

End Of Year 2018

Scott Market Report



Steady Activity Results in Positive Year

2108 ended up being the second best year for Outer Banks real estate sales since the boom years of the early 2000's. The number of transactions in the local MLS was down just slightly compared to 2017. Poor weather and higher interest rates may have had an effect on sales. A great piece of news is that the average and median sales prices went up in just about every area. The sold price per square foot also continues to climb as sellers are able to demand more for their properties.

A key indicator of market forces is the absorption rate. This is the amount of time it would take all the inventory to sell at the current rate of people buying properties here. For the most part, absorption rates across the Outer Banks are as low or are lower now than they have been in years. Assuming demand continues, we should continue to see appreciation.

A comment Outer Banks Realtors continually hear from buyers while showing property today is the lack of updated and well maintained homes. A well maintained home with updated flooring, kitchens and bathrooms will frequently command a sales price much closer to asking price than dated properties. Unfortunately these updates rarely pay for themselves. If you are thinking of selling sometime in the next five years then now is a good time to update so you can get some use out of those updates before selling.

Well priced properties continue to sell quickly and may have multiple offers in this current market. If you are considering selling today it's likely we can help you get more for it than we could at this time last year. If you are buying then be prepared to invest some time and money into the property right away. Being able to either live with items that need updating or being able to get those items completed will provide you with many more buying options.



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 5.3% Lots 5.2%. Generally speaking, it appears that the northern beaches have returned to a fairly normal, (not growing too fast), improving market. The number of residential sales were very similar to 2017. Quite a bit of stale lot inventory was sold in this area this year. That's obvious from the high "days on the market" number for lot sales.

HOUSES						LOTS					
		# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price			# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price
	2018	879	\$435,533	143	95.6%		2018	121	\$176,847	332	92.4%
			5.3%						5.2%		
	2017	872	\$413,291	176	96%		2017	151	\$168,009	253	91%

Southern Shores: Houses 6.7% Lots 34%. This area saw increases in most indicators this year as the demand eliminated much of the inventory. Lot sales are likely to decline over the next few years as undeveloped lots become more scarce. Modest gains in both home and lot prices can be expected in 2019 since inventory in this town is low.

HOUSES						LOTS					
		# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price			# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price
	2018	99	\$517,721	138	96%		2018	31	\$190,267	360	90.8%
			6.7%						34%		
	2017	92	\$485,164	238	95.2%		2017	32	\$141,921	220	91.7%

Kitty Hawk and Martin's Point: Houses 17.1% Lots 29.8 % Significantly more homes were sold in this area this past year. There was also a strong increase in average sold price for both lots and homes. Many lot sales were for lots that had been on the market for a long time. What buyers are willing to pay for lots is finally catching up to sellers' expectations here.

H O U S E S	HOUSES					L O T S	LOTS				
		# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price			# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price
	2018	133	\$432,001	122	95.9%		2018	27	\$151,455	353	93.4%
	2017	114	\$368,692	149	96.2%		2017	32	\$116,668	238	90.8%
			17.1%					29.8%			

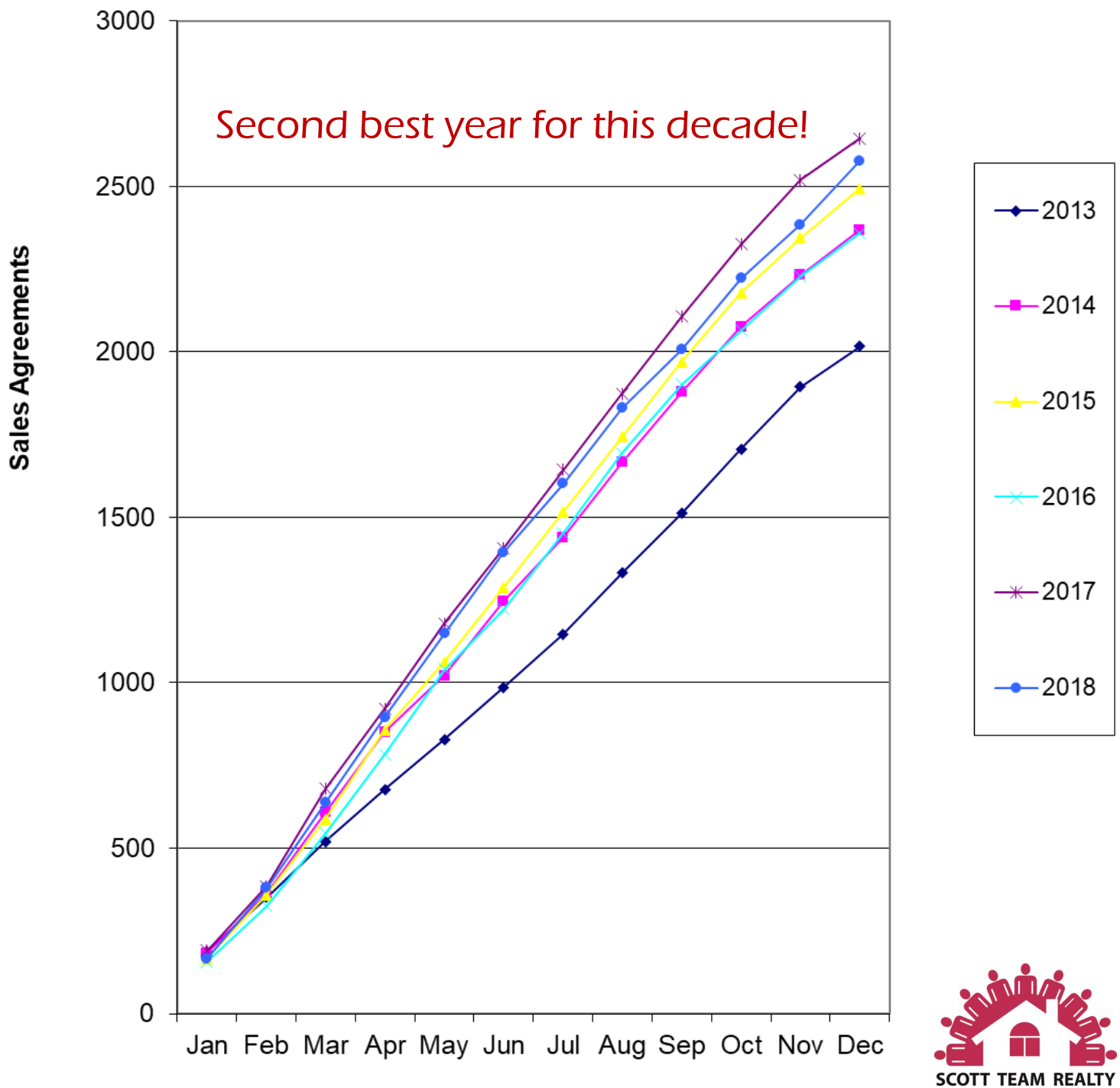
Duck: Houses 3.6% **Corolla Houses** 12.7% Duck home sales were consistent and home sales prices remained good. Sellers generally had to negotiate more than in years past. This is likely because most homes needed updating. Corolla home sales were a little off and it still takes longer to sell homes in that area. Average Corolla home sold prices showed good growth probably because of more water front sold.

