

Annual Report on the Charleston Area Housing Market

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



2017

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There is an ongoing and undeniable national housing shortage. Year-over-year inventory levels have been down in most markets for several years now, and that trend is expected to persist in 2018. Consumers are still purchasing for the first time and relocating to other, presumably more ideal homes.

Having the financial ability to make a move clearly seems feasible to many eager buyers amidst a healthy economy, whether life events such as marriage, children, employment change or desirable downsizing is the reason for moving.

There are further positive signs on the horizon, as builder confidence has improved and construction job gains are measurably higher. It will still take more effort than a lone year can provide for building activity to reach a needed level for inventory balance, but a step in the right direction is welcome.

More sellers should feel ready and willing to list in 2018. Economic indicators such as unemployment rates and consumer confidence are in an improved state, and sellers currently hold the keys in the buyer-seller relationship. This does not mean that sellers can set their price and watch the offers roll in. On the contrary, buyers will be poised to test prevailing price points, particularly in markets where home price increases are outpacing wage growth and in light of the fact that mortgage rates are expected to increase further in 2018.

Sales: Pending sales increased 5.4 percent, landing at 18,726 to close out the year. Closed sales were up 3.1 percent to finish 2017 at 18,381.

Listings: Year-over-year, the number of homes available for sale was lower by 14.0 percent. There were 4,673 active listings at the end of 2017. New listings increased by 4.5 percent to finish the year at 24,054. Home supply was once again lower than desired in 2017.

Showings: Demand was high throughout 2017, thus showings were up. Homes for sale received, on average, 3.2 percent more showings. There were 13 showings before pending, which was unchanged compared to 2016.

Distressed Properties: The foreclosure market has dwindled from its peak several years ago. In 2017, the percentage of closed sales that were either foreclosure or short sale decreased by 8.1 percent to end the year at 5.7 percent of the market.

New Construction: New home building has improved across the country but is not yet at a level to help sustain a balanced market. Locally, new construction months of supply finished 2017 at 3.8 months. While previously owned homes have seen months of supply drop from 6.0 to 2.8 months over the last five years, new construction supply has seen less change from a 2014 peak of 5.6 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 4.7 percent to \$251,333 for the year. Prices are expected to rise at a slow rate in 2018. Single-Family home prices were up 5.9 percent compared to last year, and Townhouse/Condo home prices were up 4.5 percent.

The historic tax reforms due to make their mark in 2018 will have varying effects across the nation. High-priced coastal markets may feel the changes stronger than the middle of the country. And some potential buyers may see the changes as providing less of an investment benefit for homeowners.

Some observers warn that there might be enough lack of incentives to stifle homeownership, which is already near 50-year lows. Policymakers claim that the reforms will help boost economic activity and profitability. Whichever direction we ultimately turn, the next year appears to offer a dalliance with balance intended to intrigue both sides of the transaction toward a common middle ground.

For those who have their minds made up to buy a home in 2018, it will likely be a competitive ride. The trend has widely been toward fewer days on market and fewer months of supply, indicating strong demand despite higher prices and low inventory. This could prove tricky for first-time home buyers, especially for those who are impacted by student loan debt, content to rent or among the more than 15 percent of adult children still living at home. In a landscape rife with new variables, residential real estate is certainly poised to offer an interesting and active year ahead.

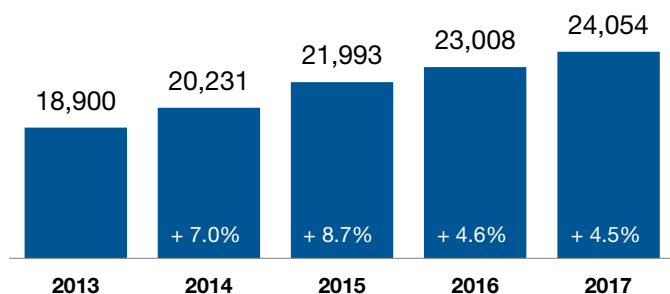
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Quick Facts



New Listings



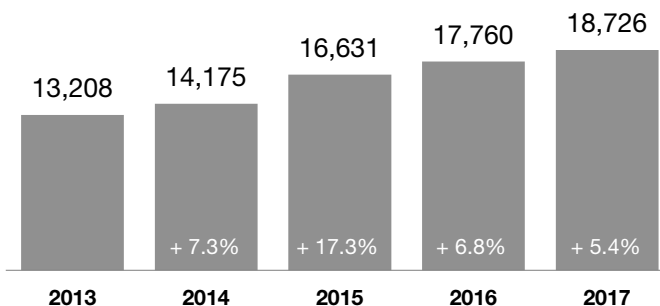
Top 5 Areas: Change in New Listings from 2016

