2010 Overview
Grand Strand Market
Where Are We, and Where Are We Going?

Presented By:
Tom Maeser
Executive Vice President for Continuing Education- Horry Georgetown Technical College

Coastal Carolinas Association of REALTORS Market Analyst

Office: 843-477-2041
Cell: 843-283-3532
tom.maeser@hgtc.edu

Revised 4/13/10

Real Estate Overview

The National Market

- The real estate industry makes up approx. 15% of the U.S. economy (Inc. mort. & related industries).
- 1,132,903 million REALTORS® nationwide (There were only 766,560 REALTORS® in 2000---1,357,732 in 2006-highest)). New homes starts off 15%--Permits off by 43%.
- For sale by owners transactions make up 13% of the market.
- First time homebuyers make up 41% of the market.
- **National Association of Home Builders** study: 55 percent of all new home purchases were made by consumers between 18 and 40 displacing the Baby Boomer generation as the most active purchasers of new housing.
- **NAR 2009 Profile of Home Buyers and Sellers** study- 90% of the buyers use the Internet to search for homes and 87% of those used a real estate agent for the purchase.
- 47% of buyers were first time home buyers with a median age of 44.
- 62% of all buyers was under the age of 44.
- 39% of the mortgages were FHA loans.
- Median age of buyers was 39 years of age.
- **Attrition Rate:**
    1. 50% leave real estate by the end of the first year
    2. An additional 25% will leave at the end of year 2 or 75% attrition in 2 years
- Approx. 17,505 REALTORS in the South Carolina Association of REALTOR® --typically around 50% of licensee's belong to an association.
- **Grand Strand MLS Market**
    1. 2007 4500 CCAR Members
    2. 2008 3411 CCAR Members
    3. 2009 2982 CCAR Members
    4. 2010 2730 CCAR Members
- **Horry County-2009 there were 240,000 parcels of property on the tax rolls---66% of them are assessed at the 6% rate (158,400)—Commercial or non-owner occupied/investor types of property. Leaving 34% (81,600) assessed at the 4% rate. In 2007 the number was 67%-very little change.**

Contribution of Real Estate to the Economy

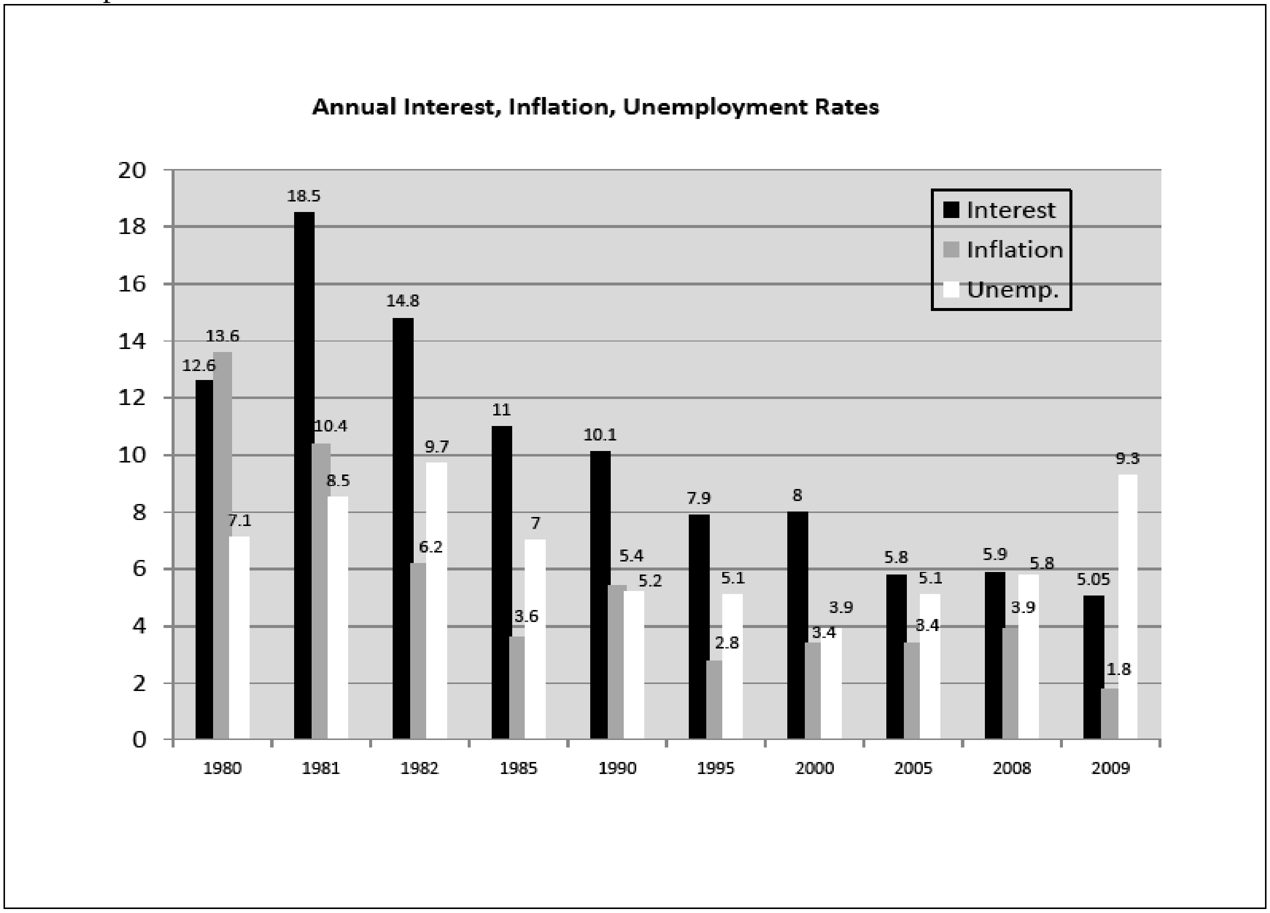
State wide historically:

- Real estate firms provide 62, 348 jobs in S.C. or 2.7%--$528.7 million wages & salary or 1%
- Real estate workers earned $1.37 billion personal income or 1.3%
- Real estate is 8% to 11% of Gross State Product
- In 2005 Horry County had $12,000,000 excess due to growth-permits and other building related fees

Nationally historically:

- For every 1000 built, 2,448 full time jobs are generated
- $79.4 million in wages are generated
- $42.5 million in combined local, state and federal revenues and fees are generated
- Every $1,000 gain from home sale increases spending $150
- Stocks-$1,000 gain increases spending $30 to $50

●This is not the first time we experienced economic dilemmas in real estate in recent history: 1) 1986 Reagan tax changes impacting second home market. 2) From 1986 to 1995, the number of US federally insured savings and loans in the United States declined from 3,234 to 1,645. 3) Resolution Trust Corp. (RTC) was established to dispose of failed thrift institutions taken over by regulators 4) 911 Impact on all markets.



Horry County Residential Construction Permits

Single-Family Residences		***Multifamily Residences***		
Year	Units.	Units	Total	
1994	386	202	588	
1995	1,940	1,263	3,203	
1996	1,944	2,053	3,997	
1997	2,122	2,398	4,520	
1998	2,090	3,138	5,228	
1999	2,137	2,624	4,761	
2000	1,907	2,585	4,492	
2001	2,030	2,238	4,268	
2002	2,432	1,585	4,017	
2003	3,363	1,767	5,130	
2004	4,253	2,815	7,068	
2005	6,471	5,357	11,828	
2006	6,452	3,851	10,3032007	3,780
	1,455	5,235		
2008	1,850	1,130	2,980	
2009	1,447	254	1,701	

Georgetown County Residential Construction Permits

Single-Family Residences		***Multifamily Residences***	
Year	Units.	Units	Total
1995	458	102	560
1996	570	69	639
1997	546	618	1,164
1998	632	266	898
1999	613	256	869
2000	483	164	647
2001	478	51	529
2002	537	129	666
2003	508	219	727
2004	604	183	787
2005	740	313	1,053
2006	637	136	773
2007	334	28	362
2008	231	0	231
2009	125	4	129

Grand Strand MLS Market-All Sales

	$ Volume	% Chng	Units	% Chng
1996	$ 465,415,314		5,034	
2002	$1,224,152,046	**+163%**	8,251	**+64%**
2003	$1,520,682,430	**+ 24%**	9,671	**+17%**
2004	$2,381,731,161	**+57%**	12,816	**+32%**
2005	$3,897,913,554	**+64%**	18,059	**+40%**
2006	$3,537,528,308	**-10%**	17,884	**- 1%**
2007	$2,683,286,021	**-24%**	10,315	**-42%**
2008	$1,598,601,073	**-40%**	6,888	**-33%**
2009	$1,382,267,609	**-14%**	7,062	**+3%**

Impact of market conditions on agent income potential7

Typically $1,000,000 of sales volume equals somewhere between $15,000 and $22,500 income depending on agent commission split between agent and company.

	2007 Average (Agents With Closings)	**2008 Average** (Agents With Closings)	**2009 Average** (Agents With Closings)
• Total MLS Volume	$2,683,286,021	$1,598,601,073	$1,382,267,609
• MLS Agents	2530	2062	1863
• Average Volume Per Agent	$1,060,587	$775,643	$741,958
• Random Pick Agent Split	1.7%	1.7%	1.7%
• Average Income Per Agent	$18,030	$13,186	$12,613

