

Annual Report on the Charleston Area Housing Market

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



2015

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In 2015, residential real estate experienced its best year since the Great Recession ended in 2009. Although inventory could still use a jolt, demand was healthy throughout the year and there was enough supply to keep the engine strong.

Interest rates did not go up earlier in 2015, as was widely anticipated, but the Federal Reserve finally took action with a short-term rate increase in December and is expected to do more of the same with some consistency in 2016. Housing and the wider economy has proven itself ready for such a move, and rate increases can actually serve to maintain economic balance.

If consumers are unwilling to pay higher rates on borrowed money, 2016 could get off to a slow start. By historical standards, that seems like an unlikely reaction. Even if rates were to reach 4.5 percent, it would still be well below what weaker economic conditions than exist today have easily borne in the past.

While rates may get the most digital news ink, other topics worth attention in 2016 include affordable inventory for new buyers, competition from cash investors for that inventory and the continuing barrier to entry that is student loan debt.

Sales: The biggest news in 2015 was the lack of news on rate increases, so buyers kept locking in low 30-year fixed rates. Closed sales increased 13.7 percent to close out the year at 16,202.

Listings: Inventory was lower in year-over-year comparisons. There were 4,985 active listings at the end of 2015, a reduction of 18.5 percent. New listings increased by 8.7 percent to reach 21,986 for the year. Inventory should rise in 2016, but that will depend upon additions from new construction along with would-be sellers tapping into a market already in their favor.

Showings: Demand for real estate in Charleston continued to increase, keeping pace with supply. Even with more new listings in 2015 than in 2014, homes continued to get the same number of showings on average – pointing to a rising number of buyers. At the end of 2015, showing traffic moderated slightly, but did not slow as much as inventory, resulting in a 20.4 percent year-over-year increase in the number of showings per listing for December 2015. This indicates a robust demand that could help Charleston start off with a strong market in 2016.

Distressed Properties: Foreclosure markets across the country continued to shrink back to where they should be in a healthy economy. Locally in 2015, the percentage of closed sales that were either foreclosure or short sale fell 40.0 percent to land at 7.5 percent of the market.

New Construction: Single-family housing starts are still well behind average levels, and a lot of new development across the nation is catering to the rental market. Locally in 2015, new construction inventory is down 319 units from its peak in April 2011.

Prices: The cost to buy a home rose again in 2015. The overall median sales price was up 6.5 percent to \$229,000 for the year. Home prices should continue to rise in 2016 but perhaps at a tempered pace as the market approaches a natural balancing point. Price gains should be more in line with historical norms in 2016.

The national homeownership percentage is the lowest its been since 1993. As rental development continues, especially in urban centers, and as rental rates continue to rise, we may begin to gradually see some pushback on paying a lease versus a mortgage. Lending stringency and, you guessed it, interest rates may have an effect on the number of new buyers we see in 2016.

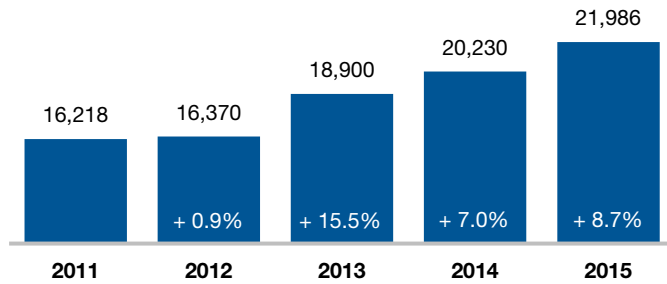
Gross Domestic Product increased at an annual rate near 2.0 percent to close 2015, and chances are favorable to get above 2.5 percent next year. Housing is again considered a cornerstone of the national economy. Contributing factors from within the industry include better lending standards and improved inventory unhampered by foreclosures. Declining unemployment, higher wages and low fuel prices have also nudged buying power forward. Conditions are good for a continuation of positive trends in 2016.

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Quick Facts

New Listings



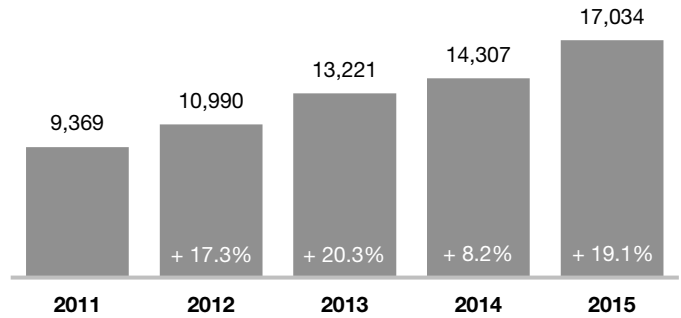
Top 5 Areas: Change in New Listings from 2014

