



CHAPTER 3: HOUSING ELEMENT

HOW WE LIVE

Figure 3.1: Total Housing Units

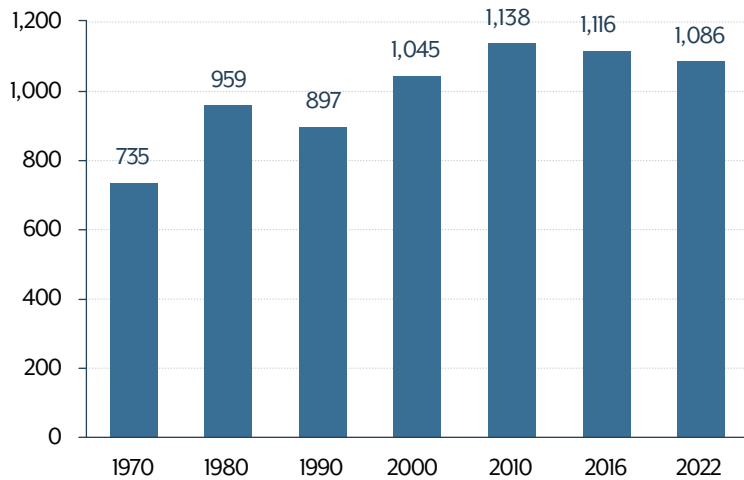
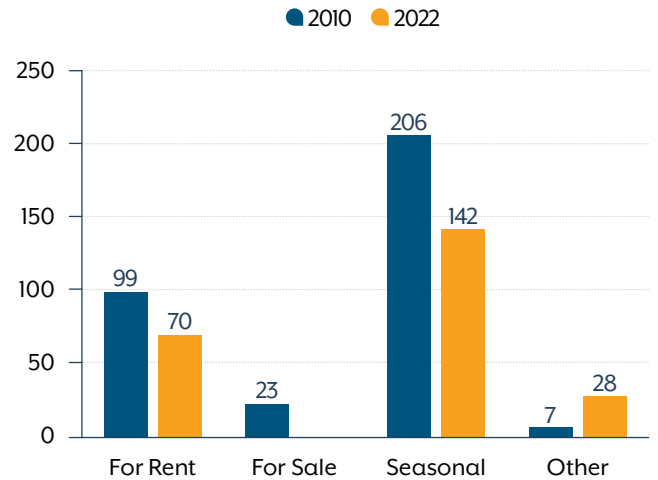


Figure 3.2: Change in Vacancy Status



Sullivan's Island had an estimated total of 1,086 housing units in 2022, of which, 846 (78%) were reported as being occupied and 240 (22%) were reported as being vacant and/or for seasonal use. This was a slight decrease (-5%) in the total number of units since 2010 when the Town reportedly had an estimated 1,138 housing units (Figure 3.1). Furthermore, the percentage of vacant units decreased by 7-points from 29% in 2010 to 22% in 2022.¹ This suggests that more housing units are actually being lived in as opposed to being used for seasonal use. This is further supported by the significant decrease (-29%) in the number of units for seasonal, recreation, or occasional use between 2010 and 2022 (Figure 3.2)

Sullivan's Island has remained successful in maintaining the unique single-family character of a quaint, small beach town since its inception. Table 3.1 (next page) compares the housing units by structure type between 2000, 2010, and 2022, highlighting the consistency of single-family units as the dominant housing type in Town. However, this predominance in single-family housing presents a challenge for the Town in the future. Young professionals, beginner families, single-income households, the elderly, and disable individuals are often priced out of this type of real estate and/or may not want the constant maintenance of a single-family home. Maintaining a more diverse mix of housing types would help make Sullivan's Island more affordable to a wider range of people, families, and incomes.



"I think it important to retain the essentially single-family home predominance."

Sullivan's Island Resident

"We need to continue to encourage single-family housing on the island, with emphasis on the retention of the historical feel of the island, while recognizing each property owner's right to utilize their property in a manner they deem appropriate for them."

- Sullivan's Island Resident

1. Housing Units are considered vacant by ACS after a three-month contact period by regular mail (1st month), phone (2nd month), and an in person visit (3rd month).



