

Annual Report on the Charleston-Trident Housing Market

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



2012



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With a mean crossover dribble and a wicked head fake, housing is again driving the lane with authority.

Between 2007 and 2011, housing markets were overburdened with distressed properties, excessive supply and weak consumer demand. But a timeout was taken in 2012, and the market was able to rehydrate and breathe easier. Yearlong evidence points to market recovery – just in time to alleviate beleaguered homeowners and relieve a dwindling tax base.

Housing has been the center of attention in 2012 – and it's lonely at the top. For the first time since 2006, housing is on track to be a net positive contributor to GDP. Some have claimed that an accommodating Federal Reserve policy has driven down interest rates so much that it's enabled families to purchase up to 50 percent more house than they otherwise could. Others make a more "market fundamentals" argument, asserting that dramatic declines in supply and solid increases in demand have led to the year's successful turnaround jump shot. The truth lies somewhere in the paint.

Low mortgage rates, affordable prices and rising rents created a three-point play that bolstered consumer confidence. On a national scale, natural disasters, fiscal cliffs, contested elections and sovereign debt crises could not slow down buyers. Consequently, home values are ticking higher in many regions.

In addition to the feel-good nature of a housing recovery, it has tangible benefits to homeowners – particularly those still in underwater mortgage situations. Rising prices should convince more sellers to re-enter the marketplace, passing the rock to buyers.

Listings In general, sellers remained along the baseline, but there are hints of change in the listings playbook. Traditional sellers are returning just as banks seem to be listing fewer distressed properties. In 2012, sellers introduced 16,187 new properties to the marketplace, a modest 1.1 percent increase or just 175 units more than 2011. Improving seller confidence will be a key ingredient moving forward.

Sales The buyer rebound remained strong throughout the year. Better still, housing demand strengthened without performance-enhancing government incentives. Closed sales were up 13.3 percent to 10,508 for the year. And only 26.6 percent of them were distressed, compared to a high of 29.9 percent in 2011. Granted, that's still elevated by historical standards but the year-over-year improvement is encouraging.

Inventory Currently, buyers have 20.9 percent fewer choices than last year at this time. Changing teams, sellers have 20.9 percent less competition. Supply-side correction is generally a positive, but many local communities are on the brink of a housing shortage, which has given rise to new construction and infill redevelopment in certain neighborhoods. High-quality, move-in ready inventory isn't as plentiful as it once was. Thus, restoring seller confidence is a slam dunk to continued recovery. Well-priced and well-presented listings are fetching, on average, 92.1 percent of list price at sale, much higher than in recent years.

Prices Both locally and nationally, home prices are turning a corner. In fact, we ended 2012 with a 4.4 percent median price gain compared to 2011. At \$190,000, prices have come down only 8.6 percent from their bubbly apex in 2007. They have recovered from the air ball lows of 2009.

Sustaining a healthy, equitable and bubble-free housing market is of paramount importance. It will require both public and private cooperation – something that was difficult to achieve last year. This recovery is fragile, and an injury at this juncture could be devastating. Given the importance of housing to the overall economy, it's also critical to the recovery of our nation. Here's to continued improvement and a breakaway year!

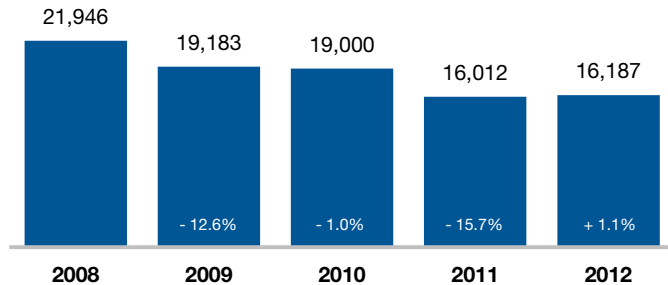
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Quick Facts

