



Fall Update 2011

Dear Clients, Friends and Fellow Associates~

As you probably know, our Hilton Head real estate values are affected by two simple principles:

1. Cause and Effect – news has impact on our clients confidences and therefore inventories
2. Supply and Demand – Inventories and demand impact values

No worries for buyers this fall. When the market jumps up and down this has the effect of pushing and pulling buyers into real estate. Although the number of buyers will not increase, we will continue through the fall to have a steady stream of buyers because of the stock market. Buyers will be rewarded with low interest rates and a great selection.

Sellers need to grab the best price. The market has adjusted in the last few years downward on average 37% for Hilton Head. The last market correction on Hilton Head that I sold in like this was 1986 and it took over 10 years before any noticeable appreciation returned on an annual basis. Ten years of a flat market and the carry cost that went with it! That was the result of the 1986 Tax Law changes which increased our inventories and reset prices to a lower level as we absorbed the inventories through the years. It was not however as far reaching into our buyers pockets as the present correction. This is not a market to sit out if you are a second home or lot owner.

It is now a countdown to the Christmas Commercials. The fall months on Hilton Head offer a slower pace, but they also afford sellers the opportunity to grab a buyer in all categories. The key to this is to get the sale before the first Christmas commercial on television as buyers taper off after that until March. The reason to make the move now is that we forecast more expirations and more listings entering the market early next year which effect values.

Getting sold now is better than getting less in the future. Our research shows that in order for real estate prices to rise, demand would have to double. Now may be the best time to get out of the market if you are interested in selling.

All our best~

Robbie Bunting & Jane Hyers

Broker Associate, Dunes Marketing Group 25+ Years

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