

# 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

2017 First Quarter Results | [kiawahisland.com](http://kiawahisland.com) | 800.277.7008

## First Quarter Island-Wide Sales

First quarter sales results on Kiawah Island saw continued strength in one property category and a reversal of a downward trend in another, all leading to a 30% increase in the number of closed transactions and a 16% increase in total dollar volume over last year's first quarter.

Sales of cottages and villas on the Island continued 2016's torrid pace, with a 26% quarter-over-quarter increase in the first quarter of 2017 following on the heels of the 22% full-year increase that 2016 recorded over 2015. The median price on these vacation-oriented properties was also strong, up significantly over both the first quarter of 2016 and that year's overall result.

Sales of single family homes in the quarter fell just one closing short of 2016's first quarter results, however the median price of the homes closed was significantly higher than last year's price, up 46%, to \$1,749,000 – and well above 2016's full-year median of \$1,377,500.

Coming off two years of declines in homesite sales volume, the results of the first quarter of 2017 were very encouraging: the number of lots closed and their median prices were both more than double that of the first quarter of 2016, yielding a very solid 165% increase in total dollar volume. The construction activity on the Island should help sustain that strong pace.



### KIAWAH ISLAND REAL ESTATE SNAPSHOT

Compared to  
first quarter 2016.  
(All Closed Sales)

▲ 46%	HOME PRICES (\$) >> MEDIAN HOME SALES PRICE
▼ 6%	HOME SALES (#) >> NUMBER OF SINGLE FAMILY HOME SALES
▲ 113%	LAND SALES (#) >> NUMBER OF LOT SALES
▲ 26%	COTTAGE AND VILLA SALES (#) >> NUMBER OF COMBINED SALES
▲ 30%	ON-ISLAND TRANSACTIONS (#) >> FOR ALL PROPERTY TYPES

## GETTING TO KNOW YOU...

This year, Kiawah Partners conducted a survey of all property owners, following up on similar efforts in 2011 and 2014. The focus of the study was slightly different than in the past, with a deeper emphasis on the buying process and media utilization. A very solid percentage of recent buyers participated in the study, which will help to direct Marketing efforts that identify and influence buyers and thus support property values Island-wide.

Some interesting facts from the study:

- On average, respondents spend 8.9 weeks on Kiawah. Those ages 66+ and those without children at home, spend more than 10 weeks a year visiting Kiawah Island, which is more than any other segment.
- Over 70% of recent Kiawah Island buyers read the *Wall Street Journal* with some regularity; other publications that are read by roughly half or more of respondents include *Southern Living*, *Coastal Living*, *Travel & Leisure*, and *Sports Illustrated*.
- Respondents typically visited Kiawah more than 8 times before considering the purchase of property. The average amount of time from when respondents first considered buying until their decision to purchase a specific property was 4.7 years.
- 41% of total respondents do not plan to sell their present Kiawah Property during their lifetime.

## KIAWAH ISLAND FOR-SALE INVENTORY (AS OF MARCH 31ST)

year	lots	cottages & villas	homes	total
2012	177	178	172	527
2013	184	191	176	551
2014	197	172	183	552
2015	197	154	200	551
2016	200	161	208	569
2017	194	132	217	543

The for-sale inventory is one of the key factors to consider in any real estate market. Our total inventory has seen less than an 8% fluctuation over the past 5 years, and virtually flat from 2013 through 2015. However, note the recent decline in the Villa & Cottage segment of the market. This decline, combined with the increased sales mentioned on pg. 1, is likely to lead to higher prices if this trend continues.

## TIMBERS RESORTS COMES TO KIAWAH ISLAND

One transaction that is not included in this report's overall "Island-Wide Sales Results" is the oceanfront parcel sale to Timbers Resorts in February. Timbers should have a positive impact on all Kiawah Island sales, as it is a unique, non-competing real estate product that will bring more attention to the Island's real estate offerings, and bring new buyers to the community

Timbers Resorts hopes to open its Kiawah Ocean Club & Residences in the summer of 2018. The luxurious, multifamily-style private vacation club will include 21 units in three buildings on approximately 3.5 acres in the West Beach area of the Island. Timbers CEO David Burden

expressed his excitement about Kiawah in a written statement after the February closing:

"Kiawah Island is a destination we've had our eye on for many years," he noted. "It's an established location that has it all — the best beach on the East Coast, access to retail and restaurants, and an incomparable lifestyle — and we are excited to introduce a fresh, contemporary residential offering into the mix."

The Timbers property is slated to include a private beach club with an oceanfront pool, bar and grill, and a fitness center. Sales efforts for the property are expected to commence soon.