Johns Island	+ 37.4%
Seabrook Island	+ 23.3%
Wando / Cainhoy Area	+ 16.3%
Kiawah	+ 15.3%
Goose Creek / Moncks Corner	+ 10.8%

Bottom 5 Areas: Change in New Listings from 2016

Upper Mount Pleasant	- 1.7%
Lower Mount Pleasant	- 3.2%
Sullivan's Island	- 8.7%
Hollywood / Ravenel / Meggett Area	- 10.4%
Folly Beach	- 16.5%

Pending Sales



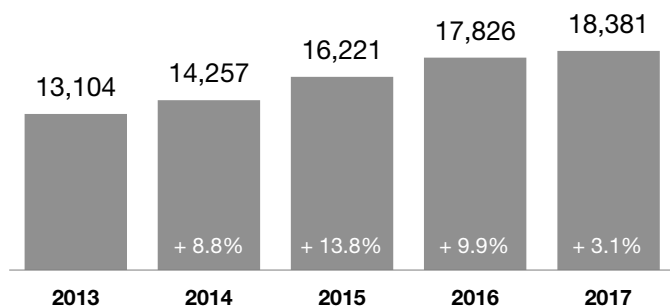
Top 5 Areas: Change in Pending Sales from 2016

Johns Island	+ 39.0%
Seabrook Island	+ 34.5%
Edisto Area	+ 21.8%
Isle of Palms	+ 12.8%
Wando / Cainhoy Area	+ 11.0%

Bottom 5 Areas: Change in Pending Sales from 2016

Upper Mount Pleasant	- 4.4%
Sullivan's Island	- 5.0%
Upper Charleston Peninsula	- 5.2%
Hollywood / Ravenel / Meggett Area	- 6.9%
Hanahan	- 9.9%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2016

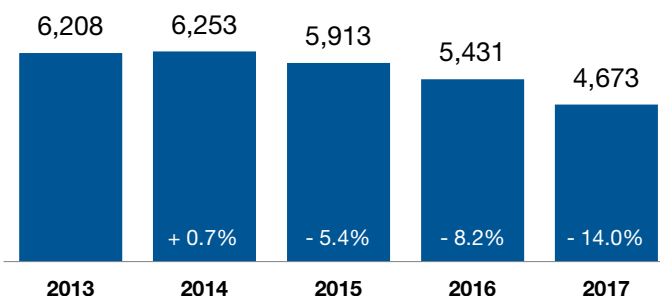
Seabrook Island	+ 37.8%
Edisto Area	+ 19.9%
Isle of Palms	+ 18.4%
Johns Island	+ 16.0%
Kiawah	+ 14.0%

Bottom 5 Areas: Change in Closed Sales from 2016

West Ashley Area	- 2.2%
Sullivan's Island	- 4.8%
Upper Mount Pleasant	- 9.9%
Upper Charleston Peninsula	- 11.2%
Hanahan	- 11.7%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2016

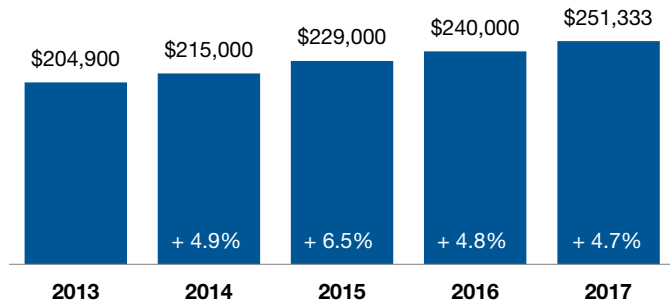
Wando / Cainhoy Area	+ 53.0%
Kiawah	+ 17.9%
Hanahan	+ 13.7%
Upper Charleston Peninsula	+ 6.1%
James Island	+ 1.6%

Bottom 5 Areas: Change in Homes for Sale from 2016

Edisto Area	- 25.8%
Lower Mount Pleasant	- 29.8%
Folly Beach	- 39.3%
Greater North Charleston	- 41.6%
Sullivan's Island	- 45.0%

