

First Quarter, 2011



The New
HILTON HEAD ISLAND

Carolina Realty Group
3 Executive Park Road
Hilton Head Island, SC 29928

Rick Saba
Hilton Head Island Real Estate

843-683-4701
RickSaba@RickSaba.com
www.RickSaba.com

2011 ACTIVITY

There is certainly some pent up demand in our market, as activity out of the gate is fantastic thus far in the first quarter of 2011. I show a lot of property and speak to a lot of Realtors® in our area on a daily basis, consensus is we are all seeing a similar rise in showings, contracts and what we call the “true buyer”. The true buyer being the end user, someone moving to the area full time or purchasing property as a second home. In the past the “flipper” or the short term investor buyer made up a large part our market sales, especially in 2005 and 2006. The true buyer seems to be focusing on lifestyle and quality of life, rather than a fast buck or the quick flip.

Inventory in every area of our market place is still very high and these buyers are well aware of value and price points. As a seller you need to be competitively priced in order to stand out among the competition and like it or not as a seller, the main competitors are distressed properties. If you visit www.bcgov.net you can get a look at each month's foreclosure list at the county, where we have been averaging approximately



150 on the docket per month. Of these 150, some will be bought that day, however it seems that most make it back to our market place as a bank owned foreclosure. We certainly have not seen the last of the distressed sales, but they seem to be moving off the market at a faster pace than a year ago. Many of these buyers looking at property find out that the best priced properties in most cases are a short sale or a foreclosed property, not always, but in many cases. Some complexes or particular areas have not experienced any distressed properties believe it or not. On the other hand other areas and complexes that were offered for sale during the peak (summer of 2006) are inundated with distressed properties. Let's take a look at Off Plantation Bluffton Villas in 2010. There were eighty-two (82) total sales in this category in 2010 of which seventy-seven (77) were either a short sale or a foreclosure.....that is a whopping 94% of the sales activity.

In 2011, experts predict more than 1 million foreclosures to hit the marketplace across the country.

I certainly see sales activity continuing on an upward trend this year locally and on a state level which is positive for everyone. We can all agree that a general recovery across the country is unlikely without the housing recovery and certainly without job creation. I do think it will take time until our price levels stabilize, especially as the distressed properties still invade our market, but I am very pleased at the activity this early in 2011. Let's all have a great year!





