CENTRAL MIDLANDS Council of Governments

REGION REPORT

"Local Solutions to Regional Problems"

Summer 2003

Volume 1, Issue 1

In This Issue...

Development Boom: Residential and Commercial Construction in the Richland Northeast area

Inside: Transportation improvements that directly affect you

School Improvements: Richland School District 2-one of the largest and fastest growing school districts in South Carolina.

Demographics: Population, Income and Housing Characteristics for Richland Northeast.

Population Projections 2005-2025

The Return of the CMCOG REGION REPORT

Welcome to the latest edition of the ***CMCOG Region Report***. For many years Central Midlands COG has published survey reports examining trends in real estate and building construction. While these documents are comprehensive in scope, they are usually published at the end of each calendar year.

In order to make our data as accessible and current as possible, CMCOG will strive to publish this newsletter quarterly and will focus on one particular area of the Central Midlands region, highlighting general development trends and building permit activity, new construction in commercial and residential real estate, as well as other infrastructure improvements and demographic information of the area under review.

In conjunction, we will continue to collect and make available the detailed data previously published in our *Multi-family Rental and Condominium Study*, *Building Permit Survey*, and *Commercial Real Estate Survey* through our internet site.

We hope you find both this newsletter and web site useful. If you have any suggestions regarding the content of this newsletter, please contact Ben Mauldin, Andy Simmons, or Evelyn Gealy at the following:

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To find out more about Central Midlands COG and the information presented, please visit our web site at:

www.centralmidlands.org

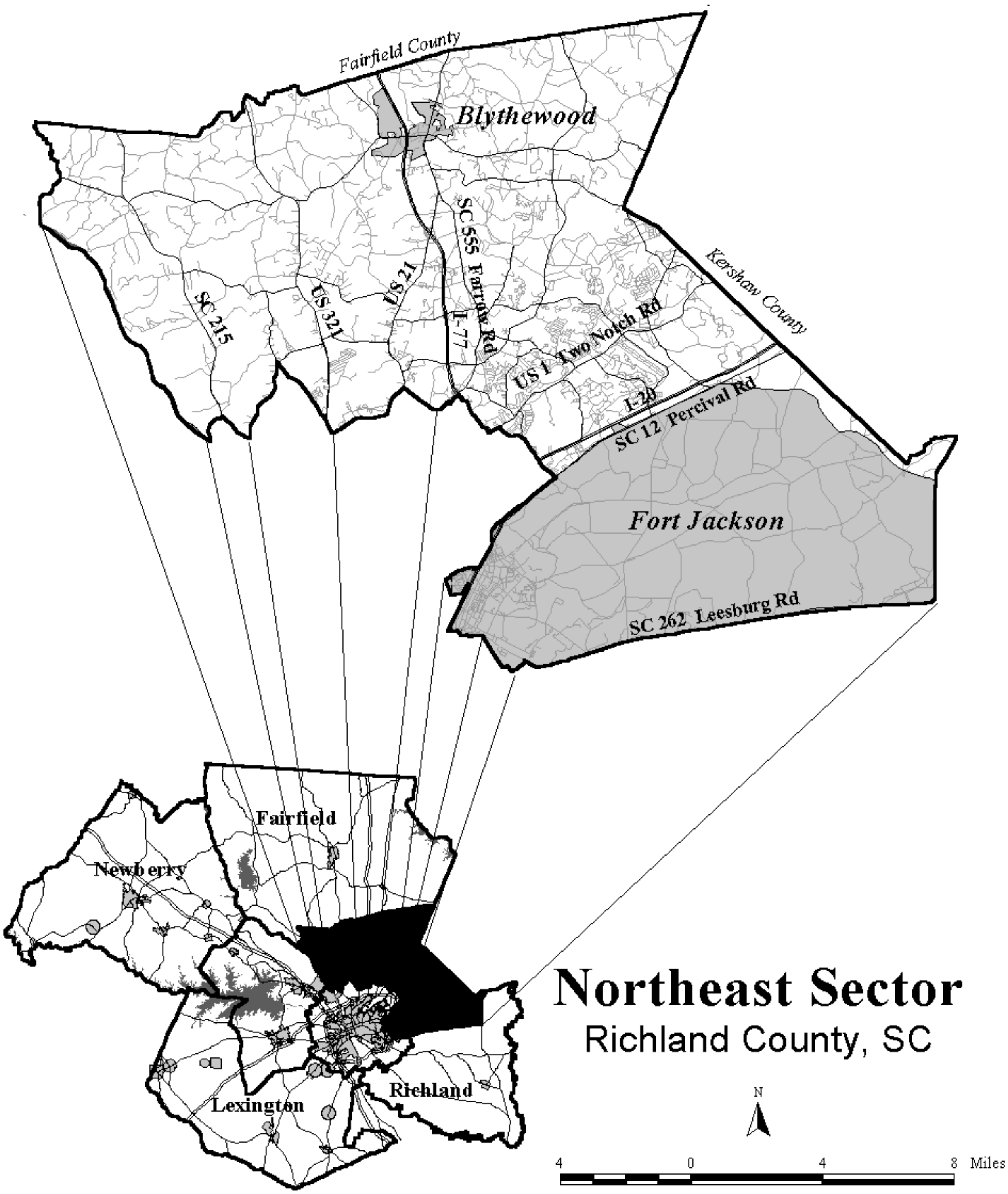
In Focus:

