

Annual Report on the Charleston Area Housing Market

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



2018

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While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Pending sales decreased 1.2 percent, closing 2018 at 18,191. Closed sales were down 1.4 percent to finish the year at 18,159. A booming economy would seem to indicate more sales, but fewer homes to choose from coupled with lower affordability made it tougher for buyers in 2018.

Listings: Year-over-year, the number of homes available for sale was lower by 5.0 percent. There were 5,109 active listings at the end of 2018. New listings increased by 0.8 percent to finish the year at 24,259.

Showings: Demand began to taper in 2018, thus showings were down. Homes for sale received, on average, 3.3 percent less showings. There were 13 showings before pending, which was unchanged at 0.0 percent compared to 2017.

Distressed Properties: The foreclosure market continues to be a hint of its former unhealthy peaks. In 2018, the percentage of closed sales that were either foreclosure or short sale decreased by 14.0 percent to end the year at 4.9 percent of the market.

New Construction: Nationally, builder confidence was up in the early part of the year but grew cautious amidst increasing interest rates and affordability concerns. Previously owned homes have seen months of supply held steady at 3.2 months over the last five years, and new construction supply has dropped from 4.7 to 3.9 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 6.0 percent to \$266,500 for the year. Single Family home prices were up 5.9 percent compared to last year, and Townhouse/Condo home prices were up 0.3 percent.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

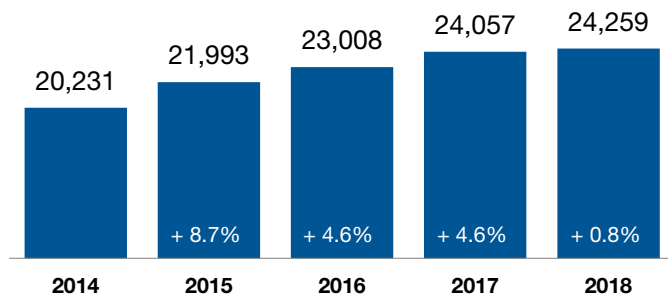
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Quick Facts



New Listings



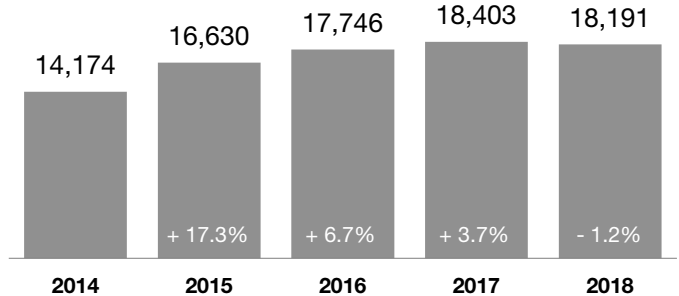
Top 5 Areas: Change in New Listings from 2017

Folly Beach	+ 33.2%
Downtown Charleston	+ 27.2%
Upper Charleston Peninsula	+ 12.9%
Sullivan's Island	+ 11.6%
Edisto Area	+ 6.5%

Bottom 5 Areas: Change in New Listings from 2017

Daniel Island	- 4.6%
Hollywood / Ravenel / Meggett Area	- 5.2%
James Island	- 7.4%
Dorchester Road Corridor	- 9.4%
Kiawah	- 11.1%

Pending Sales



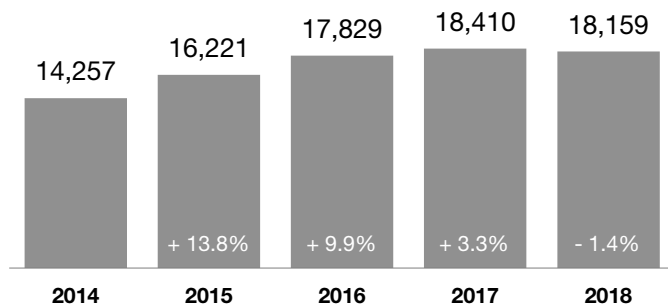
Top 5 Areas: Change in Pending Sales from 2017

Sullivan's Island	+ 20.6%
Kiawah	+ 13.3%
Edisto Area	+ 5.3%
Johns Island	+ 5.1%
Hollywood / Ravenel / Meggett Area	+ 2.4%