New Listings



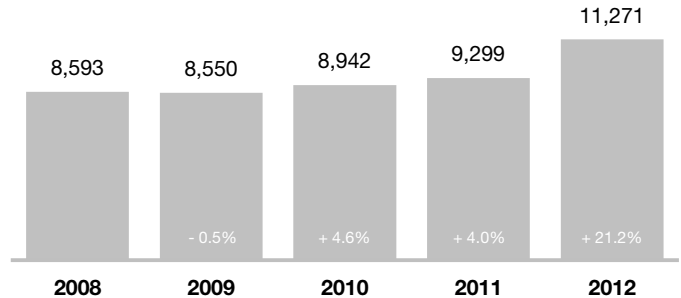
Top 5 Areas: Change in New Listings from 2011

Hanahan	+ 21.2%
West Ashley Area	+ 15.0%
Upper Mount Pleasant	+ 12.8%
Hollywood / Ravenel / Meggett Area	+ 12.4%
Sullivan's Island	+ 9.6%

Bottom 5 Areas: Change in New Listings from 2011

Folly Beach	- 10.1%
Downtown Charleston	- 11.3%
Isle of Palms	- 13.0%
Rural Berkeley County	- 13.6%
Daniel Island	- 15.7%

Pending Sales



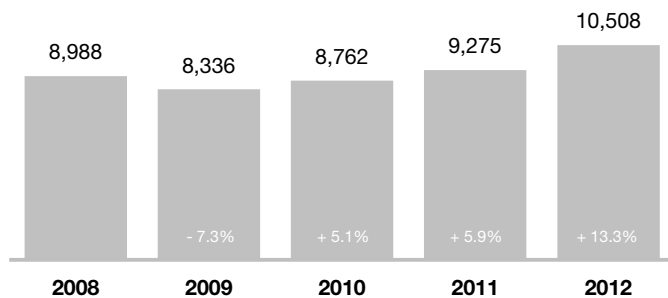
Top 5 Areas: Change in Pending Sales from 2011

Upper Charleston Peninsula	+ 71.7%
Edisto Area	+ 47.2%
Hollywood / Ravenel / Meggett Area	+ 33.8%
Upper Mount Pleasant	+ 33.7%
Greater North Charleston	+ 33.4%

Bottom 5 Areas: Change in Pending Sales from 2011

Isle of Palms	+ 13.9%
GooseCreek / Monck's Corner Area	+ 6.4%
Daniel Island	+ 5.1%
Wando / Cainhoy Area	- 4.9%
St. George / Rural Dorchester County	- 34.0%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2011

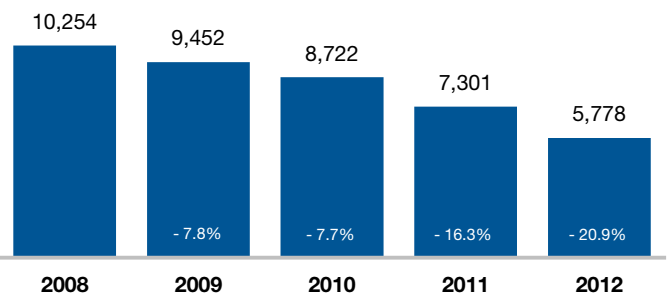
Hollywood / Ravenel / Meggett Area	+ 61.3%
Upper Charleston Peninsula	+ 50.0%
Edisto Area	+ 35.1%
Johns Island	+ 26.0%
Upper Mount Pleasant	+ 24.6%

Bottom 5 Areas: Change in Closed Sales from 2011

Daniel Island	+ 1.6%
Folly Beach	+ 1.0%
Rural Berkeley County	0.0%
Wando / Cainhoy Area	- 6.3%
St. George / Rural Dorchester County	- 30.4%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2011

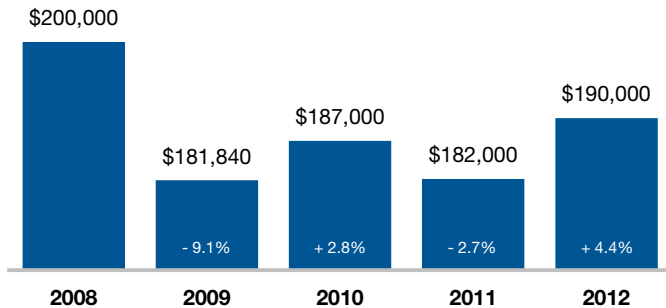
Wando / Cainhoy Area	- 1.2%
Hollywood / Ravenel / Meggett Area	- 3.4%
Kiawah and Seabrook Islands	- 7.0%
Rural Berkeley County	- 10.9%
West Ashley Area	- 12.0%