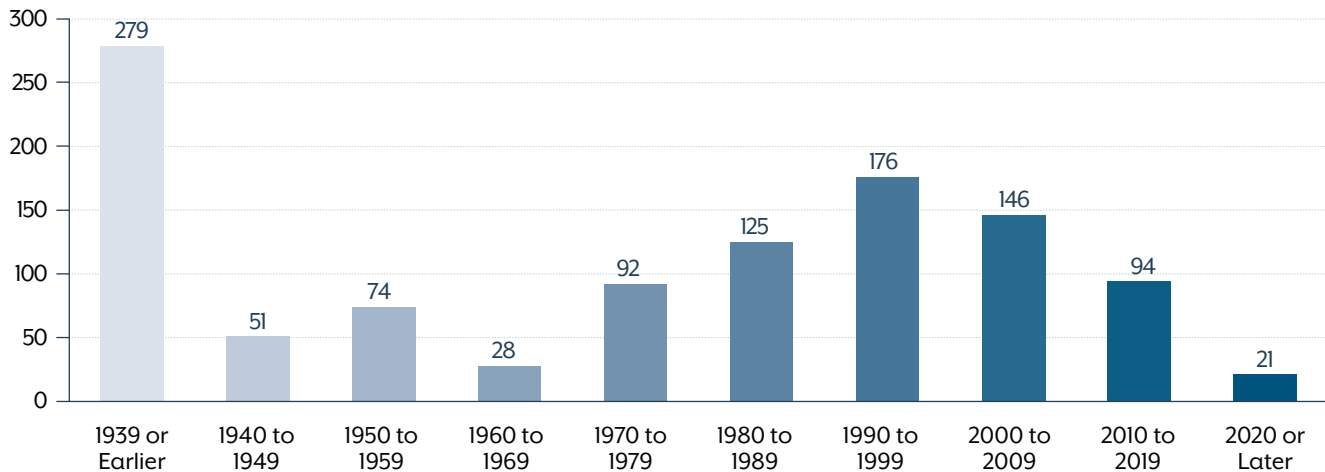
Table 3.1: Distribution of Housing Units by Structure Type

	2000		2010		2022	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Single-Family *	928	88.8%	1,013	89.0%	951	87.6%
2 to 4 Units	71	6.8%	55	4.8%	64	5.9%
5 or More Units	39	3.7%	65	5.7%	71	6.5%
Mobile Home or Other	7	0.7%	5	0.4%	0	0.0%
Total:	1,045	100.0%	1,138	100.0%	1,086	100.0%

* Single-Family Structure Types include detached and attached units.

Considering the limited availability of developable land on the island, the age of the housing stock can provide important insight on the amount of newly constructed or rehabilitated housing units. As seen previously in **Figure 3.1**, the number of housing units in 2000 was estimated as 1,045. Fast forward twenty-two years and the number of housing units has only lightly increased to 1,086 units. At first glance, this would suggest that development on Sullivan's Island has wavered, however, quite the opposite has occurred. **Figure 3.3** shows that 261 units, or 24% of Sullivan's Island's total housing stock, was constructed since 2000. This indicates that the limited availability of developable land has not deterred development on Sullivan's Island, but rather caused homeowners to redevelop existing structures. If this continues, which trends suggest that it will, the number of older units will likely continue to decline in favor of new, more modern housing units.

