

Charleston-Trident Housing Market Annual Report

A RESEARCH TOOL PROVIDED BY
THE CHARLESTON-TRIDENT ASSOCIATION OF REALTORS®



2010

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As the first decade of the 21st century limps into the history books, it's time to look back and take stock. When the dust settled in the wake of the housing bubble collapse, we collectively discovered Sir Isaac Newton was correct – for every action there is an equal and opposite reaction. While it's his third law of motion, it might as well be the first law of housing market incentives. The moment the first-time home buyer tax credit evaporated, there was no stimulus to anchor housing demand. The credit shifted the typical summer and fall buying season into spring, creating a textbook case of “displaced demand”.

Persistent economic headwinds and a sluggish labor market couldn't drive population growth and new household formations. Most first-time home buyers bought during the 2009 or 2010 credit periods and consumer confidence wasn't sufficient to motivate enough move-up buyers to stabilize demand. Despite 2010 being one of the most tumultuous years since the 2007 recession, the worst is likely behind us. If 2010 could be described in five phrases, they would be: tax credit, no tax credit, historically low mortgage rates, record-high affordability and a sloth-like economic recovery.

Listings There were 18,930 new homes introduced to the marketplace in 2010, down a modest 1.5 percent from 2009 levels. Sellers can expect some additional challenges in early 2011, particularly if they are in an area with a high share of properties that are in financial distress. These attractive alternatives will continue to lure buyers who are shopping in the areas where they're most prevalent. Buyers are looking for quality and value. Sellers facing plenty of competition will have to offer one or the other, but likely both. Highly motivated sellers will have to seriously evaluate their pricing strategy first and foremost before considering other concessions in order to charm buyers. For 2011, anticipate listing activity to pick up slightly as hesitant sellers re-enter the market.

Closings Sales volumes appear to have reached their trough in 2009. The 8,692 closings in 2010 were up 4.4 percent from 2009. From peak to valley, unit sales constricted by nearly 50.0 percent. Don't expect a magical resurgence in purchase activity without greater household financial security and consumer confidence. That will accompany an improving jobs situation. Purchase demand is still regenerating after being shifted forward into the first half of 2010. In 2011, sales should exceed 2008, 2009 and 2010 levels.

Prices After cresting in 2007 at \$208,000, the 2010 median sales price of \$188,200 was 3.1 percent above the 2009 median price. This represents the first annual price gain in three years. From peak to valley, prices reset downward only 12.3 percent to hit bottom in 2009. That's a relatively shallow downturn compared to other regions. Those measuring market vitality by median sales price should be aware of its inputs. Higher volumes of distressed sales will exert downward pressure on prices; so will oversupply issues as measured by absorption rates above six months. The product mix effect also plays a key role; younger buyers were looking for bargain-priced homes with mortgages commensurate with rent. This means more homes are selling at lower price points than has historically been the case. Lastly, a stronger labor market drives new household formations, encourages move-up buyers and entices renters into ownership positions. 2011 should come with another moderate price boost to surpass the \$190,000 mark.

For qualified buyers, now is still an ideal time to purchase a home – perhaps even more so than during the tax credit period. Low prices, low interest rates, high supply and strong negotiating leverage have combined to create one of the most attractive buying environments in generations. In its entirety, 2010 shed light on some of the persistent challenges to a full housing market recovery, but leading indicators suggest reason for optimism in the latter half of 2011. With 2010 a fading mirage off our stern, smoother waters lie ahead.

Here's to a prosperous 2011.

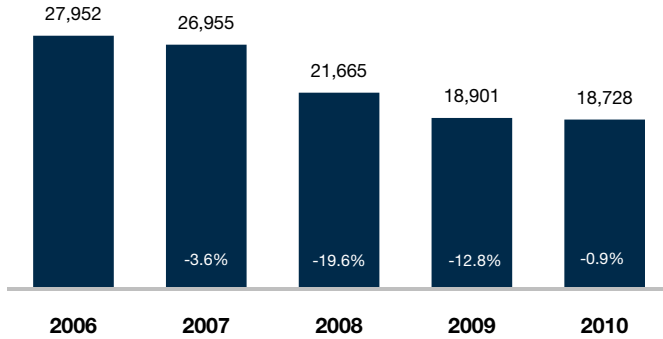
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Quick Facts