•

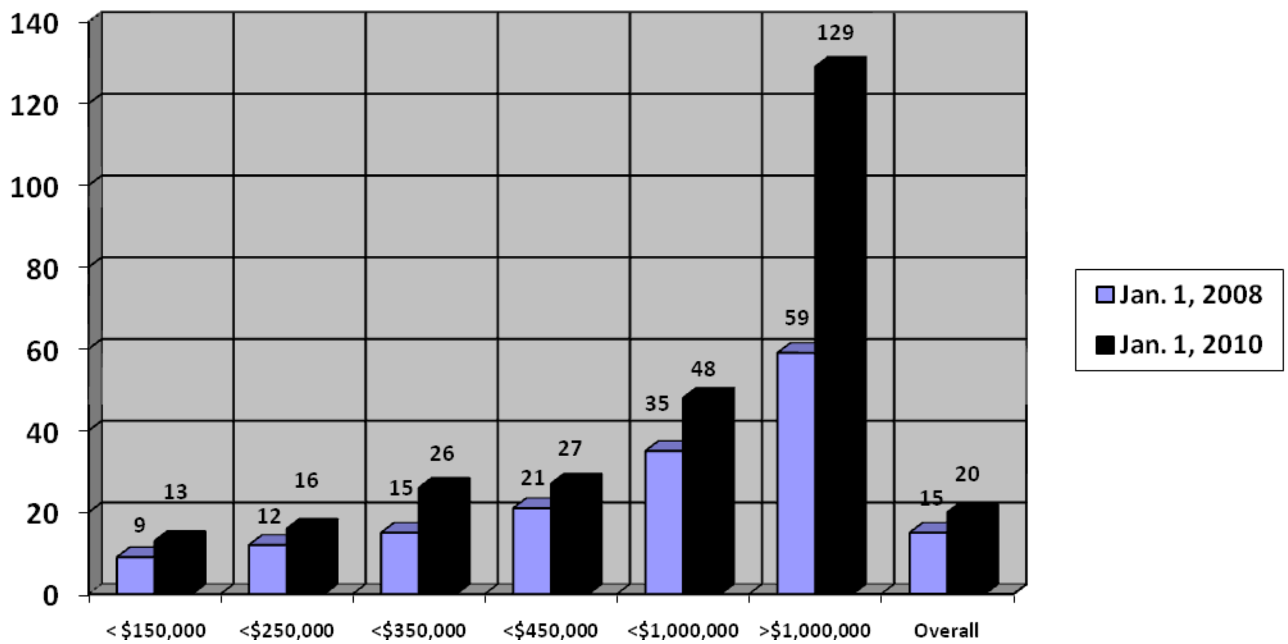
•

- **Typically - 7% of the agents do 93% of the volume**

LS Agent Productivity

Volume Levels	2008	2008	2009	2009
	# of agents/%	Cum. Total	# of agents/%	Cum. Total
0	1778/46%	46.00%	2066/53%	53%
$1-$1,000,000	1259/33%	79.00%	1140/29%	82%
$1,000,001-$2,000,000	372/9.8%	88.80%	359/9%	91%
$2,000,001-$3,000,000	172/4.5%	93.30%	151/4%	95%
$3,000,001-$4,000,000	97/2.5%	95.80%	70/2%	97%
$4,000,001-$5,000,000	51/1.3%	97.10%	46/1%	98%
$5,000,001-$6,000,000	39/1%	98.10%	25/0.6%	98.6%
$6,000,001-$7,000,000	10/0.3%	98.40%	13/0.3%	98.9%
$7,000,001-$8,000,000	20/0.5%	98.90%	15/0.4%	99.3%
$8000,001-$9,000,000	9/0.2%	99.10%	10/0.2%	99.5%
$9,000,001-$10,000,000	10/0.3%	99.40%	6/0.1%	99.6%
Over $10,000,000	24/0.6%	100.00%	19/0.4%	100%

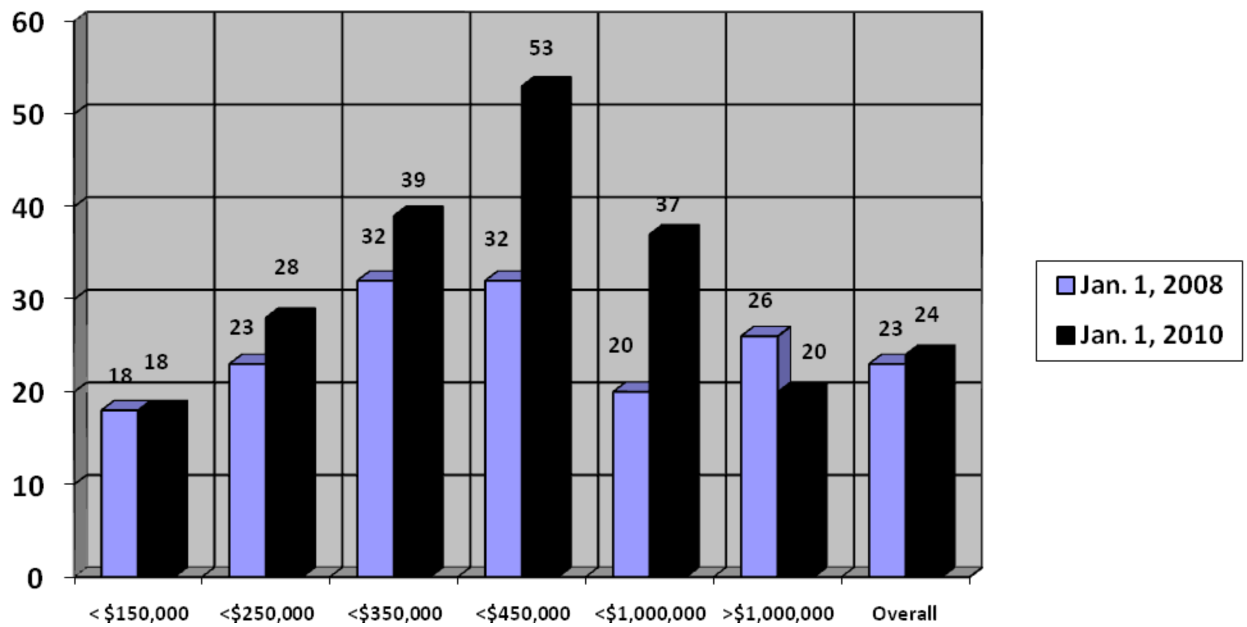
Residential Absorption Rates
Months Supply By Price Range
(How many months to deplete current listing supply without adding more listings based on last twelve months sales)



