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Housing Availability, Affordability, and Zoning in the Carolinas

Horry and Georgetown Counties, South Carolina

Prepared for:

Coastal Carolinas Association of REALTORS®

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1.0 Executive Summary

In the United States, the traditional approach to the housing market, balances the demand for shelter with affordability by building a mix of single and multifamily homes intended for sale or rent. However, as populations grow and decline, housing availability and affordability challenges also ebb and flow.

Since the 1960s, most new residential units have been single-family homes. This remains true in the run-up of residential construction following the COVID-19 pandemic. However, only about two-thirds of households own their home, including those with mortgages. Although multifamily homes are a smaller share of the market, they tend to be less costly to build and more affordable.

In 2022, U.S. builders completed 1,022,000 single-family and 368,000 multifamily homes.[1] This is important because the median price of a new home is around $400,000, more than five times the median household income of $75,149.[2]

1.1 Purpose of Report

The housing availability challenges across the United States are magnified in areas like the coast of South Carolina, where there is also population growth. The Coastal Carolinas Association of REALTORS® (CCAR) commissioned Anderson Economic Group (AEG) to conduct a housing needs assessment for Horry and Georgetown Counties in South Carolina. Additionally, CCAR asked AEG to examine the role of county zoning on residential construction and home affordability.

1.2 Overview of Approach

We undertook the following steps:

1. Examined local economic conditions with a focus on the housing market and what constitutes affordable.
2. Analyzed the housing market in terms of population demands, new development, home prices, rents, income, and affordability.
3. Defined low, median, and high incomes, rents, and home prices.
4. Conducted a policy analysis of the role of and tools available to local government in managing housing.
5. Examined peer-reviewed research on the effects of zoning.
6. Reviewed Horry and Georgetown County zoning laws and identified recent changes in zoning that could have affected the housing market.
7. Assessed the effects of key zoning changes on housing availability and costs.

1.U.S. Census Bureau
2.U.S. Census Bureau, “QuickFacts: United States”

1.3 Overview of Findings

Using the information available to us and the methodology described above, we found the following:

1. *In Horry County, South Carolina, population growth has outpaced housing development. In Georgetown County, population growth has been slightly lower than housing development. In the future, population is projected to grow at a faster pace than housing development, presenting affordability and availability challenges.*

From 2013-2022 Horry County experienced significant population growth. With the average household of 2.5 people, this can be considered as household growth of 11.5%. During the same time period, housing units in the county increased only 10.6%. Single family housing units increased, and alternative housing units, such as boats and RVs, also saw a significant increase. However, multi-family units, which may also serve as worker housing, were on the decline.

Georgetown County's population growth has been slower. The county's population growth in terms of households was at 2.2%. This is similar total U.S. population growth in terms of households at 2.1%, during the same period. Georgetown County saw a 7.6% increase in housing units between 2013 and 2022. The growth trends by type of unit were similar to Horry County with an increase in single family homes and alternative housing units, and again a decline in multi-family units.

South Carolina, and Horry County are likely to continue to see increased population. As a result, Georgetown County is likely to be further affected as well. Additionally, the share of available units for rental or resale have declined in both counties, indicating that a housing shortage may have begun. As population trends are not aligned with the pace of housing unit increases, availability and affordability challenges will be exacerbated in this region without the opportunity for aligning the pace of housing development.

Table 1, Relative gap between population and housing units, displays this information.

TABLE 1. Relative gap between population and housing units

Region	Population (Household) Growth	Housing Unit Growth	*Difference*
Horry County	11.5%	10.6%	*-1%*
Georgetown County	2.2%	7.6%	*5.4%*
South Carolina	4%	10.2%	*-6.2%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

For more information please see “Population Growth” on page 9, see “Housing Structures” on page 10, and see “Gap in Quantity of Housing Supply and Demand” on page 14.

2. Home values across all price ranges, along with monthly median rents increased significantly in Horry and Georgetown Counties from 2013 to 2022.

As demand has outpaced development, and vacancy rates have declined, a tightened housing market has caused a significant increase in prices, which includes rents for renter-occupied units and home values for owner-occupied units.

While rents increased by 10.5% to 84.3%, incomes increased by 41.1% to 49%. These data, as shown in table 2, present the developing affordability challenges in Horry and Georgetown Counties.

TABLE 2.Change in Monthly Median Rents and Income, 2013-2022

Type of Rental Unit	*Increase in Median Rent*	*Increase in Median Household Income*
Horry		
Low-Priced	*31.8%*	*41.1%*
Median-Priced	*66.7%*	*41.1%*
High-Priced	*84.3%*	*41.1%*
Georgetown		
Low-Priced	*10.5%*	*49%*
Median-Priced	*25.9%*	*49%*
High-Priced	*22.2%*	*49%*
South Carolina		
Low-Priced	*47.1%*	*42.1%*
Median-Priced	*52%*	*42.1%*
High-Priced	*44.8%*	*42.1%*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.
Analysis: Anderson Economic Group

There is a relatively higher increase in home values in Horry County. This, combined with a relatively lower increase in median household income highlights the likeliness that Horry County faces tougher challenges in home ownership as compared to Georgetown County.

TABLE 3. Change in Home Values and Income, 2013-2022

Type of Housing Unit	*Increase in Home Value*	*Increase in Median Household Income*
Horry		
Low-Priced	*97.4%*	*41.1%*
Median-Priced	*69.2%*	*41.1%*
High-Priced	*55.6%*	*41.1%*
Georgetown		
Low-Priced	*50%*	*49%*
Median-Priced	*38.5%*	*49%*
High-Priced	*28.6%*	*49%*
South Carolina		
Low-Priced	*83.3%*	*42.1%*
Median-Priced	*100%*	*42.1%*
High-Priced	*55.6%*	*42.1%*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.
Analysis: Anderson Economic Group

For more information please see "Monthly Rents Across the Regions (Compared to Income)" on page 16 and see "Home Values Across the Region" on page 17.

3. *The share of cost-burdened households in Horry County is above that of South Carolina as a whole, the share in Georgetown County is slightly below. While the share of cost-burdened households has been declining on the whole, it is concentrated among low income households in Horry and Georgetown Counties.*

In Horry County, 28.6% of households fell into the cost-burdened category in 2022, which is nearly 41,000 households. In the same period, over 25.7% (or 6,000) of households in Georgetown County were classified as cost-burdened.

Table 4, displays the share of cost-burdened households in Horry and Georgetown Counties, as well as South Carolina as a whole. The share of cost-burdened households declined slightly faster in Georgetown County as compared to Horry County.

TABLE 4. Share of Cost-Burdened Households, 2013-2022

Region	2013		2018		2022		*2013-2022*	
	Households	% Total	Households	% Total	Households	% Total	*Households*	*% Total*
Horry County	42,372	37.3%	39,532	30.7%	40,756	28.6%	*(1,616)*	*-8.7%*
Georgetown County	8,243	35.7%	8,009	31.9%	6,681	25.7%	*(1,562)*	*-10.0%*
South Carolina	558,643	31.4%	527,117	27.8%	532,107	26.3%	*(26536)*	*-5.1%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau

The concentration of cost-burden among low income households may signal trends that will drive affordability and availability challenges.

For more information, including affordability by occupation, as well as race in Horry and Georgetown Counties, please see "Measuring Housing Affordability" on page 23.

4. Zoning laws are a key factor for determining how much housing is available in a region.

Zoning laws affect the availability of housing. Common restrictions, including maximum home densities and multifamily home prohibitions, slow the pace of housing construction and increase prices.

There are three types of zoning ordinances that may be necessary to implement, or expand in the region, in order to provide enough housing units for the growing population:

Accessory dwelling units. An accessory dwelling unit (ADU) is a secondary housing unit that shares the same lot as another dwelling. Careful regulations on aesthetics and placement can be an important part of these policies. ADUs are a straightforward means of increasing housing supply and easing tension on availability, without dramatically altering residential land use patterns.

Upzoning. Upzoning refers to increasing the number of residential units allowed on a particular lot. In many local governments, a large proportion of residential land is zoned for single family homes only—new multifamily development is not allowed. Carefully written upzoning policies can maintain the aesthetic and feel of a region while increasing available housing.

Inclusionary zoning. Inclusionary zoning policies typically require developers to include a number of AHUs in certain types of new market-rate residential developments. Bonus incentives to participate, or a fee in lieu of participation, are typically an important part of these policies. Inclusionary zoning is intended to foster economically diverse communities by tying new housing production to affordable housing creation.

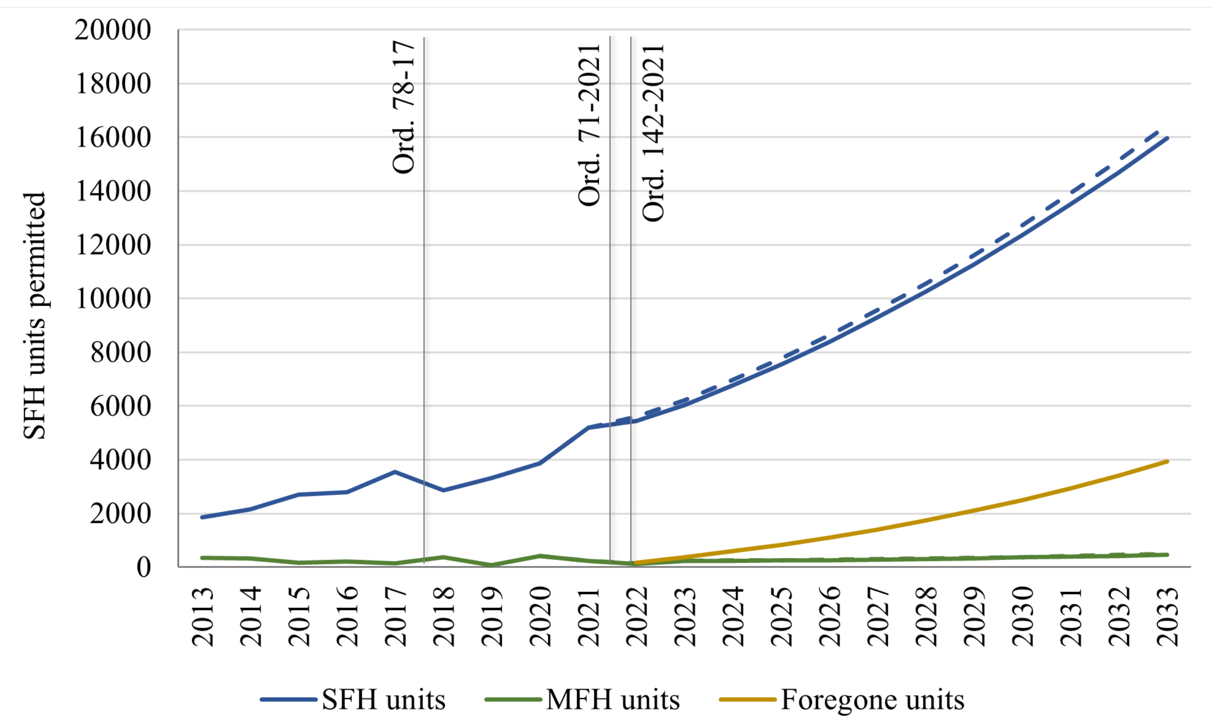
Please see “Housing Policy Evaluation” on page 34 for more information.

5. Ordinance 142-2021 in Horry County likely reduced the amount of new single family and multifamily homes, skewing the housing mix further away from low income households.

In 2021, Horry County Council passed Ordinance 142-2021, which revised part of the zoning code to limit multifamily housing. This ordinance likely reduced the amount of new single family and multifamily homes, skewing the housing mix further away from low income households.

We estimate that this revision will lead to 3,925 fewer units built over the next 10 years and reduce the share of new multifamily housing. We also estimate that this change will cause rents in the county to increase over time.

FIGURE 1. Projected change in new housing units in Horry County following Ordinance 142-2021.

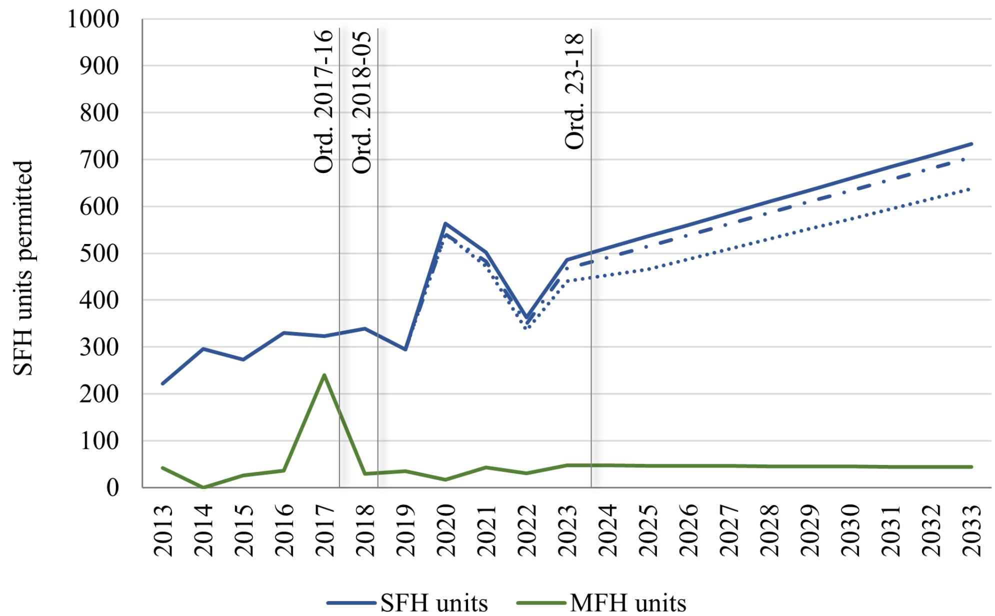


Please see “Housing Policy Evaluation” on page 34 for more information.

6. Ordinance 05-2018 in Georgetown County could increase the number of housing units available.

Ordinance 2018-05 allowed ADUs up to 900 square feet in residential zoning districts. This would increase the availability of rental units. ADUs can also ease tensions in the housing market, particularly for those who may only need additional housing for the short or medium-term. For example, young adults who may not be ready to rent or purchase housing of their own, and for the elderly who may have a better quality of life in proximity to family.

FIGURE 2. Projected change in new housing units in Georgetown County following Ordinance 2017-16 and 2018-05.



Please see “Housing Policy Evaluation” on page 34 for more information.

1.4 About Anderson Economic Group

Founded in 1996, Anderson Economic Group is a boutique research and consulting firm, with offices in East Lansing, Michigan, and Chicago, Illinois. The public policy experts and economists at AEG have conducted numerous housing market studies for communities and states across the country. Recent examples include *Housing Affordability in the Charleston Metro Area* for the Charleston Trident Association of REALTORS®, *Housing Affordability in the City of Akron* for the Akron Cleveland Association of REALTORS® and *Analysis of Housing Availability and Affordability in Arizona with Policy Recommendations* for the Arizona Association of REALTORS®. Work by Anderson Economic Group has been utilized in legislative hearings, legal proceedings, and public debates, as well as major planning exercises and executive strategy discussions. For more information, please see “Appendix C. About Anderson Economic Group” on page C-1 or visit www.AndersonEconomicGroup.com.

2.0 Housing Market

To asses availability, affordability, and the zoning environment in a given area, housing market analysis is a valuable tool. This section provides a detailed look at the housing market in South Carolina, focusing on Horry and Georgetown Counties.

With a notable increase in the state's population, there is the challenge of rising housing costs and how this relates to supply, demand, and affordability. Key trends, including the uneven rise in rents and home prices, potential gaps in housing supply, and a decrease in existing homes for resale factor into this challenge.[3] These factors collectively contribute to difficulties for residents seeking affordable housing.

The following analysis also considers how housing access intersects with race and demographics. Examining the current state of the housing market in Horry and Georgetown Counties further underscores the complexities that call for strategic solutions to foster sustainable and fair housing options in the Coastal Carolinas region.

2.1 Outline of Geographic Regions and Housing Units

Classification of Housing Units in South Carolina

Before analyzing the housing market, we categorize groups of residential units based on price. These are introduced in terms low-priced units, median-priced units, and high-priced units as defined below. These definitions are applied separately to owner-occupied and renter-occupied housing. The three categories are:

- *Low-Priced Unit*: Rental unit (owner-occupied unit) that is priced such that 25% of all rents (home values) of renter-occupied units (owner-occupied units) in the study area are below the value, and 75% are above.
- *Median-Priced Unit:* Rental unit (owner-occupied unit) that is priced such that 50% of all rents (home values) of renter-occupied units (owner-occupied units) in the study area are below the value, and 50% are above.
- *High-Priced Unit*: Rental unit (owner-occupied unit) that is priced such that 75% of all rents (home values) of renter-occupied units (owner-occupied units) in the study area are below the value, and 25% are above.

These categories provide a convenient way of describing the distribution of prices in the study areas' housing market. Note, however, that they do not account for the influence of other characteristics often associated

3. Available or existing resale units are based on vacancy rates provided by the American Community Survey.

with price, such as size, location, etc. For example, a low-priced unit could be a detached home in a rural location while a high-priced unit could be a small 1-bedroom unit in a desirable urban location.

Housing units can also be described by the number of attached units. Parts of this section will draw on the differences between one-unit structures, two-unit structures, as well as other types of housing. Note that one-unit attached refers to single family homes that are attached to other homes by a wall extending from the ground to the roof, such as a duplex or a townhouse. Multi-unit include apartments and structures with upstairs and downstairs units.

2.2 Description of the Housing Market

Population Growth

Since 2013, South Carolina has gained close to a half million new residents—almost 10% growth during the time when the total U.S. population grew 5.4% (see Table 5). In fact, South Carolina is the fastest growing state in proportional terms. Population change, either from natural change (births minus death) or migration from other regions, is the largest driver of housing demand change in any market, and South Carolina is no different. As a result of rapid population growth in the last decade, housing markets across the state have experienced a boom in residential construction, a large increase in prices, or both.

The population increase in Horry and Georgetown County from 2013 to 2022 follows the following patterns:

- Horry County's population grew by 28.9%, a rate that is distinctively higher than that of Georgetown County, South Carolina and total U.S. population.
- Georgetown County's population grew by 5.5%, similar to total U.S. population growth rate of 5.4% during the same period.

