

Annual Report on the Charleston Area Housing Market

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



2013

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It was a banner year for residential real estate across America. Nearly every metropolitan housing market embarked upon or continued along the road to recovery. Local and regional markets once burdened by excessive supply levels and heavy foreclosure loads have given way to multiple-offer situations, homes selling in record-low market times and prices rallying to multi-year highs.

The year 2013 brought tectonic shifts to housing's landscape. Many local markets transitioned from buyers' markets to sellers' markets. Closed sales are up. Days on market until sale is trending downward. The percent of list price received at sale is trending higher. Sellers even managed to post a notable gain.

Low (but upwardly mobile) mortgage rates, still affordable prices and a better jobs scene created a triple play that helped bolster consumer confidence and galvanize local markets. Rising prices have the dual benefit of further cementing confidence as well as lifting homeowners out of underwater positions, which should create more inventory in 2014.

Sales Low mortgage rates, more employment opportunities and a rising stock market mixed with rising prices, rising rents and shrinking inventory left consumers with a sense of empowerment and urgency. Buyers made 21.1 percent more purchases in 2013 than in 2012, finishing at 12,744 for the year. That's the highest number of closed sales in five years. Not only was there more demand in 2013, but the product mix of those additional sales also skewed toward higher-priced traditional homes.

Listings Inventory levels fell throughout most of the year, finishing at 12.3 percent below 2012's final tally. Buyers had 5,411 options from which to choose as of year end. The number of active listings is likely to increase in 2014 as the market continues to recover. Sellers listed 13.9 percent more homes than in 2012. Rising prices have and will continue to unlock additional inventory by bringing some homeowners into above-water positions on their mortgage. A recovering labor market stabilized household finances. There is pent-up demand remaining from the economic downturn where sellers are now ready to make a move. With the exception of first-time buyers, most moves are inventory-neutral – where a seller both purchases and sells a property. Depending on population growth, this should bode well for new construction moving forward.

Distressed Properties Market conditions can vary by segment. Consumers are purchasing fewer distressed properties as banks have fewer on their books. Taking a step back, there are also fewer mortgage delinquencies. One of the major sources of downward price pressure in recent years came by way of distressed properties that sold at a discount to traditional listings. The percentage of all closed sales that were either foreclosures or short sales fell from 26.6 percent in 2012 to 18.8 percent in 2013. Home prices reflect this progressive shift. And families who faced foreclosure during the Great Recession are yearning to own once again.

Prices In 2014, expect prices and sales to continue their ascent but perhaps at a tempered pace. In some areas, prices have already retraced most of their decline. We closed 2013 with an 8.7 percent median price increase compared to 2012. At \$206,530, the median sales price is proudly standing at a five-year high. Watch for more move-up buyer activity, less investor activity, more seller activity to meet buyer demand and more new construction to impact prices in the coming year.

Housing is closely tied to economic health. Households with gainfully employed wage earners are more likely to make bigger purchases like a house or a car. When gauging the housing market, it's important to closely track job growth and unemployment.

"A nation of homeowners is unconquerable." So said FDR. The American Dream was alive and well in 2013, as U.S. citizens proved that they still want a stake in the action. With countless benefits to families, cities and regions, homeownership continues to be the fabric of our communities, and we expect the national and local housing morale to remain sharp in 2014.

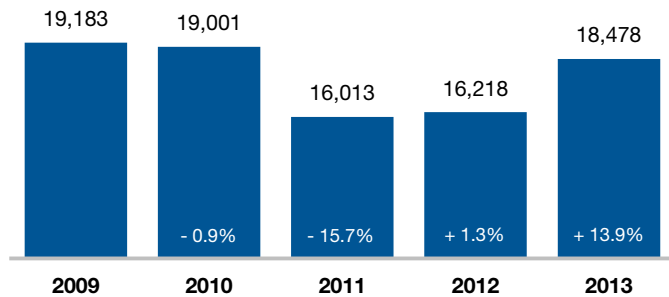
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Quick Facts