The Northeast

Market Area The Northeast area is located in the northeast corner of Richland County. This area includes Fort Jackson, Richland North East, Blythewood and Cedar Creek areas. The North East area continues to remain a fast growing area given its proximity to the I-77 industrial corridor, Two Notch Rd, and I-20. The development pattern of recent years is expected to continue with the expansion and relocation of commercial developments coupled with further residential growth.

The Economy The 1990 civilian labor force for the North East area was 21,591. In 2000, the labor force grew to 35,138, an increase of 62.7%. In 2000, the area unemployment rate was 3.9%, below the Richland county rate of 4.2%. Employment in the Northeast is divided as follows: Services - 45.1%; Wholesale/ Retail Trade - 13%; Finance, Insurance, & Real Estate - 11.2%;Manufacturing - 10.8%; Government - 10%; Construction - 5.4%; Transportation - 4.3% and Agricul-

(Continued on page 3)


Fairfield County
Blythewood
SC 555 Farrow Rd
US 21
US 321
SC 215
I-77
US 1 Two Notch Rd
Kershaw County
I-20
SC 12 Percival Rd
Fort Jackson
SC 262 Leesburg Rd
Fairfield
Newberry
Lexington
Richland
Northeast Sector
Richland County, SC
N
4
0
4
8 Miles

Northeast Development Climate

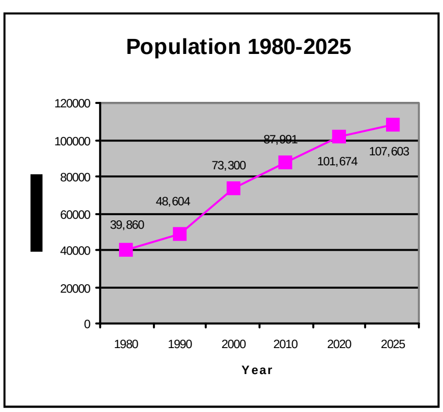
(Continued from page 1)

ture/Mining - 0.2%.

New corporations continue to develop and expand in this area due to the recent Clemson Rd improvements and the completion of the southeastern beltway, both of which allow easy access to I-77, I-20, and I-26. Despite the downsizing of one of the area's largest employers (CSC), the Northeast area continues to attract major (often international) companies. Amongst the largest employers in the area are Blue Cross & Blue Shield of SC, Bose Corp, FN Manufacturing & Diamont Boart (Belgium), Spirax Sarco (UK), Siemens and Schmalbach-Lubeca (Germany).

