

Annual Report on the South Carolina Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY FROM THE STATE OF SOUTH CAROLINA



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 5.3 percent to 79,324 to close out the year. Closed sales increased 7.8 percent to 79,609 in 2016.

Listings: Inventory was lower in year-over-year comparisons. There were 31,421 active listings at the end of 2016. New listings increased by 3.5 percent to finish the year at 110,649. Low home supply is expected to continue throughout 2017.

Prices: Home prices rose compared to last year. The overall median sales price was up 4.7 percent to \$180,000 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 5.0 percent compared to last year, and Townhouse-Condo homes were up 5.6 percent. We will likely need years of improved wage growth to account for recent price gains.

List Price Received: Sellers received 96.9 percent of their original list price received at sale, a year-over-year increase of 0.5 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.

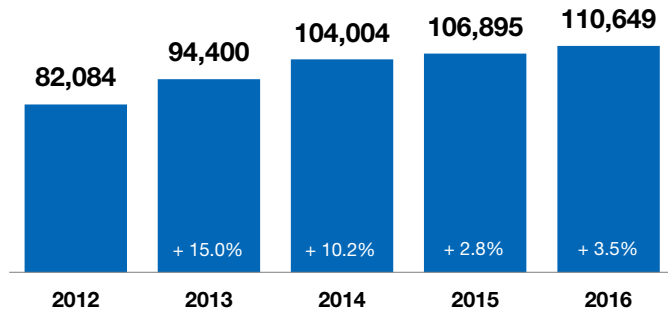
At the other end of the age and price spectrum, baby boomers are expected to make up nearly one-third of all buyers in 2017. By and large, this group is not looking to invest in oversized homes, yet we could see improvement in higher price ranges as a hedge against inflation and risk. Shifting wealth 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



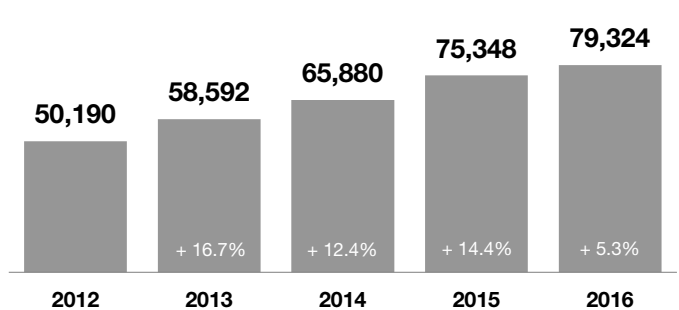
Top 5 Areas: Change in New Listings from 2015

| | |
|--------------------|--------|
| CMLS | + 9.3% |
| Beaufort | + 7.0% |
| Charleston Trident | + 4.3% |
| Spartanburg | + 4.1% |
| Southern Midlands | + 3.8% |

Bottom 5 Areas: Change in New Listings from 2015

| | |
|-----------|---------|
| Pee Dee | - 0.6% |
| Sumter | - 4.2% |
| Greenwood | - 9.3% |
| Cherokee | - 9.4% |
| Piedmont | - 12.6% |

Pending Sales



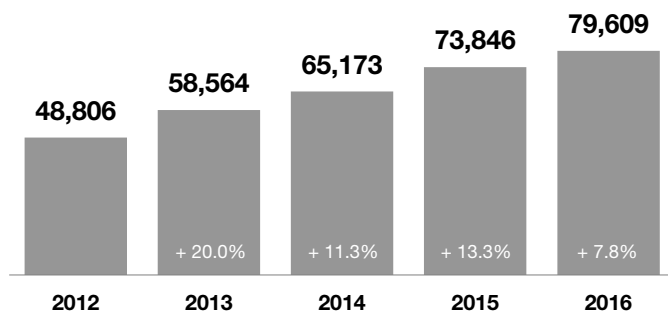
Top 5 Areas: Change in Pending Sales from 2015

| | |
|--------------------|---------|
| Sumter | + 16.6% |
| CMLS | + 11.6% |
| Beaufort | + 10.2% |
| Southern Midlands | + 8.9% |
| Charleston Trident | + 8.6% |