Bottom 5 Areas: Change in Homes for Sale from 2011

Greater North Charleston	- 32.8%
Downtown Charleston	- 33.3%
Upper Charleston Peninsula	- 34.5%
Lower Mount Pleasant	- 36.0%
Daniel Island	- 44.5%

Quick Facts

Median Sales Price



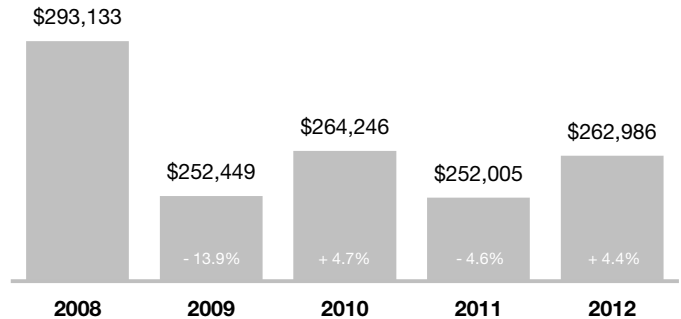
Top 5 Areas: Change in Median Sales Price from 2011

Hollywood / Ravenel / Meggett Area	+ 13.5%
Rural Berkeley County	+ 12.8%
Daniel Island	+ 12.8%
Folly Beach	+ 11.6%
James Island	+ 9.8%

Bottom 5 Areas: Change in Median Sales Price from 2011

Kiawah and Seabrook Islands	- 1.2%
Greater North Charleston	- 2.3%
Wando / Cainhoy Area	- 4.9%
Upper Mount Pleasant	- 5.3%
St. George / Rural Dorchester County	- 8.0%

Average Sales Price



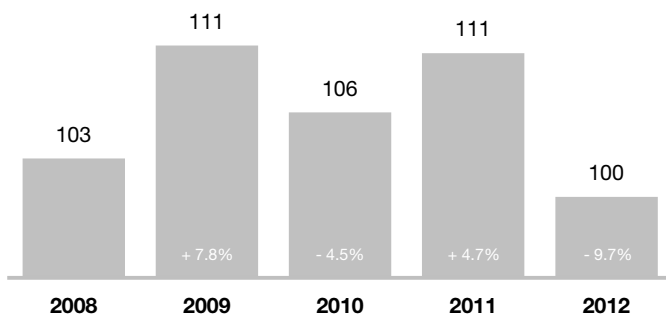
Top 5 Areas: Change in Average Sales Price from 2011

Hollywood / Ravenel / Meggett Area	+ 29.5%
Folly Beach	+ 18.1%
Rural Berkeley County	+ 14.2%
Upper Charleston Peninsula	+ 10.9%
Wando / Cainhoy Area	+ 10.6%

Bottom 5 Areas: Change in Average Sales Price from 2011

Lower Mount Pleasant	+ 1.5%
Greater North Charleston	+ 1.3%
Hanahan	- 0.6%
Kiawah and Seabrook Islands	- 3.1%
Upper Mount Pleasant	- 7.9%

Days on Market Until Sale



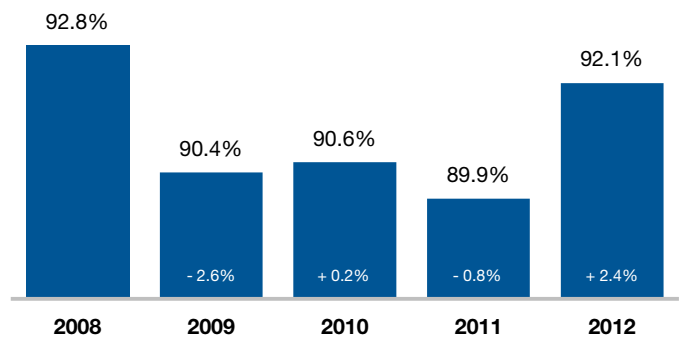
Top 5 Areas: Change in Days on Market from 2011