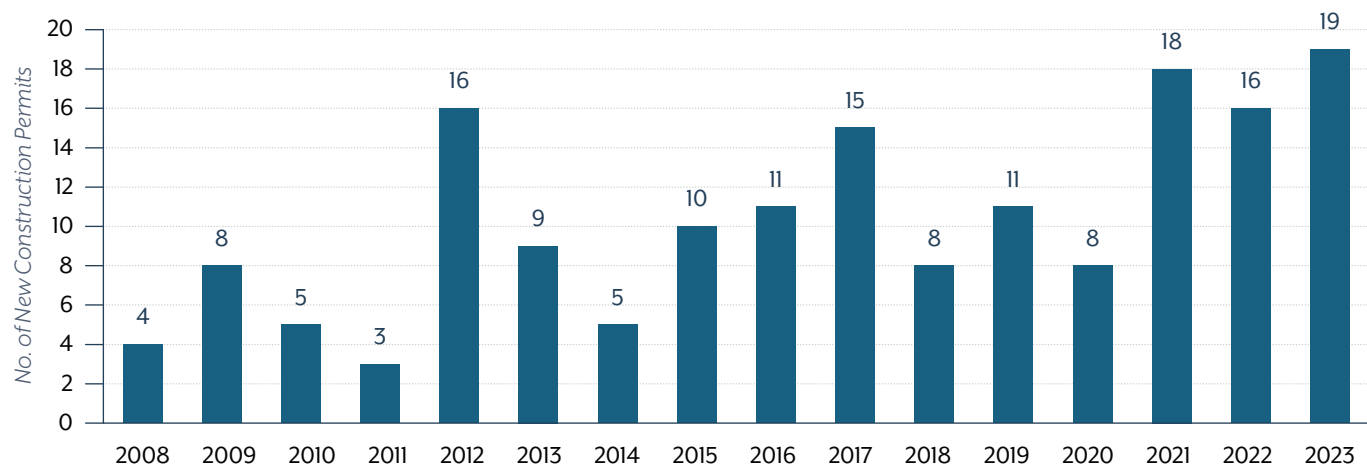
It is important to note that recovery and redevelopment efforts in the aftermath of Hurricane Hugo in 1989 likely contributed to the spike in homes constructed between 1990 and 1999. Also, given national housing trends during this time period, newer, larger homes were commonly built to accommodate for larger household sizes and increased land values.

Figure 3.3: Age of Housing Stock (Year Constructed)

BUILDING PERMITS FOR NEW HOME CONSTRUCTION

Between 2008 and 2023, the Town averaged 10.4 newly constructed homes on the Island per year. As seen in Figure 3.4, permits for new home construction in recent years greatly exceeded this average. Given the limited availability of developable land and other environmental constraints, these permit levels are higher than expected. This further indicates that despite the small change in total housing units between 2000 and 2022, permitting for new construction or redevelopment still occurred on Sullivan’s Island.

Figure 3.4: Number of Residential Building Permits Issued per Year



HOUSING TENURE

Housing tenure is defined by the U.S. Census as a binary status, which means a housing unit is either owner-occupied or renter-occupied. Of the 846 occupied-housing units in 2022, it was estimated that 713 units (84%) were owner-occupied and the remaining 133 units (16%) were renter-occupied. This was a small shift since 2010 when 80% were estimated to be owner-occupied and 20% were renter-occupied (Figure 3.5). Comparatively, Sullivan’s Island had a lower housing tenure ratio than IOP and Kiawah (Figure 3.6).

Figure 3.5: Historic Ratio of Housing Tenure

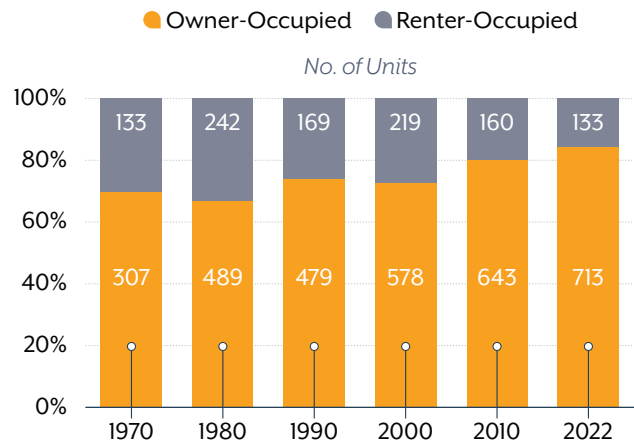
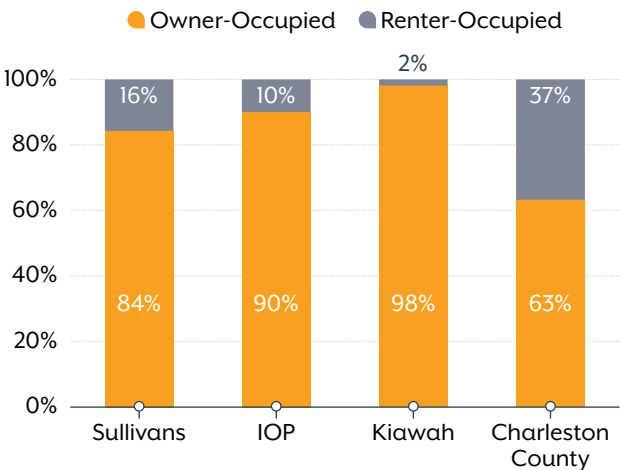


