

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

2018 Third Quarter Results | kiawahisland.com | 800.277.7008

Kiawah Sees Lowest Inventory in 11 Years

Kiawah is experiencing the lowest third quarter inventory levels on the Island since Q3 2007 (graphic below). The desire to purchase property on Kiawah Island is surging and the proof is in the numbers.

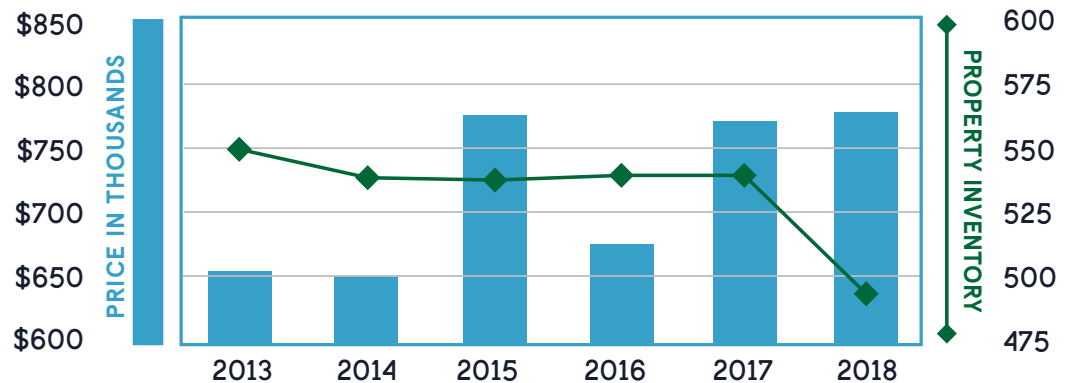
We closed the third quarter of 2007 with a total of 493 properties available for sale. The following three years, in the midst of the Great Recession, the inventory steadily rose, culminating at 630 properties available for sale at the close of Q3 2010. Fast forward to the present day, and our inventory has decreased virtually every year since 2010. Today, we have 489 properties available for sale; an impressive 22% less than this time in 2010 and even lower than it was at the market's peak in Q3 2007. The most dramatic drop occurred in the last 12 months when our inventory decreased by nearly 10% (537 in Q3 2017 vs. 489 in Q3 2018).

The lower inventory levels are not just respective to our overall inventory, but to all our property assets Island-wide (single family homes, villas and cottages, and lots). Inventory for single family homes has decreased 19% since 2010. Villa and cottage inventory is down 44% since 2010, and the total inventory for lots is down 9% in the last five years.

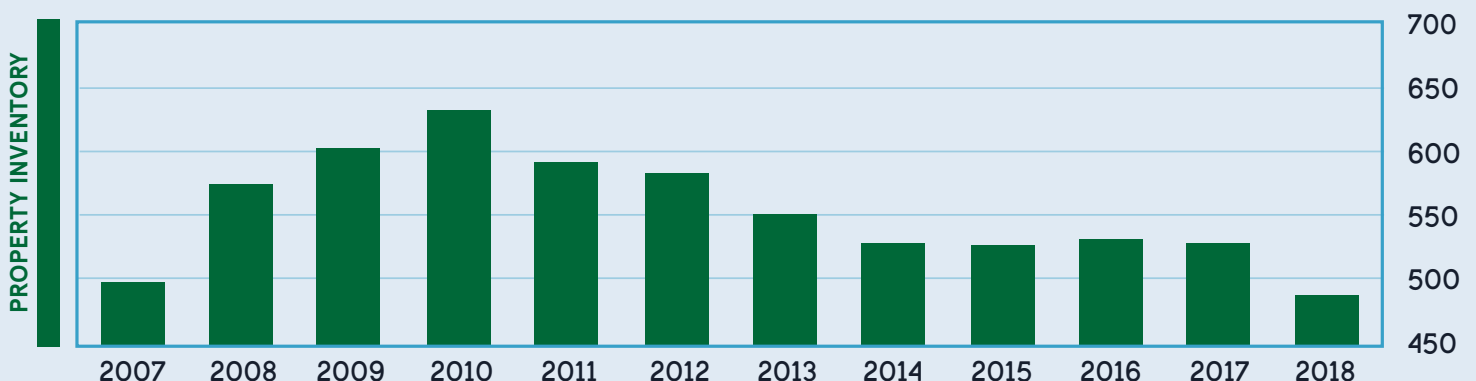
How has this affected our property values? Since 2013, the overall median sales price on Kiawah Island has increased 15% (\$656,250 through Q3 2013 vs. \$775,000 through Q3 2018), with single-family homes leading the way. In the third quarter, the median sales price for single family homes jumped 30% year over year and the total dollar volume is up 27%.

