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## UNIVERSITY OF SOUTH CAROLINA

### THE ECONOMIC IMPACT OF CARLYLE DEVELOPMENT IN THE CITY OF CAMDEN

Report Completed: August 2023  
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#### **EXECUTIVE SUMMARY**

Carlyle Development is currently in the planning stages of the development of a new residential community in the City of Camden, located in Kershaw County, South Carolina. This community is expected to consist of approximately 778 single-family homes to be built between 2025 and 2029 with a price range of between \$350,000 and \$550,000. The purpose of this analysis is to estimate both the temporary and permanent economic impacts to the City of Camden that would likely result from this planned development. All estimates in this analysis derive from raw data projections provided by Carlyle Development.

The key findings of this analysis are as follows:

- *Over the past two decades, Kershaw County has experienced faster population growth than that of South Carolina as a whole (+37.5% vs. +35.9%). Much of this growth has been concentrated in and around the City of Camden, which grew at approximately twice the rate of Kershaw County between 2010 and 2020. This growth, combined with significant in-migration over the same time period, is generating a high level of demand for new housing in the local region.*
- *Due to ongoing local economic development initiatives, this high level of local housing demand is likely to persist throughout the 2020s. This is especially true for workforce housing – that is – housing designed to accommodate the needs for a rapidly expanding labor force. For example, the South Carolina Department of Commerce has announced the successful recruitment or expansion of eleven businesses in either Kershaw County or one of its border counties in the last twelve months alone. This includes Scout Motors, a new electric vehicle manufacturer that is expected to generate over 4,000 jobs in neighboring Blythewood upon the completion of its recently announced \$2 billion manufacturing facility.*
- *If the construction of Carlyle Development’s new residential community moves forward, the investment towards site development and construction would be expected to generate a cumulative economic impact of nearly \$176 million in the City of Camden by the year 2029, with an average of 281 temporary construction-related jobs supported (directly or indirectly) during the five-year construction phase. This level of job creation is also estimated to create a total of nearly \$68 million in labor income over the same time period. Additionally, this volume of economic activity would also*

*generate new tax revenue for the state of South Carolina – a portion of which would then be allocated to the City of Camden and to Kershaw County.*

- *These temporary economic impacts would be followed by more permanent impacts resulting from ongoing spending activity that would be generated by new residents to the City of Camden. Once the community is completed in 2029 and all homes are sold, this study estimates that new city residents would generate a total of approximately \$36 million annually in new economic activity. This, in turn, would generate 268 jobs each year along with \$8 million in labor income for local residents. These jobs would arise across many industry sectors, but especially within local businesses that serve the public such as restaurants, financial institutions, entertainment venues, and a variety of retail establishments.*
- *When combining all temporary economic impacts associated with both site development and construction along with all permanent economic impacts of new spending among all new residents, the cumulative economic impact of the new Carlyle Development residential community on the City of Camden by the year 2029 is projected to total \$301 million. This impact represents the sum total of all economic activity supported (directly or indirectly) by Carlyle Development in the City of Camden between 2025 and 2029. This impact is expected to increase further to \$482 million by the year 2034 – ten years following the initial start of construction activity.*
- *In addition to the one-time, construction-related tax revenue outlined above, the city is also expected to generate \$4.3 million in annual, recurring revenue as the residential development is completed. This would result from property tax revenue and revenue collected from the usage of the city's public utilities. The City of Camden owns its local utilities and maintains significant excess capacity, implying that this projected increase in annual revenue would not require new infrastructure expansion.*

## **INTRODUCTION**

Carlyle Development is currently in the planning stages of the development of a new residential community in the City of Camden, located in Kershaw County, South Carolina. This community is expected to consist of approximately 778 homes to be built between 2025 and 2029 with a price range of between \$350,000 and \$550,000. Such a development would generate not only \$157 million in initial capital investment during the construction period, but it would also help to facilitate the local region's projected population gains in the coming decade that would, in turn, generate a permanent increase in economic activity in the region when new residents introduce additional spending activity.