Population

The population of the Northeast area is one of the fastest growing in the region. In 1990, the population was 48,604, but by 2000 had grown to 73,300; a 50.8% increase. By 2005, the population is expected to increase to 80,636, an increase of 10%. It is projected that the area will grow to 87,991 by 2010, 95,058 by 2015, 101,674 by 2020 and 107,603 by 2025, a growth rate of 31.9% over 25 years.



Housing

In 2000, there were 23,092 occupied households in the Northeast area, up from 13,620 in 1990. 81.8 % of residents lived in family households of which 38% were families with children. Almost 80% of Northeast residents own their homes; a 3% increase from 1990 and 20% rent their homes. Single-family housing accounts for 76.4% of housing stock, multi-family housing accounts for 9.6% and mobile homes account for 14% of housing. There were approximately 2.9 persons per household and 3.2 persons per family. The Northeast area has the following population age characteristics: under 5 years: 7.1%; 5 - 19 years: 26.6%; 20 - 24 years: 8.1%; 25 - 64 years: 52.8% and 65 years and older: 5.4%. The average 2000 household income for the area was $51,566, up from $46,496 in 1990. The average family income was $57,684, up from $49,797 in 1990.

Northeast Major Employers

Employer	Employees
Blue Cross Blue Shield	4,600
Richland School District Two	2,500
Bose Corporation	1,149
FN Manufacturing	362
Spirax Sarco	341
Siemens Diesel	300
Diamant Boart Incorporated	190
Schmalbach-Lubeca	177

Source: SC DOC Industrial Directory

Infrastructure

Schools: The majority of Richland School District Two falls in the Northeast planning area. In 2001, 18,439 students were enrolled in the district, making it the seventh largest school district in the state. District 2 seniors have a graduation rate of 93%.

Thirteen of the 19 District 2 schools have been named National Blue Ribbon Schools by the U. S. Department of Education and 7 schools have been named Palmetto's Finest schools.

To meet the demands of the tremendous growth in the Northeast, which has seen student enrollment increase 38% since 1993, three new schools are currently under construction. The District's 10 Year Plan further proposes the construction of 4 new elementary schools, 2 new middle schools and 1 new high school to satisfy enrollment numbers which are expected to surpass 25,000 students by 2013.

Within the Northeast area, education levels are high. Over 90% of people have at least a high school diploma, and 29.5% possess a college degree.

(Continued on page 4)

CMCOG Market Areas

The Metro Core area is made up of the following areas: Downtown Columbia, South Richland, East Richland, North Richland, St. Andrews and Cayce / West Columbia areas; the North East area includes Fort Jackson, Richland North East, Blythewood and Cedar Creek areas; the Lake Murray area is made up of the Dutch Fork/ Irmo, Chapin and Lexington areas; the Southwest Lexington area includes South East Lexington and West Lexington areas; the Lower Richland area includes Horrell Hill, Hopkins and Eastover. The other areas include Fairfield and Newberry Counties.

See Northeast Sectors Map on Page 2 for market areas.

Development Climate Continued

(Continued from page 3)

Transportation

Northeast Transportation Projects				
Project	**Location**	**Action**	**Estimated Cost**	**Current Activity**
Northern Arterial	Clemson Road between I-77 & US 1	Widening	$13,000,000	Final Phase not yet Complete
Hardscrabble Road	Farrow Rd @ I-77 to Lake Carolina	Widening	$19,400,000	Planned
US 21/Wilson Blvd	I-77 to Blythewood Road	Widening	None Available	Planned
Spears Creek Church Road	I-20 to Two Notch Road	Widening	None Available	Planned
US 321	Koon Store Rd to Blythewood Road	Widening	None Available	Planned