New Listings



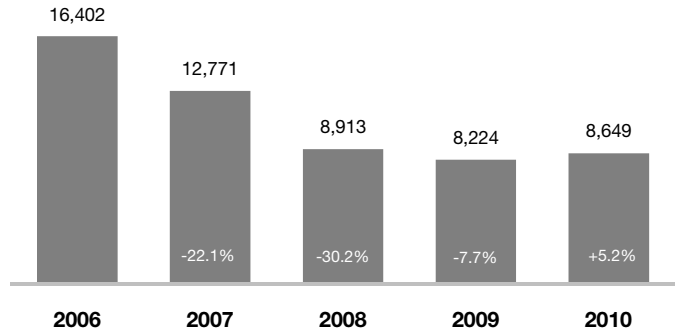
Top 5 Areas: Change in New Listings from 2009

Upper Mount Pleasant	+ 12.9%
Folly Beach	+ 8.6%
Hanahan	+ 8.5%
St. George/Rural Dorchester County	+ 6.9%
Hollywood/Ravenel/Meggett Area	+ 6.5%

Bottom 5 Areas: Change in New Listings from 2009

Daniel Island	- 2.1%
Dorchester Road Corridor	- 13.4%
Lower Mount Pleasant	- 14.1%
Downtown Charleston	- 15.8%
Kiawah and Seabrook Islands	- 15.9%

Closed Sales



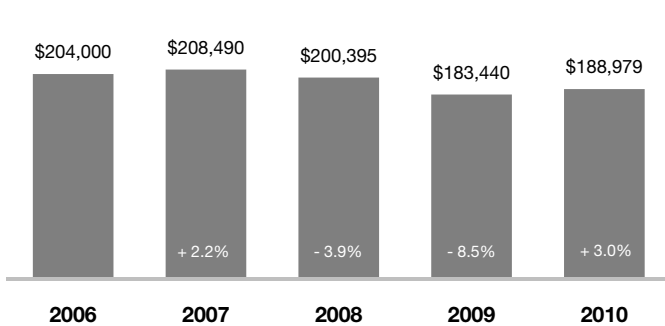
Top 5 Areas: Change in Home Sales from 2009

Folly Beach	+ 89.1%
Upper Charleston Peninsula	+ 52.9%
Daniel Island	+ 51.4%
Isle of Palms	+ 30.2%
Kiawah and Seabrook Islands	+ 30.1%

Bottom 5 Areas: Change in Home Sales from 2009

West Ashley Area	- 4.6%
St. George/Rural Dorchester County	- 7.7%
Hanahan	- 8.1%
Dorchester Road Corridor	- 19.6%
Rural Berkeley County	- 24.5%

Median Sales Price



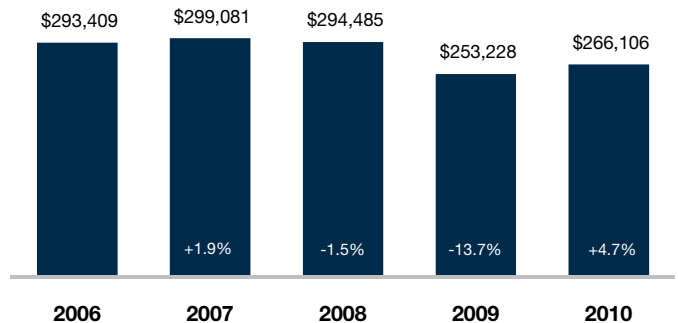
Top 5 Areas: Change in Median Sales Price from 2009

Sullivan's Island	+ 44.2%
Kiawah and Seabrook Islands	+ 28.1%
Daniel Island	+ 16.4%
Wando/Cainhoy Area	+ 14.7%
Hollywood/Ravenel/Meggett Area	+ 13.6%

Bottom 5 Areas: Change in Median Sales Price from 2009

Johns Island	- 5.0%
Edisto Area	- 5.7%
Dorchester Road Corridor	- 6.0%
Folly Beach	- 14.6%
Rural Berkeley County	- 24.1%