Bottom 5 Areas: Change in Pending Sales from 2017

Wando / Cainhoy Area	- 6.0%
Upper Mount Pleasant	- 6.8%
Upper Charleston Peninsula	- 8.3%
Isle of Palms	- 10.9%
Lower Mount Pleasant	- 11.6%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2017

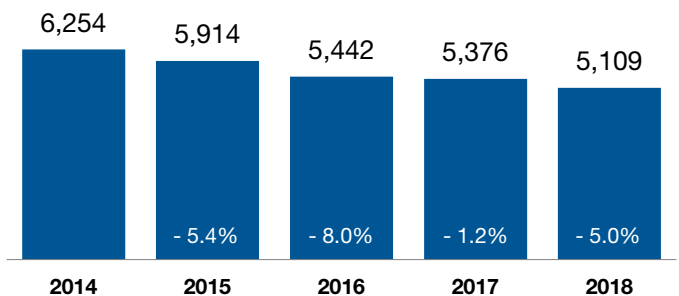
Sullivan's Island	+ 9.4%
Johns Island	+ 9.0%
Seabrook Island	+ 3.2%
Dorchester Road Corridor	+ 2.8%
Edisto Area	+ 2.5%

Bottom 5 Areas: Change in Closed Sales from 2017

Isle of Palms	- 7.5%
Folly Beach	- 8.3%
Greater North Charleston	- 8.6%
Hollywood / Ravenel / Meggett Area	- 9.7%
Lower Mount Pleasant	- 9.8%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2017

Hanahan	+ 28.8%
Kiawah	+ 22.5%
Wando / Cainhoy Area	+ 21.9%
Upper Charleston Peninsula	+ 21.8%
West Ashley Area	+ 17.0%

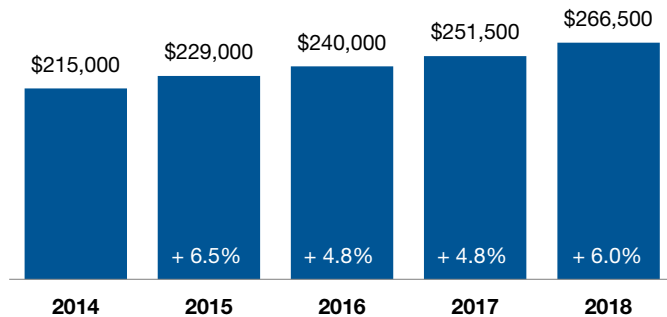
Bottom 5 Areas: Change in Homes for Sale from 2017

Edisto Area	- 13.2%
Lower Mount Pleasant	- 13.9%
Greater North Charleston	- 23.0%
Folly Beach	- 26.1%
Sullivan's Island	- 36.4%

Quick Facts



Median Sales Price



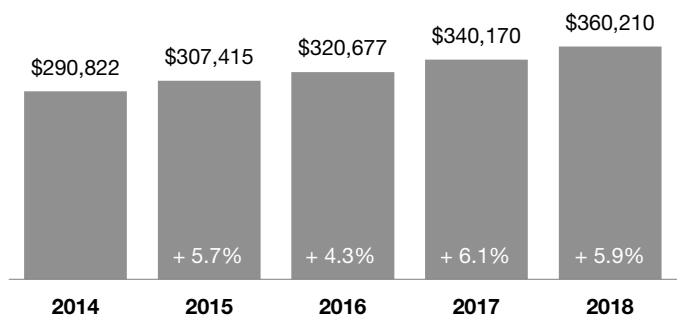
Top 5 Areas: Change in Median Sales Price from 2017

Wando / Cainhoy Area	+ 37.6%
Edisto Area	+ 20.2%
Daniel Island	+ 20.1%
Downtown Charleston	+ 18.8%
Folly Beach	+ 13.9%

Bottom 5 Areas: Change in Median Sales Price from 2017

Dorchester Road Corridor	+ 2.5%
Hollywood / Ravenel / Meggett Area	0.0%
Hanahan	- 1.1%
Seabrook Island	- 10.3%
Kiawah	- 14.6%