Quick Facts

Median Sales Price



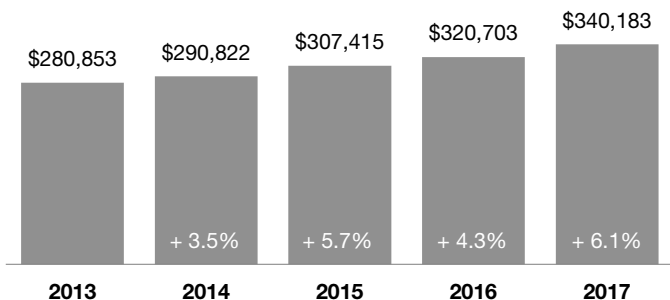
Top 5 Areas: Change in Median Sales Price from 2016

Seabrook Island	+ 37.1%
Sullivan's Island	+ 25.9%
Upper Charleston Peninsula	+ 24.0%
Kiawah	+ 17.9%
James Island	+ 15.9%

Bottom 5 Areas: Change in Median Sales Price from 2016

Lower Mount Pleasant	+ 1.6%
Downtown Charleston	+ 1.6%
Edisto Area	- 1.3%
Isle of Palms	- 1.4%
Daniel Island	- 5.9%

Average Sales Price



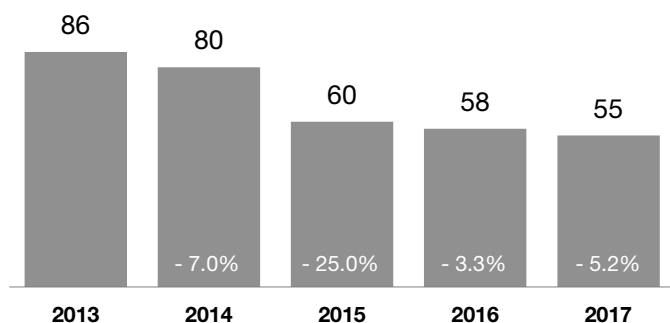
Top 5 Areas: Change in Avg. Sales Price from 2016

Kiawah	+ 49.0%
Sullivan's Island	+ 29.4%
Upper Charleston Peninsula	+ 22.9%
James Island	+ 15.8%
Edisto Area	+ 11.9%

Bottom 5 Areas: Change in Avg. Sales Price from 2016

Hollywood / Ravenel / Meggett Area	+ 2.9%
Wando / Cainhoy Area	+ 2.8%
Lower Mount Pleasant	+ 2.5%
Daniel Island	+ 1.1%
Isle of Palms	- 6.6%

Days on Market Until Sale



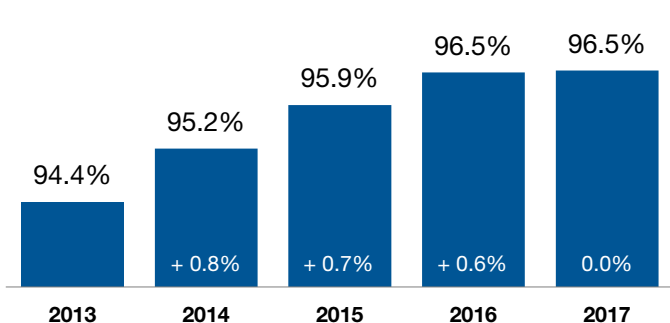
Top 5 Areas: Change in Days on Market from 2016

Kiawah	+ 35.8%
Daniel Island	+ 29.6%
Folly Beach	+ 14.6%
Upper Charleston Peninsula	+ 14.0%
Upper Mount Pleasant	+ 9.7%

Bottom 5 Areas: Change in Days on Market from 2016

Johns Island	- 7.8%
Greater Summerville Area	- 16.7%
Goose Creek / Moncks Corner	- 18.4%
Dorchester Road Corridor	- 20.0%
Seabrook Island	- 28.4%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2016

Seabrook Island	+ 2.1%
Edisto Area	+ 1.7%
Isle of Palms	+ 1.3%
Sullivan's Island	+ 1.2%
Wando / Cainhoy Area	+ 1.0%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2016

Lower Mount Pleasant	- 0.1%
Downtown Charleston	- 0.6%
Kiawah	- 0.8%
Upper Mount Pleasant	- 0.8%
Daniel Island	- 0.8%



