

Outer Banks Market Snapshot

We are pleased to present the 2006 end of year report . This report focuses on the real estate market on the Northern Beaches of the Outer Banks. Four specific market segments are identified. These include an over all view of Dare County's Northern Beaches, the market segment of the town of Duck, the market segment of the town of Southern Shores, and the market segment of Kitty Hawk combined with Martin's Point. It compares the statistics of the sold properties in each area in 2006 to the same areas in 2005 during the months of January through December.

In 2006 the Outer Banks real estate market has broken from five years of unrestrained appreciation to a level of activity close to half of previous years. The number of contracts written in the Outer Banks MLS in 2006 was approximately half of the contracts of the previous year. Inventory peaked in July at close to 4700 listings in the OBX MLS. As the inventory dropped through the last half of 2006, savvy buyers were able to purchase properties at prices not seen since early 2004. Prices were discounted as much as 20% in some areas.

Owners wishing to sell in 2007 are still faced with a high level of competition. To get a property sold sellers must now take into account lower comparables and/or substantially improve their properties. In 2006 many sellers have chosen to enjoy their Outer Banks property for another season and removed their properties from the market until higher prices return.

Buyers today are more likely to wait rather than to pay a premium price for all but the most desirable properties. Opportunities abound in almost every market segment for buyers wishing to capitalize on negotiable sellers, a range of choices and low interest rates. Lower levels of inventory and increased levels of sales activity in early 2007 point towards the Outer Banks real estate market improving over 2006. Furthermore, stabilized interest rates and a strong national economy should also encourage buyers to make buying decisions.



Standing: Left to right: Jeff, Lori, Ellen, Ken and Karen

We hope you find this edition of the Scott Team Report to be informative and useful. If you have any questions regarding it, please feel free to contact us toll free at 866-438-8382

Sincerely,

President ABRM,CRB,RRS,e-Pro,SRES
Scott Team Realty



Dare Beaches North of Oregon Inlet: Houses -9.3% Lots -6.1% 2006 represented a break from five years of double digit appreciation and a return to lower levels of demand for Outer Banks properties. Increases in interest rates caused buyers to cool to market prices and overly optimistic tax assessments led to an increase in sellers interested in cashing out of the OBX market resulting in a complete change from a seller's market to a buyers market in less than a year.

HOUSES	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price	LOTS	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price
	2006	666	463,960 -9.3%	149		95.8	2005	109	\$279,800 -6.1%
2005	1147	\$511,301	135	96.8%	2005	265	\$297,878	158	97.1%

Southern Shores: Houses +.5% Lots +.8% Both residences and lots in this area performed better than most with average sales prices remaining virtually the same for 2006. However, only half the number of properties were sold in 2006. Those sellers who received offers were more negotiable. Also, the days on the market increased fairly substantially for both houses and lots.

HOUSES	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price	LOTS	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price
	2006	69	\$627,318 +.5%	155		95.2%	2006	14	\$345,982 +.8%
2005	124	\$623,848	140	97.1%	2005	38	\$348,524	107	97.3%