Johns Island	+ 40.5%
Hollywood / Ravenel / Meggett Area	+ 34.2%
Sullivan's Island	+ 31.5%
Goose Creek / Moncks Corner	+ 22.7%
Dorchester Road Corridor	+ 22.4%

Bottom 5 Areas: Change in New Listings from 2014

Kiawah	- 4.1%
Hanahan	- 4.7%
Daniel Island	- 6.3%
Upper Charleston Peninsula	- 14.5%
Downtown Charleston	- 15.3%

Pending Sales



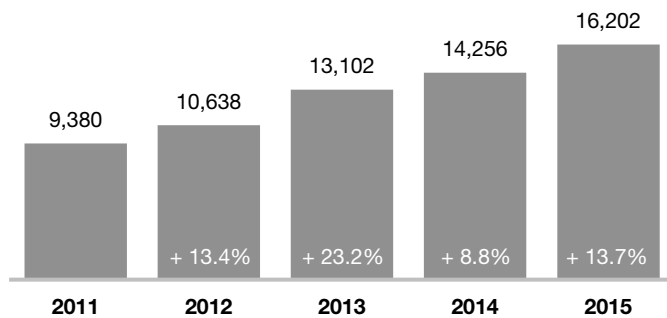
Top 5 Areas: Change in Pending Sales from 2014

Johns Island	+ 68.6%
Hollywood / Ravenel / Meggett Area	+ 66.0%
Sullivan's Island	+ 52.5%
Goose Creek / Moncks Corner	+ 31.6%
Hanahan	+ 25.9%

Bottom 5 Areas: Change in Pending Sales from 2014

Daniel Island	+ 5.1%
Isle of Palms	+ 4.5%
Edisto Area	- 1.3%
Downtown Charleston	- 3.6%
Upper Charleston Peninsula	- 3.9%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2014

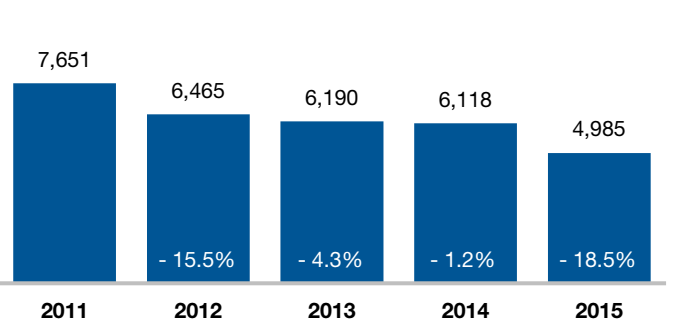
Johns Island	+ 52.7%
Sullivan's Island	+ 36.6%
Hanahan	+ 31.1%
Hollywood / Ravenel / Meggett Area	+ 28.2%
Folly Beach	+ 24.2%

Bottom 5 Areas: Change in Closed Sales from 2014

Lower Mount Pleasant	+ 9.5%
James Island	+ 5.7%
Upper Charleston Peninsula	- 4.3%
Downtown Charleston	- 5.0%
Edisto Area	- 7.0%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2014

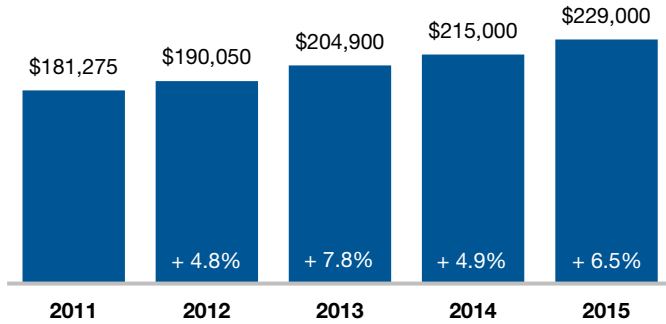
Dorchester Road Corridor	+ 0.7%
Johns Island	- 5.6%
Seabrook Island	- 5.7%
Sullivan's Island	- 5.7%
Goose Creek / Moncks Corner	- 6.1%

Bottom 5 Areas: Change in Homes for Sale from 2014

West Ashley Area	- 29.6%
Folly Beach	- 38.7%
Wando / Cainhoy Area	- 41.6%
Upper Charleston Peninsula	- 43.7%
Hanahan	- 44.6%

