

South Carolina Housing Market Annual Report

A RESEARCH TOOL PROVIDED BY SOUTH CAROLINA REALTORS®



2010

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As we eagerly sweep the first decade of the 21st century behind us, it's time to look back and take stock. When the residue settled after the housing bubble burst, we collectively discovered Sir Isaac Newton was correct – for every action there is an equal and opposite reaction. While it's his third law of motion, it might as well be the first law of housing market incentives. The moment the first-time home buyer tax credit evaporated, there was nothing left to buoy up housing demand. The credit shifted the typical summer and fall buying season into spring, creating a textbook case of “displaced demand.”

Persistent economic headwinds and a sluggish labor market discouraged new household formations. Most first-time home buyers bought during the 2009 or 2010 credit periods and consumer confidence wasn't sufficient to motivate enough move-up buyers to stabilize demand. Despite 2010 being one of the most tumultuous years since the 2007 recession, the worst is likely behind us. If 2010 could be described in five phrases, they would be: tax credit, no tax credit, historically low mortgage rates, record-high affordability and a painstakingly slow economic recovery.

Listings There were 112,344 new homes introduced to the marketplace in 2010, a 3.5 percent increase from 2009 levels. Sellers can expect some additional challenges in early 2011, particularly in areas with a high share of properties that are in financial distress. These attractive alternatives will continue to lure buyers who are shopping in the areas where they're most prevalent. Buyers are looking for quality and value; sellers facing competition will have to provide one or the other, if not both. Motivated sellers will need to seriously evaluate their pricing strategy before considering other concessions to charm buyers. For 2011, anticipate listings to hold relatively steady.

Closings Sales volumes appear to have hit their trough in 2009. There were 47,013 closings during 2010, up 0.2 percent from 2009 levels. We'll struggle to clear the high water mark set during the spring 2010 tax credit, but we should see continued growth in sales during 2011. That growth rate could slow depending on lender-mediated activity and the broader economic recovery. Greater household financial security and lower unemployment will reinforce sales.

Prices After cresting in 2006 at \$167,000, prices have reset downward by precisely 10.8 percent to hit bottom in 2009. The 2010 median sales price of \$150,000 was 0.7 percent above 2009 prices. This represents the first annual price increase in four years. Not only have prices stabilized and resumed their ascent, but the entire downturn was relatively shallow and short-lived. Those measuring market vitality by median sales price should be aware of its inputs. Higher volumes of distressed sales will exert downward pressure on prices; so will oversupply issues as measured by absorption rates above six months.

The product mix effect also plays a key role; younger buyers were looking for bargain-priced homes with mortgages commensurate with rent. This meant that more homes sold at lower price points than has historically been the case. Lastly, a stronger labor market drives new household formations, encourages move-up buyers and entices renters into ownership positions. Prices in 2011 should continue to stabilize and exceed \$150,000.

Foreclosures Two obstacles in the way of a full housing recovery are foreclosures and short sales. Nationally, some estimate as many as one in four homeowners have negative equity. Many homeowners won't be back in positive equity territory until 2015 or later. This means that foreclosures will continue to be a part of the landscape for some time. Bank moratoria will only delay this. Excluding seasonal fluctuations and depending on bank listing activity, expect the foreclosure rate to peak in 2011 if not 2010. Lender-mediated sales will then steadily decline as layoffs continue to slow and large-scale hiring resumes. Increased investor speculation could also help these bargain properties move quickly through the pipeline, rendering their deflationary price pressure a fleeting attribute.

For qualified buyers, it is still an ideal time to purchase a home – perhaps even more so than during the tax credit period. Low prices, low interest rates, high supply and strong negotiating leverage have combined to create one of the most attractive buying environments in generations. In its entirety, 2010 shed light on some of the persistent challenges to a full housing market recovery, but leading indicators suggest reason for optimism in the latter half of 2011. With 2010 a fading mirage off our stern, smoother waters lie ahead.

Here's to a prosperous 2011.