Average Sales Price



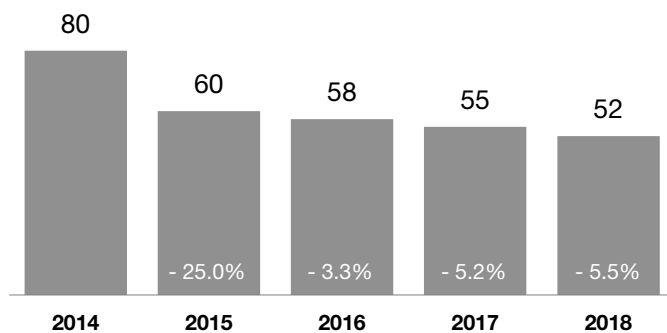
Top 5 Areas: Change in Avg. Sales Price from 2017

Kiawah	+ 21.7%
Wando / Cainhoy Area	+ 14.7%
Folly Beach	+ 13.9%
Johns Island	+ 13.4%
Daniel Island	+ 12.9%

Bottom 5 Areas: Change in Avg. Sales Price from 2017

Hollywood / Ravenel / Meggett Area	+ 2.6%
Upper Charleston Peninsula	+ 0.7%
Hanahan	+ 0.3%
Edisto Area	- 5.3%
Seabrook Island	- 8.2%

Days on Market Until Sale



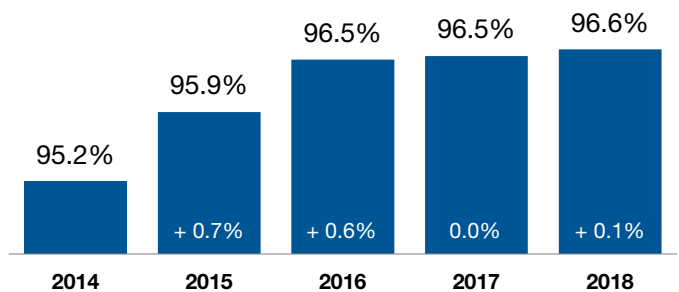
Top 5 Areas: Change in Days on Market from 2017

Daniel Island	+ 45.9%
West Ashley Area	+ 10.8%
Upper Charleston Peninsula	+ 8.0%
Seabrook Island	+ 7.9%
Hollywood / Ravenel / Meggett Area	+ 3.9%

Bottom 5 Areas: Change in Days on Market from 2017

Isle of Palms	- 22.0%
Greater North Charleston	- 22.7%
Edisto Area	- 26.8%
Sullivan's Island	- 39.1%
Folly Beach	- 40.7%

Percent of Original List Price Received



Top 5 Areas: Change in Pct. of Orig. Price Received from 2017

Sullivan's Island	+ 2.3%
Hanahan	+ 1.3%
Wando / Cainhoy Area	+ 1.3%
Folly Beach	+ 1.2%
James Island	+ 0.7%

Bottom 5 Areas: Change in Pct. of Orig. Price Received from 2017

Kiawah	- 0.3%
West Ashley Area	- 0.4%
Daniel Island	- 0.7%
Seabrook Island	- 0.9%
Upper Charleston Peninsula	- 1.2%

Property Type Review

51

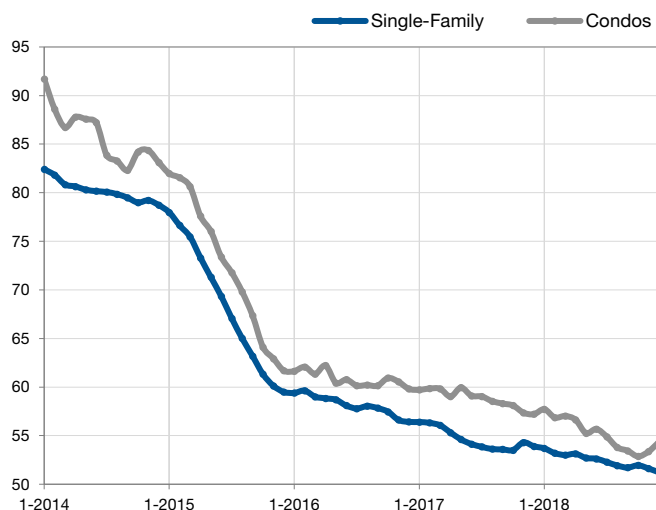
Average Days on Market
Single-Family

54

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 2018

Downtown Charleston	47.0%
Seabrook Island	42.5%
Kiawah	40.5%
Folly Beach	34.5%
Isle of Palms	31.2%
Daniel Island	29.9%
Lower Mount Pleasant	28.7%
Wando / Cainhoy Area	26.6%
Upper Mount Pleasant	25.6%
West Ashley Area	23.8%

