

End of Year 2014

Scott Market Report



Slow and Steady Market Improvements

2014 was a year where the majority of our local real estate indicators went from negative to positive. The number of sales were slightly up, average and median prices were up in most areas and properly priced and marketed properties received quick activity. Similar to a large ship, the Outer Banks real estate market takes a long time to turn so we still have room for improvement in 2015.

The best news to come out of 2014 is the consistently low distressed inventory. Short sales and bank owned properties make up a much smaller segment of the total market compared to the last few years. These sales had a tremendous impact on property values since 2008. The one area where continued improvement is needed is in the size of the inventory. Our inventory fluctuates by the season with the most properties being for sale in the summer and the least in the winter. In 2014 we had more properties for sale just about the entire calendar year. I think this is because many sellers were waiting to list until there was some good real estate news. Good real estate news resulted in an over abundance of new listings.

Is it a seller's market yet? In most areas it is not yet. There is still close to a year's worth of inventory in most market segments. However, primary homes that have been updated and are in move in condition are in high demand. Also vacation rental homes that don't need much work and have a high rental income to asking price ratio are selling quickly. It took many years to get to the low market values we have right now. It may take some time for those prices to go back up but they sure feel like they are heading in the right direction. For more information on anything to do with Outer Banks real estate please contact Scott Team Realty.



Sincerely,

President ABRM,CRB,RRS,e-Pro,SRES
Scott Team Realty

Request a custom market snapshot for any OBX market segment here:

http://scottrealtyobx.com/market_snapshot

Scott Team Realty 5535 N. Croatan Hwy Southern Shores, NC 27949
Toll Free 866-438-8382 Local 252-261-1500 <http://scottrealtyobx.com>
Information herein obtained through the OBAR MLS



Dare Beaches North of Oregon Inlet: Houses +5 Lots +42% 2014 was the first year where this area saw positive indicators in just every category since 2006. The first type of property to see appreciation in this market is unimproved property. The 42% jump in average sales prices is likely to be related to more expensive lots selling. The days of the fabulous lot deals are gone for now.

HOUSES	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed	LOTS	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed
	2014	732	\$403,513 5%	192	94.9%		11.3%	2014	141	\$195,300 42%	327
2013	704	\$384,004	213	93.9%	18.6%	2013	112	\$137,085	270	89.5%	10.7%

Southern Shores: Houses -2.8% Lots +11% Home values remained fairly stable in this town during 2014 but lots were much more in demand. The high number of lots sold in this town shows that buyers were spending more on desirable lots. It has been nine years since we have seen this many properties sell through the local MLS in Southern Shores.

HOUSES	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed	LOTS	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed
	2014	98	\$488,792 -2.8%	190	94%		8.1%	2014	32	\$191,415 11%	357
2013	74	\$502,256	198	94.5%	18.9%	2013	13	\$172,341	495	90.3%	0%

Kitty Hawk and Martin's Point: Houses +15.7% Lots +16.7% This area saw average sold prices increase as many more properties were sold in Martins Point this year compared to recent years. Homes in this neighborhood are generally larger than most of Kitty Hawk. Lot average sold prices went up too. The trend of more desirable OBX undeveloped lots selling first is likely the reason for these higher average sales prices.

HOUSES	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed	LOTS	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed
	2014	112	\$358,358 15.7%	173	95%		16.9%	2014	25	\$124,711 16.7%	271
2013	106	\$309,683	230	94.6%	22.8%	2013	33	\$106,815	282	88.9%	16.1%

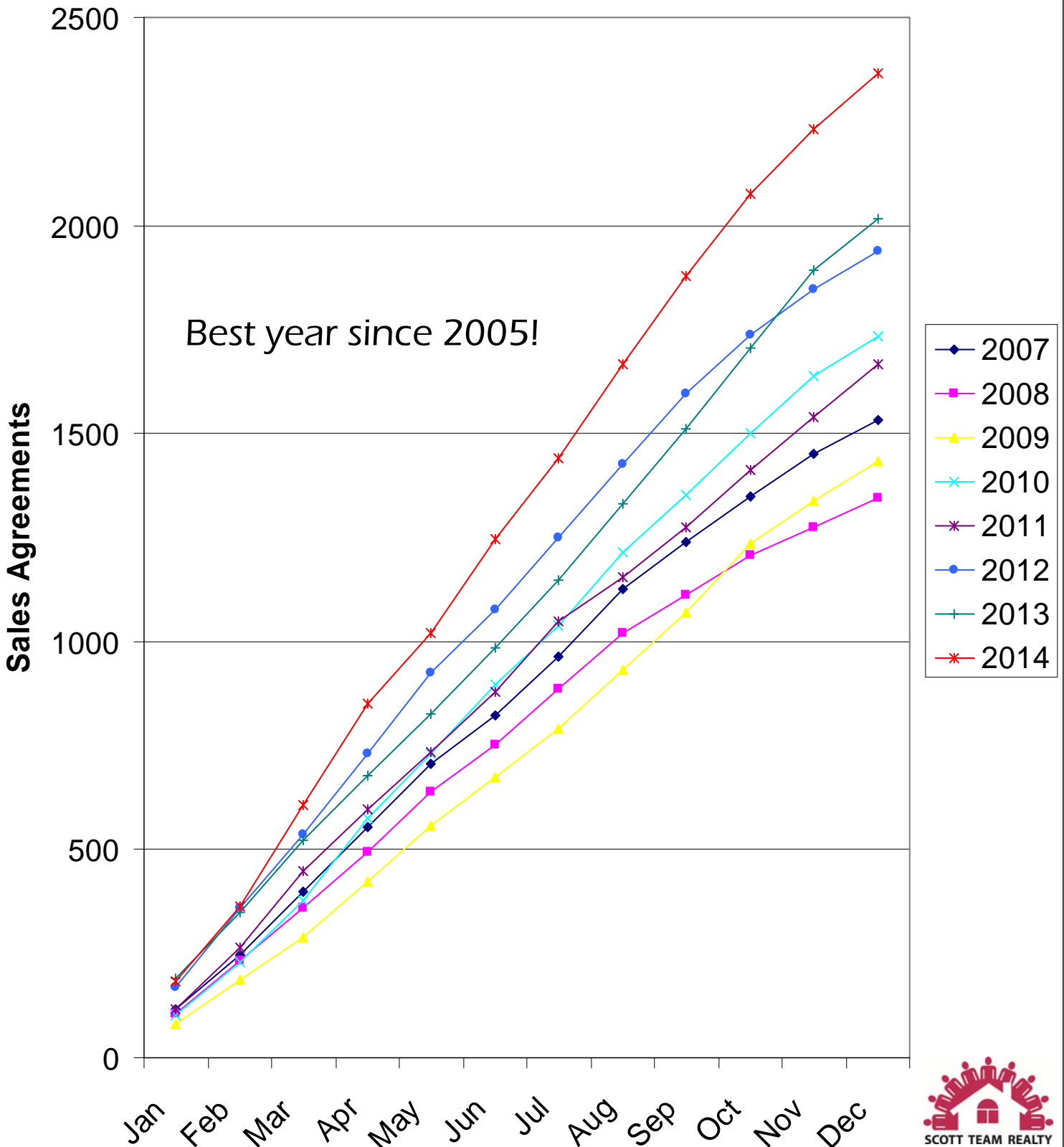
Duck: Houses -6.3% Corolla Houses +9.2% These two markets did not show many changes compared to 2013. Average sales prices in Corolla was the most obvious change. These two towns have been neck and neck over the last decade as the most expensive place to purchase a home on the Outer Banks. As the distressed inventory decreases, expect this market to show more dramatic improvements.