New Listings



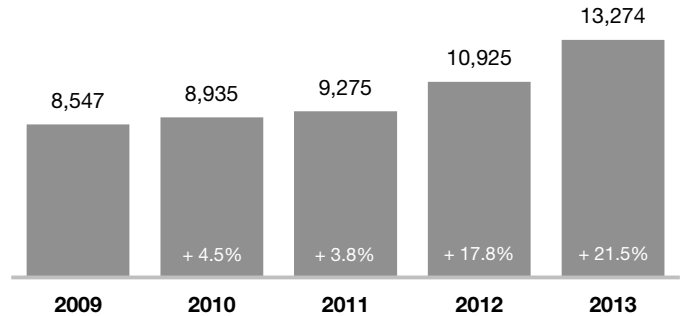
Top 5 Areas: Change in New Listings from 2012

Wando / Cainhoy Area	+ 39.1%
James Island	+ 29.5%
Daniel Island	+ 23.5%
Rural Berkeley County	+ 23.2%
Upper Mount Pleasant	+ 21.2%

Bottom 5 Areas: Change in New Listings from 2012

Hollywood / Ravenel / Meggett Area	- 0.5%
Hanahan	- 0.8%
St. George / Rural Dorchester County	- 4.7%
Sullivan's Island	- 8.6%
Kiawah and Seabrook Islands	- 49.4%

Pending Sales



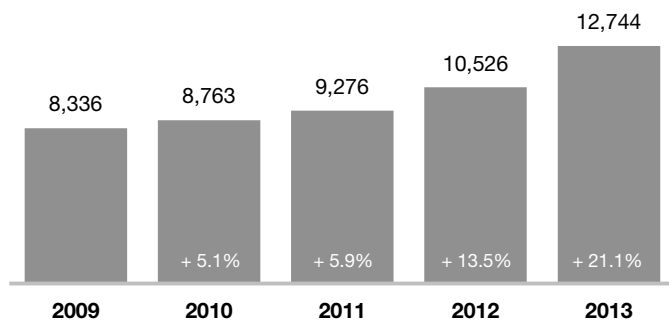
Top 5 Areas: Change in Pending Sales from 2012

Wando / Cainhoy Area	+ 53.3%
Rural Berkeley County	+ 50.6%
James Island	+ 34.2%
Upper Mount Pleasant	+ 30.2%
St. George / Rural Dorchester County	+ 27.3%

Bottom 5 Areas: Change in Pending Sales from 2012

Johns Island	+ 4.6%
Folly Beach	+ 1.9%
Sullivan's Island	0.0%
Edisto Area	- 7.6%
Kiawah and Seabrook Islands	- 39.0%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2012

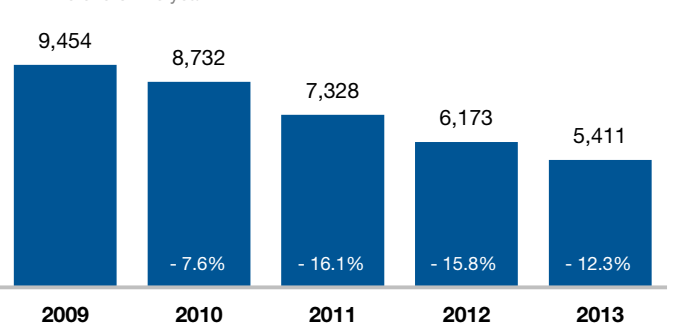
Rural Berkeley County	+ 54.9%
Wando / Cainhoy Area	+ 46.3%
Upper Mount Pleasant	+ 32.9%
James Island	+ 30.2%
St. George / Rural Dorchester County	+ 28.1%

Bottom 5 Areas: Change in Closed Sales from 2012

Folly Beach	+ 4.0%
Hollywood / Ravenel / Meggett Area	- 2.0%
Sullivan's Island	- 2.3%
Edisto Area	- 3.1%
Kiawah and Seabrook Islands	- 34.9%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2012