Moving forward, South Carolina's population is expected to grow 13.4% between 2022 and 2035, adding nearly 700,000 residents. Over the same period, the population in Horry County is expected to increase 42.4% to 507,979. Georgetown County is expected to increase 3%, to 65,481.[4]

4.Files with Population Estimates from 2010-2020 and Population Projections from 2021-2035 Containing Detailed Characteristics, South Carolina Revenue And Fiscal Affairs Office.

TABLE 5. Population Trends, 2013-2022

Region	2013	2018	2022	*2013 to 2022*	
				Absolute Change	***Relative Change***
South Carolina	4,679,602	4,955,925	5,142,750	*463,148*	*9.9%*
Horry County	276,688	320,915	356,578	*79,890*	*28.9%*
Georgetown County	60,280	61,605	63,594	*3,314*	*5.5%*
United Stated	316,059,947	326,838,199	333,287,557	*17,227,610*	*5.4%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

Housing Structures

Between 2013 and 2022, Horry County saw population increase faster than its housing stock. Housing units in the county increased only 10.6%, whereas population grew by 28.9%. The county added approximately 19,800 housing units, with the largest additions in single family detached housing units, followed by structures with 20 or more units. However, the county saw a decline in all other multi-unit categories, including 2, 3-4, 5-9 and 10-19 unit structures.

TABLE 6. Housing Units by Structure in Horry County, 2013-2022

Structure Type	2013	2022	*2013 to 2022*	
			Absolute Growth	***Relative Growth***
1 unit, detached	85,145	105,667	*20,522*	*24.1%*
1 unit, attached	6,534	8,732	*2,198*	*33.6%*
2 units	3,212	2,158	*(1,054)*	*-32.8%*
3 or 4 units	6,870	6,606	*(264)*	*-3.8%*
5 to 9 units	15,488	13,287	*(2,201)*	*-14.2%*
10 to 19 units	17,484	14,737	*(2,747)*	*-15.7%*
20 or more units	25,505	27,777	*2,272*	*8.9%*
Mobile home	26,624	27,609	*985*	*3.7%*
Boat, RV, van, etc.	95	191	*96*	*101.1%*
Total	186,957	206,764	*19,807*	*10.6%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

On the other hand, Georgetown County saw a 7.6% increase in housing units between 2013 and 2022, which is slightly more than its population growth, which was 5.5%. Georgetown County added about 2,500 units, with the largest increase in single family housing units, followed by multi-family structures with 3 or 4 units. It saw a decrease in structures with 10 to 19 units and 20 or more units.

TABLE 7. Housing Units by Structure in Georgetown County 2013-2022

Structure Type	2013	2022	*2013 to 2022*	
			Absolute Growth	*Relative Growth*
1 unit, detached	20,257	21,958	*1,701*	*8.4%*
1 unit, attached	945	2,210	*1,265*	*133.9%*
2 units	507	434	*(73)*	*-14.4%*
3 or 4 units	1,260	1,460	*200*	*15.9%*
5 to 9 units	1,747	1,831	*84*	*4.8%*
10 to 19 units	925	568	*(357)*	*-38.6%*
20 or more units	1,324	1,115	*(209)*	*-15.8%*
Mobile home	6,682	6,633	*(49)*	*-0.7%*
Boat, RV, van, etc.	0	10	*10*	*100%*
Total	33,647	36,219	*2,572*	*7.6%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

Similarly, South Carolina as a whole responded to the growing demand for housing by increasing the number of units at about the same pace as the number of residents. Between 2013 and 2022, housing units and population in the state grew by 10.2% and 9.9%, respectively. South Carolina added about 218,000 new housing units, most of which were single family detached units, followed by structures with 20 or more units.

TABLE 8. Housing Units by Structure in South Carolina, 2013-2022

Structure Type	*2013*	*2022*	*2013 to 2022*	
			Absolute Growth	*Relative Growth*
1 unit, detached	1,335,156	1,515,119	*179,963*	*13.5%*
1 unit, attached	57,087	79,989	*22,902*	*40.1%*
2 units	47,230	42,336	*(4,894)*	*-10.4%*
3 or 4 units	61,274	64,343	*3,069*	*5.0%*
5 to 9 units	101,619	99,079	*(2,540)*	*-2.5%*
10 to 19 units	77,018	77,980	*962*	*1.2%*
20 or more units	95,697	124,866	*29,169*	*30.5%*
Mobile home	366,716	354,944	*(11,772)*	*-3.2%*
Boat, RV, van, etc.	1,667	3,597	*1,930*	*115.8%*
Total	2,143,464	2,362,253	*218,789*	*10.2%*

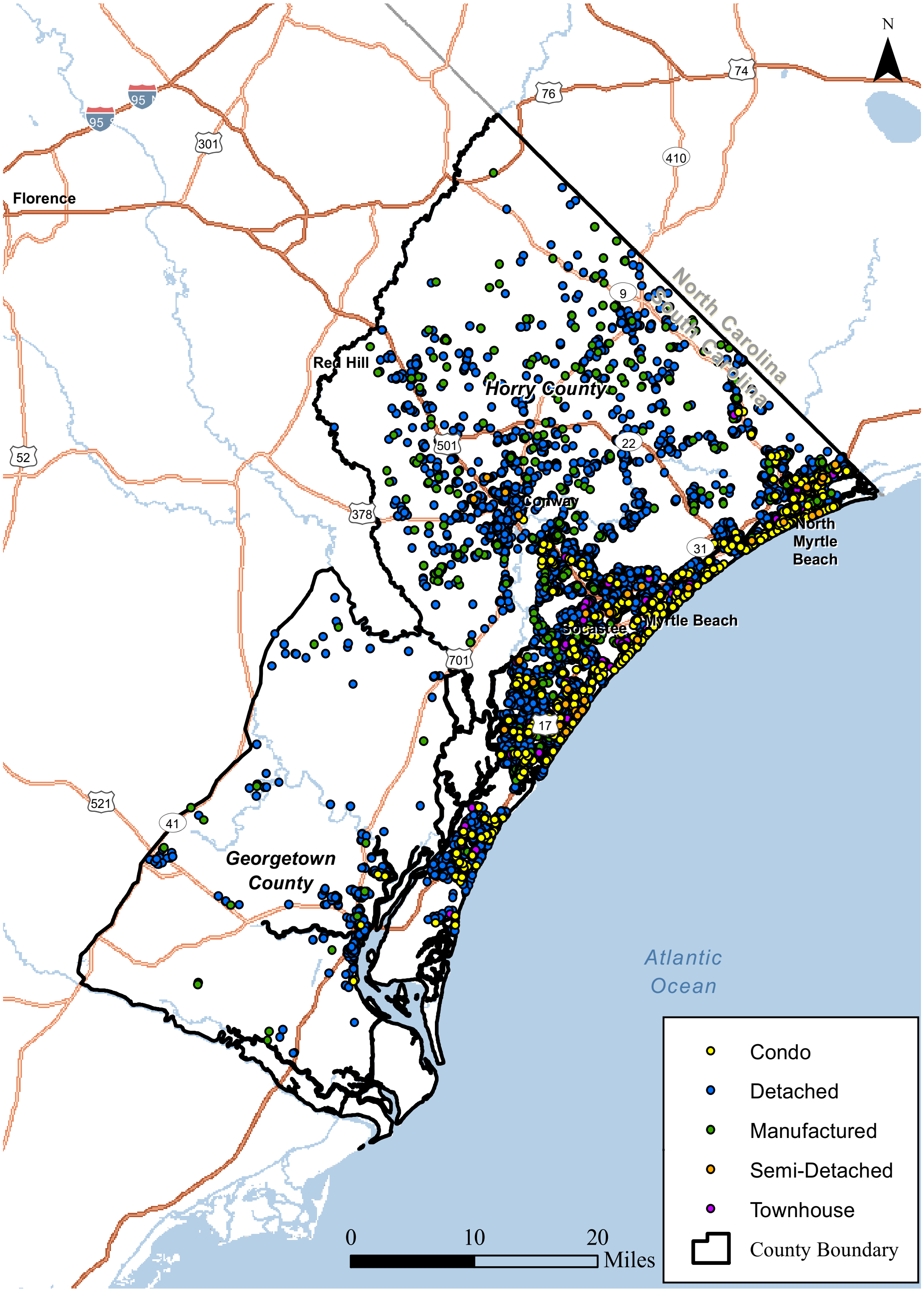
Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

Boats, RVs, and Vans as housing units. The prevalence of boats, RVs, and vans in the data for Horry and Georgetown Counties, as well as the State of South Carolina as whole is notable. Moreover, the growth of these units from 2013 to 2022 is significant. These unique types of housing units can be developed as neighborhoods or areas that attract tourism. However, they can also develop out of need, as a last resort in order to avoid homelessness.

New regulations on these types of units may not be feasible in the short term as those who reside in them may not be able to find available or affordable housing. However, in time, if policy supports enough affordable housing to meet the local demand, regulation of these units may become feasible and beneficial.

Figure 3 details the distribution of housing units sold across the two counties, as shown in the Multiple Listing Service database in 2022.

FIGURE 3. Housing Units Sold in 2022 by Type, 2022



Source: Data from CCMLS (MLS listings, 2022)
Analysis: Anderson Economic Group

Gap in Quantity of Housing Supply and Demand

The potential for a gap or shortage in a housing market can be identified in several ways. A housing shortage occurs when the number of households living in a region exceeds the number of available housing units to accommodate those households without crowding.

One approach to identifying a shortage is to track the difference between population and the number of housing units. An average American household consists of about 2.5 people.[5] Using this number, then on an absolute basis the number of housing units should grow about 40% of the increase in population. The table below shows that population (in terms of households) and housing units grew in all three regions. However, in Horry County the number of new households exceeded the growth in the number of housing units, indicating more households moved into the region compared to the number of housing structures that were built. Horry County's existing housing stock may be large enough to absorb this increase without crowding, but growth disparities of this magnitude can contribute to disproportionately higher rents and home values.

TABLE 9. Absolute gap between households and housing units

Region	Population (Household) Growth	Housing Unit Growth	*Difference*
Horry County	31,956	19,807	*12,149*
Georgetown County	1,326	2,572	*-1,246*
South Carolina	185,259	218,789	*-33,530*

Notes: An average American household consists of about 2.5 people, or,

Household growth= Population growth/2.5

Source: Table 2 on page 5 for population growth; Table 3 and 4 on page 6 and Table 5 on page 7 for growth in housing units.

Analysis: Anderson Economic Group.

Another approach to determine whether a housing market is moving in the direction of a shortage compares the percentage change in units to the percentage change in population in terms of households. If these percentages are approximately equal, then it suggests any gap (if one is present) is holding steady.

The following table shows the percentage changes in Horry County, Georgetown County, and South Carolina. Growth in housing is lagging growth in population in terms of households in Horry County but not

5. Annual Social and Economic (ASEC) Supplement. Average Number of People per Household, by Race and Hispanic Origin1, Marital Status, Age, and Education of Householder: 2022

Georgetown County or South Carolina as a whole. This suggests that the housing market in Horry County is moving in the direction of a shortage.

TABLE 10.Relative gap between households and housing units

Region	Population (Household) Growth	Housing Unit Growth	*Difference*
Horry County	11.5%	10.6%	*-1%*
Georgetown County	2.2%	7.6%	*5.4%*
South Carolina	4%	10.2%	*-6.2%*

Note: An average American household consists of about 2.5 people, or,
Household growth= Population growth/2.5

Source: Table 2 on page 5 for population growth; Table 3 and 4 on page 6 and Table 5 on page 7 for growth in housing units.

Analysis: Anderson Economic Group.

Decline in share of existing units for resale. When population growth exceeds the rate of new home construction, new demand will dip into the supply of existing housing, changing the available resale units as a share of the total units.

As Table 11 shows, homeowner and renter available resale units rate both declined in 2013-2022.[6] In fact, despite the additional supply, this share decreased in all regions.

Rental units saw the sharpest reduction, particularly in Horry and Georgetown Counties. In terms of the homeowner market, Horry County experienced a slightly larger reduction than Georgetown County. Nevertheless, the universal declines indicate a tightening of the housing market, which will contribute to an increase in rents and home values.

6. Available or existing resale units are based on vacancy rates provided by the American Community Survey. The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant “for sale.” It is computed by dividing the number of vacant units “for sale only” by the sum of the owner-occupied units, vacant units that are “for sale only,” and vacant units that have been “sold but not yet occupied”, and then multiplying by 100. This measure is rounded to the nearest tenth.

The rental vacancy rate is the proportion of the rental inventory that is vacant “for rent.” It is computed by dividing the number of vacant units “for rent” by the sum of the renter-occupied units, vacant units that are “for rent,” and vacant units that have been “rented but not yet occupied”, and then multiplying by 100. This measure is rounded to the nearest tenth.

TABLE 11. Share of Existing Housing Units Available for Resale, 2013-2022

	2013	2018	2022	*Change 2013-2022*
Horry County				
Share Available for Resale; Homeowner	3.9%	2.1%	1.8%	*-2.1%*
Share Available for Resale; Rental	37.8%	32.1%	25.0%	*-12.8%*
Georgetown County				
Share Available for Resale; Homeowner	2.8%	2.8%	0.9%	*-1.9%*
Share Available for Resale; Rental	14.5%	1.4%	0.1%	*-14.4%*
South Carolina				
Share Available for Resale; Homeowner	2.6%	1.8%	1.2%	*-1.4%*
Share Available for Resale; Rental	12.2%	9.4%	8.4%	*-3.8%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau.

Monthly Rents Across the Regions (Compared to Income)

A decrease in the share of available housing units for resale has tightened the housing market and has caused a significant increase in prices, which includes rents for renter-occupied units and home values for owner-occupied units.

Rent increases. Between 2013 and 2022, median monthly rents in the two counties increased substantially. This increase was across all three types of units—low-priced, medium-priced, and high-priced. Rent of a median-priced unit increased by 66.7% in Horry and 25.9% in Georgetown.

The rent for low-priced units did not increase as fast in the two counties as in South Carolina as a whole. However, these rents were relatively higher, particularly in Horry County, compared to the rest of the state. It is also notable that the rent for a high-priced unit in Horry County jumped 84.3%, nearly doubling from $950 in 2013 to $1,750 in 2022. These high-priced units are likely newer, larger, in a desirable location, or a combination of factors.

While rents increased by 10.5% to 84.3%, incomes increased by 41.1% to 49%. These data present the developing affordability challenges in Horry and Georgetown Counties.

TABLE 12.Change in Monthly Median Rents and Income, 2013-2022

Type of Rental Unit	2013	2018	2022	*Increase in Median Rent*	*Increase in Median Household Income*
Horry					
Low-Priced	550	575	725	*31.8%*	*41.1%*
Median-Priced	675	775	1125	*66.7%*	*41.1%*
High-Priced	950	1125	1750	*84.3%*	*41.1%*
Georgetown					
Low-Priced	475	475	525	*10.5%*	*49%*
Median-Priced	675	725	850	*25.9%*	*49%*
High-Priced	1125	1125	1375	*22.2%*	*49%*
South Carolina					
Low-Priced	425	525	625	*47.1%*	*42.1%*
Median-Priced	625	725	950	*52%*	*42.1%*
High-Priced	950	1125	1375	*44.8%*	*42.1%*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.
Analysis: Anderson Economic Group

Home Values Across the Region

Between 2013 and 2022, home values in both counties experienced a significant increase. This increase was across all three types of homes—low-priced, median-priced, and high-priced. The value of a low-priced home value essentially doubled. In contrast to the rental market, the largest increases in home value were concentrated in the low-priced category.

The key difference of price increase patterns in the two markets—rent increases were highest for high-priced rental units, while home value increases were highest for low-priced homes—could be related. Households with several family members unable to buy a house must therefore enter the rental market for multi-bedroom units, which are of course more costly than studios and one-bedroom rentals; competition at the low-priced part of the homeowner market therefore pushes up prices in the high-priced part of the rental market.