DUCK	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed	COROLLA	# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price	Distressed
	2014	96	\$611,259 -6.3%	255	93.3%		5.2%	2014	177	\$662,618 9.2%	261
2013	95	\$645,018	255	92%	9.4%	2013	179	\$606,666	266	93.1%	19.5%

Request a custom market snapshot for any OBX market segment here:

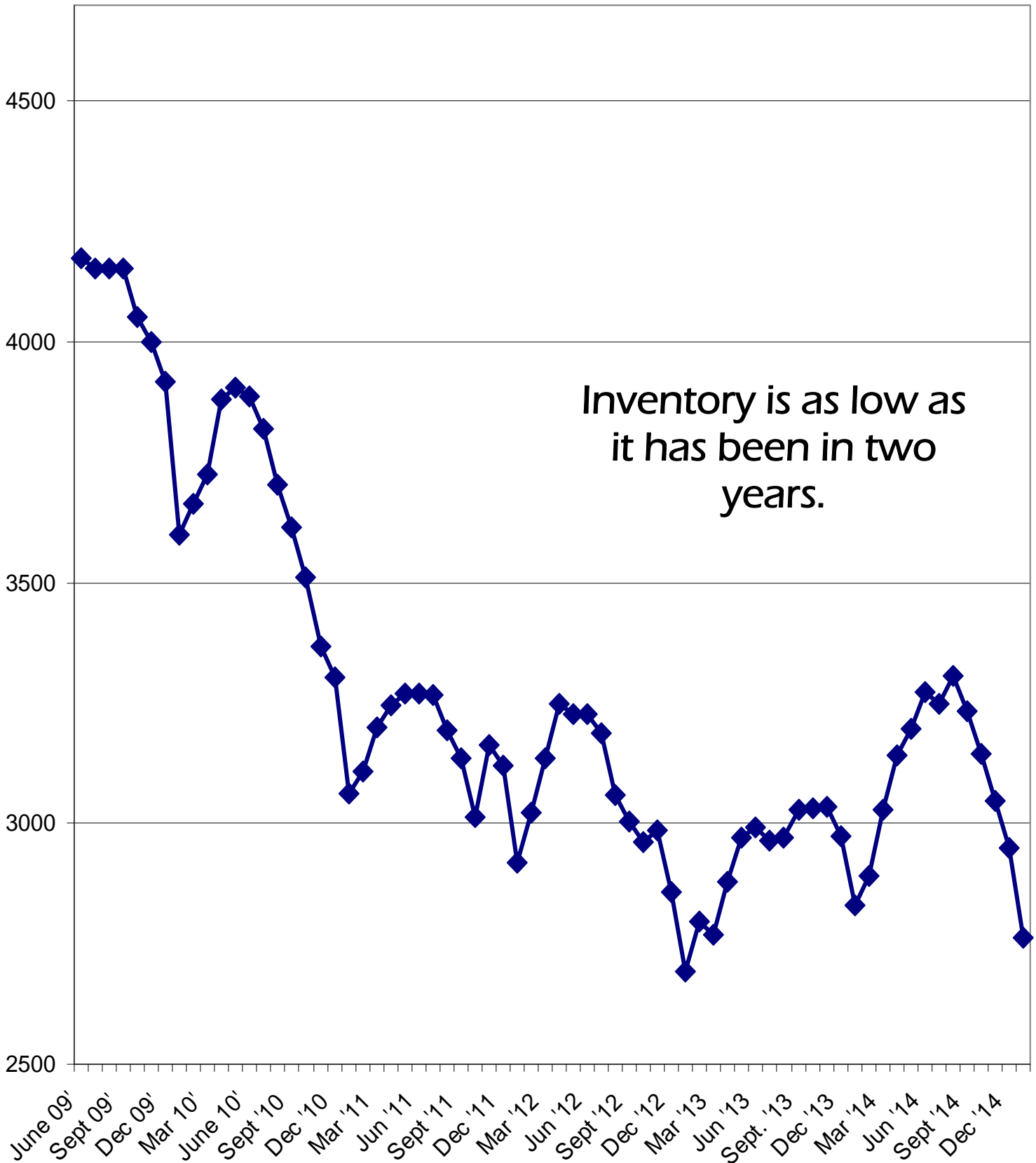
http://scottrealtyobx.com/market_snapshot

