

Annual Report on the South Carolina Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE STATE OF SOUTH CAROLINA



2011

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What was largely touted as a recovery year for our nation turned into a morass of political gridlock, credit downgrades, financial volatility, upstart protest movements and a sluggish jobs picture. The housing sector, in particular, did not see the recovery it should have. It was another transition year in what has become a more drawn-out bottoming process than most would like.

Let's face facts: There is no way to know for sure what the future holds. But a few important patterns emerged in 2011 that could clue us in. Key leading indicators are setting the stage for better times ahead and we are encouraged by these emerging patterns. There is a sense of momentum in the right direction.

Falling supply and rising demand (in some markets) suggest improving fundamentals. Distressed properties made up a sizable share of that demand, which prevented price gains. Although foreclosures continued to hinder a full-on housing recovery in 2011, many of them were sold, bringing supply of this price drag to a much lower level than in recent years. The path of least resistance is higher prices.

And remember that 2010 tax credit for first-time home buyers? Hindsight indicates that Washington was trying to catch a falling knife. The credit temporarily reversed the market's natural tide, causing forecasters to prematurely declare that we'd hit bottom.

Make no mistake, the economy is on the mend. Layoffs have slowed, hiring has accelerated, fewer homes in financial distress are entering the market. It's good to see that time still has a way of healing most wounds.

Housing demand has stabilized and a steadily expanding construction sector is generating the jobs needed to invigorate recovery. New jobs will drive housing demand and activate the widely-coveted "positive feedback loop." Housing helps jobs which helps housing which helps jobs. You get the idea.

Additional labor market growth combined with record-low mortgage rates have bolstered purchase demand. Armed with cheap money, buyers took to the streets in 2011 and are expected to continue forging new households at a reasonable clip.

Listings Seller activity slowed during the year, both for traditional sellers as well as for banks. The net result was a significant reduction in the supply of homes compared to 2010.

Sales Housing recovery won't occur without consumer participation. In 2011, housing demand held relatively steady, independent of government incentives. Closed sales were down 1.7 percent to 46,762 for the year.

Inventory No matter your personal beliefs or favorite type of Angry Bird, there's no denying the fact that buyers have fewer choices from which to pick and sellers are facing less competition.

Prices Home prices in the state during 2011 ticked downward by 1.0 percent to \$148,500. That's down roughly 10 percent from their bubbly apex in 2007, but that's a much smaller drop than many other parts of the country have experienced.

Higher. Increase. Positive. These are words we expect to use more of in 2012. The major factor constraining market recovery will not be with us forever. Lender-mediated inventory is a tar pit in the near-term, but it will soon be absorbed, removing the downward pressure on overall prices.

At the same time, housing doesn't live in a vacuum. A number of local, national and global changes must take place to restore stability and confidence in the marketplace. For one, credit-worthy home buyers need access to mortgage capital. And although past policies temporarily dampened the natural ebb and flow of the market, a comprehensive housing policy framework is necessary to guide sustained recovery.

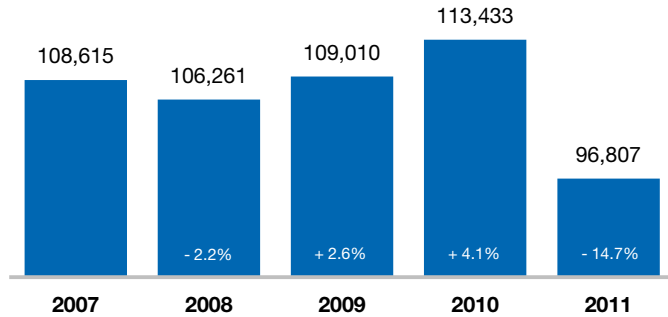
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Quick Facts

New Listings



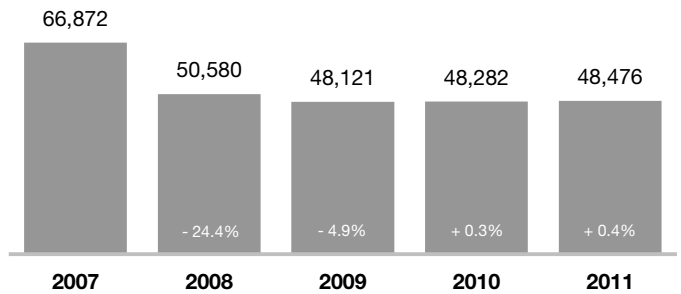
Top 5 Areas: Change in New Listings from 2010