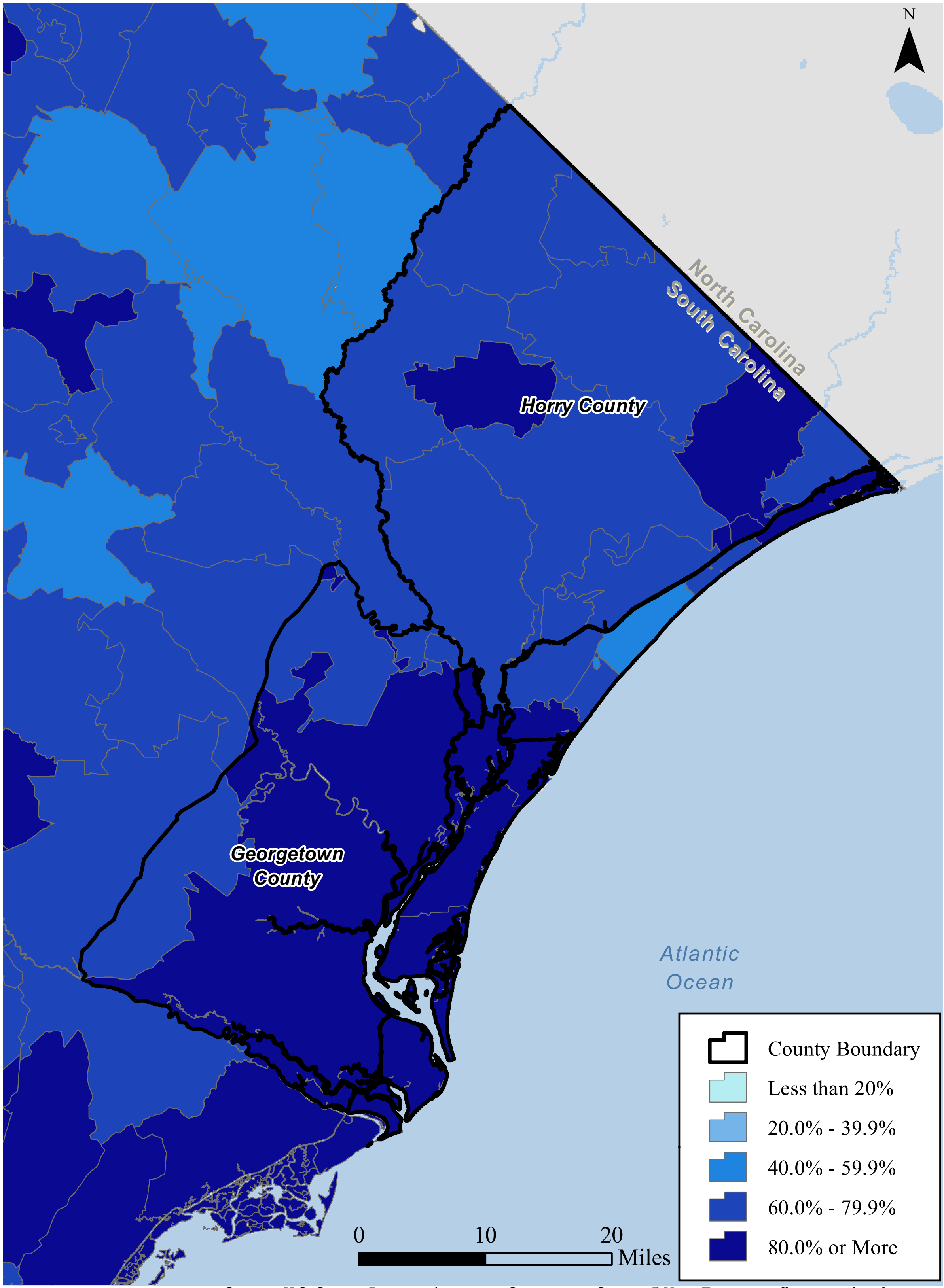
TABLE 13. Change in Home Values and Income, 2013-2022

Type of Housing Unit	2013	2018	2022	*Increase in Home Value*	*Increase in Median Household Income*
Horry					
Low-Priced	$95,000	$112,500	$187,500	*97.4%*	*41.1%*
Median-Priced	$162,500	$187,500	$275,000	*69.2%*	*41.1%*
High-Priced	$225,000	$275,000	$350,000	*55.6%*	*41.1%*
Georgetown					
Low-Priced	$75,000	$85,000	$112,500	*50%*	*49%*
Median-Priced	$162,500	$187,500	$225,000	*38.5%*	*49%*
High-Priced	$350,000	$350,000	$450,000	*28.6%*	*49%*
South Carolina					
Low-Priced	$75,000	$95,000	$137,500	*83.3%*	*42.1%*
Median-Priced	$137,500	$162,500	$275,000	*100%*	*42.1%*
High-Priced	$225,000	$275,000	$350,000	*55.6%*	*42.1%*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.
Analysis: Anderson Economic Group

There is a relatively higher increase in home values across all types of housing units in Horry County. This, combined with a relatively lower increase in median household income highlights the likeliness that Horry County faces tougher challenges in home ownership as compared to Georgetown County. Figure 4 shows the share of home owners in the two counties. It is evident that Horry County constitutes a lower share of homeowners.

FIGURE 4. Share of Home Owners in Horry and Georgetown County, 2022



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (housing data)
Analysis: Anderson Economic Group

2.3 Current Housing Market

This section discusses the current state of the housing market for owner occupied units in the two counties from the lens of Multiple Listing Services data between the years 2021 and 2023.

Housing inventory, measured in the form of active listings, has seen a substantial increase for both the counties between 2021 and 2023. In the same period, the number of houses, as measured by the units sold, has undergone an opposite trend. As a result, the gap between active listings and housing units sold has substantially increased. See Table 14.

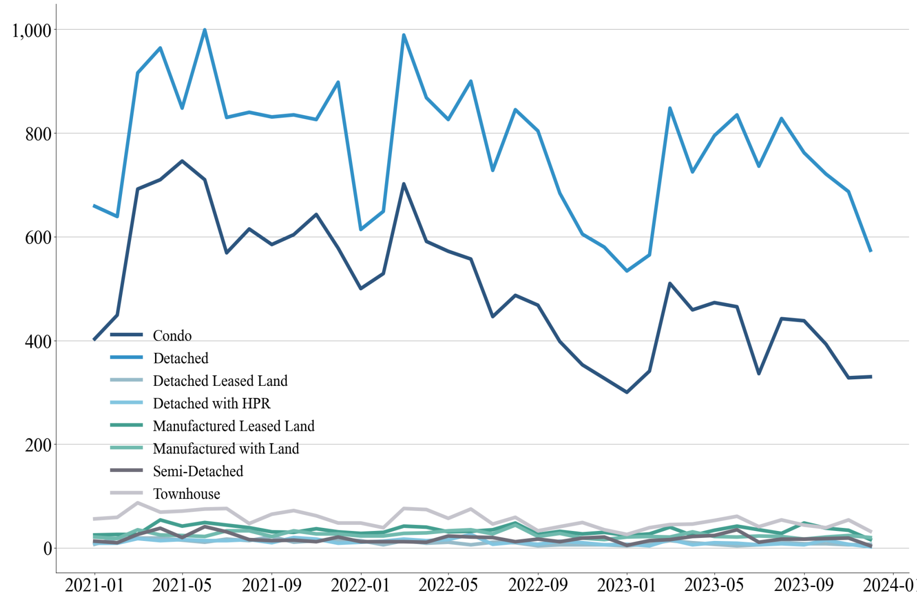
TABLE 14.Trends in Active Listings and Units Sold, 2021-2023

Region	2021			2022			2023		
	Active Listings	**Units Sold**	***Change***	**Active Listings**	**Units Sold**	***Change***	**Active Listings**	**Units Sold**	***Change***
Horry County	22,273	19,537	*-2,736*	26,534	16,82 8	*-9,706*	39,726	15,005	*-24,721*
Georgetown County	3,584	2,026	*-1,558*	2,531	1,549	*-982*	3,488	1,201	*-2,287*

Source: Realtor.com via St Louis FRED for Active Listings; Multiple Listing Service for Units Sold

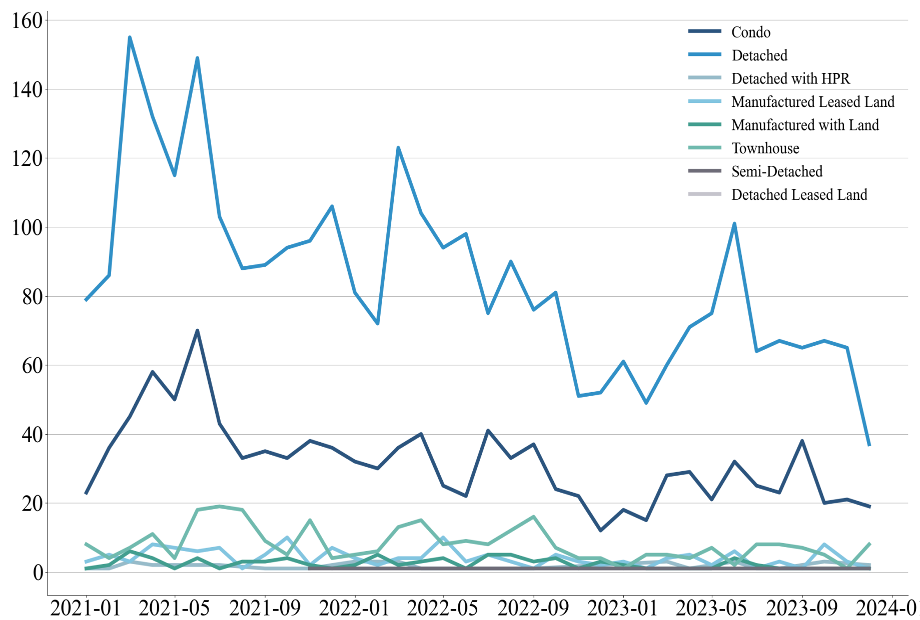
The downward trend in the number of housing sold is not universal across housing types. As Figure 1 and Figure 2 show, the housing market is skewed toward two housing types; detached units (standalone individual housing structures typically used as single family homes), and condominiums. Sales of these dominant housing structure types have seen a clear decline, as is apparent in the figures below.

FIGURE 5. Number of Housing Units Sold in Horry County, 2021-2023



Source: Data from CCMLS (Multiple Listings Service [MLS] data)
Analysis: Anderson Economic Group

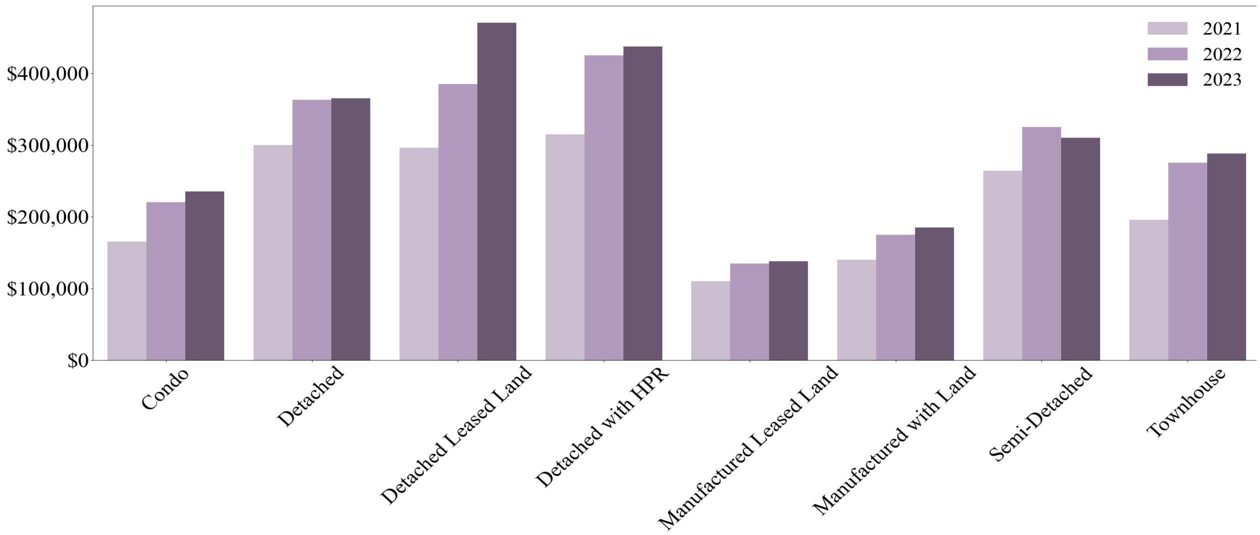
FIGURE 6. Number of Housing Units Sold in Georgetown County, 2021-2023



Source: Data from CCMLS (Multiple Listings Service [MLS] data)
Analysis: Anderson Economic Group

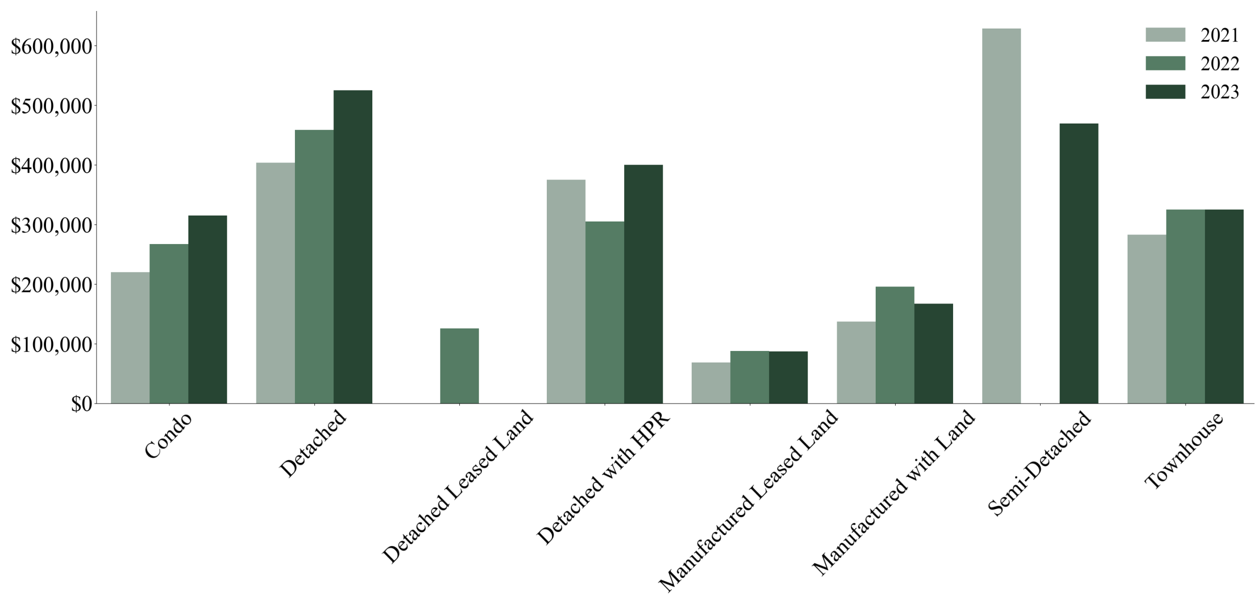
The downward trend in the number of units sold can be explained (among other factors such as the economic conditions resulting from increasing fed funds rates) by the increase in average prices across most housing unit types. Figures 3 and 4 present the trend in average price of various housing unit types over the years.

FIGURE 7. Median Price of Housing Units in Horry County, 2021-2023



Source: Data from CCMLS (Multiple Listings Service [MLS] data)
Analysis: Anderson Economic Group

FIGURE 8. Median Price of Housing Units in Georgetown County, 2021-2023



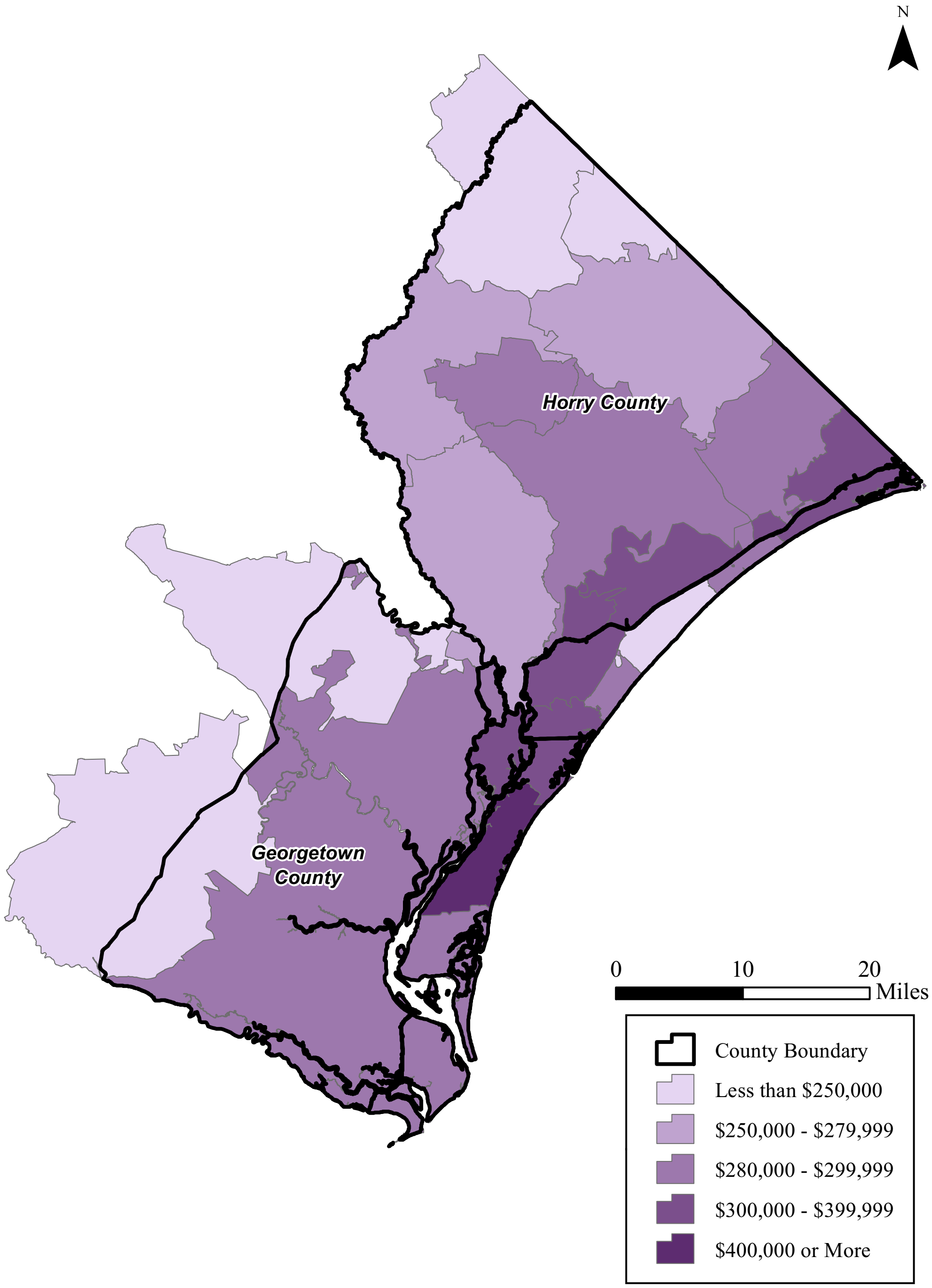
Source: Data from CCMLS (Multiple Listings Service [MLS] data)
Analysis: Anderson Economic Group

As the figures indicate, median prices are higher among almost all housing types in the two counties. Some key trends worth noting are provided below:

- In Horry County, average prices of detached leased land increased the most, by 59% from 2021 to 2023. This housing type includes structures that are typically single family homes and situated on leased land. Other property types for which prices increased substantially include Condominiums (42%) and Townhouses (47%).

- In Georgetown County, where population growth has been relatively mild and the income growth higher, the highest price increases are seen among Condominiums (43%), followed by detached homes, which are likely single family homes (30%), and Manufactured Leased Lands (27%).
- Between the two counties, median prices at which units are sold in 2023 are higher for Georgetown County, averaging $327,000 across various housing types. In Horry county, the median price across various housing types averaged at $304,000 in 2023. See Figure 9.

