CATALYST FOR COLUMBIA

THE IMPACTS OF HISTORIC PRESERVATION IN COLUMBIA, SOUTH CAROLINA

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HISTORIC COLUMBIA

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EXECUTIVE SUMMARY

HISTORIC PRESERVATION HAS CREATED QUANTIFIABLE POSITIVE ECONOMIC IMPACTS FOR COLUMBIA. THESE IMPACTS ARE MEASURABLE IN JOBS, INVESTMENT, TOURISM REVENUES, AND PROPERTY VALUE GROWTH.

Columbia is a city that recognizes the economic potential of historic preservation. This is apparent in the availability and frequent use of powerful preservation incentives like the Bailey Bill. It is evident in the resurgence that Main Street has seen, which has leveraged said incentives to bring about catalytic change in downtown Columbia. It is also evident in the creative reuse of historic buildings like Hotel Trundle and the Palmetto Compress. Columbia's historic preservation efforts have fostered a distinct sense of place, creating an environment that attracts residents, businesses, and visitors alike.

The high population density within Columbia's historic districts serves as a testament to the success of preserving smaller housing units, diverse multi-family housing types, and compact lot sizes. This approach not only maximizes land utilization but also contributes to the city's overall urban vibrancy. The protection of diverse housing types, especially duplexes, triplexes, and small apartment buildings, ensures density on a human scale while catering to varying economic backgrounds.

The disparity in racial diversity between Architectural Conservation Districts and the city at large underscores an important area for attention, highlighting the need for inclusive preservation efforts to reflect the city's overall demographic makeup. However, the alignment of Protection Areas with the city's diverse demographics is a positive indicator of successful preservation engagement.

Investments in preservation have reaped benefits for Columbia's economy. Heritage tourists not only contribute significantly to local revenue but also drive job creation and labor income. The substantial number of heritage tourists underscores the importance of preserving Columbia's historic sites as a cornerstone of its tourism industry. The effectiveness of the Bailey Bill in incentivizing private investment in historic resources is evident from the impressive numbers of projects and investment it has attracted since its implementation. The substantial multiplier effect of investment through the Bailey Bill demonstrates its role in generating local employment, wages, and overall economic growth.

The economic impacts of preservation in Columbia, South Carolina, extend far beyond the realms of architecture and history, and extend to community, affordability, tourism, and economic prosperity. As the city continues to navigate the balance between preserving its past and fostering its future, the findings of this report offer valuable insights into how strategic preservation efforts can lead to a thriving and sustainable economic landscape. By embracing its heritage, Columbia stands to not only safeguard its unique character but also reap substantial rewards for its residents, businesses, and overall vitality.

KEY FINDINGS

The following key findings illustrate the positive social and economic benefits of historic preservation in Columbia, South Carolina.

- **Columbia's historic districts have a high population density.** This is achieved through a diversity of small-scale multi-family housing types, smaller housing units, and smaller lot sizes.
- **Architectural Conservation Districts have a high percentage of low-income households (38%).** This is attributable partially to a high student population, but also to a high percentage of households over the age of 65 living on fixed incomes.
- **Columbia's Architectural Conservation Districts do not represent the racial diversity of the rest of the city.** However, the Protection Areas almost mirror the city's overall demographic makeup.
- **Columbia's historic districts protect a diversity of housing types.** Architectural Conservation Districts and Protection Areas include many of the city's duplexes, triplexes, and small apartment buildings, providing density at a human scale.
- **Columbia's older neighborhoods are providing housing at lower costs, particularly to renter households.** Overall, renters in Columbia are significantly rent-burdened; over 50% of renters spend more than 30% of their household income on housing. However, rents in older neighborhoods are more affordable. Sixty-eight percent of rental units in neighborhoods with higher concentrations of older housing are accessible to households with incomes below 80% AMI.
- **On average, properties in Columbia's Architectural Conservation Districts are valued higher than properties in the rest of the city, but values are lower in Protection Areas.** On average, in 2022, property values in Columbia's Architectural Conservation Districts averaged $63,000 more than properties in the rest of the city. Conversely, properties in Protection Areas were valued around $133,000 less than properties in the rest of the city.
- **Homes in Columbia's local historic districts consistently outperformed houses in the rest of the Columbia market when considering value change over time.** While property values in Architectural Conservation Districts were higher and values in Protection Areas lower in 2022, both districts showed a rate of property value growth between 2014 and 2022 that was higher than properties in the rest of the city.
- **Heritage tourism is a significant component of Columbia's tourism industry.** In 2022, 2,217,000 heritage tourists stayed overnight in Columbia and 2,495,000 spent a day there. These heritage tourists account for 39% of all overnight visitors and 25% of all day visitors to Columbia.
- **Heritage tourists spend more, are more likely to stay overnight, and are more likely to spend more days in Columbia than non-heritage tourists.** These expenditures create jobs and tax revenue for Columbia. In 2022 alone, heritage tourism accounted for over 7,000 direct and indirect jobs, $265,490,607 in labor income, and $37,054,474 in direct and local taxes.
- **The Bailey Bill incentivizes private investment in historic resources.** Since 2007, Columbia has seen 210 Bailey Bill Projects representing over $216 million in investment. For every $1 of investment required through the Bailey Bill, an additional $15 was spent in qualifying rehabilitation projects.
- **The Bailey Bill creates jobs and income.** On average, investment from Bailey Bill activity creates 57.7 direct local jobs and 44.9 local indirect and induced jobs each year. While the totals vary widely year to year, Bailey Bill projects, on average over the past 15 years, have created $3.1 million in direct local wages and $2.1 million in indirect and induced wages per year.
- **The Bailey Bill is an important incentive that creates returns for Columbia.** Assuming that at least 28% of Bailey Bill projects would not have happened without the incentive, the City and County are financially better off, even when taking the 20-year assessment freeze into account.

INTRODUCTION

COLUMBIA IS A CITY THAT RECOGNIZES THE ECONOMIC POTENTIAL OF HISTORIC PRESERVATION.

Preserving Columbia's architectural heritage is not simply an exercise in nostalgia, it is an informed, strategic investment in the future.

Columbia is a friendly Southern city known for its rich history, vibrant arts culture, and thriving restaurant scene. As South Carolina's capital city, Columbia balances old and new: it is home to the state's seat of government, a major military base, and the University of South Carolina, but it still maintains an accessible smaller town feel and charm. This is, in part, thanks to the city's historic resources that both ground the city's identity, while contributing to a dense, walkable, vibrant urban environment.

Preserving Columbia's architectural heritage is not simply an exercise in nostalgia, it is an informed, strategic investment in the future. Through creative revitalization and adaptive reuse, from the resurgence of Main Street to the transformation of mill buildings into vibrant mixed-use spaces, Columbians have seen the power of preservation as an economic engine. By recognizing the economic benefits of preservation through effective incentives like the Bailey Bill Historic Properties Tax Abatement Program, the Commercial Facade Improvement Program, and the Abandoned Buildings Act, Columbians have benefited from major returns on their investments in preservation. These returns are measurable in the number of buildings rehabilitated, jobs and income created, heritage tourism expenditures, and tax revenues back to the city and state. Columbia is not just preserving its past, it is forging a path toward a prosperous and sustainable future.

Yet with all the wonderful things that Columbia has to offer, there are still challenges. Having the State House, universities, a major military facility, and multiple religious institutions certainly adds to the quality and vibrancy of the city. However, that also means that much of the city's land and buildings are owned by entities that do not pay property taxes. Columbia strives to be a place where talented graduates from local higher education institutions want to stay to work and raise families, though retention of this demographic has been a challenge.

In the face of these challenges, historic preservation is an important part of diversifying the local economy, differentiating Columbia as a destination for tourists and new residents alike, and creating necessary streams of revenue for the local government. Historic preservation has unquestionably been a major economic driver for Columbia's downtown, and investments in downtown historic buildings are enlivening the city's core with jobs and new businesses. Columbia's rehabilitation industry is sustaining an important source of good jobs and income for Columbians. Homes within local historic districts are often worth more, appreciate faster, and retain more of their value than properties located outside of districts. The heritage section of Columbia's tourism industry is another important source of revenue for the city, contributing over $37 million in direct state and local taxes in 2022.

Columbia's older and historic resources reflect the city's historic, architectural, and cultural development, contribute to its sense of place, and are a key part of what attracts people to the town. This report outlines the contributions of historic resources to the economy and quality of life in Columbia.

Melrose Heights Architectural Conservation District

West Gervais Historic Commercial District

TYPES OF DISTRICTS

Columbia is home to 15 local Historic Districts and more than 180 individual landmarks. The local designation process involves different types of Historic District Zoning Overlays, which are subject to particular principles and guidelines. The different types of districts are defined below. For the purposes of this report, only Architectural Conservation Districts (including the Landmark District and Historic Commercial District) and Protection Areas were used in the analysis. Additionally, the Landmark District and Historic Commercial District were grouped into the Architectural Conservation Districts category due to similarities in their regulatory language and oversight.

Architectural Conservation Districts (Count: 7)

Architectural Conservation Districts are geographic areas that collectively contain a number of buildings constructed in a similar architectural style or sharing a simple time period of construction and are worthy of protection due to their historic significance.

These districts are intended to preserve the form of the neighborhood as well as the general character of its individual structures, including the preservation of historic materials. Generally, all exterior work, including changes to windows, siding, porch details or other architectural features is reviewed. Any materials used on structures in architectural conservation districts are typically required to match the original, and modern materials that approximate historic appearance may be considered for use on new construction.

Protection Areas (Count: 7)

Protection areas contain some historic buildings and landmarks, but also a large number of non-historic and less significant buildings. Protection areas are a different form of historic preservation overlay. Unlike architectural conservation districts, protection areas are focused more on the general form and character of the district than specific details, given much of its historic materials have been replaced over the years; in protection areas, more emphasis is placed on the district as a whole rather than on individual structures.

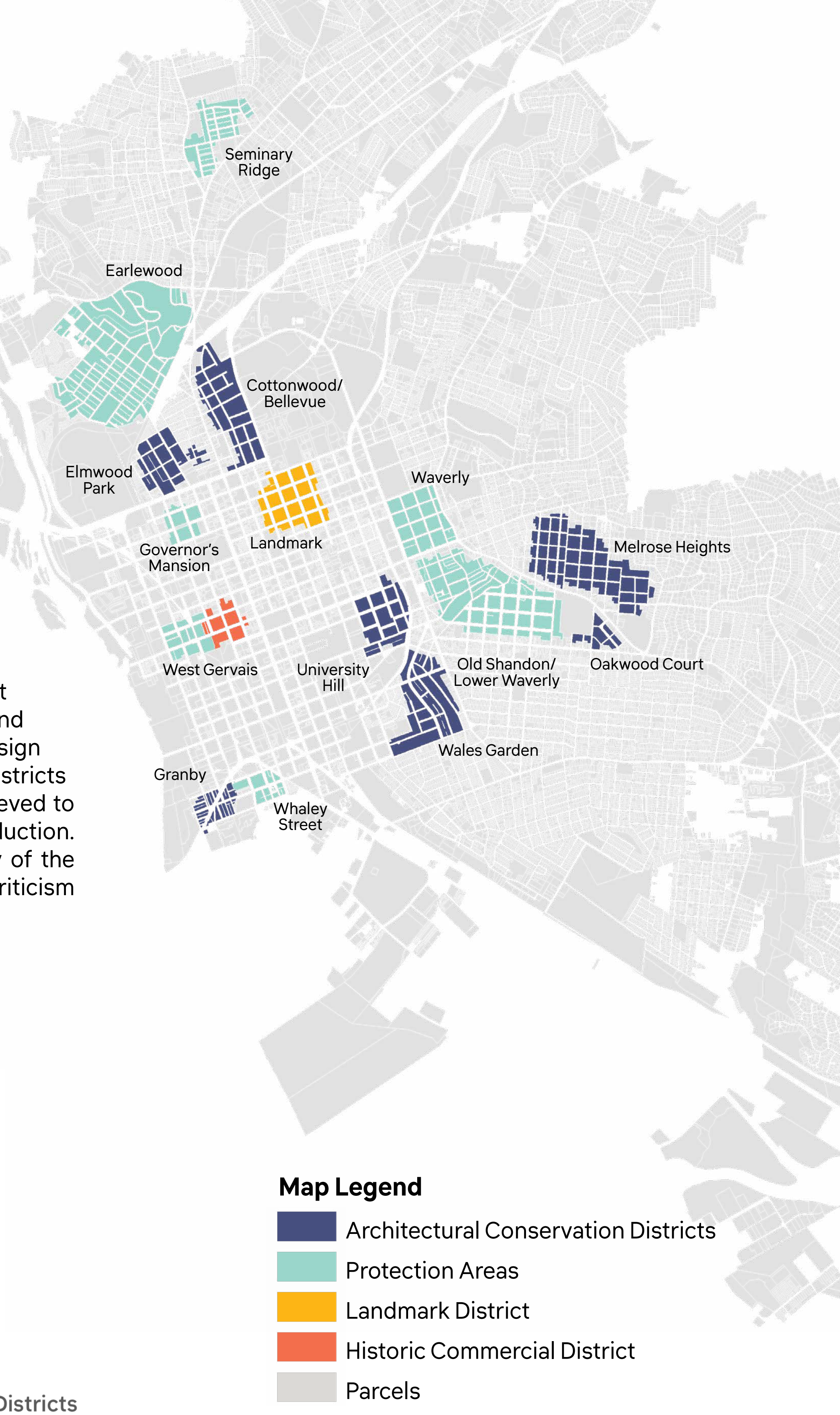
Review of work in these districts largely is limited to additions, new construction, demolition, and certain site improvements such as fences and driveways. Additionally, modern materials that approximate historic appearance may be considered for review for individual design features.

Landmark District (Count: 1)

The Landmark District is a geographic area that collectively contains a number of landmarks and other historic buildings. There is only one landmark district in Columbia. All work to the exterior of a building in the Landmark District is reviewed by the City of Columbia's Design/Development Review Commission (D/DRC). Very few changes to the original design are permitted. All materials used for repair and additions must match historic materials.

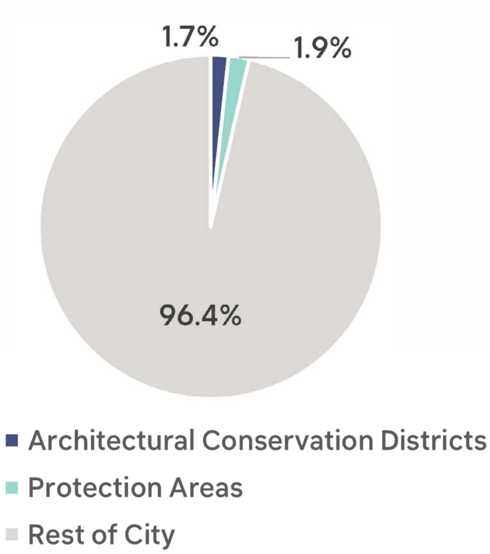
Historic Commercial District (Count: 1)

The Historic Commercial District is a geographic area of the City that contains historic buildings that were originally constructed for commercial use. The intent of this designation is to preserve the form of the area, as well as the general character of its structures. There is only one designated Historic Commercial District–the West Gervais Street Historic Commercial District. Similar to the Landmark District, work to the exterior of buildings is reviewed and must receive approval from the D/DRC.



Overall, only 3.6% of the land area in Columbia is covered by Architectural Conservation Districts or Protection Areas. That means that over 96% of the city's land area is not regulated by historic design standards. In many cities, historic districts are criticized because they are believed to limit development and housing production. In Columbia, with the vast majority of the city's land area undesignated, that criticism does not hold up.

LAND AREA
(excluding Fort Jackson)



PROPERTY VALUES

ON AVERAGE, PROPERTIES IN COLUMBIA'S ARCHITECTURAL CONSERVATION DISTRICTS ARE VALUED HIGHER THAN PROPERTIES IN THE REST OF THE CITY, BUT VALUES ARE LOWER IN PROTECTION AREAS.

Columbia's historic districts are primarily residential, and the majority of designated properties are single family homes. Ninety-one percent and 83% of properties in Architectural Conservation Districts and Protection Areas, respectively, are residential. In the hot real estate market that has characterized the last two years, families that own their homes have seen their largest asset appreciate. Therefore, any regulations that could impact the value of that asset are important. The economic role of land use regulations in general, and local historic districts in particular, is to protect the context within which individual historic properties exist. In Columbia, that means maintaining the character and quality of historic neighborhoods – the defining feature of each home's "location." Design review and regulation do in fact influence property values.

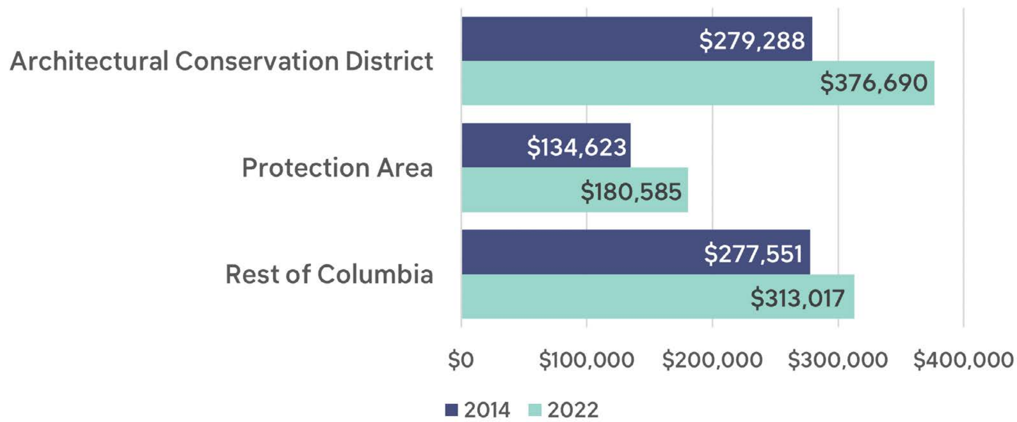
91% of properties in Architectural Conservation Districts are single family.

83% of properties in Protection Areas are single family.

