

2010 Real Estate Review

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After experiencing four years of the real estate “correction” one almost expects all real estate statistics to be doom and gloom! But the market did feel a little more active in the first half of 2010. Our office has definitely seemed busier and I was hoping that this was same for all local real estate offices. So it was with some eagerness and anticipation that I was waiting to see how the first half of this year was shaping up. Would we finally see a light at the end the tunnel that was not a train coming in the opposite direction?

Following is an analysis of the real estate market for each of the major areas of northern Beaufort County for the first 6 months of this year. As a reminder, this article and the following chart deals only with single family residential homes in the areas listed below.

Sales Area	Volume (millions)	Units	Avg Price	Median Price	Inventory (As of July 15)
Beaufort					
2009	\$4.8	19	\$252,142	\$139,000	86
2010	\$5.8	31	\$189,467	\$129,000	93
Change +/-	+20%	+63%	-25%	-7%	+8%
Mossy Oaks					
2009	\$3.4	17	\$205,185	\$171,000	45
2010	\$3.5	17	\$205,957	\$135,000	59
Change +/-	- 0%	- 0%	-0%	-21%	+30%
Port Royal					
2009	\$4.8	27	\$177,288	\$177,000	62
2010	\$5.3	25	\$212,038	\$190,000	67
Change +/-	+10%	-7.5%	+20%	+7%	+8%
Burton					
2009	\$17.6	73	\$240,598	\$197,000	251
2010	\$17.6	76	\$231,597	\$197,250	220
Change +/-	0%	+4%	-4%	0%	-12.3%
Lady's Island					
2009	\$19.9	68	\$293,145	\$238,500	299
2010	\$19.5	72	\$270,725	\$217,000	286
Change +/-	0%	+6%	-8%	-9%	-4%
Total Northern Beaufort County					
2009	\$50.5	204	\$247,858	\$198,000	742
2010	\$51.7	221	\$234,250	\$190,000	725
Change +/-	+2%	+8%	-5.5%	-4%	-3.3%

I am pleased to say the numbers look somewhat encouraging overall. I had to do a double take on some of figures, as they were so close to last year. There is good news with overall inventory coming down -3.3%.

Beaufort seems to have done very well, with an increase of +20% in volume and +63% in sales. Average sales prices were down -25% but medium prices were off only -7%.

Mossy Oaks was pretty flat, except for -21% off the median, and +30% for inventory.

Port Royal was stronger when it came to prices...average and median +20% and +7% respectively. Inventory was up +8%, sales volume was down -10% and actual units sold down - 7%.

Again a double take was experienced with the **Burton** sales volume in that it was exactly the same as 2009. Sales units were up +4% with prices holding up very well and inventory down 12.3%.

As seems to be the trend of late – **Lady's Island** is starting to reassert itself as the big kid on the block. Volume at \$19.5 million is almost the same as 2009, and there was an increase of +6% in sales. The average (-8%) and median (-9%) price was down. Their inventory dropped by 4%.

So overall, the picture looks better than for quite awhile. Volume was up 2%, the number of units sold rose 8%, average prices dropped 5.5% and median sales prices slid just -4%. The overall inventory decreasing by -3.3% is really nice to see. The overall sales volumes and units sold are better than this time last year. There is still some price softening, but as we have mentioned before, with all the foreclosures and short sales in the mix, prices are holding up quite well.

When the market started its correction even though the number of buyers was decreasing the selling prices of homes continued to increase for approximately two years. We may well see the same going the other way. As sales of homes increase in the future, we may not necessarily see prices increase for quite some time. Sellers of fine, clean well maintained homes, priced well, should not get too disheartened by the competition from foreclosures and short sales. The purchase of these properties is no easy task. Short sales can be frustrating and a long drawn out affair. Foreclosures can have numerous issues ranging from serious mold problems to houses with dangerous chemicals prevalent throughout the house because they were used as meth labs.

What of the second half of 2010. Well, we lost the \$8,000 tax credit, but as mentioned in an earlier article, only one in four sales were attributed to the tax incentive. There are such great deals on the market now, that an \$8000 tax credit is almost a drop in the bucket compared to the overall value buyers are getting today. Another encouraging sign is that some of the local and national builders are seriously looking to build new houses again. One has to believe they feel there is a market for their product. There is, of course, the issue of over supply, but if buyers feel a new house with all the bells and whistles, for an affordable price is what they are looking for, why should their demands not be met? Financing and low appraisals is and will continue to be an issue. Lenders continue to tighten their criteria and credit agencies have tightened up on credit scores. All this dampens demand from buyers.

On a personal/business note...Ballenger Realty is celebrating its 10th anniversary on August 15th at the Pleasant Point club house 4-8 PM. Anyone who would like to drop by and help us celebrate – please do. I know 10 years may not be long in the big scheme of things, but in today's business environment, it seems somewhat of an achievement!