

Annual Report on the Charleston-Trident Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE
CHARLESTON-TRIDENT ASSOCIATION OF REALTORS® MLS



2011

Annual Report on the Charleston-Trident Housing Market



FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE CHARLESTON-TRIDENT ASSOCIATION OF REALTORS® MLS

What was largely touted as a recovery year for our nation turned into a morass of political gridlock, credit downgrades, financial volatility, upstart protest movements and a sluggish jobs picture. The housing sector, in particular, did not see the recovery it should have. It was another transition year in what has become a more drawn-out bottoming process than most would like.

Let's face facts: There is no way to know for sure what the future holds. But a few important patterns emerged in 2011 that could clue us in. Key leading indicators are setting the stage for better times ahead and we are encouraged by these emerging patterns. There is a sense of momentum in the right direction.

Falling supply and rising demand suggest improving fundamentals. Distressed properties made up a sizable share of that demand, which prevented price gains. Although foreclosures continued to hinder a full-on housing recovery in 2011, many of them were sold, bringing supply of this price drag to a much lower level than in recent years. The path of least resistance is higher prices.

And remember that 2010 tax credit for first-time home buyers? Hindsight indicates that Washington was trying to catch a falling knife. The credit temporarily reversed the market's natural tide, causing forecasters to prematurely declare that we'd hit bottom.

Make no mistake, the economy is on the mend. Layoffs have slowed, hiring has accelerated, fewer homes in financial distress are entering the market. It's good to see that time still has a way of healing most wounds.

Housing demand has stabilized and a steadily expanding construction sector is generating the jobs needed to invigorate recovery. New jobs will drive housing demand and activate the widely-coveted "positive feedback loop." Housing helps jobs which helps housing which helps jobs. You get the idea.

Additional labor market growth combined with record-low mortgage rates have bolstered purchase demand. Armed with cheap money, buyers took to the streets in 2011 and are expected to continue forging new households at a reasonable clip.

Listings Seller activity slowed during the year. Nix that. Listing activity by banks slowed during the year.

Sales Housing recovery won't occur without consumer participation. In 2011, housing demand strengthened organically on its own, independent of government incentives. Closed sales were up 5.5 percent to 9,238 for the year.

Inventory No matter your personal beliefs or favorite type of Angry Bird, there's no denying the fact that buyers have fewer choices from which to pick and sellers are facing less competition.

Prices Home prices remained depressed for most of the year and indeed ended the year 2.7 percent lower than in 2010. At \$182,000, prices have come down roughly 12 percent from their bubbly apex in 2007.

Higher. Increase. Positive. These are words we expect to use more of in 2012. The major factor constraining market recovery will not be with us forever. Lender-mediated inventory is a tar pit in the near-term, but it will soon be absorbed, removing the downward pressure on overall prices.

At the same time, housing doesn't live in a vacuum. A number of local, national and global changes must take place to restore stability and confidence in the marketplace. For one, credit-worthy home buyers need access to mortgage capital. And although past policies temporarily dampened the natural ebb and flow of the market, a comprehensive housing policy framework is necessary to guide sustained recovery.

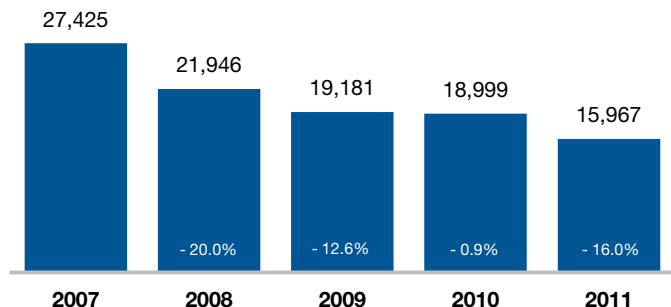
Table of Contents

- [3 Quick Facts](#)
- [5 Property Type Review](#)
- [6 New Construction Review](#)
- [7 Distressed Homes Review](#)
- [8 Bedroom Count Review](#)
- [9 Price Range Review](#)
- [10 Area Overviews](#)
- [11 Area Historical Prices](#)

[Click on desired metric to jump to that page.](#)