Rural Berkeley County	+ 36.8%
Downtown Charleston	+ 21.8%
Folly Beach	+ 14.3%
Hollywood / Ravenel / Meggett Area	+ 10.3%
Isle of Palms	+ 8.2%

Bottom 5 Areas: Change in Days on Market from 2011

Wando / Cainhoy Area	- 19.7%
James Island	- 21.6%
Lower Mount Pleasant	- 21.6%
Upper Mount Pleasant	- 23.4%
Sullivan's Island	- 27.8%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2011

Sullivan's Island	+ 8.3%
Upper Charleston Peninsula	+ 4.8%
James Island	+ 4.8%
Isle of Palms	+ 3.8%
Lower Mount Pleasant	+ 3.3%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2011

Rural Berkeley County	+ 1.1%
Kiawah and Seabrook Islands	+ 0.5%
Hollywood / Ravenel / Meggett Area	- 0.3%
Downtown Charleston	- 0.8%
St. George / Rural Dorchester County	- 1.7%

Property Type Review

96

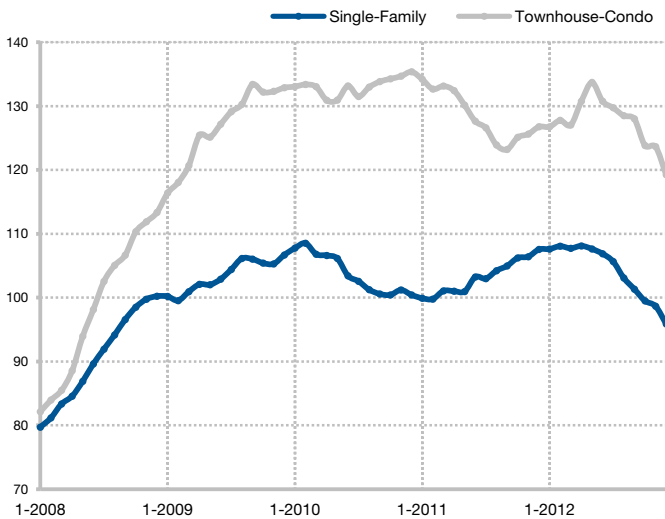
Average Days on Market
Single-Family Detached

119

Average Days on Market
Townhouse-Condo Attached

Days on Market Until Sale

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



Top 10 Areas: Townhouse-Condo Attached Market Share in 2012

Folly Beach	54.5%
Downtown Charleston	51.5%
Kiawah and Seabrook Islands	43.8%
Isle of Palms	33.0%
Daniel Island	32.7%
Wando/Cainhoy Area	29.5%
Lower Mount Pleasant	24.9%
James Island	24.6%
Upper Mount Pleasant	23.9%
Greater North Charleston	23.5%

Top 10 Areas: Single Family Detached Market Share in 2012

Rural Berkeley County	100.0%
St. George / Rural Dorchester County	100.0%
Sullivan's Island	97.7%
Hollywood / Ravenel / Meggett Area	96.0%
Greater Summerville Area	93.5%
Goose Creek / Monck's Corner Area	93.0%
Hanahan	92.2%
Dorchester Road Corridor	90.4%
Edisto Area	81.9%
Upper Charleston Peninsula	81.9%