Source: CMCOG Transportation Improvement Program

There are a number of road improvements scheduled to be made in the Northeast sector under the latest Central Midlands COG 2025 Long RangeTransportation Plan. There are currently five projects proposed in the Northeast Area. Recent infrastructure improvements include the widening of Clemson Road from Two Notch Road to Winslow Way, complete with a new interchange at Two Notch Road at a total cost of $25.3 million. There are also a number of intersections in the area scheduled for improvement as funds become available to improve traffic flow and safety. These intersections include Sparkleberry Lane at Viking Drive; Sparkleberry Lane at Wotan Rd; Polo Rd at Running Fox Rd; Polo Rd at Mallet Hill Rd; North Springs Rd at Risdon Way; Hardscrabble Rd at Lee Rd, and Blythewood Rd at Boney Rd.

Building Permit Activity

The Northeast area features some of the finest residential communities in the Columbia, SC metropolitan area. The growth of international corporations, as well as good schools and convenient access to Downtown Columbia and the interstate network has attracted many residents. The I-77 corridor has helped industry to continue growing in this area. Other factors such as recreational lakes, a rural atmosphere and numerous country club developments have all contributed to the growth of Richland Northeast.

Communities in the area offer a variety of price ranges. Homes in the older communities start at $65,000, while those

(Continued on page 5)

Distances to Major Markets from the Northeast Sector

Downtown Columbia
12 miles

Charlotte, NC
89 miles

Charleston, SC
128 miles

Atlanta, GA
223 miles

Raleigh, NC
214 miles

Washington, DC
471 miles

Building Permit Activity Continued

(Continued from page 4)

in the more exclusive country club developments range in price from $140,000 to $1 million.

Historical: New home construction accounts for the majority of permits issued in the Northeast. Between 1998 and 2002, 6,649 permits were issued for new single family homes in this area, at an average cost over the five years of $84,700.

Residential: The single family housing market continues to be very strong in the Northeast area. 2002 saw a record number of single family permits issued in this area. In 2002, 1,461 single family permits were issued with a total construction cost of close to $140 million. Much of this development is centered around Hardscrabble Road and Spears Creek Church Road.

Multi-Family Housing has also increased with an additional 789 units permitted between 1998 and 2002. This new construction helps explain some of the population growth in this area since 1990.

Non-Residential The total value of non-residential permits issued between 1998 and 2002 was almost $294 million. In 2002, the largest permit was valued at $10,455,000 for Phase 2 of Blue Cross & Blue Shield of South Carolina's 126,000 square foot facility at 4101 Percival Road.

Northeast Building Permits				
	2001		2002	
Permit Type	Number	Average Cost	Number	Average Cost
Additions	138	$34,670	102	$48,836
Assembly	3	$138,667	4	$262,263
Business	60	$525,721	64	$514,937
Educational	2	$3,472,831	0	$0
Factory	1	$525,000	0	$0
Mercantile	6	$1,309,344	2	$1,211,831
Single Family	1,302	$85,146	1,461	$95,705
Repair	NA	NA	42	$106,533
Multi Family	82	$27,873	39	$174,419
Storage	3	$363,624	18	$69,322

Source: CMCOG Building Permits Survey

Other notable permits were for $2,750,000 for the Kohl's shopping center at 10136 Two Notch Road, and another permit valued at $2,048,040 for Sparkleberry Square shopping center.

Overview by Sector

Breaking the Northeast area down further into submarkets reveals the following:

The majority of the growth is taking place in the Richland Northeast sub-market (the area bordered by I-77, Hardscrabble Rd, Spears Creek Church Rd and Percival Rd). 69% of Northeast Richland County building permits were issued in this zone in 2002. The Blythewood area is responsible for 24.4% of all permits, followed by Cedar Creek (6.1%) and Fort Jackson (0.5%).

Richland Northeast's submarket is where the majority of single-family permits are issued (71%). Cedar Creek has the highest average cost per single-family permit ($115,376).