The purpose of this analysis is to estimate both the temporary and permanent economic impacts to the City of Camden that would likely result from the two primary phases associated with this planned development. Phase I will consist of the temporary, construction-related impacts that result from the capital investment required for the community development; Phase II will consist of the permanent impacts associated with new spending among new residents who will relocate to the city.

The economic impacts encompassing both phases are described in detail below, including a review of the primary results as well as the methodology and assumptions underlying these results. Note that all estimates in this analysis derive from raw data projections provided by Carlyle Development.

## **AN OVERVIEW OF KERSHAW COUNTY AND THE CITY OF CAMDEN**

### *Population Growth*

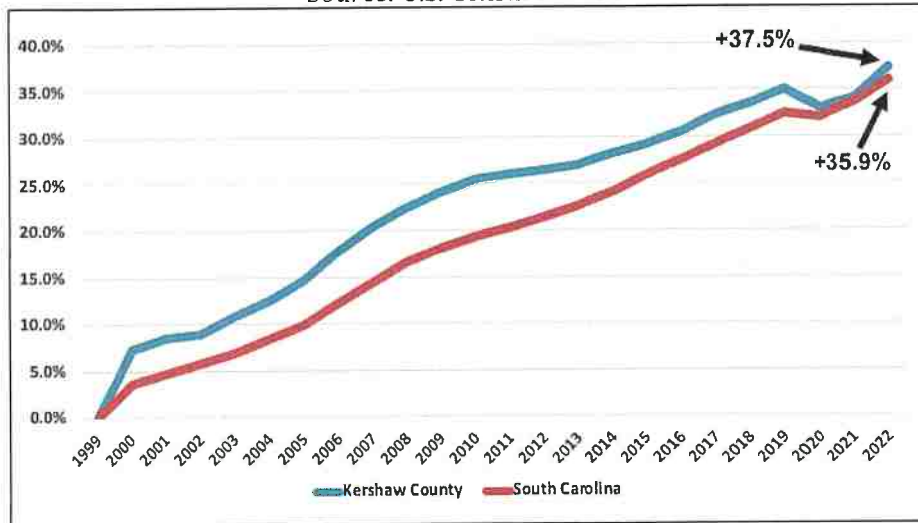
Kershaw County, established in 1791, is part of the broader Columbia Metropolitan Statistical Area (MSA) and currently ranks 21<sup>st</sup> among South Carolina's 46 counties in total population size. Kershaw County has been among the faster growing South Carolina counties over the past two decades, with the county population having expanded from roughly 50,000 in 1999 to over 67,750 by 2022. This represents a 37.5 percent increase, which can be compared to 35.9 percent for South Carolina's population growth rate as a whole over the same time period. Much of this growth has been concentrated in and around Camden, which grew at approximately twice the rate of Kershaw County between 2010 and 2020. This strong population growth trend was briefly interrupted following the onset of the COVID-19 pandemic, but the most recent population data from 2022 reveal a rapid bounce back in which the county's population grew at an annual rate of 2.5 percent.

Figure 1 highlights these population growth trends and reveals how Kershaw County has consistently outpaced the growth rate of South Carolina throughout the 21<sup>st</sup> century. It is also important to note that a portion of this population growth is the result of in-migration, meaning that more people are moving into the county than are moving out. Or put another way, the net migration to Kershaw County is positive. And of those moving into Kershaw County, approximately 45 percent are

moving in from outside of South Carolina. Collectively, these high rates of population growth and in-migration suggest an ongoing need for additional housing in the local area – most notably in the city of Camden where this population growth is largely concentrated.

