

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 Third Quarter | kiawahisland.com | 800.277.7008

Third Quarter 2017 Island-Wide Sales

As has been the case over the long history of real estate sales on Kiawah Island (40 and counting!), the “exciting news” is the continued demand for the Kiawah lifestyle and the transactions that result from it. The sales levels and product mix in the first three quarters of 2017 are very consistent with the same period in 2016, with three fewer homes and four fewer villas or cottages having closed this year than last year while lot sales were exactly flat.

But the actual exciting news for the folks who have purchased in the community continues to be value – especially when you consider the amenities the Island affords owners. Properties on Kiawah Island held their

values better than the real estate market nationally through the 2008-2010 downturn, and have rebounded comfortably as buyers flock to quality. Influenced by national real estate trends (see more on page 2) and the strong re-investment by individual owners, the Kiawah Island Golf Resort, and Kiawah Partners (both in land development and Club amenities), the median price of homes sold on Kiawah is a solid 19% higher thus far in 2017 vs. the first three quarters of 2016 – and homesite pricing is up a dramatic 48%. The median pricing in all categories of properties sold on Kiawah Island so far in 2017 is higher.

KIAWAH ISLAND SALES: Through September 30th vs. Previous Year

		2016	2017	% of change
ALL TRANSACTIONS	Properties Sold (closed)	207	200	-3%
	Dollar Volume	\$233,401,576	\$234,937,394	+1%
HOMES	Properties Sold (closed)	79	76	-4%
	Dollar Volume	\$157,944,666	\$144,728,044	-8%
	Median Sales Price	\$1,250,000	\$1,482,500	+19%
VILLAS AND COTTAGES	Properties Sold (closed)	81	77	-5%
	Dollar Volume	\$40,819,010	\$42,936,427	+5%
	Median Sales Price	\$459,000	\$465,400	+1%
LOTS	Properties Sold (closed)	47	47	0%
	Dollar Volume	\$34,637,900	\$47,272,923	+36%
	Median Sales Price	\$465,000	\$690,000	+48%

NOTE: This report does not include the sale of 2 Company bulk parcels in the amount of \$14,420,000.



NATIONAL REAL ESTATE AND LUXURY NEWS

As exhibited in the chart below, the median pricing for Kiawah Island's real estate has continued to increase. While it can be difficult to relate a unique property like Kiawah Island to a national market, the national "Bowden's Market Barometer" in August noted that in the broad, national housing market, prices are now up nearly 50% from the trough of the housing crash (March 2011). According to property information service CoreLogic, home prices rose 6.9% nationally year-over-year, while the average price increase in South Carolina was 5.4% during the same period.

Closer to home, the booming real estate market in the Charleston region continues to be strong. According to what the Charleston Trident Association of Realtors released to the *Charleston Post & Courier*, home sales volume in the region increased approximately 3% in the first three quarters of 2017 versus the same period in 2016, with a median price increase of about 4%.

Trends in the luxury market are more poignant for Kiawah. The Bowden's report also stated that "the sale prices of luxury homes in the second quarter of 2017 surged 7.5% year-over-year, outpacing the rest of the market for the first time since 2014." Communities that attract similar demographic and psychographic buyers as Kiawah Island have seen decent median price growth – although few have matched Kiawah's pace. For example, a large-scale core "comp set" for Kiawah Island is Nantucket Island, where the median price of the 233 homes sold in the first three quarters of 2017 increased 11.7% over the same period in 2016, to \$1,815,000.

Kiawah Island continues to be a leader in the Charleston market in the sale of luxury properties. So far this year, 19% of the sales of single family homes priced \$2 million and above in the entire Charleston market were on Kiawah – and Kiawah Island Real Estate sold 83% of those (making KIRE the overall leader in such sales, by a wide margin).

NOTABLE SALES ON KIAWAH ISLAND

NOT ON THE MARKET WHEN SOLD
PRICE: \$15,250,000

85 BLUE HERON POND



view: Marsh/Ocean	square feet: 15,322
bedrooms: 7	baths: 9 half baths: 3

This 11-acre peninsula estate on the eastern end of Kiawah closed for \$15,250,000 in July. It had previously sold in 2012 for \$12,250,000.