Average Sales Price



Top 5 Areas: Change in Average Sales Price from 2009

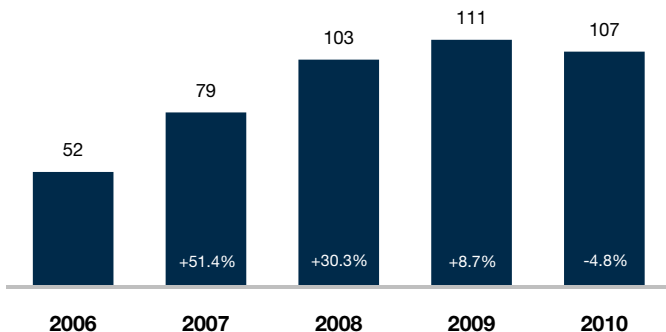
Hollywood/Ravenel/Meggett Area	+ 22.0%
Kiawah and Seabrook Islands	+ 22.0%
Wando/Cainhoy Area	+ 16.9%
Daniel Island	+ 12.6%
James Island	+ 7.8%

Bottom 5 Areas: Change in Average Sales Price from 2009

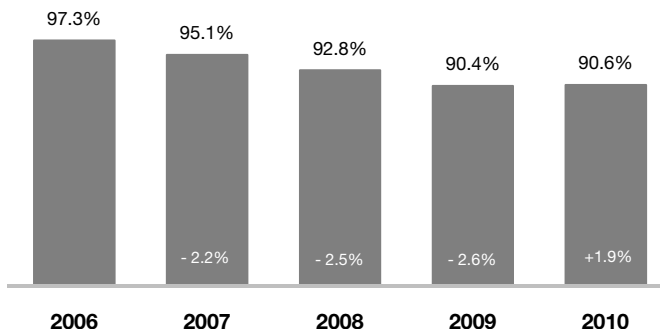
Downtown Charleston	- 8.9%
Edisto Area	- 8.9%
Isle of Palms	- 9.8%
Rural Berkeley County	- 11.0%
Folly Beach	- 13.9%

Quick Facts

Days on Market Until Sale



Percent of Original Price Received



Top 5 Areas: Shortest Days on Market Until Sale in 2010

Isle of Palms	77
Edisto Area	83
Kiawah and Seabrook Islands	89
Sullivan's Island	97
Downtown Charleston	98

Top 5 Areas: Percent Of Original Price Received in 2010

GooseCreek/Monck's Corner Area	94.1%
Dorchester Road Corridor	94.0%
Hanahan	92.7%
Johns Island	92.0%
West Ashley Area	91.8%

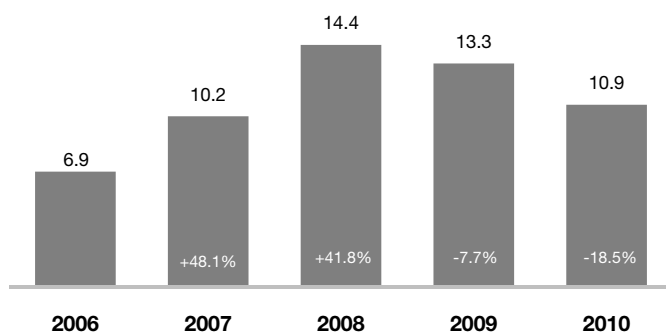
Bottom 5 Areas: Longest Days on Market Until Sale in 2010

Greater Summerville Area	196
Wando/Cainhoy Area	201
GooseCreek/Monck's Corner Area	202
Hanahan	208
Dorchester Road Corridor	226

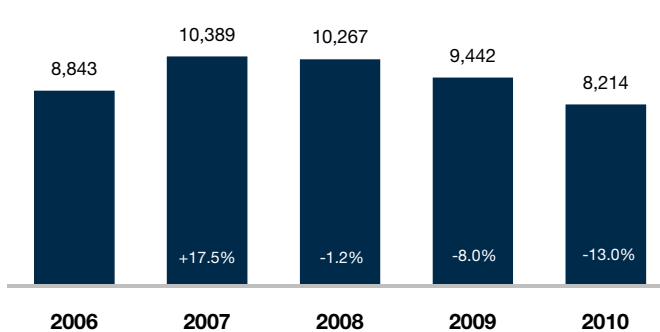
Bottom 5 Areas: Percent Of Original Price Received in 2010

Folly Beach	80.4%
Edisto Area	79.2%
Hollywood/Ravenel/Meggett Area	79.0%
Isle of Palms	77.6%
Sullivan's Island	77.1%

