

Annual Report on the Hilton Head Housing Market

A FREE RESEARCH TOOL FROM THE HILTON HEAD AREA ASSOCIATION OF REALTORS®



2016

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With a new U.S. president from a different political party taking office in 2017, few are expecting federal policies to remain as they have under prior leadership. The incoming president has a deep history in real estate development and has shown a strong interest in funding massive infrastructure projects, two points that provide intrigue for the immediate future of residential real estate.

After several years of housing market improvement, 2016, as predicted, was not a pronounced triumph but more of a measured success. Markets took a steady and mostly profitable walk from month to month. Even as supply was short and shrinking, sales and prices were often increasing.

Interest rates were expected to rise throughout 2016, but they did not. Just as happened in 2015, the Federal Reserve waited until December 2016 to make a short-term rate increase. Incremental rate hikes are again expected in 2017. An economy that shows unemployment at a nine-year low coupled with higher wages inspires confidence.

Mortgage rates are not expected to grow by more than .75 percent throughout 2017, which should keep them below 5.0 percent. If they rise above that mark, we could see rate lock, and that could cause homeowners to stay put at locked-in rates instead of trading up for higher-rate properties. Such a situation would put a damper on an already strained inventory environment.

Sales: Pending sales increased 0.6 percent to 4,228 to close out the year. Closed sales increased 4.2 percent to 4,232 in 2016.

Listings: Inventory was lower in year-over-year comparisons. There were 2,142 active listings at the end of 2016. New listings increased by 4.0 percent to finish the year at 6,147. Low home supply is expected to continue throughout 2017.

Prices: Home prices rose compared to last year. The overall median sales price was up 6.1 percent to \$292,850 for the year. When inventory is low and demand is high, prices will rise. Prices should increase in most areas in 2017 but at a slower growth rate. Single-Family homes were up 5.6 percent compared to last year, and Condos/Villas were up 10.5 percent. We will likely need years of improved wage growth to account for recent price gains.

List Price Received: Sellers received 95.8 percent of their list price received at sale, a year-over-year increase of 0.1 percent. Sales prices should increase again in 2017, leading to further increases in list price received.

Millennials continue to command attention as the next wave of home buyers, yet the rate at which this massive population is entering the market has been less than stellar. This may be due to a cultural change away from settling into marriage and parenthood until later in life, high student loan debt, or even reservations about a home being a wise investment in the wake of what the last recession did to their elders. That said, some have suggested that this group is simply willing to wait longer to buy, thus skipping the entry-level purchase altogether to land in their preferred home.

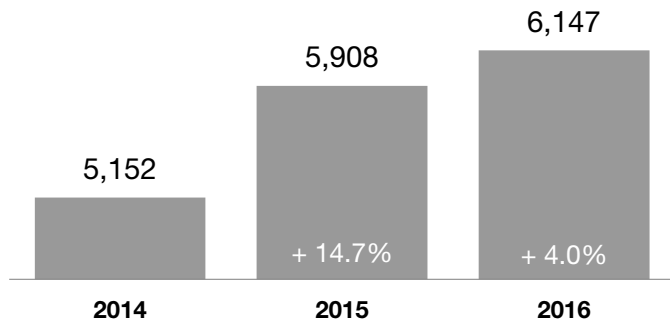
At the other end of the age and price spectrum, baby boomers are expected to make up nearly one-third of all buyers in 2017. By and large, this group is not looking to invest in oversized homes, yet we could see improvement in higher price ranges as a hedge against inflation and risk. Shifting wealth away from the stock market into valuable homes may be seen as a safer bet during a transition of power and a period of pronounced change.