DUCK					COROLLA						
		# Sales	Average Sold Price	Average Days on MKt.		List Price to Sold Price		# Sales	Average Sold Price	Average Days on MKt.	List Price to Sold Price
	2018	129	\$600,218	143		93.9%	2018	230	\$655,054	280	94.5%
			3.6%						12.7%		
	2017	129	\$578,828	296		95.5%	2017	252	\$580,934	288	94.4%

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Total OBX MLS Sales Agreements*



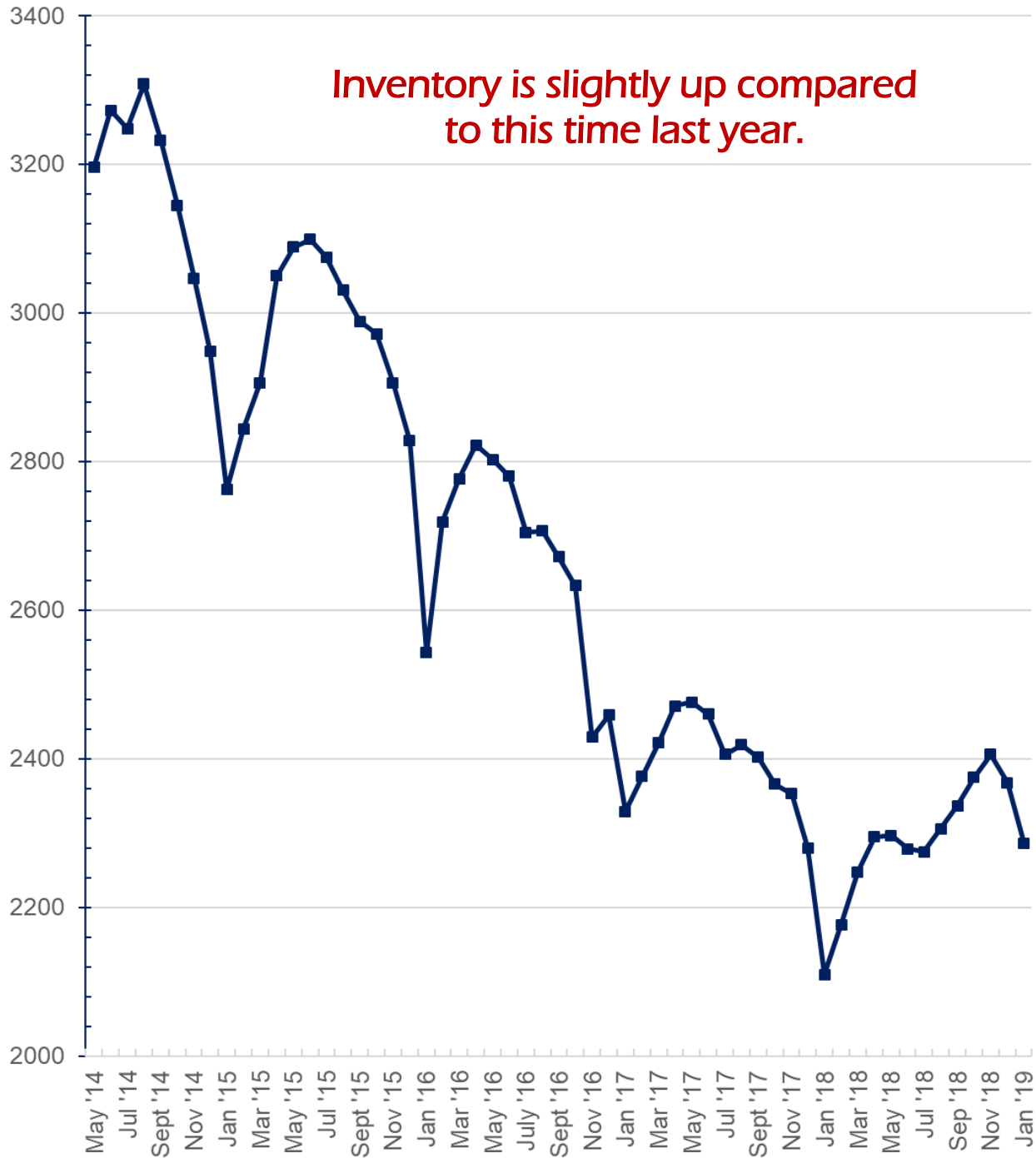
*Includes all properties in under contract and under contract continue to show statuses.