Total OBX MLS Sales Agreements*



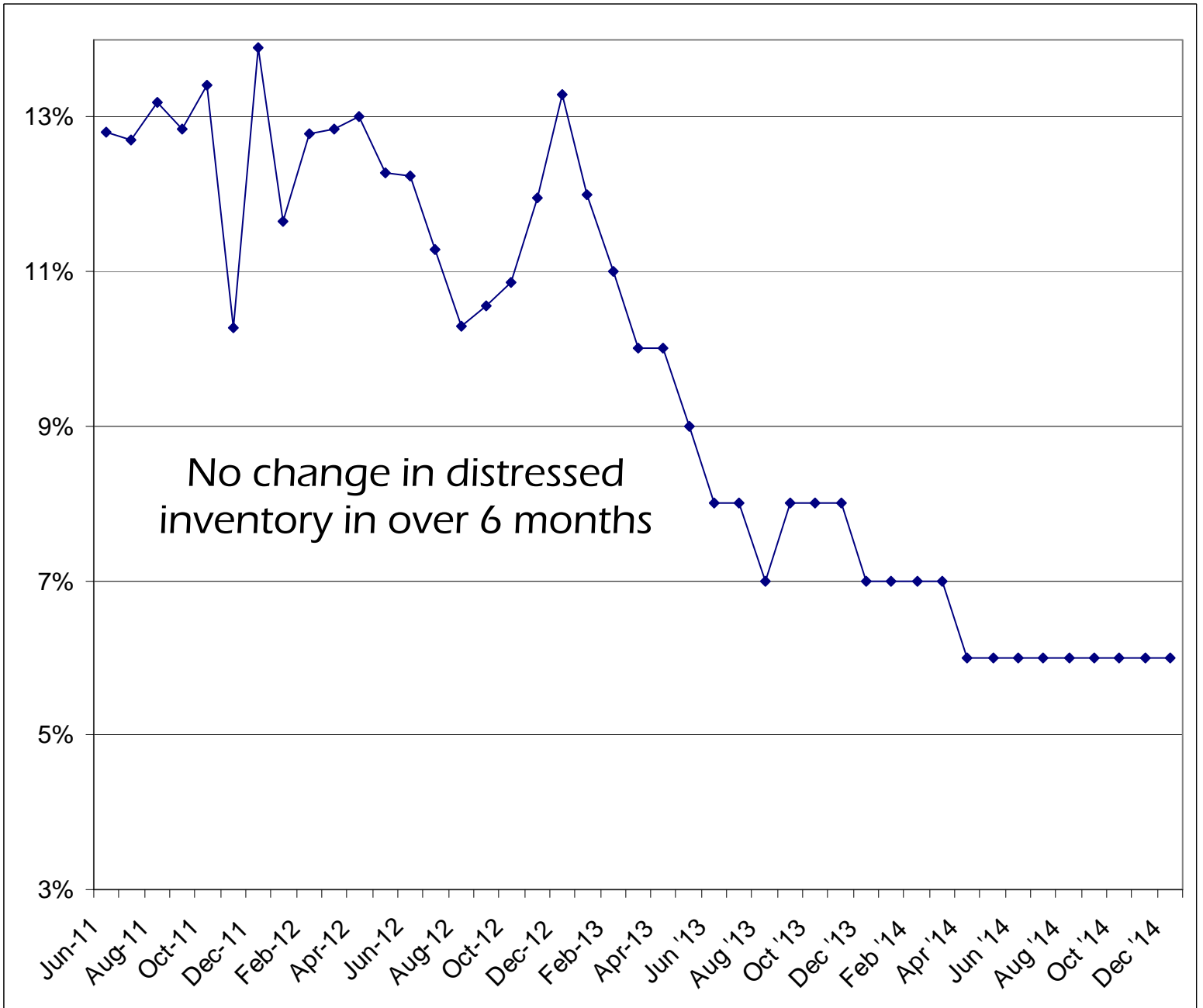
*Includes all properties in under contract and under contract continue to show statuses.
 For information on your specific market segment: Toll Free 866-438-8382 info@scottrealtyobx.com
 Personalize your Market Snapshot here: http://scottrealtyobx.com/market_snapshot

Total OBX Listings



For information on your specific market segment: Toll Free 866-438-8382 info@scottrealtyobx.com
Customize your a Market Snapshot here: http://scottrealtyobx.com/market_snapshot

Active OBX Distressed Inventory (Measured as a percentage of the whole)