Property Type Review

54

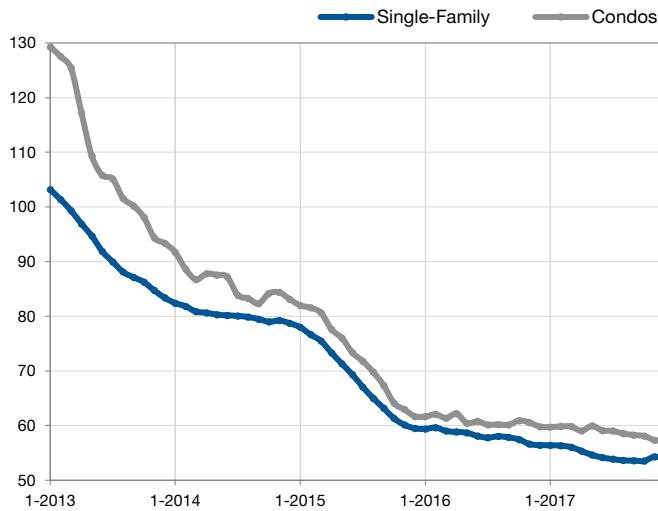
Average Days on Market
Single-Family

57

Average Days on Market
Townhouse/Condo

Days on Market Until Sale

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



Top 10 Areas: Townhouse/Condo Market Share in 2017

Kiawah	52.3%
Downtown Charleston	43.5%
Seabrook Island	42.1%
Folly Beach	41.8%
Daniel Island	40.0%
Lower Mount Pleasant	33.2%
Isle of Palms	32.1%
Wando / Cainhoy Area	30.7%
West Ashley Area	25.2%
Charleston County	24.6%

Top 10 Areas: Single-Family Market Share in 2017

Sullivan's Island	94.9%
Greater Summerville Area	90.4%
Hanahan	90.3%
Goose Creek / Moncks Corner	87.1%
Dorchester County	87.1%
Johns Island	86.8%
Upper Charleston Peninsula	85.2%
Berkeley County	84.5%
Greater North Charleston	83.0%
Dorchester Road Corridor	81.9%

