincorporated</b>	Number	6,053	2,584	1,193	10,416	20,246
	Percent	29.9%	12.8%	5.9%	51.4%	100.0%
<b>Southern Unincorporated</b>	Number	7,915	3,878	3,258	22,923	37,974
	Percent	20.8%	10.2%	8.6%	60.4%	100.0%
<b>Unincorporated Islands</b>	Number	5,210	1,542	1,050	8,085	15,887
	Percent	32.8%	9.7%	6.6%	50.9%	100.0%
<b>South Carolina</b>	Number	1,349,025	462,543	270,878	2,031,015	4,113,461
	Percent	32.8%	11.2%	6.6%	49.4%	100.0%

Source: ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA had higher share (55.4%) of married people than the state of South Carolina (49.4%).
- Among the various submarkets studied in this report, the Town of Hilton Head Island had the highest share (61.5%) of married people, while the Town of Port Royal had the lowest share (37.2%).

The following graph compares marital status shares for 2017:



Population by highest educational attainment for 2017 is shown below:

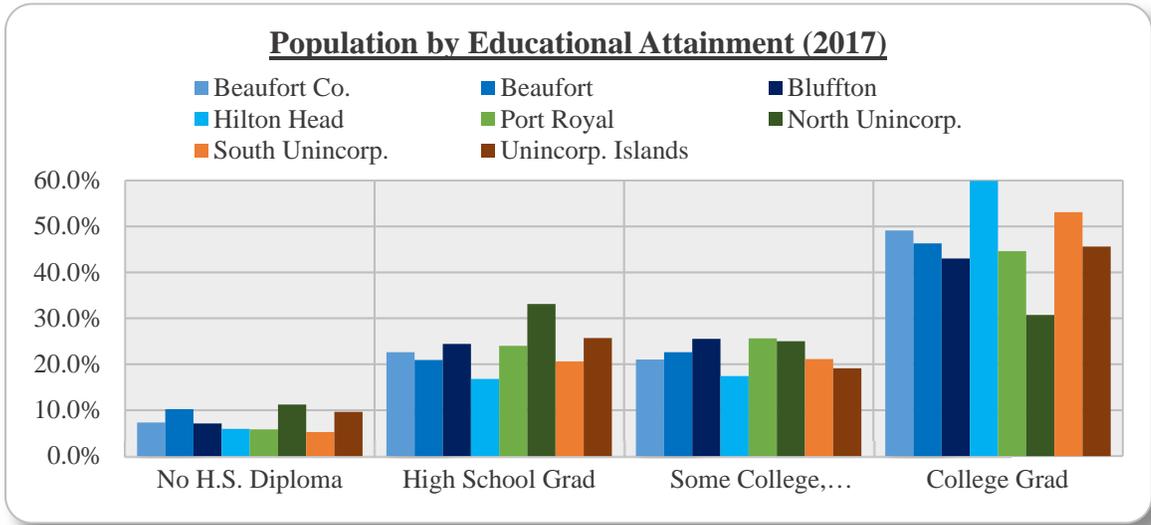
		Population by Educational Attainment						
		No High School Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor Degree	Graduate Degree	Total
<b>Beaufort County</b>	Number	9,597	29,860	27,778	11,524	32,598	20,868	132,225
	Percent	7.3%	22.6%	21.0%	8.7%	24.7%	15.8%	100.0%
<b>Beaufort</b>	Number	810	1,658	1,787	789	1,688	1,185	7,917
	Percent	10.2%	20.9%	22.6%	10.0%	21.3%	15.0%	100.0%
<b>Bluffton</b>	Number	865	2,972	3,110	1,233	2,615	1,392	12,187
	Percent	7.1%	24.4%	25.5%	10.1%	21.5%	11.4%	100.0%
<b>Hilton Head</b>	Number	1,780	5,053	5,221	2,172	9,882	5,903	30,011
	Percent	5.9%	16.8%	17.4%	7.2%	32.9%	19.7%	100.0%
<b>Port Royal</b>	Number	328	1,366	1,456	774	842	928	5,694
	Percent	5.8%	24.0%	25.6%	13.6%	14.8%	16.3%	100.0%
<b>Northern Unincorporated</b>	Number	1,841	5,465	4,124	1,513	2,185	1,373	16,501
	Percent	11.2%	33.1%	25.0%	9.2%	13.2%	8.3%	100.0%
<b>Southern Unincorporated</b>	Number	1,787	7,084	7,261	2,818	9,582	5,906	34,438
	Percent	5.2%	20.6%	21.1%	8.2%	27.8%	17.1%	100.0%
<b>Unincorporated Islands</b>	Number	1,306	3,516	2,614	1,273	2,706	2,259	13,674
	Percent	9.6%	25.7%	19.1%	9.3%	19.8%	16.5%	100.0%
<b>South Carolina</b>	Number	459,455	1,005,120	709,453	333,623	615,612	327,753	3,451,016
	Percent	13.3%	29.1%	20.6%	9.7%	17.8%	9.5%	100.0%

Source: 2000 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA had a share (7.3%) of people without high school diplomas, which is much lower than the state share of 13.3%. Meanwhile, the share of people with some type of college degree in the PSA is 49.2%, which is significantly higher than the state share of 37.0%.
- Among the submarkets considered in this report, the Town of Port Royal (94.2%), the Town of Hilton Head Island (94.1%) and the Southern Unincorporated area (94.8%) had the highest high school graduation rates in the county. While college degree recipients within the study areas generally range from around 40% to 50%, the Town of Hilton Head Island had a population share of 59.8% of college graduates while the Northern Unincorporated area of the county had the lowest college graduation rate of just 30.7%.

The following graph compares educational attainment for 2017:



Population by poverty status is shown in the following table:

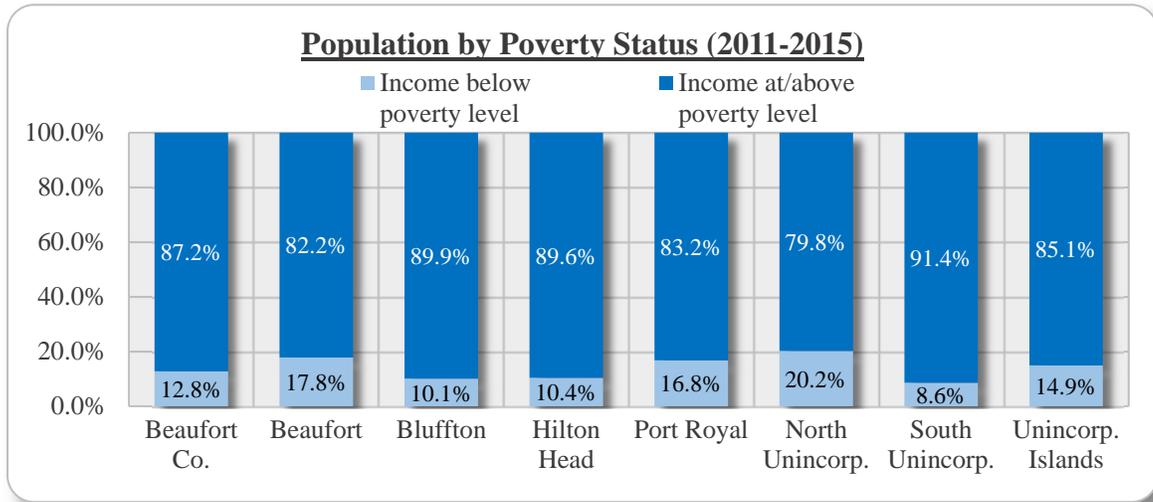
		Population by Poverty Status						Total
		Income below poverty level:			Income at or above poverty level:			
		<18	18 to 64	65+	<18	18 to 64	65+	
<b>Beaufort County</b>	Number	7,222	11,996	2,003	26,862	80,070	37,654	165,807
	Percent	4.4%	7.2%	1.2%	16.2%	48.3%	22.7%	100.0%
<b>Beaufort</b>	Number	626	954	99	1,696	4,683	1,400	9,458
	Percent	6.6%	10.1%	1.0%	17.9%	49.5%	14.8%	100.0%
<b>Bluffton</b>	Number	525	835	63	3,095	7,861	1,682	14,061
	Percent	3.7%	5.9%	0.4%	22.0%	55.9%	12.0%	100.0%
<b>Hilton Head</b>	Number	1,075	2,020	531	4,380	16,013	11,067	35,086
	Percent	3.1%	5.8%	1.5%	12.5%	45.6%	31.5%	100.0%
<b>Port Royal</b>	Number	504	638	47	1,522	3,725	638	7,074
	Percent	7.1%	9.0%	0.7%	21.5%	52.7%	9.0%	100.0%
<b>Northern Unincorporated</b>	Number	1,955	2,703	304	5,493	12,094	2,013	24,562
	Percent	8.0%	11.0%	1.2%	22.4%	49.2%	8.2%	100.0%
<b>Southern Unincorporated</b>	Number	1,073	2,078	524	5,778	19,230	14,108	42,791
	Percent	2.5%	4.9%	1.2%	13.5%	44.9%	33.0%	100.0%
<b>Unincorporated Islands</b>	Number	771	1,652	258	2,733	9,171	3,400	17,985
	Percent	4.3%	9.2%	1.4%	15.2%	51.0%	18.9%	100.0%
<b>South Carolina</b>	Number	279,791	481,367	69,743	785,490	2,380,277	639,643	4,636,311
	Percent	6.0%	10.4%	1.5%	16.9%	51.3%	13.8%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community Survey; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA had a lower share (12.8%) of people living below the poverty level than the statewide share (17.9%). It is worth pointing out that one in five (21.2%) of the children under the age of 18 in the PSA live in poverty.
- The poverty rate among the seven submarkets is the highest in the Northern Unincorporated area (20.2%) and lowest within the Southern Unincorporated area (8.6%).

The following graph compares poverty status for each geographic area.



Population by migration (previous residence one year prior to survey) for years 2011-2015 is shown in the following table:

		Population by Migration					
		Same House	Different House in Same County	Different County In Same State	Different State	Moved from Abroad	Total
<b>Beaufort County</b>	Number	136,470	14,365	2,856	14,328	1,519	169,538
	Percent	80.5%	8.5%	1.7%	8.5%	0.9%	100.0%
<b>Beaufort</b>	Number	7,801	1,332	290	733	92	10,248
	Percent	76.1%	13.0%	2.8%	7.2%	0.9%	100.0%
<b>Bluffton</b>	Number	11,301	1,233	264	1,251	11	14,060
	Percent	80.4%	8.8%	1.9%	8.9%	0.1%	100.0%
<b>Hilton Head</b>	Number	29,532	2,639	417	2,114	389	35,091
	Percent	84.2%	7.5%	1.2%	6.0%	1.1%	100.0%
<b>Port Royal</b>	Number	6,819	994	154	2,453	180	10,600
	Percent	64.3%	9.4%	1.5%	23.1%	1.7%	100.0%
<b>Northern Unincorporated</b>	Number	18,028	2,786	614	2,250	348	24,026
	Percent	75.0%	11.6%	2.6%	9.4%	1.4%	100.0%
<b>Southern Unincorporated</b>	Number	36,358	2,202	518	3,616	121	42,815
	Percent	84.9%	5.1%	1.2%	8.4%	0.3%	100.0%
<b>Unincorporated Islands</b>	Number	14,441	2,016	293	970	182	17,902
	Percent	80.7%	11.3%	1.6%	5.4%	1.0%	100.0%
<b>South Carolina</b>	Number	3,998,891	394,399	147,759	163,442	18,803	4,723,294
	Percent	84.7%	8.4%	3.1%	3.5%	0.4%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community Survey; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA had a higher share (19.5%) of people changing residences annually than the statewide share (15.3%). This indicates a somewhat transient population in the PSA. This is not surprising given the relatively high share of households moving into the area from out of state or from abroad.
- Among the submarkets, the lowest annual turnover rate was within the Southern Unincorporated area (15.1%) and the Town of Hilton Head Island (15.8%). These shares are comparable to the state average of 15.3% and is indicative of a stable market. The highest turnover was within the Town of Port Royal (35.7%), Northern Unincorporated (25.0%) and the City of Beaufort (24.9%) submarkets.

Population densities for selected years are shown in the following table:

		Population Densities			
		Year			
		2000	2010	2017	2022
<b>Beaufort County</b>	Population	120,931	162,229	187,445	206,402
	Area in Square Miles	615.01	615.01	615.01	615.01
	Density	196.6	263.8	304.8	335.6
<b>Beaufort</b>	Population	11,880	10,737	12,010	13,086
	Area in Square Miles	20.99	20.99	20.99	20.99
	Density	566.1	511.6	572.3	623.5
<b>Bluffton</b>	Population	3,243	13,048	18,889	21,819
	Area in Square Miles	51.20	51.20	51.20	51.20
	Density	63.3	254.9	369.0	426.2
<b>Hilton Head</b>	Population	30,567	33,425	37,797	41,317
	Area in Square Miles	32.71	32.71	32.71	32.71
	Density	934.5	1,021.9	1,155.5	1,263.1
<b>Port Royal</b>	Population	9,861	10,456	11,958	12,879
	Area in Square Miles	15.72	15.72	15.72	15.72
	Density	627.1	664.9	760.5	819.0
<b>Northern Unincorporated</b>	Population	22,520	24,037	26,842	29,370
	Area in Square Miles	126.69	126.69	126.69	126.69
	Density	177.8	189.7	211.9	231.8
<b>Southern Unincorporated</b>	Population	15,520	39,168	44,325	48,795
	Area in Square Miles	71.51	71.51	71.51	71.51
	Density	217.0	547.7	619.9	682.4
<b>Unincorporated Islands</b>	Population	14,588	17,235	19,570	21,466
	Area in Square Miles	67.99	67.99	67.99	67.99
	Density	214.6	253.5	287.9	315.7
<b>South Carolina</b>	Population	4,012,006	4,625,360	5,037,126	5,348,193
	Area in Square Miles	30,953.46	30,953.46	30,953.46	30,953.46
	Density	129.6	149.4	162.7	172.8

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The 2017 PSA population density of 304.8 people per square mile is greater than the statewide density of 162.7. The PSA population density is expected increase slightly through 2022.
- The population density among the submarkets is below 300 people per square mile only in Northern Unincorporated area and the Unincorporated Islands, which are somewhat similar to the state of South Carolina.

### C. Household Characteristics

Households by numbers and percent change (growth or decline) for selected years are shown in the following tables:

	Total Households									
	2000 Census	2010 Census	Change 2000-2010		2017 Estimated	Change 2010-2017		2022 Projected	Change 2017-2022	
			#	%		#	%		#	%
<b>Beaufort County</b>	45,529	64,943	19,414	42.6%	74,488	9,545	14.7%	82,177	7,689	10.3%
<b>Beaufort</b>	4,216	4,236	20	0.5%	4,775	539	12.7%	5,242	467	9.8%
<b>Bluffton</b>	1,239	4,619	3,380	272.8%	6,629	2,010	43.5%	7,668	1,039	15.7%
<b>Hilton Head</b>	13,014	14,961	1,947	15.0%	16,795	1,834	12.3%	18,383	1,588	9.5%
<b>Port Royal</b>	2,335	2,944	609	26.1%	3,570	626	21.3%	3,954	384	10.8%
<b>Northern Unincorporated</b>	7,482	8,796	1,314	17.6%	9,798	1,002	11.4%	10,758	960	9.8%
<b>Southern Unincorporated</b>	6,664	16,763	10,099	151.5%	18,659	1,896	11.3%	20,467	1,808	9.7%
<b>Unincorporated Islands</b>	5,515	6,729	1,214	22.0%	7,599	870	12.9%	8,352	753	9.9%
<b>South Carolina</b>	1,533,845	1,801,179	267,334	17.4%	1,961,024	159,845	8.9%	2,082,880	121,856	6.2%

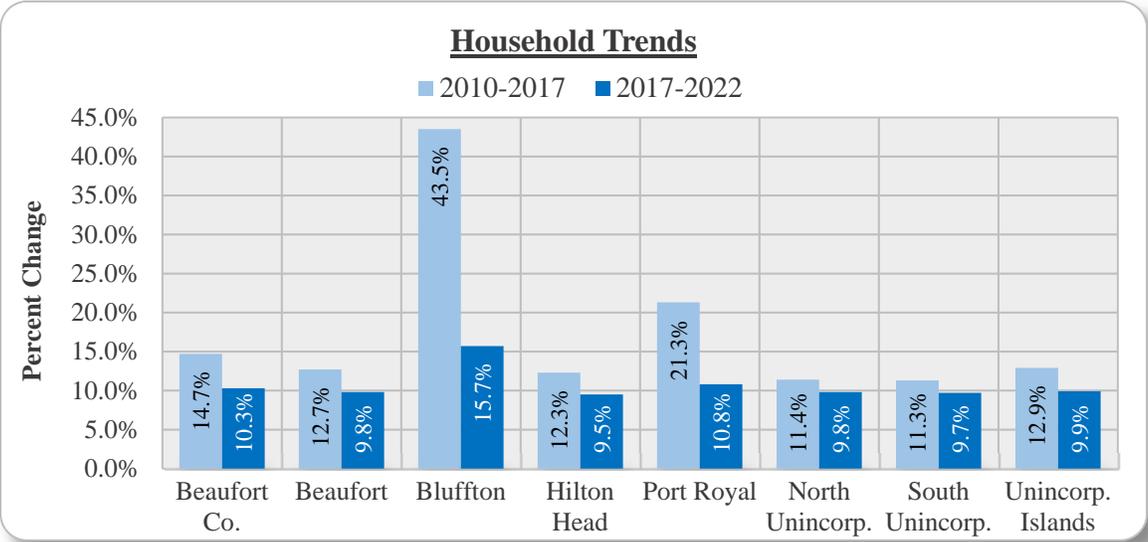
Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

	Total Households – Long Term (10-Year) Projections			
	2017 (Estimated)	2027 (Projected)	Change 2017-2027	
			Number	Percent
<b>Beaufort County</b>	74,488	89,866	15,378	20.6%
<b>Beaufort</b>	4,775	5,709	934	19.6%
<b>Bluffton</b>	6,629	8,707	2,078	31.3%
<b>Hilton Head</b>	16,795	20,511	3,176	18.9%
<b>Port Royal</b>	3,570	4,338	768	21.5%
<b>Northern Unincorporated</b>	9,798	11,718	1,920	19.6%
<b>Southern Unincorporated</b>	18,659	22,275	3,616	19.4%
<b>Unincorporated Islands</b>	7,599	9,105	1,506	19.8%

Noteworthy observations from the preceding tables include:

- From 2000 to 2010, the number of households in the PSA increased by 19,414. This results in a rapid growth rate of 42.6%, which is more than double the growth rate (17.4%) of South Carolina. Since 2010, the number of households in the PSA has increased by 9,545 (14.7%), which outpaced the state growth rate of 8.9% during this time. It is projected that the PSA will grow by 7,689 (10.3%) households between 2017 and 2022. Assuming growth rates will continue at a similar rate, the number of households in the county will increase by 15,378 between 2017 and 2027.
- Within the seven submarkets, the number of households in the Town of Bluffton and the Southern Unincorporated area grew the most during the past 17 years. Notably, the Town of Bluffton added 3,380 (272.8%) households between 2000 and 2010 and added another 2,010 (43.5%) between 2010 and 2017. The Southern Unincorporated area added nearly 12,000 households between 2000 and 2017, representing an increase of 180.0%. While all of the submarkets are projected to increase by around 10% or more between 2017 and 2022, the communities of the Towns of Bluffton and Hilton Head Island, as well as the Southern Unincorporated areas of the county are all expected to add more than 1,000 households during this time.

The following graph compares percent change in households (growth +/- decline-) for two time periods, 2010 to 2017 and 2017 to 2022:



Household heads by age cohorts for selected years are shown in the following table:

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
<b>Beaufort County</b>	2010	3,105 (4.8%)	9,115 (14.0%)	9,250 (14.2%)	10,369 (16.0%)	12,337 (19.0%)	12,081 (18.6%)	8,689 (13.4%)
	2017	3,001 (4.0%)	10,174 (13.7%)	10,014 (13.4%)	10,591 (14.2%)	13,266 (17.8%)	16,617 (22.3%)	10,824 (14.5%)
	2022	3,259 (4.0%)	10,975 (13.4%)	11,381 (13.8%)	10,544 (12.8%)	13,120 (16.0%)	18,328 (22.3%)	14,571 (17.7%)
	<b>Change 2017-2022</b>	258 (8.6%)	801 (7.9%)	1,367 (13.7%)	-47 (-0.4%)	-146 (-1.1%)	1,711 (10.3%)	3,747 (34.6%)
<b>Beaufort</b>	2010	363 (8.6%)	737 (17.4%)	594 (14.0%)	705 (16.6%)	780 (18.4%)	517 (12.2%)	540 (12.7%)
	2017	349 (7.3%)	806 (16.9%)	659 (13.8%)	674 (14.1%)	897 (18.8%)	759 (15.9%)	631 (13.2%)
	2022	392 (7.5%)	827 (15.8%)	762 (14.5%)	682 (13.0%)	918 (17.5%)	917 (17.5%)	745 (14.2%)
	<b>Change 2017-2022</b>	43 (12.3%)	21 (2.6%)	103 (15.6%)	8 (1.2%)	21 (2.3%)	158 (20.8%)	114 (18.1%)
<b>Bluffton</b>	2010	179 (3.9%)	1,053 (22.8%)	1,140 (24.7%)	910 (19.7%)	734 (15.9%)	415 (9.0%)	188 (4.1%)
	2017	200 (3.0%)	1,250 (18.9%)	1,638 (24.7%)	1,386 (20.9%)	1,034 (15.6%)	827 (12.5%)	295 (4.4%)
	2022	239 (3.1%)	1,574 (20.5%)	1,876 (24.5%)	1,498 (19.5%)	1,155 (15.1%)	914 (11.9%)	412 (5.4%)
	<b>Change 2017-2022</b>	39 (19.5%)	324 (25.9%)	238 (14.5%)	112 (8.1%)	121 (11.7%)	87 (10.5%)	117 (39.7%)
<b>Hilton Head</b>	2010	372 (2.5%)	1,374 (9.2%)	1,791 (12.0%)	2,274 (15.2%)	2,993 (20.0%)	3,151 (21.1%)	3,008 (20.1%)
	2017	361 (2.1%)	1,417 (8.4%)	1,681 (10.0%)	2,215 (13.2%)	3,212 (19.1%)	4,253 (25.3%)	3,656 (21.8%)
	2022	363 (2.0%)	1,566 (8.5%)	1,743 (9.5%)	2,071 (11.3%)	3,255 (17.7%)	4,843 (26.3%)	4,541 (24.7%)
	<b>Change 2017-2022</b>	2 (0.6%)	149 (10.5%)	62 (3.7%)	-144 (-6.5%)	43 (1.3%)	590 (13.9%)	885 (24.2%)
<b>Port Royal</b>	2010	360 (12.2%)	756 (25.7%)	451 (15.3%)	465 (15.8%)	428 (14.5%)	249 (8.5%)	235 (8.0%)
	2017	327 (9.2%)	1,013 (28.4%)	603 (16.9%)	447 (12.5%)	509 (14.3%)	392 (11.0%)	280 (7.8%)
	2022	373 (9.4%)	999 (25.3%)	768 (19.4%)	480 (12.1%)	508 (12.8%)	483 (12.2%)	343 (8.7%)
	<b>Change 2017-2022</b>	46 (14.1%)	-14 (-1.4%)	165 (27.4%)	33 (7.4%)	-1 (-0.2%)	91 (23.2%)	63 (22.5%)

(Continued)

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
<b>Northern Unincorporated</b>	2010	962 (10.9%)	1,870 (21.3%)	1,371 (15.6%)	1,580 (18.0%)	1,578 (17.9%)	886 (10.1%)	549 (6.2%)
	2017	911 (9.3%)	2,272 (23.2%)	1,507 (15.4%)	1,384 (14.1%)	1,712 (17.5%)	1,342 (13.7%)	669 (6.8%)
	2022	966 (9.0%)	2,284 (21.2%)	1,857 (17.3%)	1,375 (12.8%)	1,746 (16.2%)	1,636 (15.2%)	892 (8.3%)
	<b>Change 2017-2022</b>	55 (6.0%)	12 (0.5%)	350 (23.2%)	-9 (-0.7%)	34 (2.0%)	294 (21.9%)	223 (33.3%)
<b>Southern Unincorporated</b>	2010	448 (2.7%)	1,862 (11.1%)	2,097 (12.5%)	1,976 (11.8%)	3,160 (18.8%)	4,618 (27.5%)	2,603 (15.5%)
	2017	453 (2.4%)	1,818 (9.7%)	2,089 (11.2%)	2,071 (11.1%)	2,951 (15.8%)	5,982 (32.1%)	3,295 (17.7%)
	2022	506 (2.5%)	1,989 (9.7%)	2,329 (11.4%)	2,070 (10.1%)	2,583 (12.6%)	6,071 (29.7%)	4,920 (24.0%)
	<b>Change 2017-2022</b>	53 (11.7%)	171 (9.4%)	240 (11.5%)	-1 (0.0%)	-368 (-12.5%)	89 (1.5%)	1,625 (49.3%)
<b>Unincorporated Islands</b>	2010	208 (3.1%)	801 (11.9%)	1,037 (15.4%)	1,388 (20.6%)	1,429 (21.2%)	1,141 (17.0%)	726 (10.8%)
	2017	213 (2.8%)	877 (11.5%)	1,029 (13.5%)	1,356 (17.8%)	1,582 (20.8%)	1,609 (21.2%)	932 (12.3%)
	2022	223 (2.7%)	965 (11.6%)	1,139 (13.6%)	1,327 (15.9%)	1,590 (19.0%)	1,800 (21.6%)	1,307 (15.7%)
	<b>Change 2017-2022</b>	10 (4.7%)	88 (10.0%)	110 (10.7%)	-29 (-2.1%)	8 (0.5%)	191 (11.9%)	375 (40.2%)
<b>South Carolina</b>	2010	88,471 (4.9%)	267,925 (14.9%)	316,024 (17.5%)	368,086 (20.4%)	345,264 (19.2%)	236,239 (13.1%)	179,175 (9.9%)
	2017	83,540 (4.3%)	295,851 (15.1%)	316,578 (16.1%)	350,530 (17.9%)	383,470 (19.6%)	321,398 (16.4%)	209,638 (10.7%)
	2022	85,022 (4.1%)	297,603 (14.3%)	342,001 (16.4%)	339,579 (16.3%)	390,911 (18.8%)	366,963 (17.6%)	260,784 (12.5%)
	<b>Change 2017-2022</b>	1,482 (1.8%)	1,752 (0.6%)	25,423 (8.0%)	-10,951 (-3.1%)	7,441 (1.9%)	45,565 (14.2%)	51,146 (24.4%)

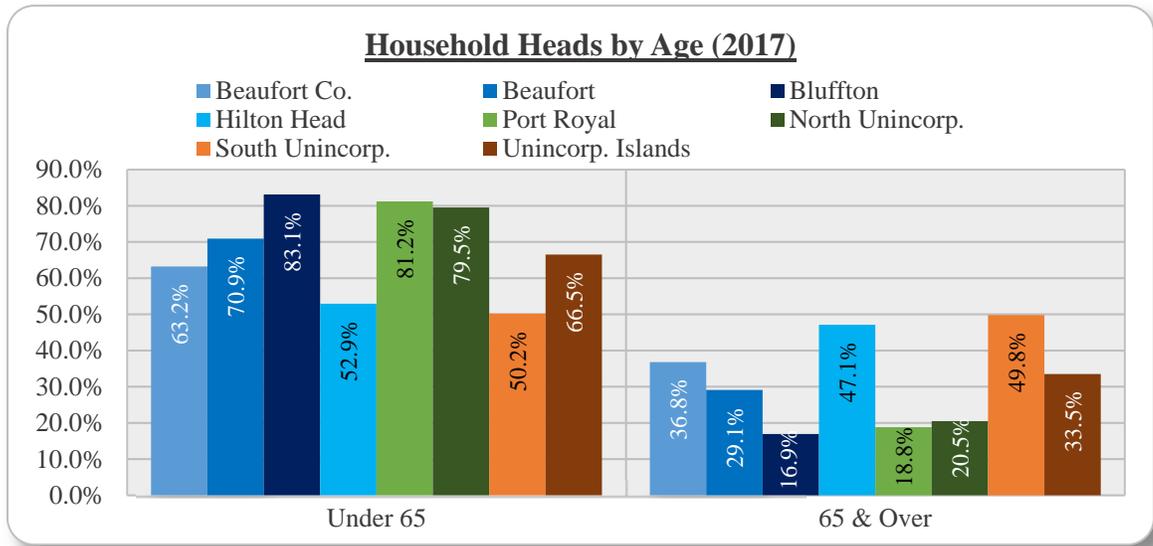
Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The largest share (22.3%) of households by age in the PSA in 2017 was among those between the ages of 65 and 74. By 2022, it is projected that households between this same age group will still represent the largest share (22.3%) of households and those age 75 and older will represent the second largest share (17.7%). The greatest growth in the PSA between 2017 and 2022 is projected to occur among elderly households ages 75 and older (3,747 new households, 34.6%) and seniors ages 65 to 74 (1,711 new households, 10.3%). Notable growth is also projected to occur among middle aged households between the ages of 35 and 44 (1,367 new households, 13.7%) and millennials between the ages of 25 to 34 (801 new households, 7.9%).

- The seven submarkets are projected to experience varied household growth by age between 2017 and 2022. Areas that are to experience mostly senior household growth include the Town of Hilton Head Island, the Southern Unincorporated area and the Unincorporated Islands area. Growth among millennials (ages 25 to 34) and middle-aged households (ages 35 to 44) is projected to occur within the Towns of Bluffton and Port Royal. While the remaining areas of the City of Beaufort and the Northern Unincorporated area will experience growth among both younger and older households.

The following graph compares household age cohort shares for 2017:



Households by tenure for selected years are shown in the following table:

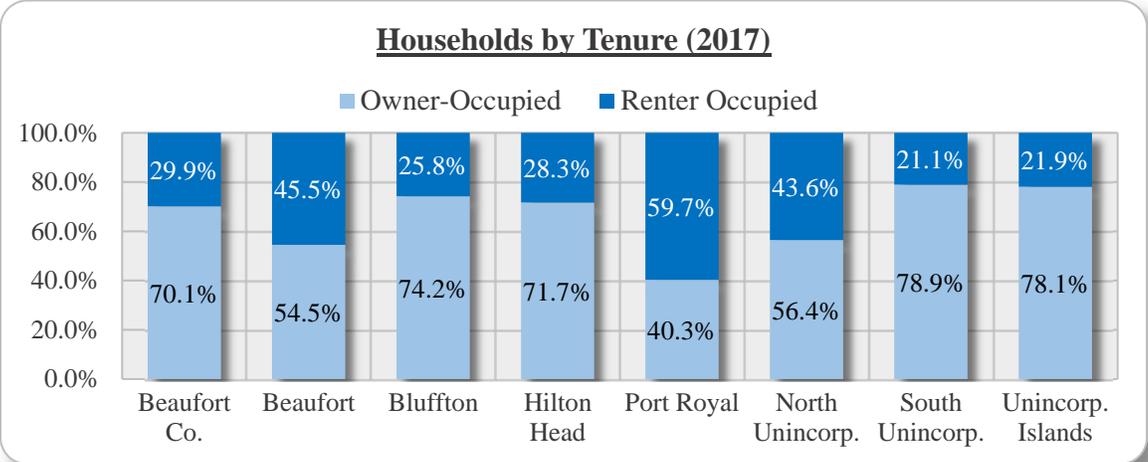
		Households by Tenure								
		Household Type	2000		2010		2017		2022	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Beaufort County</b>	Owner-Occupied	33,335	73.2%	45,866	70.6%	52,244	70.1%	57,637	70.1%	
	Renter-Occupied	12,194	26.8%	19,077	29.4%	22,244	29.9%	24,540	29.9%	
	Total	45,529	100.0%	64,943	100.0%	74,488	100.0%	82,177	100.0%	
<b>Beaufort</b>	Owner-Occupied	2,368	56.2%	2,335	55.1%	2,600	54.5%	2,843	54.2%	
	Renter-Occupied	1,848	43.8%	1,901	44.9%	2,175	45.5%	2,399	45.8%	
	Total	4,216	100.0%	4,236	100.0%	4,775	100.0%	5,242	100.0%	
<b>Bluffton</b>	Owner-Occupied	983	79.3%	3,349	72.5%	4,916	74.2%	5,695	74.3%	
	Renter-Occupied	256	20.7%	1,270	27.5%	1,713	25.8%	1,973	25.7%	
	Total	1,239	100.0%	4,619	100.0%	6,629	100.0%	7,668	100.0%	
<b>Hilton Head</b>	Owner-Occupied	10,078	77.4%	10,850	72.5%	12,047	71.7%	13,149	71.5%	
	Renter-Occupied	2,936	22.6%	4,111	27.5%	4,748	28.3%	5,234	28.5%	
	Total	13,014	100.0%	14,961	100.0%	16,795	100.0%	18,383	100.0%	
<b>Port Royal</b>	Owner-Occupied	1,238	53.0%	1,144	38.9%	1,440	40.3%	1,615	40.8%	
	Renter-Occupied	1,097	47.0%	1,800	61.1%	2,130	59.7%	2,339	59.2%	
	Total	2,335	100.0%	2,944	100.0%	3,570	100.0%	3,954	100.0%	
<b>Northern Unincorporated</b>	Owner-Occupied	4,779	63.9%	5,031	57.2%	5,526	56.4%	6,109	56.8%	
	Renter-Occupied	2,703	36.1%	3,765	42.8%	4,272	43.6%	4,649	43.2%	
	Total	7,482	100.0%	8,796	100.0%	9,798	100.0%	10,758	100.0%	
<b>Southern Unincorporated</b>	Owner-Occupied	5,301	79.5%	13,326	79.5%	14,713	78.9%	16,120	78.8%	
	Renter-Occupied	1,363	20.5%	3,437	20.5%	3,946	21.1%	4,347	21.2%	
	Total	6,664	100.0%	16,763	100.0%	18,659	100.0%	20,467	100.0%	
<b>Unincorporated Islands</b>	Owner-Occupied	4,582	83.1%	5,308	78.9%	5,937	78.1%	6,518	78.0%	
	Renter-Occupied	933	16.9%	1,421	21.1%	1,662	21.9%	1,834	22.0%	
	Total	5,515	100.0%	6,729	100.0%	7,599	100.0%	8,352	100.0%	
<b>South Carolina</b>	Owner-Occupied	1,107,612	72.2%	1,248,803	69.3%	1,347,179	68.7%	1,430,087	68.7%	
	Renter-Occupied	426,233	27.8%	552,376	30.7%	613,845	31.3%	652,793	31.3%	
	Total	1,533,845	100.0%	1,801,179	100.0%	1,961,024	100.0%	2,082,880	100.0%	

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA is an owner household dominated market, with 70.1% of households residing in owner-occupied units. The number of owner-occupied households is projected to increase by 5,393 (10.3%) between 2017 and 2022. During this same time, renter households are projected to increase by 2,296 (10.3%).
- Within the seven submarkets, it is projected that owner households are expected to be the greatest area of growth between 2017 and 2022 within the Town of Bluffton, the Town of Hilton Head Island, and the Northern Unincorporated, Southern Unincorporated and Unincorporated Islands submarkets. Growth in the Town of Port Royal and the City of Beaufort is expected to be more balanced by tenure.

The following graph compares household tenure shares for 2017:



Renter households by size for selected years are shown in the following table:

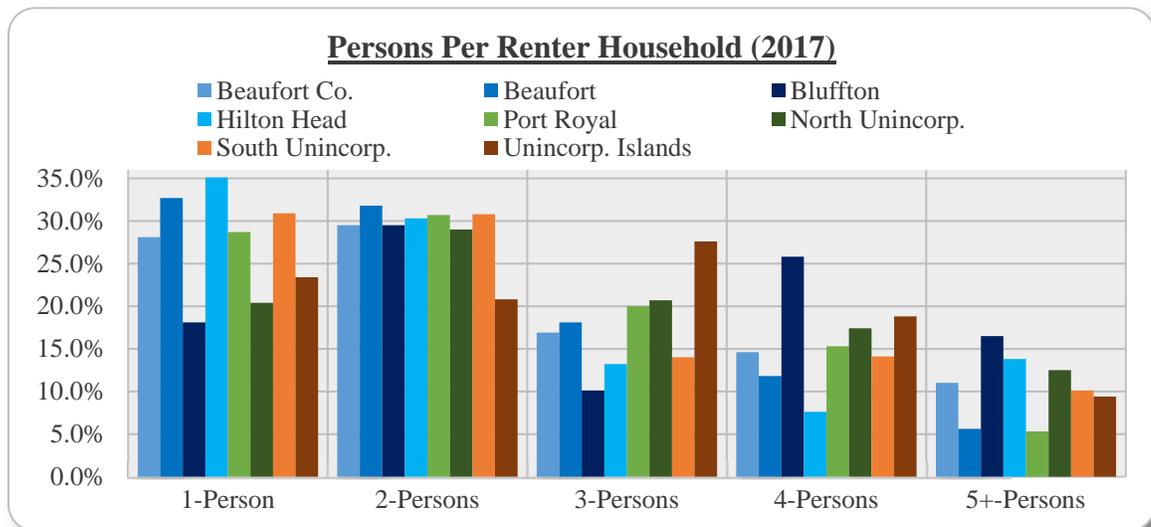
		Persons Per Renter Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
<b>Beaufort County</b>	2010	5,546 (29.1%)	5,698 (29.9%)	3,039 (15.9%)	2,467 (12.9%)	2,327 (12.2%)	19,077 (100.0%)	2.49
	2017	6,246 (28.1%)	6,564 (29.5%)	3,748 (16.9%)	3,239 (14.6%)	2,447 (11.0%)	22,244 (100.0%)	2.51
	2022	6,686 (27.2%)	7,283 (29.7%)	4,016 (16.4%)	3,959 (16.1%)	2,595 (10.6%)	24,540 (100.0%)	2.53
<b>Beaufort</b>	2010	554 (29.1%)	849 (44.7%)	216 (11.4%)	121 (6.3%)	162 (8.5%)	1,901 (100.0%)	2.20
	2017	711 (32.7%)	691 (31.8%)	393 (18.1%)	258 (11.8%)	122 (5.6%)	2,175 (100.0%)	2.26
	2022	745 (31.1%)	637 (26.6%)	528 (22.0%)	384 (16.0%)	104 (4.3%)	2,399 (100.0%)	2.36
<b>Bluffton</b>	2010	293 (23.0%)	366 (28.8%)	146 (11.5%)	286 (22.5%)	179 (14.1%)	1,270 (100.0%)	2.76
	2017	310 (18.1%)	505 (29.5%)	174 (10.1%)	442 (25.8%)	283 (16.5%)	1,714 (100.0%)	2.93
	2022	318 (16.1%)	554 (28.1%)	131 (6.6%)	688 (34.9%)	282 (14.3%)	1,973 (100.0%)	3.03
<b>Hilton Head</b>	2010	1,517 (36.9%)	1,251 (30.4%)	564 (13.7%)	291 (7.1%)	488 (11.9%)	4,111 (100.0%)	2.27
	2017	1,667 (35.1%)	1,437 (30.3%)	627 (13.2%)	362 (7.6%)	656 (13.8%)	4,749 (100.0%)	2.35
	2022	1,803 (34.5%)	1,581 (30.2%)	587 (11.2%)	360 (6.9%)	904 (17.3%)	5,235 (100.0%)	2.42
<b>Port Royal</b>	2010	697 (38.7%)	576 (32.0%)	233 (12.9%)	161 (8.9%)	133 (7.4%)	1,800 (100.0%)	2.14
	2017	611 (28.7%)	653 (30.7%)	427 (20.0%)	327 (15.3%)	113 (5.3%)	2,132 (100.0%)	2.38
	2022	537 (22.9%)	677 (29.0%)	576 (24.6%)	471 (20.1%)	78 (3.3%)	2,339 (100.0%)	2.52
<b>Northern Unincorporated</b>	2010	625 (16.6%)	1,151 (30.6%)	642 (17.0%)	781 (20.8%)	566 (15.0%)	3,765 (100.0%)	2.87
	2017	872 (20.4%)	1,238 (29.0%)	885 (20.7%)	744 (17.4%)	533 (12.5%)	4,272 (100.0%)	2.73
	2022	971 (20.9%)	1,335 (28.7%)	1,021 (22.0%)	731 (15.7%)	591 (12.7%)	4,649 (100.0%)	2.71
<b>Southern Unincorporated</b>	2010	1,049 (30.5%)	801 (23.3%)	557 (16.2%)	520 (15.1%)	510 (14.8%)	3,437 (100.0%)	2.61
	2017	1,221 (30.9%)	1,217 (30.8%)	551 (14.0%)	557 (14.1%)	401 (10.1%)	3,946 (100.0%)	2.42
	2022	1,359 (31.3%)	1,450 (33.4%)	482 (11.1%)	639 (14.7%)	416 (9.6%)	4,346 (100.0%)	2.38
<b>Unincorporated Islands</b>	2010	385 (27.1%)	345 (24.3%)	444 (31.3%)	136 (9.6%)	110 (7.7%)	1,421 (100.0%)	2.47
	2017	389 (23.4%)	345 (20.8%)	459 (27.6%)	312 (18.8%)	157 (9.4%)	1,662 (100.0%)	2.70
	2022	343 (18.7%)	330 (18.0%)	473 (25.8%)	537 (29.3%)	151 (8.2%)	1,834 (100.0%)	2.90
<b>South Carolina</b>	2010	195,154 (35.3%)	150,412 (27.2%)	95,451 (17.3%)	65,843 (11.9%)	45,516 (8.2%)	552,376 (100.0%)	2.31
	2017	218,529 (35.6%)	168,194 (27.4%)	102,758 (16.7%)	73,416 (12.0%)	50,949 (8.3%)	613,845 (100.0%)	2.30
	2022	229,667 (35.2%)	179,435 (27.5%)	108,487 (16.6%)	80,072 (12.3%)	55,132 (8.4%)	652,793 (100.0%)	2.31

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National

Noteworthy observations from the preceding table include:

- In 2017, the largest share (29.5%) of renter households in the PSA (Beaufort County) was two-person households, while one-person households represented the second largest share (28.1%) of households. These shares are projected to remain virtually unchanged through 2022.
- The distribution of renter households by household size within the seven submarkets is generally the same when compared to each other. However, the Town of Bluffton and the Unincorporated Islands have notably higher shares of larger family households (four or more persons), with shares of 49.2% and 37.5%, respectively.

The following graph compares renter household size shares for 2017:



Owner households by size for selected years are shown on the following table:

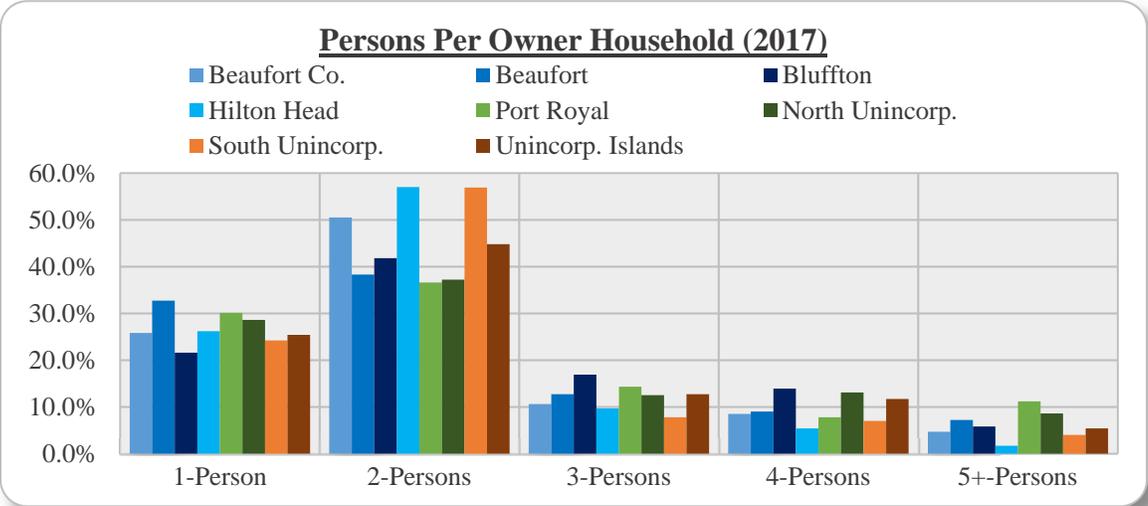
		Persons Per Owner Household						Average H.H. Size
		1-Person	2-Person	3-Person	4-Person	5-Person	Total	
Beaufort County	2010	11,224 (24.5%)	23,100 (50.4%)	5,215 (11.4%)	3,876 (8.4%)	2,454 (5.3%)	45,869 (100.0%)	2.20
	2017	13,469 (25.8%)	26,374 (50.5%)	5,543 (10.6%)	4,425 (8.5%)	2,435 (4.7%)	52,246 (100.0%)	2.16
	2022	15,924 (27.6%)	29,208 (50.7%)	5,535 (9.6%)	4,551 (7.9%)	2,427 (4.2%)	57,643 (100.0%)	2.10
Beaufort	2010	768 (32.9%)	858 (36.8%)	274 (11.7%)	253 (10.8%)	182 (7.8%)	2,335 (100.0%)	2.24
	2017	849 (32.7%)	997 (38.3%)	330 (12.7%)	235 (9.0%)	188 (7.2%)	2,600 (100.0%)	2.20
	2022	816 (28.6%)	910 (31.9%)	299 (10.5%)	189 (6.6%)	634 (22.3%)	2,848 (100.0%)	2.62
Bluffton	2010	727 (21.7%)	1,255 (37.5%)	591 (17.6%)	493 (14.7%)	284 (8.5%)	3,349 (100.0%)	2.51
	2017	1,060 (21.6%)	2,056 (41.8%)	833 (16.9%)	683 (13.9%)	284 (5.8%)	4,917 (100.0%)	2.41
	2022	1,357 (23.8%)	2,454 (43.1%)	942 (16.5%)	679 (11.9%)	263 (4.6%)	5,695 (100.0%)	2.30
Hilton Head	2010	2,678 (24.7%)	6,148 (56.6%)	1,123 (10.3%)	536 (4.9%)	367 (3.4%)	10,852 (100.0%)	2.06
	2017	3,158 (26.2%)	6,867 (57.0%)	1,170 (9.7%)	645 (5.4%)	208 (1.7%)	12,047 (100.0%)	1.99
	2022	3,514 (26.7%)	7,585 (57.7%)	1,292 (9.8%)	617 (4.7%)	143 (1.1%)	13,151 (100.0%)	1.96
Port Royal	2010	278 (24.3%)	411 (35.9%)	179 (15.6%)	133 (11.6%)	144 (12.6%)	1,144 (100.0%)	2.52
	2017	434 (30.1%)	527 (36.6%)	206 (14.3%)	113 (7.8%)	161 (11.2%)	1,440 (100.0%)	2.33
	2022	624 (38.6%)	621 (38.4%)	198 (12.3%)	85 (5.3%)	87 (5.4%)	1,615 (100.0%)	2.00
Northern Unincorporated	2010	1,272 (25.3%)	2,011 (40.0%)	733 (14.6%)	659 (13.1%)	357 (7.1%)	5,031 (100.0%)	2.37
	2017	1,582 (28.6%)	2,055 (37.2%)	689 (12.5%)	726 (13.1%)	474 (8.6%)	5,526 (100.0%)	2.36
	2022	2,063 (33.8%)	2,155 (35.3%)	625 (10.2%)	830 (13.6%)	436 (7.1%)	6,109 (100.0%)	2.25
Southern Unincorporated	2010	3,043 (22.8%)	7,832 (58.8%)	1,020 (7.7%)	886 (6.7%)	546 (4.1%)	13,327 (100.0%)	2.10
	2017	3,562 (24.2%)	8,372 (56.9%)	1,152 (7.8%)	1,036 (7.0%)	591 (4.0%)	14,713 (100.0%)	2.10
	2022	4,248 (26.4%)	8,967 (55.6%)	1,127 (7.0%)	1,082 (6.7%)	696 (4.3%)	16,120 (100.0%)	2.07
Unincorporated Islands	2010	1,321 (24.9%)	2,280 (43.0%)	761 (14.3%)	591 (11.1%)	355 (6.7%)	5,309 (100.0%)	2.32
	2017	1,509 (25.4%)	2,661 (44.8%)	752 (12.7%)	697 (11.7%)	319 (5.4%)	5,938 (100.0%)	2.27
	2022	1,716 (26.3%)	2,885 (44.3%)	682 (10.5%)	799 (12.3%)	436 (6.7%)	6,518 (100.0%)	2.29
South Carolina	2010	300,588 (24.1%)	490,032 (39.2%)	205,554 (16.5%)	160,472 (12.8%)	92,162 (7.4%)	1,248,808 (100.0%)	2.40
	2017	330,059 (24.5%)	534,291 (39.7%)	218,647 (16.2%)	165,703 (12.3%)	98,479 (7.3%)	1,347,179 (100.0%)	2.38
	2022	357,234 (25.0%)	572,818 (40.1%)	228,882 (16.0%)	166,918 (11.7%)	104,235 (7.3%)	1,430,087 (100.0%)	2.36

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National

Noteworthy observations from the preceding table include:

- One- and two-person owner households represented over three-fourths (76.3%) of all PSA (Beaufort County) owner households in 2017. The median household size of 2.16 in 2017 is expected to go virtually unchanged through 2022.
- The greatest shares of one- and two-person owner households are within the Town of Hilton Head Island (83.2%) and the Southern Unincorporated area (81.1%), while one-fifth of owner households consist of large-family households (four or more persons) within the Town of Port Royal, the Northern Unincorporated area and the Town of Bluffton.

The following graph compares owner household size shares for 2017:



The distribution of households by income is illustrated below:

		Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Beaufort County</b>	2010	7,030 (10.8%)	6,681 (10.3%)	7,892 (12.2%)	9,601 (14.8%)	13,007 (20.0%)	7,548 (11.6%)	7,538 (11.6%)	5,649 (8.7%)
	2017	6,040 (8.1%)	5,788 (7.8%)	7,010 (9.4%)	10,734 (14.4%)	15,445 (20.7%)	10,304 (13.8%)	10,394 (14.0%)	8,775 (11.8%)
	2022	6,923 (8.4%)	6,431 (7.8%)	7,662 (9.3%)	11,610 (14.1%)	16,244 (19.8%)	11,471 (14.0%)	11,977 (14.6%)	9,865 (12.0%)
	Change 2017-2022	883 (14.6%)	643 (11.1%)	652 (9.3%)	876 (8.2%)	799 (5.2%)	1,167 (11.3%)	1,583 (15.2%)	1,090 (12.4%)
<b>Beaufort</b>	2010	901 (21.3%)	599 (14.1%)	536 (12.7%)	659 (15.6%)	736 (17.4%)	300 (7.1%)	297 (7.0%)	208 (4.9%)
	2017	571 (12.0%)	427 (8.9%)	567 (11.9%)	819 (17.2%)	906 (19.0%)	575 (12.0%)	523 (11.0%)	387 (8.1%)
	2022	639 (12.2%)	467 (8.9%)	608 (11.6%)	849 (16.2%)	986 (18.8%)	669 (12.8%)	596 (11.4%)	433 (8.3%)
	Change 2017-2022	68 (11.9%)	40 (9.4%)	41 (7.2%)	30 (3.7%)	80 (8.8%)	94 (16.3%)	73 (14.0%)	46 (11.9%)
<b>Bluffton</b>	2010	466 (10.1%)	388 (8.4%)	508 (11.0%)	782 (16.9%)	1,355 (29.3%)	492 (10.7%)	372 (8.1%)	256 (5.5%)
	2017	353 (5.3%)	460 (6.9%)	631 (9.5%)	883 (13.3%)	1,661 (25.0%)	1,113 (16.8%)	969 (14.6%)	561 (8.5%)
	2022	460 (6.0%)	579 (7.6%)	784 (10.2%)	1,062 (13.8%)	1,788 (23.3%)	1,239 (16.2%)	1,095 (14.3%)	661 (8.6%)
	Change 2017-2022	107 (30.3%)	119 (25.9%)	153 (24.2%)	179 (20.3%)	127 (7.6%)	126 (11.3%)	126 (13.0%)	100 (17.8%)
<b>Hilton Head</b>	2010	955 (6.4%)	1,150 (7.7%)	1,448 (9.7%)	1,851 (12.4%)	2,599 (17.4%)	2,116 (14.1%)	2,576 (17.2%)	2,268 (15.2%)
	2017	1,024 (6.1%)	1,239 (7.4%)	1,327 (7.9%)	1,770 (10.5%)	3,179 (18.9%)	2,395 (14.3%)	2,833 (16.9%)	3,029 (18.0%)
	2022	1,122 (6.1%)	1,298 (7.1%)	1,398 (7.6%)	1,869 (10.2%)	3,320 (18.1%)	2,714 (14.8%)	3,090 (16.8%)	3,575 (19.4%)
	Change 2017-2022	98 (9.6%)	59 (4.8%)	71 (5.4%)	99 (5.6%)	141 (4.4%)	319 (13.3%)	257 (9.1%)	546 (18.0%)
<b>Port Royal</b>	2010	504 (17.1%)	384 (13.0%)	493 (16.7%)	516 (17.5%)	588 (20.0%)	251 (8.5%)	171 (5.8%)	37 (1.3%)
	2017	375 (10.5%)	284 (8.0%)	511 (14.3%)	709 (19.8%)	808 (22.6%)	411 (11.5%)	288 (8.1%)	186 (5.2%)
	2022	425 (10.7%)	317 (8.0%)	550 (13.9%)	745 (18.8%)	874 (22.1%)	486 (12.3%)	339 (8.6%)	218 (5.5%)
	Change 2017-2022	50 (13.3%)	33 (11.6%)	39 (7.6%)	36 (5.1%)	66 (8.2%)	75 (18.2%)	51 (17.7%)	32 (17.2%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

		Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Northern Unincorp.</b>	2010	1,513 (17.2%)	1,293 (14.7%)	1,351 (15.4%)	1,730 (19.7%)	1,530 (17.4%)	620 (7.0%)	537 (6.1%)	222 (2.5%)
	2017	1,177 (12.0%)	975 (10.0%)	1,314 (13.4%)	1,991 (20.3%)	2,181 (22.3%)	952 (9.7%)	697 (7.1%)	511 (5.2%)
	2022	1,400 (13.0%)	1,142 (10.6%)	1,457 (13.5%)	1,968 (18.3%)	2,301 (21.4%)	1,086 (10.1%)	803 (7.5%)	601 (5.6%)
	Change 2017-2022	223 (18.9%)	167 (17.1%)	143 (10.9%)	-23 (-1.2%)	120 (5.5%)	134 (14.1%)	106 (15.2%)	90 (17.6%)
<b>Southern Unincorp.</b>	2010	1,405 (8.4%)	1,358 (8.1%)	2,074 (12.4%)	2,186 (13.0%)	3,715 (22.2%)	2,212 (13.2%)	2,228 (13.3%)	1,586 (9.5%)
	2017	1,072 (5.7%)	1,097 (5.9%)	1,314 (7.0%)	2,775 (14.9%)	3,903 (20.9%)	3,009 (16.1%)	3,050 (16.3%)	2,439 (13.1%)
	2022	1,218 (6.0%)	1,201 (5.9%)	1,434 (7.0%)	2,946 (14.4%)	3,945 (19.3%)	3,408 (16.7%)	3,561 (17.4%)	2,753 (13.5%)
	Change 2017-2022	146 (13.6%)	104 (9.5%)	120 (9.1%)	171 (6.2%)	42 (1.1%)	399 (13.3%)	511 (16.8%)	314 (12.9%)
<b>Unincorp. Islands</b>	2010	1,105 (16.4%)	755 (11.2%)	761 (11.3%)	953 (14.2%)	1,179 (17.5%)	845 (12.6%)	634 (9.4%)	498 (7.4%)
	2017	852 (11.2%)	771 (10.1%)	706 (9.3%)	922 (12.1%)	1,516 (19.9%)	990 (13.0%)	1,028 (13.5%)	815 (10.7%)
	2022	982 (11.8%)	864 (10.3%)	778 (9.3%)	969 (11.6%)	1,624 (19.4%)	1,099 (13.2%)	1,137 (13.6%)	899 (10.8%)
	Change 2017-2022	130 (15.3%)	93 (12.1%)	72 (10.2%)	47 (5.1%)	108 (7.1%)	109 (11.0%)	109 (10.6%)	84 (10.3%)
<b>South Carolina</b>	2010	304,844 (16.9%)	239,671 (13.3%)	216,204 (12.0%)	271,599 (15.1%)	332,912 (18.5%)	184,965 (10.3%)	166,087 (9.2%)	84,902 (4.7%)
	2017	276,574 (14.1%)	224,987 (11.5%)	212,951 (10.9%)	284,922 (14.5%)	371,528 (18.9%)	234,287 (11.9%)	218,191 (11.1%)	137,584 (7.0%)
	2022	313,748 (15.1%)	250,710 (12.0%)	226,335 (10.9%)	296,444 (14.2%)	390,169 (18.7%)	242,978 (11.7%)	223,007 (10.7%)	139,489 (6.7%)
	Change 2017-2022	37,174 (13.4%)	25,723 (11.4%)	13,384 (6.3%)	11,522 (4.0%)	18,641 (5.0%)	8,691 (3.7%)	4,816 (2.2%)	1,905 (1.4%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- In 2017, the largest number of households in the PSA had incomes between \$50,000 and \$74,999, representing 20.7% of all households. Combined, over 60% of the households in the PSA make more than \$50,000 in 2017. All household income segments are projected to increase between 2017 and 2022, with most of the growth expected to occur among households making \$75,000 or more.

- Within the selected submarkets, it is projected that most household income segments will grow between 2017 and 2022. Growth by income segments will be generally balanced in the City of Beaufort, the Town of Bluffton and the Town of Port Royal. The Town of Hilton Head Island, the Southern Unincorporated area and the Unincorporated Islands are expected to experience most of their growth among households earning above \$75,000, while the Northern Unincorporated area is expected to experience most of its growth among households earning below \$35,000.

Median household income for selected years is shown in the following table:

	Median Household Income		
	2010 Census	2017 Estimated	% Change 2010-2017
<b>Beaufort County</b>	\$52,439	\$62,420	19.0%
<b>Beaufort</b>	\$36,866	\$50,097	35.9%
<b>Bluffton</b>	\$53,054	\$64,878	22.3%
<b>Hilton Head</b>	\$69,984	\$73,891	5.6%
<b>Port Royal</b>	\$37,645	\$48,032	27.6%
<b>Northern Unincorporated</b>	\$37,090	\$45,796	23.5%
<b>Southern Unincorporated</b>	\$59,145	\$69,674	17.8%
<b>Unincorporated Islands</b>	\$46,710	\$59,053	26.4%
<b>South Carolina</b>	\$42,725	\$49,004	14.7%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The PSA had an estimated median household income of \$52,439 in 2010. This increased to \$62,420 in 2017, representing a 19.0% increase.
- The highest median household income in 2017 was within the Town of Hilton Head Island, which was \$73,891. Other higher income submarkets include the Southern Unincorporated area (\$69,674) and the Town of Bluffton (\$64,878). The Northern Unincorporated area had the lowest median household income of \$45,796. The greatest increase in median household income since 2010 was in the City of Beaufort (35.9%) and the Town of Port Royal (27.6%).

The distribution of *renter* households by income is illustrated below:

		Renter Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Beaufort County</b>	2010	3,312 (17.4%)	2,946 (15.4%)	3,175 (16.6%)	3,433 (18.0%)	3,752 (19.7%)	1,766 (9.3%)	473 (2.5%)	220 (1.2%)
	2017	2,821 (12.7%)	2,516 (11.3%)	2,857 (12.8%)	4,380 (19.7%)	5,003 (22.5%)	2,546 (11.4%)	1,254 (5.6%)	868 (3.9%)
	2022	3,232 (13.3%)	2,580 (10.6%)	2,910 (11.9%)	4,686 (19.2%)	5,460 (22.4%)	3,058 (12.6%)	1,421 (5.8%)	1,005 (4.1%)
	Change 2017-2022	411 (14.6%)	64 (2.5%)	53 (1.9%)	306 (7.0%)	457 (9.1%)	512 (20.1%)	167 (13.3%)	137 (15.8%)
<b>Beaufort</b>	2010	554 (29.1%)	398 (20.9%)	316 (16.6%)	273 (14.4%)	212 (11.1%)	87 (4.6%)	50 (2.7%)	11 (0.6%)
	2017	379 (17.4%)	307 (14.1%)	380 (17.5%)	447 (20.6%)	366 (16.8%)	178 (8.2%)	102 (4.7%)	15 (0.7%)
	2022	430 (17.9%)	338 (14.1%)	417 (17.4%)	459 (19.1%)	346 (14.4%)	299 (12.4%)	104 (4.3%)	9 (0.4%)
	Change 2017-2022	51 (13.4%)	30 (9.8%)	37 (9.8%)	12 (2.6%)	-20 (-5.4%)	120 (67.4%)	2 (1.9%)	-6 (-42.4%)
<b>Bluffton</b>	2010	153 (12.0%)	179 (14.1%)	129 (10.1%)	235 (18.5%)	468 (36.8%)	99 (7.8%)	5 (0.4%)	3 (0.2%)
	2017	54 (3.1%)	152 (8.9%)	210 (12.2%)	273 (15.9%)	570 (33.3%)	253 (14.7%)	73 (4.2%)	130 (7.6%)
	2022	55 (2.7%)	143 (7.2%)	232 (11.6%)	270 (13.5%)	730 (36.5%)	270 (13.5%)	71 (3.6%)	232 (11.6%)
	Change 2017-2022	1 (2.2%)	-9 (-6.0%)	22 (10.5%)	-4 (-1.4%)	160 (28.0%)	17 (6.8%)	-1 (-2.0%)	102 (78.5%)
<b>Hilton Head</b>	2010	506 (12.3%)	475 (11.5%)	627 (15.3%)	769 (18.7%)	846 (20.6%)	652 (15.9%)	144 (3.5%)	92 (2.2%)
	2017	464 (9.8%)	592 (12.5%)	491 (10.3%)	705 (14.8%)	1,281 (27.0%)	574 (12.1%)	357 (7.5%)	284 (6.0%)
	2022	470 (9.2%)	601 (11.8%)	447 (8.8%)	741 (14.5%)	1,593 (31.2%)	544 (10.7%)	359 (7.0%)	348 (6.8%)
	Change 2017-2022	6 (1.3%)	8 (1.4%)	-44 (-8.9%)	36 (5.1%)	312 (24.3%)	-30 (-5.2%)	2 (0.4%)	63 (22.3%)
<b>Port Royal</b>	2010	448 (24.9%)	328 (18.2%)	285 (15.8%)	316 (17.6%)	261 (14.5%)	111 (6.2%)	43 (2.4%)	8 (0.5%)
	2017	315 (14.8%)	216 (10.1%)	377 (17.7%)	559 (26.2%)	352 (16.5%)	159 (7.5%)	117 (5.5%)	38 (1.8%)
	2022	346 (14.7%)	270 (11.5%)	424 (18.1%)	583 (24.8%)	328 (14.0%)	237 (10.1%)	116 (4.9%)	45 (1.9%)
	Change 2017-2022	31 (9.8%)	54 (24.8%)	48 (12.6%)	24 (4.3%)	-24 (-6.7%)	78 (48.9%)	0 (-0.3%)	7 (18.9%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

		Renter Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Northern Unincorp.</b>	2010	633 (16.8%)	584 (15.5%)	800 (21.3%)	749 (19.9%)	647 (17.2%)	231 (6.1%)	102 (2.7%)	18 (0.5%)
	2017	557 (13.0%)	544 (12.7%)	707 (16.5%)	1,253 (29.3%)	721 (16.9%)	314 (7.4%)	157 (3.7%)	19 (0.5%)
	2022	667 (14.4%)	628 (13.5%)	780 (16.8%)	1,417 (30.5%)	611 (13.2%)	371 (8.0%)	159 (3.4%)	12 (0.3%)
	Change 2017-2022	110 (19.8%)	84 (15.5%)	74 (10.5%)	164 (13.1%)	-110 (-15.3%)	57 (18.0%)	2 (1.4%)	-8 (-39.1%)
<b>Southern Unincorp.</b>	2010	610 (17.7%)	472 (13.7%)	455 (13.2%)	626 (18.2%)	833 (24.2%)	295 (8.6%)	90 (2.6%)	56 (1.6%)
	2017	373 (9.4%)	312 (7.9%)	367 (9.3%)	756 (19.2%)	1,030 (26.1%)	683 (17.3%)	201 (5.1%)	224 (5.7%)
	2022	427 (9.9%)	301 (7.0%)	355 (8.3%)	661 (15.4%)	1,163 (27.1%)	945 (22.0%)	189 (4.4%)	251 (5.8%)
	Change 2017-2022	54 (14.5%)	-12 (-3.7%)	-12 (-3.3%)	-95 (-12.6%)	134 (13.0%)	262 (38.4%)	-12 (-5.8%)	26 (11.7%)
<b>Unincorp. Islands</b>	2010	318 (22.4%)	319 (22.4%)	205 (14.4%)	240 (16.9%)	169 (11.9%)	154 (10.8%)	8 (0.6%)	9 (0.6%)
	2017	398 (23.9%)	182 (11.0%)	139 (8.4%)	240 (14.4%)	341 (20.5%)	177 (10.7%)	116 (7.0%)	69 (4.2%)
	2022	424 (23.6%)	90 (5.0%)	77 (4.3%)	175 (9.7%)	269 (15.0%)	162 (9.0%)	371 (20.6%)	232 (12.9%)
	Change 2017-2022	27 (6.7%)	-92 (-50.5%)	-62 (-44.8%)	-65 (-27.1%)	-71 (-21.0%)	-15 (-8.7%)	254 (218.9%)	163 (235.1%)
<b>South Carolina</b>	2010	166,169 (30.1%)	103,587 (18.8%)	80,146 (14.5%)	84,176 (15.2%)	71,291 (12.9%)	27,008 (4.9%)	14,801 (2.7%)	5,197 (0.9%)
	2017	156,234 (25.5%)	105,620 (17.2%)	85,329 (13.9%)	94,576 (15.4%)	95,121 (15.5%)	39,311 (6.4%)	26,614 (4.3%)	11,040 (1.8%)
	2022	171,156 (26.2%)	115,771 (17.7%)	87,301 (13.4%)	93,446 (14.3%)	101,994 (15.6%)	40,685 (6.2%)	29,991 (4.6%)	12,929 (2.0%)
	Change 2017-2022	14,921 (9.6%)	10,151 (9.6%)	1,972 (2.3%)	-1,131 (-1.2%)	6,873 (7.2%)	1,375 (3.5%)	3,377 (12.7%)	1,889 (17.1%)

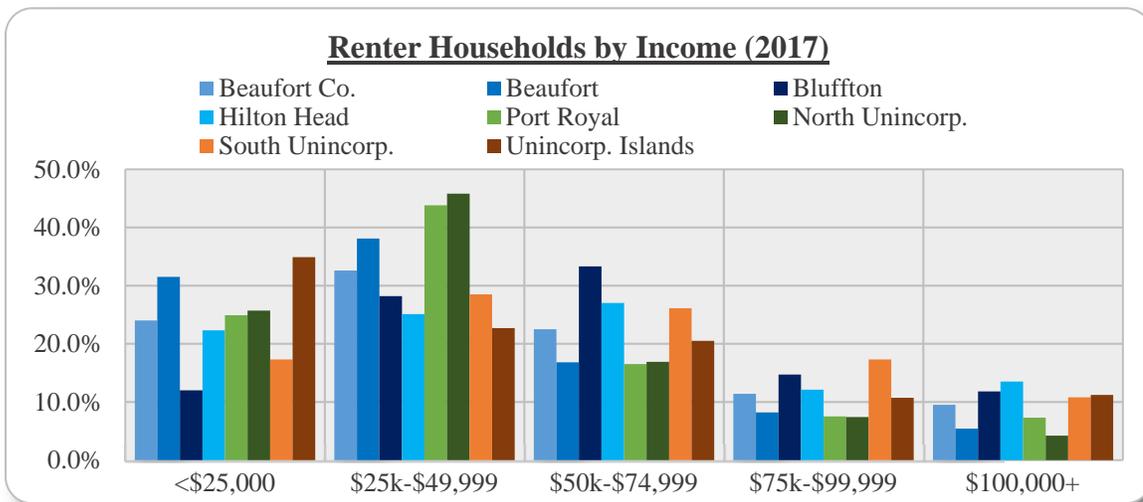
Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- In 2017, the largest number of *renter* households in the PSA had incomes between \$50,000 and \$74,999, with the next largest number making between \$35,000 and \$49,999. Combined, over 40% of the renter households in the PSA made between \$35,000 and \$74,999 in 2017. The greatest growth between 2017 and 2022 is projected to occur among households with incomes between \$75,000 and \$99,999, though notable growth is projected to occur among households with incomes between \$35,000 and \$49,999, between \$50,000 and \$74,999 and below \$15,000.
- Most of the submarkets will experience a majority of their renter household growth among higher income households, generally earning above \$75,000. This would include the City of Beaufort, the Town of Port Royal and the Southern Unincorporated area. The Unincorporated Islands will primarily

grow among households with incomes of \$100,000 and higher. The Northern Unincorporated area is expected to experience most of its growth among households earning between \$35,000 and \$49,999 and below \$15,000. The Towns of Bluffton and Hilton Head Island are expected to experience the greatest growth among middle-income households, earning between \$50,000 and \$74,999.

The following graph compares *renter* household income shares for 2017:



The distribution of *owner* households by income is included below:

		Owner Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Beaufort County</b>	2010	3,718 (8.1%)	3,735 (8.1%)	4,717 (10.3%)	6,168 (13.4%)	9,255 (20.2%)	5,782 (12.6%)	7,065 (15.4%)	5,429 (11.8%)
	2017	3,219 (6.2%)	3,272 (6.3%)	4,153 (7.9%)	6,354 (12.2%)	10,442 (20.0%)	7,758 (14.8%)	9,140 (17.5%)	7,907 (15.1%)
	2022	3,691 (6.4%)	3,851 (6.7%)	4,752 (8.2%)	6,924 (12.0%)	10,784 (18.7%)	8,413 (14.6%)	10,556 (18.3%)	8,672 (15.0%)
	Change 2017-2022	472 (14.7%)	579 (17.7%)	599 (14.4%)	570 (9.0%)	342 (3.3%)	655 (8.4%)	1,416 (15.5%)	765 (9.7%)
<b>Beaufort</b>	2010	347 (14.9%)	201 (8.6%)	220 (9.4%)	386 (16.5%)	524 (22.5%)	213 (9.1%)	247 (10.6%)	197 (8.4%)
	2017	192 (7.4%)	120 (4.6%)	187 (7.2%)	372 (14.3%)	540 (20.8%)	397 (15.3%)	421 (16.2%)	372 (14.3%)
	2022	209 (7.3%)	129 (4.5%)	191 (6.7%)	390 (13.7%)	640 (22.5%)	370 (13.0%)	492 (17.3%)	426 (15.0%)
	Change 2017-2022	17 (9.0%)	10 (8.3%)	4 (2.1%)	18 (5.0%)	100 (18.5%)	-26 (-6.6%)	71 (16.9%)	54 (14.4%)
<b>Bluffton</b>	2010	313 (9.4%)	209 (6.3%)	379 (11.3%)	547 (16.3%)	887 (26.5%)	393 (11.7%)	367 (11.0%)	253 (7.6%)
	2017	299 (6.1%)	308 (6.3%)	421 (8.6%)	610 (12.4%)	1,091 (22.2%)	860 (17.5%)	896 (18.2%)	431 (8.8%)
	2022	405 (7.1%)	436 (7.7%)	552 (9.7%)	792 (13.9%)	1,058 (18.6%)	969 (17.0%)	1,024 (18.0%)	458 (8.0%)
	Change 2017-2022	106 (35.4%)	128 (41.7%)	131 (31.1%)	183 (30.0%)	-33 (-3.0%)	109 (12.7%)	127 (14.2%)	27 (6.2%)
<b>Hilton Head</b>	2010	449 (4.1%)	675 (6.2%)	821 (7.6%)	1,082 (10.0%)	1,753 (16.2%)	1,464 (13.5%)	2,432 (22.4%)	2,176 (20.1%)
	2017	560 (4.6%)	647 (5.4%)	836 (6.9%)	1,065 (8.8%)	1,898 (15.8%)	1,821 (15.1%)	2,476 (20.6%)	2,745 (22.8%)
	2022	652 (5.0%)	697 (5.3%)	951 (7.2%)	1,128 (8.6%)	1,727 (13.1%)	2,170 (16.5%)	2,731 (20.8%)	3,095 (23.5%)
	Change 2017-2022	92 (16.4%)	51 (7.8%)	115 (13.7%)	63 (5.9%)	-171 (-9.0%)	349 (19.2%)	255 (10.3%)	350 (12.8%)
<b>Port Royal</b>	2010	56 (4.9%)	56 (4.9%)	208 (18.2%)	200 (17.5%)	327 (28.6%)	140 (12.2%)	128 (11.2%)	29 (2.5%)
	2017	60 (4.2%)	68 (4.7%)	134 (9.3%)	150 (10.4%)	456 (31.7%)	252 (17.5%)	171 (11.9%)	148 (10.3%)
	2022	79 (4.9%)	47 (2.9%)	126 (7.8%)	162 (10.1%)	546 (33.8%)	249 (15.4%)	223 (13.8%)	183 (11.4%)
	Change 2017-2022	19 (32.0%)	-21 (-30.6%)	-9 (-6.4%)	12 (7.9%)	90 (19.6%)	-3 (-1.2%)	51 (30.0%)	35 (23.8%)
<b>Northern Unincorp.</b>	2010	880 (17.5%)	709 (14.1%)	551 (10.9%)	981 (19.5%)	883 (17.6%)	389 (7.7%)	435 (8.7%)	204 (4.0%)
	2017	620 (11.2%)	431 (7.8%)	607 (11.0%)	738 (13.4%)	1,460 (26.4%)	638 (11.5%)	540 (9.8%)	492 (8.9%)
	2022	733 (12.0%)	514 (8.4%)	677 (11.1%)	551 (9.0%)	1,690 (27.7%)	715 (11.7%)	644 (10.5%)	586 (9.6%)
	Change 2017-2022	113 (18.2%)	83 (19.2%)	69 (11.4%)	-187 (-25.4%)	230 (15.8%)	77 (12.1%)	104 (19.2%)	95 (19.2%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

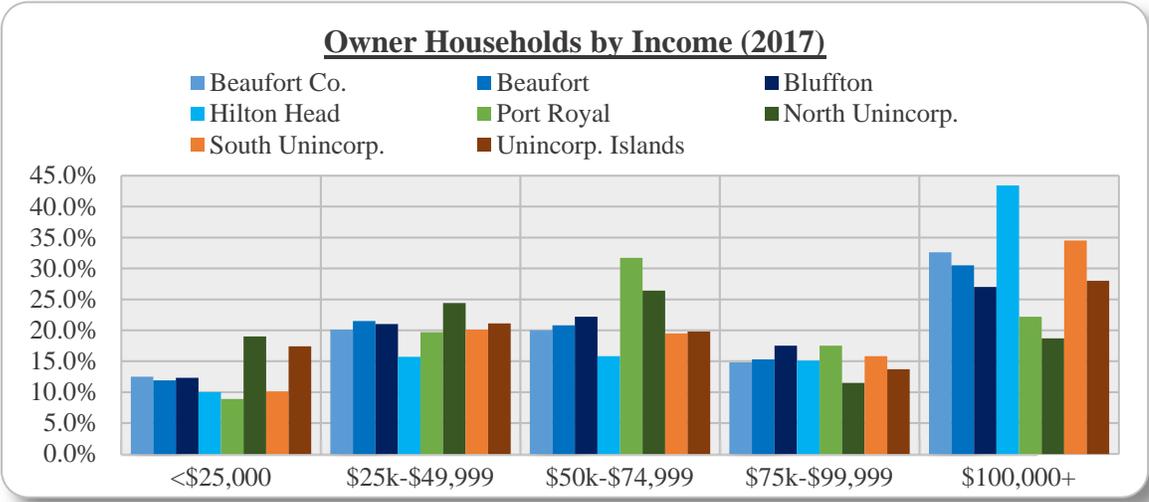
		Owner Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Southern Unincorp.</b>	2010	795 (6.0%)	886 (6.6%)	1,619 (12.1%)	1,560 (11.7%)	2,882 (21.6%)	1,917 (14.4%)	2,138 (16.0%)	1,530 (11.5%)
	2017	699 (4.8%)	785 (5.3%)	947 (6.4%)	2,019 (13.7%)	2,873 (19.5%)	2,326 (15.8%)	2,849 (19.4%)	2,215 (15.1%)
	2022	791 (4.9%)	900 (5.6%)	1,079 (6.7%)	2,285 (14.2%)	2,782 (17.3%)	2,463 (15.3%)	3,372 (20.9%)	2,448 (15.2%)
	Change 2017-2022	92 (13.2%)	116 (14.7%)	132 (14.0%)	266 (13.2%)	-92 (-3.2%)	137 (5.9%)	523 (18.3%)	233 (10.5%)
<b>Unincorp. Islands</b>	2010	787 (14.8%)	436 (8.2%)	556 (10.5%)	713 (13.4%)	1,010 (19.0%)	691 (13.0%)	626 (11.8%)	489 (9.2%)
	2017	454 (7.7%)	589 (9.9%)	567 (9.6%)	682 (11.5%)	1,175 (19.8%)	813 (13.7%)	912 (15.4%)	746 (12.6%)
	2022	558 (8.6%)	774 (11.9%)	701 (10.8%)	794 (12.2%)	1,355 (20.8%)	937 (14.4%)	766 (11.8%)	633 (9.7%)
	Change 2017-2022	103 (22.7%)	185 (31.4%)	134 (23.7%)	112 (16.4%)	179 (15.3%)	124 (15.3%)	-145 (-15.9%)	-113 (-15.2%)
<b>South Carolina</b>	2010	138,675 (11.1%)	136,084 (10.9%)	136,058 (10.9%)	187,423 (15.0%)	261,621 (20.9%)	157,957 (12.6%)	151,286 (12.1%)	79,705 (6.4%)
	2017	120,340 (8.9%)	119,367 (8.9%)	127,622 (9.5%)	190,346 (14.1%)	276,407 (20.5%)	194,976 (14.5%)	191,577 (14.2%)	126,544 (9.4%)
	2022	142,592 (10.0%)	134,939 (9.4%)	139,034 (9.7%)	202,998 (14.2%)	288,175 (20.2%)	202,293 (14.1%)	193,016 (13.5%)	127,040 (8.9%)
	Change 2017-2022	22,253 (18.5%)	15,572 (13.0%)	11,412 (8.9%)	12,653 (6.6%)	11,768 (4.3%)	7,316 (3.8%)	1,439 (0.8%)	496 (0.4%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The largest income segment in the PSA in 2017 was among owner households earning between \$50,000 and \$74,999, representing one-fifth of households. All owner income segments are projected to grow between 2017 and 2022, with the greatest growth expected to occur among owner households earning between \$100,000 and \$149,999.
- Within the submarkets, most of the owner household growth is projected to occur among moderate-/middle-income households earning between \$35,000 and \$49,999 or between \$50,000 and \$74,999. The Town of Hilton Head Island's homeowner growth is projected to primarily occur among households earning \$75,000 or more annually, while the Southern Unincorporated area is projected to occur among households earning \$100,000 or more a year.

The following graph compares *owner* household income shares for 2017:



The following table shows the distribution of *senior (age 55+) renter* households by income:

		Age 55+ Renter Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Beaufort County</b>	2010	796 (20.9%)	597 (15.7%)	626 (16.4%)	581 (15.2%)	642 (16.8%)	422 (11.1%)	88 (2.3%)	60 (1.6%)
	2017	877 (17.4%)	725 (14.4%)	586 (11.6%)	885 (17.6%)	955 (19.0%)	537 (10.7%)	256 (5.1%)	215 (4.3%)
	2022	954 (16.9%)	670 (11.9%)	542 (9.6%)	910 (16.1%)	1,112 (19.7%)	758 (13.4%)	346 (6.1%)	351 (6.2%)
	Change 2017-2022	78 (8.8%)	-56 (-7.7%)	-43 (-7.4%)	24 (2.8%)	156 (16.4%)	221 (41.2%)	91 (35.4%)	135 (62.9%)
<b>Beaufort</b>	2010	126 (34.0%)	87 (23.5%)	72 (19.5%)	36 (9.6%)	27 (7.2%)	15 (4.0%)	7 (1.9%)	2 (0.4%)
	2017	121 (24.7%)	106 (21.7%)	104 (21.3%)	78 (15.8%)	46 (9.3%)	24 (4.9%)	10 (2.1%)	1 (0.2%)
	2022	135 (23.7%)	116 (20.4%)	119 (20.8%)	86 (15.0%)	35 (6.1%)	69 (12.2%)	10 (1.7%)	1 (0.1%)
	Change 2017-2022	14 (11.6%)	10 (9.4%)	14 (13.8%)	8 (10.5%)	-11 (-23.5%)	45 (186.0%)	-1 (-6.3%)	-1 (-56.9%)
<b>Bluffton</b>	2010	17 (8.5%)	33 (16.2%)	18 (8.9%)	40 (19.9%)	73 (36.3%)	19 (9.5%)	1 (0.3%)	1 (0.3%)
	2017	10 (3.4%)	33 (11.8%)	36 (12.8%)	40 (14.4%)	88 (31.5%)	33 (11.8%)	9 (3.1%)	31 (11.2%)
	2022	11 (3.1%)	29 (8.2%)	43 (11.9%)	38 (10.5%)	137 (38.0%)	36 (9.9%)	9 (2.5%)	58 (16.0%)
	Change 2017-2022	2 (16.5%)	-4 (-10.8%)	7 (19.4%)	-3 (-6.4%)	49 (56.0%)	3 (8.5%)	0 (3.1%)	26 (84.9%)
<b>Hilton Head</b>	2010	160 (13.8%)	124 (10.7%)	190 (16.4%)	206 (17.8%)	216 (18.6%)	207 (17.9%)	31 (2.7%)	26 (2.3%)
	2017	183 (12.3%)	258 (17.3%)	139 (9.4%)	169 (11.3%)	434 (29.1%)	149 (10.0%)	88 (5.9%)	72 (4.8%)
	2022	170 (10.2%)	254 (15.3%)	102 (6.1%)	158 (9.5%)	618 (37.3%)	123 (7.4%)	84 (5.1%)	150 (9.0%)
	Change 2017-2022	-13 (-7.3%)	-4 (-1.5%)	-38 (-26.9%)	-11 (-6.4%)	185 (42.6%)	-26 (-17.2%)	-3 (-4.0%)	78 (108.6%)
<b>Port Royal</b>	2010	97 (34.8%)	72 (25.6%)	31 (11.0%)	40 (14.3%)	16 (5.9%)	18 (6.5%)	4 (1.4%)	2 (0.6%)
	2017	87 (28.9%)	53 (17.6%)	50 (16.8%)	82 (27.4%)	13 (4.4%)	7 (2.2%)	7 (2.2%)	1 (0.4%)
	2022	94 (26.6%)	86 (24.4%)	82 (23.2%)	91 (25.8%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
	Change 2017-2022	7 (8.5%)	33 (63.1%)	32 (62.8%)	9 (10.9%)	-13 (-100.0%)	-7 (-100.0%)	-7 (-100.0%)	-1 (-100.0%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

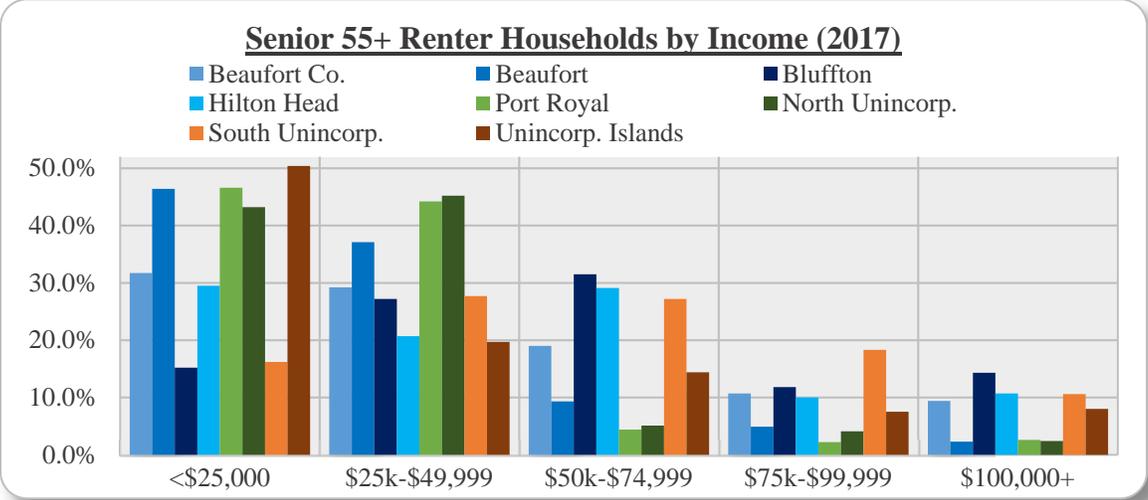
		Age 55+ Renter Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Northern Unincorp.</b>	2010	90 (23.5%)	55 (14.2%)	83 (21.5%)	50 (13.1%)	65 (17.0%)	31 (8.0%)	8 (2.1%)	3 (0.7%)
	2017	129 (23.0%)	113 (20.1%)	74 (13.2%)	180 (32.0%)	29 (5.1%)	23 (4.1%)	13 (2.2%)	1 (0.2%)
	2022	154 (20.8%)	129 (17.4%)	79 (10.7%)	301 (40.6%)	23 (3.1%)	38 (5.2%)	16 (2.1%)	1 (0.1%)
	Change 2017-2022	25 (19.3%)	16 (14.2%)	5 (6.7%)	122 (67.7%)	-6 (-19.8%)	16 (68.3%)	3 (24.4%)	0 (-23.4%)
<b>Southern Unincorp.</b>	2010	133 (17.1%)	119 (15.3%)	97 (12.5%)	167 (21.5%)	165 (21.2%)	69 (8.9%)	15 (1.9%)	13 (1.7%)
	2017	114 (9.0%)	92 (7.3%)	101 (8.0%)	250 (19.7%)	345 (27.2%)	233 (18.3%)	60 (4.8%)	74 (5.8%)
	2022	153 (8.3%)	105 (5.7%)	122 (6.6%)	268 (14.5%)	508 (27.4%)	466 (25.1%)	87 (4.7%)	145 (7.8%)
	Change 2017-2022	39 (34.6%)	13 (14.1%)	20 (19.9%)	18 (7.4%)	163 (47.4%)	233 (100.2%)	27 (44.9%)	71 (96.3%)
<b>Unincorp. Islands</b>	2010	82 (23.0%)	91 (25.5%)	48 (13.6%)	53 (14.9%)	34 (9.7%)	41 (11.6%)	2 (0.5%)	3 (1.0%)
	2017	153 (40.4%)	38 (10.0%)	28 (7.3%)	47 (12.4%)	54 (14.4%)	28 (7.5%)	18 (4.7%)	12 (3.3%)
	2022	136 (41.5%)	5 (1.4%)	4 (1.3%)	12 (3.8%)	18 (5.6%)	13 (4.0%)	77 (23.6%)	61 (18.8%)
	Change 2017-2022	-17 (-11.1%)	-33 (-88.0%)	-23 (-85.1%)	-35 (-73.8%)	-36 (-66.3%)	-15 (-53.9%)	59 (338.0%)	49 (392.9%)
<b>South Carolina</b>	2010	53,238 (41.8%)	27,804 (21.8%)	16,676 (13.1%)	14,169 (11.1%)	9,308 (7.3%)	3,443 (2.7%)	1,921 (1.5%)	930 (0.7%)
	2017	57,115 (36.1%)	35,979 (22.7%)	20,981 (13.3%)	18,790 (11.9%)	14,416 (9.1%)	5,475 (3.5%)	3,856 (2.4%)	1,725 (1.1%)
	2022	64,002 (36.8%)	42,059 (24.2%)	21,778 (12.5%)	17,763 (10.2%)	15,951 (9.2%)	5,924 (3.4%)	4,609 (2.6%)	2,036 (1.2%)
	Change 2017-2022	6,886 (12.1%)	6,081 (16.9%)	797 (3.8%)	-1,027 (-5.5%)	1,535 (10.6%)	449 (8.2%)	752 (19.5%)	311 (18.1%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- In 2017, most PSA senior *renter* households were earning between \$35,000 and \$74,999 per year, with a notable number of households earning below \$25,000. The greatest growth is projected to occur among households earning between \$75,000 and \$99,999.
- Within the selected submarkets, most of the senior renter household growth is projected to occur among households earning \$50,000 or more. However, the Town of Port Royal senior renter growth is projected to occur among households earning between \$15,000 and \$35,000, while the Northern Unincorporated area is projected to experience most of its senior renter household growth among households earning between \$35,000 and \$49,999.