Aiken	- 1.1%
North Augusta	- 5.1%
Sumter/Clarendon County	- 5.4%
Greenwood	- 8.9%
Greater Columbia	- 10.7%

Bottom 5 Areas: Change in New Listings from 2010

Charleston Trident	- 15.9%
Western Upstate	- 17.0%
Greater Greenville	- 17.7%
Spartanburg	- 20.2%
Piedmont Regional	- 31.4%

Pending Sales



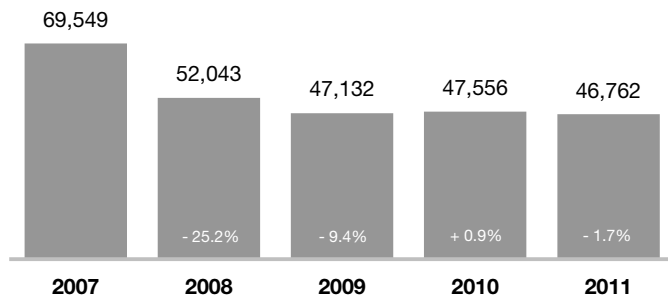
Top 5 Areas: Change in Pending Sales from 2010

Hilton Head Area	+ 15.4%
Sumter/Clarendon County	+ 7.5%
Charleston Trident	+ 6.9%
Coastal Carolinas	+ 6.5%
Aiken	+ 3.1%

Bottom 5 Areas: Change in Pending Sales from 2010

Greater Greenville	- 4.0%
Western Upstate	- 5.7%
Greater Columbia	- 6.0%
Greater Pee Dee	- 9.2%
Piedmont Regional	- 13.6%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2010

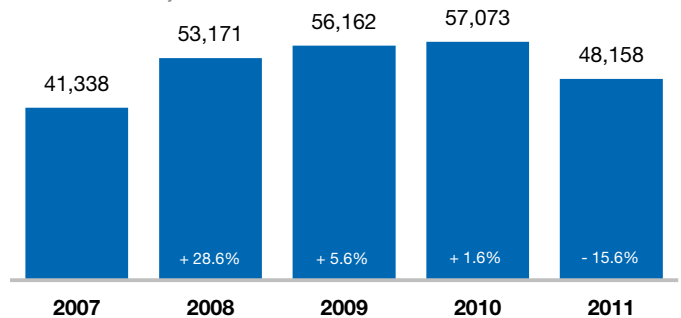
Hilton Head Area	+ 9.4%
Charleston Trident	+ 5.5%
Sumter/Clarendon County	+ 4.7%
Coastal Carolinas	+ 2.7%
Beaufort	+ 0.5%

Bottom 5 Areas: Change in Closed Sales from 2010

North Augusta	- 5.7%
Greater Pee Dee	- 8.8%
Southern Midlands	- 10.6%
Greater Columbia	- 10.9%
Piedmont Regional	- 15.0%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2010

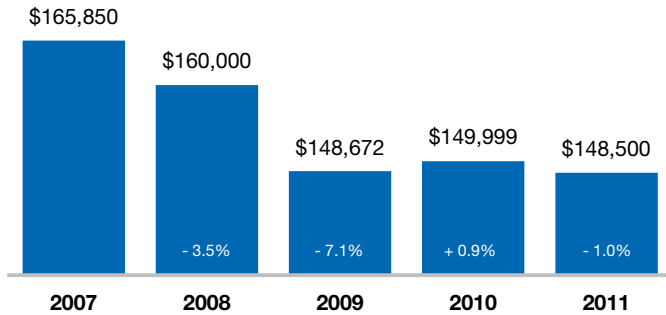
North Augusta	- 2.9%
Beaufort	- 6.9%
Aiken	- 7.1%
Greater Pee Dee	- 9.1%
Sumter/Clarendon County	- 9.1%

Top 5 Areas: Change in Homes for Sale from 2010

Hilton Head Area	- 16.2%
Greater Greenville	- 17.3%
Spartanburg	- 21.3%
Charleston Trident	- 22.4%
Piedmont Regional	- 34.9%