FIGURE 9. Median Selling Price of Housing Units, 2022



Note: For ZIP codes that extend outside the county boundaries, the median sold price includes only listings within Georgetown or Horry Counties.
ZIP code 29585 is the only ZIP in the $400,000 or more category.
Source: Data from CCMLS (Multiple Listings Service [MLS] data)
Analysis: Anderson Economic Group

3.0 Housing Affordability

3.1 Measuring Housing Affordability

An increase in rents and home values without a proportional change in incomes or wages reduces housing affordability. However, measuring housing affordability accurately is complex. A home's value to prospective occupants is determined not just by the quality of the housing unit itself, but also by the availability of nearby amenities, access to employment opportunities, public safety, the quality of local schools, and a host of other considerations. These factors can quickly complicate questions of housing affordability. For example, if a home with a relatively low rent price is located far from employment centers, its occupants are likely to commute farther to work and pay more for transportation.

Due to the multifaceted nature of housing costs, there are a number of different ways to define housing affordability. This study uses two simple measures:

- Benchmarking incomes to affordability;
- Evaluating share of cost-burdened households.

Household income is a critical factor in determining whether a household can afford to own a home. If a household's income is insufficient to cover a home's mortgage/direct cash payments and other expenses, the household may have to opt for a smaller unit, or continue in a rental unit, or relocate to a different region.

Benchmarking incomes and home values helps determine the differing impact of housing costs on different groups. For example, in any given year, if a household within the region's 50th percentile income can afford a mortgage equivalent to a 50th percentile home value, we can say: housing is affordable to the 50th income percentile. However, if a household with the region's 50th percentile income can afford mortgages only lower than 50th percentile (say, 30th) we can say: housing is relatively expensive for the 50th income percentile. Housing affordability is evenly distributed if households with 25th percentile income can afford 25th percentile homes, 50th percentile income can afford 50th percentile homes, and so on. This method is used to benchmark affordability in Horry County, as shown in Table 15 on page 24, and in Georgetown County, which is shown in Table 16 on page 25.

Note on affordability. In the table below, affordability is defined by monthly rent or mortgage payments that do not exceed 30% of household income. Whether households are willing or able to spend the amount on buying a house due to other financial commitments (such as transportation, healthcare or childcare), is not considered. This means that the estimates in Table 15 below and Table 16 on page 25 could over-estimate affordability as some households might be unwilling or unable to be stretched to their maximum limit to buy a house.

TABLE 15. Percentages of Owners and Renters Who Could Afford to Buy a Home in Horry County, 2013-2022

Income Range		Tenure	2013	2018	2022	*Change*
Low	(a)	Owner	56.9%	57.1%	51.3%	*-5.51%*
	(b)	Renter	23.8%	17.7%	15.4%	*-8.47%*
	(c)	Total	44.6%	43.1%	38.7%	*-5.85%*
Median	(d)	Owner	79.4%	85.7%	83.9%	*4.53%*
	(e)	Renter	93.0%	91.1%	71.4%	*-21.59%*
	(f)	Total	82.3%	87.0%	81.0%	*-1.36%*
High	(g)	Owner	93.1%	95.8%	95.6%	*2.51%*
	(h)	Renter	99.3%	98.9%	95.9%	*-3.40%*
	(i)	Total	93.8%	96.2%	95.6%	*1.83%*

Source: American Community Survey 1-year estimates and 5-year estimates.
Analysis: Anderson Economic Group

The share of households that can buy a house in Horry County has decreased over the years (shown in all rows of Table 15 except *d* and *g*). Only certain households in owner-occupied houses could afford to buy "median-priced" or "high-priced" homes (as shown in rows *d*, *g* and *i* of Table 15). With a high probability, these are households with paid off mortgages or homes on the more expensive end.

Affordability has decreased the most for "low-priced" homes followed by "median-priced" and then "high-priced" (compare rows *c*, f, and *i* of Table 9). This implies, the affordability has decreased the most for households on the lower end of the income distribution. The differences in affordability across the three house segments also indicates that more wealthy households can downsize and move into smaller units, thereby crowding out less wealthy households from the housing market.

The most adversely affected are households in renter-occupied units. The share of households that can transition from renting to owning has decreased consistently across the years (see rows *b*, *e*, and *h* of Table 15). A large decrease in the households that can afford a "low-priced" home further suggests that low-income households are being crowded out from the market, while allowing the middle- and high-income households to be flexible and downsize, and at least afford an owner-occupied living arrangement.

TABLE 16. Percentage of Owners and Renters Who Could Afford to Buy a Home in Georgetown County, 2013-2022

Income Range		Tenure	2013	2018	2022	*Change*
Low-Priced	(a)	Owner	58.4%	54.3%	47.4%	*-10.99%*
	(b)	Renter	25.5%	16.8%	25.3%	*-0.27%*
	(c)	Total	51.3%	45.1%	42.9%	*-8.45%*
Median-Priced	(d)	Owner	80.7%	80.1%	83.6%	*2.9%*
	(e)	Renter	81.2%	82.5%	67.9%	*-13.33%*
	(f)	Total	80.8%	80.5%	81.3%	*0.50%*
High-Priced	(g)	Owner	87.7%	93.4%	96.1%	*8.40%*
	(h)	Renter	100.0%	97.4%	98.8%	*-1.24%*
	(i)	Total	88.9%	93.9%	96.3%	*7.33%*

Source: American Community Survey 1-year estimates and 5-year estimates; Freddie Mac (historical mortgage rates).

Analysis: Anderson Economic Group

The share of households that can buy a house in Georgetown County has decreased over the years for low-priced homes, (see row *a* in Table 16). However, households in owner-occupied houses could afford to buy median-priced or high-priced homes (as shown in rows *d* and *g* in Table 16). Similar to Horry County, there is a high probability these are the households with paid off mortgages or homes on the more expensive end.

Affordability has decreased the most for low-priced homes followed by median-priced and then high-priced homes (compare rows c, f, and i in Table 16). This implies, the affordability has decreased the most for households on the median end of the income distribution. The differences in affordability across the three house segments also indicates that more wealthy households can downsize and move into smaller units, thereby crowding out less wealthy households from the housing market.

Similar to Horry County, the most adversely affected groups in Georgetown are households in renter-occupied units. The share of households that can transition from renting to owning has decreased consistently across the years (see rows *b*, *e*, and *h* of Table 16). The renters of median-priced units are the most affected, to an extent incomparable to the low- and high- priced homes.

The housing affordability trends in South Carolina echo those in Horry and Georgetown Counties. Affordability in the state, as in the counties, has decreased over the years, more sharply for the low-priced homes, followed by median-priced and high-priced homes. Similarly, renters of homes are worse off than owners across all types of homes.

TABLE 17. Percentage of Owners and Renters Who Could Afford to Buy a Home in South Carolina, 2013-2022

Income Range		Tenure	2013	2018	2022	*Change*
Low-Priced	(a)	Owner	59.4%	61.3%	58.6%	*-0.81%*
	(b)	Renter	34.9%	28.6%	18.9%	*-16.04%*
	(c)	Total	50.1%	48.3%	42.6%	*-7.43%*
Median-Priced	(d)	Owner	84.2%	86.6%	83.5%	*-0.67%*
	(e)	Renter	91.9%	88.3%	76.0%	*-15.91%*
	(f)	Total	85.9%	87.1%	81.4%	*-4.45%*
High-Priced	(g)	Owner	94.4%	96.5%	96.1%	*1.74%*
	(h)	Renter	97.7%	97.2%	95.7%	*-2.01%*
	(i)	Total	94.7%	96.6%	96.1%	*1.31%*

Source: American Community Survey 1-year estimates and 5-year estimates; Freddie Mac (historical mortgage rates).

Analysis: Anderson Economic Group

Estimating share of cost-burdened households. This approach quantifies housing affordability by classifying current housing costs below 30% of household income as 'affordable' and housing costs above that threshold as 'cost-burdened.' Almost 26.3% of households in South Carolina were considered housing cost-burdened in 2022, which is more than 500,000 of households in the state. Due to such fast population growth, the number and share of cost-burdened households appears to decreased between 2013-2022. However, in the current market, the emerging data trends show that availability and affordability are becoming more pressing challenges.

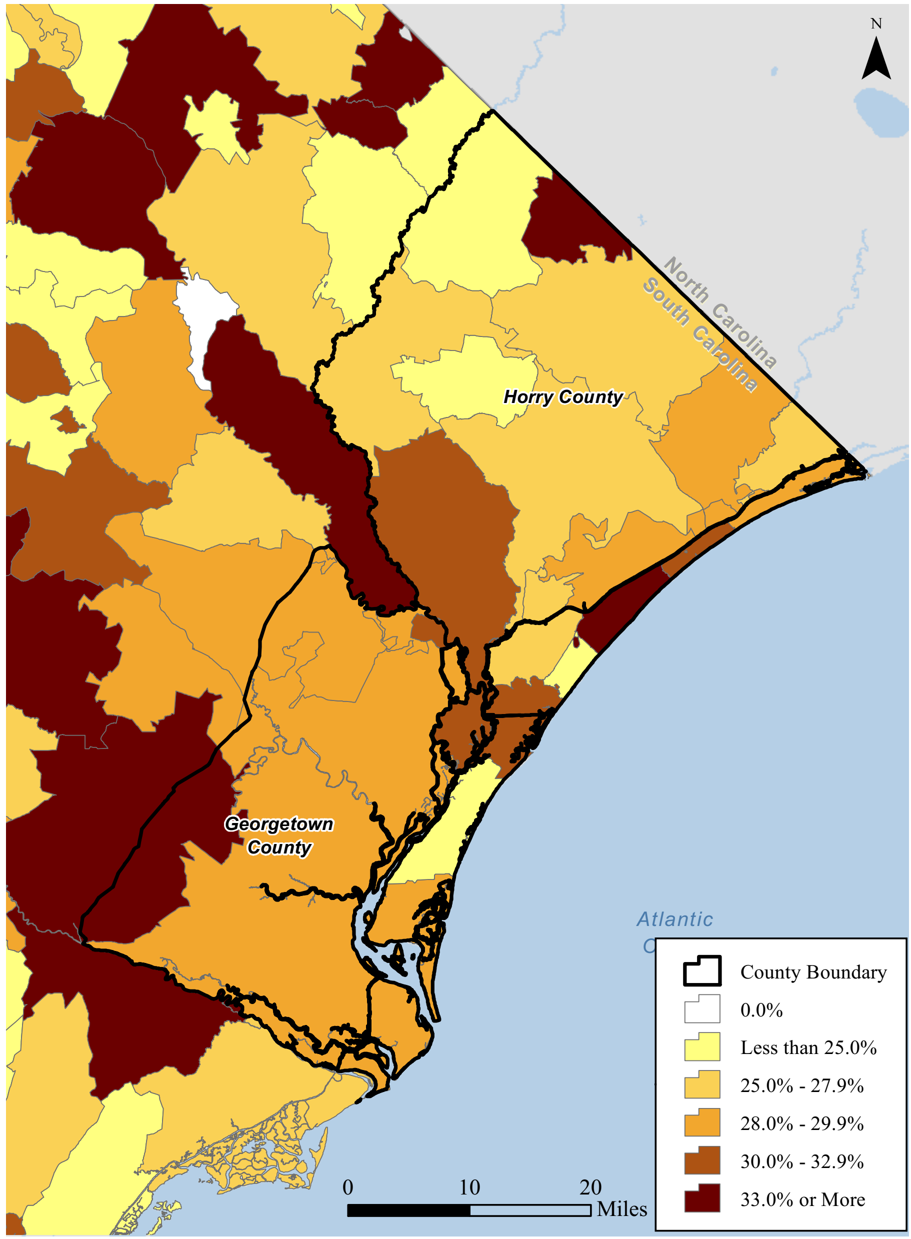
TABLE 18. Share of Cost-Burdened Households, 2013-2022

Region	2013		2018		2022		*2013-2022*	
	House-holds	% Total	House-holds	% Total	House-holds	% Total	*House-holds*	*% Total*
Horry County	42,372	37.3%	39,532	30.7%	40,756	28.6%	*(1,616)*	*-8.7%*
Georgetown County	8,243	35.7%	8,009	31.9%	6,681	25.7%	*(1,562)*	*-10.0%*
South Carolina	558,643	31.4%	527,117	27.8%	532,107	26.3%	*(26536)*	*-5.1%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau

In Horry County, 28.6% of households fall in the cost-burdened category in 2022, which is nearly 41,000 households. In the same period, over 25.7% (or 6,000) of households in Georgetown County were classified as cost-burdened.

FIGURE 10. Share of Housing Cost-Burdened Units, 2022



Notes: Cost-burdened is defined as households whose housing costs are 30% or more of their household income. The area at 0.0% has about 34 housing units.

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (housing data)

Analysis: Anderson Economic Group

For both Horry and Georgetown Counties, the share of cost-burdened households saw a decrease between 2013 and 2022. Although the share of cost-burdened households has decreased over time, certain demographics and geographies have been be differently affected. This requires a deeper look of the share by income and type of household. See Table 19 for more information.

TABLE 19. Number and Share of Cost-Burdened Households by Income and Type, 2022

	Less than $20,000		$20,000 to $34,999		$35,000 to $49,999		$50,000 to $74,999		$75,000 or more	
	House-holds	***% Total***	**House-holds**	***% Total***	**House-holds**	***% Total***	**House-holds**	***% Total***	**House-holds**	***% Total***
Owner										
Horry County	7,226	*76.9%*	6,467	*48.7%*	4,888	*33.2%*	3,486	*16.1%*	2,070	*4.4%*
Georgetown County	1,638	*73.7%*	1,383	*52.6%*	484	*19.1%*	710	*16.4%*	366	*3.9%*
South Carolina	90299	*70.9%*	63179	*41.4%*	46817	*29.4%*	41135	*16.5%*	28349	*3.9%*
Renter										
Horry County	5,310	*92.2%*	6,096	*84.6%*	3,068	*57.3%*	1,842	*28.6%*	303	*4.1%*
Georgetown County	884	*77.3%*	506	*74.7%*	460	*51.6%*	242	*32.1%*	8	*1.2%*
South Carolina	104485	*92.0%*	82853	*81.1%*	46196	*54.3%*	23461	*24.0%*	5333	*4.3%*

Source: AEG analysis of base data from the American Community Survey 5-year estimates of the U.S. Census Bureau

In 2022, Horry County had nearly 40,000 cost-burdened households of which 25,000 had a household income of less than $35,000 and Georgetown County had more than 6,600 cost-burdened households of which 4,400 had a household income of less than $35,000. Thus, housing cost burden lies disproportionately on the low income households as the wealthier households have the flexibility of downsizing and moving to less expensive units. This trend also holds for South Carolina.

Among renter households in Horry County making less than $35,000 annually, 85-92% are cost-burdened. This rate is at 75-77% for Georgetown County. For owner occupied households making less than $35,000, 48-76% households are cost-burdened in Horry County and 52-73% households in Georgetown County. Thus renter-occupied household face higher housing cost-burden as compared to owner occupied households. This trend also holds for South Carolina.

Among owners, share of cost-burdened households in Horry and Georgetown County is higher than the share of such households in South Carolina. Among renters, share of cost-burdened households in Horry County is higher than that in South Carolina. Georgetown County however, has a lower share of cost-burdened household than the state.

3.2 Housing Affordability and the Workforce

Housing affordability challenges can impact the local workforce, potentially leading to difficulties in attracting and retaining employees in certain occupations. The analysis below proves that affordability is highly different across various subsections of the workforce. Given the median rents and home values in the two counties in 2022, we calculated the minimum income to support home-owners and renters in the two counties, assuming that housing costs do not exceed 30% of their income.

Table 20 and Table 21 below present the difference in the minimum income for renters and owners, across the actual median incomes of the workforce in the occupation categories that employ the most residents in Horry and Georgetown Counties.

TABLE 20. Housing Affordability and Common Occupations in Horry County, 2022

Occupation Category	Total Employment	Annual Median Income	Income Threshold, Owners	*Difference*	Income Threshold, Renters	*Difference*
Food Preparation and Serving Related Occupations	29,880	$44,892	$58,547	*-$13,655*	$44,980	*-$88*
Sales and Related Occupations	24,730	$53,854		*-$4,692*		*$8,874*
Office and Administrative Support Occupations	21,340	$67,454		*$8,907*		*$22,474*
Educational Instruction and Library Occupations	8,330	$88,250		*$29,704*		*$43,270*
Healthcare Practitioners and Technical Occupations	9,040	$125,770		*$67,224*		*$80,790*

Source: Bureau of Labor Statistics May 2022 Occupational Employment and Wage Statistics (OEWS) Survey for Myrtle Beach-Conway-North Myrtle Beach, SC-NC

Note: The median income, focusing solely on the base wage, represents just one facet of an employee's overall compensation. Beyond the base wage, an employee's total compensation package may encompass a range of additional elements such as benefits, overtime pay, commissions, bonuses, allowances, and more.

Note: The annual median income is based on annual wage reported by OEWS multiplied by 1.94, which is the number of adults in a standard household of 2.5 who are more than 18 years of age.

Analysis: Anderson Economic Group

The table above points to some key insights about housing affordability for the workforce in Horry County:

- The income requirement for owners being higher than renters presents challenges, with income requirements exceeding median wages for the two most populous categories—Food Preparation and Serving Related Occupations and Sales and Related Occupation.
- Despite challenges, renting presents more balanced scenarios for all occupations at the median-priced
- Affordability across all occupations is nuanced, reflecting a spectrum of challenges and opportunities. While some occupation categories face substantial affordability gaps, others experience more balanced

scenarios for both renting and owning.

TABLE 21. Housing Affordability and Common Occupations in Georgetown County, 2022

Occupation Category	Total Employment	Annual Median Income	Income Threshold, Owners	*Difference*	Income Threshold, Renters	*Difference*
Office and Administrative Support Occupations	11,850	$68,036		*$20,134*		*$34,056*
Educational Instruction and Library Occupations	5,220	$91,432		*$243,530*		*$57,452*
Production Occupations	10,600	$72,207	$47,902	*$24,305*	$33,980	*$38,227*
Food Preparation and Serving Related Occupations	9,200	$43,417		*-$4,484*		*$9,437*
Sales and Related Occupations	8,670	$50,052		*$2,150*		*$16,072*

Source: Bureau of Labor Statistics May 2022 Occupational Employment and Wage Statistics (OEWS) Survey for Northeast South Carolina non-metropolitan area,

Note: The median income, focusing solely on the base wage, represents just one facet of an employee's overall compensation. Beyond the base wage, an employee's total compensation package may encompass a range of additional elements such as benefits, overtime pay, commissions, bonuses, allowances, and more.