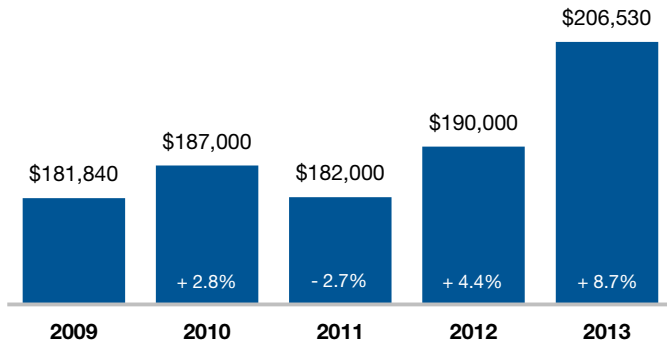
St. George / Rural Dorchester County	+ 6.8%
Sullivan's Island	+ 5.1%
Edisto Area	+ 3.9%
Folly Beach	- 2.3%
Lower Mount Pleasant	- 4.1%

Bottom 5 Areas: Change in Homes for Sale from 2012

Upper Charleston Peninsula	- 21.2%
West Ashley Area	- 24.2%
Hanahan	- 24.5%
Dorchester Road Corridor	- 24.7%
Kiawah and Seabrook Islands	- 36.1%

Quick Facts

Median Sales Price



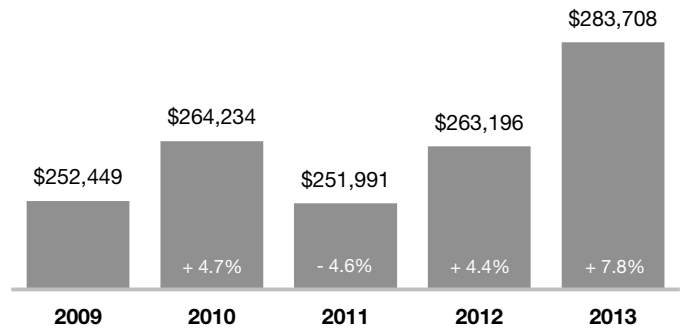
Top 5 Areas: Change in Median Sales Price from 2012

St. George / Rural Dorchester County	+ 46.6%
Greater North Charleston	+ 26.4%
Upper Charleston Peninsula	+ 20.1%
Wando / Cainhoy Area	+ 18.8%
Rural Berkeley County	+ 18.2%

Bottom 5 Areas: Change in Median Sales Price from 2012

Goose Creek / Monck's Corner Area	+ 1.6%
Folly Beach	+ 1.2%
Greater Summerville Area	+ 0.6%
Hollywood / Ravenel / Meggett Area	- 6.2%
Edisto Area	- 8.5%

Average Sales Price



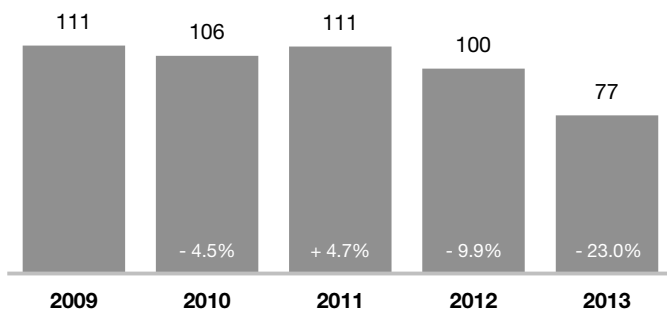
Top 5 Areas: Change in Average Sales Price from 2012

Kiawah and Seabrook Islands	+ 44.9%
St. George / Rural Dorchester County	+ 21.8%
Greater North Charleston	+ 19.8%
Rural Berkeley County	+ 19.0%
Downtown Charleston	+ 16.8%

Bottom 5 Areas: Change in Average Sales Price from 2012

Daniel Island	+ 2.4%
Isle of Palms	+ 1.4%
Goose Creek / Monck's Corner Area	- 2.9%
Wando / Cainhoy Area	- 4.6%
Edisto Area	- 8.5%