Quick Facts

Median Sales Price



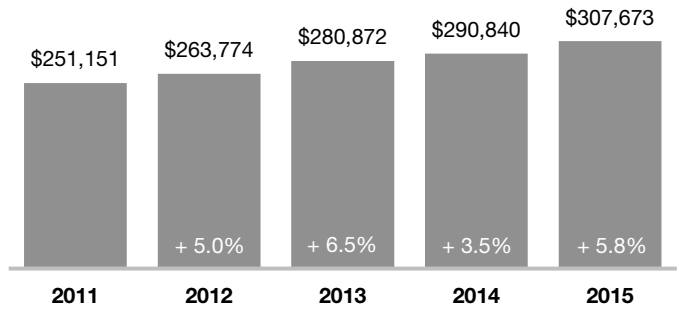
Top 5 Areas: Change in Median Sales Price from 2014

Hollywood / Ravenel / Meggett Area	+ 57.9%
Edisto Area	+ 16.9%
Daniel Island	+ 11.4%
Seabrook Island	+ 11.3%
Greater North Charleston	+ 10.1%

Bottom 5 Areas: Change in Median Sales Price from 2014

Upper Charleston Peninsula	+ 4.5%
Hanahan	+ 3.4%
Folly Beach	+ 2.5%
Downtown Charleston	- 0.3%
Kiawah	- 5.9%

Average Sales Price



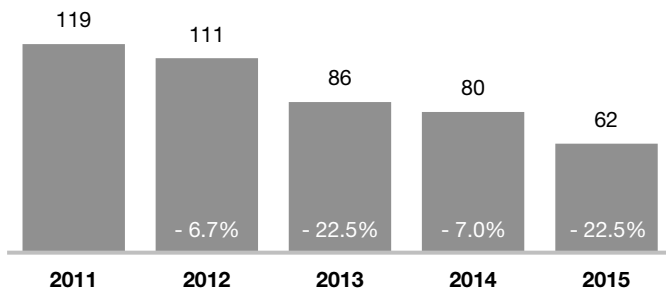
Top 5 Areas: Change in Avg. Sales Price from 2014

Hollywood / Ravenel / Meggett Area	+ 29.8%
Seabrook Island	+ 17.6%
Edisto Area	+ 13.5%
Greater North Charleston	+ 12.8%
James Island	+ 12.6%

Bottom 5 Areas: Change in Avg. Sales Price from 2014

Hanahan	+ 3.9%
Isle of Palms	+ 2.3%
Downtown Charleston	+ 0.2%
Folly Beach	- 1.3%
Kiawah	- 8.5%

Days on Market Until Sale



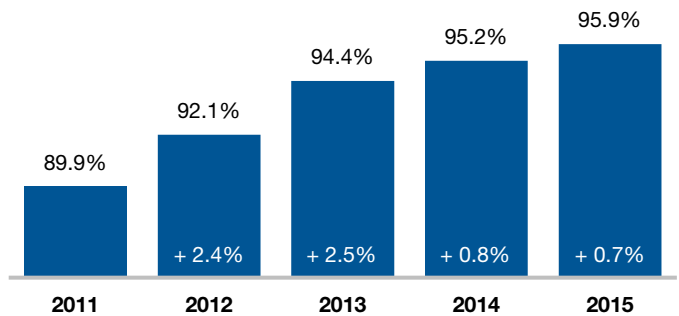
Top 5 Areas: Change in Days on Market from 2014

Wando / Cainhoy Area	- 1.8%
Sullivan's Island	- 3.4%
Seabrook Island	- 9.0%
Downtown Charleston	- 10.2%
Daniel Island	- 11.6%

Bottom 5 Areas: Change in Days on Market from 2014

James Island	- 29.2%
Hollywood / Ravenel / Meggett Area	- 32.3%
Johns Island	- 32.5%
Greater North Charleston	- 34.1%
Upper Charleston Peninsula	- 34.2%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2014

Seabrook Island	+ 3.8%
Kiawah	+ 2.6%
Greater North Charleston	+ 1.9%
Johns Island	+ 1.8%
Edisto Area	+ 1.7%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2014

Upper Mount Pleasant	+ 0.2%
Wando / Cainhoy Area	+ 0.2%
West Ashley Area	+ 0.1%
Downtown Charleston	- 0.1%
Lower Mount Pleasant	- 0.7%