The majority of business building permits are issued in the Richland Northeast submarket (71.9%). The highest average cost per business permit is also found in this sector ($646,664)

Data Collection

All building permits issued for the construction of new residential units or the construction of nonresidential structures are included. In addition, building permits issued for additions, alterations or repairs on nonresidential structures are included if the value of the work was listed for $25,000 or greater. Also included are the additions and repairs to residential structures costing over $10,000. Central Midlands COG has elected to study the cost of repairs more closely to attempt to determine where regeneration of older housing stock is taking place.

Permits issued for the construction of garages, carports, swimming pools, storage sheds, etc. on residential property are not included in this study.

Multi-family Housing Development

The Northeast area has the third highest number of apartment units in the Columbia area. In 2002, there were 1,781 multi-family housing units in the Northeast. This accounts for 6.5% of all apartments in the Columbia Metro Area. Of these units, 131 (7.4%) were vacant in 2002. This vacancy rate is in line with that of the Columbia Metropolitan Statistical Area (MSA), which has an overall vacancy rate of 7.5%.

While the Northeast area does not have the large volume of apartments as seen in some areas of Columbia, development in this sector of the housing market has been considerable. Since 1996, 1,005 new units have been constructed, with a further 505 under construction and 217 planned for construction.

The majority of units in the Northeast area (48%) are two bedroom units and rental rates are the second highest in the Columbia area with rent for a 2 bedroom unit averaging $720/month. 33% of units have one bedroom (average rent = $623/month), and 19% have three or more bedrooms (average rent = $946)

Northeast Multi-family Developments

Development	Development Stage	# of Units	Location
Reserve At Lake Carolina	Under Construction	328 Units	4920 Hardscrabble Road
Rice Creek Farms	Under Construction	177 Units	Rice Creek Way
Carolina Crossing	Planned	180 Units	I-77 & Farrow Rd

Source: CMCOG Multi-Family Survey

Retail and Office Space Trends

Due to the fact that commercial development tends to follow residential growth patterns, the Northeast area has developed into one of the primary markets for office and retail space expansion. The area has grown commercially over the last few years from the 6th largest in 1996 to the 4th largest submarket for office space in 2002 with 10.6% of the Columbia area's leasable office space. In 2002, 1.352,767 square feet of office space in 42 buildings was surveyed with a vacancy rate of 22.1%. Rental rates are the 3rd highest in the Columbia area with an average of $14.22 per square foot.
These figures represent an considerable increase in the area since 1996. In 1996, the Northeast area had just 3.3% of the Columbia area office space with 322,987 square feet. Vacancy rates, however, were much lower at just 1.5%.

In 2002, the Northeast sector retained its place as seventh largest retail submarket in the Columbia MSA, containing 20 of the retail structures surveyed. This ranking is expected to increase over the next few years, as an additional 1.6 million square feet of retail space are currently either under construction or planned for development. These future developments include facilities such as the Village at Sandhill (1,134,000 square feet), Phase 2 of Sparkleberry Square on Two Notch Road (145,916 square feet), and the Village Square (100,000 square feet) in Blythewood. In 2002, the Northeast had the lowest retail vacancy rate in the Columbia area with just 2.4%. The average rental rate on a new lease in the Richland Northeast area is $12.56 per square foot; 3rd highest in the Columbia area behind the Harbison area in the Dutch Fork/ Irmo zone and Garners Ferry Road in the East Richland submarket.