Quick Facts

New Listings



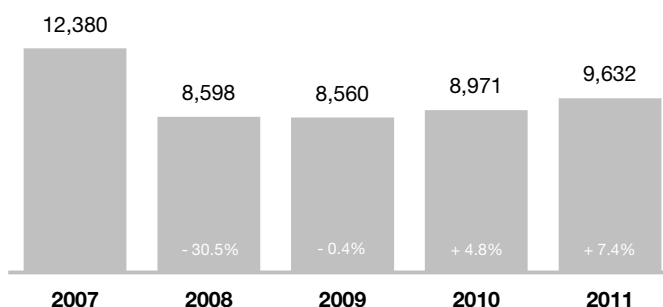
Top 5 Areas: Change in New Listings from 2010

Sullivan's Island	+ 2.8%
Kiawah and Seabrook Islands	+ 2.7%
Johns Island	- 2.8%
Daniel Island	- 5.4%
Edisto Area	- 7.4%

Bottom 5 Areas: Change in New Listings from 2010

Greater Summerville Area	- 20.0%
Upper Charleston Peninsula	- 20.7%
Folly Beach	- 24.5%
Isle of Palms	- 25.3%
Hanahan	- 30.0%

Pending Sales



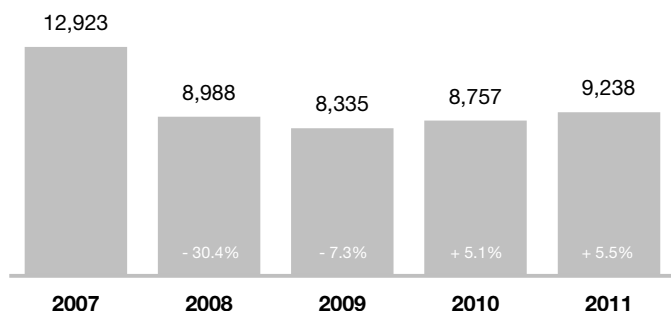
Top 5 Areas: Change in Pending Sales from 2010

Johns Island	+ 48.3%
St. George / Rural Dorchester County	+ 45.7%
Sullivan's Island	+ 40.7%
Downtown Charleston	+ 25.5%
West Ashley Area	+ 25.4%

Bottom 5 Areas: Change in Pending Sales from 2010

Hollywood / Ravenel / Meggett Area	- 5.3%
Hanahan	- 5.7%
Dorchester Road Corridor	- 10.0%
Folly Beach	- 11.4%
Rural Berkeley County	- 14.3%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2010

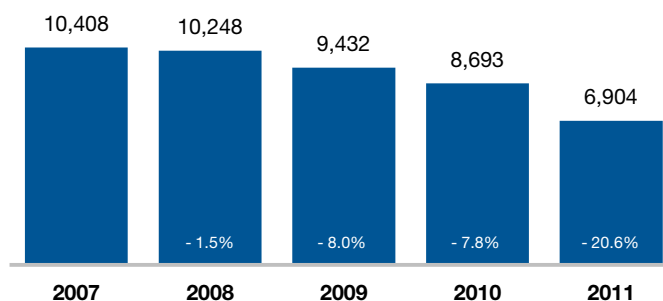
Johns Island	+ 64.9%
Sullivan's Island	+ 60.9%
Edisto Area	+ 36.2%
St. George / Rural Dorchester County	+ 27.8%
Downtown Charleston	+ 21.7%

Bottom 5 Areas: Change in Closed Sales from 2010

Greater North Charleston	- 2.0%
Folly Beach	- 4.9%
Dorchester Road Corridor	- 13.7%
Upper Charleston Peninsula	- 15.7%
Hollywood / Ravenel / Meggett Area	- 17.3%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2010

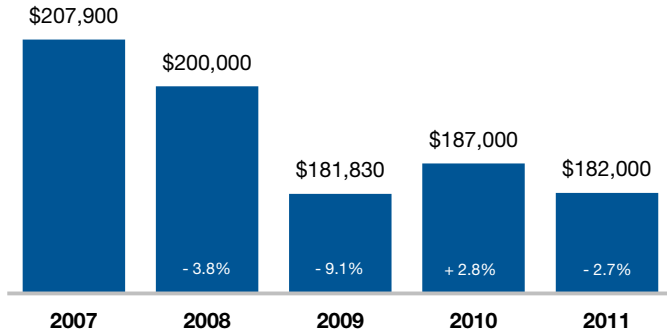
Rural Berkeley County	+ 12.6%
Sullivan's Island	+ 2.2%
Kiawah and Seabrook Islands	- 2.5%
Folly Beach	- 8.5%
Hollywood / Ravenel / Meggett Area	- 12.9%