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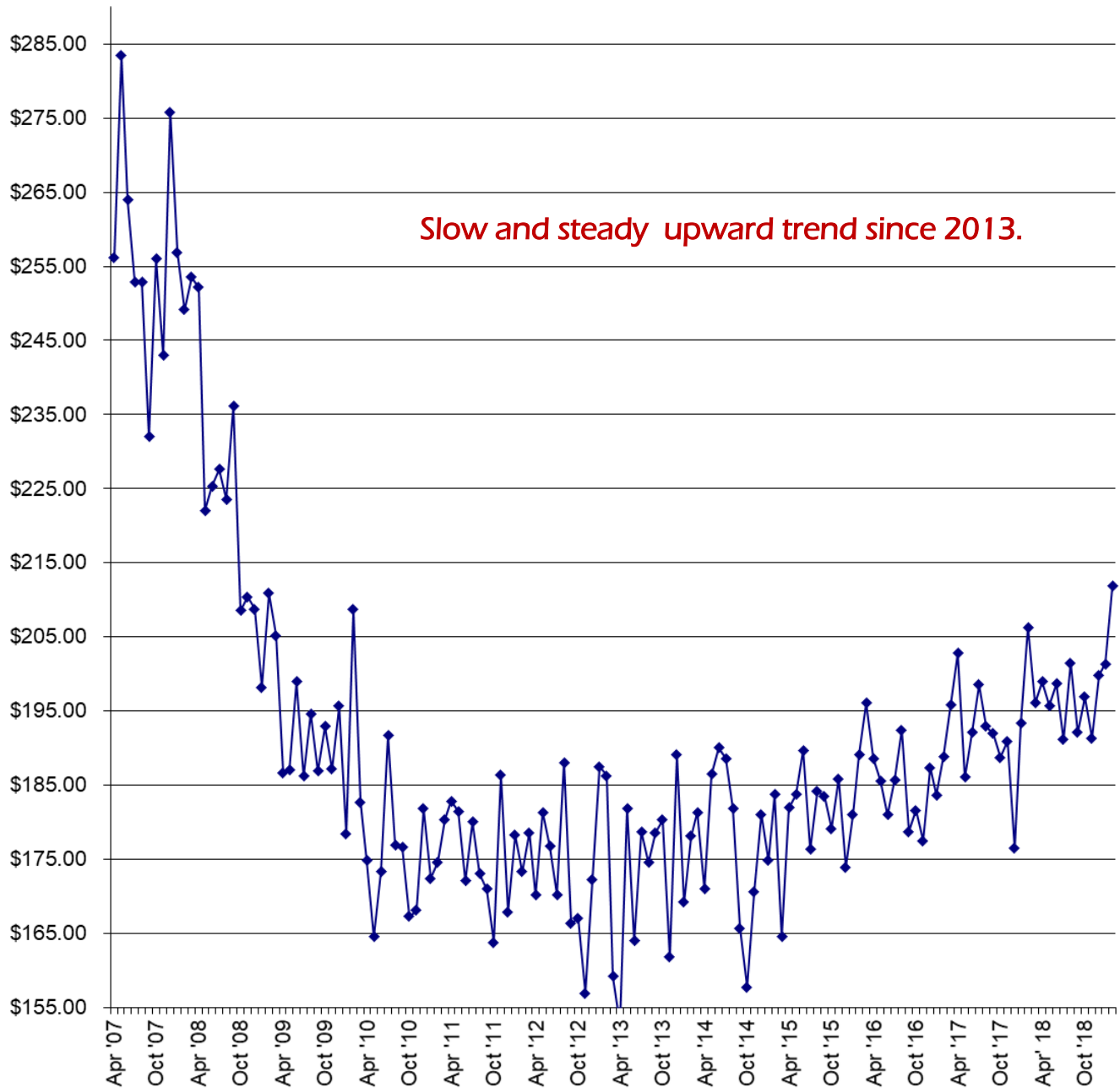


