

## Element: Housing

The Housing Element provides information and analysis of the housing stock of Folly Beach. Homes on Folly Beach have a wide variety of styles, sizes, colors, and materials. New construction in the City should respect existing architecture but also maintain diversity. The City must do all that it can to offset the high cost of insurance. While vacation rentals are a necessary and important part of the Folly Beach economy, the City must work to maintain the balance between needs of rental property owners and permanent homeowners.

### Housing and Ownership Types

Although the Residential Single Family District is geographically much larger than all the other zoning districts combined, the number of single family homes on the island is only slightly larger than other housing types (this includes duplexes, triplexes, and other larger multifamily buildings). According to the 2009-2013 American Community Survey, there are 2,640 housing units in Folly Beach; 43% percent of these are two or multifamily units and fifty seven percent are single family units. There is very little room left in the City for either new single family or new multifamily units. The island proper is mostly built out and there are only two tracts off the island, totaling approximately 5 acres, eligible for multifamily development.

**Five Year Update:** According to the 2019 American Community Survey, there are 3,023 housing units in Folly Beach. The 400 unit increase since 2015 is most likely the result of improved counting. The real increase is closer to 100 units (Kings Flats and new residential units on the island); 35% percent of these are two or multifamily units and 65% percent are single family units. The shift in the ratio of single family to two and multiunit dwellings is directly attributable to two items: there are no longer large properties available for multifamily development, and an ordinance that allows properties zoned for duplexes and multifamily to build detached units.

TABLE 2: HOUSING TYPES BY NUMBER OF UNITS

	City Limits
<b>Total housing units</b>	2,640 <b>3023</b>
1-unit, detached	1,509 <b>1933</b>
1-unit, attached	236 <b>44</b>
2 units	119 <b>188</b>
3 or 4 units	175 <b>238</b>

5 to 9 units	140 171
10 to 19 units	117 63
20 or more units	294 368
50 or more units	14 14
Mobile home	36 18
Boat, RV, van, etc.	0

The American Community Survey also examined the status of people living in the homes they surveyed to determine whether the homes were rented, owner occupied, or used only seasonally. The data shows the ratio between full time owner occupied and rental/seasonally occupied units to be approximately 28% to 72% respectively. The non owner occupied units break down further to show that approximately 36% of the homes on the island are known rentals and 36% of the homes are seasonally occupied.

Five Year Update: The updated 2019 data shows the ratio between full time owner occupied and rental/seasonally occupied units to be approximately 58% to 42% respectively. This data deserves further study as it represents a reported change greater than what has been noted in the number business licenses for rentals. The discrepancy highlights an important future area of study for the City to better understand the growth in full time residents.

### Vacation and Short Term Rentals

Short term rentals are rented for less than 30 days. In 2015, the City issued approximately 618 rental registrations for short term rental units. These units are scattered throughout all areas of the island. Although most of the rental licenses are issued for properties in the first and second rows from the beach, rentals can be found in all Folly's neighborhoods. At times, the use of homes for short term rentals can create challenges for neighbors including noise, septic overflow, and increased competition for parking.

Five Year Update: In 2020 the City issued 1,033 licenses for rentals. The large increase in the number of licenses is the result of increased enforcement made possible by rental tracking software, implementation of a policy to require individual units in multiunit buildings to get separate licenses, and the growth of online platforms that allow owners to rent for only a few nights (but still trigger license requirements). In 2018 the City passed a major update to rental rules and regulations meant to mitigate external effects. New regulations included a cap on the number of overnight guests, a cap on the number of special event guests, a prohibition against outdoor music, and a four strike system based on noise complaints.

### Housing Costs

When the 2005 Comprehensive Plan was written, data from the 2000 Census showed that the median value of a single family home on Folly Beach was \$283,100. As of 2013 the median value was \$607,000. This huge increase is the result of many factors including the rapid appreciation of property value leading

up to 2007, the shift to larger, more expensive new home construction, and the lack of new land available for housing in the City. In 2013, the mean income for Folly was \$76,607. The rule of thumb for housing affordability is that no more than 30% of income should go towards housing costs. The median actual sales price for 2014 in the City was \$450,000. In order to afford this price, an income of \$148,000 (or 194%) of the area median income is needed. Not surprisingly, approximately 41% of full time residents pay more than 30% of their incomes toward mortgages and rents.

Five Year Update: 2019 Census Bureau data shows that the median value of a single family home on has dropped slightly to \$569,900. The mean income for Folly was \$90,361. The rule of thumb for housing affordability is that no more than 30% of income should go towards housing costs. In 2019, 28% of full time residents pay more than 30% of their incomes toward mortgages and rents.

### Flood and Hazard Insurance

Insuring a home on Folly Beach remains an expensive proposition. The costs for wind and hail insurance, general homeowners insurance, earthquake insurance, and flood insurance continue to rise. Flood insurance in particular carries a great level of uncertainty. The main sources of this uncertainty are the Biggert Waters Flood Act and the possibility of significant changes to FEMA issued flood maps. The Biggert Waters Act contained major changes to the National Flood Insurance Program. The changes that affect Folly Beach most are the reduction of subsidies for houses that once met flood code but are no longer compliant, the removal of subsidies for non primary residences, and the gradual increase in rates for all properties to reflect true actuarial risk. Upcoming changes to the FEMA flood maps which identify flood zones on Folly Beach could also drastically affect homeowners. The maps, which have been in development for several years, could possibly raise base flood elevations across the island as well as move many properties from the lower risk A zones to higher risk V zones.

Five Year Update: Since the *2015 Plan* the City has aggressively pursued projects that improve our Community Rating System score. The City has lowered it's score to a 4 out of 10 which grants a 30% reduction on all flood insurance policies in the City. The new flood maps referenced in the *2015 Plan* will become effective on 1/29/2021. These news maps, previously predicted to raise flood zone requirements, will actually lower the flood elevations on almost all properties in the City. This will result in further flood insurance premium reductions.

### Housing Age

Like other coastal and higher land value communities in the nation, the demolition of smaller, older, economically obsolete structures is a growing trend in Folly Beach. Rustic cottages are sometimes removed to make way for larger, more modern structures since little land remains for new housing development. Pre-WWII units constituted only 10% of the 1,788 homes in Folly Beach in 2000. Exact figures do not exist for the number of demolitions since 2000, but there have been at least a dozen documented examples. Homes built before 1974 are also under greater threat from future hurricanes. Floodplain regulations took effect on Folly Beach in that year, requiring habitable space to be elevated above 100-year flood levels – fourteen feet or more above mean low tide here. The storm surge of Hurricane Hugo was eleven feet or higher throughout Folly Island. Structures built prior to 1974 were

claimed by the 1989 storm at a much greater rate than those elevated. Some pre-existing homes were elevated in the reconstruction of the island after Hugo, but many remain vulnerable.