Bottom 5 Areas: Change in Pending Sales from 2015

| | |
|--------------------|--------|
| Coastal Carolinas | + 2.0% |
| Greater Greenville | + 1.3% |
| Cherokee | + 0.4% |
| Pee Dee | - 2.9% |
| Piedmont | - 8.4% |

Closed Sales



Top 5 Areas: Change in Closed Sales from 2015

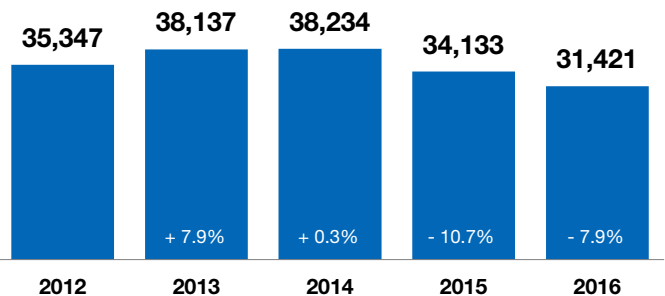
| | |
|--------------------|---------|
| Sumter | + 14.8% |
| CMLS | + 10.9% |
| Western Upstate | + 10.9% |
| Charleston Trident | + 9.0% |
| Beaufort | + 8.8% |

Bottom 5 Areas: Change in Closed Sales from 2015

| | |
|-------------------|--------|
| Coastal Carolinas | + 5.4% |
| Greenwood | + 5.1% |
| Cherokee | + 4.7% |
| Southern Midlands | + 3.0% |
| Piedmont | - 3.5% |

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Homes for Sale from 2015

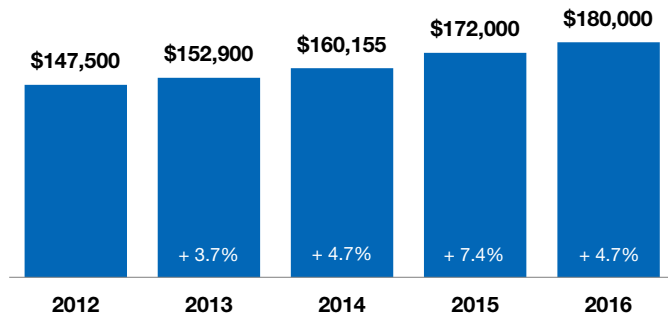
| | |
|--------------------|--------|
| Sumter | - 4.6% |
| Charleston Trident | - 5.8% |
| Coastal Carolinas | - 6.7% |
| Hilton Head | - 6.7% |
| Greenwood | - 6.8% |

Bottom 5 Areas: Change in Homes for Sale from 2015

| | |
|-----------------|---------|
| Western Upstate | - 16.2% |
| Spartanburg | - 20.0% |
| Cherokee | - 20.4% |
| Piedmont | - 27.2% |
| Beaufort | - 31.2% |

Quick Facts

Median Sales Price



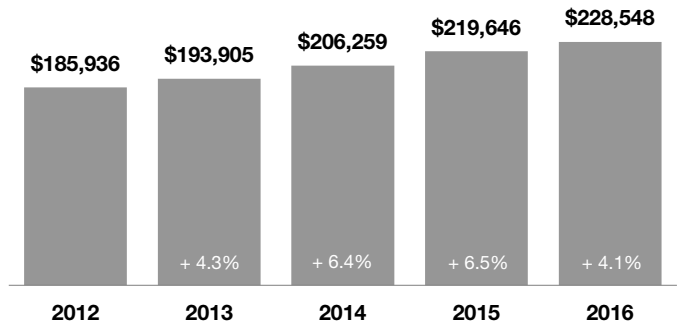
Top 5 Areas: Change in Median Sales Price from 2015

| | |
|-------------------|---------|
| Cherokee | + 25.5% |
| Beaufort | + 13.4% |
| Greenwood | + 12.2% |
| Southern Midlands | + 11.0% |
| Spartanburg | + 7.4% |

Bottom 5 Areas: Change in Median Sales Price from 2015

| | |
|-------------------|--------|
| Pee Dee | + 3.1% |
| Coastal Carolinas | + 2.4% |
| Hilton Head | + 2.4% |
| Piedmont | + 1.5% |
| Western Upstate | + 1.0% |