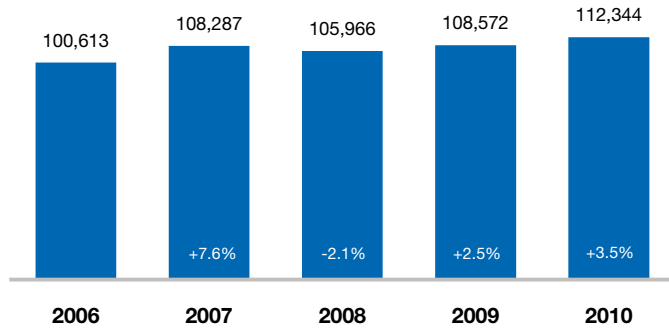
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Quick Facts

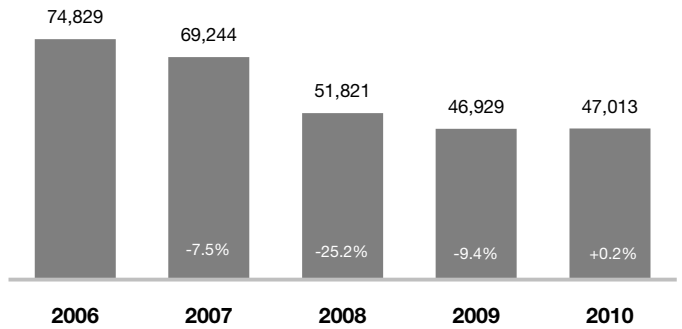
New Listings Statewide (area details below)



Change from 2009

Aiken	+ 23.0%	North Augusta	+ 51.9%
Beaufort	+ 23.5%	Piedmont Regional	+ 4.0%
Charleston Trident	- 1.4%	Greater Pee Dee	+ 16.3%
Coastal Carolinas	- 2.3%	Southern Midlands	+ 30.7%
Greater Columbia	+ 5.0%	Spartanburg	+ 4.9%
Greater Greenville	+ 1.6%	Sumter / Clarendon County	+ 0.1%
Greenwood	+ 5.7%	Western Upstate	+ 10.2%
Hilton Head Area	- 3.6%		

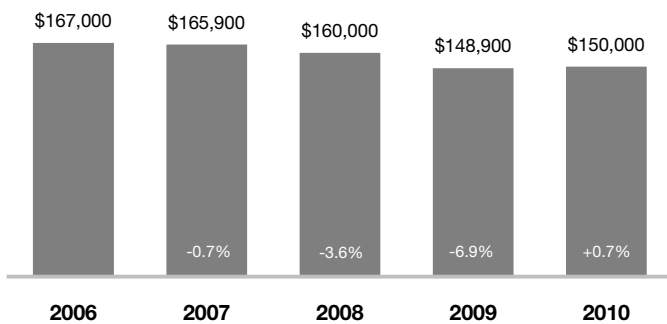
Closed Sales Statewide (area details below)



Change from 2009

Aiken	+ 7.2%	North Augusta	+ 13.8%
Beaufort	+ 21.7%	Piedmont Regional	- 9.7%
Charleston Trident	+ 4.4%	Greater Pee Dee	- 7.6%
Coastal Carolinas	+ 16.0%	Southern Midlands	- 11.2%
Greater Columbia	- 11.5%	Spartanburg	- 6.2%
Greater Greenville	- 5.4%	Sumter / Clarendon County	- 12.2%
Greenwood	- 6.4%	Western Upstate	+ 2.4%
Hilton Head Area	+ 16.1%		

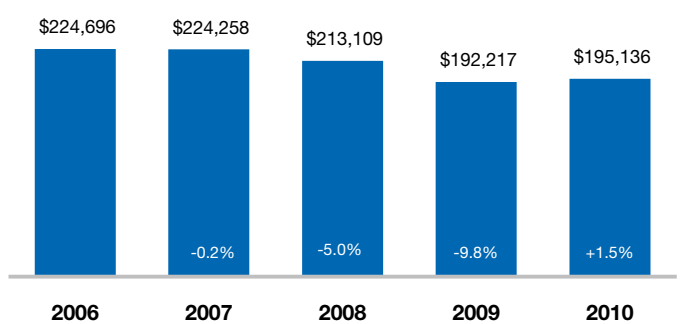
Median Sales Price Statewide (area details below)