Top 10 Areas: Single-Family Market Share in 2018

Sullivan's Island	88.6%
Goose Creek / Moncks Corner	88.0%
Greater Summerville Area	86.9%
Hanahan	86.6%
Dorchester County	84.1%
Upper Charleston Peninsula	83.2%
Berkeley County	81.5%
Dorchester Road Corridor	80.5%
Johns Island	78.6%
Greater North Charleston	76.0%

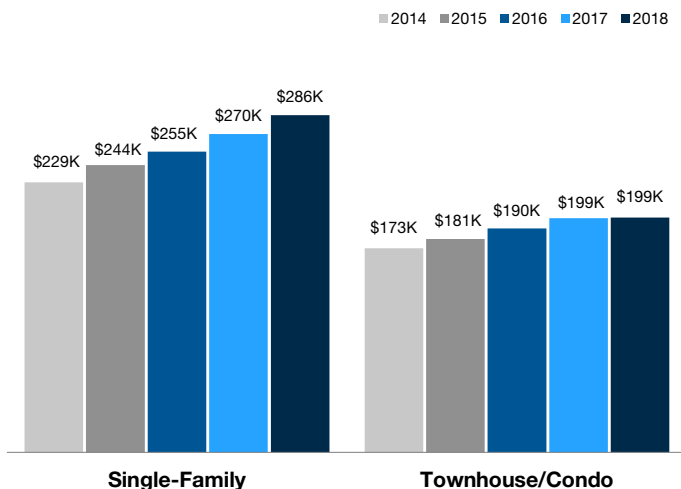
+ 5.9%

One-Year Change in Price
Single-Family

+ 0.3%

One-Year Change in Price
Townhouse/Condo

Median Sales Price



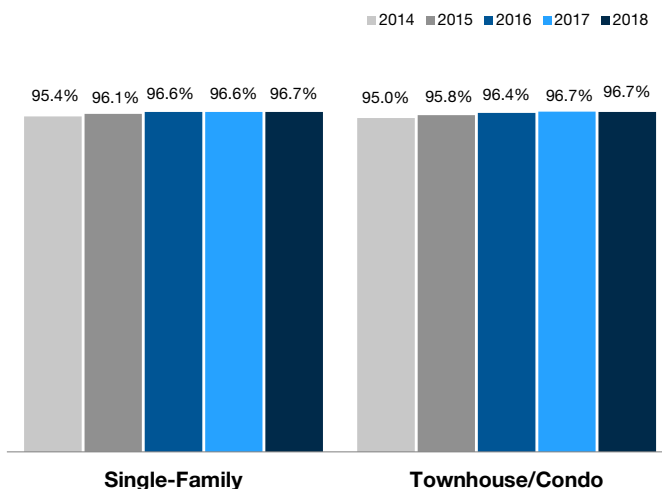
96.7%

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

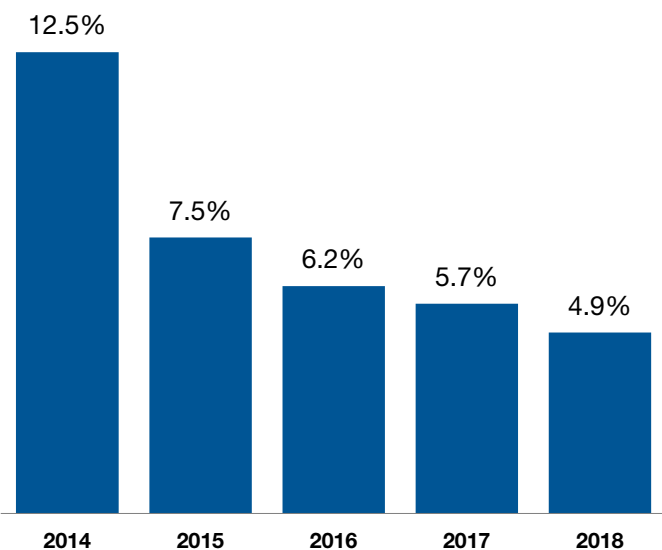
4.9%

Percent of Closed Sales in 2018 That Were Distressed

- 14.0%

One-Year Change in Sales of Distressed

Percent of Sales That Were Distressed



Top Areas: Distressed Market Share in 2018

Folly Beach	19.4%
James Island	6.5%
Greater North Charleston	5.9%
Greater Summerville Area	5.8%
West Ashley Area	4.8%
Upper Charleston Peninsula	4.7%
Goose Creek / Moncks Corner	4.3%
Dorchester Road Corridor	4.0%
Kiawah	3.8%
Hanahan	3.8%
Johns Island	3.8%
Lower Mount Pleasant	3.0%
Hollywood / Ravenel / Meggett Area	2.8%