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Quick Facts

New Listings



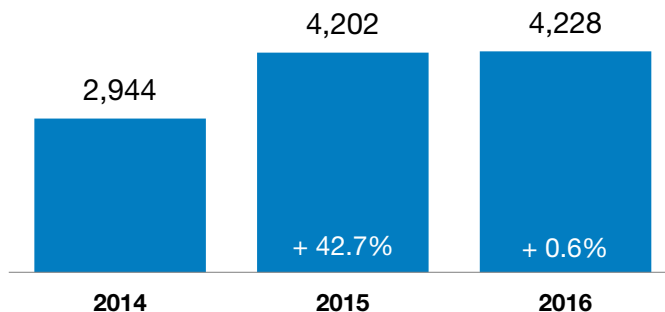
Top 5 Areas: Change in New Listings from 2015

41: Allendale County	+ 200.0%
33: Hilton Head Lakes	+ 76.3%
23: Sun City / Riverbend	+ 38.5%
34: Hampton Lake	+ 33.3%
43: Colleton County	+ 33.3%

Bottom 5 Areas: Change in New Listings from 2015

40: Jasper County	- 19.0%
11: Indigo Run	- 21.3%
21: Berkeley Hall	- 43.5%
31: Hampton Hall	- 45.5%
12: Spanish Wells	- 50.0%

Pending Sales



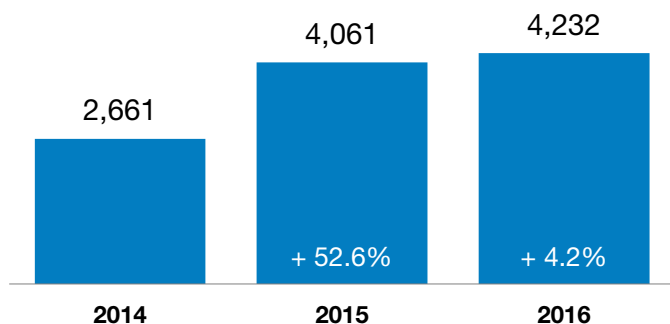
Top 5 Areas: Change in Pending Sales from 2015

34: Hampton Lake	+ 600.0%
33: Hilton Head Lakes	+ 115.0%
43: Colleton County	+ 100.0%
22: Palmetto Bluff	+ 30.8%
27: Beauf. Co - N. of Broad River	+ 25.0%

Bottom 5 Areas: Change in Pending Sales from 2015

10: Palmetto Hall	- 46.9%
21: Berkeley Hall	- 48.4%
32: Hampton Pointe	- 54.5%
31: Hampton Hall	- 66.7%
12: Spanish Wells	- 71.4%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2015

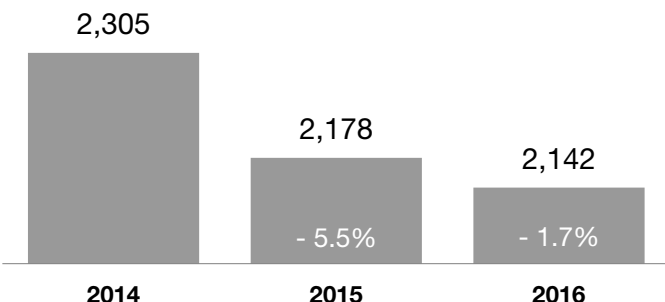
34: Hampton Lake	+ 600.0%
33: Hilton Head Lakes	+ 132.4%
27: Beauf. Co - N. of Broad River	+ 100.0%
43: Colleton County	+ 100.0%
4: Wexford	+ 40.0%

Bottom 5 Areas: Change in Closed Sales from 2015

21: Berkeley Hall	- 29.6%
12: Spanish Wells	- 33.3%
32: Hampton Pointe	- 47.6%
10: Palmetto Hall	- 51.4%
31: Hampton Hall	- 66.7%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2015

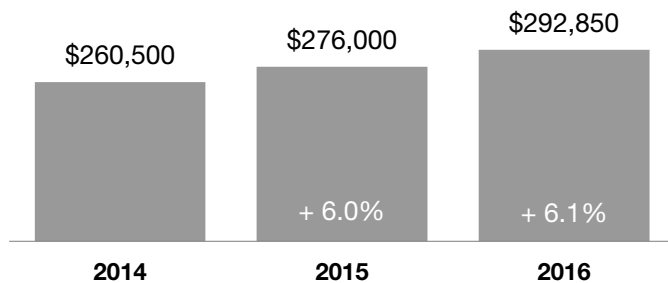
41: Allendale County	+ 100.0%
43: Colleton County	+ 100.0%
23: Sun City / Riverbend	+ 77.6%
10: Palmetto Hall	+ 60.0%
32: Hampton Pointe	+ 50.0%