Days on Market Until Sale



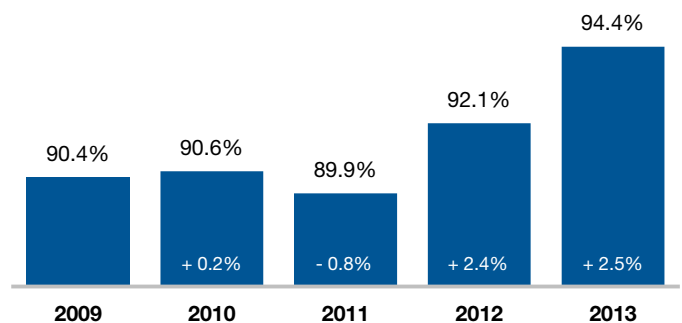
Top 5 Areas: Change in Days on Market from 2012

Sullivan's Island	+ 12.8%
St. George / Rural Dorchester County	+ 3.4%
Kiawah and Seabrook Islands	+ 3.0%
Hollywood / Ravenel / Meggett Area	- 2.3%
Isle of Palms	- 16.1%

Bottom 5 Areas: Change in Days on Market from 2012

Lower Mount Pleasant	- 28.7%
Hanahan	- 28.9%
Downtown Charleston	- 33.6%
Folly Beach	- 34.8%
Upper Charleston Peninsula	- 35.2%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2012

Downtown Charleston	+ 6.8%
Daniel Island	+ 5.7%
Folly Beach	+ 5.5%
Upper Charleston Peninsula	+ 5.4%
Edisto Area	+ 5.1%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2012

Greater Summerville Area	+ 1.7%
Hanahan	+ 1.5%
West Ashley Area	+ 1.5%
Goose Creek / Monck's Corner Area	+ 1.2%
St. George / Rural Dorchester County	+ 0.4%

Property Type Review

76

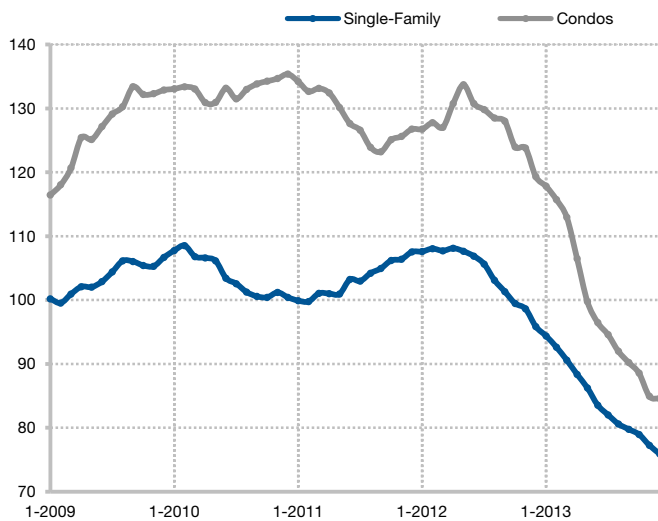
Average Days on Market
Single-Family

85

Average Days on Market
Condos

Days on Market Until Sale

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



Top 10 Areas: Condos Market Share in 2013

Downtown Charleston	52.5%
Folly Beach	48.5%
Kiawah and Seabrook Islands	38.9%
Daniel Island	34.3%
Isle of Palms	32.1%
Lower Mount Pleasant	27.6%
Wando / Cainhoy Area	26.5%
Johns Island	25.4%
Edisto Area	22.8%
Upper Mount Pleasant	22.6%

Top 10 Areas: Single-Family Market Share in 2013

Rural Berkeley County	100.0%
St. George / Rural Dorchester County	100.0%
Sullivan's Island	100.0%
Hanahan	93.0%
Greater Summerville Area	92.9%
Goose Creek / Monck's Corner Area	92.7%
Hollywood / Ravenel / Meggett Area	89.8%
Upper Charleston Peninsula	89.5%
Dorchester Road Corridor	89.1%
Greater North Charleston	82.1%