Change from 2009

Aiken	+ 1.5%	North Augusta	+ 4.3%
Beaufort	- 6.4%	Piedmont Regional	+ 1.0%
Charleston Trident	+ 3.0%	Greater Pee Dee	+ 4.4%
Coastal Carolinas	- 4.5%	Southern Midlands	- 6.6%
Greater Columbia	+ 1.3%	Spartanburg	- 2.1%
Greater Greenville	+ 2.9%	Sumter / Clarendon County	+ 3.9%
Greenwood	+ 7.9%	Western Upstate	+ 1.6%
Hilton Head Area	- 11.7%		

Average Sales Price Statewide (area details below)



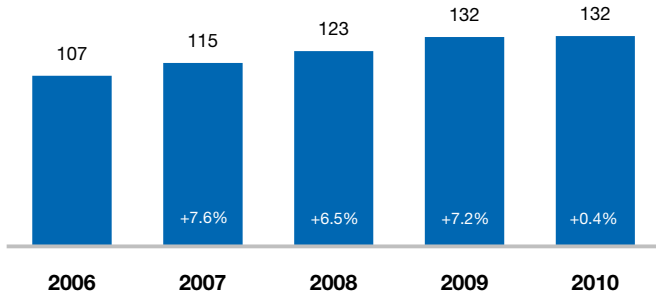
Change from 2009

Aiken	- 3.7%	North Augusta	+ 2.3%
Beaufort	- 12.1%	Piedmont Regional	+ 2.4%
Charleston Trident	+ 5.3%	Greater Pee Dee	+ 3.4%
Coastal Carolinas	- 8.0%	Southern Midlands	- 5.5%
Greater Columbia	+ 1.9%	Spartanburg	- 2.0%
Greater Greenville	+ 4.7%	Sumter / Clarendon County	+ 3.9%
Greenwood	+ 6.2%	Western Upstate	+ 1.4%
Hilton Head Area	- 10.2%		

Quick Facts

Days on Market Until Sale

Statewide (area details below)

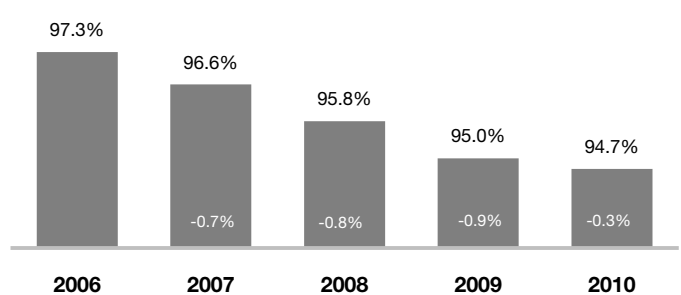


Change from 2009

Aiken	+ 13.1%	North Augusta	+ 15.0%
Beaufort	- 12.1%	Piedmont Regional	+ 11.1%
Charleston Trident	+ 8.3%	Greater Pee Dee	+ 13.8%
Coastal Carolinas	- 7.1%	Southern Midlands	+ 7.7%
Greater Columbia	+ 5.2%	Spartanburg	+ 13.5%
Greater Greenville	+ 11.7%	Sumter / Clarendon County	+ 6.0%
Greenwood	+ 20.6%	Western Upstate	+ 13.6%
Hilton Head Area	+ 5.2%		

Percent of List Price Received

Statewide (area details below)

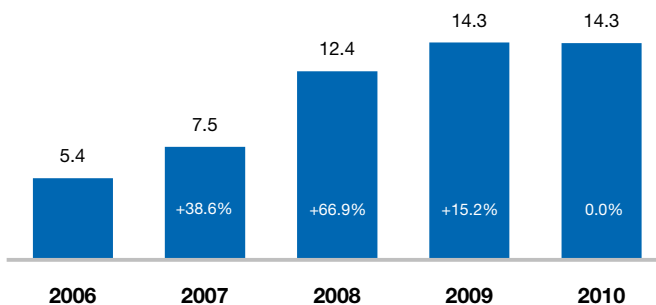


Change from 2009

Aiken	- 1.8%	North Augusta	- 0.5%
Beaufort	- 0.8%	Piedmont Regional	- 1.1%
Charleston Trident	- 1.0%	Greater Pee Dee	NA
Coastal Carolinas	- 0.4%	Southern Midlands	- 1.1%
Greater Columbia	- 0.6%	Spartanburg	- 0.3%
Greater Greenville	- 1.1%	Sumter / Clarendon County	- 0.1%
Greenwood	- 1.3%	Western Upstate	- 1.3%
Hilton Head Area	- 0.7%		

