

Kiawah Island Property Report

A K I A W A H I S L A N D R E A L E S T A T E P U B L I C A T I O N

2014 Results in Review | kiawahisland.com | 800.277.7008

PROPERTY SALES COMPARISON

	2013	2014
Total \$	\$318,836,672	\$311,277,050
Homes	\$188,418,000	\$181,181,100
Cottages & Villas	\$ 53,488,422	\$ 40,812,700
Lots	\$ 76,930,250	\$ 89,283,250
Total #	276	273
Homes	108	102
Cottages & Villas	96	80
Lots	72	91

FEATURED NEIGHBORHOOD: CASSIQUE



In 2014, the Cassique neighborhood saw an impressive total of 28 closed sales for the year – 7 homes and 21 lots. This total exceeds all closed sales from the previous 3 years combined.

INVENTORY AND ABSORPTION

*average annual sales 2012–2014

properties sold	average annual sales*	year-end inventory 2014
Homes	110	169
Cottages & Villas	82	142
Lots	74	191

Of lots sold, the median duration listed for sale prior to their closing was stable year-over-year at just over 11 months. Villas were on the market for a slightly shorter time, a median of 10.5 months, and free-standing homes and cottages took a median of 8.6 months to close.

2014 Island-Wide Sales Results

Following up on a resurgent 2013, the Kiawah Island property market remains strong with a total closed sales volume of over \$311 million representing 273 properties on Kiawah and Cassique. Lot sales – the vast majority of which were resales – were especially strong, with sales up 7.5% in 2014 and dollar volume up over 17%. This marks the fifth straight year lot sales have increased year over year.

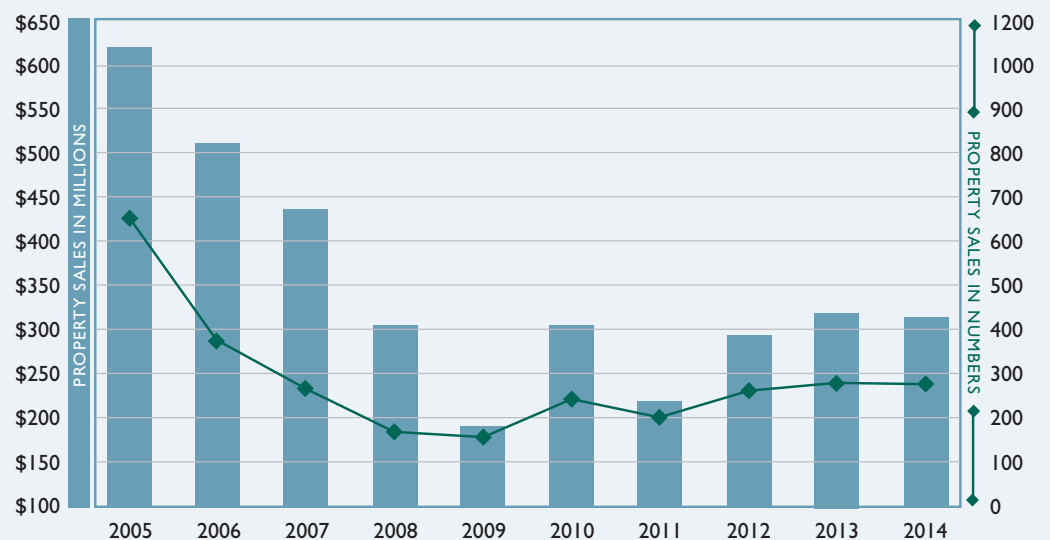
The mix of property types sold on Kiawah Island in 2014 was somewhat different from that of 2013. While sales of lots increased, sales of single family homes were relatively flat (102 in 2014 versus 108 in 2013) and the number of cottages and villas sold decreased by 16% due to lower inventory levels, which declined by almost 25% after a surge in sales in 2013. It is worth noting that most of the decline in 2014 sales occurred in the 3 and 4 bedroom segment of the villa market.

Average pricing for single family homes sold in 2014 was \$1.75 million which is slightly higher than the 2013 average and meaningfully higher than 2012's average of just under \$1.5 million. Thirty percent of single family home sales were in the \$1.5-\$2.5 million range in 2014 as compared to 22% of sales in this range in 2013. Average cottage and villa pricing in 2014 was just over \$500,000, in line with 2013 and 2012. Average brokerage lot price (excluding larger, unplatted tract sales in both years) were up over 9% to \$1.055 million in 2014. As was the case in 2013, roughly three fourths of lot sales in 2014 were priced at \$1 million or less.