NATIONAL ASSOCIATION
OF REALTORS®
The Voice for Real Estate®

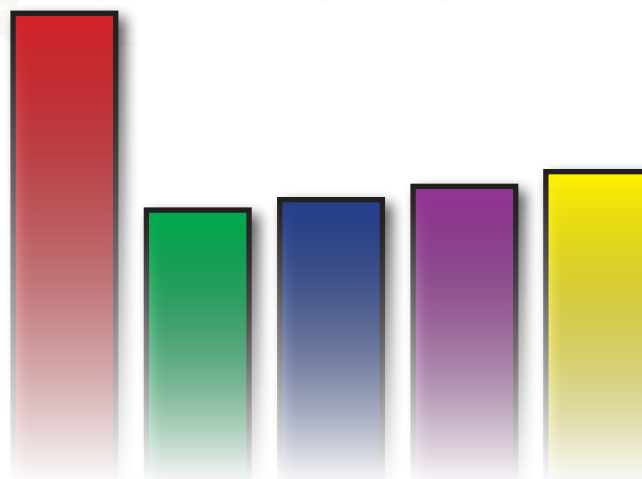


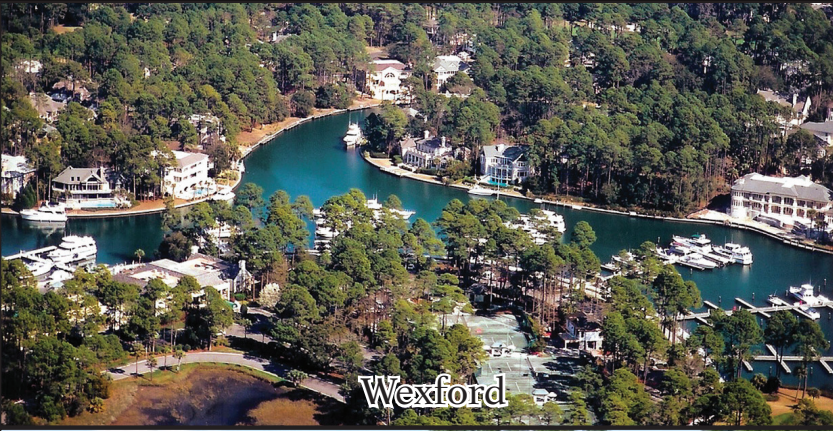
GRADUAL IMPROVEMENT SEEN IN 2011

The National Association of Realtors®, the Voice for Real Estate is America's largest trade association with more than 1 million members in both residential and commercial real estate. NAR® chief economist Lawrence Yun said historically high housing affordability is boosting sales activity. Yun also said that the steady improvements in our economy will continue to bring buyers into our market, but further gains are needed in order to reach normal sales activity.

Yun said if 2 million jobs are added in 2011, as expected and mortgage rates rise moderately, existing home sales should rise. Forecasters are predicting mortgage rates in 2011 to be in the 5 to 6% range, yet some industry experts even say that rising rates may create an urgency factor for lingering buyers. Yun feels it's less about rates and more about underwriting standards. Locally, the hurdles of obtaining financing are becoming more and more challenging, so it's even more important to find lenders that really understand the entire process.

NAR® says existing-home sales are projected to rise about 8 percent to 5.2 million in 2011 from 4.8 million in 2010. According to NAR® The median existing-home price are also expected to rise, however very slightly to \$173,700 from \$172,700 in 2010. Yun said he sees a modest rise in price 2 to 3 percent, but not until 2012, as we work off excess housing inventory across the nation. Locally we are seeing a tremendous uptick in activity, but not an increase in prices by any means.





As of January 15, 2011

WEXFORD

ACTIVE LISTINGS:

HOMES: 32

LOTS: 7

Pending or Contingent Sales:

HOMES: 7

LOTS: 1

YTD SALES: 0 for both categories

COLLETON

ACTIVE LISTINGS:

HOMES: 27

LOTS: 48

Pending or Contingent Sales:

HOMES: 0

LOTS: 2

YTD SALES: 0 for both categories

HAMPTON HALL

ACTIVE LISTINGS:

HOMES: 27

LOTS: 77

Pending or Contingent Sales:

HOMES: 9

LOTS: 8

YTD SALES: 1 Lot Sale

FOREST BEACH

ACTIVE LISTINGS:

HOMES: 52

LOTS: 13

VILLAS: 169

Pending or Contingent Sales:

HOMES: 4

LOTS: 2

VILLAS: 24

YTD SALES: 2 HOMES SALES & 4 VILLA SALES

Need an update on a specific area?
Email me today RickSaba@RickSaba.com

2011 ACTIVITY



We are off to the races in early 2011 with showings and activity increasing. Contrary to belief, there are plenty of buyers out there and they are focusing on distressed properties. If you dive a little deeper on statistics in our market place you can clearly see that short sales and foreclosures are the low hanging fruit on the tree which is getting picked at a steady pace. I recently pulled sales activity for homes, villas and lots both on and off Island. I went back 30 days on properties in these categories that went pending or went under contingency. We had a whopping 314 sales in our MLS (Multiple Listing Service), which is pretty impressive this time of year. Now, I took a look at all of the 314 sales (homes, villas and lots) and broke down what types of sales they were. **I found that 216 of these were distressed sales: meaning a short sale or a foreclosure, which is nearly 70% of the activity.** This tells me that buyers are buying the deals and right now the majority of the deals are distressed properties. These distressed sales will continue to hit our market throughout the year, there is no question about that, but it won't last forever.

