



REGION REPORT

“Local Solutions to Regional Problems”

Winter 2003

Volume 1, Issue 3

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Residential and Commercial growth in Lexington.
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Welcome to the fall 2003 edition of the **CMCOG Region Report.**

This issue of **Region Report** focuses on the area around the Town of Lexington. Until the last 10 years, Lexington had experienced modest growth, but had not traditionally been considered one of the major areas for commercial and residential development in the Central Midlands region. Since 1990, however, Lexington has witnessed some of the most rapid growth of anywhere in South Carolina. New housing construction has increased from approximately 400 units per year in the 1980s to an average of 700 per year between 1990 and 2003. Between 1990 and 2000, the population of the Town of Lexington increased by 142% - the largest growth of any municipality in South Carolina. Commercial development in Lexington has mirrored its phenomenal residential growth with many new retail outlets opening for business in the last few years. As a result, while the Lexington area has experienced tremendous growth, it now faces a number of growth-related problems. Traffic congestion is now considered to be a major problem and sprawl and loss of green spaces are becoming more of an issue. Schools in Lexington District One are some of the best in the State but many are now overcrowded, and more new facilities are needed. These are just some of the issues to be considered to maintain the quality of life of this fast-growing and ever-changing portion of the Central Midlands Region.

IN OTHER NEWS:

Have you visited www.centralmidlands.org lately? If not, you will have missed the launch of our new, updated website. Point your browsers our way, and let us know what you think of our new look.

If you have any suggestions regarding the content of this newsletter, please contact Ben Mauldin, Andy Simmons or Evelyn Gealy at the following:

803-376-5390
Fax: 803-376-5394
bmauldin@centralmidlands.org
asimmons@centralmidlands.org
egealy@centralmidlands.org

In Focus:



LEXINGTON

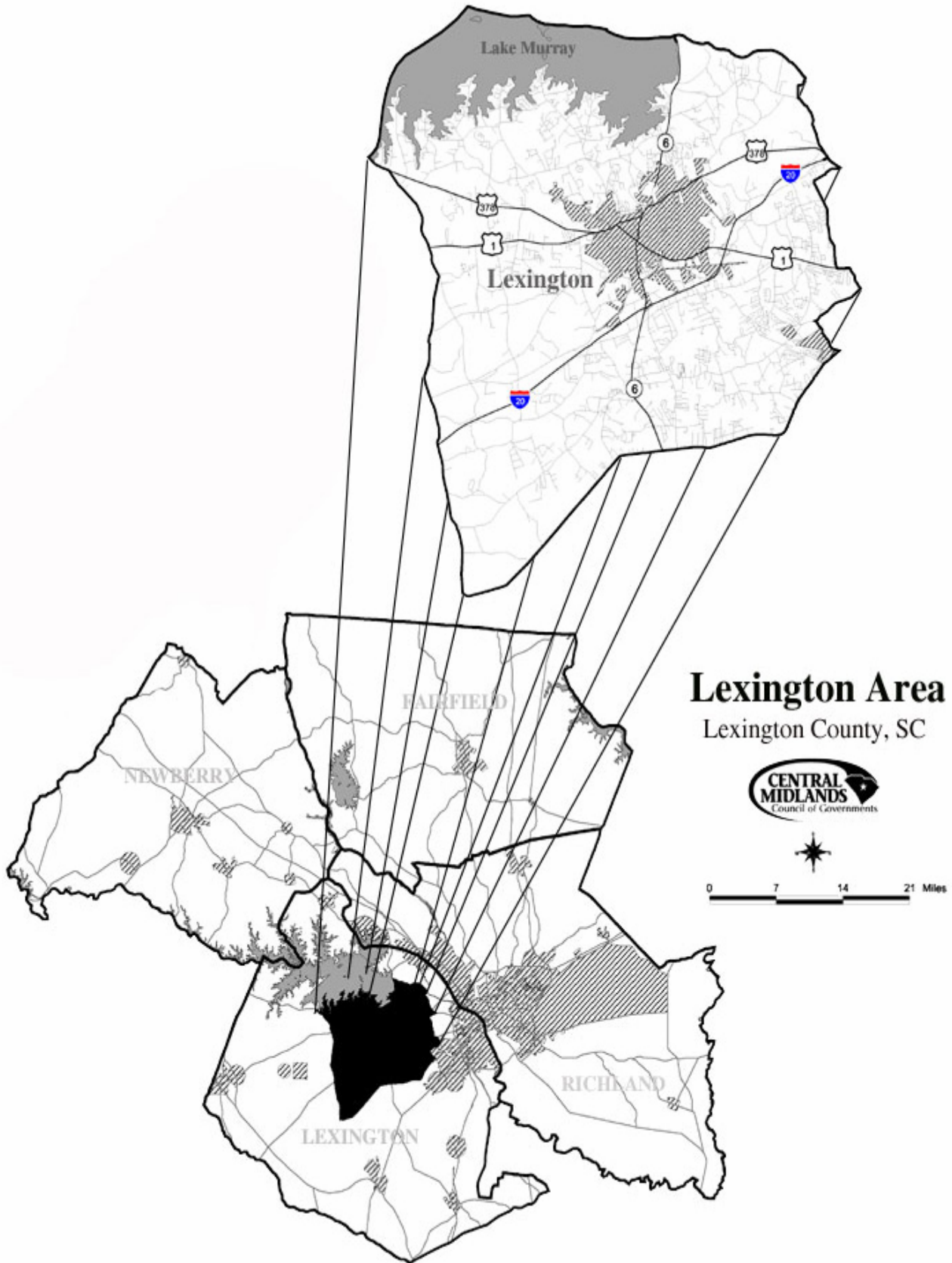
Market Area: The Lexington area is located in the central part of Lexington County and includes the Town of Lexington and Red Bank areas. This area is one of the fastest growing in South Carolina due to its proximity to Lake Murray and the excellent area schools. Commercial and retail growth is booming along US 378 and US 1, with the arrival of some of the larger chain stores. This aggressive development trend of the last 10 years is not expected to slow in the near future. More new subdivisions are being planned on the outskirts of Lexington towards I-20. The presence of I-20 and I-26 is also attractive for industry, and several large and international companies now have operations in the Lexington area.

The Economy: In 1990, the civilian labor force for the Lexington area was 27,790. By 2000, the labor force in this sector had grown to 42,737; an increase of over 50%. At the same time, the population of the area grew by a similar rate (54.1%); another indicator of the tre-

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www.centralmidlands.org

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Northwest Development Climate

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 [North West](#) sector is made up of the Dutch Fork/ Irmo, St. Andrews & Chapin areas; the [Lexington](#) area comprises the immediate vicinity of the Town of Lexington; the [Southwest Lexington](#) area includes South East Lexington and West Lexington County areas; the [Lower Richland](#) area includes Horrell Hill, Hopkins and Eastover. The other areas comprise [Fairfield and Newberry Counties](#).

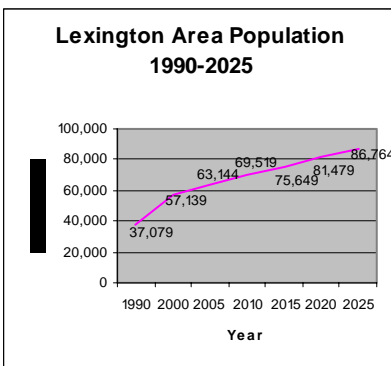
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mendous growth in this sector over the last 10-15 years.

Employment in the Lexington area is divided as follows: Services - 42.2%; Wholesale/ Retail Trade - 15.2%; Finance, Insurance, & Real Estate - 8.9%; Manufacturing - 11.1%; Government - 7.9%; Construction - 7.7%; Transportation - 6.5% and Agriculture/Mining - 0.4%.