TOTAL OBX LISTINGS





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

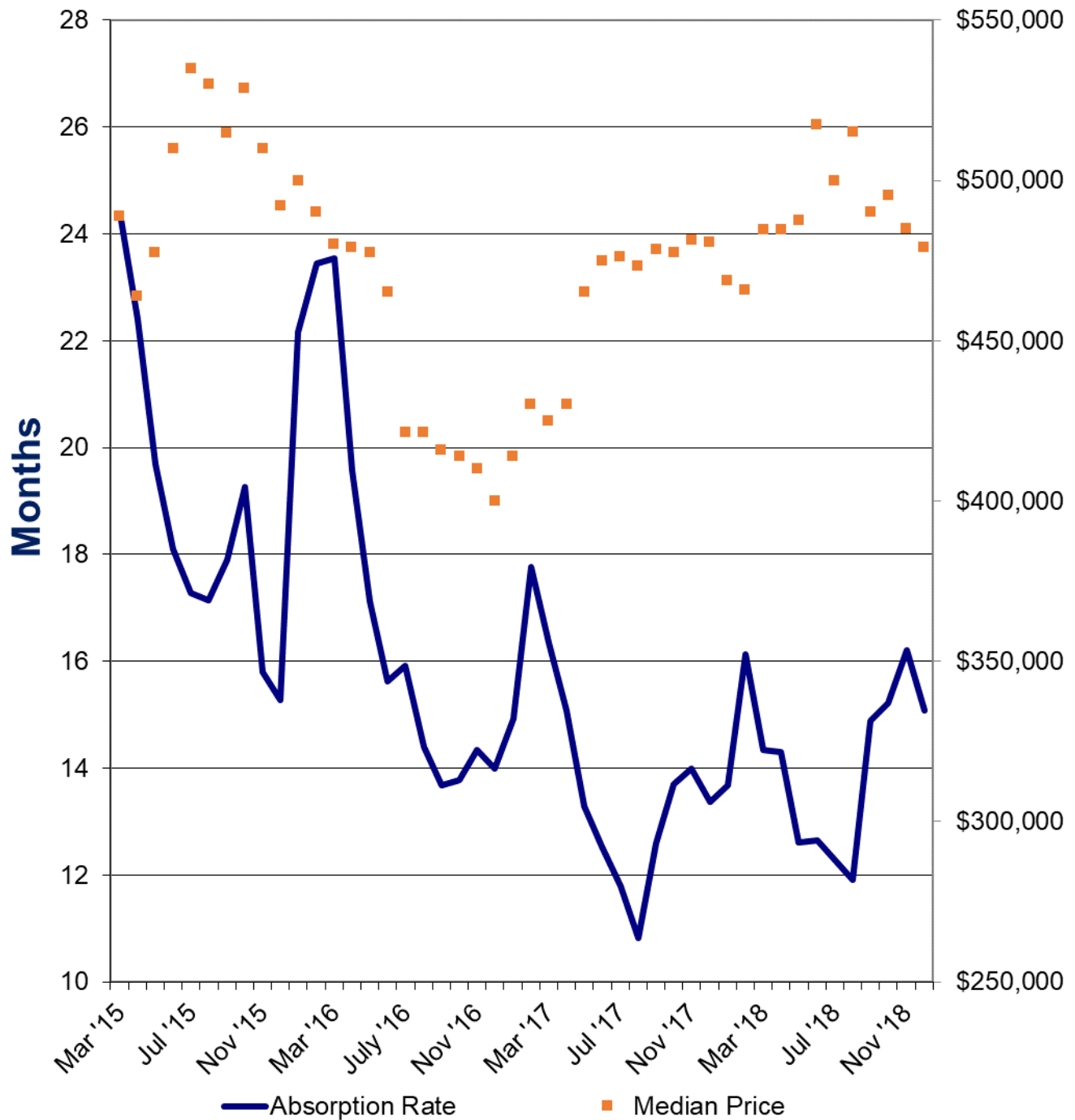


Data provided by the Outer Banks Association of Realtors

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Corolla Residential Median Sales Price and Absorption Rate



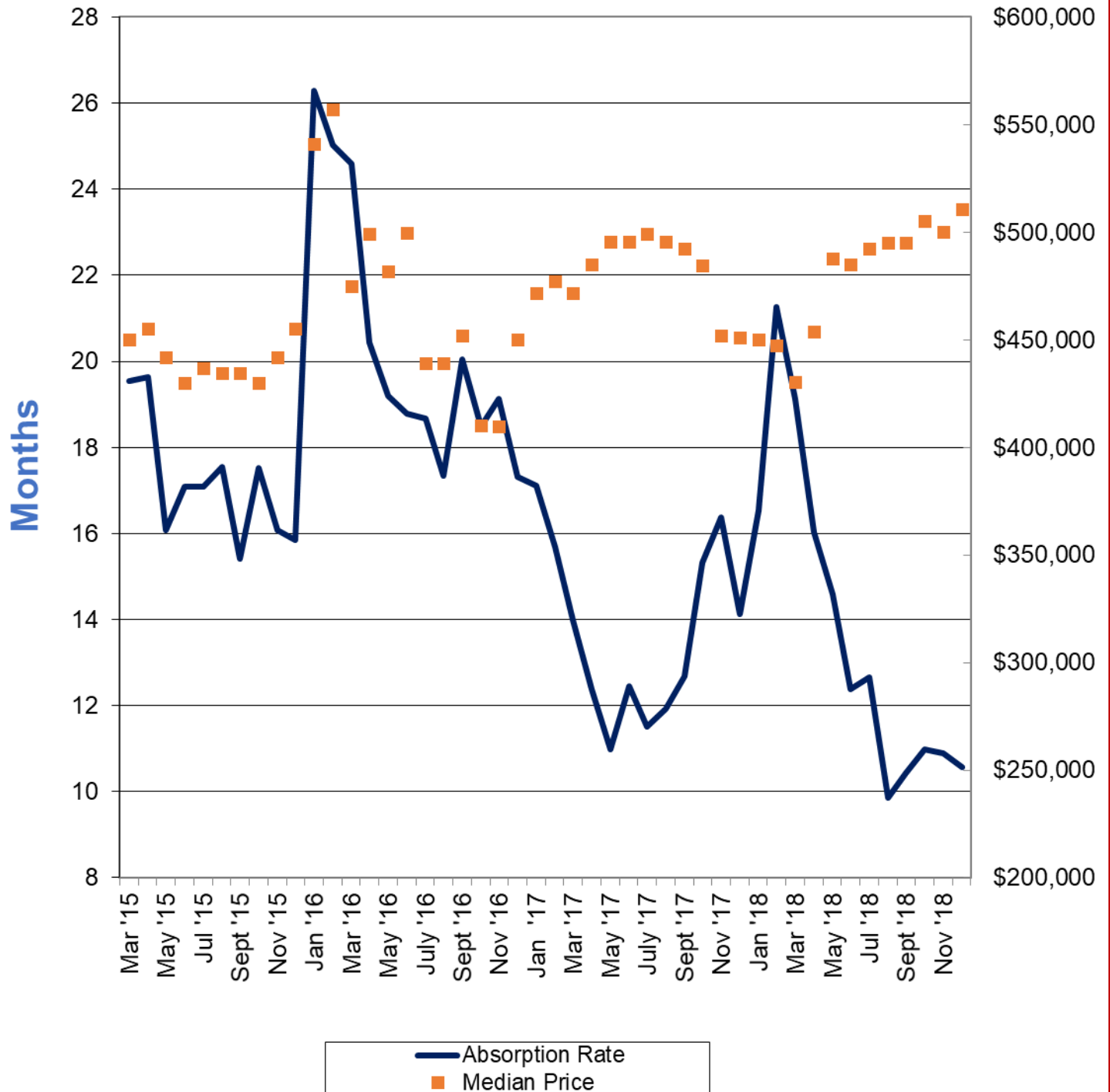
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Duck Residential Median Sales Prices and Absorption Rates