Upper Mount Pleasant	2.4%
Downtown Charleston	2.3%
Seabrook Island	2.2%
Wando / Cainhoy Area	2.1%
Daniel Island	2.1%
Sullivan's Island	1.4%
Isle of Palms	1.3%
Edisto Area	1.2%

+ 24.0%

Four-Year Change in Price All Properties

+ 18.4%

Four-Year Change in Price Traditional Properties

+ 42.3%

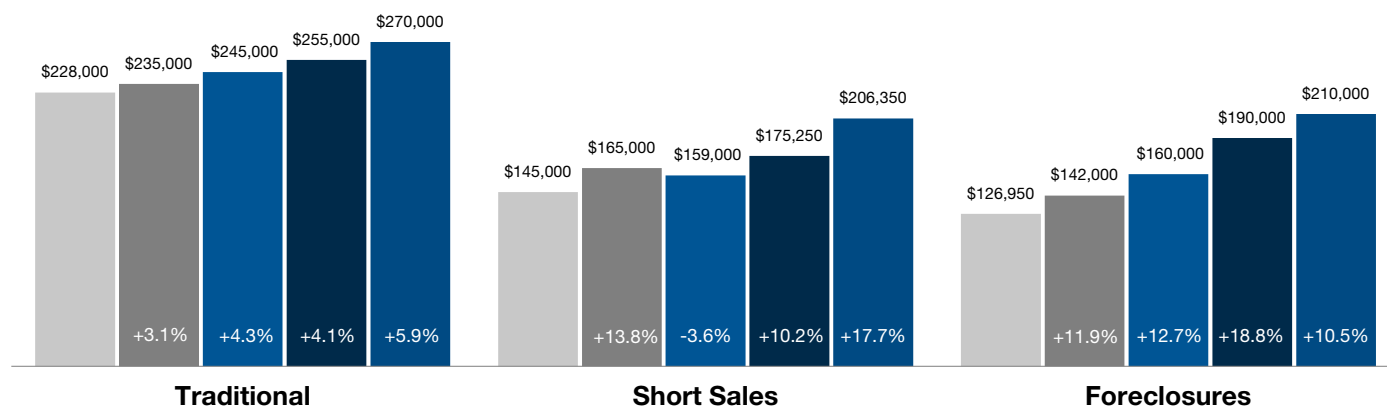
Four-Year Change in Price Short Sales

+ 65.4%

Four-Year Change in Price Foreclosures

Median Sales Price

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018



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

Oct '17

372

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2018

Johns Island	45.2%
Goose Creek / Moncks Corner	35.9%
Wando / Cainhoy Area	30.1%
Upper Mount Pleasant	28.1%
Dorchester Road Corridor	22.9%
Daniel Island	20.4%
Greater Summerville Area	18.4%
Hollywood / Ravenel / Meggett Area	16.3%
Downtown Charleston	15.0%
West Ashley Area	12.9%
James Island	12.7%
Greater North Charleston	9.8%
Upper Charleston Peninsula	8.9%
Lower Mount Pleasant	8.2%
Folly Beach	6.7%
Sullivan's Island	5.7%
Hanahan	4.1%
Isle of Palms	2.7%
Seabrook Island	2.2%
Kiawah	1.3%
Edisto Area	1.2%