Major Type	Sub-type	Architectural Conservation District	Protection Area	Rest of Columbia
RESIDENTIAL		91%	83%	92%
	Single Family	79%	83%	88%
	Duplex	14%	7%	3%
	Triplex	1%	1%	0%
	Quadruplex	2%	1%	1%
	Multifamily, 5-30	1%	1%	0%
	Multifamily, over 30	2%	6%	6%
	Other	1%	1%	2%
	Residential Subtotal	100%	100%	100%
COMMERCIAL		5%	14%	5%
OFFICE		3%	2%	2%
INSTITUTIONAL		0%	1%	1%

Properties in Columbia's Protection Areas are, on average, valued lower than properties in the rest of the city. On average in 2022, properties in Protection Areas were valued around $133,000 less than properties in the rest of the city. Conversely, properties in Columbia's Architectural Conservation Districts have higher property values than properties in the rest of the city.

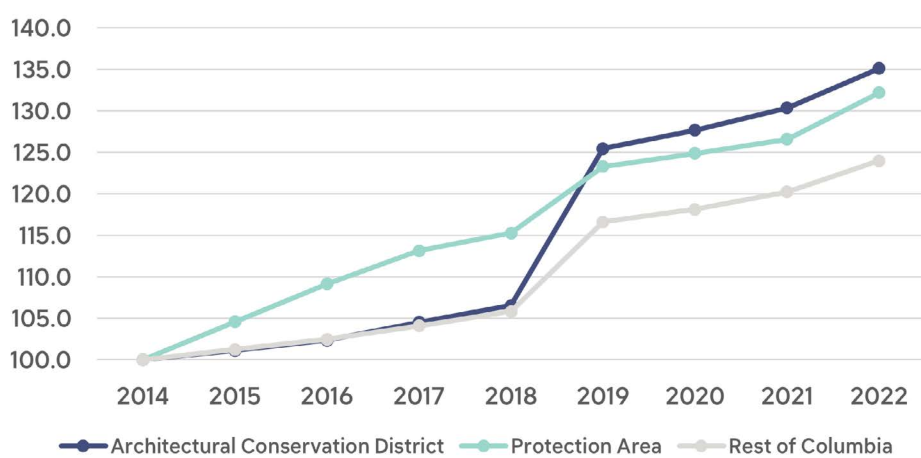
AVERAGE PROPERTY VALUE
(2014 vs 2022)



Properties in local historic districts have seen property value growth that outpaces that seen in the rest of the city.

The value of properties in Architectural Conservation Districts and Protection Areas were then indexed[1] with the average value in the initial period (2014) assigned the value of 100. The chart below shows that homes in Columbia's local historic districts consistently outperformed houses in the rest of the Columbia market. While the average values in the Architectural Conservation Districts are higher than the rest of Columbia and Protection Areas values lower, properties in both categories of historic buildings have seen property value growth that outpaces that seen in the rest of the city.

CHANGE IN PROPERTY VALUE
SINGLE FAMILY RESIDENCES
(2014=100)



1 Indexing is the process of comparing two or more economic variables to show their relative change over time. Probably the most well-known index is the Dow Jones Industrial Average. Each day's report of a number of the Dow is the index number of the market price of those 30 industrial companies.

Roof replacement was part of the scope of this 2023 Bailey Bill project in Old Shandon/ Lower Waverly.

IMPACT OF THE BAILEY BILL

THE BAILEY BILL IS AN IMPORTANT INCENTIVE THAT CREATES RETURNS FOR COLUMBIA.

Local property tax incentives for rehabilitation are powerful tools for encouraging private investment in historic resources, and Columbia is fortunate to have such a robust incentive with a long track record of success. The Bailey Bill (SC Code of Laws §4-9-195 and §5-21-140) is a South Carolina state statute that authorizes local governments to offer a special property tax assessment for rehabilitated historic buildings. The main feature of the Bailey Bill is to assess property on the pre-rehabilitation fair market value for twenty (20) years. This means the owner of an historic structure continues to pay property tax on the pre-rehab value of the property but does not pay tax on the increased value due to the renovations for twenty years. A minimum of 20% of the fair market value of the building must be spent on qualified rehabilitation expenditures. By offering significant property tax reductions, the Bailey Bill has empowered property owners to undertake ambitious renovation projects that may have otherwise been financially daunting.

The Bailey Bill may be applied to commercial or residential properties that are: a) individually listed in the National Register of Historic Places; b) a contributing property in a National Register district; c) an individual City of Columbia historic landmark; or d) a contributing building in a local historic district. Eligible expenses include maintenance, repair, or rehabilitation of original materials, such as siding, original windows and doors, characteristic features, etc. Qualifying expenses can also include the removal of non-historic materials and features. Other eligible expenses include plumbing, roofing, structural work, heating and cooling systems, wiring, etc. While additions may be allowed for a Bailey Bill property, construction costs related to the addition are not considered an eligible expense.

The impact of the Bailey Bill extends far beyond the physical rehabilitation of structures, fostering a sense of pride, community, and identity as residents witness the revitalization of their surroundings. By striking a balance between preservation and economic development, the Bailey Bill has played a vital role in shaping Columbia's landscape, ensuring that its historical legacy continues to stand as a vibrant testament to the city's rich heritage for generations to come.

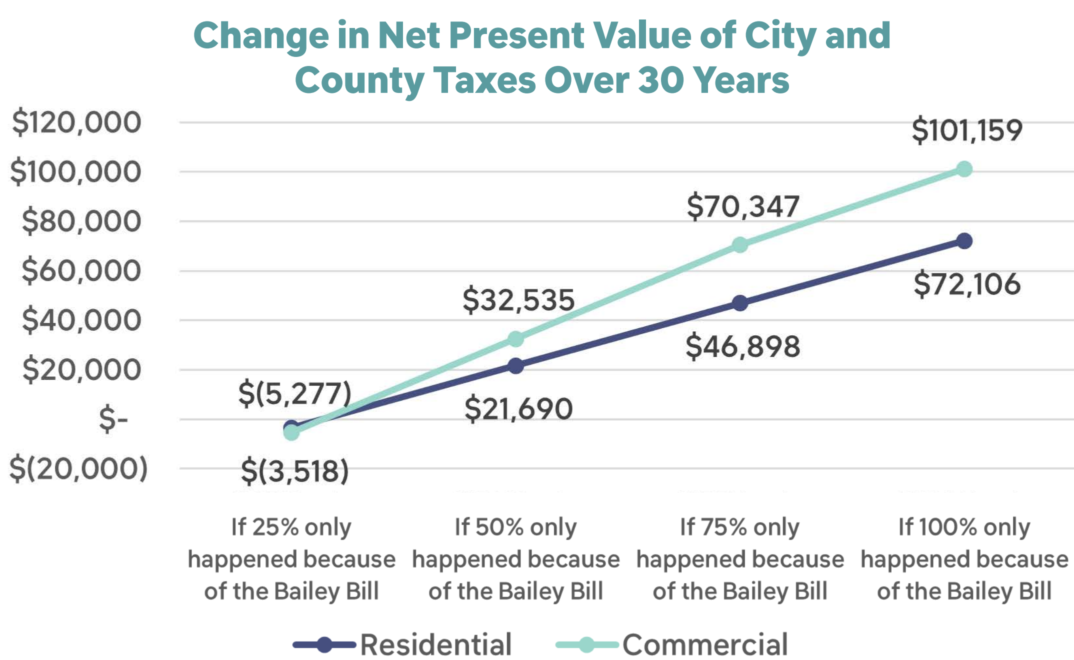
It is a legitimate question, however, to ask if the costs of the Bailey Bill outweigh the benefits received. To help policy makers answer that question, PlaceEconomics measured the net present value of tax revenues to the City and the County over a thirty-year period. That thirty-year period represents the twenty years the property has its assessment frozen plus the following ten years when the property is taxed based on its full value. Since dollars received in the future are worth less than dollars received today, all future receipts were discounted at a rate of six percent, a rate higher than the rate on typical municipal bonds issued by the City.

Based on an analysis of all Bailey Bill projects completed to date, a property owner with a property that has a pre-rehabilitation value of $1 million invests an average of $2,926,051 on the project. The City of Columbia gets 20 years of tax revenue based on the $1 million dollar valuation, followed by the next ten years when the property is taxed based on its full improved value of $3,926,05. What is the net present value to the City of the taxes paid over 30 years? Well, it depends. For a commercial property, the City and County have a net present value of $101,159. For a residential property the value drops to $72,106. Overall, local governments have a significant positive fiscal benefit through granting the Bailey Bill assessment freeze.

Local governments have a significant positive fiscal benefit through granting the Bailey Bill assessment freeze.

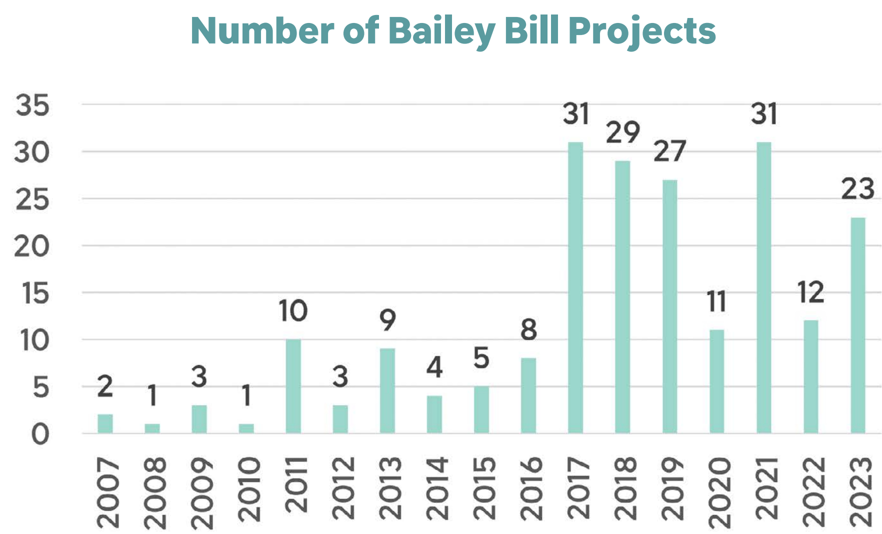
However, a skeptic might say, "well all of that investment would take place anyway, even without the Bailey Bill assessment freeze". If that were the case – that all the investment seen over the last 15 years would have happened anyway, and those properties were immediately subject to taxes based on their post-rehabilitation value, every property with a $1 million pre-rehabilitation value would have generated a net present value tax return to the City and County of $427,528 for residential properties and $641,292 for commercial properties.

If only 25% of the projects happened because of the Bailey Bill incentive and the other 75% would have happened anyway, then the City and County would still have a negative net present value of $3,518 for residential properties and $5,277 for commercial properties. The break-even point is about 28%. That is to say, if at least 28% of the investment would not have taken place without the Bailey Bill incentive, then the City and County are fiscally better off providing the incentive than not providing it. The greater share of projects that only went forward because of the Bailey Bill the greater the net present value of future tax receipts for local government.

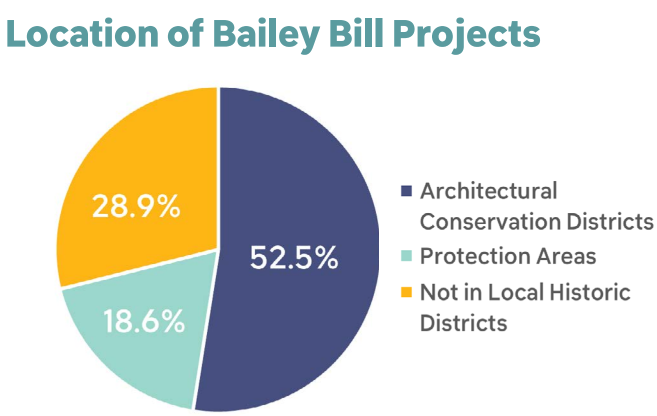


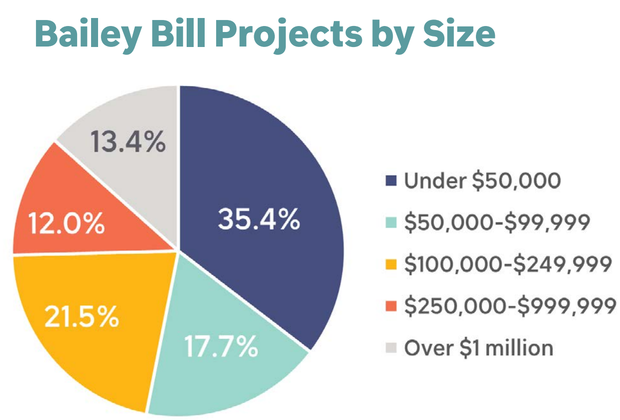
CHARACTERISTICS OF BAILEY BILL PROJECTS

Since 2007, Columbia has seen 210 Bailey Bill Projects representing over $216 million in investment. Use of the program has increased over time as developers and property owners have gained experience with the program and others have witnessed its impact. During the first decade that the Bailey Bill was enacted, Columbia saw an average of 5 projects a year. Since 2017, that average has increased to 23 projects a year.



The majority of Bailey Bill projects have been in Architectural Conservation Districts. Around 53% of Bailey Bill Projects have had total project costs under $100,000, meaning that a large share of tax credits are awarded to smaller projects.

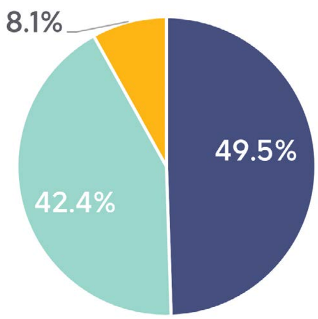




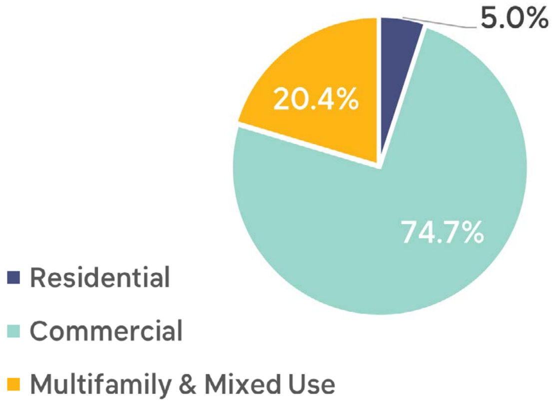
The Kress Building at 1508 Main Street used the Bailey Bill in 2016.

Just under half of all Bailey Bill projects have been for residential projects. The majority of the investment made through the Bailey Bill went toward commercial projects. This is likely due to the fact that commercial projects, despite comprising less than half of all projects, are much larger in scale.

Number of Bailey Bill Projects by Type

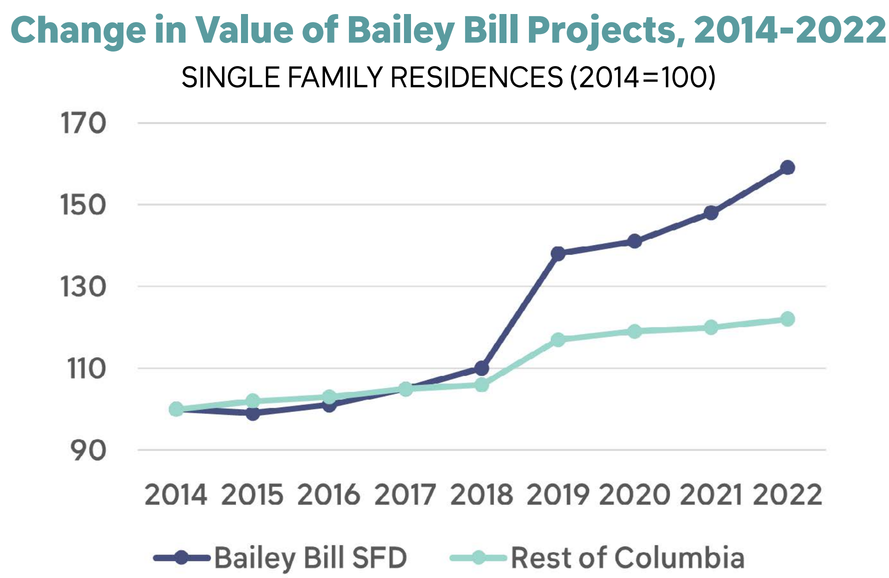


Investment in Bailey Bill Projects by Type

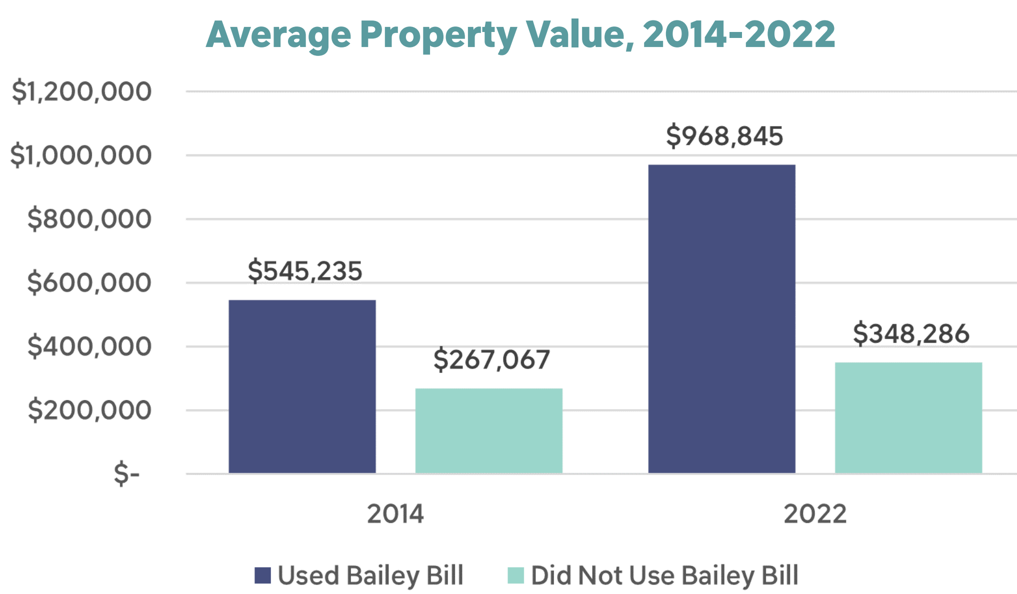


PROPERTY VALUE IMPLICATIONS

Between 2014 and 2022, Single Family Dwelling properties that used the Bailey Bill saw their values increase at a rate considerably higher than the rest of the city's Single-Family Dwellings.



