

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

2015 First Quarter Results | kiawahisland.com | 800.277.7008

FIRST QUARTER CLOSED SALES VOLUME 2011-2015

Year	Dollar Volume	Units
2011	\$42.0MM	35
2012	\$41.0MM	47
2013	\$38.0MM	42
2014	\$41.0MM	46
2015	\$51.5MM	41

Of the 41 closings on Kiawah Island in the first quarter, 38 were resale properties and three were Kiawah Partners' "company" properties.

NOTABLE SALE: 181 Ballybunion Drive



While it is not included in the data for the first quarter (closing date was April 8), the oceanfront home at 181 Ballybunion Drive was certainly noteworthy – with a sales price of just over \$20 million. The unique home was featured in DuPont Registry magazine as part of Kiawah Island Real Estate's listings marketing efforts – but the full marketing effort was pre-empted by a Kiawah Island property owner who purchased the property after it had been on the market for just a few weeks.

KIAWAH ISLAND SALES: Q1 2014 VS. Q1 2015

		2014	2015	% of change
ALL TRANSACTIONS	Properties Sold (closed)	46	41	-11%
	Dollar Volume	\$41,296,250	\$51,475,305	+25%
HOMES	Properties Sold (closed)	15	18	+20%
	Dollar Volume	\$24,575,000	\$34,650,338	+41%
	Average Sales Price	\$1,638,333	\$1,925,019	+17%
	Median Sales Price	\$1,085,000	\$1,395,000	+29%
VILLAS AND COTTAGES	Properties Sold (closed)	17	14	-18%
	Dollar Volume	\$7,515,000	\$6,159,300	-18%
	Average Sales Price	\$442,059	\$439,950	0%
	Median Sales Price	\$427,500	\$459,750	+8%
LOTS	Properties Sold (closed)	14	9	-36%
	Dollar Volume	\$9,206,250	\$10,665,667	+16%
	Average Sales Price	\$657,589	\$1,185,074*	+80%
	Median Sales Price	\$487,500	\$869,000	+78%

*The increase in average lot price is largely attributable to the sale of a single oceanfront lot in the first quarter of 2015.

First Quarter Island-Wide Sales

Following up on an impressive 2014 (please see the 2014 Kiawah Island Property Report at kiawahisland.com), property sales on Kiawah Island showed strong year-over-year growth in the first quarter across most product types. Sales of homes were particularly strong, with the average sales price up 17% over the results seen in the first quarter of 2014, and an impressive increase in sales volume of over 40%. Fewer lots closed in the first quarter of this year versus the first quarter of last year, but sales volume was up 16% and the average sales price was up 80%. While the median sales price was up 8% over the first quarter of last year in cottage + villa segment of the market, sales were down 18% both in terms of unit sales and dollar volume. The major reason behind this lack of sales volume is the depletion of inventory in the cottage + villa market, which was 10 percent lower at the beginning of 2015 than it was at the beginning of 2014 (154 on the market vs. 172 last year).

As evidenced by the meaningfully higher average and median homes sales prices in the chart above, sales of high end properties have shown increasing strength. In fact, sales of homes priced \$2 million and above were 19% higher in the past year (the 12 months that ended March 31, 2015) than they were in the year prior (the 12 months that ended March 31, 2014):



□ KIRE sales = 22
■ Other sales = 5



□ KIRE sales = 29
■ Other sales = 3

President's Notes

The chart below reflects sales inventory on the market as of March 31st for each year since 2010. This history reflects a positive trend in the reduction of property for sale from the peak in 2009. However, when looking at our inventory for the past 3 years, the total number of properties on the market has remained relatively flat. Candidly speaking, in order for Kiawah Island to experience meaningful and steady price appreciation, the total inventory levels need to be lower than they currently are. Real estate markets need to stabilize, which clearly ours has, before values appreciate. Kiawah is experiencing extremely positive signs, including continued strong sales and showing activity as well as an improvement in the upper end of our market. The number of properties \$3 million or higher that closed in the first-quarter 2015 was up significantly from 2014. In the first quarter of this year 4 homes and one homesite closed above \$3 million when compared to only 2 homes in the first three months of last year. This in part is why the numbers reflect higher average prices both in homes and in the aggregate numbers. Sales activity was also more robust as 9 properties above \$3 million were placed under contract in the first quarter, 8 homes and one homesite, while 6 homes went under contract during the first quarter of 2014.