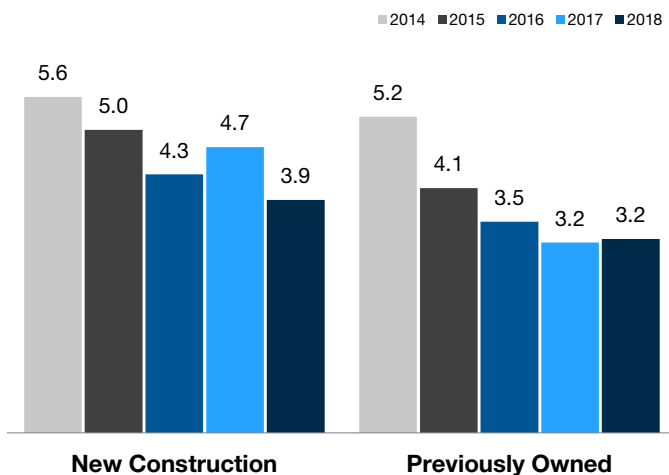
3.9

3.2

Year-End Months Supply New Construction

Year-End Months Supply Previously Owned

Months Supply of Inventory



99.5%

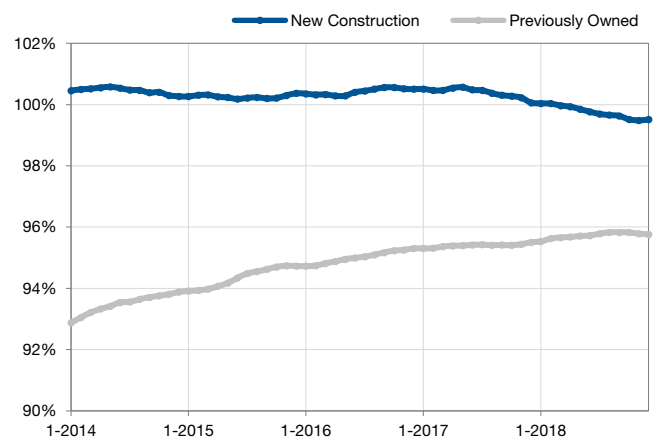
95.8%

Pct. of Orig. Price Received New Construction

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	165,498
Dorchester County	65,768
Berkeley County	65,701
Greater Summerville Area	43,892
Goose Creek / Moncks Corner	39,808
West Ashley Area	34,329
Upper Mount Pleasant	27,077
Lower Mount Pleasant	27,073
Dorchester Road Corridor	21,044
Greater North Charleston	20,666

Top 10 Areas: Number of Showings per Listing

West Ashley Area	7.3
Dorchester Road Corridor	7.2
James Island	7.1
Goose Creek / Moncks Corner	6.7
Dorchester County	6.7
Greater Summerville Area	6.7
Lower Mount Pleasant	6.5
Hanahan	6.5
Upper Charleston Peninsula	6.5
Greater North Charleston	6.5