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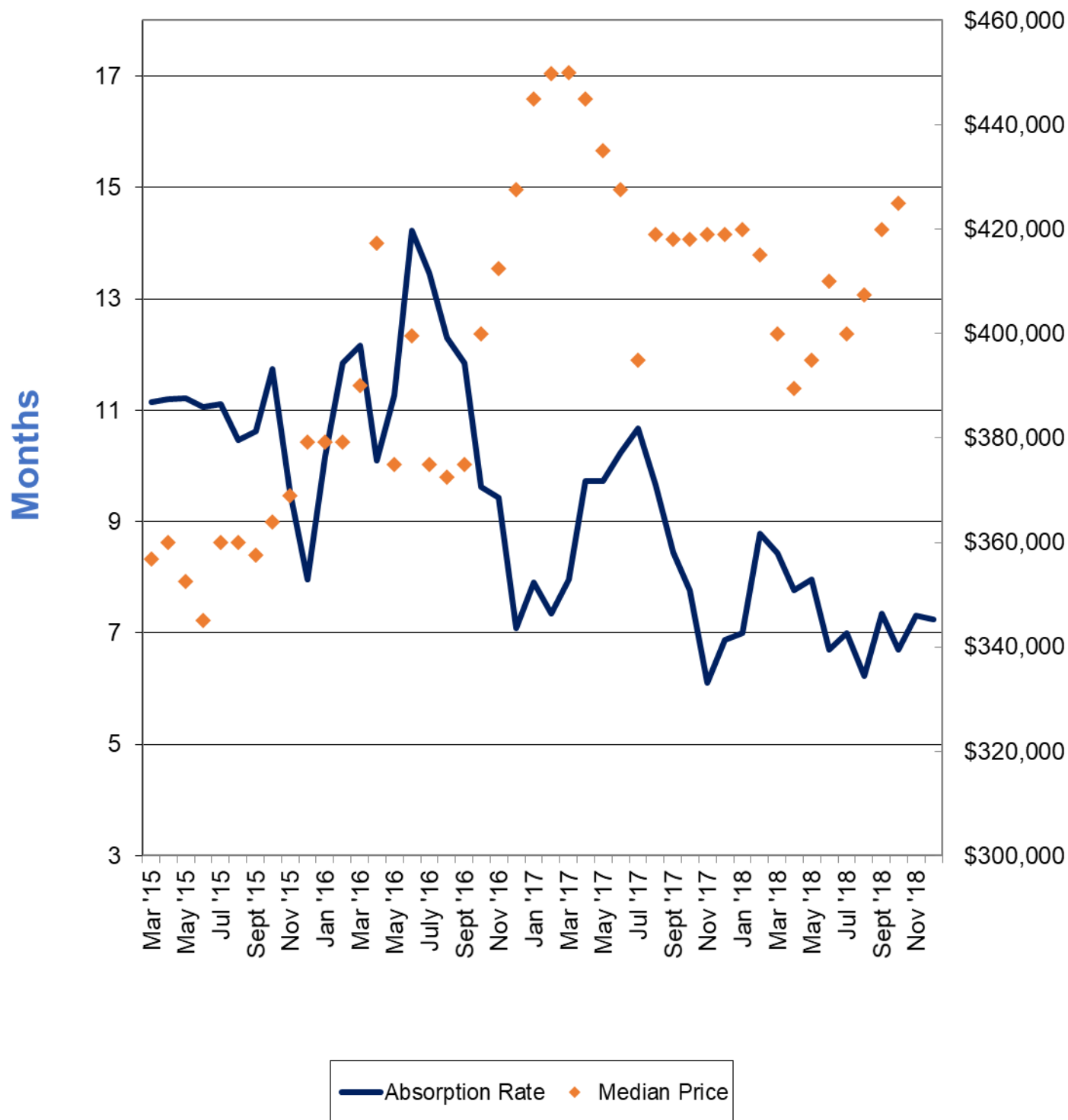
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SCOTT TEAM REALTY

Southern Shores Residential Median Sales Price and Absorption Rate



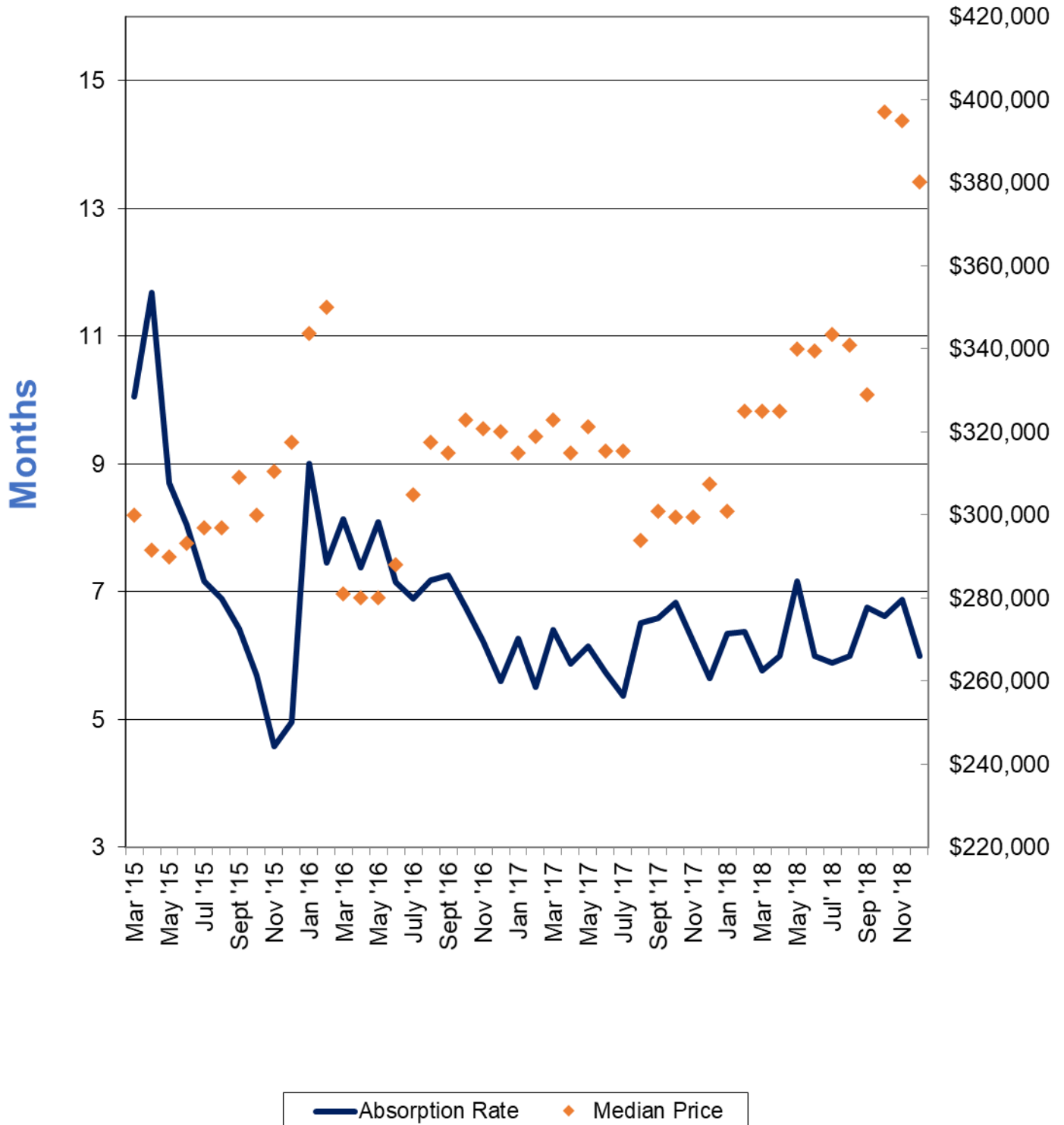
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Kitty Hawk Residential Median Sales Price and Absorption Rate