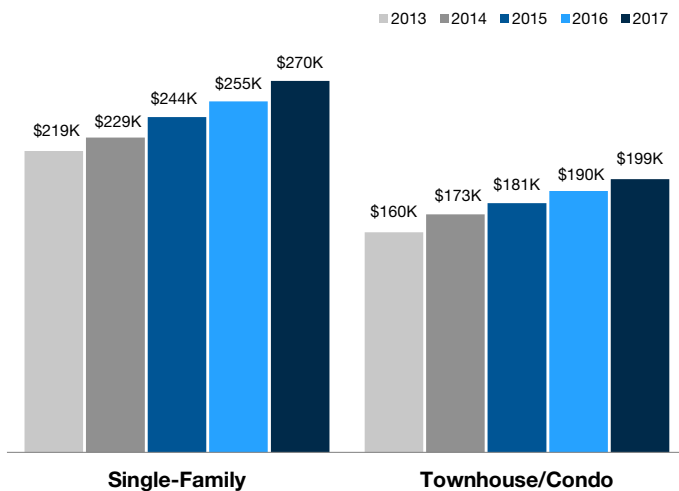
+ 5.9%

One-Year Change in Price
Single-Family

+ 4.5%

One-Year Change in Price
Townhouse/Condo

Median Sales Price



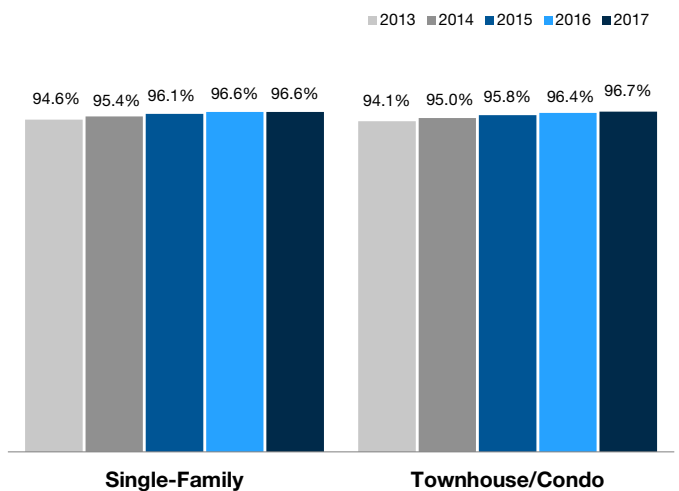
96.6%

Pct. of Orig. Price Received
Single-Family

96.7%

Pct. of Orig. Price Received
Townhouse/Condo

Percent of Original List Price Received



Distressed Homes Review

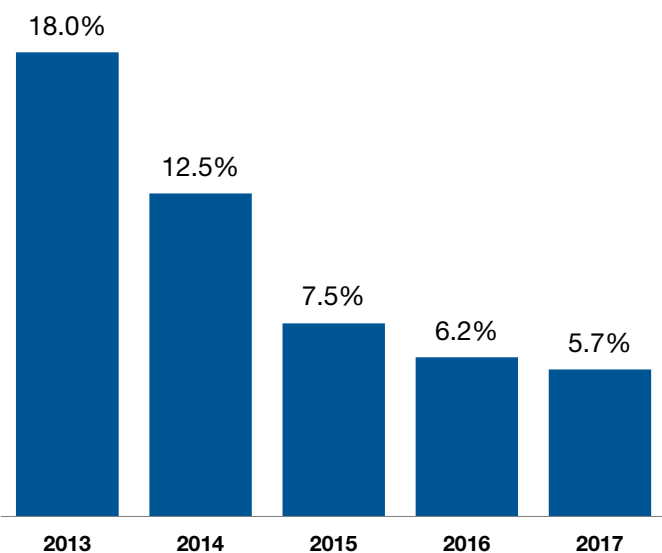
5.7%

Percent of Closed Sales in 2017 That Were Distressed

- 8.1%

One-Year Change in Sales of Distressed

Percent of Sales That Were Distressed



Top Areas: Distressed Market Share in 2017

Folly Beach	27.8%
Hollywood / Ravenel / Meggett Area	10.2%
James Island	7.5%
Greater Summerville Area	7.2%
Greater North Charleston	7.0%
Kiawah	6.2%
West Ashley Area	5.5%
Goose Creek / Moncks Corner	5.0%
Hanahan	4.9%
Johns Island	4.5%
Dorchester Road Corridor	4.2%
Upper Charleston Peninsula	3.8%
Upper Mount Pleasant	3.3%
Edisto Area	3.1%
Seabrook Island	3.0%
Lower Mount Pleasant	3.0%
Wando / Cainhoy Area	2.7%
Isle of Palms	2.4%
Downtown Charleston	2.3%
Sullivan's Island	1.7%
Daniel Island	1.5%