Figure 3.6: Comparison of Housing Tenure Ratio



MEDIAN HOME SALES PRICE

According to Esri's Business Analyst tool, the median home value in Sullivan's Island was estimated at \$1.76 million in 2023. However, the Charleston Trident Association of Realtors (CTAR) reported that in 2023, the median home sales price in Sullivan's Island was \$3.8 million. This would suggest that a majority of homes sold on Sullivan's Island in 2023 either fell within the upper value quartile of homes, that homes were sold way above the reported value, or a combination of the two. In comparison, homes on IOP also sold at higher prices than the median home value whereas homes on Kiawah Island and in Charleston County were more comparable between median home values and median home sales price, as seen in Figure 3.7.

Figure 3.8 compares CTAR's reported median home sales price in Sullivan's Island with other island towns in Charleston County between 2012 and 2022. Throughout this time period, the median sales price of homes in Sullivan's Island experienced a near constant rise whereas IOP and Kiawah Island experienced more gradual and fluctuating sale prices. However, between 2022 and 2023, the rate of price increases leveled off in Sullivan's Island, IOP, and Kiawah Island. At the moment, it is unclear what caused this leveling off but future data should reveal possible factors that contributed to this change in trends.

Figure 3.7: Comparison between Median Home Value and Median Sales Price

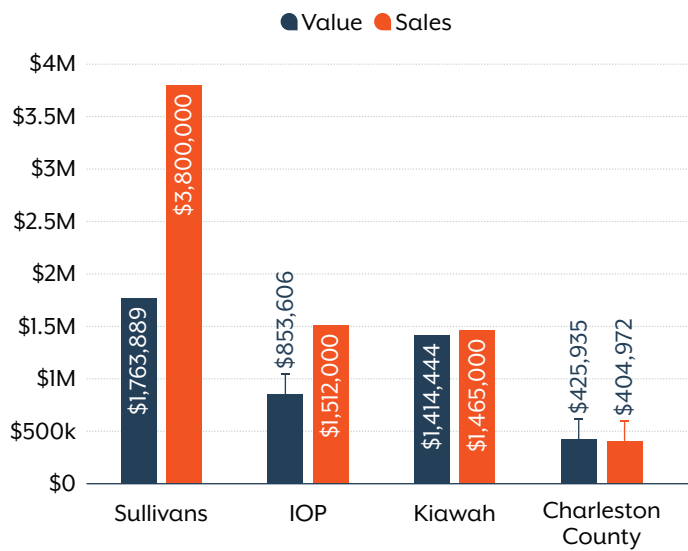
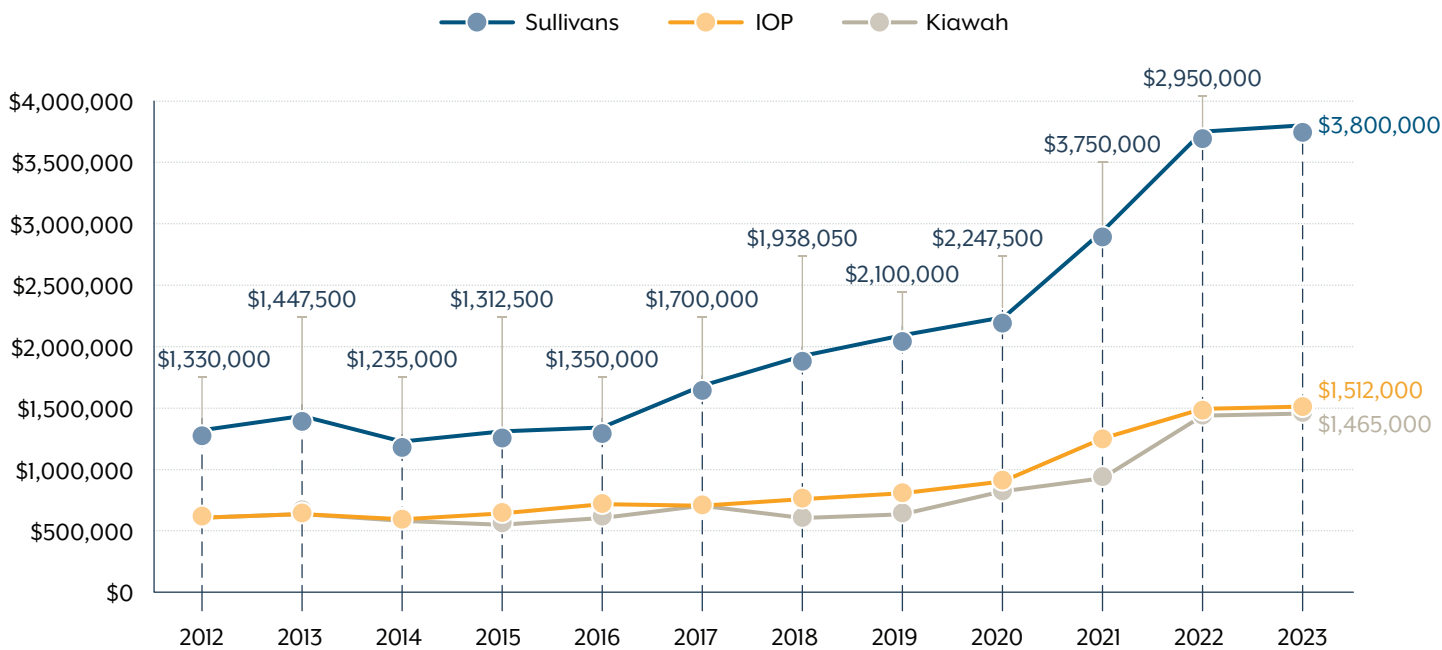