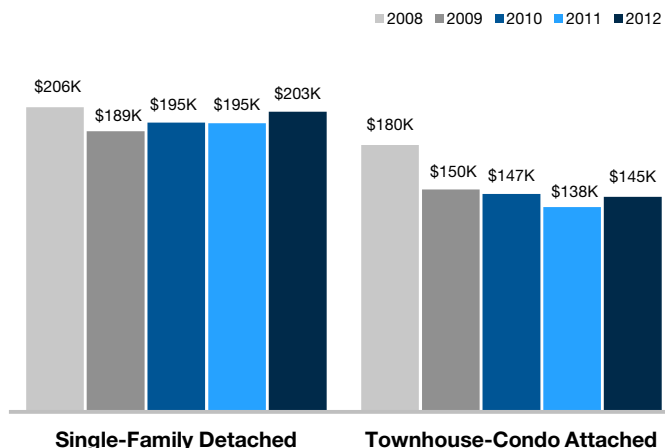
+ 4.0%

One-Year Change in Price
Single-Family Detached

+ 5.1%

One-Year Change in Price
Townhouse-Condo Attached

Median Sales Price



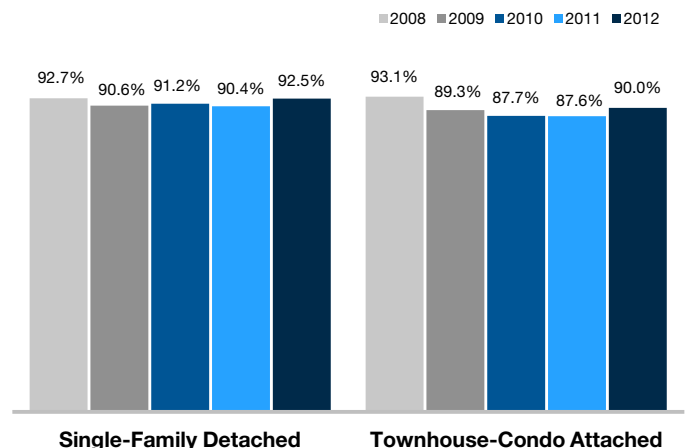
92.5%

Pct. of Orig. Price Received
Single-Family Detached

90.0%

Pct. of Orig. Price Received
Townhouse-Condo Attached

Percent of Original List Price Received



New Construction Review

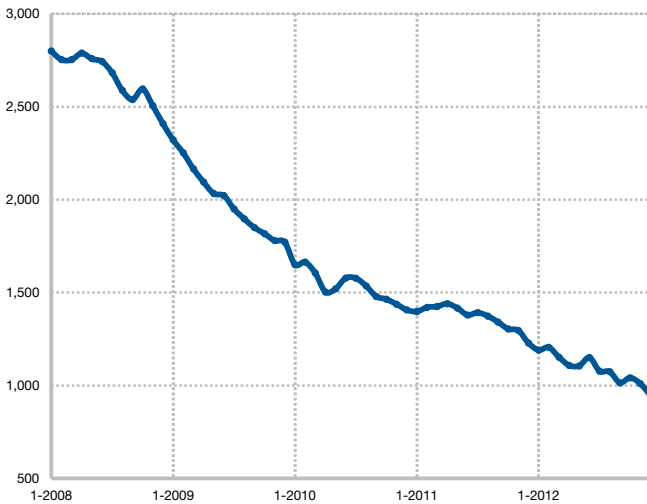
Jan '08

1,853

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2012

Johns Island	51.1%
GooseCreek / Monck's Corner Area	40.5%
Wando / Cainhoy Area	30.1%
Greater Summerville Area	28.9%
Greater North Charleston	28.6%
Dorchester Road Corridor	27.8%
West Ashley Area	27.6%
Daniel Island	25.2%
Upper Mount Pleasant	23.7%
Hanahan	18.5%
Downtown Charleston	11.4%
Upper Charleston Peninsula	11.1%
Hollywood / Ravenel / Meggett Area	10.0%
Lower Mount Pleasant	7.5%
James Island	7.4%
Folly Beach	5.1%
Edisto Area	3.1%
Isle of Palms	1.6%
Kiawah and Seabrook Islands	1.4%
Rural Berkeley County	0.0%
St. George / Rural Dorchester County	0.0%
Sullivan's Island	0.0%