+ 22.7%

Four-Year Change in Price All Properties

+ 14.1%

Four-Year Change in Price Traditional Properties

+ 19.6%

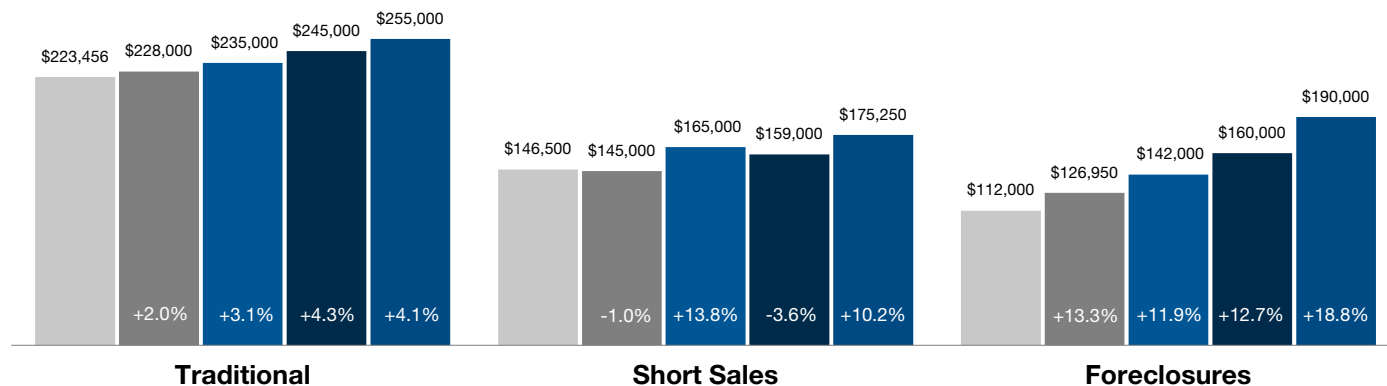
Four-Year Change in Price Short Sales

+ 69.6%

Four-Year Change in Price Foreclosures

Median Sales Price

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017



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

Apr '16

Peak of New Construction Inventory

318

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2017

Johns Island	46.7%
Goose Creek / Moncks Corner	36.3%
Hollywood / Ravenel / Meggett Area	34.1%
Upper Mount Pleasant	30.0%
Dorchester Road Corridor	23.4%
Greater Summerville Area	19.5%
Daniel Island	18.2%
Greater North Charleston	17.3%
West Ashley Area	15.0%
Lower Mount Pleasant	13.7%
Wando / Cainhoy Area	12.3%
James Island	12.1%
Upper Charleston Peninsula	12.0%
Folly Beach	7.0%
Hanahan	6.9%
Sullivan's Island	5.1%
Seabrook Island	5.1%
Isle of Palms	4.4%
Kiawah	3.1%
Downtown Charleston	3.0%
Edisto Area	1.2%

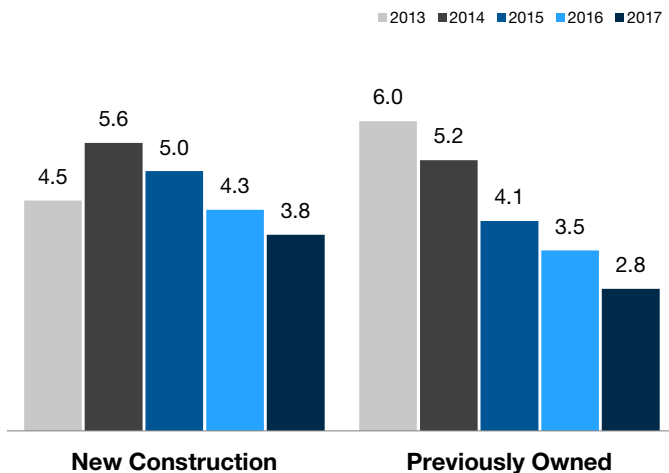
3.8

Year-End Months Supply New Construction

2.8

Year-End Months Supply Previously Owned

Months Supply of Inventory



100.1%

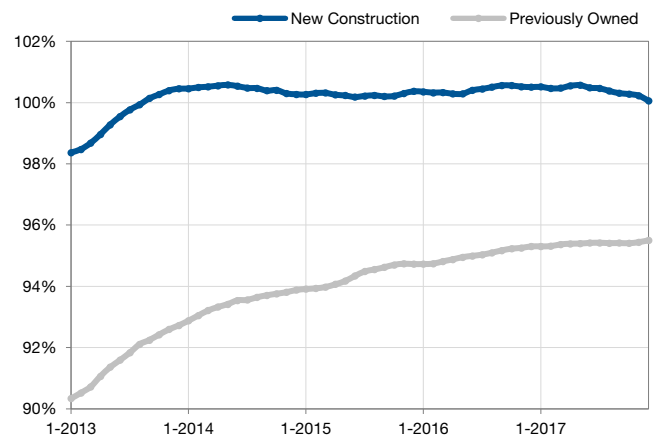
Pct. of Orig. Price Received New Construction

95.5%

Pct. of Orig. Price Received Previously Owned

Percent of Original List Price Received

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





Showings Review

13

Median Number of Showings Before Pending

0.0%

One-Year Change in Median Showings before Pending

Monthly Number of Showings



Top 10 Areas: Number of Showings

Charleston County	175,812
Berkeley County	67,867
Dorchester County	64,193
Goose Creek / Moncks Corner	43,074
Greater Summerville Area	41,857
West Ashley Area	34,704
Upper Mount Pleasant	29,788
Lower Mount Pleasant	29,244
Greater North Charleston	22,671
Dorchester Road Corridor	21,584

Top 10 Areas: Number of Showings per Listing

West Ashley Area	7.4
Dorchester Road Corridor	7.4
James Island	7.2
Dorchester County	6.9
Greater Summerville Area	6.8
Goose Creek / Moncks Corner	6.8
Lower Mount Pleasant	6.7
Hanahan	6.6
Upper Charleston Peninsula	6.6
Greater North Charleston	6.5