Figure 3.8: Comparison of Median Home Sales Price



Data Source: Charleston Trident Association of Realtors (CTAR)



AFFORDABILITY

The Department of Housing and Urban Development (HUD) defines affordability based on a percentage of a homeowner or renters' monthly income rather than a set dollar amount. A housing unit is considered 'affordable' if monthly housing expenses (i.e., rent, mortgage, taxes, insurance, utilities, maintenance, etc.) do not exceed 30% of the households combined monthly income. However, households that spend over that 30% threshold are considered cost burdened. Cost burdened households can experience serious challenges as oftentimes the additional financial resources that are required to cover housing costs take away from other basic necessities such as food, clothes, transportation, and medical care.

In 2022, it was estimated that 305 households in Sullivan's Island were considered cost burdened as their monthly housing costs exceeded the 30% affordability threshold. This was an increase of 13 households since 2010, when it was estimated that 292 households were considered cost burdened. However, despite this increase, the percent of households considered cost burdened was 36% in both 2010 and 2022.

As seen in **Figure 3.9**, 59% of those 305 households considered cost burdened in Sullivan's Island were owner-occupied with a mortgage whereas 55% of cost burdened households in Charleston County were renter-occupied. Sullivan's Island had a more similar break down of cost burdened households to IOP than Kiawah or Charleston County.

Figure 3.9: Comparison of Cost Burdened Households by Tenure

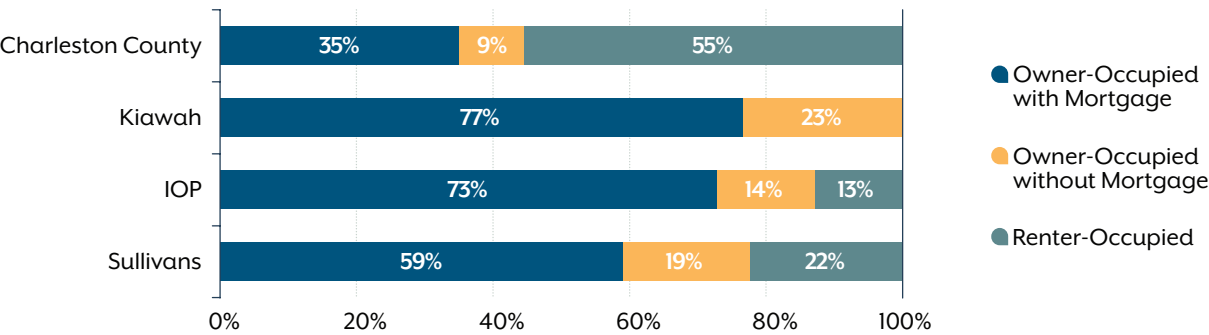
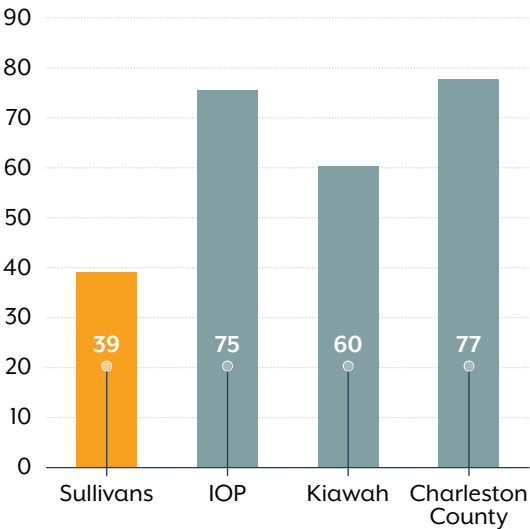