Months Supply at Year End



Homes for Sale at Year End



Top 5 Areas: Shortest Months Supply at Year End

Dorchester Road Corridor	6.9
GooseCreek/Monck's Corner Area	6.9
Lower Mount Pleasant	7.6
Greater Summerville Area	8.5
Hanahan	8.9

Top 5 Areas: Change in Homes for Sale from 2009

Upper Mount Pleasant	+ 11.7%
West Ashley Area	+ 6.9%
Hanahan	+ 6.6%
St. George/Rural Dorchester County	+ 1.5%
Greater Summerville Area	- 6.0%

Bottom 5 Areas: Longest Months Supply at Year End

St. George/Rural Dorchester County	21.2
Downtown Charleston	25.9
Isle of Palms	26.4
Edisto Area	30.2
Kiawah and Seabrook Islands	31.8

Bottom 5 Areas: Change in Homes for Sale from 2009

Wando/Cainhoy Area	- 21.8%
Dorchester Road Corridor	- 23.3%
Folly Beach	- 23.8%
Daniel Island	- 27.0%
Lower Mount Pleasant	- 38.5%

Property Type Review

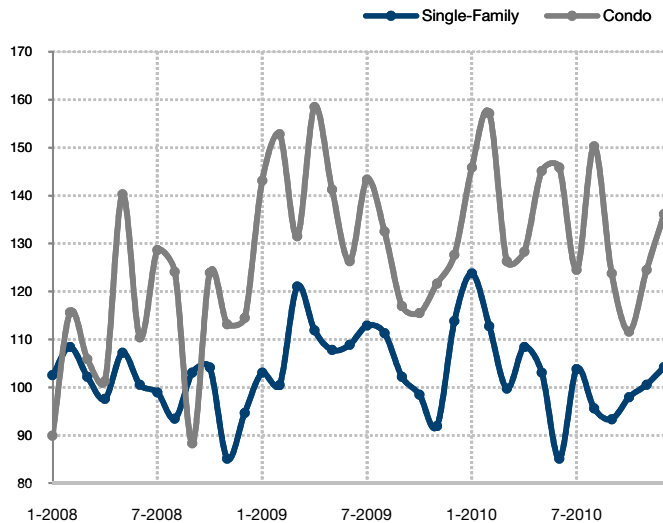
106

Days on Market Until Sale
Single-Family

146

Days on Market Until Sale
Condo

Days on Market Until Sale



Areas: Condo Market Share

Folly Beach	51.2%
Downtown Charleston	50.3%
Daniel Island	42.3%
Isle of Palms	36.8%
Kiawah and Seabrook Islands	34.3%
Wando/Cainhoy Area	32.8%
Lower Mount Pleasant	27.7%
James Island	27.6%
Edisto Area	27.5%
Upper Charleston Peninsula	25.3%
Upper Mount Pleasant	23.3%
West Ashley Area	22.1%
Greater North Charleston	21.9%
Johns Island	17.7%
Dorchester Road Corridor	12.2%
Hanahan	11.7%
Hollywood/Ravenel/Meggett Area	10.6%
Greater Summerville Area	7.8%
Sullivan's Island	7.5%
GooseCreek/Monck's Corner Area	7.0%
Rural Berkeley County	0.8%
St. George/Rural Dorchester County	0.7%

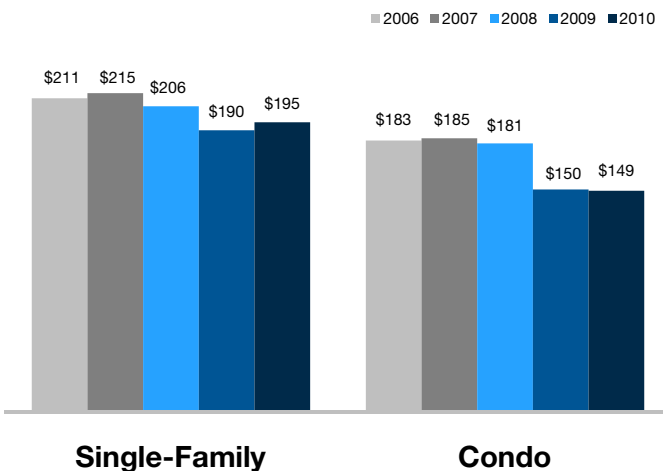
+ 2.8%

One-Year Change In Price
Single-Family

- 0.7%

One-Year Change In Price
Condo

Median Sales Price (in thousands)