Quick Facts

Median Sales Price



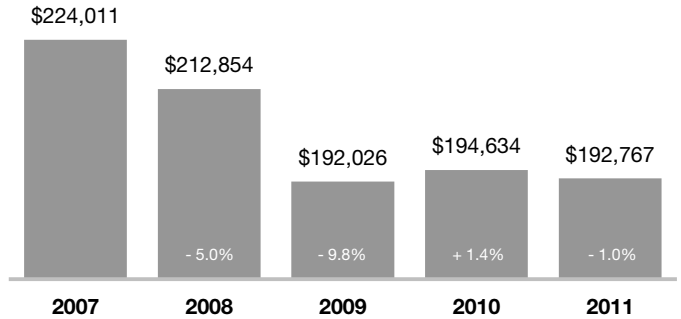
Top 5 Areas: Change in Median Sales Price from 2010

Southern Midlands	+ 8.9%
Aiken	+ 4.1%
North Augusta	+ 3.4%
Beaufort	+ 2.4%
Sumter/Clarendon County	+ 1.2%

Bottom 5 Areas: Change in Median Sales Price from 2010

Piedmont Regional	- 1.8%
Western Upstate	- 2.0%
Charleston Trident	- 2.7%
Hilton Head Area	- 2.8%
Coastal Carolinas	- 7.3%

Average Sales Price



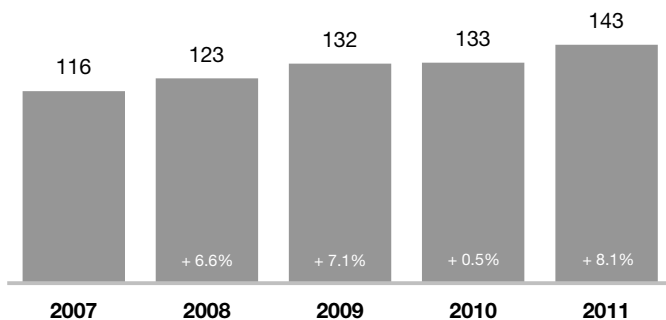
Top 5 Areas: Change in Average Sales Price from 2010

Southern Midlands	+ 7.2%
Beaufort	+ 2.4%
Sumter/Clarendon County	+ 1.3%
Spartanburg	+ 1.1%
Aiken	+ 0.9%

Bottom 5 Areas: Change in Average Sales Price from 2010

North Augusta	- 0.5%
Piedmont Regional	- 2.7%
Coastal Carolinas	- 4.0%
Charleston Trident	- 4.6%
Hilton Head Area	- 5.3%

Days on Market Until Sale



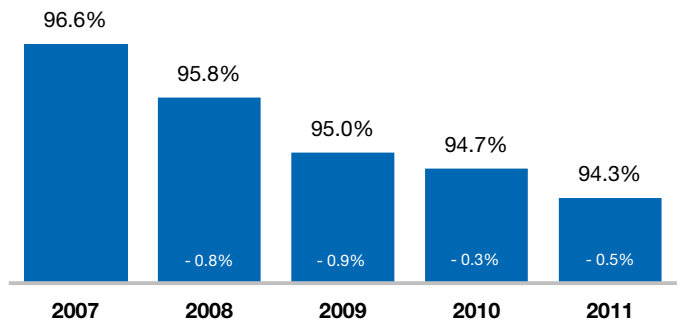
Top 5 Areas: Change in Days on Market from 2010

Greater Pee Dee	+ 19.3%
Southern Midlands	+ 16.9%
Greenwood	+ 16.3%
Beaufort	+ 15.3%
Piedmont Regional	+ 13.0%

Bottom 5 Areas: Change in Days on Market from 2010

Western Upstate	+ 6.5%
Hilton Head Area	+ 5.2%
Charleston Trident	+ 4.3%
Coastal Carolinas	+ 4.1%
Sumter/Clarendon County	+ 2.6%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2010

Hilton Head Area	- 0.0%
Southern Midlands	- 0.1%
Aiken	- 0.1%
North Augusta	- 0.2%
Coastal Carolinas	- 0.3%

Top 5 Areas: Change in Pct. of List Price Received from 2010

Piedmont Regional	- 0.5%
Sumter/Clarendon County	- 0.7%
Greater Columbia	- 0.7%
Beaufort	- 1.1%
Greenwood	- 1.8%