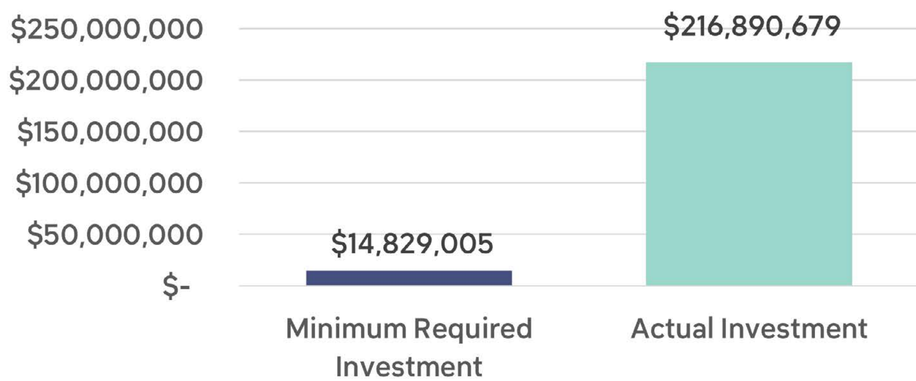
By 2022, values for properties that had used Bailey Bill were 78% higher than they were in 2014, compared to 30% for properties that didn't use the bill.



JOBS & LABOR INCOME FROM BAILEY BILL

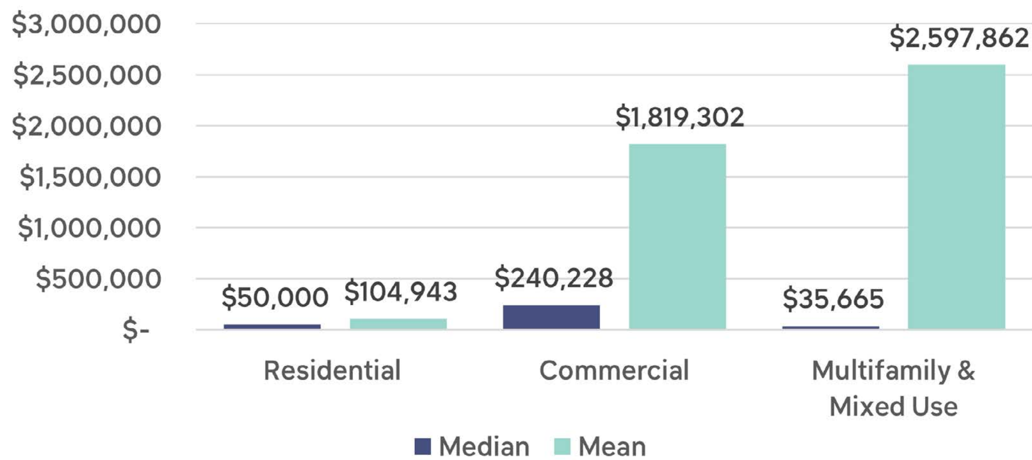
The investment made through the Bailey Bill far exceeds what is required under the legislation enabling the incentive. Overall, Bailey Bill projects have amounted to almost $217 million being invested in Columbia's historic buildings. For every $1 of investment required through the Bailey Bill, an additional $15 was spent in qualifying rehabilitation projects.

Minimum Required Investment vs Actual Investment



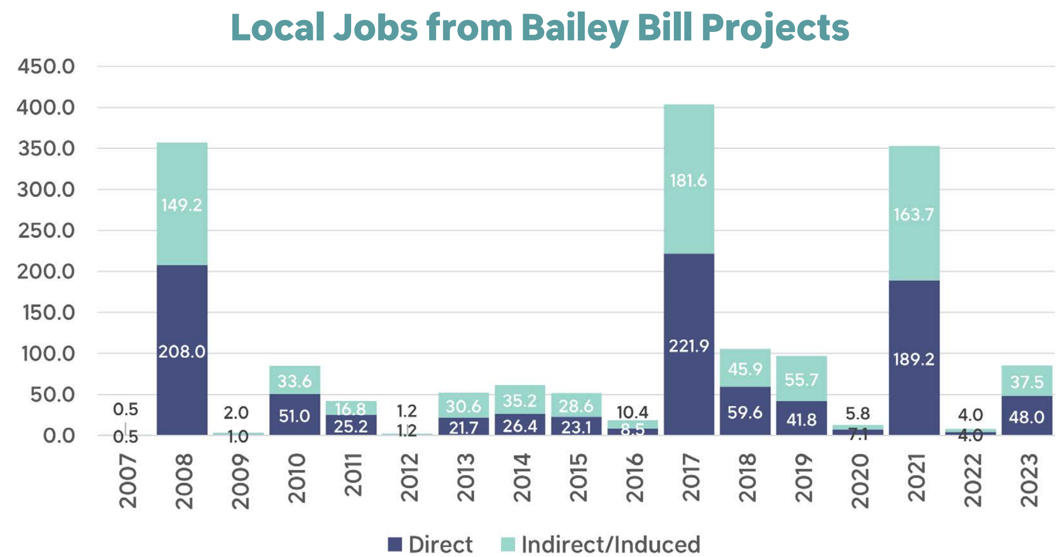
To get an understanding of what a "typical" Bailey Bill project is, it is useful to consider both the "mean" project and the "median" project. The "mean" is the statistical average of all the projects. The "median" is the amount wherein half of the projects were more expensive and half less expensive. As can be seen in the chart below, for commercial and multifamily projects there is a sizable difference between the mean and the median. That is because one or two very large projects can dramatically increase the average project size within its category. The median, therefore, is probably a better reflection of what a typical project looks like.

Bailey Bill Mean and Median Investment by Project Type

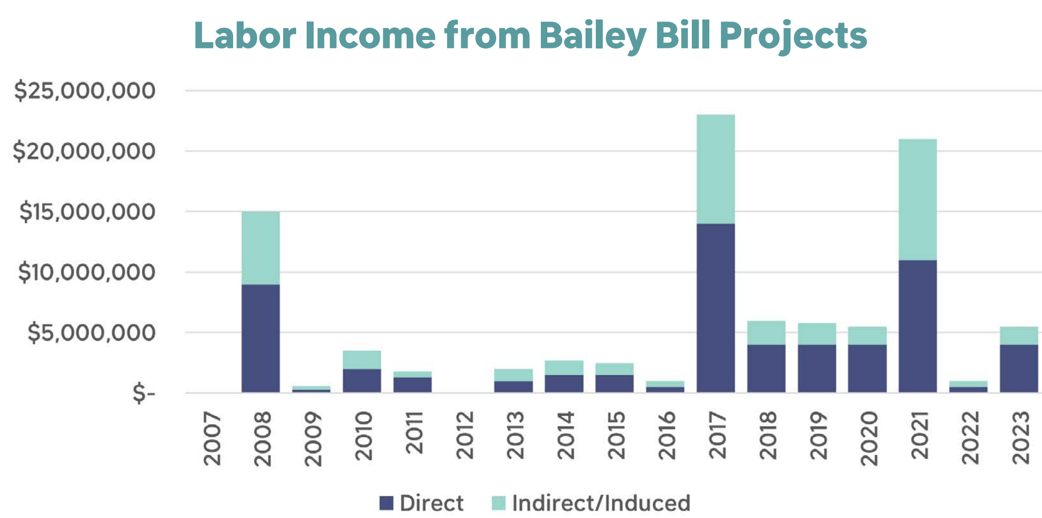


On average, local governments receive more than $100,000 in tax revenues from Bailey Bill projects each year.

Investments in historic preservation and rehabilitation create jobs. On average, investment from Bailey Bill activity creates an average of 57.7 direct local jobs and 44.9 local indirect and induced jobs each year.[2]



Those jobs have paychecks. While volatile year to year, on average over the past 15 years local direct workers have received income averaging $3.1 million and an additional average of $2.1 million has been paid to indirect and induced workers.



Local governments have also been beneficiaries of Bailey Bill projects, having received $1,708,027 in direct, indirect, and induced taxes or slightly more than $100,000 per year on average.

2 A "direct job" is a job that is created by the project. In the case of historic rehabilitation that would include a carpenter, plumber, electrician, etc. "Indirect jobs" are not people working on the project but are supported by it. In this case, the salesperson at the lumberyard, or the truck driver that delivered materials to the job site are good examples of indirect jobs. An "induced" job is a job that is supported by the employees' own spending on goods and services with the wages earned through direct and indirect jobs.

MAIN STREET'S COMEBACK

"Columbia feels like a big, small town," says Matt Kennell, President and CEO of Main Street District. "The main street area has that small town character." That character has turned out to be a huge draw downtown. Over the past 20 years, thanks to effective tax incentive programs and place-based comprehensive commercial corridor redevelopment, Columbia's downtown has been transformed. Columbia's downtown has always been a center for banking, law, and state and local government, but according to Kennell, prior to 2000, very few people lived downtown and there was virtually no street life after dark.

Today, it is an entirely different story. Columbia's Main Street District encompasses a 36-block area in the heart of downtown, bustling with students, nightlife, restaurants, cafes, venues, and shops. Beginning in the early 2000s, a number of things came together to spur development of heritage in downtown: the financial incentives provided by the Bailey Bill, state and federal historic preservation tax credits, and guidelines that allowed for rezoning in the area to include mixed use and residential. Today, it is an entirely different story. Columbia's Main Street District encompasses a 36-block area in the heart of downtown, bustling with students, nightlife, restaurants, cafes, venues, and shops. Beginning in the early 2000s, a number of things came together to spur development of historic buildings in downtown: the financial incentives provided by the Bailey Bill and state and federal historic preservation tax credits, a significant investment in public infrastructure with a newly designed streetscape, a design district overlay—requiring contextual, pedestrian-friendly architecture—and finally, more flexible zoning which allowed for residential use downtown. Consequently, a handful of perceptive developers saw the potential in the eclectic historic buildings downtown, and began converting warehouses and older office buildings into housing.

In 2014, the Columbia Commercial Historic District was listed in the National Register of Historic Places, making rehabilitation and adaptive reuse projects that much easier. The Main Street District was formed to market the district, assist with public safety improvements, and retain and recruit businesses in the area. Today, in addition to being a key destination, the District hosts a weekly public market and various cultural and music festivals that attract tens of thousands of visitors. "Over 20 years downtown transformed from a tumbleweed downtown to a really vibrant downtown," says Kennell, "and I think part of that is really the historic buildings and character of the area…without that I don't think it would be quite as big of a destination. They make it a destination that people want to come to and want to live."

Sometimes the redevelopment of historic buildings can be challenging. To help property owners address those challenges, the federal government as well as the State of South Carolina, Richland County, and the City of Columbia provide incentives to make historic preservation more feasible. To understand how these incentives impact a project, consider how they would work rehabilitating the Christine Apartments.

Christine Acquisition Cost			$746,200
Rehabilitation (20,778 x $250/s.f.)			$5,194,500
Total Costs			$5,940,700
	Less: Federal Tax Credit (20% of Rehabilitation Costs)		($1,038,900)[1]
	Less: South Carolina Tax Credit (10% of Rehabilitation Costs)		($519,450)
	Less: South Carolina Abandoned Building Credit (25% of Rehabilitation Costs)		($1,298,625)
		After Tax Credit Cost	$4,382.35
Gross Scheduled Income (16 apartments x $1700/month x 12)			$326,400
	Less: Vacancy (5%)		($16,320)
Effective Gross Income			$310,080
	Less Expenses		($93,024)
Net Operating Income			$217,056
Capitalization Rate (5.0%)			
Property Value (NOI/Cap Rate, $217,056 /.05)			**$4,341,120**

1 The credits are shown at the full amount. Because the federal credit is received over five years and the abandoned building credit is limited to $500,000 per taxpayer per year, and the fact that the credits are often "sold" at a discount to other investors, the actual value of the credits is probably between 85% and 90% of the amounts shown above.

The Christine is a 16-unit apartment complex on Millwood, built in 1949 a block from Dreher High School. When it debuted the Christine commanded some of the highest rents in the city. Seventy years later maintenance levels had dropped, and the building was no longer the prestigious address it once was. But it had become home to local musicians and artists who recognized the "cool" of the mid-century modern building. For the last four years the Christine has stood vacant awaiting demolition or rehabilitation.

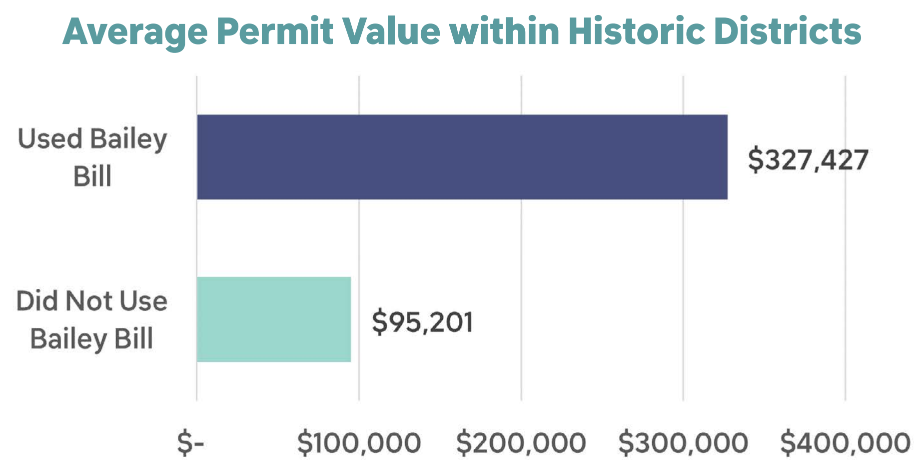
But demolition need not be the ultimate outcome. Here is how the numbers might look for the rehabilitation alternative. The numbers used below are for illustrative purposes only and this is a simplified analysis, but it should reflect typical construction, income, and operating costs in Columbia.

The market value of the property on the Richland County assessment records is $746,200. The building totals 20,778 square feet. Assuming the building could be rehabilitated for $250 per square foot, the cost side of the project would look like that at left.

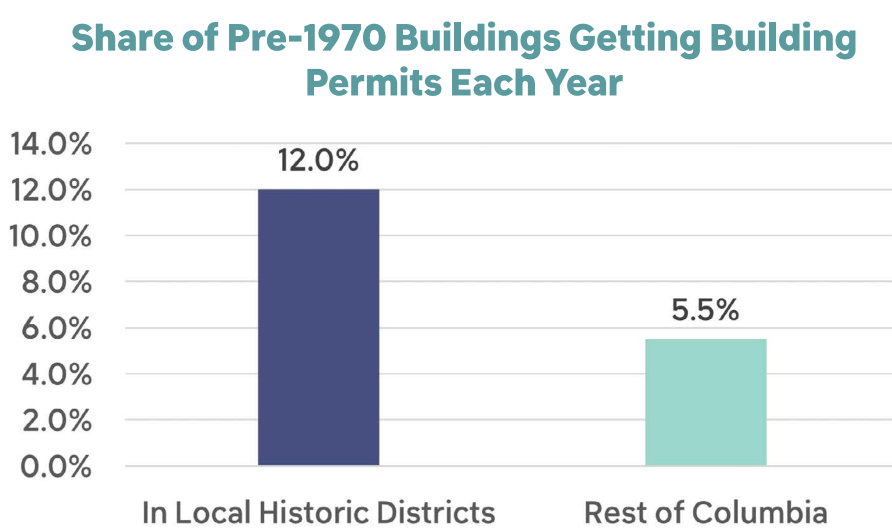
While these numbers are only estimates, they do indicate that the redevelopment of the Christine would not only be financially feasible but represent an opportunity to put into productive use one of Columbia's finest examples of mid-century residential architecture.

BAILEY BILL'S EFFECT ON PERMITS

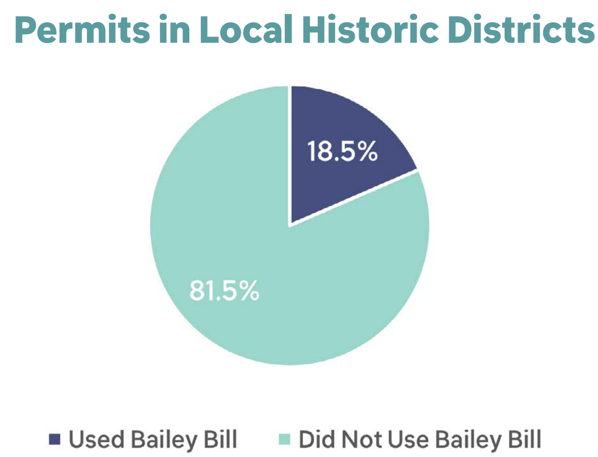
The existence of a powerful incentive results in more investment in Columbia. Within historic districts, where close to 100% of properties are eligible for the Bailey Bill, properties utilizing the incentive had higher permit values.



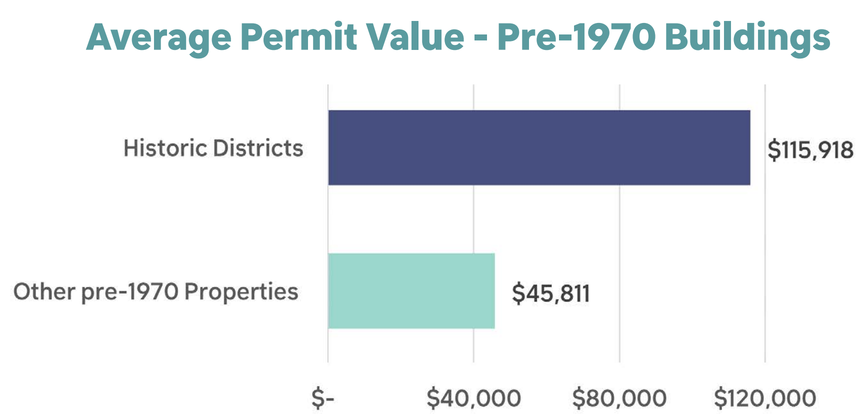
Conceivably, a property built before 1970 is of a similar character whether inside or outside of historic districts. However, only properties in historic districts are eligible for the Bailey Bill. If one compares older properties constructed before 1970 inside historic districts to older buildings in the rest of the city, there is considerably more permit activity in historic districts. On average, while around 12% of pre-1970 properties in historic districts will take out a building permit each year, only 5.5% of pre-1970 properties in the rest of the city will receive a building permit.