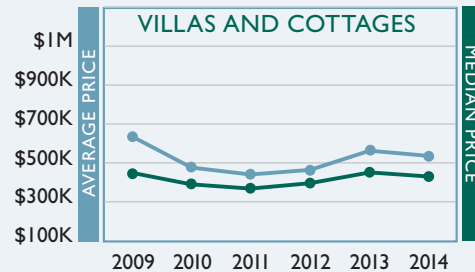
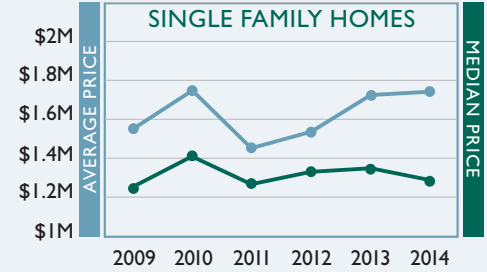
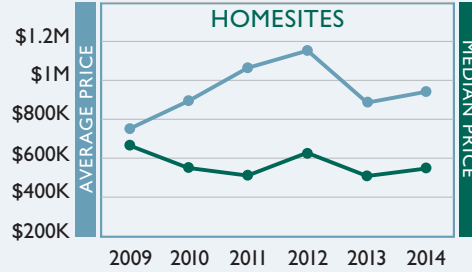
~ Chris Drury, President
Kiawah Island Real Estate

FOR SALE INVENTORY AS OF MARCH 31

year	cottages			total
	lots	& villas	homes	
2010	188	197	235	620
2011	183	193	227	603
2012	177	178	172	527
2013	184	191	176	551
2014	197	172	183	552
2015	197	154	200	551

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SIX YEAR PRICE HISTORY 2009-2014: AVERAGE AND MEDIAN PRICES FOR SALES



NATIONAL NEWS: NATIONAL ASSOCIATION OF REALTORS STUDY SHOWS STRENGTHENING VACATION HOME MARKET

Vacation home sales continued to improve in 2014, according to an annual survey of residential homebuyers released recently by the National Association of Realtors®. NAR's *2015 Investment and Vacation Home Buyers Survey*, covering existing and new home transactions in 2014, shows vacation home sales increased to an estimated 1.13 million last year, the highest since NAR began the survey in 2003. Vacation home sales accounted for 21% of all transactions in 2014, their highest market share since the survey was first conducted.

Lawrence Yun, NAR chief economist, says vacation sales in 2014 showed astonishing growth. "Affluent households have greatly benefited from strong growth in the stock market in recent years, and the steady rise in home prices has likely given them reassurance that real estate remains an attractive long-term investment," he said. "Furthermore, last year's impressive increase also reflects long-term growth in the numbers of baby boomers moving closer to retirement and buying second homes to convert into their primary home in a few years."

The majority (54%) of the study's vacation buyers bought a single-family home, while 27% purchased a condominium. Forty percent of vacation buyers purchased in a beach area, while 19% purchased in the country and 17% purchased a vacation home in the mountains. Over 85% of the study's respondents stated that now is a good time to purchase real estate.

MARKETING HIGHLIGHTS

With all of the recent positive news about Kiawah Island (the "#1 Island in America" recognition from *Condé Nast Traveler*; "Best Places for Second Homes" designation from *Barron's*; write-ups in *Links* magazine, *DuPont Registry*, *Private Clubs* and others), it is of little surprise that an increasing number of prospective buyers are searching the web for information about real estate in the community. A major beneficiary of that has been *KiawahIsland.com*, which saw First-Time Visitor traffic in the first quarter of 2015 increase by 32% (to 116,498) over the 1st quarter of 2014, and resale listing *Property Views* increase by 29% (to 63,557) in that same period.

Those online visits procured on-site visits – which were up 33% in the first quarter of this year – and the number of prospective buyers who looked at real estate with a KIRE Agent in the first quarter of 2015 was 23% higher than the total from the first quarter of 2014.