Bottom 5 Areas: Change in Homes for Sale from 2015

27: Beauf. Co - N. of Broad River	- 25.0%
8: Port Royal	- 26.1%
4: Wexford	- 26.8%
31: Hampton Hall	- 33.3%
34: Hampton Lake	- 40.0%

Quick Facts

Median Sales Price



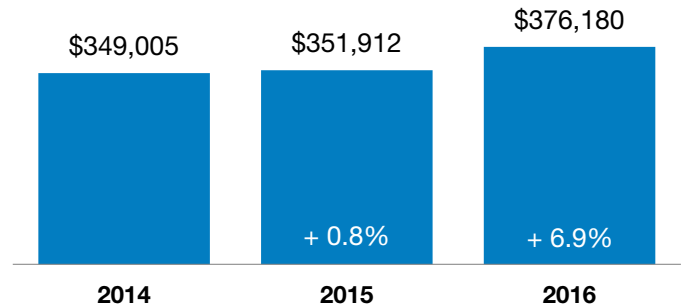
Top 5 Areas: Change in Median Sales Price from 2015

27: Beauf. Co - N. of Broad River	+ 163.5%
Callawassie Island	+ 43.8%
18: Colleton River	+ 43.0%
12: Spanish Wells	+ 27.2%
26: Spring Island	+ 22.6%

Bottom 5 Areas: Change in Median Sales Price from 2015

21: Berkeley Hall	- 10.4%
31: Hampton Hall	- 23.3%
34: Hampton Lake	- 33.1%
44: Hampton County	- 33.7%
43: Colleton County	- 89.5%

Average Sales Price



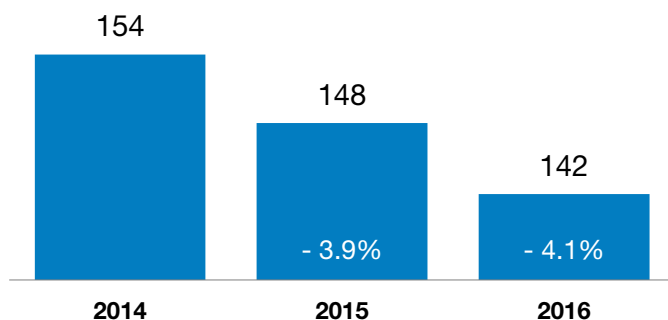
Top 5 Areas: Change in Avg. Sales Price from 2015

12: Spanish Wells	+ 38.9%
13: Windmill Harbour	+ 37.9%
Callawassie Island	+ 31.9%
18: Colleton River	+ 28.8%
Daufuskie Island	+ 28.5%

Bottom 5 Areas: Change in Avg. Sales Price from 2015

21: Berkeley Hall	- 5.5%
44: Hampton County	- 16.8%
31: Hampton Hall	- 22.1%
22: Palmetto Bluff	- 23.4%
43: Colleton County	- 89.5%

Days on Market Until Sale



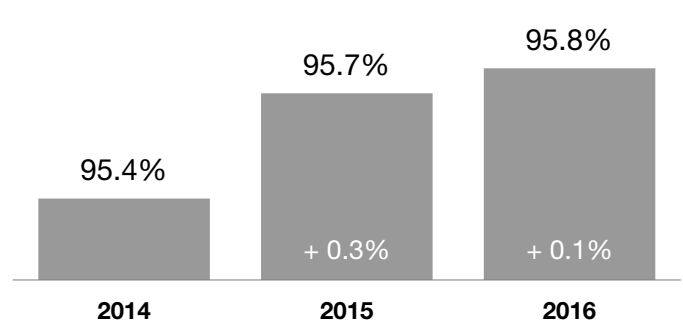
Top 5 Areas: Change in Days on Market from 2015

32: Hampton Pointe	+ 58.4%
21: Berkeley Hall	+ 36.4%
5: Long Cove	+ 26.6%
34: Hampton Lake	+ 25.6%
18: Colleton River	+ 19.4%

Bottom 5 Areas: Change in Days on Market from 2015

17: Moss Creek	- 16.9%
11: Indigo Run	- 20.9%
Daufuskie Island	- 36.0%
44: Hampton County	- 44.5%
12: Spanish Wells	- 68.8%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2015

