

# 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 Results in Review // AMENDED MARCH 2019 | [kiawahisland.com](http://kiawahisland.com) | 800.277.7008

## 2017 Island-Wide Sales Results

Last year was a great year for sales on Kiawah Island, tying the number of transactions in 2015, which is the highest since 2007.

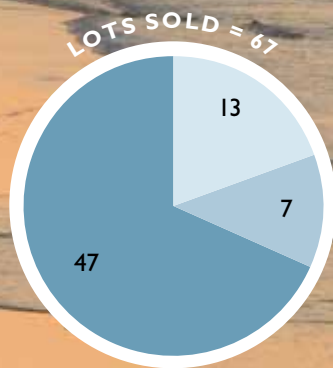
The growth in sales of vacation-oriented properties (the “Villa and Cottage” category on the table below) led the way with a 7% increase in transactions and a very strong 9% increase in median sold price in 2017. This comes on the heels of a 21% increase in sales between 2016 and 2015.

Single family home sales on the Island in 2017 mirrored 2016 totals. While the total home sales dollar volume fell slightly, due to a lower number of ultra high-end sales in 2017, the median price of the homes sold in 2017 was 19% higher than 2016’s median price, an appreciation that significantly outpaced both national luxury and Charleston regional pricing trends (see article on page 3).

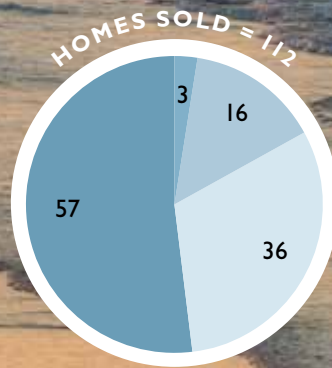
Homesite sales saw a 24% increase in total dollar volume over the prior-year, driven primarily by sales of lots \$2 million or more. In 2016, three such lots sold while in 2017, there were seven. The broader homesite market also showed growth with median pricing up a strong 26%.

Kiawah Island’s mix of property types and price points has helped to keep the overall sales numbers very stable over the past five years and the unparalleled quality of the community and its amenities has helped fuel sustained demand. Continued reinvestment by individual property owners who are building, rebuilding, or improving their property at a record pace as well as major investments such as Kiawah Partners’ investments in amenities, the Kiawah Island Golf Resort’s investments in new facilities in West Beach, and the Kiawah Island Community Association’s investment in enhanced infrastructure—all help drive demand and pricing on Kiawah Island.

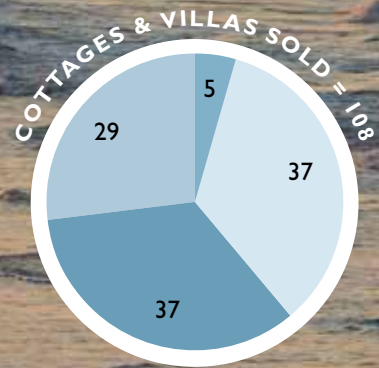
		2015	2016	2017
<b>ALL TRANSACTIONS</b>	Properties Sold (closed)	287	278	287
	Dollar Volume	\$362,307,162	\$312,211,839	\$321,120,807
<b>HOMES</b>	Properties Sold (closed)	132	111	112
	Dollar Volume	\$263,869,391	\$213,008,596	\$202,456,381
	Median Sales Price	\$1,377,500	\$1,250,000	\$1,485,000
<b>VILLAS AND COTTAGES</b>	Properties Sold (closed)	83	101	108
	Dollar Volume	\$38,482,554	\$52,538,843	\$60,936,427
	Median Sales Price	\$410,000	\$450,000	\$492,500
<b>LOTS</b>	Properties Sold (closed)	72	66	67
	Dollar Volume	\$59,955,217	\$46,664,400	\$57,727,999
	Median Sales Price	\$497,500	\$455,000	\$575,000



■ <\$1 Million    ■ >\$2 Million  
■ \$1-2 Million



■ <\$1.5 Million    ■ \$2.5-5.0 Million  
■ \$1.5-2.5 Million    ■ >\$5.0 Million



■ 4 Bedroom    ■ 2 Bedroom  
■ 3 Bedroom    ■ 1 Bedroom

NOTE: This does not include 2 bulk sales totaling \$14.4 million

## LOOKING AHEAD: NATIONAL REAL ESTATE AND LUXURY NEWS

While Kiawah Island is unique (our community’s combination of established success, best-in-class amenities, and breadth of real estate options makes it difficult to find a truly comparable community), sales on Island are inevitably impacted by broader economic and real estate trends. As we look ahead, some national data and forecasts could help define the market for potential Kiawah buyers.