Property Type Review

145

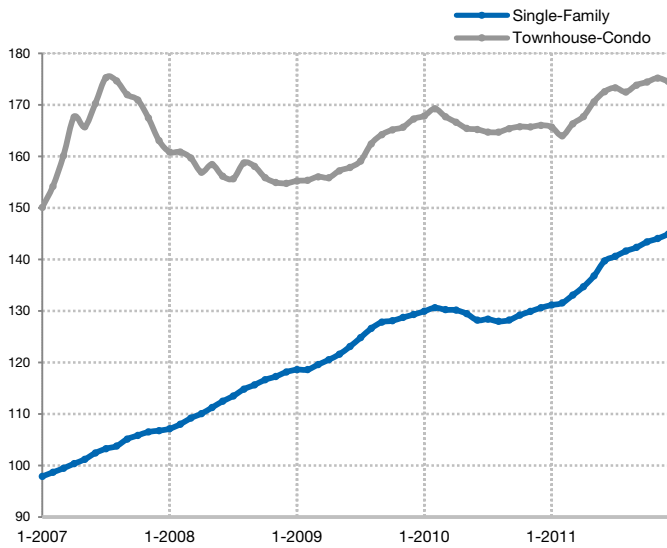
Average Days on Market
Single-Family Detached

175

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 Areas: Townhouse-Condo Attached Market Share in 2011

Coastal Carolinas	45.4%
Hilton Head Area	28.8%
Charleston Trident	17.5%
Beaufort	11.2%
Piedmont Regional	10.3%
Western Upstate	8.7%
Greenwood	8.6%
Greater Columbia	8.1%
Greater Greenville	6.9%
Aiken	4.7%
Greater Pee Dee	2.9%
Southern Midlands	2.2%
Sumter/Clarendon County	1.4%
North Augusta	0.0%
Spartanburg	0.0%