With all the investment and strong demand on Kiawah Island, we expect inventory to further decrease and property values to rise as we approach the 2021 PGA Championship.

**KIAWAH ISLAND
INVENTORY
VS. MEDIAN
SALES PRICE:
Thru Third
Quarter 2013-2018**



KIAWAH ISLAND INVENTORY: Thru Third Quarter 2007-2018



THIRD QUARTER 2018 ISLAND-WIDE SALES

Real estate sales on Kiawah Island remained strong through the third quarter of 2018, with sales volume and average pricing slightly ahead of a strong 2017. The sale of some premier homes in the community further supported the strong year-to-date increase in the dollar volume.

The sales numbers for villas and cottages are virtually flat year over year - but coming off the record increases that have been experienced over the past few years, this continued strength is compelling. As noted, single-family home sales helped to drive the overall dollar volume up year over year thus far in 2018; while the median sales price remained relatively flat when compared to sales through the third quarter of last year, average prices are up (\$1,993,272 vs. \$1,904,316) as more of the higher priced premier homes find their buyers.

This trend is consistent with the results seen in other luxury communities both regionally and nationally, according to the realtor.com® 2018 Luxury Home Index released in September. In 50 of the 90 counties analyzed - including Charleston County - the entry level luxury price tier begins

at \$1 million; Charleston's price to get into that "luxury" level grew by 9.5% year over year, making the region one of the top 20 fastest growing luxury markets.

"The conditions in the luxury segment are quite different from the market overall - it's really a tale of two markets," said Danielle Hale, chief economist for realtor.com. "Although U.S. median listing prices show signs of slowing growth, luxury prices are moving in the opposite direction."

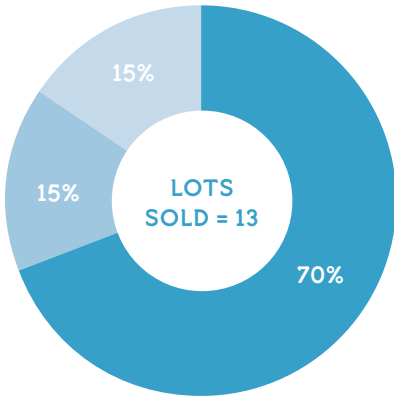
Of course, home sales growth and luxury price appreciation are not consistent across all markets. Among the communities and regions that are similar in property use (i.e. vacation vs. primary residential properties, etc.) and demographic makeup of property owners, Palm Beach County, Florida's estimated "taxable" property values have increased by nearly 8 percent over 2017, according to the Palm Beach County Property Appraiser. Meanwhile the island of Nantucket has seen a home sales decline of 8% (to 256 closings) through the end of September, with a decline in the median sales price of 2.9% (to \$1,530,000) according to data from a leading brokerage firm on Nantucket.

KIAWAH ISLAND SALES: Through September 30 vs. Previous Year

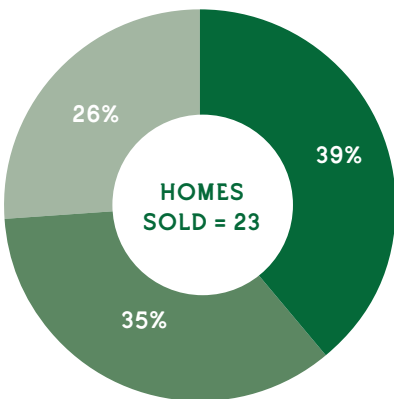
		2017	2018	Change
ALL TRANSACTIONS	Properties Sold (closed)	200	200	0%
	Dollar Volume	\$234,937,394	\$253,336,254	+8%
HOMES	Properties Sold (closed)	76	92	+21%
	Dollar Volume	\$144,728,044	\$183,381,041	+27%
	Median Sales Price	\$1,482,500	\$1,442,500	-3%
VILLAS AND COTTAGES	Properties Sold (closed)	77	74	-4%
	Dollar Volume	\$42,936,427	\$41,249,213	-4%
	Median Sales Price	\$465,400	\$452,500	-3%
LOTS	Properties Sold (closed)	47	34	-28%
	Dollar Volume	\$47,272,923	\$28,706,000	-39%
	Median Sales Price	\$690,000	\$395,000	-43%

NOTE: This report does not include the sale of 2 Company bulk parcels in the amount of \$14,420,000 in 2017 and 1 Company bulk parcel in the amount of \$1,000,000 in 2018.