The Northwest area is a desirable area for employers, particularly retail employers, due to the presence of young, professionals and families. Furthermore, unemployment is low. In 2000, just 2% of the labor force was unemployed, slightly lower than the 2000 Lexington County rate of 2.5%.

Much retail expansion has taken place in and along US 378 to the east of Downtown Lexington, with retailers such as Kohl's, Ross, Office Depot having recently moved into this area. Similar developments are expected to occur along US 1 between Lexington and I-20. This area is attractive to retailers due to the higher disposable income of residents and low unemployment rates.



Population

The population of the Lexington area is perhaps the fastest growing in our region. In 1990, the population was 37,079, but by 2000 had grown to 57,139; a 54.1% increase. By 2005, the population is expected to increase to 63,144, an increase of 10.1%. It is projected that the area will grow to 69,519 by 2010, 75,649 by 2015, 81,479 by 2020 and 86,764 by 2025, a growth rate of 51.8% over 25 years.

Housing

In 2000, there were 20,958 occupied housing units in the Lexington area, up from 13,120 in 1990. 77.3 % of residents lived in family households, of which 56% were families with children. Homeownership rates in Lexington are high: 83.9% of Lexington area residents own their homes. Only 16.1% of residents rent their homes. Single-family housing accounts for 75.7% of housing stock, multi-family housing accounts for just 6.9% and mobile homes account for 17.3% of housing. There were approximately 2.7 persons per household and 3.04 persons per family. The Lexington area has the following population age characteristics: under 5 years: 7.7%; 5 - 19 years: 22.5%; 20 - 24 years: 4.4%; 25 - 64 years: 57.8% and 65 years and older: 7.6%. The median age is 35.4. The average 2000 household income for the area was \$53,060, up from \$37,467 in

Employer	Employees
Lexington School Dist. 1	2,500
Michelin Tire Corp	1,602
Wal-Mart	540
Cooper Tools	441
Southeastern Freightlines	410
Pirelli Cable	375
Lex. County Sheriff's Dept	350
PYA Monarch	350

Source: SC DOC Industrial Directory

1990. The average family income was \$58,269, up from \$41,499 in 1990.

Schools

Lexington School District One is located within the Lexington area, although the boundaries of the school district extend beyond the study area of this report. In 2003, 12,693 students were enrolled in the eleven schools serving the Lexington area.

Lexington School District One's student population is one of fastest growing in South Carolina due to the area's massive residential growth, growing by 500-700 students per year. As a result, 8 new schools have been constructed in the district since 1989.

The Lexington area has an alternative learning center, 7 elementary schools, 2 middle schools, and 2 high schools, as well as a technology center.

Within the Lexington area, education levels are quite high. Over 87% of people have at least a high school diploma, and 28% possess

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Development Climate Continued

(Continued from page 3)

at least a bache-

lor's degree.

Transportation

One of the effects of rapid population growth, particularly in a dormitory community like the Lexington, is traffic congestion. It is widely acknowledged that the traffic problems facing the Lexington area, as a result of its tremendous growth, are among the worst in the entire state. Once quiet highways are now overcrowded for much of the day as drivers set out to get to schools, shops and homes that did not exist 5 or 10 years ago. A number of possible solutions to the area traffic problems have been discussed, and a decision on a remedy for should be made in the near future on a bypass—see Wayne for name.

As a result of the latest update to the Long Range Transportation Plan (LRTP), several projects were identified with the goal of reducing traffic problems in this area. Listed below are some of the more significant highway (non-Interstate) projects scheduled or proposed for the Lexington area.