Figure 3.10: Comparison of Housing Affordability Index



Housing Affordability Index

According to the National Association of Realtors, "the Housing Affordability Index measures whether or not a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional level based on the most recent price and income data." An index of 100 indicates an affordability equivalent to the national average. In 2023, Sullivan's Island had an estimated housing affordability index of 39 (**Figure 3.10**). This is not surprising as Sullivan's Island is one of the most expensive places to live in the state.



DESIGN REVIEW BOARD

Convened for the first time in 2004, the Sullivan's Island Design Review Board (DRB) was created with the intent to "enhance the Island's character, preserve property values and protect the unique identity of Sullivan's Island" (Town Ordinance Section 21-106). Board members are appointed by Town Council and chosen from those in the community who exhibit knowledge and interest in a variety of fields related to architecture and design as spelled out in the ordinance. To achieve this goal, the DRB maintains jurisdiction with respect to 1) certain new construction and alteration to existing structures, 2) design appeals, 3) implementation of the historic overlay district, 4) enforcement of design regulations, and 5) certifying the appropriateness of historic renovations and additions within the historic districts.

In these areas, the DRB is charged with more specific objectives. Among these responsibilities, the Board considers "neighborhood compatibility" regarding elements' consistency with zoning and design standards; maintains updated historic overlay districts on the Official Zoning Map, and initiates all applications to nominate town structures for consideration on the National Register of Historic Places. The DRB may submit their comments to the State Historic Preservation Office for consideration by the State Board of Review.

Maintaining a well-trained and vibrant local historic preservation board is also a requirement of the Town's membership in the Certified Local Government (CLG) Program, overseen by the SC State Historic Preservation Office.

FUTURE HOUSING NEEDS AND OPPORTUNITIES

Chapter 2 (Population) delineates a stable population is predicted for the Island over the coming decades with a slow, but steady population decline, in 2025 (2,186), 2035 (2,169) and 2045 (2,152). Given the rate of change, as well as the small-town character of the Island, accommodating future housing needs will not be needed as a large-scale, coordinated effort. An incremental approach will be sufficient for future demands on the Island. Based on these projections, the Goals and Objectives section for Chapter 2, Population, provides guidance to help identify and monitor population growth in conjunction with housing stock capacity. One area of concern for the Town however is the increased cost of rental housing on the Island. "Workforce housing" is affordable housing for those who work on the Island. Demonstrable benefits of workforce housing would include lower traffic congestion, lower parking congestion, better quality of life, diversity among residents, and the ability to get exercise by either walking or biking to work.

WORKFORCE HOUSING

Changes to policy recommendations may provide avenues to achieve workforce housing options on the Island. From a market perspective the premise is simple; increase the supply of housing units in an effort to lower the costs of housing; however, this is an arduous task in a coastal town with a limited supply of land to offer. Avenues to increase residential densities include allowing more Accessory Dwelling Units (ADUs) or mixed-use structures (ground floor retail with residential units built on top). These scenarios help increase workforce housing opportunities, but public input for this plan values maintaining the business district and limiting the number of ADUs island-wide. The high value placed on the existing character and fabric of the Island must be honored and deeper conversations need to be curated by the Town if it wishes to further explore the egalitarian ideal for workforce housing.