The following graph compares *senior (age 55+) renter* household income shares for 2017:



The distribution of *senior (age 55+) owner* households by income are below:

		Age 55+ Owner Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Beaufort County</b>	2010	2,484 (8.5%)	2,444 (8.3%)	3,181 (10.9%)	3,860 (13.2%)	5,566 (19.0%)	3,793 (12.9%)	4,402 (15.0%)	3,565 (12.2%)
	2017	2,484 (7.0%)	2,524 (7.1%)	2,938 (8.2%)	4,389 (12.3%)	6,917 (19.4%)	5,163 (14.5%)	5,973 (16.7%)	5,286 (14.8%)
	2022	2,831 (7.0%)	2,901 (7.2%)	3,275 (8.1%)	4,702 (11.6%)	7,252 (18.0%)	5,911 (14.6%)	7,325 (18.1%)	6,183 (15.3%)
	Change 2017-2022	346 (13.9%)	378 (15.0%)	336 (11.4%)	314 (7.1%)	336 (4.9%)	748 (14.5%)	1,351 (22.6%)	898 (17.0%)
<b>Beaufort</b>	2010	226 (15.4%)	145 (9.9%)	165 (11.2%)	243 (16.6%)	311 (21.3%)	127 (8.7%)	136 (9.3%)	112 (7.7%)
	2017	167 (9.3%)	111 (6.2%)	164 (9.1%)	285 (15.9%)	355 (19.8%)	261 (14.5%)	251 (14.0%)	204 (11.3%)
	2022	186 (9.2%)	124 (6.1%)	171 (8.5%)	295 (14.7%)	409 (20.3%)	282 (14.0%)	302 (15.0%)	244 (12.1%)
	Change 2017-2022	19 (11.4%)	13 (11.8%)	8 (4.6%)	10 (3.5%)	54 (15.1%)	21 (8.0%)	52 (20.6%)	41 (20.0%)
<b>Bluffton</b>	2010	86 (7.6%)	89 (7.9%)	130 (11.5%)	207 (18.2%)	287 (25.3%)	140 (12.3%)	101 (8.9%)	95 (8.4%)
	2017	133 (7.1%)	157 (8.4%)	177 (9.4%)	224 (11.9%)	410 (21.9%)	287 (15.3%)	286 (15.3%)	201 (10.7%)
	2022	159 (7.5%)	188 (8.8%)	201 (9.5%)	245 (11.6%)	411 (19.4%)	341 (16.1%)	343 (16.2%)	231 (10.9%)
	Change 2017-2022	25 (19.1%)	31 (19.5%)	24 (13.6%)	22 (9.6%)	1 (0.2%)	54 (18.9%)	57 (19.8%)	31 (15.2%)
<b>Hilton Head</b>	2010	352 (4.4%)	509 (6.4%)	640 (8.0%)	823 (10.3%)	1,293 (16.2%)	1,122 (14.0%)	1,707 (21.4%)	1,546 (19.3%)
	2017	491 (5.1%)	581 (6.0%)	698 (7.2%)	843 (8.8%)	1,616 (16.8%)	1,442 (15.0%)	1,906 (19.8%)	2,053 (21.3%)
	2022	583 (5.3%)	639 (5.8%)	795 (7.2%)	916 (8.3%)	1,546 (14.1%)	1,742 (15.9%)	2,185 (19.9%)	2,579 (23.5%)
	Change 2017-2022	92 (18.8%)	58 (10.0%)	98 (14.0%)	73 (8.6%)	-71 (-4.4%)	300 (20.8%)	278 (14.6%)	526 (25.6%)
<b>Port Royal</b>	2010	42 (6.6%)	42 (6.7%)	124 (19.6%)	114 (18.0%)	142 (22.4%)	89 (14.0%)	63 (10.0%)	16 (2.6%)
	2017	54 (6.2%)	60 (6.9%)	110 (12.5%)	122 (13.9%)	233 (26.5%)	132 (15.1%)	100 (11.4%)	67 (7.6%)
	2022	60 (6.1%)	39 (4.0%)	90 (9.2%)	120 (12.3%)	274 (28.0%)	177 (18.1%)	134 (13.7%)	84 (8.6%)
	Change 2017-2022	6 (10.4%)	-21 (-35.3%)	-20 (-17.9%)	-2 (-1.6%)	41 (17.7%)	45 (33.7%)	34 (33.4%)	17 (25.9%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

(Continued)

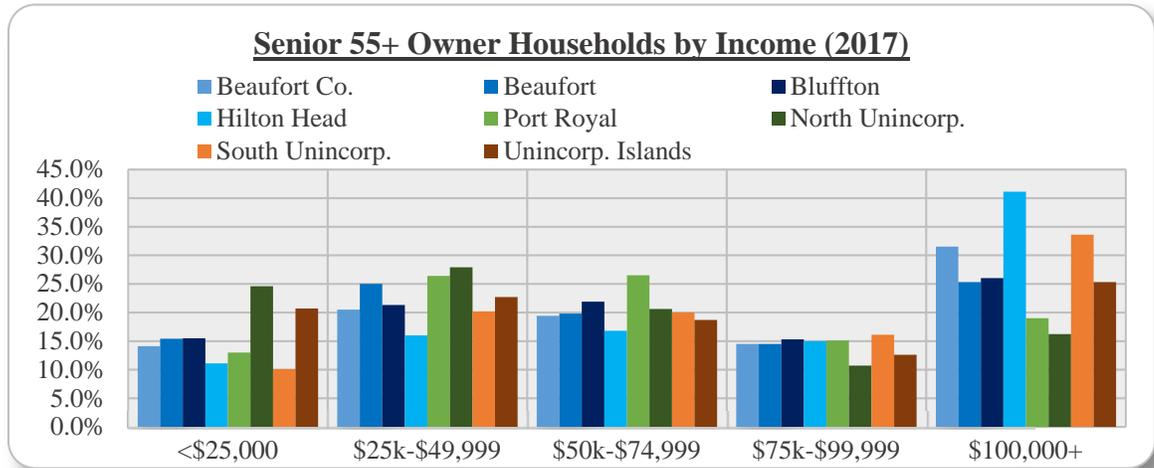
		Age 55+ Owner Households by Income							
		<\$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$149,999	\$150,000+
<b>Northern Unincorp.</b>	2010	513 (19.5%)	374 (14.3%)	320 (12.2%)	458 (17.4%)	444 (16.9%)	215 (8.2%)	201 (7.6%)	103 (3.9%)
	2017	462 (14.6%)	319 (10.1%)	399 (12.6%)	483 (15.3%)	651 (20.6%)	338 (10.7%)	275 (8.7%)	236 (7.5%)
	2022	535 (15.1%)	373 (10.6%)	422 (11.9%)	378 (10.7%)	765 (21.6%)	416 (11.8%)	348 (9.9%)	299 (8.5%)
	Change 2017-2022	73 (15.8%)	54 (16.9%)	23 (5.8%)	-106 (-21.8%)	114 (17.5%)	77 (22.9%)	73 (26.5%)	63 (26.8%)
<b>Southern Unincorp.</b>	2010	559 (5.8%)	692 (7.2%)	1,218 (12.7%)	1,227 (12.8%)	2,036 (21.2%)	1,366 (14.2%)	1,461 (15.2%)	1,044 (10.9%)
	2017	518 (4.7%)	582 (5.3%)	679 (6.2%)	1,538 (14.0%)	2,191 (20.0%)	1,766 (16.1%)	2,088 (19.0%)	1,599 (14.6%)
	2022	536 (4.6%)	609 (5.2%)	711 (6.1%)	1,601 (13.7%)	2,017 (17.2%)	1,885 (16.1%)	2,545 (21.7%)	1,814 (15.5%)
	Change 2017-2022	18 (3.4%)	27 (4.6%)	33 (4.8%)	63 (4.1%)	-174 (-8.0%)	119 (6.7%)	457 (21.9%)	215 (13.4%)
<b>Unincorp. Islands</b>	2010	419 (14.3%)	263 (9.0%)	326 (11.1%)	386 (13.1%)	512 (17.4%)	378 (12.8%)	350 (11.9%)	308 (10.5%)
	2017	362 (9.7%)	412 (11.0%)	393 (10.5%)	456 (12.2%)	702 (18.7%)	474 (12.6%)	514 (13.7%)	434 (11.6%)
	2022	465 (10.6%)	505 (11.6%)	464 (10.6%)	500 (11.4%)	831 (19.0%)	587 (13.4%)	557 (12.7%)	465 (10.6%)
	Change 2017-2022	103 (28.4%)	93 (22.7%)	70 (17.9%)	44 (9.6%)	129 (18.4%)	113 (23.9%)	43 (8.3%)	31 (7.2%)
<b>South Carolina</b>	2010	98,912 (15.6%)	91,994 (14.5%)	80,851 (12.8%)	97,168 (15.3%)	110,839 (17.5%)	61,255 (9.7%)	57,525 (9.1%)	34,645 (5.5%)
	2017	92,500 (12.2%)	91,631 (12.1%)	86,032 (11.4%)	114,240 (15.1%)	139,458 (18.4%)	89,901 (11.9%)	86,446 (11.4%)	55,980 (7.4%)
	2022	112,603 (13.3%)	107,975 (12.8%)	95,943 (11.4%)	121,305 (14.4%)	152,484 (18.1%)	100,569 (11.9%)	93,650 (11.1%)	60,024 (7.1%)
	Change 2017-2022	20,104 (21.7%)	16,343 (17.8%)	9,911 (11.5%)	7,065 (6.2%)	13,026 (9.3%)	10,668 (11.9%)	7,205 (8.3%)	4,044 (7.2%)

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Noteworthy observations from the preceding table include:

- The largest number of senior *homeowners* in 2017 was among those making between \$50,000 and \$74,999 annually. Nearly two-thirds (65.4%) of senior homeowners earn above \$50,000. The greatest growth between 2017 and 2022 will occur among those making between \$100,000 and \$149,999, increasing by 1,351 households.
- Generally, within the submarkets, the greatest senior homeowner growth between 2017 and 2022 is expected to occur among households earning above \$50,000. The Town of Hilton Head Island, the Unincorporated Islands and the Southern Unincorporated areas will experience the greatest growth among these higher-income senior households.

The following graph compares *senior (age 55+) owner* household income shares for 2017:



### **3. Demographic Theme Maps**

The following demographic theme maps for the study areas are presented after this page:

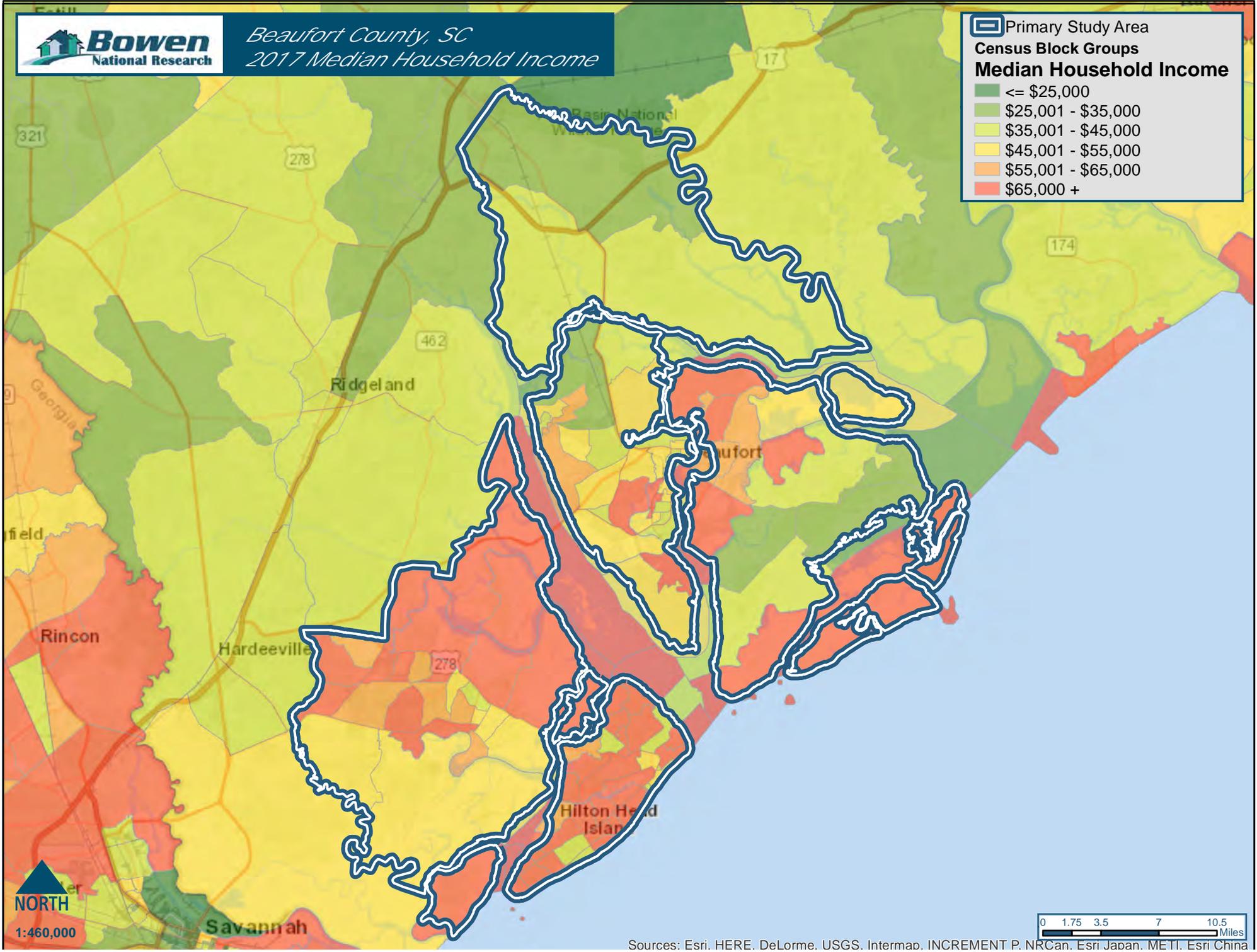
- Median Household Income
- Renter Household Share
- Owner Household Share
- Older Adult Population Share (55 + years)
- Younger Adult Population Share (20 to 34 years)
- Population Density

The demographic data used in these maps is based on U.S. Census, ACS and ESRI data sets.

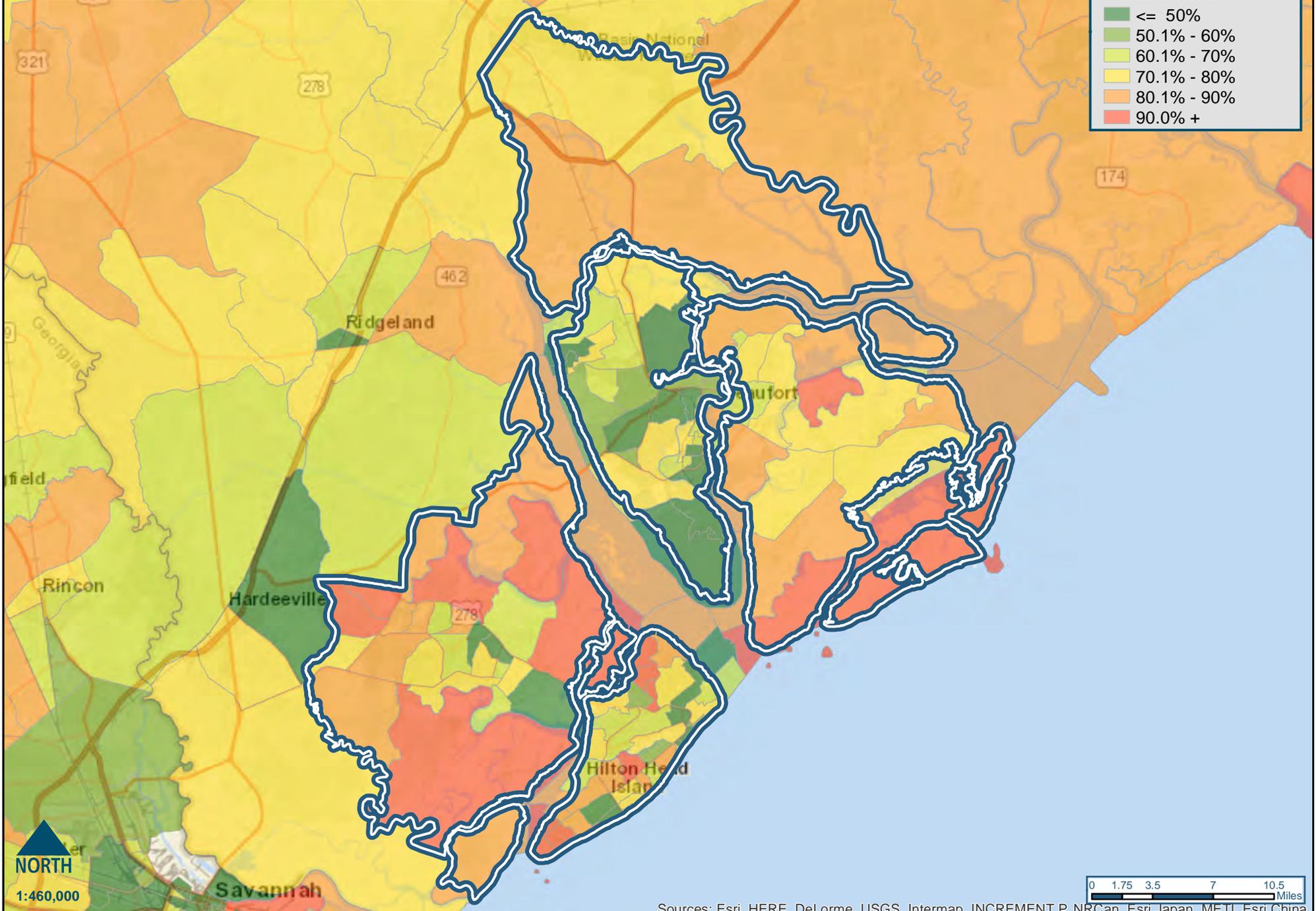
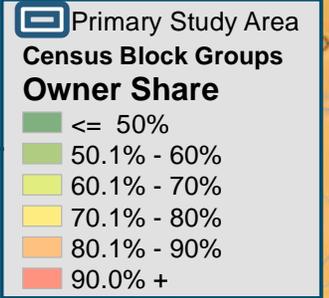
 Primary Study Area

**Census Block Groups**  
**Median Household Income**

-  <= \$25,000
-  \$25,001 - \$35,000
-  \$35,001 - \$45,000
-  \$45,001 - \$55,000
-  \$55,001 - \$65,000
-  \$65,000 +







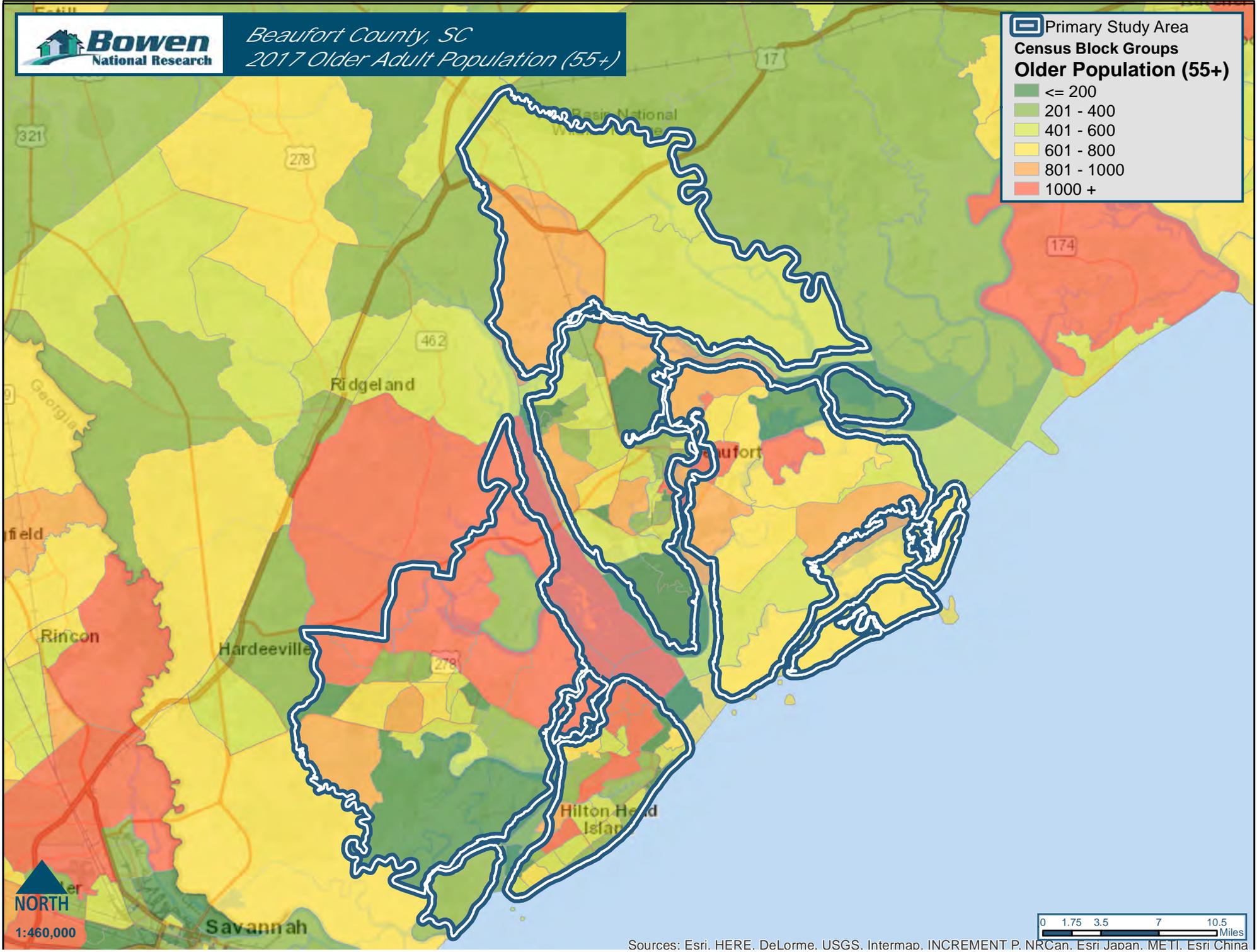


*Beaufort County, SC*  
*2017 Older Adult Population (55+)*

 Primary Study Area

**Census Block Groups  
Older Population (55+)**

-  <= 200
-  201 - 400
-  401 - 600
-  601 - 800
-  801 - 1000
-  1000 +



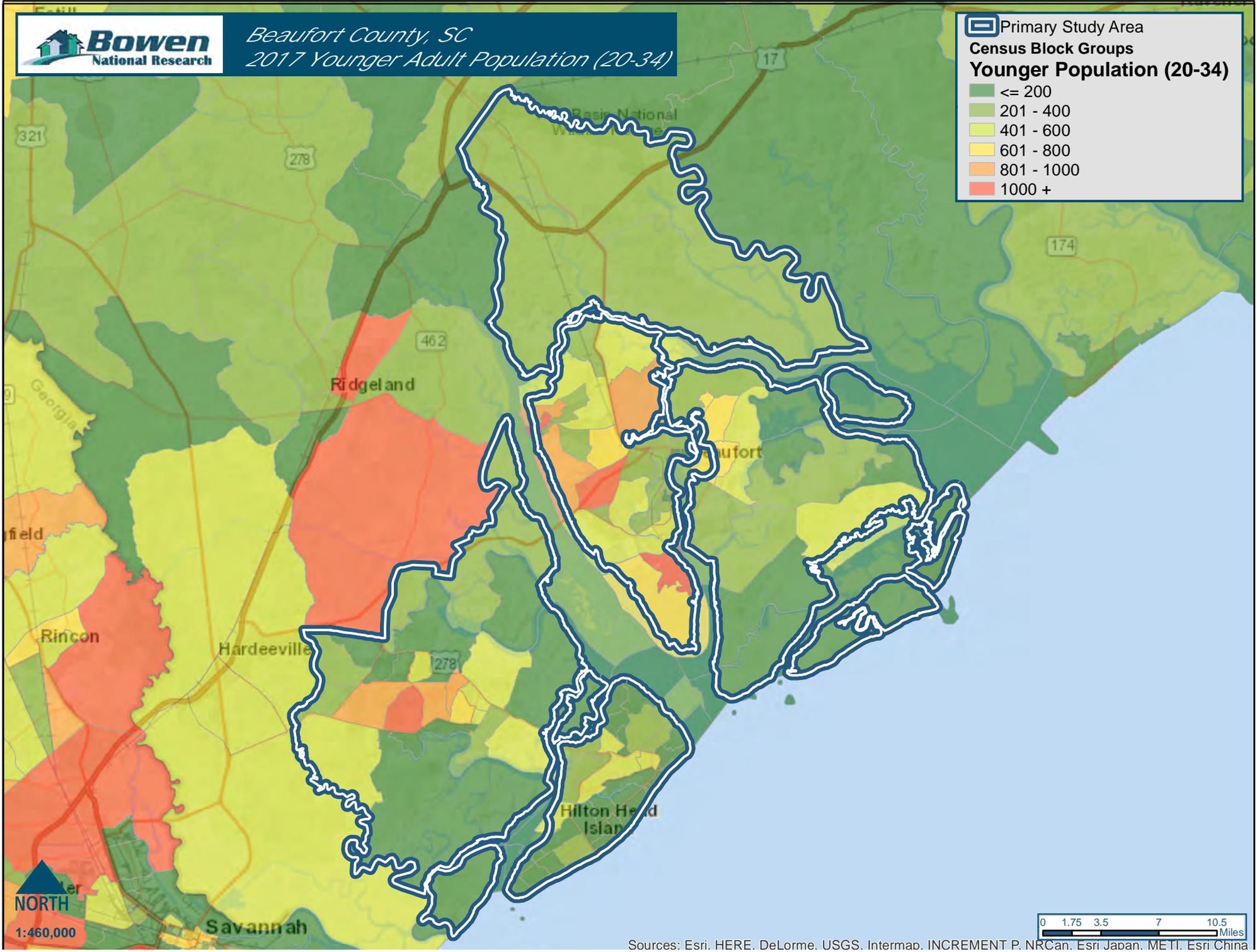


Beaufort County, SC  
2017 Younger Adult Population (20-34)

Primary Study Area

**Census Block Groups  
Younger Population (20-34)**

- <= 200
- 201 - 400
- 401 - 600
- 601 - 800
- 801 - 1000
- 1000 +



NORTH  
1:460,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

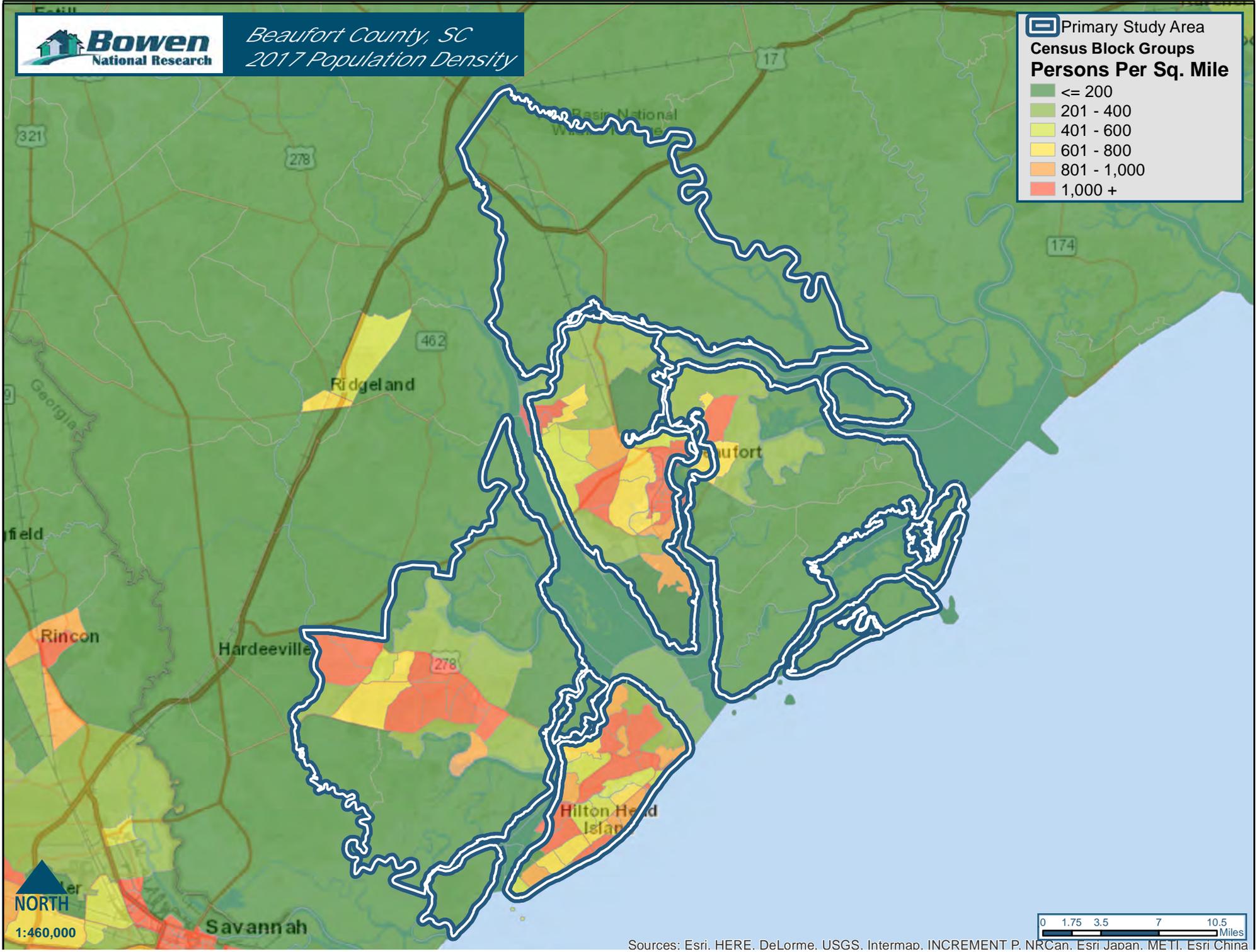


Beaufort County, SC  
2017 Population Density

Primary Study Area

**Census Block Groups  
Persons Per Sq. Mile**

- <= 200
- 201 - 400
- 401 - 600
- 601 - 800
- 801 - 1,000
- 1,000 +



NORTH  
1:460,000

#### 4. Summary

This demographic analysis focuses on the Primary Study Area (PSA), which consists of Beaufort County. Additional focus is also placed on several submarkets in the county. When applicable, local demographics are compared with state metrics.

The PSA (Beaufort County) experienced very rapid population and household growth between 2000 and 2017. During this time, the PSA's population grew by 55.0% (66,514 people), while the number of households grew by 63.6%, adding 28,959 households during this 17-year period. Between 2017 and 2022, it is projected that the PSA population will increase by 18,957 (10.1%) and the number of households will increase by 7,689 (10.3%). Assuming growth trends will continue at the same rate during the long-term, the county will add 37,914 people and 15,378 households between 2017 and 2027. It is important to note that these projections assume no major changes occur such as large shifts in the employment base, new residential development follows recent trends, and no notable incentives to encourage economic or residential development activities are introduced over the next five to ten years.

The following summarizes other highlights of key demographic trends and characteristics of the PSA.

- The PSA's population is slightly older than the overall state of South Carolina with a median age of 42.7, compared with the state's median age of 39.1).
- More people are married in the PSA (55.4%) than in South Carolina (49.4%).
- More people in the PSA (92.7%) have a high school diploma than in the state (86.7%). Additionally, more people in the PSA (49.2%) have a college degree, which is higher than the state share (37.0%).
- The overall poverty rate in the PSA (12.8%) is lower than the state poverty rate (17.9%). It is worth pointing out that one-in-five kids (21.2%) in the PSA live in poverty.
- Annual movership (people moving from one residence to another) within the PSA (19.5%) is higher than the state (15.3%). This is partially attributed to the high rate of growth and new residential development ongoing in the market.
- The number of owner households are projected to increase by 5,393 (or 10.3%) between 2017 and 2022, while the number of renter households are projected to increase by 2,296 (or 10.3%) during this same five-year period.

- The largest share of households by age in the PSA in 2017 was among those between the ages of 65 and 74, which make up 22.3% of the households. While all household income segments are projected to grow between 2017 and 2022, the greatest growth is projected to occur among households between the ages of 75 and older (3,747 new households, 34.6%), between the ages of 65 and 74 (1,711 new households, 10.3%), between the ages of 35 and 44 (1,367 new households, 13.7%), and between the ages of 25 and 34 (801 new households, 7.9%).
- Overall, the largest income segment in the PSA in 2017 was among households earning between \$50,000 and \$74,999, representing one-fifth of households. All income segments are projected to grow between 2017 and 2022, with the greatest growth expected to occur among owner households earning between \$100,000 and \$149,999. Higher income households earning \$75,000 or more are projected to grow by 3,840 (11.5%) households, while low-income households earning less than \$35,000 are expected to grow by 2,178 (10.3%) by 2022.
- In 2017, the largest number of *renter* households in the PSA had incomes between \$50,000 and \$74,999, with the next largest number making between \$35,000 and \$49,999. Combined, over 53% of the renter households in the PSA made between \$50,000 and \$99,999 in 2017. The greatest growth between 2017 and 2022 is projected to occur among households with incomes between \$75,000 and \$99,999, though notable growth is projected to occur among households with incomes between \$35,000 and \$49,999 and below \$15,000.

Based on the preceding demographic trends, it is evident that the PSA is experiencing rapid growth among all household income and age segments and is expected to experience strong growth among both renter and owner households. As such, future housing product will need to include a variety of product types at a wide range of affordability levels to meet the growing housing needs.

## V. Economic Analysis

### A. Introduction

The need for housing within a given geographic area is influenced by the number of households choosing to live there. Although the number of households within the PSA (Beaufort County) and the seven submarkets at any given time is a function of many factors, one of the primary reasons for residency is job availability. In this section, the area workforce and employment are examined for each of the study areas.

In Section B below, an overview of the PSA's and the selected submarkets' workforce is provided through several overall metrics: employment by industry, wages by occupation, total employment, unemployment rates and in-place employment trends. Additionally, we have provided information and analysis regarding the largest employers, new and expanding employers, and both contracting and closing businesses. In some cases, where data is limited to areas no smaller than a county, data is compared with South Carolina and the United States. Finally, in Section C, conclusions of economic conditions and trends are provided, along with our opinion as to how employment factors will influence future housing needs within the PSA.

### B. Workforce Analysis

We evaluated two sets of total employment numbers. The first includes an analysis of employed persons living in Beaufort County, some of which may be working outside of the county. The second employment base data set is in-place employment. In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence.

There are approximately 70,000 employed persons that live within Beaufort County. While many of these employed persons also work within the county, many also travel outside of Beaufort County for employment. It was estimated that there are approximately 78,000 in-place employees actually working within the county.

The following evaluates key economic metrics within the various study areas considered in this report. It should be noted that based on the availability of various economic data metrics, some information is presented only for selected geographic areas.

#### Employment by Industry

The distribution of employment by industry sector in the PSA (Beaufort County), the seven submarkets, and the state of South Carolina are shown in the tables on the following pages:

NAICS Group	Employment by Industry					
	Beaufort County		City of Beaufort		Bluffton	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	297	0.4%	6	0.1%	2	0.0%
Mining	18	0.0%	1	0.0%	0	0.0%
Utilities	176	0.2%	0	0.0%	0	0.0%
Construction	3,938	5.0%	202	2.3%	674	7.3%
Manufacturing	1,008	1.3%	109	1.2%	118	1.3%
Wholesale Trade	1,064	1.4%	145	1.6%	234	2.5%
Retail Trade	12,578	16.0%	1,322	15.0%	1,642	17.8%
Transportation & Warehousing	1,063	1.4%	113	1.3%	111	1.2%
Information	1,186	1.5%	119	1.3%	365	4.0%
Finance & Insurance	1,837	2.3%	221	2.5%	282	3.1%
Real Estate & Rental & Leasing	4,303	5.5%	351	4.0%	313	3.4%
Professional, Scientific & Technical Services	3,511	4.5%	401	4.5%	386	4.2%
Management of Companies & Enterprises	69	0.1%	5	0.1%	26	0.3%
Administrative, Support, Waste Management & Remediation Services	3,239	4.1%	250	2.8%	296	3.2%
Educational Services	4,080	5.2%	543	6.1%	910	9.9%
Health Care & Social Assistance	10,250	13.0%	1,664	18.8%	1,120	12.2%
Arts, Entertainment & Recreation	4,956	6.3%	97	1.1%	486	5.3%
Accommodation & Food Services	15,780	20.1%	1,128	12.8%	1,427	15.5%
Other Services (Except Public Administration)	4,536	5.8%	483	5.5%	664	7.2%
Public Administration	4,746	6.0%	1,672	18.9%	146	1.6%
Non-classifiable	65	0.1%	7	0.1%	5	0.1%
Total	78,700	100.0%	8,839	100.0%	9,207	100.0%

NAICS Group	Employment by Industry					
	Hilton Head Island		Port Royal		Northern Unincorp.	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	17	0.1%	1	0.0%	81	1.7%
Mining	16	0.1%	0	0.0%	1	0.0%
Utilities	127	0.4%	0	0.0%	0	0.0%
Construction	1,422	4.7%	115	2.5%	276	5.9%
Manufacturing	318	1.1%	24	0.5%	275	5.8%
Wholesale Trade	314	1.0%	28	0.6%	98	2.1%
Retail Trade	4,200	13.9%	355	7.8%	887	18.8%
Transportation & Warehousing	394	1.3%	43	0.9%	60	1.3%
Information	397	1.3%	9	0.2%	36	0.8%
Finance & Insurance	712	2.4%	64	1.4%	26	0.6%
Real Estate & Rental & Leasing	2,303	7.6%	88	1.9%	240	5.1%
Professional, Scientific & Technical Services	1,377	4.5%	73	1.6%	104	2.2%
Management of Companies & Enterprises	2	0.0%	0	0.0%	0	0.0%
Administrative, Support, Waste Management & Remediation Services	1,619	5.3%	113	2.5%	83	1.8%
Educational Services	851	2.8%	188	4.1%	531	11.3%
Health Care & Social Assistance	3,267	10.8%	2,057	45.3%	239	5.1%
Arts, Entertainment & Recreation	2,128	7.0%	41	0.9%	501	10.6%
Accommodation & Food Services	8,513	28.1%	315	6.9%	320	6.8%
Other Services (Except Public Administration)	1,706	5.6%	254	5.6%	375	8.0%
Public Administration	572	1.9%	773	17.0%	571	12.1%
Non-classifiable	21	0.1%	1	0.0%	6	0.1%
Total	30,276	100.0%	4,542	100.0%	4,710	100.0%

\*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the PSA or submarkets. These employees, however, are included in our labor force calculations because their places of employment are located within these areas.

NAICS Group	Employment by Industry					
	Southern Unincorporated		Unincorporated Islands		South Carolina	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	35	0.3%	67	2.0%	8,061	0.4%
Mining	0	0.0%	0	0.0%	1,074	0.0%
Utilities	42	0.4%	2	0.1%	12,637	0.6%
Construction	827	7.4%	192	5.8%	92,219	4.2%
Manufacturing	96	0.9%	22	0.7%	210,992	9.6%
Wholesale Trade	115	1.0%	72	2.2%	98,007	4.5%
Retail Trade	3,051	27.5%	359	10.9%	296,637	13.5%
Transportation & Warehousing	97	0.9%	131	4.0%	42,525	1.9%
Information	186	1.7%	18	0.5%	52,272	2.4%
Finance & Insurance	268	2.4%	121	3.7%	64,203	2.9%
Real Estate & Rental & Leasing	558	5.0%	188	5.7%	54,352	2.5%
Professional, Scientific & Technical Services	734	6.6%	220	6.7%	121,227	5.5%
Management of Companies & Enterprises	11	0.1%	19	0.6%	1,948	0.1%
Administrative, Support, Waste Management & Remediation Services	417	3.8%	184	5.6%	52,745	2.4%
Educational Services	301	2.7%	374	11.3%	173,890	7.9%
Health Care & Social Assistance	949	8.5%	283	8.6%	351,162	16.0%
Arts, Entertainment & Recreation	1,137	10.2%	187	5.7%	41,916	1.9%
Accommodation & Food Services	1,562	14.1%	502	15.2%	222,969	10.2%
Other Services (Except Public Administration)	469	4.2%	250	7.6%	128,493	5.9%
Public Administration	237	2.1%	114	3.4%	159,710	7.3%
Non-classifiable	17	0.2%	3	0.1%	3,127	0.1%
<b>Total</b>	<b>11,109</b>	<b>100.0%</b>	<b>3,308</b>	<b>100.0%</b>	<b>2,190,166</b>	<b>100.0%</b>

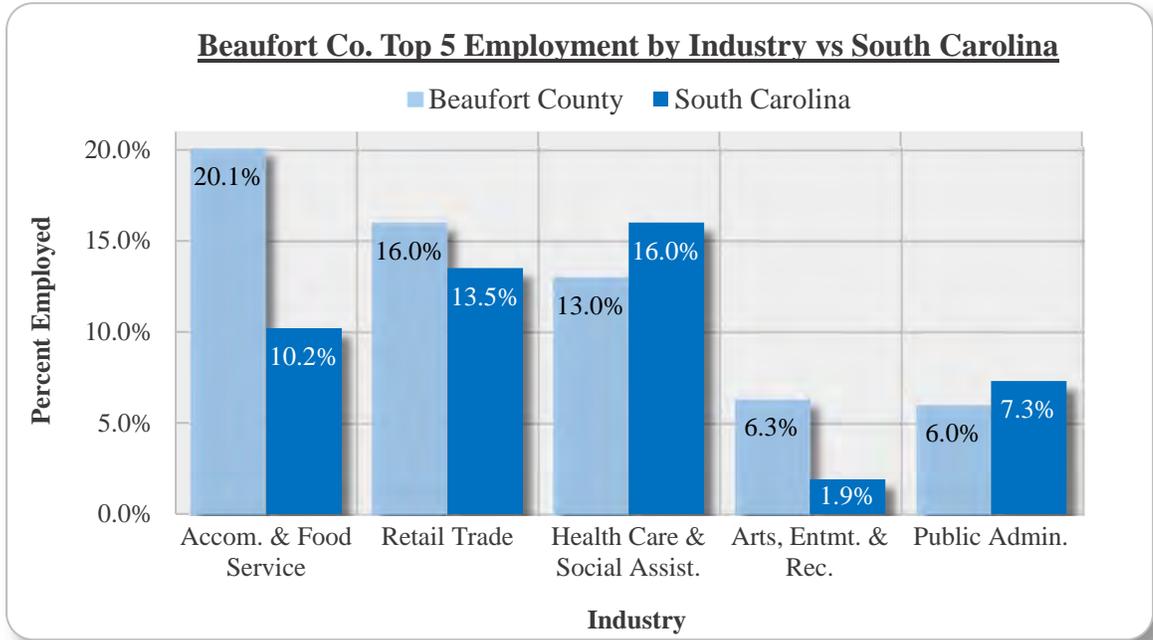
\*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research  
E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the PSA or submarkets. These employees, however, are included in our labor force calculations because their places of employment are located within these areas.

The labor force within the PSA (Beaufort County) is based primarily in three sectors. Accommodations & Food Service (20.1%), Retail Trade (16.0%) and Health Care & Social Assistance (13.0%). Combined, these three job sectors represent nearly one half (49.1%) of the PSA's employment base. It is not surprising that Accommodations and Food Service represent one-fifth of the jobs of employed persons living in the county, given the area's reliance on tourism.

Among the various submarkets, the Town of Hilton Head Island contains the largest employment base with 30,276 employees, representing nearly 40% of the employed persons in the county. The submarkets of Southern Unincorporated Area (11,109 employees), the Town of Bluffton (9,207 employees) and the City of Beaufort (8,839 employees) also comprise a large number of jobs in the county. The industry sectors of Health Care & Social Assistance, Retail Trade, and Accommodation & Food Service represent the largest employer sectors within most of the submarkets. However, some submarkets also have some other employment sectors that represent a notable share of their employees. For example, 17.0% of the Town of Port Royal jobs are within Public Administration, the Northern Unincorporated submarket has 12.1% within Public Administration and 11.3% in Educational Services, and the Unincorporated Islands has 11.3% of its employees within Educational Services. The Arts, Entertainment & Recreation job sector represents 10.2% of the Southern Unincorporated submarket's employment base.

The following graph illustrates the distribution of employment by job sector for the five largest employment sectors in the PSA compared with the state by the share they represent of their overall respective markets.



The largest disparity in PSA (Beaufort County) employment compared to the state of South Carolina by employment sector is within Accommodations & Food Service, which contain 20.1% of all jobs located in the PSA compared to 10.2% of all jobs on a state level.

Typical wages by job category for the Hilton Head Island-Bluffton-Beaufort Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table.

Typical Wage by Occupation Type		
Occupation Type	Hilton Head Island-Bluffton-Beaufort MSA	South Carolina
Management Occupations	\$92,520	\$97,100
Business and Financial Occupations	\$60,840	\$60,870
Computer and Mathematical Occupations	\$94,100	\$71,730
Architecture and Engineering Occupations	\$64,620	\$75,400
Community and Social Service Occupations	\$43,470	\$40,890
Art, Design, Entertainment and Sports Medicine Occupations	\$50,420	\$45,220
Healthcare Practitioners and Technical Occupations	\$73,290	\$73,440
Healthcare Support Occupations	\$27,530	\$27,260
Protective Service Occupations	\$40,480	\$37,080
Food Preparation and Serving Related Occupations	\$22,190	\$20,930
Building and Grounds Cleaning and Maintenance Occupations	\$26,200	\$23,550
Personal Care and Service Occupations	\$25,760	\$23,030
Sales and Related Occupations	\$33,670	\$32,820
Office and Administrative Support Occupations	\$32,960	\$33,530
Construction and Extraction Occupations	\$38,740	\$38,950
Installation, Maintenance and Repair Occupations	\$40,100	\$42,510
Production Occupations	\$34,260	\$37,070
Transportation and Moving Occupations	\$30,670	\$32,000

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$22,190 to \$50,420 within the Hilton Head Island-Bluffton-Beaufort MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,074. It is important to note that most occupational types within the Hilton Head Island-Bluffton-Beaufort MSA have typical wages that are comparable to the State of South Carolina's typical wages. The area employment base has a wide range of lower and higher wages by job sector which contribute to a variety of housing needs.

#### Employment Base and Unemployment Rates

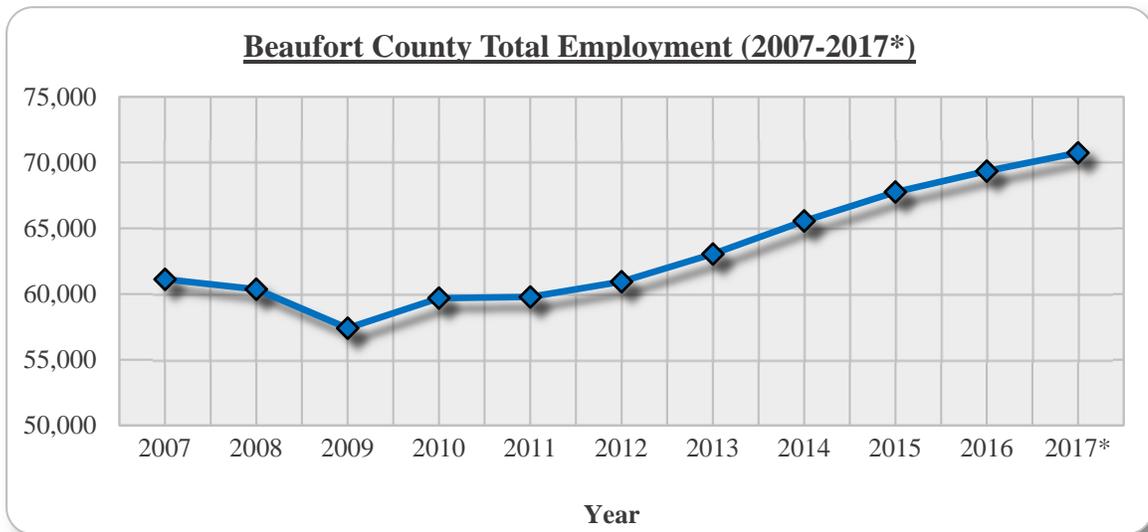
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2017, the employment base has increased by 13.8% over the past five years in Beaufort County, more than the South Carolina state increase of 10.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Beaufort County, South Carolina and the United States.

Year	Total Employment					
	Beaufort County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	61,117	-	2,005,686	-	146,388,400	-
2008	60,361	-1.2%	1,996,409	-0.5%	146,047,748	-0.2%
2009	57,398	-4.9%	1,910,670	-4.3%	140,696,560	-3.7%
2010	59,684	4.0%	1,915,045	0.2%	140,469,139	-0.2%
2011	59,777	0.2%	1,945,900	1.6%	141,791,255	0.9%
2012	60,939	1.9%	1,985,618	2.0%	143,621,634	1.3%
2013	63,040	3.4%	2,026,666	2.1%	144,996,474	1.0%
2014	65,555	4.0%	2,081,511	2.7%	147,403,607	1.7%
2015	67,760	3.4%	2,134,637	2.6%	149,648,686	1.5%
2016	69,348	2.3%	2,186,740	2.4%	152,001,644	1.6%
2017*	70,742	2.0%	2,229,090	1.9%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics  
\*Through October



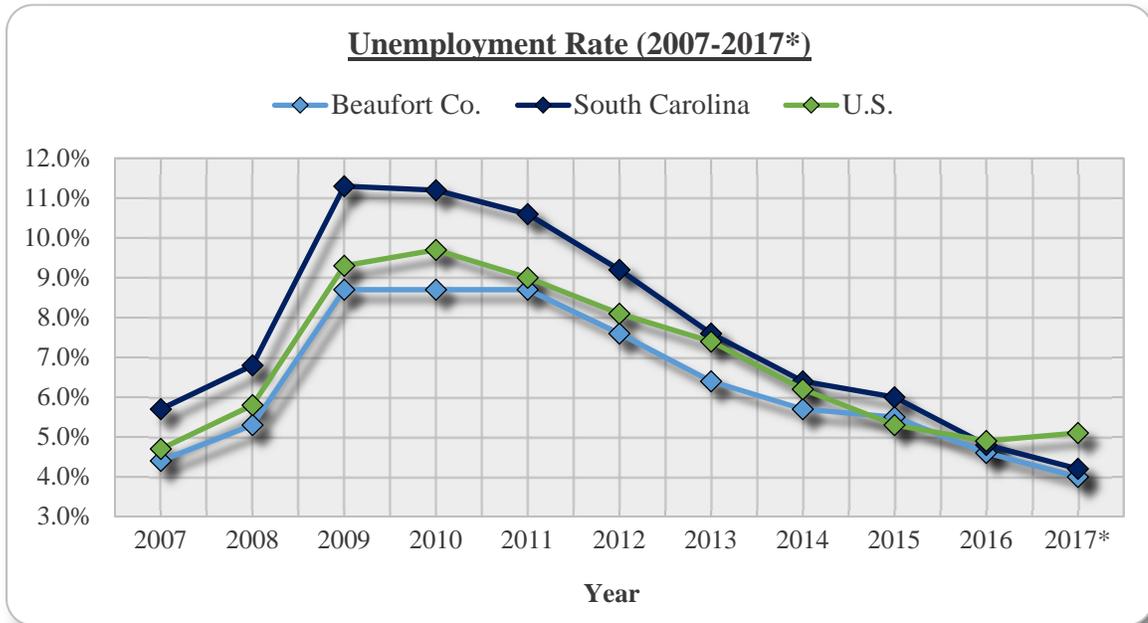
The Beaufort County employment base has steadily increased since 2009, adding a total of 13,344 (23.2%) during the past eight years. Growth within the county has generally outpaced state growth on an annual basis, and has well outpaced national growth rates.

Unemployment rates for Beaufort County, South Carolina and the United States are illustrated as follows:

Year	Unemployment Rate		
	Beaufort County	South Carolina	United States
2007	4.4%	5.7%	4.7%
2008	5.3%	6.8%	5.8%
2009	8.7%	11.3%	9.3%
2010	8.7%	11.2%	9.7%
2011	8.7%	10.6%	9.0%
2012	7.6%	9.2%	8.1%
2013	6.4%	7.6%	7.4%
2014	5.7%	6.4%	6.2%
2015	5.5%	6.0%	5.3%
2016	4.6%	4.8%	4.9%
2017*	4.0%	4.2%	5.1%

Source: Department of Labor, Bureau of Labor Statistics

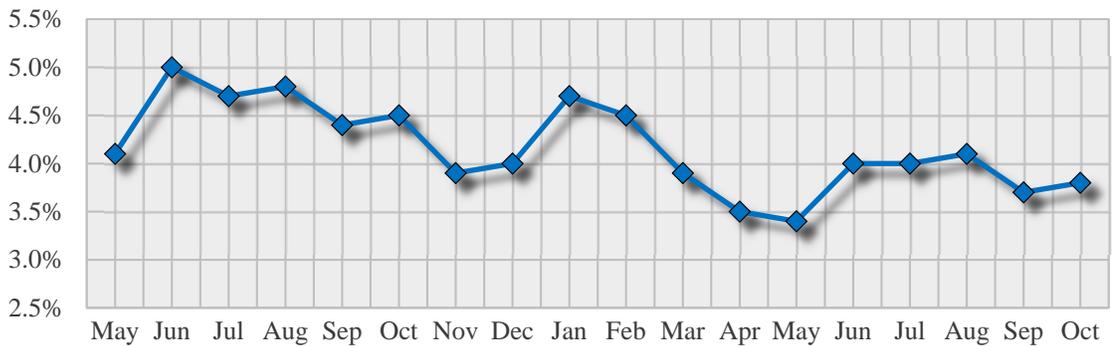
\*Through October



The unemployment rate in Beaufort County has ranged between 4.0% and 8.7%, well below the state average since 2007. After reaching a high of 8.7% between 2009 and 2011, the county's unemployment rate has declined in each of the past six years. The county's unemployment rate of 4.0% as of October 2017 represents a 10-year low.

The following table illustrates the monthly unemployment rate in Beaufort County for the most recent 18-month period for which data is currently available.

**Beaufort County Monthly Unemployment Rate  
May 2016 to October 2017**



The monthly unemployment rate in the county has generally trended downward over the past 18 months and has remained at or below 5.0% during this time.

Economic Drivers & Major Employers

The ten largest employers within the Beaufort County area comprise a total of 21,877 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Department of Defense	Government	12,826
Beaufort County School District	Government	2,300
Beaufort Memorial Hospital	Medical	1,404
County of Beaufort	Government	1,324
Marine Corps Community Services	Government	750
SERG Restaurant Group	Service	764
Walmart Associates Inc	Food Stores	750
Sea Pines Resort	Resort	622
Hilton Head Medical Center and Clinics	Medical	547
Marriot Vacation Club	Service	500
Total		21,787

Source: Beaufort Regional Chamber of Commerce 2016

According to representatives with the Beaufort Regional Chamber of Commerce and the Beaufort County Economic Development Corporation, the Beaufort County economy is stable.

In September 2017, Beaufort County joined the Southern Carolina Alliance (SCA), a regional economic development agency that now includes seven South Carolina counties. The SCA will provide Beaufort County with economic support to market the areas assets, such as its proximity to the Port of Savannah, Port of Charleston, and the planned Jasper Ocean Terminal Port. Beaufort County and SCA will use these and other area assets and focus strongly on attracting high-tech manufacturing, distribution, bioscience, and information technology opportunities to Beaufort County. The new alliance will also help in identifying and creating shovel ready sites and find and market any prospective existing buildings suitable for developers.

One reason for the ramp up of attracting more diverse, large scale manufacturers to the area is that the Beaufort County area's main economic driver is the tourism business. But due to the recent hurricanes, local stakeholders realized how fragile the area ecosystem is and how one bad storm could adversely impact the area economically for years. Many area businesses, roads and parks, piers and natural habitats were damaged and/or closed for weeks and some for months during recent hurricanes.

Hunting Island State Park campgrounds had to be closed for over 16 months due to Hurricane Matthew and Hurricane Irma. The campground just reopened in February 2018. Of the original 200 campsites, 88 at the park were permanently lost and beaches were drastically impacted.

As noted, the dominating economic driver for the area is tourism and hospitality, which also drives the retail and healthcare sectors in the county. Another large portion of this sector is propelled by the Parris Island Marine Corps Recruitment Depot that trains 43 groups of Marines annually, the Naval Hospital, and the Marine Corps Air Station, all are in the Town of Port Royal. Between these two installations of the Marines, through family visitation and graduation ceremonies, they bring in nearly 200,000 "out of towners" annually, and this is a huge part of the area's economy. The military in the area create over \$2 billion annually in positive economic impact. The area stakeholders are developing a strategy to try and entice the annual 1,000 military graduates and military retirees to remain in Beaufort County and work and be part of the area's planned innovations.

One negative impact is that the area's strongest sector is in tourism and entertainment/hospitality. This sector depends on workers that can live on a lower wage. Therefore, a big challenge for these employees in this industry is the lack of affordable housing options throughout Beaufort County. The town council of Hilton Head Island voted unanimously in early March 2018 to submit requested changes to the way the South Carolina State Housing Finance and Development Authority allocate tax credit funding to developers who want to build affordable housing throughout the state. Since 1987 the Town of Hilton Head Island has only been allocated funding for 48 units of affordable housing and those have gone through one renovation since they were constructed. The Town of Bluffton is also

addressing the dire need of workforce housing for low- to moderate-income families. Real estate prices are rising quickly in the area and it is making it hard for the area workforce to be able to live in the area. According to local sources, the lack of affordable housing and the lack of moderate-income housing in the area is a deterrent to new companies interested in moving to the area, due to the uncertainty of available housing that employees will be able to afford.

*Some recent manufacturing and business announcements throughout the county are summarized below:*

- A few large business development prospects, that are currently confidential, are in the works and will possibly bring over 300 new jobs to the area.
- In October 2017, Dust Solutions, a manufacturer of air purification systems for the industrial sector announced they will be building a facility in Commerce Park. They will build a 12,000 to 15,000 square-foot, modern manufacturing facility and hire over 20 employees. They will be the first tenant of the Beaufort Commerce Park, a 160-acre industrial park that the city leaders bought in 2012.
- Geismar, a manufacturer and distributor of railway maintenance equipment held its grand opening at 134 Parker Drive in the City of Beaufort in October 2017. The company opened a new operations facility with a \$2.9 million investment and created 50 new jobs. They will be constructing specialty rail cars and new railway maintenance equipment at the new site.
- In late 2016, eviCore Healthcare, an information technology healthcare company, expanded its existing headquarters in Beaufort County. The expansion is projected to bring over \$1.6 million in new capital investment and to create 35 new jobs.
- An existing manufacturer, Harris Pillow Supply, relocated in 2017 and expanded its pillow manufacturing business in the City of Beaufort and will create 22 new jobs by 2021. The expansion is a \$2.1 million investment.
- There are a few large developments planned for Hardeeville, in Jasper County (adjacent to Beaufort County), that would bring hundreds of new jobs and over 10,000 new homes. One is the developing, age-restricted (55 and older), Latitude Margaritaville Hilton Head community, and the other is a master plan for the East Argent Community.

- The planned, \$4.5 billion, Jasper Ocean Terminal will provide deep-water access for the Port of Savannah. The Jasper Port project is currently well into the approval process and the terminal is planned to be open by 2025. However, as of February 2018, the State Ports Authority CEO stated the project will not be needed until 2035. This terminal will be in Jasper County within 8 miles of RiverPort Business Park. Because the Jasper site can be dredged much deeper than the Ports of Savannah or Charleston, it will be able to accommodate much larger cargo ships than the other two ports. The Jasper Port will be the third largest port in the United States and early estimates state it will create around 7,500 direct jobs along with many indirect jobs. This will likely have a positive impact on economic and demographic growth in Beaufort County.

### **City of Beaufort**

In January 2018, Beaufort city officials began a downtown strategic visioning initiative. The initiative members will observe and report the needs of the core downtown commercial district and create and implement plans to ensure its relevance and longevity. There are steps already in place and ongoing for road and streetscape improvements, such as the Boundary Street Redevelopment District. The Boundary Street Redevelopment District is an ongoing project for improvements to make a more cohesive neighborhood street and to have more carefully planned landscaping that make visitors feel welcome and to make the area a mixed-use walkable district. The project is to be completed in 2018.

In mid-2016, the Beaufort City Council formed a partnership with the Charleston Digital Corridor and created the Beaufort Digital Corridor (BDC). The goal is to promote and grow the city's information technology (IT) economy by attracting IT-related companies to the City of Beaufort with related projects, products and events.

The Beaufort Day Dock is currently under construction at the Henry C. Chambers Waterfront Park. The Beaufort Day Dock will provide boat parking for those coming to the city for a day trip to shop and explore in downtown Beaufort. The dock is planned to be completed by the end of May 2018.

The City of Beaufort has held the Beaufort International Film Festival (BIFF) for 12 years and was recently ranked the tenth best in the world, and the first in the state, by FilmFreeway, a marketing service for filmmakers, screenwriters, and film festivals from all over the world. The rankings were generated from a recent survey of screenwriters and filmmakers that have attended the BIFF.

Two Hilton hotels are under construction along the Trask Parkway at the intersection of Parris Island Gateway in the City of Beaufort. The hotels, Tru by Hilton with 98 rooms, and Home2 Suites by Hilton with 107 rooms, are expected to be open by fall of 2018. The guests will have direct access to the Spanish Moss Trail. The hotels are being built at a previous blighted site.

The Beaufort Town Center has acquired four new tenants for spring of 2018. Three will be restaurants including, Dos Amigos Mexican Grill & Tequila Bar, Cielito Lindo Authentic Mexican Restaurant and The Cracked Egg. The fourth tenant will be Southern Carpet Wholesale. A Wet Willie's restaurant opened in the center in December 2017 and Walmart's fifth store in Beaufort County opened on Lady's Island in 2017.

Preliminary plans have been submitted by Whitehall Point Holdings to the City of Beaufort's Department of Planning and Development Services for the proposed Whitehall project, a proposed residential subdivision bordered by Sea Island Parkway to the north, Beaufort River to the west, and Harbor View Circle/Meridian Road to the east. The proposed project, which is located on approximately 19 acres of land, will possibly include a mix of residential uses including apartments, townhomes, and single-family housing, and may include some boutique commercial and retail uses. The site will also include sidewalks and bike paths, as well as open space and parks. Because plans are preliminary, the final unit count for potential residential units has not been established.

### **Town of Bluffton**

The Town of Bluffton was the fastest growing municipality in the state of South Carolina in 2016, with over 2,000 new people that migrated to Bluffton in 2016. Bluffton's population growth is expected to continue throughout the next few years.

May River High School opened in fall of 2016, an Acceleration Academy school with a state-of-the-art auditorium and college-style lecture halls designed to teach students similarly to the college setting rather than the traditional high school setting. The school will offer advanced placement courses and college dual-enrollment options, and technical training, like welding, engineering, automotive, nursing, law enforcement, cyber security and the new field of mechatronics.

There is ongoing construction at the new Buckwalter Place, a planned mixed-use development. They are building a 113,000 square-foot Kroger Marketplace along with other retailers, a new gas station, five buildings with 58,000 square-feet of restaurant and retail space, a large public park and 1,085 new paved parking spaces and a 260-unit market-rate apartment complex. The property will also house new facilities for the town's Don Ryan Center for Innovation. The St. Joseph's/Chandler Health System announced in November 2017 that they will build a medical campus at the new Buckwalter Place development. They will be consolidating services that they provide across the county in eight different locations into one centralized location. The campus will be a \$22 million investment and will be 40,000 square-feet of medical office space. Construction will begin in 2019 and take approximately six-years. The campus will employ over 60 people, which will include 25 new positions.

There is a planned mixed-use development, Old Village Square, in the Town of Bluffton which will consist of five two- and three-story buildings for commercial and residential use.

In October 2017, a developer applied to build a 37,000 square-foot building on a five-acre lot near the intersection of Buck Island Road and May River Road. With plans to house Riverdog Brewing, retail, restaurant and bar space.

In early 2017, a Walmart Super Center and Sam's Club opened on U.S. 278 at Bluffton Gateway. A new Dollar General was opened in 2018 at 1223 May River Road in the Old Town Bluffton Historic District. Sea Turtle Marketplace, formally Pineland Station, has recently re-opened with PetSmart and West Marine already in place.

The city will be installing decorative street lights on Lawrence Street in the Historic District and will be installed by the end of April 2018.

### **Town of Hilton Head Island**

The University of South Carolina broke ground on a new campus facility in the Town of Hilton Head Island for their hospitality management program. There will be modern classrooms, a demonstration kitchen, beverage laboratory and fabrication laboratory. The small campus is estimated to be completed by fall of 2018. The first classes will start in January 2019. This is a \$24.5 million investment.

In late 2016, the Ocean Oak Resort was opened on South Forest Beach in the Town of Hilton Head Island, with 125 two-bedroom suites with full kitchens on seven acres of oceanfront property.

A new Hilton Head Distillery was opened in late 2016 in the Town of Hilton Head Island. The distillery is in two buildings and occupying over 12,000 square-feet, also with some retail space. They also offer on-site tastings and tours.

### **Town of Port Royal**

In early 2018, the Town of Port Royal approved a developer's proposal to build a hotel, retail shops and some cottages at the intersection of Paris Avenue and West Paris Avenue. The hotel will have 50 to 60 rooms, a courtyard with a pool, a retail building with apartments on the upper floors and several small cottages.

In September 2017, Grey Ghost Properties, announced that they are planning a \$200 million project, involving 317 acres on the waterfront. It will consist of stores, restaurants, hotels, a marina, a microbrewery and 400 single-family homes. The plans also propose walkways to create a walking community throughout the large development. The developers also want to reopen a shrimp processing plant that was closed due to a fire. Grey Ghost's plans for the first 18 months are to reopen the boat storage building, construct a waterfront walkway, and to open a new restaurant at the old Dockside building on 11th Street that was also damaged in the fire. The developer plans to open the family-style seafood restaurant in the spring of 2018.

### **Infrastructure Projects**

Hunting Island State Park officials will begin their beach restoration project soon but have had to double the area of the previous planned project since the hurricanes of 2016 and 2017. Over 1 million cubic yards of sand will be pumped onto the shoreline and four groins will be created that will trap and help build up the sand on the beach naturally. Hunting Island State Park is one of South Carolina's most popular parks and has over 1 million visitors each year. This is a \$10 million project and is expected to begin in the first half of 2018.

Work is being done to improve the drainage at Allison Road, such as widening the road to make a pedestrian walkway from Ribaut Road to the Spanish Moss Trail. This project is expected to begin in the summer of 2018 and to be completed by February 2019.

Studies are being prepared for the replacement of the two Hilton Head Bridges, and for improvements of portions of U. S. 278.

The Sams Point Road (State Route 802) turn lane project will include the addition of the right turn lane at Sams Point Road and Sea Island Parkway (U.S. Highway 21).

The Hazel Farm Road, State Road S-7-497 and Gay Drive project will include paving of Hazel Farm Road, improvements to Gay Drive, construction of a roundabout, installation of new traffic signals at each end, and signal interconnection with the U.S. Highway 21/State Route 802 signal.

The new Lady's Island Middle School Access project includes realigning the main entrance road to the middle school with Gay Drive and tie-ins to the middle school driveways, existing Cougar Drive, and Robin Drive. Cougar Drive would become right-in, right-out.

Beaufort High School Access includes realignment of the access road, tie-ins to the existing access and to the Lady's Island Shopping Center redevelopment, relocation of the existing traffic signal, and signal interconnection with the U.S. Highway 21/State Route 802 signal.

U.S. Highway 21 and State Route 802 Mainline includes all improvements to both corridors. The improvements include medians for access management, grass buffers and multi-use paths, lighting, and landscaping.

Extension of Meadowbrook Drive to Dow Road.

Extension of Mayfair Court to William Street involves a new roadway connection and is dependent upon coordination with property owners

WARN (layoff notices):

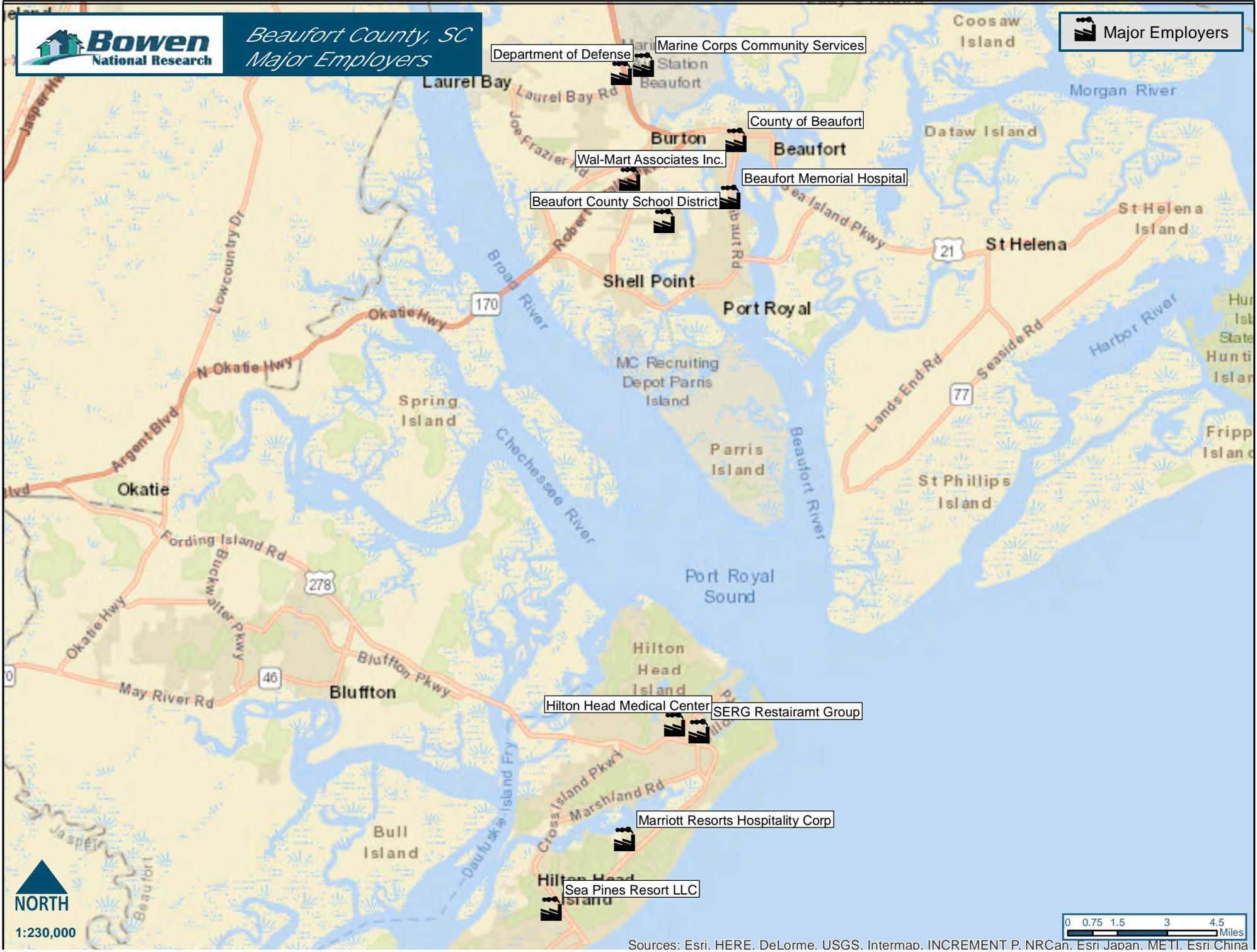
According to the SC Works, there have been no WARN notices of large-scale layoff or closures reported for Beaufort County, from September 2016, though January 2018.

A map delineating the location of the area's largest employers is on the following page.



# Beaufort County, SC Major Employers

Major Employers



NORTH  
1:230,000

0 0.75 1.5 3 4.5  
Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

### C. Conclusions

The Beaufort County economy is relatively well balanced with no job sector comprising more than 20.1% of the overall employment base. The three largest industry sectors in the county include Accommodations & Food Service (20.1%), Retail Trade (16.0%) and Health Care & Social Assistance (13.0%). Beaufort County experiences a significant amount of tourism throughout the year due to its coastal location and that it is the home of the Parris Island Marine Corps Recruitment Depot and the Marine Corps Air Station. Between these two installations of the Marines, through family visitation and graduation ceremonies, they bring in nearly 200,000 visitors alone. The three previously mentioned industry sectors are likely heavily supported from tourism. In contrast, due to the area's recent adverse weather from several hurricanes and its negative impact on tourism, Beaufort County is shifting focus to develop plans to attract more high-tech manufacturing, distribution, bioscience, and information technology opportunities to the area.

While the Beaufort County economy was adversely impacted by the national recession from around 2008 to 2010, it was not as significantly impacted as much of the rest of the country. The Beaufort County employment base has experienced positive job growth since 2009, adding a total of 13,344 (23.2%) jobs during the past eight years. The annual job growth rate within the county has generally outpaced state growth, and has well outpaced national growth rates. Unemployment rates in the county have also stayed well below state and national averages for much of the past decade. After peaking at 8.7% between 2009 and 2011, the county's unemployment rate has declined in each of the past six years and reached a 10-year low unemployment rate of 4.0% as of October 2017.

With multiple new business announcements and expansions, along with substantial public and private sector investments occurring in Beaufort County, it is likely that the local economy will continue to improve and expand for the foreseeable future. Notably, most of the new business openings and expansions reported fall within the service industry (as do the three largest job sectors for Beaufort County), which typically have low- to moderate-wages, and therefore, should be considered when evaluating current and future housing development needs.

## VI. Housing Supply Analysis

This housing supply analysis considers both rental and for-sale housing. Understanding the historical trends, market performance, characteristics, composition, and current housing choices in a market provide critical information as to current market conditions and future housing potential. The housing data presented and analyzed in this section includes primary data collected directly by Bowen National Research and secondary data sources including American Community Survey (ACS), U.S. Census housing information and data provided by various government entities and real estate professionals.

While there are a variety of housing alternatives offered in the overall market (PSA), we focused our analysis on the most common alternatives. The housing structures included in this analysis are:

- **Rental Housing** – Rental properties consisting of multifamily apartments (generally with 5 or more units) were identified and surveyed. A sample survey of non-conventional rentals (typically with only one to four units in a structure) was also conducted and analyzed. When applicable, housing serving seniors, military and special needs populations were evaluated.
- **Mobile Homes** – Mobile home units located within designated mobile home parks were aggregated and evaluated.
- **For-Sale Housing** – We identified attached and detached for-sale housing. Some of these include individual homes, while others were part of a planned development or community, as well as attached multifamily housing such as condominiums. Our analysis includes both historical sales transactions and currently available for-sale housing inventory.
- **Senior Care Facilities** – We surveyed senior care facilities that provide both shelter and care housing alternatives to seniors requiring some level of personal care (e.g. dressing, bathing, medical reminders, etc.)

For the purposes of this analysis, the housing supply information is presented for the Primary Study Area (Beaufort County), along with other submarkets within the county. This analysis includes secondary Census housing data (renter- and owner-occupied), Bowen National Research's survey of area rental alternatives, and for-sale housing data (both historical sales and available housing alternatives) obtained from secondary data sources (Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com). In addition, we have included data and analyses of senior care facilities (i.e. independent living, assisted living and nursing homes). Finally, other housing dynamics such as planned or proposed housing were considered for their potential impact on housing market conditions and demand.

Maps illustrating the location of various housing types are included throughout this section.

Please note, the totals in some charts may not equal the sum of individual columns or rows or may vary from the total reported in other tables due to rounding and/or due to the various data sources used in this report.

**A. Overall Housing Supply (Secondary Data)**

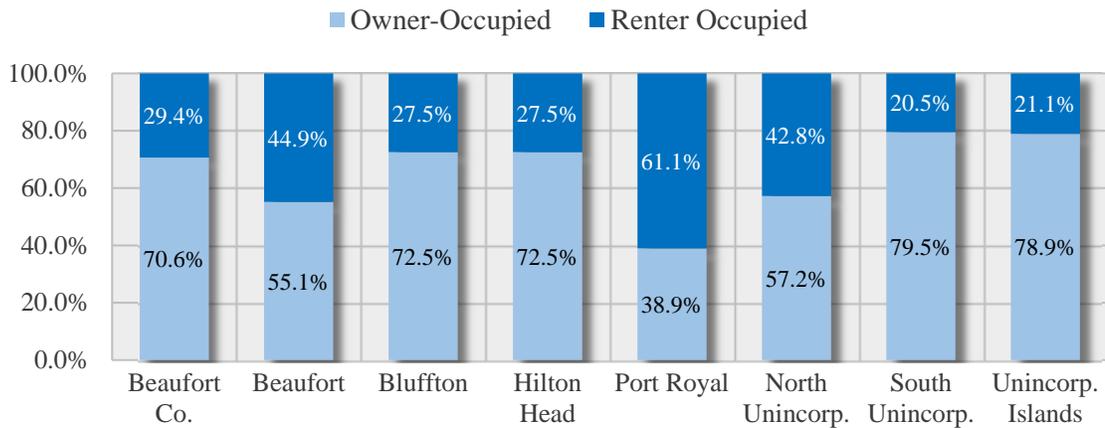
The distributions of the area housing stock within each study area in 2010 are summarized in the following table:

		Households by Tenure - 2010				
		Total Occupied	Owner-Occupied	Renter Occupied	Vacant	Total
<b>Beaufort County</b>	Number	64,943	45,866	19,077	28,024	92,967
	%	69.9%	70.6%	29.4%	30.1%	100.0%
<b>Beaufort</b>	Number	4,236	2,335	1,901	672	4,908
	%	86.3%	55.1%	44.9%	13.7%	100.0%
<b>Bluffton</b>	Number	4,619	3,349	1,270	996	5,615
	%	82.3%	72.5%	27.5%	17.7%	100.0%
<b>Hilton Head</b>	Number	14,961	10,850	4,111	16,112	31,073
	%	48.1%	72.5%	27.5%	51.9%	100.0%
<b>Port Royal</b>	Number	2,944	1,144	1,800	504	3,448
	%	85.4%	38.9%	61.1%	14.6%	100.0%
<b>Northern Unincorporated</b>	Number	8,796	5,031	3,765	1,385	10,181
	%	86.4%	57.2%	42.8%	13.6%	100.0%
<b>Southern Unincorporated</b>	Number	16,763	13,326	3,437	3,818	20,581
	%	81.4%	79.5%	20.5%	18.6%	100.0%
<b>Unincorporated Islands</b>	Number	6,729	5,308	1,421	2,117	8,846
	%	76.1%	78.9%	21.1%	23.9%	100.0%
<b>South Carolina</b>	Number	1,801,179	1,248,803	552,376	336,447	2,137,626
	%	84.3%	69.3%	30.7%	15.7%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on the 2010 U.S. Census, of the estimated 64,943 total *occupied* housing units in the PSA (Beaufort County), nearly three-fourths (70.6%) are owner occupied while the balance consists of rentals. Based on these Census estimates, the share of housing by tenure (renter vs. owner) is very comparable to the state’s distribution. The Census data shows that 28,024 units or 30.1% of the housing in the PSA are vacant. This high vacancy rate is attributed to the large number of seasonal/vacation homes in the market, as evidenced by the 2010 Census that indicated over half (53.0%) of all vacant units were vacation rentals.

### Households by Tenure (2010)



Based on the 2011-2015 ACS data (the latest data available), the following is a distribution of all renter-occupied housing units in each study area by year of construction.

#### Renter Occupied Housing by Year Built

		2014 /2015	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
<b>Beaufort County</b>	Number	0	471	6,472	3,769	4,318	2,061	2,110	570	19,771
	%	0.0%	2.4%	32.7%	19.1%	21.8%	10.4%	10.7%	2.9%	100.0%
<b>Beaufort</b>	Number	0	17	371	182	275	130	484	147	1,606
	%	0.0%	1.1%	23.1%	11.3%	17.1%	8.1%	30.1%	9.2%	100.0%
<b>Bluffton</b>	Number	0	122	1,023	283	89	61	22	0	1,600
	%	0.0%	7.6%	63.9%	17.7%	5.6%	3.8%	1.4%	0.0%	100.0%
<b>Hilton Head</b>	Number	0	0	471	674	1,771	887	189	73	4,065
	%	0.0%	0.0%	11.6%	16.6%	43.6%	21.8%	4.6%	1.8%	100.0%
<b>Port Royal</b>	Number	0	30	735	311	332	40	163	45	1,656
	%	0.0%	1.8%	44.4%	18.8%	20.0%	2.4%	9.8%	2.7%	100.0%
<b>Northern Unincorporated</b>	Number	0	63	1,274	336	719	424	876	190	3,882
	%	0.0%	1.6%	32.8%	8.7%	18.5%	10.9%	22.6%	4.9%	100.0%
<b>Southern Unincorporated</b>	Number	0	195	1,903	1,173	497	168	83	0	4,019
	%	0.0%	4.9%	47.4%	29.2%	12.4%	4.2%	2.1%	0.0%	100.0%
<b>Unincorporated Islands</b>	Number	0	12	372	503	234	165	93	41	1,420
	%	0.0%	0.8%	26.2%	35.4%	16.5%	11.6%	6.5%	2.9%	100.0%
<b>South Carolina</b>	Number	484	12,415	100,080	107,070	104,228	101,155	95,537	49,127	570,096
	%	0.1%	2.2%	17.6%	18.8%	18.3%	17.7%	16.8%	8.6%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

As evidenced by the table above, the largest share (21.8%) of rental housing supply in the PSA was built between 1980 and 1989. A over a third (35.1%) of the rental housing stock was built since 2000. Overall, the PSA has a good mix of product by year built.

Within the seven submarkets, the distribution of rental housing stock covers all development periods, including a broad mix of older and newer product. The largest number of new rental units are within the the Town of Bluffton, Northern Unincorporated and Southern Unincorporated submarkets, all of which included more than 1,000 new rental units built since 2000. It is worth noting that the Town of Bluffton’s new rental stock built since 2000 represents nearly three-fourths of the town’s rental housing stock.

Based on the 2011-2015 ACS data, the following is a distribution of all owner-occupied housing units in each study area by year of construction.

		Owner Occupied Housing by Year Built								
		2014 /2015	2010 to 2013	2000 to 2009	1990 to 1999	1980 to 1989	1970 to 1979	1950 to 1969	1949 or Earlier	Total
<b>Beaufort County</b>	Number	164	1,177	16,910	11,481	8,141	4,627	2,840	862	46,202
	%	0.4%	2.5%	36.6%	24.8%	17.6%	10.0%	6.1%	1.9%	100.0%
<b>Beaufort</b>	Number	1	41	227	340	294	240	695	318	2,156
	%	0.0%	1.9%	10.5%	15.8%	13.6%	11.1%	32.2%	14.7%	100.0%
<b>Bluffton</b>	Number	34	245	2,227	543	191	62	65	38	3,405
	%	1.0%	7.2%	65.4%	15.9%	5.6%	1.8%	1.9%	1.1%	100.0%
<b>Hilton Head</b>	Number	47	109	2,335	2,924	3,546	2,009	323	43	11,336
	%	0.4%	1.0%	20.6%	25.8%	31.3%	17.7%	2.8%	0.4%	100.0%
<b>Port Royal</b>	Number	2	34	207	136	297	150	276	24	1,126
	%	0.2%	3.0%	18.4%	12.1%	26.4%	13.3%	24.5%	2.1%	100.0%
<b>Northern Unincorporated</b>	Number	4	169	944	1,151	1,130	669	541	118	4,726
	%	0.1%	3.6%	20.0%	24.4%	23.9%	14.2%	11.4%	2.5%	100.0%
<b>Southern Unincorporated</b>	Number	62	349	8,426	3,575	900	326	208	91	13,937
	%	0.4%	2.5%	60.5%	25.7%	6.5%	2.3%	1.5%	0.7%	100.0%
<b>Unincorporated Islands</b>	Number	2	130	1,385	1,579	855	638	409	112	5,110
	%	0.0%	2.5%	27.1%	30.9%	16.7%	12.5%	8.0%	2.2%	100.0%
<b>South Carolina</b>	Number	2,947	32,183	284,664	256,513	192,647	179,873	209,124	87,045	1,244,996
	%	0.2%	2.6%	22.9%	20.6%	15.5%	14.4%	16.8%	7.0%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

As reported by ACS, while the owner-occupied housing in the PSA covers all development periods, it is clear that new owner housing development has been significant over the past 17 years. Since 2000, the PSA has added 18,251 new owner households, which represents 39.5% of the owner-occupied housing stock. The next largest share (24.8%) of product in the PSA was built between 1990 and 1999. As such, nearly two-thirds of all owner housing in the county has been built since 1990.

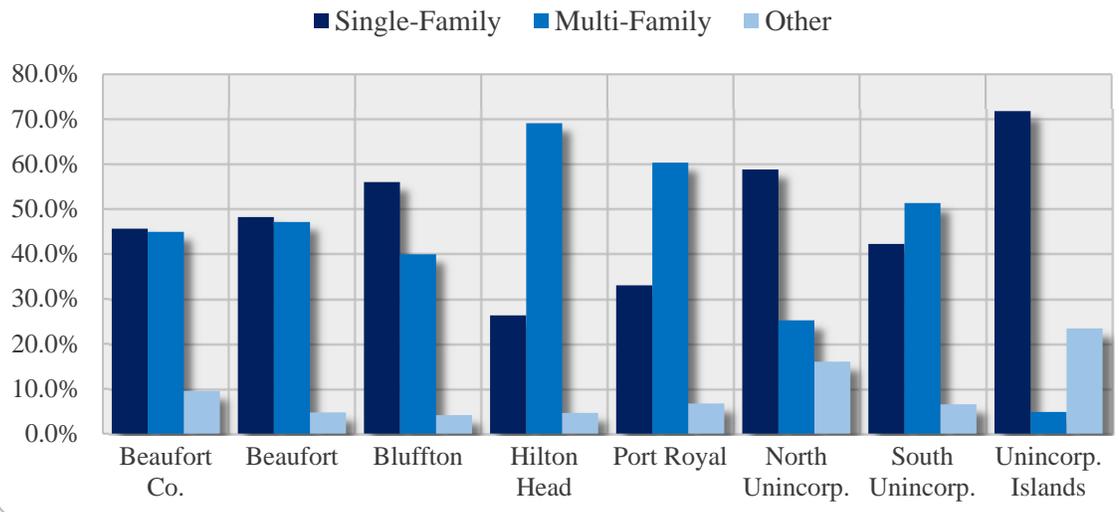
Based on the 2011-2015 ACS data, the following is a distribution of all renter-occupied housing by units in structure for each study area.

		Renter Occupied Housing by Units in Structure									
		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
<b>Beaufort County</b>	Number	7,498	1,513	1,889	2,466	2,120	1,507	905	1,873	0	19,771
	%	37.9%	7.7%	9.6%	12.5%	10.7%	7.6%	4.6%	9.5%	0.0%	100.0%
<b>Beaufort</b>	Number	687	87	241	142	237	102	34	75	0	1,605
	%	42.8%	5.4%	15.0%	8.8%	14.8%	6.4%	2.1%	4.7%	0.0%	100.0%
<b>Bluffton</b>	Number	719	176	73	189	158	174	44	65	0	1,598
	%	45.0%	11.0%	4.6%	11.8%	9.9%	10.9%	2.8%	4.1%	0.0%	100.0%
<b>Hilton Head</b>	Number	771	298	736	751	390	439	495	187	0	4,067
	%	19.0%	7.3%	18.1%	18.5%	9.6%	10.8%	12.2%	4.6%	0.0%	100.0%
<b>Port Royal</b>	Number	456	91	188	356	300	109	45	111	0	1,656
	%	27.5%	5.5%	11.4%	21.5%	18.1%	6.6%	2.7%	6.7%	0.0%	100.0%
<b>Northern Unincorporated</b>	Number	2,074	208	167	205	293	265	50	620	0	3,882
	%	53.4%	5.4%	4.3%	5.3%	7.5%	6.8%	1.3%	16.0%	0.0%	100.0%
<b>Southern Unincorporated</b>	Number	1,187	511	315	658	604	325	158	260	0	4,018
	%	29.5%	12.7%	7.8%	16.4%	15.0%	8.1%	3.9%	6.5%	0.0%	100.0%
<b>Unincorporated Islands</b>	Number	955	65	31	24	1	0	13	333	0	1,422
	%	67.2%	4.6%	2.2%	1.7%	0.1%	0.0%	0.9%	23.4%	0.0%	100.0%
<b>South Carolina</b>	Number	196,220	20,970	79,559	69,552	52,286	32,851	20,741	97,318	599	570,096
	%	34.4%	3.7%	14.0%	12.2%	9.2%	5.8%	3.6%	17.1%	0.1%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

More than half (55.2%) of the rental units in the PSA are within structures of four units or less. An additional 9.5% of the rental housing stock consists of mobile home units. More than a third (35.4%) of the rental stock consist of five or more units per structure, representing traditional multifamily product. The inventory of renter housing in the PSA is discussed in greater detail starting on page 11 of this section.

### Renter-Occupied Housing by Units in Structure (2011-2015)



Based on the 2011-2015 ACS data, the following is a distribution of all owner-occupied housing by units in structure for each study area.