**Figure 1 – Cumulative Population Growth: 1999-2022**

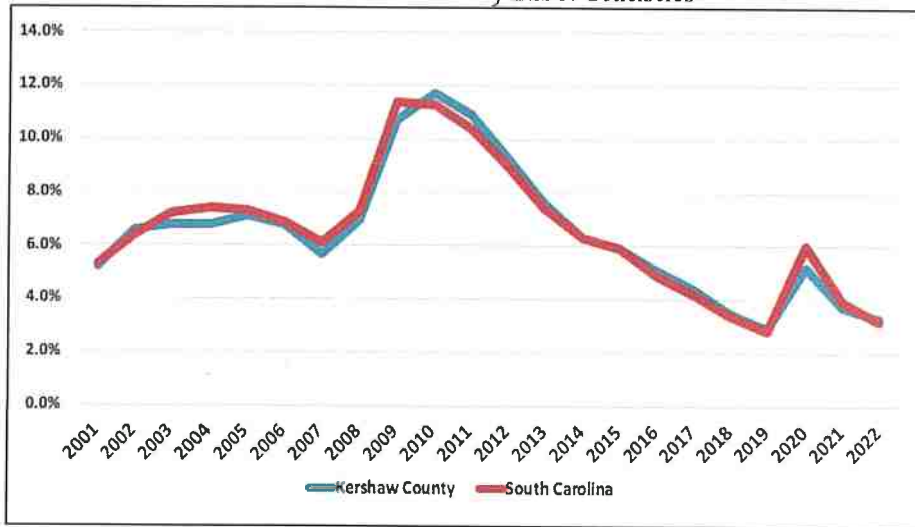
Source: U.S. Census Bureau



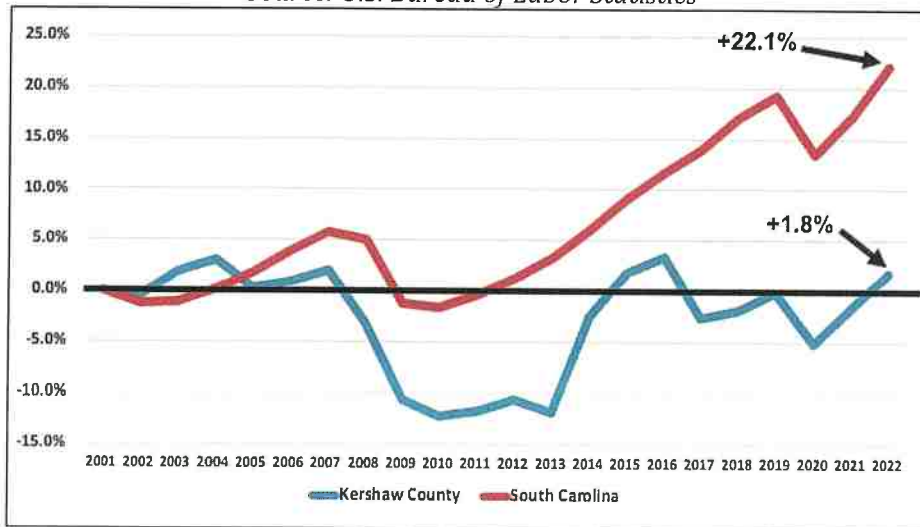
### *Employment Growth*

Despite this strong growth in Kershaw County's population and migration trends, employment growth has not kept pace. As a result, many of the county's residents commute to jobs in the adjacent regions of Columbia, Charlotte, Sumter, and Florence. Only about 27 percent of employed county residents work at a business located within the county. This means that the unemployment rate in Kershaw County has consistently kept pace with statewide trends despite the fact that Kershaw County's employment growth has lagged behind, as Figures 2 and 3 reveal.

**Figure 2 – South Carolina Unemployment Rates: 2001-2022**  
 Source: U.S. Bureau of Labor Statistics



**Figure 3 – Cumulative Employment Growth: 2001-2022**  
 Source: U.S. Bureau of Labor Statistics



*Current and Future Business Recruitment*

In recent years, there have been many economic development announcements in and around Kershaw County that suggest that the population and in-migration patterns that the county has been experiencing are likely to continue over the next decade. Specifically, the South Carolina Department of Commerce has announced the recruitment or expansion of eleven businesses in either Kershaw County or one of its border counties in the last year alone.