Average Sales Price



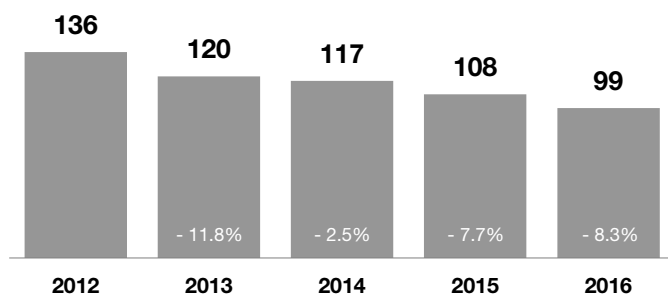
Top 5 Areas: Change in Avg. Sales Price from 2015

| | |
|-------------------|---------|
| Cherokee | + 13.6% |
| Greenwood | + 12.5% |
| Beaufort | + 10.9% |
| Southern Midlands | + 8.6% |
| CMLS | + 5.4% |

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

| | |
|-------------------|--------|
| Coastal Carolinas | + 1.8% |
| Hilton Head | + 1.8% |
| Piedmont | + 1.3% |
| Pee Dee | + 1.2% |
| Western Upstate | - 0.2% |

Days on Market Until Sale



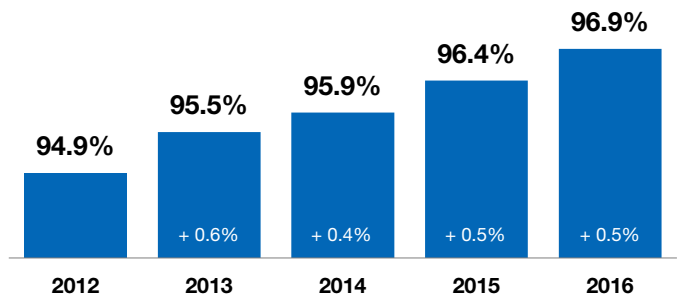
Top 5 Areas: Change in Days on Market from 2015

| | |
|-------------------|--------|
| Southern Midlands | + 7.6% |
| Pee Dee | + 5.7% |
| Greenwood | - 0.7% |
| Sumter | - 1.7% |
| North Augusta | - 2.9% |

Bottom 5 Areas: Change in Days on Market from 2015

| | |
|--------------------|---------|
| Spartanburg | - 12.1% |
| CMLS | - 14.4% |
| Western Upstate | - 14.6% |
| Beaufort | - 16.4% |
| Greater Greenville | - 17.6% |

Percent of List Price Received



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

| | |
|-------------------|--------|
| Cherokee | + 2.5% |
| Southern Midlands | + 2.1% |
| Pee Dee | + 1.2% |
| Spartanburg | + 1.1% |
| Greenwood | + 1.0% |

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

| | |
|--------------------|--------|
| Aiken | + 0.3% |
| Coastal Carolinas | + 0.3% |
| Hilton Head | + 0.3% |
| Charleston Trident | + 0.3% |
| Beaufort | + 0.2% |

Property Type Review

96

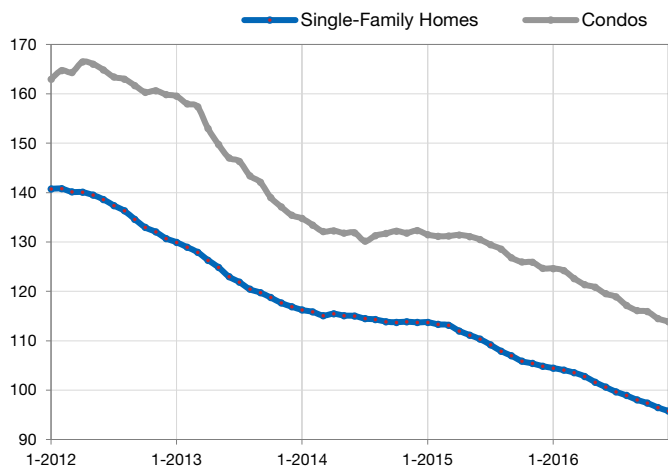
Average Days on Market
Single-Family Homes