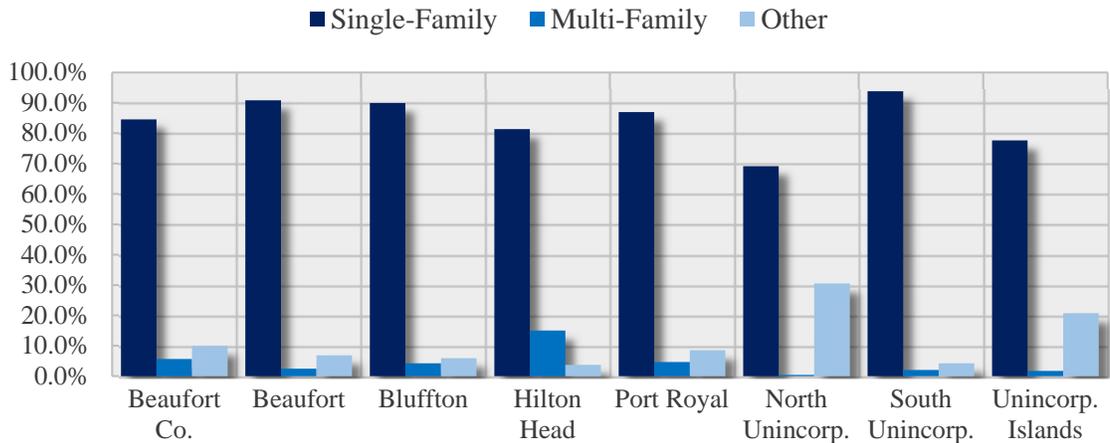
### Owner Occupied Housing by Units in Structure

		1; Detached	1; Attached	2 to 4	5 to 9	10 to 19	20 to 49	50+	Mobile Homes	Boat, RV, Vans	Total
<b>Beaufort County</b>	Number	37,026	2,034	535	703	412	696	221	4,541	34	46,202
	%	80.1%	4.4%	1.2%	1.5%	0.9%	1.5%	0.5%	9.8%	0.1%	100.0%
<b>Beaufort</b>	Number	1,848	108	20	24	4	3	0	143	4	2,154
	%	85.8%	5.0%	0.9%	1.1%	0.2%	0.1%	0.0%	6.6%	0.2%	100.0%
<b>Bluffton</b>	Number	2,789	274	15	25	51	50	0	201	0	3,405
	%	81.9%	8.0%	0.4%	0.7%	1.5%	1.5%	0.0%	5.9%	0.0%	100.0%
<b>Hilton Head</b>	Number	8,445	770	369	459	180	511	191	404	6	11,335
	%	74.5%	6.8%	3.3%	4.0%	1.6%	4.5%	1.7%	3.6%	0.1%	100.0%
<b>Port Royal</b>	Number	973	5	9	31	12	0	0	91	4	1,125
	%	86.5%	0.4%	0.8%	2.8%	1.1%	0.0%	0.0%	8.1%	0.4%	100.0%
<b>Northern Unincorporated</b>	Number	3,240	24	18	0	0	1	0	1,434	8	4,725
	%	68.6%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	30.3%	0.2%	100.0%
<b>Southern Unincorporated</b>	Number	12,419	656	36	51	117	72	0	587	0	13,938
	%	89.1%	4.7%	0.3%	0.4%	0.8%	0.5%	0.0%	4.2%	0.0%	100.0%
<b>Unincorporated Islands</b>	Number	3,925	43	19	44	18	0	0	1,055	5	5,109
	%	76.8%	0.8%	0.4%	0.9%	0.4%	0.0%	0.0%	20.6%	0.1%	100.0%
<b>South Carolina</b>	Number	987,446	32,602	7,833	7,809	4,515	2,956	2,392	198,714	729	1,244,996
	%	79.3%	2.6%	0.6%	0.6%	0.4%	0.2%	0.2%	16.0%	0.1%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Nearly 85% of the owner-occupied housing stock in the PSA (Beaufort County) consists of single-family homes, while a notable share (9.8%) consists of mobile homes. This is somewhat similar to the state of South Carolina

**Owner-Occupied Housing by Units in Structure (2011-2015)**



Substandard housing is an important component to consider when evaluating a housing market and potential housing need. Substandard housing is generally considered housing that 1.) Lacks complete kitchen and/or bathroom facilities, 2.) Is overcrowded, and 3.) Has a rent/cost over-burden situation.

The following tables demonstrate the share of substandard housing found in the study areas, based on the presence or absence of kitchen and bathroom facilities:

		Renter Occupied Housing by Kitchen & Plumbing Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
<b>Beaufort County</b>	Number	19,263	508	19,771	19,635	136	19,771
	%	97.4%	2.6%	100.0%	99.3%	0.7%	100.0%
<b>Beaufort</b>	Number	1,598	7	1,605	1,593	12	1,605
	%	99.6%	0.4%	100.0%	99.3%	0.7%	100.0%
<b>Bluffton</b>	Number	1,580	20	1,600	1,600	0	1,600
	%	98.8%	1.3%	100.0%	100.0%	0.0%	100.0%
<b>Hilton Head</b>	Number	3,851	214	4,065	4,060	6	4,066
	%	94.7%	5.3%	100.0%	99.9%	0.1%	100.0%
<b>Port Royal</b>	Number	1,652	4	1,656	1,644	12	1,656
	%	99.8%	0.2%	100.0%	99.3%	0.7%	100.0%
<b>Northern Unincorporated</b>	Number	3,837	45	3,882	3,822	60	3,882
	%	98.8%	1.2%	100.0%	98.5%	1.5%	100.0%
<b>Southern Unincorporated</b>	Number	3,858	161	4,019	3,998	20	4,018
	%	96.0%	4.0%	100.0%	99.5%	0.5%	100.0%
<b>Unincorporated Islands</b>	Number	1,403	18	1,421	1,403	18	1,421
	%	98.7%	1.3%	100.0%	98.7%	1.3%	100.0%
<b>South Carolina</b>	Number	560,735	9,361	570,096	566,114	3,982	570,096
	%	98.4%	1.6%	100.0%	99.3%	0.7%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Based on the 2011-2015 ACS estimates, the percentage of renter-occupied housing in the PSA with incomplete kitchen facilities was 2.6%, while only 0.7% of renter-occupied units had incomplete plumbing facilities. While representing small shares, there are over 600 renter-occupied units in the PSA that have either incomplete kitchens and/or plumbing. Most of the renter-occupied units with incomplete kitchen or bathroom facilities are located in the Town of Hilton Head Island, Northern Unincorporated and Southern Unincorporated submarkets. This demonstrates that despite the large amount of new rental product added to the market over the past two decades, substandard housing conditions still exists in the county.

The share of owner-occupied housing units that lack complete kitchen or plumbing facilities for each of the study areas is summarized below:

		Owner Occupied Housing by Kitchen & Plumbing Characteristics					
		Kitchens			Plumbing		
		Complete	Incomplete	Total	Complete	Incomplete	Total
<b>Beaufort County</b>	Number	46,042	160	46,202	46,082	120	46,202
	%	99.7%	0.3%	100.0%	99.7%	0.3%	100.0%
<b>Beaufort</b>	Number	2,153	2	2,155	2,155	0	2,155
	%	99.9%	0.1%	100.0%	100.0%	0.0%	100.0%
<b>Bluffton</b>	Number	3,367	39	3,406	3,406	0	3,406
	%	98.9%	1.1%	100.0%	100.0%	0.0%	100.0%
<b>Hilton Head</b>	Number	11,297	38	11,335	11,316	20	11,336
	%	99.7%	0.3%	100.0%	99.8%	0.2%	100.0%
<b>Port Royal</b>	Number	1,121	5	1,126	1,125	0	1,125
	%	99.6%	0.4%	100.0%	100.0%	0.0%	100.0%
<b>Northern Unincorporated</b>	Number	4,714	10	4,724	4,725	0	4,725
	%	99.8%	0.2%	100.0%	100.0%	0.0%	100.0%
<b>Southern Unincorporated</b>	Number	13,892	46	13,938	13,848	90	13,938
	%	99.7%	0.3%	100.0%	99.4%	0.6%	100.0%
<b>Unincorporated Islands</b>	Number	5,104	6	5,110	5,109	0	5,109
	%	99.9%	0.1%	100.0%	100.0%	0.0%	100.0%
<b>South Carolina</b>	Number	1,241,369	3,627	1,244,996	1,241,671	3,325	1,244,996
	%	99.7%	0.3%	100.0%	99.7%	0.3%	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Owner-occupied housing units which lack complete kitchen or plumbing facilities comprise only 0.6% of all owner-occupied housing units in the PSA. Overall, nearly 300 units have incomplete kitchens and/or plumbing facilities. The share of such housing within the respective submarkets is low.

Overcrowded housing is considered a housing unit with 1.01 or more persons per room, while severe overcrowding housing is considered a unit with 1.51 or more persons per room. The following table illustrates the overcrowded households by tenure for each study area.

County	Overcrowded				Severe Overcrowded			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Beaufort County</b>	1,194	6.0%	434	0.9%	389	2.0%	100	0.2%
<b>Beaufort</b>	80	5.0%	84	3.9%	50	3.1%	47	2.2%
<b>Bluffton</b>	88	5.5%	31	0.9%	11	0.7%	0	0.0%
<b>Hilton Head</b>	357	8.8%	43	0.4%	106	2.6%	13	0.1%
<b>Port Royal</b>	95	5.7%	17	1.5%	67	4.0%	7	0.6%
<b>Northern Unincorporated</b>	268	6.9%	72	1.5%	85	2.2%	20	0.4%
<b>Southern Unincorporated</b>	204	5.1%	106	0.8%	48	1.2%	0	0.0%
<b>Unincorporated Islands</b>	40	2.8%	36	0.7%	0	0.0%	0	0.0%
<b>South Carolina</b>	20,442	3.6%	12,595	1.0%	5,848	1.0%	3,206	0.3%

Source: 2011-2015 American Community Survey

Of the more than 19,000 renter-occupied housing units in the PSA (Beaufort County), 1,194 (6.0%) have 1.01 or more occupants per room and are considered overcrowded. The share of overcrowded renter households in the PSA is notably higher than the state share of 3.6%. Only 434 (0.9%) of the owner-occupied housing units are considered overcrowded.

Within the selected submarkets, overcrowded *rental* housing appears to be most frequent in the Town of Hilton Head Island, with 8.8% of rental housing units categorized as overcrowded. Among *owner* households, the City of Beaufort has the highest share (3.9%) of overcrowded households.

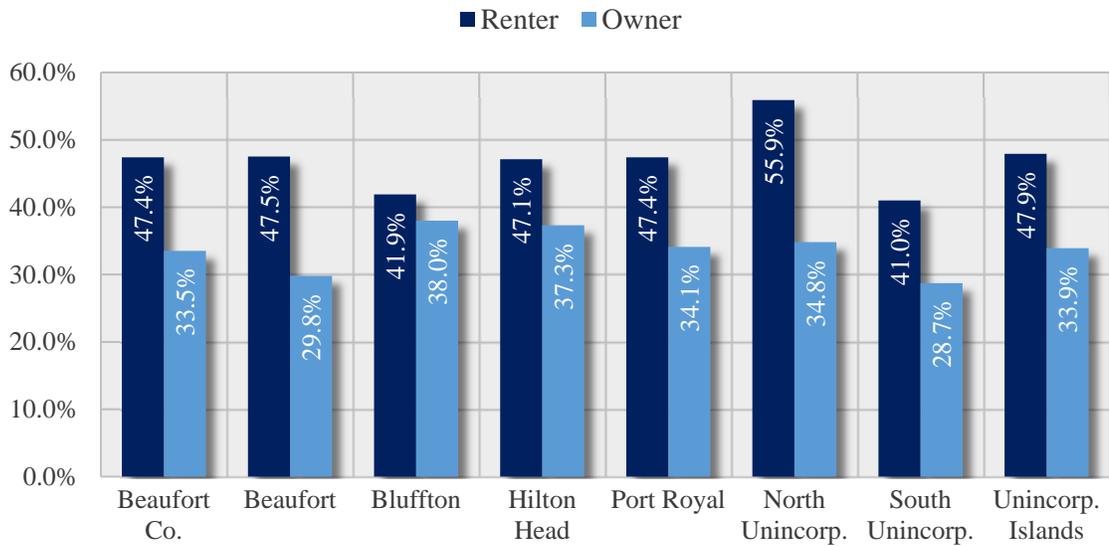
Evaluating the share of income a household pays towards housing costs is an important factor to consider when evaluating housing needs. Cost burdened households are those paying 30% or more of their income towards housing costs, while *severe* cost burdened households are considered as those paying over 50% of their income towards housing costs. The following table illustrates the cost burdened households by various geographic areas.

County	Cost Burdened				Severe Cost Burdened			
	Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Beaufort County</b>	9,370	47.4%	15,463	33.5%	3,883	19.6%	6,613	14.3%
<b>Beaufort</b>	762	47.5%	642	29.8%	350	21.8%	345	16.0%
<b>Bluffton</b>	670	41.9%	1,292	38.0%	240	15.0%	455	13.4%
<b>Hilton Head</b>	1,914	47.1%	4,222	37.3%	843	20.7%	2,129	18.8%
<b>Port Royal</b>	785	47.4%	383	34.1%	319	19.3%	166	14.8%
<b>Northern Unincorporated</b>	2,169	55.9%	1,643	34.8%	838	21.6%	728	15.4%
<b>Southern Unincorporated</b>	1,649	41.0%	3,999	28.7%	683	17.0%	1,464	10.5%
<b>Unincorporated Islands</b>	681	47.9%	1,730	33.9%	277	19.5%	638	12.5%
<b>South Carolina</b>	260,682	45.7%	287,879	23.1%	132,549	23.3%	116,816	9.4%

Source: 2011-2015 American Community Survey

Among Beaufort County’s *renter* households, a total of 9,370 (47.4%) are cost burdened and 3,883 (19.6%) are *severe* cost burdened. In South Carolina, these ratios are 45.7% and 23.3%, respectively. A total of 15,463 (33.5%) owner households are cost burdened, while 6,613 (14.3%) are severe cost burdened. The greatest shares of severe cost burdened *renter* households is in the City of Beaufort (21.8%) and Northern Unincorporated (21.6%) submarkets, while the greatest share of severe cost burdened *owner* households is within the Town of Hilton Head Island (18.8%) and the City of Beaufort (16.0%) submarkets.

### Cost Burdened Households by Tenure (2011-2015)



## **B. Housing Supply Analysis (Bowen National Survey)**

### **1. Multifamily Rental Housing**

During the fall and winter of 2017, Bowen National Research surveyed (both by telephone and in-person) a total of 60 multifamily rental housing projects with a total of nearly 6,000 units within Beaufort County. While these rentals do not represent all multifamily rental housing projects in the market, they represent a majority of larger multifamily rental properties in the county and provide significant insight as to the market conditions of commonly offered multifamily rental product. We believe this survey represents a good base from which characteristics and trends of multifamily rental housing can be evaluated, and from which conclusions can be drawn.

Projects identified, inventoried, and surveyed operate under a number of affordable housing programs including the Low-Income Housing Tax Credit (LIHTC), HUD Section 8, and Rural Development Section 515 programs, as well as market-rate. Definitions of each housing program are included in Addendum H: Glossary.

Managers and leasing agents at each project were surveyed to collect a variety of property information including vacancies, rental rates, design characteristics, amenities, utility responsibility, and other features. Each project was also rated based on quality and upkeep. Each surveyed property was photographed and mapped as part of this survey.

Data collected during our survey is presented in aggregate format for the Primary Study Area (PSA), with supplemental analysis of the seven submarkets.

**PSA (Beaufort County)** - We identified and personally surveyed 60 multifamily rental housing projects containing a total of 5,963 units within the overall county. These projects have an overall 97.6% occupancy rate, indicating that there is limited availability among the multifamily rental housing supply. The non-subsidized units (market-rate and Tax Credit) are 97.2% occupied, while the government subsidized units are 100.0% occupied.

**Submarkets** – Demand for multifamily rentals in each of the seven submarkets is very strong, as evidenced by the fact that most of the submarkets have overall occupancy rates above 98.0%.

The table below illustrates the distribution of surveyed product in the PSA by program type, including mixed-income properties.

<b>PSA (Beaufort County) Multifamily Rental Housing Overview</b>				
<b>Project Type</b>	<b>Projects Surveyed</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Occupancy Rate</b>
Market-rate	30	4,195	139	96.7%
Market-rate/Tax Credit	2	232	3	98.7%
Tax Credit	12	724	0	100.0%
Tax Credit/Government Subsidized	5	316	0	100.0%
Government Subsidized	11	496	0	100.0%
Total	60	5,963	142	97.6%

The 5,963 surveyed multifamily rental units in the PSA (Beaufort County) represent more than half of all multifamily rental properties in the county and are representative of the typical multifamily rentals in the market. Overall, there are 142 vacant multifamily units available to rent in the market, representing 2.4% of the supply. This is a low vacancy rate and represents the strong level of demand that exists of multifamily rentals in the county.

With 139 of the 142 vacant units identified in the market among the market-rate supply, there are virtually no vacancies among affordable rentals that serve low-income households through programs such as the Low-Income Housing Tax Credit (LIHTC) program or a government subsidy. Based on our interviews with area apartment managers, many affordable rental properties maintain long wait lists. As such, there appears to be pent-up demand for affordable rentals. While there are 139 vacant market-rate units in the market, this still represents a very high occupancy rate of 96.7%, indicating that there is very strong demand for unrestricted market-rate rental housing. In fact, of the 139 vacant units identified in the market, 64 are within One Hampton Lake (Map ID 41), a newly opened market-rate project that is currently in its initial lease-up phase. When this project is excluded, the overall occupancy rate of market-rate rental housing increases to 98.2%. This is further evidence of the high demand for market-rate rentals in the county. As such, there appears to be a development opportunity for a variety of rental products, particularly for affordable rentals. Each multifamily rental housing segment is evaluated in detail on the following pages.

We also evaluated the performance of the multifamily rental housing stock for each of the selected submarkets. The table below summarizes the total surveyed inventory of multifamily rentals for each of the seven submarkets considered in this report.

Submarket Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
City of Beaufort	22	1,084	5	99.5%
Bluffton	5	616	70	88.6%
Hilton Head Island	5	342	23	93.3%
Port Royal	13	1,471	19	98.7%
Northern Unincorporated	4	364	2	99.5%
Southern Unincorporated	9	1,868	19	99.0%
Unincorporated Islands	2	218	4	98.2%
Total	60	5,963	142	97.6%

With the exception of the Town of Bluffton, all submarkets are performing at very high occupancy levels of 93.3% or higher. While the Town of Bluffton has an overall occupancy rate of 88.6%, 64 of the 70 vacant units are within a single-project that recently opened and is in its initial lease-up phase. This project, One-Hampton Lake (Map ID 41) opened in October of 2017. When this project is excluded, the overall occupancy rate of all other multifamily rentals in the Town of Bluffton is 98.9%. As such, demand for multifamily rentals across the county is strong and there do not appear to be any geographical areas within the county where demand is limited. Additional analysis of the multifamily rental housing supply is included in *Section IX: Submarket Analysis*.

#### Market-rate Apartments

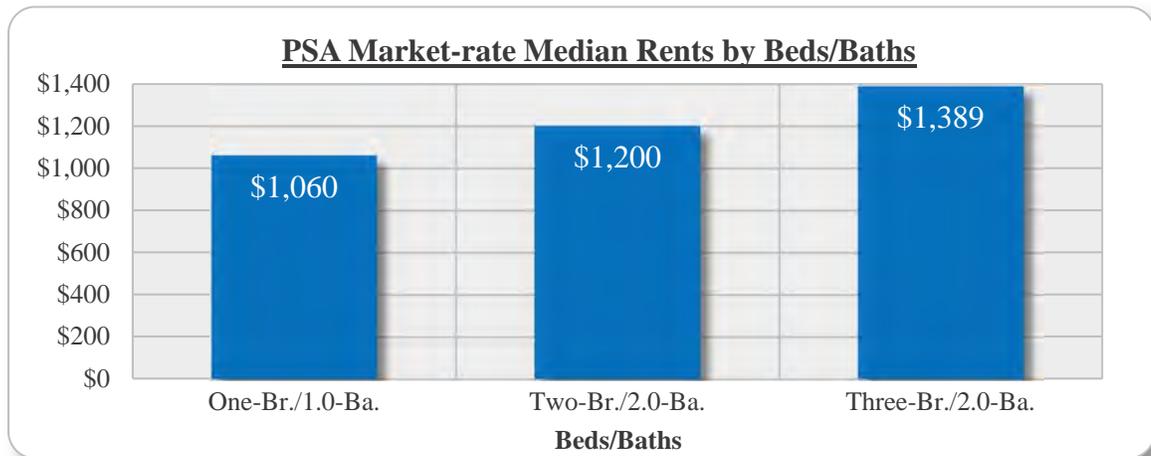
A total of 32 multifamily projects with at least some market-rate units were surveyed in the county. These projects have a combined total of 4,264 units and have a combined occupancy rate of 96.7%.

The following table summarizes the breakdown of market-rate units surveyed within the PSA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	987	23.1%	59	6.0%	\$1,060
One-Bedroom	1.5	8	0.2%	7	87.5%	\$1,624
Two-Bedroom	1.0	280	6.6%	3	1.1%	\$906
Two-Bedroom	1.5	127	3.0%	1	0.8%	\$925
Two-Bedroom	2.0	1,961	46.0%	61	3.1%	\$1,200
Two-Bedroom	2.5	156	3.7%	0	0.0%	\$1,220
Three-Bedroom	1.0	20	0.5%	1	5.0%	\$950
Three-Bedroom	2.0	579	13.6%	4	0.7%	\$1,389
Three-Bedroom	2.5	86	2.0%	0	0.0%	\$1,800
Three-Bedroom	3.0	60	1.4%	3	5.0%	\$1,800
<b>Total Market-rate</b>		<b>4,264</b>	<b>100.0%</b>	<b>139</b>	<b>3.3%</b>	-

With the exception of the one-bedroom/1.5-bathroom units, vacancy rates are generally low among all bedroom/bathroom configurations. The 87.5% vacancy rate among the one-bedroom/1.5-bathroom units is attributed to seven vacant units among only eight units and is not indicative of a weakness in the market. Demand is high for all bedroom/bathroom configurations. The unit mix by bedroom type is well balanced when compared with other markets of similar size and with similar socio-economic characteristics.

The graph below illustrates median market-rate rents among common bedroom types offered in the overall region.

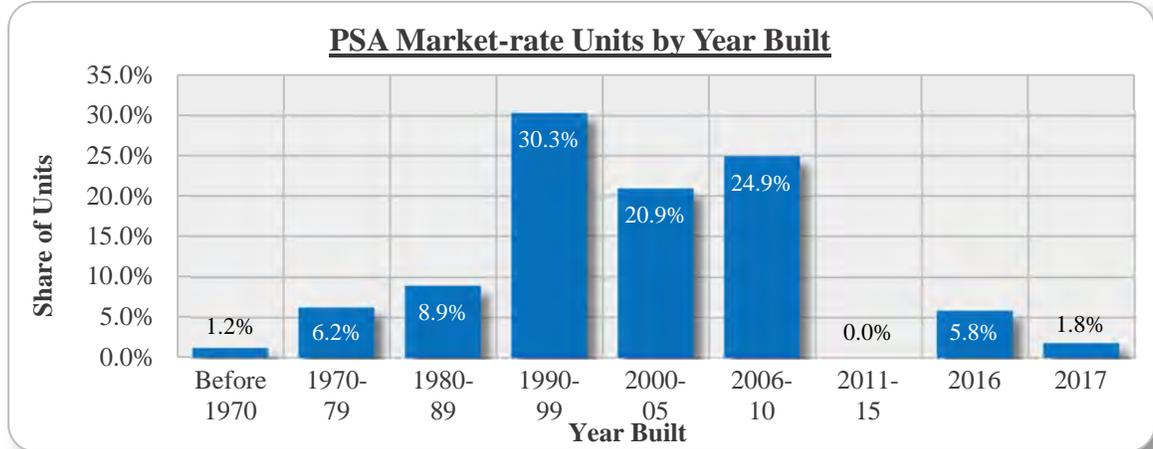


The following is a distribution of market-rate product surveyed by year built for the PSA:

Market-rate			
Year Built	Projects	Units	Percent Share
Before 1970	1	50	1.2%
1970 to 1979	4	265	6.2%
1980 to 1989	8	380	8.9%
1990 to 1999	7	1,293	30.3%
2000 to 2005	4	890	20.9%
2006 to 2010	6	1,064	24.9%
2011 to 2015	0	-	-
2016	1	246	5.8%
2017*	1	76	1.8%

\*As of December

Most of the market-rate apartment properties surveyed in the PSA were built after 1990. As such, the market offers a large base of modern market-rate product. The graph below illustrates the inventory of market-rate product by year built within the county.



Representatives of Bowen National Research personally visited the surveyed rental projects within the overall county and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of the surveyed market-rate supply by quality rating.

Quality Rate	Market-rate Properties			Median Net Rent		
	Projects	Total Units	Vacancy Rate	One-Br.	Two-Br.	Three-Br.
A+	1	61	0.0%	\$790	\$930	\$1,010
A	8	1,458	5.9%	\$1,090	\$1,200	\$1,460
A-	5	1,083	1.8%	\$1,449	\$1,364	\$1,444
B+	7	1,083	0.6%	\$950	\$1,100	\$1,400
B	2	46	0.0%	-	\$700	-
B-	4	336	7.1%	\$1,100	\$925	\$1,200
C+	2	146	0.7%	\$750	\$900	\$1,200
C	3	51	3.9%	-	\$850	\$950

While the overall county's market-rate rental properties have a diverse mix of rental product by quality rating, a majority of product is rated B+ or better, indicating the market has a large inventory of good quality market-rate rental housing.

The amenities offered at a project are often influenced by such things as target market (i.e. families, seniors, young professionals, etc.) and the household income segment the project seeks to serve. Standard *unit* features that are included in at least half of the surveyed market-rate projects in the PSA include a range, refrigerator with icemaker, dishwasher, garbage disposal, microwave oven, central air conditioning, carpet, in-unit washers and dryers, patio/balconies, ceiling fans and window blinds. Common project amenities include a swimming pool, on-site management, fitness centers and clubhouse. Future market-rate development will need to take many of these features into consideration when developing concepts.

It is important to point out that it is not uncommon for markets dominated by smaller projects with less than 50 units to have limited amenity packages.

Tax Credit Apartments

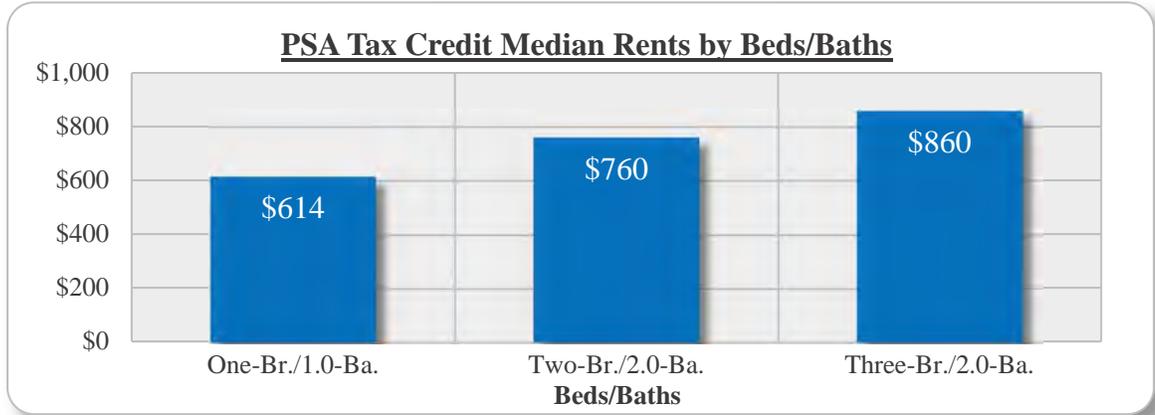
Tax Credit housing is housing that is developed under the Low-Income Housing Tax Credit (LIHTC) program. A total of 14 surveyed multifamily projects in the county offer Low-Income Housing Tax Credit (LIHTC or Tax Credit) units. However, five of these projects offer such units with concurrent government subsidies. This section focuses only on the non-subsidized Tax Credit units, while the subsidized units are discussed in the government subsidized section of this report (starting on page VI-19).

The following table summarizes the breakdown of non-subsidized Tax Credit units surveyed within the overall PSA.

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Rent
One-Bedroom	1.0	106	12.0%	0	0.0%	\$614
Two-Bedroom	2.0	337	38.0%	0	0.0%	\$760
Three-Bedroom	2.0	416	46.9%	3	0.7%	\$860
Four-Bedroom	2.0	28	3.2%	0	0.0%	\$1,250
<b>Total Tax Credit</b>		<b>887</b>	<b>100.0%</b>	<b>3</b>	<b>0.3%</b>	-

The non-subsidized Tax Credit units are 99.7% occupied within the PSA. Most of the Tax Credit projects maintain wait list, with the longest consisting of approximately 140 households. As such, there is pent-up demand for rental housing that serves low-income households (incomes of up to 60% of AMHI). The 14 Tax Credit projects in the PSA (Beaufort County) consists of one- to four-bedroom units, with the fairly typical mix of units by bedroom type, though the share (12.0%) of one-bedroom units is slightly lower than normal. These units have median collected rents by bedroom type ranging from \$614 to \$1,250, which are below the median collected rents of the corresponding market-rate bedroom types.

The graph below illustrates median Tax Credit rents among common bedroom types offered in the overall county.

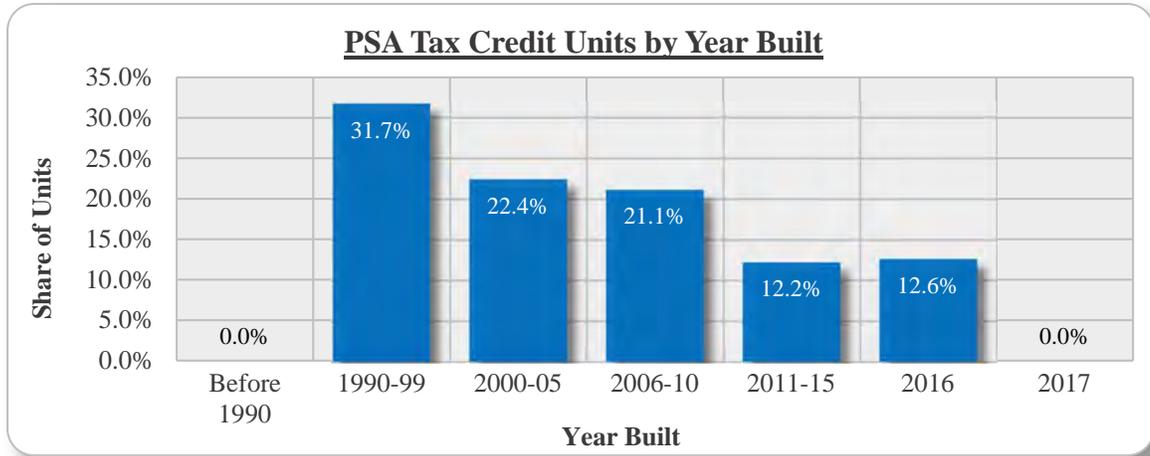


The following is a distribution of Tax Credit product surveyed by year built for each study area (Note: The Low-Income Housing Tax Credit program began in 1986):

Tax Credit, Non-Subsidized			
Year Built	Projects	Units	Percent Share
Before 1990	-	-	-
1990 to 1999	5	281	31.7%
2000 to 2005	3	199	22.4%
2006 to 2010	3	187	21.1%
2011 to 2015	1	108	12.2%
2016	2	112	12.6%
2017*	-	-	-

\*As of December

The surveyed Tax Credit product in the county was built during a variety of periods, with the largest share (31.7%) built in the 1990's. Three Tax Credit projects were built since 2012, with two of the projects built in 2016. The graph below illustrates the inventory of Tax Credit product by year built within the county.



Representatives of Bowen National Research personally visited the surveyed rental projects within the county and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution of the Tax Credit properties by quality rating.

Tax Credit, Non-Subsidized			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	83	3.6%
A	4	323	0.0%
A-	1	56	0.0%
B+	4	240	0.0%
B	1	32	0.0%
B-	1	57	0.0%
C	2	96	0.0%

While the surveyed Tax Credit product consists of a wide range of quality levels, most of the surveyed projects have a quality rating in the A range, which is considered to be high quality product. Only two Tax Credit projects with 96 units have a rating of C, which is considered to be in “fair” condition. Regardless of quality, vacancies are low among all Tax Credit product.

The amenities offered at a project are often influenced by such things as target market (i.e. families, seniors, disabled, etc.) and the household income segment the project seeks to serve. The most common *unit* amenities for all Tax Credit projects surveyed in the county include a range, refrigerator, dishwasher, garbage disposal, microwave oven, central air conditioning, in-unit washer and dryer hookups, patio/balcony, ceiling fans, and window blinds. The most common project amenities in the PSA include on-site management, laundry facilities, indoor community space, and picnic areas. Depending upon the targeted market (seniors or families), new Tax Credit product will need to be competitive with the existing supply based on amenities.

Government Subsidized Housing

There were a total of 16 projects surveyed within the overall county that offer at least some units that operate with a government subsidy. Government subsidized housing typically requires residents to pay 30% of their adjusted gross income towards rents and generally qualifies households with incomes of up to 50% of Area Median Household Income (AMHI).

The government subsidized units in the overall county are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	84	26.6%	0	0.0%
Two-Bedroom	1.0	144	45.6%	0	0.0%
Two-Bedroom	2.0	36	11.4%	0	0.0%
Three-Bedroom	1.5	24	7.6%	0	0.0%
Three-Bedroom	2.0	24	7.6%	0	0.0%
Four-Bedroom	2.0	4	1.3%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>316</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	36	7.3%	0	0.0%
One-Bedroom	1.0	113	22.8%	0	0.0%
Two-Bedroom	1.0	172	34.7%	0	0.0%
Two-Bedroom	1.5	62	12.5%	0	0.0%
Three-Bedroom	1.0	81	16.3%	0	0.0%
Three-Bedroom	1.5	16	3.2%	0	0.0%
Four-Bedroom	1.0	4	0.8%	0	0.0%
Four-Bedroom	2.0	6	1.2%	0	0.0%
Five-Bedroom	2.0	6	1.2%	0	0.0%
<b>Total Subsidized</b>		<b>496</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The 812 government subsidized units are fully occupied within the county. Given the lack of any available subsidized units and the fact that most subsidized projects have very long wait lists, extremely low and very low-income renter households (making 50% or less of Area Median Household Income) have very limited options available and likely must choose from either the non-subsidized multifamily housing options or non-conventional housing options, such as single-family homes and duplexes, or even mobile homes. Based on this analysis, it is clear that there is pent-up demand for subsidized housing in the county.

The housing authority oversees seven Public Housing developments, four larger sites, one small site and two scattered site developments. According to Angela Childers, the Executive Director of the Beaufort Housing Authority, in all, there are 295 units of Public Housing in the county, all of which are occupied. There are 320 people on the Public Housing waiting list. The length of time it takes to get into the Public Housing units ranges depending upon the number of bedrooms. There are no Public Housing units that are restricted to or specifically set aside for seniors or the disabled. The wait to get into a one-bedroom Public Housing unit is three years, the wait for a two-bedroom unit is two years, and the wait for a three- or four-bedroom unit is one year to 18 months. According to Ms. Childers, if there were 300 more Public Housing units today in the county, they would easily be filled with families or individuals in need.

The population that is the most underserved when it comes to housing is the elderly and disabled. These seniors and disabled need one-bedroom single-story units or in an elevator-served building and there is a lack of one-bedroom Public Housing or affordable units in the county.

Ms. Childers stated potential Public Housing tenants can choose the Public Housing development in which they want to reside. The 50-unit, Yemassee Public Housing development is the hardest to get people to request for housing because it is located 30 minutes away from the City of Beaufort and an hour from the Town of Hilton Head Island. The Public Housing units in the county are in good shape, but the main desire of all residents is for dryer hook-ups. All the Public Housing units have a washer hook-up, but residents must dry their clothes on a clothes line or haul wet clothes to a laundromat.

Ms. Childers indicated the Beaufort Housing Authority has 574 Housing Choice Vouchers (HCV) issued and over 1,000 names on a waiting list hoping to receive a HCV. The wait time for a voucher is from one to three years. In the meantime, those waiting for housing and assistance double-up and live with other families or “couch hop” from friend to friend or from one family member to another. This type of living is hard for children that might have to continually switch school districts.

Those that receive a HCV for rental assistance have a hard time finding available housing, and also many have a poor credit rating and cannot pass credit checks or can't find a way to pay the application fee, the security deposit and the first month rent all at once. The Beaufort Housing Authority has an agreement with the Beaufort-Jasper County Opportunity Commission, so that the commission is able to help some potential low-income residents with security deposits and electric and gas deposits, among other things, to help those in need of stable housing.

The Housing Authority works with households that have limited financial resources for deposits, as they can allow residents to spread the initial move-in fees over several months. The housing authority can also make the decision to give someone with bad credit a second chance and let them rent a Public Housing unit.

Ms. Childers concluded that there are many obstacles that make it hard to develop more affordable housing. One challenge is the high impact fees for infrastructure, finding developers that will build housing without trying to maximize profits, and finding the land to build. There are enough old and dilapidated buildings in the area that could be refurbished and made into affordable housing for all income levels.

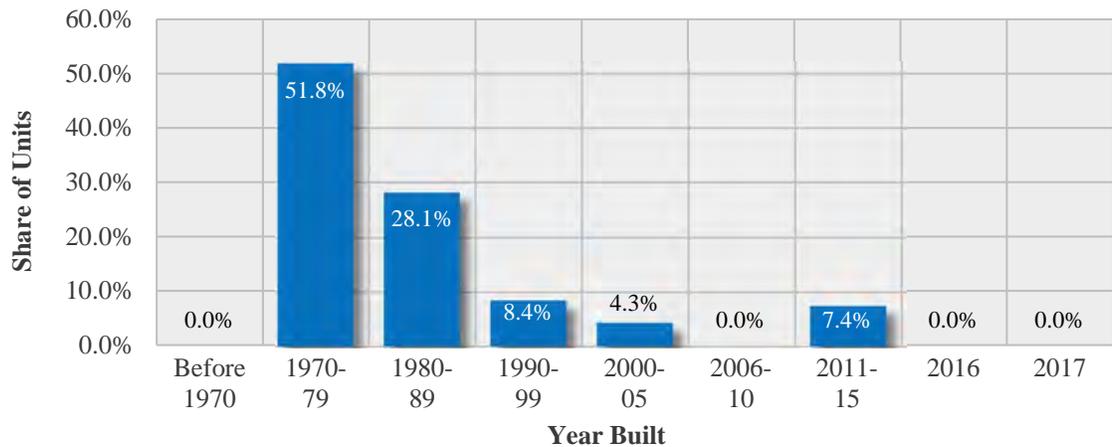
The following is a distribution of government subsidized product surveyed by year built for the overall market:

Government Subsidized			
Year Built	Projects	Units	Percent Share
Before 1970	-	-	-
1970 to 1979	7	421	51.8%
1980 to 1989	5	228	28.1%
1990 to 1999	2	68	8.4%
2000 to 2005	1	35	4.3%
2006 to 2010	-	-	-
2011 to 2015	1	60	7.4%
2016	-	-	-
2017*	-	-	-

\*As of December

The development of government subsidized product primarily occurred between 1970 and 1989, with over three-quarters of the units built during this time. Only one government subsidized project with 60 units has been built in the county since 2006.

### PSA Government Subsidized Units by Year Built



Representatives of Bowen National Research personally visited the surveyed rental projects within the county and rated the exterior quality of each property. We rated each property surveyed on a scale of "A" (highest) through "F" (lowest). All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). The following is a distribution by quality rating, units, and vacancies for the county.

Government Subsidized			
Quality Rating	Projects	Total Units	Percent Share
A-	1	35	4.3%
B+	5	200	24.6%
B	5	264	32.5%
B-	2	108	13.3%
C	2	142	17.5%
C-	1	63	7.8%

Two-thirds of the surveyed subsidized supply has a quality rating in the B range. One-fourth of the surveyed supply has a quality rating of C or lower, which is reflective of lower quality rental housing, which is generally considered to be in fair or poor condition. As such, some reinvestment in the existing subsidized inventory may be considered to repair and modernize such housing.

Typically, the amenities offered at government subsidized projects are often relatively limited and are influenced by such things as target market (i.e. families, seniors, disabled, etc.) the project seeks to serve. The most common unit amenities offered among the subsidized projects in the county include a range, refrigerator, central air conditioning, covered flooring, and window treatments/blinds. As such, the existing government subsidized supply offers modest unit amenity packages. Project amenities are relatively limited at the government subsidized properties in the overall county. The most common project amenities in the market include laundry facility, on-site management and playgrounds. Given that most of the surveyed subsidized product in the county is lower quality, built prior to 1990 and are relatively small, it is not surprising that project amenities are relatively limited at the subsidized projects.

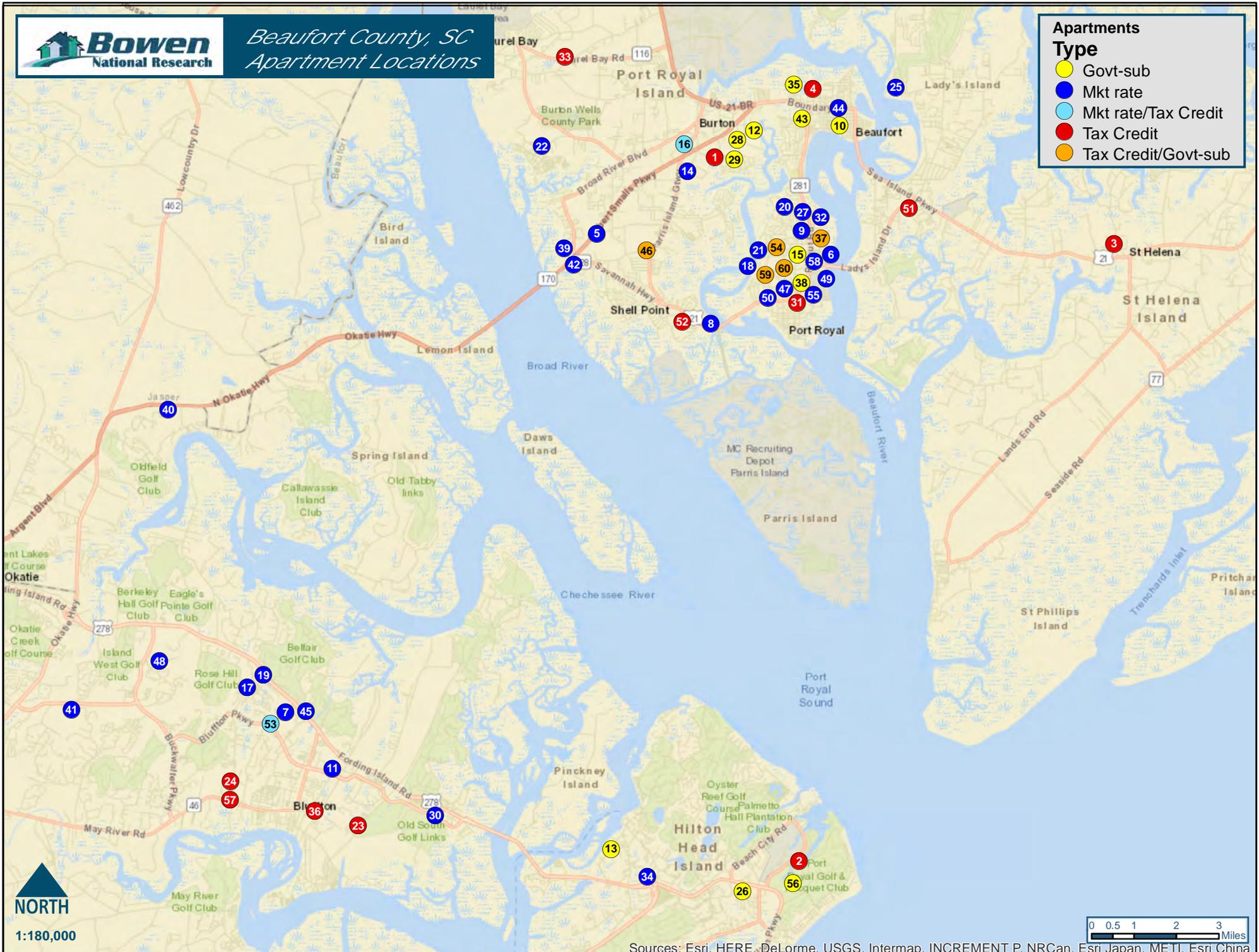
Maps illustrating the location of all multifamily apartments surveyed within the overall county are included on the following page.



# Beaufort County, SC Apartment Locations

**Apartments Type**

- Govt-sub
- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



**NORTH**  
1:180,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## 2. Non-Conventional Rental Housing

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. For the purposes of this particular analysis, we have assumed that rental properties consisting of four or less units are non-conventional rentals. We have excluded vacation rentals from this analysis and included them in the subsequent section of the report.

Non-conventional rentals comprise a notable portion of the rental housing stock in the PSA (Beaufort County), as evidenced by that fact that rental occupied units within structures with one to four units represent 55.2% of all renter-occupied units. The following summarizes the distribution of renter-occupied units by the number of units in a structure for the PSA.

PSA (Beaufort County) - Renter Occupied Housing by Units in Structure		
Units in Structure	Total Units	Percent
1 to 4 Units	10,900	55.2%
5 or More Units	8,871	44.8%
Total	19,771	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

With more than half of the rental housing stock in the PSA consisting of non-conventional rentals, it is clear that this segment is significant and warrants additional analysis.

Bowen National Research identified 56 non-conventional rentals in the county that were listed as *available* for rent. While these rentals do not represent all non-conventional rentals, these units are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other attributes of non-conventional rentals.

The table below summarizes the available non-conventional rentals identified in the overall county.

Bedroom Type	Units	Average Number of Baths	Average Square Feet	Rent Range	Average Rent	Average Rent Per Sq. Foot
One-Bedroom	2	1.0	741	\$895-\$900	\$898	\$1.23
Two-Bedroom	10	2.0	1,226	\$875-\$1,800	\$1,462	\$1.27
Three-Bedroom	34	2.5	1,762	\$800-\$3,000	\$1,768	\$1.06
Four-Bedroom+	10	3.0	2,548	\$1,250-\$3,700	\$2,274	\$0.98

Source: Bowen National Research, Realtor.com; and hotpads.com

The identified non-conventional rentals consist of one- to five-bedroom units, with well over one-half of the units consisting of three-bedroom units. Overall, rents range from \$800 to \$3,700. The average collected rent by bedroom type is \$898 for a one-bedroom unit, \$1,462 for a two-bedroom unit, \$1,768 for a three-bedroom unit and \$2,274 for a four-bedroom or larger unit. When typical tenant utility costs are also considered, these units have *gross* average rents likely ranging from \$900 to \$4,000, which are higher than many of the conventional apartments surveyed in the area. As such, it is unlikely that many low-income residents would be able to afford non-conventional rental housing in the area.

We also evaluated non-conventional rentals by geographic area for each of the four towns/cities considered in this report. The following table provides an overview of non-conventional rentals for each of the selected communities (this summary excludes projects located in the unincorporated areas of Beaufort County).

Available Non-Conventional Rentals					
Bedroom Type	Units	Average Number of Baths	Average Square Feet	Rent Range	Average Rent
<b>Beaufort (City) Submarket</b>					
One-Bedroom	1	1.0	649	\$900	\$900
Two-Bedroom	2	1.5	1,000	\$875-\$1,500	\$1,188
Three-Bedroom	12	2.5	1,645	\$800-\$2,100	\$1,475
Four-Bedroom+	3	3.0	2,684	\$1,595-\$2,499	\$1,915
<b>Bluffton Submarket</b>					
One-Bedroom	1	1.0	832	\$895	\$895
Two-Bedroom	5	2.0	1,348	\$1,200-\$1,700	\$1,499
Three-Bedroom	9	2.0	1,742	\$1,250-\$2,500	\$1,813
Four-Bedroom+	3	2.5	2,248	\$1,850-\$2,600	\$2,115
<b>Hilton Head Island Submarket</b>					
One-Bedroom	0	-	-	-	-
Two-Bedroom	2	2.0	1,293	\$1,700-\$1,800	\$1,750
Three-Bedroom	9	2.5	2,012	\$1,800-\$3,000	\$2,322
Four-Bedroom+	2	3.5	2,910	\$3,200-\$3,700	\$3,450
<b>Port Royal Submarket</b>					
One-Bedroom	0	-	-	-	-
Two-Bedroom	1	1.0	830	\$1,250	\$1,250
Three-Bedroom	2	1.5	1,153	\$1,095-\$1,595	\$1,345
Four-Bedroom+	0	-	-	-	-

While the City of Beaufort and the Town of Bluffton Submarkets offer the most choices of non-conventional product based on Bowen National Research's research, the Town of Hilton Head Island has the highest average rents by bedroom types. Regardless of submarket, most non-conventional rentals exceed \$1,000 a month with a large number well over \$1,500 per month. As such, it is difficult for most low-income households to afford such product.

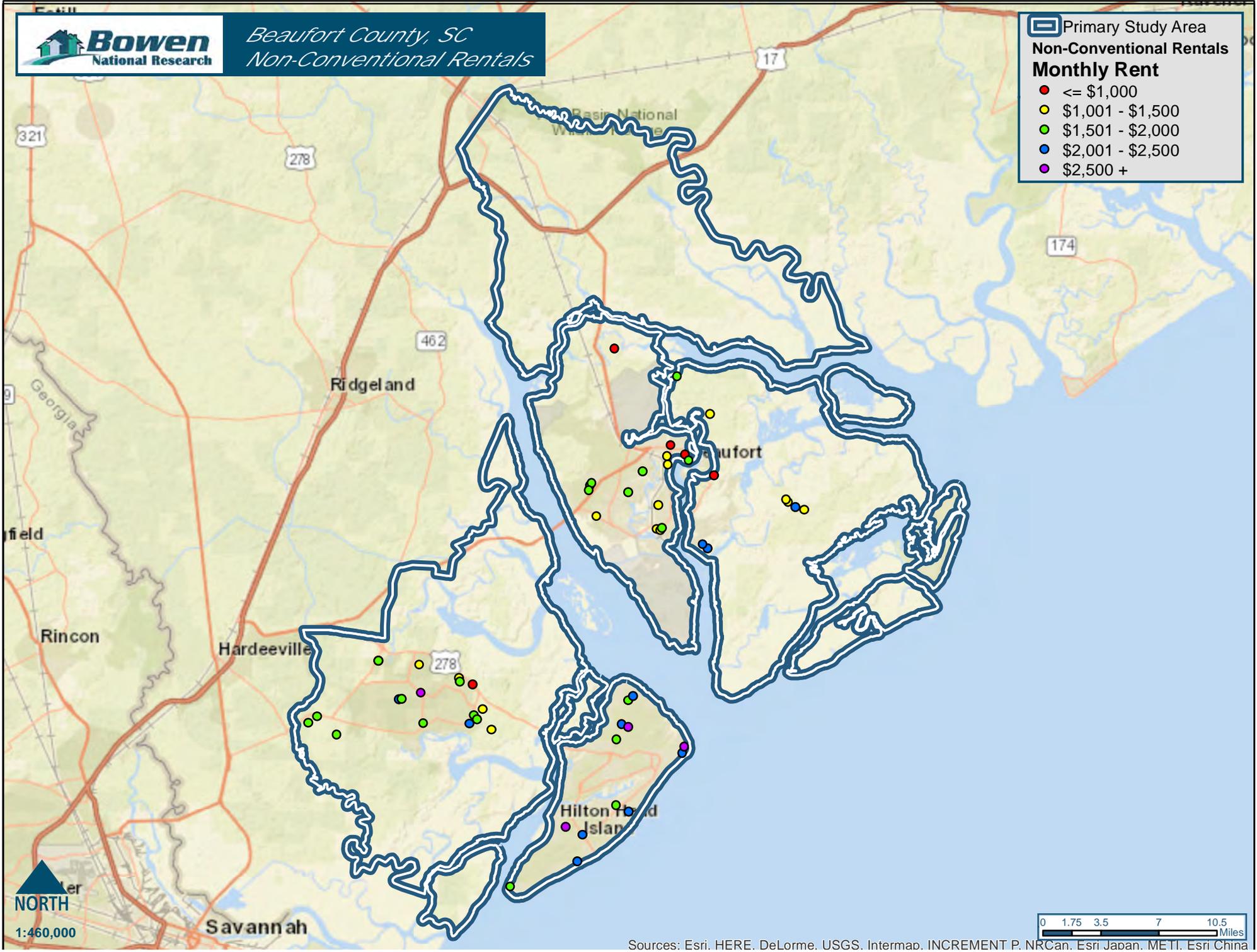
A list of all available non-conventional rentals identified in the PSA is included in Addendum D. A map delineating the location of identified non-conventional rentals currently available to rent in the area is on the following page.

 Primary Study Area

**Non-Conventional Rentals**

**Monthly Rent**

-  <= \$1,000
-  \$1,001 - \$1,500
-  \$1,501 - \$2,000
-  \$2,001 - \$2,500
-  \$2,500 +



  
NORTH  
1:460,000

### 3. Mobile Home Housing & Parks

Just over 9.0% of all occupied housing supply in the county consists of mobile homes. According to the American Community Survey, there are 1,873 renter-occupied mobile homes and 4,541 owner-occupied mobile homes within the county. These are generally scattered throughout the county and within individual mobile home parks. Given the prevalence of mobile home housing, we have evaluated the mobile home housing market.

While we are aware of more than 80 mobile home parks in the county, we identified, personally visited and evaluated 25 mobile home parks. We rated each park on the quality/condition of the homes in the park and the overall park itself. The following table summarizes some of the mobile home parks in the PSA.

Map ID	Development Name	Address	City	Units/Lots	Housing Quality	Park Rating
1	Brookins Trailer Park	450 Parris Island Gateway	Burton	48	B- to D-	C
2	Fort Frederick Mobile Home Park	612 16th Street	Port Royal	24	B- to D	C
3	Country Manor Estates	101 Peacock Run	Shell Point	12	C to F	C
4	Glover Mobile Home Community	94 Shanklin Rd	Unincorporated	10	C+	C
5	Hilanda Mobile Home Park	204 Parker Dr.	Unincorporated	39	B- to C-	C
6	Independent Village Mobile Home Community	126 Shanklin Park Rd	Unincorporated	113	C- to D-	C
7	Picket Fences	128 Bonaire Circle S 101 State Rd S-7-558	Shell Point	16	C- to D-	C-
8	Pine Oak Mobile Home Park	183 Joe Frazier Road	Unincorporated	46	C- to D-	C-
9	Taylor's Rental Homes	482 Parris Island Gateway	Burton		C- to D-	C
10	Vanguard Mobile Home Community	18 Island Tank Road	Unincorporated	34	B- to C-	C
11	Shady Glen	202 Shady Way	Unincorporated	184	C	C
12	Stoney Crest Campground	1 Courtland Ln	Unincorporated	15	C	C
13	Lakeview Mobile Home Park	25 Eagle Ridge Road	Burton	49	C- to D	C
14	Graves Trailer Park	171 Burnt Church Road	Unincorporated	26	C- to D-	C
15	The Bay Mobile Home Park	327 Shanklin Road	Laurel Bay	48	D to F	C-
16	Riverview Mobile Home Park	1 Miranda Circle	Port Royal	65	B- to D	C
17	Independent/No Posted Community Sign	337 Shanklin Road	Laurel Bay	60	D to F	C-
18	Independent/No Posted Community Sign	201 Marshland Drive	Hilton Head Island	35	C	C
19	Independent/No Posted Community Sign	26 Allen Road	Hilton Head Island	15	C- to D-	C
20	Independent/No Posted Community Sign	Mac Donough Lane	Hilton Head Island	30	B- to C-	B-
21	Independent/No Posted Community Sign	2 Rhiner Drive	Hilton Head Island	10	C-	B-
22	Independent/No Posted Community Sign	12 Dianah's Drive	Hilton Head Island	8	C	C
23	Independent/No Posted Community Sign	3 Julia Drive	Hilton Head Island	8	C	C
24	Independent/No Posted Community Sign	2 Mackerel Drive	Hilton Head Island	8	C	C
25	Independent/No Posted Community Sign	1 Christopher Drive	Hilton Head Island	8	D to F	C

Source: Beaufort County Planning and Development Department & Bowen National Research

There are approximately 911 lots within the 25 mobile home parks inventoried in the county. While the condition of the existing homes vary greatly, ranging from F (poor, in disrepair) to B (good), most are C rated, indicating that most housing is in fair condition.

A total of 26 mobile homes were identified in the county as being available for purchase as of January 2018. While the units likely do not represent all available mobile home units in the county, we believe this inventory is representative of the typical costs of available For-Sale mobile homes in the area. The table below summarizes the available mobile home by area:

Area	Mobile Homes Available for Purchase		
	Units	Price Range	Median Price
City of Beaufort	7	\$69,900-\$284,000	\$119,400
Town of Bluffton	1	\$195,000	\$195,000
Town of Hilton Head Island	2	\$249,900-\$255,000	\$252,450
Town of Port Royal	0	-	-
Other	16	\$15,500-\$249,000	\$135,393
Overall County	26	\$15,500-\$284,000	\$142,558

Source: Zillow.com, Homes.com, and Bowen National Research

As the preceding table illustrates, most of the available for-sale condominium product is located outside of the four selected communities that were a focus of this report. Overall, the median asking price of mobile homes in the county is \$142,588, which is less than half of the median asking price of single-family homes currently available in the market. As such, mobile homes, while limited in number, do provide an affordable housing option to some of the lower income households in the market.

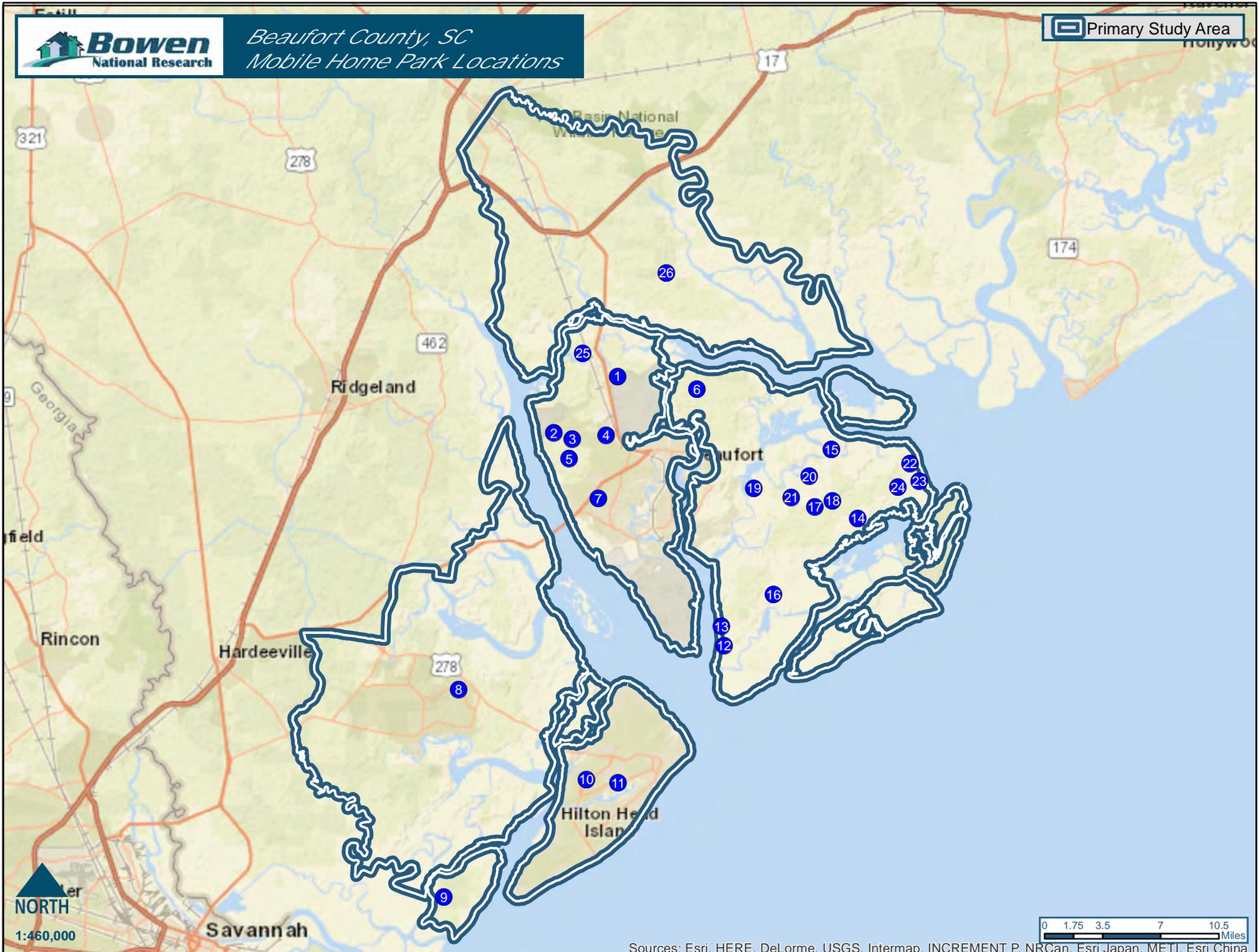
After extensive online research and telephone surveys with local mobile home park operators within Beaufort County, the inventory of mobile home rentals is predominately occupied with few available units. Our research indicates that monthly rent for mobile home units range generally from \$525 to \$800 per month, depending on unit type. Mobile home operators stated that it is typical to maintain high occupancy levels year-round, as they do not experience many challenges or barriers to renting their units. Operators commented that although high property taxes are not a hinderance on renting their units, it is a countywide issue that still needs to be addressed regarding affordable housing.

A map illustrating the location of area mobile home parks is on the following page:



Beaufort County, SC  
Mobile Home Park Locations

Primary Study Area



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

#### 4. Vacation Rentals

Due to its coastal location and strong tourism industry, Beaufort County has a large number of vacation rentals.

According to the 2010 Census, there were more than 28,000 housing structures that were *vacant* in the county. The table below summarizes the vacant structures by housing type within the county in 2010.

Beaufort County Vacant Housing (2010 Census)		
	Units	Share
For Rent	8,536	30.4%
For-Sale Only	1,965	7.0%
Renter/Sold, Not Occ.	506	1.8%
<b>Seasonal or Recreational</b>	<b>14,869</b>	<b>53.0%</b>
Other Vacant	2,157	7.7%
Total	28,033	100.0%

As illustrated in the preceding table, approximately 14,869 were classified as Seasonal or Recreational units, which includes second homes and vacation rentals. These units represented more than half (53.0%) of all vacant units in the county.

In order to get a better understanding of the vacation rental housing alternatives in the market, Bowen National Research identified publicized rentals in the county that were specifically marketed as vacation-oriented rentals. The availability and pricing of vacation rentals in Beaufort County varies from the time of year, type of rental, and location, as well as attributes and features offered. Based on a random search of various vacation rental sites such as AirBnB.com, VRBO.com, realtor.com, and Hotpads.com, it appears that hundreds of both short-term (nightly or weekly) and long-term (monthly) rental units are typically *available* at any one time and pricing generally ranges from \$50 to \$350 per night for short-term (daily or weekly) rentals, while long-term (monthly) rentals are also available at pricing ranging from \$1,200 to nearly \$20,000 a month. These rentals primarily consist of a mix of detached single-family homes, condominiums, cottages, or individual bedrooms/bathrooms. While these rentals do not represent all vacation rentals available in the market, they do provide insight as to various attributes of such housing, including rental rates.

Of all rental housing alternatives surveyed and inventoried in the PSA, the vacation rentals have the highest monthly rents. As such, these rental units do not represent a viable housing alternative as long-term/permanent housing for most residents. However, more importantly, with roughly 15,000 housing units in the county categorized as “Seasonal or Recreational” housing, much of the county’s existing housing stock is not available as permanent, long-term housing. This contributes to the limited availability of the overall permanent, long-term housing supply.

## C. For-Sale Housing Supply

### 1. Introduction

Bowen National Research, obtained for-sale housing data from the Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com for the PSA (Beaufort County). This included *historical* for-sale residential data and currently *available* for-sale housing stock. The historical data includes any home sales that occurred within the study areas from January 1, 2010 to November 15, 2017.

The following table summarizes the available and historical for-sale housing stock for the PSA (Beaufort County) and the seven submarkets:

Submarket	Beaufort County - Owner For-Sale/Sold Housing Supply			
	Historical Home Sales*		Available Home Sales	
	Units	Median Price	Units	Median Price
City of Beaufort	1,575	\$194,355	187	\$364,000
Town of Bluffton	879	\$201,500	248	\$384,950
Town of Hilton Head Island	314	\$190,776	889	\$619,000
Town of Port Royal	1,109	\$199,435	135	\$249,000
Northern Unincorporated	1,311	\$155,000	136	\$349,000
Southern Unincorporated	671	\$190,000	498	\$479,900
Unincorporated Islands	2,637	\$249,000	716	\$425,000
<b>Beaufort County</b>	<b>8,496</b>	<b>\$205,000</b>	<b>2,809</b>	<b>\$455,000</b>

Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com

\*Sales from January 2010 to November 2017

Within the PSA, the *available* for-sale housing stock consists of 2,809 units with a median asking price of \$455,000, while the historical sales have a median sales price of \$205,000. Based on the fact that 8,496 homes have been sold in the county over the past eight years, the county has averaged 1,062 sales annually. The current inventory of 2,809 *available* homes within the county represents a little less than three year's worth of inventory.

Nearly one-third (31.0%) of the *historical* homes sales since 2010 have occurred in the Unincorporated Islands, while nearly one-third of all *available* homes are in the Town of Hilton Head Island. It is likely that many of these were vacation or second homes. The City of Beaufort has the second largest number of homes that have been *sold*, while the Unincorporated Islands submarket had the second largest inventory of *available* product. Median homes prices of homes sold over the past seven+ years exceed \$200,000 in the Town of Bluffton (\$201,500) and Unincorporated Islands (\$249,000). However, in terms of *available* supply, all but one of the submarkets have median lists prices of \$349,000 or higher, with the highest median prices in the Unincorporated Islands (\$425,000), the Southern Unincorporated area (\$479,900), the Town of Hilton Head Island (\$619,000).

## 2. Historical For-Sale Analysis

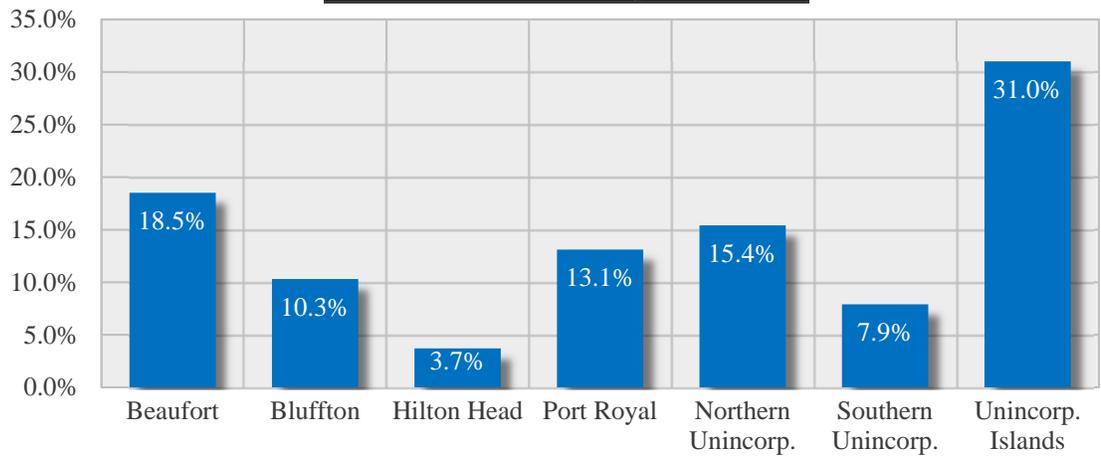
As previously mentioned, we were able to obtain historical homes sales data within the county from January 1, 2010 to November 15, 2017. A total of 8,496 homes sold in the county, with an overall median price of \$205,000 (median price per square foot of \$115.15), an average year built of 1993 and average number of days on market of 181 (represents the number of days a home is list for sale before it is sold). The following table compares the sales of the PSA (Beaufort County) with the seven submarkets of the county.

Submarket	Historical* Home Sales by Submarket – (January 1, 2010 to November 15, 2017)						
	Units	Share of Sales	Median Price	Median Price PSF	Average Year Built	Average Square Feet	DOM
City of Beaufort	1,575	18.5%	\$194,355	\$123.32	1975	1,728	182
Town of Bluffton	879	10.3%	\$201,500	\$99.87	2008	2,095	139
Town of Hilton Head Island	314	3.7%	\$190,776	\$120.57	1987	1,886	129
Town of Port Royal	1,109	13.1%	\$199,435	\$105.92	2002	1,808	164
Northern Unincorporated	1,311	15.4%	\$155,000	\$101.94	1989	1,709	177
Southern Unincorporated	671	7.9%	\$190,000	\$102.83	2000	2,115	144
Unincorporated Islands	2,637	31.0%	\$249,000	\$130.52	1996	2,034	218
<b>Beaufort County</b>	<b>8,496</b>	<b>100.0%</b>	<b>\$205,000</b>	<b>\$115.15</b>	<b>1993</b>	<b>1,905</b>	<b>181</b>

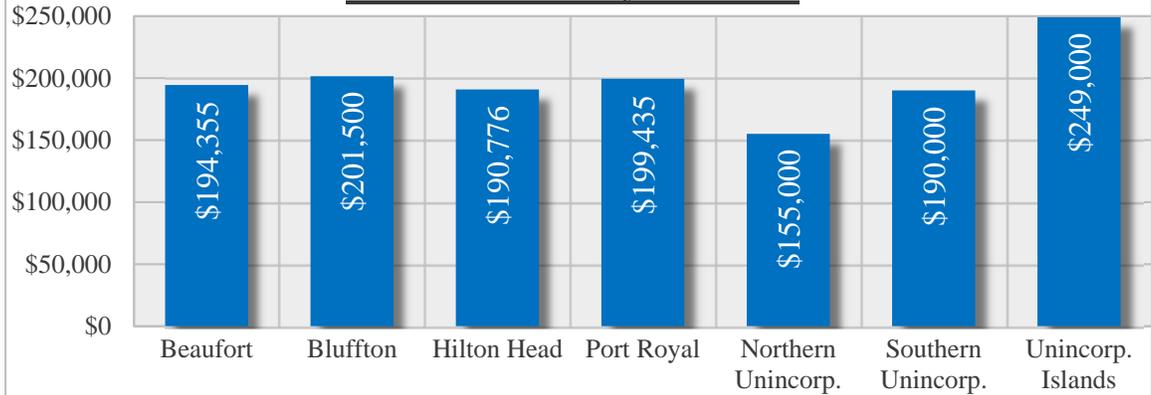
Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com  
DOM – Average Days on Market (Number of days a home is listed)

As the preceding table illustrates, the median home sales prices among the submarkets are very comparable, with most falling between \$190,000 and \$202,000. The Northern Unincorporated submarket had the lowest median home sales price of \$155,000, while the Unincorporated Islands submarket had the highest median sales price of \$249,000. The City of Beaufort (1975) and the Town of Hilton Head Island (1987) offered the oldest product sold by median year built. The Town of Bluffton offered the newest product sold, with an average year built of 2008. Most of the submarkets have an average number of days on market ranging from 129 (Town of Hilton Head Island) to 218 (Unincorporated Islands).

### Share of Homes Sold by Submarket



### Median Price Sold by Submarket



The following table summarizes the historical homes sales by submarket, delineating between product priced above and below \$200,000.

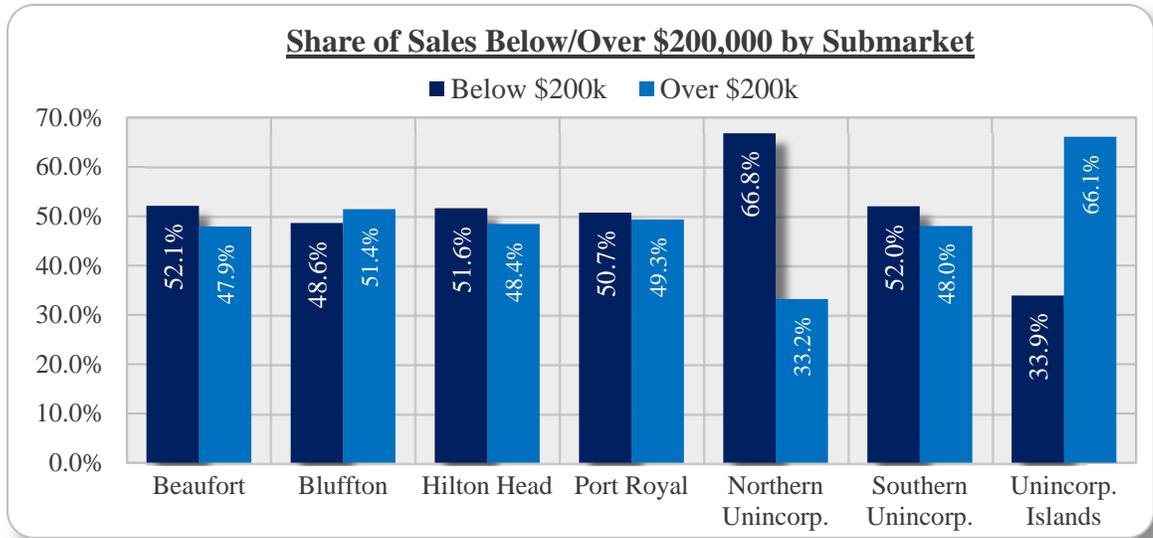
Historical* Home Sales by Price Segment & Submarket				
Submarket	Sales Below \$200k		Sales \$200k+	
	Units	Share	Units	Share
City of Beaufort	820	52.1%	755	47.9%
Town of Bluffton	427	48.6%	452	51.4%
Town of Hilton Head Island	162	51.6%	152	48.4%
Town of Port Royal	562	50.7%	547	49.3%
Northern Unincorporated	876	66.8%	435	33.2%
Southern Unincorporated	349	52.0%	322	48.0%
Unincorporated Islands	893	33.9%	1,744	66.1%
<b>Beaufort County</b>	<b>4,089</b>	<b>48.1%</b>	<b>4,407</b>	<b>51.9%</b>

Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com

\*Sales from January 2010 to November 2017

The distribution of historical homes sales priced above and below \$200,000 is relatively even among most of the submarkets. The exceptions to this is within the Northern Unincorporated submarket, which had 66.8% of its sold product priced below \$200,000 and the Unincorporated Islands submarket that had 66.1% of the sold product priced above \$200,000.

A graph illustrating the share of homes priced above and below \$200,000 per submarket follows:



The distribution of home sales by bedroom type for the PSA is summarized in the following table:

Beaufort County - Sales History by Bedrooms – (January 1, 2010 to November 15, 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	85	1.25	1976	799	\$10,000 - \$631,500	\$80,000	\$116.85	198
Two-Br.	989	2.0	1982	1,211	\$10,200 - \$850,000	\$124,900	\$109.48	195
Three-Br.	4,946	2.25	1993	1,735	\$10,800 - \$2,150,000	\$188,500	\$116.32	171
Four-Br.	2,080	3.0	1998	2,429	\$15,879 - \$2,400,000	\$259,250	\$114.21	189
Five+-Br.	396	3.75	1997	3,254	\$20,000 - \$2,800,000	\$336,250	\$114.17	214
Total	8,496	2.5	1993	1,905	\$10,000 - \$2,800,000	\$205,000	\$115.15	181

Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com

Based on the preceding table, over one-half (58.2%) of the units sold in the PSA contained three-bedrooms, while the next highest share (24.5%) of units sold have been four-bedroom units. The median age of the homes sold in the PSA is 1993 with the average size 1,905 square feet. The average days on market (the number of days a home is listed before it sells) for homes in the PSA was 181, with the range by bedroom type relatively even, ranging from 171 days to 214.

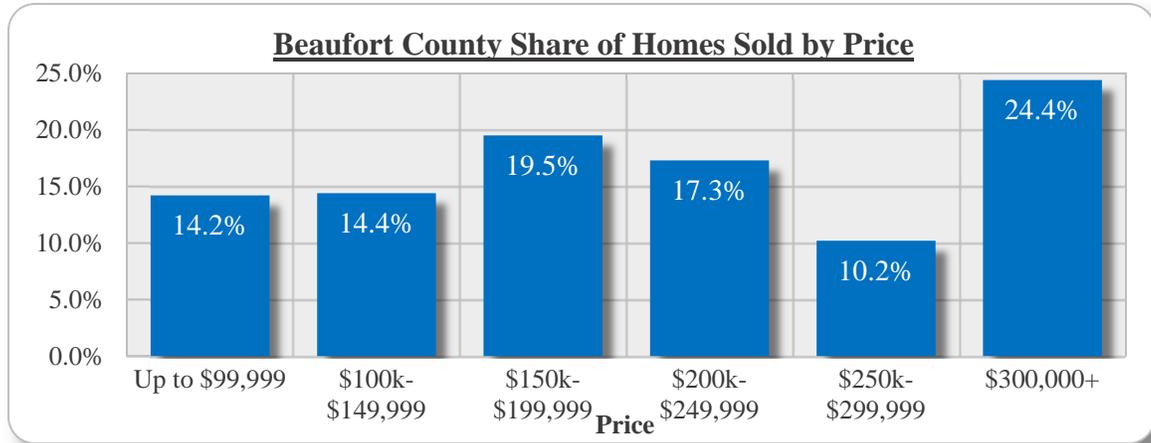
The distribution of homes sold between January 2010 and November 2017 by price for the PSA is summarized in the table below.

Beaufort County – Sales History by Price (January 1, 2010 to November 15, 2017)			
Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	1,209	14.2%	165
\$100,000 to \$149,999	1,227	14.4%	152
\$150,000 to \$199,999	1,653	19.5%	152
\$200,000 to \$249,999	1,470	17.3%	165
\$250,000 to \$299,999	868	10.2%	186
\$300,000+	2,069	24.4%	239
Total	8,496	100.0%	181

Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, homes sales by price point within the PSA over the past several years is relatively balanced, though the greatest share (24.4%) consisting of product priced over \$300,000. These higher priced homes also have the longest number of days on market of 239. A notable number of homes have sold between the price ranges of \$100,000 and \$149,999 and between \$150,000 and \$199,999. These homes have also sold the fastest, with an average number of days on market of 152 for both price ranges. As such, product in these price ranges appear to be in high demand.

The graph below illustrates homes sales by price point for the PSA.



The distribution of homes sold since January 2010 by year built for the PSA is summarized in the table below.

Beaufort County - Sales History by Year Built (January 1, 2010 to November 15, 2017)							
Year Built	Number Sold	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	155	3/2.25	2,027	\$24,625 - \$2,800,000	\$255,000	\$147.84	277
1940 to 1949	125	3/1.5	1,295	\$26,900 - \$900,000	\$143,875	\$128.90	147
1950 to 1959	466	3/1.75	1,427	\$25,000 - \$1,498,000	\$128,500	\$99.75	157
1960 to 1969	325	3/2.0	1,686	\$13,765 - \$1,800,000	\$137,000	\$94.04	173
1970 to 1979	598	3/2.25	1,805	\$10,000 - \$1,305,000	\$175,000	\$104.36	208
1980 to 1989	1,046	3/2.25	1,672	\$15,000 - \$1,825,000	\$155,000	\$104.82	179
1990 to 1999	1,419	3/2.5	1,845	\$11,750 - \$2,150,000	\$203,000	\$125.18	204
2000 to 2009	2,828	3/2.5	2,027	\$12,000 - \$2,655,000	\$215,000	\$120.14	173
2010 to present	1,534	4/2.75	2,163	\$14,000 - \$1,649,000	\$232,637	\$114.80	165
Total	8,496	3/2.5	1,905	\$10,000 - \$2,800,000	\$205,000	\$115.15	181

Source: Beaufort County Association of REALTORS, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding tables illustrate, much of the home sales activity in the PSA has occurred among product built since 1980. Generally, product sold in the county that was built after 1990 has some of the highest prices, all of which have a median price above \$200,000. Given the number of days on market is the shortest among product built between 1940 and 1959, which also has some of the lowest median prices, it appears pricing sensitivity is driving some of the demand for for-sale housing in the market.

A map illustrating the location of all homes sold between January 2010 through November 2017 within the PSA is included on the following page.

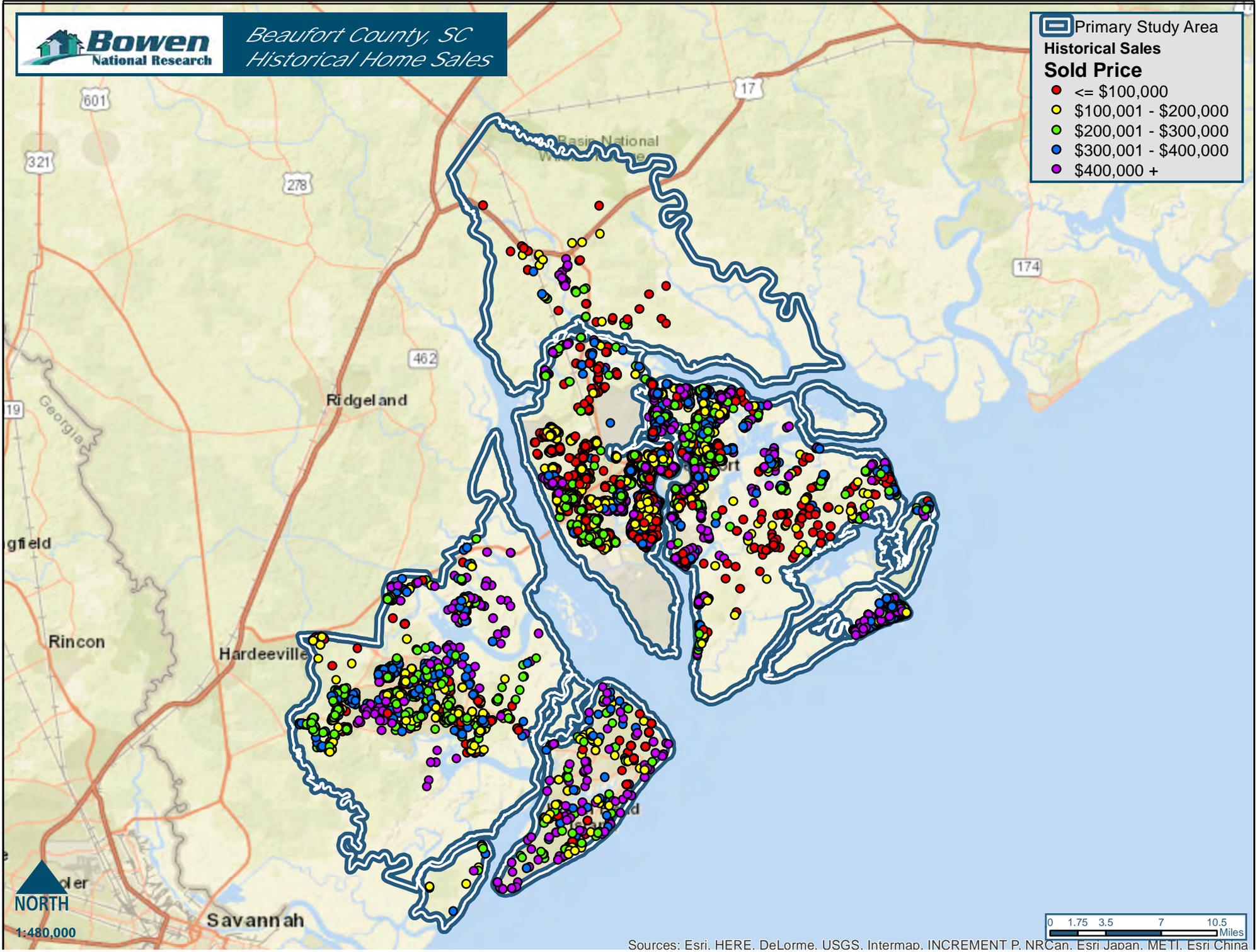


Beaufort County, SC  
Historical Home Sales

Primary Study Area

**Historical Sales Sold Price**

- <= \$100,000
- \$100,001 - \$200,000
- \$200,001 - \$300,000
- \$300,001 - \$400,000
- \$400,000 +



### 3. Available For-Sale Housing Supply

Through various cited sources, we identified 2,809 housing units within the overall PSA (Beaufort County) that were listed as *available* for purchase in late 2017/early 2018. The product we evaluated primarily included single-family home listings, though condominium and mobile home product was also listed. While there are likely some other for-sale residential units available for purchase, such homes were not identified during our research due to the method of advertisement or simply because the product was not actively marketed. Regardless, the available inventory of for-sale product identified in this analysis provides a good baseline for evaluating the for-sale housing alternatives offered in the county.

The following table summarizes the available for-sale housing inventory by submarket and compares it with the overall PSA (Beaufort County).

Submarket	Available* For-Sale Housing Supply by Submarket						
	Units	Share of Listings	Median Price	Median Price PSF	Average Year Built	Average Square Feet	DOM
City of Beaufort	187	6.7%	\$364,000	\$177.88	1970	2,197	124
Town of Bluffton	248	8.8%	\$384,950	\$159.44	2010	2,530	95
Town of Hilton Head Island	889	31.6%	\$619,000	\$255.71	1989	2,668	146
Town of Port Royal	135	4.8%	\$249,000	\$126.32	2006	1,744	99
Northern Unincorporated	136	4.9%	\$349,000	\$184.77	1995	2,050	114
Southern Unincorporated	498	17.7%	\$479,900	\$174.34	2001	3,003	149
Unincorporated Islands	716	25.5%	\$425,000	\$198.21	1994	2,333	168
<b>Beaufort County</b>	<b>2,809</b>	<b>100.0%</b>	<b>\$455,000</b>	<b>\$199.31</b>	<b>1994</b>	<b>2,524</b>	<b>142</b>

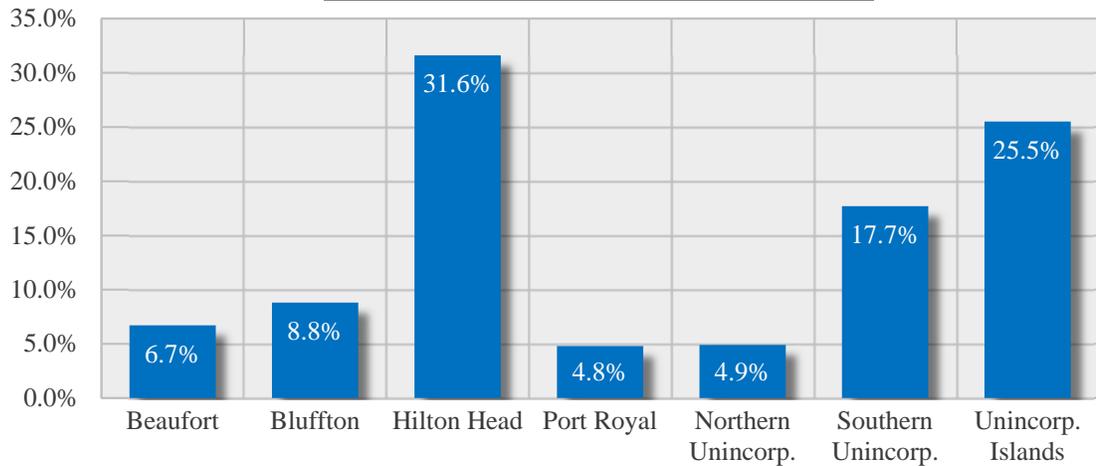
Source: Beaufort County Association of REALTORS and Realtor.com

\*Available listings in late 2017/early 2018

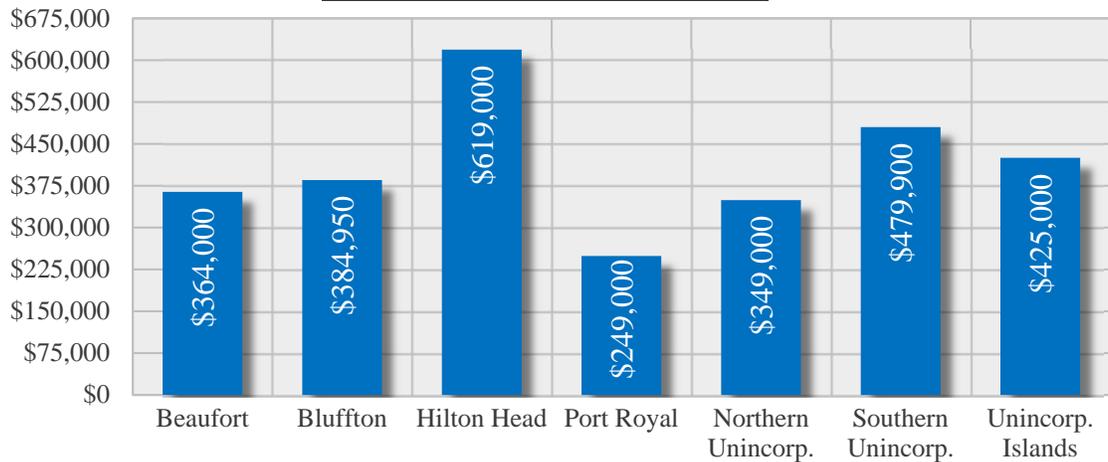
DOM – Average Days on Market (Number of days a home is listed)

As the preceding illustrates, nearly one-third (31.6%) of the available for-sale housing supply is located in the Town of Hilton Head Island submarket. Notable shares of available product were within the Unincorporated Islands (25.5%) and Southern Unincorporated (17.7%) submarkets. The other submarkets' available supply each represent less than 10% of the overall county's available inventory. The Town of Port Royal and the Northern Unincorporated submarkets have the fewest number of homes available for purchase, each with less than 150 homes. These are considered to be limited inventories of for-sale supply. The median list price among the submarkets are relatively high, with none lower than \$249,000 (Town of Port Royal) and the balance of submarkets having median list prices of \$349,000 or higher. The highest median list price is within the Town of Hilton Head Island submarket, with a median list price of \$619,000. The overall number of days on market (the number of days a home has been listed as available for purchase) for the county is 142, which is relatively fast. As such, demand for for-sale housing within the county is strong.

