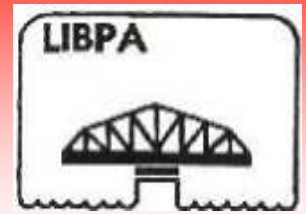


IBPA

LADY'S ISLAND BUSINESS AND PROFESSIONAL ASSOCIATION



LIBPA Website: www.libpa.org

FEBRUARY 2010

Volume 13 Issue 2

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GUEST SPEAKER FOR FEBRUARY

Mayor Mary Clark
Mayor, James Island, South Carolina



Mayor Clark, who served as Mayor of the second and third Town of James Island, came to James Island 60 years ago as a 17 year old bride. The City of Charleston has been annexing James Island since 1973. In 1993, the first town was incorporated, followed by a lawsuit by the City of Charleston, which resulted in the incorporation being declared illegal. Mrs. Clark began to lobby for another incorporation effort after the first town was dissolved in 1996. She was elected Mayor of the second town in 2002, but once again the Town lost the court battle and was dissolved in 2004. After changes to South Carolina State law a third effort to incorporate was undertaken in 2006 and was once again challenged in court by the City of Charleston. In 2008 the court upheld the legality of the incorporation which was then appealed by the City of Charleston to the State Supreme Court. Mayor Clark is currently serving her second term as Mayor of the third incorporation of the Town of James Island.

The Town of James Island is somewhat unique in that it does not levy taxes; instead it receives income from business licenses, building permit fees, and sales tax revenue refunds. A portion of sales tax revenues are returned to the cities for property tax relief. In regard to services the town uses the Charleston County Sheriff's Department for police and the James Island Public Service District (JIPSD) for fire protection, refuse collection, and sewer service. Each resident of the Town pays taxes to the county and the JIPSD. It should be noted that the town limits do not include the entire island. There are approximately 22,000 residents in the Town and 13,000 residents have been annexed into the City of Charleston.

Mayor Clark has been requested to include in her discussion with our members the following:

- Lessons learned in the transition from an unincorporated island to a town
- What is the basic organization (council, departments, etc) of the town?
- Is the public service district concept valid for provision of services?
- What services does the Town of James Island provide?
- Can the Town of James Island, in the long term, survive without taxes?



Meeting: Tuesday, February 9, 8AM

Sea Island Conference Center

Invite your friends and neighbors

Open to the public

CONGRATULATIONS TO THE BAILEY VISION CLINIC

The Power Practice consulting group recently selected Bailey Vision Clinic as the "Practice of the Year". The Clinic was chosen from the top 1000 optometric practices in the United States.

The Bailey Vision Clinic, owned by Dr. Jason Bailey, is a multi-specialty eye care facility located at 33 Kemmerlin Lane (behind BB&T Bank) on Lady's Island Drive.

PROFESSIONAL IMPROVEMENT

Congratulations to LIBPA member and owner of KFI Mechanical of Beaufort Frank Check who recently passed the North American Technician Excellence (NATE) test for the areas of heating, ventilation, air conditioning and refrigeration. The NATE certification test is focused on identifying those technicians who can demonstrate a through knowledge of current technology and mastery of the highest professional standards.

CHRONOLOGICAL HISTORY OF THE TOWN OF JAMES ISLAND

The guest speaker for the February LIBPA meeting will be Mrs. Mary Clark, Mayor of James Island. LIBPA and the residents of Lady's Island have watched James Island struggle to become a town with great interest. Since Lady's Island is also an island community adjacent to a municipality which can and does annex portions of the island into the municipality our interest in James Island has been more than academic.

To provide a better understanding of the history of the Town of James Island following is a chronological listing of the highlights of the community's efforts to become a town.

December 1992 – By a 52-42% margin, voters in James Island's unincorporated area agree to form a new town. The City of Charleston and three residents file suit against the James Island Election Commission, which held the special election.

March 1993- Town voters pick Joan Sooy as their first mayor. The town has about 18,000 residents with Charleston County and James Island Public Service District providing most of the services.

