

FINANCIAL TIMES

April 8, 2016 11:49 am

US property: Charleston's blossoming tech scene draws in young buyers

Tory Kingdon

[Share](#) [Author alerts](#) [Print](#) [Clip](#) [Comments](#)

The city with a deep-rooted nostalgia for its past has developed a reputation for innovation and change



Charleston's historic French quarter at twilight

When Oscar Wilde arrived in Charleston, South Carolina, in the summer of 1882, he found the place firmly rooted in the past. One evening he remarked on how beautiful the moon looked. "You should've seen it, sir," he was told, "before the war."

The American civil war began with the bombardment of Charleston's Fort Sumter 155 years ago this Tuesday and, since the Confederate army was defeated in 1865, the city has held on to a nostalgic vision of its history. The pastel-hued colonial homes, the old theatres and municipal buildings, the Palmetto trees and cobblestone streets all remain, and today form much of the appeal for homebuyers.



More

ON THIS TOPIC

Gary Silverman Use of the N-word

IN INTERNATIONAL PROPERTY

Patagonia's pull of the great outdoors

Is the smart money on Dumbo,

However, in recent years, the city has developed a reputation for innovation and change, drawing an influx of younger buyers from Europe and the US. Between 2000 and 2012, the population of 25-35 year-olds grew 58 per cent, according to a report from the Charleston Regional Development Alliance. As of last year, millennials made up 15.7 per cent of the population — the highest proportion of any "mid-level" metropolitan area in the country (cities with 500,000 to one million people).

A good time to buy in St Petersburg?

Paris's new skyscraper — a tour de force?

Sign up now

First FT

FirstFT is our new essential daily email briefing of the best stories from across the web

It's an increase some have linked to the blossoming tech sector. The city's Charleston Digital Corridor, an initiative promoting and developing 294 local technology companies, has helped it earn the moniker "Silicon Harbour".

Those moving in have money to spend. "We're getting a lot [of buyers] in their thirties looking to purchase \$1.5m-\$3m homes," says Helen Geer of William Means Real Estate. "They come here for executive roles or they might have a tech company they can run from Charleston." Then there is the second home market: largely people from the Midwest and East Coast. Some of Charleston's most coveted properties are purchased by those wanting a coastal bolt hole for a few months of the year.

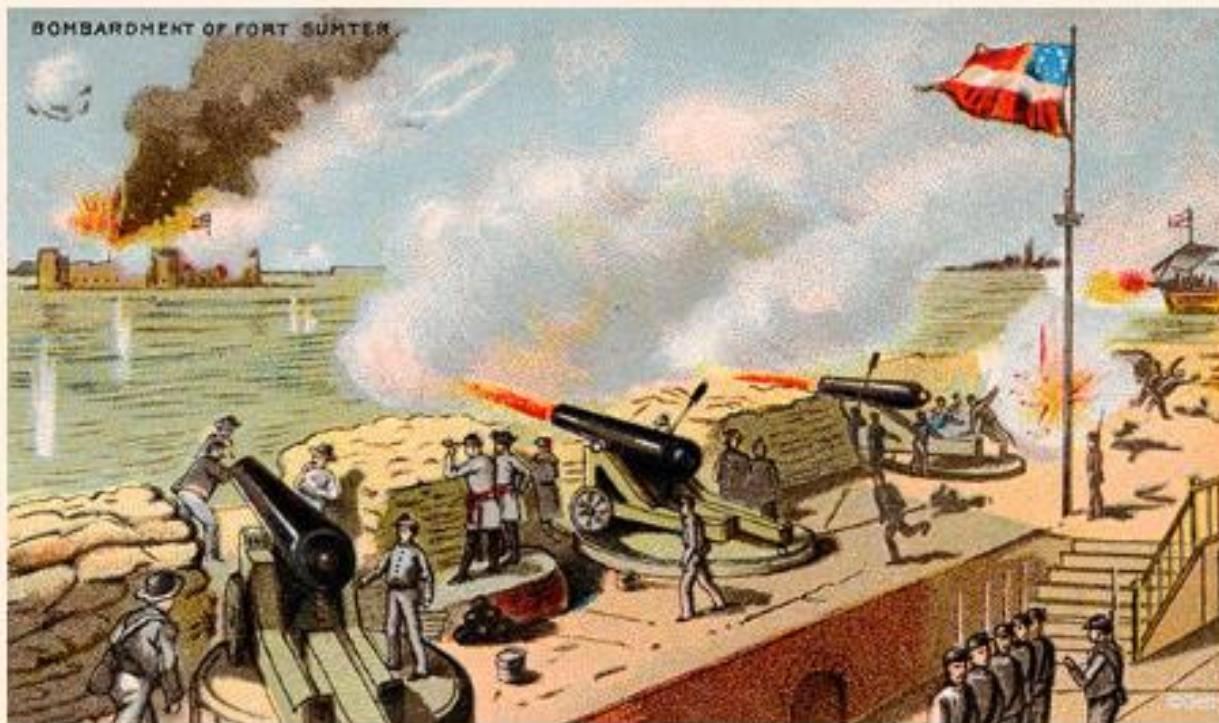
According to Geer, the agency is receiving multiple offers on all of its properties. "The average listing is about 60 days — less than half what it was in 2012 — and wait times on homes in the most sought-after neighbourhoods can be up to a year."