Data provided by the Outer Banks Association of Realtors

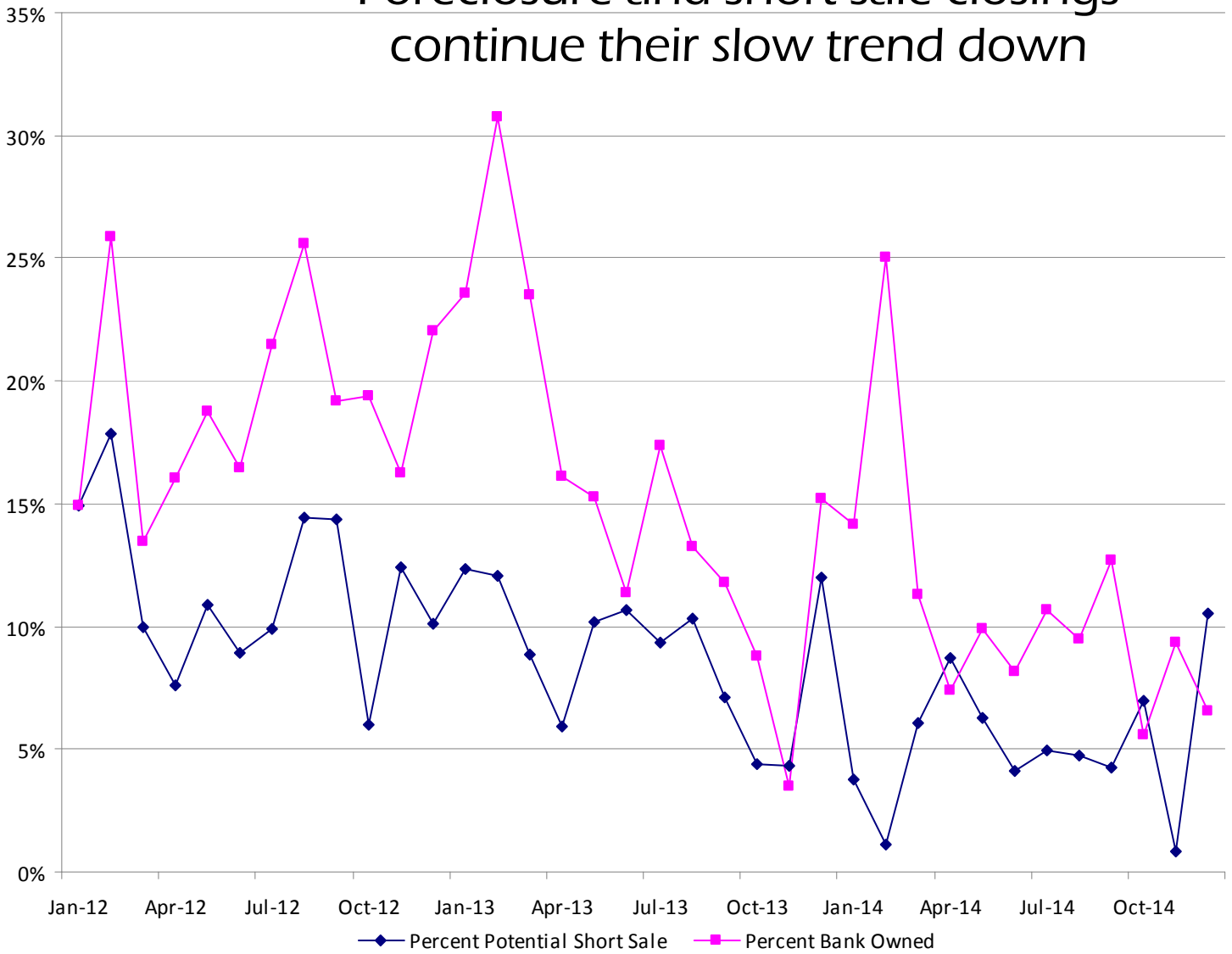


For information on your specific market segment:
Toll Free 866-438-8382
info@scottrealtyobx.com

Personalize your Market Snapshot here: http://scottrealtyobx.com/market_snapshot

Total Outer Banks Residential Distressed Sales (Percent of total Sales)

Foreclosure and short sale closings
continue their slow trend down



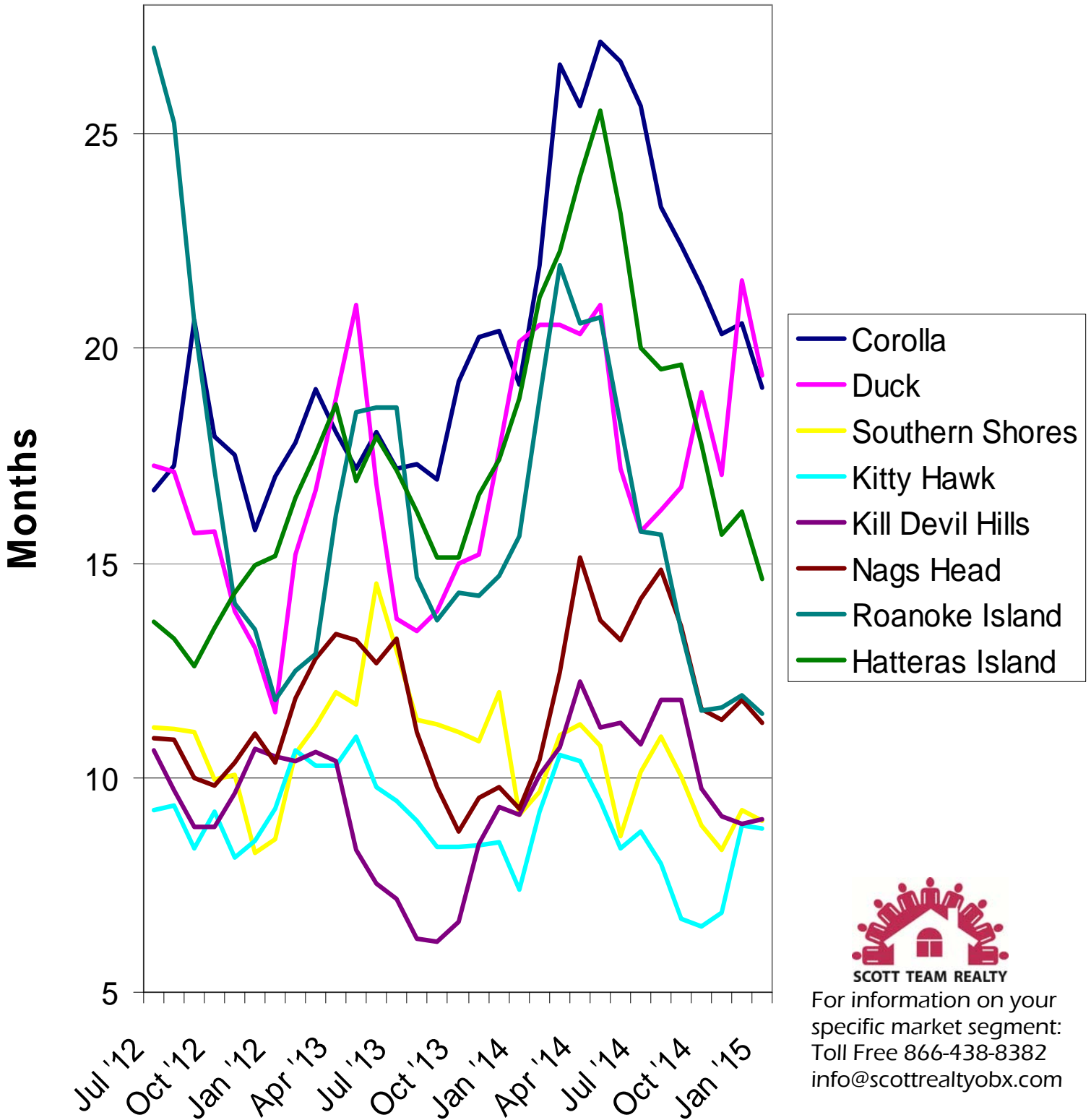
Graph provided by the Outer Banks
Association of Realtors



