

### Introduction

In this Market Snapshot, **FORVIS** outlines independent living (IL) trends in South Carolina (SC), including a summary of demographics, inventory, and demand across five SC core-based statistical areas.



A core-based statistical area (CBSA) is a geographic area comprised of metropolitan and micropolitan areas. The five profiled CBSAs in SC include approximately 64% of the total state population (Myrtle Beach CBSA includes a small portion of NC).<sup>(1)</sup>

### Demographics

Two indicators of a strong market for senior living are overall population and senior population growth. SC's total population in 2023 is approximately 5,250,000. Between 2021 and 2022, SC had the third largest population growth by percent change (1.7%), behind Florida (1.9%) and Idaho (1.8%).<sup>(2)</sup>

By 2028, the population in SC is projected to be 4.3% higher than the current population.<sup>(1)</sup>

The map (right) shows total population, age-qualified (AQ), and age- and income-qualified (AIQ) households in the five profiled SC CBSAs. The table below compares these populations to SC and the U.S.

### South Carolina Population & Households



2023	Greenville	Columbia	Charleston	Myrtle Beach	Hilton Head Island	SC	U.S.
Total Population	954,741	846,206	831,539	526,391	226,283	5,256,977	334,500,069
Age 75+ Population <sup>(a)</sup>	69,824	54,920	53,625	52,668	26,135	401,193	24,379,591
	7.3%	6.5%	6.4%	10.0%	11.5%	7.6%	7.3%
AQ Households <sup>(b)</sup>	46,102	36,290	34,819	33,378	16,695	264,572	15,552,426
AIQ Households <sup>(b, c)</sup>	17,393	14,480	16,244	16,816	10,235	107,248	6,534,035
	37.7%	39.9%	46.7%	50.4%	61.3%	40.5%	42.0%

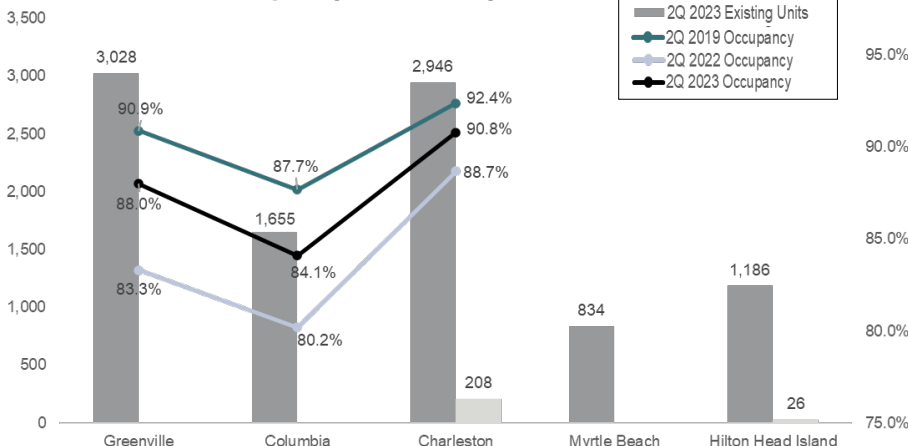
(a) – Age 75+ population is shown as a percentage of total population in 2023.

(b) – For purposes of this Market Snapshot, FORVIS defines AQ households as those 75 years of age or older and AIQ households as AQ households with an annual income \$50,000 and above.

(c) – AIQ Households are shown as a percentage of AQ Households in 2023.

The coastal CBSAs are experiencing the greatest amount of growth, with Hilton Head Island having the highest percentage of 75+ population (11.5%) followed by Myrtle Beach (10.0%). Hilton Head Island has the highest percentage of AIQ households (61.3%) followed by Myrtle Beach (50.4%).<sup>(1)</sup> By 2028, Columbia has the highest projected growth in AIQ households at 28.3%.<sup>(1)</sup>

### South Carolina Occupancy & Inventory<sup>(a, b, c)</sup>



(a) Data includes properties at least two years old, or, if less, then have achieved stabilized occupancy (95%) since opening.<sup>(3)</sup>

(b) 1Q 2020 and 1Q 2021 occupancy is excluded due to anomalies associated with the COVID-19 Pandemic.

(c) Occupancy data not available for Myrtle Beach and Hilton Head Island.

### Occupancy & Inventory Growth

Occupancy is a key indicator of an organization's success and long-term viability. Inventory is an important indicator of market depth. When measuring market depth, it is important to consider comparable products using factors such as services offered, amenities, and price points.