Eighteen and a half percent of all permits issued in local historic districts were for projects that also took advantage of the Bailey Bill.



The average permit value within historic districts is also considerably higher than other pre-1970 properties, indicating that projects happening in historic districts were larger scale. It is likely that property owners can justify larger investments in rehabilitation because of the incentive attached to the project.



It is clear that not only does the Bailey Bill encourage investment, but that investment is larger than similar investment in properties not eligible for the Bailey Bill incentive.

THE PALMETTO COMPRESS

The Palmetto Compress is a massive, striking 100-year-old cotton bale compress facility at the edge of Columbia's downtown and, beyond the mills, one of the few remnants of the city's cotton industry. For decades, the behemoth sat vacant, too vast in scale and too quirky in its design to be easily converted to another use. Aware that the building was at risk, neighbors in the Ward One community and preservationists put pressure on the City to find a solution. Columbia Development Corporation purchased the building and provided architectural surveys and structural analysis, and were key players in advocating for adaptive reuse. The Compress ultimately ended up in the hands of PMC Property Group, a development group that specializes in adaptive reuse projects throughout the East Coast.

PMC worked with architect Scott Garvin of Garvin Design Group to transform the Compress into luxury apartments, introducing light wells into the building's deep interior spaces, rebuilding the iconic porches, and retrofitting the sloped floors, which once allowed cotton bales to be slid across the floor quickly and efficiently. Instrumental to the project were the financial incentives offered by the Bailey Bill, the state and federal historic preservation tax credits, including the South Carolina Textiles Communities Revitalization Act, and the Abandoned Buildings Revitalization Act, without which, rehabilitation would likely have been too costly to be viable. Access to these incentives was made possible by Historic Columbia's National Register District nomination in 2014. Additionally, saving the building resulted in a much higher density of housing units than was previously proposed.

HERITAGE TOURISM

HERITAGE VISITATION CONTRIBUTES SIGNIFICANTLY TO COLUMBIA'S ECONOMY.

Tourism is becoming a significant component of the overall Columbia economy. A report prepared by the tourism research from Longwoods International recently reported that there were 15.8 million visitors to Columbia in 2022, an increase of 700,000 visitors from the previous year. These visitors spent $1.7 billion with an overall impact on the local economy of $2.6 billion.

What may not be fully understood is the large share of total tourists that fall into the heritage visitor category. Using data from Longwoods, PlaceEconomics estimates that approximately 39% of overnight visitors and 25% of day visitors fall into the heritage visitor category. That translates into 2,217,000 overnight heritage visitors and 2,495,000 heritage day visitors.

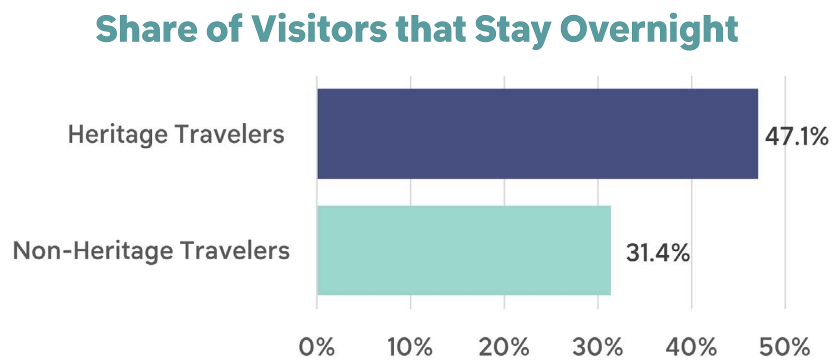
But the economic impact of these visitors is not just their numbers. Heritage visitors to Columbia are more likely to stay overnight, spend more per visit, have larger travel parties, and stay longer in the Columbia area.

CHARACTERISTICS OF HERITAGE VISITORS

When considering expenditures per visitor, non-heritage visitors spend an average of $78.58 per trip while heritage visitors spend $91.69, nearly 17% percent more.

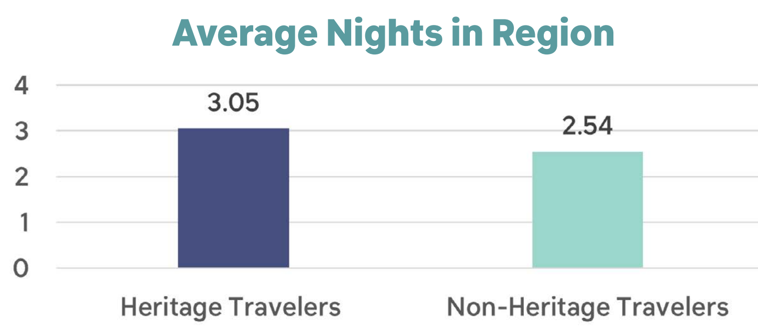
Expenditures per Visitor

Heritage visitors to Columbia are more likely to stay overnight than non-heritage visitors. Visitors that spend the night in their destination inherently spend more money locally--on lodging, dinner, breakfast--than guests that only visit for a few hours during the day. Only 31% of non-heritage visitors to Columbia stayed overnight, but almost half of all heritage visitors spent the night.

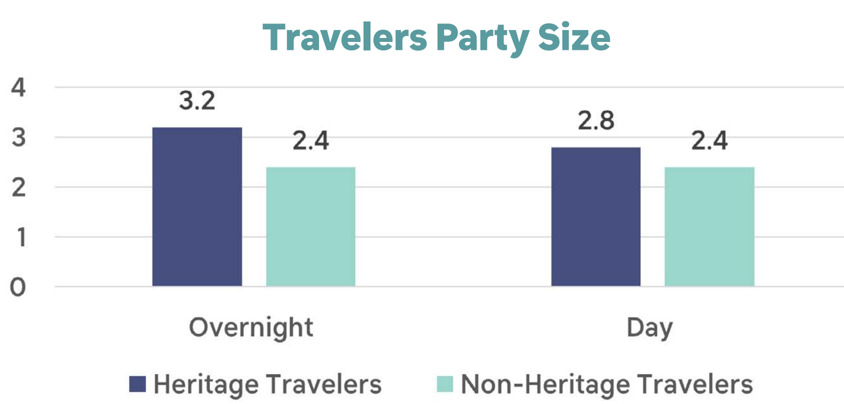


Heritage tourists are more likely to stay longer and have greater expenditures.

Not only are heritage visitors more likely to spend the night--they are more likely to spend more nights in Columbia than non-heritage visitors.



Heritage tourists also travel in larger parties than non-heritage visitors. Whether they came for a day trip or stayed for several days, heritage tourists were more likely to travel with more guests. This has positive implications for the local economy--more hotel beds filled, more meals purchased, and more entry tickets bought.



HISTORIC COLUMBIA'S HISTORIC SITES

Historic Columbia offers tours and public interpretation of five historic sites that add to the depth and texture of Columbia's heritage tourism offerings. One such site is the Museum of the Reconstruction Era, formerly known as the Woodrow Wilson Family Home. Historic Columbia shifted the narrative at the site to explore the racial, social, and political landscape of Columbia and Richland County in the post-Civil War era. Following a nine-year, comprehensive rehabilitation, the site reopened in 2014 with 21st-century exhibits that localize the complex and often misunderstood Reconstruction Era of the 1860s-1870s. Today, the museum uses panel exhibits, interactive technologies, and guided tours to tell the story of how Black and white Columbians navigated the political and social changes of the time.

Historic Columbia also uses passive interpretation and public history to tell complex stories of Columbia's past. The Mann-Simons Site tells the story of a collection of buildings once owned and operated by generations of the same Black family from 1843-1970. Following a decade of research, archeological investigations, and extensive restoration, Historic Columbia instituted a new interpretation that tells the story of the free Black family and its later generations that lived at the site from the antebellum period through the Civil War, the Jim Crow era, and the Civil Rights movement. The Mann-Simons Outdoor Museum also features five ghost structures that resemble buildings that once stood on the site, including a former lunch counter, grocery store, outhouse, and residences. These sites are integrated through wayside interpretive signage.

Historic Columbia's work to tell more diverse and inclusive stories of Columbia's history places it at the forefront of preservation organizations across the country.

The Mann-Simons Site celebrates African American perseverance and community building.

Not only does heritage visitor activity benefit workers in Columbia, but the state and local government receive sales tax revenue from these expenditures. State and local governments have received over $37 million in tax revenue from just the heritage portion of Columbia's tourism economy.

	Direct State & Local Taxes
Lodging	$16,736,002
Transportation	$3,467,194
Food and Beverage	$6,071,207
Retail	$5,554,605
Amusements/Entertainment	$5,225,467
TOTAL	**$37,054,474**

There are many reasons to visit Columbia, but coming to enjoy the city's great heritage resources is a particularly powerful one. It is not just Columbians who recognized and appreciate their built heritage – others are visiting Columbia to experience those resources. And they are spending substantial money to do so.

JOBS AND LABOR INCOME FROM TOURISM

These expenditures made by heritage tourism have a ripple effect in the economy, sustaining jobs and income for local residents. In 2022, these heritage tourism dollars created over 5,800 direct jobs and 1,500 indirect and induced jobs.[3]

	Direct Jobs	Indirect & Induced Jobs	Total Jobs
Lodging	1,143.90	371.2	1,515.10
Transportation	720	209.3	929.2
Food and Beverage	1,914.60	391.5	2,306.00
Retail	738.3	215.8	954.1
Amusements/ Entertainment	1,293.00	338.9	1,631.90
TOTAL	**5,809.70**	**1,526.70**	**7,336.40**

The labor income associated with those jobs is outlined in the graph below. Heritage tourism expenditures have generated over $265 million in paychecks for Columbia residents.

	Direct Labor Income	Indirect & Induced Labor Income	Total Labor Income
Lodging	$48,475,386	$20,420,993	$68,896,378
Transportation	$25,515,677	$11,400,315	$36,915,993
Food and Beverage	$45,498,778	$23,633,700	$69,132,478
Retail	$21,573,936	$11,519,207	$33,093,143
Amusements/ Entertainment	$39,922,352	$17,530,264	$57,452,616
TOTAL	**$180,986,129**	**$84,504,479**	**$265,490,607**

3 A "direct job" is a job that is created by the project. In the case of historic rehabilitation that would include a carpenter, plumber, electrician, etc. "Indirect jobs" are not people working on the project but are supported by it. In this case, the salesperson at the lumberyard, or the truck driver that delivered materials to the job site are good examples of indirect jobs. An "induced" job is a job that is supported by the employees' own spending on goods and services with the wages earned through direct and indirect jobs.

Landmark District

HOTEL TRUNDLE: EMBRACING COLUMBIA'S STORY

Entrepreneurs Rita Patel and Marcus Munse entered into a long-term lease agreement with a private LLC which purchased the former Western Auto, Rose Talbert, and Powell Furniture buildings just off Columbia's Main Street in 2018, with a vision of bringing Columbia's first boutique hotel downtown. Patel grew up with parents in the hotel industry, and both she and Munse have a deep passion for architecture, historic preservation, and showcasing the City of Columbia. From their combined passions, Hotel Trundle was born.

Hotel Trundle is more than just a place to rest; it's an immersive experience that celebrates the local culture and community. Patel and Munse allowed the architecture and character of the three buildings to lead the design, while also injecting their own flair for color and whimsy. The three buildings making up the hotel were built between 1914 and 1940, and historic elements like exposed brick, stamped tin ceiling tiles, and deep moldings set the tone for the hotel's design. Upon this historic foundation, Patel and Munse layered in art and furnishings to create a vibrant and unique embodiment of the city's rich heritage and modern flair. Each of Hotel Trundle's thoughtfully designed rooms, adorned with locally crafted art, vintage finds, and contemporary amenities tells a different story.

It was important to the owners to work with local artists to decorate the hotel's interiors--for them, Hotel Trundle's lobby is a community gathering space and showroom highlighting what is special and unique about Columbia. Their walls feature a paper collage gallery wall by Angela Zokan, a plaster sculpture installation by Lauren Dillon, and graffiti art by Cedric Umoja. They also patron local stores and craftsmen to furnish their spaces, like The Shoppes on Main and Bricker & Beam.

That a space as unique and thoughtful as Hotel Trundle can exist is a testament to Columbia's progressive attitude toward historic preservation. The tools and incentives that city leaders have implemented are supporting the creation of creative and dynamic spaces that attract visitors and new residences to Columbia. Marcus said, "We wouldn't be here without the preservation incentives. Hotel Trundle would not have been possible without the Bailey Bill or Lost Development Easements."

Hotel Trundle

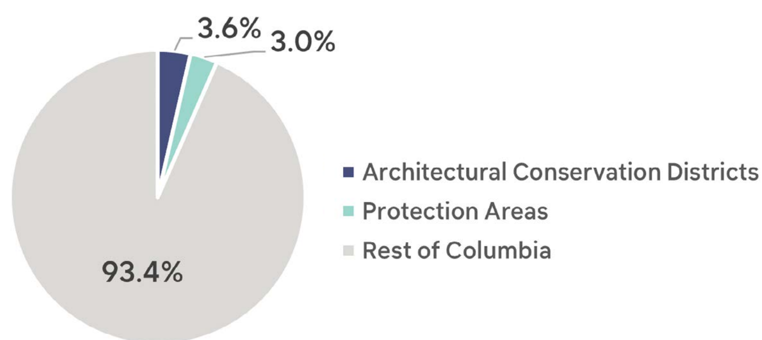
DEMOGRAPHICS IN HISTORIC DISTRICTS

COLUMBIA'S HISTORIC DISTRICTS ARE DENSELY POPULATED.

POPULATION & DENSITY

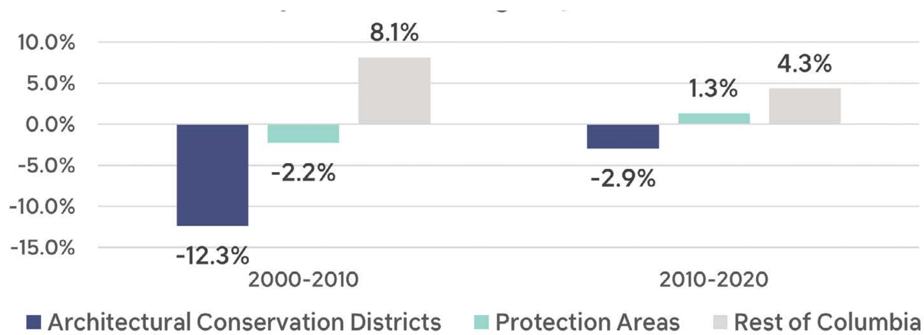
Though Architectural Conservation Districts and Protection Areas only account for 3.6% of Columbia's land area, they are home to nearly 7% of the city's population.

Share of Population (2020)

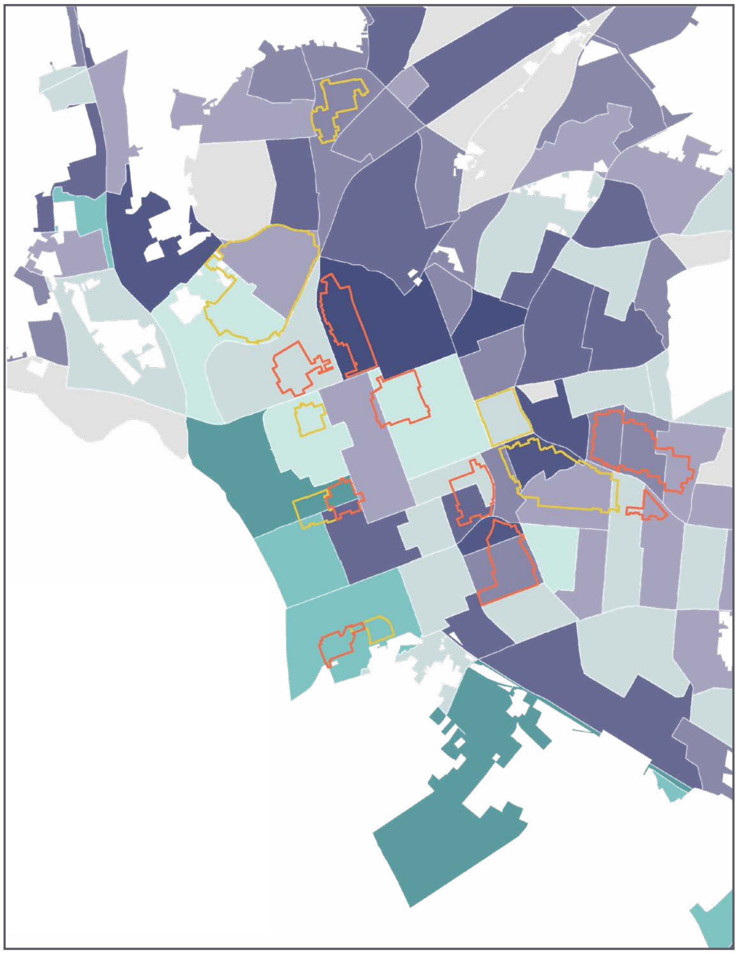


Columbia's population has grown by more than 13,000 in the last 20 years. While the rest of the city has seen a population increase of nearly 13%, Architectural Conservation Districts and Protection Areas have seen a 15% and 1% decrease in population, respectively. Population change in Columbia was more dramatic between 2000 and 2010, when Architectural Conservation Districts lost over 10% of their population. Population change over the last 10 years however has been more stable.[4]

Population Change by Decade

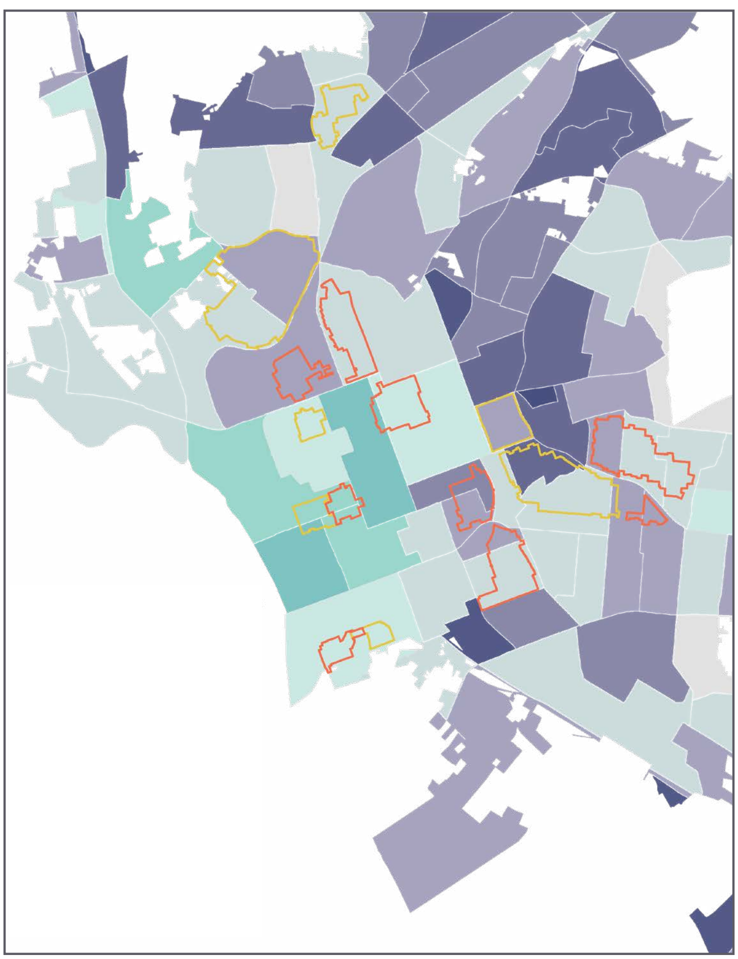


4 After community feedback, PlaceEconomics confirmed these findings using 3 different methodology variations, all of which found the same patterns on population loss.