22: Palmetto Bluff	+ 5.1%
27: Beauf. Co - N. of Broad River	+ 4.0%
31: Hampton Hall	+ 1.9%
33: Hilton Head Lakes	+ 1.4%
18: Colleton River	+ 1.0%

Bottom 5 Areas: Change in Pct. of List Price Received from 2015

24: Oldfield	- 2.7%
Daufuskie Island	- 3.8%
34: Hampton Lake	- 4.0%
44: Hampton County	- 4.7%
43: Colleton County	- 5.7%

Price Range Review

\$350,001 to \$500,000

Price Range with Shortest Average Market Time

\$225,001 to \$375,000

Price Range with Longest Average Market Time

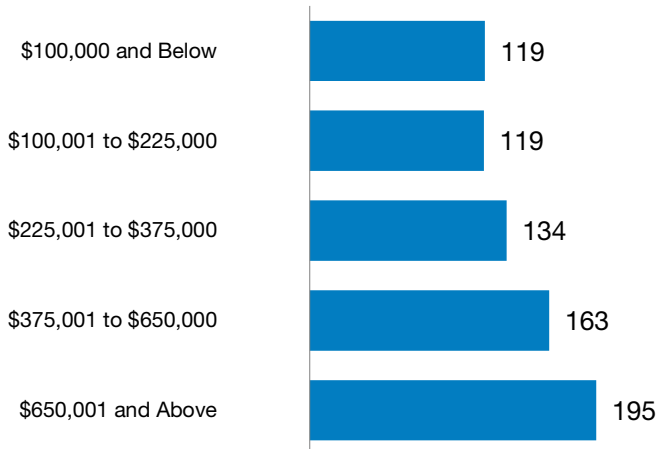
3.7%

Homes for Sale at Year End Priced \$100,000 and Below

- 29.5%

One-Year Change in Homes for Sale Priced \$100,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$100,000 and Below



\$500,001 and Above

Price Range with the Most Closed Sales

+ 15.2%

Price Range with Strongest One-Year Change in Sales: \$500,001 and Above

\$100,000 and Below

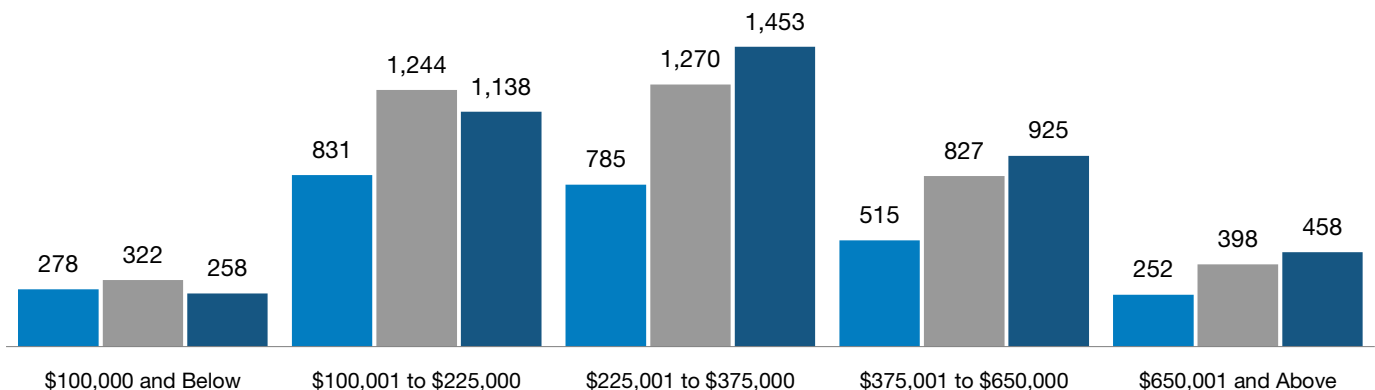
Price Range with the Fewest Closed Sales