4.2

Year-End Months Supply New Construction

6.8

Year-End Months Supply Previously Owned

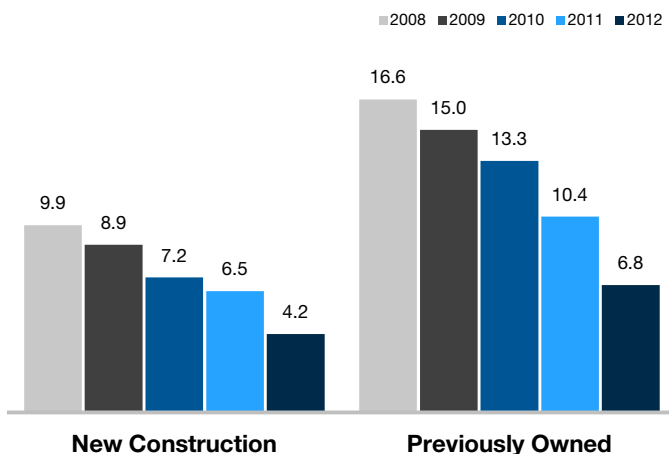
98.2%

Pct. of Orig. Price Received New Construction

90.1%

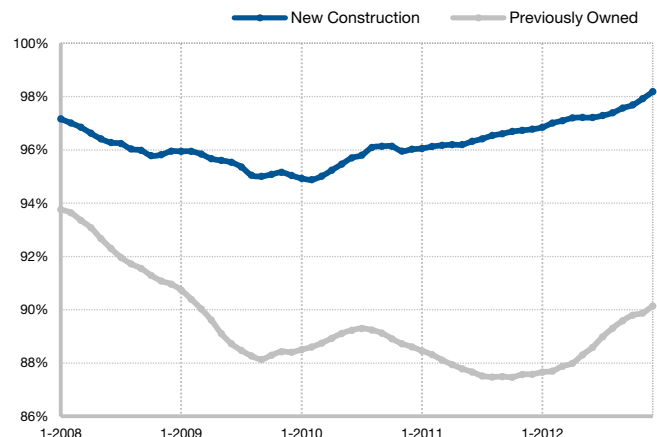
Pct. of Orig. Price Received Previously Owned

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

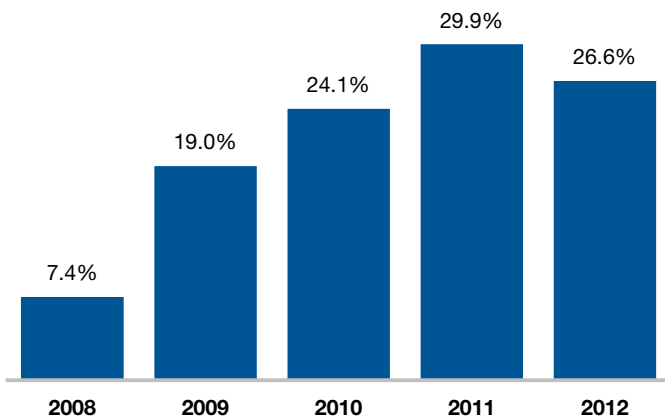
26.6%

Percent of Closed Sales in 2012 that were Distressed

+ 0.9%

One-Year Change in Sales of Distressed

Percent of Sales That Were Distressed



Top Areas: Distressed Market Share in 2012

Greater North Charleston	38.6%
Wando / Cainhoy Area	37.6%
James Island	36.1%
Hollywood / Ravenel / Meggett Area	34.0%
Rural Berkeley County	31.0%
Dorchester Road Corridor	30.5%
Greater Summerville Area	28.4%
St. George / Rural Dorchester County	28.1%
Johns Island	28.0%
Folly Beach	27.3%
Hanahan	26.3%
West Ashley Area	25.6%
Daniel Island	23.2%
GooseCreek / Monck's Corner Area	23.2%
Lower Mount Pleasant	21.0%
Upper Charleston Peninsula	19.9%
Kiawah and Seabrook Islands	19.9%
Upper Mount Pleasant	19.6%
Isle of Palms	18.3%
Edisto Area	16.5%
Sullivan's Island	11.6%
Downtown Charleston	9.4%