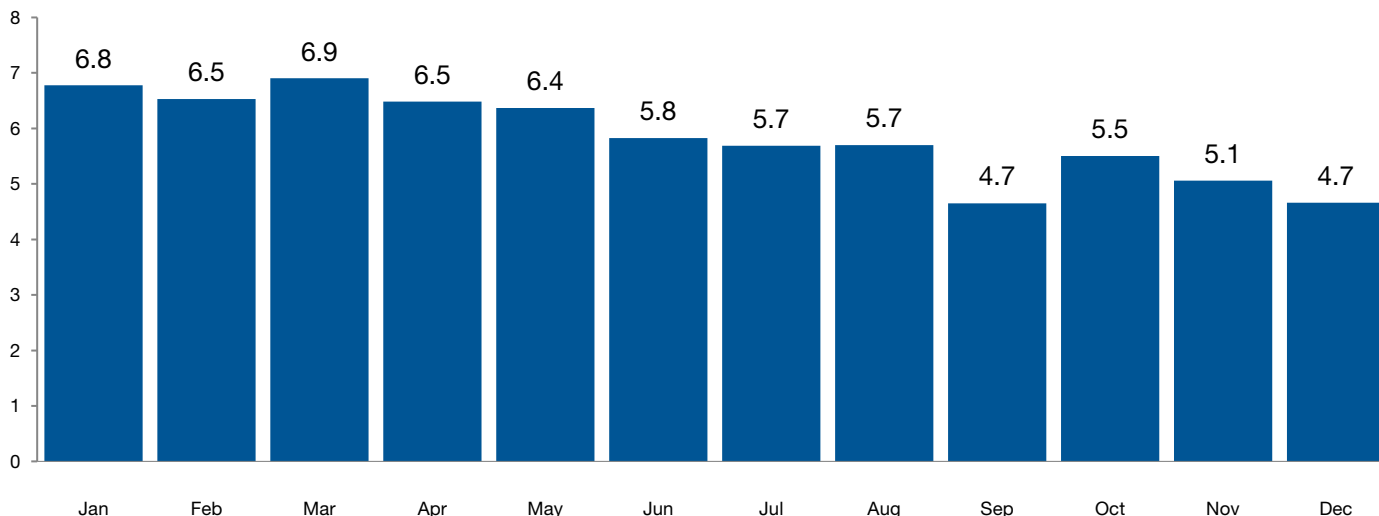
+ 3.2%

One-Year Change in Total Showings

Mar '17

Peak Showing Activity Month

2017 Monthly Showings per Listing



Area Overviews



	Total Closed Sales	Change from 2016	Percent New Construction	Percent Townhouse/Condo	Median Showings to Pending	Days on Market	Pct. of Orig. Price Received
Charleston Area	18,381	+ 3.1%	21.6%	18.5%	13	55	96.5%
Berkeley County	4,817	+ 7.8%	31.2%	13.6%	12	46	97.6%
Charleston County	9,438	+ 2.1%	18.5%	24.6%	14	59	95.9%
Colleton County	249	+ 5.1%	2.4%	0.0%	7	109	89.7%
Dorchester County	3,473	+ 1.0%	20.4%	10.9%	14	45	97.6%
Daniel Island	325	+ 3.8%	18.2%	40.0%	16	70	96.4%
Dorchester Road Corridor	1,176	- 0.3%	23.4%	17.9%	15	40	97.9%
Downtown Charleston	432	- 1.6%	3.0%	43.5%	14	95	92.8%
Edisto Area	163	+ 19.9%	1.2%	23.9%	4	152	93.5%
Folly Beach	158	+ 3.9%	7.0%	41.8%	14	118	93.3%
Goose Creek / Moncks Corner	3,388	+ 9.7%	36.3%	12.0%	12	40	98.3%
Greater North Charleston	1,438	+ 7.9%	17.3%	16.6%	12	41	96.5%
Greater Summerville Area	2,225	+ 0.9%	19.5%	7.4%	14	45	97.6%
Hanahan	288	- 11.7%	6.9%	9.7%	13	50	95.9%
Hollywood / Ravenel / Meggett Area	176	+ 8.0%	34.1%	10.8%	9	89	95.2%
Isle of Palms	296	+ 18.4%	4.4%	32.1%	20	131	92.7%
James Island	960	+ 5.6%	12.1%	23.8%	14	43	96.2%
Johns Island	756	+ 16.0%	46.7%	12.7%	11	47	98.4%
Kiawah	65	+ 14.0%	3.1%	52.3%	12	186	90.8%
Lower Mount Pleasant	1,300	+ 1.5%	13.7%	33.2%	16	57	95.5%
Rural Berkeley County	149	- 20.7%	4.0%	0.0%	8	82	92.2%
St. George / Rural Dorchester County	71	+ 18.3%	0.0%	0.0%	10	128	90.2%
Seabrook Island	197	+ 37.8%	5.1%	42.1%	14	139	90.9%
Sullivan's Island	59	- 4.8%	5.1%	5.1%	9	136	91.1%
Upper Charleston Peninsula	183	- 11.2%	12.0%	13.7%	17	49	95.2%
Upper Mount Pleasant	1,427	- 9.9%	30.0%	23.9%	16	68	96.9%
Wando / Cainhoy Area	261	+ 3.2%	12.3%	30.7%	9	51	96.7%
West Ashley Area	1,874	- 2.2%	15.0%	25.2%	13	36	96.8%