October 1995 – A Circuit Court judge rules that the town was incorporated illegally by crossing over marshes and waterways already claimed by the city, but he allows it to stay in business while the case is appealed.

November 1996 – The S. C. Supreme Court upholds the lower court ruling and orders the town dissolved.

April 2000 – The General Assembly passes a bill that would let a new town of James Island cross over waterways and marshes already claimed by Charleston, addressing the legal problem with the first town. The movement to create a new town soon gathers momentum.

May 2002 – Voters choose to form a new town by a more than a 2-1 margin. This vote creates the second Town of James Island.

June 2002 - Voters elect Mary Clark as the new town's first mayor.

July 2002 – The City of Charleston and two James Island residents sue the town alleging the incorporation was illegal.

February 2003 – A Circuit Court judge rules the law that allowed the second town to incorporate was unconstitutional special legislation that did not generally apply statewide.

July 2004 – S. C. Supreme Court upholds the lower court ruling, ending the second Town of James Island.

May 2005 – The General Assembly passes a bill that changes S. C. annexation in that it reduced the number of residents required to incorporate if the area is within 5 miles of a municipality from 18,000 to 7,000 residents. James Island and Lady's Island both met the new requirements for incorporation.

June 2006 – James Island voters choose by a margin of 3-1 to once again form a town. Mayor Clark is again elected as the town's mayor and the City of Charleston sues the new town alleging its incorporation is illegal.

November 2008 – Circuit Court rules the incorporation of the Town of James Island is legal. The City of Charleston appeals the ruling to the S. C. Supreme Court. Mayor Mary Clark was reelected as mayor.

January 2010 – To date the S. C. Supreme Court has not issued a ruling on the most recent challenge by the City of Charleston as to the legality of the incorporation of the Town of James Island.

Editor's Note: The information contained in this article was derived from a variety of sources but special acknowledgement is appropriate for the article setting forth the chronological listing of the Town of James Island in the January 6, 2005 edition of The Post and Courier.

THE VANISHING MARKET FOR NEW HOME CONSTRUCTION

In 2004 Beaufort County authorized the building of 204 single family homes on Lady's Island and homes were selling for an average price of \$241,000. Although 2004 was the peak in homebuilding on Lady's Island the price of homes continued to climb until 2006 when the average home sold for \$319,000. The following chart shows the number of permits issued in the last 9 years in Beaufort County for construction of single family residences on Lady's Island and the average sales price. It should be remembered that for years Lady's Island was the fastest growing area in Beaufort County north of the Broad River averaging over 180 new homes each year.

Lady's Island Building Permits versus Average Price

Year	Building Permits	Average Price
2001	169	\$179,000
2002	163	\$188,000
2003	185	\$221,000
2004	204	\$241,000
2005	203	\$248,000
2006	159	\$319,000
2007	71	\$317,000
2008	52	\$296,000
2009	21	\$283,000

In 2005 at the peak of the housing construction boom, Beaufort County issued 3,996 permits for construction of single family homes. In 2008 the county issued only 782 single family residential building permits and last year (2009) that number dropped to a mere 191 permits issued by Beaufort County. These numbers reflect the demise of a once booming home construction industry in our county.

IS WAL-MART STILL INTERESTED IN HAVING A STORE ON LADY'S ISLAND?