- 19.9%

Price Range with Weakest One-Year Change in Sales: \$100,000 and Below

Closed Sales by Price Range

■ 2014 ■ 2015 ■ 2016



Property Type Review

138

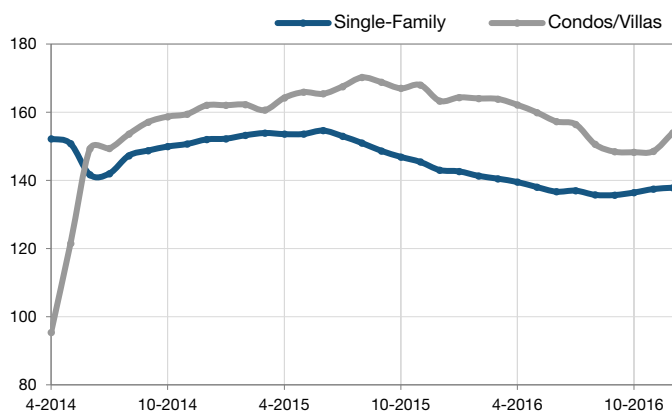
Average Days on Market
Single-Family

154

Average Days on Market
Condos/Villas

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Condos/Villas Market Share in 2016

7: Folly Field	93.5%
2: Forest Beach	86.1%
3: Shipyard	80.9%
6: Palmetto Dunes	70.7%
14: HH / Off Plantation	67.5%
Hilton Head Totals	50.7%
1: Sea Pines	41.1%
13: Windmill Harbour	30.0%
Daufuskie Island	29.0%
8: Port Royal	20.3%
34: Hampton Lake	14.3%
16: Bluffton / Off Plantation	7.5%
9: Hilton Head Plantation	6.7%
33: Hilton Head Lakes	6.3%