The *Wall Street Journal*’s “Mansion” section reported that the national median price of homes sold last year increased 7%. The 2017 Zillow Home Price Expectations Survey of more than 100 housing experts, market strategists, and economists predicts that diminishing housing inventory will spur a 4.1% rise in 2018 home prices, and other research sources predict similar demand and pricing growth. Regionally, the Charleston Trident Association of REALTORS® reported a 3.1% growth in sales of homes for the year and 4.7% growth in median price in 2017, and projects approximately that same pace of growth in sales in 2018. Sales of higher-end Charleston properties have grown even faster, averaging approximately 20% year-over-year sales growth over the last three years.

Kiawah Island’s real estate is clearly at a higher price level than the broad market. Realtor.com defines “luxury homes” as the top 5% of transactions based on sales price. To be considered a “luxury home” in 2017, the threshold was \$804,000 nationally (a 5.1% increase over what qualified as a “luxury home” in 2016) – so the vast majority of Kiawah Island homes fit that classification. Realtor.com’s 2018 National Housing Forecast noted that in 2017, luxury homes did not experience an inventory shortage at the same rate as the rest of the market – in fact, the number of luxury homes on the market was up 3.4% compared to 2016. Luxury properties also took 5.4% longer to sell in 2017 than they did in 2016.

As for their forecast for 2018 and beyond, Realtor.com’s Director of Economic Research, Javier Vivas, stated, “Inventory increases will be felt in higher-priced segments after the spring home buying season, which we expect to take hold and begin to provide relief for buyers and drive sales growth in 2019 and beyond.”

Luxury island and/or vacation communities saw very strong results in 2017. Nantucket saw the highest dollar volume of real estate sales in its history and its median value of homes sold in 2017 was 4% higher than those sold in 2016. Spurred by a strong fourth quarter, the Hamptons experienced an 8% increase in home sales and a median price increase of more than 5% in 2017.

*continued*

## 2017 REAL ESTATE SNAPSHOT

Compared to year to date 2016.

▲ 5%	ALL PROPERTIES (\$) MEDIAN SALES PRICE
▲ 18%	HOME SALES (#) MEDIAN SALES PRICE
▲ 26%	HOMESITE SALES (#) MEDIAN SALES PRICE
▲ 7%	COTTAGE AND VILLA SALES (#) NUMBER OF COMBINED SALES
▲ 3%	TRANSACTIONS FOR ALL PROPERTY TYPES

### LOOKING AHEAD *continued from previous page*

The luxury real estate market is expected to remain strong in 2018. “Underlying the rising prices for both new and existing homes are low interest rates, low unemployment, and continuing economic growth. Some of these favorable factors may shift in 2018,” noted David Blitzer, head of the Index Committee at Standard & Poor’s, in an article on Forbes.com.

One factor that may have an impact on real estate sales on Kiawah Island in the coming year is the recently enacted federal tax reform bill. A community like Kiawah might benefit from the relatively low property tax rates of South Carolina and Charleston County (as there are new deductibility limits for state and local taxes), but buyers taking advantage of still-historically-low mortgage rates might be impacted by the lowered cap in mortgage interest deductibility. Overall, the strong fundamentals of the U.S. economy and 2017’s strong market results have bolstered consumer sentiment—particularly among the affluent consumers who are Kiawah’s buyers. The quality and breadth of the real estate inventory on Kiawah Island should continue to entice buyers, and Kiawah Partners’ investment in the community and its marketing programs should keep demand strong for 2018 and beyond.