Property Type Review

61

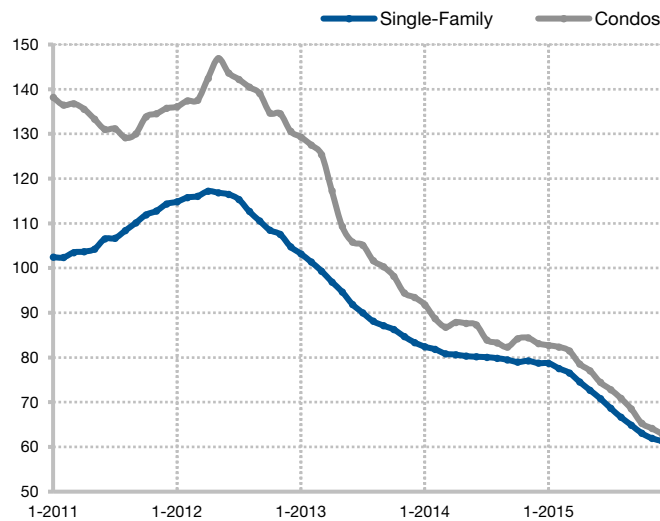
Average Days on Market
Single-Family

63

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 2015

Downtown Charleston	43.7%
Kiawah	41.2%
Seabrook Island	36.9%
Folly Beach	35.4%
Daniel Island	34.6%
Lower Mount Pleasant	29.9%
Wando / Cainhoy Area	27.9%
Isle of Palms	27.7%
Upper Mount Pleasant	24.9%
Edisto Area	21.9%

Top 10 Areas: Single-Family Market Share in 2015

Greater Summerville Area	91.7%
Goose Creek / Moncks Corner	91.8%
Sullivan's Island	91.1%
Hanahan	91.1%
Hollywood / Ravenel / Meggett Area	90.9%
Johns Island	88.2%
Upper Charleston Peninsula	86.6%
Dorchester Road Corridor	85.2%
Greater North Charleston	84.2%
James Island	83.2%