Map Legend
Population Change, 2000-2010

- Under -43%
- -42% to -24%
- -23% to 15%
- -14% to -8%
- -7% to -1%
- No Change
- 1% to 18%
- 19% to 49%
- 50% to 102%
- 103% to 266%
- Over 207%



Map Legend
Population Change, 2010-2020

- Under -57%
- -56% to - 27%
- -26% to -14%
- -13% to -7%
- -6% to -1%
- No Change
- 1% to 14%
- 15% to 46%
- 47% to 180%
- 181% to 406%
- Over 406%

IPUMS NHGIS Time Series Table, Total Population 2000, 2010, 2020.

Old Shandon/Lower Waverly Protection Area

Population density is important for sustainability, affordability, and efficient use of public dollars. Dense housing promotes the efficient use of existing infrastructure, as opposed to new construction which can require laying new lines and streets for ever-spreading suburbs. Density also fosters sustainability because residents have the option to walk or use public transit, and smaller homes often have smaller carbon footprints.

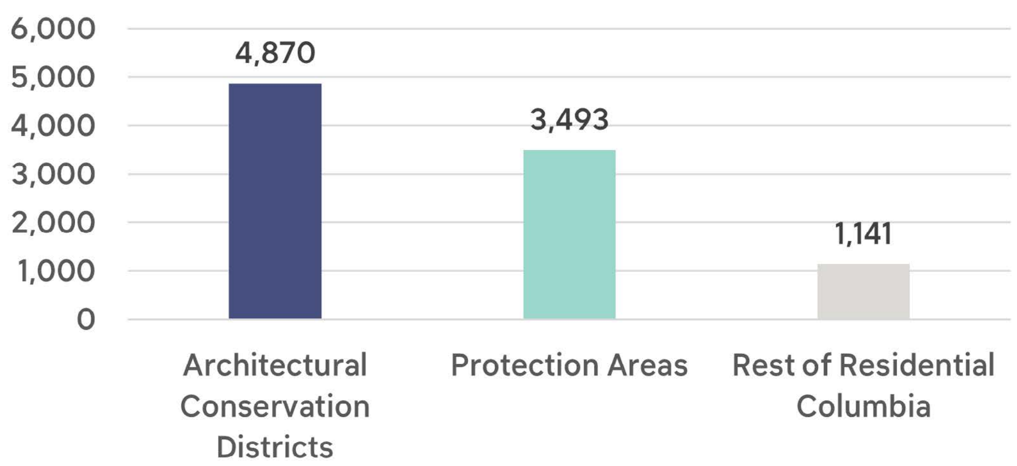
It is important, too, that density be provided on a human scale. Density on a human scale refers to urban environments that feel comfortable for people to exist in and move through, as opposed to spaces that are primarily designed for automobile access. Places with density at a human scale typically have a variety of housing options, transparent ground floor commercial buildings, a granular street presence, and walkable streets.

On average, around 3,000 more people per square mile live in Columbia's Architectural Conservation districts than the rest of the city's residential areas.

Columbia's historic districts, because they largely predate car-centric development and suburban sprawl, are some of the densest areas of the city. On average, around 3,000 more people per square mile live in Columbia's Architectural Conservation districts than the rest of the city's residential areas. This density is primarily achieved through a variety of multi-family housing types, smaller housing units, and smaller lot sizes.

Population Density

(2020 - People Per Square Mile)

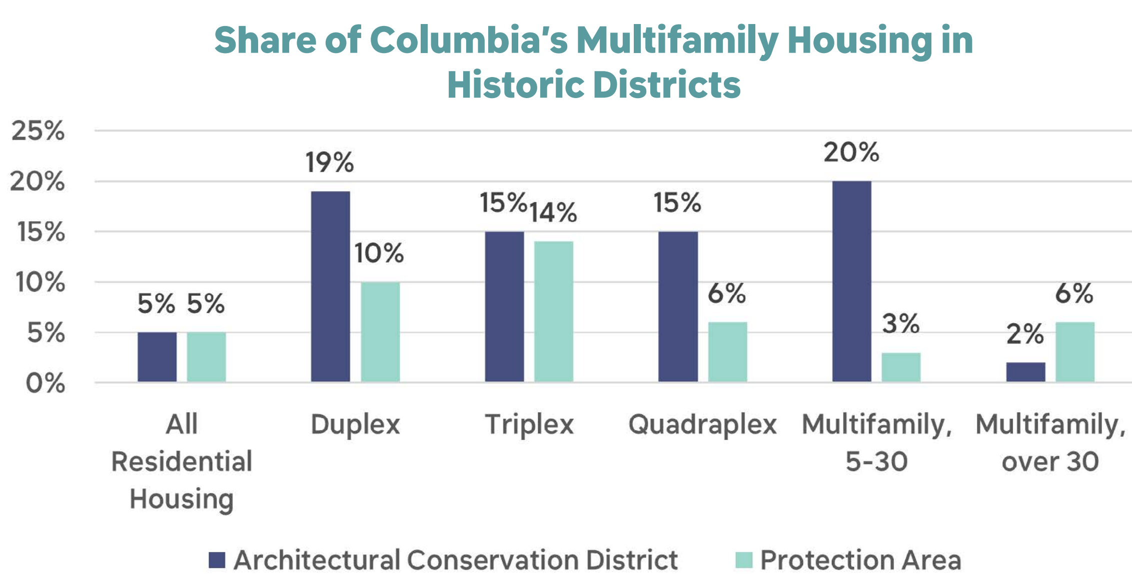


Historic neighborhoods often have a historic mix of housing types, such as duplexes, small apartment buildings, and existing accessory dwelling units, which allow for greater density on a human scale. In Columbia, a greater share of residential parcels is zoned for multi-family use in Architectural Conservation Districts and Protection Areas than the rest of the city. Within Architectural Conservation Districts, only 79% of parcels have a single-family dwelling, compared to 83% in Protection Areas and 88% in the rest of the city.

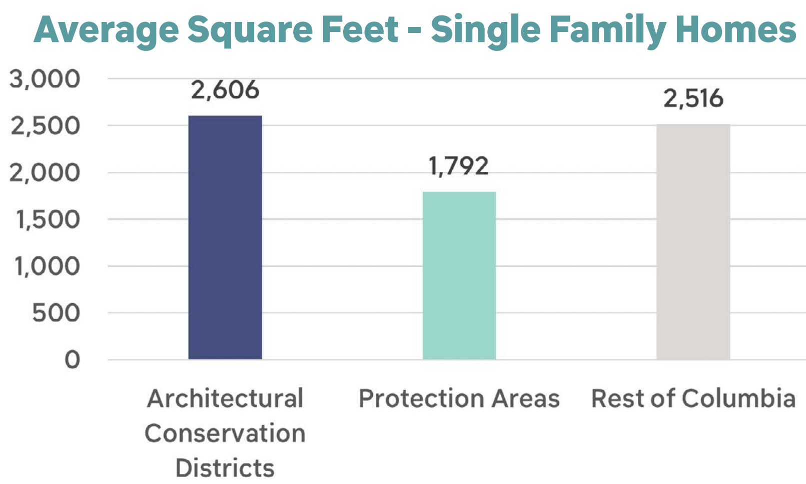
Residential Properties	Architectural Conservation District	Protection Area	Rest of Columbia
Single Family	79%	83%	88%
Duplex	14%	7%	3%
Triplex	1%	1%	0%
Quadruplex	2%	1%	1%
Multifamily, 5-30	1%	0%	0%
Multifamily, over 30	2%	6%	6%
Other	1%	1%	2%

Columbia's local historic districts represent an outsized portion of small-scale multifamily housing types.

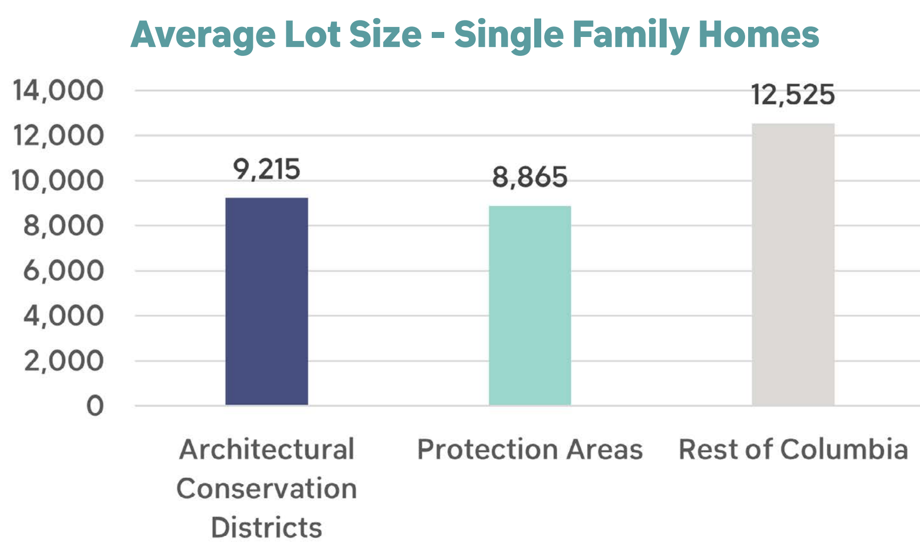
Architectural Conservation Districts and Protection Areas have a wide diversity of housing types. While Architectural Conservation Districts account for only 5% of the city's overall residential parcels, they represent an outsized portion of small-scale multifamily housing types–19% of Columbia's duplexes, 15% of triplexes, 15% of quadruplexes, and 20% of multifamily buildings homes under 30 units are located in Architectural Conservation Districts. A similar pattern is true in the Protection Areas. This diversity of housing types contributes to the high population density found in historic districts.



Even in areas with primarily single-family development patterns, older neighborhoods are higher density thanks to their smaller building size. Single-family homes in Architectural Conservation Districts are, on average, roughly the same size as homes in the rest of the city. However, single-family homes in Protection Areas are 40% smaller than homes in the rest of the city.



Density in historic districts can also be attributed to smaller lot sizes in predominantly single-family neighborhoods. On average, single-family lots in Architectural Conservation Districts and Protection Areas are around 40% smaller than those in the rest of the city.



Urban density is an important public policy goal as many cities try to combat the affordability crisis and promote sustainable development. Columbia's historic districts are good models of urban density on a human scale.

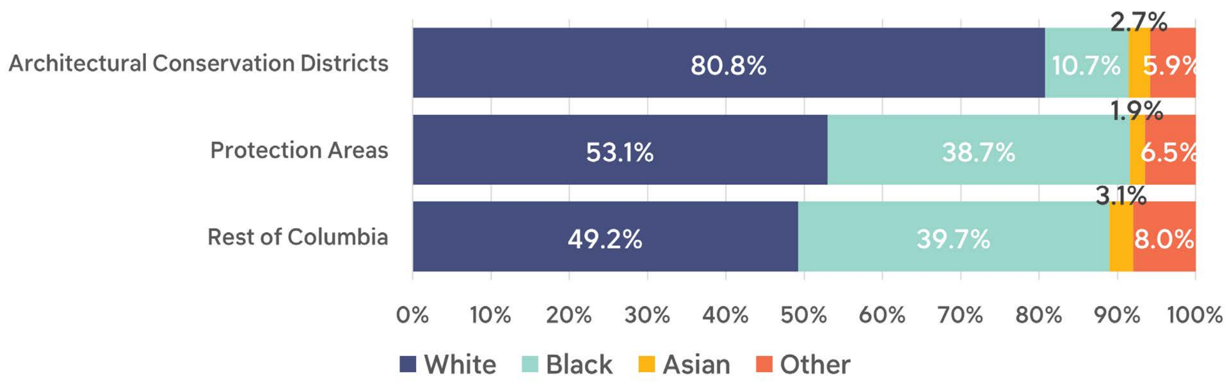
Wales Garden Architectural Conservation District

Landmark District

RACE

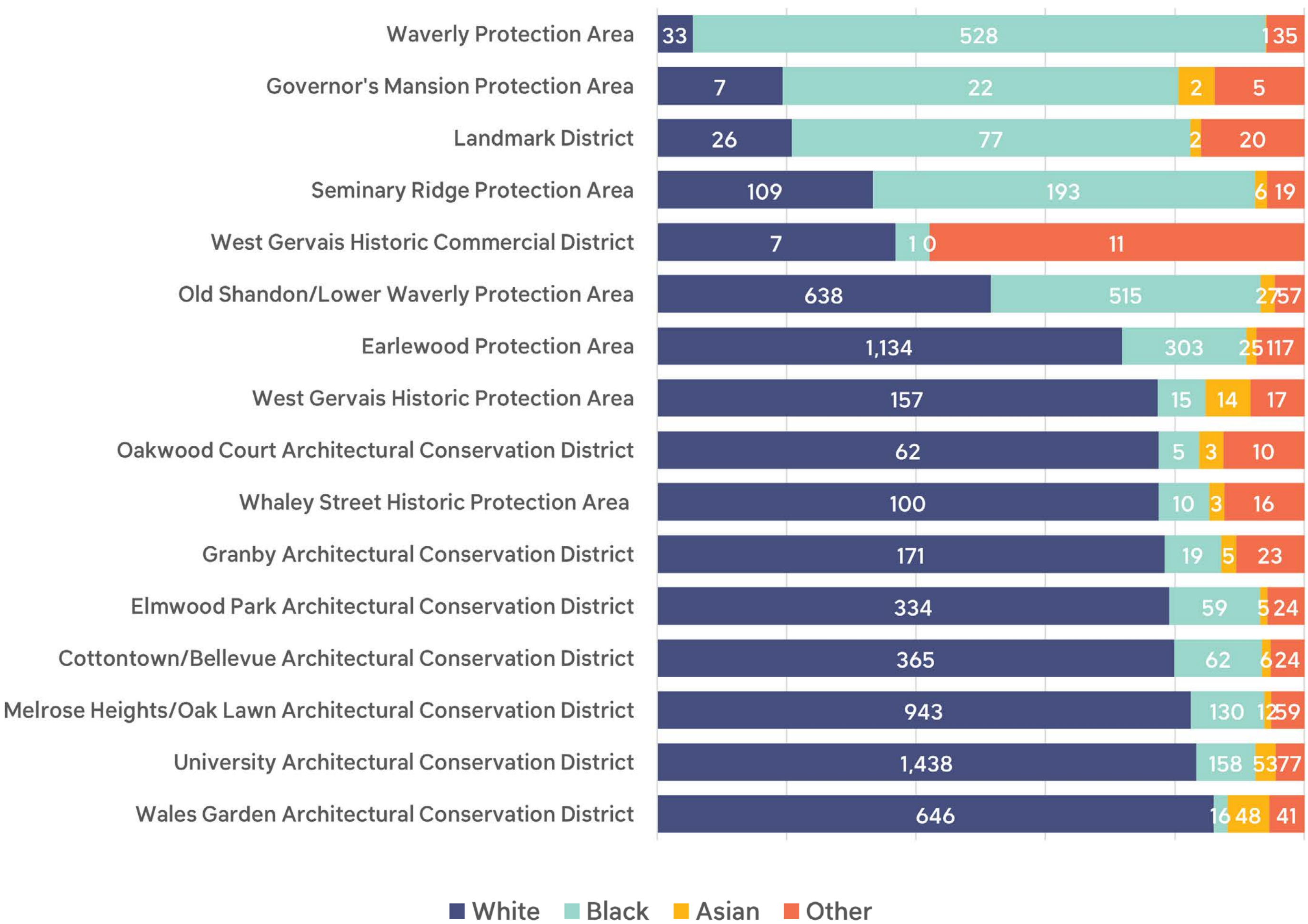
Columbia is a diverse city–just over 50% of its population is made up of non-white residents. Columbia's Architectural Conservation Districts are significantly more white than the rest of the city, with 81% of residents identifying as white, compared to just 49.2% in the rest of the city. However, Protection Areas more closely mirror the demographics of the rest of the city, with 53% of its population identifying as white.