Top 5 Areas: Change in Homes for Sale from 2010

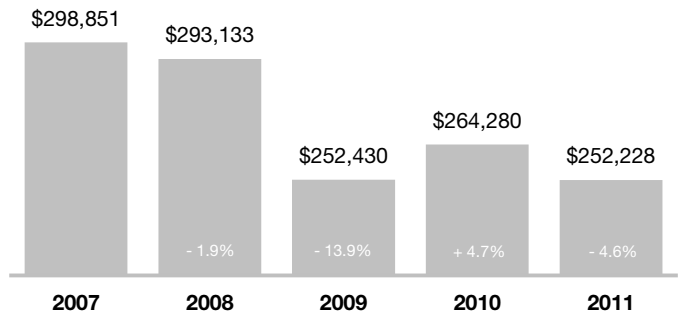
St. George / Rural Dorchester County	- 25.4%
Wando / Cainhoy Area	- 32.5%
Hanahan	- 34.3%
West Ashley Area	- 35.6%
Lower Mount Pleasant	- 36.5%

Quick Facts

Median Sales Price



Average Sales Price



Top 5 Areas: Change in Median Sales Price from 2010

Folly Beach	+ 4.5%
Dorchester Road Corridor	+ 4.4%
Lower Mount Pleasant	+ 4.2%
Edisto Area	+ 2.5%
Goose Creek / Monck's Corner Area	+ 1.3%

Top 5 Areas: Change in Average Sales Price from 2010

Edisto Area	+ 5.4%
Sullivan's Island	+ 2.3%
Greater Summerville Area	+ 0.2%
Upper Mount Pleasant	- 0.9%
Goose Creek / Monck's Corner Area	- 1.7%

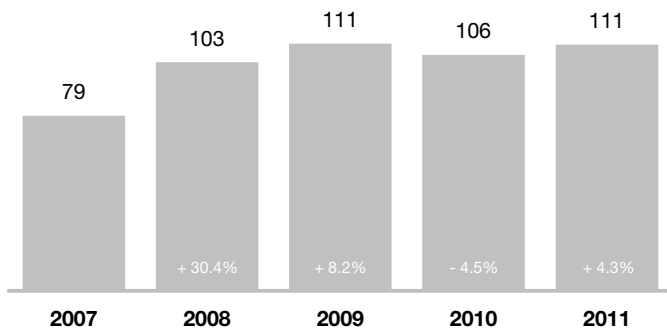
Bottom 5 Areas: Change in Median Sales Price from 2010

James Island	- 14.3%
Kiawah and Seabrook Islands	- 14.8%
Wando / Cainhoy Area	- 16.4%
Hollywood / Ravenel / Meggett Area	- 16.8%
Downtown Charleston	- 21.7%

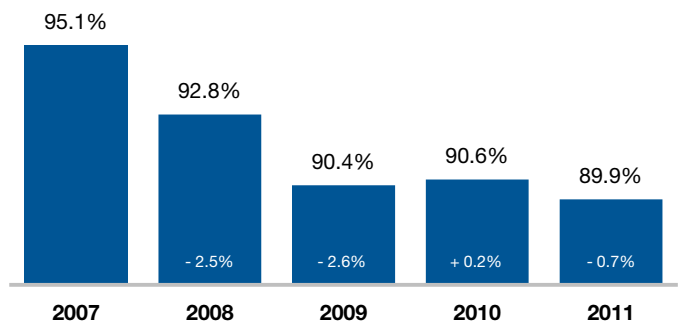
Bottom 5 Areas: Change in Average Sales Price from 2010

James Island	- 13.5%
St. George / Rural Dorchester County	- 13.5%
Downtown Charleston	- 22.0%
Johns Island	- 24.5%
Hollywood / Ravenel / Meggett Area	- 27.8%