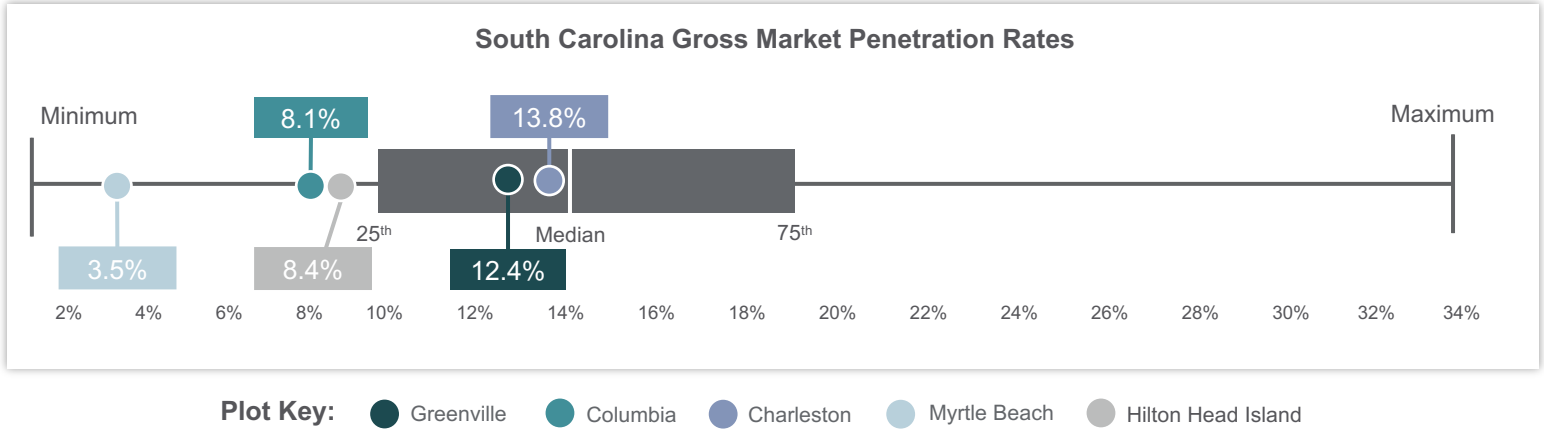
The graph to the left shows the total number of existing IL units for each CBSA in 1Q 2023 and compares IL occupancy in 1Q 2023 to 1Q 2022 and 1Q 2019. Among the markets profiled, Greenville has the greatest number of existing IL units. Charleston (208) and Hilton Head Island (26) have the only IL units under construction.

IL occupancy in Greenville, Columbia, and Charleston is still in recovery from pre-COVID levels, but when compared to 1Q 2022, occupancy has increased in each of these markets.

### Demand

Penetration rates demonstrate the degree to which a market is underserved or oversaturated. The Gross Market Penetration Rate (GMPR) is the percentage of AIQ households the total market area must absorb for the entire market to achieve stabilized occupancy.

The box and whisker plot below illustrates the GMPR for the \$50,000 income qualification according to the FORVIS proprietary IL database, which includes over 200 senior housing projects across 35 states.<sup>(4)</sup> Each dot plotted on the graph represents the 2023 GMPR for the five specified CBSAs.



In the plot above, the minimum and maximum GMPRs are denoted by the lines on the far left and far right, respectively. The 25<sup>th</sup> and 75<sup>th</sup> quartiles are denoted by the left side and right side, respectively, of the inner gray box. The white bar in the middle indicates the median.

The South Carolina Gross Market Penetration Rates for the five specified CBSAs are all at or below the median benchmark, an indication of potential senior housing growth opportunity in each of these markets. Penetration rates are an indicator of market demand and should be supplemented with consideration of occupancy levels, proposed projects, unit designs, community spaces, contracts, marketing plans, demographic trends, local economic conditions, awareness and acceptability of the product, and velocity of pre-sales at projects.

### Conclusion

While the senior living industry still faces challenges post-pandemic, many of the markets in SC are experiencing growing demand and improving occupancy levels with limited new product entering the marketplace. These trends may indicate opportunities for providers to explore additional service offerings across markets in SC.

### About FORVIS

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### Sources

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- (2). U.S. Census. Growth in U.S. Population Shows Early Indication of Recovery Amid COVID-19 Pandemic. (2022, December 22).
- (3). NIC MAP Vision Q1 2019, 2022 and 2023.
- (4). FORVIS. (2023, May). Independent Living Penetration Rate Database.