Racial Distribution (2020)

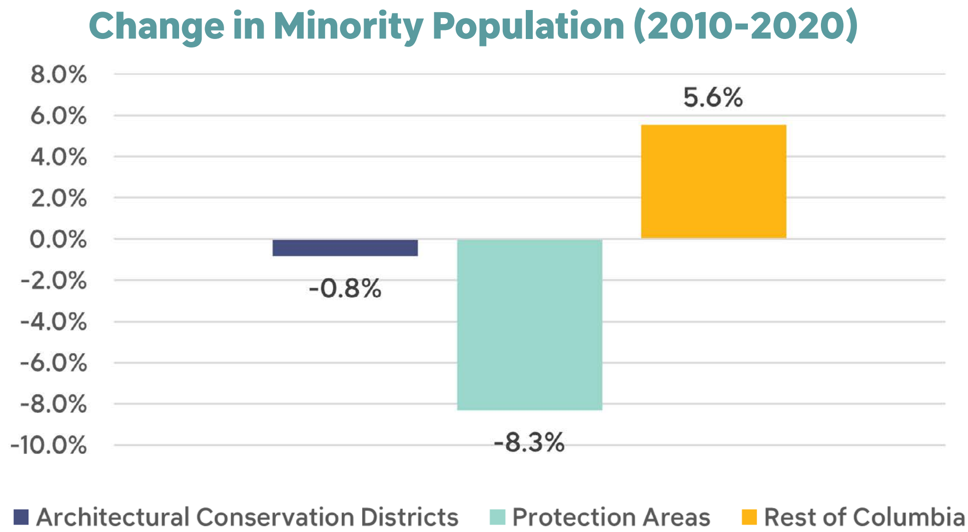


At the district-by-district level, one can see that while the majority of Columbia's historic districts are predominantly white, this is not true of every district. Notable exceptions include two Protection Areas–Waverly and Seminary Ridge–which have a higher percentage of Black population than the city as a whole. Eighty-eight percent of the population in the Waverly Protection Area and 59% of the population in the Seminary Ridge Protection Area identify as Black.

Race by Architectural Conservation District or Protection Area (By count, 2020)



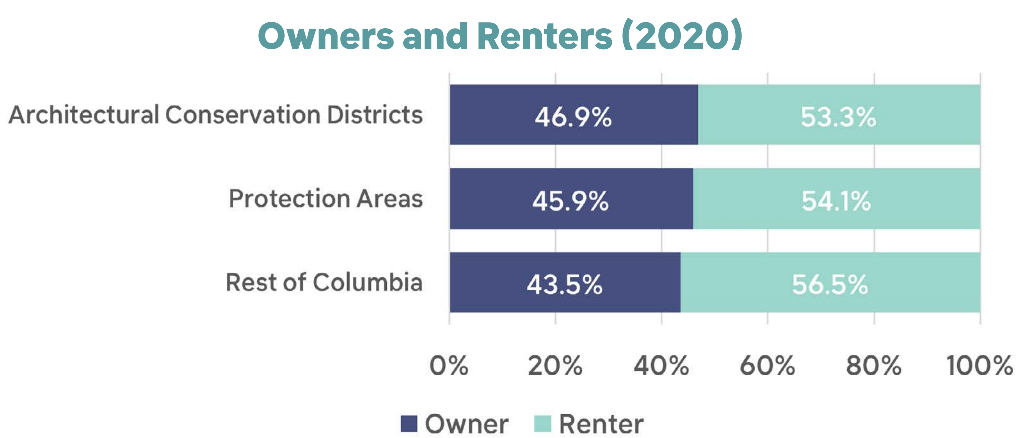
A look at the last ten years shows that while the number of non-white residents is growing in the rest of the city, it has been relatively stable in Architectural Conservation Districts but shrinking in Protection Areas, where the non-white population is highest.



This is an important reality to acknowledge. While Columbia's historic districts do not currently reflect the racial composition of the city, this does not mean that they cannot in the future. Preservation advocates should see this as an opportunity to explore new strategies and tactics, such as providing more diverse or underrepresented neighborhoods with the support and resources they need to designate their communities if they choose.

TENURE

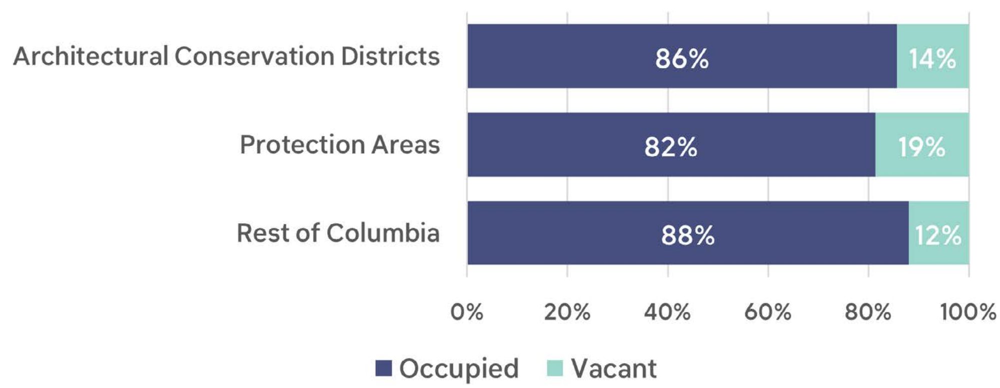
Overall, almost 8% of Columbia's households live within Architectural Conservation Districts or Protection Areas. In Columbia, the majority of households rent. This is probably attributable to the high number of students and also to military personnel who chose to live off-post. This pattern of renters is also true in Architectural Conservation Districts and Protection Areas. The mix of owners and renters in Columbia's historic districts largely mirrors that of the rest of the city.



OCCUPANCY STATUS

Overall, 8% of Columbia's housing units are in Architectural Conservation Districts or Protection Areas. Vacancy rates in these districts are slightly higher than in the rest of the city. While 12% of housing units in the rest of Columbia are vacant, 14% and 19% of housing units are vacant in Architectural Conservation Districts and Protection Areas, respectively.

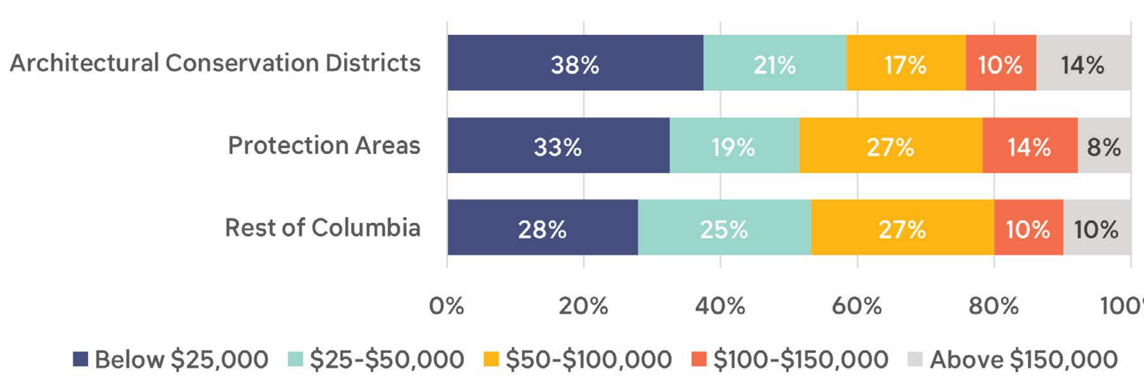
Occupancy Status (2020)



INCOME

The median household income in Columbia is $48,791.[5] An analysis of household income in historic districts shows that 38% of residents in Architectural Conservation Districts make below $25,000. One might reasonably postulate that this high percentage of very low-income residents is attributed to a high student population, as many historic districts are located near the University of South Carolina. The next section examines the connection between age and income more closely.

Household Income Distribution (2020)

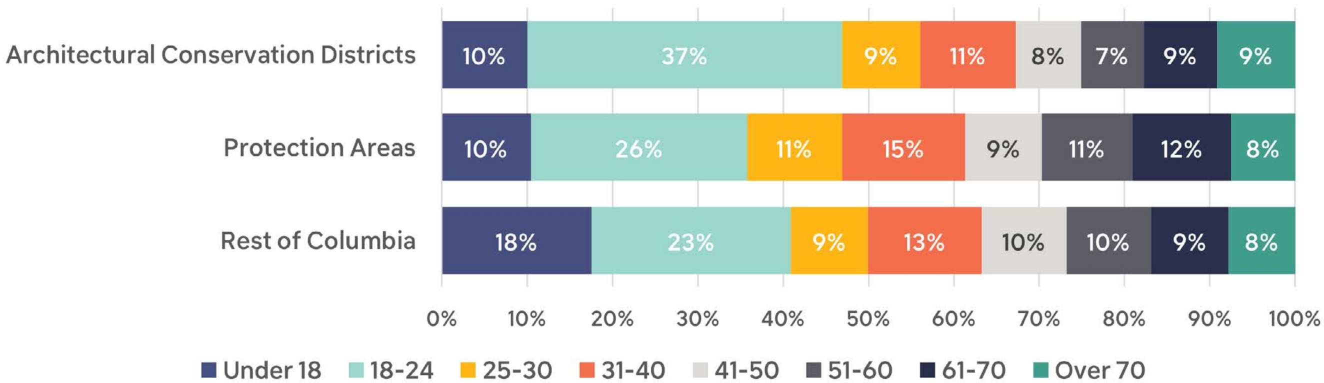


5 U.S. Census Bureau, Census QuickFacts, 2021.

RESIDENT AGE

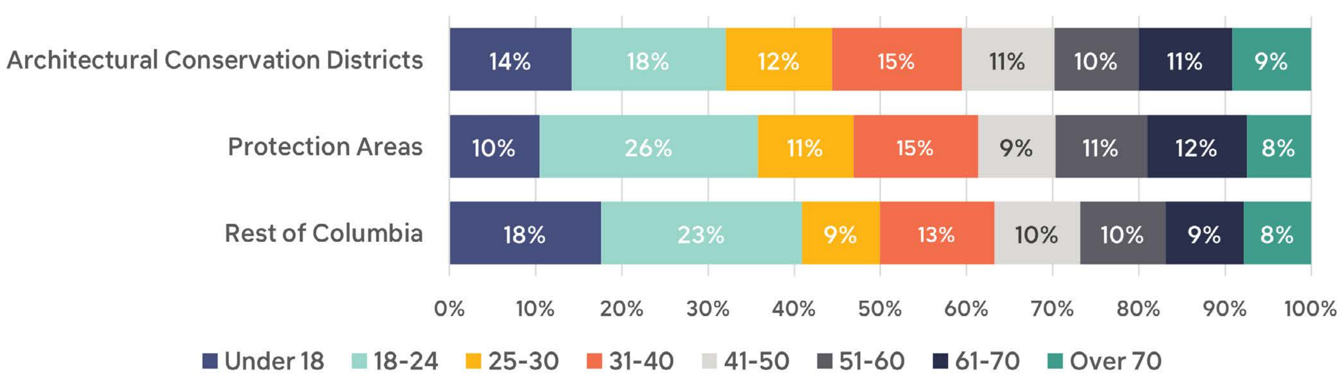
Columbia overall is a young city, with around 50% of its population under the age of 30. This is likely largely due to the influence of the University of South Carolina, the flagship of the University of South Carolina System and the largest university in the state by enrollment. Historic areas are home to a disproportionate share of this young population, affected by the student population at Columbia's universities. The college age cohort of 18 to 24 represents 37% of the population in the Architectural Conservation Districts, and 26% of the Protection Areas population as compared with 23% of the rest of Columbia.

Resident Age in Historic Districts (2020)



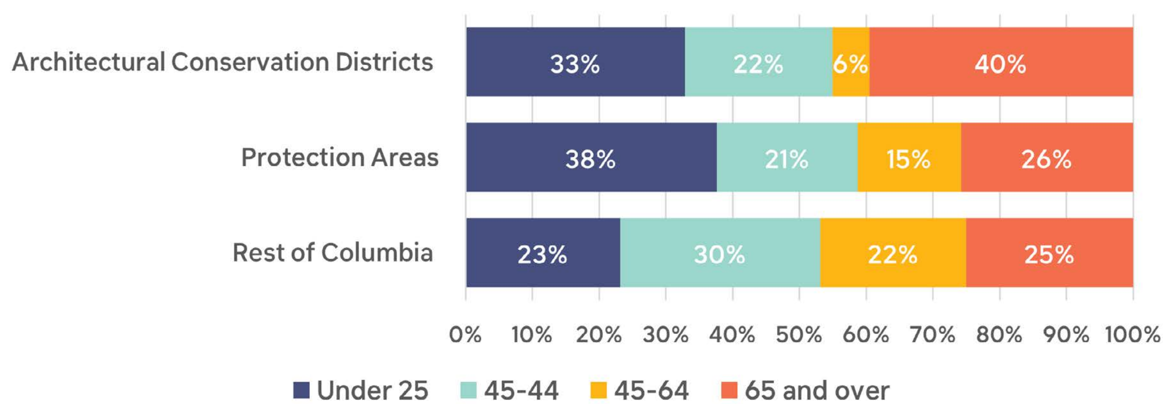
This is somewhat skewed by the University Hill Architectural Conservation District, wherein the 18–24-year-olds make up 72% of the population. When Architectural Conservation Districts are analyzed without the University Hill ACD, the distribution more closely mirrors the rest of the city.

Resident Age in Historic Districts (Without University Hill Architectural Conservation District)



To further examine the potential effects of a high student population on income distributions in historic neighborhoods, an analysis of age and income was conducted. This analysis reveals that in both Architectural Conservation Districts and Protection Areas, there is a higher percentage of college-aged, low-income households in historic districts than in the rest of the city. This supports the hypothesis that the high percentage of low-income households in historic districts is attributable to a higher percentage of students with lower household incomes. But the analysis also reveals a high percentage of low-income households over 65 in Architectural Conservation Districts, suggesting that the relatively high percentage of households making below $25,000 (38% of all households, as demonstrated above) cannot be attributed solely to students. In addition to higher student populations, there is also a large percentage of older households living on fixed incomes in Architectural Conservation Districts.

Households with an Income under $25,000 by Age of Householder



OLDER HOUSING & AFFORDABILITY

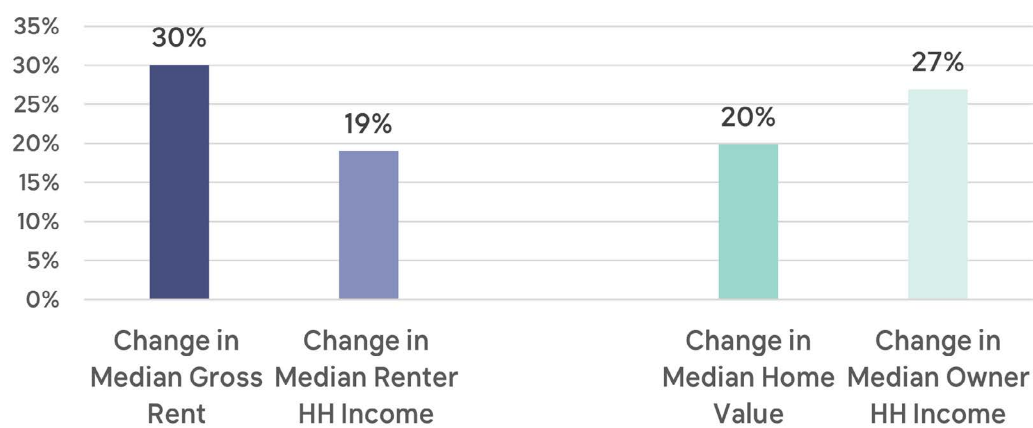
COLUMBIA'S OLDER NEIGHBORHOODS ARE PROVIDING HOUSING AT LOWER COSTS, PARTICULARLY TO RENTER HOUSEHOLDS.

Rents in Columbia are rising faster than renter incomes.