Note: The annual median income is based on annual wage reported by OEWS multiplied by 1.94, which is the number of adults in a standard household of 2.5 who are more than 18 years of age.

Analysis: Anderson Economic Group

The table above points to some key insights into the housing affordability for the workforce in Georgetown County:

- The median income requirements for owners is higher than renters, underscoring a common theme of homeownership affordability challenges in both counties. However, Georgetown County is relatively more favorable for workers for both owning and renting purposes.
- The income requirement for ownership is a challenge for workers in Food Preparation and Serving Related Occupations, as their median pay does not meet the income requirement.
- Similar to Horry County, some occupation categories face notable affordability gaps, while others experience more balanced scenarios for both renting and owning.

3.3 Housing Affordability and Race

The intersection of housing affordability, access, and demographics is of significance and important to asses. There are notable variations in median household incomes across households in different race groups. This can contribute to differences in housing access associated with an individual's racial identity. As a result, the extent of each group's ability to rent or own a home varies.

Table 22 shows median household income for different race groups against the income criteria for renting and owning a home in Horry County. The comparisons produce the following insights:

- Across both renter- and owner-occupied units, affordability is most strained for Black households at median prices, followed by Asian and Mexican households.
- In comparison to other groups, affordability is the least strained for White households. When it comes to owner-occupied units, the median earner does not meet the income criteria, however it is by a smaller margin than for other race groups.

TABLE 22. Median Income and Affordability by Race in Horry County, 2021 and 2022

Race Group	Median Income	Income Criteria, Renter Occupied Units	*Difference*	Income Criteria, Owner Occupied Units	*Difference*
Total	$50,000 to $59,999	$44,980	*$10,020*	$58,547	*-$3,547*
White	$50,000 to $59,999		*$10,020*		*-$3,547*
Black or African American	$30,000 to $34,999		*-$12,481*		*-$26,047*
Asian	$35,000 to $39,999		*-$7,481*		*-$21,047*
Hispanic or Latino	$40,000 to $44,999		*-$2,481*		*-$16,047*
Mexican	$35,000 to $39,999		*-$7,481*		*-$21,047*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.

Analysis: Anderson Economic Group

Similarly, Table 23 shows median household income against the income criteria in Georgetown County. The table shows that:

- Across both renter- and owner-occupied units, Asian households are least able to afford housing at median prices, followed by Black households.
- Similar to Horry County, White households are most able to afford homes across both renter- and owner-occupied units at median prices. However, the median income White household is able to afford median-priced owner-occupied and rental units, while median income Asian and Black households are not.

TABLE 23. Median Income and Affordability by Race in Georgetown County, 2021 and 2022

Race Group	Median Income	Income Criteria, Renter Occupied Units	*Difference*	Income Criteria, Owner Occupied Units	*Difference*
Total	$50,000 to $59,999	$43,980	*$21,020*	$47,902	*$7,098*
White	$60,000 to $74,999		*$21,020*		*$19,598*
Black or African American	$30,000 to $34,999		*-$1,481*		*-$15,402*
Asian	$20,000 to $24,999		*-$11,481*		*-$25,402*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income. Note that no data were reported for Hispanic households in Georgetown County.

Analysis: Anderson Economic Group

Table 24 presents affordability statistics by race in the state of South Carolina. Comparing affordability among the two counties to that in South Carlina, additional conclusions may be drawn:

- In Georgetown, Asian households are the most strained at median prices. In Horry, they are the second least able group. This is in stark contrast to the state, where Asian households have a median income that greatly exceeds the income criteria for median-priced rental and owner units.
- Black households as well as Hispanic households are unable to afford median-priced housing in the counties as well as in state.
- The group most likely to be able to afford median-priced housing across all geographies are White households.

TABLE 24. Median Income and Affordability by Race in South Carolina, 2021 and 2022

Race Group	Median Income	Income Criteria, Renter Occupied Units	*Difference*	Income Criteria, Owner Occupied Units	*Difference*
Total	$50,000 to $59,999	$37,980	*$17,020*	$58,547	*-$3,547*
White	$60,000 to $74,999		*$29,520*		*$8,953*
Black or African American	$35,000 to $39,999		*-$481*		*-$21,047*
Asian	$60,000 to $74,999		*$29,520*		*$8,953*
Hispanic or Latino	$45,000 to $49,999		*$9,520*		*-$11,047*
Mexican	$40,000 to $44,999		*$4,520*		*-$16,047*

Source: American Community Survey 1-year and 5-year estimates (2013-2022); U.S. Census Bureau for Median Household Income.

Analysis: Anderson Economic Group

As a a result of these patterns, White households are much more likely to own their home. Thus, in Horry County, 78% of White households are owners while the same is true for 53% of Hispanic households and 48% of Black households. In Georgetown County, 86% of White households and 74% of Black households own their home. In South Carolina, the percentages are 78%, 53%, and 53% for White, Black, and Hispanic households, respectively.

Furthermore, while income levels and housing costs contribute to proportionately more cost-burdened owners in Horry and Georgetown Counties than in South Carolina as a whole, the burden is particularly large for Black households. In South Carolina, 17% of White, 20% of Hispanic, and 26% of Black owners spend more than 30% of income on housing. However, in Horry County, 22% of White, 24% of Hispanic, and 78% of Black owners spend more than 30% of their income; and in Georgetown County, the shares are 20% for White owners and 33% for Black owners.

4.0 Housing Policy Evaluation

AEG reviewed the existing housing policy landscape to identify policy changes with the most potential to improve housing availability and affordability in Horry and Georgetown Counties.

4.1 The Role of Local Government in U.S. Housing Policy

Local government plays an integral role in U.S. housing policy. Decisions made and regulations passed have a direct effect on availability and affordability. Comparing various approaches taken to improving housing availability and affordability allows for identification of potential policies that could help reduce costs and increase housing supply.

Housing availability is also affected by the federal government's role in affordable housing, particularly through programs like Low-Income Housing Tax Credits (LIHTC) and the Housing Choice Voucher program (also known as Section 8). However, since the passage of two landmark federal acts on urban planning in the 1920s, land use decisions typically fall within the purview of local government authority, and local policy-makers play an even more critical role in housing market regulation and their policy decisions have meaningful consequences for local housing affordability.[1]

As housing costs have risen across the country, local governments have changed land use policies to regulate the location and type of housing. Local governments exercise control through zoning ordinances, which determine where different types of structures may be built. Residential zoning rules determine the number of housing units allowed on any given site, the number of parking spaces required, the minimum size of the lot, and so on. These rules may encourage or restrict residential density, thereby increasing or decreasing the number of available housing units in a given area. Some local governments have also set aside additional tax revenue or expanded their role in land asset management to support rent- or income-restricted affordable housing development. Below, is a description of how local governments have leveraged their land use and taxing authority to improve housing availability and affordability.

1. The two landmark acts passed by the U.S. Congress are the Standard Planning Enabling Act (SPEA) and the Standard Zoning Enabling Act (SZEA). Over the years, U.S. states, including Arizona, used these acts to empower local governments to plan and zone their communities.

4.2 Local Government Responses to Rising Housing Costs Nationwide

Local governments across the U.S. have experimented with a number of policies to increase regional housing availability and affordability. These policy tools typically fall into one of three broad categories:

1. Improving the capacity of local housing authorities to respond to housing issues through staffing, data use, or procedural changes;
2. Changing housing market regulations to increase the number of market-rate housing units or to incentivize developers to create new affordable housing; or
3. Creating land asset management strategies and funding sources to develop new affordable housing units.

Some of these policy tools aim to reduce pressure on housing costs by increasing the supply of market-rate housing, while others support the creation of income- or rent-restricted housing for those who cannot afford market-rate units. Policies aimed at increasing housing supply can help reduce the costs of market-rate housing, but may not be sufficient to improve housing affordability for lower-income households. Income- or rent-restricted units—typically subsidized with government funding—are needed to ensure that affordable housing is available to all households regardless of income level.[1] In this report, income- or rent-restricted units are referred to as affordable housing units (AHUs).

Capacity Building

To build capacity, housing authorities can increase their efficiency and impact by enhancing collaboration, streamlining administrative processes, and improving data collection and analysis.

Strengthening partnerships to expand impact. To maximize the impact of available housing resources, some communities have built new inter-jurisdictional or public-private partnerships focused on affordability. For example, in Snohomish County, Washington, 13 cities have partnered with county government and the local housing authority to accomplish a number of shared goals by:

- managing a housing trust fund;
- establishing an affordable housing data clearinghouse;
- providing technical assistance to local officials; and
- collaborating on affordable housing strategy and advocacy efforts.[2]

1. Vicki Been, Ingrid Gould Ellen & Katherine O'Regan, "Supply Skepticism: Housing Supply and Affordability," (2019), *Housing Policy Debate*, 29:1, 25-40.
2. Alliance for Housing Affordability, "FY2020 Draft Work Plan," https://housingallies.org/, accessed November 2021.

In 2016, New York City sought to improve government staffing capacity by creating the Fund for Public Housing. By coordinating public-private partnerships, the City worked with nonprofits and other organizations to connect NYC Housing Authority residents to opportunities they might not have been able to access otherwise.[1]

The Housing Partnership Network offers another example of capacity building. This national collective brings together developers, owners, and financial institutions to collaborate on housing projects. The group spearheaded the "Develop Detroit" initiative, tasked with creating a nonprofit to develop new housing. They are also working to rehabilitate at least 70 housing units, earmarking a portion of them for AHUs.[2]

Using data to maximize impact, improve transparency, and facilitate public access. Capacity building can also take the form of improved data collection and analysis to generate more informed decision-making and public engagement. The City of New Orleans, for example, conducted a neighborhood-level assessment that informed customized recommendations for improved housing policies by neighborhood.[3] Other regions have focused on collecting and sharing affordable housing stock data. In Washington, DC, a group of government agencies and community organizations followed this model to maintain a catalog of rental properties with AHUs. Similarly, the University of Miami led the Miami Affordability Project to create an area housing dataset that used community input: a data "hack-a-thon." Using this method, participants worked together on data-related projects to update local government information, thereby providing a better understanding of local housing needs.[4]

Streamlining local services to reduce barriers to housing development. Identifying opportunities to streamline housing-related local services, such as permit approval processes, can reduce the cost of housing development and speed up development timelines. For example, the City of Sammamish, Washington, created an over-the-counter permitting process that won the Governor's Smart Communities Award in 2009.[5] Other

1. Fund for Public Housing, https://fundforpublichousing.org/, accessed November 2021.
2. Louis Aguilar, "70 New, Rebuilt Homes for North End, Grandmont-Rosedale," *The Detroit News*, https://www.detroitnews.com/, accessed November 2021.
3. Natasha Hicks, "Housing for a Fair Charleston: A 5-Year Sustainable and Inclusive Growth Framework," City of Charleston, February 3, 2020, https://www.charleston-sc.gov/DocumentCenter/View/25791/Housing-for-a-Fairer-Charleston-Report, accessed July 2021, pg. 126.
4. Hicks, pg. 122.
5. Municipal Research and Services Center, "Streamlining Local Permit Review Procedures," https://mrsc.org/, accessed November 2021.

regions have implemented expedited or reduced-fee permitting specifically for affordable housing developments. Buncombe County, North Carolina charges half its normal permit fee rate for developments with AHUs.[1]

Housing Market Regulation

Local governments have experimented with different approaches to zoning reform. Several of these are described below.

Accessory dwelling units. An accessory dwelling unit (ADU) is a secondary housing unit that shares the same lot as another dwelling. ADUs can take the form of carriage houses, cottages, or laneway homes, or they can exist within the primary structure. These units typically range from 600-1,200 square feet and have lower maximum occupancy limits than primary dwellings. A growing number of local governments have legalized ADUs in recent years, viewing them as a straightforward means of increasing housing supply without dramatically altering residential land use patterns.

For example, Los Angeles has one of the most successful ADU programs in the country due to its relatively limited regulations, quick permitting, generous funding, and other forms of assistance. The local government legalized ADUs in 2016 and saw their popularity grow quickly, accounting for 20% of all permits submitted in 2018.[2]

Upzoning. Upzoning refers to increasing the number of residential units allowed on a particular lot. For many areas, a large proportion of residential land is zoned for single family homes only—new multifamily development is not allowed. Zoning laws can also limit residential density through minimum lot size, parking, and other requirements that limit the number of units built in an area. This can contribute to an insufficient quantity of housing in areas with growing populations.

Upzoning addresses these issues by allowing multifamily development on more parcels. In 2019, the City of Minneapolis allowed duplexes and triplexes to be built in areas previously zoned for single-family homes, and in 2021 it eliminated mandatory off-street parking minimums for new developments citywide.[3] Early results from Minneapolis' upzoning program suggest that upzoning is a medium- to long-term strategy rather than a short-term one. Although some residents expressed concern the

1. National Association of Counties, "Affordable Housing Toolkit for Counties," March 2019, https://www.naco.org/, accessed July 2021.
2. Dan Bertolet and Nisma Gabobe, Sightline Institute, "LA ADU Story," https://www.sightline.org/, accessed October 2021.
3. Minneapolis 2040, "The City's Comprehensive Plan," accessed October 2021.

policy would change the feel of predominantly single-family neighborhoods, only three permits were issued for triplexes in previously single-family zoned areas in the first year after the policy took effect.[1]

The State of California also passed an upzoning law in September 2021 to allow up to 10 units per lot in areas near transit. It also allows homeowners to split their parcels to build more units.[2] In one example of parking requirement changes, after Buffalo, New York, eliminated parking requirements citywide, many developers opted not to build the number of spaces that would have previously been required, suggesting they did not believe these parking spots were necessary to attract residents.[3]

Inclusionary zoning. Inclusionary zoning policies typically require developers include a number of AHUs in certain types of new market-rate residential developments. Inclusionary zoning is intended to foster economically diverse communities by tying new housing production to affordable housing creation. In many cases, developers have the option of paying a fee in lieu of meeting the AHU requirement. Local governments then use this in-lieu fee revenue to fund AHU production. Inclusionary zoning can also take the form of density bonuses—an incentive that allows developers to build a larger structure on a given site in exchange for including AHUs. For example, developers in Chicago can receive four square feet of additional space for every foot of affordable housing provided in the downtown area. Alternatively, they can opt to pay a fee to an affordable housing fund in return for the increased density allowance.[4]

1. Chris Nichols, *CapRadio*, “Nixing Single-Family Zoning,” https://www.capradio.org/, accessed October 2021.
2. California Legislative Information, “Senate Bill No. 10,” https://leginfo.legislature.ca.gov, accessed November 2021.
3. Daniel Baldwin Hess & Jeffrey Rehler, “Minus Minimums,” J*ournal of the American Planning Association*, 87:3, 396-408, March 12, 2021.
4. City of Chicago, “Inclusionary Housing in Chicago,” https://www.chicago.gov/, accessed September 2021.

TABLE 1. Inclusionary Zoning In-Lieu Fee Details for Selected Local Governments

Category	Chicago, IL	Chapel Hill, NC	Charleston, SC	Montgomery County, MD	Boulder, CO
Year enacted	2004	2011	2017	1974	2000
Policy details	10-20% of units must be affordable, or pay in-lieu fees of $50,000-$175,000 depending on site location	15% (10% downtown) of units must be affordable units, or pay $85,000 per unit	20% of units must be workforce units or pay $5.10 per sq. ft.	12.5-15% of units must be affordable, or pay 3% of sale price of each market-rate unit	25% of units must be affordable, or pay individually calculated fee
Zones impacted	Developments with 10+ units	Developments with 5+ units	Mixed-use workforce districts	Developments with 20+ units	Developments with 5+ units
Affordability requirement	100% AMI for sale, 60% AMI for rental	80% AMI	80% AMI	50-70% AMI	60-80% AMI
AHUs built	Over 1,500	11 (2011-2018)	5 by developers, 237 facilitated by local gov't	13,000 (through 2011)	380 (2000-2005)
Revenue Collected	$123 M (2004-2020)	$803,250 (2011-2018)	$11.13 M (2017-2021)	$1.3 M (1989-2001)	$1.5 M (2000-2005)

Source: AEG review of various news and government sources.

Funding and Land Asset Management

Local governments can also use resource management to increase housing affordability by funding AHU construction or leveraging land assets. Because finances can be an impediment even when there is motivation to build affordable housing, local governments can help to alleviate constraints by funding public or nonprofit housing development. Local governments can also leverage land assets to promote housing development by returning vacant land to productive use.

Housing trust funds. Housing trust funds use a dedicated revenue stream (typically tax or fee revenues) to create or preserve affordable housing stock in the regions they serve. There are approximately 700 housing trust funds operating at the city, county, or state level across the United States.[1] In Louisville, Kentucky the local housing trust fund created or preserved nearly 600 housing units during its 2019 fiscal year, spending half of its $10 million in funding on housing for households earnings less than 50% of AMI.[2]

1. Patrick Spauster, Lydia Lo, and Yonah Freemark, "The Rise of Market-Reliant Affordable Housing Tools: Findings from the National Longitudinal Land Use Survey," Urban Institute, https://www.urban.org/, p. 5.

