

Most 2011 Market Indicators for the Charleston Real Estate Market
are good for buyers, and bad for sellers – **Timing even better**

From left to right starting with Monthly Sales.

Monthly Sales (Units): Off about 2%. 1784 versus 1822, not terribly significant other than the lack of positive movement.

Monthly Volume (\$'s) is off 4.2%. Combining lower unit sales with lower average sale price.

Average List: Down 1.7%.

Average Sales Price: Down 2.2%.

Average \$ per Square Foot: Down 7% (80 versus 86)

Median Sold: No Change

Average Days on Market: Up 19%, not good for sellers. The trend is moving upward with houses sitting longer in spite of lower inventory numbers. These two indicators combined are a sign that families hoping to sell their homes and move are giving up and taking their homes off the market.

% Sold/List: Down less than 1%, and above 95% is a sign that sellers are taking the advice of good agents and that homes are priced more realistically with the market. A buyer should be careful in interpreting this number, as every scenario is different. If you have a long list of must-haves and you're looking for a rare item, the dynamics are much different than if you're flexible and looking for something with a lot of supply. Timing is also critical. If time is on your side and you have plenty of time, you can use this to your advantage. If you're working with a tight window, negotiating is tougher.

Current Inventory: Months of inventory is the only shining star for sellers, but is offset by the fact that Average Days on Market are WAY up.

The trend. The indicators moving so slightly over a 12 month period is evidence that the market has stabilized. The inventory is still cluttered with foreclosures. As soon as that clears, and it will probably be another three years, I would expect the pricing and inventory trends to reverse in the direction of sellers. The sooner that happens, the better for everyone. For now, it's important to be aware of the implications from both sides, since other than first time home buyers, today's seller is tomorrow's buyer.

Month	Year	Monthly Sales	Monthly Volume	Avg List \$	Avg Sale \$	Avg \$/Sqft	Median Sold \$	Avg DOM	Avg CDOM	% Sold/List	Current Inventory	Months Inventory
December	2009	153	\$27,540,390	\$185,886	\$180,002	\$88	\$167,510	75	95	96.83%	1527	9.98
January	2010	94	\$15,737,224	\$171,598	\$167,417	\$85	\$150,000	82	104	97.56%	1467	15.60
February	2010	104	\$16,248,816	\$161,374	\$156,238	\$81	\$150,500	109	118	96.81%	1540	14.80
March	2010	156	\$25,219,619	\$167,166	\$161,664	\$86	\$146,810	75	93	96.70%	1601	10.26
April	2010	183	\$31,054,843	\$174,298	\$169,698	\$88	\$152,000	100	143	97.36%	1650	9.01
May	2010	200	\$36,179,672	\$185,704	\$180,898	\$89	\$165,000	86	120	97.41%	1658	8.29
June	2010	257	\$43,105,469	\$171,082	\$167,725	\$87	\$155,000	62	77	98.03%	1673	6.50
July	2010	141	\$27,011,418	\$198,392	\$191,570	\$86	\$171,696	90	106	96.56%	1659	11.76
August	2010	147	\$27,365,760	\$190,629	\$186,161	\$86	\$169,000	86	114	97.65%	1648	11.21
September	2010	133	\$24,380,457	\$187,835	\$183,311	\$85	\$176,000	73	97	97.59%	1648	12.39
October	2010	130	\$22,657,980	\$178,961	\$174,292	\$85	\$165,637	99	124	97.39%	1578	12.13
November	2010	124	\$22,745,792	\$190,304	\$183,433	\$87	\$155,000	89	124	96.38%	1525	12.29
Annual:		1822	\$319,247,440	\$180,174	\$175,218	86	\$160,000	84	108	97.24%	1598	10.52