### NOTABLE SALES ON KIAWAH ISLAND:

*These properties all sold through Kiawah Island Real Estate.*

**SOLD/CLOSED IN 43 DAYS**

PRICE: \$1,780,000 (96% of list price)

47 MUIRFIELD LANE



view: Lagoon	square feet: 2,470
bedrooms: 5	bathrooms: 4

**SOLD/CLOSED IN 69 DAYS**

PRICE: \$315,000 (97% of list price)

3545 SHIPWATCH ROAD



view: Woods	square feet: 850
bedrooms: 1	bathrooms: 1

**SOLD/CLOSED IN 85 DAYS**

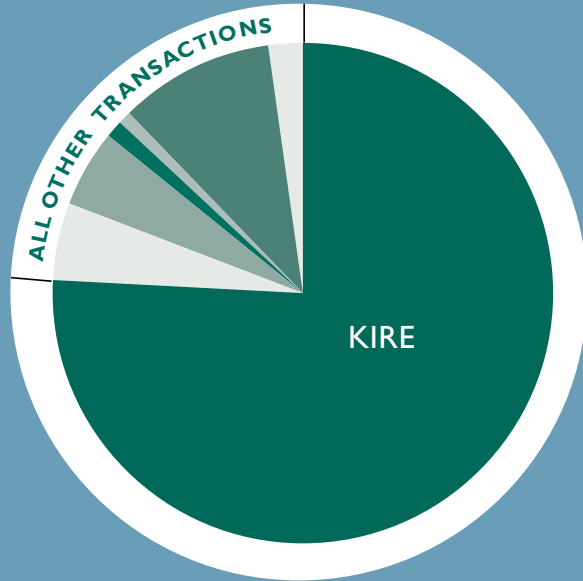
PRICE: \$3,100,000 (94% of list price)