If you would like to take a look at what short sale and foreclosure properties are for sale in our area, please visit www.RickSaba.com for a complete list.



HAFA PROVISIONS:

The Home Affordable Foreclosure Alternatives was implemented by the government on April of 2010, complementing HAMP (Home Affordable Modification Program) by providing a viable alternative for borrowers (the current homeowners) who are HAMP eligible but nevertheless unable to keep their home. This program allows a borrower financial and hardship information already collected in connection with consideration of a loan modification. It also allows borrowers to receive pre-approved short sale terms before listing the property and even allows borrowers to be fully released from future liability for the first mortgage debt (no cash contribution, promissory note, or deficiency judgment is allowed).

If a home owner is eligible they could qualify for the following financial incentives:

- \$3,000 for borrower relocation assistance;
- \$1,500 for servicers to cover administrative and processing costs;
- Up to \$2,000 for investors who allow a total of up to \$6,000 in short sale proceeds to be distributed to subordinate lien holders, on a one-for-three matching basis.
- Requires all servicers participating in HAMP to implement HAFA in accordance with their own written policy, consistent with investor guidelines. The policy may include factors such as the severity of the potential loss, local markets, and timing of pending foreclosure actions, and borrower motivation and cooperation.

On February 1, 2011 the government will also release new HAFA guidelines to enhance this program making it **more efficient and less restrictive** for new homeowners to participate. For a list of these programs please contact me today. Also for additional information HAFA please visit: www.makinghomeaffordable.com or call (888) 995-HOPE.

Need area information?
visit www.RickSaba.com

Rick Saba is a CDPE® Certified Distressed Property Expert
and an SFR® Short Sale and Foreclosure Resource

MARDI GRAS: BEAUFORT

Benefiting the Arts Council of Beaufort County, January 29th from 7 PM to 11 PM at the Lyceum, Parris Island w/music by Dwayne Dopsie and the Zydeco Hellraisers. Call 843-279-2787.



MARSH TACKY HORSE RUN

The 3rd Annual run located at Coligny Beach Park February 27th 11 AM to 3 PM, this is an absolute MUST ATTEND, part of the Hilton Head Island Gullah Celebration. Horses racing on the beach, it doesn't get any better than this! Call 843-815-2147 for more information or visit www.GullahCelebration.com



ST. PATRICK'S DAY PARADE

Sunday March 13th 1 PM to 5 PM, an Island Tradition

WING FEST

Saturday March 19th

11 AM to 6 PM

Wings live Music, Kids Zone and more!



HAPPENING GIGS

January 2011

3rd Annual

Restaurant Week:

January 15th-22nd

This is an awesome week, more than 50 restaurants participating with "prix fixe" menus and special pricing.



February 2011

9th Annual Time Warner Cable Hilton Head Half Marathon and 10k/5k Run

Saturday,

February 12th 8 AM.

5th Annual Beaufort International Film Festival

February 16th-20th

Screen films, Screenplays and more visit

www.beaufortfilmfestival.com

Remys Oyster Roast

February 19th 4 to 7 PM

with music by WHITE LIQUOR.

**Realtor® Rally
at the Capital**

February 22nd 11 AM

South Carolina State House.

March 2011

**Arts Center
of Coastal Carolina**

March 19th

Tasting room, live auction and gourmet dinner, call 843-686-3945.



Remys Oyster Roast

March 19th 4 to 7 PM

with music by WHITE LIQUOR.



KIDS GIGS AT THE SANDBOX:

All Year Long, Saturdays come play, \$5 per person; kids under 2 are always FREE.

www.thesandbox.com

Thursdays are story time: An hour of story time followed by a craft project.

Valuable information on what is happening in Beaufort and Jasper County, courtesy of our Association's most valuable asset Joe Croley, our political liaison for the Hilton Head Area Association of Realtors®. Joe goes to all of the county, school board and town council meetings, then conveys the information first hand to our group. I am fortunate to serve on the Legal and Legislative Committee, along with Daniel Moskowitz for our Association and get to meet with Joe for our weekly status updates.