Condo Absorption Rates

Months Supply By Price Range

(How many months to deplete current listing supply without adding more listings based on last twelve months sales)



New Homes Sales In MLS

	2002	2003	2004	2005	2006	2007	2008	2009
Sales								
Residential	703	733	1,083	1,419	1,620	1,480	1,075	915
% chng.		4%	48%	31%	14%	-9%	-27%	-15 %
Condo	205	176	277	600	1,253	1,243	594	367
% Chng.		-14%	57%	117%	109%	0%	-52%	-38%
Days on Mkt								
Res.	114	116	113	142	173	192	189	203
Condo	162	205	134	166	279	313	348	320
Average Price								
Res.	186,654	199,276	214,100	257,948	273,500	282,287	268,397	239,927
% chng.		7%	7%	20%	6%	3%	-5%	-11%
Condo	197,192	166,797	172,213	223,202	237,418	320,280	256,597	213,998
% chng.		-15%	3%	30%	6%	35%	-20%	-17%
Median Price								
Res.	140,695	152,950	167,900	194,900	217,945	229,990	215,000	200,000
% chng.		9%	10%	16%	12%	6%	-7%	-7%
Condo	182,000	133,358	134,900	157,339	187,400	226,633	194,400	169,000
% chng.		-26%	1%	17%	19%	21%	-14%	-13%
Finance								
% Conv.	81%	84%	84%	84%	87%	90%	78%	62%
% Cash	12%	13%	13%	14%	10%	9%	14%	14%

$1,000,000 Plus Property

	2002	2003	2004	2005	2006	2007	2008	2009
Residential								
Units Sold	28	42	66	135	129	91	64	37
Days on Market	164	236	234	178	198	229	219	194
Active Listings				235	366	449	428	357
Condos Sold								
Units	1	2	2	37	39	30	4	13
Days on Market	58	386	412	183	121	340	191	316
Active Listings				92	109	65	51	26
Finance								
Conventional	62%	71%	79%	75%	74%	81%	63%	66%
Cash	38%	25%	19%	19%	20%	16%	34%	30%
Other		4%	1%	6%	6%	3%	3%	4%

Foreclosures and Short Sales

Foreclosure and short sale impact on market-Both are included in the market comps used by agents and appraisers and are not adjusted since they are considered "the market".

Both are driving the market down even though sales are increasing. The positive implications are that now is the time to buy—great prices, and we are starting to get workforce affordable housing prices again.

MLS Distressed Properties 4///2/09 to 4/1/10--(Foreclosures and short sales in MLS)

	Sold Res. S/F 4/2/09 to 4/1/10		Res. Active Listings as of 4/2/10		Sold Condo 4/2/09 to 4/1/10		Condo Active Listings as of 4/2/10	
Foreclosures	629	17%	240	4%	629	20%	197	3%
Pre-foreclosures	29	1%	33	1%	15	1%	12	1%
Total Foreclosures	**658**	**18%**	**273**	**5%**	**644**	**21%**	**209**	**4%**
Short Sales:								
Lender Approved	40	1%	67	1%	54	2%	88	1%
Potential Short Sale	188	5%	465	8%	263	8%	714	12%
Total Short Sales	**228**	**6%**	**532**	**9%**	**317**	**10%**	**802**	**13%**
Auction	3		1		6		3	
Court Sale	1		5		5		0	
Sum Total All	890		811		972		1,014	
Total in MLS	3615		6224		3128		5945	
Total Percent All		**24.0%**		**14.0%**		**31.0%**		**17.0%**

What happened?