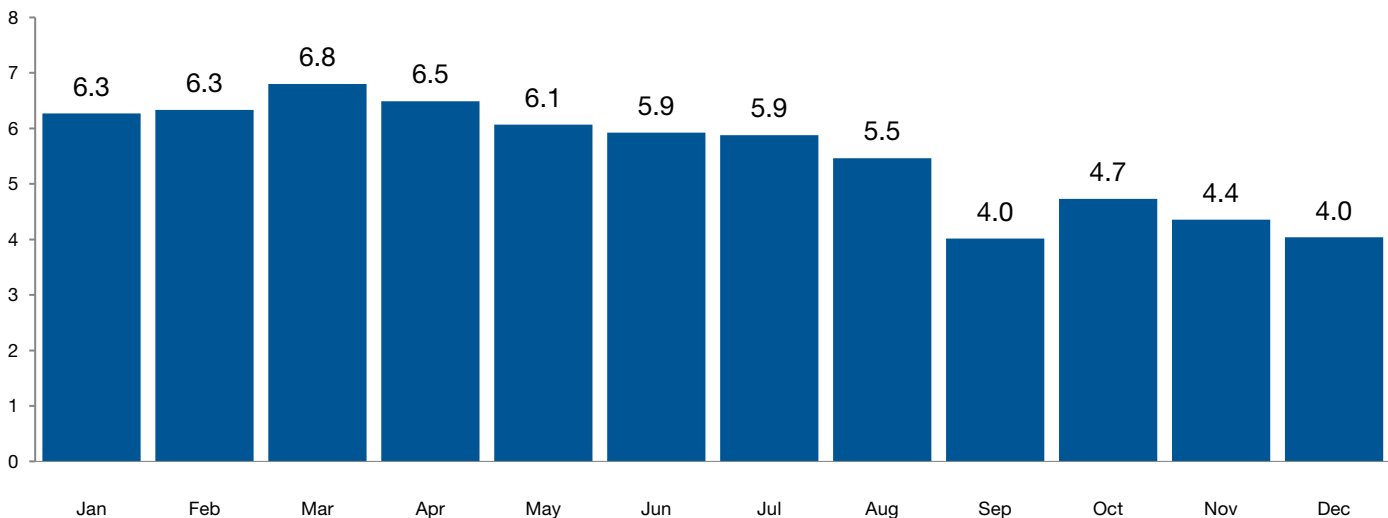
- 3.3%

One-Year Change in Total Showings

Mar '18

Peak Showing Activity Month

2018 Monthly Showings per Listing



Area Overviews



	Total Closed Sales	Change from 2017	Percent New Construction	Percent Townhouse/Condo	Median Showings to Pending	Days on Market	Pct. of Orig. Price Received
Charleston Area	18,159	- 1.4%	21.1%	17.8%	13	52	96.6%
Berkeley County	4,800	- 0.6%	31.7%	12.0%	11	44	97.9%
Charleston County	8,990	- 4.9%	17.5%	24.6%	13	56	95.9%
Colleton County	279	+ 12.0%	1.1%	0.7%	8	84	91.0%
Dorchester County	3,579	+ 3.0%	20.2%	10.5%	14	44	97.6%
Daniel Island	343	+ 5.5%	23.0%	33.8%	15	90	96.1%
Dorchester Road Corridor	1,207	+ 2.7%	23.3%	17.6%	14	41	97.9%
Downtown Charleston	428	- 1.4%	15.2%	47.7%	13	84	93.1%
Edisto Area	186	+ 14.1%	1.6%	24.2%	6	97	94.1%
Folly Beach	150	- 5.1%	7.3%	38.0%	10	66	94.6%
Goose Creek / Moncks Corner	3,324	- 2.2%	36.4%	10.0%	12	38	98.6%
Greater North Charleston	1,318	- 8.3%	10.1%	21.0%	11	32	96.6%
Greater Summerville Area	2,302	+ 3.4%	19.1%	7.0%	15	45	97.5%
Hanahan	286	- 1.0%	4.2%	12.2%	12	43	96.9%
Hollywood / Ravenel / Meggett Area	157	- 10.8%	26.1%	7.6%	7	93	95.3%
Isle of Palms	278	- 6.1%	2.9%	33.5%	13	107	92.5%
James Island	897	- 6.7%	13.4%	21.9%	14	42	96.8%
Johns Island	862	+ 13.1%	51.5%	9.6%	10	52	97.3%
Kiawah	72	+ 10.8%	1.4%	44.4%	11	176	89.9%
Lower Mount Pleasant	1,175	- 9.6%	8.5%	29.9%	15	50	95.7%
Rural Berkeley County	199	+ 32.7%	6.0%	0.0%	10	63	93.5%
St. George / Rural Dorchester County	69	- 2.8%	2.9%	0.0%	8	74	93.9%
Seabrook Island	194	- 2.0%	2.6%	49.5%	17	164	90.1%
Sullivan's Island	64	+ 8.5%	6.3%	3.1%	11	77	93.7%
Upper Charleston Peninsula	188	+ 3.3%	9.0%	15.4%	14	54	93.8%
Upper Mount Pleasant	1,326	- 7.2%	29.3%	26.6%	14	66	96.6%
Wando / Cainhoy Area	267	+ 2.3%	31.8%	28.1%	9	52	97.1%
West Ashley Area	1,774	- 5.4%	13.1%	24.2%	13	39	96.6%