For information on your
specific market segment:
Toll Free 866-438-8382

Personalize your Market Snapshot here: http://scottrealtyobx.com/market_snapshot

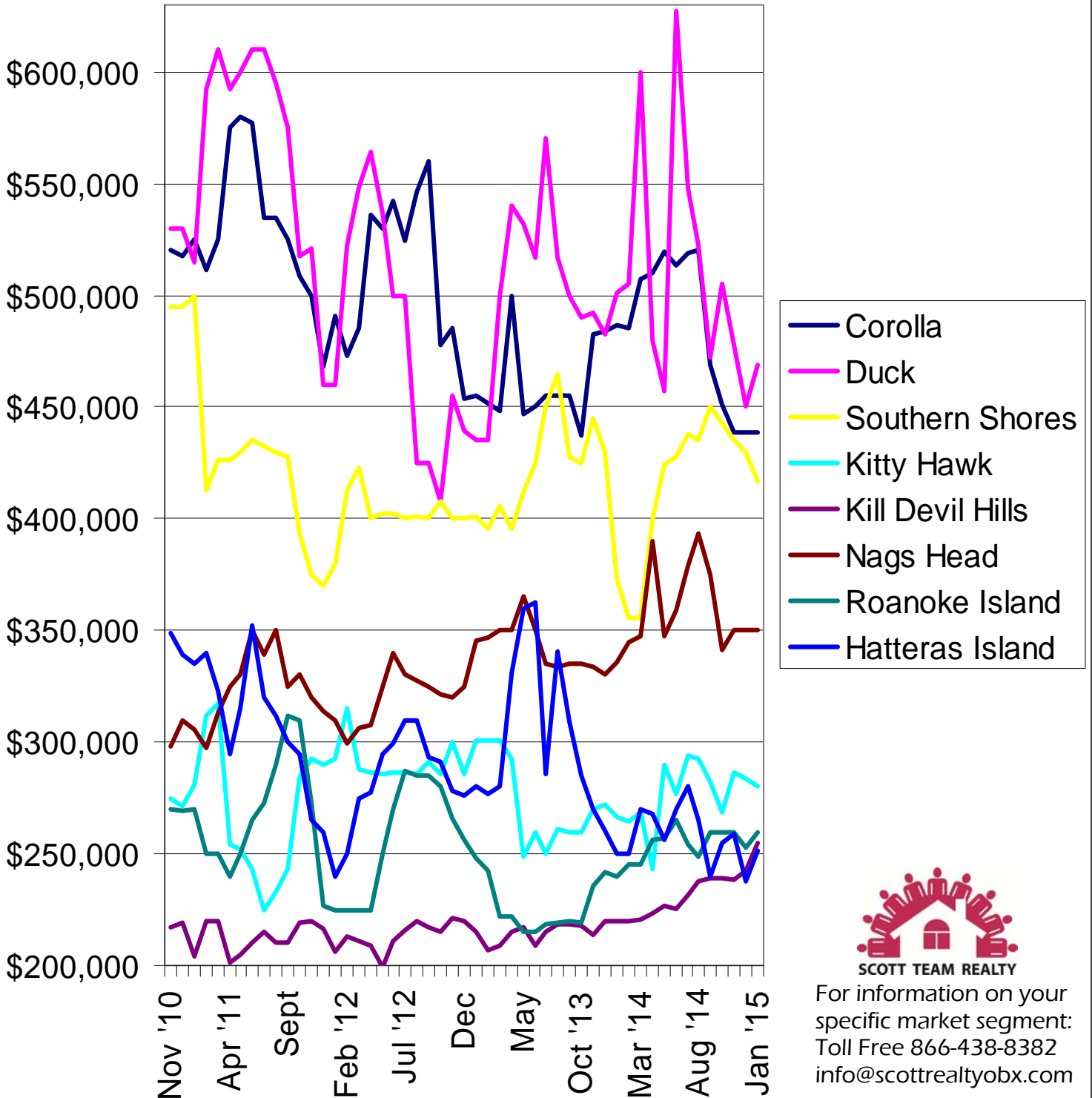
OBX Absorption Rates (residential listings/residential sales)