**Share of Available Homes by Submarket**



**Median List Price by Submarket**



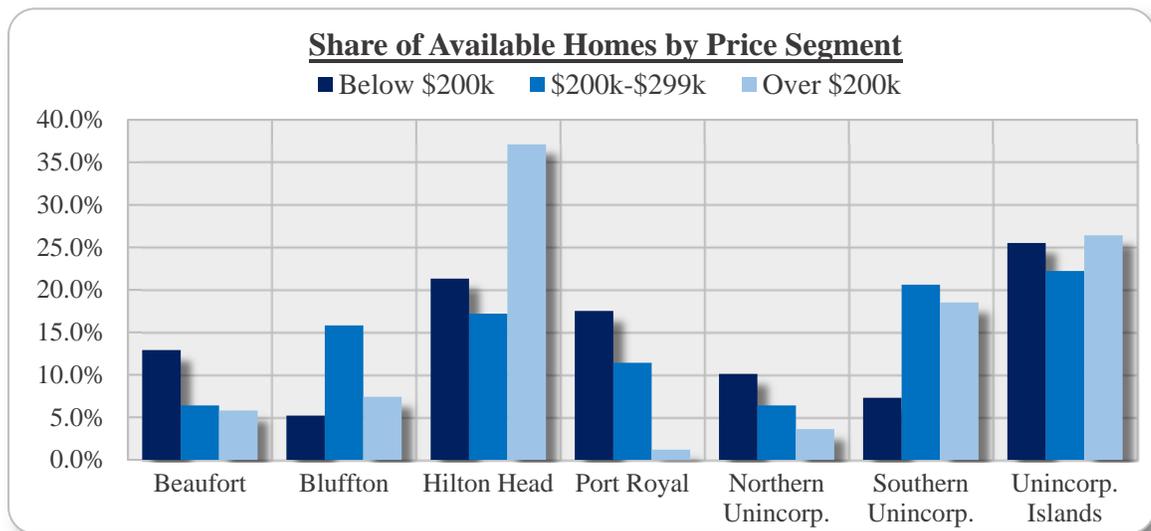
The following table summarizes the available homes by submarket, delineating product priced by three list price segments.

Available Homes by Price Segment & Submarket						
Submarket	Supply <\$200k		Supply Between \$200k-\$299k		Supply \$300k+	
	Units	Share	Units	Share	Units	Share
City of Beaufort	37	12.9%	35	6.4%	115	5.8%
Town of Bluffton	15	5.2%	86	15.8%	147	7.4%
Town of Hilton Head Island	61	21.3%	94	17.2%	734	37.1%
Town of Port Royal	50	17.5%	62	11.4%	23	1.2%
Northern Unincorporated	29	10.1%	35	6.4%	72	3.6%
Southern Unincorporated	21	7.3%	112	20.6%	365	18.5%
Unincorporated Islands	73	25.5%	121	22.2%	522	26.4%
<b>Beaufort County</b>	<b>286</b>	<b>100.0%</b>	<b>545</b>	<b>100.0%</b>	<b>1,978</b>	<b>100.0%</b>

Source: Beaufort County Association of REALTORS and Realtor.com

Within the PSA, a majority (70.4%) of the available product was priced above \$300,000, while just 10% was priced below \$200,000 and nearly one-fifth was priced between \$200,000 and \$299,999. The Unincorporated Islands (25.5%), Town of Hilton Head Island (21.3%) and Town of Port Royal (17.5%) have the largest shares of supply priced below \$200,000. In terms of product priced between \$200,000 and \$299,999, the greatest number of available units is within the Southern Unincorporated and Unincorporated Islands, each representing more than 20% of the county's product within this price range. It is important to point out that roughly 90% of the available supply in the PSA is priced at \$200,000 and higher, yet approximately 60% of all households in the market *cannot* afford such product. As such, there appears to be an imbalance between the available housing supply and the product most households can afford.

A graph illustrating the share of available homes by various list price segments for each submarket follows:



The available for-sale housing by bedroom type in the PSA is summarized in the following tables.

Beaufort County – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	86	1.25	1982	754	\$58,000 - \$4,850,000	\$164,950	\$233.51	130
Two-Br.	417	2.0	1986	1,257	\$35,000 - \$3,999,000	\$240,000	\$192.59	123
Three-Br.	1,172	2.5	1995	2,178	\$39,900 - \$2,900,000	\$419,000	\$189.91	134
Four-Br.	810	3.5	1998	3,154	\$75,000 - \$14,500,000	\$599,000	\$198.40	147
Five+-Br.	324	5.0	1994	4,298	\$49,900 - \$9,000,000	\$1,114,500	\$267.06	186
Total	2,809	3.0	1994	2,524	\$35,000 - \$14,500,000	\$455,000	\$199.31	142

Source: Beaufort County Association of REALTORS and Realtor.com

The available for-sale supply in the PSA has an average year built of 1994, an average square footage of 2,524, and median list price of \$455,000. The largest share (41.7%) of the available supply consists of three-bedroom units, while a notable share (28.8%) includes four-bedrooms. The more modern product (post-1990) appears to consist of more three-bedroom or larger units, while the older product (pre-1990) primarily consists of one- and two-bedroom units. With the exception of the available five-bedroom units, the number of days on market (number of days a home has been listed as available for purchase) for each bedroom type is less than 150 days. It does not appear that any one particular bedroom type is selling notably faster than others.

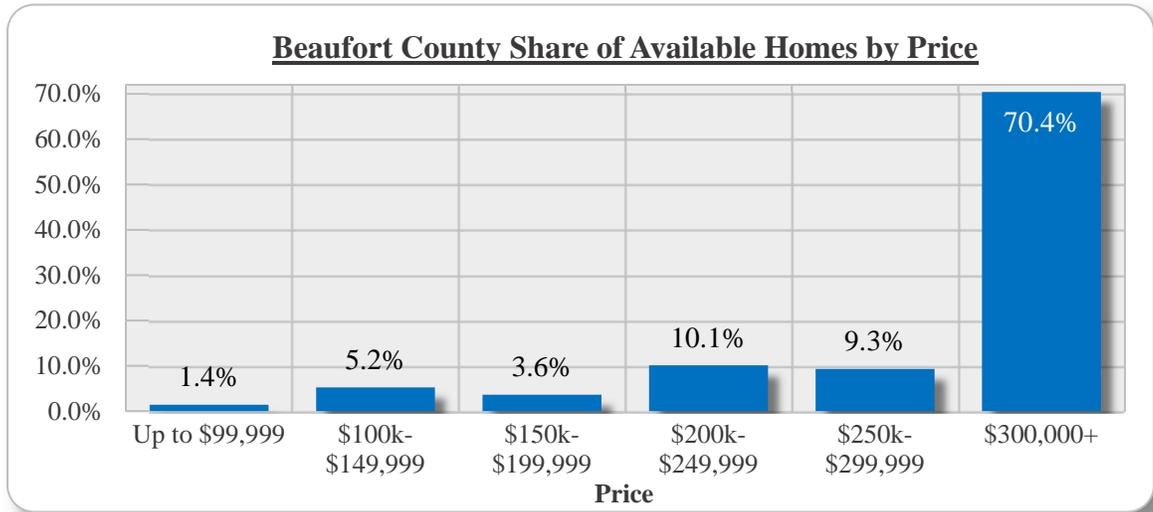
The table below summarizes the distribution of available for-sale residential units by *price point* for the PSA.

<b>Beaufort County – Available For-Sale Housing by Price</b>			
<b>Sale Price</b>	<b>Number of Homes Listed</b>	<b>Percent of Supply</b>	<b>Average Days on Market</b>
Up to \$99,999	39	1.4%	96
\$100,000 to \$149,999	145	5.2%	122
\$150,000 to \$199,999	102	3.6%	133
\$200,000 to \$249,999	284	10.1%	94
\$250,000 to \$299,999	261	9.3%	113
\$300,000+	1,978	70.4%	156
<b>Total</b>	<b>2,809</b>	<b>100.0%</b>	<b>142</b>

Source: Beaufort County Association of REALTORS and Realtor.com

As the preceding table illustrates, the available inventory is dominated by product priced above \$300,000, representing more than two-thirds of the available supply. This higher priced product also has the longest number of days on market at 156. Only 10.2% of the available for-sale housing stock is priced below \$200,000, despite the fact that nearly one-half of all households (renters and owners) in the market cannot afford product priced above \$200,000. While there are some (184) available homes priced below \$150,000, many of these homes are likely lower quality homes requiring modernization and repairs, which may make owning such product difficult for lower-income households.

The shares of available homes in the PSA by price point are illustrated on the following table.



The distribution of available homes by year built for the PSA is summarized in the table below.

Beaufort County – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	39	3/2.5	2,351	\$54,000 - \$2,695,000	\$389,000	\$224.94	148
1940 to 1949	14	3/1.75	1,349	\$124,318 - \$625,000	\$231,750	\$201.22	129
1950 to 1959	39	3/2.25	1,747	\$54,900 - \$1,450,000	\$285,000	\$171.42	107
1960 to 1969	66	4/3.0	2,724	\$39,900 - \$14,500,000	\$527,000	\$262.18	206
1970 to 1979	281	3/2.75	1,992	\$58,000 - \$5,495,000	\$419,900	\$257.75	137
1980 to 1989	525	3/2.5	1,927	\$35,000 - \$4,500,000	\$395,000	\$213.63	150
1990 to 1999	549	3/3.25	2,803	\$49,900 - \$8,900,000	\$542,500	\$204.64	164
2000 to 2009	840	4/3.5	2,933	\$75,000 - \$9,000,000	\$499,999	\$182.46	137
2010 to present	456	3/3.0	2,534	\$135,900 - \$7,795,000	\$399,000	\$175.58	112
Total	2,809	3/3.0	2,524	\$35,000 - \$14,500,000	\$455,000	\$199.31	142

Source: Beaufort County Association of REALTORS and Realtor.com

As shown in the preceding tables, nearly two thirds (65.7%) of the available for-sale housing product in the PSA (Beaufort County) was built since 1990. Only 158 (5.6%) available homes in the PSA were built prior to 1970. As such, the existing available inventory in the county is relatively modern. It is worth pointing out that the median list price by development period exceeds \$389,000 for development periods of 1960 to 1969 or later.

A map illustrating the location of available for-sale homes in the PSA is included on the following page.

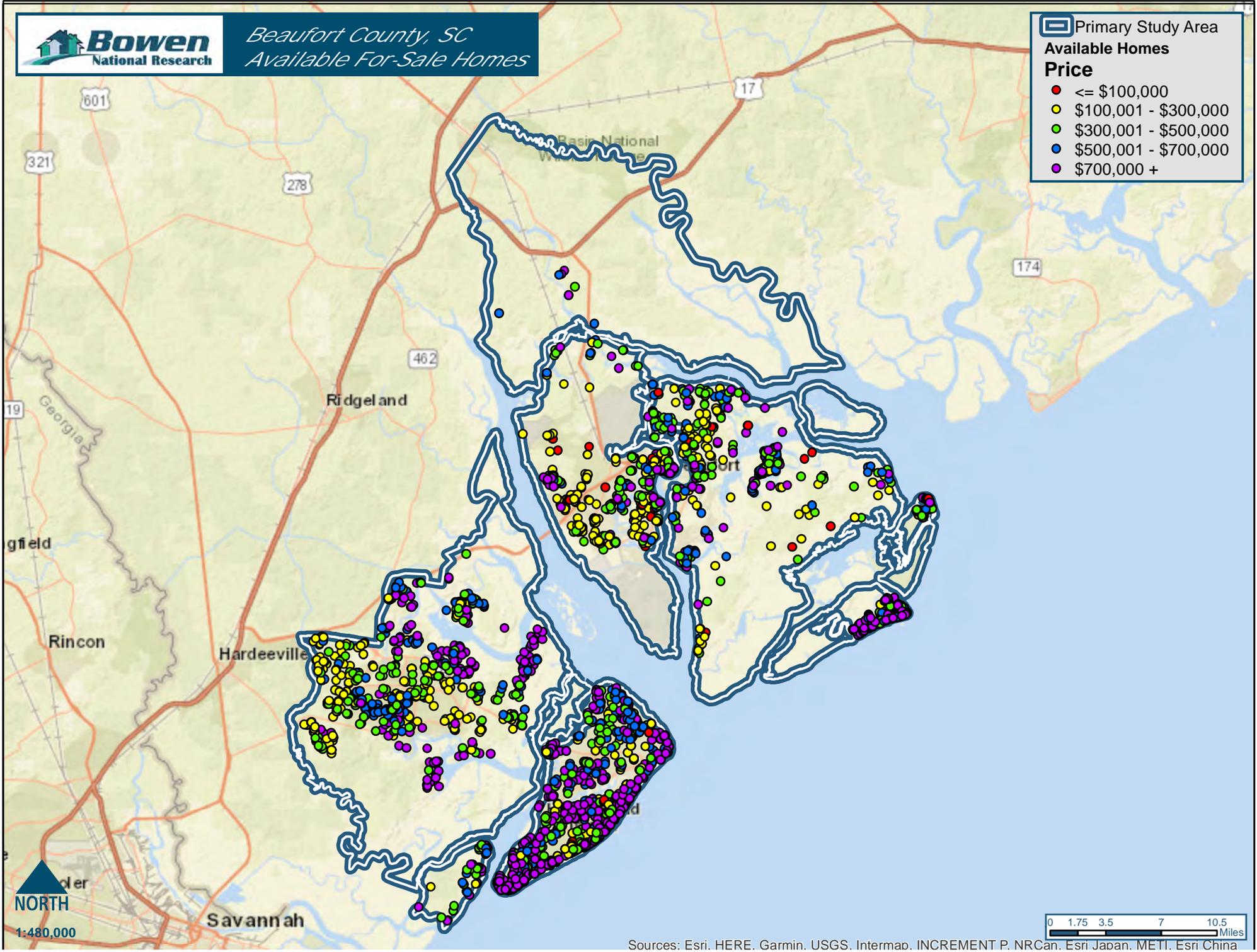


Beaufort County, SC  
Available For-Sale Homes

Primary Study Area

**Available Homes Price**

- <= \$100,000
- \$100,001 - \$300,000
- \$300,001 - \$500,000
- \$500,001 - \$700,000
- \$700,000 +



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

#### **D. Senior Care Housing Alternatives**

The overall county, like larger communities throughout the country, has a diverse population that has a variety of housing needs specific to certain populations. Some of these special needs populations include seniors requiring care. This portion of the Housing Needs Assessment provides an overview of housing alternatives available to meet specific needs of these special needs populations.

Unlike traditional rental housing alternatives, senior care housing, such as nursing homes or assisted living, often draw support from a relative large geographic area such as a county or region. For the purpose of this analysis, we surveyed senior care housing alternatives in the PSA (Beaufort County). The overall county has a relatively large senior population that requires a variety of senior housing alternatives to meet its diverse needs. Among seniors, generally age 65 or older, some individuals are either seeking a more leisurely lifestyle or need assistance with Activities of Daily Living (ADLs), such as assistance with bathing, dressing and medication reminders. As part of this analysis, we evaluated multiple levels of care that typically respond to older adults seeking, or who need, alternatives to their current living environment. They include assisted living and nursing care. These housing types, from least assisted to most assisted, are summarized below.

*Community Residential Care Facilities (CRCF)* – The South Carolina Department of Health and Environmental Control’s Division of Health Licensing is responsible for the licensing and monitoring of these facilities. CRCFs offer room and board and provide personal care for two or more persons, 18 years old or older. All facilities are licensed as community residential care facilities but may be referred to as "assisted living facilities."

*Nursing Homes* – A nursing facility provides nursing care and related services for people who need nursing, medical, rehabilitation or other special services. These facilities are licensed by the South Carolina Department of Health and Environmental Control’s Division of Health Licensing and may be certified to participate in the Medicaid and/or Medicare programs. Certain nursing homes may also meet specific standards for sub-acute care or dementia care.

We referenced the Medicare.com and the South Carolina Department of Health and Environmental Control’s Division of Health Licensing websites for all licensed senior care facilities and cross referenced this list with other senior care facility resources. As such, we believe that we identified most licensed facilities in the region, though not all were surveyed as part of this Housing Needs Assessment. We believe our survey is representative of the majority of relevant senior facilities and provides valuable insight as to the typical performance, fees and features of these properties.

We identified and surveyed 15 senior care facilities in the county. Overall, these facilities that were surveyed contain a total of 1,079 beds. A total of 134 of these beds are vacant, yielding a relatively high overall vacancy rate of 12.4%. While this survey did not include all senior care facilities in the county, these facilities are representative of the typical housing choices available to seniors requiring special care housing in the county. The following table summarizes the surveyed facilities by property type.

Surveyed Senior Care Facilities					
Project Type	Projects	Beds	Vacant	Vacancy Rate	National Vacancy Rate*
Congregate Care	2	192	37	19.3%	6.8%
Residential Care/Assisted Living	11	597	78	13.1%	11.3%
Nursing Homes	2	290	19	6.6%	13.6%
Total	15	1,079	134	12.4%	-

\*Source: American Seniors Housing Association: The State of Seniors Housing 2017

The subject county is reporting overall vacancy rates of 6.6% (nursing homes) to 19.3% (congregate care). The overall 6.6% vacancy rate of the nursing home supply is well below the national average of 13.4%, indicating that there is a strong level of demand for facilities offering nursing care. The vacancy rates of the congregate care housing (19.3%) and residential care/assisted living facilities (13.1%) are considered to be high and may be an indication that there is sufficient supply to meet current and near term senior care housing needs. However, with the large growing base of area seniors occurring in this market and projected to occur over the next several years, it is anticipated that most of the vacant senior care housing units will be filled in the near term. As such, additional senior care housing could be supported over the next five years. We assess demand in Section VIII-Housing Gap-Demand Analysis of this report.

The monthly fees for senior care housing are shown below (note: some housing options that charge daily rates were converted to monthly rates).

Surveyed Senior Care Facilities – Base Monthly Rates				
Project Type	Sleeping Room	Studio	One-Br.	Two-Br.
Congregate Care	-	\$1,649- \$2,450	\$2,124- \$3,574	\$2,499- \$5,150
Residential Care/Assisted Living	\$725	\$2,600- \$4,560	\$2,800- \$4,600	\$4,005- \$5,900
Nursing Homes	\$6,540- \$9,733	\$9,429- \$9,733	-	-

Generally, monthly base fees range from \$1,649 to \$5,150 for residential care facilities, from \$725 to \$5,900 for a residential care/assisted living bed, and from \$6,540 to \$9,733 for nursing homes. These rental rates should be considered as a base of comparison for the future projects considered in the PSA. It is important that many of the senior care facilities with services (e.g. assisted living and nursing care) accept Medicaid payments from eligible residents, which reduces tenant costs.

Demand estimates for senior care housing are provided in Section VIII of this report.

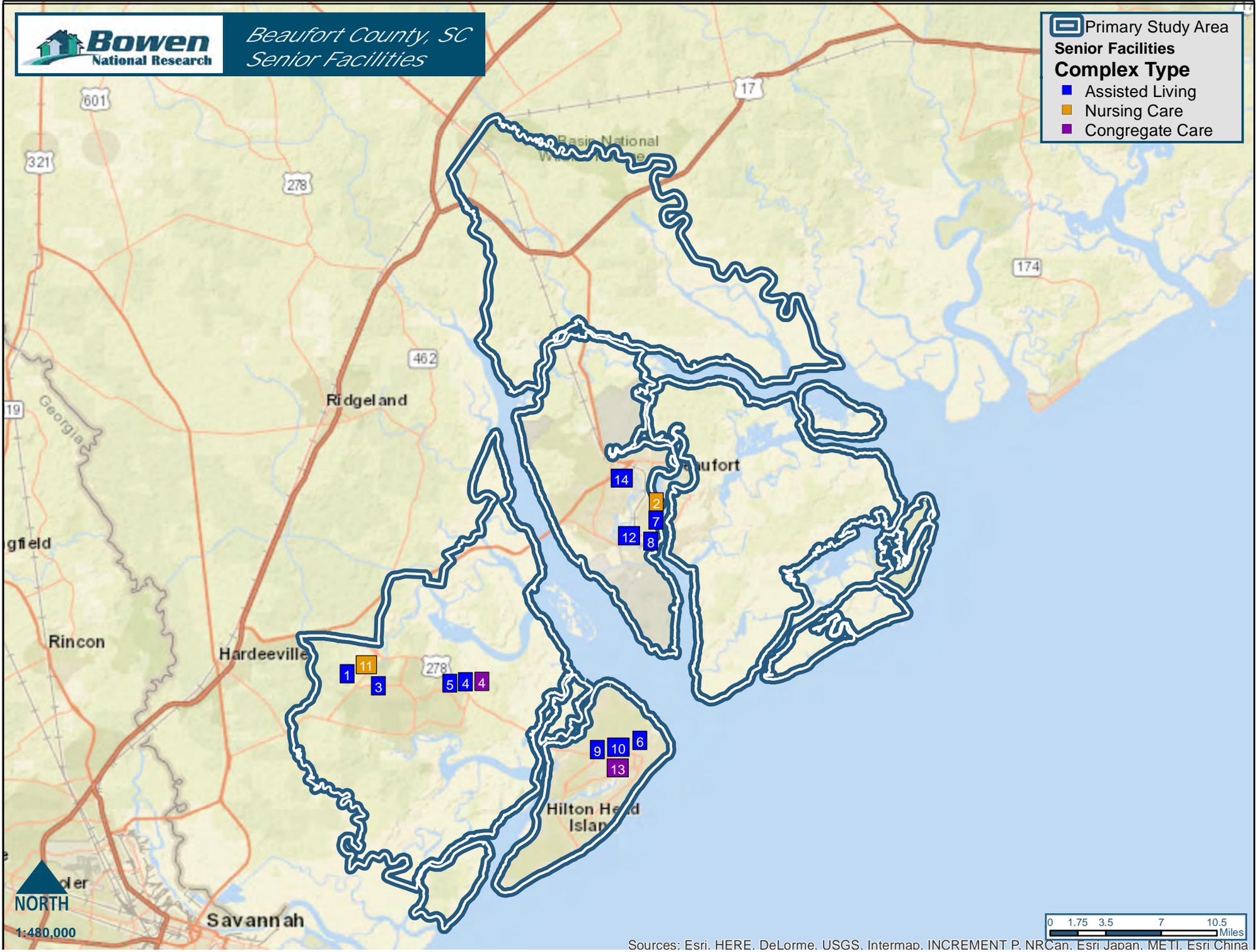
A map illustrating the location of surveyed senior care facilities in the overall market area is on the following page.

 Primary Study Area

**Senior Facilities**

**Complex Type**

-  Assisted Living
-  Nursing Care
-  Congregate Care



1:480,000

## **E. Planned & Proposed**

In order to assess housing development potential, we evaluated recent residential building permit activity and identified residential projects in the development pipeline for the PSA (Beaufort County). Understanding the number of residential units and the type of housing being considered for development in the market can assist in determining how these projects are expected to meet the housing needs of the county.

The following table illustrates single-family and multifamily residential building permits issued in the past ten years within Beaufort County.

<b>Housing Unit Building Permits for Beaufort County:</b>										
<b>Permits</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Multifamily Permits	321	317	18	0	156	0	46	0	342	109
Single-Family Permits	1,903	1,058	299	244	299	391	952	1,197	1,441	1,442
Total Units	2,224	1,375	317	244	455	391	998	1,197	1,783	1,551

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding tables illustrate, while residential activity declined significantly during and shortly after the national recession, residential building permit activity in the county has exceeded 1,000 units between 2014 and 2016, with most of the permitted product involving single-family home product.

Based on our interviews with planning representatives, it was determined that there are new housing projects planned or under construction within the PSA (Beaufort County). These planned developments are summarized as follows:

### **Apartments/Rental Housing**

According to planning and building representatives, there are currently 18 rental housing projects planned and/or under construction within the PSA. These projects are summarized in the table that follows this page.

Project Name & Address	Type	Units	Developer	Status/Details
Ribault Senior Village West side of Ribault Road north of Tekoa Lane <b>Beaufort</b>	Affordable & Market-rate	49	Low Country Housing	<b>Proposed</b> / Planned senior apartment development of 49 affordable rental units, for seniors age 55 and above earning below 50% and 60% AMHI and four of the units will be unrestricted market-rate units, received funding January 2018
Whitehall Development <b>Beaufort/Lady's Island</b>	Market-rate Mixed-use	240	Whitehall Point Holdings	<b>Proposed</b> /Mixed-use, seven apartment buildings, could also include retail and office space on property known as Whitehall. one- and two-bedroom units, rents at the high-end of the local market
1026 Ribault <b>Beaufort</b>	Market-rate Mixed-use	234	Sam Levin	<b>Proposed</b> /234 high-end units, some retail and parking garage, granite countertops, stainless steel appliances, studios, one- and two-bedroom units, outdoor grilling area and a fire pit. Hope to begin the first quarter of 2018, done by mid-2019
Pine Court Apartments 2305 Pine Ct. S & 1076 Ribault <b>Beaufort</b>	Workforce	60	Geoff Grout	<b>Planned</b> /Workforce housing to serve teachers, public safety officers and similar professions, one- and two- bedrooms units, average 850 square feet, average \$1,000 rent, 80% AMHI to 125%, received design approval, haven't submitted for a building permit
Newcastle Apartments corner of Boundary Street and Newcastle Street <b>Beaufort</b>	Market-rate Student	24	Dick Stewart	<b>Under Construction</b> /Foundation work began, target college students from USC Beaufort and Technical College of the Lowcountry, 24 four-bedroom units, 30 additional four-bedroom units proposed in Phase II
TBD 410 Ribault Road <b>Beaufort</b>	Affordable	8	Beaufort Housing Authority	<b>Planned</b> /In planning stages, one-bedroom units, rented for no more than \$900 per month
TBD 1207 Duke Street <b>Beaufort</b>	Affordable	3	Beaufort Housing Authority	<b>Planned</b> /Received design approval, has not submitted development permit, one-bedroom units rented for no more than \$900 per month
Circle of Hope 1816 Boundary Street <b>Beaufort</b>	Subsidized Homeless	8	Circle of Hope	<b>Under Construction</b> /Homeless Shelter for veterans, transitional housing
1105 Coleman Lane Infill <b>Beaufort</b>	Market-rate	6-12	Labi Kryeziu	<b>Planned</b> / In the planning stages
Old Fire Station Multi Family Location: 2519 Mossy Oaks Road <b>Beaufort</b>	Market-rate	2-3	Samuel Martin	<b>Planned</b> / In planning stages
Infill Triplexes Location: 794 Ribault Road <b>Beaufort</b>	Market-rate	6	N/A	<b>Planned</b> / In planning stages
TBD 1402 & 1408 Palmetto Street <b>Beaufort</b>	Market-rate	20-30	N/A	<b>Planned</b> /In planning stages, no further information is available

TBD-To be determined

N/A-Not Available

ECD- Estimated completion date

(continued)

Project Name & Address	Type	Units	Developer	Status/Details
Wright's Point Apartments off Parris Island Gateway on Battery Creek <b>Port Royal</b>	Market-rate	272	Intermark Development.	<b>Proposed</b> / Would be built on 20 acres, includes 272 units in three- and four-story buildings, boat dock, fire pit with outdoor seating, pool, cabana, community garden
Legends North of Broad Savannah Highway and Miranda Circle <b>Port Royal</b>	Market-rate	300	Dick Edwards	<b>Proposed</b> /In design review, high-end, one, two and three-bedroom units in townhome design with dog park, grilling areas, resort-style pool and community area. Granite counters, stainless steel appliances, wraparound screened porches and walking trails, could break ground January 2018
Marsh Pointe 1600 Ribaut Road <b>Port Royal</b>	LIHTC	48	Bradley Development	<b>Under construction</b> / provide workforce housing include two-bedroom and three-bedroom layouts. Four apartment buildings, a community building and a playground
One Hampton Lake 11 Parklands Drive <b>Bluffton</b>	Market-rate	300	Pegasus Residential	<b>Under Construction</b> /High-end development, 24 units are completed and rented, one-, two-and three-bedrooms, rents from \$1,299 to \$1,840, ECD for all 300 units is August 2018
Blu Bluff Apartment Homes 1245 Bluffton Parkway <b>Bluffton</b>	Market-rate	260	Southeastern Development	<b>Proposed</b> /260 dwelling units, a clubhouse
Johnson Tract Phase II 1037 Fording Island Road <b>Bluffton</b>	Workforce	48	NA	<b>Planned</b> / Workforce housing, awaiting approval
Shelter Cove Town Center Apartments 47-65 Shelter Cove Lane <b>Hilton Head Island</b>	Market-rate	240	Southeastern Development	<b>Under Construction</b> /Luxury units, high-end amenities, first move-in mid-December 2017

TBD-To be determined

N/A-Not Available

ECD- Estimated completion date

### For-Sale Housing

Subdivision	Location	Units	Product Type	Developer	Status/ Details
Azalea Square <b>Beaufort</b>	Cleveland Drive & Bella Way	109	SFH, Villas & Townhomes	Gavigan Homes	<b>Under Construction</b> /Two- and three-bedrooms, 19 UC and 90 planned, from \$139,000 to \$190,000, HOA fee \$247
Oyster Bluff Phase I & II <b>Beaufort</b>	177 Sam's Pt Road, Lady's Island	107	Single Family Subdivision	D.R. Horton	<b>Under Construction</b> /Three- and five-bedrooms, 1,655 sq. ft. to 2,745 sq. ft., \$269,000-\$309,000
Salem Farm <b>Beaufort</b>	1800-2100 Block of Salem Road	200-300	SFH & Rowhouses	N/A	<b>Planned</b> /In planning stages
Habitat for Humanity Houses <b>Beaufort</b>	2521 Mossy Oaks Road 904 Greene Street, 906 Greene Street	4	SFH	Habitat for Humanity	<b>Planned</b> / In planning stages, Price-\$70,000, with 30-year, no-interest mortgages. Monthly payments are about \$400
Grande Oaks Phase IV <b>Bluffton</b>	12 Long Lake Drive	50	SFH	N/A	<b>Planned</b> /Awaiting Approval/\$500,000-\$600,000

U/C – Under Construction

N/A – Not Available

SFH-Single family home

Sq. ft.-square feet

(Continued)

Subdivision	Location	Units	Product Type	Developer	Status/ Details
Bridge Pointe <b>Bluffton</b>	4924 Bluffton Parkway	72	Condominiums	N/A	<b>Planned</b> /Awaiting Approval, \$150,000 and up
Landings at New Riverside I <b>Bluffton</b>	Intersection of SC HWY 46 and New Riverside Road	59	SFH	Pulte Homes	<b>Planned</b> /59 units to start, plans for 300 eventually, three- through five-bedrooms, garages, 1,656-2,563 sq. ft., no pricing available, amenity center
Seagrass Station II <b>Bluffton</b>	1 Lincoln Court	67	SFH	Centex Homes	<b>Under Construction</b> /119 SFH planned, 26+ completed, three- through five-bedrooms, 1,588-2,956 sq. ft., \$218,990-\$264,990, pool and amenity center planned, HOA fees
Heritage at New Riverside <b>Bluffton</b>	119 Tanners Run	75	SFH	D.R. Horton	<b>Under Construction</b> /28+ homes completed, three- through five-bedrooms 1,618-3,539 sq. ft., \$209,900-\$283,900, swimming pool, clubhouse/amenities center, 5.5-mile nature trail, HOA fees
TBD <b>Bluffton</b>	Intersection of New Riverside and Myrtle Ford Road	365	SFH	Pritchard Farm, LLC	<b>Planned</b> / 230-acre neighborhood, built in phases, multiple amenities, initial master plan approved
Cypress Ridge 8 <b>Bluffton</b>	Hulston Landing Road & Bridgeton Drive	62	SFH	D. R. Horton	<b>Under Construction</b> / Phases 6 & 7 units under construction, Phase 8 planned, 1,600-3,700 sq. ft., \$233,900-\$384,900, HOA fees
Alston Park @ New Riverside <b>Bluffton</b>	24 Alston Park Drive	32	SFH	Village Park Homes	<b>Under Construction</b> /133 homes sold, 33 lots left, three & four-bedrooms, 1,406-2,694 sq. ft., \$243,000-\$322,000, fitness center pool, HOA fees
Shell Hall <b>Bluffton</b>	53 Shell Hall Way	69	SFH	K. Hovnanian	<b>Under Construction</b> /37 lots closed 20 lots sold 12 lots available, 1,718 to 3,160 sq. ft., \$296,000- \$340,000, pool clubhouse tennis playground, HOA fees
Hampton Lake <b>Bluffton</b>	406 Lake Bluff Drive	153	SFH	K. Hovnanian	<b>Under Construction</b> /72 lots closed, 39 sold 19 available 23 approved not available 135 more lots planned, 15+ under construction, \$399,000-\$509,000 sq. ft., 2135-3239 2,3,4 beds, lake pool playground clubhouse lagoon, dog park
Villages at Palmetto Pointe <b>Bluffton</b>	9326 Evan Way	55	SFH	Landmark 24	<b>Under Construction</b> /Phase 4, 260 existing homes, three- through five-bedrooms, 1,643 - 3,368 sq. ft., \$242,000-\$306,400, pool, HOA fees
Midpoint at New Riverside Townhomes <b>Bluffton</b>	184 Brickway St	7	Townhomes	Village Park Homes	<b>Under Construction</b> /In Midpoint at New riverside subdivision, three-bedrooms 1,430-1,549 sq. ft., \$170,900-\$173,900, pool, fitness center, HOA fees

U/C – Under Construction

N/A – Not Available

SFH-Single family home

Sq. ft.-square feet

(Continued)

Subdivision	Location	Units	Product Type	Developer	Status/ Details
Wellstone Phase 5 <b>Bluffton</b>	75 Plumgrass St	78	Townhomes	Village Park Homes	<b>Under Construction/</b> 18+ units U/C, 69 planned, 132 existing townhomes, three-bedrooms, 1,446-1,617 sq. ft., \$184,900-\$195,900, pool, fitness center, HOA fees
Southern Oaks Phase 3 <b>Bluffton</b>	132 Scarlet Oak	28	SFH	Village Park Homes	<b>Under Construction/</b> Phase 3 of existing subdivision of 129 + SFH, 28 homes under construction, three- and four-bedrooms, 1,352 sq. ft.-2,102 sq. ft., \$184,900 to \$237,900
Tidal Cottages <b>Bluffton</b>	1.67 acres on Thomas Heyward Street	10	Cluster Homes	William Howard	<b>Planned/</b> Developer must resubmit new site plan due to changes made
Palmetto Bluff <b>Bluffton</b>	101 Headwaters 118 August Lane	17+	SFH	May River Forest	<b>Under Construction/</b> Multiple homes under construction, \$1million and up
Cambridge at Lawton Station <b>Bluffton</b>	Junction Way and Station Parkway	39	SFH	Village Park Homes	<b>Planned/</b> New SFH lots available, at existing subdivision, swimming pool, clubhouse, fitness center, park, playground, 2,236 to 3,927 sq. ft., \$360,900 to \$440,900
The Haven at New Riverside <b>Bluffton</b>	23 Heathrow Ave	140	SFH	Del Webb	<b>Under Construction/</b> New phase at established, age 55+ gated neighborhood, 1,500 to 2,500 sq. ft., \$229,990 - \$277,990
May River Preserve <b>Bluffton</b>	May River Preserve Drive	40	SFH	The Reed Group	<b>Under Construction/</b> 36 + completed and sold, gated community, 1/2-acre to 1-acre homesites. 2,000 - 4,000 sq. ft., from the upper \$300's
Beach City Place <b>Hilton Head Island</b>	1 Circlewood Drive	43 lots	SFH	HSSC LLC	<b>Under Construction/</b> 13 homes under construction, four permits under review, \$346,000-\$402,000
The Glen I <b>Hilton Head Island</b>	N/A	16 lots	SFH	Habitat for Humanity	<b>Under Construction/</b> One home UC, Price-\$70,000, with 30-year, no-interest mortgages. Monthly payments are about \$400
The Glen II <b>Hilton Head Island</b>	N/A	16 lots	SFH	Habitat for Humanity	<b>Planned/</b> Under Review, Price-\$70,000, with 30-year, no-interest mortgages. Monthly payments are about \$400
Magnolia Place Townhomes <b>Hilton Head Island</b>	26 Creekstone Drive	26	Townhomes	K Hovnanian	<b>Under Construction/</b> 14 under construction, three-bedrooms, 2,100-2,242 sq. ft., \$333,990-\$364,990+, three homes sold
The Marshes at Broad Creek <b>Hilton Head Island</b>	25 Marshland Road	23 Lots	SFH	B Hammel Properties LLC	<b>Approved/</b> Pricing not available
Salt Creek Landing <b>Hilton Head Island</b>	330 Spanish Wells Road	39 lots	SFH	K Hovnanian	<b>Approved/</b> 18 homes UC, three- and four-bedrooms, 1,889-2,685 sq. ft., \$327,990-\$369,990

U/C – Under Construction

N/A – Not Available

SFH-Single family home

Sq. ft.-square feet

(Continued)

Subdivision	Location	Units	Product Type	Developer	Status/ Details
Silver Moss <b>Hilton Head Island</b>	660 Spanish Wells Road	48 lots	SFH	Diane the Runner LLC	<b>Under Construction</b> /Five homes under construction, two- and three-bedrooms, 2,117-2,900 sq. ft., 449,900-\$479,000, 20 homes sold
Tansyleaf <b>Hilton Head Island</b>	2 Tansyleaf Drive	43 lots	SFH	Vendicare Ventures Inc.	<b>Under Construction</b> / 14 homes under construction, three-and four-bedrooms, 1,725-2,715 sq. ft., \$288,900-\$370,900
Ocean Oak, Phase II <b>Hilton Head Island</b>	41 South Forest Beach	60	Timeshares	HHI Development LLC	<b>Under Construction</b>
Coral Sands North <b>Hilton Head Island</b>	66 Pope Avenue	120	Timeshares	Hilton Head Island Development	<b>Under Construction</b> / 80 units under construction
Cesar Place Mobile Home Park <b>Hilton Head Island</b>	N/A	16 lots	Mobile Home Park	Liang Zhao and Nathaniel Ford	N/A
Lopes Mobile Park White Oaks Subdivision <b>Hilton Head Island</b>	177 Spanish Wells Road	14 lots	Mobile Home Park	Chato El LLC	<b>Planned/ Approved</b>
Shell Point Homes <b>Port Royal</b>	Off Savannah Highway near Riverview Charter School	60	SFH	Mungo	<b>Developing Infrastructure</b> //60 homes to start, another 125 planned, expected to be open to home presales spring 2018, no prices set
Shadow Moss Phase 10, 11 & 12 <b>Port Royal</b>	Pennyroyal Way and Saluda Way	127	SFH	Centex	<b>Under Construction</b> /Developing infrastructure, three-, four- and five bedrooms, 1,588-2,956 sq. ft., \$205,990-\$253,990

U/C – Under Construction  
 N/A – Not Available  
 SFH-Single family home  
 Sq. ft.-square feet

### Senior Facilities

According to planning and building representatives, there are currently six senior living projects planned and/or under construction within the PSA. These projects are summarized in the table that follows.

Project Name & Address	Units	Developer	Status/Details
Sprenger Health Care Port Royal 1810 Richmond Avenue <b>Port Royal</b>	110	Sprenger Health Care Systems	<b>Under Construction</b> /65 private room skilled nursing wing with a 3,000+ sq. ft. therapy gym and an assisted living wing featuring 45 private suites, opening early 2018
TBD 60 Okatie Village Drive <b>Bluffton</b>	105	Sprenger Health Care Systems	<b>Under Construction</b> /105 bed sub-acute nursing and assisted living facility, 65 assisted living beds and 40 skilled nursing beds and will be approximately 76,621 sq. ft.
Canterfield at Bluffton 567 N. Okatie Hwy <b>Bluffton</b>	9	Medical Development Corp.	<b>Under Construction</b> / New assisted living facility opened 12/2017 plans to construct nine independent living villas, to be built as three triplex units.
Buckwalter Senior Living south of the intersection of SC HWY 278 and Buckwalter Parkway <b>Bluffton</b>	N/A	Valeo Groupe	<b>Proposed</b> /Preliminary Development Plan to develop a senior living facility and all required infrastructure improvements.
Retreat at Lady's Island 9 Sunset Boulevard <b>Beaufort</b>	83	Affinity Living Group	<b>Under Construction</b> /59 assisted living with 24 memory care units, to open February 2018, for profit, fees assisted living \$4,000-\$6,200 memory care \$5,500
TBD Lady's Island Parkway and Meridian Road <b>Lady's Island</b>	66	CapRock (CR) Senior Living	<b>Planned</b> /Awaiting approval, independent living area, an assisted living area, and a memory care wing,

TBD-To be determined

Note: Retreat at Lady's Island was complete prior to the issuance of this report.

## F. Residential Foreclosures

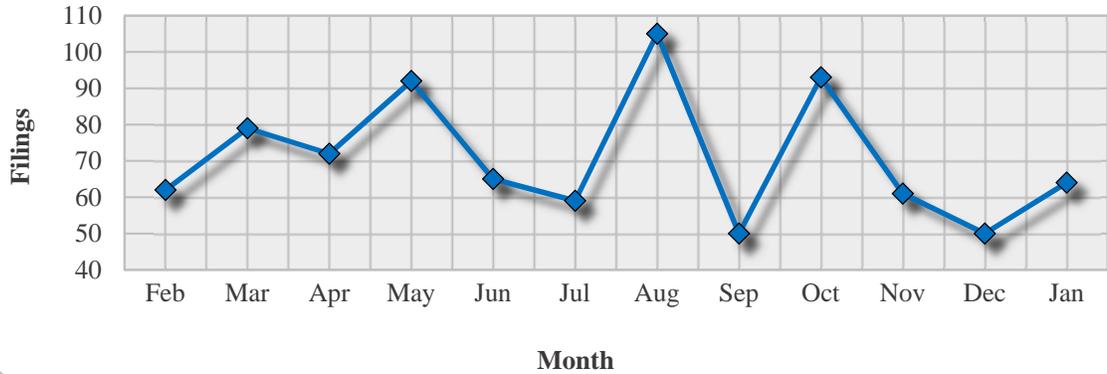
The foreclosure of residential structures became prominent in markets throughout the United States during the national recession starting in 2008. Beaufort County was not immune to the rapid increase in foreclosures that resulted from loss of jobs, declining household incomes, predatory lending practices, and other factors that impacted homeowners' ability of paying their monthly mortgage. The following table summarizes monthly residential foreclosure activity over the past 12 months within Beaufort County.

Residential Foreclosure Filings – Beaufort County		
February 2017	62	-
March	79	+17
April	72	-7
May	92	+20
June	65	-27
July	59	-6
August	105	+46
September	50	-45
October	93	+43
November	61	-32
December	50	-11
January	64	+14
<b>Total Foreclosures</b>	<b>852</b>	<b>-</b>
<b>Avg. Monthly</b>	<b>71</b>	<b>-</b>

Source: RealtyTrac.com

Note: The number of monthly filings is approximated

**Beaufort County Residential Foreclosures**  
**(February 2017 to January 2018)**

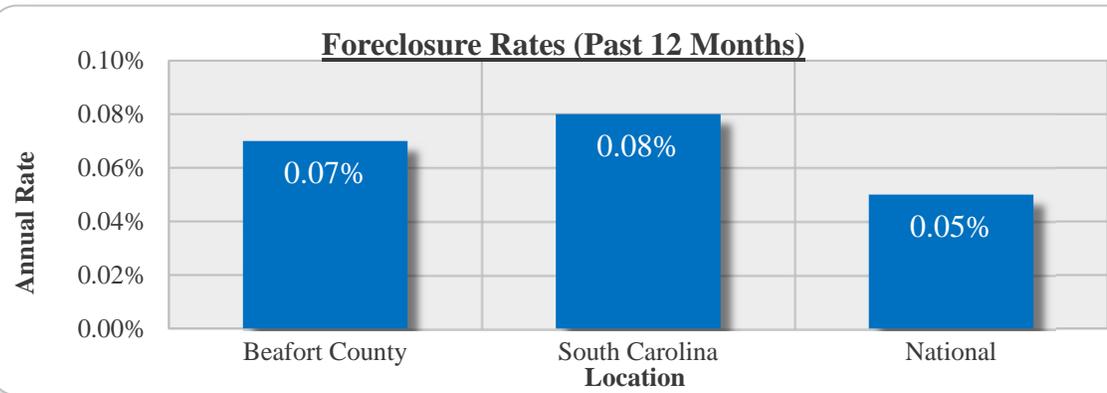


Since February 2017, there have been 852 residential foreclosure filings in Beaufort County, with an average of 71 foreclosures a month. The number of residential foreclosures generally trended downward over the past three months.

The overall foreclosure rates over the past 12 months for Beaufort County, South Carolina, and the United States are compared in the following table and graph.

Data	Geographic Comparison		
	Beaufort County	South Carolina	National
Annual Foreclosure Rate	0.07%	0.08%	0.05%

Source: RealtyTrac.com (January 2018)



The 0.07% annual foreclosure rate for Beaufort County as of January 2018 is similar to the overall county rate of 0.08%. Both rates are low, but slightly higher than the national average.

Residential foreclosure activity over the past 12 months appears to be a diminishing factor in the market.

## G. Summary

***Despite the Amount of Rental Housing Product Developed in Recent Years, there Remains Limited Availability of Rental Units, Particularly Units Affordable to Lower Income Households*** - Based on Bowen National Research's survey of multifamily rental housing units, there were only 142 vacant multifamily units among the 5,963 units inventoried as part of this report, resulting in a relatively low vacancy rate of 2.4%. Typically, healthy and well-balanced markets have vacancy rates between 4% and 6%. The lack of available units is more pronounced among the product (Tax Credit and government subsidized) that is affordable to lower-income households, as there were only three vacant Tax Credit units (serving households with incomes up to 60% of AMHI) and no vacant units among the government subsidized units (serving households with incomes of up to 50% of AMHI). Wait lists at most Tax Credit and government subsidized projects are long. According to the local Housing Authority, the wait list for households to get a Housing Choice Voucher contains approximately 1,100 households. Based on our research, there appears to be a development opportunity for a variety of rental products, particularly for affordable rentals.

***While there are more than 2,800 housing units available to Purchase in the County, this Inventory does not meet Current or Future Housing Needs of Homebuyers*** - A total of 2,809 units were identified in the county as available to purchase in the county near the end of 2017 and early 2018. It is important to understand that a majority (70.4%) of the available product was priced above \$300,000, while only 10.2% was priced below \$200,000 and another 10.1% was priced between \$200,000 and \$299,999. Roughly 80% of the available supply in the PSA is priced at \$200,000 and higher, yet only one-half of all households (renters and owners) in the market can afford such product. As such, there appears to be an imbalance between the available housing supply and the product most households can afford.

***Household Growth of both Renters and Homeowners Over the Next Five Years is Projected to Outpace the Confirmed Units in the Residential Development Pipeline, Requiring the Development of Additional Units*** - It was confirmed that there are at least 2,400 residential units (rentals, for-sale and senior care) currently in the development pipeline that will likely be introduced into the market within the next 24 months. It is projected that Beaufort County will increase by nearly 7,700 households over the next five years. As a result, even with the new product that is expected to be built, the market will require additional housing units over the next five years to keep pace with the projected growth in households. As shown in our Housing Gap Estimates, there will be demand for a variety of product at a wide range of affordability levels, including housing for both low- and high-income households, and consisting of both rental and for-sale product. Without the introduction of a sufficient number of housing units, the already limited availability of housing units will become scarcer.

***Despite the Inventory of Government Subsidized and Low-Income Housing Tax Credit Units Provided in the Market, Many PSA Residents are Still Cost/Rent Burdened*** – As shown in this report, there are virtually no vacant units among the surveyed Tax Credit and government subsidized rental product that is intended to provide affordable housing in the County, and a relatively small inventory of for-sale product priced under \$200,000. As a result, many lower-income households have to choose from various market-rate rental or higher priced for-sale housing alternatives that are not considered affordable to many of these households. Households that are “cost burdened” (typically paying 30% or more of their income towards housing costs) or “severe cost burdened” (typically paying 50% or more towards housing costs) often find it difficult paying for both their housing and meeting other financial obligations. Among Beaufort County’s *renter* households, a total of 9,370 (47.4%) are cost burdened and 3,883 (19.6%) are *severe* cost burdened. In South Carolina, these ratios are 45.7% and 23.3%, respectively. A total of 15,463 (33.5%) *owner* households are cost burdened, while 6,613 (14.3%) are severe cost burdened. The greatest shares of severe cost burdened *renter* households are in the City of Beaufort (21.8%) and Northern Unincorporated (21.6%) submarkets, while the greatest share of severe cost burdened *owner* households is within the Town of Hilton Head Island (18.8%) and City of Beaufort (16.0%) submarkets. As such, maintaining the existing stock of affordable housing and expanding affordable housing alternatives will be an important part to Beaufort County’s future housing plans.

***Given the Relatively Large and Rapidly Growing Base of Seniors in the County and the Lack of Available Senior-Oriented Housing Alternatives, There Appears to be a Need for Additional Senior Housing*** – The largest share (22.3%) of households by age in the County in 2017 was among those between the ages of 65 and 74. By 2022, it is projected that households between this same age group will still represent the largest share (22.3%) of households and those age 75 and older will represent the second largest share (17.7%). The greatest growth in the PSA between 2017 and 2022 is projected to occur among elderly households ages 75 and older (3,747 new households, 34.6% increase) and seniors ages 65 to 74 (1,711 new households, 10.3% increase). Submarkets that are projected to experience mostly senior household growth include the Town of Hilton Head Island, the Southern Unincorporated area and the Unincorporated Islands area. Based on these trends, it will be important for the future Beaufort County housing market to include additional senior-oriented housing that meets mobility, affordability, and service needs of the senior population.

## VII. Other Housing Market Factors

### A. Introduction

Factors other than demography, employment, and supply (all analyzed earlier in this study) can affect the strength or weakness of a given housing market. The following additional factors influence a housing market's performance, and are discussed relative to the PSA, the selected submarkets and South Carolina, whenever applicable:

- Personal Mobility & Transportation
- Crime Risk
- Community Services
- Special Needs Populations
- Property Heirs
- Military Personnel

### B. Personal Mobility & Transportation

The ability of a person or household to travel easily, quickly, safely, and affordably throughout a market influences the desirability of a housing market. If traffic jams create long commuting times or public transit service is not available for carless people, their quality of life is diminished. Factors that lower resident satisfaction weaken housing markets. Typically, people travel frequently outside of their residences for three reasons: 1) to commute to work, 2) to run errands or 3) to recreate.

#### Public Transit Availability

Palmetto Breeze Transit provides public transportation within Beaufort County, via fixed routes, coordinated routes and a demand response option. The fixed route options, which connect all four of the larger submarkets in Beaufort County, are one-way once a day trips to and from the Town of Hilton Head Island. Demand response and coordinated routes connect the unincorporated areas and additional surrounding counties of Jasper, Hampton, Colleton and Allendale. Additionally, ferry boat transportation is available to Melrose Landing on Daufuskie Island from Hilton Head's Buckingham Landing.

## Commuting Attributes

Key commuting attributes (mode and time) are shown in the tables below:

		Commuting Mode						
		Drove Alone	Carpooled	Public Transit	Walked	Other Means	Worked at Home	Total
<b>Beaufort County</b>	Number	56,180	8,577	362	2,023	2,093	5,144	74,379
	Percent	75.5%	11.5%	0.5%	2.7%	2.8%	6.9%	100.0%
<b>Beaufort</b>	Number	3,833	755	25	155	160	166	5,094
	Percent	75.2%	14.8%	0.5%	3.0%	3.1%	3.3%	100.0%
<b>Bluffton</b>	Number	5,549	1,152	10	3	55	426	7,195
	Percent	77.1%	16.0%	0.1%	0.0%	0.8%	5.9%	100.0%
<b>Hilton Head</b>	Number	10,742	1,864	114	345	506	1,633	15,204
	Percent	70.7%	12.3%	0.7%	2.3%	3.3%	10.7%	100.0%
<b>Port Royal</b>	Number	3,401	615	2	1,051	392	867	6,328
	Percent	53.7%	9.7%	0.0%	16.6%	6.2%	13.7%	100.0%
<b>Northern Unincorporated</b>	Number	8,300	797	58	140	176	345	9,816
	Percent	84.6%	8.1%	0.6%	1.4%	1.8%	3.5%	100.0%
<b>Southern Unincorporated</b>	Number	13,679	1,878	15	109	363	887	16,931
	Percent	80.8%	11.1%	0.1%	0.6%	2.1%	5.2%	100.0%
<b>Unincorporated Islands</b>	Number	5,787	881	95	117	263	407	7,550
	Percent	76.6%	11.7%	1.3%	1.5%	3.5%	5.4%	100.0%
<b>South Carolina</b>	Number	1,706,871	190,922	12,661	45,996	33,094	73,136	2,062,680
	Percent	82.8%	9.3%	0.6%	2.2%	1.6%	3.5%	100.0%

Source: U.S. Census Bureau, 2011-2015 American Community

		Commuting Time						
		Less Than 15 Minutes	15 to 29 Minutes	30 to 44 Minutes	45 to 59 Minutes	60 or More Minutes	Worked at Home	Total
<b>Beaufort County</b>	Number	23,924	26,640	11,976	3,351	3,345	5,144	74,380
	Percent	32.2%	35.8%	16.1%	4.5%	4.5%	6.9%	100.0%
<b>Beaufort</b>	Number	2,648	1,444	313	219	303	166	5,093
	Percent	52.0%	28.4%	6.1%	4.3%	5.9%	3.3%	100.0%
<b>Bluffton</b>	Number	1,382	2,660	2,039	429	257	426	7,193
	Percent	19.2%	37.0%	28.3%	6.0%	3.6%	5.9%	100.0%
<b>Hilton Head</b>	Number	6,204	5,079	1,542	258	487	1,633	15,203
	Percent	40.8%	33.4%	10.1%	1.7%	3.2%	10.7%	100.0%
<b>Port Royal</b>	Number	3,262	1,605	236	199	159	867	6,328
	Percent	51.5%	25.4%	3.7%	3.1%	2.5%	13.7%	100.0%
<b>Northern Unincorporated</b>	Number	3,304	3,690	1,454	360	664	345	9,817
	Percent	33.7%	37.6%	14.8%	3.7%	6.8%	3.5%	100.0%
<b>Southern Unincorporated</b>	Number	3,629	7,041	3,910	911	552	887	16,930
	Percent	21.4%	41.6%	23.1%	5.4%	3.3%	5.2%	100.0%
<b>Unincorporated Islands</b>	Number	1,447	2,926	1,567	638	564	407	7,549
	Percent	19.2%	38.8%	20.8%	8.5%	7.5%	5.4%	100.0%
<b>South Carolina</b>	Number	550,152	791,968	402,836	135,069	109,520	73,136	2,062,681
	Percent	26.7%	38.4%	19.5%	6.5%	5.3%	3.5%	100.0%

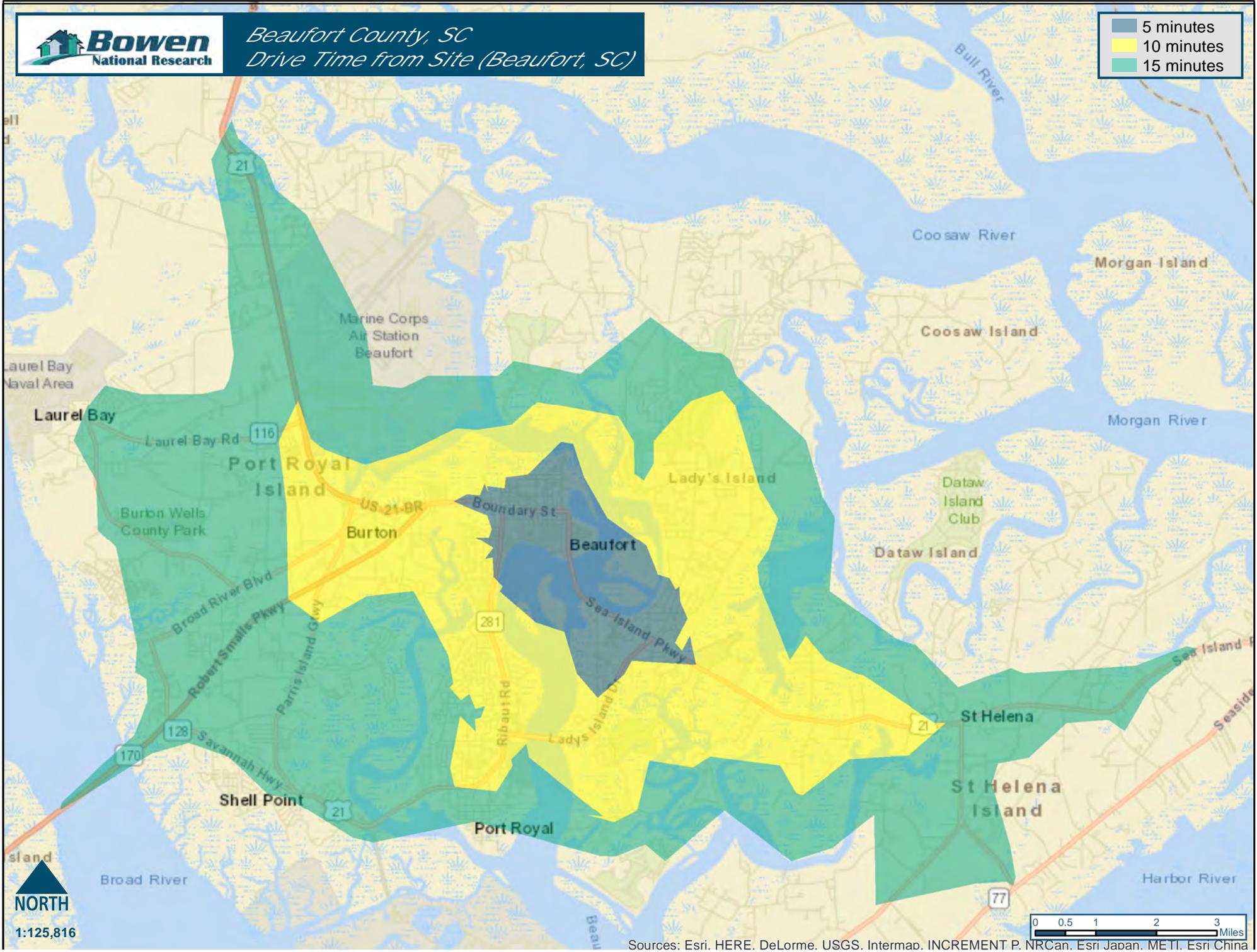
Source: U.S. Census Bureau, 2011-2015 American Community

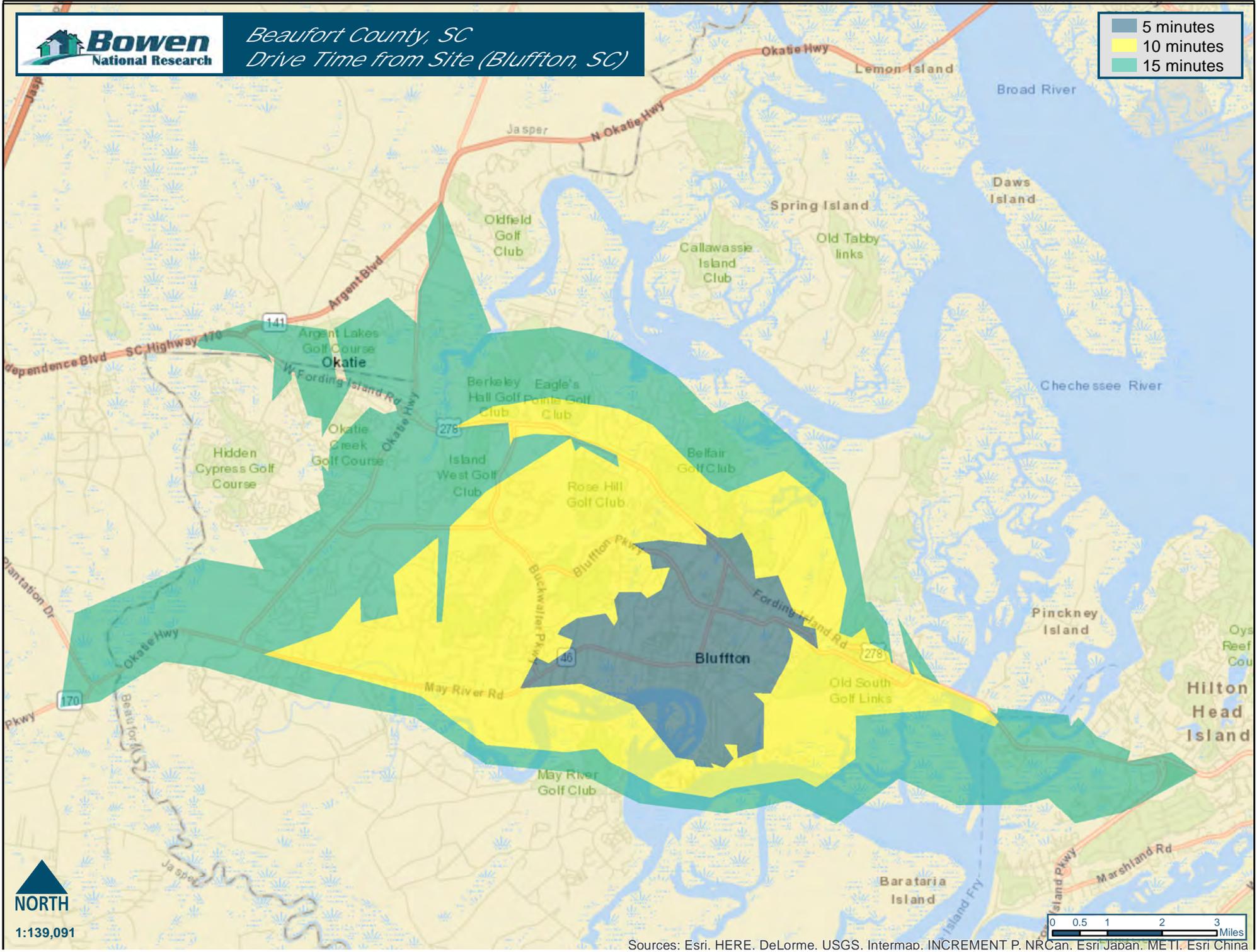
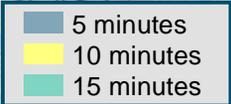
Noteworthy observations from the preceding tables follow:

- The share (75.5%) of commuters in the PSA (Beaufort County) that drive alone is comparable to the shares of such commuters in the three largest communities in the county: City of Beaufort (75.2%), Town of Bluffton (77.1%) and Town of Hilton Head Island (70.7%). Only the Town of Port Royal had a much lower share of people driving alone to work, which was 53.7% of commuters.
- The share of those who walked to work in the PSA (2.7%) is slightly above but comparable to the state average (2.2%). Interestingly, the Town of Port Royal has a large share of its workers walking to work (16.6%) or working from home (13.7%). As such, the Town of Port Royal has a large segment of its workers not driving to work. Only 0.5% of the workers in the county use public transportation to commute to work.
- More than two-thirds (68.0%) of the workers in the county have commute times of less than 30 minutes. The two study areas with the highest share of commuters traveling 30 minutes or more to work are the Town of Bluffton (37.9%) and the Unincorporated Islands (36.8%). The rest of the study areas within the county have typical drive-times that are comparable to the state averages.

Based on the preceding analysis, most area commuters drive alone to work with typical drive times of less than 30 minutes. The Town of Port Royal is unique in that nearly a third of workers either work from home or walk to work. Meanwhile, noticeable shares of workers in the Town of Bluffton and the Unincorporated Islands have relatively long drive-times to work. Very few commuters use any type of public transportation to work.

Drive-time maps showing travel times within the four selected towns within Beaufort County follow this page.



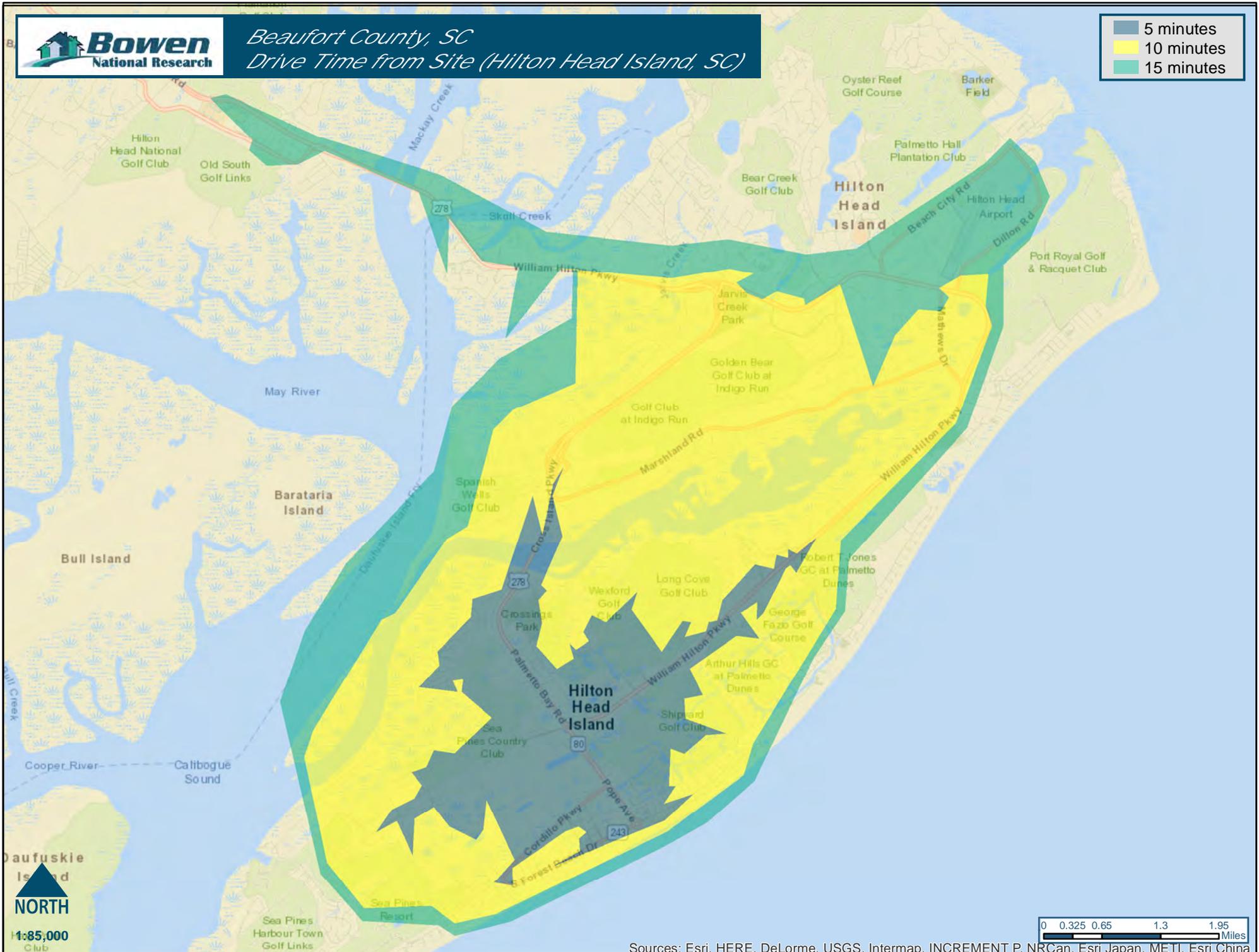


1:139,091





*Beaufort County, SC*  
*Drive Time from Site (Hilton Head Island, SC)*



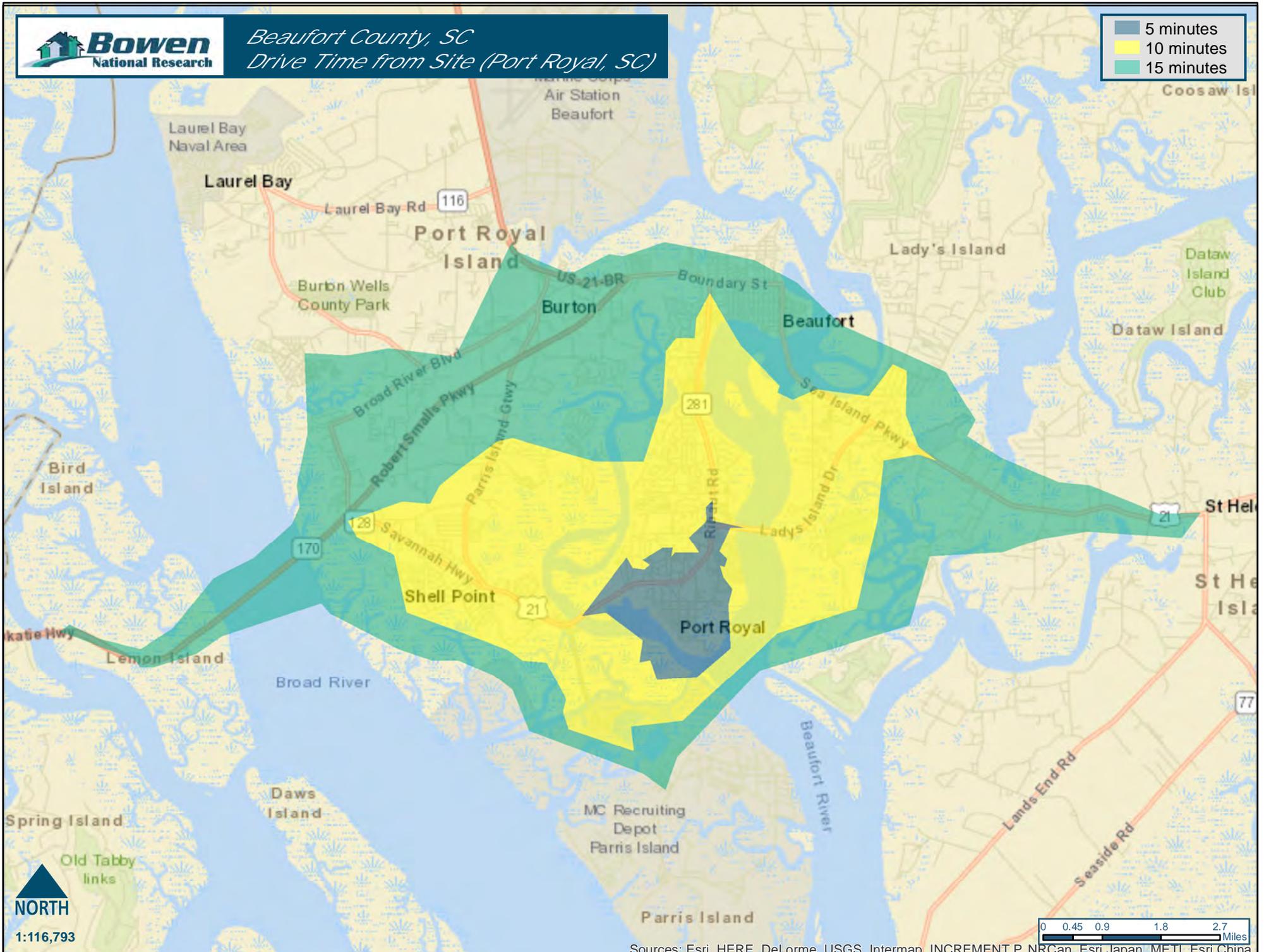
Daufuskie Island  
 NORTH  
 1:85,000  
 Club



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China



*Beaufort County, SC*  
*Drive Time from Site (Port Royal, SC)*

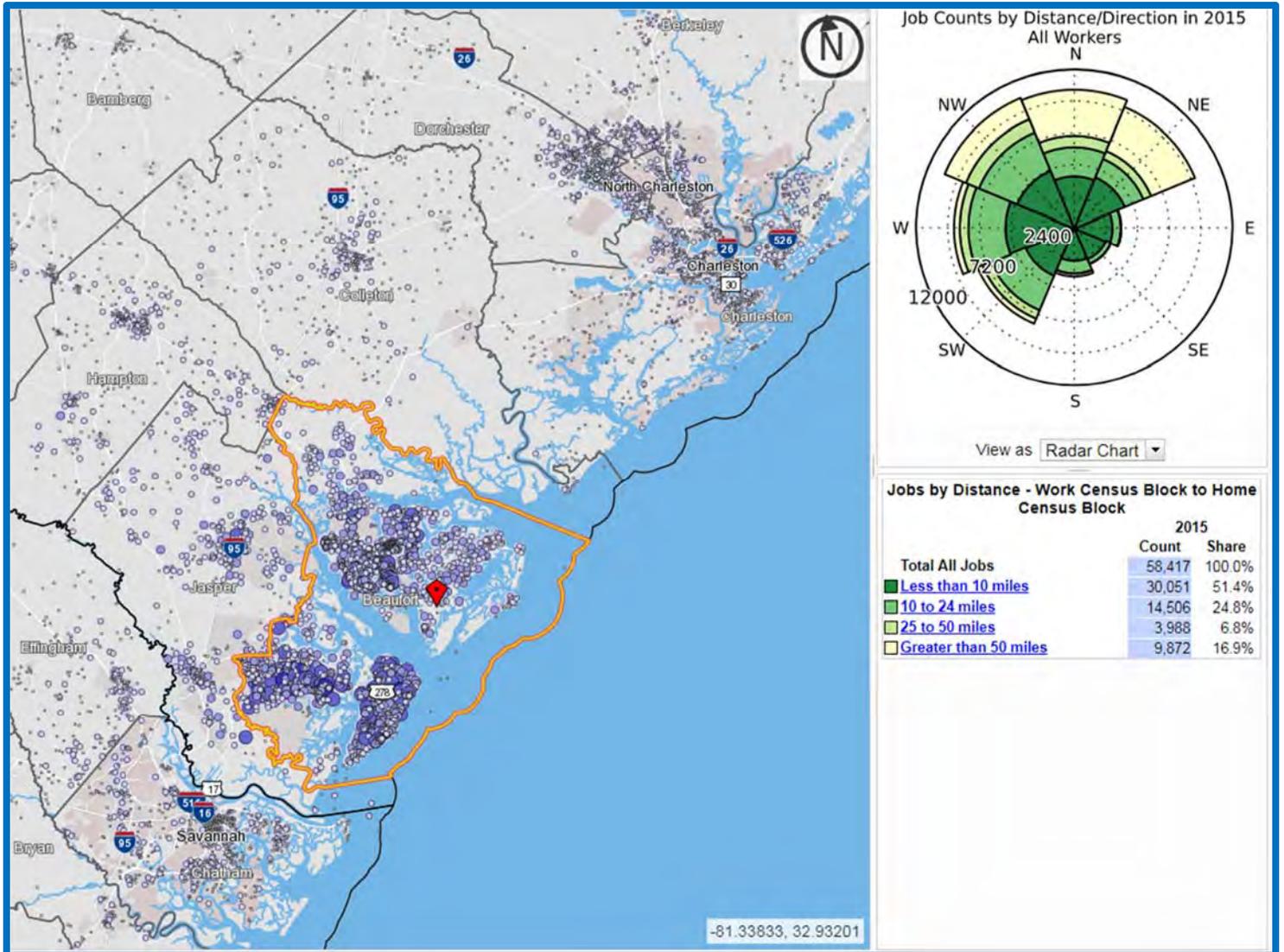


**NORTH**  
1:116,793



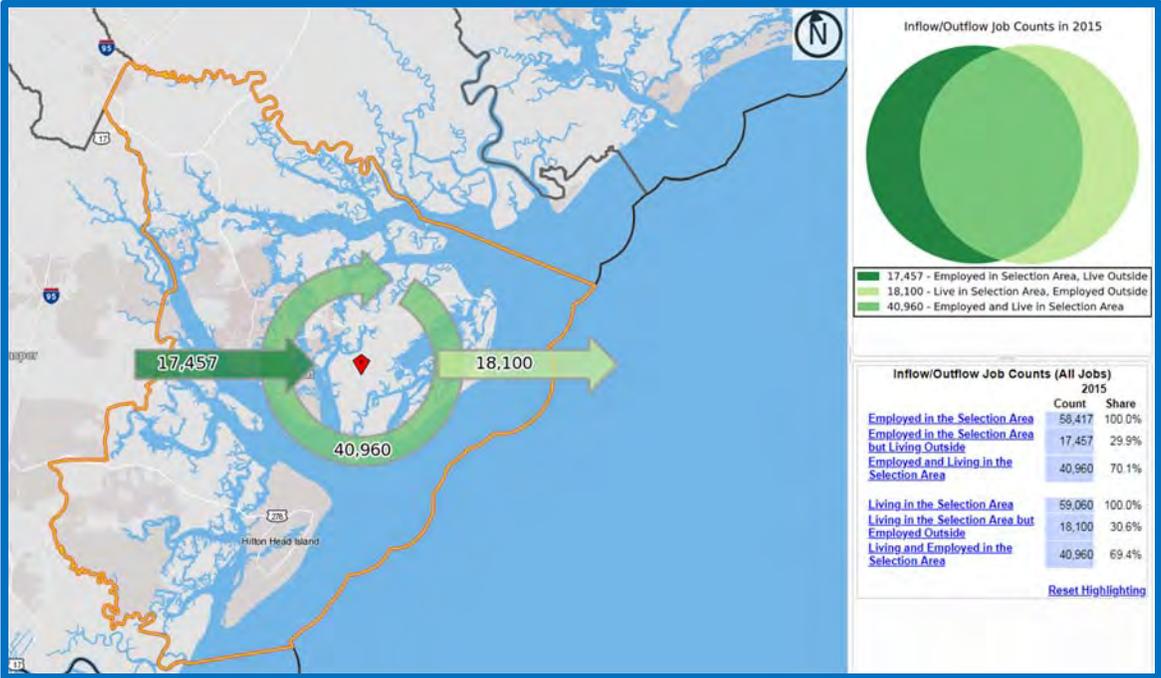
Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

While Beaufort County offers a large number of jobs throughout the area, the Town of Hilton Head Island and the City of Beaufort appear to offer the greatest concentration of jobs. While most workers in Beaufort County have travel times to work less than 10 miles, nearly half (48.6%) have drive times of 10 or more miles. In fact, nearly 10,000 people commute more than 50 miles to work each day, representing 17.0% of the commuters. As shown in the graph and table below, many workers commuting outside of Beaufort County are traveling to the Charleston or Savannah areas.



Source: <https://onthemap.ces.census.gov>

As shown in the map and table below, there were a total of 58,417 persons employed and working within Beaufort County in 2015. While 40,960 (70.1%) of these employed persons also *live* in Beaufort County, the county has a notable inflow and outflow of employed persons. A total of 18,100 workers leave Beaufort County for employment during the day, while a nearly equal number of 17,457 people that work in Beaufort County commute from outside of Beaufort County.



Source: <https://onthemap.ces.census.gov>

The more than 17,000 workers that commute into Beaufort County on a daily basis is likely, at least in part, the result of many employees unable to find sufficient housing within the county. According to our surveys of area employers and stakeholders, the inability of employers to find enough workers is a contributing factor on business operations and their ability to grow. Regardless, the inflow of 17,457 workers represents an opportunity for Beaufort County to retain such commuters as permanent residents, should adequate housing be developed. Developers building new residential product should consider marketing to such commuters.

**Walkability**

The ability to perform errands or access community amenities affordably and conveniently by walking (rather than driving) contributes favorably to personal mobility. A person whose residence is within walking distance of major neighborhood services and amenities will most likely find their housing market more desirable. To evaluate “walkability” within the PSA, the on-line service “Walk Score” was used. A generally centralized location within the central business district of each of the four selected towns/cities within Beaufort County was used to evaluate the walkability of each town’s downtown. The address of each location was entered into the website for scoring. Walk Score takes a specific location and analyzes its proximity relative to a standardized list of community attributes. It assesses not only distance, but the number and variety of neighborhood amenities as well. A Walk Score can range from a low of 0 to a high of 100, with the following scale descriptors:

Walk Score®	Description
90–100	<b>Walker's Paradise</b> Daily errands do not require a car.
70–89	<b>Very Walkable</b> Most errands can be accomplished on foot.
50–69	<b>Somewhat Walkable</b> Some amenities within walking distance.
25–49	<b>Car-Dependent</b> A few amenities within walking distance.
0–24	<b>Very Car-Dependent</b> Almost all errands require a car.

By evaluating the Walk Score of the four selected areas in Beaufort County, we can determine which areas are more conducive to supporting new residential development that seeks to benefit from its walkable neighborhood.

The following table summarizes the Walk Score for each downtown:

Grid Point	Location	Walk Score	Walk Score Descriptor
1	City of Beaufort –Carteret St. & Port Republic St.	54	Somewhat Walkable
2	Town of Bluffton – Boundary St. & Bruin Road	56	Somewhat Walkable
3	Town of Hilton Head Island - 2 N. Forest Beach Drive	60	Somewhat Walkable
4	Town of Port Royal – Paris Ave & 12 <sup>th</sup> St.	39	Car-Dependent

Source: Walkscore.com; Bowen National Research

Three of the four downtown's evaluated in this report have Walk Scores of 54 to 60, indicating that are "somewhat walkable." Such a rating indicates that these downtowns have some amenities that are within a reasonable walking distance. Only the Town of Port Royal downtown was considered to be "car dependent", as it has a Walk Score of just 39. While over 16.0% of the Town of Port Royal residents walked to work, this is likely affected by many of the employees of Parris Island and the Naval Hospital. The 39 Walk Score is influenced by the town's proximity to numerous other community services (e.g. parks, shopping, entertainment, public services, etc.).

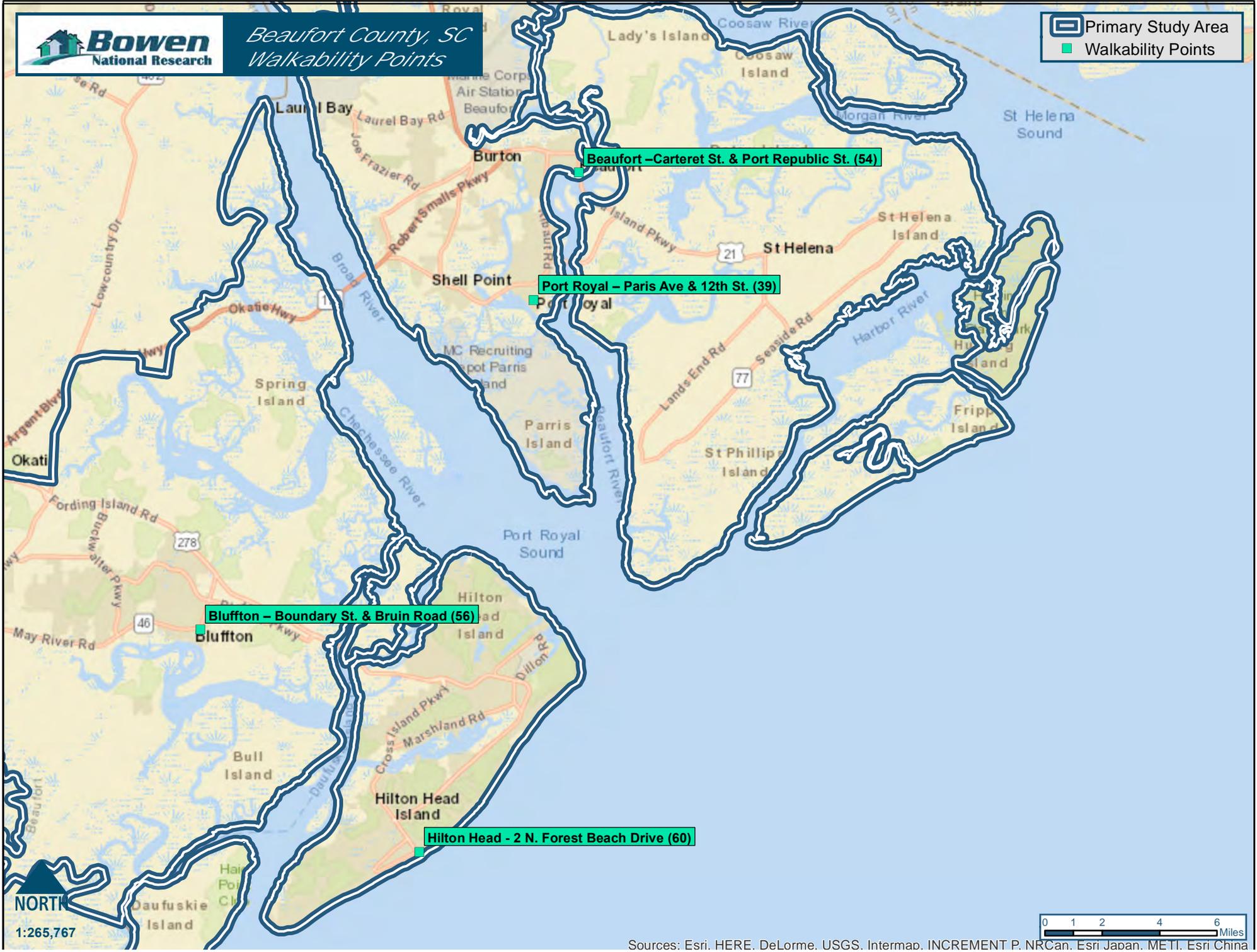
If walkability is a favorable measure of personal movement and the ease of personal movement contributes favorably to a housing market, the City of Beaufort, the Towns of Bluffton and Hilton Head Island could represent areas that may benefit from the "somewhat walkable" nature of their downtowns. As such, development opportunities within these areas should be explored for possible residential development.

A map showing the location of the four points used for walkability scoring follows this page:



# Beaufort County, SC Walkability Points

 Primary Study Area  
 Walkability Points



NORTH  
1:265,767



### C. Crime Risk

Crime risk, whether perceived or real, can influence a person’s decision to move to, leave, or remain at, a particular location. The desirability of a housing market, whether citywide or neighborhood-specific, is often judged by its level of security and safety. Existing and potential residents constantly monitor crime risk, both on a “personal” and “property” basis. When certain geographic areas exhibit higher crime rates, potential residents tend to move elsewhere and existing residents relocate. Conversely, areas with lower crime rates tend to attract potential residents and retain existing ones. Stronger housing markets normally enjoy low or decreasing crime rates, while weaker housing markets usually suffer from high or increasing crime rates.

For this study, the FBI Uniform Crime Report (UCR) was used. The FBI collects data from roughly 16,000 separate law enforcement agencies across the country and compiles it into the UCR. The most recent data shows a 95% coverage rate of all jurisdictions nationwide.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. It should be noted that aggregate indices for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically than petty theft. Therefore, caution should be exercised when using them.

The following table compares the UCR crime risk probabilities for the selected geographies in this study:

	Total Crime	Personal Crime					Property Crime			
		Murder	Rape	Robbery	Assault	Total	Burglary	Larceny	Vehicular Theft	Total
<b>Beaufort County</b>	<b>135</b>	109	137	81	166	<b>143</b>	162	199	79	<b>154</b>
<b>Beaufort</b>	<b>145</b>	96	183	109	176	<b>164</b>	174	194	74	<b>156</b>
<b>Bluffton</b>	<b>141</b>	94	130	109	193	<b>154</b>	129	219	110	<b>160</b>
<b>Hilton Head</b>	<b>140</b>	119	118	63	159	<b>132</b>	183	230	85	<b>175</b>
<b>Port Royal</b>	<b>145</b>	58	156	110	219	<b>159</b>	210	162	87	<b>162</b>
<b>Northern Unincorporated</b>	<b>125</b>	127	159	62	162	<b>147</b>	170	128	67	<b>129</b>
<b>Southern Unincorporated</b>	<b>140</b>	98	114	95	190	<b>145</b>	144	227	102	<b>165</b>
<b>Unincorporated Islands</b>	<b>121</b>	122	170	77	129	<b>144</b>	127	186	37	<b>123</b>
<b>South Carolina</b>	<b>137</b>	142	132	100	218	<b>170</b>	147	141	94	<b>134</b>

Source: Applied Geographic Solutions

The overall Crime Index for the PSA (Beaufort County) is 135, which is nearly identical to the overall South Carolina average of 137, but higher than the national average of 100. The crime indices for each of the study areas are similar to each other, ranging from 121 to 145. As such, it does not appear that any one part of the county has a crime issue that is far greater or less than any other area within the county. Therefore, we do not believe crime will significantly impact one commuter more than another within the county, in terms of attracting residents or retaining residents.