The Perfect Storm:

1. **Foreclosures have** created an adjustment to the overall market regarding pricing that has caused the overall average price of residential (S/F & Condo) to drop 14% in 2009. Until the inventory is depleted you have a major impact on what sellers can get for their properties, many can't afford to compete with the prices placed on the foreclosed units so they take them off of the market until the environment changes.. In 2007 in Horry county there were 970 foreclosed properties, in 2008 that number almost tripled to 2,730 properties—(180% increase-17% of S.C.)—S.C had 16,136 foreclosures in 2008. Nationally there were 3.2 million foreclosures in 2008-up 81% over 2007, up 225% over 2006..
2. **Short Sales**—Occur when the lender of a property allows the property to be sold for less than the amount due on the mortgage loan. It is creating a huge problem, average time to close is 4 to 6 months, if they have a second mortgage it makes it almost impossible to put together, lowers property values, and very few ever close. This is typically leading up to a foreclosure.
3. **Appraisers** are using distressed properties (foreclosures and short sales) as comps and not adjusting for that fact due to the lenders feeling that they are the market right now--this may be true but it is seriously affecting our recovery, recovery will occur when supply is down and prices start to go up.
4. **Lending restrictions by the Feds—**Fannie Mae, FHA, and Freddie Mac have tightened rules for lending and causing certain lending situations to be ineligible for financing:

A. No financing if more than 15 % of the units are more than 30 days past due on condo association fees---since 66% of our purchasers are investors they are more likely to be delinquent, banks can't lend to new buyers to avoid foreclosure.

B. If project has on line reservation system it is considered a Condotel and they won't lend.

C. High credit score requirements (low to mid 700's) and large downpayments (30% to 40%), especially for investors, are required. There are very few lenders who are lending on investor product (especially ocean front condos for rental purposes —66% of our market—unless they go in-house on the mortgage—this is necessitating the need for cash buyers (35% to 40% of MLS sales have been cash buyers.

D. No more than 10 percent of units per condo development can be owned by one investor.

E. For Fannie Mae financing 50% of the units must be owner occupied but they do exclude REO's (real estate owned (bank) properties).

F. On new product, 70% of the units must be presold before you can issue mortgages.

G. FHA has increased the amount of units in one development that are allowed to have FHA loans to 50 percent, or more, for the year----9% of MLS mortgages were gov't. financing (FHA or VA) in 2009.

5. **Rapid appreciation/depreciation** in 2005/2006 too rapid appreciation took place causing way below market prices to accelerate too quickly putting strain on investors ability to cash flow----add increased insurance, increased taxes, discounted rental rates, and world-wide economic problems. This has now turned into rapid lowering of values—mainly due to foreclosures, short sales, and mortgage availability
6. **Rapid change from sellers market to buyers market** caused an oversupply in housing product---especially in condos—10, 400 condos listed at one time in 2006. This is much better now.
7. **Low vacation rental rates impacted by huge discount rental programs** with Expedia, etc. many investors are being asked to lower vacation rental rates to stay competitive, or offer so many free days, etc. This adds to bad cash flow for investors----who make up approx. 66% of our real estate market. Plus management fees to management companies run from 25% to 50%.

8. **Sub prime mess**—Because of low interest rates, no requirements for documentation, lowering of credit score requirements, small down payments, and a desire by the Feds to make it possible for just about anyone to own a home, we have a mess. Now the restrictions are so tight it is hard to get people financed—including jumbo's. It is difficult to find financing for an investor (which is 66% of our market). Sub-prime market has now become FHA and VA-with much tighter restrictions. Ocean front has very few lenders who will lend, and credit scores and down payments have increased..

9. **Insurance rate debacle**—In 2005 we had 200% to 800% increases in rates for no apparent reason---this added to cash flow problems and hurt fixed income residents. 2008 was much better, rates are dropping, and we have had less catastrophic storm activity.

10. **The media worked very hard to create concern about a possible real estate bursting bubble---REAL ESTATE IS LOCAL** the national media did a great job convincing people it was a national problem, and helped create a national bubble, then helped pop that bubble. They are constantly telling the public that prices will go down even more, they haven't hit bottom yet, and now is not the time to buy. This is not true in some markets.

11. **A lot of investor flippers bought at the high end** and when the market turned they can't sell them, and they are now the most expensive units. Those units are now going into foreclosure. Many investors also bought low, prices shot up, so they refinanced---they got equity loans on the inflated prices and bought other properties The market fell out quickly and they now owe more than the unit is worth---many go to foreclosure.

12. Sellers still at 2005/2006 pricing mentality---buyers at 2009 pricing mentality

Plus----Sellers confuse losing money on their home versus the real world---they bought it at $200,000 in 2004—their neighbors sold theirs at $400,000 in 2006---they now want to sell theirs for $400,000 (because the neighbor got that, and they think their house is better)—but the market is at $225,000 (if they are lucky)---they think they will lose $200,000 when they are making $25,000. The ***2009 sales price to listing price ratiohas averaged 92%***

13. **Sellers unable to sell** their properties in other locations in order to buy here causing pent-up demand but no ability to buy yet.

****

There are positive things happening—

1. **Uncertainty of US dollar has caused some positives---especially with Canada**---Many have taken advantage of marketing to Canadians---Mostly second home-stay in it during the winter months and rent it the rest of the time. Canadians are very good to respect credit responsibilities, want appreciation---have resources i.e. RBC.