SCOTT TEAM REALTY
 For information on your specific market segment:
 Toll Free 866-438-8382
 info@scottrealtyobx.com

OBX Median Sales Prices

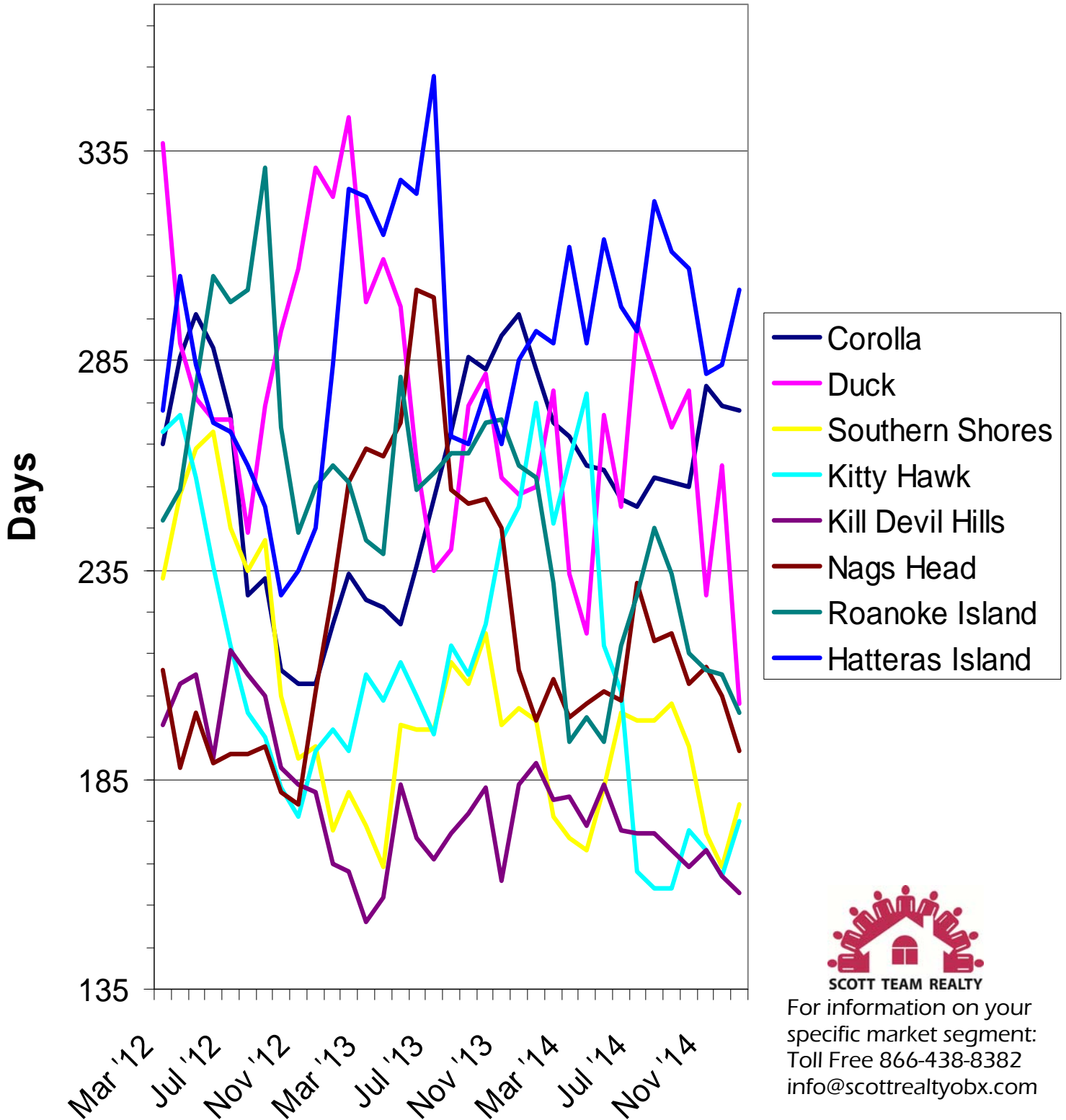
(residential sales)



For information on your specific market segment:
Toll Free 866-438-8382
info@scottrealtyobx.com