+ 5.6%

One-Year Change in Price
Single-Family

+ 10.5%

One-Year Change in Price
Condos/Villas

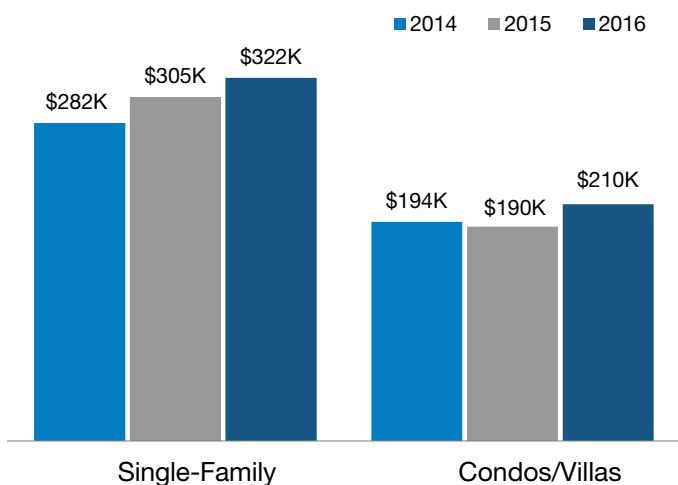
96.3%

Pct. of List Price Received
Single-Family

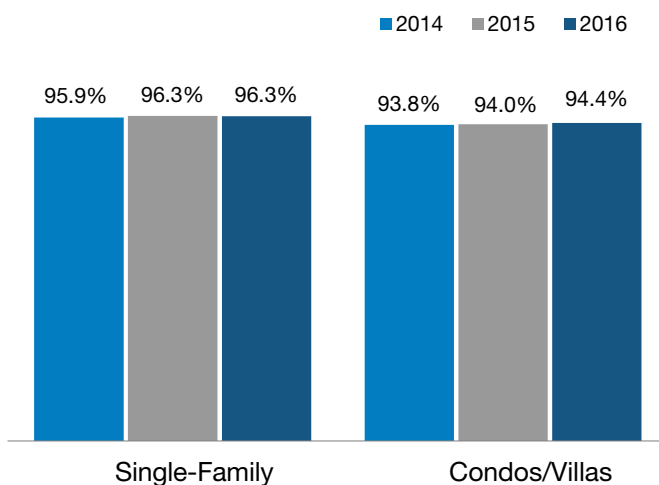
94.4%

Pct. of List Price Received
Condos/Villas

Median Sales Price



Percent of List Price Received



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Distressed Homes Review



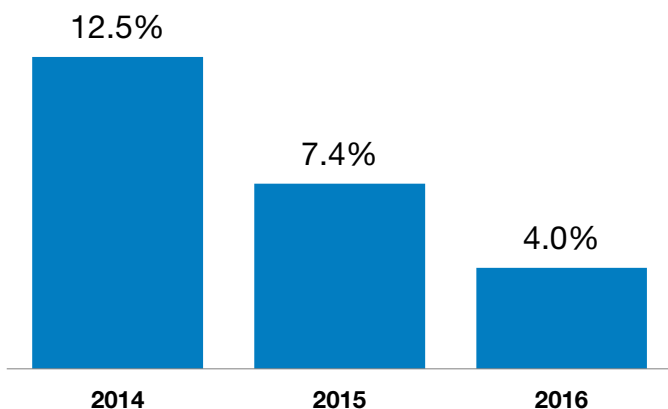
4.0%

Percent of Closed Sales in 2016 That Were Distressed

- 43.2%

One-Year Change in Sales of Lender-Mediated

Percent of Sales That Were Distressed



Top Areas: Lender-Mediated Market Share in 2014

43: Colleton County	100.0%
44: Hampton County	29.4%
34: Hampton Lake	14.3%
Daufuskie Island	12.9%
19: Belfair	12.1%
40: Jasper County	11.9%
26: Spring Island	11.0%
5: Long Cove	8.0%
4: Wexford	7.1%
14: HH / Off Plantation	5.7%
21: Berkeley Hall	5.3%
13: Windmill Harbour	5.0%
18: Colleton River	4.5%
2: Forest Beach	4.5%