PROSPECTIVE BUYERS AND ON-MARKET DURATION

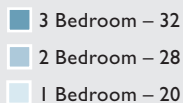
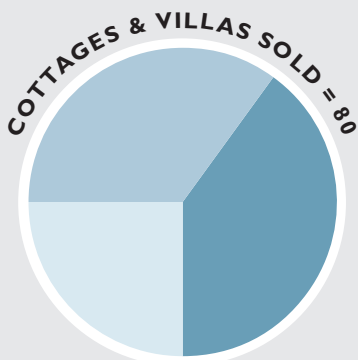
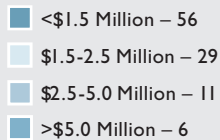
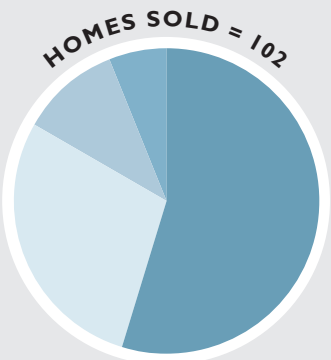
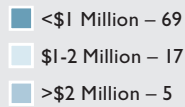
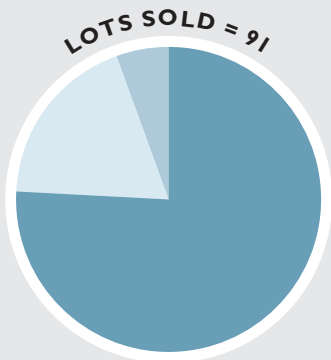
Kiawah Island's popularity among the national media (where Kiawah Island was named the #1 Island in America by *Condé Nast Traveler* in their November 2014 issue) and among prospective buyers remains exceptionally strong. The Kiawah Island Golf Resort had another strong year and the KiawahIsland.com website welcomed nearly 400,000 first-time visitors to the site in 2014 which was a 6.2% increase over the prior year. This is an especially solid result, given that a high volume of the 2013 traffic was generated by the 2012 PGA Championship and the 2013 HGTV Dream Home.

10 YEAR SALES TRENDS ON KIAWAH ISLAND (ALL PROPERTY CLOSINGS)



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2014 SALES RESULTS



There were no 4 Bedroom sales in 2014.

KIAWAH OWNER INVESTMENT

Investment in neighborhood amenities and infrastructure can play a major role in increasing property values. For example, in 2014 the Inlet Cove property owners invested in their neighborhood amenities which helped one property owner, who had also recently completed a residential remodel, close on the sale of their home for more than \$1 million, establishing a new record for an Inlet Cove cottage.

Kiawah Partners, the Island's Master Developer, also invested heavily on Kiawah in 2014. Their infrastructure and amenity investments totaled over \$8 million and included the new Cassique Boathouse and the expansion of the park in Ocean Park.

Nowhere is the spirit of investment better reflected than in the purchase activity of Kiawah Island property owners. A property owner survey in early 2014 asked owners about their real estate plans in the coming years, and results showed that 22% of owners expect to buy an additional or different Kiawah property, an increase from the 16% who responded positively to that question in an owner survey in 2011. This growing personal re-investment in Kiawah Island is indicative of the Island's recent history; in fact, 30% of properties that closed on the Island in 2014 were sold to existing Kiawah property owners.



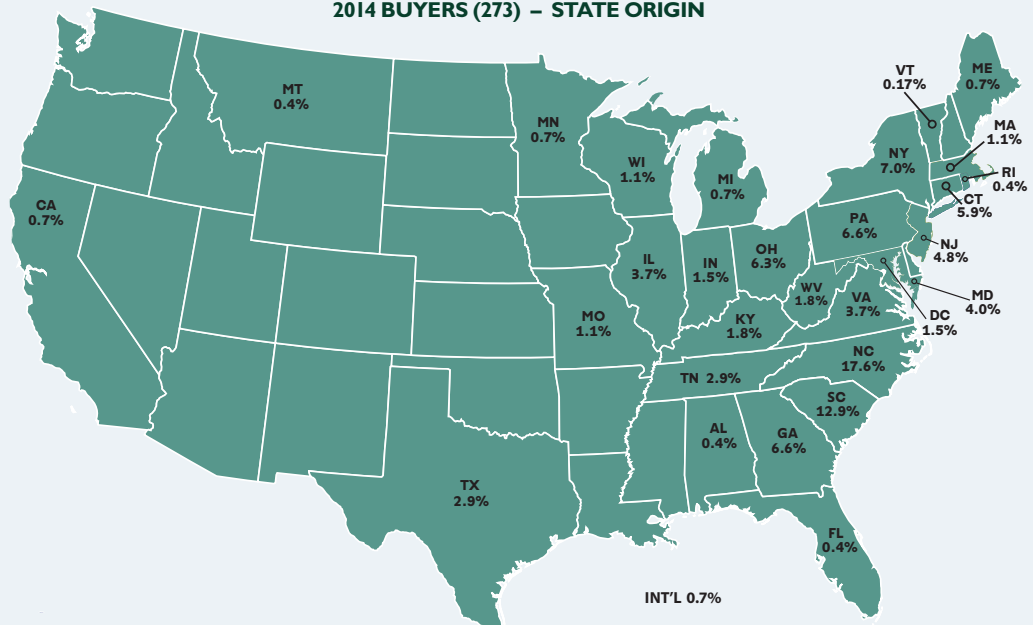
NOTABLE SALE

In 2014, an existing Kiawah owner closed on the single largest residential transaction in South Carolina history when an oceanfront parcel was purchased for \$22 million. Ironically, this is more than the Kuwait Investment Company paid the family of C.C. Royal for the entire island in 1974.