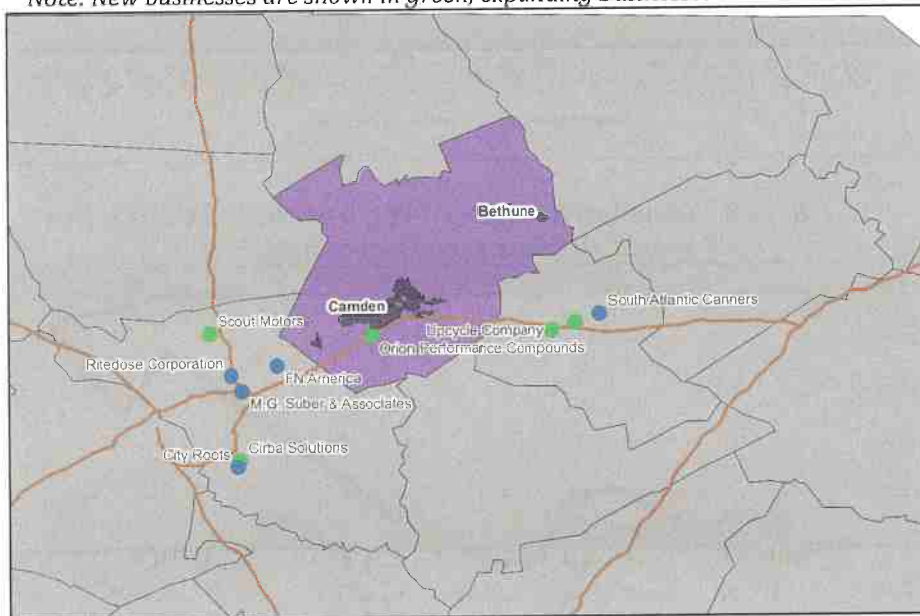
The largest of these announcements came from Scout Motors – an independent subsidiary of Volkswagen – which plans to invest \$2 billion in a new manufacturing facility in the Blythewood Industrial Park beginning in 2023 that will produce

electric trucks and SUVs for the U.S. market. Upon reaching full capacity, Scout expects to employ approximately 4,000 workers and produce more than 200,000 vehicles annually. Furthermore, the Scout Motors facility is just a 25-minute commute from the City of Camden. Figure 4 provides an overview of the location of the eleven aforementioned business announcements within the past year. Such developments once again highlight the need for housing – including affordable housing designed for a rapidly expanding labor force (sometimes referred to as “workforce housing”).

**Figure 4 – South Carolina Department of Commerce Business Investment Announcements: July 2022 – June 2023**

*Source: S.C. Department of Commerce*

*Note: New businesses are shown in green; expanding businesses are shown in blue*



**TEMPORARY ECONOMIC IMPACTS: SITE DEVELOPMENT AND CONSTRUCTION**

If the development of the new residential community moves forward, it is expected to generate approximately \$157 million in capital investment between 2025 and 2029 to build a total of 778 single-family housing units. As Table 1 denotes, this would consist of 100 units being built in 2025, followed by 200 units annually in 2026, 2027, and 2028. The final 78 units would be completed in 2029.



**Table 1 - Anticipated Housing Unit Construction**

Year	Number of Units
2025	100
2026	200
2027	200
2028	200
2029	78
<b>TOTAL</b>	<b>778</b>

In order to determine the total economic impact on the City of Camden arising from purchases associated with this new construction activity, a detailed structural model (known as an input-output model) of the Camden economy was utilized. This model contains specific information on economic linkages between different industries throughout the city. It provides the means to assess how an initial round of new spending activity (known as the *direct effect*) can lead to successive rounds of spending (known as the *multiplier effect*) resulting from both inter-industry linkages between local firms as well as increases in household spending. In order to ensure that the uniqueness of local economic dynamics is considered, the input-output modeling software *IMPLAN* is combined with other customized regional forecasting models that were developed. This allows for the inclusion of additional local data, industry knowledge, and ongoing economic growth trends. The total economic impacts arising from all anticipated local purchasing activity associated with site development and construction appear in Table 2.