In 2008 Wal-Mart applied to build a 194,784 square foot super center store with 588 parking spaces on the 25 acres at the intersection of Sea Island Parkway and Airport Circle. The City of Beaufort denied the request; Wal-Mart appealed the denial to the City Zoning Board of Appeals which also denied it. At that point Wal-Mart dropped it. The owner of the property appealed the decision to the 14th Circuit Court which in December 2009 ruled against the City and Zoning Board of Appeal position of denying the request based on the development agreement between the City and the land owner not allowing such a large building on the property. The City of Beaufort is appealing the Circuit Court ruling to the State Supreme Court. If the Supreme Court rules against the City of Beaufort will Wal-Mart or a similar chain store give it another try at the same location? Possibly, but if they do, there is still the question of getting approval from the Corps of Engineers to put 3,200 cubic yards of fill material in the .32 acres of critical wetlands and the 2.7 million cubic feet of fill dirt (10,000 truck loads) estimated to be required for the project. If resubmitted by Wal-Mart the project would be reviewed by the City Design Review Board and the question of impact on the roads and bridges would be considered. The Circuit Court ruling did not say the City of Beaufort must approve such a request only that that it cannot be denied based on the size of building.

LADY’S ISLAND REMAINS A SAFE COMMUNITY IN 2009

The Beaufort County Sheriff’s Department dispatcher directed a Deputy to respond to an area of concern on Lady’s Island 21,149 times last year or an average of “57 calls for service” each day. Once the Deputy responds to the call, if appropriate, an incident report is submitted.

In 2009 there were 2,160 reports submitted for incidents on Lady’s Island or approximately 1 out of every 10 calls for service merited an incident report. The total number of 2009 incidents that were deemed serious enough to merit an official report was almost identical to the total number of reports submitted in the previous year. Naturally, the nature and type of incidents did change in 2009. Following is a 5 year review of the more serious types of incidents which have been reported as occurring on Lady’s Island in 2009 plus a comparison of the total number of incident reports submitted each year.

Type of Incident	2005	2006	2007	2008	2009
Criminal Domestic Violence	68	69	9	53	60
Traffic Accidents	144	122	158	117	135
Breaking and Entering (Vehicles)	89	44	37	85	171
Vehicle Thefts	31	27	15	10	17
Petit Larceny	160	154	149	183	267
Grand larceny	57	49	72	93	83
Aggravated Assault	11	8	5	1	0
Robbery	9	8	10	10	11
Criminal Sexual Conduct	12	5	6	10	6
Murder	0	0	0	1	0
Burglary	74	84	93	120	105
Total Reports (All Types)	2309	2301	2247	2163	2160

As can be seen there was a significant rise in petit larceny and breaking and entering into vehicles. The number of traffic accidents saw a slight rise as did the number of cases of domestic violence. Other types of incidents occurring in 2009, not listed in the above chart, were 25 cases of shoplifting, 74 arrest for driving under the influence of alcohol and 42 incidents involving drugs which included 7 (cocaine), 6 (crack), 29 (marijuana).

As you review the statistics in this article please remember that Lady’s Island is a community of over 12,000 residents living in 5,300 homes on a 13,000 acre island and making over 10,000 trips each day on our roads. Thanks to Sheriff Tanner and the Deputies who are members of the Sheriff’s Office we, on Lady’s Island, are privileged to live in an exceptionally safe place.

Editor’s Note: A special thanks to Lt. Jimmy Walton of the Sheriff’s office for his courtesy and gracious cooperation in providing information contained in this article.

A NOTE FROM THE PRESIDENT

To all of the members of the Lady’s Island Business and Professional Association:

As I reflect on the last year as President of LIBPA, there are many thoughts that come to mind. First, I have to express my deep thanks to all of the members of the organization for your support, attendance at the meetings, and your energy. Without your energy, ideas, and willingness to be involved, we’re little more than coffee and doughnuts. I am particularly proud that LIBPA continues to be consulted by local civic and political leaders when an important issue needs vetting. Second, I want to thank the Board of Directors. Each of the members of the Board handles their collateral duties without complaint and adds immensely to the direction we take as an organization. And lastly, I want to thank the community at large for being a place where issues are alive. We are far from a boring community! We continue to have a purpose and wield influence. I look forward to another great year and remind all of you that the only way to make positive change is to combine clarity of thought with conviction of heart and enduring action. Thanks for the opportunity to serve!

All the best,
Jon

DEVELOPER REQUEST APPROVAL EXTENSION

The property owner of the Planned Unit Development (PUD) “The Village” has requested the permit authorizing development of the project be extended.