Days on Market Until Sale



Percent of Original List Price Received



Top 5 Areas: Change in Days on Market from 2010

Hanahan	+ 54.2%
Sullivan's Island	+ 27.0%
Greater Summerville Area	+ 22.5%
Dorchester Road Corridor	+ 14.5%
Isle of Palms	+ 11.8%

Top 5 Areas: Change in Pct. of Orig. Price Received from 2010

Downtown Charleston	+ 4.1%
Johns Island	+ 3.7%
Hollywood / Ravenel / Meggett Area	+ 3.2%
Folly Beach	+ 2.5%
Lower Mount Pleasant	+ 1.4%

Bottom 5 Areas: Change in Days on Market from 2010

Johns Island	- 6.8%
Lower Mount Pleasant	- 12.0%
Hollywood / Ravenel / Meggett Area	- 14.1%
Daniel Island	- 14.9%
Downtown Charleston	- 15.8%

Top 5 Areas: Change in Pct. of Orig. Price Received from 2010

Greater Summerville Area	- 1.9%
Rural Berkeley County	- 2.0%
Upper Charleston Peninsula	- 2.2%
Hanahan	- 2.8%
Sullivan's Island	- 4.2%

Property Type Review

108

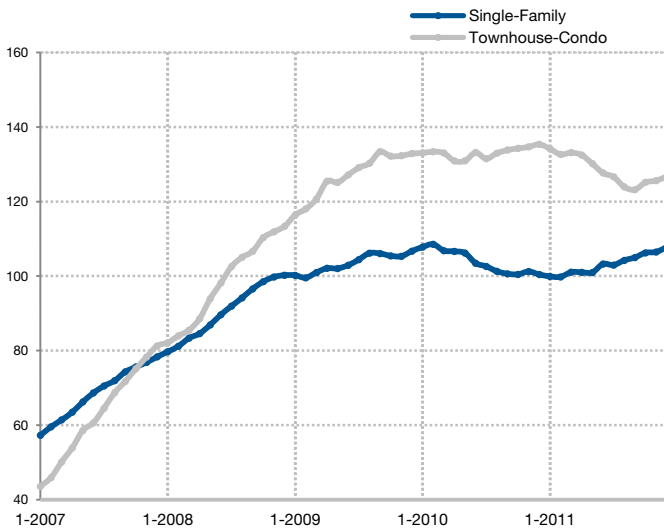
Average Days on Market
Single-Family Detached

127

Average Days on Market
Townhouse-Condo Attached

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Areas: Townhouse-Condo Attached Market Share in 2011

Downtown Charleston	48.6%
Folly Beach	45.9%
Kiawah and Seabrook Islands	34.9%
Daniel Island	33.6%
Edisto Area	30.9%
Isle of Palms	30.5%
James Island	25.7%
West Ashley Area	25.0%
Lower Mount Pleasant	24.2%
Wando / Cainhoy Area	21.3%
Upper Mount Pleasant	19.9%
Greater North Charleston	18.8%
Johns Island	17.8%
Upper Charleston Peninsula	15.0%
Dorchester Road Corridor	11.2%
Hanahan	9.8%
Greater Summerville Area	8.5%
Goose Creek / Monck's Corner Area	6.2%
Hollywood / Ravenel / Meggett Area	4.8%
Rural Berkeley County	0.0%
St. George / Rural Dorchester County	0.0%
Sullivan's Island	0.0%

-0.4%

One-Year Change in Price
Single-Family Detached

-6.4%

One-Year Change in Price
Townhouse-Condo Attached

90.4%

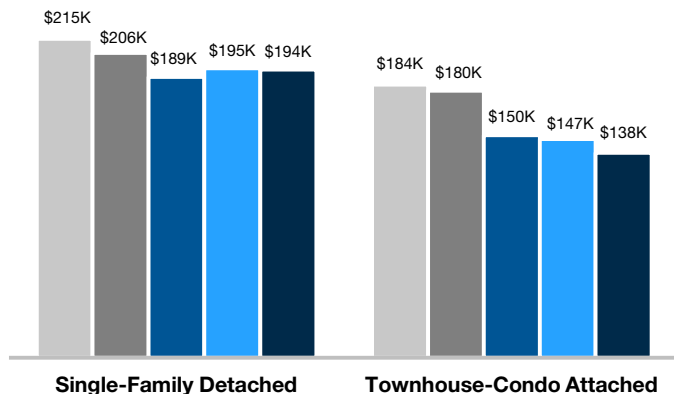
Pct. of Orig. Price Received
Single-Family Detached