+ 4.5%

Four-Year Change in Price All Properties

+ 13.8%

Four-Year Change in Price Traditional Properties

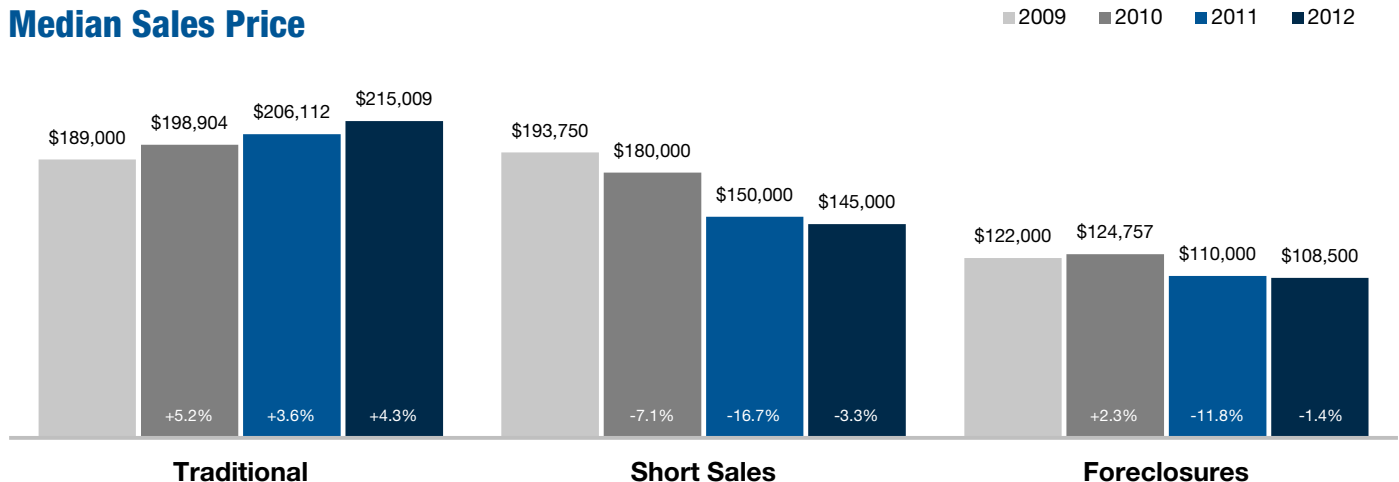
- 25.2%

Four-Year Change in Price Short Sales

- 11.1%

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.



Area Overviews

	Total Closed Sales	Change from 2011	Percent New Construction	Percent Townhouse- Condo	Days on Market	Pct. of Orig. Price Received
Charleston-Trident Region	10,508	+ 13.3%	23.6%	18.4%	100	92.1%
Berkeley County	2,293	+ 3.7%	33.1%	10.7%	89	93.3%
Charleston County	5,937	+ 19.6%	19.7%	25.5%	103	91.5%
Colleton County	181	+ 13.8%	3.3%	0.0%	159	83.4%
Dorchester County	1,922	+ 7.9%	28.0%	7.4%	91	93.6%
Daniel Island	254	+ 1.6%	25.2%	32.7%	105	90.8%
Dorchester Road Corridor	637	+ 15.4%	27.8%	9.6%	85	93.9%
Downtown Charleston	361	+ 23.6%	11.4%	51.5%	218	84.9%
Edisto Area	127	+ 35.1%	3.1%	18.1%	198	84.6%
Folly Beach	99	+ 1.0%	5.1%	54.5%	184	86.5%
GooseCreek / Monck's Corner Area	1,455	+ 4.2%	40.5%	7.0%	81	94.6%
Greater North Charleston	893	+ 20.5%	28.6%	23.5%	86	90.8%
Greater Summerville Area	1,253	+ 5.9%	28.9%	6.5%	93	93.7%
Hanahan	232	+ 13.7%	18.5%	7.8%	90	92.9%
Hollywood / Ravenel / Meggett Area	100	+ 61.3%	10.0%	4.0%	129	87.7%
Isle of Palms	191	+ 7.9%	1.6%	33.0%	212	84.6%
James Island	565	+ 9.5%	7.4%	24.6%	87	92.0%
Johns Island	368	+ 26.0%	51.1%	19.8%	80	94.4%
Kiawah and Seabrook Islands	146	+ 15.9%	1.4%	43.8%	199	82.7%
Lower Mount Pleasant	866	+ 18.5%	7.5%	24.9%	87	92.7%
Rural Berkeley County	71	0.0%	0.0%	0.0%	160	83.5%
St. George / Rural Dorchester County	32	- 30.4%	0.0%	0.0%	119	82.7%
Sullivan's Island	43	+ 16.2%	0.0%	2.3%	148	86.5%
Upper Charleston Peninsula	171	+ 50.0%	11.1%	18.1%	128	89.1%
Upper Mount Pleasant	902	+ 24.6%	23.7%	23.9%	82	95.0%
Wando / Cainhoy Area	133	- 6.3%	30.1%	29.3%	94	94.1%
West Ashley Area	1,164	+ 16.5%	27.6%	21.8%	80	93.2%



