

Oceanside Villa Market Activity in 2008

Oceanside Villas – Q1 2008 Sales and Current Listings

Villa Complex	Active Listings	Sold in Q1 2008	Selling Price Range	Listing Price Range
Night Heron 1 bedroom 2 bedroom 3 bedroom	2 0 0	0 1 1	 \$320,000 \$448,750	\$249,000 & \$329,900
Ocean Course Villa 2 bedroom	2	1	\$500,000	\$649,000 & \$699,000
Turtle Lane Club Villa 3 bedroom	6	1	\$1,825,000	\$1,099,000 - \$1,595,000
Fairway Lane 2 bedroom	3	0		\$459,000 - \$529,000

This information is derived from Hilton Head MLS electronic data and is believed to be accurate, but not guaranteed.

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BOB CLARK & ASSOCIATES ANALYSIS

COMMENTS ON 2008 ACTIVITY

Currently, 13 Oceanside villas (starting at the Ocean Gate and moving south along Sea Pines Drive to South Beach Lane) are for sale. In the first quarter of 2008, sales results remained steady – 4 villas sold, compared to 4 sales in the first quarters of 2007 and 2006. This area is one of the strongest selling Sea Pines villa groupings in today's somewhat depressed market.

For Sea Pines in general, the number of villa sale transactions closed in the first quarter was disappointing. There were 15 total villa sales in Sea Pines for the first quarter of 2008. This compares to 26 sales in 2007 and 25 sales in 2006 for the same period. With sales off about 40% and an inventory of 144 Sea Pines villas currently for sale, we are not surprised that prices have remained flat in some complexes and are even off about 10% from their previous highs in others.

However, our sense is that some pent-up demand may be building, and that the market was distracted by the unusually excessive amount of negative national press in the recent past. Our number of inquiries is growing, and we expect to see healthier sales activity levels over the coming months.

Today's Sea Pines buyer demands value. This buyer has a larger-than-normal inventory to choose from, and is typically only interested in property that presents itself well (good condition, bright, well furnished). Nonetheless, the bottom line is price: potential buyers are not even starting down the negotiating path with properties that are, in their opinion, overpriced. If you are considering listing your property, please pay close attention to your agent's coaching on price; in this market, more than ever before, price is truly the difference maker. About the only exception to the condition requirement is a legitimate bargain price: there are always bottom-fishers!

We are getting an increasing number of owners interested in the "move-up" concept we discussed in our January update. Call or email us if you're curious!

In closing, please know that numerous articles and surveys show that the nation still regards Hilton Head Island as a premier vacation, second home and retirement venue, and Sea Pines is the choice location. Demand is there now, and will be in the future. Homes and villas in good condition, intelligently priced WILL sell!

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