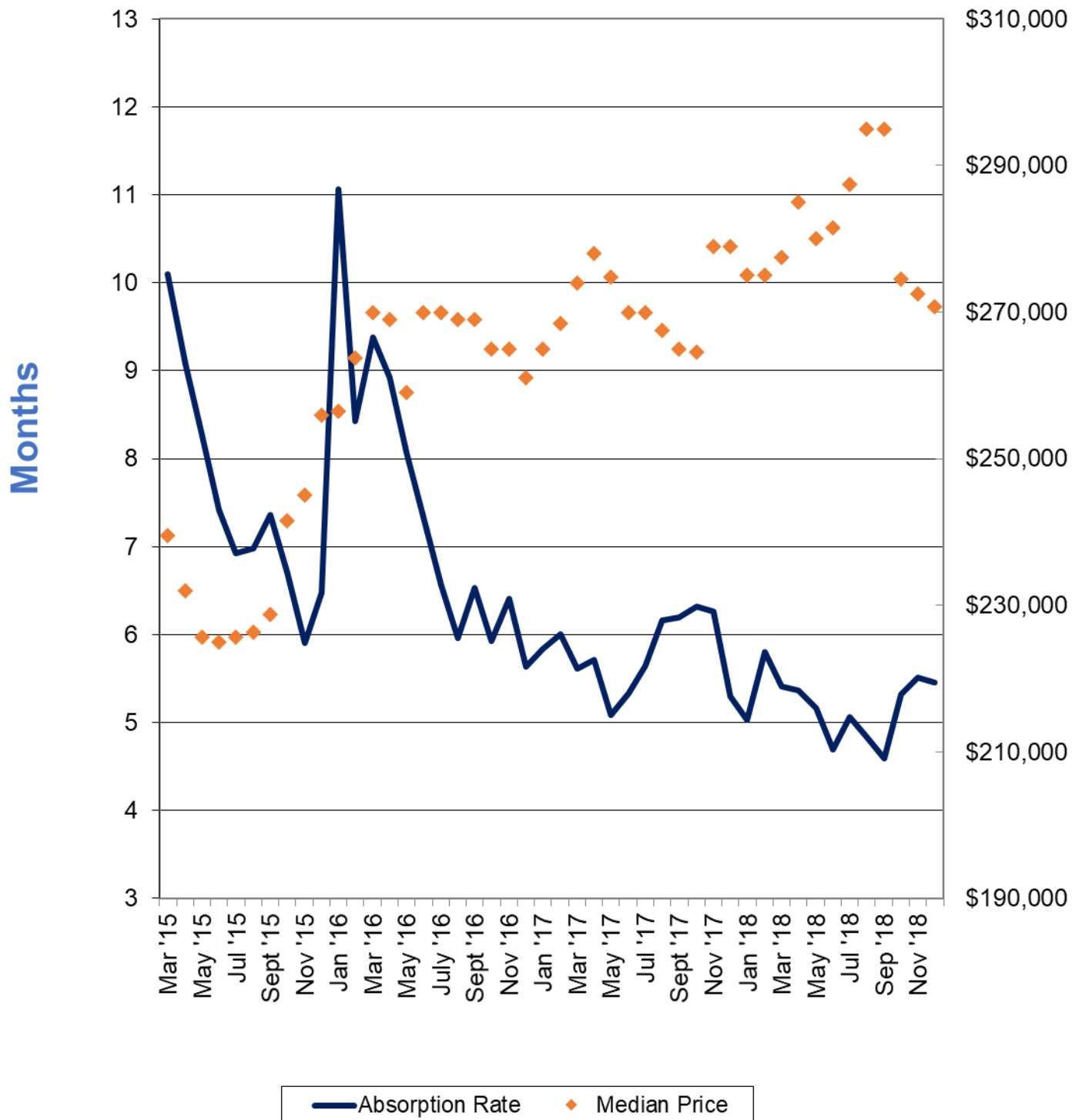
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Kill Devil Hills Residential Median Sales Price and Absorption Rate