87.7%

Pct. of Orig. Price Received
Townhouse-Condo Attached

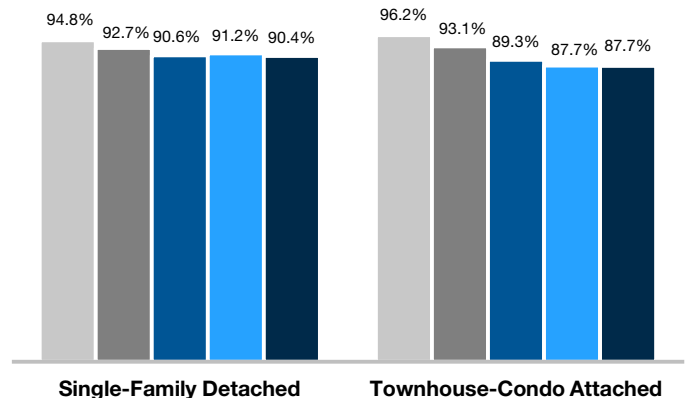
Median Sales Price

2007 2008 2009 2010 2011



Percent of Original List Price Received

2007 2008 2009 2010 2011



New Construction Review

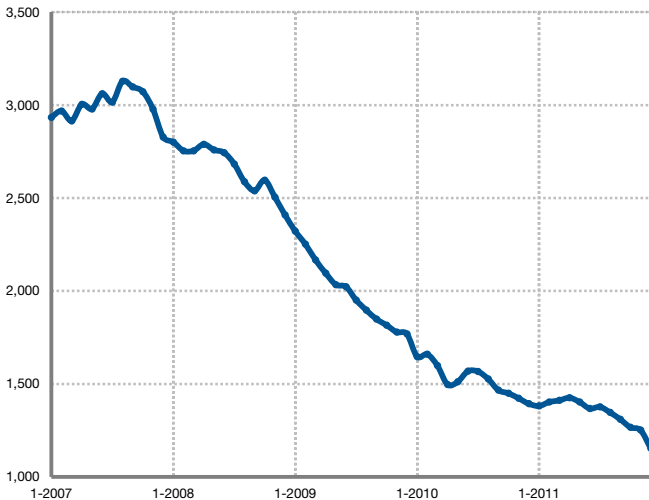
Aug '07

Peak of New Construction Inventory

1,974

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Areas: New Construction Market Share in 2011

Johns Island	55.1%
Wando / Cainhoy Area	40.4%
Goose Creek / Monck's Corner Area	40.0%
Greater Summerville Area	31.3%
West Ashley Area	28.6%
Daniel Island	27.6%
Greater North Charleston	27.5%
Dorchester Road Corridor	25.8%
Upper Mount Pleasant	23.0%
Hanahan	19.1%
Hollywood / Ravenel / Meggett Area	12.9%
Edisto Area	11.7%
Isle of Palms	9.0%
Lower Mount Pleasant	8.8%
Sullivan's Island	8.1%
Upper Charleston Peninsula	8.0%
Downtown Charleston	7.5%
James Island	6.6%
Kiawah and Seabrook Islands	6.3%
Folly Beach	2.0%
Rural Berkeley County	1.4%
St. George / Rural Dorchester County	0.0%