Months Supply at Year End

Statewide (area details below)

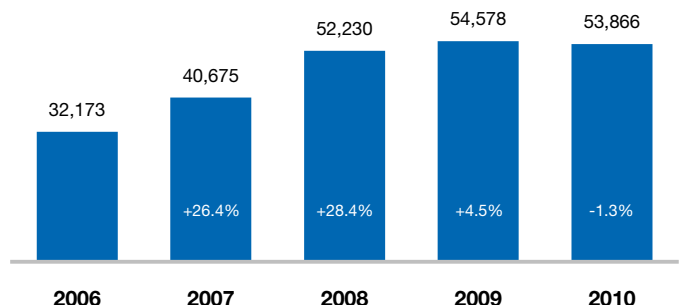


Change from 2009

Aiken	- 6.9%	North Augusta	- 11.7%
Beaufort	- 21.1%	Piedmont Regional	+ 19.2%
Charleston Trident	- 19.7%	Greater Pee Dee	+ 18.1%
Coastal Carolinas	- 7.3%	Southern Midlands	+ 2.4%
Greater Columbia	+ 23.2%	Spartanburg	- 3.7%
Greater Greenville	+ 13.9%	Sumter / Clarendon County	+ 13.2%
Greenwood	+ 2.3%	Western Upstate	+ 2.4%
Hilton Head Area	- 23.8%		

Homes for Sale at Year End

Statewide (area details below)



Change from 2009

Aiken	- 2.3%	North Augusta	+ 4.4%
Beaufort	- 1.6%	Piedmont Regional	+ 6.4%
Charleston Trident	- 14.4%	Greater Pee Dee	+ 10.9%
Coastal Carolinas	- 4.4%	Southern Midlands	+ 0.9%
Greater Columbia	+ 10.3%	Spartanburg	- 0.9%
Greater Greenville	+ 5.0%	Sumter / Clarendon County	+ 3.7%
Greenwood	+ 2.3%	Western Upstate	+ 4.6%
Hilton Head Area	- 10.9%		

Property Type Review

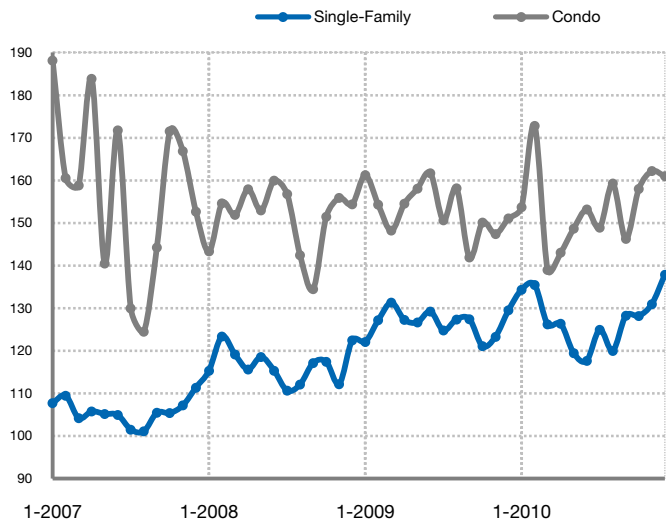
130

Days on Market Until Sale
for **Single-Family**

165

Days on Market
Until Sale for **Condos**

Days on Market Until Sale Statewide



Top 10 Areas by Single-Family Market Share

NorthAugusta	99.6%
Sumter/Clarendon County	96.5%
SouthernMidlands	96.4%
Greater PeeDee	95.5%
Aiken	94.3%
GreaterGreenville	92.6%
WesternUpstate	91.1%
Greater Columbia	91.0%
Greenwood	89.2%
Piedmont Regional	88.7%