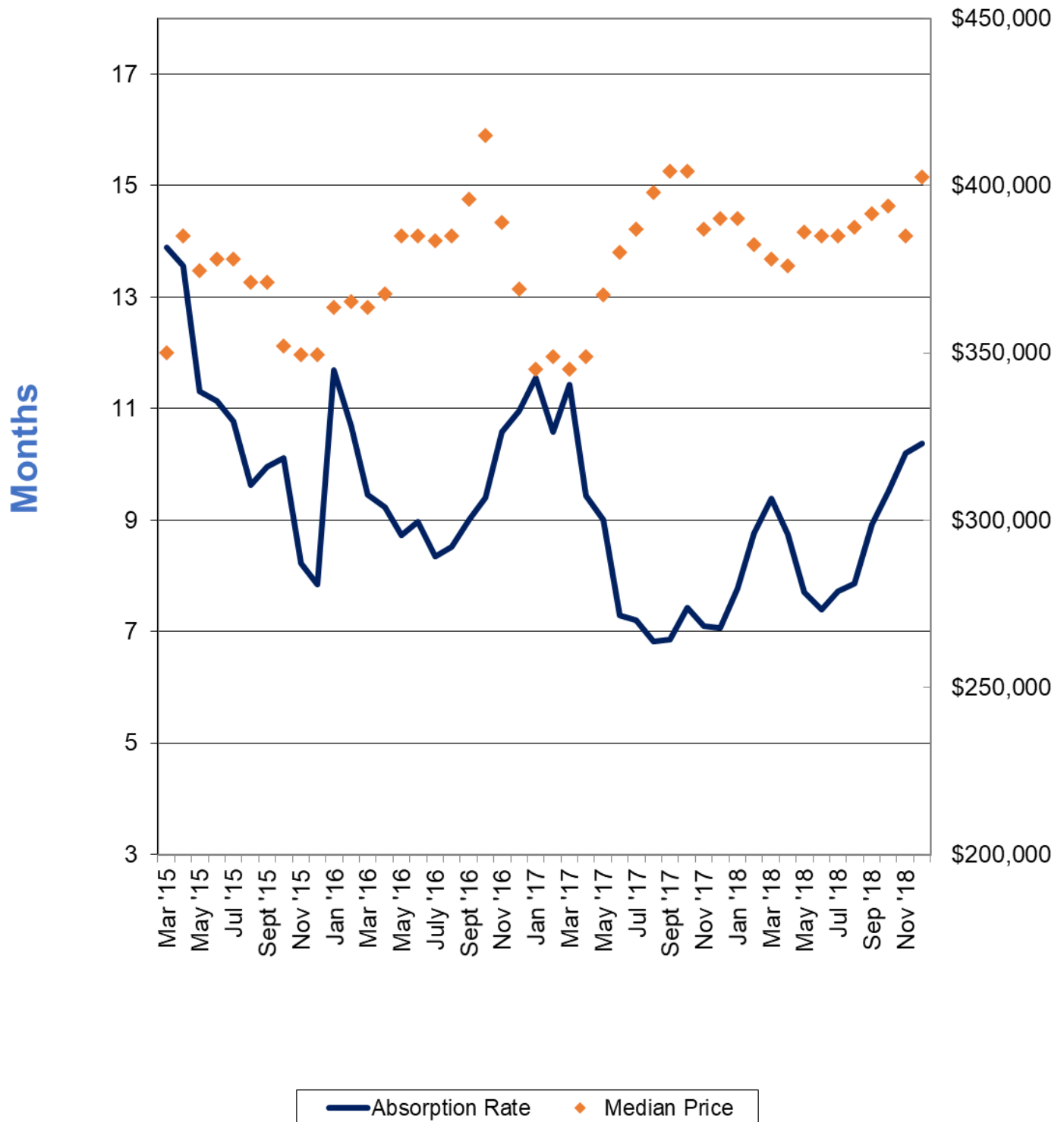
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Nags Head Residential Median Sales Price and Absorption Rate