2. **Baby boomers** are still out there and have a lot of money---they are retiring and want to be in warm places—many have been hurt by the stock market but when that comes back real estate will be a very popular option. They also are getting a lot of inherited wealth—hopefully to be put into their retirement property.

3. **Prices** are now at 2004 (single family), and 2004/2005 (condo) levels---it is a great time to buy---not so hot if you are a seller.

4. **Moving from rental income investor to personal end-use investor more interested in appreciation and future move to second home after retirement-**-----Most units were built for rental (small rooms, no storage, etc). We need to start building for those that may want to live in it after they retire (large master bedroom & bath, large kitchen, 10 ft. ceilings, etc). Major group of baby boomers still interested in housing, plus they are inheriting wealth at a great pace---we need to keep them focused on real estate as a sound long-term investment.

Reasons to buy investment property

2008/2009	**2005/2006**
Personal use	Appreciation
Rental Income	Rental Income
Appreciation	Personal Use
Tax Advantage	Tax Advantage

5. **Single Family New Homes supply being absorbed**-Incentives vs price reduction kept up prices in the past---Builders now have adjusted prices to the market plus they don't have to start paying taxes on the improvement until CO is issued. Resale is now seeing price reductions-when resale reaches a certain percentage below new homes, consumer goes to resale. (new homes are typically 12% to 15% more expensive than resale---same sq. ft.-bdrms. & baths. We are starting to see some development taking place.
6. **Oceanfront pre-construction is greatest potential for investor** - tearing down of old and building new - good appreciation-a lot of flipping (problem is when to flip it). Our greatest resource is still "THE OCEAN" and oceanfront property. The only way to get new sites is to replace old with new----the further away from the ocean you get, the more risk you take **We are still cheaper than our competition.** (Grand Strand at $350 to $550 sq. ft.-new oceanfront condo)
7. **Sellers are looking for creative ways to sell**—auctions, etc.
8. **More national awareness of S.C.– Media** coverage, plus advertising done by the Chamber of Commerce, and a few local developers, etc.
9. **Floridians moving to area** –Fear of hurricanes, decreased values, higher insurance rates, and a desire to moving closer to N.E. to be closer to family is helping our market---they like SC. They are fondly referred to as "Half-backs".
10. **If nothing catastrophic happens we should start seeing a more normal market in 17 mos. S/F---23 months condo (It won't take a lot to improve the market)-**---it is a supply/demand problem---we must get rid of inventory to start seeing more of a sellers market again. A buyers market is created when you hit a six month supply---subtract that from our existing market and you get those numbers---REMEMBER---Overall---the only bad market exists when you have tremendous supply and no buyers at all---i.e. Colorado in late 80's---typically the market is good for either the buyer or the seller.
11. **Interest Rates are still low-as soon as we can provide locally needed programs with less restrictions by Fannie Mae, Freddie Mac, FHA etc.**

Important 2009 real estate issues--

1. Property Tax reform--`ATI and 1% sales tax changes are about to kill the market for any non-permanent resident who is thinking of buying or selling for both residential, commercial, and investor in general. There is a strong push by the state Chamber, some real estate people, and others to **repeal the ATI legislation that is in place (Act 388)**---this won't happen in an election year. **House bill 3272** (caps point of sale reassessment at 15% and uses that value as the baseline for the next countywide reassessment cycle. The legislation is sunset to five years and applies to transactions from January 1, 2009 forward.) is on a fast track for 2010---is still a band aid and won't solve the problem---schools are hit very hard.

"Stay in your home and never move" legislation---

Concerns-New Property Tax laws impact on Commercial & second homes.

- **ATI – Assessable Transfer of Interest- The transfer of an existing real property that subjects the real property to appraisal.**
- **15% cap is on valuation—when they are going through their 5 year valuation process. 3% per year for 5 years.**

New construction---Lot tax only unless it is sold as a package—then it goes to sales price at C.O. New house put on lot later it becomes an improvement to land and will be assessed at assessed rate determined by county model done every five years---(It will not get to full value until it sells, lot plus house.—can only go up 3% per year for five years = 15%)

School millage only comes off 4% owner occupied permanent residence. Not commercial or second homes 6%.

Example of how it affects perm. Res. and investor: Assuming price increased $200,000 since 2004

A. Owner Occupied---4%

1. **Previous** -- Assessed at $200,000 X 4%=$8,000 X .1760 = **$1408** (.1760 is 46.3 county millage plus 129.7 school millage)
   No 1% sales tax;
2. **Now** –New sales price $200,000 X 4%=$8,000 X .0463=**$370.50** (No school millage)
   Plus the 1% sales tax

B. Commercial/second home---6%

If assessed at $200,000 X 6% =$12,000 X .1760=**$2,112**
Plus sales 1% tax

<u>Example from above: How it affects perm. res. who doesn't move and an investor who buys exact same unit today---</u>