6.0

Year-End Months Supply New Construction

9.4

Year-End Months Supply Previously Owned

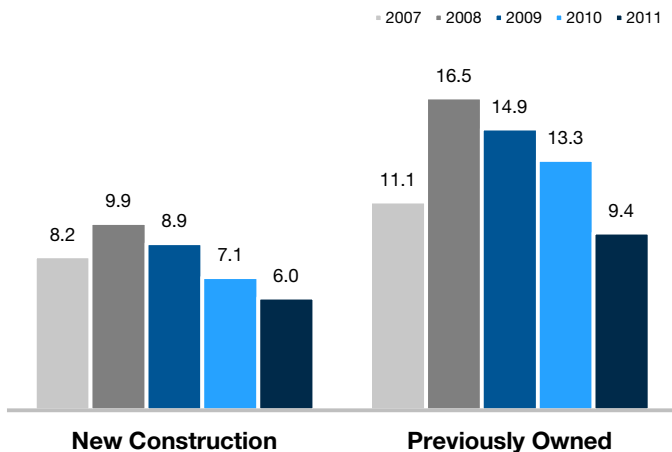
96.8%

Pct. of Orig. Price Received New Construction

87.6%

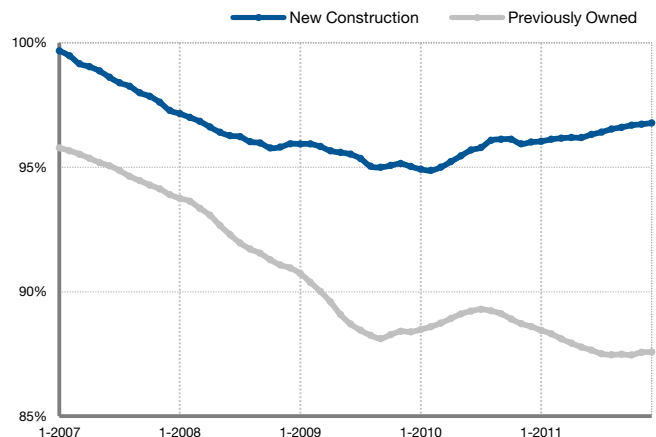
Pct. of Orig. Price Received Previously Owned

Months Supply of Inventory



Percent of Original List Price Received

This chart uses a Rolling 12 Month Average for each data point.



Distressed Homes Review

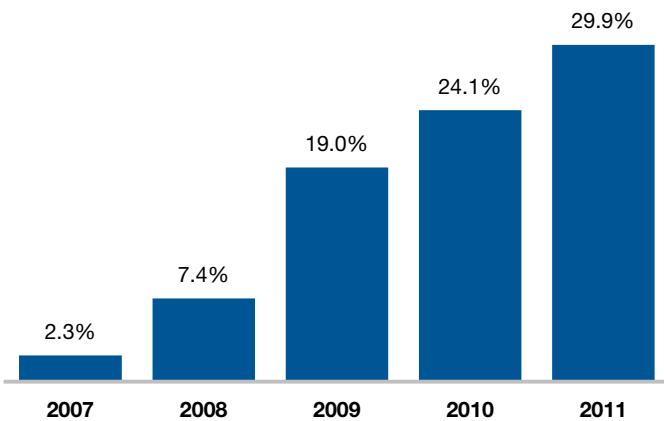
29.9%

Percent of Distressed Properties Sold in 2011

+ 30.9%

One-Year Change in Sales of Distressed Properties

Percent of Sales That Were Distressed



Areas: Distressed Market Share in 2011

St. George / Rural Dorchester County	47.8%
Hollywood / Ravenel / Meggett Area	43.5%
Wando / Cainhoy Area	40.4%
Greater North Charleston	37.5%
Hanahan	37.3%
Rural Berkeley County	35.2%
James Island	33.1%
Dorchester Road Corridor	32.8%
Folly Beach	31.6%
Greater Summerville Area	30.8%
Daniel Island	30.4%
Johns Island	29.6%
Lower Mount Pleasant	29.2%
West Ashley Area	28.6%
Upper Charleston Peninsula	28.3%
Isle of Palms	26.6%
Goose Creek / Monck's Corner Area	24.7%
Upper Mount Pleasant	24.5%
Sullivan's Island	24.3%
Downtown Charleston	21.9%
Edisto Area	19.1%
Kiawah and Seabrook Islands	15.1%