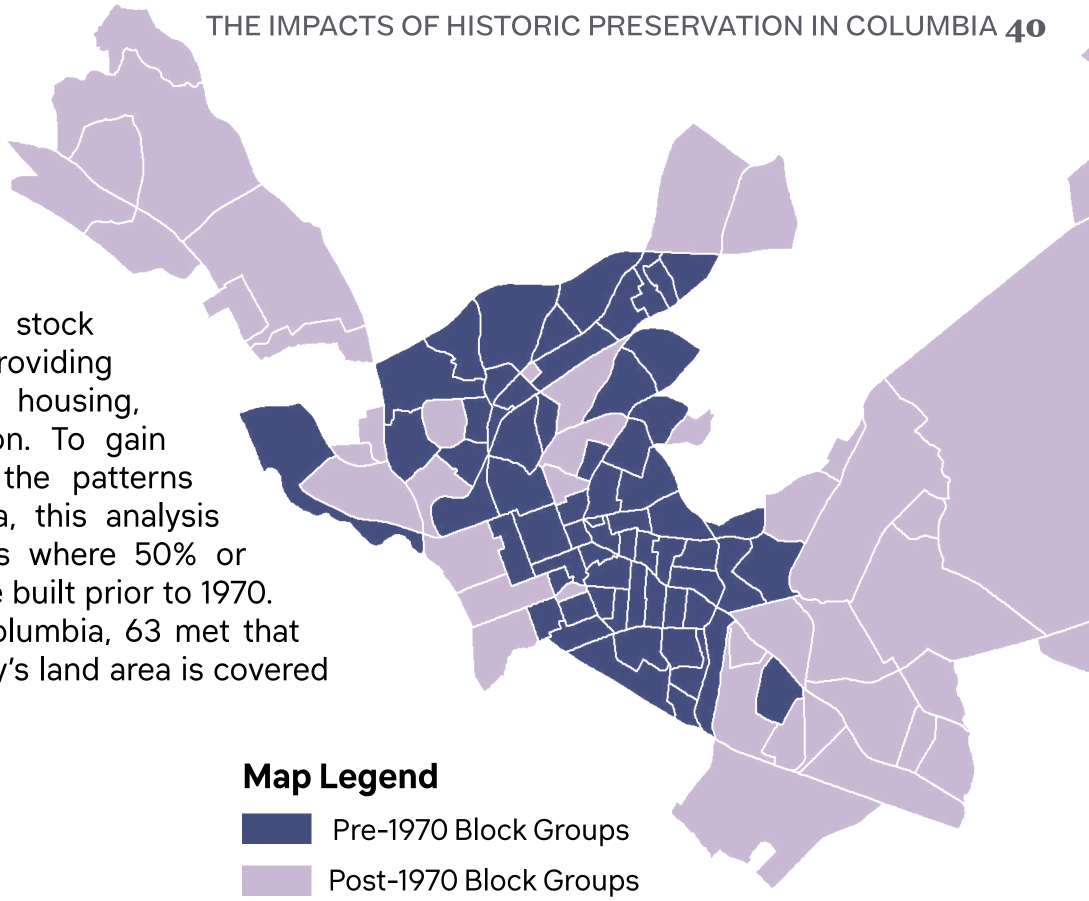
To be both equitable and prosperous, a city needs to have an adequate supply of affordable housing. Housing affordability is an issue across the country in cities large and small, and South Carolina is no exception. Columbia's renters are particularly feeling the burden of rising housing costs. The chart below shows that over the last ten years, rent increases have outpaced the change in the median renter household's income. Fortunately, changes in median home values have increased in pace with the incomes of owner households. This discrepancy only highlights the precarity of most renter households--renters are inherently more vulnerable to displacement from rising costs of living or gentrification because they do not own their homes. This section analyzes the contribution that older housing makes to Columbia's supply of affordable housing, and to renter households in particular. PlaceEconomics found that neighborhoods with concentrations of older housing are the location of a large share of Columbia's affordable rental units.

Change in Median Housing Costs vs Median Household Income, Columbia

(Renters vs Owners, 2010-2020)

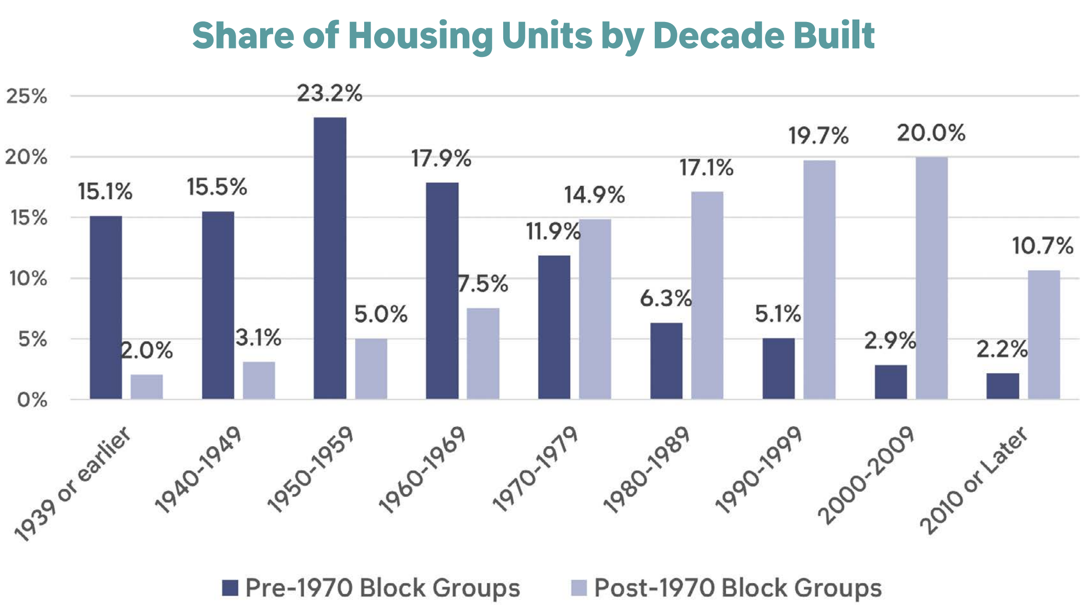


In most cities, older housing stock plays an important role in providing naturally occurring affordable housing, and Columbia is no exception. To gain a general understanding of the patterns of older housing in Columbia, this analysis selected census block groups where 50% or more of the housing units were built prior to 1970. Of the 109 block groups in Columbia, 63 met that test. Sixteen percent of the city's land area is covered by these block groups.

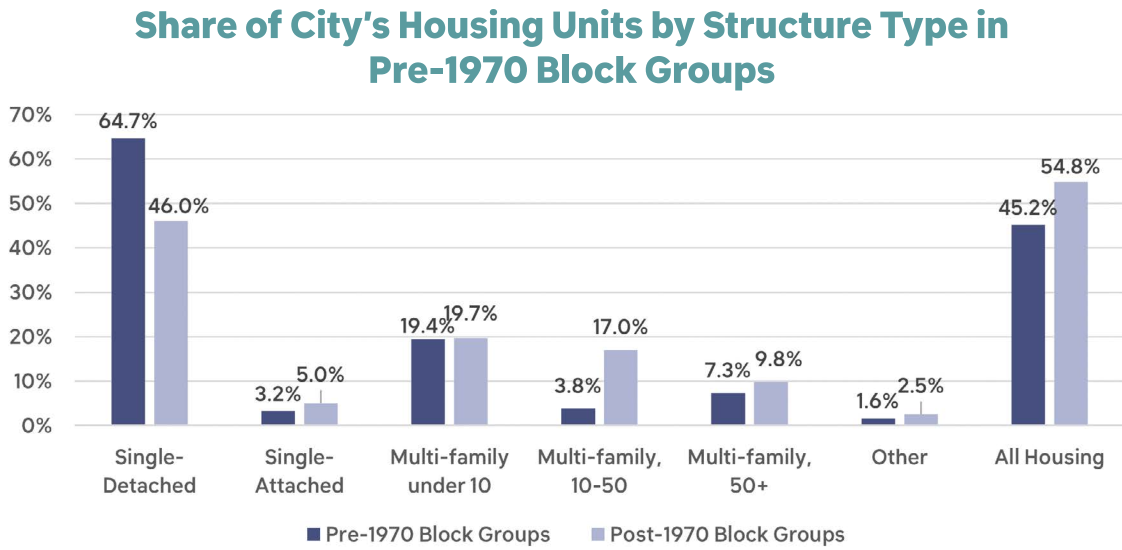


AGE OF UNITS & UNIT TYPES

To verify that these block groups do in fact represent a concentration of older housing, an assessment of unit age in these block groups was undertaken. There are nearly 71,000 housing units in Columbia, of which 42% were constructed prior to 1970. The majority (77%) of those older units fall within the study block groups. Within the study block groups, 72% of housing units were built prior to 1970, compared to only 18% in the rest of the city.



Forty-five percent of all of Columbia's housing units are in pre-1970 block groups. The majority (65%) of housing units in these older neighborhoods are detached single family homes compared to just 46% in post-1970 block groups.

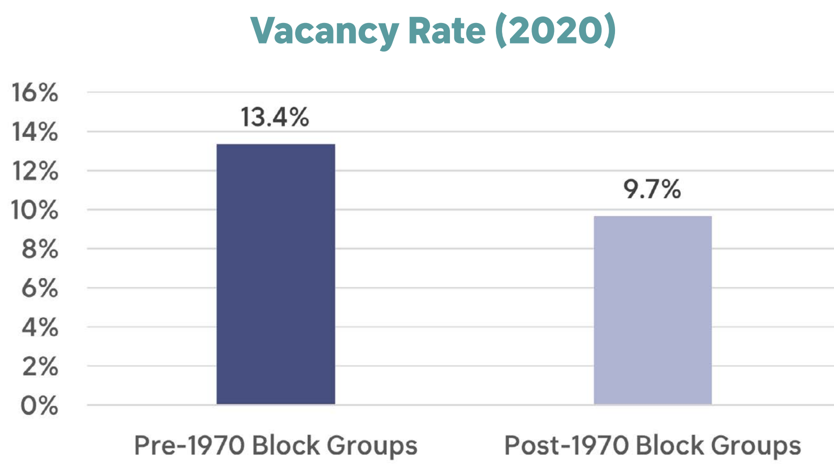


The chart below represents the number of units by structure type in pre- and post-1970 block groups.

		Pre-1970 Block Groups	1970 and Later Block Groups	Citywide Total
Single Family	Detached	20,701	17,875	38,576
	Attached	1,031	1,957	2,988
Total Single Family		21,732	19,832	41,564
Multi Family Units	Under 10 units	6,219	7,645	13,864
	10 to 50 units	1,210	6,622	7,832
	50+ units	2,331	3,815	6,146
Total Multi Family Units		9,760	18,082	27,842
Total Other Housing Units		528	977	1,505
Total Housing Units		32,020 (45%)	38,891 (55%)	70,911 (100%)

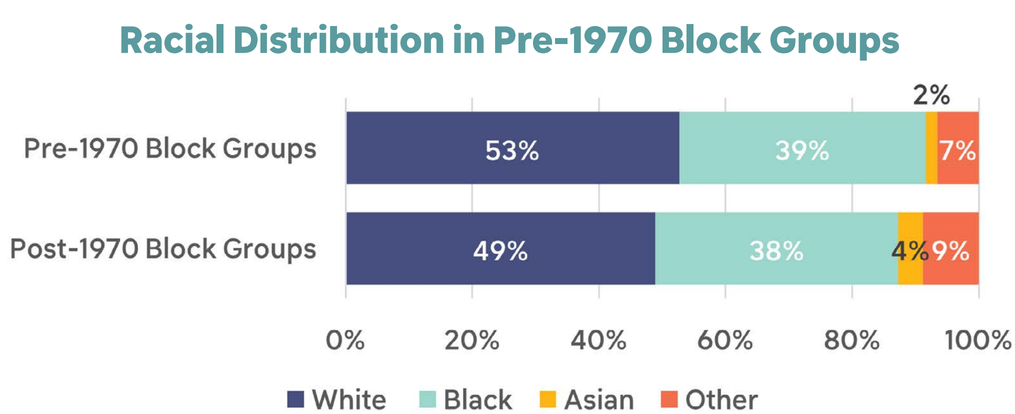
VACANCY

There is a slightly higher rate of vacancy in pre-1970 block groups. While 45% of the City's housing units are located in pre-1970 block groups, 53% of the City's vacant housing units are located in these block groups. Overall, block groups with a concentration of older housing have a vacancy rate of 13%, as opposed to roughly 10% in post-1970 block groups. This slightly higher vacancy rate could be a function of building conditions, the large number of student housing units, or unit types that don't meet the needs of the population.



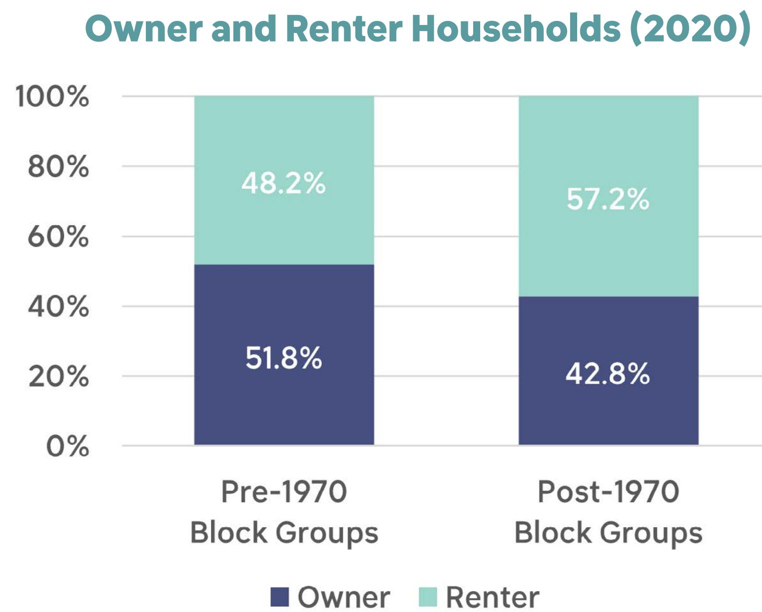
RACE

Overall, 43% of Columbia's non-white residents live in these block groups. Pre-1970 block groups have a slightly smaller share of minority population than the post-1970 block groups. This indicates that there is no discernible pattern to suggest that white or non-white residences prefer or are excluded from neighborhoods with older housing, as the share of minority residences living in older housing is consistent with the share in the city overall.



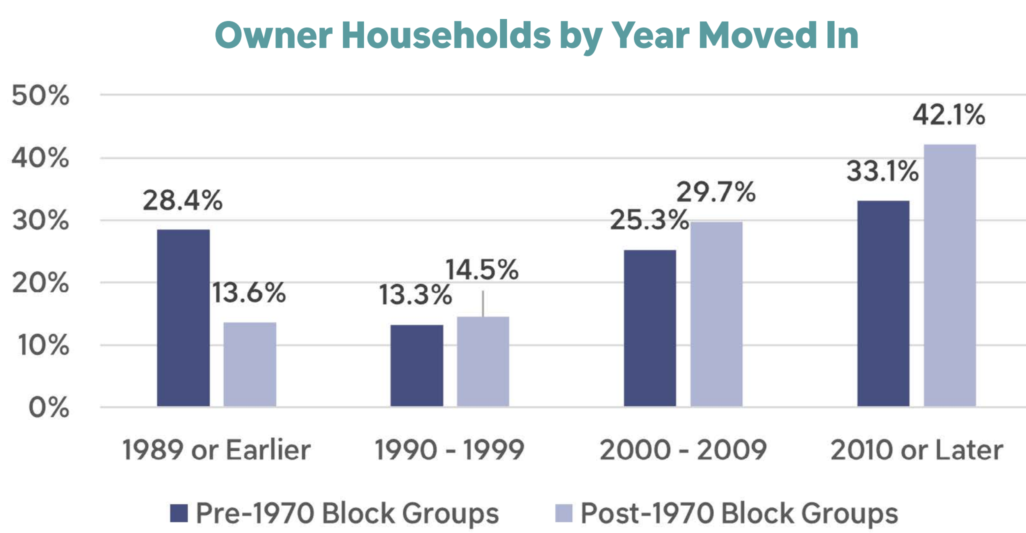
TENURE & LENGTH OF RESIDENCY

Overall, 44% percent of Columbia's households live in study block groups with a concentration of pre-1970 housing. Of that 44%, 54% are owners, while 48% are renters. In block groups with a concentration of post-1970 housing, that pattern is reversed.

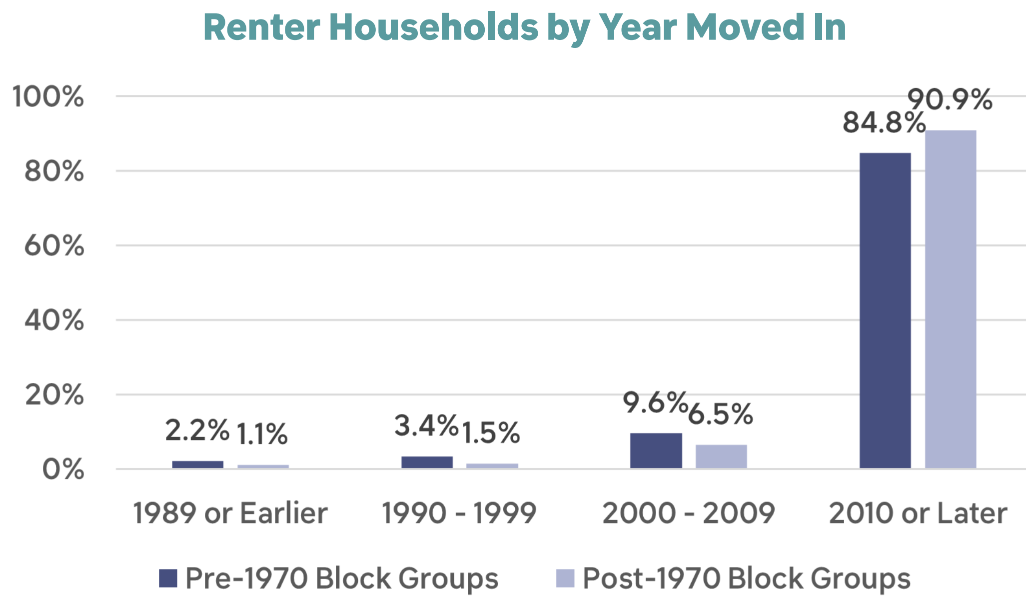


Older areas have a higher share of long-term residents.

Owner households living in block groups with a concentration of pre-1970 housing tend to be longer-term residents. Overall, 67% of the households in pre-1970 housing moved in before 2010, as opposed to 58% in post-1970 block groups. Nearly 30% of residents in pre-1970 block groups have lived in their home for over 30 years.

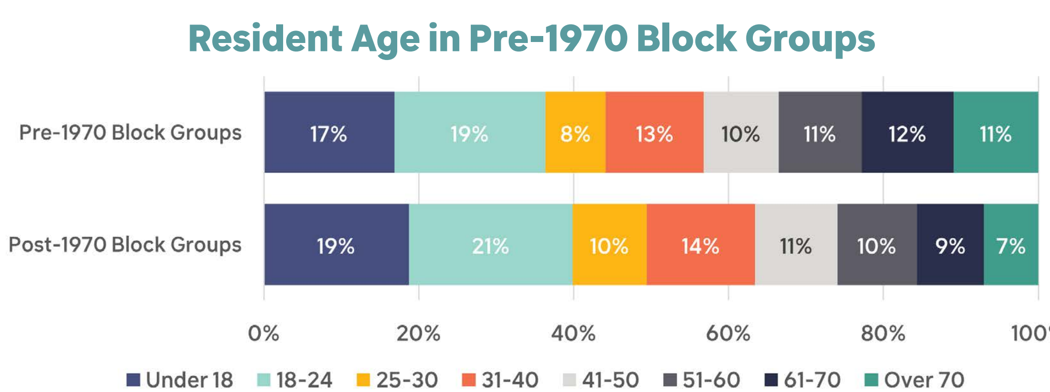


Sometimes there are concerns that neighborhoods with a high percentage of rental households will mean less stability, because renters aren't typically considered longer-term residents. However, 53% of Columbia's renters that have lived in their unit more than 10 years reside in pre-1970 block groups. Within pre-1970 block groups, 15% of renters have lived there more than 10 years, as opposed to just 9% in post-1970 block groups. Therefore, a slightly larger share of long-term renters live in these older neighborhoods.