114

Average Days on Market
Condos

Days on Market Until Sale

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



Top Areas: Condos Market Share in 2016

| | |
|--------------------|-------|
| Coastal Carolinas | 39.6% |
| Hilton Head | 39.6% |
| Charleston Trident | 17.9% |
| Beaufort | 10.9% |
| Piedmont | 10.2% |
| Greater Greenville | 7.4% |
| Western Upstate | 7.3% |
| Aiken | 6.7% |
| CMLS | 6.5% |
| Greenwood | 5.8% |
| North Augusta | 5.0% |
| Pee Dee | 4.6% |
| Spartanburg | 3.1% |
| Southern Midlands | 2.3% |
| Sumter | 1.5% |

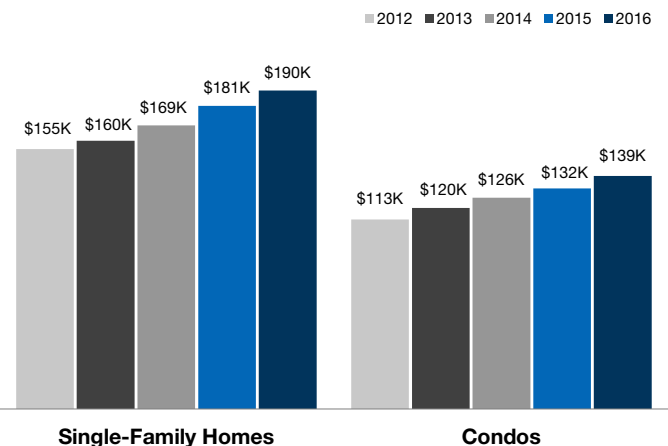
+ 5.0%

One-Year Change in Price
Single-Family Homes

+ 5.6%

One-Year Change in Price
Condos

Median Sales Price



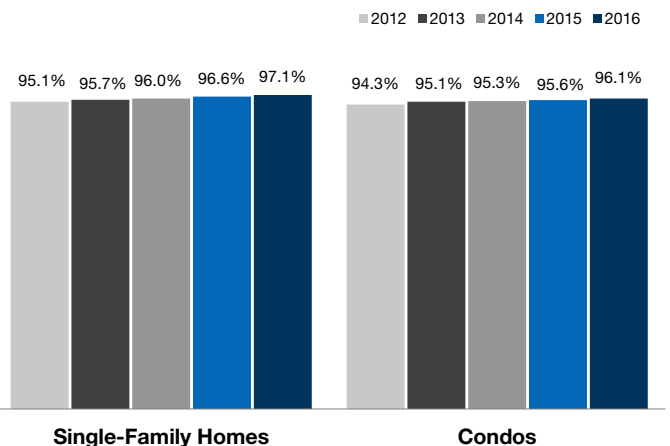
97.1%

Pct. of List Price Received
Single-Family Homes

96.1%

Pct. of List Price Received
Condos

Percent of List Price Received



Bedroom Count Review

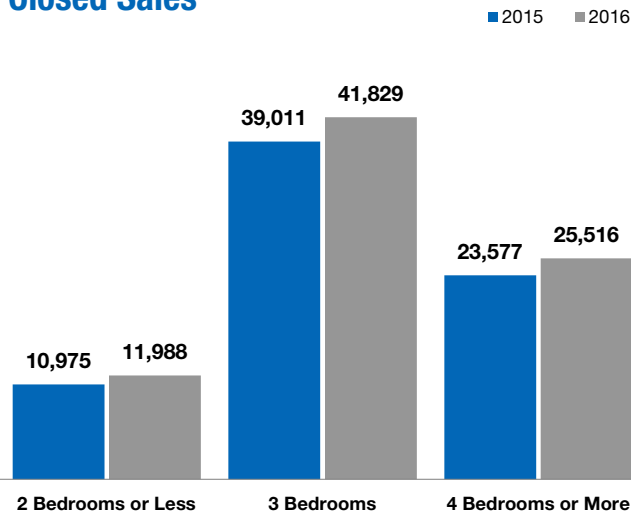
+ 9.2%

Growth in Closed Sales
2 Bedrooms or Less

+ 8.2%

Growth in Closed Sales
4 Bedrooms or More

Closed Sales



Top Areas: 4 Bedrooms or More Market Share in 2016

| | |
|--------------------|-------|
| North Augusta | 47.2% |
| CMLS | 40.6% |
| Charleston Trident | 37.5% |
| Greater Greenville | 36.4% |
| Aiken | 33.5% |
| Sumter | 33.0% |
| Pee Dee | 29.4% |
| Spartanburg | 29.2% |
| Piedmont | 28.8% |
| Western Upstate | 28.3% |
| Beaufort | 26.2% |
| Southern Midlands | 24.6% |
| Greenwood | 24.3% |
| Coastal Carolinas | 18.7% |
| Hilton Head | 18.7% |