SOLD WITHIN 91 DAYS
PRICE: \$875,000 (98% OF LIST PRICE)

29 GREENSWARD



view: Golf/Lagoon	square feet: 1,832
bedrooms: 3	bathrooms: 2

This recently renovated West Beach home offers views of Cougar Point golf course and is situated within walking distance to the beach.

SOLD WITHIN 28 DAYS
PRICE: \$650,125 (95% OF LIST PRICE)

1381 DUNLIN COURT



view: Golf	square feet: 1,780
bedrooms: 4	bathrooms: 3

This Fairway Oaks villa in West Beach offers stunning views of Cougar Point Golf Course.



KIAWAH ISLAND REAL ESTATE SNAP SHOT

▲ 19%	HOME PRICES (\$) MEDIAN HOME SALES PRICE
▼ 4%	HOME SALES (#) NUMBER OF HOME SALES
▲ 48%	LAND SALES (\$) MEDIAN LAND SALES PRICE
▼ 5%	COTTAGE AND VILLA SALES (#) NUMBER OF COMBINED SALES
▲ 14%	MEDIAN SALE PRICE FOR ALL PROPERTY TYPES

Compared to year to date 2016.



UBER INTEGRATION

There's a new company presence on Kiawah—and we think you might recognize the brand.

In January, Uber began providing rides to Island residents and visitors under a new commercial arrangement with the Kiawah Island Community Association (KICA).

Under the new agreement, Uber drivers do not need to apply for and pay for a pass every time they need to pass through the security gate to pick up or drop off a passenger. Instead, each driver's vehicle must display an Uber sticker and the driver must show the specific customer order in the Uber app at the security gate. The driver must also immediately pick up or drop the passenger and then leave

the Island; staying or driving around the Island for any other purpose is not permitted. However, you might see a few familiar faces as a growing number of employees on Kiawah have signed up for the program.

Kiawah Island residents and visitors benefit from the new arrangement in two ways: Uber provides a new, hassle-free transportation option, and its commercial fee paid to KICA will help fund maintenance for Kiawah's roads.

"It's really good for the community because not only is Uber providing additional transportation, it's helping to pay for improvements and road upkeep," says KICA Security Director Tony Elder.

KIAWAH ISLAND FOR-SALE INVENTORY COMPARISON THIRD QUARTER 2013 - 2017

The for-sale inventory is an area to consider in any real estate market as the supply and demand affects pricing and absorption.

	2013	2014	2015	2016	2017
Total \$	\$709MM	\$695MM	\$703MM	\$713MM	\$753MM
Homes	\$441MM	\$426MM	\$416MM	\$459MM	\$507MM
Cottages & Villas	\$109MM	\$88MM	\$97MM	\$89MM	\$79MM
Lots	\$158MM	\$181MM	\$190MM	\$165MM	\$167MM
Total #*	549	535	533	538	537
Homes	177	187	174	208	209
Cottages & Villas	176	147	158	141	130
Lots	196	201	201	189	198

*The average developer inventory has been less than 8% of the total.

PRESIDENT'S NOTES

As noted throughout this report, the year over year comparison for the first 9 months, reflects that total sales have been relatively flat, both in transactions and dollar volume. What has changed is the median pricing, showing increases for both homes and homesite closings. And while this is certainly a positive trend, it warrants further discussion.

While median pricing is one way to measure a real estate market's health and follow its trends, it needs to be considered along with other information, including the number of properties available for sale. The total available inventory on Kiawah has remained relatively flat over the past 5 years (see chart left) in spite of annual sales that average 275 properties.

As we look further at inventory by product type, we have seen the villa and cottage inventory decline, most notably over the past 3 years, while the number of available single family homes has increased by 20% over the same period. The fundamentals of supply and demand economics tells us that before Kiawah can experience more substantial pricing appreciation, we need lower inventory levels.

As always, the experts at KIRE are best suited to guide you through a transaction, whether you are buying or selling on Kiawah.

~ Chris Drury, President

Chris Drury
Kiawah Island Real Estate