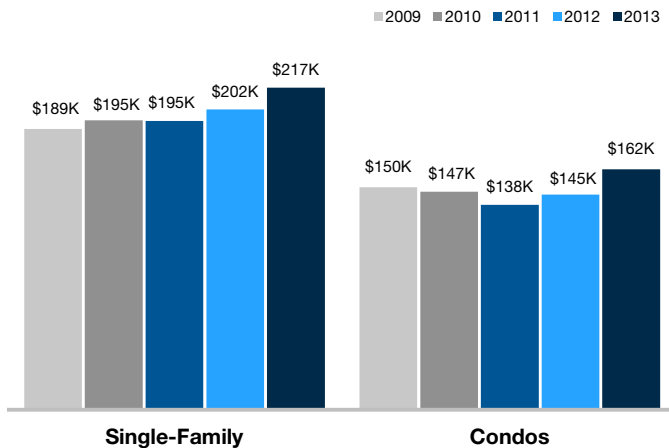
+ 7.2%

One-Year Change in Price
Single-Family

+ 11.7%

One-Year Change in Price
Condos

Median Sales Price



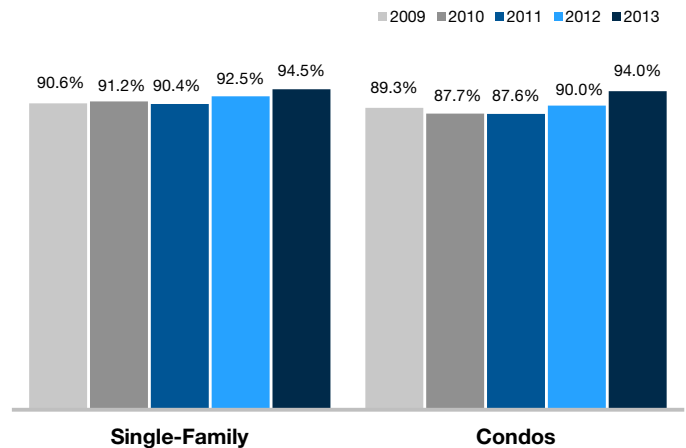
94.5%

Pct. of Orig. Price Received
Single-Family

94.0%

Pct. of Orig. Price Received
Condos

Percent of Original List Price Received



Distressed Homes Review

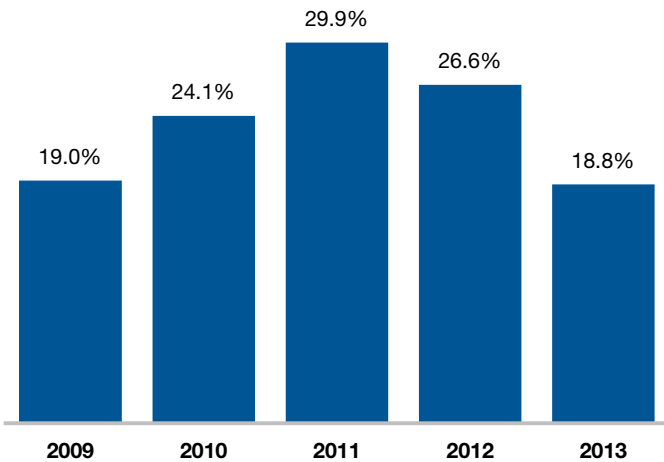
18.8%

Percent of Closed Sales in 2013 That Were Distressed

- 14.5%

One-Year Change in Sales of Distressed

Percent of Sales That Were Distressed



Top Areas: Distressed Market Share in 2013

Hollywood / Ravenel / Meggett Area	27.6%
Greater North Charleston	24.6%
Rural Berkeley County	24.5%
Folly Beach	24.3%
James Island	23.7%
Dorchester Road Corridor	23.3%
Greater Summerville Area	22.1%
Hanahan	22.0%
St. George / Rural Dorchester County	22.0%
Johns Island	19.4%
Goose Creek / Monck's Corner Area	19.1%
Sullivan's Island	19.0%
Wando / Cainhoy Area	18.4%
West Ashley Area	17.6%
Upper Charleston Peninsula	14.6%
Kiawah and Seabrook Islands	13.7%
Edisto Area	13.0%
Isle of Palms	12.7%
Daniel Island	12.0%
Lower Mount Pleasant	11.3%
Upper Mount Pleasant	11.3%
Downtown Charleston	8.4%