The PUD is located on 35 undeveloped acres between Sunset Bluff and Sams Point Road. The original PUD was approved in 1996 and authorized 81 single family homes, 119 multi-family units and 12 commercial lots resulting in a gross density of approximately 6 dwelling units per acre. County approval for the development expired January 1, 2010. The Beaufort County Planning Department has recommended the request for extension of the PUD be disapproved and the property rezoned to the same zoning as the surrounding property (Community Preservation which allows 2 houses per acre). The request is scheduled to be reviewed by the Beaufort County Planning Commission in February and then forwarded to County Council for consideration.

SHERWIN WILLIAMS PAINT STORE

The new store at the intersection of Sea Island Parkway and Lady’s Island Drive is open for business. It offers the full range of services in regard to paint and wall coverings. The new manager of the store, which is corporate owned, is Mr. Bobby Dees. The renovation of the building (inside and outside) is a significant improvement.

TIDAL CREEK FELLOWSHIP CHURCH

Preparation has started for the site for their new church building on Brickyard Point Road. Their plans call for a 13,000 square foot church with 115 parking spaces on the 20 acre piece of property.

THANKS FOR A GREAT PERFORMING ARTS CENTER

The new Beaufort High School Performing Arts Center which was completed within the budget and on time is a great addition to our public school system and our community. The manner in which it was built is a compliment to the Beaufort County School District. From the referendum which authorized funds for the 650 seat arts center there was also funding for the purchase of property for the future construction of a third elementary school. This property has already been purchased and is located on Springfield Road.

BREAKING OUR ACCESS IMPASSE

By Rick Butler, LIBPA Transportation Representative

Even as Sea Islanders can see daily progress on increasing our mainland access by more than a third with the widening of Lady's Island Drive to four lanes and the steady progress on our fully funded second McTeer high bridge, an ominous task remains starkly locked in an impasse.

Simply put, the ominous impasse is over how to guarantee maintaining Sea Islander access to our County seat, an issue which we may have perhaps 10-15 years to somehow resolve.

In last month's LIBPA newsletter, the Mayor of Beaufort stated that transportation "to and from Lady's Island and the Sea Islands to the East remains an ominous task and will likely continue to be so for the foreseeable future." Perhaps the most important reason this task is "ominous" is his clearly stated view that we need to "continue planning a third crossing *to the North* (italics mine) which, in my view, *is the only way to get ahead of the curve*. (italics mine).

In his piece, he also rejects considering any "larger" replacement of the aging and already overtaxed swing bridge as being out of character for a small historic town. Along the way he dismisses Sea Islanders' fears of being forced to drive "a little further" around the Northern Bypass he favors. A little further? Today the County Government Center is 3.5 miles from the Lady's Island traffic light at Publix... The "little further" on a northern bypass is 17.5 miles --14 miles more each way, 28 miles more round trip! 2025 is 15 years away. The recently completed study said until 2025 no northern bypass except one near Bellamy Curve would have enough benefit to offset its cost. In those 15 years, the swing bridge will reach 68 years in service, assuming it does not fail, or get knocked off its pedestal in a hurricane like one sister bridge near Charleston, or otherwise be declared unsafe to carry traffic, as happened to the old Battery Creek swing bridge.

Over the next 15 years it may continue creaking through 10-11 minutes for each opening. At an average of 2000 openings a year, that means we will sit in bridge gridlock over 300 HOURS. Even if we can make permanent the temporary construction related hourly schedule, we can

expect 1000 openings a year, meaning over 166 HOURS of gridlock stretch ahead of us. Those numbers would be at least halved if we had a modern, low profile "Beaufort Bascule" bridge in place. Not a "larger" bridge, but one of two normal-width lanes, and full width bicycle/pedestrian walkways. Its low profile tender's house would be lower than the present raised house, it would open vertically, quickly and quietly and close again in half the time of the present bridge. It would carry no more traffic at a time through the City than the present aging bridge, but greatly improve traffic, both flow and total cars moved.