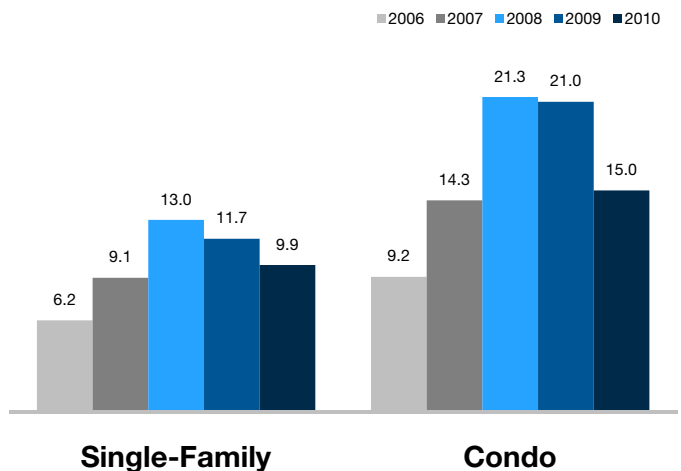
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Year End Months Supply
Single-Family

15.0

Year End Months Supply
Condo

Year End Months Supply



New Construction Review

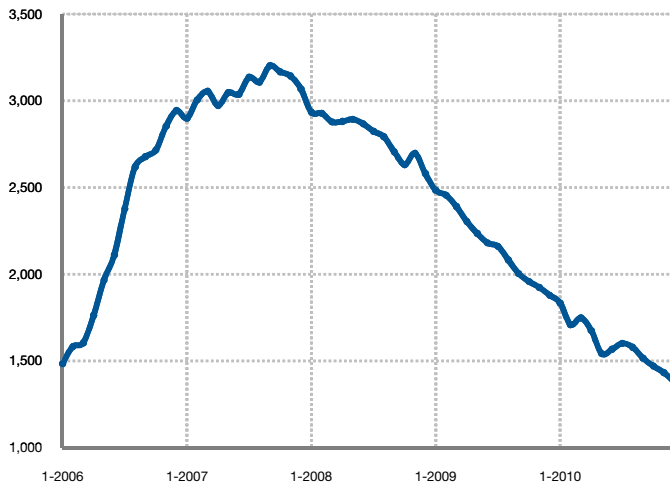
Sep '07

-1,823

Peak in Homes for Sale
New Construction

Drop in Inventory from Peak
New Construction

New Construction Homes for Sale



Areas: New Construction Market Share

Wando/Cainhoy Area	47.6%
Daniel Island	44.4%
Hanahan	43.5%
Dorchester Road Corridor	42.4%
Johns Island	41.9%
GooseCreek/Monck's Corner Area	39.4%
Greater Summerville Area	36.6%
Upper Mount Pleasant	32.1%
Greater North Charleston	32.0%
Sullivan's Island	31.2%
Rural Berkeley County	30.0%
West Ashley Area	28.9%
Lower Mount Pleasant	26.6%
Folly Beach	25.7%
Isle of Palms	24.6%
Kiawah and Seabrook Islands	23.9%
Downtown Charleston	23.8%
James Island	23.7%
Hollywood/Ravenel/Meggett Area	23.5%
Upper Charleston Peninsula	19.1%
Edisto Area	11.7%
St. George/Rural Dorchester County	7.6%