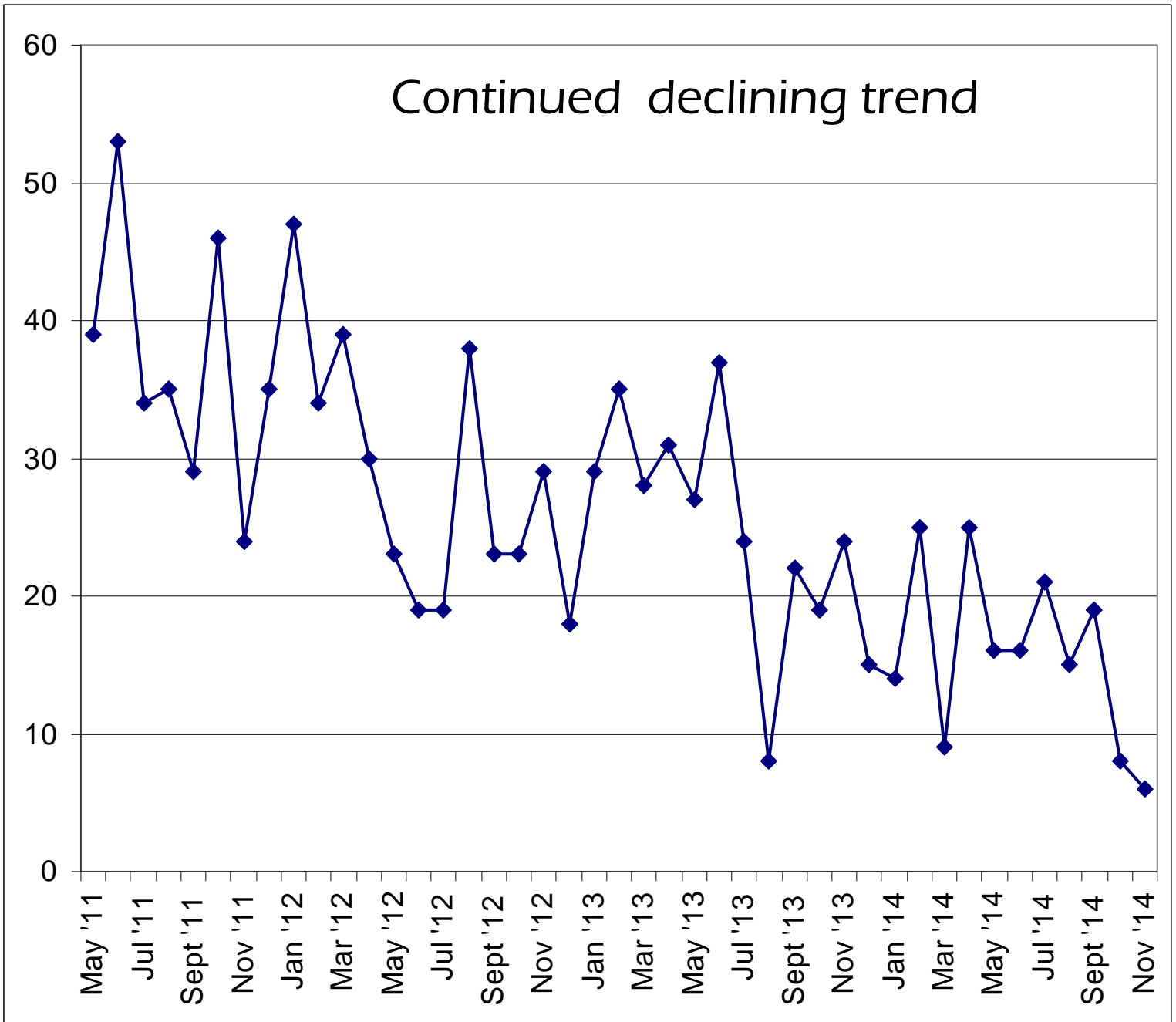
OBX Days on Market

(residential sales)



SCOTT TEAM REALTY
 For information on your specific market segment:
 Toll Free 866-438-8382
 info@scottrealtyobx.com

Dare County Foreclosure Filings



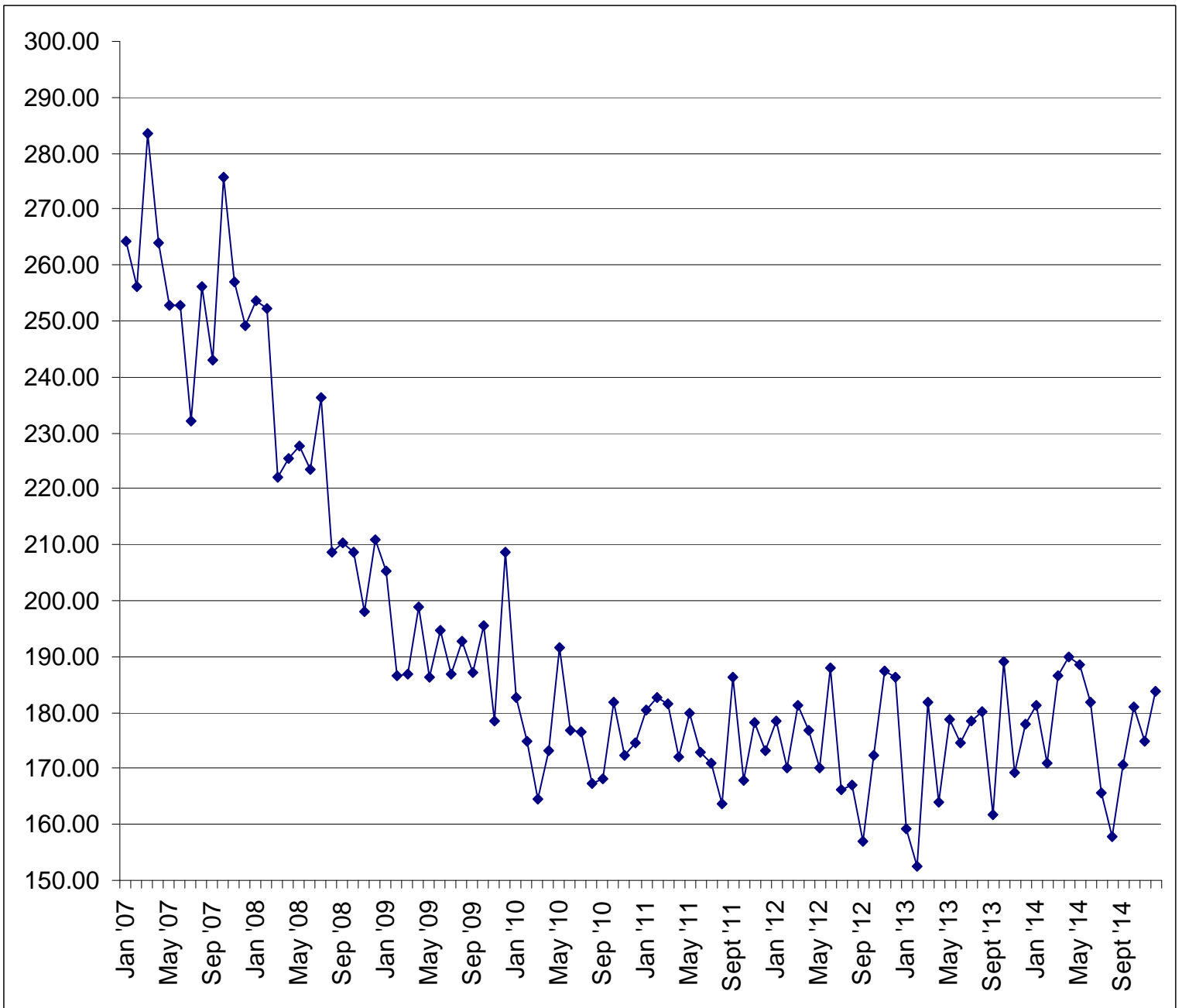
Data provided by the Outer Banks Association of Realtors