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Area Historical Median Prices



	2013	2014	2015	2016	2017	Change From 2016	Change From 2013
Charleston Area	\$204,900	\$215,000	\$229,000	\$240,000	\$251,333	+ 4.7%	+ 22.7%
Berkeley County	\$174,900	\$185,000	\$200,880	\$210,000	\$220,115	+ 4.8%	+ 25.9%
Charleston County	\$250,000	\$275,000	\$293,000	\$310,000	\$325,149	+ 4.9%	+ 30.1%
Colleton County	\$82,000	\$80,000	\$102,500	\$125,000	\$125,000	0.0%	+ 52.4%
Dorchester County	\$169,900	\$178,000	\$189,500	\$201,000	\$215,000	+ 7.0%	+ 26.5%
Daniel Island	\$502,500	\$560,000	\$623,000	\$651,150	\$612,500	- 5.9%	+ 21.9%
Dorchester Road Corridor	\$177,125	\$170,000	\$182,000	\$195,750	\$218,438	+ 11.6%	+ 23.3%
Downtown Charleston	\$475,000	\$592,000	\$590,000	\$640,000	\$650,000	+ 1.6%	+ 36.8%
Edisto Area	\$325,000	\$290,000	\$339,000	\$354,477	\$350,000	- 1.3%	+ 7.7%
Folly Beach	\$373,750	\$430,000	\$450,000	\$499,950	\$527,500	+ 5.5%	+ 41.1%
Goose Creek / Moncks Corner	\$162,688	\$172,196	\$187,000	\$204,760	\$213,818	+ 4.4%	+ 31.4%
Greater North Charleston	\$131,450	\$139,900	\$153,825	\$168,000	\$176,200	+ 4.9%	+ 34.0%
Greater Summerville Area	\$167,000	\$184,000	\$195,000	\$207,000	\$215,990	+ 4.3%	+ 29.3%
Hanahan	\$199,950	\$219,000	\$225,000	\$232,000	\$240,000	+ 3.4%	+ 20.0%
Hollywood / Ravenel / Meggett Area	\$198,440	\$200,749	\$317,000	\$332,990	\$347,578	+ 4.4%	+ 75.2%
Isle of Palms	\$649,500	\$598,000	\$650,000	\$725,000	\$715,000	- 1.4%	+ 10.1%
James Island	\$229,750	\$260,000	\$281,400	\$275,500	\$319,250	+ 15.9%	+ 39.0%
Johns Island	\$218,056	\$240,000	\$256,500	\$275,000	\$291,263	+ 5.9%	+ 33.6%
Kiawah	\$675,000	\$602,500	\$567,000	\$615,000	\$725,000	+ 17.9%	+ 7.4%
Lower Mount Pleasant	\$341,000	\$376,000	\$400,000	\$439,000	\$446,000	+ 1.6%	+ 30.8%
Rural Berkeley County	\$111,250	\$111,000	\$141,500	\$132,500	\$145,000	+ 9.4%	+ 30.3%
St. George / Rural Dorchester County	\$113,600	\$125,000	\$115,450	\$125,800	\$127,500	+ 1.4%	+ 12.2%
Seabrook Island	\$353,750	\$400,000	\$450,000	\$350,000	\$480,000	+ 37.1%	+ 35.7%
Sullivan's Island	\$1,447,500	\$1,235,000	\$1,312,500	\$1,350,000	\$1,700,000	+ 25.9%	+ 17.4%
Upper Charleston Peninsula	\$270,000	\$326,500	\$341,250	\$375,000	\$465,000	+ 24.0%	+ 72.2%
Upper Mount Pleasant	\$335,000	\$375,000	\$400,835	\$425,000	\$440,000	+ 3.5%	+ 31.3%
Wando / Cainhoy Area	\$206,815	\$239,865	\$251,000	\$257,000	\$280,000	+ 8.9%	+ 35.4%
West Ashley Area	\$198,602	\$220,000	\$232,000	\$255,000	\$265,000	+ 3.9%	+ 33.4%