

*Hilton Head Island Real Estate
Year End Report 2008*

from

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Realtor*

The
Sea Pines  Real Estate Co.

THE BEST IN THE LOWCOUNTRY SINCE 1957

WHAT A YEAR!

Hilton Head has suffered along with the rest of the country after the excesses of 2005 and 2006; however, there is reason for optimism especially on Hilton Head in this very attractive buyer's market.

Karl Case, an economics professor at Wellesly College and also of the S&P "Case"-Schiller home price indexes, notes that home prices tend to increase at an inflation adjusted rate of 2.5-3% per year. He thinks that long-term pattern will continue despite recent choppiness. William Wheaton, professor of economics & real estate at MIT predicts an increase of 1% over inflation for the long-term. Celia Chen, director of housing economics at Moody's *Economy.com*, expects an increase of 4% over the next couple of decades (not factoring in inflation).

The average price on Hilton Head Island (including gated and non-gated communities) has increased from \$258,674.27 in 1989 to \$867,606 as of this date or 6.58%.



Ocean oriented and waterfront has fared even better. For example, taking oceanfront lots to get as close as possible to a like kind comparison:

- 3 Tee Road 1A (16 Armada) sold for \$1.2 million on 02/29/1996 (this was the first year MLS kept records - this was the only Palmetto Dunes lot sale in 1996).
- 2 Tee Road 4 (10 East Wind) sold for \$3.75 million on 04/28/2008 (only Palmetto Dunes lot sale in 2008).

This equates to 9.96% compounded growth.

In Sea Pines Plantation a "tear down" oceanfront on Seaside Sparrow sold for \$4.8 million in 2008.

Two of the three buyers in these transaction were found by Sea Pines Real Estate agents.

The following is a perspective from an investor in properties nationwide as well as Hilton Head.

"Betty, Here is how we look at Oceanside homes as investments - and we are very comfortable with them in these unusual times.

"Capital Accumulation. The (net) rent on our homes, after deducting management costs and operating expenses is between 1.75% to 2.25% of our total invest-



ment. That doesn't sound like much but it's actually quite a lot compared to most cash investments. It is also 50 to 75 basis points less than the current yield on a 10 Year US Treasury. Now, we calculate inflation at 2.5% over the long term and that will cause the spending power of a US Treasury to decline <\$221.40> or <22.14%> by the time it matures. Alternately, in that same time frame our Oceanside homes should increase at least 6% annually in value so \$1,000 invested will be worth \$1,819.40 or 82% more - and including the cash flow at a constant of 1.75% increases that to 105%. The spread between that and a 10-Year US Treasury, over the next 10 years, is 127.97%.

"Capital Preservation. We think, earthquakes, hurricanes and tidal waves aside, the risk differential between the US Treasury and an Oceanside home in Sea Pines is negligible. Land is land will always be there for us to have and to hold. Moreover, supply and demand give it more value. The supply of land in Sea Pines is uniquely finite, as you know, but the demand never has been and never will be limited. So, we feel just as comfortable with these properties as we do with all that cash we wish we didn't have in Treasuries.

"So you can see why we like these homes. People should be running to buy them from you."

Chad J. Simmons, Author
Business Valuation Bluebook
New 4th Edition available January, 2009

UPCOMING EVENTS:



The Hilton Head Symphony Orchestra Presents:

MozartFest January 11, 12, 25 and 26th.

MardiGras 2009 - February 24th

Symphony Under the Stars March 24 - 26th

Call 843-842-2055 for information.

Arts Center of Coastal Carolina Presents:

"Steel Magnolias" Feb 4 - 22, 2009

"Les Miserables" April 22 - May 24, 2009

Call 843-842-ARTS.



Architectural - Builder Tour of Homes - March 28th. 843-689-9982

Verizon Heritage of Golf

April 13 - 20th.

Call 843-671-2448 or 800-234-1107.



Sales Activity...

As reported by the Multiple Listing Service of Hilton Head Island

*Does Not Include Spanish Wells East

Homes ~ Year-end December 2008

Area	Total Sold	Median Sales Price	Average Sales Price
Sea Pines	137	800,000	1,016,930
Shipyards	3	565,000	567,000
Palmetto Dunes	40	897,500	1,263,497
Port Royal	31	700,000	890,806
Hilton Head PI	147	475,000	540,920
Indigo Run	26	749,500	769,036
Spanish Wells*	4	2,200,000	2,190,000
Moss Creek	34	390,000	438,720
Windmill Hbr	16	655,000	891,279
Long Cove	20	757,500	876,621
Wexford	19	1,450,000	1,676,710
Forest Beach	19	975,000	1,275,486