Top 10 Areas by Condo Market Share

CoastalCarolinas	53.3%
Hilton Head Area	31.6%
Charleston Trident	17.4%
Beaufort	14.4%
Piedmont Regional	11.3%
Greenwood	10.8%
Greater Columbia	9.0%
WesternUpstate	8.9%
GreaterGreenville	7.4%
Aiken	5.7%

+ 1.9%

One-Year Change in
Price for **Single-Family**

- 5.2%

One-Year Change in
Price for **Condos**

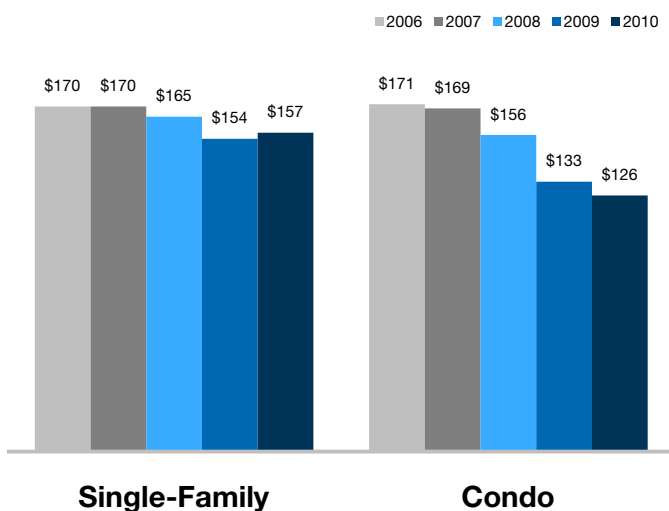
12.4

Year End Months Supply
for **Single-Family**

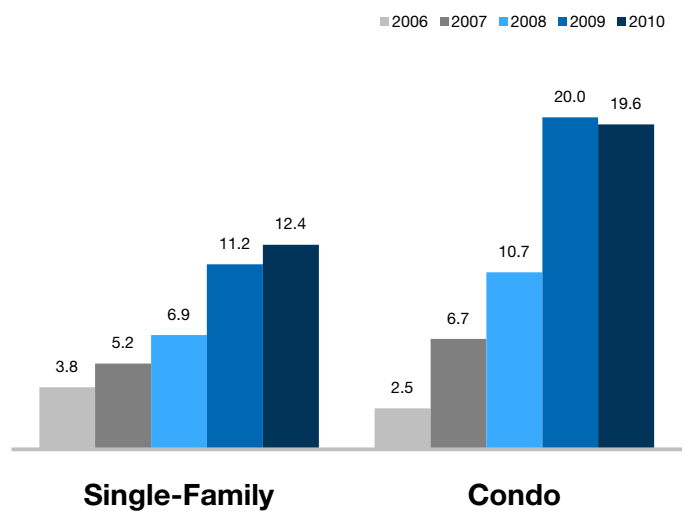
19.6

Year End Months Supply
for **Condos**

Median Sales Price (in thousands) Statewide



Year End Months Supply Statewide



Bedroom Count Review

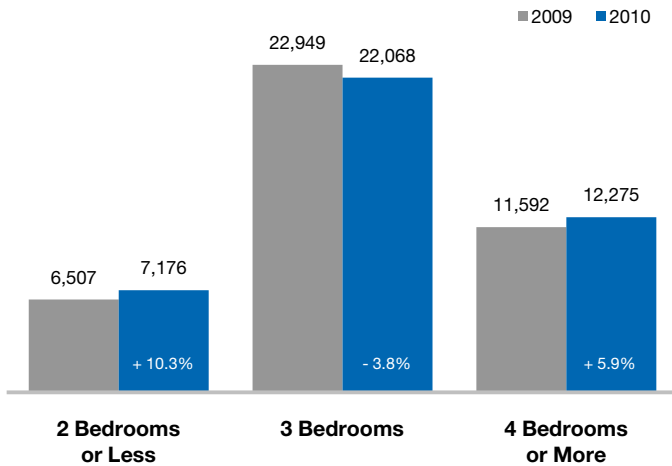
+ 10.3%

Growth in Closed Sales
2 Bedrooms or Less

- 3.8%

Decline in Closed Sales
3 Bedrooms

Closed Sales Statewide



Top 5 Areas by Market Share: 2 Bedrooms or Less

Hilton Head Area	36.1%
Coastal Carolinas	30.4%
Greenwood	22.0%
Beaufort	18.4%
Western Upstate	15.3%