Tax-increment financing. Tax-incremented financing (TIF) districts allow local governments to set aside incremental tax revenue gains. These gains are generated when public investment in the district (e.g. infrastructure improvements) results in new economic activity. TIF revenues can be leveraged to increase affordable housing in the district. States like Minnesota have created TIF districts to promote affordable housing; they are called Housing TIF Districts. Portland, Oregon, for example, set aside 45% of revenue generated from TIFs for affordable housing to create 1,886 rental AHUs between 2015 and 2018.[1]

Land banks. Land banking involves investment in underutilized properties that may be blighted or vacant to turn them into affordable housing options. In counties where lack of available land is a more pressing issue, setting up a land donation incentive can encourage developers and other land owners to donate parcels to a land bank. The land bank can then build affordable housing on the property. Philadelphia's land bank is one successful example, using federal and local funding to create or preserve 853 AHUs between 2018 and 2020.[2]

Additionally, land banks are established to utilize vacant lots for new affordable housing. The Philadelphia Land Bank provides an illustrative example. The land bank set a goal to return 2,000 properties to productive use over five years, 650 of which are set aside for low-income residents. Between 2018-2020, the land bank invested $41 million to create or preserve 853 AHUs. Over its lifetime, the land bank has invested in over 13,000 units in some capacity. It is a subsidiary of the local government and gets federal (LIHTC, etc.) and local funding.[3]

Community land trusts. Community land trusts (CLT) create opportunities for affordable home ownership by maintaining possession of the land beneath an owner-occupied home. The occupant owns the structure while leasing the land from the CLT, which helps prevent rapid price appreciation. CLTs also establish resale formulas that allow homeowners to benefit from limited home value appreciation while maintaining affordability for future owners. The neighborhood of Roxbury in Boston established a CLT that has created 225 AHUs along with other community amenities on formerly blighted or vacant properties.[4] In Durham, North

2. Louisville Affordable Housing Trust Fund, "What Louisville Needs: 2018-2019 Annual Report," loutrustfund.org/.
1. Portland Housing Bureau, "Tax Increment Financing," https://www.portland.gov/, accessed September 2021.
2. Philadelphia Housing Development Corporation, "PHDC Report 2018-2020," https://secureservercdn.net/, accessed October 2021.
3. PHDC Report 2018-2020, pg. 7.

Carolina a land trust was formed in 1987 to focus on creating affordable housing for households earning less than 30% of AMI. They now manage or own 282 single family and multifamily housing units.[1]

4.3 Local Government Responses to Rising Housing Costs in the Region

Communities use zoning ordinances and housing market regulations to protect their quality of life. When people and businesses want to move in, there will be pressure to produce housing, commercial buildings and infrastructure that can clash with existing uses and change a community's character. Zoning can curb and direct development to reduce negative impacts. Residents and local leaders may respond to development risks by establishing zoning laws to keep out undesirable uses, particularly dense housing and dirty industries. These restrictions can limit the amount of new economic activity and slow population growth. However, when zoning laws that were designed for light development pressure are subjected to significant demand, they can price existing residents out of the community while failing to protect traditional landscapes and land uses.

4.4 Horry County

As shown, population growth in Horry County exceeded the growth in the rest of South Carolina. Population growth also exceeded the number of new housing units, all while the housing mix skewed toward single family homes. Below, the impact of zoning changes in Horry County is discussed.

Zoning was established in parts of Horry County in 1987 and extended to all remaining unzoned land by 2001. In 2021, Horry County Council revised part of the zoning code limiting multifamily housing in order to narrow a de facto avenue to produce multifamily and denser single family neighborhoods.

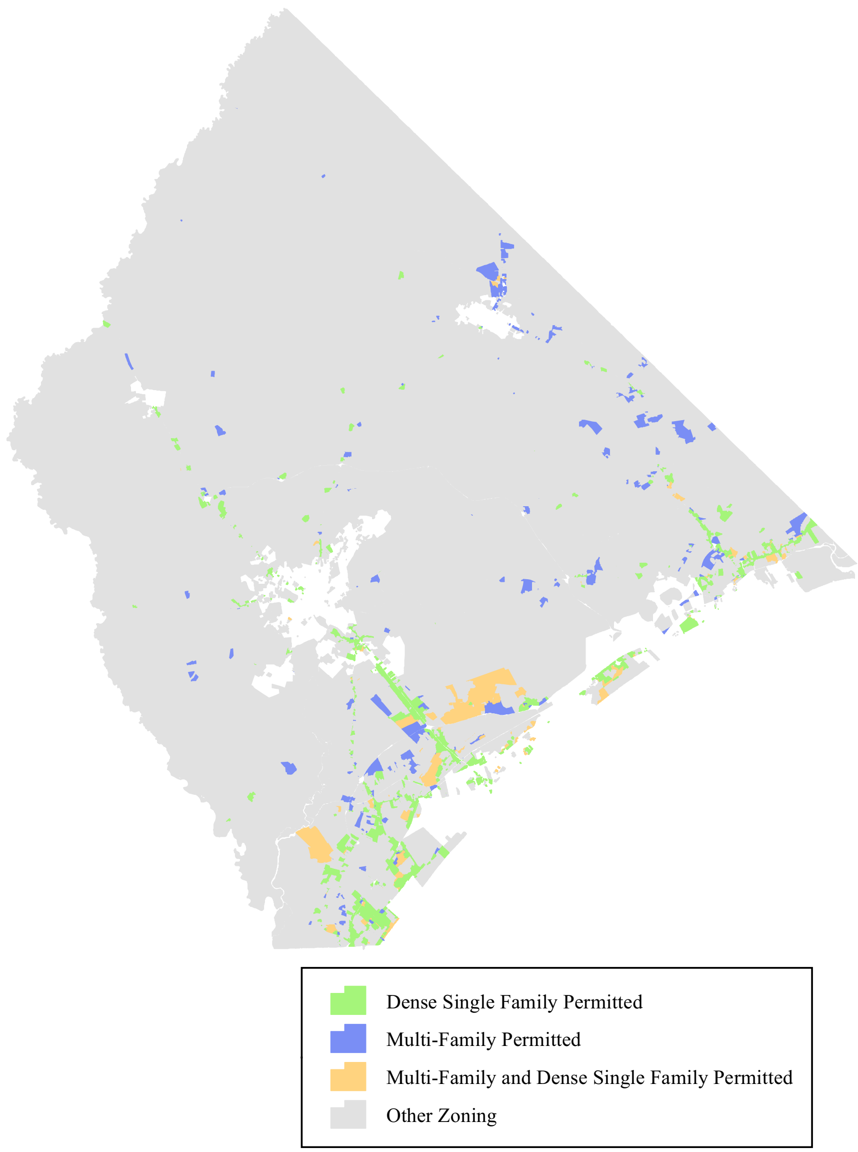
Most land in Horry County is not available for multifamily and dense single family housing. Multifamily housing is currently permitted in 2.6% on county land, see Figure 1 .[2] Similarly, dense single family home developments, defined as more than 6 units per acre, are permitted on 2.8% of county land. In contrast, 15.7% of land is zoned Commercial Forest Agriculture, which permits two units per acre.

4. Hicks, p. 122.

1. Durham Community Land Trustees, "Our Impact Data," https://www.dclt.org/, accessed November 2021.

2.This area does not include land in Loris, Aynor, Conway, Myrtle Beach, North Myrtle Beach, Briarcliffe Acres, or Surfside Beach. Areas with multifamily housing permitted include GR, GR"n", MRD1, MRD2, MRD3, RCS, RE2, RR and TRS.

FIGURE 1. Multi-Family and Dense Single Family Zones in Horry County



Source: Horry County IT/GIS Department (zoning code by parcel)
Analysis: Anderson Economic Group

4.5 The Effect of Zone Law Change in Horry County

Review of changes to the Horry County Code's Zoning Ordinance since 2015 presented one change that could have significantly affected housing. Ordinance 142-2021 removed multifamily developments from the Commercial Forest Agriculture (CFA) zoning district. This ordinance is an unambiguous tightening of restrictions.

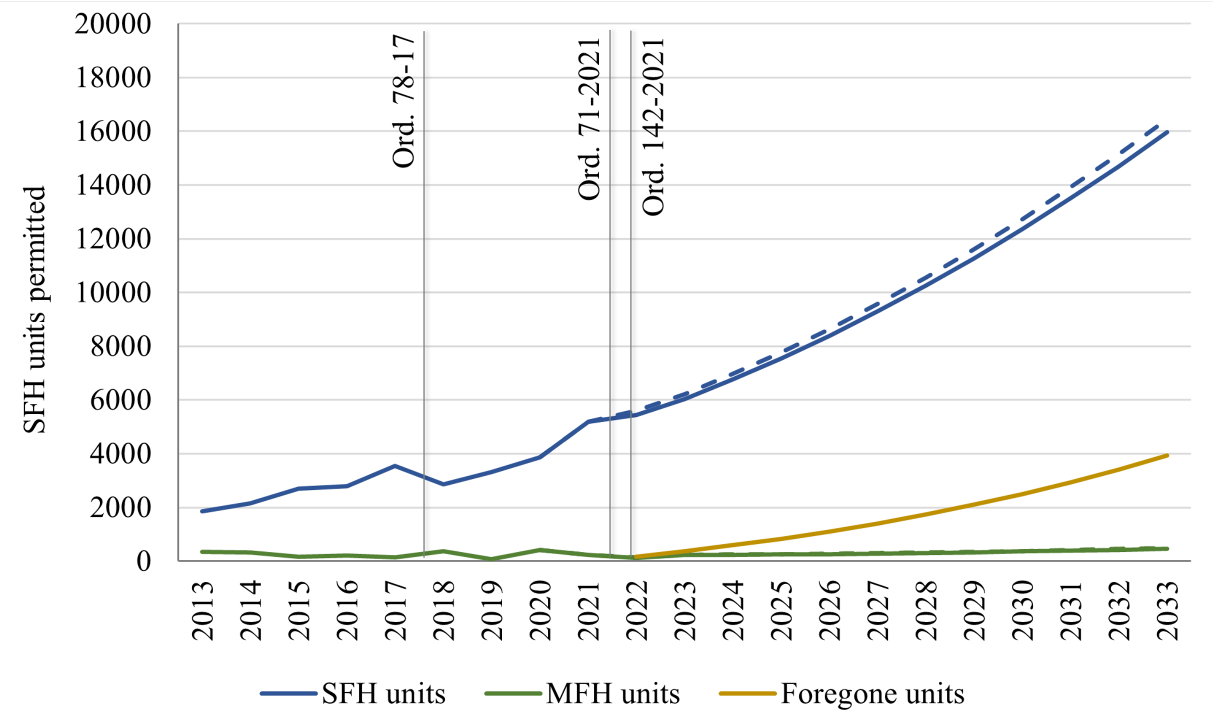
Two other changes have also taken place. Ordinance 78-17 revised standards for patio, zero lot line and in-common development, including allowable densities. However, the impact on housing could not be determined because the ordinance revised and replaced classifications (e.g.

cluster versus in-common development) while permitting increased densities for some housing types in some districts. There is no indication in the Planning and Zoning Decision Memorandum that this ordinance would increase restrictions. Ordinance 71-2021 substantially revised the zoning code; however, these revisions aimed at formatting rather than establishing new restrictions.

Figure 2 shows the timing of the three ordinances and the expected effect of Ordinance 142-2021 on building permits issued in the county. To quantify the impact on housing if-not-for the ordinance, housing production and rents after 2023 were forecasted and proportionate impacts measured in peer-reviewed studies were applied.[1] The blue line is single family homes (SFH), which includes attached and detached units, and the green line is multifamily homes (MFH), which are principally apartment buildings. Consistent with expectations of growing local housing demand, the analysis predicts accelerating production of homes. The dashed lines show production had the ordinance not occurred. The ordinance is estimated to have reduced SFH production 3% and MFH production 6%. The orange line measures the accumulated foregone units due to the ordinance. The accumulated loss totals 3,925 units within 10 years.

1. Jackson, K. (2016). Do land use regulations stifle residential development? Evidence from California cities. *Journal of Urban Economics*, 91, 45-56.
Stacy, C., Davis, C., Freemark, Y. S., Lo, L., MacDonald, G., Zheng, V., & Pendall, R. (2023). Land-use reforms and housing costs: Does allowing for increased density lead to greater affordability? *Urban Studies*, 60(14), 2919-2940.

FIGURE 2. Projected change in new housing units in Horry County following Ordinance 142-2021.



Source: AEG Analysis

The share of MFH is estimated to decrease in Horry County over the next 10 years. The share of new MFH was calculated as a function of residential units in building permit records. This share was 6.7% between 2013 and 2022. In contrast, the share was 16.9% across South Carolina in the same period. Forecasts indicate that the share of new MFHs in Horry County will fall to 2.9% between 2023 and 2033.

The current median rent in Horry County is $1,128 per month. If Ordinance 142-2021 restricts the production of new housing, then rents in the county will increase over time as a consequence.

4.6 Georgetown County

Residential development in Georgetown County is neither as intense nor as fast as in neighboring Horry County. Except in a few areas, Georgetown County has a predominately rural character.

4.7 The Effect of Zoning Law Change in Georgetown County

Georgetown County's Zoning Ordinances since 2015 include two changes that could have a direct effect on the housing market. Ordinance 2017-16 allowed private easements for vehicle access to up to three parcels, which could increase the availability of lots for housing.

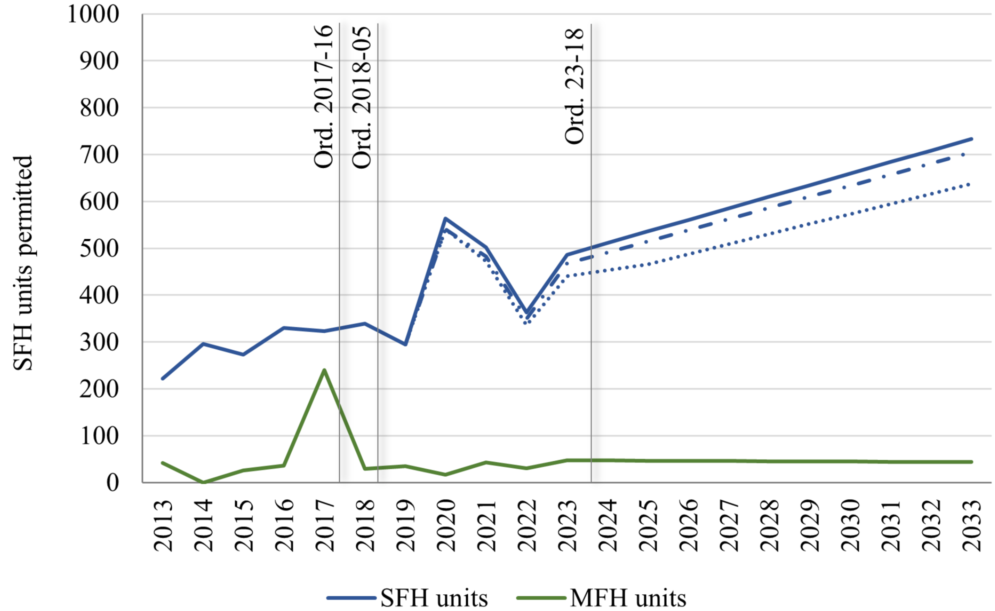
Ordinance 2018-05 allowed ADUs up to 900 square feet in residential zoning districts. This would increase the availability of rental units. If zoning statute allows, ADUs can also ease tensions in the housing market, particularly for those who may only need additional housing for the short or medium-term. For example, young adults who may not be ready to rent or purchase housing of their own, and for the elderly who may have a better quality of life in proximity to family.

Ordinance 23-18 removed site plan review for two-family buildings from Planning Commission and County Council, leaving the review to county planning staff. This change could remove a potential barrier to multifamily housing. However, the revision increased some requirements for review and approval, including mailing notifications to more property owners in the vicinity of the development and installing landscape buffers. These requirements increase cost, and thus serve as a barrier to such developments. Given these countervailing effects, this ordinance could potentially increase or decrease the growth of housing. It is possible that the net effect could be close to zero.

Figure 3 shows the timing of the three ordinances and the expected combined effect of Ordinance 2017-16 and 2018-05. The analysis shows a steady increase in new SFHs, while the number of new MFH units is expected to hold (or fluctuate around) 50 units per year. To quantify the impact on housing if-not-for the ordinances, housing production after 2023 were forecasted and proportionate impacts based on prior research were applied. The combined effect of these ordinances were estimated to be in the neighborhood of a 4% increase in the availability of SFHs, including a 3% change associated with easement access to subdivided parcels and a 1% change associated with allowing ADUs.[1] The if-not-for impact is the difference between the solid and dashed-dotted line in the figure. This difference indicates a gain of 319 homes by 2033. In particular, the ADU effect could grow in proportion over time, such as has been the trend in Los Angeles.[2] The dotted line shows the change if the ADU effect grows from 1% to 10% over 5 years. The if-not-for impact in this scenario indicates a gain of 929 homes by 2033.

1. We do not estimate a change for MFHs because production is low enough that small proportional changes are not discernible.
2. Dan Bertolet and Nisma Gabobe, Sightline Institute, “LA ADU Story,” https://www.sightline.org/, accessed October 2021.

FIGURE 3. Projected change in new housing units in Georgetown County following Ordinance 2017-16 and 2018-05.



Source: AEG Analysis

The current median rent in Georgetown County is $1,046 per month. If the ordinances have increased the production of new housing, then rents in the county are lower than they would have been without the change.

4.8 Review of Other Research on Zoning Laws

Zoning laws are a key factor for determining how much housing is available in a region. A thorough review uncovered 18 estimates measuring effects on housing production. Ten estimates indicated that zoning restrictions reduce the number of homes, while only one found restrictions could increase the number. Two additional estimates provided evidence that the stock of housing grows faster when communities loosen zoning restrictions.

Out of the 17 cost-related estimates reviewed, thirteen found that restrictions increase costs. For example, an additional restrictive reform increased median gross rents while a less restrictive reform reduced rents.[1] This research implies that housing production is slower and that prices and rents rise faster in communities with more zoning restrictions.

Zoning boards can come under intense local pressure to restrict housing density, even in communities with pressing housing needs. For example,

1. Stacy, C., Davis, C., Freemark, Y. S., Lo, L., MacDonald, G., Zheng, V., & Pendall, R. (2023). Land-use reforms and housing costs: Does allowing for increased density lead to greater affordability? *Urban Studies*, 60(14), 2919-2940.
These estimates are not significantly different from each other, which suggests that the effects of zoning law changes may be symmetric and reversible.

comments made at zoning board meetings and land-use forums reveal that participants are disproportionately opposed to the construction of new housing, even though residents in the same area may support and vote in favor of state legislation encouraging more housing development. In other words, the public recognizes a need for housing but local government participants prefer new housing occur elsewhere.[1] Participants are less successful at restricting development when they live in communities with at-large council elections.[2] Specifically, research shows a 20% reduction in building permits when moving from communities with at-large to ward elections. This shows that local governments can have an important impact on new housing.