- 12.5%

Four-Year Change in Price All Properties

- 1.6%

Four-Year Change in Price Traditional Properties

- 18.0%

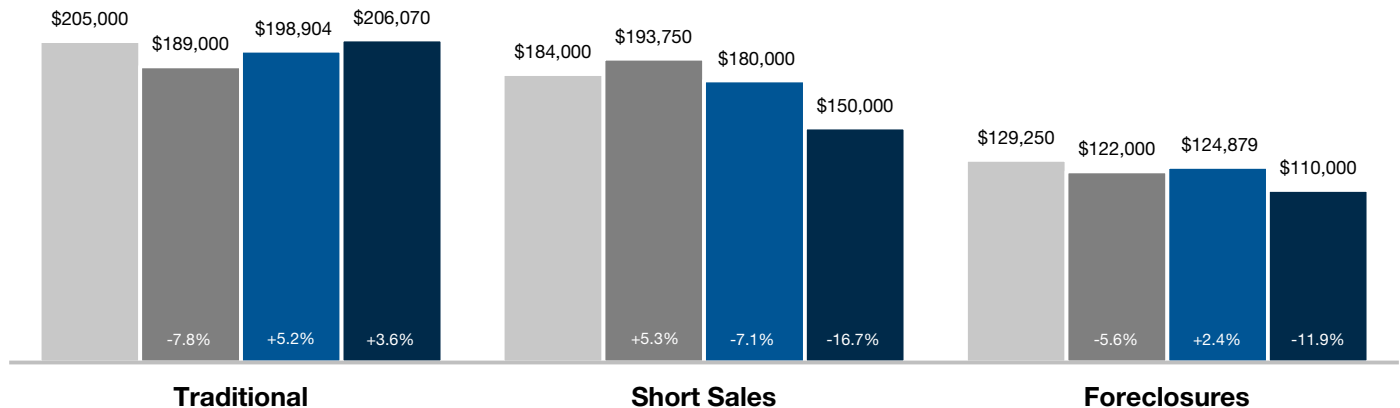
Four-Year Change in Price Short Sales

- 4.3%

Four-Year Change in Price Foreclosures

Median Sales Price

■ 2008 ■ 2009 ■ 2010 ■ 2011



A property is counted as Distressed when the SPECIAL field in CTARMLS is marked as "Lender Owned," "Corp Owned" or "Possible Short Sale," or if the POTENTIAL SHORT SALE field is marked "Yes," or if the REMARKS or AGENT NOTES fields contain a phrase that 10K Research has determined will very likely mark a distressed property.

Area Overviews

	Total Closed Sales	Change from 2010	Percent New Construction	Percent Townhouse- Condo	Days on Market	Pct. of Orig. Price Received
All MLS	9,238	+ 5.5%	24.5%	17.5%	111	89.9%
Berkeley County	2,208	+ 4.9%	34.2%	10.0%	97	91.4%
Charleston County	4,944	+ 8.4%	19.8%	24.2%	117	89.1%
Colleton County	159	- 8.6%	3.1%	1.9%	177	81.4%
Dorchester County	1,772	- 1.4%	28.8%	9.1%	101	91.4%
Daniel Island	250	+ 19.6%	27.6%	33.6%	127	89.6%
Dorchester Road Corridor	546	- 13.7%	25.8%	11.2%	89	92.1%
Downtown Charleston	292	+ 21.7%	7.5%	48.6%	179	85.6%
Edisto Area	94	+ 36.2%	11.7%	30.9%	202	82.9%
Folly Beach	98	- 4.9%	2.0%	45.9%	161	85.0%
Goose Creek / Monck's Corner Area	1,395	+ 4.2%	40.0%	6.2%	87	92.4%
Greater North Charleston	738	- 2.0%	27.5%	18.8%	96	89.1%
Greater Summerville Area	1,179	+ 4.3%	31.3%	8.5%	105	91.4%
Hanahan	204	0.0%	19.1%	9.8%	104	90.6%
Hollywood / Ravenel / Meggett Area	62	- 17.3%	12.9%	4.8%	117	88.0%
Isle of Palms	177	+ 4.1%	9.0%	30.5%	196	81.5%
James Island	514	+ 2.6%	6.6%	25.7%	111	87.8%
Johns Island	287	+ 64.9%	55.1%	17.8%	93	92.8%
Kiawah and Seabrook Islands	126	+ 5.0%	6.3%	34.9%	241	82.3%
Lower Mount Pleasant	730	+ 12.3%	8.8%	24.2%	110	89.7%
Rural Berkeley County	71	0.0%	1.4%	0.0%	117	82.6%
St. George / Rural Dorchester County	46	+ 27.8%	0.0%	0.0%	131	84.1%
Sullivan's Island	37	+ 60.9%	8.1%	0.0%	205	79.9%
Upper Charleston Peninsula	113	- 15.7%	8.0%	15.0%	120	85.4%
Upper Mount Pleasant	723	- 0.1%	23.0%	19.9%	107	92.6%
Wando / Cainhoy Area	141	+ 11.0%	40.4%	21.3%	117	92.6%
West Ashley Area	992	+ 16.3%	28.6%	25.0%	99	90.6%