Top 5 Areas by Market Share: 3 Bedrooms

Southern Midlands	66.2%
Greater Pee Dee	63.0%
Sumter/Clarendon County	61.5%
Western Upstate	59.2%
Greenwood	57.3%

Top 5 Areas by Market Share: 4 Bedrooms or More

North Augusta	38.9%
Charleston Trident	36.6%
Aiken	36.1%
Greater Columbia	34.4%
Sumter/Clarendon County	32.8%

94.8%

Percent of List Price
Received in 2010 for
All Properties

93.0%

Percent of List Price
Received in 2010 for
2 Bedrooms or Less

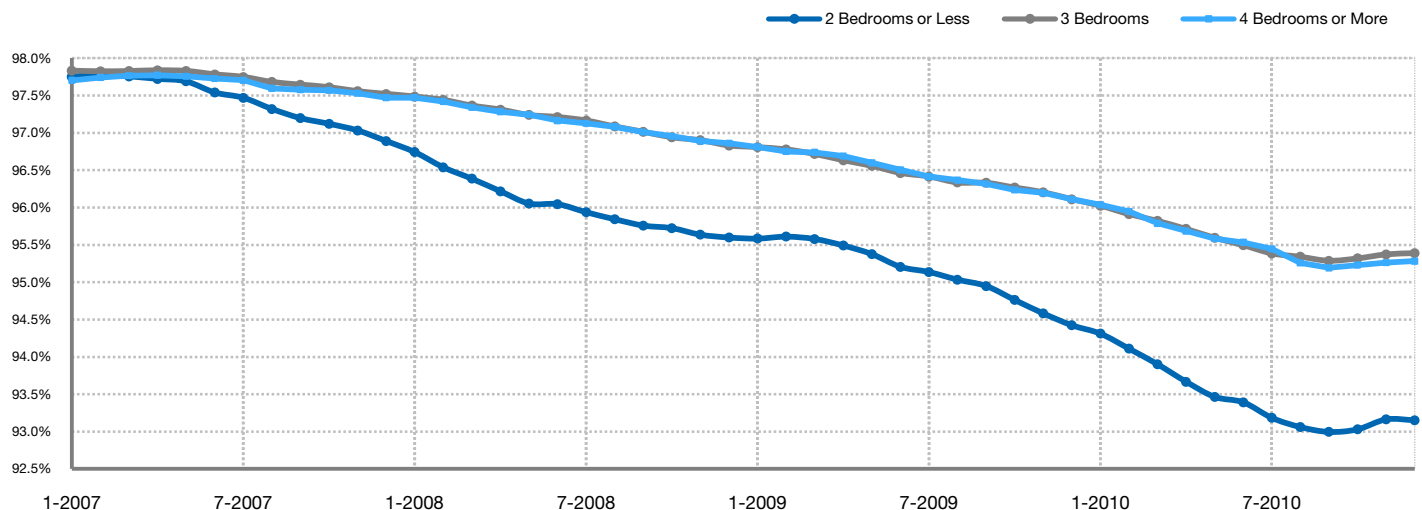
95.1%

Percent of List Price
Received in 2010 for
3 Bedrooms

95.4%

Percent of List Price
Received in 2010 for
4 Bedrooms or More

Historical Percent of List Price Received at Sale Statewide



Price Range Review

\$100K and Below

Price Range with Shortest Average Market Time

\$300K and Above

Price Range with Longest Average Market Time

47.9%

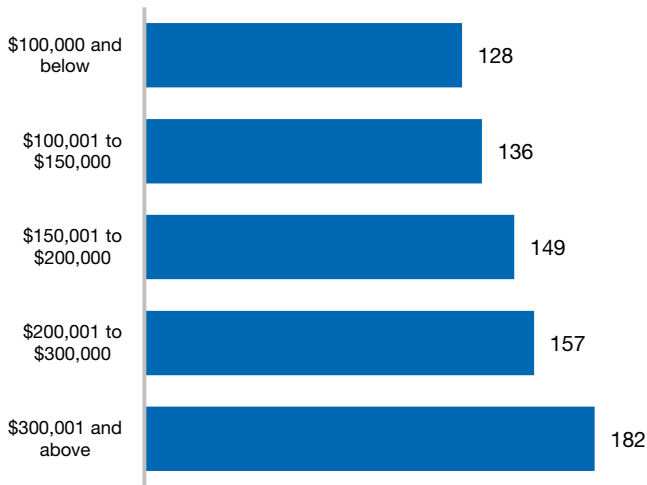
of Homes for Sale at Year End Priced \$150k and Below

+ 4.6%

One-Year Change in Homes for Sale Priced \$150k and Below

Days on Market Until Sale by Price Range

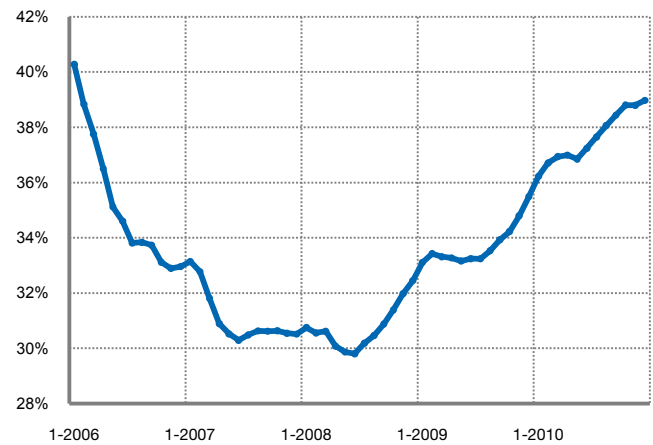
Statewide



Share of Homes For Sale at Year End

Priced at \$150,000 or below Statewide

Typical price range of homes purchased by first-time home buyers, according to the 2010