It is demand that has driven up house prices by an average 7.3 per cent in the past year, according to Zillow, with a further 2.5 per cent rise forecast this year.

At the top end of the market is the city's historical heartland, specifically South of Broad, with its tree-lined streets and antebellum architecture. Here, William Means is selling a mid-19th-century three-bedroom property here for \$2.55m. The French quarter and Ansonborough, both similarly picturesque and within walking distance of high-end restaurants and boutique shops — King Street is known as the Charleston equivalent of New York's Fifth Avenue — are also in demand. A four-bedroom penthouse with an office, sauna and a 5,000 sq ft roof terrace is on sale for \$3.395m with William Means.



Other areas in demand are the coastal neighbourhoods known collectively as "the beaches". Most notably Kiawah Island, with its five championship golf courses, and Sullivan's Island where you'll find palatial timber-clad beach houses with waterfront views. Median house prices here are £1.5m; a six-bedroom property with a deepwater dock on Sullivan's Island is currently for sale at \$6.38m through William Means Real Estate. The tight inventory should make Charleston ripe for development, but its popular historic districts are largely off-limits.



A vintage trade card depicting the first shots of the civil war

“Developers are desperately seeking land throughout Charleston, but planning restrictions are directly at odds with development growth,” says Drew Grossklaus of William Means. Charleston has one of the oldest preservation societies in the US, founded in 1920, and a plan for the historic district was drafted in 1974. There simply isn’t the capacity for change.

Developers are instead looking north of the city centre, to a district already popular with millennials: Mount Pleasant. It’s about a 15-minute drive from downtown Charleston and close to the beaches of Sullivan’s Island. This month Tides IV, a high-end condominium building with 54 units, is due to complete; residences sold ahead of completion have averaged \$930,000.



Four-bedroom penthouse on King Street, \$3.395m

Matthew Norton of the state's Urban Land Institute is keen to stress that the city is not anti-development: "It's about smart, sustainable, responsible development," he says. "Understanding that the things that have drawn people to Charleston, the beautiful beaches and marshland and the historic and cultural aspects, are protected and preserved."

Proposed plans have, nevertheless, met with some resistance. "Mount Pleasant was a quiet conurbation but is now probably one of the fastest growing towns in South Carolina," says Norton. "The acceleration of growth caught everyone off guard." The Save Shem Creek Corporation is an example of a vociferous community group rallying against a number of proposed builds in the area.

An influx of younger buyers and a booming economy are to be welcomed, but it seems Charleston is not ready to relinquish its grip on the past just yet.

Buying guide

- Popular fee-paying schools in the area include Porter-Gaud and First Baptist
- In 2015, the annual violent crime rate in Charleston was 2.11 crimes per 1,000 residents, lower than the national median of 3.8 per 1,000 residents
- The Charleston Regional Development office predicts the creation of 20,000 new jobs in the city by the end of 2017

What you can buy for . . .

\$1m A three-bedroom condominium in Downtown Charleston

\$5m A five-bedroom beach house in Mount Pleasant

\$8m A six-bedroom historic home with a guest house in South of Broad

More listings at ftpropertylistings.com