Maps illustrating crime risk within the county follows this page.

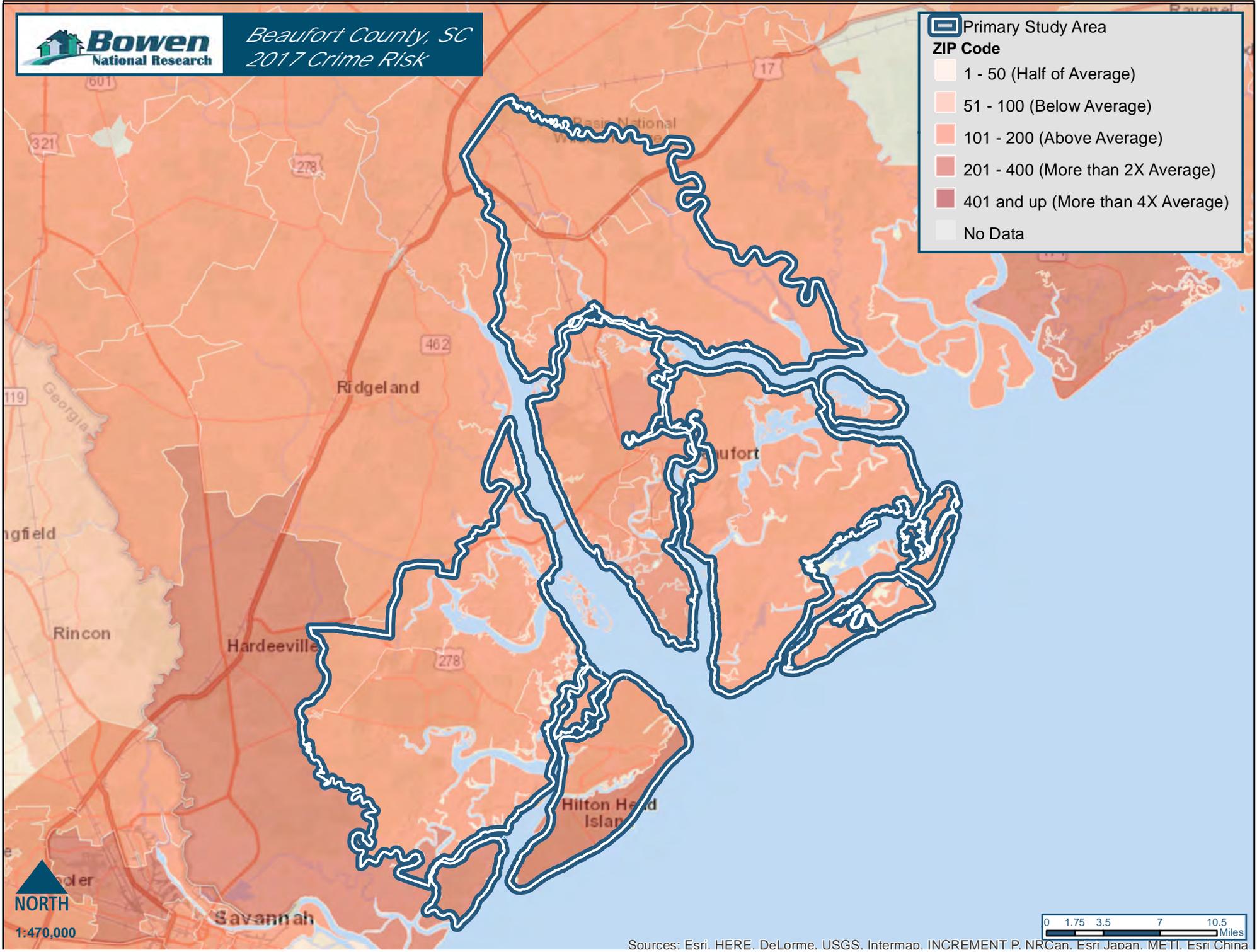


*Beaufort County, SC  
2017 Crime Risk*

 Primary Study Area

**ZIP Code**

-  1 - 50 (Half of Average)
-  51 - 100 (Below Average)
-  101 - 200 (Above Average)
-  201 - 400 (More than 2X Average)
-  401 and up (More than 4X Average)
-  No Data



  
NORTH  
1:470,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

#### **D. Community Services**

The location, type, and number of community attributes (both services and amenities) significantly impact housing market performance and the ability of a market to support existing and future residential development. A geographic area served by an abundance of amenities and services should be more desirable than one with minimal offerings, and its housing market should perform better accordingly. As a result, community attributes were examined throughout Beaufort County and for each submarket.

The Beaufort County area features several major thoroughfares that serve residents and commuters within most parts of the county. Interstate Highway 95 is located along the northwestern periphery of Beaufort County limits. There are several interchanges for I-95, providing convenient access on the northern and western portions of the county.

U.S. Highway 21 runs north-south and provides access to the unincorporated northern areas of Beaufort County, the City of Beaufort and the Town of Port Royal, continuing east-west into Lady's Island, St. Helena Island and the remaining unincorporated islands. U.S. Highway 278 runs east-west and provides access to the unincorporated southern areas of Beaufort County, the Towns of Bluffton and Hilton Head Island. State Route 170 runs east-west and connects the City of Beaufort, Town of Port Royal and Okatie, with direct access to U.S. Highway 278, leading into the Towns of Bluffton and Hilton Head Island. Notable streets that extend through much of the county include Bluffton Parkway, William Hilton Parkway, Savannah Highway, Parris Island Gateway, Ribaut Road, Sam's Point Road, Laurel Bay Road, Lady's Island Drive and Sea Island Parkway. Residential areas typically encompass large portions of these areas and there is superior access to services within the four major submarkets in comparison to similarly sized cities.

For each submarket, a summary of notable community attributes is provided that includes a brief narrative describing their collective scope and a map indicating their locations. These overviews should not be considered exhaustive evaluations of attributes offered within each area, since data and marketplace conditions change constantly.

### City of Beaufort Submarket

The City of Beaufort has numerous community services for residents living within the delineated borders of the submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, schools, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, and churches. The Beaufort Town Center, Cross Creek Plaza and Beaufort Plaza shopping centers are conveniently located within 3.0 miles of each other and contain staple stores such as Food Lion, BI-LO Grocery Store, Belk, T.J. Maxx, JC Penney, Lowe's, It's Fashion, Shoe Show, PetSmart and a Walmart Supercenter. In addition, there is a second Walmart Supercenter within the city limits. There are numerous restaurants, financial institutions and entertainment options including the Plaza Stadium Theatre, in the aforementioned shopping centers. Public schools include Beaufort Elementary, Middle and High Schools, Mossy Oaks Elementary School, Bridges Preparatory and Robert Smalls International Academy. Higher education options include campuses for USCB and Technical College of the Lowcountry (main campus).

The Beaufort Historic District offers a variety of community services including restaurants, retail/boutique shops, library, post office, financial institutions and churches. Important other attractions and landmarks in the Historic District include: the National Park Service Reconstruction Era Monument Center, Santa Elena History Center, Beaufort History Museum, Tidalholm, Robert Smalls House, Tabby Manse, Verdier House, Cuthbert-Scheper House, Lewis Reeve Sams House and The Castle. The Original Gullah Festival is held annually every Memorial Day weekend at the Henry C. Chambers Waterfront Park.

The central business district of the city contains numerous employers, including city and county government offices, along with various boutique shopping stores, restaurants, banks, and hotels. The Beaufort VA National Cemetery and various parks and athletic fields are located in the Uptown and Pigeon Point neighborhoods of Beaufort. Beaufort is also home to the Marine Corps Air Station Beaufort – Merritt Field, a military installation, and Laurel Bay, a military housing community.

Medical facilities in the submarket include AFC Urgent Care, Doctors Care: Beaufort and the Beaufort Memorial Hospital.

As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket and potential new residential projects. The submarket does not appear to be lacking any notable community services that would limit its ability to support future residential development.

### Town of Bluffton Submarket

The Town of Bluffton has numerous community services for residents living within the delineated borders of the submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, schools, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, parks and churches. Public schools include Bluffton Elementary, Middle and High Schools, Red Cedar Elementary School, Michael C. Riley Elementary School, Prichardville Elementary School, H.E. McCracken Middle School, River Ridge Academy and May River High School.

Notable shopping centers include Belfair Towne Village, Bluffton Commons at Belfair and Buckwalter Place. Staple stores including Target, Home Depot, Sam's Club, Best Buy, Petco Animal Supplies, Walmart Supercenter, Dollar Tree, Stein Mart, PGA Superstore, Hobby Lobby, CVS, Food Lion, Kroger Grocery Store, Publix Super Market, El Super Internacional are found within the aforementioned shopping centers.

Additional points of interest and activities including, but not limited to, Tennis Club of the Low Country at Rose Hill, Rose Hill Golf Club, Benchmark Fitness Center, Powerhouse Gym, Jiva Yoga Studio Bluffton, TrueFit Pilates & Training Center, Station 300, Buckwalter Recreation Center, Bluffton Recreation Center, Boys & Girls Club of Bluffton, Victoria Bluff Heritage Preserve/Wildlife Area, Bluffton Pool, Oscar Frazier Community Park and Fitness Trail.

Medical facilities include: St. Joseph's Candler Immediate Care, Doctors Care: Bluffton, Global Urgent Care Bluffton and Hilton Head Hospital-Bluffton Medical Campus

As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket. The submarket does not appear to be lacking any notable community services that will limit its ability to support future residential development.

### Town of Hilton Head Island Submarket

The Town of Hilton Head Island Submarket is comprised predominantly of gated communities containing single-family and attached owner-occupied condominiums, golf courses and their country clubs and pro shops. Vacation rental properties and resorts are abundant throughout this submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, parks and churches. Public schools include Hilton Head Island Elementary, Middle and High Schools.

Notable shopping centers include Fresh Market Shoppes, Festival Center, Coligny Plaza Shopping Center, Island Crossing Shopping Center, Circle Center, The Village at Wexford, The Plaza at Shelter Cove Shopping Center and Shelter Cove Towne Center. Staple stores including Publix Super Market, BI-LO, Piggly Wiggly, Kroger's, Whole Foods Market and Walmart Supercenter, T.J. Maxx, HomeGoods, Stein Mart, additional boutique shopping and discount stores are located within these centers. Tanger Outlet Stores 1 and 2 are located on the northern periphery of the submarket and include numerous factory store shopping options and dining opportunities.

Additional points of interest and activities including, but not limited to, Coligny Beach Park, Hilton Head Island Beach, Audubon Newhall Preserve, Coastal Discovery Museum, Jarvis Creek Park, Pirate's Island Miniature Golf, Adventure Cove Miniature Golf & Arcade, Legendary Golf Mini-golf, Van Der Meer Tennis Center, The Fitness Center at Spinnaker Resorts Hotel, Park Plaza Cinema, Northridge Cinema 10, Coligny Theatre, Breakthrough Fitness Center, Jiva Yoga Studio, Pure Barre, Zipline Hilton Head and Hilton Head Island Recreation Center are located throughout the submarket.

Medical facilities in the submarket include Moss Creek Orthopedic Urgent Care, Sea Pines Circle Immediate Care, Main Street Medical, Doctors Care: Hilton Head and the Hilton Head Hospital.

As for the current state of the submarket, the community services are believed to be adequate to serve the residents of the submarket and would support future residential development. The submarket does not appear to be lacking any community services that would limit or adversely impact residential development.

### Town of Port Royal Submarket

The Town of Port Royal Submarket contains the Marine Corps Recruiting Depot at Parris Island, which is a military installation. Parris Island also includes the Legends Golf Course and Pro Shop and the Parris Island Museum. Port Royal is also home to the Beaufort Naval Hospital, Beaufort County YMCA, Emancipation Oak, Historic Port Royal Foundation and the Historic Port Royal Walking Tour which is comprised of approximately 34 points of interest, including the Cypress Wetlands Park, Nature Trail, Overlook and Amphitheater. Public schools include Port Royal Elementary and Riverview Charter schools.

Other notable attractions and landmarks in the submarket include: Port Royal Farmer's Market, which is open on Saturdays 8:30-12:30, April through November, and offers fresh produce, seafood, plants, prepared food, honey, cheese and live music. The Sands Beach area contains a boardwalk, community beach and observation tower. Numerous activities including fishing charters and kayak rentals are available at the Port Royal Landing Marina, while the Paris Island Boat Landing offers boat launching, picnic and fishing areas.

Though there are no major shopping centers located within the Town of Port Royal, there are staple stores such as Piggly Wiggly Grocery Store, Maxway Variety Wholesaler, Dollar General and Sears Hometown Store. Additionally, many boutique shopping, spas and salons and dining options are available throughout this submarket.

While community services within the Town of Port Royal aren't as abundant or on the same scale as the other towns and cities in the county, this has not limited demographic growth or residential development activity in Port Royal. It is believed that any notable community services lacking in Port Royal can be reasonably accessed in one of the surrounding communities.

### Northern Unincorporated Submarket

The Northern Unincorporated Submarket is predominantly rural, with heavily wooded, undeveloped and agricultural lands. The most notable community services located within this submarket is Brays Island Plantation Golf Club, Old Sheldon Church Ruins and the Dale Community Center, its park, picnic area and athletic fields. Public schools include: Davis Elementary School, Whale Branch Elementary, Middle and High Schools, Shanklin Elementary School, Coosa Elementary School, Broad River Elementary School, Lowcountry Montessori School, and Battery Creek High School. It is of note that the Northern Unincorporated Submarket is deficient in notable shopping centers, grocery stores or medical facilities; however, residents of this area can reasonably access most typical community services with the City of Beaufort.

### Southern Unincorporated Submarket

The Southern Unincorporated Submarket is primarily a mix of rural lands and residential developments, though some commercial development also exists. The most notable community services located within this submarket are the University of South Carolina Beaufort: Hilton Head Gateway Campus, Technical College of the Lowcountry: New River Campus, Walmart Supercenter, Publix Super Market at New River Crossing, and Dollar Tree located along US Highway 278 in Okatie. Public schools include Okatie Elementary School, Daufuskie Island Elementary School and Beaufort Jasper-Academy for Career Excellence High School. Ferry boat transportation is available to Daufuskie Island. There are no notable medical facilities located within the Southern Unincorporated Submarket. For those community services that may be lacking in Southern Unincorporated submarket, residents should be able to access most other community services in Bluffton and Hilton Head.

### Unincorporated Islands Submarket

The Unincorporated Islands Submarket, including Lady's Island and St. Helena Island is predominantly residential, being comprised mostly of private housing communities with single-family homes, multifamily rental housing and vacation rental properties. Notable community services include Lady's Island Country Club Pines Course, Cat Island Sanctuary Golf Club, Hunting Island State Park and Lighthouse, Fripp Island Ocean Point Golf Links, Fort Fremont Historical Park and Preserve. Public schools include St. Helena Elementary School and Lady's Island Elementary and Middle Schools. There are various gas stations and convenience stores, restaurants, churches and discount shopping options located throughout this submarket, however there are no major staple stores or medical facilities located in this submarket. While this submarket lacks the scope of community services that are offered in the towns and city in the county, residents of this submarket can find most other community services in the nearby City of Beaufort.

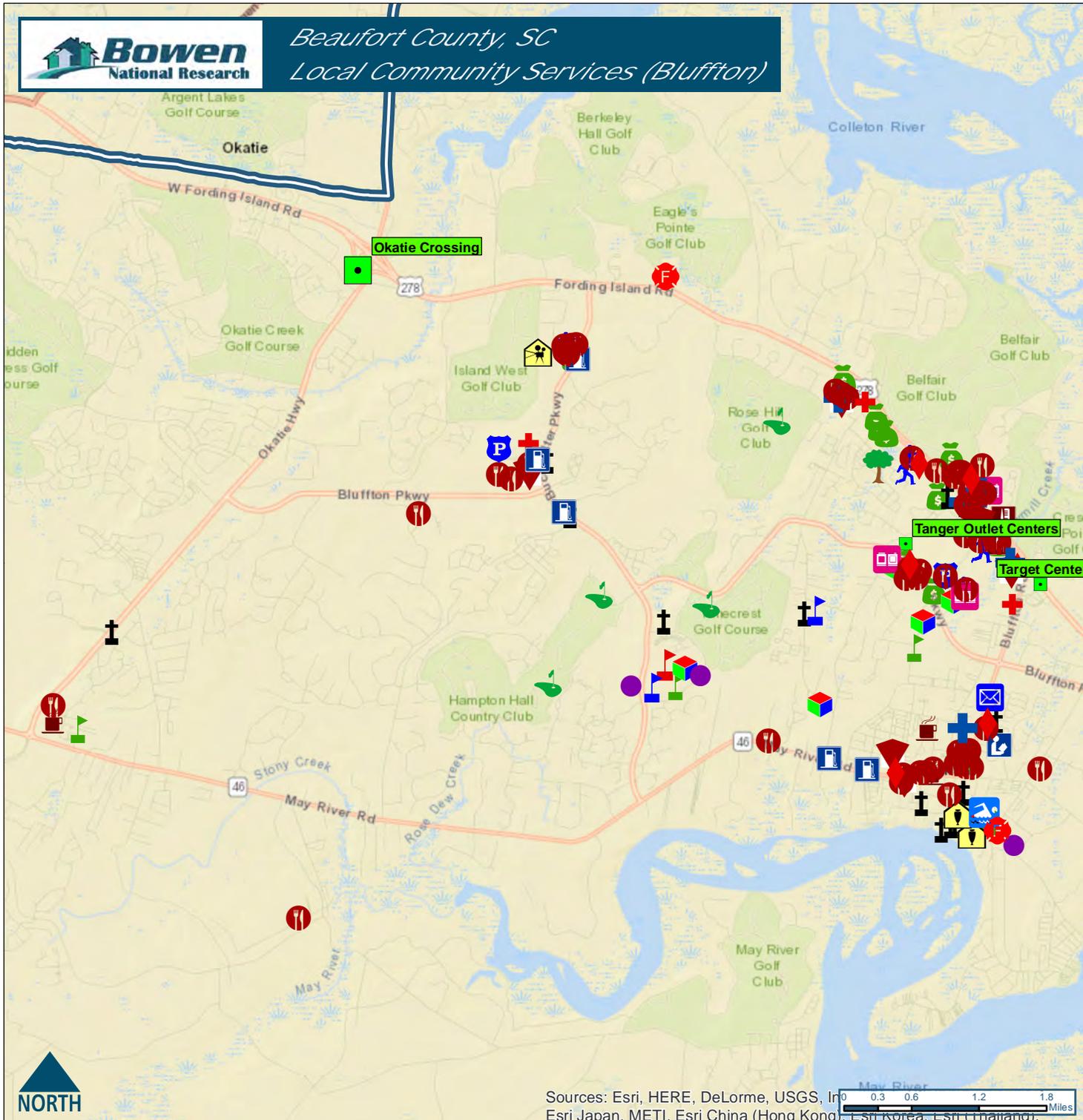
### **Overall PSA (County of Beaufort) Community Services Evaluation**

Overall, the four incorporated submarkets of Beaufort, Bluffton, Hilton Head Island and Port Royal are well served by community services, offering numerous services throughout the area. Grocery stores, pharmacies, schools, and affordable shopping choices are located throughout the PSA and conveniently serve most of the residents throughout Beaufort County.

While not all submarkets are fully served by the typical community services required by area residents, the existing tributaries and waterways throughout much of the county limit the access between certain communities, though it appears the impact is minimal. As a result, we believe access to community services is adequate for each submarket and will not influence housing choices towards one submarket over another.

Maps of notable community services within the study areas are included on the following pages.





*Legend*

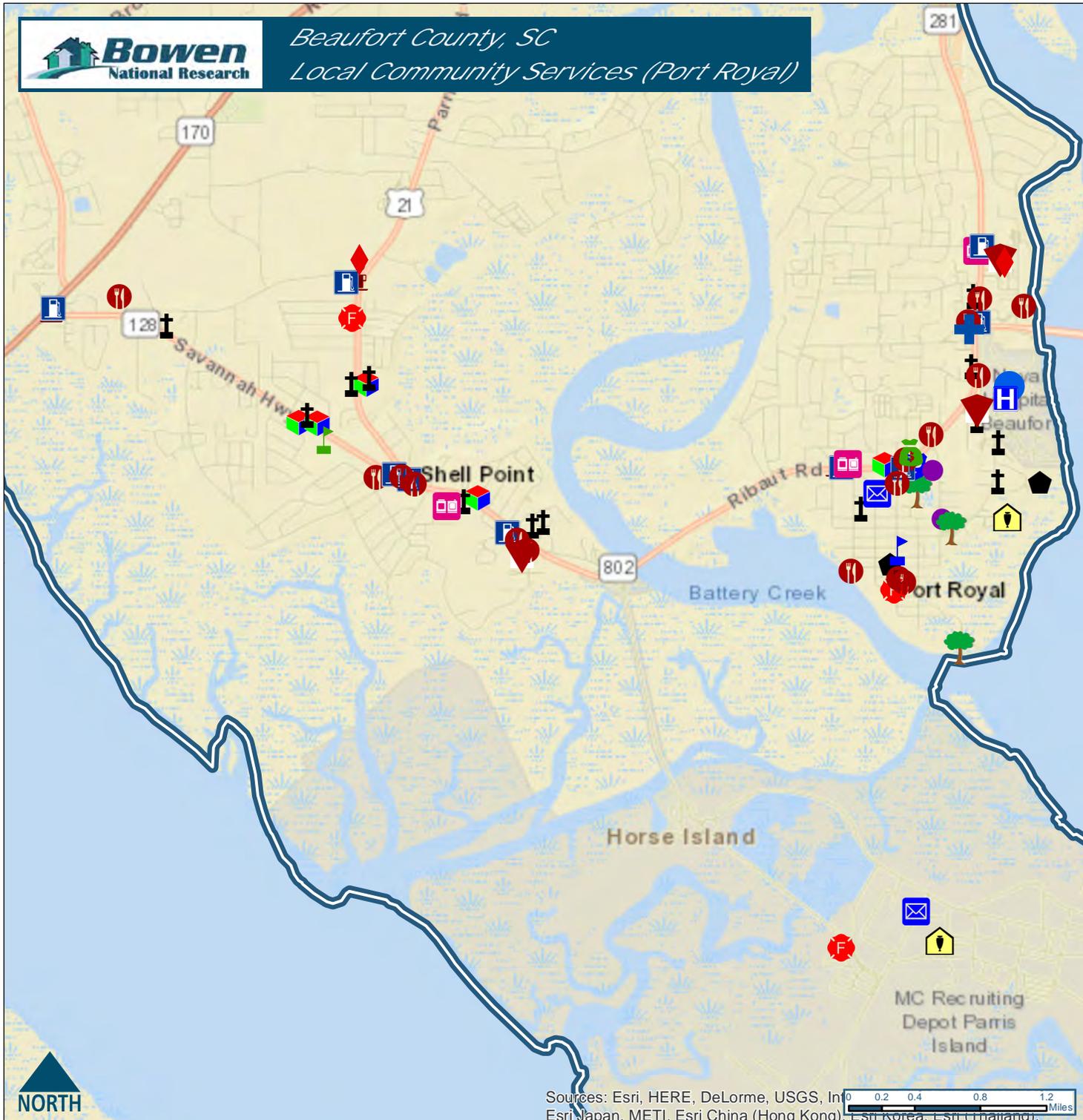
	Primary Study Area		Laundry
	Bank		Library
	Child Care		Medical Center
	Church		Middle School
	Cinema		Museum
	Convenience Store		Park
	Elementary School		Pharmacy
	Fire		Police
	Fitness Center		Post Office
	Gas		Recreation Center
	Golf		Restaurant
	Grocery		Shopping
	Hair		Swimming
	High School		

**Shopping Center**  
**Gross Leasable Area**

- < 500,000 sq. ft.
- < 3,200,000 sq. ft.

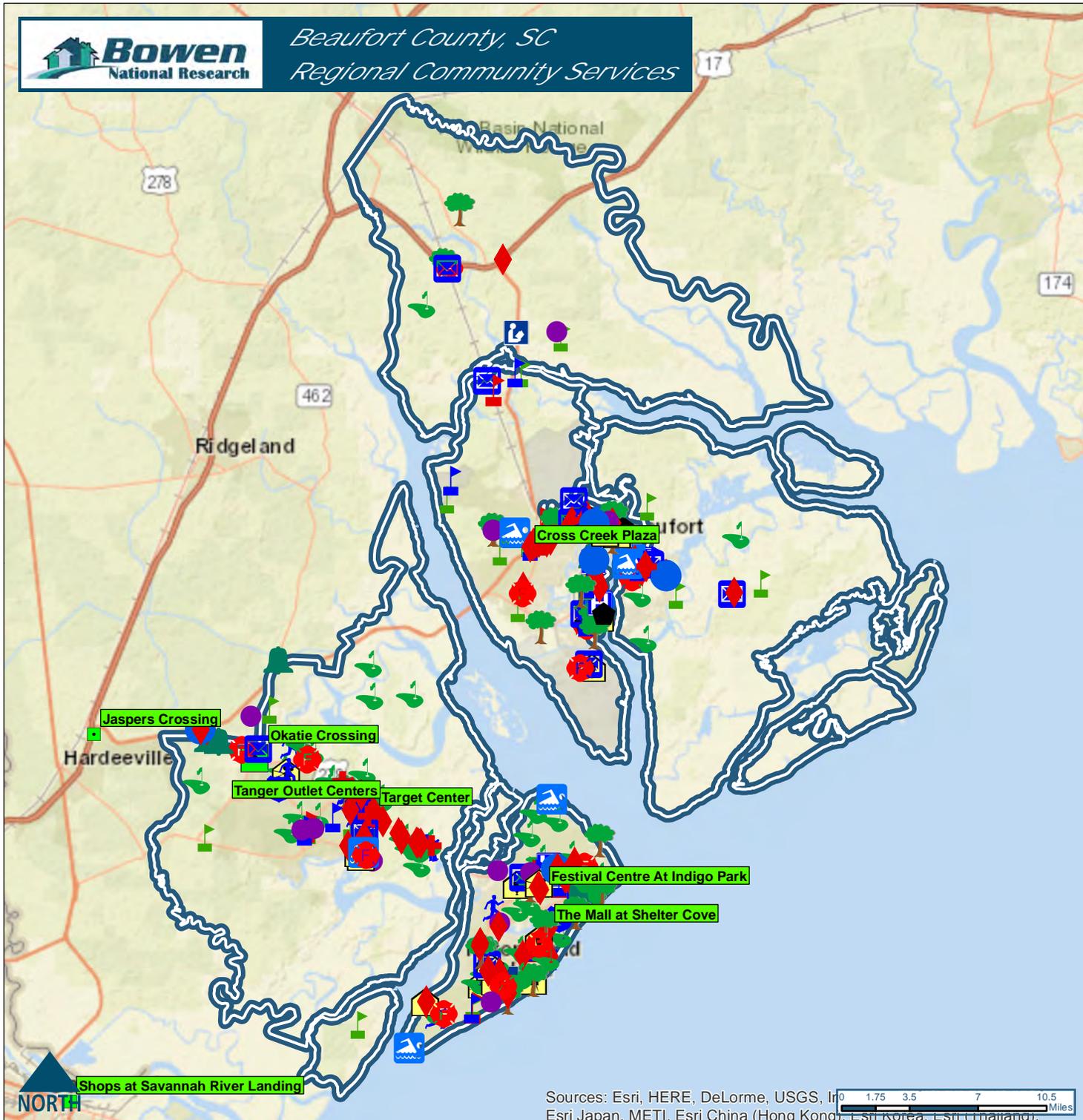






- Legend*
- Primary Study Area
  - Bank
  - Child Care
  - Church
  - Convenience Store
  - Elementary School
  - Fire
  - Gas
  - Grocery
  - Historic Site
  - Hospital
  - Laundry
  - Middle School
  - Museum
  - Park
  - Pharmacy
  - Police
  - Post Office
  - Recreation Center
  - Restaurant
  - Shopping
  - Employer 1000-5000





**Legend**

	Primary Study Area		park
	entertainment		police
	cinema		post office
	elementary school		recreation center
	fire		shopping
	fitness center		swimming
	golf		university
	high school		employers_1000_5000
	historic sites	<b>Shopping Center</b>	
	hospital	<b>Gross Leasable Area</b>	
	library		< 500,000 sq. ft.
	medical center		< 1,000,000 sq. ft.
	middle school		< 3,200,000 sq. ft.
	museum		< 3,200,000 sq. ft.

## E. Special Needs

### Overview

As part of this analysis, we collected and evaluated data relative to a variety of special needs populations in Beaufort County, depending upon the availability of such data. The following table summarizes the various special needs populations within the area that were considered in this report.

Special Needs Populations			
Special Needs Group	Persons	Special Needs Group	Persons
Physical/Mental Disabilities	25,381	Severe Mental Illness	2,707
Homeless Population	105	Seniors Ages 65+	45,297
Victims of Domestic Violence	149	Persons Living in Poverty	21,221
Active Military/Veterans	24,200/23,431	Teachers	1,632

The largest number of special needs persons is among seniors (age 65+), persons with physical and/or mental disabilities, military personnel (active and veterans), and persons living in poverty. As a result, these special needs populations should be kept in mind as policies, programs and incentives are developed to meet the overall housing needs of Beaufort County.

### Homeless Population

Beaufort County is located within South Carolina's Lowcountry Homeless Coalition (LHC) which encompasses seven (7) southern counties in South Carolina. CoCs around the United States are required to collect data for a point-in-time in January of each year. The last published point-in-time surveys were conducted in January 2017. This includes a count of persons who are classified as homeless, as well as an inventory of the housing specifically designated for the homeless population. The following table summarizes the homeless population within the county by various categories.

Homeless Persons	
Category	Number
Unsheltered	9
Sheltered	4
<b>Total</b>	<b>13</b>
Veterans	1
Chronically Homeless	1

Source: South Carolina Interagency Council on Homelessness: 2017 Point In Time Report

According to the South Carolina Interagency on Homelessness' 2017 Point In Time report, there were a total of 13 homeless persons in Beaufort County, which represents only 3.1% of the total homeless persons (425) counted within LHC's service area. Of these estimated 13 homeless persons, it is believed that nine (9) are unsheltered and could require housing.

It is important to note that there are many discrepancies regarding the actual number of homeless persons in the county. In part, this is due to the way HUD classifies people as homeless, as well as difficulties in monitoring and tracking the homeless population. According to a representative of the Beaufort County Human Services Alliance, 45 households consisting of 105 individuals were identified as completely homeless and received emergency lodging during the 2017 calendar year. A breakdown of the homeless individuals within these 45 households, by age, is included in the following table.

<b>Completely Homeless Households Receiving Emergency Lodging (2017)</b>	
<b>Category</b>	<b>Persons</b>
Children (Ages 0-17)	30
Adults (Ages 18-59)	49
Seniors (Age 60 and Older)	17
Other (Unknown)	9
<b>Total</b>	<b>105</b>

Source: Beaufort County Human Services Alliance (2017)

During the same time period (2017), the Alliance identified 712 households consisting of 2,164 persons that were classified as completely homeless, expecting to become homeless, or living with a friend or family member. A breakdown of the homeless individuals within these 712 households, by age, is included in the following table.

<b>Completely Homeless, Expecting to Become Homeless, or Living With Friend/Family Member (2017)</b>	
<b>Category</b>	<b>Persons</b>
Children (Ages 0-17)	852
Adults (Ages 18-59)	1,033
Seniors (Age 60 and Older)	197
Other (Unknown)	82
<b>Total</b>	<b>2,164</b>

Source: Beaufort County Human Services Alliance (2017)

Additionally, in the Beaufort County School District’s 2017 School Report Card, 56.3% of students were identified as living in poverty, which includes any student receiving Medicaid, TANF (Temporary Assistance for Needy Families) or SNAP (Supplemental Nutrition Assistance Program) benefits, foster children, and homeless children. According to the district’s 2017 Community Report Card, the district had 275 homeless students in 2016, an increase from the 98 homeless students recorded in 2012.

There is only one homeless shelter in the county, Family Promise of Beaufort County. This shelter offers a total of 14 beds, all for families. The Circle of Hope Shelter is under construction in the City at Beaufort and will include a homeless day center to the general population, with overnight shelter for 16 veterans (both men and women).

### Seniors Age 65 and Older

In 2017, there were 45,297 people age 65 or older that resided in 27,441 households within Beaufort County. The 27,441 senior households represent 36.8% of all households in the county. This senior cohort is projected to increase by 9,872 (21.8%) people and by 5,458 (19.9%) households. There are approximately 2,003 seniors living in poverty, representing 5.1% of the county's senior population. A very large majority of senior households in the county in 2017 were comprised of homeowners, representing 89.0% of all senior households. The remaining 11.0% were renters. Most (44.0%) senior renter households had incomes below \$35,000, while a notable share (37.8%) had incomes between \$35,000 and \$75,000. The greatest projected growth among senior renters between 2017 and 2022 is projected to occur among seniors with incomes between \$50,000 and \$99,999, though senior renters with incomes below \$15,000 will also increase notably. As such, senior rental housing product will likely need to be geared towards product affordable to low-income seniors and moderate-income seniors. With 202 senior renter households earning above \$100,000 expected to be added to the market between 2017 and 2022, new high-end senior rental product could also be supported. While all senior homeowner income segments are projected to increase by 300 or more households between 2017 and 2022, the greatest growth is projected to occur among senior homeowners earning \$100,000 to \$149,999. Regardless, a variety of senior-oriented for-sale product will be needed to meet the growing base of senior homeowners in the market. Based on our survey of area housing alternatives, there is a minimal number of senior-oriented housing units or housing developments offered or available in the county.

### Victims of Domestic Violence

As of a 2017 report published by the Violence Policy Center, South Carolina currently ranks 5<sup>th</sup> in the nation for the number of women killed by men as a result of domestic violence.

Hopeful Horizons is a local service provider that provides domestic violence victims with case management, counseling, emergency shelter and other related services. Hopeful Horizons operates a six-bedroom domestic violence shelter that can house up to 24 residents (women with children). If approved, residents can stay for up to 60 days while seeking services to transition back into a normal lifestyle. According to a Hopeful Horizons representative, the agency provided emergency shelter to 148 women and children in 2017, as well as one (1) man who was housed in a hotel. They provided transitional housing to 32 people (9 women and 23 children) in 2017 as well. This representative further stated that affordable housing is greatly lacking and is a huge challenge for their clients, and that the agency's transitional housing program is only funded through September 2018, unless the agency is able to source additional funding.

People Living in Poverty

According to the American Community Survey (2011-2015, five-year average) of Beaufort County, there were an estimated 165,807 people in the county. Of these people, approximately 21,221 were living in poverty. These people represent 12.8% of the county’s population. Of the persons under the age of 18, a total of 7,222 live in poverty, which represent 21.2% of the children in the county. A total of 11,996 (13.0%) people between the ages of 18 and 64 and 2,003 (5.1%) of seniors age 65 and older live in poverty. While the Beaufort County rental housing supply includes numerous government subsidized and Low-Income Housing Tax Credit projects, virtually all of these projects are fully occupied with long wait lists. As such, affordable housing and various social service packages (that may be offered at some projects) will be important to meet the needs of persons (and households) living in poverty.

Persons with Mental Health Issues

The Coastal Empire Community Mental Health Center (CECMHC) is located in the city of Beaufort and serves a five-county area. This facility is operated by the South Carolina Department of Mental Health. Below is a table summarizing the number of people with mental health issues served by CECMHC in Beaufort County in 2017.

Number of People Served in 2017	
Adults	1,934
Children/Adolescents/Families	773
Total	2,707

Source: Coastal Empire Community Mental Health Center

In 2017, CECMHC served a total of 2,707 people in Beaufort County. It is important to note that these numbers do not include persons that are incarcerated as many of those individuals are not considered an open case with CECMHC. The Center operates a Homeshare Program, which consists of private families opening their homes to persons with mental health issues for housing. Currently there are 23 beds in the Homeshare program, all of which are consistently full. CECMHC has requested funding to expand this program by five beds in the fall of 2018. Additionally, Canal Apartments in Beaufort offers 20 single-room occupancy units for persons with mental health issues that are able to live independently.

### Persons with Physical or Mental Disabilities

According to the American Community Survey 2016 estimates of the civilian non-institutionalized population, of the estimated 175,113 people in the county in 2016, 25,588 have reported one or more disabilities. These disabled persons represent 14.6% of the county's population. It is important to note that respondents to the ACS survey may report more than one type of disability, therefore the individual counts of persons with individual disabilities exceeds the total number of disabled persons in the county. Regardless, a total of 8,036 people reported a "cognitive difficulty" and 17,345 people reported an "ambulatory difficulty" and/or a "self-care difficulty". With more than 25,000 people in the county having some level of physical and/or mental disability, housing product that provides housing designs, features and supportive services that serve these special needs populations will be an important component to Beaufort County's housing needs.

### Active Military & Veterans

There are at least 24,200 military personnel currently within the three military installations in Beaufort County. These include the Marine Corps Recruit Depot (MCRD) Parris Island, Marine Corps Air Station (MCAS) Beaufort, and Naval Hospital (NH) Port Royal. While it was confirmed that approximately 20,000 military personnel are located at MCAS and roughly 4,200 military personnel are located at MCAS, we were unable to confirm the number of military personnel working at the Naval Hospital. According to local sources, the three military facilities have a combined housing capacity for approximately 1,454 people. As such, a large majority of personnel must find housing off the base, which has a significant influence on the local housing market.

According to the U.S. Department of Veterans Affairs (USVA), a total of 4,513 veterans received disability compensation and pension payments in 2017 in Beaufort County. In addition, according to the USVA, there were an estimated 23,431 Veterans residing in Beaufort County in 2017.

The active military personnel and veterans equal a combined total of nearly 50,000 personnel residing in Beaufort County. While on-base housing can accommodate a portion of this personnel, a majority of personnel must find housing off of the base. Military housing is discussed further on page 35 of this section.

### Teachers

According to the Beaufort County School Report Card (2017), there were approximately 1,632 teachers employed in Beaufort County schools. The report indicated that just over one-half (56.7%) of all teachers were on a continuing contract, which was slightly down from the 57.2% from the preceding year. The report also indicated that 87.2% of the teachers returned from the previous year, yielding an annual turnover rate of 12.8%. Less than 1.0% of teacher vacancies took more than nine weeks to fill.

Based on the Resident and Stakeholder Surveys completed as part of this analysis, many respondents believed there is a lack of affordable and available housing for middle-income occupations. Several of these comments were specific to teachers and classified school district employees, explaining the issues that this group faces in locating affordable housing in Beaufort County. Several of the survey respondents were teachers, and many of these teachers stated that they barely earn enough to afford to pay rent. Several teachers stated that they must work additional jobs and/or live with roommates to afford housing in Beaufort County. Teachers also stated that wages have not increased at the same rate as housing and utilities. The affordability problem is especially pronounced for beginning teachers, who have a low starting salary.

Certified staff (teachers) receive an annual locality supplement of \$3,000 from the Beaufort County School District (BCSD), while classified and administrative staff receive a \$1,000 locality supplement. The locality supplement for teachers and staff is meant to help pay for housing, utilities, and living expenses in Beaufort County. For teachers, the locality supplement is expected to increase to a maximum of \$5,000 in future years. According to BCSD, the starting salary for a first-year teacher ranges from \$35,156 with a Bachelor's degree to \$40,253 with a Master's degree. Teacher salaries for those with 24 or more years of experience range from \$55,827 for a Bachelor's degree to \$63,063 for a Master's degree. With an average salary of around \$50,000, most teachers could potentially afford a unit with a rent of up to \$1,250 or a home purchase of up to \$165,000. Based on Bowen National Research's survey of housing alternatives offered in Beaufort County, there is very limited availability of product, either for rent or for-sale, that would be financially viable for many teachers in the county, even with the current supplement that teacher's receive.

## **F. Heirs Property**

A possible development issue identified by stakeholders in Beaufort County pertains to heirs' property. Specifically, these are properties that do not possess "clear title", and were passed down to descendants of the original owner over several generations without officially transferring. This typically happens when a landowner dies without a will, and the land is owned in common by all descendants (heirs). In order to obtain "clear title", all heirs must be identified. In a situation where "clear title" cannot be obtained, land cannot be transferred or sold to another party.

The Center for Heirs Property, an organization located in Charleston, deals specifically with heirs' property issues in several South Carolina counties. According to this organization, over 41,000 acres of heirs' property still needs to be protected within its seven-county core service area, which includes Beaufort County. This organization also holds office hours once a month at the Beaufort Town Center to meet with prospective clients. Advice and services given to clients by The Center for Heirs Property includes assisting with legal wills, resolving disputes among family members that jointly own heirs' property, and assisting with a forestry management plan.

Joshua Walden, lead attorney for The Center for Heirs Property, stated that an estimated 4,000 to 5,000 acres in Beaufort County may be affected by heirs' property issues. In his experience, most parcels affected by these issues are 10 acres or less, and primarily involve single-family homes. In his estimation, most properties involved with heirs' property are rural. Mr. Walden also indicated that heirs' property may be less of an issue (initially) with rural properties, as family members may be able to reside on the land without these issues becoming a factor.

Heirs' property issues can also take a significant amount of time to resolve. According to Mr. Walden, heirs' property issues can be cleared up in three to six months if the proper deeds have been recorded, and if all direct descendants (heirs) have been identified. In many instances, it may take years to resolve these issues if current property deeds have not been recorded, or if direct descendants of family members cannot be located.

Mr. Walden also indicated that heirs' property issues do affect development of real estate in Beaufort County, especially in rural areas. He also stated that these are often socio-economic issues, which can be further exacerbated by predatory development (i.e. an unrelated person acquiring a small share of property to force the sale of the entire property). In South Carolina, The Uniform Partition of Heirs' Property Act went into effect in January 2017. This law granted additional rights for descendants affected by heirs' property issues, including trying to prevent this predatory activity from occurring. Mr. Walden stated it is too soon to tell what effect this law will have on heirs' property issues, but noted that the law was not designed to reduce the amount of time it takes to resolve

these issues. It is still a “long, arduous process” to engage all heirs when these issues occur.

Based on our research, while as much as 5,000 acres could be impacted by heirs’ property issues that prevents such land from currently being developed in the county, much of this land appears to be in the more rural and unincorporated portions of the county. However, based on our cursory review of available and marketed land in the county, there appears to be sufficient land and unused/underused buildings that can physically support new residential development of 6,000 to 9,000 residential units. As a result, we believe in the short-term (one to five years) land being held up from development due to heirs’ property issues will not be an issue. However, long-term development could be limited or impacted once more of Beaufort County is built out. Therefore, this issue should continue to be monitored in the years ahead.

#### **G. Military Personnel**

Overall, there are at least 24,200 military personnel stationed within Beaufort County at any one time. Given the number of personnel and their families, the local military presence has a significant influence on the area’s economy and housing market. As such, the presence of the military is evaluated in this report.

Beaufort County includes three military bases. Summary information on each of the three bases is listed below:

- **Marine Corps Recruit Depot (MCRD) Parris Island** is located in the Town of Port Royal, approximately 10.0 miles south of Downtown Beaufort. MCRD Parris Island hosts approximately 20,000 Marine recruits per year, and is the training site for all recruits in the Eastern Recruiting Region (east of the Mississippi River). Each Marine recruit participates in a 12-week Basic Training session. Scheduled graduation sessions for Marine companies are scheduled to take place on a weekly or bi-weekly basis throughout 2018. In addition to Marine recruit training, Parris Island also trains drill instructors, and hosts a battalion for weapons and field training. Approximately 6,130 people (military and non-military) are employed on the base. The base has 261 housing units.
- **Marine Corps Air Station (MCAS) Beaufort** is located on Geiger Boulevard in the City of Beaufort. This military base is located approximately 5.0 miles northwest of Downtown Beaufort. MCAS Beaufort contains approximately 4,200 military personnel on a 6,900-acre site. These personnel are part of Marine Aircraft Group (MAG-31), and are part of squadrons that are regularly deployed overseas for training missions. A portion of this installation includes the Laurel Bay military housing area. Approximately 7,253 people (military and non-military) are employed on the base. The base has approximately 1,140 housing units.

- **Naval Hospital (NH) Beaufort** is located on Pinckney Boulevard in the northern portion of Beaufort County in Port Royal, approximately 4.5 miles southwest of Downtown Beaufort. This hospital provides medical care for Navy and Marine Corps personnel, family members, and retired military. The hospital campus includes housing for active duty military personnel, retail and convenience stores, a credit union, and recreation facilities. Branch health clinics operated by NH Beaufort are located at both MCRD Parris Island and MCAS Beaufort Merritt Field. Approximately 1,519 people (military and non-military) are employed on the base. The base has 53 housing units.

Military service members at all three facilities can reside at housing located on-base (if available). Overall, there are approximately 1,454 military housing units offered in Beaufort County. According to local sources, these units operate at an occupancy rate of around 94% to 96%, and are occupied by active duty military personnel, Department of Defense Contractors, and retirees. Service members receive a Basic Allowance for Housing (BAH) if government housing is not furnished to them. The BAH can be used to pay for private housing off-base, and is designed to cover 96% of the cost of a median-price housing unit including utilities. The amount a service member receives for a BAH depends on rank, and whether this service member has any dependents.

For Beaufort/Parris Island, the 2018 BAH will range from \$1,191/month for an E-1 to \$1,995/month for an O-7 (without dependents); and \$1,512/month for an E-1 to \$2,370/month for a O-7 (with dependents). The table below shows the 2018 BAH by rank and dependent status for Beaufort/Parris Island:

2018 Basic Allowance for Housing (By Rank)		
Rank	Without Dependents	With Dependents
E-1 to E-4	\$1,191	\$1,512
E-5	\$1,323	\$1,623
E-6	\$1,410	\$1,764
E-7	\$1,515	\$1,833
E-8	\$1,653	\$1,911
E-9	\$1,689	\$2,022
W-1	\$1,479	\$1,773
W-2	\$1,650	\$1,866
W-3	\$1,698	\$1,962
W-4	\$1,776	\$2,046
W-5	\$1,845	\$2,142
O-1E	\$1,623	\$1,848
O-2E	\$1,683	\$1,944
O-3E	\$1,755	\$2,058
O-1	\$1,395	\$1,641
O-2	\$1,584	\$1,761
O-3	\$1,710	\$1,959
O-4	\$1,833	\$2,175
O-5	\$1,875	\$2,331
O-6	\$1,947	\$2,352
O-7	\$1,995	\$2,370

Source: Defense Travel Management Office (Department of Defense)

In 2018, service members are expected to contribute 4.0% of their total housing costs, relative to median housing costs. In 2019, the service member contribution will be 5.0% of total housing costs. According to the BAH Primer (published by the Defense Travel Office), government housing is typically assigned based on family size (number of dependents), and typically features larger unit sizes compared with off-base housing.

Atlantic Marine Corps Communities (AMCC) at Tri-Command manages private housing on Beaufort County military bases. Housing communities are located at Laurel Bay, Pine Grove, Parris Island, and the Naval Hospital. These communities rent to active duty military, national guard and reserves, department of defense employees, contractors, and military retirees. A searchable directory of available units by rank and bedroom type is featured on the AMCC website ([tc.atlanticmcc.com](http://tc.atlanticmcc.com)). As of February 2018, this website was advertising a rent concession totaling \$1,000 in moving costs for eligible renters living off-base in Beaufort County. Advertised rents ranged from \$1,055 for a two-bedroom/one-bath unit (1,187 square feet) to \$1,512 for a three-bedroom/2.5-bath unit (1,635 square feet) to service members with a rank of E-1 to E-5. Four-bedroom/2.5-bath units are available to service members at a higher rank starting at \$1,932/month (2,900 square feet). Laurel Bay, the largest community, includes three elementary schools, two community centers, a youth center, fire station, and gas station. Recreation amenities at Laurel Bay include playgrounds, sports courts, picnic areas, and two swimming pools.

Based on this analysis, the existing military housing can only accommodate a portion of military personnel, DOD contractors and retired veterans. As such, many base personnel must seek housing off base. While the basic housing allowances appear to enable military personnel to afford many off base rental housing options, the limited availability of off base housing likely poses a challenge for some military personnel. Given the basic housing allowance provided by the military is generally above the typical price of most rental alternatives offered in Beaufort County, it is likely that this allowance is inflating the asking price of many of the area's market-rate rental alternatives, which is likely making housing less affordable for many area residents, particularly low-income households.

## VIII. Housing Gap/Demand Analysis

### Introduction

Since the development of new housing in the PSA (Beaufort County) could include a variety of financing options, our estimates for the number of new residential units that can be supported consider a variety of income levels. For the purposes of this analysis, we have segmented *rental* housing demand into five income segments, while the for-sale housing demand considers three income stratifications. We have provided demand estimates for the short-term (2017 to 2017) and long-term (2017 to 2027) for the county.

#### 1. Income Stratifications

Housing to meet the housing needs of both current and future households in the market will most likely take the shape of multifamily, duplex and single-family housing alternatives. There are a variety of financing mechanisms that can support the development of housing alternatives such as federal and state government programs, as well as conventional financing through private lending institutions. These different financing alternatives often have specific income and rent restrictions, which affect the market they target.

For the purposes of identifying housing needs by affordability level, we have evaluated the market's ability to support housing based on a variety of levels of income/affordability. While there may be overlap among these four levels due to program targeting and rent levels charged, we have established specific income stratifications that are exclusive of each other in order to eliminate double-counting demand. The levels of affordability are described below:

- **Extremely Low-Income Households (Rental Demand Only)** – There are a variety of federal housing programs that assist in meeting the needs of extremely low-income households. While the actual parameters for qualifying housing based on income levels are affected by the program type, household size limits, and other programmatic restrictions, most projects targeting extremely low-income households and using federal housing program financing or assistance are occupied by households with annual incomes under \$20,000. This income level generally represents 30% of Area Median Household Income (AMHI) levels (depending upon household sizes) and is often associated with federally assisted projects. For the purposes of this analysis, we have limited our demand estimates for housing that serves extremely low-income households to households with income of up to \$19,999. This demand was only considered for rental demand, as very few extremely low-income households can afford home buying.

- **Very Low-Income Households (Rental Demand Only)** – There are a variety of federal and state housing programs that assist in meeting the needs of very low-income households. While the actual parameters for qualifying housing based on income levels are affected by the program type, household size limits, and other programmatic restrictions, most projects targeting very low-income households and using federal and state housing program financing or assistance are occupied by households with annual incomes between \$20,000 and \$34,999. This income level generally represents between 31% and 50% of AMHI levels (depending upon household sizes) and is often associated with federal and state assisted projects. For the purposes of this analysis, we have limited our demand estimates for housing that serves very low-income households to households with incomes between \$20,000 and \$34,999. This demand was used for only rental housing.
- **Low-Income Households (Rental and For-Sale Demand)** – Development of housing for low-income households is often financed through state issued (but federally financed) Tax Credits under the Section 42 program, as well as some government subsidized programs. Such housing is restricted to households with incomes between 51% and 80% of AMHI. While the minimum income requirement is usually based on the lowest gross rent that a Tax Credit project would charge, for the purposes of this analysis, we have limited the minimum income requirement to the maximum income limit (\$35,000) used for the very low-income households demand estimates. The maximum income limit used for this housing segment is \$59,999. Demand for this income range was used for both rental and for-sale housing.
- **Moderate-Income Households (Rental and For-Sale Demand)** – For the purposes of this analysis, we assume households with incomes above 80% of AMHI but no greater than 120% are considered moderate-income households. The income levels used for this housing segment is \$60,000 to \$84,999, for both rental and for-sale housing.
- **High-Income Households (Rental and For-Sale Demand)** - Projects that are not limited by federal and state government programs are typically considered market-rate housing. Market-rate units can fall within the entire spectrum of affordability, as it is up to ownership and management of a market-rate project to determine the rents to charge and the corresponding income qualifications of prospective residents. For the purposes of this analysis, we assume households with incomes above 120% of AMHI will respond to market-rate housing. The income level used for this housing segment is \$85,000 and higher. This demand was conducted for both rental and for-sale housing.

The following table summarizes the income segments used in this analysis to estimate potential housing demand. (Note: Income bands were established by determining the HUD published maximum allowable income level for a family of four for each of the various percentages of Area Median Household Income levels considered in this report.

Income Range	
Household Type (% AMHI)	Income Range
Extremely Low-Income (<30% of AMHI)	<\$20,000
Very Low-Income (31% to 50% of AMHI)	\$20,000 to \$34,999
Low-Income (51% to 80% of AMHI)	\$35,000 to \$59,999
Moderate-Income (81% to 120% AMHI)	\$60,000 to \$84,999
High-Income (Above 120% AMHI)	\$85,000+

AMHI – Area Median Household Income

\*Maximum income limits based on approximate income limit of four-person households, per HUD published data.

While different state and federal housing programs establish income and rent restrictions for their respective programs, in reality, there is potential overlap between windows of affordability between the programs. Further, households who respond to a certain product or program type vary. This is because housing markets are highly dynamic, with households entering and exiting by tenure and economic profile. Further, qualifying policies of property owners/management and lenders impact the households that may respond to specific project types. As such, while a household may prefer a certain product, ownership/management/lender qualifying procedures (i.e. review of credit history, current income verification, criminal background checks, etc.) may affect housing choices that are available.

Regardless, we have used the preceding income segmentations as the ranges that a typical project would use to qualify residents, based on their household income. Ultimately, any new product added to the market will be influenced by many decisions made by the developer and management. This includes eligibility requirements, design type, location, rents, amenities and other features. As such, our estimates assume that the rents/prices, quality, location, design and features are marketable and will appeal to most households.

## 2. Rental Housing Needs

There are generally five primary sources of demand for new rental housing. These sources include the following:

- New Housing Needed to Meet Projected Household Growth
- Additional Units Required for a Balanced Market
- New Household Formations
- Replacement Housing for Demolished and Substandard Housing
- External Market Support

Since the focus of this report is on the specific housing needs of Beaufort County, we have focused the rental housing demand estimates on the metrics that only impact the PSA (Beaufort County).

### **New Renter Household Growth**

The first source of demand is generally easily quantifiable, and includes the net change in renter households between the baseline year of 2017 and the projection year of 2022. Supplemental housing gap estimates were also provided for the period of 2017 to 2027, that included growth during this period.

### **Units Required for a Balanced Market**

The second demand component considers the number of units a market requires to offer balanced market conditions, including some level of vacancies. Healthy markets require approximately 4% to 6% of the rental market to be available in order to allow for inner-market mobility and encourage competitive rental rates. Markets with vacancy rates below a healthy rate often suffer from rapid rent increases, minimal tenant turnover (which may result in deferred maintenance), and residents being forced into housing situations that do not meet their housing needs. Markets with low vacancy rates often require additional units, while markets with high vacancy rates often indicate a surplus of rental housing. The vacancy rates by program type and/or affordability level used to determine if there is a deficit or surplus of rental units are based on our survey of area rental alternatives. We used vacancy rates of 3% to 5% to establish balanced market conditions.

### **New Household Formations**

In market situations where there is no available housing from to which people can move, households either become overcrowded as families grow through marriage or births, or they choose to leave the market. However, when new product is introduced, new households are either created (households split as a portion of the family now has available housing they can move into) or residents living outside the market move to the market now that there is available housing. This is particularly true in markets where new housing units are rarely added to the market or household growth far outpaces the introduction of new units.

Based on US Census data, an estimated 6.0% of renter households are living in overcrowded housing situations, which likely includes many multigenerational households and could create a new household if housing became available. We have applied this share to the base of renter households by income to estimate the potential support for new housing that could originate from new household formations.

### **Replacement Housing**

Demand for new units as replacement housing takes into consider that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing and/or are overcrowded) or units expected to be removed from the housing stock through demolitions. Based on Census demographic data included in this report, approximately 3.3% of renter households living in the county are living in substandard housing (e.g. lacking complete plumbing).

### **External Market Support**

Market support can originate from households not currently living in the market. This is particularly true for people working in Beaufort County but who currently live outside of the county and would consider moving to Beaufort County, if adequate and affordable housing that met residents' specific needs were offered. Currently, there are few *available* housing options in the county. As such, external market support will likely be created if new housing product is developed in Beaufort County.

Based on our experience in evaluated rental housing in markets throughout the country, it is not uncommon for new product in a rapidly developing area such as Beaufort County to attract as much as 10% to 20% of its support from outside the county limits. As a result, we have assumed that 10% of the demand for new housing will originate from people moving from outside the county.

The tables on the following pages include demand calculations for rental units targeting the income segments considered in this analysis.

**Note: We only included residential rental units currently in the development pipeline that are confirmed as planned or under construction. Conversely, we have excluded projects that have not secured financing, are under preliminary review or have not established a specific project concept (e.g. number of units, rents, target market, etc.). Any vacant housing units are accounted for in the “Units Required for a Balanced Market” portion of our demand estimates.**

## Short-Term (2017-2022) Rental Demand Projections

### 2017 - 2022 Rental Demand Potential by Income Level & Rent Beaufort County, South Carolina Primary Study Area

Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
<b>I. Growth Demand (Household-Based):</b>					
2017 Renter Households	4,079	4,115	6,381	4,020	3,650
2022 Total Estimated Renter Households	4,522	4,200	6,870	4,499	4,261
New Renter Household Growth Over Projection Period (5 Years)	<b>443</b>	<b>85</b>	<b>489</b>	<b>479</b>	<b>611</b>
<b>II. Total Units Needed For Balanced Market</b>					
2017 Occupied Rental Housing Units	4,079	4,115	6,381	4,020	3,650
Percent of Vacant Units Required to Reach a Balanced Market	3.0%	5.0%	5.0%	5.0%	5.0%
Estimated Vacant Units for Balanced Market	126	217	336	212	192
Estimated Vacant Units Currently in Market*	0	0	84	132	121
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>126</b>	<b>217</b>	<b>252</b>	<b>80</b>	<b>71</b>
<b>III. New Household Formations</b>					
Total Occupied Rental Units in 2017	4,079	4,115	6,381	4,020	3,650
Estimated Share of Overcrowded or Multigenerational Housing**	6.0%	6.0%	6.0%	6.0%	6.0%
Total Potential Household Formation 2022	<b>245</b>	<b>247</b>	<b>383</b>	<b>241</b>	<b>219</b>
<b>IV. Replacement Housing</b>					
Total Occupied Rental Units in 2017	4,079	4,115	6,381	4,020	3,650
Percent of Replacement Housing Needed ***	3.3%	3.3%	3.3%	3.3%	3.3%
Total Replacement Housing Needed by 2022	<b>135</b>	<b>136</b>	<b>211</b>	<b>133</b>	<b>121</b>
<b>V. External Market Support</b>					
Total Internal Market Demand (From II to IV)	506	600	846	454	411
Percent of Housing Support Expected to Originate Outside of PSA^	10%	10%	10%	10%	10%
Total Potential External Market Support for Rental Housing	<b>51</b>	<b>60</b>	<b>85</b>	<b>45</b>	<b>41</b>
<b>VI. Housing Needs Summary</b>					
New Income-Qualified Renter Household	443	85	489	479	611
Units Needed for Balanced Market	126	217	252	80	71
New Household Formations	245	247	383	241	219
Replacement Housing Needed	135	136	211	133	121
Total External Market Support	51	60	85	45	41
Gross Demand of Units Needed	1,000	745	1,420	978	1,063
Units in the Development Pipeline (Planned Projects)	-19	-201	-565	-599	-660
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>981</b>	<b>592</b>	<b>807</b>	<b>379</b>	<b>403</b>

\*Based on Bowen National Research's survey of area rentals

\*\*Based on ESRI/ACS estimates for overcrowded/multigenerational households

\*\*\*Based on ESRI/ACS estimates of units lacking complete indoor plumbing

^Based on Bowen National Research proprietary research and ACS migration patterns for Beaufort County

## Long-Term (2017-2027) Rental Demand Projections

### 2017 - 2027 Rental Demand Potential by Income Level & Rent Beaufort County, South Carolina Primary Study Area

Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
<b>I. Growth Demand (Household-Based):</b>					
2017 Renter Households	4,079	4,115	6,381	4,020	3,650
2027 Total Estimated Renter Households	4,965	4,285	7,359	4,978	4,872
New Renter Household Growth Over Projection Period (10 Years)	<b>886</b>	<b>170</b>	<b>978</b>	<b>958</b>	<b>1,222</b>
<b>II. Total Units Needed For Balanced Market</b>					
2017 Occupied Rental Housing Units	4,079	4,115	6,381	4,020	3,650
Percent of Vacant Units Required to Reach a Balanced Market	3.0%	5.0%	5.0%	5.0%	5.0%
Estimated Vacant Units for Balanced Market	126	217	336	212	192
Estimated Vacant Units Currently in Market*	0	0	84	132	121
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>126</b>	<b>217</b>	<b>252</b>	<b>80</b>	<b>71</b>
<b>III. New Household Formations</b>					
Total Occupied Rental Units in 2017	4,079	4,115	6,381	4,020	3,650
Estimated Share of Overcrowded or Multigenerational Housing**	6.0%	6.0%	6.0%	6.0%	6.0%
Total Potential Household Formation	<b>245</b>	<b>247</b>	<b>383</b>	<b>241</b>	<b>219</b>
<b>IV. Replacement Housing</b>					
Total Occupied Rental Units in 2017	4,079	4,115	6,381	4,020	3,650
Percent of Replacement Housing Needed ***	3.3%	3.3%	3.3%	3.3%	3.3%
Total Replacement Housing Needed	<b>135</b>	<b>136</b>	<b>211</b>	<b>133</b>	<b>121</b>
<b>V. External Market Support</b>					
Total Internal Market Demand (From II to IV)	506	600	846	454	411
Percent of Housing Support Expected to Originate Outside of PSA <sup>^</sup>	10%	10%	10%	10%	10%
Total Potential External Market Support for Rental Housing	<b>51</b>	<b>60</b>	<b>85</b>	<b>45</b>	<b>41</b>
<b>VI. Housing Needs Summary</b>					
New Income-Qualified Renter Household	886	170	978	958	1,222
Units Needed for Balanced Market	126	217	252	80	71
New Household Formations	245	247	383	241	219
Replacement Housing Needed	135	136	211	133	121
Total External Market Support	51	60	85	45	41
Gross Demand of Units Needed	1,443	830	1,909	1,457	1,674
Units in the Development Pipeline (Planned Projects)	-19	-201	-565	-599	-660
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>1,424</b>	<b>629</b>	<b>1,344</b>	<b>858</b>	<b>1,014</b>

\*Based on Bowen National Research's survey of area rentals

\*\*Based on ESRI/ACS estimates for overcrowded/multigenerational households

\*\*\*Based on ESRI/ACS estimates of units lacking complete indoor plumbing

<sup>^</sup>Based on Bowen National Research proprietary research and ACS migration patterns for Beaufort County

Based on the preceding demand estimates, it is clear that there is a notable level of *short-term* (2017 to 2022) demand among all household income levels within Beaufort County. There is an overall short-term housing need for over 3,100 additional rental units in the county over the next five years, even when more than 2,000 rental housing units in the development pipeline are considered. While the greatest need appears to be for the lowest income households, there is also a significant need for moderate-income and high-income households. As such, future rental housing development should consider a variety of rent and income-eligibility levels.

Based on the demographics of the market, including projected household growth estimates, it appears that approximately one-quarter to one-third of the demand for new rental housing could be specifically targeted to meet the needs of area seniors, though a project could be built to meet the housing needs of both seniors and families concurrently. A unit of around 25% to 35% one-bedroom units, 50% to 60% two-bedroom units, and 10% to 20% three-bedroom units should be the general goal for future rental housing, though senior-oriented projects should consider unit mixes closer to 50% for both one- and two-bedroom units each.

It is critical to understand that these estimates represent potential units of demand by targeted income level. The actual number of rental units that can be supported will ultimately be contingent upon a variety of factors including the location of a project, proposed features (i.e. rents, amenities, bedroom type, unit mix, square footage, etc.), product quality, design (i.e. townhouse, single-family homes, or garden-style units), management and marketing efforts. As such, each targeted segment outlined in the table above may be able to support more or less than the number of units shown in the table. The potential number of units of support should be considered a general guideline to residential development planning.

## 2. For-Sale Housing Demand Estimates

This section of the report addresses the market demand for for-sale housing alternatives in the PSA (Beaufort County). Unlike the rental housing demand analysis, the for-sale housing analysis considers only three income segments: households making \$30,000 to \$59,999, between \$60,000 and \$84,999, and \$85,000 and higher. The lowest income segment should generally be able to afford product priced between \$100,000 and \$199,999, the middle-income segment should be able to afford product generally priced between \$200,000 and \$299,999, while the higher income segment should be able to afford product priced at \$300,000 and higher.

Naturally, there are cases where a household can afford a higher down payment to purchase a more expensive home. There are also cases in which a household purchases a less expensive home although they could afford a higher purchase price. The actual support for new housing will ultimately be based on a variety of factors such as price points, square footages, amenities, design, quality of finishes, and location. Considering these variations, this broad analysis provides the basis in which to estimate the *potential* sales of new for-sale housing within the PSA.

There are a variety of factors that impact the demand for new homes within an area. In particular, area and neighborhood perceptions, quality of school districts, socioeconomic characteristics, mobility patterns, demolition and revitalization efforts, and availability of existing homes all play a role in generating new home sales. Support can be both internal (households moving within the market) and external (households new to the market).

While new household growth alone is often the primary contributor to demand for new for-sale housing, the age and condition of the existing housing stock can be indicators that demand for new housing will also be generated from the need to replace some of the older housing stock. Overall, we have considered the following specific sources of demand for new for-sale housing in the PSA (Beaufort County).

- Household Growth
- Units Required for a Balanced Market
- New Household Formations (Renters Converting to Homeowners)
- Replacement Housing for Functionally Obsolete/Substandard Housing
- External Market Support

### New Household Growth

We use owner household growth projections from 2017 to 2022 based on ESRI estimates for Beaufort County. This projected growth was evaluated for each of the three targeted income segments. We have also considered growth from 2017 to 2027 in our long-term demand estimates.

It should be noted that changes in the number of households within a specific income segment does not necessarily mean that households are coming to or leaving the market, but instead, many of these households are likely to experience income growth or loss that would move them into a higher or lower income segment. Additionally, should additional for-sale housing become available, either through new construction or conversion of rental units, demand for new for-sale housing could increase.

### **Units Required for a Balanced Market**

Typically, healthy for-sale housing markets should have approximately 2% to 3% of its inventory vacant. Such vacancies allow for inner-market mobility, such as households upsizing or downsizing due to changes in family composition or income, and for people to move into the market. When markets have too few vacancies, housing prices often escalate at an abnormal rate, homes can get neglected, and potential homebuyers can leave a market. Conversely, an excess of homes can lead to stagnant or declining home prices, property neglect, or lead to such homes being converted to rentals. For the purposes of this analysis, we have assumed a 3.0% vacancy rate for a balanced market and accounted for for-sale housing units currently available for purchase in the market.

### **Renters Converting to Homeowners**

A common component for for-sale housing demand originates from renters that convert to homeowners. This is typically renters whose incomes have increased to a point that they can afford a home purchase and households whose housing situation has changed due to marriage and having children. Based on secondary data sources, it is estimated that approximately 4% of renters will convert to homeowners in a given year. We have used this 4% in our conversion rate of renters to owners.

### **Replacement Housing**

Demand for new units as replacement housing takes into consideration that while some properties are adequately maintained and periodically updated, a portion of the existing stock reaches a point of functional obsolescence over time and needs to be replaced. This comes in the form of either units that are substandard (lacking complete plumbing) or units expected to be removed from the housing stock through demolitions. Based on Census data, 0.6% of the owner households live in substandard housing. Given that it is more likely lower-income households live in such substandard housing, we have applied 1.0% share to the lowest income households and lower shares to the higher income households.

### **External Market Support**

Market support can originate from households not currently living in the market. As shown on page VII-9 of this report, 17,457 people commute into Beaufort County on a daily basis. While these people do not live in Beaufort County, they represent potential future residents that may move to the county if adequate, desirable and marketable housing was developed in the county.

For purposes of this analysis, we have used a very conservative demand ratio of 2.0% to estimate the demand that could originate from outside of Beaufort County.

**Note: We only included residential for-sale housing currently in the development pipeline that are planned or under construction and do not have a confirmed buyer, such as a condominium unit, in our demand estimates. Conversely, we have excluded single-family home lots that may have been platted or are being developed, as such lots do not represent actual housing *units* that are available for purchase. Any vacant housing units are accounted for in the “Units Required for a Balanced Market” portion of our demand estimates.**

## Short-Term (2017-2022) For-Sale Demand Projections

### 2017-2022 For-Sale Housing Demand by Income Level & Price Point Beaufort County Primary Study Area

Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
<b>I. Growth of Owner-Occupied Households:</b>			
2017 Total Income-Qualified Owner-Occupied Households	12,608	9,368	21,702
2022 Total Income-Qualified Owner-Occupied Households	13,614	9,835	24,276
New Owner-Occupied Household Growth (2017 to 2022)	<b>1,006</b>	<b>467</b>	<b>2,574</b>
<b>II. Units Required for a Balanced Market</b>			
2017 Owner Households	12,608	9,368	21,702
Vacant Units Required to Reach a Balanced Market (3.0%)	378	281	651
Estimated Vacant Units Currently in Market*	-286	-545	-1,978
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>92</b>	<b>-264</b>	<b>-1,327</b>
<b>III. Renters Converting to Homeowners</b>			
2017 Income-Qualified Renter Households	7,739	4,020	3,650
Estimated Share of Renters Converting to Homeowners**	4%	4%	4%
Total Potential Household Formations	<b>310</b>	<b>161</b>	<b>146</b>
<b>IV. Replacement of Existing For-Sale Product</b>			
2017 Total Occupied Owner Units	12,608	9,368	21,702
Percent of Replacement Housing Needed***	1%	0.5%	0%
Total Replacement Housing Needed	<b>126</b>	<b>47</b>	<b>0</b>
<b>V. External Market Support</b>			
Total Demand from Sections II to IV	528	0	0
Share of External Market Support ^	2.0%	2.0%	2.0%
Total Potential External Market Support for For-Sale Housing	<b>11</b>	<b>0</b>	<b>0</b>
<b>VI. Total Demand Estimates</b>			
New Owner-Occupied Household Growth (2017 to 2022)	1,006	467	2,574
Units Required for a Balanced Market	92	-264	-1,327
Total Potential Household Formations	310	161	146
Total Replacement Housing	126	47	0
Total External Market Support	11	0	0
Gross Demand of Units Needed	1,545	411	1,393
Units in the Development Pipeline (Planned Projects)	-266	0	-26
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>1,279</b>	<b>411</b>	<b>1,367</b>

\*Based on Bowen National Research of available for-sale housing supply

\*\*Based on national estimates of renters converting to homeowners annually

\*\*\*Based on share of units lacking complete indoor plumbing

^Based on typical share of owner households that move from outside a market when new product is built

## Long-Term (2017-2027) For-Sale Demand Projections

### 2017-2027 For-Sale Housing Demand by Income Level & Price Point Beaufort County Primary Study Area

Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
<b>I. Growth of Owner-Occupied Households:</b>			
2017 Total Income-Qualified Owner-Occupied Households	12,608	9,368	21,702
2027 Total Income-Qualified Owner-Occupied Households	14,620	10,302	26,850
New Owner-Occupied Household Growth (2017 to 2027)	2,012	934	5,148
<b>II. Units Required for a Balanced Market</b>			
2017 Owner Households	12,608	9,368	21,702
Vacant Units Required to Reach a Balanced Market (3.0%)	378	281	651
Estimated Vacant Units Currently in Market*	-286	-545	-1,978
Additional/Fewer Rental Housing Units Needed for Balanced Market	<b>92</b>	<b>-264</b>	<b>-1,327</b>
<b>III. Renters Converting to Homeowners</b>			
2017 Income-Qualified Renter Households	7,739	4,020	3,650
Estimated Share of Renters Converting to Homeowners**	4%	4%	4%
Total Potential Household Formations	<b>310</b>	<b>161</b>	<b>146</b>
<b>IV. Replacement of Existing For-Sale Product</b>			
2017 Total Occupied Owner Units	12,608	9,368	21,702
Percent of Replacement Housing Needed***	1%	0.5%	0%
Total Replacement Housing Needed	<b>126</b>	<b>47</b>	<b>0</b>
<b>V. External Market Support</b>			
Total Demand from Sections II to IV	528	0	0
Share of External Market Support ^	2.0%	2.0%	2.0%
Total Potential External Market Support for For-Sale Housing	<b>11</b>	<b>0</b>	<b>0</b>
<b>VI. Total Demand Estimates</b>			
New Owner-Occupied Household Growth (2017 to 2027)	2,012	934	5,148
Units Required for a Balanced Market	92	-264	-1,327
Total Potential Household Formations	310	161	146
Total Replacement Housing	126	47	0
Total External Market Support	11	0	0
Gross Demand of Units Needed	2,551	878	3,967
Units in the Development Pipeline (Planned Projects)	-266	0	-26
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>2,285</b>	<b>878</b>	<b>3,941</b>

\*Based on Bowen National Research of available for-sale housing supply

\*\*Based on national estimates of renters converting to homeowners annually

\*\*\*Based on share of units lacking complete indoor plumbing

^Based on typical share of owner households that move from outside a market when new product is built

The overall for-sale housing gap in the county is 3,057 units in the *short-term* (2017 to 2022). There is a potential to develop up to 1,279 for-sale housing units priced between \$100,000 and \$199,999 within Beaufort County over the next five years. There is potential support for 411 housing units priced between \$200,000 and \$299,999. Despite the fact that the greatest number of housing units currently available to purchase in the county is product priced at \$300,000 and higher, this product pricing level appears to have the greatest remaining need (1,367 units) over the next five years due to the very large amount of growth projected to occur among the highest income households.

In most markets, if there is support for new housing at a particular price point or concept, and such product is not offered in a specific area, households may leave the area seeking this housing alternative elsewhere, defer their purchase decision, or seek another housing alternative. Additionally, households considering relocating to PSA (Beaufort County) may not move to the PSA if the housing product offered does not meet their needs in terms of pricing, quality, product design, or location. Currently, PSA's for-sale housing stock is dominated by higher-priced product (\$300,000 and higher), which will be needed to meet the large growing base of high-income households expected over the next several years. However, there appears to be a deficit of product priced between \$100,000 and \$199,999, and to a lesser degree, product priced between \$200,000 and \$299,999. As such, the PSA housing stock cannot meet current demand, which is likely limiting the market's ability to serve many of the lower-income households seeking to purchase a home in Beaufort County. Based on the preceding estimates, we believe opportunities exist to develop a variety of product types and price points. The addition of such housing will better enable the Beaufort County to attract and retain residents, including seniors, families and younger adults.

Overall, there is potential support for a variety of residential development alternatives in the PSA (Beaufort County). It is important to understand that the housing demand estimates shown in this report assume no major changes occur in the local economy and that the demographic trends and projections provided in this report materialize. As such, our demand estimates should be considered conservative and serve as a baseline for development potential. Should new product be developed, it is reasonable to believe that people currently living outside of Beaufort County will consider moving to Beaufort County, assuming the housing is aggressively marketed throughout the county and region.

In terms of product design, we believe a variety of product could be successful in Beaufort County. Based on current and projected demographics, as well as the available inventory of for-sale housing, we believe a combination of one- and two-bedroom condominium units could be successful, particularly if it is located in or near the walkable areas of the various downtowns within the county. Additionally, detached or attached single-story cottage-style condominium product, primarily consisting of two-bedroom units, could be successful in attracting area seniors, particularly those seeking to downsize from their single-family homes. Larger, traditional detached single-family homes catering to moderate and higher income households could be successful in this market. Such product should primarily consist of three-bedroom units, with a smaller share of four-bedroom units. Given the projected growth of higher-income households in Beaufort County, it will be important that such housing is part of future housing development, as such product will help retain and attract some higher-income households.

## Senior Care Housing Demand

Senior care housing encompasses a variety of alternatives including residential care/assisted living facilities and nursing homes. Such housing typically serves the needs of seniors requiring some level of care to meet their personal needs, often due to medical or other physical issues. However, there will be seniors seeking independent living with services, such as congregate care housing. Our analysis attempts to quantify the estimated senior care housing needed in the PSA (Beaufort County).

Our estimates account for persons age 65 and older (congregate care), age 75 and older (assisted living) and age 85 and older (nursing care) that would require some level of services or assistance with Activities of Daily Living, if not full nursing care services. While a variety of product types, bedroom/unit types and pricing structures could be offered, we have assumed a base price model of \$1,600 for congregate care, \$2,500 for assisted living and \$6,000 for nursing care housing based on the existing local market supply. We have used all of the PSA (Beaufort County) when assessing the base of potential support for senior care housing in Beaufort County.

Senior Care Housing Needs Estimates			
Senior Care Housing Demand Components	Congregate Care (Age 65+)	Assisted Living (Age 75+)	Nursing Homes (Age 85+)
Total Income & Asset Qualified Households	21,981	16,707	3,436
Multiplied by Share of Housing Requiring ADL or NC	N/A	17.0%	32.7%
Total Senior Affliction Rate*	N/A	2,840	1,124
Multiplied by Typical Institutionalization Rate	20.0%	33.3%	50.0%
Gross Total Beds Needed	4,396	937	562
External Market Support**	488	234	141
Less Competitive Beds	-3,717	-300	-145
Less Beds in the Development Pipeline	-66	-202	-105
Net Total Beds Needed	1,101	669	453

ADL – Activities of Daily Living

NC- Nursing Care

\*Share of ADL was based on data provided by the U.S. Centers for Disease Control and Prevention's *Summary Health Statistics for U.S. Population National Health Interview Survey*

\*\*Assumes at least 20% of the support will originate from outside of Beaufort County

Based upon senior population characteristics and trends, applying the ratio of persons requiring ADL services and considering income/asset requirements, we estimate that there is potential support for up to 2,223 total senior care housing units that provide congregate care (e.g. housekeeping, dining facilities, etc.) or ADL services in Beaufort County over the next five years. The largest need will be for housing with basic services, but assisted living and nursing care services will also be an important housing need for seniors in the years ahead.

## IX. Submarket Analysis

While the primary focus of this Housing Needs Assessment is on Beaufort County, this section of the report includes an overview of key demographic and housing metrics of seven pre-determined submarkets within Beaufort County. This includes four incorporated communities and three unincorporated areas in the county. The following is a list of the submarkets evaluated in this section:

- City of Beaufort
- Town of Bluffton
- Town of Hilton Head Island
- Town of Port Royal
- Northern Unincorporated
- Southern Unincorporated
- Unincorporated Islands

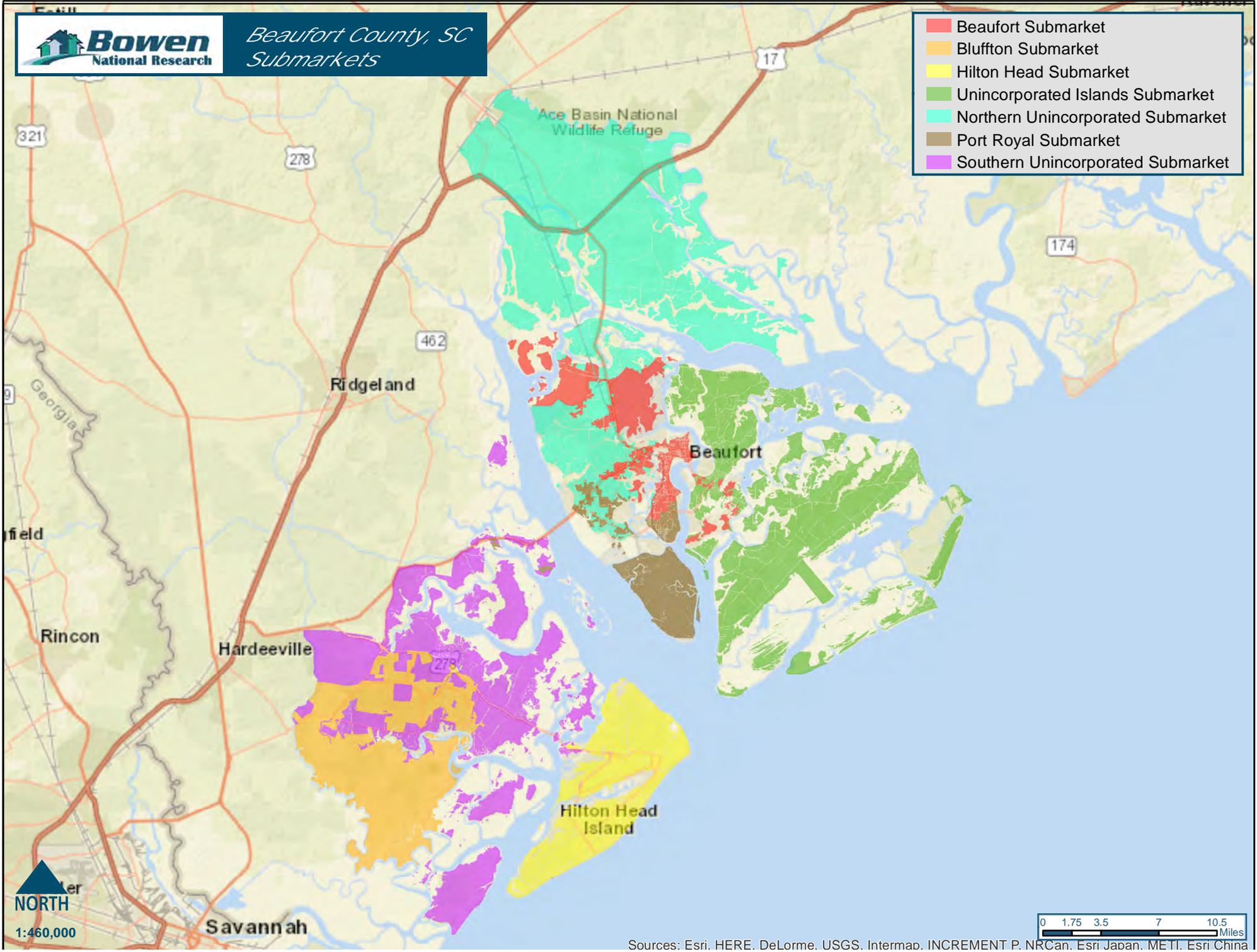
The analyses on the following pages provides overviews of key demographic and housing data within each submarket, as well as general conclusions on the housing needs of each area and areas of focus that should be considered to address housing needs. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

A map of the seven submarkets is shown on the following page.



# Beaufort County, SC Submarkets

- Beaufort Submarket
- Bluffton Submarket
- Hilton Head Submarket
- Unincorporated Islands Submarket
- Northern Unincorporated Submarket
- Port Royal Submarket
- Southern Unincorporated Submarket



NORTH  
1:460,000

0 1.75 3.5 7 10.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## **City of Beaufort Submarket Analysis**

The following data and analysis focuses on the City of Beaufort, South Carolina, and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply of this submarket.

### **Submarket Overview**

The City of Beaufort is located in the central portion of Beaufort County and serves as the county seat. The city is approximately 21.0 square miles in size and includes a broad mix of housing structures scattered throughout the area and numerous commercial and professional businesses within the central business district of the city. This area containing numerous employers, including city and county government offices, along with various boutique shopping stores, restaurants, banks, and hotels. The City of Beaufort has numerous community services for residents living within the delineated borders of the submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, schools, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, and churches. A more detailed discussion of the area's community services is included on page VII-17.

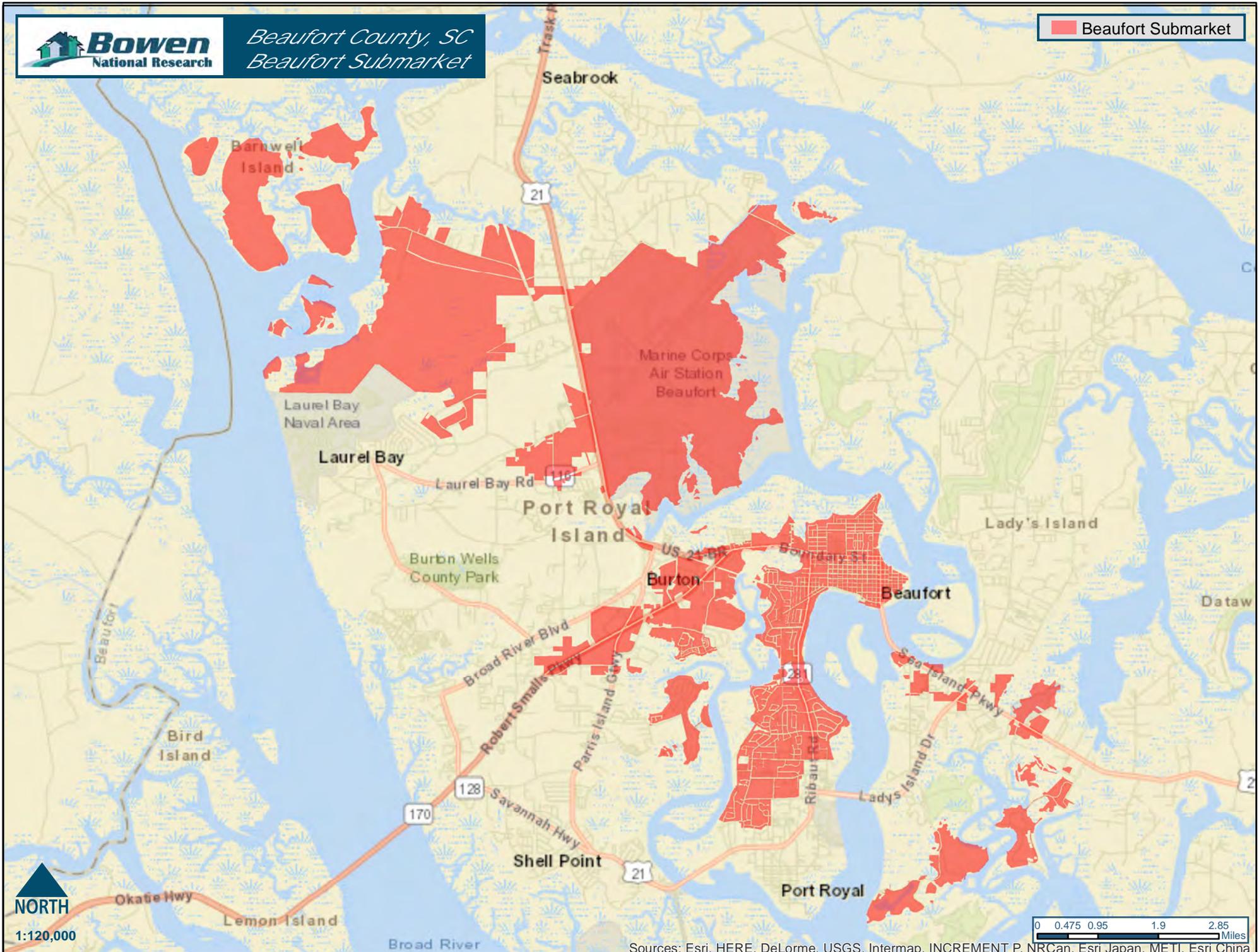
Overall, the City of Beaufort is well served by community services that have a positive impact on residential development.

A map showing the City of Beaufort (and its boundaries) is on the following page.



*Beaufort County, SC*  
*Beaufort Submarket*

Beaufort Submarket



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The City of Beaufort population was 11,880, per the 2000 Census. The City of Beaufort population base declined by 1,143 between 2000 and 2010 to a total of 10,737 people. This represents a 9.6% decline from the 2000 population. Between 2010 and 2017, the population increased by 1,273, or 11.9%, reaching a total of 12,010 people. It is projected that the population will continue to increase between 2017 and 2022, increasing by 1,076, or 9.0%.

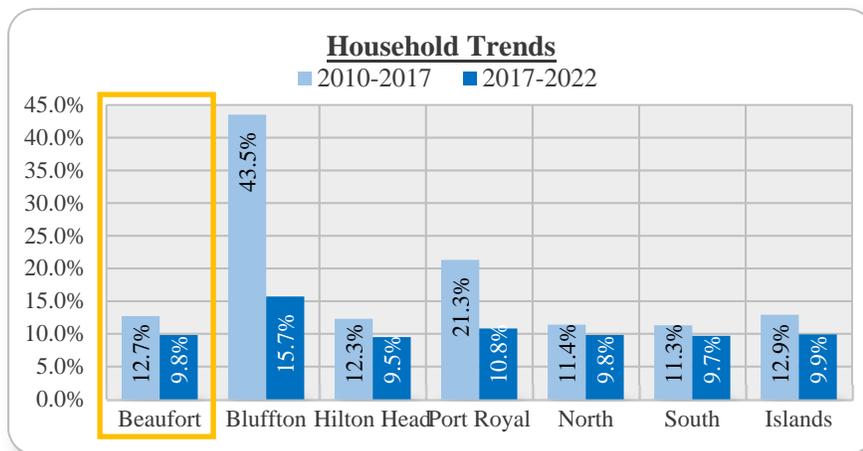
Excluding people under the age of 25, the largest share of the submarket's population (14.1%) was between 25 and 34 years old in 2017. This age group will still represent the largest adult population segment in the city in 2022. All age segments are projected to increase between 2017 and 2022, with the greatest increase projected to occur among people between the ages of ages 65 and 74 (267 more people) and age 75 and older (190 more people).