Month	Year	Monthly Sales	Monthly Volume	Avg List \$	Avg Sale \$	Avg \$/Sqft	Median Sold \$	Avg DOM	Avg CDOM	% Sold/List	Current Inventory	Months Inventory
December	2010	135	\$22,440,518	\$171,199	\$166,226	\$81	\$158,702	88	107	97.09%	1454	10.77
January	2011	93	\$14,582,397	\$163,905	\$156,799	\$77	\$140,000	117	144	95.66%	1428	15.35
February	2011	128	\$21,509,077	\$173,858	\$168,039	\$78	\$146,175	128	150	96.65%	1427	11.14
March	2011	175	\$27,668,713	\$163,189	\$158,106	\$78	\$155,940	102	135	96.88%	1464	8.36
April	2011	131	\$21,613,928	\$170,529	\$164,991	\$82	\$147,490	96	128	96.75%	1506	11.49
May	2011	171	\$29,495,484	\$177,555	\$172,488	\$81	\$164,900	93	123	97.14%	1498	8.76
June	2011	188	\$33,030,063	\$182,555	\$175,691	\$82	\$161,137	91	123	96.24%	1530	8.13
July	2011	148	\$27,239,937	\$189,011	\$184,053	\$83	\$169,500	67	94	97.37%	1494	10.09
August	2011	177	\$31,290,633	\$181,545	\$176,783	\$79	\$166,000	102	137	97.37%	1429	8.07
September	2011	166	\$28,426,093	\$175,567	\$171,241	\$81	\$161,389	105	137	97.53%	1359	8.18
October	2011	145	\$25,643,288	\$184,168	\$176,850	\$79	\$157,000	113	170	96.02%	1339	9.23
November	2011	127	\$23,043,557	\$187,913	\$181,445	\$80	\$175,000	105	139	96.55%	1311	10.32
Annual:		1784	\$305,983,688	\$177,135	\$171,515	80	\$160,000	100	132	96.82%	1437	9.66

Implications for sellers. I know it sounds self-serving, but it has never been more important to have an agent you trust to price your home correctly. Standard listing agreements have built-in conflicts of interest that easily causes distrust between home sellers and agents. The lower the price, the easier it will be for the agent to sell it. On the other hand, some agents will take over-priced listing because at least they'll have prospective buyers contacting them about your overpriced home, and they can sell them someone else's listing and make the commission on the buyer side. I'm not disparaging any particular agent, but just pointing out the simple fact that you aren't paying anything out of pocket for the agent's work until the home sells.

Condition, merchandising and starting with the right price are critical. It might be necessary to invest in an improvement to make your home stand out. Perhaps something to make the backyard pop, or working on your curb appeal. Maybe updating the master bedroom and bath. It doesn't need to be expensive. Buyers are really going for new construction right now, and if your home is dated, the buyer is going to hammer you because they have to invest in updating, and because it's a hassle to have to do remodeling right after moving in. As much as you think everyone wants a fixer upper, these buyers are also expecting to be rewarded for their trouble. If there are no funds available, then the very minimum you need to do is staging so that the house shows well. If you haven't been to a new construction model lately, then get yourself to two or three. It's a hassle to get your kids to put their toys away, and to keep everything neat and tidy, but the more effort you put in now, the sooner you can have this over with and be in your new home.

Implications for buyers. Again, having an experienced competent and hardworking agent can save you tons of money and dramatically increase your chances of meeting your deadline and avoid having to store your stuff and live in an apartment. Experienced home buyers know that the real world is nothing like the shows on Television. If you want the best deal, you're going to have to look at 10 homes or more. The idea is to find 3 good possibilities, and start with your favorite. That way, you go into the negotiation with a plan B. With 10 months of inventory on the market, and new construction choices as well, there should rarely be a reason to worry about losing a candidate, unless you're looking for something extremely rare.

Because the market hasn't quite bottomed out yet overall, it's very important to your financial security and future to buy right. You can buy below market value. It's just a matter of finding a motivated seller. They're out there. If you fall in love with a house and find yourself saying, "I really don't want to lose this one.", you're setting yourself up for paying

market value or above, which means that if the market slips another 5%, (which it probably will) you're starting out \$10,000 in the hole. If you're going to do that, you might as well rent.