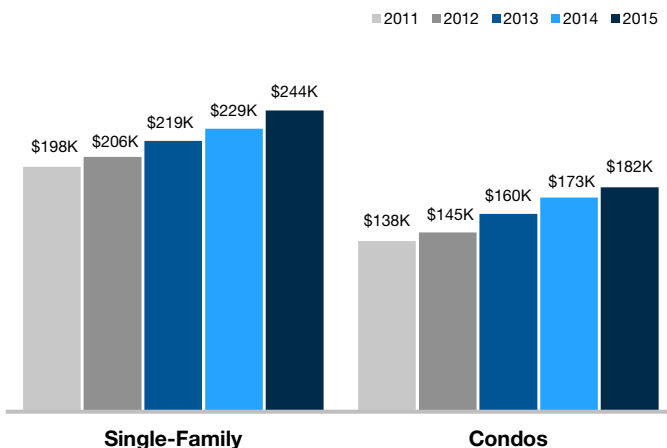
+ 6.5%

One-Year Change in Price
Single-Family

+ 4.9%

One-Year Change in Price
Condos

Median Sales Price



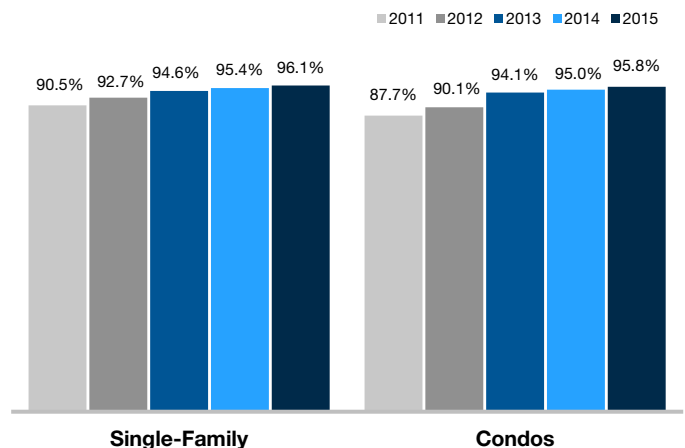
96.1%

Pct. of Orig. Price Received
Single-Family

95.8%

Pct. of Orig. Price Received
Condos

Percent of Original List Price Received



Distressed Homes Review

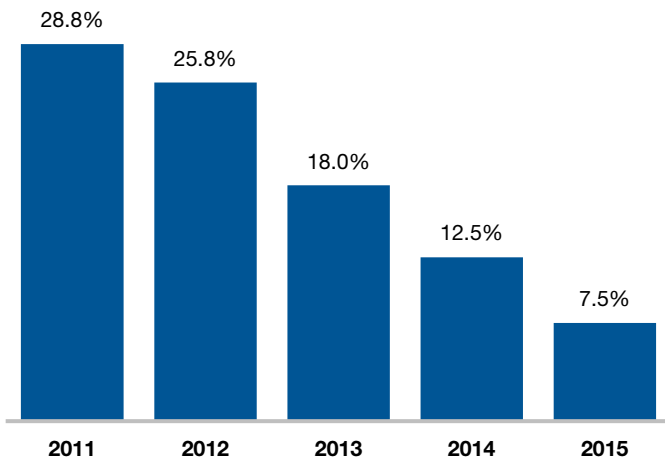
7.5%

Percent of Closed Sales in 2015 That Were Distressed

- 40.0%

One-Year Change in Sales of Distressed

Percent of Sales That Were Distressed



Top Areas: Distressed Market Share in 2015

Folly Beach	22.6%
Hollywood / Ravenel / Meggett Area	14.4%
James Island	11.4%
Hanahan	11.2%
Greater North Charleston	10.0%
Edisto Area	8.9%
West Ashley Area	8.5%
Dorchester Road Corridor	7.9%
Greater Summerville Area	7.1%
Wando / Cainhoy Area	6.6%
Goose Creek / Moncks Corner	6.1%
Johns Island	6.0%
Seabrook Island	5.4%
Sullivan's Island	5.4%
Kiawah	4.4%
Isle of Palms	3.7%
Daniel Island	3.6%
Lower Mount Pleasant	3.4%
Downtown Charleston	3.4%
Upper Charleston Peninsula	3.1%
Upper Mount Pleasant	2.4%

+ 26.3%

Four-Year Change in Price All Properties

+ 14.6%

Four-Year Change in Price Traditional Properties

+ 8.4%

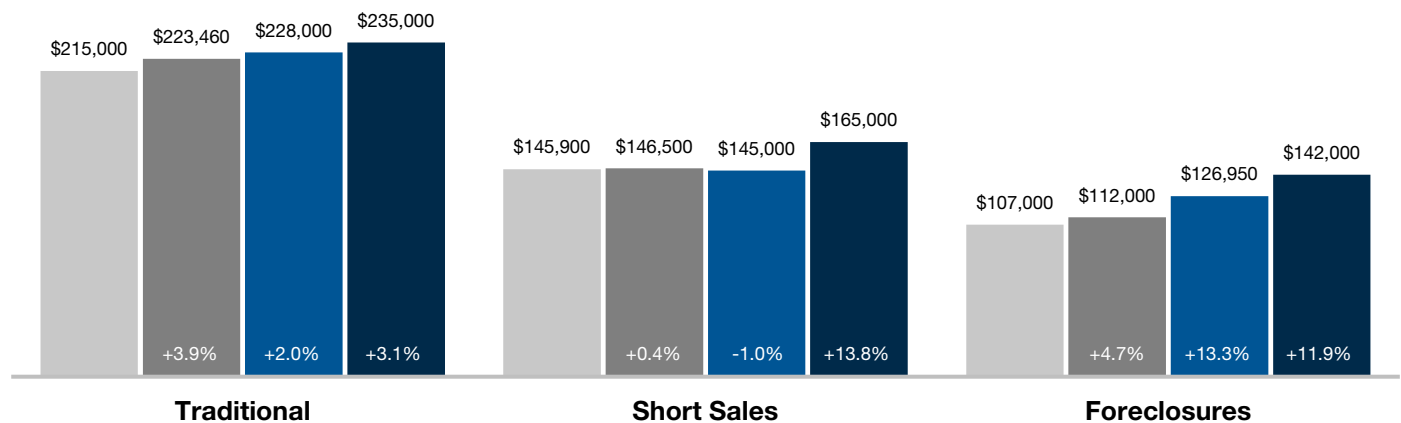
Four-Year Change in Price Short Sales

+ 30.3%

Four-Year Change in Price Foreclosures

Median Sales Price

■ 2012 ■ 2013 ■ 2014 ■ 2015



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 '11

Peak of New Construction Inventory

319

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2015

Johns Island	39.4%
Wando / Cainhoy Area	37.0%
Upper Mount Pleasant	35.7%
Goose Creek / Moncks Corner	35.2%
Daniel Island	27.7%
Greater North Charleston	25.7%
Greater Summerville Area	24.4%
Hollywood / Ravenel / Meggett Area	24.2%
Dorchester Road Corridor	18.6%
Hanahan	17.3%
West Ashley Area	12.5%
James Island	12.4%
Upper Charleston Peninsula	7.6%
Lower Mount Pleasant	7.5%
Folly Beach	6.1%
Kiawah	5.9%
Downtown Charleston	2.1%
Sullivan's Island	1.8%
Isle of Palms	1.7%
Seabrook Island	1.5%
Edisto Area	0.7%