## Socio-Economic Snapshot

- Minorities represent 33.1% of the population
- 45.4% of population is married
- 46.3% of the population has a college degree
- 10.2% of the adult population lacks a high school degree
- 17.8% of the population lives below the poverty level

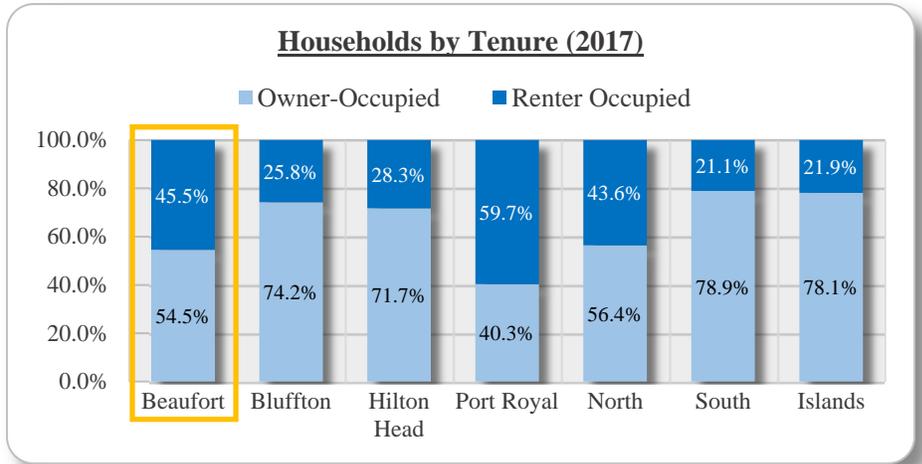
## Households

The City of Beaufort had a total of 4,216 households in 2000 and remained virtually unchanged by 2010 when it reached 4,236. Between 2010 and 2017, the number of households increased by 539, or 12.7%, reaching a total of 4,755. By 2022, it is projected that there will be a total of 5,242 households, an increase of 467 households, or 9.8% from 2017 levels. This is considered relatively rapid growth that will increase the demand for housing in the city.



### Households by Tenure

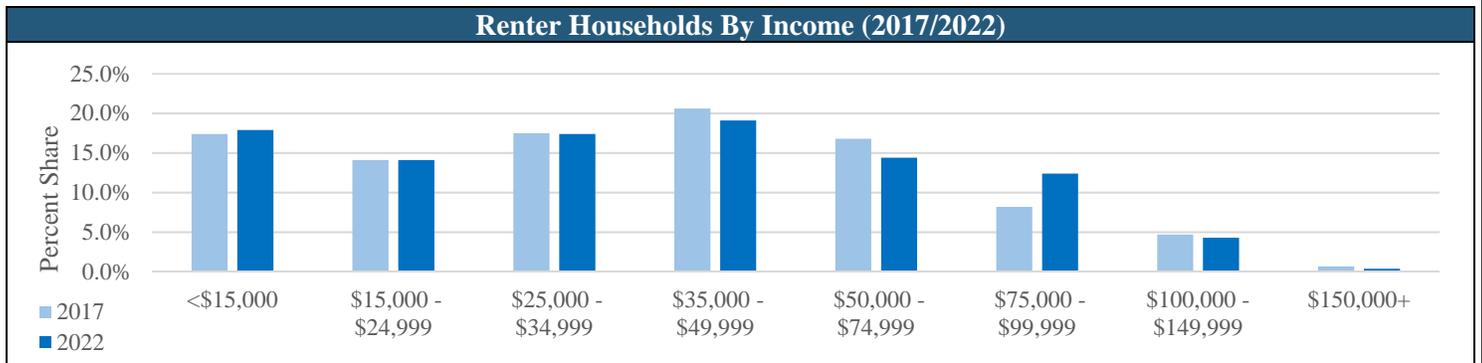
In the City of Beaufort, most households (54.5%) were owner-occupied, while the remaining 45.5% were occupied by renters in 2017. Owner-occupied households are projected to increase by 243 and renter households are projected to increase by 224 between 2017 and 2022. The graph to the right illustrates the share of housing by tenure for the various submarkets that were included in this analysis, including the City of Beaufort.



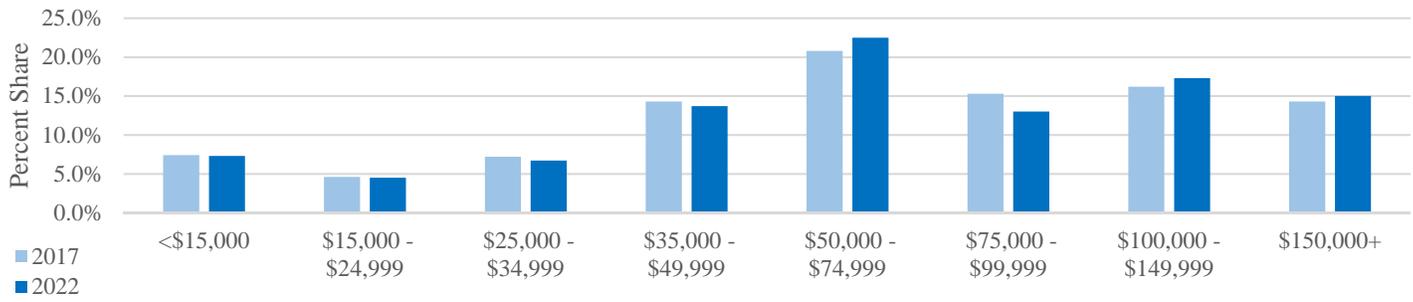
### Household Distribution by Income

In 2017, the greatest share (20.6%) of *renter* households in the City of Beaufort have incomes between \$35,000 and \$49,999, while over half of the renter households earn less than \$50,000. Between 2017 and 2022, the greatest renter household growth is projected to occur among households making between \$75,000 and \$99,999 (increase of 120, or 67.4%), while those making less than \$35,000 annually will increase by 118. Among *homeowners*, the greatest share of households in 2017 was among those making between \$50,000 and \$79,999, representing 20.8% of all owner households. The greatest growth is projected to be among homeowners earning between \$50,000 and \$74,999 (100, 18.5%) and between \$100,000 and \$149,999 (71, 16.9%) over the next five years.

The tables below illustrate the distribution of household income by tenure in the City of Beaufort for 2017 and 2022.



### Owner Households By Income (2017/2022)



### Household Distribution by Age

In 2017, the largest share of households by age in the submarket (18.8%) was between the ages of 55 and 64, though the shares are also notable among households between the ages of 25 and 34 (16.9%) and between the ages of 65 and 74 (15.9%). Between 2017 and 2022, the greatest growth among household age groups is projected to be among households between the ages of 65 and 74 years old (158 households, 20.8%) and ages 75 and older (114 households, 18.1%). Based on these trends, it is clear that the City of Beaufort is becoming slightly older, as middle-aged persons and seniors age in place.

### Mode of Transportation to Work & Drive Times

Most workers in the City of Beaufort commuted by vehicle. A majority of all workers (75.2%) drove alone, while 14.8% of all workers carpooled. Approximately 3.0% of workers walked to work. The city is generally considered to be car dependent. The majority (52.0%) of commuters have drive times to work of less than 15 minutes and well over three-fourths have drive times of less than 30 minutes.

### Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for the City of Beaufort is 145, with a personal crime index of 164 and a property crime index of 156. These crime indices are comparable to the rest of the county.

## Housing Supply Overview

The existing housing stock within this submarket is relatively modern, with 35.5% of the renter-occupied units and 46.9% of the owner-occupied units built since 1990. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 1.1% of rental units and 0.1% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 5.0% of rental units and 3.9% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 47.5% of renters and 29.8% of owners are considered cost burdened.

## Rental Supply

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, 22 multifamily properties with a total of 1,084 units are located within the City of Beaufort. Only five vacant units were identified in the city, resulting in an extremely high 99.5% occupancy. This was the highest occupancy rate of the four selected communities considered in this report. As such, renters in the market have very few available multifamily rentals from which they can choose.

City of Beaufort Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	7	228	2	99.1%
Market-rate/Tax Credit	1	144	3	97.9%
Tax Credit	3	152	0	100.0%
Tax Credit/Government Subsidized	4	256	0	100.0%
Government Subsidized	7	304	0	100.0%
Total	22	1,084	5	99.5%

The only vacancies in the City of Beaufort are located in market-rate projects and the Tax Credit units at the one mixed-income (market-rate and Tax Credit) project in the market. Regardless of these vacancies, the 99%+ occupancy rates at these projects indicate the strong level of demand that exists of multifamily rentals in the city. All projects operating exclusively under the Tax Credit and government subsidized programs are fully occupied and most have long wait lists. Based on our research, there are virtually no vacancies among affordable rentals that serve low-income households. As such, there appears to be pent-up demand for affordable rentals in the city.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the market.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	40	13.8%	0	0.0%	\$860
Two-Bedroom	1.0	48	16.6%	0	0.0%	\$906
Two-Bedroom	1.5	23	8.0%	0	0.0%	\$700
Two-Bedroom	2.0	128	44.3%	2	1.6%	\$930
Two-Bedroom	2.5	22	7.6%	0	0.0%	\$875
Three-Bedroom	2.0	28	9.7%	0	0.0%	\$1,010
<b>Total Market-rate</b>		<b>289</b>	<b>100.0%</b>	<b>2</b>	<b>0.7%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	19	8.1%	0	0.0%	\$666
Two-Bedroom	2.0	123	52.3%	0	0.0%	\$750
Three-Bedroom	2.0	93	39.6%	3	3.2%	\$850
<b>Total Tax Credit</b>		<b>235</b>	<b>100.0%</b>	<b>3</b>	<b>1.3%</b>	-

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	84	32.8%	0	0.0%
Two-Bedroom	1.0	144	56.3%	0	0.0%
Three-Bedroom	1.5	24	9.4%	0	0.0%
Four-Bedroom	2.0	4	1.6%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>256</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	20	6.6%	0	0.0%
One-Bedroom	1.0	93	30.6%	0	0.0%
Two-Bedroom	1.0	52	17.1%	0	0.0%
Two-Bedroom	1.5	62	20.4%	0	0.0%
Three-Bedroom	1.0	66	21.7%	0	0.0%
Four-Bedroom	2.0	6	2.0%	0	0.0%
Five-Bedroom	2.0	5	1.6%	0	0.0%
<b>Total Subsidized</b>		<b>304</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The unit mixes by bedroom/bathroom type are relatively well balanced, when compared with other markets. Vacancies are low among all bedroom types. The median rents by bedroom/bathroom type range from \$700 to \$1,010 for the market-rate units, while Tax Credit units have median rents range from \$666 to \$850. As such, the Tax Credit rents represent a value in the market.

#### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the City of Beaufort. According to MLS data, a total of 1,575 housing units have been sold in the City of Beaufort since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table.

**City of Beaufort - Sales History by Bedrooms – (January 2010 to November 2017)**

Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	17	1.25	1929	975	\$15,000 - \$450,000	\$91,500	\$117.33	181
Two-Br.	309	1.75	1964	1,111	\$10,200 - \$850,000	\$115,500	\$115.56	199
Three-Br.	910	2.25	1977	1,677	\$14,400 - \$1,649,000	\$196,000	\$125.86	173
Four-Br.	291	2.75	1984	2,300	\$40,000 - \$1,800,000	\$260,000	\$122.00	183
Five+-Br.	48	3.75	1956	3,454	\$60,000 - \$2,800,000	\$390,500	\$123.66	238
Total	1,575	2.25	1975	1,728	\$10,200 - \$2,800,000	\$194,355	\$123.32	182

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

The median sales price of homes sold in the city during this time was \$194,355. The typical home sold consists of three bedrooms and two bathrooms with an average of 1,677 square feet. It is important to point out that this includes established and older units that have been resold, which is evidenced by the fact that the average year built of homes sold in the city over the past eight years is 1975. When only product that was built since 2000 is considered, the median sales price exceeds \$250,000, which is illustrated on the following table.

**City of Beaufort - Sales History by Year Built – (January 2010 to November 2017)**

Year Built	Number Sold	Average Bedrooms/Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	132	3/2.25	2,020	\$24,625 - \$2,800,000	\$293,625	\$158.37	263
1940 to 1949	92	2/1.5	1,278	\$40,000 - \$900,000	\$147,500	\$132.00	128
1950 to 1959	291	3/1.75	1,410	\$33,501 - \$1,380,000	\$139,000	\$107.14	155
1960 to 1969	146	3/2.0	1,641	\$34,500 - \$1,800,000	\$135,000	\$95.88	157
1970 to 1979	72	3/2.25	1,764	\$10,200 - \$984,900	\$166,500	\$107.73	178
1980 to 1989	137	3/2.0	1,530	\$15,000 - \$715,000	\$128,250	\$98.33	171
1990 to 1999	221	3/2.25	1,708	\$11,750 - \$1,400,000	\$203,000	\$126.35	189
2000 to 2009	356	3/2.75	1,992	\$14,400 - \$1,225,000	\$266,000	\$141.87	194
2010 to present	128	3/2.5	2,062	\$156,400 - \$1,649,000	\$255,000	\$124.94	197
Total	1,575	3/2.25	1,728	\$10,200 - \$2,800,000	\$194,355	\$123.32	182

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

In addition to historical home sales, we also identified the inventory of available for-sale product within the City of Beaufort. A total of 187 housing units were listed as available for purchase in the city. The median list price for homes within the city is \$364,000, or \$177.88 per square foot. The homes are primarily three-bedroom with 2.25 bathrooms, with an average of 2,197 square feet. The average days on market for these homes is 124 days, indicating that these homes typically sit on the market for only about four months, which is relatively short.

City of Beaufort – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	3	1.0	1918	847	\$164,900 - \$349,000	\$215,000	\$299.82	226
Two-Br.	31	1.75	1964	1,202	\$54,900 - \$534,000	\$179,000	\$180.66	123
Three-Br.	95	2.25	1974	1,883	\$54,000 - \$1,425,000	\$329,000	\$175.88	112
Four-Br.	46	3.5	1973	3,090	\$179,900 - \$3,495,000	\$499,000	\$181.24	133
Five+-Br.	12	4.5	1943	4,172	\$329,900 - \$2,695,000	\$733,000	\$187.47	160
Total	187	2.5	1970	2,197	\$54,000 - \$3,495,000	\$364,000	\$177.88	124

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the City of Beaufort.

City of Beaufort – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	5	2.7%	76
\$100,000 to \$149,999	17	9.1%	101
\$150,000 to \$199,999	15	8.0%	67
\$200,000 to \$249,999	20	10.7%	86
\$250,000 to \$299,999	15	8.0%	89
\$300,000+	115	61.5%	148
Total	187	100.0%	124

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, over 60% of the homes available to purchase in the City of Beaufort are priced at \$300,000 and higher. The limited supply of product priced under \$200,000 is likely contributing to the relatively short number of average days on market (the length of time it takes a home to be listed and then sold), which is evidence of the strong level of demand for these more moderately priced homes in the city.

The distribution of homes available for purchase within the city by year built is shown in the table below:

City of Beaufort – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	35	3/2.5	2,292	\$54,000 - \$2,695,000	\$389,000	\$234.58	137
1940 to 1949	9	3/2.0	1,460	\$124,318 - \$599,000	\$224,500	\$209.29	98
1950 to 1959	15	3/2.25	1,746	\$54,900 - \$705,000	\$359,900	\$171.23	107
1960 to 1969	17	3/2.5	2,292	\$140,000 - \$3,495,000	\$229,900	\$128.42	77
1970 to 1979	10	4/3.0	2,539	\$179,000 - \$1,650,000	\$406,950	\$202.35	64
1980 to 1989	15	3/2.25	1,572	\$125,000 - \$875,000	\$179,900	\$143.13	165
1990 to 1999	26	3/2.75	2,465	\$164,900 - \$2,500,000	\$366,950	\$178.62	139
2000 to 2009	32	3/2.75	2,200	\$125,000 - \$978,500	\$349,500	\$160.13	98
2010 to present	28	3/3.0	2,460	\$249,900 - \$2,995,000	\$449,000	\$230.72	169
Total	187	3/2.5	2,197	\$54,000 - \$3,495,000	\$364,000	\$177.88	124

Source: Beaufort County Board of Realtors and Realtor.com

While the city’s available for-sale product covers a broad range of development periods, the greatest number of homes available for purchase was built since 1990. These newer available for-sale housing units have median list prices well above \$300,000.

Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

*Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent City of Beaufort, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	66	52	3	36	66
Units Needed for a Balanced Market	18	29	32	16	15
New Household Formations	36	35	36	20	17
Replacement Housing Needed	20	19	20	11	10
Total External Market Support	42	41	27	25	32
Gross Demand of Units Needed	182	176	117	108	140
Units in the Development Pipeline (Planned Projects)	19	45	41	38	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	163	131	76	70	140

*Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent City of Beaufort, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	132	105	7	72	133
Units Needed for a Balanced Market	20	32	32	18	18
New Household Formations	40	38	36	22	21
Replacement Housing Needed	22	21	20	12	12
Total External Market Support	64	59	28	37	55
Gross Demand of Units Needed	278	255	123	161	239
Units in the Development Pipeline (Planned Projects)	19	45	41	38	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	259	210	82	123	239

*For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point City of Beaufort, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	60	49	109
Units Required for a Balanced Market	-15	-19	-81
Total Potential Household Formations	30	21	46
Total Replacement Housing	24	18	38
Total External Market Support	10	7	11
Gross Demand of Units Needed	109	76	123
Units in the Development Pipeline (Planned Projects)	109	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	0	76	123

*For-Sale Housing – Long-Term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point City of Beaufort, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	120	98	218
Units Required for a Balanced Market	8	-3	-47
Total Potential Household Formations	59	43	91
Total Replacement Housing	49	35	75
Total External Market Support	24	17	34
Gross Demand of Units Needed	259	190	372
Units in the Development Pipeline (Planned Projects)	109	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	150	190	372

Overall, there appears to be a short-term (five-year) housing gap for approximately 580 rental units and 199 for-sale housing units. As the preceding tables illustrate, the greatest short-term rental housing gap appears to be for rental product priced below \$875 or product priced above \$2,100. A for-sale housing gap (short-term) exists for product price at or above \$200,000, with the largest gap existing among product priced at \$300,000 or higher. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the City of Beaufort, it is recommended that the following be considered as priorities for this submarket:

***Support Senior Residential Alternatives*** – The largest share of households in the city consist of senior households, ages 65 and older. Between 2017 and 2022, the greatest household growth by age group is projected to occur among senior households between the ages of 65 and 75, and 75+. As such, senior-oriented housing should be one of the housing segments given priority in this city, including housing that will enable seniors to downsize and age-in-place.

***Support Development of Market-Rate and Affordable For-Sale Housing Alternatives*** – Due to the lack of available rental product among all affordability levels and the limited inventory of for-sale product priced under \$300,000, the market appears to have a housing shortage across a wide range of rents/price points and tenure (rentals and for-sale product). It is worth pointing out that while the largest share of available for-sale product is priced at \$300,000 and higher, the households that can afford product at this higher price point is expected to experience notable growth over the next few years. Therefore, higher priced for-sale housing will also need to be developed to meet this projected growth. Overall, the City of Beaufort should adopt a balanced approach that encourages development of new rental product that serves a broad spectrum of affordability levels, which addresses the housing needs of low-, moderate- and high-income households.

***Support Development of Affordable Rental Housing Alternatives*** – According to the survey of the City of Beaufort residents that was part of this Housing Needs Assessment, affordability appears to be the most common housing issue facing residents. Based on Bowen National Research’s survey of rental and for-sale housing alternatives in the City of Beaufort, there is a very limited inventory of available product, particularly product that is affordable to lower-income households. According to ACS estimates, 47.5% of renters and 29.8% of homeowners are cost burdened, which are considered households paying a disproportionately high share of income towards housing costs. The city would benefit from the introduction of product that is affordable to lower-income households, generally earning up to 80% of Area Median Household Income.

## **Town of Bluffton Submarket Analysis**

The following data and analysis focuses on the Town of Bluffton and is part of the overall *Beaufort County Housing Needs Assessment Survey*. It includes key data relating to demographics, economics, transportation, crime, and housing supply.

### **Submarket Overview**

The Town of Bluffton is located in the southern portion of Beaufort County and contains approximately 51.2 square miles. The area primarily includes modern residential units, though some established residential units also exist. The Town of Bluffton has numerous community services for residents living within the delineated borders of the submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, schools, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, parks and churches. Additional discussions of area community services are included on page VII-18.

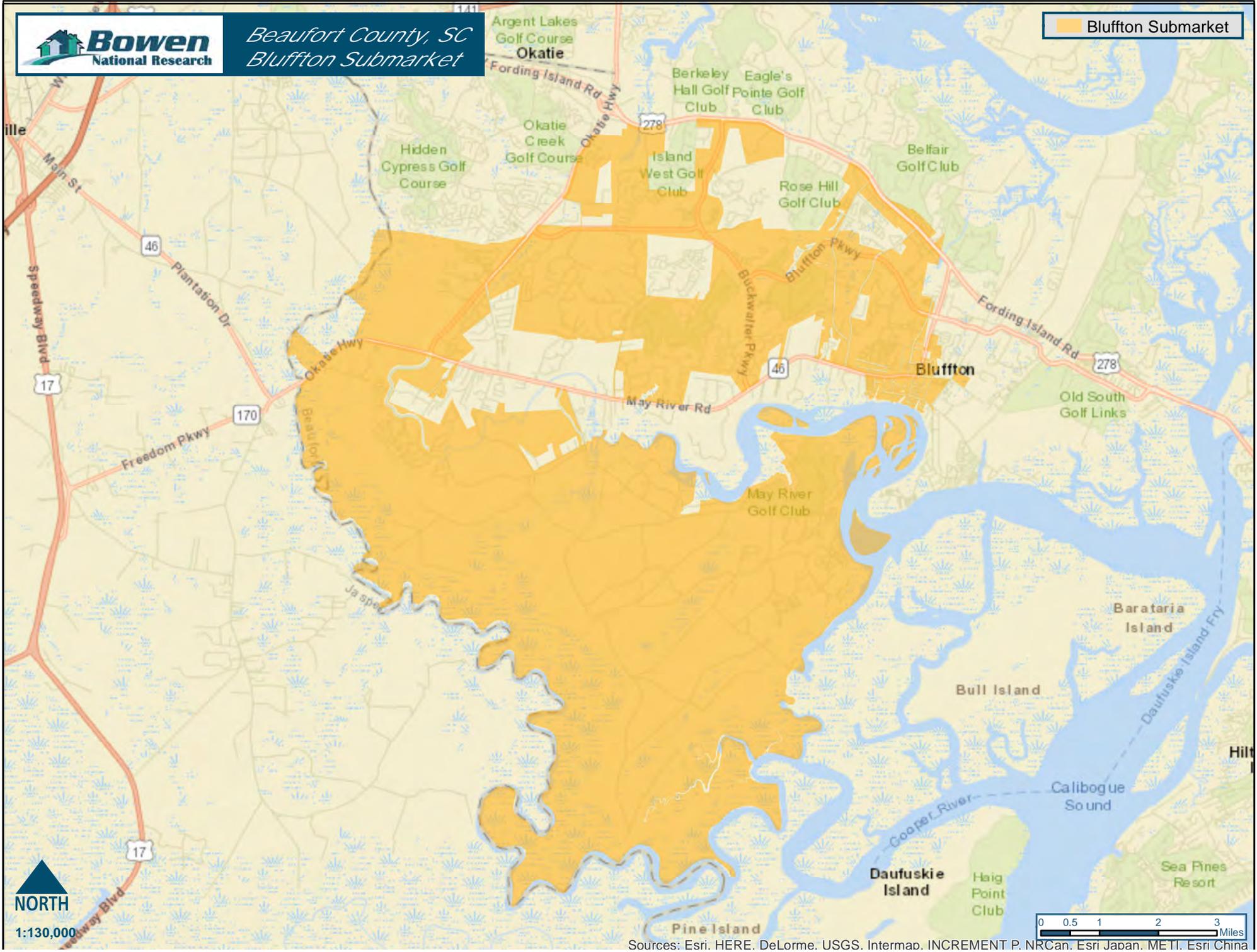
Overall, this submarket is well served by community services, which will positively contribute to residential development in the town.

A map showing the location of the Town of Bluffton (and its boundaries) is on the following page:



Beaufort County, SC  
Bluffton Submarket

Bluffton Submarket



NORTH  
1:130,000

0 0.5 1 2 3 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Town of Bluffton population was 3,243, per the 2000 Census, making it the smallest of the submarkets evaluated in this report. The submarket's population base increased by 9,805 (302.3%) between 2000 and 2010. Between 2010 and 2017, the population increased by 5,841, or 44.8%. It is projected that the population will increase by 2,930, or 15.5%, between 2017 and 2022.

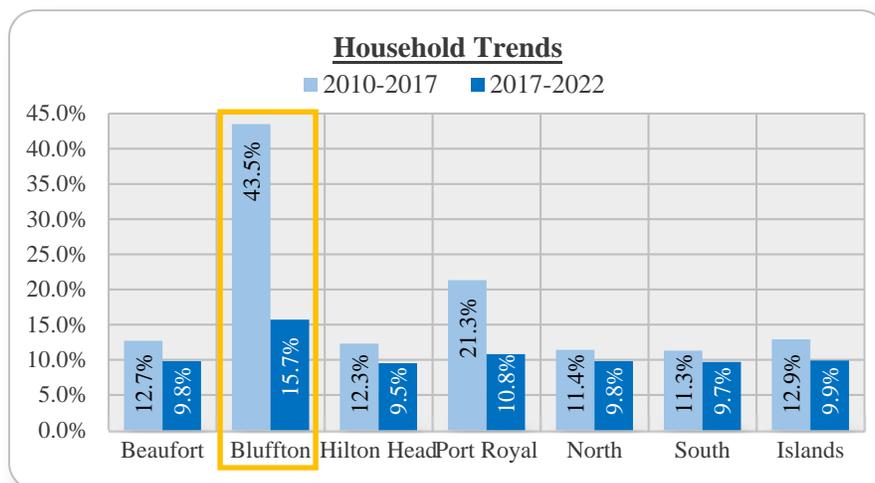
Excluding people under the age of 25, the largest share of people in the Town of Bluffton in 2017 is among persons between the ages of 35 and 44, which represent 16.7% of the population. The greatest growth between 2017 and 2022 is projected to occur among persons between the ages of 25 and 34, which are projected to increase by 638 (22.4%). Notable growth is projected to occur among the population between the ages of 35 and 44, which are projected to increase by 384 (12.2%) people, representing the second largest growing population segment of the town.

## Socio-Economic Snapshot

- Minorities represent 29.5% of the population
- 58.4% of population is married
- 7.1% of the adult population lacks a high school degree
- 43.0% of the population has a college degree
- 10.1% of the population lives below poverty level

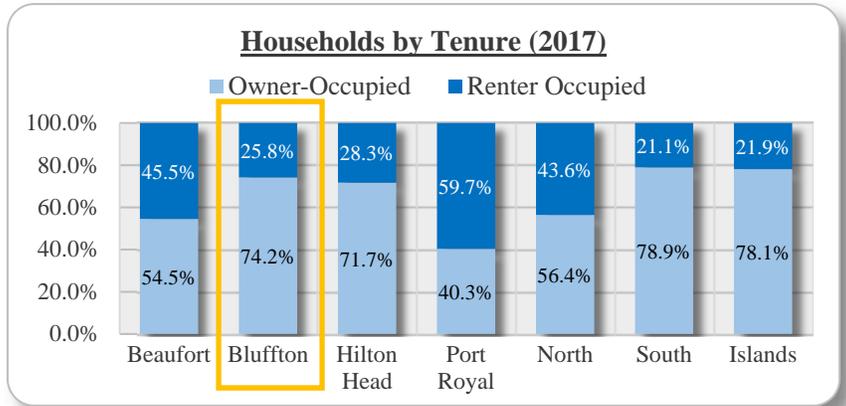
## Households

The Town of Bluffton had a total of 1,239 households per the 2000 Census. Between 2000 and 2010, households increased by 3,380 (272.8%). Between 2010 and 2017, households in the submarket increased to 6,629, an increase of 2,010 (43.5%). By 2022, it is projected that there will be 7,668 households, representing an increase of 1,039 households or 15.7% from 2017 levels. The graph below includes the projected household growth for each submarket between 2017 and 2022.



### Households by Tenure

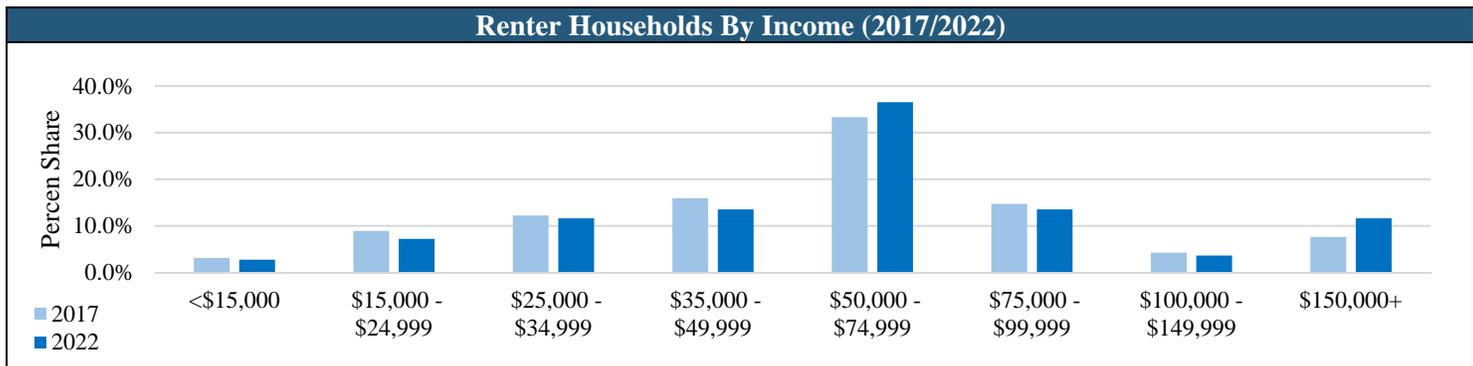
In the Town of Bluffton, 74.2% of households were owner-occupied, while the remaining quarter were occupied by renter households in 2017. The number of renter households in the Town of Bluffton is projected to increase by 260 (15.8%) between 2017 and 2022. The number of owner-occupied households is projected to increase by 779 (15.8%) households during this period. The graph to the right illustrates the share of housing by tenure for the various submarkets that were included in this analysis.



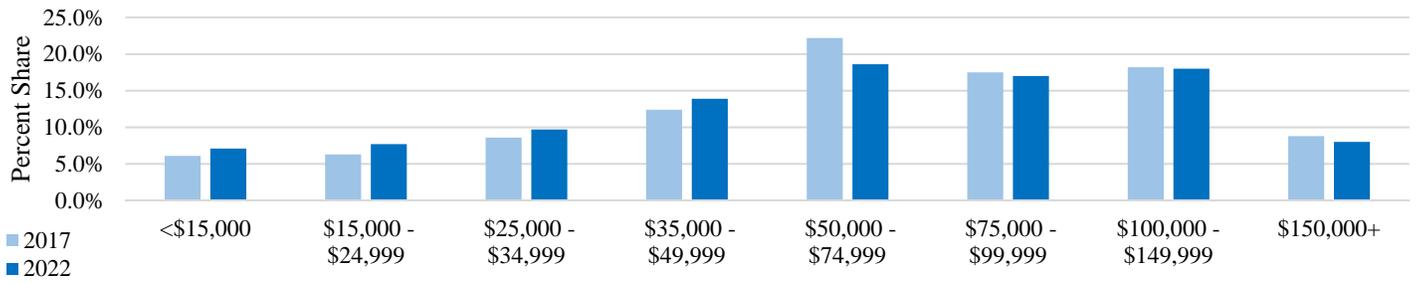
### Household Distribution by Income

In 2017, the largest share (33.3%) of renter households in the Town of Bluffton earn between \$50,000 and \$74,999, with the next largest share (15.9%) making between \$35,000 and \$49,999. The greatest renter household growth by income between 2017 and 2022 is projected to occur among households earning between \$50,000 and \$74,999 (increasing by 160, 28.0%), though household earning \$150,000 or more are projected to grow by 102 (78.5%). The largest share (22.2%) of owner households earn between \$50,000 and \$74,999 a year. Owner households earning between \$35,000 and \$49,999 are projected to increase the most between 2017 and 2022, adding 183 (30.0%) households during this time.

The tables below illustrate the distribution of household income by tenure in the Town of Bluffton for 2017 and 2022.



### Owner Households By Income (2017/2022)



### Household Distribution by Age

The largest share (24.7%) of households in the Town of Bluffton is between the ages of 35 and 44 in 2017, though notable shares exist among households between the ages of 25 and 34 (18.9%) and between 45 and 54 (20.9%). Between 2017 and 2022, the greatest growth among household age groups is projected to be among households between the ages of 25 and 34, which is projected to increase by 324 (25.9%) households. There will also be a notable increase among households between the ages of 35 and 44, which are projected to increase by 238, or 14.5%, during this five-year period.

### Mode of Transportation to Work & Drive Times

Over three-fourths of commuters in the Town of Bluffton drove alone, while just 16.0% carpoolled. Typical drive times to work for residents are generally short, with nearly one-fifth (19.2%) having a commute of less than 15 minutes and over one-half (56.2%) having drive times of less than 30 minutes.

### Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for the Town of Bluffton is 141, with a personal crime index of 154 and a property crime index of 160. The town's overall crime index of 141 is above the national average of 100 but comparable to the overall county (130) crime index. As such, crime is not expected to adversely impact residential development within the Town of Bluffton.

## Housing Supply Overview

The existing housing stock is relatively modern, with 89.2% of the renter-occupied units and 89.5% of the owner-occupied units built since 1990. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 1.3% of rental units and 1.1% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 5.5% of rental units and 0.9% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 41.9% of renters and 38.0% of owners are considered cost burdened.

## Rental Supply

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, five multifamily properties with a total of 616 units are located within the Town of Bluffton. The following table summarizes the surveyed multifamily rentals in the submarket.

Town of Bluffton Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	456	70	84.6%
Market-rate/Tax Credit	1	88	0	100.0%
Tax Credit	1	72	0	100.0%
Tax Credit/Government Subsidized	0	0	-	-
Government Subsidized	0	0	-	-
Total	5	616	70	88.6%

The only vacancies in the Town of Bluffton are located in market-rate project. Virtually all (64) of the 70 vacant units are within a single project, One Hampton Lake, a 76-unit market-rate project that opened in 2017 and is still in its initial lease-up phase. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income, are occupied and management for these units maintain wait lists. The 100.0% occupancy rate of affordable housing projects indicates the strong level of demand that exists of affordable multifamily rentals in the town. Interestingly, there were no government subsidized multifamily projects identified and surveyed in the market. With all Tax Credit rental housing occupied and no government subsidized rental product, households earning up to 60% of AMHI have no rental multifamily units that are readily available to rent. As such, there appears to be pent-up demand for affordable rentals in the city. There are 224 confirmed market-rate units currently under construction within the Town of Bluffton that will help to meet the growing need for market-rate housing.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the market.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	69	14.9%	37	53.6%	\$1,324
One-Bedroom	1.5	8	1.7%	7	87.5%	\$1,624
Two-Bedroom	2.0	175	37.7%	24	13.7%	\$1,289
Three-Bedroom	2.0	212	45.7%	2	0.9%	\$1,389
<b>Total Market-rate</b>		<b>464</b>	<b>100.0%</b>	<b>70</b>	<b>15.1%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
Two-Bedroom	2.0	52	34.2%	0	0.0%	\$818
Three-Bedroom	2.0	100	65.8%	0	0.0%	\$820
<b>Total Tax Credit</b>		<b>152</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

The submarket has a disproportionately high share of three-bedroom units among the surveyed multifamily supply. Despite this, these units appear to be in high demand. The median rents by bedroom/bathroom type range from \$1,289 to \$1,624 for the market-rate supply. The median rents by bedroom/bathroom type for the Tax Credit inventory range from \$818 to \$820, which are substantially lower than the corresponding market-rate rents. This is likely contributing to the very high demand for these particular units.

### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Town of Bluffton. According to MLS data, a total of 879 housing units have been sold in the Town of Bluffton since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table.

Town of Bluffton - Sales History by Bedrooms – (January 2010 to November 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	-	-	-	-	-	-	-	-
Two-Br.	49	2.5	2002	1,438	\$42,910 - \$850,000	\$103,000	\$74.63	142
Three-Br.	460	2.5	2008	1,835	\$41,000 - \$1,350,000	\$181,000	\$104.22	128
Four-Br.	309	2.75	2009	2,407	\$69,750 - \$850,000	\$224,900	\$97.08	148
Five+-Br.	61	3.25	2010	3,006	\$165,000 - \$440,000	\$270,000	\$92.04	172
<b>Total</b>	<b>879</b>	<b>2.5</b>	<b>2008</b>	<b>2,095</b>	<b>\$41,000 - \$1,350,000</b>	<b>\$201,500</b>	<b>\$99.87</b>	<b>139</b>

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than half of the homes that sold in the Town of Bluffton since January of 2010 consist of three-bedroom. The average size of a home sold was 2,095 square feet and had a median sales price of \$201,500 and a median price per-square-foot of \$99.87. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 139, which is a relatively short period and a good indication of the strong level of demand for for-sale housing. The average year built of homes sold in recent years is 2008, indicating the fact that the sold residential product has been modern.

The distribution of homes sold since January 2010 by price for the Town of Bluffton is summarized in the table below.

Town of Bluffton – Sales History by Price (January 2010 to November 2017)			
Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	70	8.0%	123
\$100,000 to \$149,999	132	15.0%	129
\$150,000 to \$199,999	225	25.6%	132
\$200,000 to \$249,999	225	25.6%	157
\$250,000 to \$299,999	111	12.6%	134
\$300,000+	116	13.2%	142
Total	879	100.0%	139

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most of the product that has sold in recent years in the Town of Bluffton generally fell between \$150,000 and \$249,999, with just over half of all units sold falling within this range. Homes within this range are generally selling within less than 160 days after being listed, with is comparable to the rest of the price segments.

The table below illustrates the housing sold within the Town of Bluffton by year built.

Town of Bluffton - Sales History by Year Built – (January 2010 to November 2017)							
Year Built	Number Sold	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	2	3/1.75	2,067	\$170,000 - \$850,000	\$510,000	\$237.13	702
1940 to 1949	-	-	-	-	-	-	-
1950 to 1959	-	-	-	-	-	-	-
1960 to 1969	-	-	-	-	-	-	-
1970 to 1979	-	-	-	-	-	-	-
1980 to 1989	3	3/2.25	1,967	\$41,000 - \$317,500	\$157,000	\$66.53	130
1990 to 1999	3	3/2.5	1,958	\$110,000 - \$225,000	\$150,000	\$74.89	299
2000 to 2009	512	3/2.5	1,947	\$42,701 - \$1,350,000	\$175,000	\$93.15	117
2010 to present	359	4/2.75	2,310	\$126,995 - \$975,000	\$233,500	\$104.24	166
Total	879	3/2.5	2,095	\$41,000 - \$1,350,000	\$201,500	\$99.87	139

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

Virtually all of the homes sold in the past eight years were built in 2000 or later, which is reflective of the growth of the Town of Bluffton market that began shortly after the turn of the century. Product built in the market since 2010 has a notably higher median sales price (\$233,500) than product sold between 2000 and 2010 (\$175,000). As such, housing prices are increasing.

In addition to historical home sales, we also identified the inventory of available for-sale product within the Town of Bluffton. A total of 248 housing units were listed as available for purchase in the town. The median list price for homes within the town is \$384,950, or \$159.44 per square foot. The homes are primarily three-bedroom with 2.75 bathrooms, with an average of 2,530 square feet. The average days on market for these homes is just 95 days, indicating that these homes are in very high demand.

Town of Bluffton – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	3	1.5	2006	690	\$97,000 - \$4,850,000	\$595,000	\$771.73	74
Two-Br.	16	2.0	2001	1,557	\$114,900 - \$1,250,000	\$231,750	\$162.35	107
Three-Br.	125	2.75	2011	2,349	\$169,000 - \$1,495,000	\$364,000	\$158.24	85
Four-Br.	84	3.25	2011	2,750	\$230,000 - \$2,690,000	\$445,111	\$159.44	105
Five+-Br.	20	4.5	2012	3,793	\$283,000 - \$4,900,000	\$539,900	\$167.70	116
Total	248	3.0	2010	2,530	\$97,000 - \$4,900,000	\$384,950	\$159.44	95

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the Town of Bluffton.

Town of Bluffton – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	1	0.4%	7
\$100,000 to \$149,999	6	2.4%	88
\$150,000 to \$199,999	8	3.2%	76
\$200,000 to \$249,999	35	14.1%	50
\$250,000 to \$299,999	51	20.6%	82
\$300,000+	147	59.3%	113
Total	248	100.0%	95

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, more than half of the homes available to purchase in the Town of Bluffton are priced at \$300,000 and higher. There were only seven homes identified for purchase that were priced under \$150,000 and only 15 priced under \$200,000. The limited supply of product priced under \$200,000 is likely contributing to the relatively short number of average days on market (the length of time it takes a home to be listed and then sold), which is evidence of the strong level of demand for these more moderately priced homes in the Town of Bluffton. The same is true for product priced between \$200,000 and \$249,999, which only has 35 such units and an average number of days on market of only 50. Therefore, product priced under \$250,000 is in very high demand in the Town of Bluffton.

As shown on the table below, virtually all of the product available to purchase was built since 2000, reflective of the demographic growth trends that increased significantly since 2000.

Town of Bluffton – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	1	4/1.0	1,188	\$625,000	\$625,000	\$526.09	57
1950 to 1959	2	3/1.5	1,482	\$399,990 - \$1,250,000	\$824,995	\$529.02	120
1960 to 1969	-	-	-	-	-	-	-
1970 to 1979	-	-	-	-	-	-	-
1980 to 1989	1	3/3.0	2,436	\$549,000	\$549,000	\$225.37	183
1990 to 1999	8	2/2.0	1,063	\$97,000 - \$239,000	\$123,750	\$119.38	70
2000 to 2009	98	3/3.0	2,631	\$175,000 - \$4,900,000	\$396,950	\$160.59	91
2010 to present	138	3/3.0	2,569	\$169,000 - \$3,995,000	\$374,995	\$157.11	100
<b>Total</b>	<b>248</b>	<b>3/3.0</b>	<b>2,530</b>	<b>\$97,000 - \$4,900,000</b>	<b>\$384,950</b>	<b>\$159.44</b>	<b>95</b>

Source: Beaufort County Board of Realtors and Realtor.com

### Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

#### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Town of Bluffton, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	-3	17	60	103	82
Units Needed for a Balanced Market	4	15	63	62	22
New Household Formations	8	18	34	33	26
Replacement Housing Needed	4	10	19	18	14
Total External Market Support	4	18	53	65	43
Gross Demand of Units Needed	16	78	228	281	188
Units in the Development Pipeline (Planned Projects)	0	24	124	100	100
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>16</b>	<b>54</b>	<b>104</b>	<b>181</b>	<b>88</b>

*Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Town of Bluffton, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	-7	35	120	205	164
Units Needed for a Balanced Market	4	16	66	67	26
New Household Formations	7	19	37	39	31
Replacement Housing Needed	4	11	20	21	17
Total External Market Support	2	24	73	100	71
Gross Demand of Units Needed	11	105	317	432	309
Units in the Development Pipeline (Planned Projects)	0	24	124	100	100
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>11</b>	<b>81</b>	<b>193</b>	<b>332</b>	<b>209</b>

*For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Town of Bluffton, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	234	24	220
Units Required for a Balanced Market	30	-55	-85
Total Potential Household Formations	60	41	83
Total Replacement Housing	49	34	68
Total External Market Support	37	4	29
Gross Demand of Units Needed	410	48	314
Units in the Development Pipeline (Planned Projects)	-157	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>567</b>	<b>48</b>	<b>314</b>

*For-Sale Housing – Long-Term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Town of Bluffton, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	468	48	440
Units Required for a Balanced Market	74	-25	-23
Total Potential Household Formations	119	82	165
Total Replacement Housing	98	68	136
Total External Market Support	76	17	72
Gross Demand of Units Needed	836	190	790
Units in the Development Pipeline (Planned Projects)	-157	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>993</b>	<b>190</b>	<b>790</b>

Overall, there appears to be a short-term (five-year) housing gap for approximately 443 rental units and 929 for-sale housing units, with the greatest short-term gap for for-sale housing priced below \$200,000 and rental housing priced between \$875 and \$2,099. There is also a notable need for for-sale product priced at \$300,000 or higher. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Town of Bluffton, it is recommended that the following be considered as priorities for this submarket:

***Support Market-Rate Housing Product that will Appeal to Millennials and Younger Families*** - The greatest projected growth by age group in the Town of Bluffton between 2017 and 2022 is projected to occur among millennials (ages 25 and 34) and among young families (ages 35 and 44). As a result, it will be important for the Town of Bluffton to support development that will appeal to both millennials and younger families. Mixed-use product within walking distance of downtown Bluffton would likely appeal to millennials, while single-family homes, including entry-level housing, would likely appeal to many family households. Such product types should be priorities for the town.

***Support Empty-Nester and Senior-Oriented Residential Alternatives*** – While the greatest household growth by age group is projected to occur among younger households, it is also projected that between 2017 and 2022 the number of households ages 55 and older will increase by more than 300. As such, it is recommended that the Town of Bluffton support new housing product that will allow older adults (ages 55 to 64) and seniors (ages 65 and older) to downsize and/or transition into housing that will meet their changing housing needs. Smaller rental and for-sale product, including condominiums, should be considered for potential development.

***Support Development of Housing Alternatives that are Affordable to Lower- and Moderate-Income Households*** –Based on Bowen National Research’s survey of local housing alternatives, there are no *vacant* Tax Credit rental units (serving households with incomes of up to 60% of AMHI) or government subsidized rental units. Additionally, there are only 15 available homes priced under \$200,000. As such, there appears to be minimal available housing stock that is affordable to households earning less than \$60,000. The Town would benefit from the introduction of product that is affordable to lower-income households, generally earning up to 60% of Area Median Household Income.

## **Town of Hilton Head Island Submarket Analysis**

The following data and analyses focuses on the Town of Hilton Head Island, and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply.

### **Submarket Overview**

The Town of Hilton Head Island is an island community located in the far southeast portion of Beaufort County. This town contains approximately 54.0 square miles. This town is comprised of a mix of established residential units, recreation space, lodging and light commercial business, including retail and restaurants. Much of the residential inventory in this submarket is comprised predominantly of gated communities containing single-family and attached owner-occupied condominiums, golf courses and their country clubs and pro shops. Vacation rental properties and resorts are abundant throughout this submarket. All of the major community services are met within the submarket, including but not limited to grocery stores, financial institutions, medical facilities, pharmacies, fitness facilities, gas stations, convenience stores, parks and churches. Additional discussions of area community services are included on page VII-19.

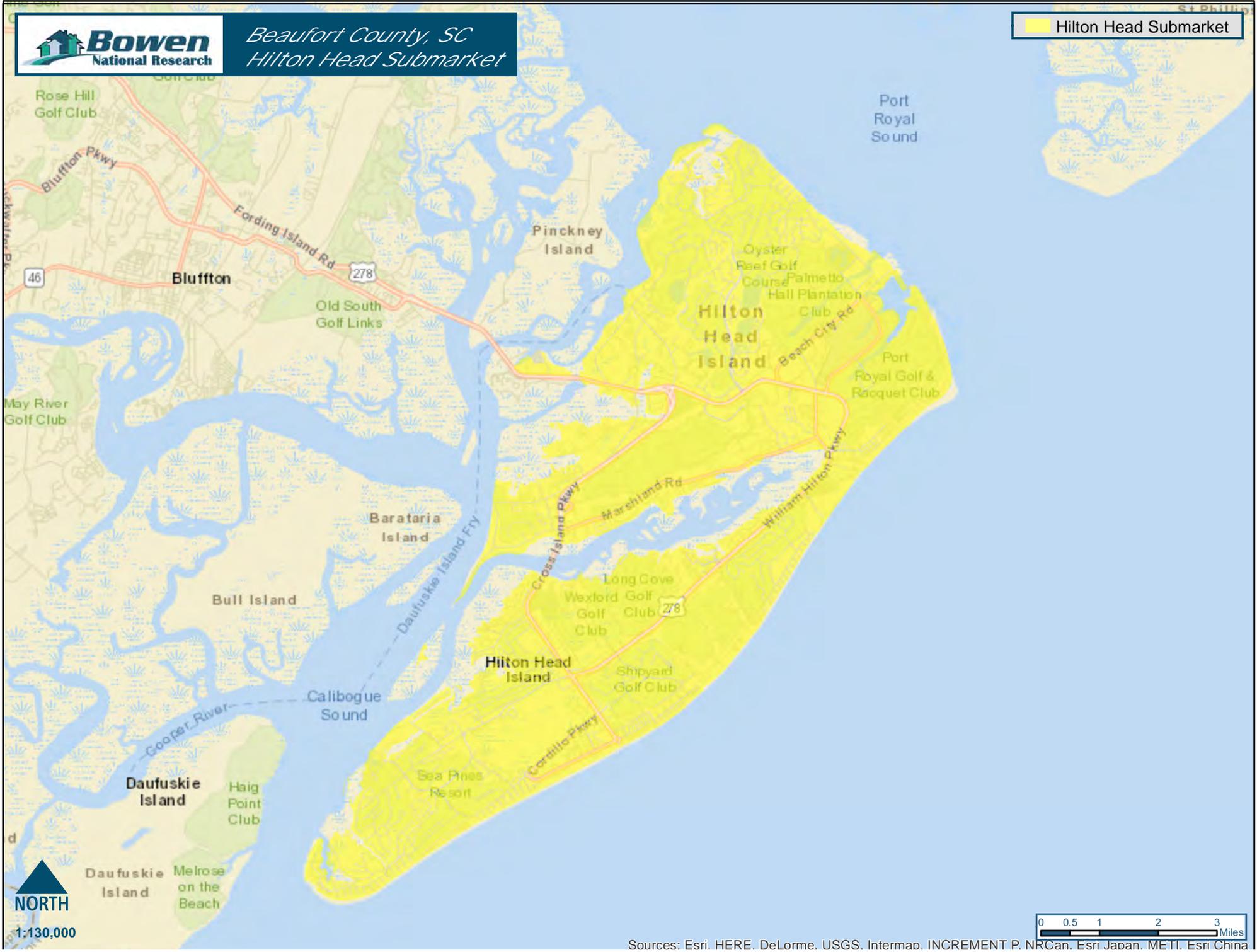
Overall, the submarket is well served with community services and does not appear to be lacking any notable community services that would limit or adversely impact residential development.

A map showing the location of the Town of Hilton Head Island is on the following page:



Beaufort County, SC  
Hilton Head Submarket

Hilton Head Submarket



NORTH

1:130,000

0 0.5 1 2 3 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Town of Hilton Head Island population was 30,567 per the 2000 Census, making it the smallest of the four incorporated communities studied in this report. The population base increased by 2,858 between 2000 and 2010. This represents a 9.3% increase over the 2000 population. The population reached 37,797 in 2017, representing an increase of 4,372 (13.1%) over 2010. It is projected that the population will increase by 3,520, or 9.3%, between 2017 and 2022.

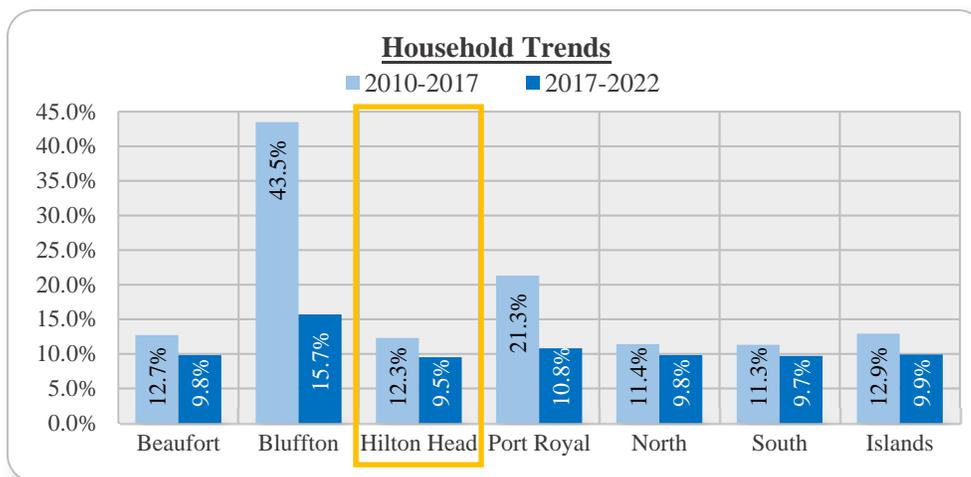
Excluding the population under the age of 25, the largest population base in the Town of Hilton Head Island in 2017 is persons between the ages of 65 and 74, representing 19.6% of the town's population. The greatest projected growth is expected to occur among persons between the ages 65 and 74 (1,193, 16.1% increase) and ages 75 and older (1,540, 27.4% increase).

## Socio-Economic Snapshot

- Minorities represent 16.4% of the population
- 61.5% of population is married
- 5.9% of the adult population lacks a high school degree
- 59.8% of the adult population has a college degree
- 10.3% of the population lives below poverty level

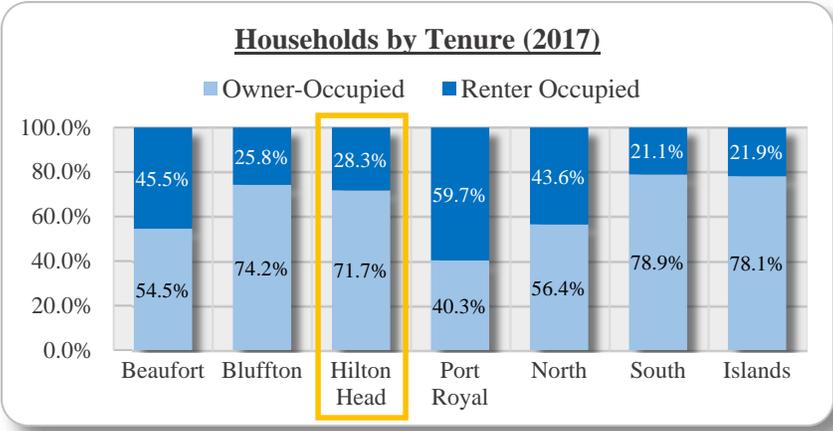
## Households

The Town of Hilton Head Island had a total of 13,014 households per the 2000 Census. Between 2000 and 2010, households increased by 1,947 or 15.0%, while between 2010 and 2017, households increased to 16,795, representing an increase of 1,834 or by 12.3%. It is projected that the number of households will increase by 1,588, or 9.5% between 2017 and 2022. The graph below illustrates the change in households for each study area included in this analysis.



Households by Tenure

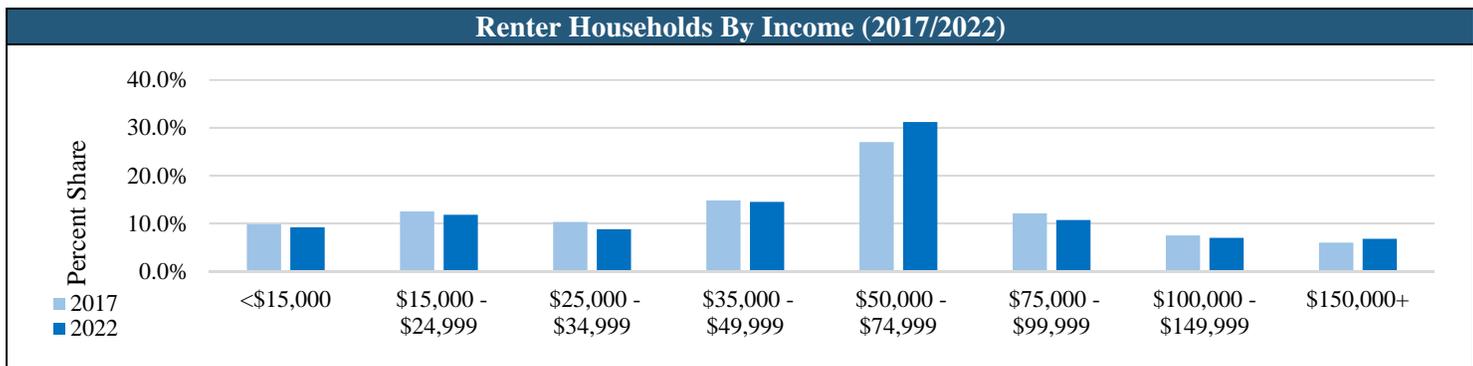
In the Town of Hilton Head Island, most households (71.7%) were owner-occupied, while the remaining 28.3% were occupied by renters in 2017. By 2022, the number of owner-occupied households is projected to increase by 1,102 (9.1%) and renter-occupied households are projected to increase by 486 (10.2%). This will add to the demand for both for-sale and rental housing. The graph to the right illustrates the share of housing by tenure for the various areas that were included in this analysis, including the Town of Hilton Head Island.



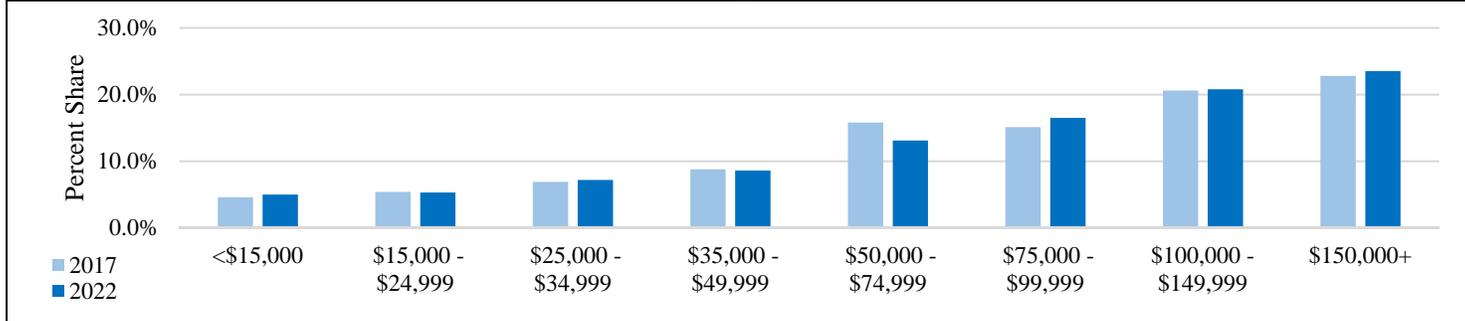
Household Distribution by Income

The greatest share of renter households by income within the Town of Hilton Head Island in 2017 was among those households earning between \$50,000 and \$74,999 annually, which represented 27.0% of all renter households. This same income group is expected to experience the greatest growth between 2017 and 2022, when it is projected that another 312 households will be added to this income segment, representing an increase of 24.3%. In 2017, the largest share of owner-occupied households was among households making \$150,000 or more, as these households represented nearly one-quarter (22.8%) of all owner households. By 2022, this base of high-income households is projected to increase the most by adding 350 (12.8%) households. Owner households earning between \$75,000 and \$99,999 will also increase significantly during this same time, adding 349 households, an increase of 19.2%.

The tables below illustrate the distribution of household income by tenure in the Town of Hilton Head Island for 2017 and 2022.



**Owner Households By Income (2017/2022)**



Household Distribution by Age

In 2017, the largest share of households by age group within the Town of Hilton Head Island was those between the ages of 65 and 74, representing 25.3% of households. Between 2017 and 2022, the greatest household growth rate is projected to occur among households ages 75 and older (885, 24.2% increase) and between the ages of 65 and 74 (590, 13.9% increase).

Mode of Transportation to Work & Drive Times

Over 70% of all workers living in the submarket drove alone to work, while 12.3% carpoolled. Approximately 2.3% walked to work. Approximately 40.8% of commuters have a drive time of less than 15 minutes to work, while nearly three-quarters have a typical drive of less than 30 minutes.

Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for the Town of Hilton Head Island is 140, with a personal crime index of 132 and a property crime index of 175. The Town of Hilton Head Island’s overall crime index of 140 is above the national average of 100, but comparable to the rest of the county. As such, crime may have a minimal impact on the residential development potential in the Town of Hilton Head Island.

### Housing Supply Overview

The existing housing stock is relatively modern, with 43.6% of the renter-occupied units and 79.1% of the owner-occupied units built since 1980. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities, or is overcrowded (1.01+ persons per room). Approximately 5.4% of rental units and 0.5% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 8.8% of rental units and 0.4% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 47.1% of renters and 37.3% of owners are considered cost burdened.

### Rental Supply

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, five multifamily properties with a total of 342 units are located within the Town of Hilton Head Island. The following table summarizes the surveyed multifamily rentals in this submarket.

Town of Hilton Head Island Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	140	23	83.6%
Market-rate/Tax Credit	0	0	-	-
Tax Credit	1	48	0	100.0%
Tax Credit/Government Subsidized	0	0	-	-
Government Subsidized	3	154	0	100.0%
Total	5	342	23	93.3%

All 23 vacant units among the surveyed projects are within a single project, Marsh Point, a 140-unit market-rate project that is operating at an occupancy rate of 83.6%. According to management, this project's low occupancy rate is attributed to a recent eviction sweep. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income (AMHI), and government subsidized units, which serve households with incomes up to 50% of AMHI, are occupied and management for these units maintain wait lists. The 100.0% occupancy rate of affordable housing projects indicates the strong level of demand that exists of affordable multifamily rentals in the town. As such, there appears to be pent-up demand for affordable rentals in the town.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the market.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	60	42.9%	13	21.7%	\$1,100
Two-Bedroom	2.0	80	57.1%	10	12.5%	\$1,285
<b>Total Market-rate</b>		<b>140</b>	<b>100.0%</b>	<b>23</b>	<b>16.4%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
Two-Bedroom	2.0	24	50.0%	0	0.0%	\$760
Three-Bedroom	2.0	24	50.0%	0	0.0%	\$860
<b>Total Tax Credit</b>		<b>48</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

Government Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	
Studio	1.0	16	10.4%	0	0.0%	
One-Bedroom	1.0	16	10.4%	0	0.0%	
Two-Bedroom	1.0	106	68.8%	0	0.0%	
Three-Bedroom	1.5	16	10.4%	0	0.0%	
<b>Total Subsidized</b>		<b>154</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	

The unit mixes by bedroom type are fairly typical within the submarket; however, the market-rate supply lacks three-bedroom units and the Tax Credit supply lacks the one-bedroom units. The market-rate supply has median rents by bedroom type that range between \$1,100 and \$1,285, while Tax Credit rents are notably lower, ranging from \$760 to \$860. The value of the Tax Credit rents is significant and likely contributes to the high level of demand for these units.

### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Town of Hilton Head Island. According to MLS data, a total of 314 housing units have been sold in this submarket since 2010. The distribution of home sales by bedroom type for the submarket is summarized in the following table:

Town of Hilton Head Island - Sales History by Bedrooms – (January 2010 to November 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	24	1.0	1988	535	\$10,000 - \$373,250	\$56,500	\$88.39	136
Two-Br.	119	2.0	1983	1,107	\$13,650 - \$675,000	\$77,000	\$72.25	108
Three-Br.	107	2.5	1986	2,099	\$34,000 - \$1,125,000	\$295,000	\$139.93	157
Four-Br.	44	3.5	1992	2,943	\$125,000 - \$1,524,900	\$496,950	\$163.26	111
Five+-Br.	20	5.5	1996	4,682	\$132,900 - \$1,950,000	\$900,987	\$194.55	130
Total	314	2.5	1987	1,886	\$10,000 - \$1,950,000	\$190,776	\$120.57	129

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than a third (37.9%) of the homes that sold in the Town of Hilton Head Island since January of 2010 consist of two-bedrooms and a third (34.1%) of the homes were three-bedrooms. The average size of a home sold was 1,886 square feet and had a median sales price of \$190,776 and a median price per-square-foot of \$120.57. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 129, which is a relatively short period and a good indication of the strong level of demand for for-sale housing. The average year built of homes sold in recent years is 1987, indicating the fact that the sold residential product includes a mix of older and newer product.

The distribution of homes sold since January 2010 by price for the Town of Hilton Head Island is summarized in the table below.

Town of Hilton Head Island – Sales History by Price (January 2010 to November 2017)			
Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	101	32.2%	108
\$100,000 to \$149,999	33	10.5%	134
\$150,000 to \$199,999	28	8.9%	176
\$200,000 to \$249,999	23	7.3%	134
\$250,000 to \$299,999	20	6.4%	112
\$300,000+	109	34.7%	136
Total	314	100.0%	129

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most of the product that was sold in recent years in the Town of Hilton Head Island either fell below \$100,000 or at \$300,000 and higher, with approximately a third of the sold product falling within either price segment. Homes within this range are generally selling within less than 140 days after being listed, with is comparable to the rest of the price segments.

The table below illustrates the housing sold within the Town of Hilton Head Island by year built.

Town of Hilton Head Island - Sales History by Year Built – (January 2010 to November 2017)							
Year Built	Number Sold	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	-	-	-	-	-	-	-
1950 to 1959	-	-	-	-	-	-	-
1960 to 1969	2	3/2.25	2,346	\$650,000 - \$985,000	\$817,500	\$352.77	297
1970 to 1979	56	3/2.25	1,612	\$10,000 - \$1,305,000	\$186,200	\$130.37	120
1980 to 1989	158	2/2.25	1,516	\$15,500 - \$1,825,000	\$114,750	\$105.82	112
1990 to 1999	41	3/3.25	2,692	\$124,600 - \$1,900,000	\$470,500	\$166.56	168
2000 to 2009	54	3/3.25	2,610	\$25,000 - \$1,950,000	\$250,000	\$117.47	155
2010 to present	3	3/2.75	2,179	\$187,500 - \$690,684	\$442,417	\$211.41	73
Total	314	3/2.5	1,886	\$10,000 - \$1,950,000	\$190,776	\$120.57	129

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

Approximately one-half of the homes sold in the past eight years were built between 1980 and 1989, while only 98 (31.2%) of the homes sold were built since 1990. Product built in the submarket since 1990 has a notably higher median sales prices than product sold prior to this time. Product sold that was built between 2000 and 2009 had a median price of \$250,000, while product built since 2010 was priced at \$442,417.

In addition to historical home sales, we also identified the inventory of available for-sale product within the Town of Hilton Head Island. A total of 889 housing units were listed as available for purchase in the town. The median list price for homes within the town is \$619,000, or \$255.71 per square foot. The homes are primarily two- to four-bedroom units. The average days on market for these homes is 146 days, indicating that there is a good level of demand for these homes.

Town of Hilton Head Island – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	50	1.25	1982	729	\$58,000 - \$575,000	\$227,500	\$282.91	140
Two-Br.	176	2.0	1982	1,195	\$44,500 - \$3,999,000	\$324,450	\$251.09	123
Three-Br.	280	3.0	1988	2,206	\$205,000 - \$1,990,000	\$549,000	\$234.31	140
Four-Br.	233	4.0	1994	3,507	\$253,160 - \$14,500,000	\$819,000	\$246.37	147
Five+-Br.	150	5.5	1994	4,599	\$358,000 - \$8,900,000	\$1,697,000	\$396.34	182
Total	889	3.5	1989	2,668	\$44,500 - \$14,500,000	\$619,000	\$255.71	146

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the Town of Hilton Head Island.

Town of Hilton Head Island – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	16	1.8%	46
\$100,000 to \$149,999	41	4.6%	113
\$150,000 to \$199,999	4	0.4%	47
\$200,000 to \$249,999	52	5.8%	112
\$250,000 to \$299,999	42	4.7%	124
\$300,000+	734	82.6%	154
Total	889	100.0%	146

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, over four-fifths (82.6%) of the homes available to purchase in the Town of Hilton Head Island are priced at \$300,000 and higher. There were 61 homes identified as available for purchase that were priced below \$200,000. These lower-priced homes represent only 6.8% of the submarket's available supply. The limited supply of product priced under \$200,000 is likely contributing to the very short number of average days on market (the length of time it takes a home to be listed and then sold), which is evidence of the strong level of demand for these more moderately priced homes in the Town of Hilton Head Island.

As shown in the table below, much of the product available to purchase was built between 1980 and 1999. A total of 217 available units were built since 2000, representing nearly one-quarter (24.4%) of the supply.

Town of Hilton Head Island – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	-	-	-	-	-	-	-
1950 to 1959	2	4/3.25	1,849	\$769,000 - \$1,150,000	\$959,500	\$542.64	42
1960 to 1969	25	4/3.75	3,519	\$215,000 - \$14,500,000	\$1,279,000	\$437.01	236
1970 to 1979	167	3/2.75	1,964	\$58,000 - \$5,495,000	\$499,900	\$302.31	137
1980 to 1989	298	3/2.75	2,012	\$44,500 - \$4,500,000	\$475,000	\$249.89	143
1990 to 1999	180	4/3.75	3,280	\$249,000 - \$8,900,000	\$754,000	\$258.56	159
2000 to 2009	167	4/4.5	3,687	\$129,000 - \$8,995,000	\$799,000	\$224.90	151
2010 to present	50	4/3.75	2,919	\$244,710 - \$7,795,000	\$599,950	\$213.24	84
<b>Total</b>	<b>889</b>	<b>3/3.5</b>	<b>2,668</b>	<b>\$44,500 - \$14,500,000</b>	<b>\$619,000</b>	<b>\$255.71</b>	<b>146</b>

Source: Beaufort County Board of Realtors and Realtor.com

### Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

#### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Town of Hilton Head Island, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	11	-39	160	175	179
Units Needed for a Balanced Market	23	37	92	59	58
New Household Formations	46	45	83	70	70
Replacement Housing Needed	25	25	45	39	38
Total External Market Support	32	20	114	103	104
Gross Demand of Units Needed	138	88	494	446	449
Units in the Development Pipeline (Planned Projects)	0	0	80	80	70
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>138</b>	<b>88</b>	<b>414</b>	<b>366</b>	<b>379</b>

*Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Town of Hilton Head Island, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	21	-79	321	350	358
Units Needed for a Balanced Market	23	35	100	67	67
New Household Formations	47	42	92	81	81
Replacement Housing Needed	26	23	51	44	44
Total External Market Support	35	7	169	163	165
Gross Demand of Units Needed	152	29	733	706	715
Units in the Development Pipeline (Planned Projects)	0	0	80	80	70
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	152	29	653	626	645

*For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Town of Hilton Head Island, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	53	37	814
Units Required for a Balanced Market	8	-37	-520
Total Potential Household Formations	92	76	285
Total Replacement Housing	76	63	235
Total External Market Support	23	14	81
Gross Demand of Units Needed	251	153	896
Units in the Development Pipeline (Planned Projects)	0	0	-26
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	251	153	922

*For-Sale Housing – Long-Term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Town of Hilton Head Island, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	106	74	1,628
Units Required for a Balanced Market	77	20	-306
Total Potential Household Formations	184	152	570
Total Replacement Housing	151	126	470
Total External Market Support	52	37	236
Gross Demand of Units Needed	570	409	2,599
Units in the Development Pipeline (Planned Projects)	0	0	-26
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	570	409	2,625

Overall, there appears to be a short-term (five-year) housing gap for approximately 1,385 rental units and 1,386 for-sale housing units. While there is a short-term housing gap among all income and affordability segments, the greatest rental gap appears to be for product priced between \$875 and \$1,474 (serving households with incomes between \$35,000 and \$59,999). The greatest for-sale housing gap is for product priced at or above \$300,000. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Town of Hilton Head Island, it is recommended that the following be considered as priorities for this submarket:

***Support Senior Residential Alternatives (Independent Living and Senior Care)*** – The largest share of households in the Town of Hilton Head Island consists of senior households, ages 65 and older, representing nearly one-half of all households. Between 2017 and 2022, the greatest household growth by age group is projected to occur among senior households between the ages of 65 and 75, and ages 75 and older. As such, senior-oriented housing should be one of the housing segments given priority in the Town of Hilton Head Island, including housing that will enable seniors to downsize and age-in-place.

***Support the Development of Moderate and High-end For-Sale Housing*** – Although over 80% of all available for-sale product in the Town of Hilton Head Island is priced at \$300,000 or higher, the 734 units at this price point will fall far short of the demand that is expected to be generated from the projected household growth of higher-income households over the next few years. This is also true of more moderate-income households earning between \$75,000 and \$99,999 and who can afford product generally priced between \$200,000 and \$299,999, yet there is limited supply of such product. It is projected that the Town of Hilton Head Island will experience an increase of approximately 350 households earning \$150,000 or more and an additional 349 households earning between \$75,000 and \$99,999. Therefore, the Town of Hilton Head Island will need to support development that will meet the needs of these moderate- and higher-income homebuyers.

***Support the Development of Affordable Housing Alternatives that will Bring More Balance to the Town of Hilton Head Island Housing Market*** – As shown in Bowen National Research’s survey of area multifamily rental alternatives, there are no vacancies among the surveyed Tax Credit (serving households with incomes of up to 60% of AMHI) or government subsidized (serving households with incomes of up to 50% of AMHI) projects in the market. In fact, wait lists for this affordable product are long, illustrating the pent-up demand for such housing. Our inventory of available for-sale product illustrates that there are only 61 homes currently listed as available for purchase that are priced below \$200,000. As such, the market has a shortage of product generally affordable to households with incomes below \$60,000. Given the projected growth that is expected to occur among these lower-income households, there will be an increased demand for housing to serve these particular households. Based on the survey of the Town of Hilton Head Island residents, the greatest housing need in the market is for rental housing that will serve both low- and moderate-income households. Based on these findings, it will be important that the Town of Hilton Head Island support the development of rental product that is affordable to lower-income households, generally earning below \$50,000, and for-sale product that is affordable to moderate-income households, generally earning between \$50,000 and \$74,999. The development will put the market more in balance and enable the Town of Hilton Head Island to provide adequate housing for much of its more moderate-income population, particularly those in the service industries (retail, hospitality, restaurants, etc.) and public sector employees (e.g. teachers, police, firefighters, etc.).

## **Town of Port Royal Submarket Analysis**

The following data and analysis focuses on the Town of Port Royal and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply.

### **Submarket Overview**

The Town of Port Royal is located near the center of Beaufort County, just south of the City of Beaufort. The town is the smallest of the four communities studied in the Beaufort County Housing Needs Assessments, with approximately 15.7 square miles.

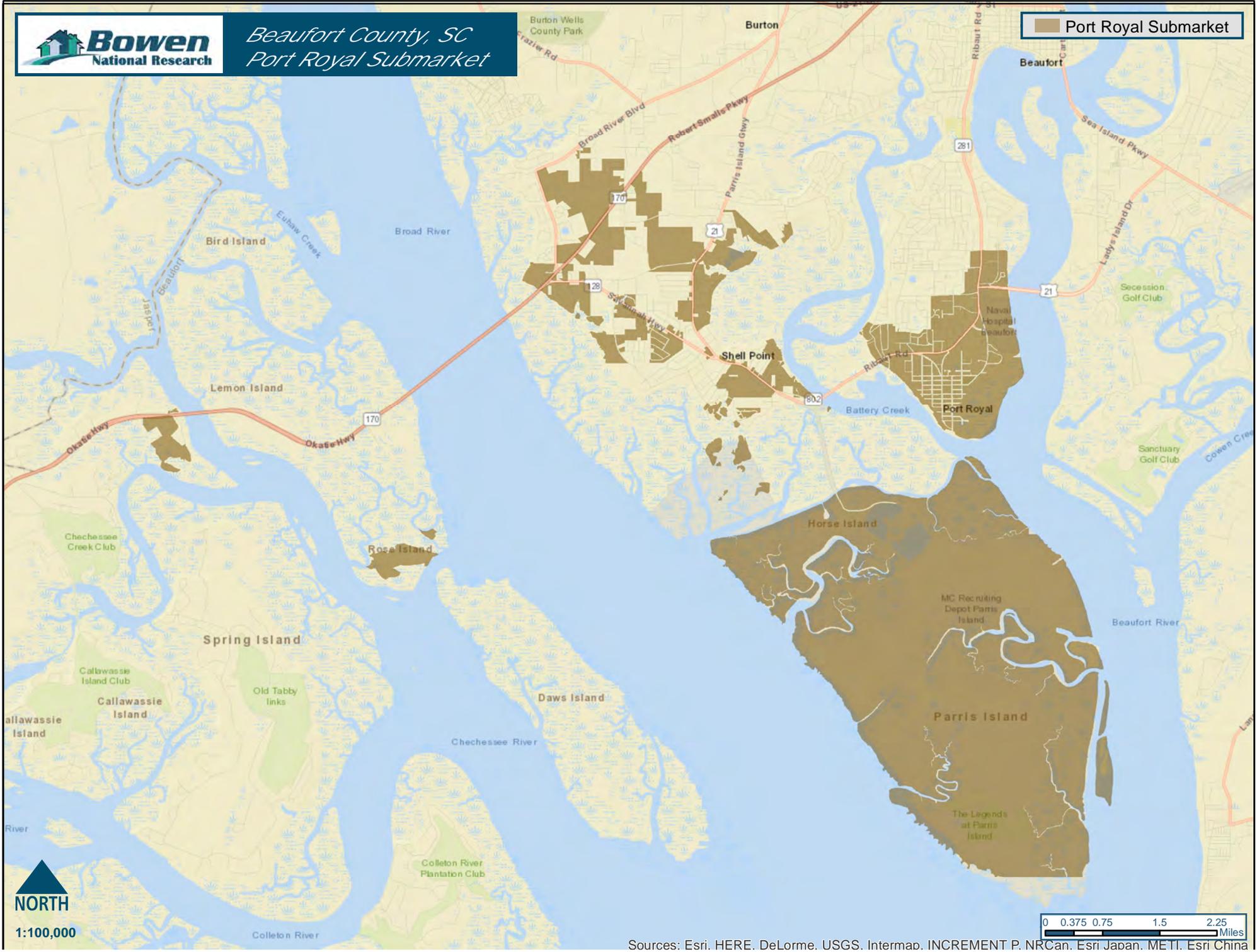
Though there are no major shopping centers located within the Town of Port Royal, there are staple stores such as Piggly Wiggly Grocery Store, Maxway Variety Wholesaler, Dollar General and Sears Hometown Store. Additionally, many boutique shopping, spas and salons and dining options are available throughout this submarket. This submarket also offers some recreation opportunities and education facilities. Additional discussions of the community services in this area are included on page VII-20.

A map showing the location of the Town of Port Royal is on the following page:



Beaufort County, SC  
Port Royal Submarket

Port Royal Submarket



**NORTH**  
1:100,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Town of Port Royal population was 9,861 per the 2000 Census, making it the second smallest of the four incorporated communities studied in this report. The submarket's population base increased by 595 between 2000 and 2010. This represents a 6.0% increase over the 2000 population. The population reached 11,958 in 2017, representing an increase of 1,502 (14.4%) over 2010. It is projected that the population will increase by 921, or 7.7%, between 2017 and 2022.

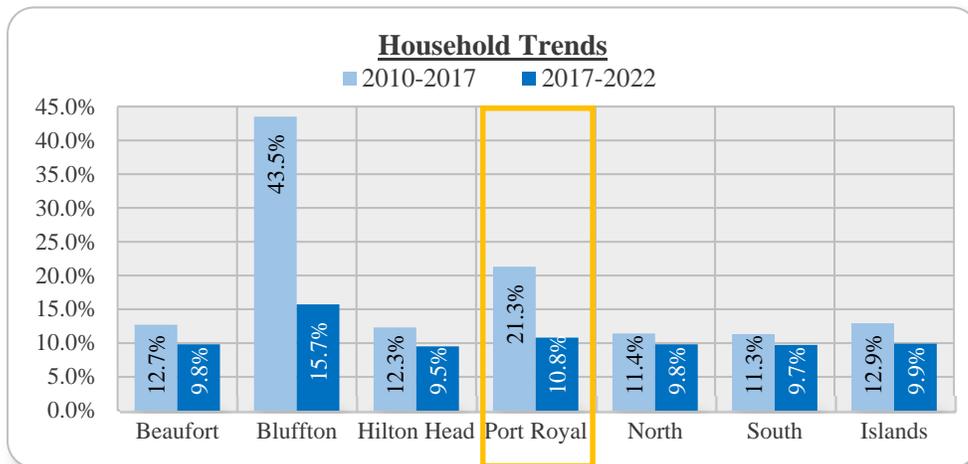
Excluding the population under the age of 25, the largest population base in the Town of Port Royal in 2017 is persons between the ages of 25 and 34, representing 17.5% of the town's adult population. The median age of submarket residents in 2017 was 24.4, which is much younger than the other communities considered in the Beaufort County Housing Needs Assessment. The greatest projected growth is expected to occur among persons between the ages 35 and 44 (285, 25.9% increase) and between the ages of 65 and 74 (124, 22.1% increase).

## Socio-Economic Snapshot

- Minorities represent 31.8% of the population
- 37.2% of population is married
- 5.8% of the adult population lacks a high school degree
- 44.7% of the adult population has a college degree
- 16.8% of the population lives below poverty level

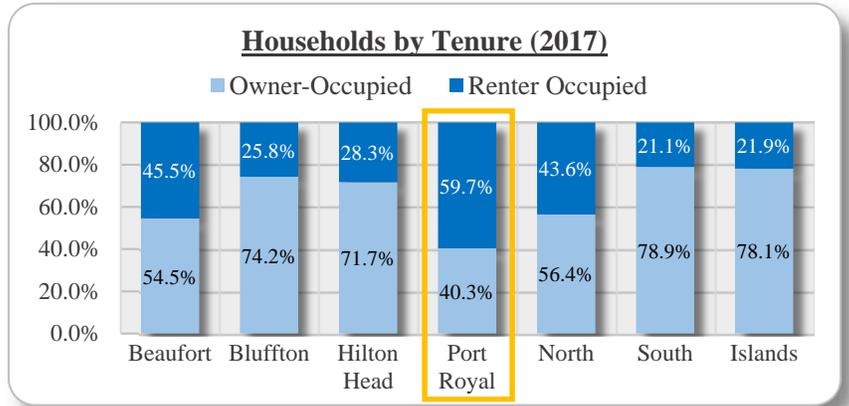
## Households

The Town of Port Royal had a total of 2,335 households per the 2000 Census. Between 2000 and 2010, households increased by 609 or 26.1%, while between 2010 and 2017, households increased to 3,570, representing an increase of 626, or 21.3%. It is projected that the number of households will increase by 384, or 10.8% between 2017 and 2022. The graph below illustrates the change in households for each study area included in this analysis.



### Households by Tenure

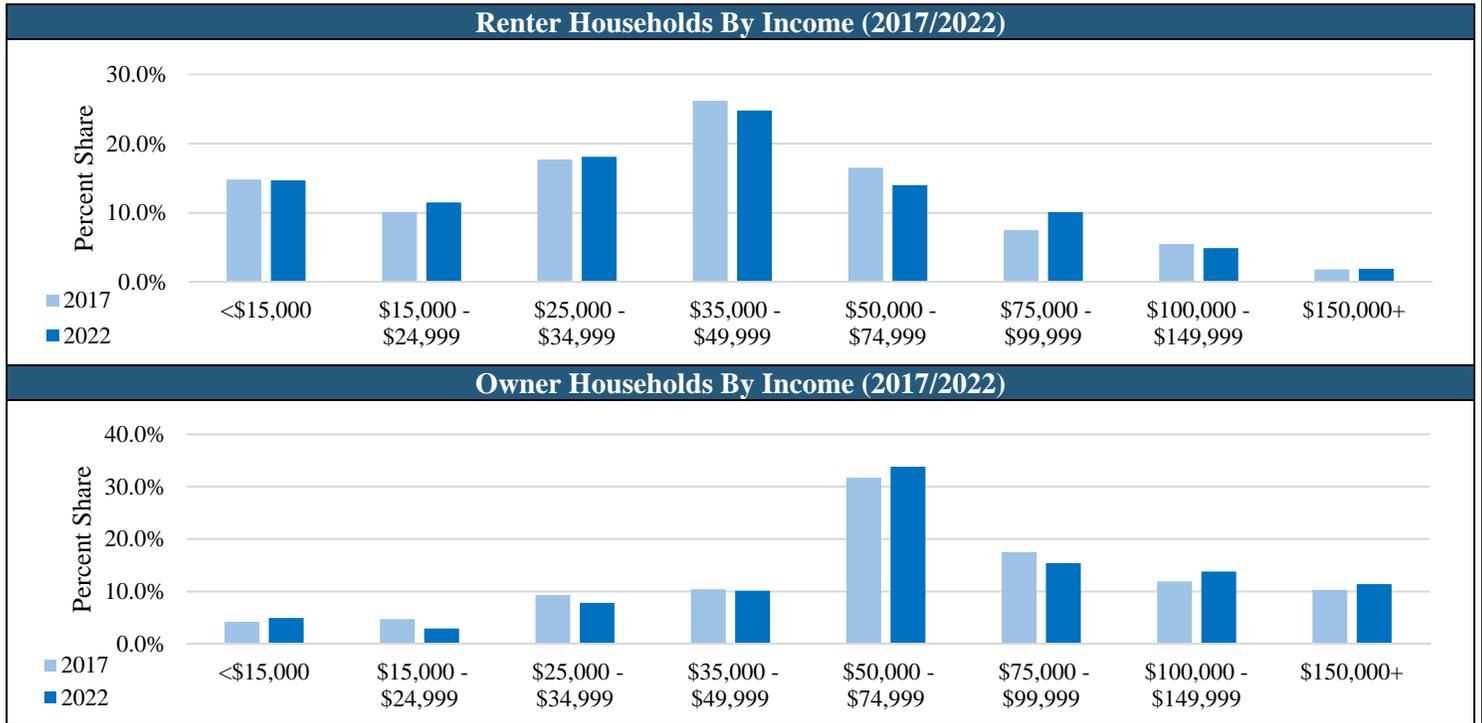
In of the Town Port Royal, most households (59.7%) were renter-occupied, while the remaining 40.3% were occupied by owners in 2017. This town has the highest share of renter households of the four communities we studied in the county. By 2022, the number of renter-occupied households is projected to increase by 209 (9.8%) and owner-occupied households are projected to increase by 175 (12.2%). This will add to the demand for both for-sale and rental housing. The graph to the right illustrates the share of housing by tenure for the various areas that were included in this analysis, including the Town of Port Royal.



### Household Distribution by Income

The greatest share of *renter* households by income within the Town of Port Royal in 2017 was among those households earning between \$35,000 and \$49,999 annually, which represented 26.2% of all renter households. The greatest renter household growth between 2017 and 2022 is projected to occur among households with incomes between \$75,000 and \$99,999, which is it is projected to increase by 78 households, representing an increase of 48.9%. Notable renter household growth is also projected to occur among households earning between \$15,000 and \$24,999 (54, 24.8% increase) and between \$25,000 and \$34,999 (48, 12.6% increase). In 2017, the largest share of *owner*-occupied households was among households making between \$50,000 and \$74,999, as these households represent nearly one-third (31.7%) of all owner households. Between 2017 and 2022, the greatest owner growth is projected to occur among households earning between \$50,000 and \$74,999, which is projected to increase by 90 (19.6%) households. Notable owner household growth is also projected to occur among those households with incomes of \$100,000 and higher, adding 86 households.

The tables below illustrate the distribution of household income by tenure in the Town of Port Royal for 2017 and 2022.



Household Distribution by Age

In 2017, the largest share of households by age group within the Town of Port Royal was those between the ages of 25 and 34, representing 28.4% of households. Between 2017 and 2022, the greatest household growth rate is projected to occur among households between the ages of 35 and 44 (165, 27.4% increase), though notable growth is projected to occur among younger households under the age of 25 (46, 14.1% increase) and seniors ages 65 to 74 (91, 23.2% increase) and ages 75 and older (63, 22.5% increase).

Mode of Transportation to Work & Drive Times

Just over half (53.7%) of all workers living in the Town of Port Royal drove alone to work, while notable shares either walked to work (16.6%) or worked from home (13.7%). Approximately 51.5% of commuters have a drive time of less than 15 minutes to work, while over three-quarters have a typical drive of less than 30 minutes.

Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for the Town of Port Royal is 145, with a personal crime index of 159 and a property crime index of 162. The



submarket’s overall crime index of 145 is above the national average of 100, which is similar to the rest of the county. As such, crime should have minimal impact on residential development within the Town of Port Royal.

Housing Supply Overview

The existing housing stock is relatively modern, with 85.0% of the renter-occupied units and 60.1% of the owner-occupied units built since 1980. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 0.9% of rental units and 0.4% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 5.7% of rental units and 1.5% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 47.4% of renters and 34.1% of owners are considered cost burdened.

Rental Housing

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, 13 multifamily properties with a total of 1,471 units are located within the Town of Port Royal. The following table summarizes the surveyed multifamily rentals in the Town of Port Royal.