Owner Occupied---4% owner doesn't move. Now pays 1% sales tax. Assessed 2004 at $200,000 –at 3% per year house would have been assessed at $218,545 in 2007. Under new law taxes for perm res. would be: $218,545 x 4% = $8,742 x .0463 (County millage only**) = $405**

New Investor Occupied—6%. Now pays 1% sales tax also. Same unit sold to investor for $200,000. Under new law taxes for investor would be: $200,000 x 6% = $24,000 x .1760 (County plus school millage)=**$2,112**

Difference of $2,112 minus $405 or $1,707 to the investor – a 421% increase

2.Workforce Affordable Housing shortage—Because of increased land costs we have a shortage of work force affordable housing—meaning our work force cannot afford to buy a home close to where they work, i.e. Aspen Colo.---biggest concern---Med. Income $54,000 (qualify for approx. $150,000 house)---Med House price $175,000. The good news is that the condo ave. price has fallen to $128,000 giving us some workforce affordable housing units.

3. Opposition to impact fees, adequate facilities ordinance, transfer fees, etc.---that scare developers and builders away from starting new projects—and, in many cases, move to other areas to do their project. **Learn to understand the RID (residential improvement district concept that passed is now available,**

A. To allow a county to collect a special district fee and to provide for the method and use of the fee;

B. To provide a definition for "service area" and "special district fee"; establishment of improvement districts, so as to allow a county to create an improvement district comprised of noncontiguous parcels of land and to use assessments to fund improvements located outside the boundaries of an improvement district and the construction and improvement of schools; able to bond over a period to get the money up front.

4. A legislative bill is being introduced to i**ncrease education** required for real estate continuing education, and expand the educational offerings, in quantity, and quality. South Carolina REALTORS® are currently working on a proposal that would increase both the quality and quantity of pre- and post-licensing education available to real estate professionals across the state, modernize the current three license categories into one-single broker license, and modernize the SC Real Estate Commission and the way it interacts with licensees and consumers. The proposal would increase accreditation requirements for education providers and instructors, expand the course offerings and delivery methods, and build on mentoring currently available in the industry for new real estate professionals.

5. Home Owners Association Legislation—REALTORS are trying to push legislation to provide stricter guidelines for HOA's and how they operate within a neighborhood. Limit their ability to over-control a homeowners group and their ability to impose out-of-control bylaws, rules, and regulations. The proposed bill is inadequate.

6. Protect the environment—REALTORS are working with a broad coalition of the business community on a comprehensive energy policy that will ensure that South Carolina has clean, available and abundant energy to support our projected population growth and economic growth.

This energy policy will incorporate many of the incentive-based recommendations of the Governor's Climate, Energy and Commerce Advisory Committee. SCR is also developing some green building incentives to encourage home owners and home builders to incorporate environmentally friendly building products, low energy appliances and other energy saving mechanisms into new and existing homes. Consumers are starting to seek out and demand green buildings and homes, and REALTORS® will be at the forefront of this market change.

7. Wetlands policy –To encourage developers to develop further away from wetlands there has to be some form of voluntary, density credits program to increase density the further away you are from wetlands.

8. A major concern is that our elected officials still impose other fees from the real estate transaction to pay for everything else.

9. **Builders only have to pay lot taxes** on new construction for up to five years until certificate of occupancy is issued---they do not have to pay on improvements which is causing some concern to local governments over more loss of tax revenue.

Other areas of concern:

Adequate Facilities Ordinance

- Regulatory delays decrease undeveloped land values by preventing development from occurring at the optimal time.
- Land values continue to fall as the length of the regulatory delay increases.
- Reduction in new housing supply caused by a development delay puts upward pressure on existing home prices.
- APFOs tends to increase the cost of housing and encourage sub-optimal development patterns.
- These results often occur because traditional APFOs control only the timing of new development, without regard for its location or design.
- Participants in a dynamic land market often respond to increased regulatory risk by reducing land bids and/or accelerating the timing of new development before regulation enactment.
- Land use regulations designed to address negative externalities of APFOS may still introduce further inefficiency into the market.

Impact Fees

- Often increase the cost of new housing in an amount greater than the fee.
- New home buyers tend to absorb a large portion of the cost increase associated with an impact fee while existing residents experience capital gains as property tax savings and benefits of improved infrastructure are capitalized into existing home values.
- Local governments experience windfall economic gains as increasing home prices expand the property tax base.
- Land values are likely to fall as a result of developer uncertainty about the future costs of impact fees.

• Local Gov'ts avoid the use of the word ***tax***—at all costs—these other fees are taxes and raise all prices---eventually higher taxes. Many new residents w/o children don't want to pay for the schools—want to limit taxes—forcing local gov'ts to try to hide it.

• Scenario exists whereby local Gov'ts get developers to pay a per lot arbitrary fee in order to get approval of project-not consistent or uniform, and it is unfair to small builder.

• Utilizing existing property tax structure and having all taxpayers pay for growth, services, etc. is a reasonable solution.

Transfer Fees

•Burden to buyers and sellers at time of closing, and have a negative impact on housing costs and economic development.