So what other objections can reasonably be raised to beginning work now to replace this old bridge before 15 more years go by, and some other access might finally be judged economically worthy of federal funding help? Well, the very age and infirmity of the present bridge offers one reason—it is no longer strong enough to carry 18 wheeler trucks, which are banned, and thus mostly diverted away from the historic area. Would a new bridge be required to carry big trucks? Not necessarily. A consensus of local governments, such as recently got the swing bridge opening schedule changed to hourly openings, could insure that big truck traffic to and from the Sea Islands continue to be routed over the twin high bridges.

Well, can't we just petition the Coast Guard to be nice and further restrict boat traffic? Say to twice a day, maybe? Not much chance. On the entire ICW from Norfolk to South Florida, there is NO bridge with a schedule more restricted than once an hour. We have pushed that rope as far as it will go. We started 15 years ago with openings every 20 minutes, which became intolerable due to population growth. We next pulled political levers to gain a 30 minute schedule, which seemed fine for a while, especially with added closures for rush hour. Now, we have only about a year or so to breathe a little easier with a temporary 60 minute schedule, which might easily revert to every 30 minutes when the second

McTeer Bridge is finished. Will next year's traffic loadings (that is, each of us in our cars) accept a return to those 2000 openings a year?

Beyond the esthetic issues of just liking the quaint old bridge, (most often voiced by those on the other side not often needing to cross it) why do we not find more cooperation within the city across the river for addressing early planning to do what must be done? Former City Councilman George O'Kelley so far is the lone published voice there calling for action. Our counterpart businesses and professionals in the city's core surely cannot exist long without their 20,000 Sea Island customers? Do they share the seeming vision of a Fortress Beaufort, accessible only through Port Royal or a bridge way out beyond the Air Station? Do they all plan to move to a huge mall in Seabrook? Or are they just gambling on the status quo? Can Beaufort be the only small city in the land which seems to actively oppose guaranteeing access by nearly half its clients, shoppers and diners to its threatened core? Why are nearly all the voices speaking up to resolve this impasse coming from business owners?

Author's note: It is not my desire to directly challenge the city's past and present mayors on this issue. It is rather to point out that IF the Mayor's recent article represents the Beaufort power structure, despite its potential economic consequences, the ball to force some end to this long running impasse is squarely in the Sea Islanders' court. Our only alternative is to patiently await Mayor Keyserling's vision of the swing bridge's ultimate and distant replacement, taking us all to downtown Gray's Hill. Ominous, indeed.

COMMON SENSE PREVAILED

Lady's Island and the City of Beaufort have worked very hard to standardize our zoning regulations. The recent positive response to the question regarding the legality of individuals in costume as a form of advertisement was handled with a touch of common sense. Since the City of Beaufort does authorize such advertisement, the businesses in the County portion of the Island should be allowed the same privilege. Then together the City of Beaufort, Beaufort County and Lady's Island need to review their ordinances and insure we agree on the type of advertisement to be allowed on Lady's Island in the future.

FORECLOSURE AND BANKRUPTCY REPORT

We (Beaufort County) started last year with 340 homes in distress as a result of either bankruptcy or foreclosure proceedings. Today, as we start the second month of the new year, there are 684 Beaufort County homes in similar situations. To say that the majority of these are located south of the Broad River gives little comfort. The following chart is provided to show the general areas the homes in distress are located.

Northern Beaufort County January 2010 Foreclosure and Bankruptcy Report

Location	Foreclosure	Bankruptcy	Total
City of Beaufort	36	10	46
Town of Port Royal	6	8	14
Lady's Island	19	27	46
St Helena	17	13	33
Seabrook	2	4	6
Sheldon	1	0	1
Burton	18	30	48
Total North of the Broad River	99	92	191
Total South of the Broad River	363	130	493
Total	462	222	684

The basic data presented in this article is derived from www.foreclosure.com

LIBPA WEBSITE REFERRAL

One of the benefits of being a LIBPA member is that your business web site can be linked to your member listing on the LIBPA web site (www.libpa.org). Naturally, this requires that you provide the web master with your site address and notify him of any changes. A review of how many "hits" or folks who went via your member listing to your web site shows that 98 of our members have provided their web sites to the LIBPA web master and those members experienced 8,014 visitors in 2009.