Meeting: Beaufort County Natural Resources

Date: 1/4/2011

Issue: Zoning & Development Standards for Daufuskie Island.

Relevancy: First in the County to implement form based code zoning.

Status: Passes unanimously, moves to full council for approval.

www.bcgov.net/about-beaufort-county/administration/beaufort-county-council/council-committees/natural-resources/agendas/2011/010411-items2-3-daufuskiecode-completeedition.pdf

Issue: Commercial Development of 20 acre site along the south-side of 278 adjacent to Island West.

Relevancy: To be purchased by Beaufort Memorial Hospital for outpatient facilities.

Status: Purchase dependent upon creation of access road from 278 to Buckwalter Parkway and associated impact fee forgiveness totaling approximately \$1,000,000.

Meeting: Beaufort County Public Safety

Date: 1/4/2011

Issue: Possible sales tax funding options of the Heritage.

Relevancy: Only a bridge option until permanent sponsor is found.

Status: Sen. Davis may suggest bill to create Island sales tax approved only by referendum for specific period of years.

Meeting: BC Development Agreement Committee

Date: 1/5/2011

Issue: Approval of Olive Garden restaurant franchise façade at Tanger One Outlet Mall.

Relevancy: Rejected by Southern BC Corridor Review Board.

Status: Council Committee feels Board misinterpreted approved development agreement allowing such deviations.

Meeting: Hilton Head Public Safety

Date: 1/3/2011

Issue: Committee goals for 2011.

Status: Reduce speed limits on parts of 278; determine if rental companies should be held accountable for noise complaints.

Meeting: Hardeeville Town Council

Date: 1/6/2011

Issue: Stratford purchase of HH Lakes and 1,900 acres of the Traditions along 278, including the existing golf course.

Relevancy: Company to pay the Town \$1,400,000 in outstanding development fees.

Status: Court approval expected by the end of January.

Issue: Okatie Village annexation into the Town located on south-side of 278 & 170.

Relevancy: 59 acre tract owned by JDH, contiguity issue resolved by purchase of small contested tract by JDH.

Status: Passed on first reading.

This is a major victory for Hardeeville as Stratford purchases Hilton Head Lakes and a large part of the Traditions fronting 278, 1900 acres to include the existing golf course. Stratford is the company developing approximately 5,000 acres of commercial property along 170 and the Savannah River within the Town Limits. Stratford will commit to pay the Town about \$1,400,000 in outstanding development fees that will provide funding for the needed Fire Station at that location once everything is approved by the Courts.

Meeting: Beaufort County Planning Commission

Date: 1/6/2011

Issue: Storm water Volume requirements for lots approved but not yet built.

Relevancy: Could add approximately 1% to the cost of new construction.

Status: Passed unanimously, moves to County Council see link:

www.bcgov.net/about-beaufort-county/administration/beaufort-county-council/boards-and-commissions/planning-board/agendas/010611-item6-zdsoamend-stormwaterrunoff-vol-proposedchanges.pdf

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TESTIMONIALS...

"You are so great at what you do that I recommend you to everyone I know looking at real estate. You go over and above what anyone could ever ask for in a real estate agent." *The Jellum's 2nd Home owners GA*

"Just wanted to let everyone know that as a retired couple, we have purchased and sold many properties over the years. We do agree that Rick is the best realtor® we have ever had. The follow-up, attentiveness, honesty and helpfulness were superior. Although the market was soft, we were pleased that Rick sold our villa and handled the closing with ease." *The DiGeorge's NJ*

"Joanne and I wanted to thank you for making the process in this slowed down market bearable if not enjoyable. I appreciate your perspective and insights as we adjusted our sales strategy to accommodate a changing market. You were always accessible and treated us as team members but with the right mix of realtor and therapist." *The Bushart's NY*

Follow me on:



2009 Realtor® of the Year Hilton Head Association of Realtors®
2005 President Hilton Head Association of Realtors®



Cover photo by Brett Lance

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