•Places a burden on first-time homebuyers, low and moderate-income households.

Smart Growth

It must not be "no-growth" but should -

A. Provide Housing Opportunity and Choice
B. Build Better Communities
C. Protect the Environment
D. Protect Private Property Rights
E. Implement Fair and Reasonable Public Sector Fiscal Measures

Height Limits

A. Lose assessable revenue, discourage developers, and do not address future needs. I.e. Margate Towers-at 60 ft. a $384,000,000 loss of assessable property
B. If we don't go vertical, the expansion will be horizontal and create urban sprawl.
C. Many owners of second homes and investment property pay taxes but don't have children in the local schools.

Moratoriums-Turn away developers, hurt existing owners who want to sell, can decrease property values.

NMBY –not in my backyard----A lot of people want growth to stop once they move here.

2009 Land Sales

Land	2002	2003	2004	2005	2006	2007	2008	2009
Units	1,001	1,177	1,631	2,541	2,318	1,292	660	534
Ave Price	99,331	132,157	141,625	161,875	170,143	172,821	167,343	139,559
Med. Price	46,000	50,500	66,900	90,900	99,900	85,000	83,950	58,950
Days on Mkt.	193	219	202	180	158	199	220	219
$ Volume	99,403,398	155,549,136	230,990,767	411,325,430	394,391,845	223,285,163	110,466,504	74,524,359

ANALYSIS OF THE GRAND STRAND MARKET - THROUGH THE 4TH QUARTER YTD

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
																	8-Feb
SALES																	
RES.	1,250	1,563	1,788	1,951	2,391	2,590	2,803	2,644	2,697	3,424	3,980	5,003	6,255	5,935	4,684	3,442	3,544
% CHNG.		25%	14%	9%	23%	8%	8%	-6%	2%	27%	16%	26%	25%	-5%	-21%	-27%	3%
CONDO	1,026	1,488	1,975	2,085	2,487	2,772	3,041	2,569	3,170	3,642	4,347	6,465	9,371	6,565	4,146	2,679	2,872
% CHNG.		45%	33%	6%	19%	11%	10%	-15%	23%	15%	19%	49%	45%	-30%	-37%	-35%	7%
LISTINGS																	
RES.	1,431	1,244	1,257	1,761	2,087	2,539	2,574	2,644	3,008	3,075	2,806	2,643	3,014	4,848	5,838	6,006	5,675
% CHNG.		-13%	1%	40%	19%	22%	1%	3%	14%	2%	-9%	-6%	14%	61%	20%	3%	-6%
CONDO	1,989	1,641	1,489	1,746	2,196	2,511	2,646	2,779	3,499	3,177	2,903	2,237	6,867	8,654	7,646	6,795	5,593
% CHNG.		-18%	-9%	17%	26%	14%	5%	5%	26%	-9%	-8%	-23%	206%	26%	-12%	-11%	-18%
D.O.M																	
RES.	157	151	123	115	111	103	115	111	123	121	113	101	112	146	164	167	178
CONDO	249	225	164	138	188	115	114	115	133	139	128	98	60	225	276	221	201
AVE. $																	
RES.	98,450	103,631	111,734	120,145	140,842	146,305	156,315	166,500	166,208	175,515	187,587	212,287	253,829	271,310	271,058	257,051	223,424
% CHNG.		5%	8%	8%	17%	4%	7%	7%	0%	6%	7%	13%	20%	7%	-1%	-5%	-13%
CONDO	76,135	76,904	78,468	83,477	94,811	103,741	113,272	114,935	128,205	126,061	130,824	149,839	192,770	226,811	268,363	207,750	170,660
% CHNG.		1%	2%	6%	14%	9%	9%	1%	12%	-2%	4%	15%	29%	18%	18%	-23%	-18%
SP:LP																	
RES.	93%	95%	95%	97%	96%	97%	96%	96%	96%	92%	95%	96%	98%	96%	95%	93%	93%
CONDO	94%	95%	97%	97%	97%	98%	97%	98%	96%	97%	97%	90%	95%	98%	96%	94%	90%
FINANCE																	
% CONV.		66%	74%	70%	74%	71%	75%	72%	74%	77%	78%	78%	80%	82%	82%	68%	52%
% CASH		23%	19%	19%	19%	18%	16%	20%	18%	19%	20%	19%	18%	15%	16%	26%	37%
MED. $																	
RES.	75,000	78,000	78,000	85,000	92,900	99,000	128,000	132,000	126,000	137,000	144,888	160,000	185,000	207,000	216,700	199,500	175,000
%CHNG.		4%	0%	9%	9%	7%	29%	3%	-5%	9%	6%	10%	16%	12%	5%	-8%	-12%
CONDO	66,500	67,000	68,500	72,000	80,000	85,000	92,000	88,900	92,250	98,500	103,000	113,700	156,000	185,000	194,900	158,000	128,000
%CHNG.		1%	2%	5%	11%	6%	8%	-3%	4%	7%	5%	10%	37%	19%	5%	-19%	-19%