6.7

12.2

Year End Months Supply
New Construction

Year End Months Supply
Previously Owned

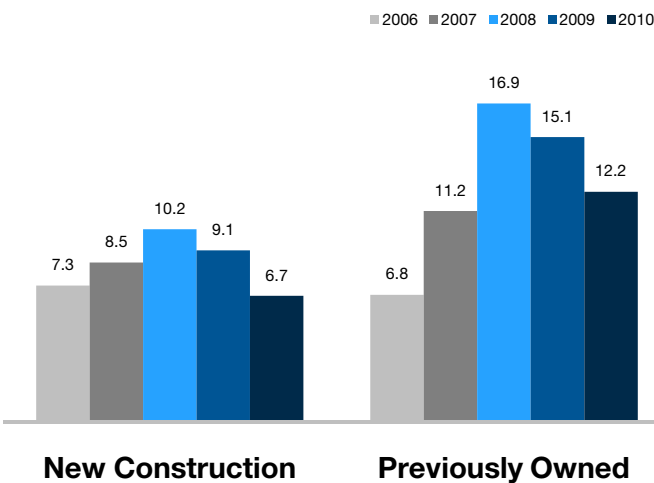
96.0%

88.6%

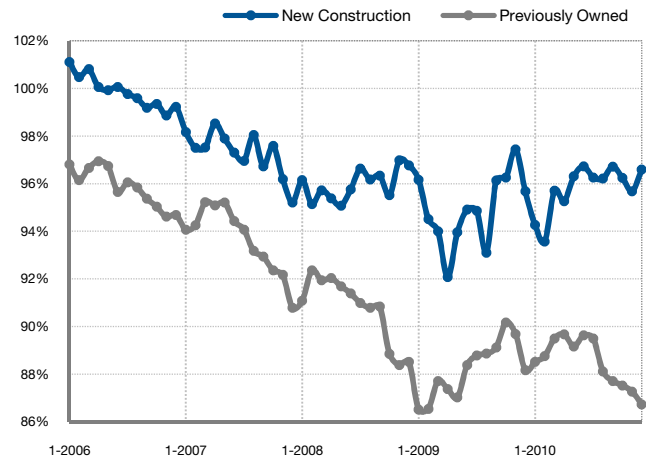
Pct. Of Orig. Price Received
New Construction

Pct. Of Orig. Price Received
Previously Owned

Year End Months Supply



Percent of Original Price Received



Area Overviews

		Total Sales	Change from 2009	Percent New Construction	Percent Condo	Days on Market Until Sale	Percent of Original Price Received
All MLS	Charleston-Trident Region	8,649	+ 5.2%	31.6%	19.3%	107	90.6%
BER	Berkeley County	2,096	+ 5.1%	39.9%	10.7%	91	92.8%
CH	Charleston County	4,557	+ 12.9%	27.9%	27.0%	120	88.6%
82	Colleton County	175	+ 10.1%	6.2%	1.3%	134	88.2%
DOR	Dorchester County	1,771	- 10.5%	37.4%	8.9%	84	93.2%
77	Daniel Island	209	+ 51.4%	44.4%	42.3%	149	88.7%
61	Dorchester Road Corridor	628	- 19.6%	42.4%	12.2%	78	93.9%
51	Downtown Charleston	247	+ 25.4%	23.8%	50.3%	212	82.4%
26-28	Edisto Area	69	- 2.8%	11.7%	27.5%	216	83.3%
22	Folly Beach	104	+ 89.1%	25.7%	51.2%	155	82.6%
72-74, 76	GooseCreek/Monck's Corner Area	1,486	+ 4.6%	39.4%	7.0%	83	93.7%
31-32	Greater North Charleston	749	+ 10.1%	32.0%	21.9%	95	89.7%
62-63	Greater Summerville Area	1,107	- 4.5%	36.6%	7.8%	87	93.2%
71	Hanahan	203	- 8.1%	43.5%	11.7%	67	93.3%
13	Hollywood/Ravenel/Meggett Area	75	+ 13.6%	23.5%	10.6%	136	85.3%
44-45	Isle of Palms	168	+ 30.2%	24.6%	36.8%	176	80.4%
21	James Island	502	+ 13.8%	23.7%	27.6%	110	88.3%
23	Johns Island	172	+ 1.8%	41.9%	17.7%	98	89.4%
25	Kiawah and Seabrook Islands	121	+ 30.1%	23.9%	34.3%	236	82.0%
42	Lower Mount Pleasant	923	+ 20.7%	26.6%	27.7%	118	89.6%
75	Rural Berkeley County	71	- 24.5%	30.0%	0.8%	124	84.3%
64	St. George/Rural Dorchester County	36	- 7.7%	7.6%	0.7%	127	83.8%
43	Sullivan's Island	23	+ 4.5%	31.2%	7.5%	162	83.4%
52	Upper Charleston Peninsula	133	+ 52.9%	19.1%	25.3%	122	87.2%
41	Upper Mount Pleasant	440	+ 9.7%	32.1%	23.3%	121	91.0%
78	Wando/Cainhoy Area	127	+ 3.3%	47.6%	32.8%	109	93.0%
11-12	West Ashley Area	852	- 4.6%	28.9%	22.1%	91	91.3%