96.9%

Percent of List Price Received
in 2016 for
All Properties

95.0%

Percent of List Price Received
in 2016 for
2 Bedrooms or Less

97.1%

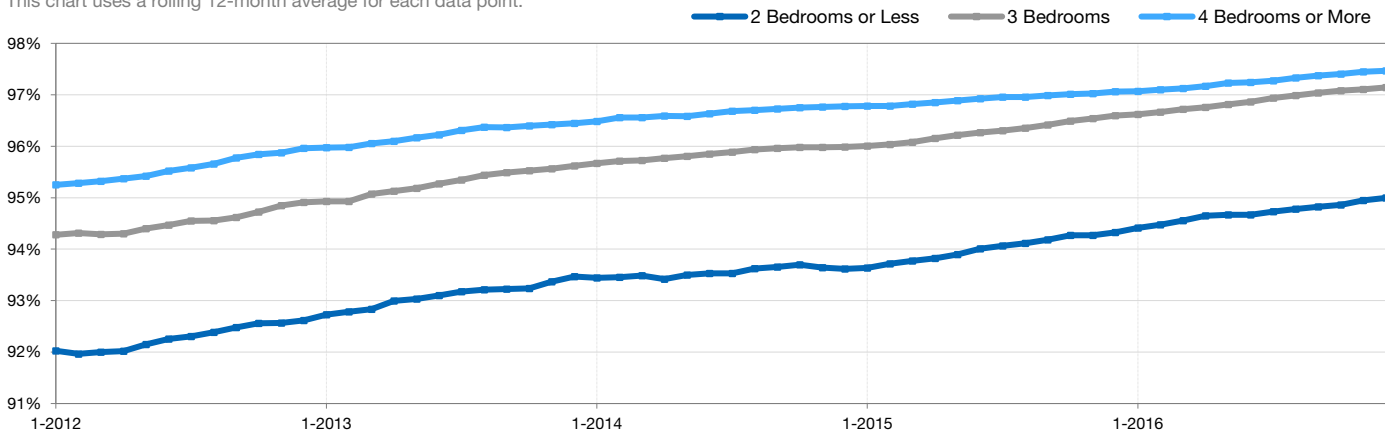
Percent of List Price Received
in 2016 for
3 Bedrooms