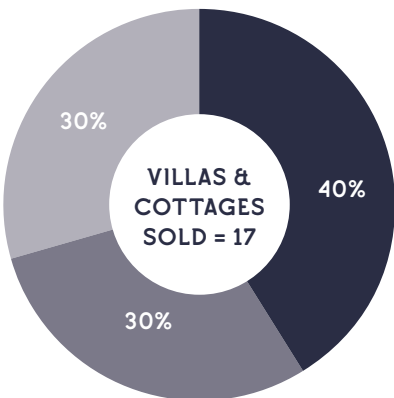
2018 THIRD QUARTER SALES TOTAL = 53



- < \$1MM = 9
- \$1 - 2MM = 2
- > \$2MM = 2



- < \$1.5MM = 9
- \$1.5 - 2.5MM = 8
- \$2.5 - 5MM = 6
- > \$5MM = 0



- 1 Bedroom = 7
- 2 Bedroom = 5
- 3 Bedroom = 5
- 4 Bedroom = 0

NOTABLE SALES ON KIAWAH ISLAND

SOLD BY: Kiawah Island Real Estate
WITHIN 30 DAYS
PRICE: \$3,250,000
(99.5% of list price)

243 High Dunes Lane



view: Marsh/Ocean	square feet: 3,542
bedrooms: 5	bathrooms: 5.1

The stunning new home was constructed with meticulous care and designed by the award-winning architects at Thomas & Denzinger.

SOLD BY: Kiawah Island Real Estate
IN 1 WEEK
PRICE: \$995,000
(100% of list price)

302 Surfsong Road



view: Golf	square feet: 3,271
bedrooms: 5	bathrooms: 5.1

Even with gorgeous views of the course framed by live oaks and palmetto trees—it's a traditional beach house at heart.

SOLD BY: Kiawah Island Real Estate
IN LESS THAN 1 WEEK
PRICE: \$5,300,000
(96.5% of list price)

15 Eugenia Avenue



view: Ocean	acreage: 0.66
lot: in West Beach near the Sandcastle	

A rare oceanfront lot with picturesque beach views.

SOLD BY: Kiawah Island Real Estate
WITHIN 3 WEEKS
PRICE: \$3,800,000
(95% of list price)

190 Bull Thistle Lane



view: Marsh	square feet: 4,833
bedrooms: 5	bathrooms: 5.1

With tranquil marsh views stretching to the horizon, this home set on a peninsula lot, confers rare advantages.

Kiawah Island For-Sale Inventory Comparison

THIRD QUARTER 2013 - 2018

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	2018
TOTAL \$	\$709MM	\$695MM	\$703MM	\$713MM	\$753MM	\$700MM
HOMES	\$441MM	\$426MM	\$416MM	\$459MM	\$507MM	\$491MM
COTTAGES & VILLAS	\$109MM	\$88MM	\$97MM	\$89MM	\$79MM	\$61MM
LOTS	\$158MM	\$181MM	\$190MM	\$165MM	\$167MM	\$148MM
TOTAL#	549	535	533	538	537	489
HOMES	177	187	174	208	209	205
COTTAGES & VILLAS	176	147	158	141	130	105
LOTS	196	201	201	189	198	179

Figures as of September 30 each year.

THIS PROPERTY REPORT REPRESENTS ALL SALES ISLAND-WIDE.

PRESIDENT'S NOTE

As noted in this report, the year-over-year comparison for 2018's first nine months reflects that while the number of transactions closed is flat, the total dollar volume increased 8%. With a 21% increase in the number of single-family home sales this year, this data continues to indicate the strong demand for single-family homes.

In our mid-year report, I shared news of Kiawah Island Real Estate's exciting new branding platform, which is now in full swing. In addition, print and collateral materials are reflecting the new brand, which you may have noticed in the latest issue of our Catalog of Properties. We are also continuing to make a significant investment in both digital and print advertising campaigns in an effort to increase awareness and generate buyers for KIRE listings.

As you examine the data, please keep in mind that the experts at KIRE are here to guide you in your understanding of the market, and are best suited to facilitate a transaction, whether you are buying or selling on Kiawah Island.

Regards,

Chris Drury, President



Kiawah Island Real Estate