RESIDENT AGE

An earlier analysis looked at the population distribution in historic districts by age and revealed a high preference among residents aged 18-24 for living in historic districts, with 37% of the Architectural Conservation District population coming from college-aged residents. That pattern is slightly less pronounced when one zooms out to all older neighborhoods. Overall, all age groups are well represented in block groups with a concentration of older housing, though there is a slightly larger share of residents aged 41 and over compared to block groups with a concentration of newer housing.



HOUSEHOLD INCOME

The term "affordable housing" is often used and seldom explained. Is affordable housing just housing that anyone can afford at their specific income level? Is it only housing that is affordable for households living below a certain income? Who needs affordable housing?

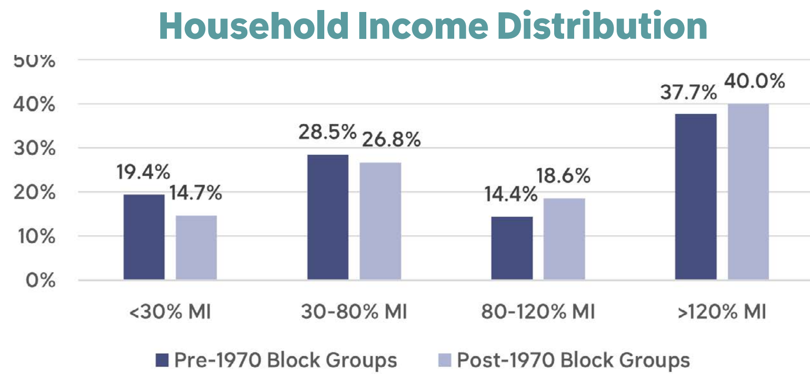
Area median income (AMI) is a calculation that is often used to understand the housing needs within a community. The median income of a city is the midpoint of an area's income distribution, represented as 100% AMI. When assessing the needs for affordable housing, the AMI is further broken out into subcategories that represent percentages of the AMI. For example, 80% of AMI is typically considered low-income, 60% AMI percent is considered very low-income, and 30% AMI is considered extremely low-income. Households at these various income levels typically require different types of affordable housing. This housing might be provided by the marketplace, publicly subsidized, or be offered as public housing.

The graph below breaks down Columbia's AMI categories, as well as what would be considered affordable housing for those income levels. The median household income in Columbia is $48,791, which is represented as 100% AMI.[6] These categories are aligned with examples of workers that would need each subset of housing.

	Percentage of Median Income	Yearly Income Range	"Affordable" Monthly Housing Cost Range	Occupation
Supportive Services	<30% AMI	≤$14,637	≤$366	Part-time worker or unemployed
Affordable Housing	30-60% AMI	$14,638-$29,274	$367-$731	Cashier, Janitor, Childcare Worker, Exercise Trainer
	60-80% AMI	$29,275-$39,032	$732-$975	Carpenter, Hair Stylist, Pipelayer, Bank Teller
Workforce Housing	80-100% AMI	$39,033-$48,790	$976-$1,219	Electrician, Firefighter, Police Officer, Graphic Designer
	100-120% AMI	$48,791-$58,548	$1,220-$1,463	HR Specialist, Postal Worker, Librarian
Market Rate Housing	120-150%	$58,549-$73,186	$1,464-$1,829	Accountant, Teacher, Social Worker,
	150-200%	$73,187-$97,581	$1,830-$2,439	Lawyer, Architect, Financial Advisor
	>200%	≥$97,582	≥$2,440	Pharmacist, Physician Assistant, Dentist

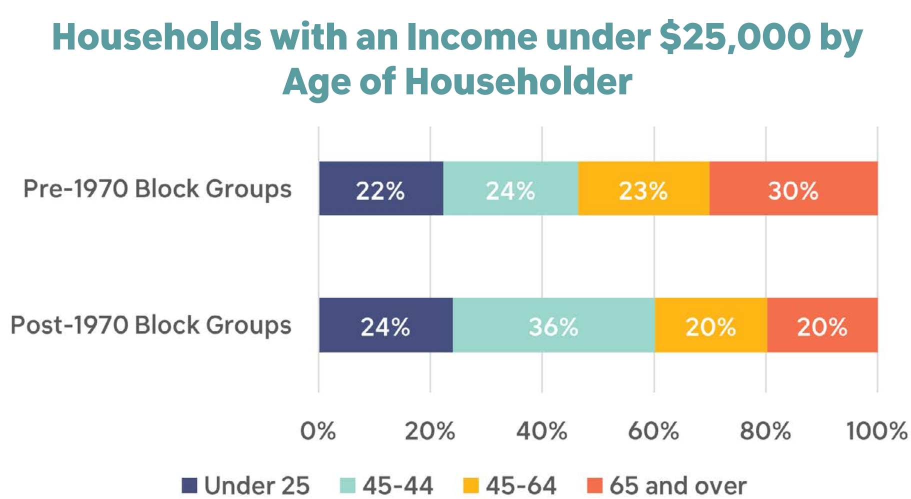
6 U.S. Census Bureau, Census QuickFacts.

While pre-1970 block groups house 44% of the City's households, 45% of the city's households earning less than the City's median income of nearly $49,000 live in the study block groups. Overall, 55% of households in older neighborhoods are making less than the City's median income, as opposed to 51% in post-1970 block groups.



Pre-1970 block groups have a higher share of low-income residents.

To again account for the possible influence of designated student housing or students living in neighborhoods near the University of South Carolina, an analysis of the age distribution of households making less than $25,000 was undertaken. The analysis reveals that these neighborhoods are not primarily occupied by students. Among households that make under $25,000, 22% are under the age of 25 in pre-1970 neighborhoods, which is not statistically different from the 24% in the post-1970 neighborhoods. However, this analysis shows that older neighborhoods are disproportionately housing low-income residents over the age of 65. This indicates that households on fixed incomes are residing in pre-1970 neighborhoods.



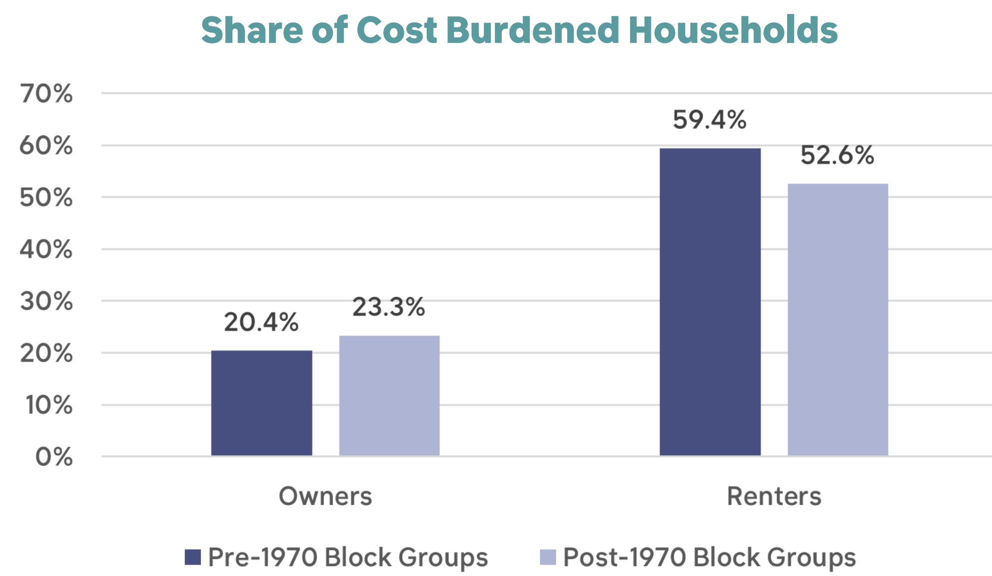
COST BURDENED HOUSEHOLDS

Households are considered housing cost burdened if they spend more than 30% of their monthly income on housing costs. Overall, 37% of Columbia households are cost burdened, 56% of which live in block groups with a concentration of older housing. Within those block groups with a concentration of older housing, 20% of homeowners and 59% of renters are housing cost burdened.

Renters across all of Columbia in particular are rent burdened—that is true whether they live in block groups with a concentration of older housing or not. The median income of a renter household in Columbia is $30,475 and the median gross rent in Columbia is $1,007 a month. This means that the average renter in Columbia spends 40% of their monthly income on housing costs. To put it plainly, the median renter is cost burdened by the city's median rent.

Renters across all of Columbia in particular are rent burdened—that is true whether they live in block groups with a concentration of older housing or not.

There is a slightly higher percentage of housing cost burdened renters in pre-1970 block groups—but it is not significantly higher. While the income distribution is slightly skewed towards low income in pre-1970 block groups, it largely mirrors that of the post-1970 block groups. Despite this, renters are still feeling the pressure of housing costs.



Granby Mill

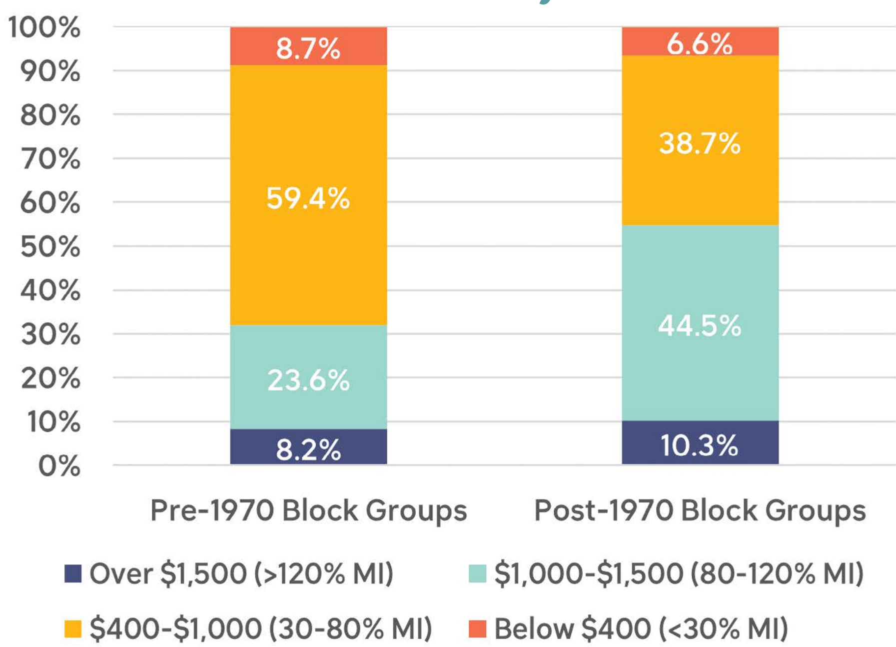
HOUSING COSTS

An analysis of monthly rents and owner costs in these pre-1970 block groups reveals that older neighborhoods offer units at a diverse range of price points. Moreover, it reveals that areas with a concentration of older housing have a greater share of housing affordable to both low-and-moderate income households than the rest of the city.

As stated previously, 48% of all households in block groups with a concentration of pre-1970 housing are renters. A larger share of these rental units is available at price points affordable to those making less than 80% of the City's median income–over 68% compared to only 45% in block groups with a concentration of post-1970 housing. Pre-1970 block groups account for 40% of all rental units, but 50% of all units that rent for less than $1000 a month. Even though there is a much larger share of units available for less than $1,000 per month in pre-1970 neighborhoods, renters are still spending a high percentage of their income on housing.

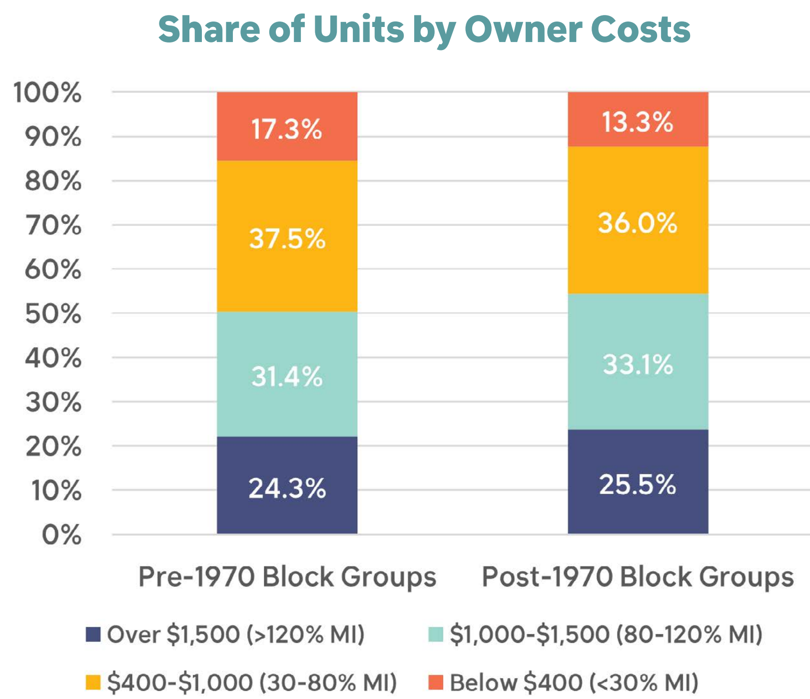
68% of rental units in pre-1970 block groups are accessible to low-income households.

Share of Units by Rent



A slightly larger share of owner households in pre-1970 block groups have housing costs that are affordable to those making less than 80% of the City's median income. Overall, almost 55% of owned housing units have housing costs below $1,000 per month, as opposed to 49% in post-1970 block groups.

Owner costs are slightly lower in pre-1970 block groups.



Overall, Columbia's housing affordability crisis is felt most acutely by renter households. The good news is that there is a larger share of rental units with a monthly rent below $1,000 in pre-1970 neighborhoods, which should be affordable to those making less than 80% AMI. Unfortunately, renter households in those block groups are still overwhelmingly housing cost-burdened. Nearly 60% of those renter households are cost-burdened, while a slightly smaller share of owner households is cost-burdened compared to newer neighborhoods. Older neighborhoods are providing units that are lower cost without subsidy—however, the need is still great. It is worth recognizing the contribution that older housing is already making, while also recognizing that more interventions are necessary to provide an adequate supply of affordable housing.


Landmark District


Melrose Heights Architectural Conservation District

CONCLUSION

HISTORIC PRESERVATION IS GOOD BUSINESS.

Historic preservation has a positive impact on jobs, income, tourism, affordability, and state and local government revenues.

In conclusion, the findings from this analysis demonstrate that historic preservation is good business. Property values in Architectural Conservation Districts are higher on average, reflecting the premium placed on historic properties. Despite lower values in Protection Areas, both districts exhibit a higher rate of property value growth than the rest of the city, emphasizing the long-term economic benefits of preservation efforts. The substantial impact of heritage tourism on Columbia's economy cannot be overstated. Heritage tourists contribute significantly to job creation and tax income. The success of the Bailey Bill as an incentive for private investment in historic resources is evident in the impressive number of projects and substantial investment it has attracted since 2007. The multiplier effect of Bailey Bill activity on job creation and income further solidifies its significance as a driver of economic prosperity in Columbia. The analysis suggests that, even with the 20-year assessment freeze, the financial returns generated by the Bailey Bill make it a worthwhile and advantageous incentive for the city and county. This underscores the pivotal role that historic preservation plays in fostering economic growth.

The high population density within these districts is a result of preserving historic urban planning, built before a modern reliance on vehicles. This approach not only maximizes land utilization but also contributes to the overall vibrancy of the city. The preservation of diverse housing types, particularly duplexes, triplexes, and small apartment buildings, ensures density at a human scale, contributing to the unique character of Columbia's older neighborhoods. Notably, older neighborhoods provide more affordable housing options, addressing the issue of rent burden for a significant proportion of the city's population.

The demographic composition within Architectural Conservation Districts reveals a notable concentration of low-income households, influenced by both a substantial student population and a significant portion of elderly residents on fixed incomes. Furthermore, the lack of racial diversity in these districts underscores the importance of developing more inclusive preservation strategies. However, the encouraging alignment of Protection Areas with the city's overall demographic makeup suggests progress in this direction.

In summary, these findings underscore the multifaceted and far-reaching impacts of historic preservation on Columbia's economic and social fabric. As the city continues to navigate the delicate balance between preserving its past and fostering its future, the lessons gleaned from this analysis provide valuable insights into how strategic preservation efforts can lead to a thriving and sustainable community for residents and businesses alike.

Cottontown Architectural Conservation District

Old Shandon/Lower Waverly Protection Area

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ABOUT PLACEECONOMICS

PlaceEconomics is a private sector firm with over thirty years experience in the thorough and robust analysis of the economic impacts of historic preservation. We conduct studies, surveys, and workshops in cities and states across the country addressing issues of downtown, neighborhood, and commercial district revitalization and the reuse of historic buildings.

This report was prepared and written by Donovan Rypkema, Katlyn Cotton, Alyssa Frystak, and Starr Herr-Cardillo. Rypkema is principal and founder of PlaceEconomics. Rypkema is the founder and Principal of PlaceEconomics. Cotton is the Associate Principal at PlaceEconomics and handled graphic design. Frystak is Director of Research and Data Analytics at PlaceEconomics and handled research methodologies and data collection. Editing and qualitative interviews was done by Herr-Cardillo. Site visits were conducted by Donovan Rypkema, Rodney Swink, and Katlyn Cotton.

CATALYST FOR COLUMBIA

THE IMPACTS OF HISTORIC PRESERVATION IN COLUMBIA, SOUTH CAROLINA

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