Northeast Office & Retail Space

	Office	Retail
Square Ft	1,352,767	1,283,099
Vacancy Rate	22.1%	2.4%
Market Share	10.6%	10.9%
Rental Rate	$14.22	$12.56

Selected Statistics for The Northeast Area

2000 Census Data

AGE			
	Total	Male	Female
Total Persons	73,300	36,578	36,722
Under 5 Yrs	5,139	2,557	2,582
5-17 Yrs	15,503	8,001	7,502
18-24 Yrs	9,944	5,691	4,253
25-39 Yrs	17,336	8,180	9,156
40-64 Yrs	21,402	10,367	11,035
65-84 Yrs	3,719	1,713	2,006
85 Yrs & older	257	69	188

RACE						
	White		Black		Other	
Age	Male	Female	Male	Female	Male	Female
Under 5	1,259	1,406	1,100	967	198	209
5-17 Yrs	4,119	3,703	3,420	3,309	462	490
18-24 Yrs	3,267	1,941	1,800	1,812	624	500
25-39 Yrs	4,615	4,842	2,877	3,706	688	608
40-64 Yrs	6,929	7,057	3,103	3,495	335	483
65-84 Yrs	1,319	1,412	326	354	68	240
85 +	64	149	5	20	0	19

2000 Income	
Income	**H-holds**
Below $10,000	1,070
$10,000-$14,999	700
$15,000-$19,999	812
$20,000-$24,999	1,180
$25,000-$29,999	1,134
$30,000-$34,999	1,393
$35,000-$39,999	1,271
$40,000-$44,999	1,405
$45,000-$49,999	1,176
$50,000-$59,999	2,363
$60,000-$74,999	3,103
$75,000-$99,999	3,287
$100,000-$124,999	1,848
$125,000-$149,999	831
$150,000-$199,999	855
Over $200,000	774
Average HH Income	$51,566

Source: 2000 Census of Population and Housing

Housing Values	
Value	**# of Houses**
Less than $19,999	607
$20,000-$49,999	946
$50,000-$79,999	2,380
$80,000-$99,999	3,230
$100,000-$149,999	4,846
$150,000-$199,999	2,801
$200,000-$299,999	2,039
$300,000-$399,999	908
$400,000-$499,999	267
$500,000-$749,999	235
$750,000-$999,999	23
$1,000,000 +	53

Occupancy	
	Total
Total Housing Units	24,587
Vacant	1,495
Occupied	23,092
Owner-Occupied	18,326
Renter-Occupied	4,766

Educational Attainment	
Level	**# of Persons**
Less than 9th Grade	1,270
9th-12th Grade	2,639
High School Graduate	9,017
Some College	10,172
Associate Degree	3,921
Bachelor 's Degree	9,936
Graduate Degree	2,658

Poverty	
Below Poverty Level	**4,691**
Above Poverty Level	**68,564**

Newsletter Format

The newsletter will focus on one of six areas of the Midlands. Each newsletter will highlight the developments in that area. These articles will serve as a brief overview of the development in each of the market areas. Our website will have the detailed data online.

Highlighted in each issue will be other “hotspots” in the region. These will include major developments and trends occurring in other parts of the Midlands.

“Hotspots” will be seen next in the Fall Edition of “Region Report.“

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Central Midlands Online

You can visit Central Midlands Council of Government on the internet. The address of our homepage is: ***www.centralmidlands.org***
Our website features information about the various departments and projects of CMCOG. The current Board of Directors Monthly Agendas are accessible, as well as a calendar of meetings. The website lists public notices related to CMCOG and the Midlands Area. In addition, the quarterly newsletter, RegionReport, is available for online viewing and current employment opportunities at the COG are listed. The CMCOG webpage also features access to extensive data including census figures, school information, as well as government resources in the area. .

Our website features South Carolina Web Seek (***www.scwebseek.com***). This is a service provided by CMCOG that allows users to search for statistics and information on South Carolina and the Midlands Area. This search engine is similar to other national search engines such as Yahoo. ***www.scmidlandsinfo.com*** is our regional data portal with access to online mapping resources and a wealth of other data.

All of our annual reports are available for purchase and download from the CMCOG website. Visit ***www.centralmidlands.org/All.html***

Central Midlands Council of Government - Our Data, Your Resource!!