+ 10.4%

Four-Year Change in Price All Properties

+ 13.1%

Four-Year Change in Price Traditional Properties

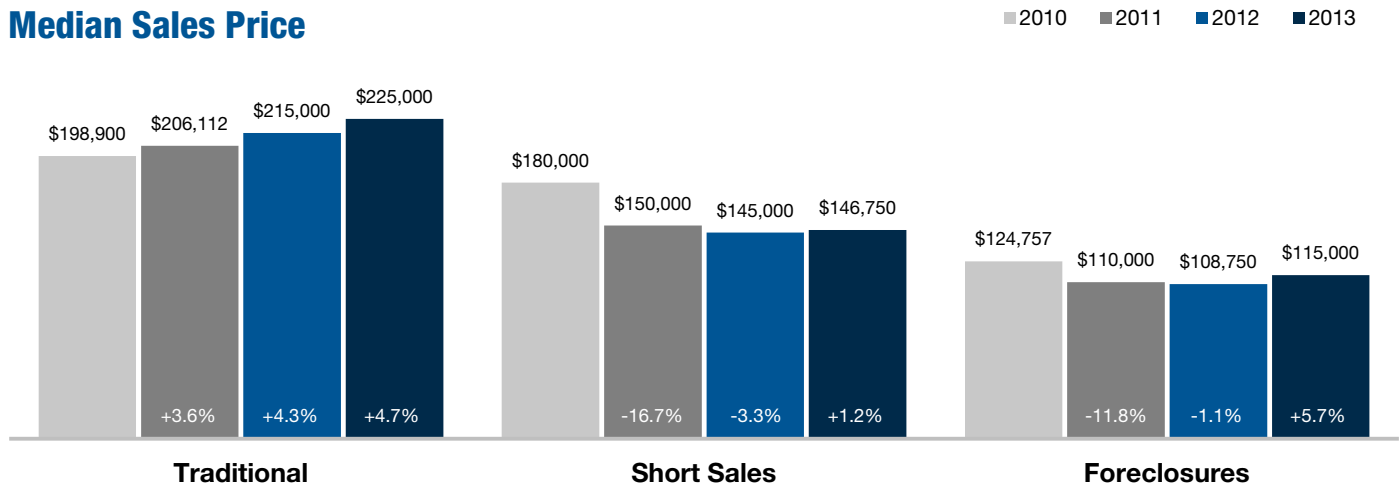
- 18.5%

Four-Year Change in Price Short Sales

- 7.8%

Four-Year Change in Price Foreclosures

Median Sales Price



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.

New Construction Review

Jan '09

1,373

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2013

Johns Island	43.2%
Wando / Cainhoy Area	36.7%
Greater North Charleston	33.1%
Goose Creek / Monck's Corner Area	32.8%
Upper Mount Pleasant	32.1%
Daniel Island	23.6%
Hanahan	22.6%
West Ashley Area	22.0%
Dorchester Road Corridor	20.6%
Greater Summerville Area	20.2%
Hollywood / Ravenel / Meggett Area	14.3%
Lower Mount Pleasant	11.9%
Upper Charleston Peninsula	10.5%
James Island	6.8%
Sullivan's Island	4.8%
Folly Beach	3.9%
Downtown Charleston	2.5%
Kiawah and Seabrook Islands	2.1%
Isle of Palms	1.3%
Edisto Area	0.8%
Rural Berkeley County	0.0%
St. George / Rural Dorchester County	0.0%