Area Historical Median Prices

	2008	2009	2010	2011	2012	Change From 2011	Change From 2008
Charleston-Trident Region	\$200,000	\$181,840	\$187,000	\$182,000	\$190,000	+ 4.4%	- 5.0%
Berkeley County	\$171,010	\$163,177	\$165,000	\$162,500	\$167,000	+ 2.8%	- 2.3%
Charleston County	\$254,952	\$226,692	\$235,000	\$220,000	\$228,500	+ 3.9%	- 10.4%
Colleton County	\$95,055	\$91,925	\$89,900	\$69,000	\$82,500	+ 19.6%	- 13.2%
Dorchester County	\$179,900	\$161,285	\$159,656	\$160,000	\$167,500	+ 4.7%	- 6.9%
Daniel Island	\$441,400	\$410,000	\$475,000	\$407,500	\$459,750	+ 12.8%	+ 4.2%
Dorchester Road Corridor	\$178,558	\$165,000	\$155,160	\$162,000	\$170,000	+ 4.9%	- 4.8%
Downtown Charleston	\$550,000	\$492,500	\$562,250	\$440,000	\$475,000	+ 8.0%	- 13.6%
Edisto Area	\$450,000	\$357,500	\$335,000	\$343,250	\$355,000	+ 3.4%	- 21.1%
Folly Beach	\$480,000	\$412,500	\$360,000	\$376,250	\$420,000	+ 11.6%	- 12.5%
GooseCreek / Monck's Corner Area	\$159,629	\$155,900	\$153,000	\$155,000	\$160,000	+ 3.2%	+ 0.2%
Greater North Charleston	\$155,000	\$132,200	\$123,500	\$106,500	\$104,000	- 2.3%	- 32.9%
Greater Summerville Area	\$181,000	\$159,990	\$163,073	\$160,000	\$167,000	+ 4.4%	- 7.7%
Hanahan	\$204,910	\$185,000	\$192,093	\$173,450	\$172,500	- 0.5%	- 15.8%
Hollywood / Ravenel / Meggett Area	\$199,450	\$200,000	\$222,500	\$185,050	\$210,000	+ 13.5%	+ 5.3%
Isle of Palms	\$860,900	\$650,000	\$632,250	\$620,000	\$625,000	+ 0.8%	- 27.4%
James Island	\$247,200	\$207,000	\$220,000	\$188,500	\$207,000	+ 9.8%	- 16.3%
Johns Island	\$220,000	\$230,900	\$211,830	\$189,041	\$197,328	+ 4.4%	- 10.3%
Kiawah and Seabrook Islands	\$697,500	\$435,000	\$540,500	\$460,500	\$455,000	- 1.2%	- 34.8%
Lower Mount Pleasant	\$323,500	\$282,000	\$297,750	\$310,000	\$318,626	+ 2.8%	- 1.5%
Rural Berkeley County	\$152,000	\$83,950	\$75,000	\$74,450	\$84,000	+ 12.8%	- 44.7%
St. George / Rural Dorchester County	\$80,000	\$85,000	\$85,950	\$84,200	\$77,500	- 8.0%	- 3.1%
Sullivan's Island	\$1,437,500	\$1,000,600	\$1,442,500	\$1,335,000	\$1,330,000	- 0.4%	- 7.5%
Upper Charleston Peninsula	\$249,350	\$212,500	\$217,000	\$212,500	\$230,000	+ 8.2%	- 7.8%
Upper Mount Pleasant	\$330,000	\$317,000	\$325,000	\$312,145	\$295,500	- 5.3%	- 10.5%
Wando / Cainhoy Area	\$217,437	\$195,000	\$220,000	\$184,000	\$175,000	- 4.9%	- 19.5%
West Ashley Area	\$212,875	\$200,724	\$200,000	\$176,500	\$188,000	+ 6.5%	- 11.7%