Area Historical Prices

		2006	2007	2008	2009	2010	Change From 2009	Change From 2006
All MLS	Charleston-Trident Region	\$204,000	\$208,490	\$200,395	\$183,440	\$188,979	+ 3.0%	- 7.4%
BER	Berkeley County	\$173,850	\$180,000	\$171,909	\$164,243	\$166,000	+ 1.1%	- 4.5%
CH	Charleston County	\$239,900	\$248,412	\$255,000	\$227,651	\$236,000	+ 3.7%	- 1.6%
82	Colleton County	\$99,000	\$99,500	\$95,110	\$92,850	\$89,950	- 3.1%	- 9.1%
DOR	Dorchester County	\$185,000	\$194,535	\$179,990	\$162,000	\$159,656	- 1.4%	- 13.7%
77	Daniel Island	\$569,000	\$430,523	\$441,400	\$406,000	\$472,500	+ 16.4%	- 17.0%
61	Dorchester Road Corridor	\$192,244	\$199,718	\$178,894	\$165,000	\$155,160	- 6.0%	- 19.3%
51	Downtown Charleston	\$625,000	\$562,500	\$550,000	\$520,000	\$560,000	+ 7.7%	- 10.4%
26-28	Edisto Area	\$570,000	\$500,000	\$450,000	\$350,000	\$330,000	- 5.7%	- 42.1%
22	Folly Beach	\$606,000	\$620,000	\$480,000	\$410,000	\$350,000	- 14.6%	- 42.2%
72-74, 76	GooseCreek/Monck's Corner Area	\$164,330	\$168,335	\$159,945	\$156,021	\$152,000	- 2.6%	- 7.5%
31-32	Greater North Charleston	\$131,900	\$149,995	\$155,000	\$134,900	\$128,500	- 4.7%	- 2.6%
62-63	Greater Summerville Area	\$181,465	\$192,500	\$181,003	\$160,000	\$162,833	+ 1.8%	- 10.3%
71	Hanahan	\$190,649	\$200,272	\$205,000	\$185,000	\$192,093	+ 3.8%	+ 0.8%
13	Hollywood/Ravenel/Meggett Area	\$289,000	\$237,450	\$199,900	\$220,000	\$250,000	+ 13.6%	- 13.5%
44-45	Isle of Palms	\$990,500	\$1,150,000	\$855,900	\$650,000	\$634,750	- 2.3%	- 35.9%
21	James Island	\$232,500	\$262,000	\$247,200	\$206,500	\$220,000	+ 6.5%	- 5.4%
23	Johns Island	\$236,547	\$219,500	\$219,816	\$228,381	\$217,000	- 5.0%	- 8.3%
25	Kiawah and Seabrook Islands	\$580,000	\$669,000	\$695,000	\$439,000	\$562,500	+ 28.1%	- 3.0%
42	Lower Mount Pleasant	\$306,753	\$370,000	\$347,000	\$315,000	\$325,000	+ 3.2%	+ 5.9%
75	Rural Berkeley County	\$157,394	\$172,000	\$155,750	\$106,500	\$80,800	- 24.1%	- 48.7%
64	St. George/Rural Dorchester County	\$105,000	\$140,000	\$83,000	\$102,500	\$110,000	+ 7.3%	+ 4.8%
43	Sullivan's Island	\$2,045,000	\$1,925,000	\$1,437,500	\$1,000,600	\$1,442,500	+ 44.2%	- 29.5%
52	Upper Charleston Peninsula	\$295,000	\$260,000	\$249,500	\$222,150	\$217,000	- 2.3%	- 26.4%
41	Upper Mount Pleasant	\$330,418	\$308,500	\$300,000	\$290,000	\$295,000	+ 1.7%	- 10.7%
78	Wando/Cainhoy Area	\$218,480	\$259,000	\$217,900	\$194,000	\$222,500	+ 14.7%	+ 1.8%
11-12	West Ashley Area	\$209,900	\$213,980	\$212,875	\$200,887	\$200,000	- 0.4%	- 4.7%