Lexington Transportation Projects				
Project	Location	Action	Estimated Cost	Current Activity
I-20 @ SC 6	Railroad Ave to Two Notch Rd	Interstate Access Improvements	\$17,729,000	Under Construction
SC 6 Improvements	SC 6 @ US1; @ Dreher Rd & @ Gibson Rd	Intersection Improvements	\$1,650,000	Under Construction
SC 6 Widening	SC 6 @ US 378 to Lake Murray Dam	Widening and Intersection Improvements	\$25,500,000	Construction to begin Fall 2004
SC 6	Two Notch Rd to Nazareth Church Rd	Widen to 5 lanes	Not Known	Proposed
Old Cherokee Rd	Old Cherokee from 378 E to 378 W	Widen to 5 lanes	Not Known	Proposed

Source: CMCOG Transportation Improvement Program

Building Permit Activity

Over the last 10 years, the Lexington area has become one of the more desirable and affordable residential areas in the Columbia metropolitan area. The influx of jobs, as well as good schools and convenient access to Downtown Columbia and the Interstate network has attracted many businesses and residents. The I-20 corridor continues to

attract industry to this area. Other factors such as the close proximity to Lake Murray, a rural atmosphere and country club and golf course developments have all contributed to the growth of the Lexington area as a place where more people are wanting to live.

Communities in the area offer a variety of price ranges. Homes in the older communities closer to Downtown Lexington start at modest prices, while those in the more exclusive developments, such as Hope Ferry Plantation range in price from \$200,000 to over \$1 million

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Distances to Major Markets from the Lexington Area

Downtown Columbia
11 miles

Charlotte, NC
101 miles

Charleston, SC
121 miles

Atlanta, GA
214 miles

Raleigh, NC
234 miles

Washington, DC
490 miles

Building Permit Activity Continued

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around Lake Murray.

Historical: New home construction accounts for the majority of permits issued in the Lexington. Between 1998 and 2002, 3,766 permits were issued for new single family homes in this area, at an average cost over the five years of \$106,306. The residential home-building trend in Lexington is expected to continue apace and 2002 saw the most permits (863) issued since 1998.

Residential: The single family housing market continues to be very strong in the Lexington area. And 2002 was no exception. In 2002, 863 single family permits were issued with a total construction cost of almost \$99.8 million. The majority of permits (31%) were for homes to be constructed north of Lexington, between US 378 and Lake Murray and

west of Highway 6.

As a result of the population boom in Lexington, the Multi-Family Housing market has also increased significantly. Between 1998 and 2002, 818 new units were permitted. 107 units were permitted in 2002. In 2000, Multi-Family housing accounted for just under 7% of the housing stock in the Lexington sector, about the same as in 1990. This trend is expected to continue. Between 1992 and 2002, over 1,200 multi-family housing units were constructed in the Lexington area.

Non-Residential: The total value of non-residential permits issued in 2002 was a little over \$21 million, with business permits accounting for the majority of non-residential permits (\$16.8 million). In 2002, the largest permit issued was valued at \$2 million to construct an office building on

Monroe Lane, Lexington. Other notable permits issued in 2002 were for \$1.5 million for Community Federal Bank on Sunset Boulevard; \$1,070,399 for an Office Depot store on Sunset Boulevard; \$1,063,653 for the Lexington Church of Christ on Ball Park Road and \$1.08 million for Phase 2 of Lexington Place shopping center on Sunset Boulevard.

Overview by Sector

Unsurprisingly, the highest value building permits are issued within the Town of Lexington. The Town of Lexington accounted for 68.6% of the value of all permits issued in the Lexington area in 2002-- this amounted to over \$14.4 million. The next largest sub-market for non-residential permits in 2002 was the Boiling Springs area to the southwest of Lexington, which had \$2.6 million in non-residential permits, followed by Corley Mill Road area (\$1.74 million)

The area north of the Town of Lexington between Old Cherokee Road and Lake Murray is where the majority of single-family housing permits are issued. This area accounts for 34.6% of permits for single family homes. The average cost per permit in this area \$103,309. The Town of Lexington area rated second highest for number of single family housing permits issued with 26.7% (average cost per permit was \$92,783), followed by Three Fountains with 15.7% of single family permits at an average cost of \$93,418.

New multi-family housing permits totaled \$6.2 million in 2002 in the Lexington area with 107 permits issued, all in the Boiling Springs area.

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.