\$300,001 and above

Strongest Price Range for Closed Sales

- 26.9%

Price Range with Strongest One-Year Change in Sales \$100,000 and Below

\$100,001 to \$150,000

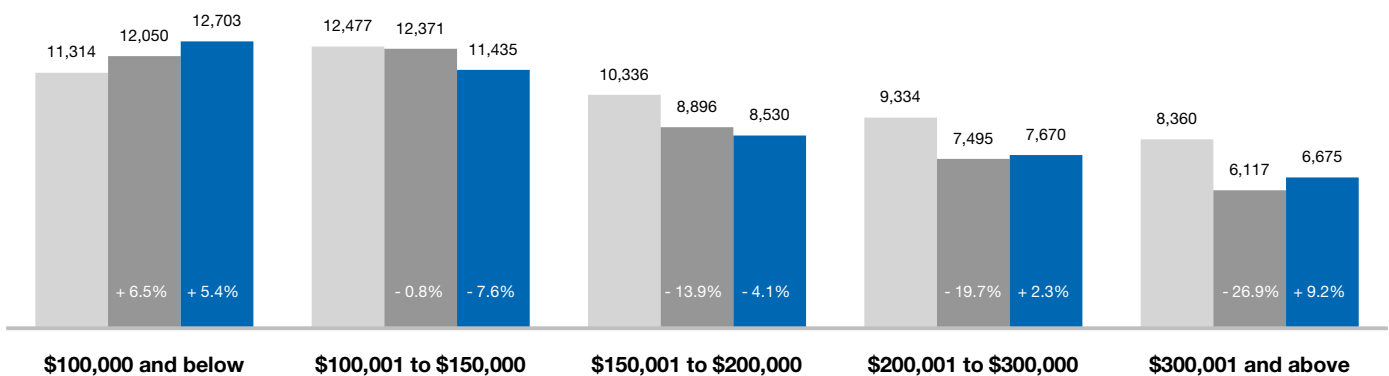
Weakest Price Range for Closed Sales

- 0.8%

Price Range with Strongest One-Year Change in Sales \$100,000 and Below

Closed Sales by Price Range Statewide

■ 2008 ■ 2009 ■ 2010



Area Overviews

	Total Sales	Change from 2009	Percent Condo	Percent 4 Bedrooms or More	Percent Below \$150K	Days on Market Until Sale	Percent of List Price Received
Aiken	1,270	+ 7.2%	5.7%	36.1%	52.7%	183	95.2%
Beaufort	963	+ 21.7%	14.4%	24.8%	41.6%	175	94.2%
Charleston Trident	8,694	+ 4.4%	9.0%	34.4%	56.2%	107	95.7%
Coastal Carolinas	7,516	+ 16.0%	53.3%	17.3%	51.3%	174	94.1%
Greater Columbia	7,202	- 11.5%	7.4%	31.8%	56.5%	106	95.6%
Greater Greenville	6,806	- 5.4%	10.8%	20.7%	65.5%	103	94.8%
Greenwood	527	- 6.4%	31.6%	24.8%	30.9%	150	93.4%
Hilton Head Area	2,486	+ 16.1%	0.4%	38.9%	54.8%	132	93.8%
North Augusta	889	+ 13.8%	4.5%	25.4%	68.8%	152	96.6%
Piedmont Regional	2,694	- 9.7%	11.3%	NA	50.8%	153	94.5%
Greater Pee Dee	1,498	- 7.6%	3.6%	19.9%	82.1%	111	NA
Southern Midlands	302	- 11.2%	NA	NA	70.8%	179	90.7%
Spartanburg	2,551	- 6.2%	3.5%	32.8%	65.8%	148	93.8%
Sumter/Clarendon County	885	- 12.2%	17.4%	36.6%	34.2%	151	95.8%
Western Upstate	2,751	+ 2.4%	8.9%	25.6%	63.0%	159	92.8%