-0.6%

One-Year Change in Price
Single-Family Detached

-6.1%

One-Year Change in Price
Townhouse-Condo Attached

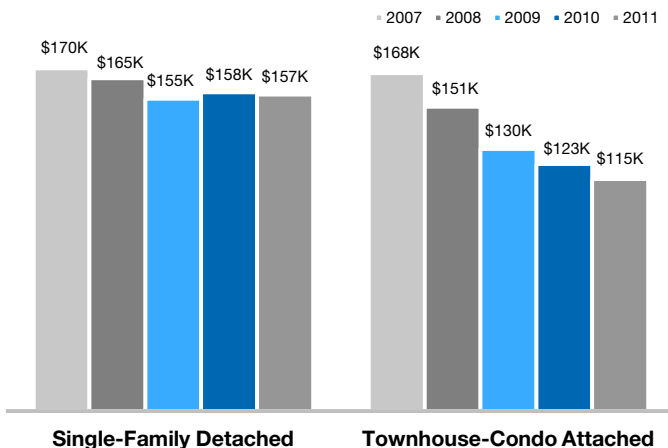
94.5%

Pct. of List Price Received
Single-Family Detached

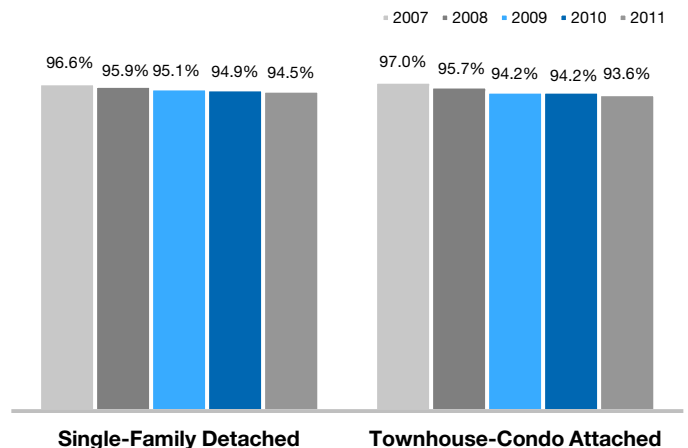
93.6%

Pct. of List Price Received
Townhouse-Condo Attached

Median Sales Price



Percent of List Price Received



Bedroom Count Review

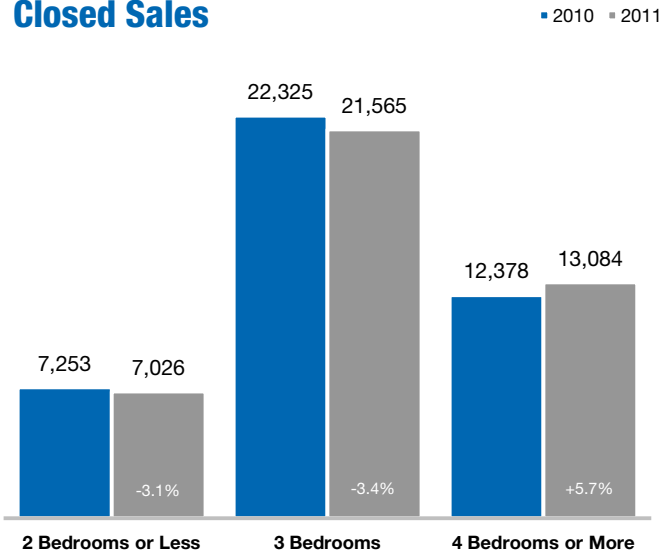
- 3.1%

Reduction in Closed Sales
2 Bedrooms or Less

+ 5.7%

Growth in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2011

North Augusta	43.6%
Greater Columbia	38.3%
Charleston Trident	38.1%
Greater Greenville	34.6%
Sumter/Clarendon County	31.9%
Beaufort	29.0%
Western Upstate	27.7%
Greater Pee Dee	27.4%
Greenwood	24.8%
Hilton Head Area	23.0%
Southern Midlands	19.3%
Coastal Carolinas	17.4%
Piedmont Regional	0.0%
Spartanburg	0.0%

94.3%

Percent of List Price Received
in 2011 for
All Properties

92.6%

Percent of List Price Received
in 2011 for
2 Bedrooms or Less

94.4%

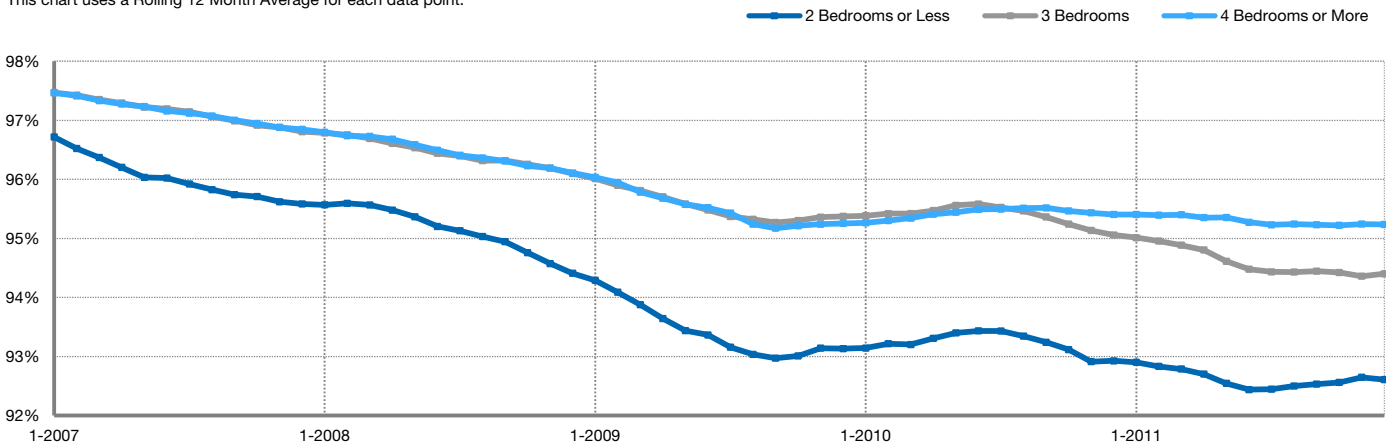
Percent of List Price Received
in 2011 for
3 Bedrooms

95.2%

Percent of List Price Received
in 2011 for
4 Bedrooms or More

Percent of List Price Received

This chart uses a Rolling 12 Month Average for each data point.