Area Historical Median Prices

	2007	2008	2009	2010	2011	Change From 2010	Change From 2007
All MLS	\$207,900	\$200,000	\$181,830	\$187,000	\$182,000	- 2.7%	- 12.5%
Berkeley County	\$180,000	\$171,010	\$163,177	\$165,000	\$162,475	- 1.5%	- 9.7%
Charleston County	\$248,000	\$254,952	\$226,692	\$235,000	\$220,000	- 6.4%	- 11.3%
Colleton County	\$99,000	\$95,055	\$91,925	\$89,900	\$69,000	- 23.2%	- 30.3%
Dorchester County	\$194,000	\$179,900	\$161,230	\$159,573	\$160,000	+ 0.3%	- 17.5%
Daniel Island	\$431,495	\$441,400	\$410,000	\$475,000	\$407,500	- 14.2%	- 5.6%
Dorchester Road Corridor	\$199,555	\$178,558	\$165,000	\$155,160	\$162,000	+ 4.4%	- 18.8%
Downtown Charleston	\$565,000	\$550,000	\$492,500	\$562,250	\$440,000	- 21.7%	- 22.1%
Edisto Area	\$500,000	\$450,000	\$357,500	\$335,000	\$343,250	+ 2.5%	- 31.4%
Folly Beach	\$620,000	\$480,000	\$412,500	\$360,000	\$376,250	+ 4.5%	- 39.3%
Goose Creek / Monck's Corner Area	\$166,900	\$159,629	\$155,900	\$153,000	\$155,000	+ 1.3%	- 7.1%
Greater North Charleston	\$149,990	\$155,000	\$132,200	\$123,500	\$106,000	- 14.2%	- 29.3%
Greater Summerville Area	\$192,500	\$181,000	\$159,970	\$162,950	\$160,000	- 1.8%	- 16.9%
Hanahan	\$199,990	\$204,910	\$185,000	\$192,093	\$173,450	- 9.7%	- 13.3%
Hollywood / Ravenel / Meggett Area	\$237,450	\$199,450	\$200,000	\$222,500	\$185,050	- 16.8%	- 22.1%
Isle of Palms	\$1,150,000	\$860,900	\$650,000	\$632,250	\$620,000	- 1.9%	- 46.1%
James Island	\$261,000	\$247,200	\$207,000	\$220,000	\$188,500	- 14.3%	- 27.8%
Johns Island	\$219,000	\$220,000	\$230,900	\$211,830	\$188,000	- 11.2%	- 14.2%
Kiawah and Seabrook Islands	\$669,000	\$697,500	\$435,000	\$540,500	\$460,500	- 14.8%	- 31.2%
Lower Mount Pleasant	\$344,610	\$323,500	\$282,000	\$297,625	\$310,000	+ 4.2%	- 10.0%
Rural Berkeley County	\$169,866	\$152,000	\$83,950	\$75,000	\$74,450	- 0.7%	- 56.2%
St. George / Rural Dorchester County	\$136,000	\$80,000	\$85,000	\$85,950	\$84,200	- 2.0%	- 38.1%
Sullivan's Island	\$1,925,000	\$1,437,500	\$1,000,600	\$1,442,500	\$1,335,000	- 7.5%	- 30.6%
Upper Charleston Peninsula	\$259,500	\$249,350	\$212,500	\$217,000	\$214,850	- 1.0%	- 17.2%
Upper Mount Pleasant	\$360,000	\$330,000	\$317,000	\$325,000	\$312,190	- 3.9%	- 13.3%
Wando / Cainhoy Area	\$259,000	\$217,437	\$195,000	\$220,000	\$184,000	- 16.4%	- 29.0%
West Ashley Area	\$213,980	\$212,875	\$200,724	\$200,000	\$176,750	- 11.6%	- 17.4%