The business sites that received the highest number of hits in 2009 were:

Bundy Appraisal and Management (# 1)	Ballenger Realty
Beaufort Realtors	Hometown Realty
Distant Island	Remax Realty (Chris Skrip)
Adventure Radio	Celadon
303 Associates	Ashford Advisors Financial Services
Hobbs, Upchurch and Associates	Beaufort Academy

We are in the process of modifying the membership listing to better identify our business members by category of service or product and need your correct information to be of benefit to your business. In taking a close look at our membership listing on the LIBPA web site it was noted that links with some of our member's web sites no longer worked or did not exist. There is no charge for establishing a link from your membership listing to your web site. It is free advertising. So please take the time to visit the membership page on the LIBPA web site (www.libpa.org) and check your listing, your business phone number and link to your web site (if such is desired). A recent check found 48 businesses did not have a phone number and 1 out of 3 of those with links to their web page no longer worked. If changes need to be made to your listing, please forward the appropriate information to Steve Thompson (thewebguy@earthlink.net), the LIBPA web master.

NEW BUSINESS!

Welcome to Mr. Kenneth Joy and Mr. Troy Davenport managing partners of a branch of Liberty Tax Service (843-521-1040) who recently opened an office in the Food Lion shopping center. Thanks for pointing out the inequity in the City and County zoning regulations regarding advertisement and we are sorry it was not caught earlier.

ISLAND NOTES

Rezoning from Professional Office District to Village Center zoning of the lot on the corner of Mayfair Court and Sams Point Road next to Video Warehouse has received approval. It is a logical action since the adjacent lot is zoned Village Center. The new zoning allows the property additional flexibility in the types of businesses authorized at the site and requires construction nearer the road similar to that of Video Warehouse.

Local business changes ownership. Mr. John Haynie recently became the new owner of Beaufort Air Conditioning and Heating, LLC. John is a mechanical engineer with a professional background that includes commercial and residential air conditioning service and commercial mechanical contracting. Beaufort Air Conditioning is a well know and well established business being in operation in the Beaufort area since 1980 and moving to Lady's Island in 1990. Mr. Haynie's first impression of his new company and the local heating and air conditioning market is that "Lady's Island and the entire Beaufort community can really benefit from the careful and thorough attention we give to customer service. It would appear that often times too many area companies seem to be in a big hurry to get in and out and don't pay attention to what the individual client really needs." Beaufort Air Conditioning offers preventive maintenance agreements, full commercial and residential service, and expert installations. For further information please call (843) 524-0996 or visit their web site at www.beaufortairconditioning.com. We welcome Mr. Haynie and look forward to working with him as a new member of LIBPA.

BEAUFORT HIGH SCHOOL

The redistricting of Beaufort County High School attendance zone is presently in progress. However, next year if nothing is done regarding attendance zones there could be 1,695 students in Beaufort High School and they are projected to come from the following areas.

Attendance Area	Potential Number of High School Students
City of Beaufort	178
Town of Port Royal	124
Mossy Oaks	290
Islands	1,103
Total	1,695

REFLECTIONS ON THE CURRENT CREDIT MARKET

By Rebecca W. Bass, Manager of the Lowcountry Branch of Element Funding Mortgage Bank