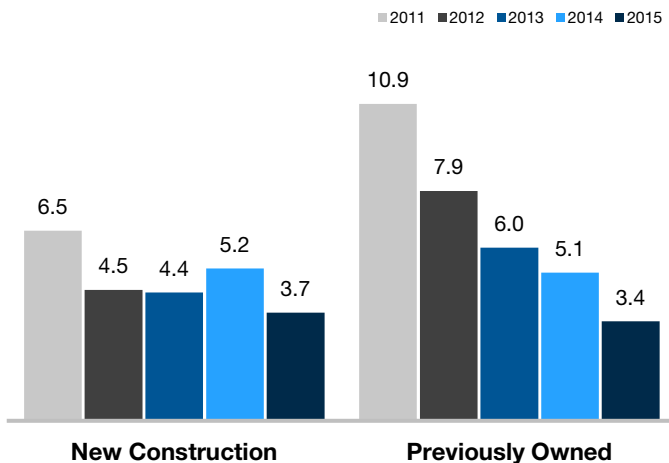
3.7

Year-End Months Supply New Construction

3.4

Year-End Months Supply Previously Owned

Months Supply of Inventory



100.4%

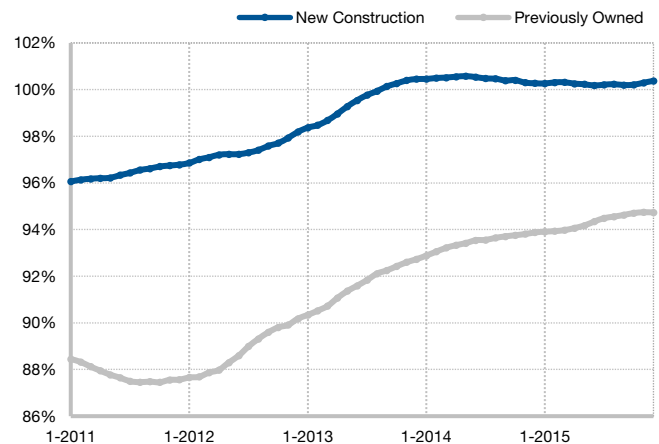
Pct. of Orig. Price Received New Construction

94.7%

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

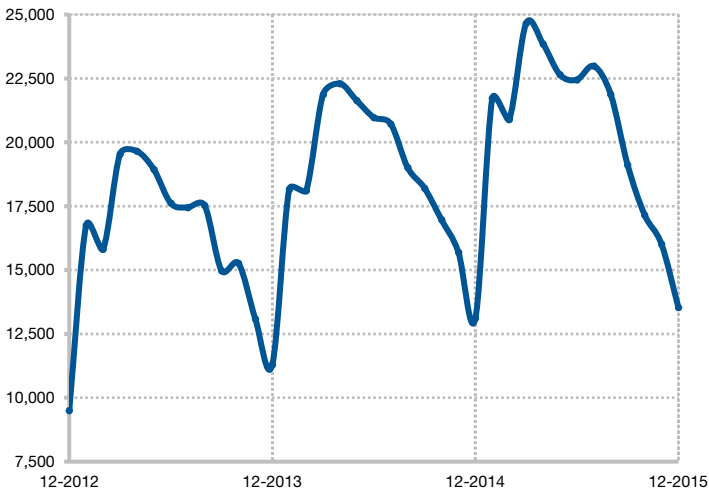
11.0

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

41 - Mt Pleasant N of IOP Connector	26,904
42 - Mt Pleasant S of IOP Connector	23,680
63 - Summerville/Ridgeville	20,156
12 - West of the Ashley Outside I-526	18,572
61 - N. Chas/Summerville/Ladson-Dor	18,558
21 - James Island	16,070
11 - West of the Ashley Inside I-526	13,219
62 - Summerville/Ladson/Ravenel to Hwy 165	12,900
32 - North Charleston/Summerville Outside I-526	11,662
73 - G. Cr./M. Cor. Hwy 17A-Oakley-Hwy 52	10,957

Top 10 Areas: Number of Showings per Listing

52 - Peninsula Charleston Outside of Crosstown	16.2
42 - Mt Pleasant S of IOP Connector	15.8
41 - Mt Pleasant N of IOP Connector	15.6
11 - West of the Ashley Inside I-526	15.1
12 - West of the Ashley Outside I-526	14.5
62 - Summerville/Ladson/Ravenel to Hwy 165	14.2
77 - Daniel Island	13.9
21 - James Island	13.8
51 - Peninsula Charleston Inside of Crosstown	13.2
73 - G. Cr./M. Cor. Hwy 17A-Oakley-Hwy 52	11.9