For information on your specific market segment:
Toll Free 866-438-8382
info@scottrealtyobx.com

Personalize your Market Snapshot here: http://scottrealtyobx.com/market_snapshot

Monthly Average Sold Price Per Square Foot (all OBX Single Family Residential sales)



Data provided by the Outer Banks Association of Realtors



For information on your specific market segment:
Toll Free 866-438-8382
info@scottrealtyobx.com

Personalize your Market Snapshot here: http://scottrealtyobx.com/market_snapshot



Market Indicator FAQs

Why should I care about market indicators?

The Outer Banks real estate market is unique. Unlike most metropolitan areas, the majority of Outer Banks sales are vacation and retirement homes. Vacation homeowners typically do not have to sell and vacation home buyers purchase for enjoyment instead of shelter. This unique market takes some time to understand before making intelligent buying or selling decisions. Knowledge is power and these indicators combined with the knowledge and experience of your Realtor will help you make the best buying or selling decision for your particular circumstances.

How are these market indicators calculated?

Data is gathered monthly from the Outer Banks Association of Realtors' Multiple Listing Service data base and compiled by F. Jeffrey Scott. The vast majority of real estate transactions on the Outer Banks come from this database. Each indicator is based on the last six month's sales activity. Using the sales information from the last six months allows trends to become evident while tempering very high or very low individual months. Sales activity including the number of active listings will be retrieved on or about the 15th of each month. By that date in each month all sales for the previous month should be entered by all Realtor members. Because the absorption rate number is dependent upon the number of listings in each market segment and the number of listings changes constantly this absorption rate may vary slightly depending upon when the active listing count was taken. These indicators focus only on residential sales of improved property. Land and commercial sales statistics can be obtained separately from Scott Team Realty.

How are Sales Agreements calculated?

Sales agreements are calculated by first searching for properties that are in the following statuses: under contract, under contract continue to show and sold. Once those listings are identified they are sorted by contract date. Contract date does not show up on under contract continue to show listings so those are sorted by status change date. All listings that have either the contract date or the status change date in a particular month are counted towards the total number of sales agreements.

What is Absorption Rate?

This indicator quantifies current supply and demand. It is the number of months it would take to sell the entire listing inventory at the current rate of sales. In other words if there are five residences currently on the market and one residence is being sold each month then it will take five months for all the inventory to be absorbed. When the absorption rate goes down, it means that there are more buyers and fewer sellers and is called a seller's market. When the absorption rate goes up, there are more sellers than buyers and the market favors the buyer. Most experts believe that an absorption rate of six months is a neutral rate that favors neither buyers nor sellers. Here on the Outer Banks where a much larger portion of all sales are vacation rental or second homes, the neutral absorption rate is closer to a year.

What is Average Days on the Market (DOM)?

This indicator shows the average time period it takes for the total number of sold properties to go under contract. It is calculated by adding up the total days between the day sold properties were listed and when they closed and then dividing it by the total number of properties. There are a few factors that may cause this number to be lower than the true number. Sometimes a property is taken off the market and is listed by another company. The DOM for this new listing will go back to zero even though it was for sale before. Also, this number only counts

those properties that have actually sold. During every period, some homes are taken off the market without selling. Even though this number may be slightly lower than the actual number, it will paint an accurate picture of the DOM trend in each area.

Average DOM information is also helpful in determining the value of specific properties. Since the spring of 2003 almost all information on properties listed in the Outer Banks MLS has been kept in an electronic history file. This information is easy for Realtors to access. Comparing the price changes and other activity of a specific property to the average DOM will give buyers and sellers a better feel for fair market value.

What is Median Sales Price?

This number is the actual sales price of a property in the middle of all the sales during that time period. For example if seven properties sold and they are put in order of highest to lowest price the sales price of the property in the fourth place would be the median sales price because there were three sales lower and three sales higher. This indicator shows changes in property values over the long term and in the short term it shows the price range where the majority of sales are occurring. Median prices vary greatly from each area of the Outer Banks. Duck and Corolla currently have the highest median sales prices over \$500,000 and Kill Devil Hills has the lowest median sales prices at close to half that number. Even when using six month's worth of sales activity, median sales prices can sometimes vary significantly between reporting periods. It is a good idea to look at a few months at a time to get a better feel for the current trends.

It is our goal that this information helps you to better understand the local real estate market. Please do not hesitate to call on Scott Team Realty for more detailed information on any particular market segment.

Email: info@scottrealtyobx.com

Toll Free: 866-438-8382

Local: 252-261-1500