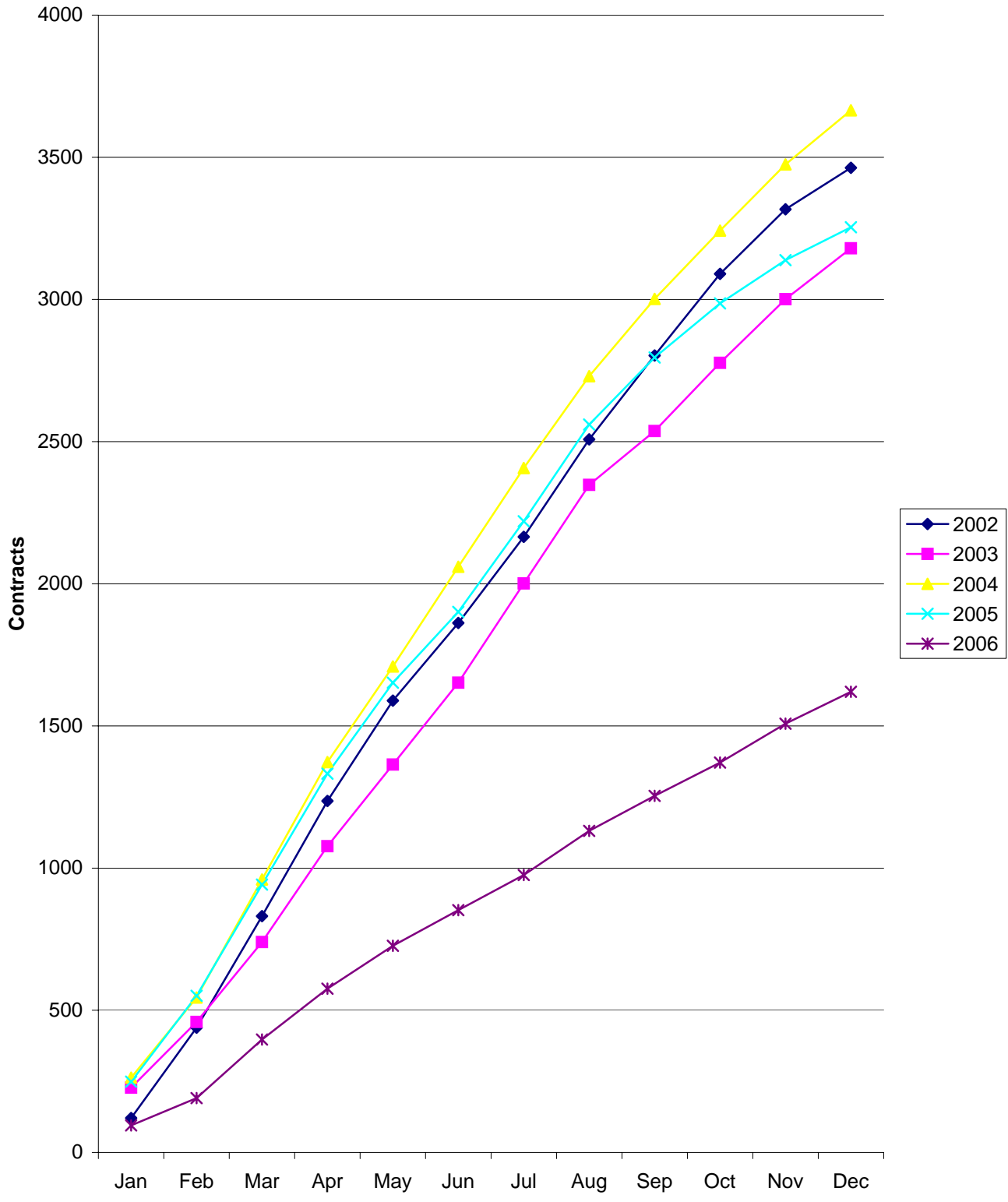
Kitty Hawk and Martin's Point: Houses .5% Lots -17.4% The average sales price of residences remained unchanged in this area. Lot sale prices and number of sales were affected by the lower demand in this area. Also, buyer's negotiating power was evident in this market segment.

HOUSES	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price	LOTS	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price
	2006	87	\$458,870 +.5%	148		96.1%	2006	16	\$279,278 -17.4%
2005	137	\$436,614	127	97.7%	2005	56	\$337,941	213	97.9%

Duck: Houses -21.4% Lots -6.2% Sold prices of homes in this area saw a substantial decrease in 2006. Lot prices were just slightly down as relatively few undeveloped lots remain in this area. The increase in inventory of homes here has significantly shifted the power to buyers and caused sellers to be more negotiable.

HOUSES	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price	LOTS	# Sales	Average Sold Price	Average Days on Mkt.	List Price to Sold Price
	2006	85	\$680,640 -21.4%	153		94.1	2006	3	\$586,000 -6.2%
2005	147	\$865,948	148	96.1%	2005	13	\$624,646	225	96%

OBX MLS Contracts



Total OBX MLS Listings

