

THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/charleston-charms-home-buyers-1450369270>

REAL ESTATE | THE MARKET

Charleston Charms Home Buyers

Growth in both the tech and manufacturing industries is drawing a young, affluent crowd to Charleston, S.C., looking for a piece of the piazza.

By **M.K. QUINLAN**

Dec. 17, 2015 11:21 a.m. ET

It didn't take long for Todd Watkins, a former New York City investment banker, to succumb to the charms of Charleston, S.C.

“It's just such an easy place to live,” said Mr. Watkins, the 54-year-old co-founder of investment firm Edge Healthcare Partners. “You've got everything from the beach, to boating, to golf. You can walk to restaurants and ride bikes. It's almost like being on a small resort.”

Mr. Watkins and his wife, Peggy, a sporting artist, fell in love with Charleston after attending the city's annual Southeastern Wildlife Exposition. In 2013, they purchased a “Charleston single,” a home with a distinct architectural style and narrow floor plan suited to the city's long, skinny lots.

They paid \$2.55 million for the home, built in 1835, and embarked on a yearlong restoration that totaled well over \$1 million. The new, expansive kitchen and artist's loft were created by connecting the separate “kitchen house,” common to the era, out back. At 5,500 square feet, the home includes four bedrooms, 4½ bathrooms and two spacious piazzas—covered side porches that the city's historic homes are known for. It also has a carriage house that the couple converted into a guest suite, and a private garden. “We

 RELATED READING

- Sullivan's Island: The Sleepy South Carolina Enclave with Big-Ticket Real Estate (<http://www.wsj.com/articles/sullivans-island-the-sleepy-south-carolina-enclave-with-big-ticket-real-estate-1443709691>)
- Traditional Charleston Townhome Gets a Modern Makeover (<http://www.wsj.com/articles/traditional-charleston-townhome-gets-a-dramatic-makeover-1418841138>)
- Luxury Living in Downtown Kansas City (<http://www.wsj.com/articles/luxury-living-in-downtown-kansas-city-1438868713>)

walk
every
day
and
never
get
tired
of the

architecture, the gardens,” said Mr. Watkins. “You get here and your blood pressure just goes down a little bit.”



Stephen and Mary Hammond's Villa Margherita, purchased in 2012 for \$3 million. *PHOTO: BRIE WILLIAMS FOR THE WALL STREET JOURNAL*

Long a popular retirement spot for snowbirds and Southerners, Charleston, these days is drawing a new crowd. “They’re much younger now,” said Charles Sullivan, a managing partner at Carriage Properties, a local luxury real-estate firm. “And much younger with kids.”

Thanks to the growth of the city’s tech sector and 12 nonstop flights to New York City a day, young professionals are trading in the colder climates of the Northeast to live and work in Charleston full time. According to the Charleston Regional Development Alliance, the Charleston metro area added 50,500 new jobs in the past nine years, thanks in large part to the development of multimillion-dollar campuses by Boeing, Daimler and Google. Construction is under way for Volvo’s first U.S. plant, set to open in 2018.

The challenge? On a peninsula one quarter the size of Manhattan, there are only so many homes to go around. In Charleston's luxury market, traditionally limited to the neighborhood South of Broad Street and now extending just North of Calhoun Street, the average listing price for \$1 million-plus homes is \$1.83 million, according to data from Charleston Trident MLS.



The Charleston Battery is a popular downtown destination. PHOTO: BRIE WILLIAMS FOR THE WALL STREET JOURNAL

In
the

summer, the historic Colonel John Ashe house sold for \$7.72 million, a record in Charleston. But home prices have been slipping in recent months.

The price per square foot for \$1 million-plus listings through November is \$537, compared with \$472 in 2010. Yet price a square foot has declined by 4% since 2014, a change real-estate agents attribute to an uptick in the sale of unrenovated historic properties.

“The increase in unrenovated sales is simply a factor of lack of inventory,” said Mr. Sullivan. “We may even see a slowdown in transactions in the next six months. But I think that’s just because we don’t have anything left to sell.”

Stephen Hammond is a lifelong New Yorker and CEO of Lou Hammond & Associates, a marketing and communications firm. He and his wife, Mary, originally from Bedford, N.Y., made the decision to move to Charleston in 2010, lured by the high quality of life for young families. “Great restaurants, good people, excellent education. There’s no better place to raise a family than Charleston,” said Mr. Hammond, who with his wife now has two toddlers.

The couple purchased Villa Margherita, one of the city’s most prominent historic homes

on South Battery, for \$3 million in 2012. They spent two years renovating the 10,000-square-foot Italian Renaissance home, built in 1895. Work involved restoring a ballroom that has entertained presidents Taft, Cleveland and Teddy Roosevelt, according to the local newspaper. The couple also built a new wine cellar for Mr. Hammond's 2,500-bottle burgundy collection.

Initially Mr. Hammond planned to work from home, commuting to the company's offices in New York, Miami and Los Angeles, "but then we realized there was an opportunity here," he said. He opened the marketing firm's fourth office in Charleston in 2011.

In Charleston, S.C., Old Gets Hip »

A slideshow of historic mansions in Charleston, S.C., that have been renovated to include modern amenities, plus one contemporary condo built atop an office building.



1 of 21

The formal living room of Todd and Peggy Watkins's Charleston home is decorated with French

Charleston's charms draw a steady stream of tourists, which can be a mixed blessing for residents. The Charleston area welcomed over 4 million visitors in 2014, according to the Charleston Area Convention and Visitors Bureau. For residents South of Broad, this means a frustrating stream of sidewalk traffic and carriage tours just outside their front door. Another downside to life in the lowcountry: a steady rain and a high tide can easily wash over Charleston's downtown streets, despite the city's ongoing efforts to increase its flood defenses.

Flooding isn't something Rich Yessian has to worry about. He chose to do something

unprecedented in Charleston—build a condo on top of his own office building.

Mr. Yessian, 42, a Washington, D.C.-area native and a partner at Blue Ion, a digital-marketing agency, moved to Charleston after college in 1998. “I figured I’d move back to D.C. after hanging out at the beach for the summer,” he said. Four months turned into a year, and before he knew it, the young web programmer was a partner in a startup web development business.

Approval by Charleston’s Board of Architectural Review hinged on the structure being invisible from King Street, the city’s main shopping corridor. The 2,200-square-foot, two-bedroom, 2½-bathroom metal-clad condo cost roughly \$1.5 million and was completed in May after almost two years of construction.

Building from scratch made it easier to add solar panels, and his location atop an office building gives him expansive views of the city.

“You see cities in Europe that have adopted new architectural styles over their long history,” said Mr. Yessian. “There are forward-thinking people in the Charleston area that recognize that being historic doesn’t mean you can’t also be modern.”

Corrections & Amplifications:

The Charleston Regional Development Alliance was misidentified as the Charleston Regional Business Alliance in an earlier version of this article. Also, the Charleston area had over 4 million visitors in 2014, not 2.4 million visitors to the city. (12/17/15)

Copyright 2014 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.