34 ATLANTIC BEACH COURT



view: Golf/Ocean	square feet: 2,726
bedrooms: 4	baths: 3 half baths: 1

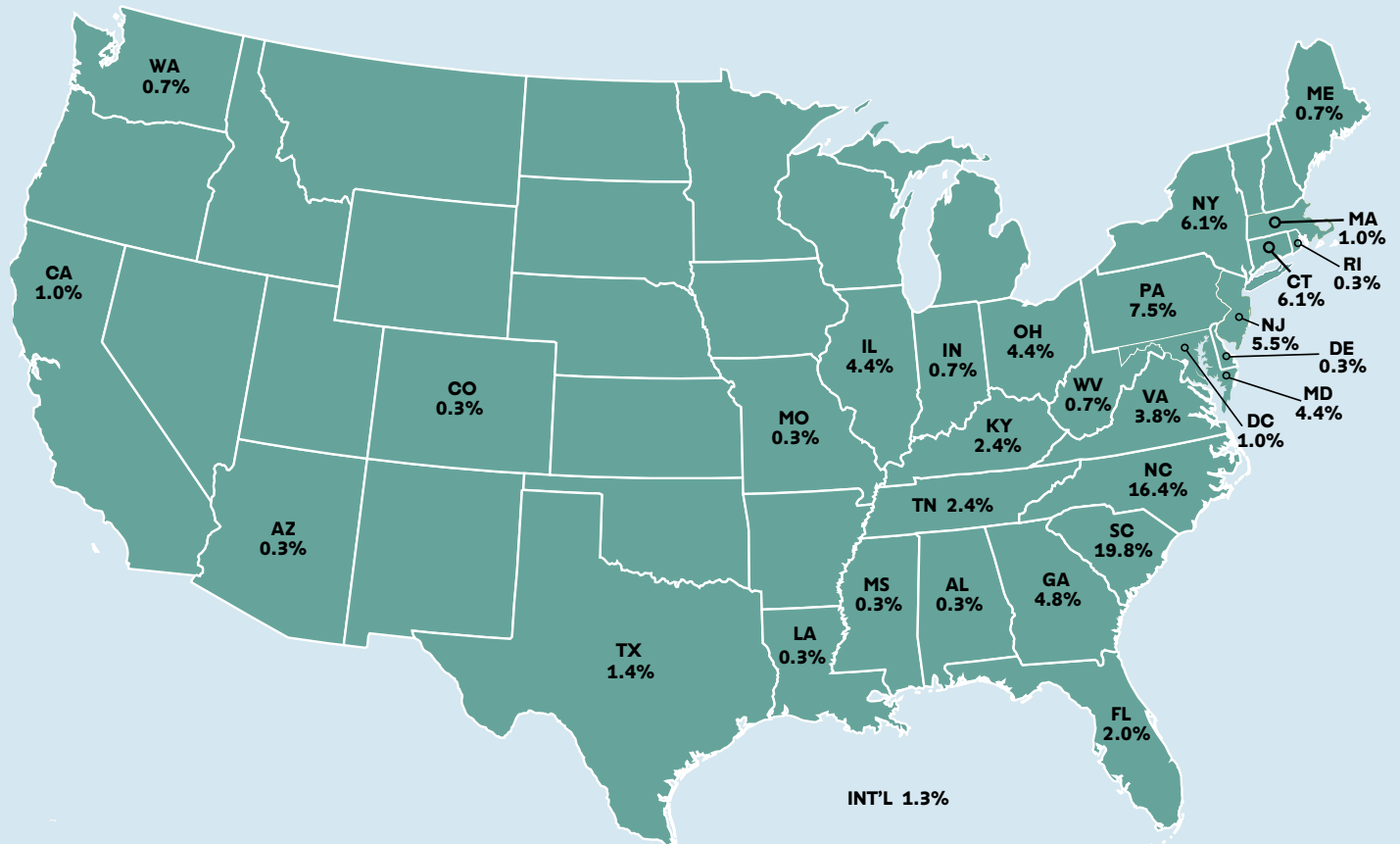
## ALL KIAWAH BUYERS YEAR-END - 2017



## WHERE DID KIAWAH ISLAND BUYERS COME FROM?

Overall, Kiawah buyers continue to hail from our typical feeder states (see graphic below,) with South Carolina and North Carolina leading the way. The share of buyers from “drive markets”—neighboring states like North Carolina and Georgia—continues to remain a strong source of buyers. Nearly tied with North Carolina is the New York metro area (NYC and surrounding counties in New York, Connecticut, and New Jersey) with an uptick year over year at nearly 18%. We continue to see traction in Illinois and Ohio as well with 4.4% of buyers hailing from each of those two states.

## KIAWAH BUYERS BY STATE IN 2017



## PRESIDENT'S NOTE

As I begin my 13th year as president of Kiawah Island Real Estate (KIRE), I would like to take this opportunity to reflect on my time here, and to thank you for your support over the past 12 years.

Since I joined KIRE in February 2006, I've seen the market swing from the peak of 2005-2006 to the valley of 2008-2009. Over the past few years we have experienced greater stability in our sales, and while there is always opportunity for growth, I'm personally glad we've disembarked from the wild roller coaster ride experienced during my first few years here.

This said, Kiawah has been an extraordinarily stable community over time. Under the leadership of well-funded and responsible Island organizations including Kiawah Partners, Kiawah Island Golf Resort, KIRE, the Town of Kiawah, the Kiawah Island Community Association, and others, Island residents have enjoyed a financial continuity, stability, and strong property values, rare among luxury communities.

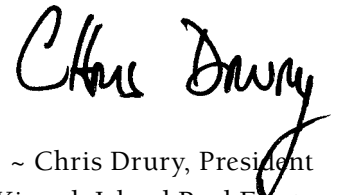
I look forward to continued stability and healthy growth as I embark on many more years here at KIRE! And if January is any indication, we're off to a strong start.

I would also like to provide further clarity about a statistic that can easily be misunderstood. These property

reports, produced by KIRE, are intended to provide Kiawah property owners with a fact-based look at our Island real estate market. One of the most misunderstood statistics is the percentage of KIRE's business that is made up of company-owned property—new property owned by our parent company, Kiawah Partners. For the past 5 years, that statistic is 12%. The results show that KIRE produced buyers for 962 Kiawah Island properties during that period, and 88% of these were resale properties owned by Kiawah property owners, not Kiawah Partners.

You might also be interested to learn that we sold nearly 10 times as many properties as our next closest competitor during the past 5 years. No one else has the experience or expertise of our team, and we are here to work for you and deliver results! Our track record speaks for itself.

As always, we welcome your inquiries, and look forward to serving your real estate needs!



~ Chris Drury, President  
Kiawah Island Real Estate

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