ARB AND CONSTRUCTION ACTIVITY

Kiawah Island property owners are also investing in the growth of the Island through new home building as well as remodeling existing property. Kiawah Island's Architectural Review Board experienced a 113% increase in new home permits, from 24 in 2013 to 51 in 2014 – as well as a 45% increase in residential remodel permits, from 543 to 789.

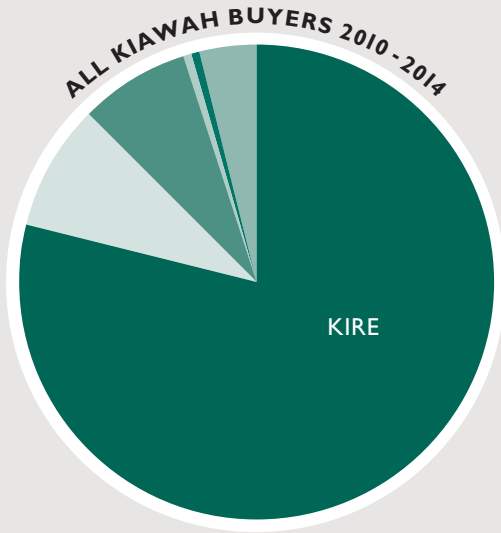
2014 BUYERS (273) – STATE ORIGIN



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KIAWAH BUYERS: WHO > WHERE > WHAT

The map on page two illustrates the home states of Kiawah Island buyers. It is informative to further examine what property type they purchased, and through which real estate firm.



KIAWAH BUYERS 2010 - 2014			
REAL ESTATE FIRM	Resale Single Family Home Buyers	Undeveloped Resale Lot Buyers	Resale Villa & Cottage Buyers
Kiawah Island Real Estate	432	177	246
Pam Harrington Exclusives	47	11	44
Akers Ellis Real Estate LLC	38	10	43
Daniel Ravenel Sotheby's International Realty	6	0	3
Dunes Properties	0	1	5
All Others Combined	14	7	24

Data above does not include buyers of Kiawah Partners' Company Properties.

KIAWAH ISLAND YEAR-END INVENTORY

year	# units	total
2010	585	\$790,677,047
2011	543	\$725,391,992
2012	546	\$736,427,048
2013	523	\$667,281,235
2014	502	\$633,819,150

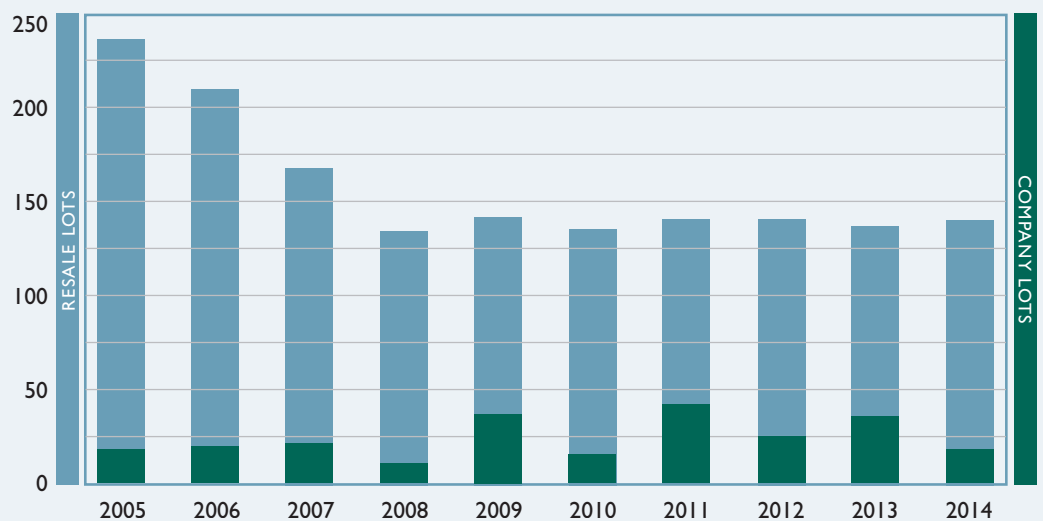
The strong number of real estate sales over the past few years has meaningfully decreased the inventory of properties on the market.

In fact, there were 14% fewer homes, cottages, villas, and lots on the market at the end of 2014 than there were four years prior, a decrease of over 80 properties.

DEMAND AND SUPPLY

In the upcoming issue of *Barron's PENTA* magazine (sent to *Wall Street Journal* subscribers with the newspaper's Friday, March 6 issue), the article on "Top 20 Second-Home Resorts" notes that "New land sales and new building permits in Kiawah Island, South Carolina, and the Hamptons, New York, point to further strength in 2015." The Kiawah Island ARB data on page two attests to the enthusiasm owners have for the community. *PENTA's* bullish view on Kiawah's strength is based on buyer demand for lots, while lot sellers (both resale and company-owned properties) have kept the supply side consistent over the past seven years.

LOTS ADDED TO THE FOR-SALE INVENTORY BY YEAR



Totals above include re-listed properties.