**Table 2 - Economic Impact of Site Development and Construction  
City of Camden**

Time Period	Description	Total Employment	Total Labor Income	Total Economic Impact
2025	Direct Effect	149	\$7,272,074	\$17,616,427
	Multiplier Effect	34	\$1,518,128	\$5,275,712
	<b>Total Impact</b>	<b>183</b>	<b>\$8,790,202</b>	<b>\$22,892,139</b>
2026	Direct Effect	298	\$14,544,147	\$35,232,854
	Multiplier Effect	68	\$3,036,255	\$10,551,424
	<b>Total Impact</b>	<b>366</b>	<b>\$17,580,402</b>	<b>\$45,784,278</b>
2027	Direct Effect	298	\$14,544,147	\$35,232,854
	Multiplier Effect	68	\$3,036,255	\$10,551,424
	<b>Total Impact</b>	<b>366</b>	<b>\$17,580,402</b>	<b>\$45,784,278</b>
2028	Direct Effect	298	\$14,544,147	\$35,232,854
	Multiplier Effect	68	\$3,036,255	\$10,551,424
	<b>Total Impact</b>	<b>366</b>	<b>\$17,580,402</b>	<b>\$45,784,278</b>

Time Period	Description	Total Employment	Total Labor Income	Total Economic Impact
2029	Direct Effect	103	\$5,034,512	\$12,195,988
	Multiplier Effect	23	\$1,051,012	\$3,652,416
	<b>Total Impact</b>	<b>126</b>	<b>\$6,085,524</b>	<b>\$15,848,404</b>
<b>Cumulative Totals</b>		<b>281<sup>1</sup></b>	<b>\$67,616,932</b>	<b>\$176,093,377</b>

The \$157 million that would be invested towards all site development and construction of the new residential community is expected to take place between 2025 and 2029. All local expenditures associated with this initial investment are estimated to generate an average annual economic impact of approximately \$35 million for the City of Camden during this five-year period. This total impact is also estimated to create an average of approximately 281 temporary jobs each year throughout the construction period that would pay \$14 million in labor income annually. Additionally, this volume of economic activity would also generate new tax revenue for the state of South Carolina – a portion of which would then be allocated to the City of Camden and to Kershaw County.

In sum, all site development and construction associated with the new residential housing community is estimated to generate a total economic impact of over \$176 million between 2025 and 2029 across the City of Camden. This level of economic activity would also support an average of 281 temporary construction-related jobs each year during the projected five-year construction period.

#### **PERMANENT ECONOMIC IMPACTS: NEW RESIDENTIAL SPENDING**

The temporary economic impacts that result from all site development and construction would be followed by more permanent impacts associated with the permanent spending activity of new residents who move into the City of Camden and into Carlyle Development's new residential community. Although not all of the new residents in the community will be in-migrants from outside of the City of Camden, each household that moves into the new residential community will nevertheless represent an in-migrating household. This is because future anticipated population growth makes it likely that all housing vacancies created by existing city residents moving into the new community will ultimately be filled by in-migrants from outside of the city.

In order to estimate the total economic impacts arising from spending activity among new residents at the community, data on specific consumer spending patterns by household income level from the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey were first obtained. Using these estimated spending patterns and applying appropriate multiplier effects, the expected total economic impact of all new spending activity from the development of the community can be assessed. These results are displayed in Table 3.

<sup>1</sup> This estimate represents the average number of temporary jobs supported per year across the full five-year construction period.



**Table 3 – Annual Economic Impact of New, Permanent Residents in the City of Camden**

Description	Total Employment	Total Labor Income	Total Economic Impact
Direct Effect	221	\$5,682,333	\$28,845,230
Multiplier Effect	47	\$2,032,855	\$7,453,979
<b>Total Impact</b>	<b>268</b>	<b>\$7,715,188</b>	<b>\$36,299,209</b>

All spending activity among the new, permanent residents of the City of Camden would likely generate new demand within the city totaling \$36 million in economic activity each year. This dollar value is reflective of all final goods and services that would be produced in the City of Camden that could be attributed (directly or indirectly) to the spending activity of new residents.

Additionally, this level of economic activity would also generate 268 new jobs along with \$8 million in labor income for local residents. These jobs would arise across many industry sectors, but especially within local businesses that serve the public such as restaurants, financial institutions, entertainment venues, and a variety of retail establishments. Table 4 specifically highlights the top 10 industry sectors that are estimated to experience the highest increases in economic activity and job creation as a result of the ongoing spending activity created by the new residents of the Carlyle Development community.