Town of Port Royal Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	9	1,230	19	98.5%
Market-rate/Tax Credit	0	0	-	-
Tax Credit	2	143	0	100.0%
Tax Credit/Government Subsidized	1	60	0	100.0%
Government Subsidized	1	38	0	100.0%
Total	13	1,471	19	98.7%

All 19 vacant units among the surveyed multifamily projects are among the market-rate supply. However, even with 19 vacant units, the surveyed market-rate multifamily inventory is operating at a very high 98.5% occupancy rate. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income (AMHI), and government subsidized units, which serve households with incomes up to 50% of AMHI, are occupied and management for these units maintain wait lists. The 100.0% occupancy rate of affordable housing projects indicates the strong level of demand that exists of affordable multifamily rentals in the town. As such, there appears to be pent-up demand for affordable rentals in the town.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the submarket.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	378	30.7%	4	1.1%	\$1,060
Two-Bedroom	1.0	180	14.6%	2	1.1%	\$650
Two-Bedroom	1.5	104	8.5%	1	1.0%	\$925
Two-Bedroom	2.0	514	41.8%	11	2.1%	\$1,200
Three-Bedroom	2.0	53	4.3%	1	1.9%	\$1,200
Three-Bedroom	2.5	1	0.1%	0	0.0%	\$1,200
<b>Total Market-rate</b>		<b>1,230</b>	<b>100.0%</b>	<b>19</b>	<b>1.5%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	53	37.1%	0	0.0%	\$614
Two-Bedroom	2.0	54	37.8%	0	0.0%	\$699
Three-Bedroom	2.0	36	25.2%	0	0.0%	\$800
<b>Total Tax Credit</b>		<b>143</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	2.0	36	60.0%	0	0.0%
Three-Bedroom	2.0	24	40.0%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>60</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	4	10.5%	0	0.0%
Two-Bedroom	1.0	14	36.8%	0	0.0%
Three-Bedroom	1.0	15	39.5%	0	0.0%
Four-Bedroom	1.0	4	10.5%	0	0.0%
Five-Bedroom	2.0	1	2.6%	0	0.0%
<b>Total Subsidized</b>		<b>38</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The unit mixes by bedroom type are relatively well balanced, when compared to other markets. The median rents by bedroom/bathroom type among the market-rate supply ranges from \$650 to \$1,200, while the corresponding Tax Credit rents are much lower, ranging from \$614 and \$800. The value of the Tax Credit rents contributes to the level of demand for those particular units.

### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Town of Port Royal. According to MLS data, a total of 1,109 housing units have been sold in the Town of Port Royal since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table.

:

**Town of Port Royal - Sales History by Bedrooms – (January 2010 to November 2017)**

Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	13	1.0	1989	719	\$53,000 - \$137,000	\$72,900	\$124.77	171
Two-Br.	185	2.0	1992	1,157	\$38,900 - \$380,000	\$122,500	\$108.90	180
Three-Br.	631	2.25	2003	1,738	\$13,765 - \$475,975	\$195,165	\$109.03	154
Four-Br.	233	2.75	2007	2,381	\$52,200 - \$1,360,000	\$232,000	\$97.67	182
Five+-Br.	47	3.0	2007	2,785	\$134,750 - \$600,000	\$255,000	\$87.41	143
Total	1,109	2.5	2002	1,808	\$13,765 - \$1,360,000	\$199,435	\$105.92	164

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than one-half (56.9%) of the homes that sold in the Town of Port Royal since January of 2010 consist of three-bedrooms and one-fifth (21.0%) of the homes were two-bedrooms. The average size of a home sold was 1,808 square feet and had a median sales price of \$199,435 and a median price per-square-foot of \$105.92. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 164, which is a relatively short period and a good indication of the strong level of demand for for-sale housing. The average year built of homes sold in recent years is 2002, indicating the fact that the sold residential product has been relatively modern.

The distribution of homes sold since January 2010 by price for the Town of Port Royal is summarized in the table below.

**Town of Port Royal – Sales History by Price  
(January 2010 to November 2017)**

Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	118	10.6%	177
\$100,000 to \$149,999	166	15.0%	150
\$150,000 to \$199,999	278	25.1%	159
\$200,000 to \$249,999	366	33.0%	158
\$250,000 to \$299,999	107	9.6%	172
\$300,000+	74	6.7%	215
Total	1,109	100.0%	164

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most of the product that has sold in recent years in the Town of Port Royal fell between \$150,000 and \$249,999, with just over one-half (58.1%) of the sold product falling within this price segment. Homes within this range are generally selling within less than 160 days after being listed, with is comparable to the rest of the price segments.

The table below illustrates the housing sold within the Town of Port Royal by year built.

Town of Port Royal - Sales History by Year Built – (January 2010 to November 2017)							
Year Built	Number Sold	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	10	3/2.25	2,073	\$65,000 - \$298,138	\$190,500	\$87.59	193
1940 to 1949	17	2/1.5	1,150	\$50,000 - \$448,000	\$104,000	\$105.26	191
1950 to 1959	38	3/1.5	1,333	\$42,000 - \$600,000	\$113,825	\$97.29	169
1960 to 1969	24	3/1.75	1,414	\$13,765 - \$212,500	\$137,554	\$85.00	173
1970 to 1979	12	3/2.0	1,479	\$40,000 - \$315,000	\$137,375	\$98.13	130
1980 to 1989	86	3/2.0	1,341	\$49,250 - \$600,000	\$105,500	\$86.29	151
1990 to 1999	105	3/2.25	1,466	\$41,000 - \$367,000	\$165,000	\$105.14	169
2000 to 2009	302	3/2.5	1,746	\$38,900 - \$1,360,000	\$180,000	\$111.02	164
2010 to present	515	3/2.5	2,071	\$125,900 - \$773,435	\$220,000	\$106.07	164
Total	1,109	3/2.5	1,808	\$13,765 - \$1,360,000	\$199,435	\$105.92	164

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

Nearly three-fourths of the homes sold in the Town of Port Royal over the past eight years were built since 2000. As such, this submarket is dominated by modern for-sale housing product. Product sold that was built between 2000 and 2009 had a median price of \$180,000, while product built since 2010 had a median price of \$220,000.

In addition to historical home sales, we also identified the inventory of *available* for-sale product within the Town of Port Royal. A total of 135 housing units were listed as available for purchase in the town. The median list price for homes within the town is \$249,000, or \$126.32 per square foot. The homes are primarily two- to four-bedroom units. The average days on market for these homes is just 99 days, indicating that these homes are in very high demand.

Town of Port Royal – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	5	1.0	1997	666	\$89,900 - \$249,000	\$110,000	\$206.38	54
Two-Br.	35	2.0	1999	1,146	\$95,000 - \$435,000	\$144,500	\$131.81	134
Three-Br.	58	2.25	2008	1,760	\$94,900 - \$495,000	\$249,000	\$128.63	91
Four-Br.	33	3.0	2010	2,373	\$199,000 - \$1,395,000	\$259,900	\$115.46	84
Five+-Br.	4	3.5	2014	2,890	\$272,000 - \$300,000	\$289,450	\$94.03	85
Total	135	2.5	2006	1,744	\$89,900 - \$1,395,000	\$249,000	\$126.32	99

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the Town of Port Royal.

Town of Port Royal – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	4	3.0%	75
\$100,000 to \$149,999	24	17.8%	149
\$150,000 to \$199,999	22	16.3%	100
\$200,000 to \$249,999	26	19.2%	68
\$250,000 to \$299,999	36	26.7%	64
\$300,000+	23	17.0%	138
Total	135	100.0%	99

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, over one-half (56.3%) of the homes available to purchase in the Town of Port Royal are priced under \$250,000. Despite this inventory of lower-priced product, the Town of Port Royal market has a well-balanced inventory of available for-sale product by price point.

As shown on the table below, virtually all of the product available to purchase was built since 1980, with the greatest number of homes (74) built since 2010. As such, the submarket has a large inventory of modern for-sale housing.

Town of Port Royal– Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	1	3/1.0	1,506	\$249,000	\$249,000	\$165.34	222
1940 to 1949	1	3/2.0	1,047	\$139,000	\$139,000	\$132.76	110
1950 to 1959	2	2/1.0	765	\$99,900 - \$139,900	\$119,900	\$156.25	120
1960 to 1969	-	-	-	-	-	-	-
1970 to 1979	1	3/2.0	1,150	\$150,000	\$150,000	\$130.43	72
1980 to 1989	12	2/2.0	1,236	\$94,900 - \$449,500	\$164,450	\$177.35	108
1990 to 1999	19	2/2.25	1,414	\$89,900 - \$589,900	\$144,500	\$114.20	142
2000 to 2009	25	3/2.5	1,875	\$120,000 - \$1,395,000	\$249,000	\$146.47	95
2010 to present	74	3/2.5	1,913	\$135,900 - \$495,000	\$258,750	\$124.28	85
Total	135	3/2.5	1,744	\$89,900 - \$1,395,000	\$249,000	\$126.32	99

Source: Beaufort County Board of Realtors and Realtor.com

## Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Town of Port Royal, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	58	74	15	17	43
Units Needed for a Balanced Market	14	28	38	32	15
New Household Formations	29	34	43	18	18
Replacement Housing Needed	16	18	24	10	10
Total External Market Support	35	46	36	23	25
Gross Demand of Units Needed	152	200	155	98	110
Units in the Development Pipeline (Planned Projects)	0	24	24	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	152	176	131	98	110

### *Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Town of Port Royal, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	115	149	30	34	86
Units Needed for a Balanced Market	16	32	38	32	17
New Household Formations	32	38	44	19	20
Replacement Housing Needed	18	21	24	10	11
Total External Market Support	54	72	41	29	40
Gross Demand of Units Needed	236	312	177	124	174
Units in the Development Pipeline (Planned Projects)	0	24	24	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	236	288	153	124	174

### *For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Town of Port Royal, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	44	54	84
Units Required for a Balanced Market	-37	-49	-6
Total Potential Household Formations	18	17	22
Total Replacement Housing	15	14	18
Total External Market Support	4	4	12
Gross Demand of Units Needed	44	40	130
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	44	40	130

*For-Sale Housing – Long-Term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Town of Port Royal, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	88	108	168
Units Required for a Balanced Market	-23	-36	10
Total Potential Household Formations	35	34	44
Total Replacement Housing	29	28	37
Total External Market Support	13	13	26
Gross Demand of Units Needed	142	148	285
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	142	148	285

Overall, there appears to be a short-term (five-year) housing gap for approximately 667 rental units and 214 for-sale housing units. While there is a short-term housing gap among all income and affordability segments, the greatest rental gap appears to be for product priced below \$875 (serving households with incomes below \$35,000). The greatest for-sale housing gap is for product priced at or above \$300,000, though lower priced product is also needed. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Town of Port Royal, it is recommended that the following be considered as priorities for this submarket.

### ***Support Family and Senior Residential Alternatives, Both Rental and For-Sale Product***

– Between 2017 and 2022, the greatest growth by age is projected to occur among households between the ages of 35 and 44, though notable growth is also projected to occur among seniors ages 65 and older. As such, family-oriented housing should be one of the housing segments given priority in this submarket, as well as senior-oriented housing product that will accommodate the specific needs of seniors and will allow them to age-in-place. Given that the Town of Port Royal is projected to increase by 384 households over the next five years and this growth is expected to be relatively evenly distributed between renter households and owner households, future development should be balanced between both new rental product and new for-sale product.

### ***Support Development of Affordable and Market-rate Rental Housing Alternatives***

– Based on Bowen National Research’s survey of multifamily rental alternatives, there are very few market-rate rental units available to rent and all of the Tax Credit (serving households with incomes of up to 60% of AMHI) and government subsidized (serving households with incomes of up to 50% of AMHI) are fully occupied. As such, there is a clear shortage of multifamily rental housing. The need appears to be greatest for product serving lower-income households, as evidenced by their 100% occupancy rates and wait lists for such product. The town would benefit from the introduction of affordable (Tax Credit and government subsidized) and market-rate product.

### ***Support a Broad Mix of For-Sale Residential Development Alternatives***

– While the Town of Port Royal offers one of the more diverse mixes of available for-sale housing inventories in the county, this inventory consists of only 135 available units. It is projected that between 2017 and 2022, the town will add an estimated 175 owner-occupied households, an increase of 12.2% during this five-year period. As a result, the current inventory of available for-sale product is insufficient to meet the anticipated need for new for-sale product in the years ahead. It appears that half of the growth will be among households that will be able to afford product priced under \$200,000, while nearly one-half of the growth will be among households able to support product priced above \$300,000. Therefore, the town will need to support the development of new for-sale product that meets the needs for both pricing segments.

## **Northern Unincorporated Submarket Analysis**

The following data and analysis focuses on the Northern Unincorporated Submarket and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply.

### **Submarket Overview**

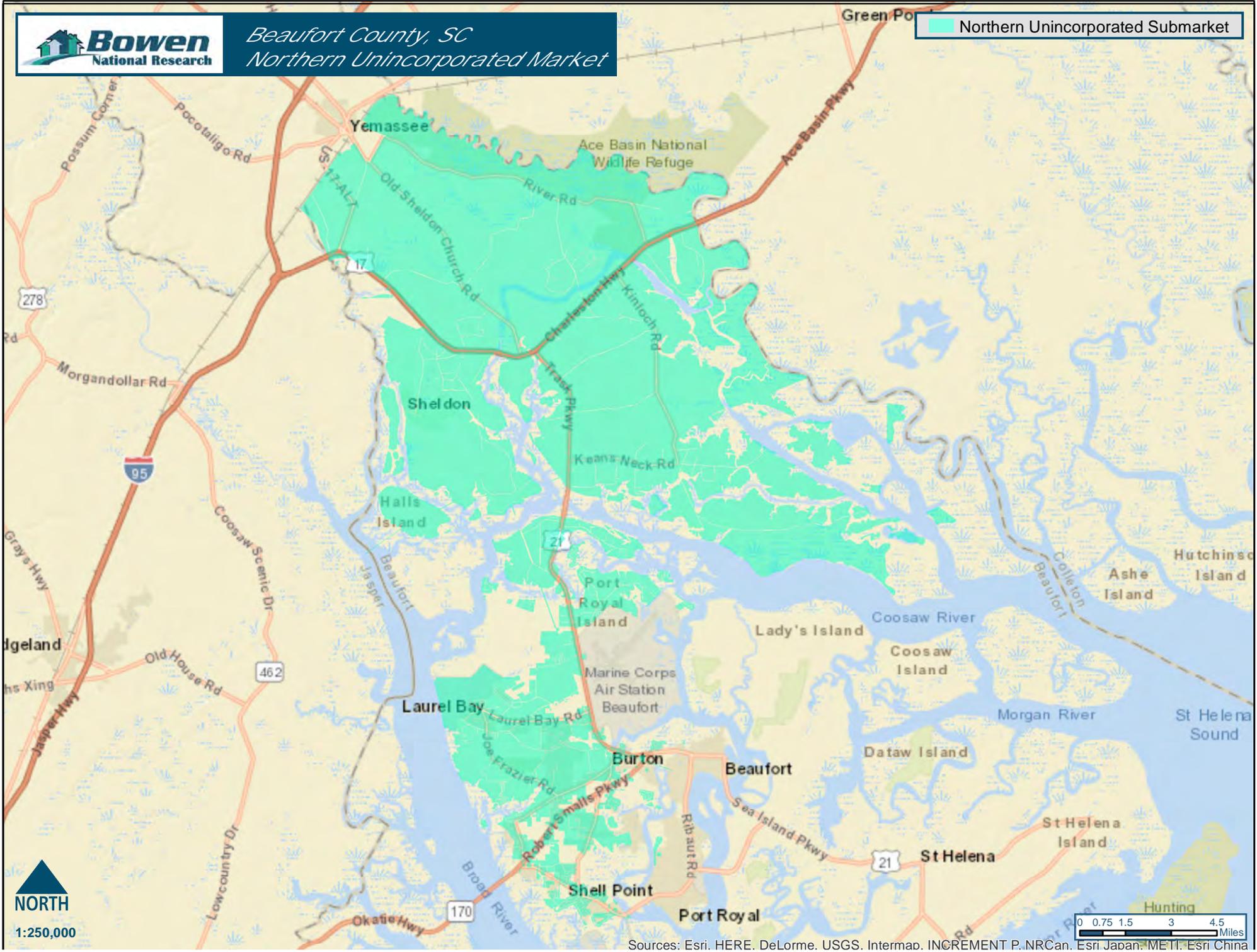
The Northern Unincorporated Submarket is located in the north/northwest portion of Beaufort County, consisting of approximately 126.7 square miles. This submarket is predominantly rural, with heavily wooded, undeveloped and agricultural lands. The most notable community services located within this submarket is Brays Island Plantation Golf Club, Old Sheldon Church Ruins and the Dale Community Center, its park, picnic area and athletic fields. Public schools include: Davis Elementary School, Whale Branch Elementary, Middle and High Schools, Shanklin Elementary School, Coosa Elementary School, Broad River Elementary School, Lowcountry Montessori School, and Battery Creek High School. It is of note that the Northern Unincorporated Submarket is deficient in notable shopping centers, grocery stores or medical facilities. However, these services are accessible in the City of Beaufort and other nearby communities.

A map showing the location of the Northern Unincorporated Submarket (and its boundaries) is on the following page:



Beaufort County, SC  
Northern Unincorporated Market

Northern Unincorporated Submarket



NORTH  
1:250,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The Northern Unincorporated Submarket population was 22,520 per the 2000 Census. The submarket's population base increased by 1,517 between 2000 and 2010. This represents a 6.7% increase over the 2000 population. The population reached 26,842 in 2017, representing an increase of 2,805 (11.7%) over 2010. It is projected that the population will increase by 2,528, or 9.4%, between 2017 and 2022.

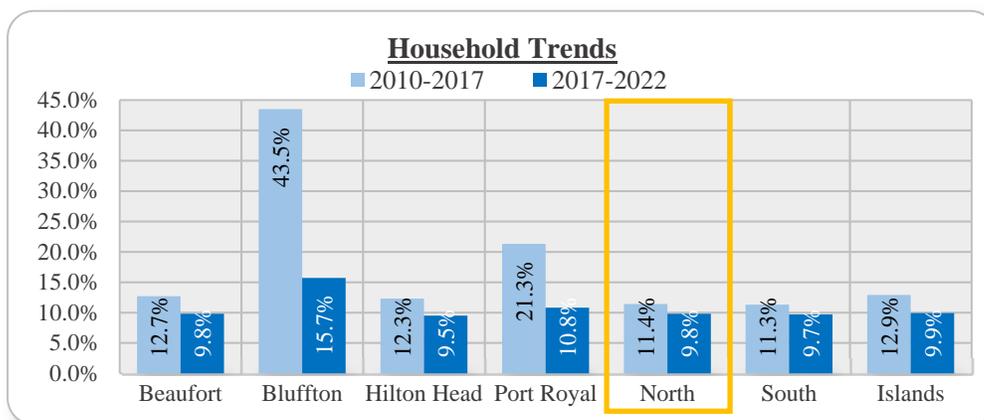
Excluding the population under the age of 25, the largest population base in the submarket in 2017 was persons between the ages of 25 and 34, representing 18.1% of the submarket's population. The greatest projected growth is expected to occur among persons between the ages 35 and 44 (687, 23.8% increase) and ages 65 to 74 (496, 22.9% increase). A notable increase is projected to occur among the population ages 75 and older (367, 35.6%).

## Socio-Economic Snapshot

- Minorities represent 47.6% of the population
- 51.4% of population is married
- 11.2% of the adult population lacks a high school degree
- 30.7% of the adult population has a college degree
- 20.2% of the population lives below poverty level

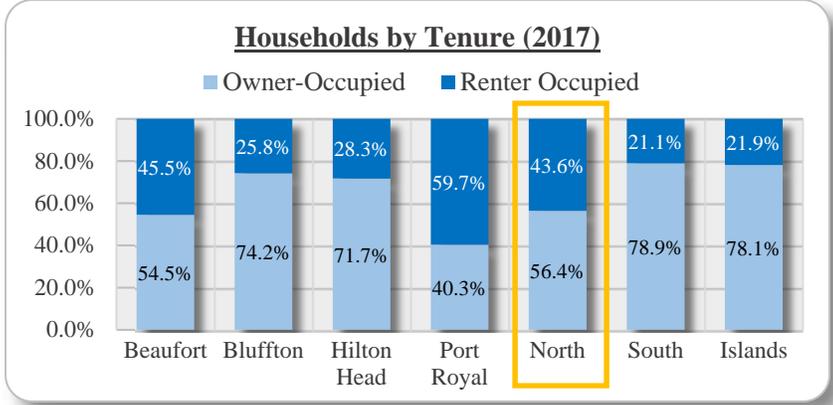
## Households

The Northern Unincorporated Submarket had a total of 7,482 households per the 2000 Census. Between 2000 and 2010, households increased by 1,314 or 17.6%, while between 2010 and 2017, households increased to 9,798, representing an increase of 1,002 or by 11.4%. It is projected that the number of households will increase by 960, or 9.8% between 2017 and 2022. The graph below illustrates the change in households for each study area included in this analysis.



### Households by Tenure

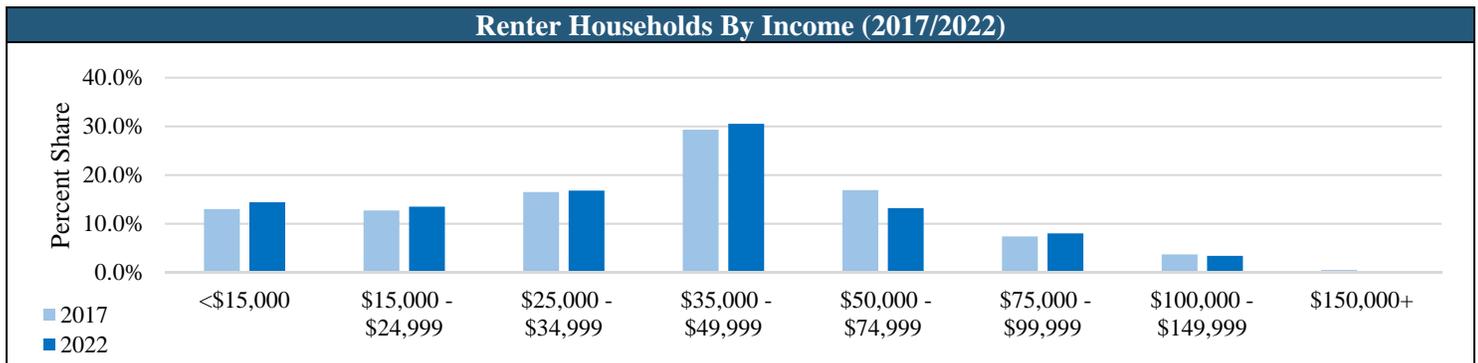
In the Northern Unincorporated Submarket, most households (56.4%) were owner-occupied, while the remaining 43.6% were occupied by renters in 2017. By 2022, the number of owner-occupied households is projected to increase by 583 (10.6%) and renter-occupied households are projected to increase by 377 (8.8%). This will add to the demand for both for-sale and rental housing. The graph to the right illustrates the share of housing by tenure for the various areas that were included in this analysis, including the subject submarket.



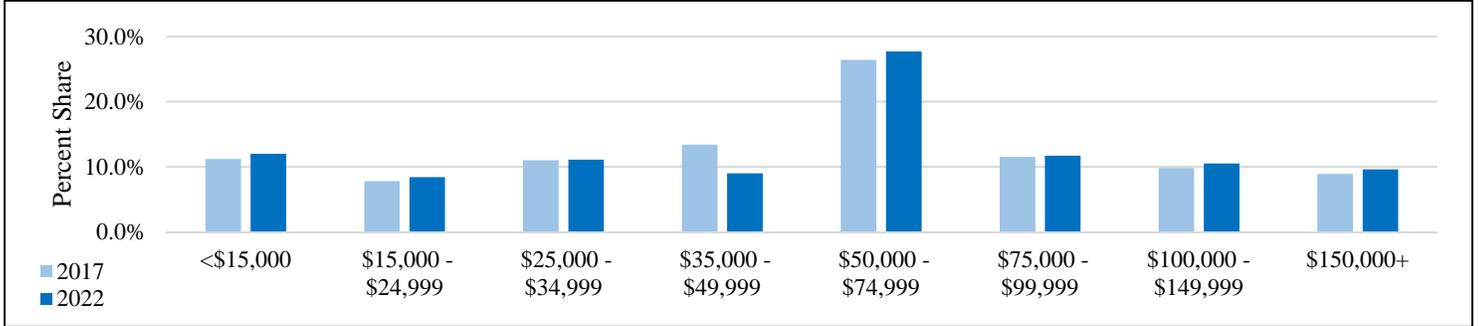
### Household Distribution by Income

The greatest share of *renter* households by income within the Northern Unincorporated Submarket in 2017 is among those households earning between \$35,000 and \$49,999 annually, which represented 29.3% of all renter households. The greatest growth between 2017 and 2022 is projected to occur among households earning between \$35,000 and \$49,999 (164, 13.1% increase) and below \$15,000 (110, 19.8% increase). In aggregate, households earning below \$35,000 are projected to grow by 268, adding to the area's demand for lower-priced rental product. In 2017, the largest share of *owner*-occupied households is among households making between \$50,000 and \$74,999, with 1,460 households representing 26.4% of all owner households. The greatest projected growth of owner households between 2017 and 2022 is projected to occur among households earning between \$50,000 and \$74,999 (230, 15.8% increase), those earning below \$15,000 (113, 18.2% increase) and those earning between \$100,000 and \$149,999 (104, 19.2% increase).

The tables below illustrate the distribution of household income by tenure in the Northern Unincorporated Submarket for 2017 and 2022.



### Owner Households By Income (2017/2022)



### Household Distribution by Age

In 2017, the largest share of households by age group within the submarket was those between the ages of 25 and 34, representing 23.2% of households. Between 2017 and 2022, the greatest household growth rate is projected to occur among households between the ages 35 to 44 (350, 23.2% increase), between the ages of 65 and 74 (294, 21.9% increase), and ages 75 and older (223, 33.3% increase).

### Mode of Transportation to Work & Drive Times

Over 84% of all workers living in the submarket drove alone to work, while 8.1% carpoolled. Approximately 3.5% walked to work. Approximately 33.7% of commuters have a drive time of less than 15 minutes to work, while nearly three-quarters have a typical drive of less than 30 minutes.

### Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for the Northern Unincorporated Submarket is 125, with a personal crime index of 147 and a property crime index of 129. The submarket's overall crime index of 125 is above the national average of 100 but is among the lowest of the study areas considered in this report. As such, crime should not adversely impact residential development in this submarket.

### Housing Supply Overview

The existing housing stock is relatively modern, with 43.1% of the renter-occupied units and 48.1% of the owner-occupied units built since 1990. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 2.9% of rental units and 0.2% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 6.9% of rental units and 1.5% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 55.9% of renters and 34.8% of owners are considered cost burdened.

## Rental Housing

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, four multifamily properties with a total of 364 units are located within the Northern Unincorporated Submarket. The following table summarizes the surveyed multifamily rentals in the submarket.

Northern Unincorporated Submarket Multifamily Rental Housing Overview				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	3	308	2	99.4%
Market-rate/Tax Credit	0	0	-	-
Tax Credit	1	56	0	100.0%
Tax Credit/Government Subsidized	0	0	-	-
Government Subsidized	0	0	-	-
<b>Total</b>	<b>4</b>	<b>364</b>	<b>2</b>	<b>99.5%</b>

There are only two vacant units among the surveyed multifamily projects within the submarket, both of which are among the market-rate supply. With just two vacant units, the surveyed market-rate multifamily inventory is operating at a very high 99.4% occupancy rate. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income (AMHI) are occupied. There were no government subsidized units in the submarket, which would serve households with incomes up to 50% of AMHI. The high occupancy rates among both the market-rate and Tax Credit supply indicate that there appears to be strong and pent-up demand for both affordable and market-rate rentals in the submarket.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the submarket.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	72	23.4%	0	0.0%	\$995
Two-Bedroom	1.0	20	6.5%	1	5.0%	\$850
Two-Bedroom	2.0	121	39.3%	0	0.0%	\$1,225
Two-Bedroom	2.5	12	3.9%	0	0.0%	\$1,800
Three-Bedroom	1.0	20	6.5%	1	5.0%	\$950
Three-Bedroom	2.0	56	18.2%	0	0.0%	\$1,374
Three-Bedroom	2.5	7	2.3%	0	0.0%	\$2,400
<b>Total Market-rate</b>		<b>308</b>	<b>100.0%</b>	<b>2</b>	<b>0.6%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
Two-Bedroom	2.0	24	42.9%	0	0.0%	\$696
Three-Bedroom	2.0	32	57.1%	0	0.0%	\$796
<b>Total Tax Credit</b>		<b>56</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

While the Tax Credit inventory lacks one-bedroom units, the market-rate supply has a good balance of units, relative to other typical markets. Regardless, the demand for all bedroom types is strong. The median rents by bedroom/bathroom type among market-rate units ranges from \$850 to \$2,400, which is well above the rents of Tax Credit units.

## For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Northern Unincorporated Submarket. According to MLS data, a total of 1,311 housing units have been sold in submarket since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table:

Northern Unincorporated Submarket - Sales History by Bedrooms – (January 2010 to November 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	4	1.5	1981	1,185	\$32,000 - \$248,000	\$102,500	\$104.04	123
Two-Br.	115	1.75	1988	1,388	\$15,500 - \$500,000	\$157,000	\$97.32	235
Three-Br.	918	2.0	1989	1,561	\$10,800 - \$865,000	\$145,000	\$102.23	168
Four-Br.	250	2.75	1989	2,261	\$18,800 - \$917,500	\$198,000	\$101.26	177
Five+-Br.	24	3.75	1991	3,270	\$44,100 - \$1,410,000	\$267,500	\$88.37	227
Total	1,311	2.25	1989	1,709	\$10,800 - \$1,410,000	\$155,000	\$101.94	177

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than two-thirds (70.0%) of the homes that sold in the submarket since January of 2010 consist of three-bedrooms. The average size of a home sold was 1,709 square feet and had a median sales price of \$155,000 and a median price per-square-foot of \$101.94. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 177, which is a relatively short period and a good indication of the strong level of demand for for-sale housing. The average year built of homes sold in recent years is 1989, indicating the fact that the sold residential product has been relatively modern.

The distribution of homes sold since January 2010 by price for the submarket is summarized in the table below.

Northern Unincorporated Submarket - Sales History by Bedrooms – (January 2010 to November 2017)			
Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	369	28.1%	153
\$100,000 to \$149,999	261	19.9%	152
\$150,000 to \$199,999	246	18.8%	134
\$200,000 to \$249,999	132	10.1%	168
\$250,000 to \$299,999	71	5.4%	212
\$300,000+	232	17.7%	281
Total	1,311	100.0%	177

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most of the product that has sold in recent years in the submarket fell below \$200,000, with two-thirds (66.8%) of the sold product falling below this price. Homes within this range are generally selling within less than 160 days after being listed, with is slightly faster than the rest of the price segments.

The table below illustrates the housing sold within the submarket by year built.

Northern Unincorporated Submarket - Sales History by Bedrooms – (January 2010 to November 2017)							
Year Built	Number Sold	Average Bedrooms/Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	3	3/1.25	2,158	\$74,000 - \$255,000	\$75,476	\$63.53	262
1940 to 1949	3	3/2.0	1,848	\$44,500 - \$446,000	\$144,000	\$128.90	225
1950 to 1959	99	3/1.5	1,348	\$25,000 - \$750,000	\$80,000	\$65.28	141
1960 to 1969	102	3/2.0	1,619	\$18,000 - \$450,000	\$130,000	\$83.57	140
1970 to 1979	197	3/2.0	1,685	\$10,800 - \$830,000	\$139,900	\$83.08	162
1980 to 1989	233	3/2.0	1,519	\$15,500 - \$855,000	\$128,000	\$91.50	160
1990 to 1999	187	3/2.25	1,527	\$16,000 - \$917,500	\$120,000	\$94.92	173
2000 to 2009	352	3/2.5	2,034	\$21,199 - \$1,410,000	\$250,000	\$134.37	218
2010 to present	135	3/2.5	1,802	\$14,000 - \$825,000	\$215,000	\$126.45	176
Total	1,311	3/2.25	1,709	\$10,800 - \$1,410,000	\$155,000	\$101.94	177

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

While the submarket has a broad mix of product sold in recent years that was built over a variety of development periods, most of the product was built since 1980. The largest number of units sold in the submarket was built between 2000 and 2009, representing over one-fourth (26.8%) of the product sold over the past eight years.

In addition to historical home sales, we also identified the inventory of *available* for-sale product within the submarket. A total of 136 housing units were listed as available for purchase in the submarket. The median list price for homes within the submarket is \$349,000, or \$184.77 per square foot. The homes are primarily three- and four-bedroom units. The average days on market for these homes is 114 days, indicating that these homes are in very high demand.

Northern Unincorporated Submarket - Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	-	-	-	-	-	-	-	-
Two-Br.	13	1.75	1991	1,258	\$100,000 - \$390,000	\$236,000	\$211.00	135
Three-Br.	79	2.25	1995	1,781	\$39,900 - \$1,650,000	\$259,700	\$152.02	95
Four-Br.	35	3.25	1996	2,728	\$75,000 - \$1,495,000	\$549,900	\$198.40	153
Five+-Br.	9	3.75	1993	2,919	\$297,000 - \$849,000	\$549,000	\$193.79	95
Total	136	2.5	1995	2,050	\$39,900 - \$1,650,000	\$349,000	\$184.77	114

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the submarket.

Northern Unincorporated Submarket – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	3	2.2%	129
\$100,000 to \$149,999	13	9.6%	102
\$150,000 to \$199,999	13	9.6%	95
\$200,000 to \$249,999	20	14.7%	80
\$250,000 to \$299,999	15	11.0%	100
\$300,000+	72	52.9%	131
Total	136	100.0%	114

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, over one-half (52.9%) of the available product was priced at \$300,000 and higher. More than one-quarter (25.7%) of the available supply is priced between \$200,000 and \$299,999. These lower priced homes are selling quickly, as evidenced by the average number of days on market which range from 80 to 100 days, depending upon price range. Only 29 units are available in the market that were priced under \$200,000. While the market offers a wide range of product by price point, lower priced product is selling the fastest, yet the higher priced product contains the greatest inventory.

As shown on the table below, the majority of the product available to purchase was built since 1980, with the greatest number of homes (46) built between 2000 and 2009. As such, the market has a large inventory of modern for-sale housing.

Northern Unincorporated Submarket – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	-	-	-	-	-	-	-
1950 to 1959	8	4/2.0	1,520	\$110,000 - \$795,000	\$174,500	\$126.71	61
1960 to 1969	5	3/2.0	1,489	\$39,900 - \$350,000	\$209,000	\$135.80	160
1970 to 1979	13	3/2.25	1,774	\$100,000 - \$518,000	\$229,800	\$136.17	92
1980 to 1989	19	3/2.25	1,907	\$139,000 - \$699,000	\$249,000	\$148.17	108
1990 to 1999	21	3/2.75	2,135	\$139,900 - \$1,650,000	\$393,000	\$183.76	90
2000 to 2009	46	3/3.0	2,243	\$75,000 - \$1,195,000	\$432,500	\$211.90	136
2010 to present	24	3/2.75	2,162	\$137,900 - \$1,150,000	\$434,450	\$228.17	117
Total	136	3/2.5	2,050	\$39,900 - \$1,650,000	\$349,000	\$184.77	114

Source: Beaufort County Board of Realtors and Realtor.com

## Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Northern Unincorporated, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	152	116	121	-43	32
Units Needed for a Balanced Market	29	55	84	27	20
New Household Formations	59	66	100	31	24
Replacement Housing Needed	32	36	55	17	13
Total External Market Support	82	82	108	9	27
Gross Demand of Units Needed	354	354	468	41	115
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	354	354	468	41	115

### *Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Northern Unincorporated, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	304	232	241	-86	63
Units Needed for a Balanced Market	34	61	90	25	21
New Household Formations	68	73	107	28	26
Replacement Housing Needed	37	40	59	16	14
Total External Market Support	133	122	149	0	37
Gross Demand of Units Needed	576	527	646	-18	161
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	576	527	646	0	161

### *For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Northern Unincorporated, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	-60	169	244
Units Required for a Balanced Market	18	4	-22
Total Potential Household Formations	63	52	66
Total Replacement Housing	52	43	55
Total External Market Support	7	27	34
Gross Demand of Units Needed	80	295	377
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	80	295	377

*For-Sale Housing – Long-Term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Northern Unincorporated, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	-120	338	488
Units Required for a Balanced Market	65	43	28
Total Potential Household Formations	125	104	133
Total Replacement Housing	103	86	109
Total External Market Support	17	57	76
Gross Demand of Units Needed	191	628	834
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	191	628	834

Overall, there appears to be a short-term (five-year) housing gap for approximately 1,332 rental units and 752 for-sale housing units. As the preceding tables illustrate, the greatest short-term rental housing gap appears to be for rental product priced between \$875 and \$1,474 (serving households with incomes between \$35,000 and \$59,999). However, a notable rental housing gap also exists for product priced under \$875 (serving households with incomes below \$35,000). A for-sale housing gap (short-term) exists for product at all price points, with the largest gap existing among product priced at \$300,000 or higher. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Northern Unincorporated Submarket, it is recommended that the following be considered as priorities for this submarket:

***Support Both Senior and Family Residential Alternatives*** – Between 2017 and 2022, the greatest growth is projected to occur among households between the ages of 35 and 44, though growth among seniors ages 65 and older is also expected to be significant in this submarket. As such, family-oriented housing should be one of the housing segments given priority in this submarket, along with senior-oriented product. This should include a mix of both rentals and for-sale product.

***Support Development of Affordable and Market-Rate Rental Housing Alternatives*** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning below \$15,000 and between \$35,000 and \$49,999. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-income households.

***Provide More Balance to the Market by Adding For-Sale Housing*** – While the Northern Unincorporated Submarket offers 136 for-sale housing units that are currently available for purchase, the number of owner-occupied households that are projected to be added to the market over the next five years totals 583 households. As a result, this submarket lacks sufficient for-sale housing to meet the growing need for such product. Given that projected owner-household growth is expected to occur among low-, moderate- and high-income households, the submarket would benefit from for-sale product that offers a variety of price points.

## **Southern Unincorporated Submarket Analysis**

The following data and analyses focuses on the Southern Unincorporated Area of Beaufort County, and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply.

### **Submarket Overview**

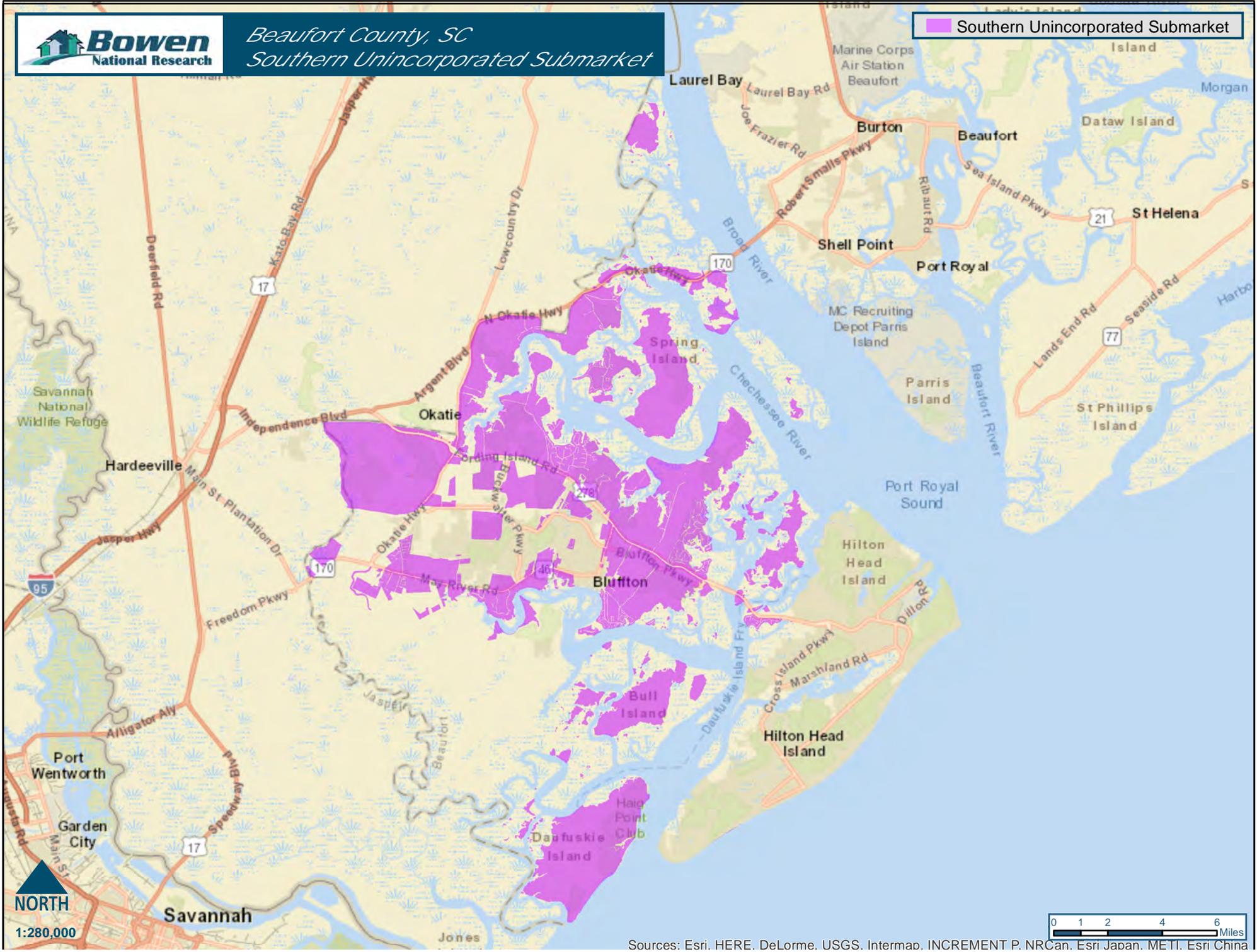
The Southern Unincorporated Submarket is predominantly rural, with heavily wooded and undeveloped lands. It is located in the southern portion of the county, generally north of the Town of Bluffton. This submarket consists of approximately 71.5 square miles. The most notable community services located within this submarket are the University of South Carolina Beaufort: Hilton Head Gateway Campus, Technical College of the Lowcountry: New River Campus, Walmart Supercenter, Publix Super Market at New River Crossing and Dollar Tree located along US Highway 278 in Okatie. Public schools include Okatie Elementary School, Daufuskie Island Elementary School and Beaufort Jasper-Academy for Career Excellence High School. Ferry boat transportation is available to Daufuskie Island. There are no notable medical facilities located within the Southern Unincorporated Submarket.

A map showing the boundaries of the Southern Unincorporated Area of Beaufort County is on the following page:



Beaufort County, SC  
Southern Unincorporated Submarket

Southern Unincorporated Submarket



NORTH

1:280,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The population within the Southern Unincorporated Submarket was 15,520 per the 2000 Census. The submarket's population base increased by 23,648 between 2000 and 2010. This represents a 152.4% increase over the 2000 population. The population reached 44,325 in 2017, representing an increase of 5,157 (13.2%) over 2010. It is projected that the population will increase by 4,470, or 10.1%, between 2017 and 2022.

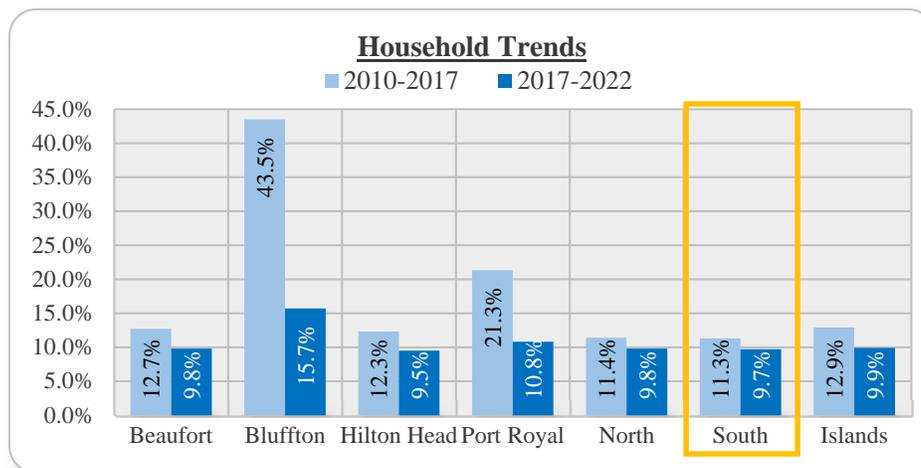
Excluding the population under the age of 25, the largest population base in the submarket in 2017 is persons between the ages of 65 and 74, representing 24.2% of the submarket's population. The greatest projected growth is expected to occur among persons ages 75 and older (2,775, 55.0% increase), between ages 65 and 74 (530, 4.9% increase), and to a lesser degree among persons under the ages of 45.

## Socio-Economic Snapshot

- Minorities represent 16.8% of the population
- 60.4% of population is married
- 5.2% of the adult population lacks a high school degree
- 53.1% of the adult population has a college degree
- 8.6% of the population lives below poverty level

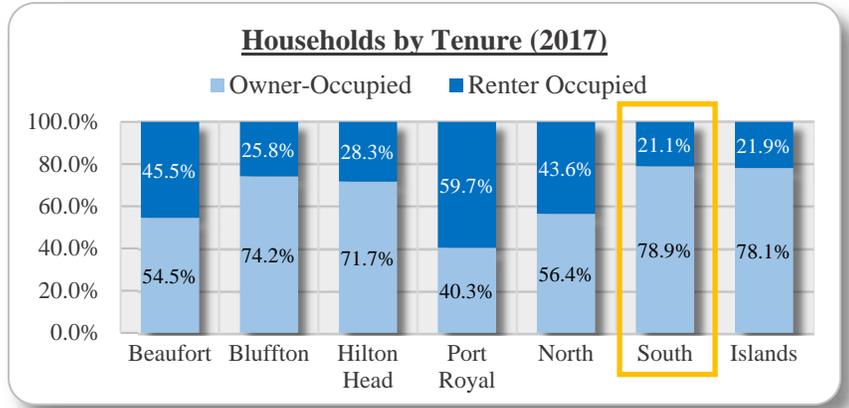
## Households

The Southern Unincorporated Submarket had a total of 6,664 households per the 2000 Census. Between 2000 and 2010, households increased by 10,099 or 151.5%, while between 2010 and 2017, households increased to 18,659, representing an increase of 1,896 or by 11.3%. It is projected that the number of households will increase by 1,808, or 9.7%, between 2017 and 2022. The graph below illustrates the change in households for each study area included in this analysis.



Households by Tenure

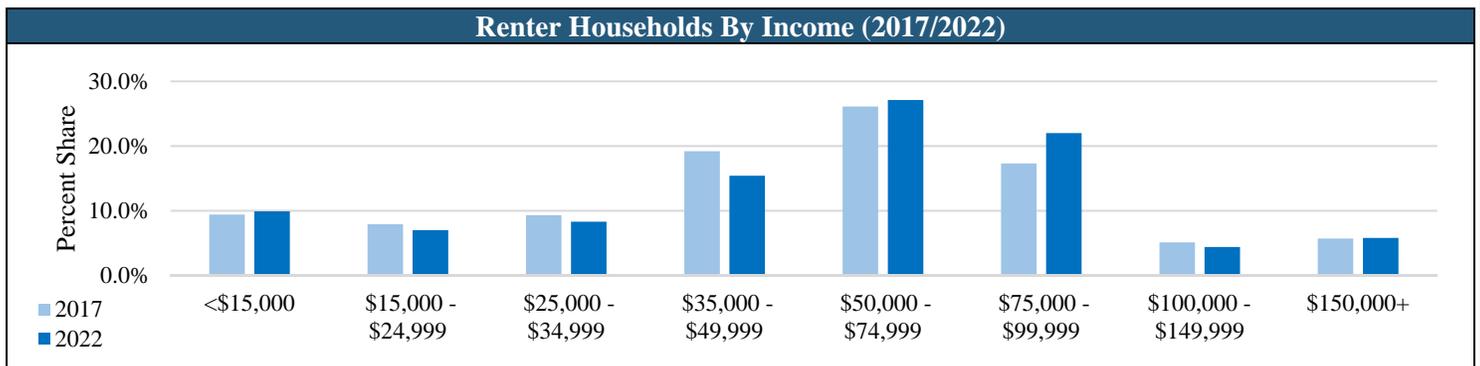
Within the Southern Unincorporated Submarket, most households (78.9%) were owner-occupied, while the remaining 21.1% were renters in 2017. By 2022, the number of owner-occupied households is projected to increase 1,407 (9.6%) and renter-occupied households are projected to increase by 401 (10.2%). This will add to the demand for both for-sale and rental housing. The graph to the right illustrates the share of housing by tenure for the various areas that were included in this analysis, including Southern Unincorporated Submarket.



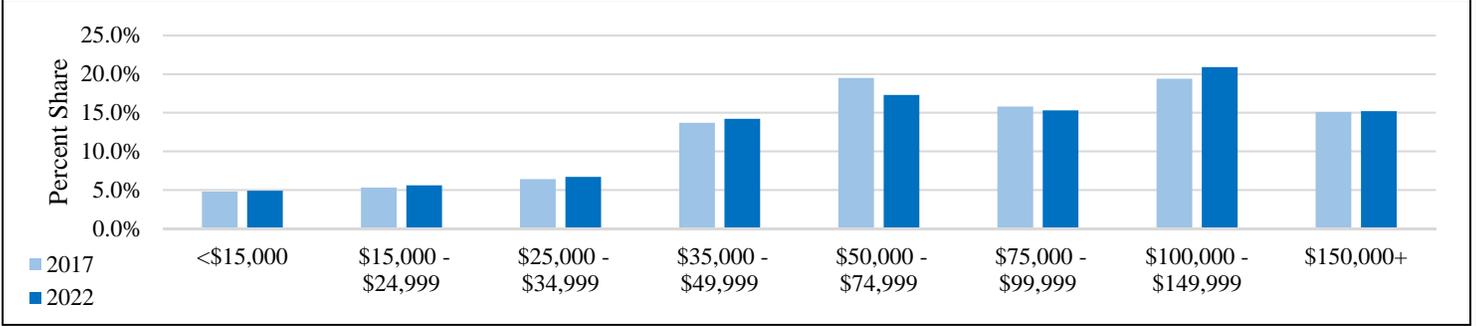
Household Distribution by Income

The greatest share of *renter* households by income within the submarket in 2017 was among those households earning between \$50,000 and \$74,999 annually, which represented 26.1% of all renter households. Households earning between \$75,000 and \$99,999 are projected to experience the greatest increase between 2017 and 2022, when it is projected that another 262 renter households will be added to this income segment, representing an increase of 38.4%. However, notable renter household growth is also projected to occur among renter households earning between \$50,000 and \$74,999 (134, 13.0% increase). In 2017, the largest share of *owner*-occupied households is among households making between \$50,000 and \$74,999 (19.5%) and between \$100,000 and \$149,999 (19.4%). Between 2017 and 2022, the greatest owner household growth is projected to occur among households earning between \$100,000 and \$149,999 (523, 18.3% increase), between \$35,000 and \$49,999 (266, 13.2% increase) and \$150,000 and higher (233, 10.5% increase).

The tables below illustrate the distribution of household income by tenure in the Southern Unincorporated Submarket for 2017 and 2022.



### Owner Households By Income (2017/2022)



### Household Distribution by Age

In 2017, the largest share of households by age group within the submarket was those between the ages of 65 and 74, representing 32.1% of households. Between 2017 and 2022, the greatest household growth rate is projected to occur among households ages 75 and older, which are projected to increase by 1,625, or by 49.3%. Modest household growth is projected to occur among households between the ages of 35 and 44 (240, 11.5% increase) and between the ages of 25 and 34 (171, 9.4% increase).

### Mode of Transportation to Work & Drive Times

Over 80% of all workers living in the submarket drove alone to work, while 11.1% carpoolled. Approximately 5.2% worked from home. Approximately 21.4% of commuters have a drive time of less than 15 minutes to work, while nearly two-thirds have a typical drive of less than 30 minutes.

### Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for Southern Unincorporated Submarket is 140, with a personal crime index of 145 and a property crime index of 165. The submarket's crime index of 140 is above the national average of 100, but comparable to the rest of the county. As such, crime should have minimal impact on the residential development potential of the submarket.

## Housing Supply Overview

The existing housing stock is relatively modern, with 52.3% of the renter-occupied units and 63.4% of the owner-occupied units built since 2000. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 4.5% of rental units and 0.9% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 5.1% of rental units and 0.8% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 41.0% of renters and 28.7% of owners are considered cost burdened.

## Rental Housing

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, nine multifamily properties with a total of 1,868 units are located within the Southern Unincorporated Submarket. The following table summarizes the surveyed multifamily rentals in submarket.

<b>Southern Unincorporated Submarket Multifamily Rental Housing Overview</b>				
<b>Project Type</b>	<b>Projects Surveyed</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Occupancy Rate</b>
Market-rate	6	1,671	19	98.9%
Market-rate/Tax Credit	0	0	-	-
Tax Credit	3	197	0	100.0%
Tax Credit/Government Subsidized	0	0	-	-
Government Subsidized	0	0	-	-
Total	9	1,868	19	99.0%

All 19 vacant units among the surveyed multifamily projects are among the market-rate supply. However, even with 19 vacant units, the surveyed market-rate multifamily inventory is operating at a very high 98.9% occupancy rate. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income (AMHI), are occupied. There are no government subsidized units in the submarket, which serve households with incomes up to 50% of AMHI. The high occupancy rates among both the market-rate and Tax Credit supply indicate that there appears to be strong and pent-up demand for both affordable and market-rate rentals in the submarket.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the market.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	368	22.0%	5	1.4%	\$1,050
Two-Bedroom	1.0	32	1.9%	0	0.0%	\$950
Two-Bedroom	2.0	879	52.6%	11	1.3%	\$1,364
Two-Bedroom	2.5	122	7.3%	0	0.0%	\$1,220
Three-Bedroom	2.0	132	7.9%	0	0.0%	\$1,275
Three-Bedroom	2.5	78	4.7%	0	0.0%	\$1,800
Three-Bedroom	3.0	60	3.6%	3	5.0%	\$1,800
<b>Total Market-rate</b>		<b>1,671</b>	<b>100.0%</b>	<b>19</b>	<b>1.1%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
One-Bedroom	1.0	34	17.3%	0	0.0%	\$695
Two-Bedroom	2.0	60	30.5%	0	0.0%	\$825
Three-Bedroom	2.0	103	52.3%	0	0.0%	\$864
<b>Total Tax Credit</b>		<b>197</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

The unit mix of bedroom types is relatively well balanced, when compared to typical markets. The demand appears to be strong for all bedroom types. The median rents by bedroom/bathroom type for the market-rate units range from \$950 to \$1,800 and are notably higher than the corresponding Tax Credit median rents, which range from \$695 to \$864. The value of the Tax Credit rents likely contributes to the fact that all of these units are fully occupied.

### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Southern Unincorporated Submarket. According to MLS data, a total of 671 housing units have been sold in the submarket since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table:

Southern Unincorporated Submarket - Sales History by Bedrooms – (January 2010 to November 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	10	1.0	1992	805	\$26,000 - \$360,000	\$40,001	\$54.14	107
Two-Br.	54	2.0	1998	1,338	\$24,000 - \$685,000	\$131,950	\$88.78	143
Three-Br.	392	2.5	1999	1,938	\$12,000 - \$2,150,000	\$169,745	\$99.79	137
Four-Br.	178	3.25	2001	2,531	\$59,000 - \$1,600,000	\$250,000	\$109.54	150
Five+-Br.	37	4.0	2003	3,485	\$189,900 - \$2,655,000	\$378,000	\$117.02	200
Total	671	2.75	2000	2,115	\$12,000 - \$2,655,000	\$190,000	\$102.83	144

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than one-half (58.4%) of the homes that sold in the submarket since January of 2010 consist of three-bedrooms and one-quarter (26.5%) of the homes were four-bedrooms. The average size of a home sold was 2,115 square feet and had a median sales price of \$190,000 and a median price per-square-foot of \$102.83. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 144, which is a relatively short period and a good indication of the strong level of demand for for-sale housing. The average year built of homes sold in recent years is 2000, indicating the fact that the sold residential product has been relatively modern.

The distribution of homes sold since January 2010 by price for submarket is summarized in the table below.

Southern Unincorporated Submarket – Sales History by Price (January 2010 to November 2017)			
Sale Price	Number of Homes Sold	Percent of Supply	Average Days on Market
Up to \$99,999	114	17.0%	135
\$100,000 to \$149,999	117	17.4%	130
\$150,000 to \$199,999	118	17.6%	112
\$200,000 to \$249,999	64	9.5%	94
\$250,000 to \$299,999	63	9.4%	177
\$300,000+	195	29.1%	183
Total	671	100.0%	144

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most (29.1%) of the product that has sold in recent years in the submarket was priced at \$300,000 and higher. Over half of the product sold in the submarket was priced below \$200,000. The lower priced homes (under \$200,000) have the shortest number of days on the market of 135 days or fewer. This is representative of the strong level of demand for these lower priced units.

The table below illustrates the housing sold within the submarket by year built.

Southern Unincorporated Submarket - Sales History by Year Built – (January 2010 to November 2017)							
Year Built	Number Sold	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	2	2/1.5	898	\$26,900 - \$45,600	\$36,250	\$41.16	55
1950 to 1959	2	3/1.0	1,484	\$50,000 - \$85,000	\$67,500	\$49.56	68
1960 to 1969	5	3/2.75	2,033	\$112,000 - \$455,000	\$255,000	\$106.25	146
1970 to 1979	13	3/2.25	2,109	\$43,930 - \$540,500	\$166,200	\$73.95	190
1980 to 1989	53	3/2.75	2,093	\$35,500 - \$1,475,000	\$169,900	\$88.63	123
1990 to 1999	158	3/2.5	2,228	\$18,000 - \$2,150,000	\$246,550	\$115.63	171
2000 to 2009	416	3/2.75	2,036	\$12,000 - \$2,655,000	\$170,500	\$97.83	136
2010 to present	22	4/3.5	3,060	\$234,000 - \$1,200,777	\$415,750	\$155.20	129
Total	671	3/2.75	2,115	\$12,000 - \$2,655,000	\$190,000	\$102.83	144

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

Nearly two-thirds (65.2%) of the homes sold in submarket over the past eight years were built since 2000. As such, the submarket is dominated by modern for-sale housing product. Product sold that was built between 2000 and 2009 had a median price of \$170,000, while the small amount of product built since 2010 had a median price of \$415,750.

In addition to historical home sales, we also identified the inventory of *available* for-sale product within the submarket. A total of 498 housing units were listed as available for purchase in the submarket. The median list price for homes within the submarket is \$479,900, or \$174.34 per square foot. The homes are primarily three- and four-bedroom units. The average days on market for the available homes is 149 days, indicating that these homes are in high demand.

Southern Unincorporated Submarket – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	4	1.0	1997	876	\$89,900 - \$289,450	\$101,500	\$154.09	49
Two-Br.	70	2.0	1999	1,508	\$107,800 - \$799,000	\$235,000	\$158.30	70
Three-Br.	209	2.75	2000	2,440	\$130,000-\$2,750,000	\$430,990	\$179.69	145
Four-Br.	168	3.75	2003	3,614	\$179,900 - \$3,295,000	\$649,000	\$181.69	176
Five+-Br.	47	5.5	2002	5,732	\$370,000 - \$9,000,000	\$1,100,000	\$199.80	201
Total	498	3.25	2001	3,003	\$89,900 - \$9,000,000	\$479,900	\$174.34	149

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the submarket.

Southern Unincorporated Submarket – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	2	0.4%	82
\$100,000 to \$149,999	13	2.6%	98
\$150,000 to \$199,999	6	1.2%	190
\$200,000 to \$249,999	69	13.9%	90
\$250,000 to \$299,999	43	8.6%	118
\$300,000+	365	73.3%	166
Total	498	100.0%	149

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, nearly three-fourths (73.3%) of the homes available to purchase in the submarket are priced over \$300,000. Less than 5.0% of the available supply is priced under \$200,000. As such, the submarket has a limited inventory of available for-sale product that is affordable to lower-income households (generally earning below \$60,000).

As shown on the table below, virtually all of the available product to purchase was built since 1980, with the greatest number of homes (256) built between 2000 and 2009 and a notable number (118) built between 1990 and 1999. As such, the market has a large inventory of modern for-sale housing.

Southern Unincorporated Submarket – Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	-	-	-	-	-	-	-
1940 to 1949	2	3/1.75	1,334	\$239,000 - \$269,900	\$254,450	\$191.96	357
1950 to 1959	2	4/2.5	2,383	\$219,000 - \$1,400,000	\$809,500	\$310.98	25
1960 to 1969	3	3/2.0	1,842	\$445,000 - \$2,295,000	\$495,000	\$294.64	229
1970 to 1979	9	3/2.5	2,544	\$209,900 - \$2,750,000	\$495,000	\$165.28	156
1980 to 1989	41	3/2.75	2,365	\$129,900 - \$2,150,000	\$425,000	\$173.30	172
1990 to 1999	118	3/3.25	3,225	\$185,000 - \$2,910,000	\$491,000	\$172.96	160
2000 to 2009	256	3/3.25	3,037	\$89,900 - \$9,000,000	\$444,500	\$171.60	152
2010 to present	67	4/3.5	3,057	\$206,000 - \$1,895,000	\$649,900	\$212.38	98
<b>Total</b>	<b>498</b>	<b>3/3.25</b>	<b>3,003</b>	<b>\$89,900 - \$9,000,000</b>	<b>\$479,900</b>	<b>\$174.34</b>	<b>149</b>

Source: Beaufort County Board of Realtors and Realtor.com

### Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Southern Unincorporated, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	48	-17	-42	185	227
Units Needed for a Balanced Market	17	25	66	63	53
New Household Formations	35	30	68	65	64
Replacement Housing Needed	19	17	37	36	35
Total External Market Support	36	17	39	104	114
Gross Demand of Units Needed	155	72	168	452	493
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>155</b>	<b>72</b>	<b>168</b>	<b>452</b>	<b>493</b>

*Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Southern Unincorporated, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	96	-35	-84	370	453
Units Needed for a Balanced Market	19	24	64	72	64
New Household Formations	38	29	65	76	77
Replacement Housing Needed	21	16	36	42	43
Total External Market Support	52	10	24	168	191
Gross Demand of Units Needed	225	45	105	727	828
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	225	45	105	727	828

*For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Southern Unincorporated, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	296	0	838
Units Required for a Balanced Market	97	-32	-146
Total Potential Household Formations	158	106	292
Total Replacement Housing	130	88	241
Total External Market Support	68	16	122
Gross Demand of Units Needed	749	177	1,347
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	749	177	1,347

*For-Sale Housing – Long-term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Southern Unincorporated, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	592	0	1676
Units Required for a Balanced Market	215	47	73
Total Potential Household Formations	315	212	584
Total Replacement Housing	260	175	482
Total External Market Support	138	43	281
Gross Demand of Units Needed	1,520	478	3,096
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	1,520	478	3,096

Overall, there appears to be a short-term (five-year) housing gap for approximately 1,340 rental units and 2,273 for-sale housing units. While all income and affordability segments show a gap, the greatest short-term rental housing gap appears to be for product priced above \$874. The largest for-sale housing gap (short-term) exists for product price at or below \$200,000 and product at \$300,000 or higher. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Southern Unincorporated Submarket, it is recommended that the following be considered as priorities for this submarket:

***Support Millennial, Family and Senior Residential Alternatives*** – Between 2017 and 2022, the greatest growth is projected to occur among households ages 75 and older, with notable growth also projected to occur among households between the ages of 35 and 44 and between the ages of 25 and 34. As such, the market will need to introduce a variety of projects with designs and features that can meet the diverse base of new households that are expected to be added to the market. This should include a mix of both rentals and for-sale product.

***Support Development of Affordable and Market-Rate Rental Housing Alternatives*** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. There are no government subsidized projects of notable size offered in the submarket. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning between \$35,000 and \$49,999 and between \$50,000 and \$74,999. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-and moderate-income households.

***Support the Development of For-Sale Housing to Keep Pace with Projected Owner Household Growth*** – While the Southern Unincorporated Submarket offers 498 for-sale housing units that are currently available for purchase, the number of owner-occupied households that are projected to be added to the market over the next five years totals 1,407 households. As a result, this submarket severely lacks sufficient for-sale housing to meet the growing need for such product. While owner household growth is projected at a variety of income levels, more than half of the projected growth is expected to occur among households earning \$100,000 or more. As a result, a notable portion of new for-sale housing development will need to be product priced at or above \$300,000 in order to keep pace with the projected growth of high-income households, though lower priced product will also need to be supported.

## Unincorporated Islands Submarket Analysis

The following data and analyses focuses on the Unincorporated Islands Submarket of Beaufort County, and is part of the overall *Beaufort County Housing Needs Assessment*. It includes key data relating to demographics, transportation, crime, and housing supply.

### Submarket Overview

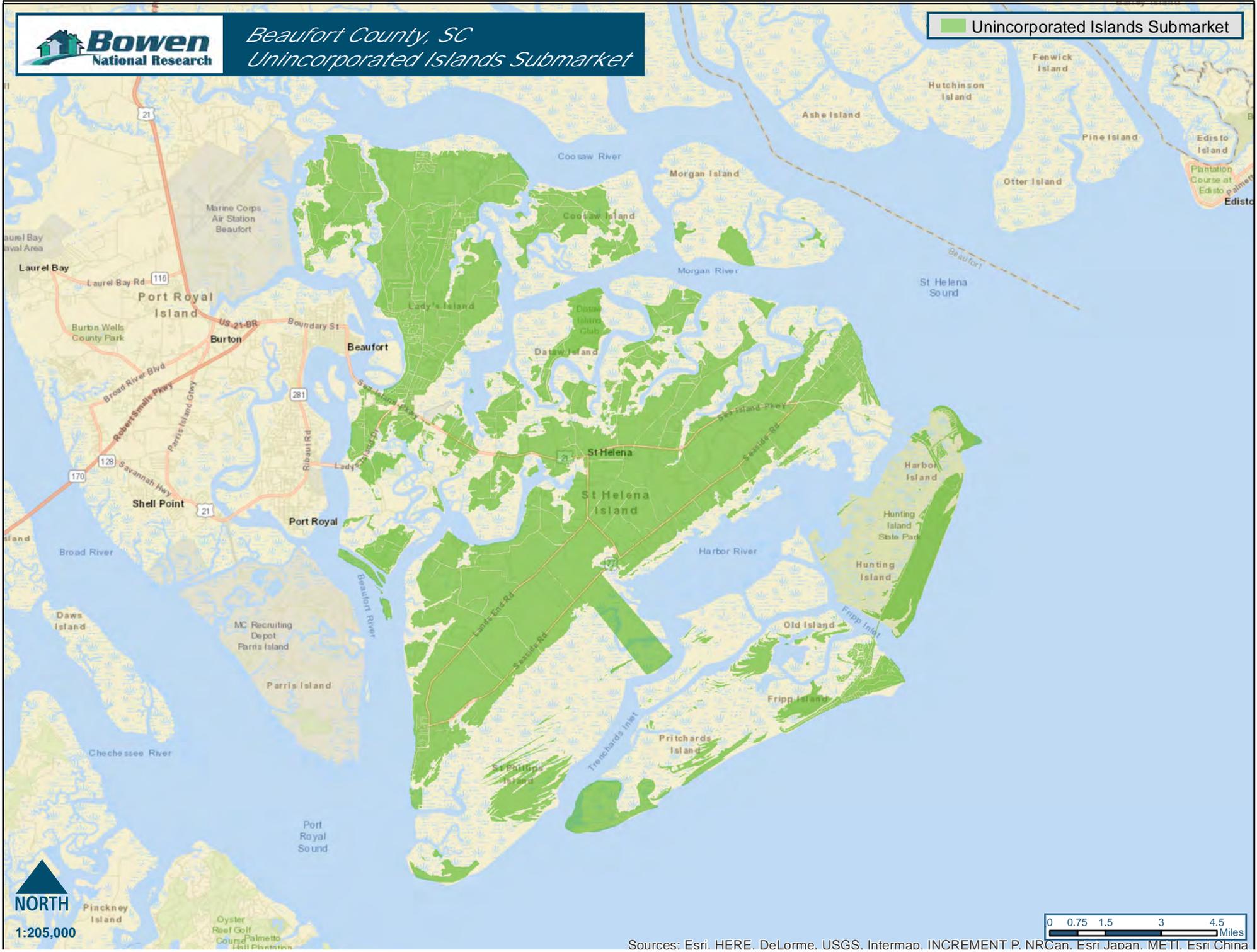
The Unincorporated Islands Submarket, which is in the eastern portion of the county and includes Lady's Island and St. Helena Island, is predominantly residential, being comprised mostly of private housing communities with single-family homes, multifamily rental housing and vacation rental properties. The Unincorporated Islands Submarket contains approximately 68.0 square miles. Notable community services include Lady's Island Country Club Pines Course, Cat Island Sanctuary Golf Club, Hunting Island State Park and Lighthouse, Fripp Island Ocean Point Golf Links, Fort Fremont Historical Park and Preserve. Public schools include St. Helena Elementary School and Lady's Island Elementary and Middle Schools. There are various gas stations and convenience stores, restaurants, churches and discount shopping options located throughout this submarket, however there are no major staple stores or medical facilities located in this submarket. Residents of this submarket can access most community services within the City of Beaufort.

A map showing the location of the Unincorporated Islands Submarket (and its boundaries) is on the following page:



# Beaufort County, SC Unincorporated Islands Submarket

Unincorporated Islands Submarket



NORTH  
1:205,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China

## Population

The population within the Unincorporated Islands Submarket was 14,588 per the 2000 Census. The submarket's population base increased by 2,647 between 2000 and 2010. This represents a 18.1% increase over the 2000 population. The population reached 19,570 in 2017, representing an increase of 2,335 (13.5%) over 2010. It is projected that the population will increase by 1,896, or 9.7%, between 2017 and 2022.

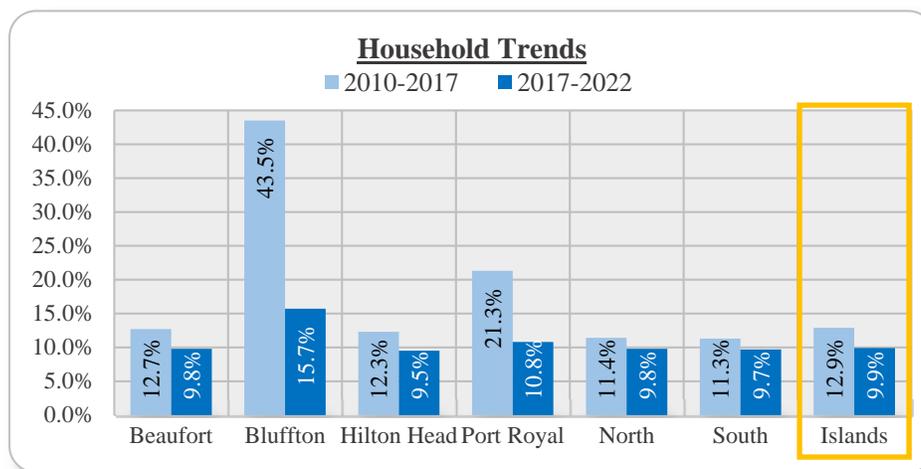
Excluding the population under the age of 25, the largest population base in the submarket in 2017 is persons between the ages of 55 and 64, representing 14.8% of the submarket's population. The greatest projected growth is expected to occur among persons ages 75 and older (620, 43.1% increase) and between the ages 65 and 74 (372, 13.8% increase).

## Socio-Economic Snapshot

- Minorities represent 39.7% of the population
- 50.9% of population is married
- 9.6% of the adult population lacks a high school degree
- 45.6% of the adult population has a college degree
- 14.9% of the population lives below poverty level

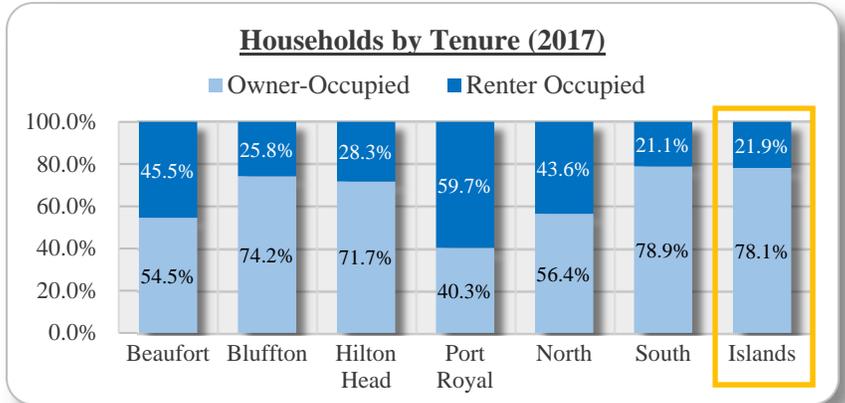
## Households

The Unincorporated Islands Submarket had a total of 5,515 households per the 2000 Census. Between 2000 and 2010, households increased by 1,214 or 22.0%, while between 2010 and 2017, households increased to 7,599, representing an increase of 870 or by 12.9%. It is projected that the number of households will increase by 753, or 9.9% between 2017 and 2022. The graph below illustrates the change in households for each study area included in this analysis.



Households by Tenure

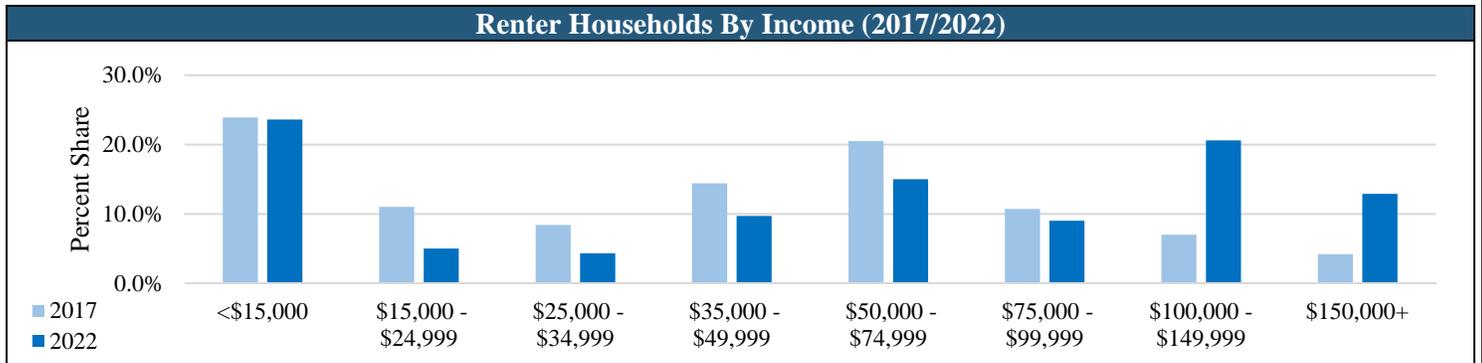
Within the Unincorporated Islands Submarket, most households (78.1%) were owner-occupied, while the remaining 21.9% were occupied by renters in 2017. By 2022, the number of owner-occupied households is projected to increase 581 (9.8%) and renter-occupied households are projected to increase by 172 (10.3%). This will add to the demand for both for-sale and rental housing. The graph to the right illustrates the share of housing by tenure for the various areas that were included in this analysis, including the subject submarket.



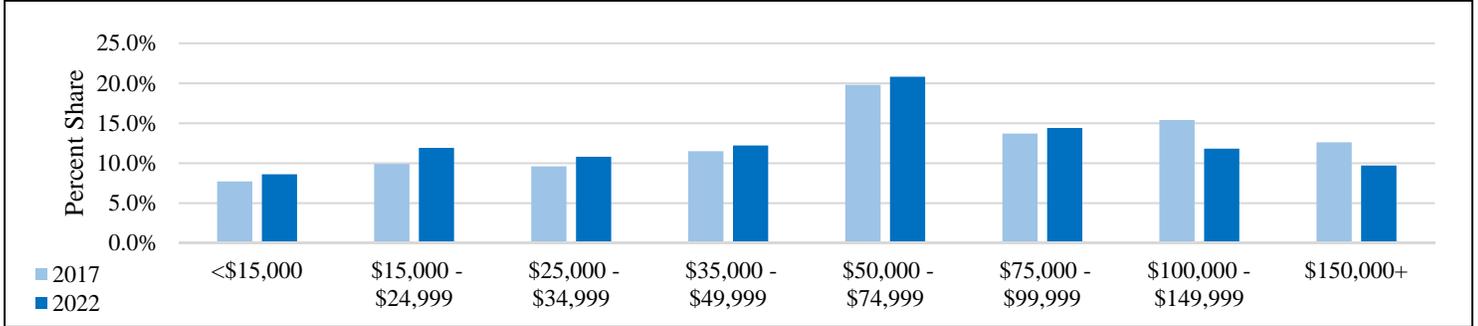
Household Distribution by Income

The greatest share of *renter* households by income within the Unincorporated Islands Submarket in 2017 was among those households earning less than \$15,000 (23.9%) and between \$50,000 and \$74,999 (20.5%). The greatest renter household growth between 2017 and 2022 it is projected to occur among the highest income households, with households earning between \$100,000 and \$149,999 projected to grow by 254 (218.9%) households and households earning \$150,000 or more projected to grow by 163 (235.1%). In 2017, the largest share of *owner*-occupied households was among households making between \$50,000 and \$74,999, representing 19.8% of the owner households. By 2022, all household income segments earning under \$100,000 are projected to grow, while households earning above \$100,000 are projected to decline.

The tables below illustrate the distribution of household income by tenure in the Unincorporated Islands Submarket for 2017 and 2022.



### Owner Households By Income (2017/2022)



### Household Distribution by Age

In 2017, the largest share of households by age group within the submarket was those between the ages of 65 and 74, representing 21.2% of households, though households between the ages of 55 and 64 represented 20.8% of all households. Between 2017 and 2022, the greatest household growth rate is projected to occur among households ages 75 and older (375, 40.2% increase) and between the ages of 65 and 74 (191, 11.9% increase). Younger households between the ages of 25 and 34 (88, 10.0% increase) and between the ages of 35 and 44 (110, 10.7% increase) will also grow by a notable amount.

### Mode of Transportation to Work & Drive Times

Over 75% of all workers living in the submarket drove alone to work, while 11.7% carpoolled. Approximately 5.4% worked from home. Approximately 19.2% of commuters have a drive time of less than 15 minutes to work, while over one-half have a typical drive of less than 30 minutes. Approximately 16.0% have commutes of 46 minutes or longer.

### Crime

For this study, the FBI Uniform Crime Report (UCR) was used. Applied Geographic Solutions uses the UCR at the jurisdictional level to model seven crime types for specific geographic areas. Risk indexes are standardized based on national averages. A Risk Index value of 100 for a particular crime type in a certain area means that the probability of the risk is consistent with the national average. The overall crime index for Unincorporated Islands Submarket is 121, with a personal crime index of 144 and a property crime index of 123. This submarket's overall crime index of 121 is above the national average of 100 but is the lowest of the study areas considered in this report.

## Housing Supply Overview

The existing housing stock is relatively modern, with 62.4% of the renter-occupied units and 60.5% of the owner-occupied units built since 1990. Substandard housing is housing that either lacks complete plumbing and/or kitchen facilities or is overcrowded (1.01+ persons per room). Approximately 2.6% of rental units and 0.1% of owner units lack complete indoor plumbing and/or kitchen facilities. An estimated 2.8% of rental units and 0.7% of owner units are overcrowded housing units in the submarket. Finally, we evaluated the number of cost-burdened household within the submarket, which are the households that pay 30% or more of their income towards housing costs. Within the submarket, 47.9% of renters and 33.9% of owners are considered cost burdened.

## Rental Housing

A survey of conventional rentals was conducted in Beaufort County as part of this analysis. Of the 60 multifamily rental properties surveyed, two multifamily properties with a total of 218 units are located within the Unincorporated Islands Submarket. The following table summarizes the surveyed multifamily rentals in the submarket.

<b>Unincorporated Islands Submarket Multifamily Rental Housing Overview</b>				
<b>Project Type</b>	<b>Projects Surveyed</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Occupancy Rate</b>
Market-rate	1	162	4	97.5%
Market-rate/Tax Credit	0	0	-	-
Tax Credit	1	56	0	100.0%
Tax Credit/Government Subsidized	0	0	-	-
Government Subsidized	0	0	-	-
Total	2	218	4	98.2%

All four vacant units among the surveyed multifamily projects are among the market-rate supply. However, even with four vacant units, the surveyed market-rate multifamily inventory is operating at a very high 97.5% occupancy rate. All of the Tax Credit units, which serve low-income households earning up to 60% of Area Median Household Income (AMHI), are occupied. There are no government subsidized units in the submarket, which serve households with incomes up to 50% of AMHI. The high occupancy rates among both the market-rate and Tax Credit supply indicate that there appears to be strong and pent-up demand for both affordable and market-rate rentals in the submarket.

The tables below summarize the distribution of units by bedroom/bathroom configuration and the corresponding median rents (when applicable) that are within the market.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
Two-Bedroom	2.0	64	39.5%	3	4.7%	\$1,060
Three-Bedroom	2.0	98	60.5%	1	1.0%	\$1,410
<b>Total Market-rate</b>		<b>162</b>	<b>100.0%</b>	<b>4</b>	<b>2.5%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Net Rent
Three-Bedroom	2.0	28	50.0%	0	0.0%	\$1,100
Four-Bedroom	2.0	28	50.0%	0	0.0%	\$1,250
<b>Total Tax Credit</b>		<b>56</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

While the mix of multifamily rental units by bedroom type is relatively evenly balanced, it is worth noting that there are no one-bedroom units among the market-rate supply or any one- and two-bedroom units among the Tax Credit supply. The lack of such units may make it difficult for seniors, individuals or couples seeking these smaller units to find the type of housing to meet their needs. When comparing rents by bedroom type, the Tax Credit rents represent more of a value.

#### For-Sale Housing

Information was also obtained about the for-sale housing market in Beaufort County, including sales information for the Unincorporated Islands Submarket. According to MLS data, a total of 2,637 housing units have been sold in the submarket since 2010. The distribution of home sales by bedroom type for the market is summarized in the following table:

Unincorporated Islands Submarket Sales History by Bedrooms – (January 2010 to November 2017)								
Bedrooms	Number Sold	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median Sale Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	17	1.5	1988	965	\$50,000 - \$631,500	\$165,000	\$206.25	392
Two-Br.	158	2.0	1985	1,308	\$25,000 - \$705,000	\$177,000	\$144.14	276
Three-Br.	1,528	2.25	1995	1,764	\$16,500 - \$1,600,000	\$210,000	\$128.40	203
Four-Br.	775	3.0	2000	2,502	\$15,879 - \$2,400,000	\$316,541	\$130.03	226
Five+-Br.	159	4.0	2000	3,193	\$20,000 - \$1,950,000	\$483,000	\$147.16	256
Total	2,637	2.5	1996	2,034	\$15,879 - \$2,400,000	\$249,000	\$130.52	218

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

More than one-half (57.9%) of the homes that sold in since January of 2010 consist of three-bedrooms and over one-quarter (29.4%) of the homes were four-bedrooms. The average size of a home sold was 2,034 square feet and had a median sales price of \$249,000 and a median price per-square-foot of \$130.52. The average number of days on market (the number of days from the time a home is listed and until it is sold) is 218, which is longer than the other submarkets and an indication that demand for for-sale housing in this submarket may not be as strong as the other submarket. The average year built of homes sold in recent years is 1996, indicating the fact that the sold residential product has been relatively modern.

The distribution of homes sold since January 2010 by price for Unincorporated Island Submarket is summarized in the table below.

<b>Unincorporated Islands Submarket – Sales History by Price (January 2010 to November 2017)</b>			
<b>Sale Price</b>	<b>Number of Homes Sold</b>	<b>Percent of Supply</b>	<b>Average Days on Market</b>
Up to \$99,999	186	7.1%	184
\$100,000 to \$149,999	240	9.1%	184
\$150,000 to \$199,999	467	17.7%	174
\$200,000 to \$249,999	427	16.2%	179
\$250,000 to \$299,999	333	12.6%	212
\$300,000+	984	37.3%	273
<b>Total</b>	<b>2,637</b>	<b>100.0%</b>	<b>218</b>

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

As the preceding table illustrates, most (37.3%) of the product that has sold in recent years in the submarket was priced at \$300,000 and higher, though a notable amount of product was sold that was priced between \$150,000 and \$249,999.

The table below illustrates the housing sold within submarket by year built.

<b>Unincorporated Islands Submarket - Sales History by Year Built – (January 2010 to November 2017)</b>							
<b>Year Built</b>	<b>Number Sold</b>	<b>Average Bedrooms/ Baths</b>	<b>Average Square Feet</b>	<b>Price Range</b>	<b>Median Sale Price</b>	<b>Median Price per Sq. Ft.</b>	<b>Average Days on Market</b>
1939 or earlier	8	3/2.0	2,022	\$65,000 - \$742,000	\$148,500	\$93.91	508
1940 to 1949	11	3/1.75	1,580	\$59,900 - \$665,000	\$196,000	\$143.33	226
1950 to 1959	36	3/2.0	1,878	\$25,000 - \$1,498,000	\$195,000	\$112.81	218
1960 to 1969	46	4/2.5	2,051	\$25,000 - \$1,247,500	\$292,500	\$120.36	396
1970 to 1979	248	3/2.5	1,957	\$20,000 - \$1,260,000	\$239,500	\$126.35	279
1980 to 1989	376	3/2.5	1,898	\$19,937 - \$1,375,000	\$212,500	\$120.94	236
1990 to 1999	704	3/2.5	1,893	\$16,500 - \$1,575,000	\$239,450	\$133.89	232
2000 to 2009	836	3/2.75	2,149	\$15,879 - \$2,400,000	\$265,000	\$135.99	203
2010 to present	372	4/2.75	2,261	\$82,000 - \$860,000	\$268,652	\$124.50	153
<b>Total</b>	<b>2,637</b>	<b>3/2.5</b>	<b>2,034</b>	<b>\$15,879 - \$2,400,000</b>	<b>\$249,000</b>	<b>\$130.52</b>	<b>218</b>

Source: Beaufort County Board of Realtors, County Council of Beaufort County Office of the Assessor, and Realtor.com

A majority of the for-sale product sold in the submarket over the past eight years was built since 1990. The largest number of homes sold were built between 2000 and 2009. All development periods from 1970 and beyond have median sales prices of over \$200,000, with the newest product built since 2010 having a median price of \$268,652.

In addition to historical home sales, we also identified the inventory of *available* for-sale product within the submarket. A total of 716 housing units were listed as available for purchase in the submarket. The median list price for homes within the submarket is \$425,000, or \$198.21 per square foot. The homes are primarily three- and four-bedroom units. The average days on market for these homes is just 168 days, well above the other submarkets.

Unincorporated Islands Submarket – Available For-Sale Housing by Bedrooms								
Bedrooms	Number Listed	Average Baths	Average Year Built	Average Sq. Ft.	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
One-Br.	21	1.5	1982	805	\$119,000 - \$199,000	\$139,900	\$178.08	134
Two-Br.	76	2.0	1983	1,185	\$35,000 - \$1,650,000	\$232,450	\$208.33	169
Three-Br.	326	2.5	1995	2,178	\$75,000 - \$2,900,000	\$399,900	\$193.32	165
Four-Br.	211	3.25	1998	2,769	\$150,000 - \$2,950,000	\$500,000	\$182.85	153
Five+-Br.	82	4.25	1994	3,286	\$49,900 - \$3,500,000	\$697,000	\$226.32	221
Total	716	3.0	1994	2,333	\$35,000 - \$3,500,000	\$425,000	\$198.21	168

Source: Beaufort County Board of Realtors and Realtor.com

The table below summarizes the distribution of available for-sale residential units by price point for the submarket.

Unincorporated Islands Submarket – Available For-Sale Housing by Price			
Sale Price	Number of Homes Listed	Percent of Supply	Average Days on Market
Up to \$99,999	8	1.1%	221
\$100,000 to \$149,999	31	4.3%	152
\$150,000 to \$199,999	34	4.7%	211
\$200,000 to \$249,999	62	8.7%	128
\$250,000 to \$299,999	59	8.2%	166
\$300,000+	522	72.9%	170
Total	716	100.0%	168

Source: Beaufort County Board of Realtors and Realtor.com

As the preceding table illustrates, nearly three-fourths (72.9%) of the homes available to purchase in the submarket are priced at \$300,000 and higher. Approximately 10% of the available supply is priced below \$200,000. As such, there is a limited amount of available for-sale product that is affordable to lower-income households.

As shown on the table below, most of the available product to purchase was built since 1980, with the greatest number of homes (216) built between 2000 and 2010. As such, the market has a large inventory of modern for-sale housing.