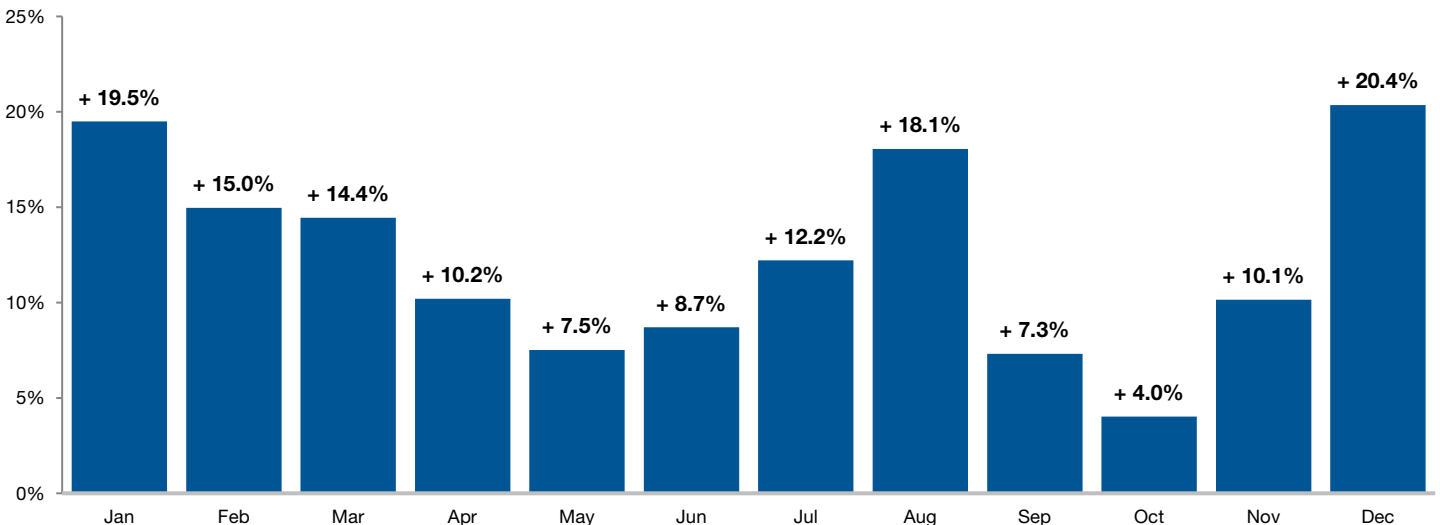
+ 8.9%

One-Year Change in Total Showings

Mar '15

Peak Showing Activity Month

2015 Year-Over-Year Change in Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2014	Percent New Construction	Percent Condos	Median Showings to Pending	Days on Market	Pct. of Orig. Price Received
Charleston Area	16,202	+ 13.7%	21.3%	16.0%	11	62	95.9%
Berkeley County	3,879	+ 19.2%	30.9%	10.9%	9	57	96.9%
Charleston County	8,591	+ 12.7%	18.4%	21.8%	12	62	95.6%
Colleton County	229	+ 10.1%	1.3%	0.9%	4	132	88.8%
Dorchester County	2,989	+ 13.7%	22.0%	8.6%	11	59	96.6%
Daniel Island	358	+ 12.2%	27.7%	34.6%	15	61	97.6%
Dorchester Road Corridor	988	+ 14.9%	18.6%	14.4%	11	50	96.9%
Downtown Charleston	382	- 5.0%	2.1%	43.7%	12	106	93.0%
Edisto Area	146	- 7.0%	0.7%	21.9%	4	157	91.2%
Folly Beach	164	+ 24.2%	6.1%	35.4%	10	107	92.0%
Goose Creek / Moncks Corner	2,441	+ 21.6%	35.2%	7.2%	10	54	97.3%
Greater North Charleston	1,325	+ 18.6%	25.7%	15.1%	9	54	95.6%
Greater Summerville Area	1,938	+ 12.1%	24.4%	6.0%	11	63	96.6%
Hanahan	392	+ 31.1%	17.3%	8.9%	11	56	96.1%
Hollywood / Ravenel / Meggett Area	132	+ 28.2%	24.2%	1.5%	7	88	92.6%
Isle of Palms	242	+ 13.6%	1.7%	27.7%	11	131	91.1%
James Island	911	+ 5.7%	12.4%	16.8%	13	51	96.2%
Johns Island	533	+ 52.7%	39.4%	10.9%	9	54	97.3%
Kiawah	68	+ 17.2%	5.9%	41.2%	4	185	89.4%
Lower Mount Pleasant	1,144	+ 9.5%	7.5%	29.9%	14	48	95.4%
Rural Berkeley County	106	- 10.2%	0.0%	0.0%	4	81	90.5%
St. George / Rural Dorchester County	61	+ 41.9%	0.0%	0.0%	4	92	90.6%
Seabrook Island	130	+ 11.1%	1.5%	36.9%	12	191	89.2%
Sullivan's Island	56	+ 36.6%	1.8%	8.9%	9	144	90.5%
Upper Charleston Peninsula	224	- 4.3%	7.6%	12.9%	13	52	94.9%
Upper Mount Pleasant	1,484	+ 11.6%	35.7%	24.9%	15	58	98.0%
Wando / Cainhoy Area	319	+ 23.2%	37.0%	27.9%	8	55	98.3%
West Ashley Area	1,677	+ 9.8%	12.5%	20.6%	13	47	95.9%