97.5%

Percent of List Price Received
in 2016 for
4 Bedrooms or More

Percent of List Price Received

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



Price Range Review

\$150,001 to \$200,000

Price Range with Shortest Average Market Time

\$300,001 and Above

Price Range with Longest Average Market Time

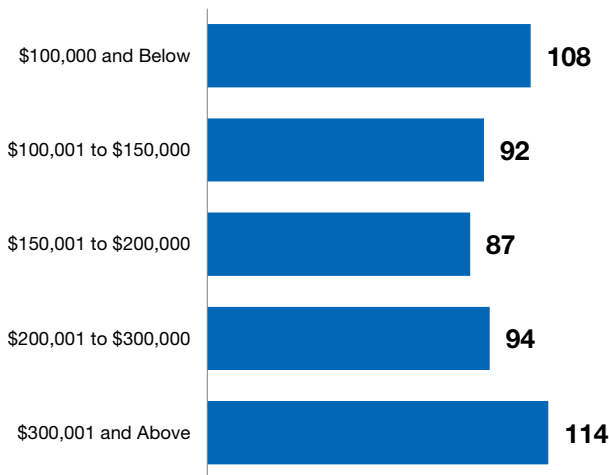
15.5%

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

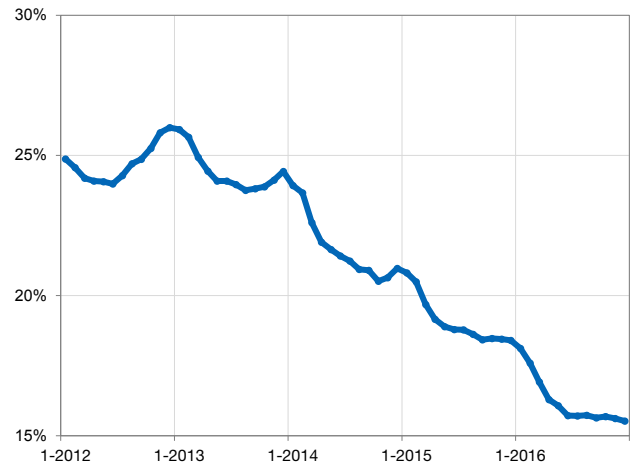
- 22.4%

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 Priced at \$100,000 and Below



\$200,001 to \$300,000

Price Range with the Most Closed Sales

+ 17.9%

Growth for Price Range with Strongest 1-Year Change in Sales: \$200,001 to \$300,000

\$100,000 and Below

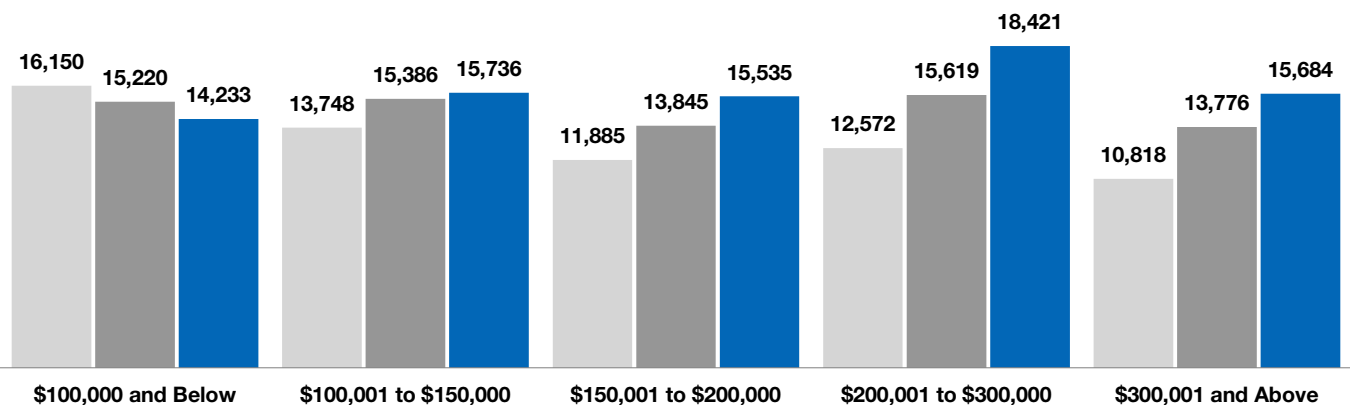
Price Range with the Fewest Closed Sales

- 6.5%

Growth for Price Range with Weakest 1-Year Change in Sales: \$100,000 and Below

Closed Sales by Price Range

■ 2014 ■ 2015 ■ 2016



Area Overviews

| | Total Closed Sales | Change from 2015 | Percent Condos | Percent 2 Beds or Less | Percent \$100K or Less | Days on Market | Pct. of List Price Received |
|-----------------------|--------------------|------------------|----------------|------------------------|------------------------|----------------|-----------------------------|
| Aiken | 2,149 | + 7.3% | 6.7% | 13.7% | 23.7% | 167 | 96.3% |
| Beaufort | 2,211 | + 8.8% | 10.9% | 15.4% | 25.9% | 92 | 96.9% |
| Charleston Trident | 17,727 | + 9.0% | 17.9% | 12.9% | 7.4% | 58 | 98.0% |
| Cherokee | 494 | + 4.7% | 0.4% | 12.6% | 50.2% | 127 | 96.1% |
| Greater Columbia | 12,222 | + 10.9% | 6.5% | 9.4% | 20.4% | 83 | 96.8% |
| Coastal Carolinas | 12,493 | + 5.4% | 39.6% | 26.5% | 19.9% | 152 | 96.3% |
| Greater Greenville | 12,505 | + 7.8% | 7.4% | 10.7% | 14.1% | 61 | 97.5% |
| Greenwood | 892 | + 5.1% | 5.8% | 18.8% | 37.0% | 149 | 94.7% |
| Hilton Head | 4,232 | + 4.2% | 24.6% | 32.7% | 6.1% | 142 | 95.8% |
| North Augusta | 7,446 | + 7.0% | 5.0% | 9.3% | 23.2% | 136 | 97.3% |
| Pee Dee | 2,020 | + 5.7% | 4.6% | 10.0% | 34.9% | 149 | 95.6% |
| Piedmont | 2,824 | - 3.5% | 10.2% | 14.1% | 23.1% | 110 | 97.1% |
| Southern Midlands | 309 | + 3.0% | 2.3% | 13.3% | 51.5% | 240 | 92.4% |
| Spartanburg | 4,612 | + 8.3% | 3.1% | 10.5% | 26.6% | 116 | 96.9% |
| Sumter | 1,488 | + 14.8% | 1.5% | 8.1% | 32.5% | 170 | 95.9% |
| Western Upstate | 4,862 | + 10.9% | 7.3% | 13.3% | 24.4% | 88 | 95.6% |
| State Totals** | 79,609 | + 7.8% | 15.2% | 15.1% | 17.9% | 99 | 96.9% |