Lexington Area Building Permits				
Permit Type	2001		2002	
	Number	Average Cost	Number	Average Cost
Additions	147	\$66,322	148	\$41,262
Assembly	18	\$44,748	4	\$438,135
Business	67	\$285,754	54	\$311,224
Educational	0	\$0	1	\$479,825
Factory	4	\$275,589	0	\$0
Mercantile	5	\$323,453	2	\$231,400
Single Family	716	\$112,610	863	\$115,641
Repair	NA	NA	48	\$38,859
Multi Family	167	\$58,353	107	\$67,467
Storage	16	\$48,107	24	\$63,834

Source: CMCOG Building Permit Survey

Multi-family Housing Development

The Lexington area has not traditionally been a key market for multi-family housing. However, with the massive population boom since the 1990s, multi-family housing construction has also increased as the market attracts more and more residential development. However, apartment growth has not increased in the same way of single family housing in this area. In 2002, there were around 991 multi-family housing units in the Lexington area. This accounts for just 3.6% of all apartments in the Columbia Metro Area. Of these units, 67 (6.8%) were vacant in 2002. This vacancy rate is lower than that of the entire Columbia Metropolitan Statistical Area (MSA), which has an overall vacancy rate of 7.5%.

Despite not being the major multi-family housing sector of other market areas in the Columbia MSA, growth has been steady over the last 5 years. Since 1997, 580 new apartment units have been constructed in the Lexington area - accounting for over half the present apartment units in this sector!

The majority of units in the Lexington area (58.8%) are two bedroom units. 2002 rental rates were slightly lower than the average for the Columbia area, with rent for a 2 bedroom unit averaging \$576/month (\$586/month is MSA average) 29.8% of units have one bedroom (average rent = \$519/month), and 11.4% have three or more bedrooms (average rent = \$720)

Source: CMCOG Multi-Family Survey

Largest Lexington Area Multi-Family Housing Complexes		
Complex Name	Address	# of Units
Old Mill Apartments	809 East Main Street, Lexington	260 Units
Chimney Ridge	Palmetto Park Blvd, Lexington	200 Units
Thornhill Apartments	5470 Augusta Road, Lexington	180 Units

Retail and Office Space Trends

The Lexington area ranks 7th out of the 10 submarkets in the Greater Columbia area for office space with 415,508 square feet of leasable office space. This represents an increase of 12,480 square feet from 2002. The majority of office space in the Lexington sector (85%) is concentrated in the Downtown Lexington area and has the highest vacancy rate in the Columbia area at 67.2%, although this is an improvement from the 69.9% rate reported in 2002. Lexington ranks 7th in rental rates with an average cost of \$10.82 per square foot. Despite it's relatively small market share, Lexington has experienced considerable growth in the amount of office space available over the last 10 years. In 1994, Lexington had just 42,700 square feet of leasable office space and a vacancy rate of 52.6%. The largest office building in the Lexington area is the Cisco Building on Platt Springs Road at 144,000 square feet. This building is currently vacant.

The Lexington area continues to grow commercially as new retail complexes spring up along the main arterial routes into the Town of Lexington. The Lexington area now accounts for a total of 1,120,169 square feet of retail space (7.4% of the area market). This represents an increase of 144,697 square feet since 2000. The retail market share of the Lexington area has the potential to grow further over the next few years. One shopping center of 61,000 square feet is under construction on Longs Pond Road, while there is more potential land to be developed for retail purposes on US 378 and US 1. Currently, the Lexington area has the 2nd lowest retail vacancy rate in the Columbia area with 3.8%. At \$11.45 per square foot, rental rates are slightly lower than the region average of \$16.41. The largest commercial property in the Lexington area is the Lexington Town Center on Highway 378 at SC 6 with a gross area of 155,754 square feet.