Price Range Review

\$100K and Below

Price Range with Shortest Average Market Time

\$300K and Above

Price Range with Longest Average Market Time

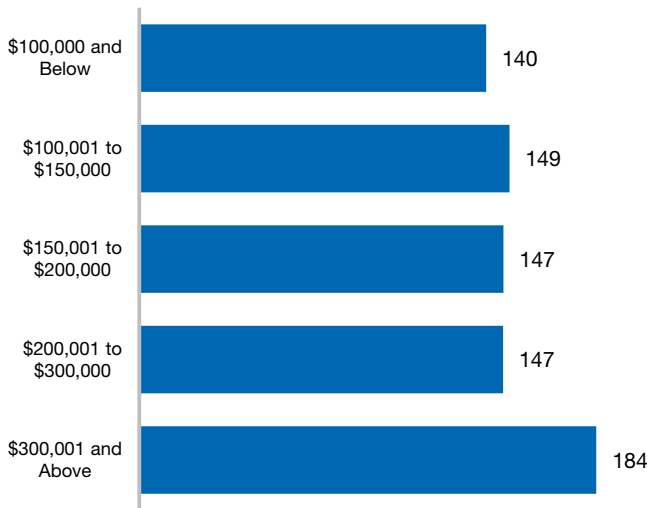
20.5%

of Homes for Sale at Year End Priced \$100K and Below

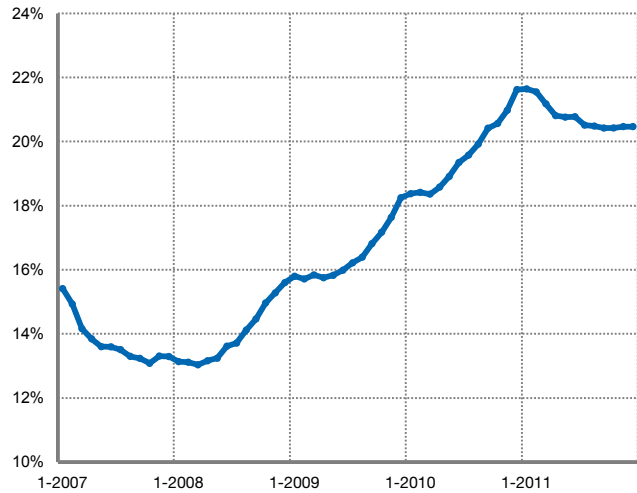
- 20.1%

One-Year Change in Homes for Sale Priced \$100K and Below

Days on Market Until Sale by Price Range



Share of Homes For Sale Priced at \$100,000 and Below



\$100K and Below

Price Range with the Most Closed Sales

+ 8.0%

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

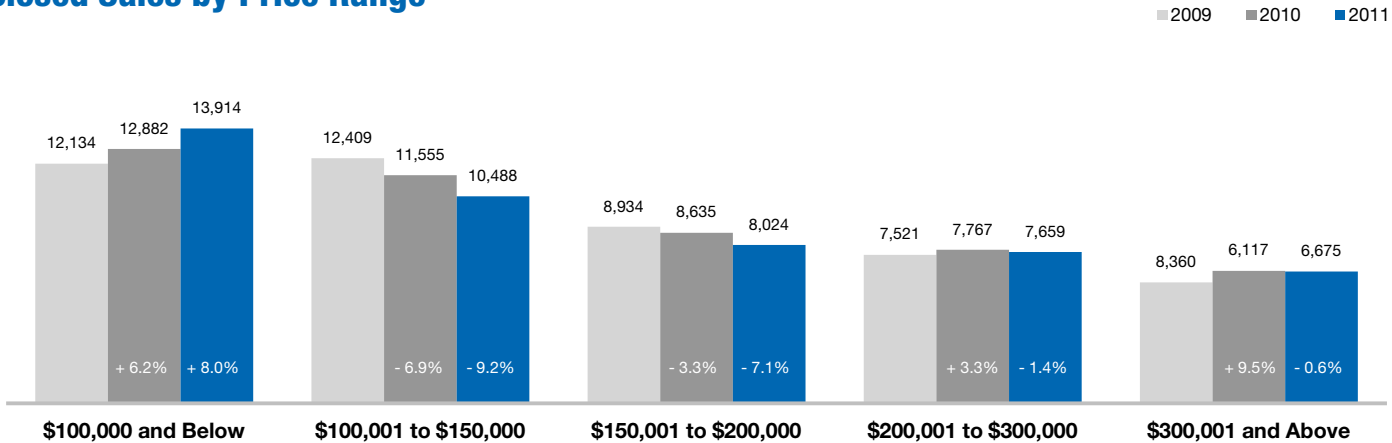
\$300K and Above

Price Range with the Fewest Closed Sales

- 9.2%

Price Range with Strongest One-Year Change in Sales: \$100,001 to \$150,000

Closed Sales by Price Range



Area Overviews

	Total Closed Sales	Change from 2010	Percent Townhouse- Condo	Percent 2 Beds or Less	Percent \$100K or Less	Days on Market	Pct. of List Price Received
Aiken	1,272	- 1.3%	4.7%	11.5%	27.6%	200	95.1%
Beaufort	979	+ 0.5%	11.2%	14.1%	26.6%	202	93.2%
Charleston Trident	9,238	+ 5.5%	17.5%	13.0%	27.6%	111	89.9%
Coastal Carolinas	7,550	+ 3.2%	45.4%	29.3%	31.7%	181	93.8%
Greater Columbia	6,425	- 10.9%	8.1%	10.9%	29.0%	119	94.9%
Greater Greenville	6,666	- 2.5%	6.9%	11.3%	31.7%	114	94.5%
Greenwood	524	- 3.9%	8.6%	18.5%	46.6%	171	91.8%
Hilton Head Area	2,718	+ 9.4%	28.8%	36.4%	19.6%	139	93.8%
North Augusta	849	- 5.7%	0.0%	9.4%	25.3%	167	96.4%
Piedmont Regional	2,340	- 15.0%	10.3%	0.0%	29.7%	173	94.1%
Greater Pee Dee*	1,363	- 8.8%	2.9%	8.7%	44.4%	132	88.2%
Southern Midlands	270	- 10.6%	2.2%	9.6%	58.5%	210	90.7%
Spartanburg	2,459	- 4.4%	0.0%	0.0%	44.4%	159	93.4%
Sumter/Clarendon County	1,113	+ 4.7%	1.4%	6.3%	35.0%	170	94.2%
Western Upstate	2,753	- 1.4%	8.7%	15.5%	41.7%	169	92.3%
State Totals**	46,762	- 1.7%	16.4%	15.0%	27.6%	143	94.3%