## SPOTLIGHT ON: KIAWAH ISLAND PROPERTY VALUES

The U.S. economy has been vibrant in the first three months of 2017, with most indicators solidly up, for example the S&P 500 was up 5% in the first quarter. The national real estate market has also been strong: the March 28 report of the S&P/Case-Shiller U.S. National Home Price Index found that home prices rose 5.9% year-over-year in January, to a 31-month high. “Housing and home prices continue on a generally positive upward trend,” said David M. Blitzer, managing director and chairman of the index committee at S&P Dow Jones Indices.

This positive result has been reflected in the real estate sales in key “feeder” markets for Kiawah:

- According to Douglas Elliman Real Estate, after falling year over year in the prior two quarters, sales increased in the Manhattan market in the first quarter. According to a March 17 article in the *New York Times*, “Real estate market temperatures

in the commuter suburbs surrounding New York City range from warm to sizzling, having never really cooled down for the winter.”

- Realtor.com forecasts a 4.3% annual sales price increase for the Charlotte-Concord-Gastonia region as well as 6.3% growth in sales activity.
- The number of units sold, the dollar volume of sales, and the median price of sold homes all rose in January and February 2017 compared to January and February 2016 in Northern Virginia.

Kiawah also benefits from the growth in the Charleston market. Every sector of the Lowcountry’s economy is expected to grow in 2017 and 2018, according to the Charleston Metro Chamber of Commerce’s annual economic forecast, which was presented in March. The region is predicted to see a 10.7% increase in real estate sales in 2017, according to the forecast.

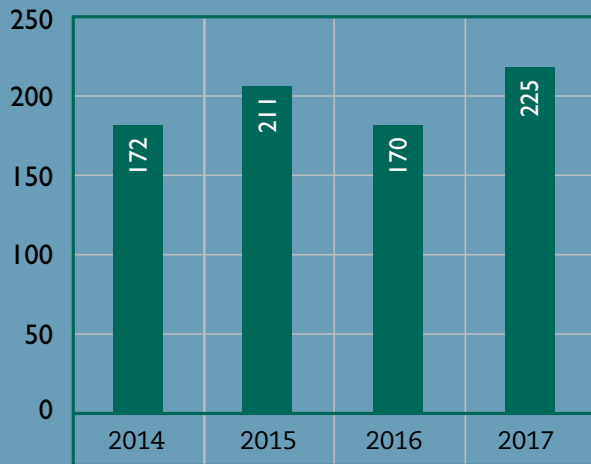


### KIAWAH ISLAND SALES: First Quarter vs. Previous Year

		2016	2017	% of change
<b>ALL TRANSACTIONS</b>	Properties Sold (closed)	44	57	+30%
	Dollar Volume	\$48,835,750	\$56,748,603	+16%
<b>HOMES</b>	Properties Sold (closed)	17	16	-6%
	Dollar Volume	\$34,518,500	\$29,074,453	-16%
	Median Sales Price	\$1,200,000	\$1,749,000	+46%
<b>VILLAS AND COTTAGES</b>	Properties Sold (closed)	19	24	+26%
	Dollar Volume	\$9,419,250	\$14,681,150	+56%
	Median Sales Price	\$359,000	\$512,500	+43%
<b>LOTS</b>	Properties Sold (closed)	8	17	+113%
	Dollar Volume	\$4,898,000	\$12,993,000	+165%
	Median Sales Price	\$350,000	\$775,000	+121%



## "TOURS" WITH KIRE SALES EXECUTIVES



January through March of each year.

## NOTABLE SALE ON KIAWAH ISLAND

*5137 Sea Forest Drive*

Sold Price: \$1,825,000

SOLD AND CLOSED IN 64 DAYS



Sold through Kiawah Island Real Estate.

## PRESIDENT'S NOTE

As we review the strong first quarter results, the best Q1 for KIRE in ten years, we are extremely enthusiastic as we look forward to the spring/summer selling season.

The villa market continues its remarkable growth, and since 2013 has seen annual sales nearly double, from 50 closed sales in 2013 to 90 in 2016.

Another segment that is experiencing improved sales activity is property priced \$2 million and above. In the first quarter of last year a total of 9 properties were sold above \$2 million and in the first three months of this year, there have been 13 transactions.

Overall real estate "tours" (our term for potential buyers looking at property with KIRE agents) are up YTD, but tours from current or former owners are up 50% in the first quarter of 2017 vs. the same period last year. The continued re-investment in the Island by our owners is a big part of Kiawah's success.

As I write this in early April, I'd like to thank the more than 100 Kiawah Island property owners who have listed their property with Kiawah Island Real Estate so far this year. We don't take your trust for granted, and our sales and marketing teams are working diligently to bring more buyers to our Island.

Warmest Regards,

*Chris Drury*  
~ Chris Drury, President  
Kiawah Island Real Estate