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Area Historical Median Prices



	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Charleston Area	\$215,000	\$229,000	\$240,000	\$251,500	\$266,500	+ 6.0%	+ 24.0%
Berkeley County	\$185,000	\$200,880	\$210,000	\$220,444	\$238,000	+ 8.0%	+ 28.6%
Charleston County	\$275,000	\$293,000	\$310,000	\$325,000	\$345,000	+ 6.2%	+ 25.5%
Colleton County	\$80,000	\$102,500	\$125,000	\$125,000	\$127,500	+ 2.0%	+ 59.4%
Dorchester County	\$178,000	\$189,500	\$201,000	\$215,000	\$226,500	+ 5.3%	+ 27.2%
Daniel Island	\$560,000	\$623,000	\$651,150	\$612,500	\$705,000	+ 15.1%	+ 25.9%
Dorchester Road Corridor	\$170,000	\$182,000	\$195,750	\$218,370	\$224,250	+ 2.7%	+ 31.9%
Downtown Charleston	\$592,000	\$590,000	\$640,000	\$650,000	\$759,500	+ 16.8%	+ 28.3%
Edisto Area	\$290,000	\$339,000	\$354,477	\$350,000	\$386,000	+ 10.3%	+ 33.1%
Folly Beach	\$430,000	\$450,000	\$499,950	\$527,500	\$599,500	+ 13.6%	+ 39.4%
Goose Creek / Moncks Corner	\$172,196	\$187,000	\$204,760	\$214,000	\$234,900	+ 9.8%	+ 36.4%
Greater North Charleston	\$139,900	\$153,825	\$168,000	\$176,500	\$181,445	+ 2.8%	+ 29.7%
Greater Summerville Area	\$184,000	\$195,000	\$207,000	\$215,995	\$229,000	+ 6.0%	+ 24.5%
Hanahan	\$219,000	\$225,000	\$232,000	\$240,000	\$238,250	- 0.7%	+ 8.8%
Hollywood / Ravenel / Meggett Area	\$200,749	\$317,000	\$332,990	\$347,578	\$345,000	- 0.7%	+ 71.9%
Isle of Palms	\$598,000	\$650,000	\$725,000	\$715,000	\$766,750	+ 7.2%	+ 28.2%
James Island	\$260,000	\$281,400	\$275,500	\$319,500	\$339,168	+ 6.2%	+ 30.4%
Johns Island	\$240,000	\$256,500	\$275,000	\$290,538	\$320,000	+ 10.1%	+ 33.3%
Kiawah	\$602,500	\$567,000	\$615,000	\$725,000	\$609,500	- 15.9%	+ 1.2%
Lower Mount Pleasant	\$376,000	\$400,000	\$439,000	\$446,000	\$470,000	+ 5.4%	+ 25.0%
Rural Berkeley County	\$111,000	\$141,500	\$132,500	\$145,000	\$150,000	+ 3.4%	+ 35.1%
St. George / Rural Dorchester County	\$125,000	\$115,450	\$125,800	\$127,500	\$151,500	+ 18.8%	+ 21.2%
Seabrook Island	\$400,000	\$450,000	\$350,000	\$477,500	\$420,000	- 12.0%	+ 5.0%
Sullivan's Island	\$1,235,000	\$1,312,500	\$1,350,000	\$1,700,000	\$1,938,050	+ 14.0%	+ 56.9%
Upper Charleston Peninsula	\$326,500	\$341,250	\$375,000	\$467,500	\$473,750	+ 1.3%	+ 45.1%
Upper Mount Pleasant	\$375,000	\$400,835	\$425,000	\$440,000	\$468,000	+ 6.4%	+ 24.8%
Wando / Cainhoy Area	\$239,865	\$251,000	\$257,000	\$280,000	\$379,000	+ 35.4%	+ 58.0%
West Ashley Area	\$220,000	\$232,000	\$255,000	\$265,000	\$280,950	+ 6.0%	+ 27.7%