**Table 4 – Top 10 Camden Industry Segments Supported**

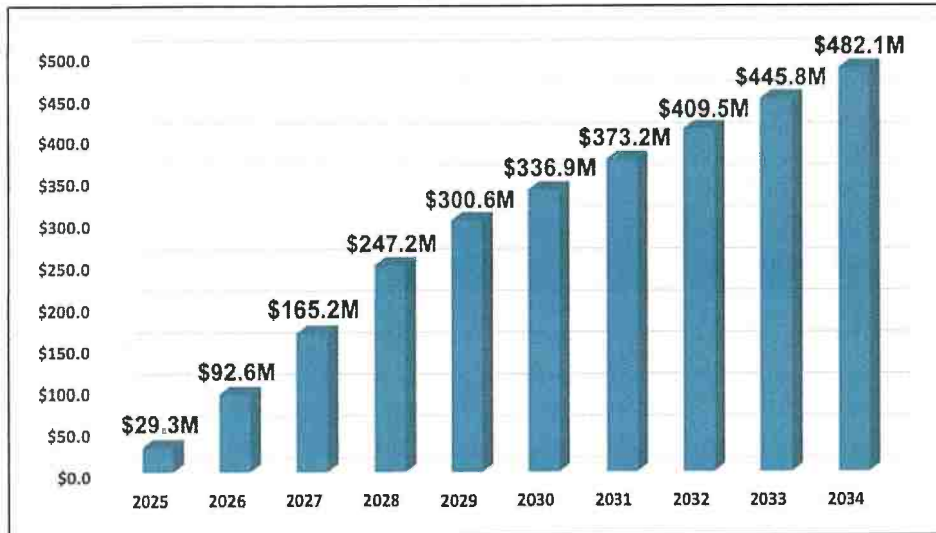
Industry Segment	Ranking
Limited-service restaurants	1
Offices of physicians	2
General merchandise stores	3
Full-service restaurants	4
Monetary authorities and depository credit intermediation services	5
Retail-Food and beverage stores	6
Legal services	7
Wireless telecommunications carriers	8
Automotive repair and maintenance	9
Nursing and community care facilities	10

It is also important to recognize that the estimates shown in Table 3 are conservative. This is because the ongoing maintenance of the community – including activities such as regular landscaping and lawn care and a variety of security services – will provide an additional source of new, recurring economic activity.

When combining both the temporary and permanent economic impacts associated with Carlyle Development’s new residential community, the cumulative economic impact of the new development on the City of Camden by the year of completion (2029) is projected to total roughly \$301 million. This impact represents the sum total of all economic activity supported (directly or indirectly) in the City of Camden between 2025 and 2029. This total economic impact in 2025 is projected to be

approximately \$29 million, which will then climb to a cumulative impact of nearly \$482 million by 2034 – ten years following the initial construction activity. Figure 5 summarizes these estimates.

**Figure 5 – Projected Cumulative Economic Impact of Carlyle Development on the City of Camden**



**PERMANENT ECONOMIC IMPACTS: EXCESS CAPACITY AND TAX REVENUE**

In addition to the one-time tax revenue that will accrue to the City of Camden due to the temporary economic impacts associated with all construction activity as previously outlined, there are also likely to be at least two permanent, recurring sources of new revenue that will emerge following the completion of the new residential development.

The first source of this recurring revenue comes from the use of utilities. The City of Camden is one of just eleven municipalities in South Carolina that owns its local utilities – and these utilities generally maintain significant excess sewer, water, and electricity capacity. As such, Carlyle Development’s new residential community will be able to generate new revenue for these utilities without a need for any additional expense towards infrastructure expansion. Utilizing data on average utility spending patterns from the U.S. Bureau of Labor Statistics, this study estimates that upon completion of the new residential development, the City of Camden will likely collect an additional \$2.8 million in revenue annually from the use of its local utilities. The second source of new, recurring revenue comes from annual property taxes, which this study estimates at approximately \$1.5 million annually.<sup>2</sup> Both estimates are displayed in Table 5.

<sup>2</sup> <https://www.tax-rates.org>, <https://dor.sc.gov>

**Table 5 - Estimated Annual Recurring Tax Revenue by 2029**

Category	Annual Dollar Amount
Utilities Revenue	\$2,760,344
Property Tax Revenue	\$1,493,760