Villas ~ Year-end December 2008

Area	Total Sold	Median Sales Price	Average Sales Price
Sea Pines	60	500,000	656,494
Shipyards	45	330,000	344,428
Palmetto Dunes	114	460,000	617,212
Forest Beach	82	241,500	313,965

Homes ~ Year-end December 2007

Area	Total Sold	Median Sales Price	Average Sales Price
Sea Pines	169	1,100,000	1,574,803
Shipyards	11	562,650	553,059
Palmetto Dunes	46	945,000	1,259,092
Port Royal	41	658,000	862,329
Hilton Head PI	204	522,500	577,035
Indigo Run	44	817,250	943,897
Spanish Wells*	7	2,400,000	2,819,000
Moss Creek	43	472,500	482,834
Windmill Hbr	19	1,070,000	1,100,223
Long Cove	24	844,750	965,812
Wexford	17	1,750,000	1,896,000
Forest Beach	18	2,112,500	2,129,083

Villas ~ Year-end December 2007

Area	Total Sold	Median Sales Price	Average Sales Price
Sea Pines	83	500,000	585,384
Shipyards	57	400,000	408,824
Palmetto Dunes	127	554,000	660,813
Forest Beach	97	273,750	317,964

WHY SEA PINES REAL ESTATE

Best Source of Buyers:

Sea Pines Resorts markets to over 2.5 million visitors to the Island annually. The vacation experience is the first step for many buyers who are then introduced to the many aspects/areas of the Island by Sea Pines Real Estate Agents.



Sea Pines Plantation was the nation's first master-planned resort community thanks to the vision of Charles Fraser in 1956. Sea Pines Real Estate Company was the Island's first real estate firm and today remains the oldest and most respected company with over 50 years of loyal client support.

Sea Pines Real Estate has grown and evolved with the market becoming involved in new developments as the Island has grown. Sea Pines developed Hilton Head Plantation, for example. A thorough knowledge of this Island is necessary to meet the diverse requirements of today's buyer. The satisfied and loyal customer base built up over the years is a testament to the best service resulting in continuing transactions.

Best Track Record:

Over \$7.7 billion in transactions. Fifty agents with an

average of 20 years experience and an average sales volume of \$9.3 million.



Best Website - www.SeaPinesRealEstate.com

Attracting buyers from the United States also Canada, England, Germany, South Africa, the Netherlands, US Virgin Island, Australia and France.

Best Marketing Plan:

Call or email for details and a complimentary comparable market analysis. 843-842-1929 or email: betty@bettyhemphill.com



Best Community Involvement – Giving Back

Sea Pines Agents are quietly supportive through personal commitment and contributions to local causes such as:

United Way
 American Cancer Society
 Boys and Girls Club
 Arts Center of Coastal Carolina
 Main Street Youth Theater
 South Carolina Repertory Theater
 Deep Well
 PEP - Programs for Exceptional People
 Volunteers in Medicine

Zonta
 Hilton Head Island Foundation
 Rett Pediatric Cancer Foundation
 Coastal Discovery Museum Foundation
 HH Symphony Orchestra
 HH Humane Association
 Alzheimer's Respite & Resource
 Island Recreation Center
 Support in almost all Island Churches and schools

Sea Pines



Planters Woods - \$849,000
4 BR, 4 BA, pool, park-like setting

Hilton Head Plantation



Hickory Forest - \$460,000
4 BR, 3.5 BA Walk to sound

Palmetto Dunes



Heath Court - \$980,000
4 BR, 3.5 BA, Pool, golf views

Spinnaker - Harbour Town
\$845,000



Sea Pines - Heritage Villas
\$499,900 furn



Wren Drive - Sea Pines
Walk to Beach!



Hilton Head Beach & Tennis
Folly Field - \$329,000



Moss Creek - Royal Point
\$289,900



OTHER OPPORTUNITIES

- **Daufuskie Island - Historic District** - Just over one acre wooded lot. \$91,500
- **Haig Point Homesite** - Lagoon View with Cooper River in distance. \$90,000
- **Harbour Town Boat Slip** \$250,000
- **Investor Opportunity** - 2BR, Woodlake Villas \$115,000
- **Sound Front Homesite** - Dolphin Point, Hilton Head Plantation \$874,000

Betty Hemphill

Life Member Distinguished Sales Award

Top 4% in Production

Over \$206 Million in Sales Islandwide

843-842-1929

800-846-7829 ext. 1929

Betty@BettyHemphill.com

www.BettyHemphill.com

Please view details and additional photos of these and all MLS listings at **www.BettyHemphill.com**

For a complimentary market analysis or a tour of Island listings, please give me a call.

Note: If your property is presently listed for sale, this is not a solicitation for your listing, merely for your information.