Statewide	47,013	+ 0.2%	17.8%	29.6%	51.4%	132	94.7%

Area Historical Median Sales Prices

	2006	2007	2008	2009	2010	Change From 2009	Change From 2006
Aiken	\$147,500	\$153,500	\$150,000	\$143,900	\$146,000	+ 1.5%	- 1.0%
Beaufort	\$228,800	\$224,500	\$204,420	\$187,000	\$175,000	- 6.4%	- 23.5%
Charleston Trident	\$203,190	\$207,900	\$200,000	\$181,925	\$187,445	+ 3.0%	- 7.7%
Coastal Carolinas	\$194,000	\$208,920	\$183,844	\$156,900	\$149,900	- 4.5%	- 22.7%
Greater Columbia	\$142,000	\$144,500	\$144,900	\$139,228	\$141,000	+ 1.3%	- 0.7%
Greater Greenville	\$145,000	\$148,240	\$149,900	\$136,000	\$140,000	+ 2.9%	- 3.4%
Greenwood	\$107,000	\$110,000	\$113,800	\$110,000	\$118,650	+ 7.9%	+ 10.9%
Hilton Head Area	\$360,000	\$350,000	\$315,900	\$266,000	\$234,900	- 11.7%	- 34.8%
North Augusta	\$130,500	\$139,900	\$138,000	\$139,000	\$145,000	+ 4.3%	+ 11.1%
Piedmont Regional	\$155,700	\$167,000	\$162,965	\$149,000	\$150,500	+ 1.0%	- 3.3%
Greater Pee Dee	\$114,900	\$116,000	\$112,000	\$114,000	\$119,000	+ 4.4%	+ 3.6%
Southern Midlands	\$98,000	\$91,833	\$90,000	\$88,500	\$82,675	- 6.6%	- 15.6%
Spartanburg	\$122,900	\$125,900	\$123,025	\$118,500	\$116,000	- 2.1%	- 5.6%
Sumter/Clarendon County	\$122,000	\$125,900	\$125,000	\$123,900	\$128,685	+ 3.9%	+ 5.5%
Western Upstate	\$131,000	\$136,500	\$134,000	\$123,000	\$125,000	+ 1.6%	- 4.6%
Statewide	\$167,900	\$165,900	\$160,000	\$148,900	\$150,000	+ 0.7%	- 10.7%