Area Historical Median Prices

	2011	2012	2013	2014	2015	Change From 2014	Change From 2011
Charleston Area	\$181,275	\$190,050	\$204,900	\$215,000	\$229,000	+ 6.5%	+ 26.3%
Berkeley County	\$162,768	\$167,413	\$174,900	\$185,000	\$200,973	+ 8.6%	+ 23.5%
Charleston County	\$218,668	\$228,000	\$250,000	\$275,000	\$293,565	+ 6.8%	+ 34.3%
Colleton County	\$69,000	\$82,500	\$82,000	\$80,000	\$103,250	+ 29.1%	+ 49.6%
Dorchester County	\$160,000	\$167,500	\$169,900	\$178,000	\$189,800	+ 6.6%	+ 18.6%
Daniel Island	\$405,000	\$455,000	\$502,500	\$560,000	\$624,000	+ 11.4%	+ 54.1%
Dorchester Road Corridor	\$162,000	\$170,000	\$177,125	\$170,000	\$182,000	+ 7.1%	+ 12.3%
Downtown Charleston	\$434,500	\$472,500	\$475,000	\$592,000	\$590,000	- 0.3%	+ 35.8%
Edisto Area	\$340,750	\$350,000	\$325,000	\$290,000	\$339,000	+ 16.9%	- 0.5%
Folly Beach	\$338,000	\$417,500	\$375,000	\$435,000	\$446,000	+ 2.5%	+ 32.0%
Goose Creek / Moncks Corner	\$155,000	\$160,000	\$163,000	\$172,500	\$187,500	+ 8.7%	+ 21.0%
Greater North Charleston	\$106,000	\$105,000	\$131,018	\$139,900	\$153,983	+ 10.1%	+ 45.3%
Greater Summerville Area	\$160,000	\$167,250	\$167,000	\$184,000	\$194,900	+ 5.9%	+ 21.8%
Hanahan	\$173,450	\$173,000	\$199,950	\$217,500	\$225,000	+ 3.4%	+ 29.7%
Hollywood / Ravenel / Meggett Area	\$185,050	\$210,000	\$198,440	\$200,749	\$317,000	+ 57.9%	+ 71.3%
Isle of Palms	\$600,000	\$622,000	\$649,500	\$598,000	\$650,000	+ 8.7%	+ 8.3%
James Island	\$187,750	\$207,000	\$229,500	\$260,000	\$281,400	+ 8.2%	+ 49.9%
Johns Island	\$189,082	\$197,367	\$218,018	\$240,000	\$256,500	+ 6.9%	+ 35.7%
Kiawah	\$560,000	\$615,000	\$685,500	\$615,000	\$578,500	- 5.9%	+ 3.3%
Lower Mount Pleasant	\$309,000	\$316,139	\$341,000	\$376,000	\$400,000	+ 6.4%	+ 29.4%
Rural Berkeley County	\$74,450	\$87,000	\$99,250	\$98,750	\$130,000	+ 31.6%	+ 74.6%
St. George / Rural Dorchester County	\$84,200	\$77,500	\$113,600	\$125,000	\$111,000	- 11.2%	+ 31.8%
Seabrook Island	\$373,000	\$367,000	\$353,750	\$400,000	\$445,000	+ 11.3%	+ 19.3%
Sullivan's Island	\$1,272,500	\$1,330,000	\$1,447,500	\$1,235,000	\$1,312,500	+ 6.3%	+ 3.1%
Upper Charleston Peninsula	\$213,250	\$230,000	\$270,000	\$326,500	\$341,250	+ 4.5%	+ 60.0%
Upper Mount Pleasant	\$312,345	\$296,000	\$335,000	\$375,000	\$400,835	+ 6.9%	+ 28.3%
Wando / Cainhoy Area	\$184,500	\$175,188	\$206,815	\$239,865	\$251,000	+ 4.6%	+ 36.0%
West Ashley Area	\$175,050	\$187,816	\$198,602	\$220,000	\$232,000	+ 5.5%	+ 32.5%