Lexington Office & Retail Space		
	Office Space	Retail Space
Square Ft	415,508	1,120,169
Vacancy Rate	67.2%	3.8%
Market Share	3.3%	7.4%
Rental Rate	\$10.82	\$11.45

Selected Statistics for The Lexington Area

2000 Census Data

AGE			
	Total	Male	Female
Total Persons	57,139	27,966	29,173
Under 5 Yrs	4,383	2,279	2,104
5-17 Yrs	11,603	5,723	5,880
18-24 Yrs	3,821	1,957	1,864
25-39 Yrs	14,570	7,129	7,441
40-64 Yrs	18,435	9,126	9,309
65-84 Yrs	3,960	1,666	2,294
85 Yrs & older	367	86	281

RACE						
	White		Black		Other	
Age	Male	Female	Male	Female	Male	Female
Under 5	2,034	1,886	151	126	94	92
5-17 Yrs	5,155	5,276	384	392	184	212
18-24 Yrs	1,627	1,664	220	144	110	56
25-39 Yrs	6,395	6,774	506	461	228	206
40-64 Yrs	8,470	8,623	483	497	173	189
65-84 Yrs	1,586	2,151	64	126	16	17
85 +	80	262	6	19	0	0

2000 Income	
Income	H-holds
Below \$10,000	865
\$10,000-\$14,999	787
\$15,000-\$19,999	935
\$20,000-\$24,999	1,111
\$25,000-\$29,999	1,001
\$30,000-\$34,999	1,340
\$35,000-\$39,999	1,260
\$40,000-\$44,999	1,083
\$45,000-\$49,999	1,140
\$50,000-\$59,999	2,446
\$60,000-\$74,999	3,114
\$75,000-\$99,999	3,259
\$100,000-\$124,999	1,255
\$125,000-\$149,999	634
\$150,000-\$199,999	390
Over \$200,000	361
Average HH Income	\$53,060

Housing Values	
Value	# of Houses
Less than \$19,999	690
\$20,000-\$49,999	1,073
\$50,000-\$79,999	2,659
\$80,000-\$99,999	3,815
\$100,000-\$149,999	4,431
\$150,000-\$199,999	2,273
\$200,000-\$299,999	1,876
\$300,000-\$399,999	468
\$400,000-\$499,999	118
\$500,000-\$749,999	125
\$750,000-\$999,999	28
\$1,000,000 +	43

Occupancy	
	Total
Total Housing Units	22,355
Vacant	1,397
Occupied	20,958
Owner-Occupied	17,592
Renter-Occupied	3,366

Educational Attainment	
Level	# of Persons
Less than 9th Grade	1,462
9th-12th Grade	3,143
High School Graduate	10,079
Some College	8,627
Associate Degree	3,566
Bachelor's Degree	7,359
Graduate Degree	3,067

Poverty	
Below Poverty Level	2,760
Above Poverty Level	53,409

Newsletter Format

The newsletter will focus on each of the areas of the Midlands in turn.

Each newsletter will highlight the latest developments in each area to give a brief overview of each sector of the Central Midlands region. More detailed information can be found on our website.

Source: 2000 Census of Population and Housing



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Written By

Ben Mauldin
Andy Simmons
Evelyn Gealy

Central Midlands Newsletter

EXTRA, EXTRA!!!

One of the most visible construction projects taking place in the Lexington area over the last twelve months has been the construction of a judicial and administrative campus for Lexington County. This construction will result in Lexington County having a state-of-the-art courthouse complex and permit the relocation of all offices from the old courthouse and courthouse annex. At the same time, renovation work is also underway on the Lexington County Administration building. This will result in improvements to the façade of the existing building and will primarily constitute new glasswork and fascia. This construction work, together with the recent beautification project on Main Street, will help bring a new look and feel to Downtown Lexington.

The Town of Lexington has also been busy on the construction front and has just completed its new Public Safety Building. The building process is now continuing with the development of additional space at Town Hall. Construction on this portion of the Municipal Complex is underway. The new complex will enable the Town of Lexington to more easily and efficiently provide government services to serve the needs of local residents, as well as the needs of one of the fastest growing towns in the state.



Lexington Town Hall



Lexington County Administrative Complex