1. Einstein, K. L. (2021). The privileged few: How exclusionary zoning amplifies the advantaged and blocks new housing—and what we can do about it. *Urban Affairs Review*, 57(1), 252-268.
2. Mast, E. (in press). Warding off development: Local control, housing supply, and NIMBYs. *Review of Economics and Statistics*, 1-29.

Appendix A. Methodology

Below is the methodology and assumptions for the market analysis and housing policy evaluation.

Housing Market Analysis

The methodology below summarize the key data collection and analysis processes to characterize recent housing market trends and the current state of housing affordability in Horry County, Georgetown County and South Carolina.

Classification of Housing Units

To establish a nuanced understanding of how housing affordability affects groups at various income levels, a classification system was devised. This involved the categorization of residential units into low-priced, median-priced, and high-priced segments, separately for rental and owner-occupied housing. This classification was based on percentile distribution metrics derived from the rental and home value data within South Carolina, Horry County, and Georgetown County.

Low-Priced Unit: A Low-Priced Unit refers to a rental or owner-occupied housing unit that is economically positioned within the lower quartile of the local market. Specifically, for rental units, the pricing is such that 25% of all rents in the study area fall below this value, indicating that a quarter of rental units are less expensive. In contrast, 75% of rental units have higher rents than the defined value. Similarly, for owner-occupied units, the home values are situated in a way that 25% of homes have lower values than the specified amount, while 75% have higher values. This classification provides insight into the more affordable segment of the housing market.

Median-Priced Unit: A Median-Priced Unit is positioned at the midpoint of the local market's rent or home value distribution. For rental units, the pricing is set so that 50% of all rents fall below this value, and the other 50% are above. This signifies the middle tier of rental units in terms of affordability. Likewise, for owner-occupied units, the home values are determined such that 50% of homes have lower values than the specified amount, and the remaining 50% have higher values. This category serves as a benchmark for understanding the pricing dynamics in the median range.

High-Priced Unit: A High-Priced Unit represents the upper quartile of the local market's rent or home value distribution. In the context of rental units, the pricing is structured so that 75% of all rents are below this value, indicating that three-quarters of rental units are more affordable. On the other hand, 25% of rental units have higher rents than the specified amount. Similarly, for owner-occupied units, the home values are arranged in a way that 75% of homes have lower values than the defined amount, while 25% have higher values. This category sheds light on the relatively higher-priced segment of the housing market.

Gap Between Households and Housing Units

Multi-year population and housing units data by structure type were gathered from ACS 5-year estimates of the U.S. Census Bureau for three geographies: Horry County, Georgetown County, and South Carolina. The calculation of absolute and relative growth over the 10-year period was conducted for both population and housing units. Absolute change, representing the exact numerical difference between two values, and relative change, measuring the proportional change relative to a starting point, were assessed to facilitate comparisons and analyses of growth rates.

The process of calculating absolute and relative change in population and housing units draws attention to a straightforward yet impactful conclusion – whether the growth in population is sustained by the growth in housing units within the study areas.

Data on vacancy rates of housing units, specifically the homeowner vacancy rate and rental vacancy rate, were collected using ACS 5-year estimates of the U.S. Census Bureau for the years 2013, 2018, and 2022. The analysis covered Horry County, Georgetown County, and South Carolina, including the calculation of the change in vacancy rate between 2022 and 2013.

Trends in Rents and Home Values

Utilizing data from ACS 1-year and 5-year estimates as well as the US Census Bureau for Median Household Income, monthly median rents were calculated between 2013 and 2022 for Horry County, Georgetown County, and SC. Further division was applied to each region, categorizing rental units into low-, median-, and high-priced segments to assess the increase in median rents for each subcategory over the years.

Data on home values for low-priced, median-priced, and high-priced rental units in Horry County, Georgetown County, and SC were collected using ACS 1-year and 5-year estimates from the U.S. Census Bureau. The increase in home value between 2013-2022 was calculated and compared with the increase in median household income. Median household income data was gathered directly from the U.S. Census Bureau.

Housing Affordability and Cost Burden Analysis

Data Source and Collection: Multi-year survey data was obtained from the American Community Survey (ACS) 5-year estimates provided by the U.S. Census Bureau. This data encompassed both owner- and renter-occupied units and covered diverse income brackets.

Using the ACS 5-year estimates, income categories aligned with low, median, and high-priced housing were identified for a comprehensive analysis of housing affordability across different income levels.

The count of housing units within each income category that allocated less than 30% of their household income to housing expenses was aggregated. This count, expressed as a percentage of total housing units in each income category, provided insights into the proportion of housing units within each housing type that could afford a home.

Affordability Analysis. Leveraging data derived from ACS 5-year estimates, the quantity and percentage of households experiencing housing cost burdens in Horry County, Georgetown County, and South Carolina for the years 2013, 2018, and 2022 were computed. Changes in housing cost burdens from 2013 to 2022 were measured to identify trends and variations over the specified time frame.

To enhance the depth of the analysis, households were stratified based on ownership status and income levels. This involved categorizing households into owners and renters across the study areas, segmented by distinct income brackets (less than $20,000, $20,000 to $34,999, $35,000 to $49,999, $50,000 to $74,999, and $75,000 or more).

Table 1 and Table 2 provide the income criteria for owners and renters to afford low-, median-, and high-priced homes in the study area, offering a detailed reference for assessing housing affordability.

TABLE 1. Income Criteria for Owners, 2021-2023

	2013	2018	2022
Horry			
Low-Priced	$20,225	$23,951	$39,918
Median-Priced	$34,596	$39,918	$58,547
High-Priced	$47,902	$58,547	$74,514
Georgetown			
Low-Priced	$15,967	$18,096	$23,951
Median-Priced	$34,596	$39,918	$47,902
High-Priced	$74,514	$74,514	$95,803
South Carolina			

TABLE 1. Income Criteria for Owners, 2021-2023

Low-Priced	$15,967	$20,119	$29,273
Median-Priced	$29,273	$34,596	$58,547
High-Priced	$47,902	$58,547	$74,514

Source: AEG analysis of base data of median household income from ACS 5-year estimates

TABLE 2. Income Criteria for Renters 2021-2023

	2013	2018	2022
Horry			
Low-Priced	$21,980	$22,980	$28,980
Median-Priced	$26,980	$30,980	$44,980
High-Priced	$37,980	$44,980	$69,980
Georgetown			
Low-Priced	$18,980	$18,980	$20,980
Median-Priced	$26,980	$28,980	$33,980
High-Priced	$44,980	$44,980	$54,980
South Carolina			
Low-Priced	$16,980	$20,980	$24,980
Median-Priced	$24,980	$28,980	$37,980
High-Priced	$37,980	$44,980	$54,980

Source: AEG analysis of base data of median household income from ACS 5-year estimates

Housing Affordability by Top Occupation Categories

To analyze housing affordability challenges and their impact on the local workforce in Horry and Georgetown Counties, we employed a comprehensive methodology that considered the median rents and home values in 2022. The aim was to determine the required income criteria for both homeowners and renters, assuming that housing costs do not exceed 30% of their income, a widely accepted affordability threshold.

Data Collection. Utilized data from the Bureau of Labor Statistics May 2022 Occupational Employment and Wage Statistics (OEWS) Survey for the Myrtle Beach-Conway-North Myrtle Beach, SC-NC area and Northeast South Carolina non-metropolitan area. Collected information on total employment, annual median wages, and employment distribution across the top 5 occupations in both counties.

Income Requirement Calculation. Calculated the income requirement for homeowners and renters in each occupation category, ensuring housing costs did not surpass 30% of their income.

Collected 2022 ACS-5 data on contract rent values and home values at the median rate. Regarding income requirement for renters, the assumption is that the annual median income has to be at least approximately 3.3 times higher than the rent as of 2022. For home owners, the assumption includes a down-payment of 20%, a 30-year fixed payment period and a 7% interest rate. The 2022 home values and the housing cost restriction to 30% of the income determines the level of income necessary to afford ownership of homes. This was followed by deriving the difference between the income requirement and the median income, highlighting affordability gaps.

Housing Affordability by Race

Data Sources. Extracted data from the American Community Survey 1-year and 5-year estimates (2013-2022) provided by the U.S. Census Bureau, specifically targeting median household incomes. Collected information on income criteria for both renter- and owner-occupied units in Horry and Georgetown Counties.

Affordability Analysis. Calculated the income difference between median incomes and income criteria for renters and homeowners, emphasizing the disparities across racial groups (for affordability criteria, see “Income Requirement Calculation” on page 4.) Utilized income categories to highlight variations in affordability challenges for White, Black, Asian, Hispanic, and Mexican households.

Current Market

To capture the contemporary state of the housing market, we used Multiple Listing Services (MLS) data from 2021 to 2023 provided by CCAR, as well as active housing listed as per realtor.com shared by St. Louis FRED. The analysis trends in housing inventory, units sold, and average prices for various housing types prevalent in Horry and Georgetown Counties. This current snapshot was contextualized within the broader economic conditions and potential influences shaping the present trajectory of the housing market.

Average price for each type of home, as specified by MLS database, is provided below in Table 3 and Table 4.

TABLE 3. Average Prices in Horry County, 2021-2023

Structure Type	2021	2022	2023
Condo	$198,818	$253,956	$268,711
Detached	$354,105	$415,199	$427,392
Detached Leased Land	$302,186	$411,672	$454,413
Detached with HPR	$364,974	$464,145	$467,859
Manufacture Leased Land	$121,749	$149,842	$153,294
Manufactured with Land	$143,180	$178,750	$185,316
Semi-Detached	$317,554	$388,350	$350,661
Townhouse	$214,806	$276,895	$312,042

Source: AEG analysis of base data from Multiple Listing Service for Units Sold

TABLE 4. Average Prices in Georgetown County, 2021-2023

Structure Type	2021	2022	2023
Condo	$293,402	$322,676	$388,856
Detached	$530,115	$603,444	$698,593
Detached Leased Land	-	$126,000	-
Detached with HPR	$405,253	$436,000	$484,523
Manufacture Leased Land	$70,194	$96,009	$85,303
Manufactured with Land	$137,312	$195,447	$168,000
Semi-Detached	$629,000	-	$607,767
Townhouse	$336,405	$338,716	$411,954

Source: AEG analysis of base data from Multiple Listing Service for Units Sold

Zoning Policy Analysis

To estimate the effect of zoning on housing in Horry County and Georgetown County, we combined peer-reviewed research with data on housing conditions in the counties. The relationship between zoning and housing can be examined in different ways. One approach examines one or more cases similar to the context of interest in which the relationship is expected to be particularly salient; this is a case study. Another approach measures the relationship in the context of interest itself by applying statistics to data describing that context. A statistical analysis that controls for many interrelated factors in a large sample can provide robust insights. Our approach combines the results of statistical analyses in peer-reviewed research with data on Horry County and Georgetown County. We are able to estimate the effect of recent changes in county zoning regulations using analyses that have identified an effect in similar contexts.

We collected parameters from the peer-reviewed literature on zoning laws and the housing market, focusing on studies that measured the effect of zoning using statistical analysis. Each study identifies the effect by comparing housing conditions and zoning either within or across communities. The effect relates a housing outcome to a restriction in the form of a model such as

$$outcome_{it} = \beta restriction_{it} + \varepsilon_{it}$$

where $outcome_{it}$ measures the outcome of interest, $restriction_{it}$ measures the zoning or land use restriction of interest, and ε_{it} are other factors that can affect the outcome in location *i* in year *t*. The β is a parameter that measures the effect on the outcome of a one-unit change in restrictions. For example, if the outcome is price and the restriction is the minimum lot size in square feet, then β measures the change in price for an additional square foot to the minimum. Analysts typically estimate β using statistical regression analysis. After estimation, an analyst can use β and data on restrictions to simulate outcomes under real or hypothetical scenarios.

We conducted a search of relevant housing market studies that measure β searching over the words and phrases “housing supply”, “zoning”, and “land use” in Harzing’s *Publish or Parish 8* program, which records the results of a Google Scholar search. Our search produced 16,567 results. We downloaded the titles, authorship, scholarly journal name, annual citations, and weblinks for the first 200 studies. We then used the downloaded information to screen out studies that did not appear in a scholarly journal, did not conduct a statistical analysis, and did not focus on housing conditions or zoning regulations in the United States. We then sorted the screened results from most to least citations per year, keeping the top 20. Number of citations is a common metric of scholarly impact or quality in the sciences, so sorting the results in this manner brings to light the most important studies. We then read each study and recorded the following data:

- Study area;
- Study year;
- The zoning or land use restriction investigated;
- The effect of the zoning or land use restriction on housing supply;
- The effect of the zoning or land use restriction on housing cost; and
- An estimate of β.

We recorded β for up to four outcomes: housing stock, the flow of new housing, rents, and house value.

Table 5 on page 9 presents the results. Despite the screening, a few of the top-20 studies did not provide a parameter estimate. However, most studies provided more than one parameter, so the actual number of β estimates is more than 20. These β are not shown but are available upon request. Instead, each effect is qualitatively described as positive, negative or, in the case of statistically insignificant effects, uncertain. The second-to-last column shows the effect on supply, which includes outcomes describing housing stock or the flow of new housing. The last column shows the effect on cost, which includes rents and sales prices.

Many studies we reviewed focused on allowable densities. Several used discrete measures for specific restrictions and local policies. Other studies used continuous measures, including indexes that scaled with tighter or more land use restrictions. Some of these indexes were constructed from surveys of local administrators that asked about, for example, permitted residential density, the permit approval process, the process for revising local zoning law and others. In any case, we classified the direction of an impact as positive, negative and uncertain for up to four outcomes (although most studies examined just one or two outcomes) to see in which direction the evidence generally points.

TABLE 5. Summary of the top 20 papers in the literature review

Name(s)	Year	Study area	Zoning or land use change	Effect on production	Effect on cost
Glaeser and Gyourko	2018	National			
Glaeser and Ward	2009	Greater Boston	Minimum lot size	Negative	
Glaeser and Ward	2010	Greater Boston	Wetland restrictions	Uncertain	
Glaeser and Ward	2011	Greater Boston	Septic restrictions	Uncertain	
Glaeser and Ward	2012	Greater Boston	Subdivision	Negative	
Glaeser and Ward	2013	Greater Boston	Minimum lot size		Positive
Been et al.	2019	National			
Quigley and Raphael	2005	California	Number of growth control measures		Positive
Quigley and Raphael	2005	California	Number of growth control measures	Negative	
Quigley and Raphael	2005	California	Number of growth control measures	Uncertain	
Mayer and Somerville	2000	National	Months to receive subdivision approval	Negative	
Mayer and Somerville	2000	National	Number of growth control measures	Negative	
Mayer and Somerville	2000	National	Development fees	Uncertain	
Kok et al.	2014	San Francisco	Number of reviews before permitting		Positive
Kok et al.	2014	San Francisco	Number of reviews before zoning change		Positive
Kok et al.	2014	San Francisco	Number of growth control measures		Positive
Infranca	2019	National			
Manville et al.	2022	National			
Pendall	2000	National	Urban growth boundary		
Pendall	2000	National	Permit moratoria	Negative	
Pendall	2000	National	Boxed-in status	Negative	
Pendall	2000	National	Low density zoning	Positive	
Pendall	2000	National	Low density zoning	Negative	

Note: Studies ordered by mean citations per year. Cells left blank for studies that did not estimate the effect of zoning or did not produce quantitative estimates.

TABLE 5. Summary of the top 20 papers in the literature review

Name(s)	Year	Study area	Zoning or land use change	Effect on production	Effect on cost
Pendall	2000	National	Low density zoning		
Mast	In press	National	Ward elections	Negative	
Gyourko and Krimmel	2021	National	Number of growth control measures		Positive
Einstein	2021	Massachusetts			
Jackson	2016	California	Number of land use regulations	Negative	
Jackson	2016	California	Number of land use regulations	Negative	
Murray	2020	Australia			
Pollakowski and Wachter	1990	Maryland	Cap on number of permits	Uncertain	
Pollakowski and Wachter	1990	Maryland	Restrictiveness index		Positive
Hamilton	2021	Washington DC	Inclusionary zoning adoption indicator		Uncertain
Hamilton	2021	Washington DC	Inclusionary zoning adoption years		Positive
Dong	2021	Oregon	An increase in zoned density	Positive	
Dong	2022	Oregon	Medium-density SFH to MFH zoning change		
Aurand	2010	Oregon	Urban growth boundary	Uncertain	
Stacy et al.	2023	National	More restrictive reform	Uncertain	
Stacy et al.	2023	National	Less restrictive reform	Positive	
Stacy et al.	2023	National	More restrictive reform		Positive
Stacy et al.	2023	National	Less restrictive reform		Uncertain
Stacy et al.	2023	National	More restrictive reform		Uncertain
Stacy et al.	2023	National	Less restrictive reform		Uncertain
Eicher	2024	National	Permit delay index		Positive
Eicher	2024	National	State land use regulations		Positive
Eicher	2024	National	Court upheld local land use regulation		Positive
Eicher	2024	National	Growth boundary, lot size, delays in approval		Positive

Note: Studies ordered by mean citations per year. Cells left blank for studies that did not estimate the effect of zoning or did not produce quantitative estimates.

Our literature review shows that zoning restrictions reduce housing supply and raise costs. Across 18 estimates that measure an effect on supply, 10 find evidence that restrictions reduce the number of homes, 1 finds that restrictions increase the number of homes, and 7 are inconclusive. Two additional estimates provide evidence that loosening restrictions will increase the housing stock. Furthermore, out of 17 estimates that measure an effect on cost, 13 show that restrictions increase costs, while 4 did not find evidence either way. This suggests that housing development is slower and home prices (and rents) rise faster in communities with more zoning restrictions.

Next, we tailored the results of the literature review in a zoning impact analysis by transferring several of the β to data series tracking the number of annual building permits and median rents. The building permits data came from the U.S. Census Bureau's Building Permits Survey (BPS). We used the annual BPS series going back to 2013. We defined single family homes (SFH) as 1 units and multifamily homes (MFH) as 2 units through 5+ units, excluding Conway, Loris, Myrtle Beach and North Myrtle Beach in Horry County and Georgetown in Georgetown County. Rents are gross rents that came from the Census Bureau's American Community Survey (ACS), 1-year estimates. In order to measure the effect of any zoning change after 2023, we forecasted the number of SFH and MFH permitted as well as median rents in a county using the model:

$$outcome_t = \gamma + \gamma_1 t + \gamma_2 t^2 + \eta_t$$

where $outcome_t$ is either the number of permits or median rents and t is the year. We estimated these models using regression analysis. The model sets $\gamma_2 = 0$ for rents in Horry County and for permits and rents in Georgetown County because we found the parameter to be imprecisely estimated in trial regressions.