+ 12.4%

Three-Year Change in Price All Properties

+ 7.3%

Three-Year Change in Price Traditional Properties

+ 13.5%

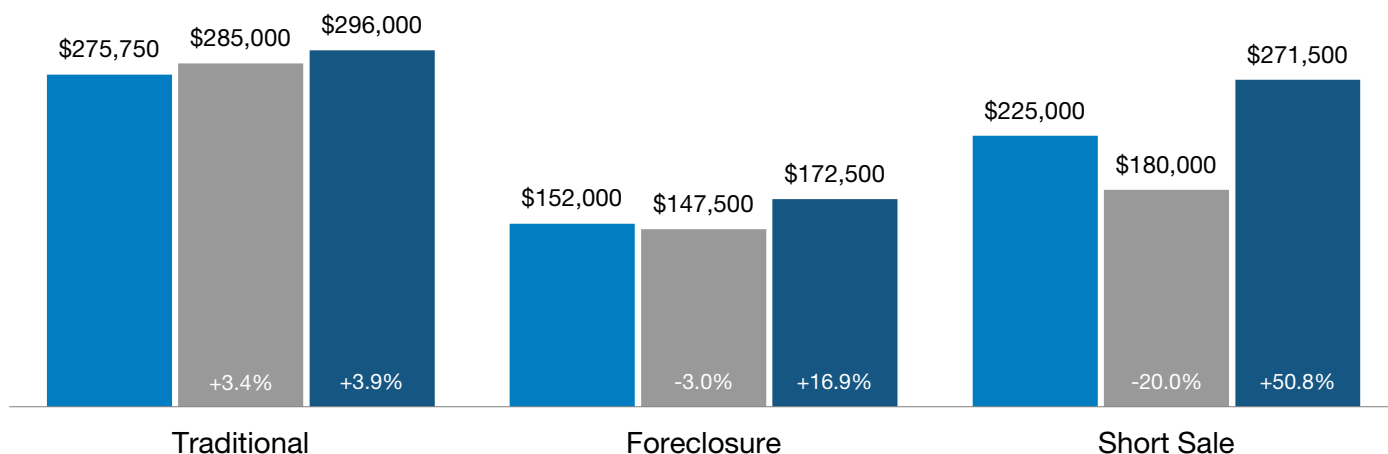
Three-Year Change in Price Foreclosure

+ 20.7%

Three-Year Change in Price Short Sale

Median Sales Price

■ 2014 ■ 2015 ■ 2016



Area Overviews

	Total Closed Sales	Change from 2015	Percent Condos/Villas	Percent Distressed	Months Supply of Inventory	Days on Market	Pct. of List Price Received
1: Sea Pines	321	+ 0.6%	41.1%	1.9%	8.2	177	94.6%
2: Forest Beach	202	- 15.1%	86.1%	4.5%	6.8	183	93.7%
3: Shipyard	89	+ 8.5%	80.9%	1.1%	5.7	161	95.2%
4: Wexford	28	+ 40.0%	0.0%	7.1%	13.3	232	92.6%
5: Long Cove	25	+ 25.0%	0.0%	8.0%	14.1	276	94.0%
6: Palmetto Dunes	225	+ 2.3%	70.7%	2.2%	9.8	196	94.6%
7: Folly Field	123	+ 51.9%	93.5%	3.3%	8.7	161	94.1%
8: Port Royal	64	- 11.1%	20.3%	0.0%	6.4	196	93.6%
9: Hilton Head Plantation	240	+ 5.7%	6.7%	4.2%	3.6	132	95.9%
10: Palmetto Hall	17	- 51.4%	0.0%	0.0%	14.1	189	96.5%
11: Indigo Run	55	- 5.2%	5.5%	0.0%	6.7	125	95.9%
12: Spanish Wells	4	- 33.3%	0.0%	0.0%	11.0	53	92.6%
13: Windmill Harbour	20	- 4.8%	30.0%	5.0%	15.5	150	94.1%
14: HH / Off Plantation	366	- 7.1%	67.5%	5.7%	4.0	127	94.7%
16: Bluffton / Off Plantation	1,074	+ 4.5%	7.5%	4.1%	3.2	111	97.0%
17: Moss Creek	56	- 21.1%	5.4%	3.6%	8.0	157	94.0%
18: Colleton River	22	- 12.0%	0.0%	4.5%	13.2	258	94.7%
19: Belfair	33	+ 22.2%	0.0%	12.1%	21.1	194	95.3%
20: Rose Hill	66	+ 20.0%	0.0%	3.0%	6.5	133	96.1%
21: Berkeley Hall	19	- 29.6%	0.0%	5.3%	23.1	330	94.6%
22: Palmetto Bluff	17	+ 6.3%	0.0%	0.0%	8.5	150	95.5%
23: Sun City / Riverbend	584	+ 24.5%	0.0%	1.0%	3.1	94	97.9%
24: Oldfield	18	- 5.3%	0.0%	0.0%	8.5	207	93.7%
26: Spring Island	191	+ 14.4%	2.1%	11.0%	6.4	135	95.1%
27: Beauf. Co - N. of Broad River	6	+ 100.0%	0.0%	0.0%	4.8	280	93.7%
28: Beauf. Co - S. of Broad River	46	- 27.0%	0.0%	0.0%	8.1	163	96.9%
31: Hampton Hall	3	- 66.7%	0.0%	0.0%	4.0	131	97.0%
32: Hampton Pointe	11	- 47.6%	0.0%	0.0%	5.4	198	98.1%
33: Hilton Head Lakes	79	+ 132.4%	6.3%	0.0%	7.3	183	97.5%
34: Hampton Lake	7	+ 600.0%	14.3%	14.3%	1.7	167	93.4%
35: Fripp Island	0	--	0.0%	0.0%	0.0	0	0.0%
40: Jasper County	134	- 10.7%	0.0%	11.9%	7.3	171	96.3%
41: Allendale County	3	--	0.0%	0.0%	4.5	161	88.7%
42: Barnwell County	0	--	0.0%	0.0%	0.0	0	0.0%
43: Colleton County	2	+ 100.0%	0.0%	100.0%	4.0	206	94.3%
44: Hampton County	17	+ 13.3%	0.0%	29.4%	7.7	126	93.8%
45: Orangeburg County	0	--	0.0%	0.0%	0.0	0	0.0%
46: Bamberg County	0	--	0.0%	0.0%	0.0	0	0.0%
Callawassie Island	26	0.0%	0.0%	0.0%	25.0	282	92.8%
Daufuskie Island	31	- 3.1%	29.0%	12.9%	23.2	220	87.9%
Mainland	1,987	+ 11.8%	4.1%	2.9%	4.7	120	97.0%