*The Percent of List Price Price Received noted for Charleston Trident and Greater Pee Dee is actually a calculation of the Percent of *Original* List Price Received. **State Totals are not a summation of the areas in the table. This is done so as not to double-count any listings that may be found in more than one MLS.



Area Historical Median Prices

	2007	2008	2009	2010	2011	Change From 2010	Change From 2007
Aiken	\$153,500	\$150,000	\$143,900	\$145,950	\$151,880	+ 4.1%	- 1.1%
Beaufort	\$224,500	\$204,420	\$187,000	\$174,700	\$178,950	+ 2.4%	- 20.3%
Charleston Trident	\$207,900	\$200,000	\$181,804	\$187,000	\$182,000	- 2.7%	- 12.5%
Coastal Carolinas	\$208,940	\$183,844	\$156,900	\$150,000	\$139,040	- 7.3%	- 33.5%
Greater Columbia	\$144,500	\$144,900	\$139,169	\$141,500	\$141,000	- 0.4%	- 2.4%
Greater Greenville	\$148,240	\$149,900	\$136,200	\$140,000	\$140,000	0.0%	- 5.6%
Greenwood	\$110,000	\$114,950	\$110,000	\$116,000	\$115,500	- 0.4%	+ 5.0%
Hilton Head Area	\$350,000	\$315,900	\$266,000	\$234,900	\$228,250	- 2.8%	- 34.8%
North Augusta	\$139,900	\$138,000	\$139,000	\$145,000	\$149,900	+ 3.4%	+ 7.1%
Piedmont Regional	\$167,000	\$162,965	\$149,178	\$151,000	\$148,250	- 1.8%	- 11.2%
Greater Pee Dee	\$115,900	\$114,000	\$114,000	\$119,000	\$118,628	- 0.3%	+ 2.4%
Southern Midlands	\$91,833	\$90,000	\$88,500	\$82,675	\$90,000	+ 8.9%	- 2.0%
Spartanburg	\$125,900	\$123,063	\$118,500	\$116,500	\$115,000	- 1.3%	- 8.7%
Sumter/Clarendon County	\$126,900	\$125,000	\$124,000	\$125,000	\$126,500	+ 1.2%	- 0.3%
Western Upstate	\$136,500	\$134,000	\$123,000	\$125,500	\$123,000	- 2.0%	- 9.9%
State Totals*	\$165,850	\$160,000	\$148,672	\$149,999	\$148,500	- 1.0%	- 10.5%

*State Totals are not a summation of the areas in the table. This is done so as not to double-count any listings that may be found in more than one MLS.