* The Percent of List Price Price Received noted for Charleston Trident and Greater Pee Dee is actually a calculation of the Percent of Original List Price Received.

** State Totals are not a summation of the areas in the table. This is done so as not to double-count any listings that may be found in more than one MLS.

Area Historical Median Prices

| | 2012 | 2013 | 2014 | 2015 | 2016 | Change From 2015 | Change From 2012 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Aiken | \$148,000 | \$140,000 | \$143,000 | \$147,700 | \$155,000 | + 4.9% | + 4.7% |
| Beaufort | \$165,565 | \$135,000 | \$153,900 | \$169,900 | \$192,685 | + 13.4% | + 16.4% |
| Charleston Trident | \$190,050 | \$204,900 | \$215,000 | \$229,000 | \$240,000 | + 4.8% | + 26.3% |
| Cherokee | \$77,000 | \$75,000 | \$74,151 | \$80,875 | \$101,500 | + 25.5% | + 31.8% |
| Greater Columbia | \$139,900 | \$144,000 | \$147,000 | \$150,000 | \$159,400 | + 6.3% | + 13.9% |
| Coastal Carolinas | \$138,050 | \$146,000 | \$155,000 | \$164,000 | \$168,000 | + 2.4% | + 21.7% |
| Greater Greenville | \$147,900 | \$154,000 | \$159,900 | \$169,935 | \$180,000 | + 5.9% | + 21.7% |
| Greenwood | \$112,000 | \$117,000 | \$114,000 | \$115,000 | \$129,000 | + 12.2% | + 15.2% |
| Hilton Head | \$0 | \$0 | \$260,500 | \$276,000 | \$292,850 | + 6.1% | -- |
| North Augusta | \$144,900 | \$145,000 | \$152,445 | \$156,100 | \$165,000 | + 5.7% | + 13.9% |
| Pee Dee | \$124,500 | \$119,900 | \$118,000 | \$130,000 | \$134,000 | + 3.1% | + 7.6% |
| Piedmont | \$147,500 | \$145,000 | \$151,500 | \$160,000 | \$162,387 | + 1.5% | + 10.1% |
| Southern Midlands | \$88,000 | \$75,000 | \$80,200 | \$89,900 | \$99,800 | + 11.0% | + 13.4% |
| Spartanburg | \$118,750 | \$123,000 | \$125,000 | \$135,000 | \$145,000 | + 7.4% | + 22.1% |
| Sumter | \$129,001 | \$130,000 | \$129,600 | \$127,250 | \$135,000 | + 6.1% | + 4.7% |
| Western Upstate | \$125,000 | \$134,000 | \$137,000 | \$149,500 | \$151,000 | + 1.0% | + 20.8% |
| State Totals** | \$147,500 | \$152,900 | \$160,155 | \$172,000 | \$180,000 | + 4.7% | + 22.0% |

* The Percent of List Price Price Received noted for Charleston Trident and Greater Pee Dee is actually a calculation of the Percent of Original List Price Received.

** State Totals are not a summation of the areas in the table. This is done so as not to double-count any listings that may be found in more than one MLS.