We then compared the permit and rent trends in each county to impact-adjusted trends, to quantify the effect of recent zoning changes. We reviewed actual changes to the zoning ordinance in both counties from 2015 to 2022 for evidence of a change that could have impacted housing. For Horry County, we read the Council Meeting Agenda documents related to the change, and recorded the approval date, agenda description and weblink to the Agenda on the county's https://horrycounty.granicus.com/ website. Our review identified three ordinances—78-17, 71-2021, and 142-2021—that could have significantly affected housing development. Ordinance 78-17 revised standards for patio, zero lot line and in-common development, including allowable densities. However, the impact on development is not clear because the ordinance revised or replaced classifications (e.g. cluster versus on-common development) while permitting increased densities for some housing types in some districts. There is no indication in the Planning and Zoning Decision Memorandum that this ordinance would increase restrictions. Ordinance 71-2021 substantially revised the Zoning Ordinance; however, the revisions aim at formatting rather than restrictions per se. Ordinance 142-2021 eliminated multi-family developments from the Commercial Forest Agriculture (CFA) zoning district. This ordinance is the only one we identified as a clear increase in restrictions.

We reviewed Georgetown County zoning ordinance changes following a similar procedure. We read the County Meeting Agenda and the Agenda Request Form on the county's https://georgetown.novusagenda.com/AgendaPublic/ website. Our review identified three ordinances—2017-16, 2018-05, and 23-18—that could have significantly affected housing development. Ordinance 2017-16 eased requirements for lot access, Ordinance 2018-05 permitted accessory dwelling units (ADUs), and Ordinance 23-18 changed review requirements for multifamily units by county planners. We defined the first two ordinances as an unambiguous decrease in restrictions.

For a one-unit increase in restrictions, the adjusted number of building permits is $permits'_{it} = permits_{it} + \beta$, with an analogous equation for rents. For a one-unit decrease in restrictions, the adjusted number of building permits is $permits'_{it} = permits_{it} - \beta$. With one exception, we use Jackson (2016) to measure β for building permits, who finds that an additional restriction reduces SFH permits 3% and reduces MFH permits 6% (we therefore normalize β by measuring the impact as the percentage change in permits). The exception is for Ordinance 2018-05; we use the data summarized by Bertolet and Gabobe, who find that ADUs tend to be around 1% of all building permits.[3] Next, we use Stacy et al. (2023) to measure β for rents, who finds that an additional restrictive reform increased median gross rent $50. Similar effects are noted in other papers. For example, Mayer and Sommerville (2000) report a 6% decrease in permits associated with an additional growth control measure; and Kok et al. (2014) find a 3% (e.g. a $36 increase on a $1200 rent) increase in price for an additional growth control restriction.

An alternative approach estimates the effect of a zoning ordinance change using difference-in-difference (DID), which compares outcomes before

3. Note that this study was not part of our targeted literature review. See Dan Bertolet and Nisma Gabobe, Sightline Institute, "LA ADU Story," https://www.sightline.org/.

and after the event of interest between an affected area and a comparison area. We applied DID to rents in Georgetown County before and after the zoning changes in 2017 and 2018. Comparing the average median contract rent reported in the ACS in these two years to the average median reported in 2019 and 2020, the difference is $20, which is to say that rents increased $20 in the years just following the zoning changes. For comparison, the same difference between 2017-2018 and 2019-2020 is $73 in Horry County, which means that rents increased $73 in a neighboring county. Using Horry County as a comparison group, the DID estimate is -$53; i.e. rents decreased $53 in Georgetown County as a result of the zoning law changes. Of course, this will be a poor estimate if the housing markets in these two counties were trending in different directions in 2017-2020. However, it is notable that median contract rants in Georgetown County actually fell after these laws were passed, from $674 in 2018 to $668 in 2019, before rising again in 2020. No such fall occurred in Horry County or South Carolina as a whole.

5.0 Appendix B. Data Sources and Ordinances

In the following section, we outline the data sources we used in our Coastal Carolinas housing policy evaluation that may not be cited directly in the body of this report.

Zoning Policy Analysis

Academic Studies

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Ordinance Excerpts

Excerpt 1

COUNTY OF HORRY
STATE OF SOUTH CAROLINAORDINANCE 142-2021

AN ORDINANCE TO ELIMINATE MULTI-FAMILY DEVELOPMENTS IN COMMERCIAL FOREST AGRICULTURE (CFA) ZONING DISTRICT

WHEREAS, Horry County adopted the Forest Agriculture district in the Original I 987 Zoning Ordinance and amended it in 1994 to regulate multi-family units: and,

WHEREAS, the Forest Agriculture Zoning District was then subcategorized into two more zoning districts; Commercial Forest Agriculture (CFA) and Limited Forest Agriculture (LFA) as a result of the adoption of the Mt. Vernon Rural Management Plan: and,

WHEREAS, Horry County desires to eliminate the development of multi-family projects within CFA zoning district; and,

WHEREAS, it is the intent of the Horry County Council to reconcile the standards of the zoning ordinance.

NOW THEREFORE, by the power and authority granted to the Horry County Council by the Constitution of the State of South Carolina and the powers granted to the County by the General Assembly of the State, it is ordained and enacted that:

1. Amendment of Zoning Appendix 8 Article VII. Article VII Chart 706 of the Zoning Ordinance is hereby amended as follows:

   (All text in ~~strikethrough~~ shall be deleted and all text shown underlined and bolded shall be added.)

2. Amendment of Zoning Appendix B, Article VIII. Article VIII. Table 8-1 of the Zoning Ordinance is hereby amended as follows:

   (All text in ~~strikethrough~~ shall be deleted and all text shown underlined and bolded shall be added.)

3. **Severability:** If a Section, Sub-section, or part of this Ordinance shall be deemed or found to conflict with a provision of South Carolina law, or other pre-emptive legal principle, then that Section, Sub-section, or part of this Ordinance shall be deemed ineffective, but the remaining parts of this Ordinance shall remain in full force and effect.

4. **<u>Conflict with Preceding Ordinances:</u>** If a Section. Sub-section or provision of this Ordinance shall conflict with the provision of a Section, Sub-section or part of a preceding Ordinance of Horry County, then the preceding Section Sub-section, or part shall be deemed repealed and no longer in effect.
5. **<u>Effective Date:</u>** This Ordinance shall become effective upon third reading.

AND IT IS SO ORDAINED, ENACTED AND ORDERED dated this 16th day of November. 2021.

HORRY COUNTY COUNCJL

Johnny Gardner Chairman

Harold G. Worley. District I

Bill Howard, District 2

Dennis DiSabato, District 3

Gary Loftus District 4

Tyler Servant, District 5

Cam Crawford, District 6

Orton Bellamy, District 7

Johnny Vaught, District 8

R. Mark Causey, District 9

Danny Hardee, District 10

Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council

First Reading: October 19, 2021
Second Reading: November 2, 2021
Third Reading: November 16, 2021

County Council Decision Memorandum
Horry County. South Carolina

Date:	October 19, 2021
From:	Planning and Zoning
Division:	Infrastructure and Regulation
Prepared By:	David Jordan, Director
Cleared By:	David Jordan, Director
Regarding:	Density in the CFA Zoning District

ISSUE:

Should Horry County amend the Commercial Forest Agriculture (CFA) district to allow townhomes and multi-family developments with the same maximum density requirements as single family **OR** remove multi-family development?

PROPOSED ACTION:

Approve the revised Article VIII. Table 8-1 of the Zoning Ordinance as presented to I&R OR amend to the Planning Commission version.

RECOMMENDATION:

Staff recommends approval of either option.

BACKGROUND:

Currently within the Commercial Forest Agriculture (CFA) zoning district. single-family, townhomes, and multifamily dwellings are allowed. The single-family houses are allowed on *1/2-* acre lots and larger effectively limiting the density of single family to no more than two (2) units per net acre. Whereas, multi-family and townhomes can be developed at a density of three (3) units per gross acre. Initially, staff recommended and I&R Committee approved adjusting the density requirements of townhomes and multifamily to 2 units per net acre. After review, the Planning Commission recommends eliminating multifamily altogether and not adjusting the density requirements for townhomes.

ANALYSIS:

Large scale multi-family developments are an intense land use and should only be permitted in appropriate zoning districts. The majority of parcels currently zoned CFA are not suitable for multi-family development. However, there are still some CFA zoned parcels in the more densely populated areas that may be suitable for multi-family development. Those parcels should seek rezoning to allow the multifamily use and would typically he able to obtain a higher density than three (3) units per acre. Multi-family development with a density of three units per gross acre is generally only economically feasible if the land is burdened with unbuildable wetlands. The density for gross acreage allows the developer to count all property including those burdened with wetlands towards their maximum unit count.

Excerpt 2

STATE OF SOUTH CAROLINAORDINANCE NO: 2018-05

COUNTY OF GEORGETOWN

AN ORDINANCE TO AMEND ARTICLE III, DEFINITIONS, AND ARTICLE VI REQUIREMENTS BY DISTRICT, SECTIONS 601, 602, 603, 604, 605, 607, 610, 611, 622, 623, 625, 627, 628, 629, AND 630 OF THE ZONING ORDINANCE OF GEORGETOWN COUNTY, SOUTH CAROLINA TO ADDRESS ACCESSORY DWELLINGS

WHEREAS, THE CREATION OF AFFORDABLE HOUSING IS A GOAL OF GEORGETOWN COUNTY; AND

WHEREAS, MANY FAMILIES WANT THEIR AGING MEMBERS TO ENJOY THE EMOTIONAL AND FINANCIAL BENEFITS OF LIVING NEAR THEIR FAMILIES AND CARE GIVERS; AND

WHEREAS, HOME OWNERSHIP IS INCREASINGLY DIFFICULT AND

REVENUE GENERATED FROM AN ACCESSORY DWELLING WILL GREATLY BENEFIT A HOME OWNER; AND

WHEREAS, MANY PEOPLE DO NOT NEED OR DESIRE LARGE SQUARE FOOTAGE TO ENJOY LIFE; AND

WHEREAS, ACCESSORY DWELLINGS WOULD NOT CAUSE HARM TO NEIGHBORHOODS AND THIS ORDINANCE HAS NO EFFECT ON SUBDIVISIONS WITH CONFLICTING DEED RESTRICTIONS OR COVENANTS; AND

WHEREAS, THIS ORDINANCE DOES NOT ENCOURAGE SHORT-TERM RENTALS.

NOW THEREFORE BE IT ORDAINED BY THE COUNTY COUNCIL MEMBERS OF GEORGETOWN COUNTY, SOUTH CAROLINA, THAT ARTICLE III, DEFINITIONS, SECTION 339, DWELLING UNIT, OF THE ZONING ORDINANCE BE AMENDED BY ADDING SUBSECTION 339.5, ACCESSORY DWELLING UNIT, WHICH SHALL READ AS FOLLOWS:

> 339.5 Dwelling Unit, Accessory. A detached secondary single family dwelling that meets the International Building Codes, not to include a mobile home, located on the same parcel as a principal structure. Accessory dwelling units are to provide habitation for long-term periods which shall be deemed to exceed more than ninety (90) consecutive days.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 601, FOREST AND AGRICULTURE (FA), SUBSECTION 601.108 BE AMENDED TO READ AS FOLLOWS:

601.108 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 602, ONE ACRE RESIDENTIAL DISTRICT (R-1AC), SUBSECTION 602.101 BE AMENDED TO READ AS FOLLOWS:

602.101 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 603, ONE HALF ACRE RESIDENTIAL DISTRICT (R-1/2AC), SUBSECTION 603.101 BE AMENDED TO READ AS FOLLOWS:

603.101 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 604, 10,000 SQUARE FEET RESIDENTIAL DISTRICT (R-10), BE AMENDED BY ADDING SUBSECTION 604.203 WHICH SHALL READ AS FOLLOWS:

604.203 Accessory dwelling unit provided that:

604.2031 One accessory dwelling unit shall be allowed on a parcel with a principal use if the total parcel area is at least 12,000 square feet in area and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 605, 10,000 SQUARE FEET RESIDENTIAL DISTRICT (MR-10), SUBSECTION 605.202 BE ADDED TO READ AS FOLLOWS:

605.202 One accessory dwelling unit shall be allowed on a parcel with a principal use if the total parcel area is at least 12,000 square feet. Additionally, an accessory dwelling unit shall not be permitted as an accessory to a mobile home and the habitable space of the accessory unit shall not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 610, NEIGHBORHOOD COMMERCIAL DISTRICT (NC), SUBSECTION 610.206 BE AMENDED TO READ AS FOLLOWS:

610.206 Accessory dwelling units located on a parcel when the single family principal dwelling is not a mobile and the habitable space of the accessory unit does not exceed nine hundred (900) square feet. Detached accessory dwelling structures are not permitted when the principal use of a parcel is not residential.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTICT, SECTION 611, GENERAL COMMERCIAL (GC), SUBSECTION 611.221 BE ADDED TO READ AS FOLLOWS:

611.221 Accessory dwelling units located on a parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet. Detached accessory dwelling structures are not permitted when the principal use of a parcel is not residential.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 622, VILLAGE 10,000 SQUARE FEET RESIDENTIAL DISTRICT (VR-10), SUBSECTION 622.206 BE ADDED TO READ AS FOLLOWS:

622.206 One accessory dwelling unit shall be allowed on a parcel with a principal use if the total parcel area is at least 12,000 square feet and the habitable space of the accessory unit does not exceed nine hundred (900) square feet. Additionally, an accessory dwelling unit shall not be permitted as an accessory to a mobile home.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 623, RURAL VILLAGE COMMERCIAL (RVC), SUBSECTION 623.205 BE ADDED TO READ AS FOLLOWS:

623.205 One accessory dwelling unit shall be allowed on a parcel with a single family principal dwelling when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet. Additionally, an accessory dwelling unit shall not be permitted as an accessory to a mobile home.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 625, FOREST AGRICULTURE/ RESIDENTIAL DISTRICT (FA/R), SUBSECTION 625.106 BE AMENDED TO READ AS FOLLOWS:

625.106 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet.

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 627, THREE-QUARTER ACRE RESIDENTIAL DISTRICT (R-3/4AC), SECTION 627.101 BE AMENDED TO READ AS FOLLOWS:

627.101 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 628, FOREST AND AGRICULTURE/COMMERCIAL DISTRICT (FA/C), SUBSECTION 628.108 BE AMENDED TO READ AS FOLLOWS:

628.108 Single family dwellings and one accessory dwelling per parcel when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDINANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 629, 8,000 SQUARE FEET RESIDENTIAL DISTRICT (R-8), SUBSECTION 629.203, BE ADDED TO READ AS FOLLOWS:

629.203 Accessory dwelling unit provided that:

629.2031 One accessory dwelling unit shall be allowed on a parcel with a principal use if the total parcel area is at least 10,000 square feet in area when the single family principal dwelling is not a mobile home and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

BE IT FURTHER ORDAINED THAT THE ZONING ORDIONANCE, ARTICLE VI, REQUIREMENTS BY DISTRICT, SECTION 630, 6,000 SQUARE FEET DISTRICT (R-6), SUBSECTION 630.301 BE ADDED TO READ AS FOLLOWS:

630.3 Accessory dwelling unit provided that:

630.301 One accessory dwelling unit shall be allowed on a parcel with a principal single family dwelling that is not a mobile home if the total parcel area is at least 8,000 square feet in area and the habitable space of the accessory unit does not exceed nine hundred (900) square feet;

DONE, RATIFIED AND ADOPTED THIS __________ DAY OF
____________________, 2018.

____________________________________ (SEAL)
Johnny Morant
Chairman, Georgetown County Council

ATTEST:

____

Theresa Floyd
Clerk to Council

This Ordinance, No. 2018-05, has been reviewed by me and is hereby approved as to form and legality.

____

Wesley P. Bryant
Georgetown County Attorney

First Reading: ______________________
Second Reading: ______________________
Third Reading: ______________________

Appendix C. About Anderson Economic Group

Anderson Economic Group is a boutique consulting firm founded in 1996, with offices in East Lansing and Chicago. We specialize in public policy, market analysis, and valuation. Our team has a deep understanding of advanced economic modeling techniques and extensive experience in multiple industries, as well as in multiple U.S. states and other countries.

This report was completed by experts at AEG including Tina Dhariwal, Richard "Max" Melstrom, Tyler Marie Theile, and Shreya Vallampati. For more information on the authors or the firm, please visit www.AndersonEconomicGroup.com for more information.

Past clients of Anderson Economic Group include:

- *Governments:* The government of Canada; the states of Michigan, North Carolina, and Wisconsin; the cities of Detroit, Cincinnati, and Sandusky; counties such as Oakland (MI) and Collier (FL); and authorities such as the Detroit-Wayne County Port Authority.
- Businesses (*Automotive*): Manufacturers including General Motors, Ford Motor Company, Honda Motor Company, and Lithia Motors; dealers and dealership groups representing Toyota, Cadillac, American Honda Motor Company, Chrysler, Chevrolet, Mercedes-Benz, Ford, Audi, Kia, Genesis, and other brands. (*Financial, Sports, & Retail*): ITC Holdings Corp., First Merit Bank, Bank of America Merrill Lynch, Meijer, Inc., and Relevent Sports. (*Food & Beverage*): National Wine & Spirits, Nestle, Labatt USA, InBev USA. (*Franchise*): U.S. franchisees of Anheuser-Busch, Molson, Coors, Miller, Harley-Davidson, Suzuki, Avis, and others.
- *Nonprofit organizations:* higher education institutions including Michigan State University, University of Chicago, Wayne State University, and University of Michigan; trade associations such as the Michigan Manufacturers Association, Service Employees International Union, Automation Alley, and Business Leaders for Michigan; and Convention and visitor bureaus of several major areas.