3.9

5.2

Year-End Months Supply New Construction

Year-End Months Supply Previously Owned

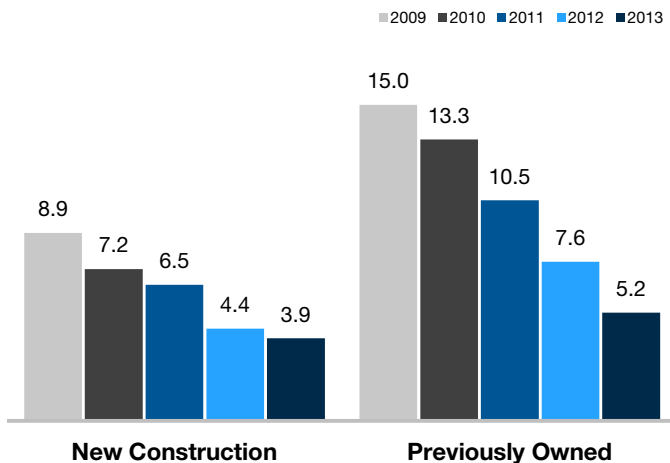
100.5%

92.8%

Pct. of Orig. Price Received New Construction

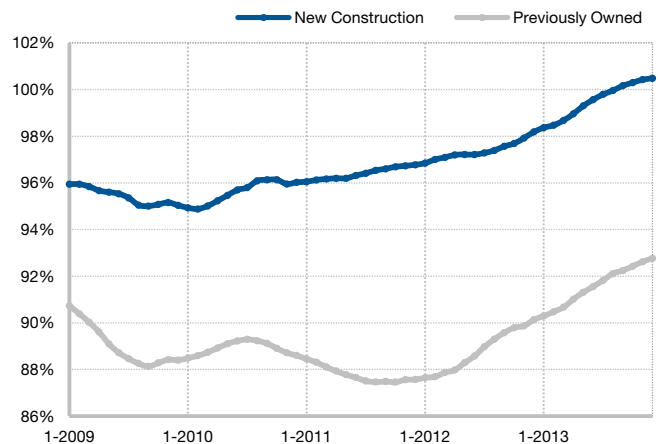
Pct. of Orig. Price Received Previously Owned

Months Supply of Inventory



Percent of Original List Price Received

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





Area Overviews

	Total Closed Sales	Change from 2012	Percent New Construction	Percent Condos	Days on Market	Pct. of Orig. Price Received
Charleston Area	12,744	+ 21.1%	21.3%	17.4%	77	94.4%
Berkeley County	2,750	+ 19.8%	28.0%	11.0%	71	95.0%
Charleston County	7,255	+ 22.0%	20.2%	23.4%	78	94.4%
Colleton County	205	+ 13.3%	1.5%	0.5%	150	85.0%
Dorchester County	2,351	+ 22.1%	19.9%	8.2%	69	95.2%
Daniel Island	309	+ 21.7%	23.6%	34.3%	77	96.0%
Dorchester Road Corridor	768	+ 20.4%	20.6%	10.9%	64	95.6%
Downtown Charleston	394	+ 8.8%	2.5%	52.5%	144	90.7%
Edisto Area	123	- 3.1%	0.8%	22.8%	154	88.9%
Folly Beach	103	+ 4.0%	3.9%	48.5%	120	91.3%
Goose Creek / Monck's Corner Area	1,663	+ 14.1%	32.8%	7.3%	66	95.7%
Greater North Charleston	1,053	+ 17.4%	33.1%	17.9%	62	94.1%
Greater Summerville Area	1,542	+ 22.9%	20.2%	7.1%	70	95.3%
Hanahan	287	+ 23.7%	22.6%	7.0%	64	94.3%
Hollywood / Ravenel / Meggett Area	98	- 2.0%	14.3%	10.2%	126	90.0%
Isle of Palms	237	+ 23.4%	1.3%	32.1%	177	87.8%
James Island	737	+ 30.2%	6.8%	18.5%	68	94.0%
Johns Island	417	+ 13.3%	43.2%	25.4%	66	98.1%
Kiawah and Seabrook Islands	95	- 34.9%	2.1%	38.9%	205	85.4%
Lower Mount Pleasant	1,106	+ 27.4%	11.9%	27.6%	62	95.1%
Rural Berkeley County	110	+ 54.9%	0.0%	0.0%	118	86.3%
St. George / Rural Dorchester County	41	+ 28.1%	0.0%	0.0%	123	83.0%
Sullivan's Island	42	- 2.3%	4.8%	0.0%	167	89.2%
Upper Charleston Peninsula	219	+ 28.1%	10.5%	10.5%	83	93.9%
Upper Mount Pleasant	1,200	+ 32.9%	32.1%	22.6%	66	97.6%
Wando / Cainhoy Area	196	+ 46.3%	36.7%	26.5%	74	96.0%
West Ashley Area	1,424	+ 22.1%	22.0%	18.5%	62	94.6%