Unincorporated Islands Submarket– Available For-Sale Housing by Year Built							
Year Built	Number Listed	Average Bedrooms/ Baths	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.	Average Days on Market
1939 or earlier	3	4/3.75	3,317	\$319,000 - \$1,299,000	\$630,000	\$224.92	251
1940 to 1949	1	2/1.0	850	\$125,000	\$125,000	\$147.06	41
1950 to 1959	8	3/2.5	2,101	\$172,000 - \$1,450,000	\$375,000	\$213.92	182
1960 to 1969	16	4/3.25	2,492	\$45,000 - \$1,195,000	\$639,750	\$231.94	308
1970 to 1979	81	3/2.5	1,966	\$75,000 - \$1,325,000	\$365,000	\$206.86	154
1980 to 1989	139	3/2.5	1,727	\$35,000 - \$1,699,000	\$269,000	\$201.02	169
1990 to 1999	177	3/3.0	2,396	\$49,900 - \$3,500,000	\$459,000	\$212.01	192
2000 to 2009	216	4/3.25	2,741	\$99,900 - \$2,950,000	\$526,950	\$189.87	140
2010 to present	75	4/3.0	2,503	\$228,250 - \$1,950,000	\$368,132	\$158.12	169
<b>Total</b>	<b>716</b>	<b>3/3.0</b>	<b>2,333</b>	<b>\$35,000 - \$3,500,000</b>	<b>\$425,000</b>	<b>\$198.21</b>	<b>168</b>

Source: Beaufort County Board of Realtors and Realtor.com

### Housing Needs Estimates

We provided housing gap estimates for the submarket that took into consideration various demographic characteristics and trends, as well as the available housing supply and confirmed housing product in the development pipeline. These estimates were done by tenure (rental vs. for-sale housing) and both short-term (five years) and long-term (10-years). The assumptions and methodology used to derive the following housing gap estimates are explained in detail in Section VIII: Housing Gap/Demand Estimates.

#### *Rental Housing – Short-Term (5 Years)*

2017 - 2022 Rental Demand Potential by Income Level & Rent Unincorporated Islands, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	-20	-108	-94	-49	442
Units Needed for a Balanced Market	14	6	17	12	37
New Household Formations	28	7	17	14	44
Replacement Housing Needed	15	4	9	7	24
Total External Market Support	11	-27	-15	-5	164
Gross Demand of Units Needed	49	-118	-66	-20	711
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>711</b>

*Rental Housing – Long-Term (10 Years)*

2017 - 2027 Rental Demand Potential by Income Level & Rent Unincorporated Islands, South Carolina Primary Study Area					
Household Income Range	< \$20k	\$20k-\$34k	\$35k-\$59k	\$60k-\$84k	\$85k+
Rent Affordability	< \$500	\$500-\$874	\$875-\$1,474	\$1,475-\$2,099	\$2,100+
New Income-Qualified Renter Household	-39	-217	-187	-98	884
Units Needed for a Balanced Market	14	1	12	10	59
New Household Formations	27	1	11	11	71
Replacement Housing Needed	15	0	6	6	39
Total External Market Support	5	0	0	0	316
Gross Demand of Units Needed	21	-215	-157	-72	1368
Units in the Development Pipeline (Planned Projects)	0	0	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	21	0	0	0	1,368

*For-Sale Housing – Short-Term (5 Years)*

2017-2022 For-Sale Housing Demand by Income Level & Price Point Unincorporated Islands, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	251	157	-184
Units Required for a Balanced Market	-22	-85	-463
Total Potential Household Formations	67	47	78
Total Replacement Housing	56	39	65
Total External Market Support	35	0	0
Gross Demand of Units Needed	387	158	-504
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	387	0	0

*For-Sale Housing – Long-term (10 Years)*

2017-2027 For-Sale Housing Demand by Income Level & Price Point Unincorporated Islands, South Carolina Primary Study Area			
Household Income Range	\$30k-\$59k	\$60K-\$84K	\$85K+
Housing Price Affordability	\$100,000-\$199,999	\$200,000-\$299,999	\$300,000+
New Owner-Occupied Household Growth (2017 to 2022)	502	314	-368
Units Required for a Balanced Market	28	-50	-404
Total Potential Household Formations	135	95	157
Total Replacement Housing	111	78	129
Total External Market Support	78	0	0
Gross Demand of Units Needed	854	438	-486
Units in the Development Pipeline (Planned Projects)	0	0	0
<b>Total Potential PSA (Beaufort County) Support for New Units</b>	854	438	0

Overall, there appears to be a short-term (five-year) housing gap for approximately 760 rental units and 387 for-sale housing units. While there is a modest short-term rental housing gap for product serving very low-income rental households earning below \$20,000, all of the remaining rental gap is for product priced at \$2,100 or higher. With a large number of existing and available for-sale product priced at or above \$200,000, the greatest short-term for-sale housing gap exists for product price below \$200,000. While the exact number that is needed and can be supported will ultimately be contingent upon where product is located, as well as the unit mix, features, amenities and other design attributes, the preceding estimates should serve to provide guidance on housing priorities within the market.

## Recommendations

Based on the various market metrics evaluated within the Unincorporated Islands Submarket, it is recommended that the following be considered as priorities for this submarket:

***Support Millennial, Family and Senior Residential Alternatives*** – Between 2017 and 2022, the greatest growth is projected to occur among households ages 65 and older, with notable growth also projected to occur among households between the ages of 25 and 34 and between the ages of 35 and 44. As such, the market will need to introduce a variety of projects with designs and features that can meet the diverse base of new households that are expected to be added to the market, including both rentals and for-sale product.

***Support Development of Affordable and Market-Rate Rental Housing Alternatives*** – Based on Bowen National Research’s survey of multifamily rental properties, there are very few available market-rate rentals and all Tax Credit rentals, which serve households earning up to 60% of AMHI, are fully occupied. There are no government subsidized projects of notable size offered in the submarket. Based on the demographic projections of this market, the greatest renter household growth is projected to occur among households earning \$100,000 and higher. As a result of this projected growth and the lack of available rental product, the market would benefit from the addition of new rental product serving lower-and higher-income households.

***Support the Development of For-Sale Housing that is Affordable to Lower- and Moderate-Income Households*** – While the submarket offers 716 for-sale housing units that are currently available for purchase, 72.9% are priced at \$300,000 and higher. The 194 available units that are priced under \$300,000 are insufficient to meet the projected growth of several hundred new owner households earning less than \$100,000 that are expected to be added to the market over the next five years and who will seek housing priced under \$300,000. In fact, a majority of the need will be for product priced under \$200,000.

## X. Community Input - Survey Results and Analysis

### A. INTRODUCTION

To gain information, perspective and insight about Beaufort County housing issues and the factors influencing housing decisions by its residents, developers and others, Bowen National Research (BNR) conducted several targeted surveys of various groups. The surveys were generally conducted between January and March of 2018 and questions were customized to solicit specific information relative to each segment of the market that was surveyed.

The surveys were conducted through the SurveyMonkey.com website. In total, nearly 1,900 survey responses were received from a variety of perspectives and from a broad cross section of the population, including various geographic areas, socio-economic compositions and areas of knowledge. The survey instruments used for this report are included in Addendum E.

The following is a summary of the four surveys conducted by our firm.

***Resident Survey*** – We conducted a survey of 1,802 residents within the county, representing a good cross section of residents of the four largest towns and the unincorporated areas of the county. Residents were asked socio-economic questions, current housing situations, and housing preferences. While responses were evaluated for the overall county, responses were also aggregated and evaluated for individual communities.

***Stakeholder Survey*** – A total of 27 area stakeholders responded to a survey soliciting input regarding area housing needs, housing development challenges and potential solutions to address housing needs within the county. Stakeholders included community leaders from a variety of private and public-sector entities.

***Employer Survey*** – A total of 21 respondents from county employers participated in a survey that inquired about general employee composition, housing situations and housing needs, as well as to what ways and what degree housing impacts local employers.

***Residential Development Survey*** – A total of five respondents representing the development community and government representatives participated in this survey that attempted to learn the barriers to development and assistance/incentives possibly needed to alleviate these barriers.

Key findings from each survey are included on the following pages.

## **B. RESIDENT SURVEY RESULTS**

Bowen National Research made every effort to gather information from a broad demographic cross section of area residents that was generally proportionate to the overall composition of the county. This included both the geographic location of residences and the socioeconomic profile of residents (age, gender, income, ethnicity, etc.). Based on our comparison of respondent demographics with overall area demographics, we believe the survey was taken by a good cross section of the county.

A total of 1,802 people responded to the Resident Survey, with the following results (Note that percentages may not add up to 100.0% due to rounding):

### **Resident's Current Housing Situation**

- Respondents were asked to provide their current residence by town, community or local area. Distribution of locations yielded that 27.6% lived on Hilton Head Island, 25.7% lived in Bluffton, 20.7% lived in the City of Beaufort, and 5.5% lived in Port Royal. Overall, nearly 80.0% of respondents lived within Beaufort County's four incorporated areas. The remaining share of respondents either lived in an unincorporated area (5.9%), within another area of Beaufort County (12.4%), or worked in Beaufort County but resided elsewhere (2.3%).
- The 12.4% of respondents (223 in all) that stated they lived in another area of the county were asked what location they lived in. The most common responses were Lady's Island (83 respondents), Burton (43 respondents), and Okatie (19 respondents).
- Respondents were asked whether they owned or rented their current residence. Distribution of tenure included: 68.3% owners, 27.7% renters, 0.5% caretakers that do not pay rent, and 1.7% are dependents that lived with relatives. 33 respondents (1.9%) selected "other" and 14 respondents skipped the question. Among the 33 "other" respondents, most stated that they lived with parents or other relatives.
- Respondents were asked to identify their residency status as it applies to Beaufort County. Responses yielded the following: 96.8% are full-time residents, and 3.2% are part-time residents. A total of 43 respondents skipped the question. Of the 70 respondents that are part-time residents of Beaufort County, nine (9) stated that they live in the county for one to four weeks, 26 stated that they lived in the county from two to four months, and 35 respondents (50.0%) stated that they lived in the county for six to eight months. These respondents were also asked why they resided in Beaufort County on a part-time basis. Of the 68 part-time residents that provided responses, 38.3% stated that they had a vacation home in Beaufort County.

Over 60.0% of respondents gave “other” reasons for part-time residency. Reasons stated by “other” respondents included: planning to move to Beaufort County full-time, business interests in another state, home ownership in another state, and work.

- Respondents were asked to describe their current type of residence. Distribution of types yielded: 75.4% lived in a single-family detached house, 6.3% lived in a duplex/triplex/townhome, 8.2% lived in an apartment building, 0.3% (six respondents) lived in an over-garage apartment, 5.4% lived in a condominium, and 0.9% (15 respondents) rented a room. 63 respondents (3.6%) stated that they lived in an “other” type of residence. Most of the “other” respondents stated that they lived in a mobile home, manufactured home, or trailer. There were 42 respondents that skipped this question.
- Respondents were asked to provide the number of people currently living in their household, including themselves. A total of 11.6% lived alone, 33.8% lived with one other person, 19.5% lived with two additional people, 22.8% lived with three additional people, and 12.4% lived with four or more other people. A total of 21 respondents skipped this question.
- Respondents were asked to provide estimates for their monthly total housing costs, including utilities. A total of eight respondents (0.5%) paid nothing, 3.2% paid less than \$500, 5.9% paid between \$501 and \$750, 7.9% paid between \$751 and \$1,000, 9.7% between \$1,001 and \$1,250, 15.3% paid between \$1,251 and \$1,500, 24.3% paid between \$1,501 and \$2,000 per month, and 33.3% paid over \$2,000 per month. A total of 45 respondents skipped this question. Most survey respondents (57.6%) report paying over \$1,500 per month in housing costs, including utilities.
- Respondents were asked how long they had lived in their current residence. A total of 14.8% had lived at their residence less than one year, 40.0% had lived at their residence from 1 to 5 years, 17.0% had lived in their residence from 6 to 10 years, and 28.2% had lived in their residence for more than 10 years. A total of 24 respondents skipped this question.
- Respondents were also asked how long they had lived in Beaufort County. A total of 7.0% were county residents less than one year, 22.7% had lived in the county from 1 to 5 years, 16.5% had lived in the county from 6 to 10 years, and 53.8% had lived in the county for more than 10 years. A total of 43 respondents skipped this question.

- As a follow up question, respondents were asked if their prior residence was in Beaufort County. Most respondents (60.8%) stated that their prior residence was *not* in Beaufort County. Respondents who stated that their prior residence was outside Beaufort County were also asked where their previous residence was before relocating. Nearly 80.0% of these respondents stated that their prior residence was outside of South Carolina. A smaller share of respondents (15.8%) resided in another South Carolina county before relocating to Beaufort County.
- Respondents were asked to rate on a scale of 1 to 5 (5 being the most satisfied) how satisfied they were with their current residence. Over two-thirds of respondents to this question (67.2%) gave their current residence a rating of 4 or 5, indicating a high level of satisfaction. The average satisfaction rating was 3.85 (out of 5) among all respondents. Thirty-three (33) respondents skipped this question.
- Respondents were asked to rate on a scale of 1 to 5 (5 being the most satisfied) how satisfied they were with their current *neighborhood*. Over 70.0% of respondents gave their current neighborhood a rating of 4 or 5, indicating a high level of satisfaction. Nearly 40.0% of respondents gave their neighborhood a 5 rating. Overall, the average satisfaction rating was 3.97 (out of 5) among all respondents. A total of 21 respondents skipped this question.

All provided answer categories and the number of responses in each can be found in Addendum E.

### **Beaufort County's Current Housing Market**

- Respondents were asked to describe the current overall housing market in Beaufort County. Most respondents (57.8%) rated the current housing market as fair, with some issues. A significant share of respondents (34.6%) rated the current housing market as poor, with many issues. Only 7.6% of all respondents rated the current housing market as good, with no issues. A total of 28 respondents skipped this question.

- Respondents who rated the overall housing market as “poor” or “fair” were also asked to provide reasons for this rating (they could select multiple options). The following is a summary of the answer options and the number of responses for each:
  - High Prices or Rents – 1,467 responses (83.4% of respondents)
  - Cost of Property/Renters Insurance – 748 responses (42.5%)
  - Limited Availability of *Rental* Housing – 687 responses (39.0%)
  - Limited Access to Public Transit – 610 responses (34.7%)
  - Property Taxes – 501 responses (28.5%)
  - Blighted Properties – 467 responses (26.5%)
  - Long Commute Times – 426 responses (24.2%)
  - Lack of Features/Amenities – 390 responses (22.2%)
  - Limited Availability of *For-Sale* Housing – 328 responses (18.6%)
  - Inconvenient/Lack of Community Services – 206 responses (11.7%).
  
- A total of 261 people provided “other” responses, which were categorized by Bowen National Research. Below are the “other” responses received (10 or more):
  - Affordability/high cost of housing (67 responses)
  - Low salaries/incomes for jobs (16 responses)
  - Traffic congestion (16 responses)
  - Cost of living (12 responses)
  - Effect of military BAH on housing market (10 responses)
  - Road conditions/infrastructure (10 responses)
  
- Note that the largest share of responses in the “other” category was related to affordability/high cost of housing in Beaufort County. Several of these responses were specific to working class occupations and teachers not being able to afford a place to live in Beaufort County. All provided answer categories and the number of responses in each can be found in Addendum E.
  
- Respondents were asked which local area they would most like to live, if affordable. A total of 1,760 respondents were asked to select one of the following areas: City of Beaufort, Bluffton, Hilton Head Island, Port Royal, an Unincorporated Area of Beaufort County, or Other. Hilton Head Island was the most popular choice, selected by 31.0% of respondents. Bluffton was the second-most selected area, chosen by 27.3% of respondents. Additional areas selected were City of Beaufort (19.8%), Port Royal (7.2%), and Unincorporated Area of the County (6.5%). An additional 145 respondents stated “other”. The largest share of “other” respondents (41) indicated that they would live on Lady’s Island. St. Helena was selected by 11 respondents, while 10 respondents selected Okatie.

- Respondents were asked to provide the reason(s) for which they selected their area of choice in the previous question. The two most prevalent reasons selected were Neighborhood Area/Desirability (62.9%) and Location Convenience (61.7%). Additional reasons were Crime/Safety (29.4%), Proximity to Family/Friends (27.8%), Preferable Schools (32.1%), and Property Taxes (6.9%). A total of 221 respondents (12.5%) stated “other”. Below were the reasons given by 10 or more respondents:
  - Access to beaches/ocean/waterfront (46 responses)
  - Affordability of housing (29 responses)
  - Proximity to amenities and shopping (13 responses)
  - Availability of housing (11 responses)
  - Land/acreage (11 responses)
  - Family/relatives (10 responses)

All provided answer categories and the number of responses in each can be found in Addendum E.

- Respondents were asked if they believed it is difficult to find suitable housing in Beaufort County. Most of the 1,783 respondents (63.3%) selected that “yes” it is difficult, while 30.4% selected that it is “somewhat” difficult. The smallest share of respondents (6.3%) selected “no”, that it is not difficult to find suitable housing. A total of 19 respondents skipped this question.
- If a respondent selected “yes” or “somewhat” in the previous question, they were asked why they believed it is difficult for people to find suitable housing in Beaufort County (respondents could select multiple options). Responses included: Affordability/Housing Cost (93.8% of all respondents), Lack of Housing Type to Meet Specific Needs (31.4%), Age/Quality of Housing (29.5%), Limited Overall Housing Supply (26.6%), Preferable Location (23.4%), Lack of Advertising/Resources to Find Available Housing (9.1%). A total of 104 respondents (6.2%) provided “other” reasons. Below are the top three “other” responses received:
  - Affordability of housing (28 responses)
  - Low wages/salaries (17 responses)
  - Need for low-income housing (7 responses)

All provided answer categories and the number of responses in each can be found in Addendum E.

- Respondents were asked to rank on a scale of 1 to 5 (5 being the highest), the need for each of the housing *types* in Beaufort County. The three housing types that received the highest average ranking were: Moderate Income (4.10); Rental (4.02), and Low-Income (3.89). All three housing types also received the highest number of “5” ratings in the survey. The three housing types that received the lowest average rankings were High-Income (2.25), Communal Housing/Shared Housing (2.55), and Military Housing (2.60). A total of 52 respondents skipped this question. A complete breakdown of each housing option and its ranking can be found in Addendum E.
- Respondents were asked to rank on a scale of 1 to 5 (5 being the highest), the need for housing for selected categories of workers in Beaufort County. Of the 10 categories of workers listed in the survey, respondents indicated that the highest need is for Educators/School Officials (4.28), Service Industry (4.00), and Entry-Level/Blue Collar (3.94). Most respondents (55.9%) also gave housing for Educators/School Officials a “5” rating. The three worker categories that received the lowest average ratings were Experienced Professionals (2.60), Manufacturing (3.09), and Military Personnel (3.21). A total of 89 respondents skipped this question. A complete breakdown of each of the categories and rankings can be found in Addendum E.
- Respondents were asked to rank on a scale of 1 to 5 (5 being the most important), the need for each of the housing *styles* needed in Beaufort County. The five housing styles listed in the survey were Condominium, Single-Family Detached Home, Duplex, Triplex, Townhome, Apartments, and Mobile Homes. Single-Family Detached Home received the highest average rating (3.77), while Mobile Homes received the lowest average ranking (1.86). Most respondents (55.5%) gave Mobile Homes a “1” rating, the lowest category of need in the survey. A total of 89 respondents skipped this question. A complete breakdown of each housing style and its ranking can be found in Addendum E.
- Respondents were asked if they have personally experienced any of the following situations pertaining to housing: Overcrowded Housing, Paying more than 30% of your income towards housing costs, Substandard Housing, Foreclosure, Losing Your Lease/Eviction, and Homelessness. A substantial share of respondents (85.3%) stated that they had paid more than 30% of income towards housing costs. None of the other housing situations accounted for more than a 6.0% share. A total of 712 respondents either skipped this question or have not experienced any of these situations.
- Respondents were asked to state how their housing situation has changed over the past three (3) years. Most respondents (65.1%) stated that their housing situation has stayed the same. A smaller share of respondents (18.5%) stated that their situation has improved, while 16.4% of respondents stated that their situation has worsened. A total of 54 respondents skipped this question.

- Respondents were asked to state what is the most significant housing issue facing Beaufort County today. Respondents provided open-ended replies to this question, and Bowen National Research categorized these answers. A total of 1,371 respondents provided statements pertaining to this question. The largest number (498 respondents) stated that affordability was the most significant housing issue. The next largest category referenced housing costs and/or the price of housing (283 respondents). Other issues addressed by respondents included high rents (78 respondents), lack of workforce housing (64 respondents), high cost of living (55 respondents), and low pay/wages/salaries (53 respondents). All statements provided by respondents can be found in Addendum E.

### **Personal Demographic Characteristics**

- Respondent gender: 73.5% female (1,297 respondents) and 22.3% male (393 respondents). The remaining 4.2% (74 respondents) preferred not to answer the question. A total of 38 respondents skipped the question.
- Distribution of respondent's ages was: no respondents under the age of 20, 10.4% between ages 20 and 29, 20.8% between ages 30 and 39, 25.7% between ages 40 and 49, 19.2% between ages 50 and 59, and 19.5% age 60 or older. The remaining 4.4% (77 respondents) preferred not to answer, while 35 respondents skipped the question.
- Respondent ethnicity: 0.4% American Indian or Alaskan Native, 1.0% Asian or Pacific Islander, 9.8% Black or African American, 3.1% Hispanic or Latino, 74.5% White or Caucasian, and 1.6% other. A total of 170 respondents (9.7%) preferred not to answer, while 45 respondents skipped the question.
- Distribution of respondent's annual household income was: 3.9% below \$25,000, 12.5% between \$25,000 and \$40,000, 14.9% between \$41,000 and \$60,000, 12.8% between \$61,000 and \$75,000, 16.4% between \$76,000 and \$100,000, and 24.6% of \$101,000 or more. A total of 264 respondents (15.0%) preferred not to answer this question, while 39 respondents skipped the question.

## Survey Conclusions

Based on the responses from Beaufort County residents, the following summary comments are provided:

- **Survey Respondent Composition:** A total of 1,802 surveys were submitted to Bowen National Research. Survey respondents represent a broad cross section of individuals, including a good base of representation of age, income level, household sizes and current housing tenure. Most respondents were homeowners, full-time residents of the area, lived in single-family homes either by themselves or with up to two other people residing with them, had lived in the area for ten or more years, and had a prior residence outside of the state of South Carolina before moving to Beaufort County. We believe the survey respondents are a fair representation of the general Beaufort County area population.
- **Satisfaction with Housing/Neighborhood:** Most residents of Beaufort County are satisfied with their current housing situation and the neighborhood in which they reside. Residents were also asked which local area they would most like to live in. The most popular choices were Hilton Head Island (31.0%), Bluffton (27.3%), and the City of Beaufort (19.8%). Respondents were also asked to provide the reason(s) for which they selected their area of choice. The two most prevalent reasons selected were neighborhood area/desirability (62.9%) and location convenience (61.7%). Numerous respondents noted that access to beaches/ocean/waterfront was a reason for choosing a specific area to live.
- **Housing Issues/Challenges:** Respondents were asked to provide an opinion on the current overall Beaufort County housing market. Most respondents (57.8%) indicated that the current housing market was fair, with some issues. A significant share of respondents (34.6%) stated that the housing market was poor, with many issues. Only 7.6% of respondents believed that the housing market is good with no issues. Among those respondents that believed the housing market was fair or poor, a significant share of respondents (83.4%) indicated that high prices or rents were a reason. Most survey respondents (63.3%) also indicated that it was at least “somewhat” difficult to find suitable housing in Beaufort County. Respondents who stated that it was “difficult” or “somewhat difficult” to find suitable housing in Beaufort County cited affordability/housing cost (93.8%) as a major reason. Note that most respondents (57.3%) reported paying over \$1,500 per month for housing costs, including utilities.

- **Housing Needs/Priorities:** The most cited housing types needed in Beaufort County included moderate-income, rental, and low-income housing. Most commonly, respondents stated that this housing should be in the form of single-family detached homes. Respondents also noted that the highest need for housing was for the following occupations: Educators/School Officials, Service Industry Workers, and Entry-Level/Blue Collar Workers.

### **City of Beaufort – Housing Survey Summary**

Bowen National Research (BNR) conducted a survey of Beaufort County residents as part of the Housing Needs Assessment. This survey was conducted during February and March of 2018 and resulted in 1,802 participants. Of the 1,802 total participants, 371 respondents (20.7%) stated that they lived in the city of Beaufort. Using data from the overall survey, responses from Beaufort residents were separately analyzed. Using this analysis, the typical survey respondent from Beaufort:

- Owns their own residence and is a full-time resident of Beaufort.
- Lives in a single-family detached home, and prefers this type of dwelling over an apartment, condominium unit, duplex/triplex/townhome, or mobile home
- Part of a household with up to two additional people
- Paid over \$1,500 per month (including utilities) for housing.
- Experienced paying over 30% of income towards housing costs (including utilities).
- Lived in their current residence for one to five years.
- Lived in Beaufort County for over ten years.
- Moved to Beaufort from outside the state of South Carolina.
- Highly satisfied with their current residence and neighborhood.
- Would choose to stay in the city of Beaufort due to location convenience and neighborhood/area desirability.
- Believes that the current housing market in Beaufort County is “fair, with some issues”, mainly due to high prices or rents.
- Believes that it is difficult to find suitable housing in Beaufort County due to affordability/housing costs.
- Believes that the highest housing need exists for Moderate-Income Households, Families, and Low-Income Households in Beaufort County.
- Believes that occupations most in need for housing include Educators/School Officials, Healthcare Workers, and Public Service.

### Survey Results – City of Beaufort residents

- Most of the survey respondents in Beaufort (55.0%) own their residence, while 40.2% of respondents are renters. The remaining 4.8% of respondents are either caretakers that do not pay rent, a dependent living with family, or preferred not to answer the question.
- 96.0% of Beaufort respondents were full-time residents. 3.2% (12 respondents) were part-time residents, while three (3) respondents skipped the question. Of the 12 part-time respondents in Beaufort, nine (9) stayed for six to eight months, while the remaining three (3) stayed for two to four months.
- Most Beaufort survey respondents (73.8%) lived in a single-family detached home. 11.4% of respondents lived in an apartment building, while 5.9% of respondents lived in a duplex/triplex/townhome unit. 2.2% of respondents lived in a condominium unit, while 6.5% of respondents had a separate living arrangement (i.e. mobile home, garage apartment, room rental). Four (4) respondents skipped this question.
- Respondents were asked how many people lived in their current residence. 16.6% of respondents lived by themselves, 34.3% of respondents lived with one other person, 16.1% of respondents live with two other people, 21.3% of respondents live with three other people, and 11.7% of respondents live with four or more people. Four (4) respondents skipped this question.
- Respondents were asked how much their approximate monthly housing cost is (including utilities): One respondent (0.3%) claimed no housing expenses, 5.0% of respondents paid up to \$500 per month, 7.2% of respondents paid between \$501 and \$750 per month, 9.9% of respondents paid between \$751 and \$1,000 per month, 10.5% of respondents paid between \$1,000 and \$1,250 per month, 17.1% of respondents paid between \$1,251 and \$1,500 per month, 24.0% of respondents paid between \$1,501 and \$2,000 per month, and 26.2% of respondents paid over \$2,000 per month. Eight (8) respondents skipped this question.
- Respondents were asked how long they lived in their current residence. 20.9% of respondents lived in their residence for under one year. 40.5% of respondents lived in their current residence for one to five years, 16.8% of respondents lived in their current residence for five to 10 years, and 21.7% of respondents lived in their current residence for over 10 years. Three (3) respondents skipped this question.

- Respondents were also asked how long they lived in Beaufort County. 9.0% of respondents lived in Beaufort County for under one year, 25.1% of respondents lived in Beaufort County for one to five years. 13.6% of respondents lived in Beaufort County for five to 10 years, and most respondents (52.3%) lived in Beaufort County for over 10 years. Four (4) respondents preferred not to answer.
- Most respondents (58.7%) did *not* previously live in Beaufort County before arriving in Beaufort. Nearly 70.0% of these respondents moved to Beaufort County from outside the state of South Carolina.
- Respondents were asked to rate on a scale of 1 to 5 (with 5 being the most satisfied), how satisfied they were with their current residence. Most respondents (61.6%) gave either a “4” or “5” rating to their current residence. Only 6.0% of respondents gave a “1” rating (least satisfied) to their current residence. Six (6) respondents did not provide a rating.
- Respondents were also asked to rate on a scale of 1 to 5 (with 5 being the most satisfied) how satisfied they were with their current *neighborhood*. Most respondents (69.6%) gave their current neighborhood a “4” or “5” rating, while only 11 respondents (3.0%) gave a “1” rating to their current neighborhood. Three (3) respondents did not provide a rating.
- Respondents were asked to describe the current overall housing market in Beaufort County. Most respondents (54.1%) indicated that the housing market is “fair, with some issues”, while 39.1% indicated that the overall housing market is “poor, with many issues”. Only 6.8% of respondents indicated that the housing market is “good, with no issues”. Five (5) respondents skipped the question.
- The share of respondents that indicated the housing market is either “fair” or “poor” were also asked which factors were negatively affecting the housing market in Beaufort County. Respondents could select all applicable factors. The largest share of these respondents (84.2%) indicated that High Prices or Rents were negatively affecting the housing market. Over 40.0% of these respondents also indicated that Blighted Properties and Cost of Property/Renters Insurance were also factors.
- Respondents were also asked which Beaufort County community they would most like to live in (if affordable). Over two-thirds of respondents (66.9%) stated that they would remain in the City of Beaufort. Bluffton was selected by 10.3% of respondents, while 8.4% selected Port Royal, and 3.0% selected Hilton Head Island. Two (2) respondents skipped this question.

- Respondents were also asked why they chose the area of Beaufort County they would most like to live. Respondents could select more than one reason. Most respondents chose Location Convenience (62.9%) and Neighborhood/Area Desirability (60.2%) as reasons. Less than 30.0% of respondents chose Preferable Schools, Proximity to Family/Friends, and Crime/Safety as reasons, while only 4.6% of respondents chose Property Taxes as a reason.
- Respondents were asked if they felt it was difficult to find suitable housing in Beaufort County. Most respondents (60.1%) stated that “yes”, it was difficult to find suitable housing in Beaufort County. 31.5% of respondents stated that it was “somewhat” difficult, while only 8.4% stated that “no”, it was not difficult to find suitable housing. Three (3) respondents skipped this question.
- Among respondents that stated that it was difficult or somewhat difficult to find housing, reasons selected in the survey included Affordability/Housing Costs (selected by 92.3% of these respondents), Availability of Housing (46.3% of respondents), and Age and/or Quality of Housing (39.8% of respondents).
- Respondents were also asked to rank housing need for several household types and occupations in Beaufort County. Housing for Moderate-Income Households (4.02), Families (3.92), and Low-Income Households (3.89) received the highest average ratings (out of 5). Housing for High-Income Households (2.34), Communal Housing (2.42), and Military Housing (2.73) received the lowest average scores by respondents.
- Respondents were asked to rank the need for housing for several occupations in Beaufort County. Educators/School Officials (4.17), Healthcare Workers (3.91), and Public Service occupations (3.91) received the highest average ratings (out of 5). Experienced Professionals (2.65), Military Personnel (3.23), and Manufacturing (3.25) received the lowest average scores among the listed occupations.
- Respondents were also asked to rate the need for five types of housing styles in Beaufort County. Average ratings (out of 5) were: Single-Family Detached Homes (3.86), Duplex/Triplex/Townhomes (3.13), Apartments (3.05), Condominium (2.83), and Mobile Homes (1.85).

- Respondents were asked if they had ever experienced any of the following housing situations: Foreclosure (2.5% of respondents), Homelessness (2.5%), Losing your Lease/Eviction (1.7%), Overcrowded Housing (1.7%), Paying more than 30% of income towards housing costs (86.6%), Substandard Housing (5.0%). A total of 133 respondents either have not experienced any of these housing situations, or did not provide an answer to this question.
  
- Respondents were asked whether their housing situation changed or stayed the same during the past three years. Nearly two-thirds of respondents (66.2%) indicated that their housing situation has stayed the same during this period. 16.3% of respondents indicated that their housing situation improved, while 17.5% of respondents indicated that their housing situation has worsened over the past three years. Ten (10) respondents skipped the question.
  
- Demographic information for City of Beaufort respondents is as follows:
  - Gender: Female (73.2% of respondents), Male (21.1%), Preferred not to Answer (5.8%), Six (6) respondents skipped the question.
  - Distribution by Age: Under 20 years old (0.0%), 20-29 years old (13.5%), 30-39 years old (22.9%), 40-49 years old (22.0%), 50-59 years old (16.3%), 60 or older (20.4%), Prefer not to Answer (5.0%). Eight (8) respondents skipped the question.
  - Distribution by Income: 5.5% of respondents earned under \$25,000, 20.6% of respondents earned between \$25,000 to \$40,000 per year, 15.1% of respondents earned between \$41,000 to \$60,000 per year, 14.8% of respondents earned between \$61,000 and \$75,000 per year, 13.5% of respondents earned between \$76,000 and \$100,000 per year, and 15.9% of respondents earned over \$100,000 per year. 14.6% of respondents preferred not to answer the question, and seven (7) respondents skipped the question.

## **Town of Bluffton – Housing Summary Survey**

Bowen National Research (BNR) conducted a survey of Beaufort County residents as part of the Housing Needs Assessment. This survey was conducted during February and March of 2018 and resulted in 1,802 participants. Of the 1,802 total participants, 461 respondents (25.7%) stated that they lived in the town of Bluffton. Using data from the overall survey, responses from Bluffton residents were separately analyzed. Using this analysis, the typical survey respondent from Bluffton:

- Owns their own residence and is a full-time resident of Bluffton.
- Lives in a single-family detached home, and prefers this type of dwelling over an apartment, condominium unit, or duplex/triplex/townhome unit.
- Part of a household that consists of two to four people.
- Paid over \$1,500 per month (including utilities) for housing.
- Experienced paying over 30% of income towards housing costs (including utilities).
- Lived in their current residence for one to five years.
- Lived in Beaufort County for over ten years.
- Moved to Bluffton from outside the state of South Carolina.
- Highly satisfied with their current residence and neighborhood.
- Would choose to stay in Bluffton due to location convenience and neighborhood/area desirability, and preferable schools.
- Believes that the current housing market in Beaufort County is “fair, with some issues”, mainly due to high prices or rents.
- Believes that it is difficult to find suitable housing in Beaufort County due to affordability/housing costs and availability of housing.
- Believes that the highest housing need exists for Moderate-Income Households, Families, and Rentals in Beaufort County.
- Believes that occupations most in need for housing include Educators/School Officials, Public Service, and Service Industry workers.

### Survey Results – Town of Bluffton residents

- Over two-thirds of survey respondents in the town of Bluffton (68.8%) own their residence, while 26.9% of respondents are renters. The remaining 4.3% of respondents are either caretakers that do not pay rent, a dependent living with family, or preferred not to answer the question.
- Nearly all Bluffton respondents (99.3%) were full-time residents. Three respondents (0.7%) were part-time residents, while one respondent skipped the question. Of the three part-time respondents in Bluffton, two stayed in the area for six to eight months, while the remaining part-time resident did not provide length of stay in the area.
- Most Bluffton survey respondents (74.2%) lived in a single-family detached home. A much smaller share of respondents lived in an apartment building (9.0%) and a duplex/triplex/townhome unit (11.1%). Only 1.5% of respondents lived in a condominium unit, while 4.1% of respondents had a separate living arrangement (i.e. mobile home, garage apartment, room rental). Three (3) respondents skipped this question.
- Respondents were asked how many people lived in their current residence. 9.6% of respondents lived by themselves, 24.3% of respondents lived with one other person, 24.1% of respondents live with two other people, 29.1% of respondents live with three other people, and 12.9% of respondents live with four or more people. Four (4) respondents skipped this question.
- Respondents were asked how much their approximate monthly housing cost is (including utilities): Three (3) respondents (0.7%) claimed no housing expenses, Three (3) additional respondents (0.7%) paid up to \$500 per month, 3.7% of respondents paid between \$501 and \$750 per month, 5.5% of respondents paid between \$751 and \$1,000 per month, 7.0% of respondents paid between \$1,000 and \$1,250 per month, 16.3% of respondents paid between \$1,251 and \$1,500 per month, 30.8% of respondents paid between \$1,501 and \$2,000 per month, and 35.2% of respondents paid over \$2,000 per month. Seven (7) respondents skipped this question.
- Respondents were asked how long they lived in their current residence. 17.6% of respondents lived in their residence for under one year, 43.6% of respondents lived in their current residence for one to five years, 16.7% of respondents lived in their current residence for five to 10 years, and 22.0% of respondents lived in their current residence for over 10 years. Seven (7) respondents skipped this question.

- Respondents were also asked how long they lived in Beaufort County. 8.8% of respondents lived in Beaufort County for under one year, 25.6% of respondents lived in Beaufort County for one to five years. 17.1% of respondents lived in Beaufort County for five to 10 years, and nearly half of all respondents (48.6%) lived in Beaufort County for over 10 years. Four (4) respondents skipped this question.
- Nearly two-thirds of respondents (64.7%) did *not* previously live in Beaufort County before arriving in Bluffton. Over 80.0% of these respondents moved to Beaufort County from outside the state of South Carolina.
- Respondents were asked to rate on a scale of 1 to 5 (with 5 being the most satisfied), how satisfied they were with their current residence. Over two-thirds of respondents (68.0%) gave either a “4” or “5” rating to their current residence. Only 4.8% of respondents gave a “1” rating (least satisfied) to their current residence. Five (5) respondents did not provide a rating.
- Respondents were also asked to rate on a scale of 1 to 5 (with 5 being the most satisfied) how satisfied they were with their current *neighborhood*. Over 70.0% of respondents gave their current neighborhood a “4” or “5” rating, while only 13 respondents (2.8%) gave a “1” rating (least satisfied) to their current neighborhood. Two (2) respondents did not provide a rating.
- Respondents were asked to describe the current overall housing market in Beaufort County. Most respondents (60.9%) indicated that the housing market is “fair, with some issues”, while 30.3% of respondents indicated that the overall housing market is “poor, with many issues”. Only 8.8% of respondents indicated that the housing market is “good, with no issues”. Six (6) respondents skipped the question.
- The share of respondents that indicated the housing market is either “fair” or “poor” were also asked which factors were negatively affecting the housing market in Beaufort County. Respondents could select all applicable factors. A significant share of these respondents (97.3%) indicated that High Prices or Rents were negatively affecting the housing market. Over 40.0% of these respondents also indicated that Cost of Property/Renters Insurance and Limited Availability of Rental Housing were also factors.
- Respondents were also asked which Beaufort County community they would most like to live in (if affordable). Nearly 80.0% of respondents stated that they would remain in the town of Bluffton. Hilton Head Island was selected by 14.4% of respondents. Six (6) respondents (1.3%) selected the city of Beaufort, while only one respondent (0.2%) selected Port Royal. Nine (9) respondents skipped this question.

- Respondents were also asked why they chose the area of Beaufort County they would most like to live. Respondents could select more than one reason. Most respondents chose Location Convenience (69.9%) and Neighborhood/Area Desirability (63.9%) as reasons. Preferable Schools was chosen as a reason by 45.3% of respondents. Proximity to Family/Friends (31.4%) and Crime/Safety (28.3%) were selected as reasons by a smaller share of respondents, while only 9.1% of respondents chose Property Taxes as a reason.
- Respondents were asked if they felt it was difficult to find suitable housing in Beaufort County. Two-thirds of respondents (66.8%) stated that “yes”, it was difficult to find suitable housing in Beaufort County. 27.1% of respondents stated that it was “somewhat” difficult, while only 6.1% stated that “no”, it was not difficult to find suitable housing. Three (3) respondents skipped this question.
- Among respondents that stated that it was difficult or somewhat difficult to find housing, reasons selected in the survey included Affordability/Housing Costs (selected by 94.7% of these respondents), Availability of Housing (50.0% of respondents), and Lack of Housing Type to Meet Specific Needs (29.5% of respondents).
- Respondents were also asked to rank housing need for several household types and occupations in Beaufort County. Housing for Moderate-Income Households (4.13), Rentals (3.99), and Families (3.94) received the highest average ratings (out of 5). Housing for High-Income Households (2.12), Communal Housing (2.50), and Military Housing (2.66) received the lowest average scores by respondents.
- Respondents were asked to rank the housing need for several occupations in Beaufort County. Educators/School Officials (4.36), Public Service (3.99), and Service Industry (3.95) received the highest average ratings (out of 5). Experienced Professionals (2.59), Manufacturing (3.14), and Workforce Housing (3.20) received the lowest average scores among the listed occupations.
- Respondents were also asked to rate the need for five types of housing styles in Beaufort County. Average ratings for each housing style (out of 5) were: Single-Family Detached Homes (3.75), Apartments (3.38), Duplex/Triplex/Townhomes (3.30), Condominium (3.04), and Mobile Homes (1.80).

- Respondents were asked if they had ever experienced any of the following housing situations: Foreclosure (6.4% of respondents), Homelessness (0.3% - one respondent), Losing your Lease/Eviction (0.3% - one respondent), Overcrowded Housing (2.1%), Paying more than 30% of income towards housing costs (89.3%), Substandard Housing (1.5%). A total of 135 respondents either have not experienced any of these housing situations, or did not provide an answer to this question.
- Respondents were asked whether their housing situation changed or stayed the same during the past three years. Most respondents (60.6%) indicated that their housing situation has stayed the same during this period. 21.8% of respondents indicated that their housing situation improved, while 17.6% of respondents indicated that their housing situation has worsened over the past three years. Twelve (12) respondents skipped the question.
- Demographic information for town of Bluffton respondents is as follows:
  - Gender: Female (80.1% of respondents), Male (17.0%), Preferred not to Answer (2.9%), Eight (8) respondents skipped the question.
  - Distribution by Age: Under 20 years old (0.0%), 20-29 years old (15.3%), 30-39 years old (26.8%), 40-49 years old (31.9%), 50-59 years old (14.2%), 60 or older (8.6%), Prefer not to Answer (3.1%). Ten (10) respondents skipped the question.
  - Distribution by Income: 3.1% of respondents earned under \$25,000, 9.9% of respondents earned between \$25,000 to \$40,000 per year, 17.0% of respondents earned between \$41,000 to \$60,000 per year, 13.9% of respondents earned between \$61,000 and \$75,000 per year, 20.3% of respondents earned between \$76,000 and \$100,000 per year, and 23.4% of respondents earned over \$100,000 per year. 13.0% of respondents preferred not to answer the question, and eight (8) respondents skipped the question.

## **Town of Hilton Head Island – Housing Survey Summary**

Bowen National Research (BNR) conducted a survey of Beaufort County residents as part of the Housing Needs Assessment. This survey was conducted during February and March of 2018 and resulted in 1,802 participants. Of the 1,802 total participants, 495 respondents (27.6%) stated that they lived on Hilton Head Island. Using data from the overall survey, responses from Hilton Head Island residents were separately analyzed. Using this analysis, the typical survey respondent from Hilton Head Island:

- Owns their own residence and is a full-time resident of Hilton Head Island.
- Lives in a single-family detached home, and prefers this type of dwelling over an apartment, condominium unit, or duplex/triplex/townhome unit.
- Part of a household that consists of two or three people.
- Paid over \$2,000 per month (including utilities) for housing.
- Experienced paying over 30% of income towards housing costs (including utilities).
- Lived in Beaufort County for over ten years.
- Moved to Hilton Head Island from outside the state of South Carolina.
- Highly satisfied with their current residence and neighborhood.
- Would choose to stay in the town of Hilton Head Island due to location convenience and neighborhood/area desirability.
- Believes that the current housing market in Beaufort County is “fair, with some issues”, mainly due to high prices or rents.
- Believes that it is difficult to find suitable housing in Beaufort County due to affordability/housing costs and availability of housing.
- Believes that the highest housing need exists for Rentals, Moderate-Income Households, and Low-Income Households in Beaufort County.
- Believes that occupations most in need for housing include Educators/School Officials, Service Industry, and Entry-Level/Blue Collar workers.

### **Survey Results – Town of Hilton Head Island residents**

- Most survey respondents in the town of Hilton Head Island (81.5%) own their residence, while 15.4% of respondents are renters. The remaining 3.1% of respondents are either caretakers that do not pay rent, a dependent living with family, or preferred not to answer the question.
- The clear majority of Hilton Head Island respondents (92.7%) were full-time residents. A total of 36 respondents (7.3%) were part-time residents, while two (2) respondents skipped the question. Of the 36 part-time respondents on Hilton Head Island, 19 respondents stayed in the area for two to four months, while 10 part-time residents stay for a longer period (six to eight months). The seven remaining part-time residents stay for one to four weeks. Most part-time residents indicated that they have a vacation home.

- Most Hilton Head Island survey respondents (77.0%) lived in a single-family detached home, while 13.1% of respondents live in a condominium unit. A much smaller share of respondents lived in a duplex/triplex/townhome unit (4.9%) and an apartment building (2.9%). Only 1.8% of respondents had a separate living arrangement (i.e. room rental, garage apartment, mobile home). Four (4) respondents skipped this question.
- Respondents were asked how many people lived in their current residence. 9.9% of respondents lived by themselves, 46.6% of respondents lived with one other person, 15.6% of respondents live with two other people, 18.6% of respondents live with three other people, and 9.3% of respondents live with four or more people. One respondent skipped this question.
- Respondents were asked how much their approximate monthly housing cost is (including utilities): One respondent (0.2%) claimed no housing expenses, 4.2% of respondents paid up to \$500 per month, 5.8% of respondents paid between \$501 and \$750 per month, 6.7% of respondents paid between \$751 and \$1,000 per month, 8.5% of respondents paid between \$1,000 and \$1,250 per month, 9.4% of respondents paid between \$1,251 and \$1,500 per month, 19.0% of respondents paid between \$1,501 and \$2,000 per month, and 46.3% of respondents paid over \$2,000 per month. Fifteen (15) respondents skipped this question.
- Respondents were asked how long they lived in their current residence. 8.9% of respondents lived in their residence for under one year, 37.4% of respondents lived in their current residence for one to five years, 19.5% of respondents lived in their current residence for five to 10 years, and 34.1% of respondents lived in their current residence for over 10 years. Three (3) respondents skipped this question.
- Respondents were also asked how long they lived in Beaufort County. 4.7% of respondents lived in Beaufort County for under one year, 21.5% of respondents lived in Beaufort County for one to five years. 21.7% of respondents lived in Beaufort County for five to 10 years, and over half of all respondents (52.1%) lived in Beaufort County for over 10 years. Two (2) respondents skipped this question.
- Nearly 70.0% of respondents did *not* previously live in Beaufort County before moving to Hilton Head Island. Nearly 90.0% of these respondents moved to Beaufort County from outside the state of South Carolina.
- Respondents were asked to rate on a scale of 1 to 5 (with 5 being the most satisfied), how satisfied they were with their current residence. Over three-quarters of respondents (77.6%) gave either a “4” or “5” rating to their current residence. Only 2.1% of respondents gave a “1” rating (least satisfied) to their current residence. Eight (8) respondents did not provide a rating.

- Respondents were also asked to rate on a scale of 1 to 5 (with 5 being the most satisfied) how satisfied they were with their current *neighborhood*. Over 80.0% of respondents gave their current neighborhood a “4” or “5” rating, while only six respondents (1.2%) gave a “1” rating (least satisfied) to their current neighborhood. Four (4) respondents did not provide a rating.
- Respondents were asked to describe the current overall housing market in Beaufort County. Most respondents (62.7%) indicated that the housing market is “fair, with some issues”, while 26.7% of respondents indicated that the overall housing market is “poor, with many issues”. 10.6% of respondents indicated that the housing market is “good, with no issues”. Four (4) respondents skipped the question.
- The share of respondents that indicated the housing market is either “fair” or “poor” were also asked which factors were negatively affecting the housing market in Beaufort County. Respondents could select all applicable factors. A significant share of these respondents (85.4%) indicated that High Prices or Rents were negatively affecting the housing market. Over 50.0% of respondents indicated that Limited Availability of Rental Housing was a factor. Nearly half of these respondents also indicated that Cost of Property/Renters Insurance was a factor.
- Respondents were also asked which Beaufort County community they would most like to live in (if affordable). Over 90.0% of respondents stated that they would remain on Hilton Head Island. Bluffton was selected by 4.3% of respondents, while five respondents (1.0%) selected the city of Beaufort. One respondent stated a preference to live in an unincorporated area of Beaufort County. Twelve (12) respondents skipped this question.
- Respondents were also asked why they chose the area of Beaufort County they would most like to live. Respondents could select more than one reason. Most respondents chose Neighborhood/Area Desirability (71.4%) and Location Convenience (57.8%) as reasons. Crime/Safety (35.4%), Preferable Schools (28.8%), and Proximity to Family/Friends (27.5%) were each selected as reasons by a smaller share of respondents, while only 6.8% of respondents chose Property Taxes as a reason.
- Respondents were asked if they felt it was difficult to find suitable housing in Beaufort County. Most respondents (58.2%) stated that “yes”, it was difficult to find suitable housing in Beaufort County. 34.9% of respondents stated that it was “somewhat” difficult, while only 6.9% stated that “no”, it was not difficult to find suitable housing. Two (2) respondents skipped this question.
- Among respondents that stated that it was difficult or somewhat difficult to find housing, reasons selected in the survey included Affordability/Housing Costs (selected by 86.6% of these respondents), Availability of Housing (55.6% of respondents), and Limited Overall Housing Supply (32.7% of respondents).

- Respondents were also asked to rank housing need for several household types and occupations in Beaufort County. Housing need for Rentals (4.12), Moderate-Income (4.08), and Low-Income (3.88) received the highest average ratings (out of 5). Housing need for Military Housing (2.28), High-Income Households (2.31), and Communal Housing (2.73) received the lowest average scores by respondents.
- Respondents were asked to rank the housing need for several occupations in Beaufort County. Educators/School Officials (4.20), Service Industry (4.15), and Entry-Level/Blue Collar (3.98) received the highest average ratings (out of 5). Experienced Professionals (2.59), Manufacturing (2.71), Military Personnel (2.96) received the lowest average scores among the listed occupations.
- Respondents were also asked to rate the need for five types of housing styles in Beaufort County. Average ratings for each housing style (out of 5) were: Apartments (3.64), Single-Family Detached Homes (3.45), Duplex/Triplex/Townhomes (3.42), Condominium (3.08), and Mobile Homes (1.68).
- Respondents were asked if they had ever experienced any of the following housing situations: Foreclosure (7.0% of respondents), Homelessness (1.9%), Losing your Lease/Eviction (1.9%), Overcrowded Housing (2.3%), Paying more than 30% of income towards housing costs (85.0%), Substandard Housing (1.9%). A total of 281 respondents either have not experienced any of these housing situations, or did not provide an answer to this question.
- Respondents were asked whether their housing situation changed or stayed the same during the past three years. Over two-thirds of respondents (68.5%) indicated that their housing situation has stayed the same during this period. 17.6% of respondents indicated that their housing situation improved, while 13.9% of respondents indicated that their housing situation has worsened over the past three years. Twelve (12) respondents skipped the question.

- Demographic information for Hilton Head Island respondents is as follows:
  - Gender: Female (65.0% of respondents), Male (31.4%), Preferred not to Answer (3.7%), Seven (7) respondents skipped the question.
  - Distribution by Age: Under 20 years old (0.0%), 20-29 years old (4.5%), 30-39 years old (11.8%), 40-49 years old (21.5%), 50-59 years old (21.1%), 60 or older (35.9%), Prefer not to Answer (5.3%). Two (2) respondents skipped the question.
  - Distribution by Income: 2.1% of respondents earned under \$25,000, 6.8% of respondents earned between \$25,000 to \$40,000 per year, 9.1% of respondents earned between \$41,000 to \$60,000 per year, 9.3% of respondents earned between \$61,000 and \$75,000 per year, 15.7% of respondents earned between \$76,000 and \$100,000 per year, and 35.9% of respondents earned over \$100,000 per year. 21.2% of respondents preferred not to answer the question, and 10 respondents skipped the question.

### **Town of Port Royal – Housing Survey Summary**

Bowen National Research (BNR) conducted a survey of Beaufort County residents as part of the Housing Needs Assessment. This survey was conducted during February and March of 2018 and resulted in 1,802 participants. Of the 1,802 total participants, 98 respondents (5.5%) stated that they lived in Port Royal. Using data from the overall survey, responses from Port Royal residents were separately analyzed. Using this analysis, the typical survey respondent from Port Royal:

- A renter that is a full-time resident of Port Royal.
- Lives in a single-family detached home.
- Part of a household that consists of two or three people.
- Paid over \$1,250 per month (including utilities) for housing.
- Experienced paying over 30% of income towards housing costs (including utilities).
- Lived in Beaufort County for over ten years.
- Moved to their current residence from another location in Beaufort County.
- Highly satisfied with their current residence and neighborhood.
- Would choose to stay in the town of Port Royal due to neighborhood/area desirability and location convenience.
- Believes that the current housing market in Beaufort County is “fair, with some issues” or “poor, with many issues”, mainly due to high prices or rents.
- Believes that it is difficult to find suitable housing in Beaufort County due to affordability/housing costs.
- Believes that the highest housing need exists for Families, Moderate-Income Households, and Rentals in Beaufort County.
- Believes that occupations most in need for housing include Educators/School Officials, Public Service, and Service Industry workers.

### Survey Results – Town of Port Royal residents

- A slight majority of survey respondents in the town of Port Royal (52.6%) are renters, while 46.4% of respondents are owners. One respondent stated that they live with a family member, while one additional respondent preferred not to answer the question.
- Nearly all Port Royal respondents (99.0%) were full-time residents. One respondent (1.0%) was a part-time resident who resided in the area for six to eight months, while two (2) respondents skipped the question.
- Most Port Royal survey respondents (60.4%) lived in a single-family detached home, while 22.9% of respondents live in an apartment building. A much smaller share of respondents lived in a duplex/triplex/townhome unit (7.3%) or a condominium unit (6.3%). Three respondents (3.1%) had a separate living arrangement (i.e. mobile home or modular home). Two (2) respondents skipped this question.
- Respondents were asked how many people lived in their current residence. 16.7% of respondents lived by themselves, 30.2% of respondents lived with one other person, 20.8% of respondents live with two other people, 18.8% of respondents live with three other people, and 13.5% of respondents live with four or more people. Two (2) respondents skipped this question.
- Respondents were asked how much their approximate monthly housing cost is (including utilities): 3.2% of respondents paid up to \$500 per month, 4.3% of respondents paid between \$501 and \$750 per month, 11.7% of respondents paid between \$751 and \$1,000 per month, 12.8% of respondents paid between \$1,000 and \$1,250 per month, 25.5% of respondents paid between \$1,251 and \$1,500 per month, 24.5% of respondents paid between \$1,501 and \$2,000 per month, and 18.1% of respondents paid over \$2,000 per month. Four (4) respondents skipped this question.
- Respondents were asked how long they lived in their current residence. 25.8% of respondents lived in their residence for under one year, 41.2% of respondents lived in their current residence for one to five years, 16.5% of respondents lived in their current residence for five to 10 years, and 16.5% of respondents lived in their current residence for over 10 years. One respondents skipped this question.
- Respondents were also asked how long they lived in Beaufort County. 1.5% of respondents lived in Beaufort County for under one year, 26.0% of respondents lived in Beaufort County for one to five years. 16.7% of respondents lived in Beaufort County for five to 10 years, and 45.8% of respondents lived in Beaufort County for over 10 years. Two (2) respondents skipped this question.

- A slight majority of respondents (52.6%) stated that their prior residence was in Beaufort County, while 47.4% of respondents did *not* previously live in Beaufort County before moving to Port Royal. Of those who did not previously live in the county, nearly 65.0% of these respondents moved to Beaufort County from outside the state of South Carolina. Three (3) respondents did not provide information on a prior residence.
- Respondents were asked to rate on a scale of 1 to 5 (with 5 being the most satisfied), how satisfied they were with their current residence. Most respondents (53.1%) gave either a “4” or “5” rating to their current residence, while 9.4% of respondents gave a “1” rating (least satisfied) to their current residence. Two (2) respondents did not provide a rating.
- Respondents were also asked to rate on a scale of 1 to 5 (with 5 being the most satisfied) how satisfied they were with their current *neighborhood*. Nearly 65.0% of respondents gave their current neighborhood a “4” or “5” rating, while only seven respondents (7.2%) gave a “1” rating (least satisfied) to their current neighborhood. One respondent did not provide a rating.
- Respondents were asked to describe the current overall housing market in Beaufort County. Most respondents (52.1%) indicated that the housing market is “fair, with some issues”, while a significant share of respondents (46.9%) indicated that the overall housing market is “poor, with many issues”. Only one respondent indicated that the housing market is “good, with no issues”. Two (2) respondents skipped the question.
- The share of respondents that indicated the housing market is either “fair” or “poor” were also asked which factors were negatively affecting the housing market in Beaufort County. Respondents could select all applicable factors. A significant share of these respondents (92.7%) indicated that High Prices or Rents were negatively affecting the housing market. Nearly 45.0% of respondents indicated that Cost of Property/Renters Insurance and Limited Availability of Rental Housing were also factors.
- Respondents were also asked which Beaufort County community they would most like to live in (if affordable). Over 60.0% of respondents stated that they would remain in Port Royal. The city of Beaufort was selected by 15.8% of respondents, while 8.4% of respondents selected Bluffton. One respondent selected Hilton Head Island. Three (3) respondent skipped this question.

- Respondents were also asked why they chose the area of Beaufort County they would most like to live. Respondents could select more than one reason. Most respondents chose Neighborhood/Area Desirability (68.4%) and Location Convenience (52.6%) as reasons. Crime/Safety (42.1%), Preferable Schools (36.8%), and Proximity to Family/Friends (33.7%) were each selected as reasons by a smaller share of respondents, while only two respondents chose Property Taxes as a reason.
- Respondents were asked if they felt it was difficult to find suitable housing in Beaufort County. Nearly three-fourths of all respondents (74.0%) stated that “yes”, it was difficult to find suitable housing in Beaufort County. 22.9% of respondents stated that it was “somewhat” difficult, while only three respondents (3.1%) stated that “no”, it was not difficult to find suitable housing. Two (2) respondents skipped this question.
- Among respondents that stated that it was difficult or somewhat difficult to find housing, reasons selected in the survey included Affordability/Housing Costs (selected by 95.8% of these respondents), Availability of Housing (52.1% of respondents), and Age and/or Quality of Housing (44.8% of respondents).
- Respondents were also asked to rank housing need for several household types and occupations in Beaufort County. Housing need for Families (4.24), Moderate-Income (4.09), and Rental (4.07) received the highest average ratings (out of 5). Housing need for High-Income (2.01), Communal Housing (2.40), and Assisted-Living/Nursing Care (2.82) received the lowest average scores by respondents.
- Respondents were asked to rank the housing need for several occupations in Beaufort County. Educators/School Officials (4.41), Public Service (4.05), and Service Industry (4.00) received the highest average ratings (out of 5). Experienced Professionals (2.67), Manufacturing (3.14), and Military Personnel (3.20) received the lowest average scores among the listed occupations.
- Respondents were also asked to rate the need for five types of housing styles in Beaufort County. Average ratings for each housing style (out of 5) were: Single-Family Detached Homes (4.18), Apartments (3.46), Duplex/Triplex/Townhomes (3.37), Condominium (2.74), and Mobile Homes (2.08).
- Respondents were asked if they had ever experienced any of the following housing situations: Foreclosure (4.7% of respondents), Homelessness (1.6%), Losing your Lease/Eviction (4.7%), Overcrowded Housing (4.7%), Paying more than 30% of income towards housing costs (79.7%), and Substandard Housing (4.7%). A total of 34 respondents either have not experienced any of these housing situations, or did not provide an answer to this question.

- Respondents were asked whether their housing situation changed or stayed the same during the past three years. Most respondents (53.3%) indicated that their housing situation has stayed the same during this period. 25.0% of respondents indicated that their housing situation improved, while 21.7% of respondents indicated that their housing situation has worsened over the past three years. Six (6) respondents skipped the question.
- Demographic information for Port Royal respondents is as follows:
  - Gender: Female (72.8% of respondents), Male (21.7%), Preferred not to Answer (5.4%), Six (6) respondents skipped the question.
  - Distribution by Age: Under 20 years old (0.0%), 20-29 years old (18.5%), 30-39 years old (32.6%), 40-49 years old (17.4%), 50-59 years old (21.7%), 60 or older (5.4%), Prefer not to Answer (4.3%). Six (6) respondents skipped the question.
  - Distribution by Income: 9.8% of respondents earned under \$25,000, 19.6% of respondents earned between \$25,000 to \$40,000 per year, 27.2% of respondents earned between \$41,000 to \$60,000 per year, 13.0% of respondents earned between \$61,000 and \$75,000 per year, 10.9% of respondents earned between \$76,000 and \$100,000 per year, and 9.8% of respondents earned over \$100,000 per year. 9.8% of respondents preferred not to answer the question, and six (6) respondents skipped the question.

### **C. STAKEHOLDER SURVEY RESULTS**

Associates of Bowen National Research solicited input from 27 stakeholders throughout Beaufort County, South Carolina. Input from stakeholders was provided in the form of an online survey. Of the 27 total respondents, 11 (40.7%) are local government or municipal officials. The remaining 16 respondents represent a wide range of industries that deal with housing issues, including local businesses owners and employers, real estate agents, property managers, landlords, and economic development officials.

Stakeholders were also asked what sector (geographic area) of Beaufort County each represented. The largest number of respondents (10) stated that their respective organizations represented all of Beaufort County. The next largest number (nine) represented the Town of Bluffton. Six (6) respondents represented the City of Beaufort, while six (6) additional respondents represented the Town of Hilton Head Island.

The purpose of these interviews was to gather input regarding the need for the type and styles of housing, the income segments housing should target, and if there is a lack of housing or housing assistance within Beaufort County. The following is a summary of key input gathered:

#### **Housing Needs & Issues**

- Stakeholders were asked to rank the overall degree of housing need for several areas within Beaufort County. Areas identified for this question were Beaufort (City of), the Towns of Bluffton, Hilton Head, Port Royal, and Northern Unincorporated Beaufort County (north of Beaufort), Unincorporated Islands (Lady's Island and Sea Islands), and Southern Unincorporated Beaufort County (south of Broad River). Most respondents indicated that high demand for housing existed in Bluffton (68.0% of respondents) and Hilton Head (66.7% of respondents). A notable share of respondents (41.7%) also indicated that high demand for housing existed in Beaufort and Southern Unincorporated Beaufort County. Beaufort and Port Royal were also identified as areas of moderate demand by 33.3% of respondents. Few respondents noted that there is low demand for housing in any of the identified geographic areas.

- Stakeholders were also asked to rank the overall need for housing in proximity to/close to several types of areas or facilities. Listed areas or facilities were: along a highway, in a rural area, within walkable proximity to daily needs/job centers, close to schools, close to public transportation, close to a hospital, and close to a grocery store. A total of 22 stakeholders provided responses to this question. Most respondents indicated that there was high demand for housing within walkable proximity to daily needs/job centers (73.9% of all respondents), close to schools (72.7%), and close to public transportation (72.7%). Moderate demand for housing along a highway and near a hospital was identified by 50.0% of all respondents. Half (50.0%) of all respondents also indicated that there was low demand for housing in rural areas.
- This survey also asked stakeholders what level of demand there is for specific types of housing in their respective service areas. Housing types identified were Rental, For-Sale (Homeowner), Single-Person/Young Professionals, Student, Workforce, Senior Apartments (Independent Living), Senior Care Facilities (Assisted and Nursing), Homeless, Special Needs, Seasonal/Employer Sponsored Housing, and Military. A total of 24 respondents to this question indicated that there was high demand for Workforce housing. Also, 96.0% of respondents indicated that there was high demand for Rental Housing, and 95.9% of respondents noted high demand for housing targeting Single Persons/Young Professionals. Most respondents indicated moderate demand for Senior Care Facilities, Military housing, and For-Sale (Homeowner) housing within their respective service areas. Seven respondents (30.4%) stated that there was low demand for Special Needs housing.
- Stakeholders were also asked about the level of demand for housing *styles* within each respective service area. Housing styles listed in the survey were: Apartments, Duplex/Triplex/Townhomes, Condominiums, Detached Houses (Single-Family Homes), Dormitories, and Mobile Homes/Manufactured Housing. The largest share of stakeholders (68.0%) indicated that there is high demand for Apartments. Most stakeholders also indicated that there is high demand for Single-Family Detached Homes and Duplex/Triplex/Townhomes, as well as moderate demand for Condominiums. Low demand for Dormitories was noted by 52.2% of respondents. Note that none of the respondents to this question indicated low demand for Apartments, Detached Houses, and Duplex/Triplex/Townhomes.

- This survey asked stakeholders to rank the need for housing by income level within their respective service areas. Most respondents (64.0% and above) indicated that the highest level of housing need exists for those households earning \$75,000 or less per year. The highest demand among respondents (96.0%) for housing was for those earning between \$25,000 and \$50,000. Half (50.0%) of respondents stated that there is moderate demand for housing among those earning between \$75,000 and \$100,000. Most stakeholders also indicated that there is low or moderate demand for housing among those households earning over \$100,000 per year.
- Stakeholders were also asked to what degree specific factors affect housing within their respective service areas. Listed factors were Blight (Vacant/Uninhabitable), High Crime, Overcrowded Schools, and Limited Access to Public Transit. Twenty-five (25) stakeholders answered this question. Most of these stakeholders (68.0%) responded that limited access to public transit often affects the housing market in their respective service areas. Most stakeholders also responded that Blight, High Crime, and Overcrowded Schools were sometimes a factor in the housing market.
- Stakeholders were asked to what degree specific housing issues are experienced by income level in Beaufort County. Specific housing issues listed in the survey were: Foreclosure, Limited Availability, Overcrowded (Conditions), Housing Affordability for Renters and Buyers, Substandard Housing, Lack of Public Transportation, Lack of Down Payment, Maintenance/Renovation Cost, and Cost of Insurance. For those households earning \$25,000 or less, several issues were identified as occurring to a high degree by at least 75.0% of stakeholders: Housing Affordability for Renters and Buyers, Lack of Down Payment, Lack of Public Transportation, Substandard Housing, Maintenance/Renovation Cost, and Cost of Insurance.
- For those households earning between \$26,000 and \$50,000, Limited Availability of Housing and Lack of Down Payment were identified as occurring to a high degree by 94.4% of stakeholders. Housing Affordability for both Renters and Buyers, and well as Lack of Public Transportation, were cited as occurring to a high degree by over 75.0% of stakeholders. For households earning \$51,000 to \$75,000, most stakeholders (over 50.0%) identified Lack of Down Payment, Housing Affordability for Renters, and Cost of Insurance as issues occurring to a high degree. For those households earning above \$75,000, stakeholders mainly identified housing issues occurring at a low to moderate degree.

- Stakeholders were also asked to rank the priority for specific types of housing development. Options provided in the survey were Adaptive Reuse (conversion of vacant buildings into housing), New Construction, or Renovation/Revitalization of Existing Housing. Twenty-three (23) stakeholders responded to this question. Most respondents (over 50.0%) assigned high priority to all three development options, with Renovation/Revitalization of Existing Housing receiving the largest share of high priority responses (68.2%). Very few stakeholders stated that any of the three housing types was a low priority within their respective service areas.
- Stakeholders were asked to rank specific types of housing assistance programs in order of priority. Housing assistance programs listed in the survey were: Homebuyer Assistance, Project-Based Rental Subsidy, Tax Credit Financing, Other Rental Housing Assistance (i.e. Vouchers) and Other Homeowner/Homebuyer Assistance. Twenty-four (24) stakeholders responded to this question. All housing assistance programs were assigned high priority by at least 50.0% of stakeholders, with Homebuyer Assistance received the highest priority ranking by 56.5% of stakeholders. A low share of stakeholders (13.0% and below) indicated that any of the housing assistance programs were a low priority.
- Stakeholders were also permitted to select “Other” as an option to the previous question. Several “Other” responses included providing assistance to developers to increase the number of housing units in Beaufort County. Suggestions to achieve this included providing project-based affordable housing subsidies to developers, incorporating a percentage of units in new projects to low- and moderate-income households, assistance to developers of affordable housing for adaptive reuse and new construction, and waiving development permit and impact fees. One stakeholder stated that occupant assistance is irrelevant when housing stock is unavailable for the lowest four quintiles of earners (households). Another stakeholder stated that home ownership should be encouraged as an option wherever possible.
- Stakeholders were also asked to provide open-ended responses as to whether there are specific housing programs that should be given priority in their respective service areas. A total of 18 stakeholders submitted open-ended responses to this question. The most common responses pertained to inclusionary zoning. Additional responses pertained to expedited permits for higher density projects, apartments/mixed-use complexes targeting middle income households, income-assisted ownership options similar to Habitat for Humanity, creation of a local housing Trust Fund, and rehabilitation of owner-occupied housing.

- As a follow up question, stakeholders were asked if there are specific housing development programs at the state or local level not offered in service areas that should be explored. A total of 11 stakeholders provided comments. Responses included housing programs similar to HOPE VI, public transportation improvements, large-scale private/public multi-family development projects, impact fees and zoning changes for new construction, co-ops and co-housing, rapid rehousing programs, homeless shelters, and transitional housing.

### **Barriers to Housing Development**

- Stakeholders were also asked what common barriers or obstacles exist in their respective service areas that limit residential development. Of the 25 stakeholders that answered this question, 24 indicated that Cost of Land was a common barrier or obstacle to residential development. The next largest share of respondents (80.0%) indicated that Cost of Infrastructure was an obstacle. Availability of Land, Lack of Transportation, Tap Fees, Land/Zoning Regulations, Cost of Labor/Materials, Development Costs, and Local Government Regulations were also chosen as barriers to housing development by at least 60.0% of respondents. Two respondents listed “other” common barriers or obstacles to development: Inclusionary Zoning for new developments and NIMBY attitudes.
- Respondents to the previous question were also asked how they believed these obstacles or barriers to development could be reduced or eliminated. Nineteen (19) stakeholders provided open-ended responses. The most common response to this question was to make housing subsidies and financial incentives available for developers and homeowners/occupants of affordable housing. Some stakeholders also suggested subsidizing or eliminating impact fees. Development of workforce housing was also identified as a potential solution, as was flexible zoning, expedited permitting, and development waivers. One stakeholder suggested private-public collaboration to offset land and development costs, while another stakeholder suggested tax credits and density bonuses. One stakeholder stated that county-wide housing shelters are needed for homeless adults without children.

## **Homelessness**

- Stakeholders were asked if they were knowledgeable about homeless housing needs in Beaufort County. Of the 25 stakeholders that provided an answer, nine (9) stakeholders (36.0%) indicated that they were knowledgeable, while the remaining 16 stakeholders answered that they were not. In relation to this question, stakeholders were also asked to rank housing needs for specific groups of the homeless population. Specific groups listed for this question were: Homeless Individuals, Homeless Families, Homeless Veterans, Homeless Youth, and the Chronically Homeless. Fourteen (14) stakeholders provided responses. Among the specific groups listed, most respondents (57.1%) stated that there was moderate demand for housing that targeted Homeless Families. Less than half of respondents (under 50.0%) stated that there was high demand for all specific groups listed.
- Stakeholders were also asked to rank demand for each type of housing needed for the homeless population. Housing types listed were: Emergency Shelters, Permanent Supportive Housing, Single-Room Occupancy, Transitional Housing, and Voucher Assistance. Of the 14 stakeholders that answered this question, the largest share of respondents (71.4%) stated that Permanent Supportive Housing and Voucher Assistance were in high demand. Emergency Shelters and Transitional Housing were each identified as being in moderate demand by at least half (50.0%) of respondents.
- Seven (7) stakeholders provided additional comments regarding homelessness and/or homeless housing in their respective service areas. The most common response was NIMBY, alluding to the attitudes of those that do not want homeless housing in their immediate areas. Respondents also stated that a lack of affordable land prevented homeless housing from being developed. Additional comments described resistance by neighboring residents, lack of public interest, lack of funding, lack of accurate numbers, lack of places that provide assistance to the homeless, and insufficient Section 8 Vouchers.
- Respondents were also asked for recommendations on ways to address the needs of the homeless population. Responses included educating political and civic leadership on how large the homeless problem is, creating a task force to define the problem, enhanced awareness and data, outreach to property management, allowing for the development of services, immediate funding for homeless shelters, cooperation at the county level to provide funding for a homeless shelter, and engaging with churches and organizations to determine homeless needs within the community.

- Additional comments provided by stakeholders regarding the homeless population included: create a path to employment and self-sustainability, the lack of a residential shelter for all homeless groups, establishment of Permanent Supportive Housing, and reliable and frequent public transportation beyond what is currently provided by existing options.

### **Special Needs**

- Stakeholders were asked if they were knowledgeable about Special Needs housing. Of the 24 stakeholders that provided an answer, eight (8) stakeholders (33.3%) indicated that they are knowledgeable, while the remaining 16 stakeholders answered that they were not knowledgeable about Special Needs housing. In relation to this question, stakeholders were also asked to rank the housing needs for specific Special Needs groups. Specific groups listed for this question were: Physical/Development Disabilities, Mentally Disabled, and Victims of Domestic Violence.
- A total of 14 stakeholders ranked the need for Special Needs housing within their respective service areas. Six (6) stakeholders out of 14 indicated high demand for housing for those with Physical/Development Disabilities and the Mentally Disabled. At least half (50.0%) of all stakeholders stated that there was moderate demand for all three types of special needs housing: Physical/Development Disabilities, Mentally Disabled, and Victims of Domestic Violence. Only three (3) stakeholders indicated that there was low demand for any of the listed Special Needs housing types.
- Stakeholders were also asked what the demand was for each type of Special Needs housing within their respective service areas. Fourteen (14) stakeholders provided responses. Most respondents (64.3%) indicated that there was high demand for Permanent Supportive Housing for the Special Needs population. Half of stakeholders (50.0%) also stated there is high demand for Voucher Assistance. Most stakeholders (57.2%) also indicated that there is moderate demand for Emergency Shelters, while half (50.0%) of all stakeholders indicated moderate demand for Group Homes, Transitional Housing, and Voucher Assistance.
- Stakeholders were also asked to identify obstacles to developing Special Needs housing in Beaufort County. Twelve (12) stakeholders provided open-ended responses. Among the answers provided were: NIMBY attitudes among residents, problems finding suitable locations to build Special Needs housing, cost of building Special Needs housing (i.e. upfit costs, safety features), and lack of public transportation routes.

## **D. EMPLOYER SURVEY RESULTS**

Associates of Bowen National Research solicited input from 21 of the area's employers within Beaufort County, South Carolina. Input from employers was provided in the form of an online survey. Of the 21 total respondents, 10 (47.6%) stated they represent the "other" employment sector, which primarily included real estate management/development and manufacturing. The remaining 11 respondents represent a wide range of industry sectors, including construction, education, retail, professional (accounting, legal, etc.), and hospitality/lodging.

Employers were also asked what area of Beaufort County each represented. Note that some employers represent more than one area of Beaufort County. The largest number of respondents (13) stated that their respective organizations represented the City of Beaufort. The next largest areas represented were the Town of Port Royal (6), and the unincorporated areas of Beaufort County (6). Three (3) respondents represented the Town of Bluffton and three (3) represented "other", while two (2) additional respondents represented the Town of Hilton Head Island. It is important to note that of the 21 employers surveyed, the estimated combined total of persons employed by the respondents is 4,159. The majority of employers stated that between 90% to 100% of their total number of employees reside within Beaufort County.

The purpose of these surveys was to gather input regarding general employee composition, employee housing situations and housing needs within Beaufort County. The following is a summary of key input gathered:

### *Housing Issues/Challenges Impacting Employment*

- Employers were asked to speculate how many new jobs their company/entity will create in Beaufort County over the next several years based on annual wages, by reporting less than 10, 10 to 30, 31 to 50, or more than 50 jobs. Overall, the majority of employers surveyed anticipated that less than 10 jobs will be created over the next several years, regardless of annual wages. Additionally, notable job creation is anticipated to occur within positions of \$50,000 annual wages or less, as seven (7) of the 21 employers anticipate 10 to 50 new jobs to be created over the next five years in this annual wage range.

- More than half (57.1%) of employers surveyed stated that in the past couple of years they have experienced difficulty attracting and/or retaining employees due to housing related issues and challenges. Employers were asked to rank the degree (low, moderate or high) of which housing issues and challenges are experienced by their employees, unaffordable housing was ranked highest (70%). It is of note that the second highest issue ranked was lack of available housing (35%), with seven (7) out of the 21 respondents reporting a rank of “high” degree. Half of employers surveyed also ranked lack of financing/credit as the highest ranked issue of “moderate” degree. Furthermore, nearly 43% of employers surveyed reported that their employees are affected by the aforementioned housing issues year-round, while nearly 29% of employers stated that their employees are sporadically affected throughout the year.

### Housing Needs for Employees

- Employers were asked to rank the degree of need (low, moderate and high) for housing for their employees in terms of product type. Respondents reported that the highest need based on product type are single-family homes (42.1%), multifamily apartments (31.6%) and duplex/townhomes (22.2%). It is also of note that employers ranked the lowest need of housing by product type as mobile homes (63.2%), short-term/seasonal housing (47.4%) and dormitories/shared living (33.3%).
- Employers were also asked to rank the degree of need for housing in terms of product pricing. Respondents reported that the highest need based on product pricing are entry level/workforce for-sale housing (below \$150,000) ranked by 55%, affordable rental housing (under \$750/month) ranked by 50% and moderate market-rate rental housing (\$750-\$1,250/month) ranked by 35%. It is also of note that employers ranked the lowest need of housing by product pricing as higher-end market-rate rental housing (above \$1,250/month) ranked by 60%, higher-end for-sale housing (above \$250,000) ranked by 60% and moderate for-sale housing (\$150,000-\$250,000) ranked by 20%.
- In terms of addressing housing needs for employers in Beaufort County, employers were asked to rank the level of importance for the area to focus of any future government housing programs, policies or incentives that could be implemented to assist employees with the market’s housing issues. Respondents ranked the most important as new housing development/redevelopment (57.9%), renter assistance (38.9%) and housing assistance for public employees (36.8%).

- Employers were also asked to comment on any additional housing issues that impact employees of Beaufort County. Six (6) employers provided open-ended responses. Among the answers provided were: need for more workforce/affordable housing in the Town of Hilton Head Island, current building regulations encourage higher-end residential construction, which should be re-evaluated and reduced, lack of support from the government, and utility and infrastructure costs and transportation are issues that need to be addressed. Three (3) employers stated they had no additional comments.

#### **E. RESIDENTIAL DEVELOPMENT SURVEY RESULTS**

Bowen National Research solicited input from five residential development professionals within Beaufort County, South Carolina. Input from these professionals was provided in the form of an online survey and we received at least one response from professionals experienced in the City of Beaufort, and the Towns of Bluffton, Hilton Head Island and Port Royal, while some represent multiple areas and one represents the county as a whole. Of the five total respondents, three of them represent planning departments, one represents the residential development community and one represents the affordable housing community. The purpose of these interviews was to gather input regarding challenges to residential development within Beaufort County. A summary of key input is illustrated on the following pages.

Factors Impacting or Limiting Residential Development

Respondents were asked to identify factors that adversely impact residential development in areas of the county for which they represent. Each of these factors were ranked as having either a high impact, a moderate impact or no impact. The table below is a summary of the results by area of the county. Note that some of the factors may be shown in both columns as multiple respondents ranked these factors differently.

Area of County (# of Responses)	High Impact	Moderate Impact
City of Beaufort	<ul style="list-style-type: none"> <li>• High Property Costs</li> <li>• High Development Costs</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Available Land</li> <li>• Lack of Qualified Workers/Contractors</li> <li>• Government Fees</li> <li>• Government Bureaucracy/Red Tape</li> <li>• Estate/Heirs Challenges</li> <li>• Limited Financing Resources</li> <li>• Lack of Community Support</li> </ul>
Bluffton	<ul style="list-style-type: none"> <li>• High Property Costs</li> <li>• High Development Costs</li> <li>• Lack of Available Land</li> <li>• Building/Design Restriction</li> <li>• Zoning Restrictions</li> <li>• Government Fees</li> <li>• Deed Restrictions</li> <li>• Estate/Heirs Challenges</li> <li>• Lack of Access to Roads</li> <li>• Limited Financing Resources</li> <li>• Lack of Community Support</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Available Land</li> <li>• Building/Design Restrictions</li> <li>• Environmental Constraints</li> <li>• Zoning Restrictions</li> <li>• Lack of Qualified Workers/Contractors</li> <li>• Government Fees</li> <li>• Government Taxes</li> <li>• Government Bureaucracy/Red Tape</li> <li>• Deed Restrictions</li> <li>• Estate/Heirs Challenges</li> <li>• Lack of Community Support</li> </ul>
Hilton Head	<ul style="list-style-type: none"> <li>• Lack of Available Land</li> <li>• High Property Costs</li> <li>• High Development Costs</li> <li>• Government Bureaucracy/Red Tape</li> <li>• Limited Financing Resources</li> <li>• Lack of Community Support</li> </ul>	<ul style="list-style-type: none"> <li>• Building/Design Restrictions</li> <li>• Environmental Constraints</li> <li>• Zoning Restrictions</li> <li>• Lack of Qualified Workers/Contractors</li> <li>• Government Fees</li> <li>• Government Taxes</li> <li>• Deed Restrictions</li> <li>• Estate/Heirs Challenges</li> <li>• Lack of Access to Utilities</li> <li>• Lack of Access to Roads</li> <li>• Lack of Community Support</li> </ul>
Port Royal	<ul style="list-style-type: none"> <li>• Lack of Access to Utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Available Land</li> <li>• High Development Costs</li> <li>• Building/Design Restrictions</li> <li>• Environmental Constraints</li> <li>• Government Fees</li> <li>• Government Taxes</li> </ul>
Overall County	<ul style="list-style-type: none"> <li>• Government Taxes</li> <li>• Government Bureaucracy/Red Tape</li> <li>• Lack of Access to Utilities</li> <li>• Lack of Community Support</li> </ul>	<ul style="list-style-type: none"> <li>• None Selected</li> </ul>

In summary, consistent factors having the greatest adverse impact on residential development are high property and development costs, the lack of available land, government bureaucracy/red tape, limited financing resources and a lack of community support.

Factors Impacting or Limiting Residential Development

Respondents were asked to identify to what degree government policies, fees or processes limit residential development within the county. Each of these factors were ranked as having either a high impact, a moderate impact or no impact. The table below is a summary of the results by area of the county. Note that some of the factors may be shown in both columns as multiple respondents ranked these factors differently.

Area of County (# of Responses)	High Impact	Moderate Impact
City of Beaufort	<ul style="list-style-type: none"> <li>• None Selected</li> </ul>	<ul style="list-style-type: none"> <li>• Building-Codes</li> <li>• Building-Permit Process</li> </ul>
Bluffton	<ul style="list-style-type: none"> <li>• Zoning-Density Restrictions</li> <li>• Zoning-Property Set Backs</li> <li>• Zoning-Rezoning Issues/Process</li> <li>• Building-Permit Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning-Density Restrictions</li> <li>• Zoning-Property Set Backs</li> <li>• Building-Permit Process</li> <li>• Building-Permit Fees</li> </ul>
Hilton Head	<ul style="list-style-type: none"> <li>• Zoning-Density Restrictions</li> <li>• Zoning-Property Set Backs</li> <li>• Zoning-Land Use Restrictions</li> <li>• Zoning-Rezoning Issues/Process</li> <li>• Building-Permit Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning-Density Restrictions</li> <li>• Zoning-Property Set Backs</li> <li>• Building-Permit Process</li> <li>• Building-Permit Fees</li> </ul>
Port Royal	<ul style="list-style-type: none"> <li>• None Selected</li> </ul>	<ul style="list-style-type: none"> <li>• Building-Codes</li> </ul>
Overall County	<ul style="list-style-type: none"> <li>• Zoning-Density Restrictions</li> <li>• Zoning-Land Use Restrictions</li> <li>• Zoning-Rezoning Issues/Process</li> <li>• Building-Permit Fees</li> </ul>	<ul style="list-style-type: none"> <li>• None Selected</li> </ul>

Throughout the four main towns/cities and the county as a whole, the same governmental factors seem to have either a high or moderate impact, with several zoning-related issues having the greatest impact.

Additional Impediments to Residential Development

In an open-ended question, respondents were asked to provide insight into any additional impediments to residential development. Responses varied but included the limited availability and relatively high cost of sanitary sewer, that development agreements should require that developments include a percentage of affordable housing units, that seismic and wind zones can require engineered drawings that increase development costs, and that state and federal agencies (such as the Army Corp, DHEC and OCRM) take the longest time. One respondent did state that Bluffton and Hilton Head Island government operations are fair, efficient and timely.

Degree of Importance for Potential Solutions

Respondents were asked to rank the degree to which each potential solution should be addressed in future housing policies, programs or incentives for various areas of the county. The table below summarizes potential solutions that received at least one ranking of “high importance” by area of the county.

Potential Solutions	Beaufort (City Of)	Bluffton	Hilton Head	Port Royal	Overall County
Offering Resident Subsidies	X	-	-	-	-
Offering Developer Subsidies/Waiving Fees	X	X	X	-	-
Offering Tax Breaks/Abatements	X	X	X	-	-
Supporting Application/Issuance of Grant Funding	-	-	-	-	-
Supporting Mixed-Income Developments	-	-	X	-	-
Making Zoning & Building Code Changes/Waivers Easier	X	X	X	-	-
Expediting Permit Process	X	-	-	-	-
Supporting Infrastructure Investment	X	X	X	X	-
Supporting Public-Private Partnerships	X	X	X	-	-
Making Public Land Available for Development	X	X	X	-	-

As shown in the preceding table, respondents believe a variety of solutions could be offered in order to increase residential development. However, six topics received positive responses for at least three of the communities, which included: Offering Developer Subsidies/Waiving Fees, Offering Tax Breaks/Abatements, Making Zoning & Building Code Changes/Waivers Easier, Supporting Infrastructure Investment, Supporting Public-Private Partnerships, and Making Public Land Available for Development.

Type of Housing Product in the Greatest Need

Respondents were asked what type of housing is in the greatest need in selected areas of the county. The table below is a summary of the types of housing that received a ranking of high or moderate need. Note that some results may appear in both columns as respondents may have provided separate answers.

Area of County (# of Responses)	High Need	Moderate Need
City of Beaufort	<ul style="list-style-type: none"> <li>Duplex/Triplex/Townhome</li> <li>Single-Family Homes</li> <li>Military Housing</li> </ul>	<ul style="list-style-type: none"> <li>Multifamily Apartments</li> <li>Condominiums</li> <li>Single-Family Homes</li> <li>Dormitory Housing</li> <li>Senior Apartments/Senior Care</li> <li>Student Housing</li> </ul>
Bluffton	<ul style="list-style-type: none"> <li>Multifamily Apartments</li> <li>Duplex/Triplex/Townhomes</li> <li>Single-Family Homes</li> <li>Senior Apartments/Senior Care</li> </ul>	<ul style="list-style-type: none"> <li>Military Housing</li> <li>Student Housing</li> </ul>

(Continued)

Area of County (# of Responses)	High Need	Moderate Need
Hilton Head	<ul style="list-style-type: none"> <li>• Multifamily Apartments</li> <li>• Duplex/triplex/Townhomes</li> <li>• Single-Family Homes</li> <li>• Dormitory Housing</li> <li>• Short-Term/Seasonal Worker</li> <li>• Senior Apartments/Senior Care</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile Homes</li> <li>• Senior Apartments/Senior Care</li> <li>• Student Housing</li> </ul>
Port Royal	<ul style="list-style-type: none"> <li>• Single-Family Homes</li> </ul>	<ul style="list-style-type: none"> <li>• Multifamily Apartments</li> <li>• Condominiums</li> <li>• Duplex/Triplex/Townhomes</li> <li>• Single-Family Homes</li> <li>• Senior Apartments/Senior Care</li> </ul>
Unincorporated Areas	<ul style="list-style-type: none"> <li>• Single-Family Homes</li> </ul>	<ul style="list-style-type: none"> <li>• No Response</li> </ul>
Overall County	<ul style="list-style-type: none"> <li>• Multifamily Apartments</li> <li>• Single-Family Homes</li> </ul>	<ul style="list-style-type: none"> <li>• No Response</li> </ul>

Single-family development appears to be universally accepted as being the product type in highest need, with several respondents indicating the Multifamily Apartments and Duplex, Triplex/Townhomes also being a high need.

*Solutions to Impediments of Housing Development*

Respondents were asked in an open-ended question to provide solutions that could be provided or explored that could mitigate some of the impediments of housing development throughout the county. Responses included the following:

- Incentivizing inclusionary zoning,
- Work with the Beaufort Jasper Water and Sewer Authority (BJWSA) to reduce Fresno one
- Offer municipalities a certain number of credits per year that the city can use to incentivize housing
- Adopt lower fees for installing or extending water and sewer lines inside the municipal growth boundaries, brownfields, or on infill lots.
- More transportation options and a regional approach to housing development.
- Streamline the different agencies that conduct reviews.
- Provide public land for private development.
- Pass the License Reform Bill this year and not under control of the Municipality Association.

### Product Pricing for Housing Development

Respondents were asked to select what type of product should be encouraged to assist with housing development in the county. Moderate market-rate rental housing (with rents of \$750-\$1,250 per month) and Entry-level/workforce for-sale housing (priced below \$150,000) were ranked the highest. Affordable rental housing (rents under \$750 per month) and moderate for-sale housing (home prices between \$150,000-\$250,000) were ranked second in line for preference. Higher end housing (both for-sale and for-rent) was ranked as needing the lowest priority for housing development.

### Additional Comments or Concerns

Respondents were asked to provide any additional comments or concerns as it relates to impediments to residential housing development throughout the county. Respondents stated that the stigma of “cheap housing” is something that everyone worries about. A goal, but also a challenge, should be to integrate housing types in a “fine-grained” mixture while not calling specific attention to price points. Respondents also stated that elected officials must have the political will to encourage changes to help alleviate these impediments.