Area Historical Median Prices

	2014	2015	2016	Change From 2015	Change From 2012
1: Sea Pines	\$466,250	\$450,000	\$518,000	+ 15.1%	+ 11.1%
2: Forest Beach	\$180,250	\$205,000	\$205,000	0.0%	+ 13.7%
3: Shipyard	\$251,250	\$282,500	\$290,000	+ 2.7%	+ 15.4%
4: Wexford	\$837,000	\$885,000	\$990,000	+ 11.9%	+ 18.3%
5: Long Cove	\$615,000	\$675,000	\$720,000	+ 6.7%	+ 17.1%
6: Palmetto Dunes	\$470,000	\$467,500	\$500,000	+ 7.0%	+ 6.4%
7: Folly Field	\$115,500	\$124,900	\$135,000	+ 8.1%	+ 16.9%
8: Port Royal	\$488,750	\$562,500	\$554,000	- 1.5%	+ 13.4%
9: Hilton Head Plantation	\$400,000	\$410,000	\$419,000	+ 2.2%	+ 4.8%
10: Palmetto Hall	\$500,000	\$530,000	\$526,500	- 0.7%	+ 5.3%
11: Indigo Run	\$595,000	\$587,500	\$625,000	+ 6.4%	+ 5.0%
12: Spanish Wells	\$1,475,000	\$886,250	\$1,127,500	+ 27.2%	- 23.6%
13: Windmill Harbour	\$580,000	\$555,000	\$607,000	+ 9.4%	+ 4.7%
14: HH / Off Plantation	\$148,000	\$149,000	\$169,250	+ 13.6%	+ 14.4%
16: Bluffton / Off Plantation	\$197,375	\$215,000	\$232,000	+ 7.9%	+ 17.5%
17: Moss Creek	\$318,600	\$370,000	\$372,500	+ 0.7%	+ 16.9%
18: Colleton River	\$625,000	\$589,000	\$842,500	+ 43.0%	+ 34.8%
19: Belfair	\$533,000	\$605,000	\$616,250	+ 1.9%	+ 15.6%
20: Rose Hill	\$320,000	\$330,000	\$347,293	+ 5.2%	+ 8.5%
21: Berkeley Hall	\$632,500	\$647,000	\$580,000	- 10.4%	- 8.3%
22: Palmetto Bluff	\$1,010,000	\$1,187,500	\$1,110,000	- 6.5%	+ 9.9%
23: Sun City / Riverbend	\$231,000	\$257,500	\$275,000	+ 6.8%	+ 19.0%
24: Oldfield	\$524,000	\$655,000	\$680,000	+ 3.8%	+ 29.8%
26: Spring Island	\$158,000	\$183,500	\$225,000	+ 22.6%	+ 42.4%
27: Beauf. Co - N. of Broad River	\$150,000	\$212,500	\$560,000	+ 163.5%	+ 273.3%
28: Beauf. Co - S. of Broad River	\$445,000	\$525,000	\$531,998	+ 1.3%	+ 19.6%
31: Hampton Hall	\$359,000	\$360,000	\$276,000	- 23.3%	- 23.1%
32: Hampton Pointe	\$290,000	\$324,535	\$339,930	+ 4.7%	+ 17.2%
33: Hilton Head Lakes	\$490,000	\$500,000	\$484,990	- 3.0%	- 1.0%
34: Hampton Lake	\$343,000	\$535,000	\$358,000	- 33.1%	+ 4.4%
35: Fripp Island	\$0	\$0	\$0	--	--
40: Jasper County	\$133,000	\$143,000	\$165,000	+ 15.4%	+ 24.1%
41: Allendale County	\$0	\$0	\$98,750	--	--
42: Barnwell County	\$0	\$0	\$0	--	--
43: Colleton County	\$0	\$199,000	\$20,950	- 89.5%	--
44: Hampton County	\$66,750	\$86,000	\$57,000	- 33.7%	- 14.6%
45: Orangeburg County	\$0	\$0	\$0	--	--
46: Bamberg County	\$0	\$0	\$0	--	--
Callawassie Island	\$340,000	\$331,950	\$477,500	+ 43.8%	+ 40.4%
Daufuskie Island	\$267,000	\$356,225	\$362,450	+ 1.7%	+ 35.7%
Mainland	\$234,900	\$254,900	\$270,584	+ 6.2%	+ 15.2%