Area Historical Median Prices

	2009	2010	2011	2012	2013	Change From 2012	Change From 2009
Charleston Area	\$181,840	\$187,000	\$182,000	\$190,000	\$206,530	+ 8.7%	+ 13.6%
Berkeley County	\$163,177	\$165,000	\$162,475	\$167,000	\$174,900	+ 4.7%	+ 7.2%
Charleston County	\$226,692	\$235,000	\$220,000	\$228,260	\$250,652	+ 9.8%	+ 10.6%
Colleton County	\$91,925	\$89,900	\$69,000	\$82,500	\$81,750	- 0.9%	- 11.1%
Dorchester County	\$161,285	\$159,656	\$160,000	\$167,500	\$170,000	+ 1.5%	+ 5.4%
Daniel Island	\$410,000	\$475,000	\$407,500	\$459,750	\$505,000	+ 9.8%	+ 23.2%
Dorchester Road Corridor	\$165,000	\$155,160	\$162,000	\$170,000	\$178,000	+ 4.7%	+ 7.9%
Downtown Charleston	\$492,500	\$562,250	\$440,000	\$475,000	\$485,000	+ 2.1%	- 1.5%
Edisto Area	\$357,500	\$335,000	\$343,250	\$355,000	\$325,000	- 8.5%	- 9.1%
Folly Beach	\$412,500	\$360,000	\$376,250	\$420,000	\$425,000	+ 1.2%	+ 3.0%
Goose Creek / Monck's Corner Area	\$155,900	\$153,000	\$155,000	\$160,000	\$162,550	+ 1.6%	+ 4.3%
Greater North Charleston	\$132,200	\$123,500	\$106,500	\$104,000	\$131,450	+ 26.4%	- 0.6%
Greater Summerville Area	\$159,990	\$163,073	\$160,000	\$167,000	\$168,000	+ 0.6%	+ 5.0%
Hanahan	\$185,000	\$192,093	\$173,450	\$172,500	\$200,000	+ 15.9%	+ 8.1%
Hollywood / Ravenel / Meggett Area	\$200,000	\$222,500	\$185,050	\$210,000	\$196,961	- 6.2%	- 1.5%
Isle of Palms	\$650,000	\$632,250	\$620,000	\$625,000	\$650,000	+ 4.0%	0.0%
James Island	\$207,000	\$220,000	\$188,500	\$207,000	\$229,500	+ 10.9%	+ 10.9%
Johns Island	\$230,900	\$211,830	\$189,041	\$197,328	\$218,274	+ 10.6%	- 5.5%
Kiawah and Seabrook Islands	\$435,000	\$540,500	\$460,500	\$455,000	\$503,000	+ 10.5%	+ 15.6%
Lower Mount Pleasant	\$282,000	\$297,750	\$310,000	\$318,126	\$345,000	+ 8.4%	+ 22.3%
Rural Berkeley County	\$83,950	\$75,000	\$74,450	\$84,000	\$99,250	+ 18.2%	+ 18.2%
St. George / Rural Dorchester County	\$85,000	\$85,950	\$84,200	\$77,500	\$113,600	+ 46.6%	+ 33.6%
Sullivan's Island	\$1,000,600	\$1,442,500	\$1,335,000	\$1,330,000	\$1,447,500	+ 8.8%	+ 44.7%
Upper Charleston Peninsula	\$212,500	\$217,000	\$212,500	\$230,000	\$276,250	+ 20.1%	+ 30.0%
Upper Mount Pleasant	\$317,000	\$325,000	\$312,145	\$295,000	\$335,000	+ 13.6%	+ 5.7%
Wando / Cainhoy Area	\$195,000	\$220,000	\$184,000	\$175,000	\$207,908	+ 18.8%	+ 6.6%
West Ashley Area	\$200,724	\$200,000	\$176,500	\$188,000	\$198,000	+ 5.3%	- 1.4%