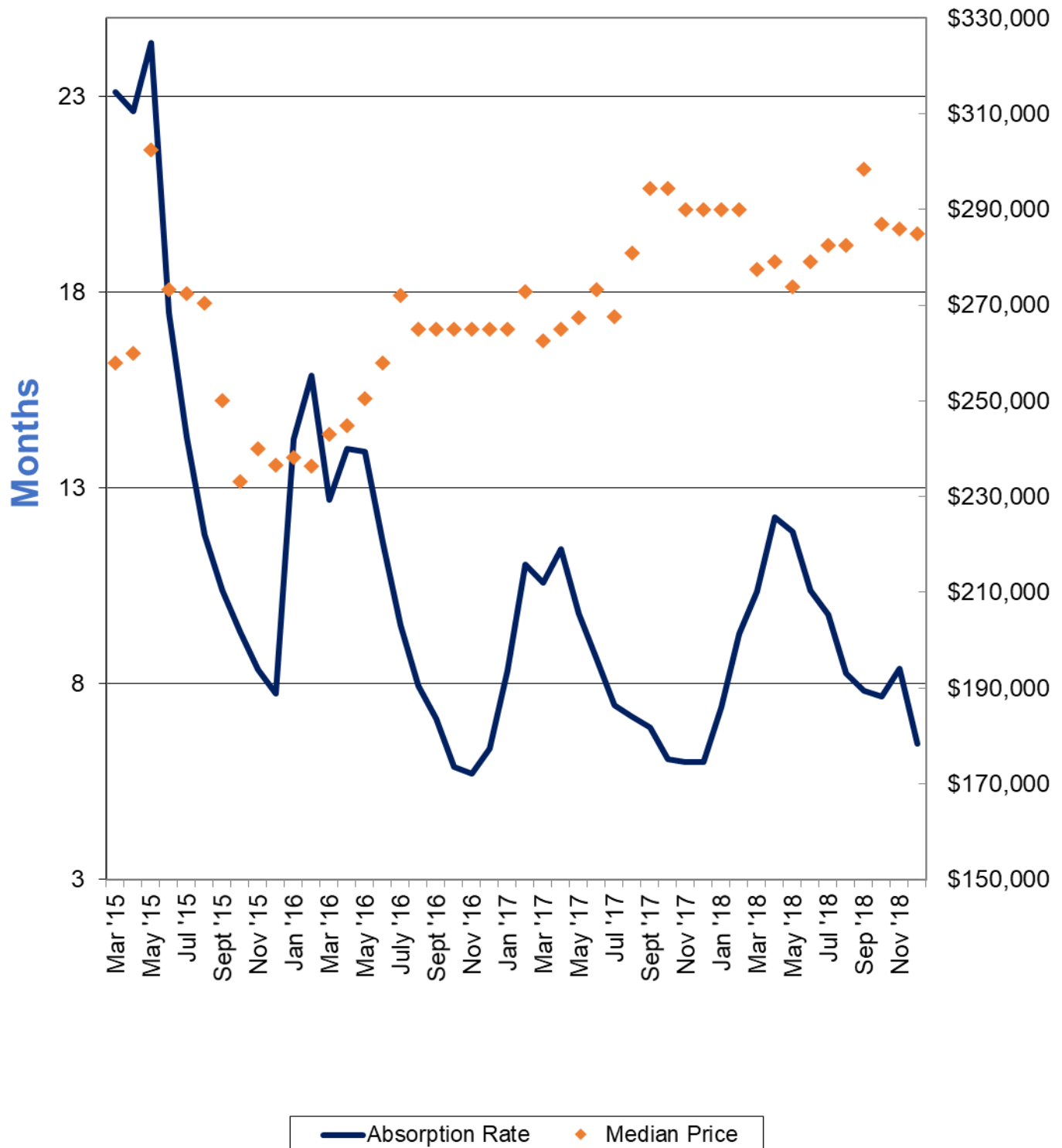


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Roanoke Island Median Sales Price and Absorption Rate



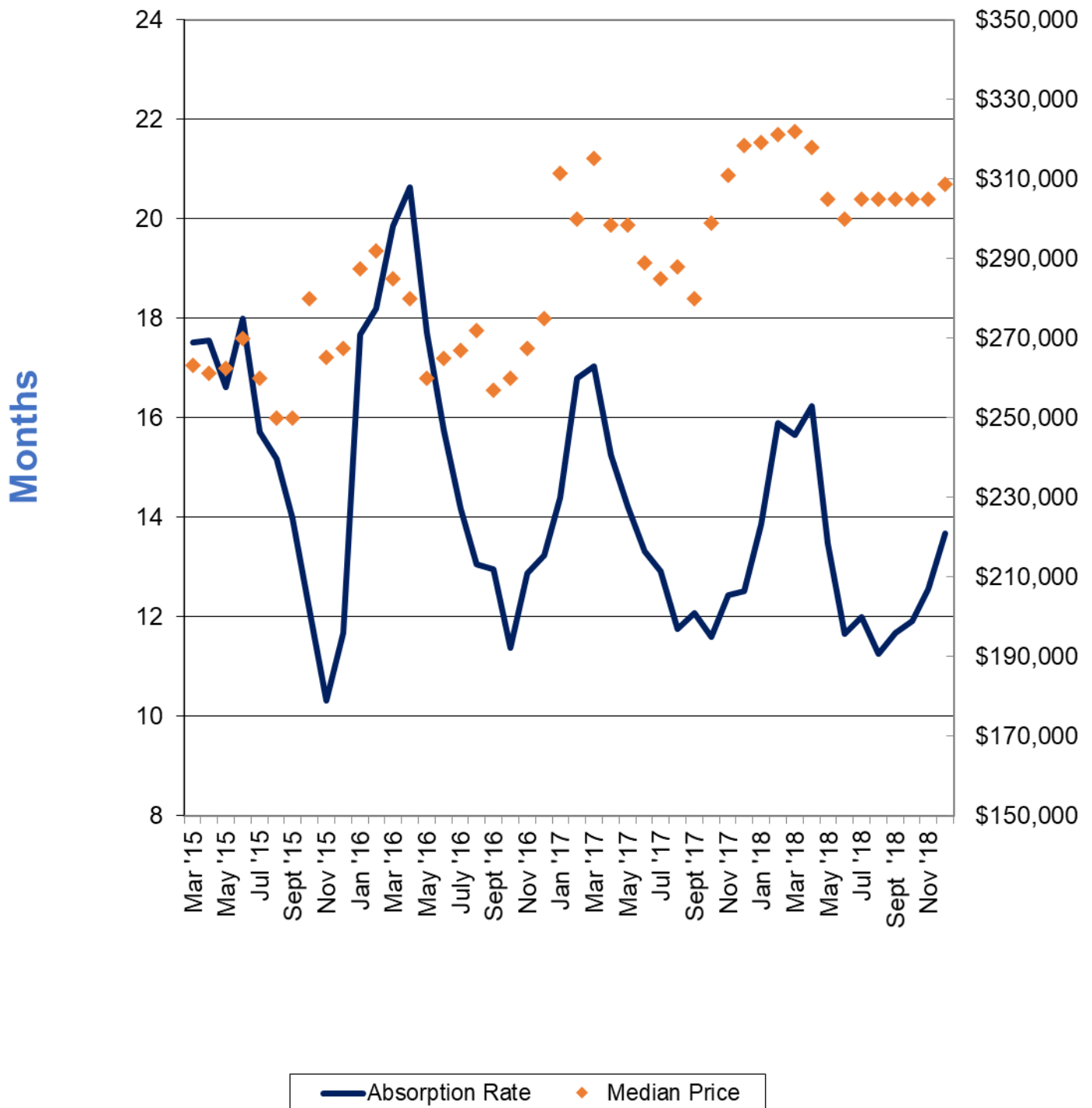
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Hatteras Island Residential Median Sales Price and Absorption Rate



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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 forth 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.

How is the sold price per square foot calculated?

Each month the average sold price is divided by the average heated living area for all the sold residences (including condominiums, townhouses and co-ownerships). This is a good general indicator for the direction of over all market. It is best to look at trends over an extended period of time since each month this number could vary by as much as 25%. Also, since it includes all types of residences sold do not use this number for a specific type of property. For example, the sold price per square foot will be much more for an ocean front house than a residence on a major highway. This is because ocean front land is much more valuable than a residential land on a busy road. Scott Team Realty can help you with finding the average sold price per square foot for your specific market segment.

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.

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