Can you qualify for a home loan? If you are a first time home buyer, presently own a home and are thinking of moving up (or down) regarding the size of your home or new to the area and planning on buying a home it is critical that you understand what will be expected of you in today's market. Gone (at least for now) are the days of reduced documentation loans. There are no stated income or "no doc" loans available. Rather, all borrowers will be required to supply their lender with complete documentation of their income and liquid assets in order to be approved. The best way to facilitate your loan approval is to gather your last two years of W-2's and completed tax returns with all schedules attached. You should also make copies of your last two months of statements from your bank, investment and retirement accounts. Bear in mind that for most loan programs the ratio of your total debt to your income cannot exceed 45 percent. What this means is that the total of your monthly housing expenses plus your other liabilities such as payments for credit cards, auto loans and student loans cannot exceed 45% of your total income. If you are self-employed and your tax returns do not show much income, it is likely that you will not qualify for a loan under today's requirements.

Even if you qualify in every respect keep in mind that the monetary limit on conforming loans is \$417,000. Although there are some jumbo loans available, you will find that the requirements for a down payment and the credit score re-

quirements have increased from what they were a few years ago. If you have not checked your credit report in the past few months, now is the time to do so if you are planning on seeking financing in the near future. I recommend that you use www.AnnualCreditReport.com. They may not have as catchy a jingle as their competition, but this site will actually provide you with a free credit report once a year with no purchase required. Mortgage approval will usually require a middle credit score of at least 620. Take a close look at your credit report and look for any inaccuracies. Your mortgage consultant can be a good resource to assist you in having necessary corrections made to your credit history.

Special note for condominium buyers and sellers: The guidelines for approving loans for the purchase of condominiums have become even stricter. Before you purchase a condo, be sure to ask the seller if the particular condominium has met Fannie Mae requirements to be "warrantable." Some of these requirements refer to current occupancy rates and the delinquency rates for homeowner dues. In addition, in areas where flood insurance is required, the homeowner's association must carry flood insurance for 100 percent of the value of the property. There must also be an indemnity policy in place to protect the funds of the homeowners association. I have seen sales fall through just prior to closing when the condominium was rejected as collateral for the loan due to one or more of these factors (even with highly-qualified buyers). If you are a seller and

your homeowners association does not have these insurance policies in place, you will find that the marketability of your condominium has been severely impacted. I recommend that all condominium owners ask their association manager about the status of these policies and attempt to get the requisite approval from the owners to secure this coverage if it is not in place. Without conforming to Fannie Mae's guidelines, the property will not be considered for a mortgage today.

As to the current mortgage market please understand that the way it is portrayed in the media can be somewhat misleading. You may hear that the economy is improving and thus conclude that money is starting to flow more easily to potential home buyers. **Right now, the only mortgages that are available are sponsored by the government-- Fannie Mae/ Freddie Mac, VA or FHA.**

Until Wall Street ventures back into the mortgage market, buyers and the properties used as collateral for mortgage loans will have to conform to the government underwriting guidelines and monetary limits discussed here. These financial options are quite limited. Because the recovery in the real estate markets depends on the availability of loans for borrowers and properties that do not fit neatly into the government rules, we need Wall Street to get back into the financing markets for residential properties. Simply stated this is not likely to happen without financial incentives from Washington for

the private sector to re-enter the mortgage markets.

Finally, as we examine the past year in the rear view mirror, we can see that home loan rates have been kept artificially low by the Federal Reserve's program to purchase mortgage-backed securities. If you have not yet refinanced your home or purchased a property and are thinking of doing so, I recommend that you act now. Home loan rates and home prices are both going to rise in the future, perhaps as soon as the spring when the Fed's program is scheduled to expire. In addition, purchasers who would like to qualify for the government's home buyer tax credit programs will need to execute contracts by April 30, 2010. Rates are likely to go up once these programs have expired. From the perspective of the future home buyer today is probably as good a time to buy a home as it is going to get for a good number of years.

Editor's Note: Ms. Bass prepared this article to assist our members and the community in gaining a better understanding of the realities of today's mortgage market. As Manager of the Lowcountry Branch of Element Funding Bank she can be contacted at rwbass@embarqmail.com. Office: 843-379-0999.



A QUICK LOOK AT LADY'S ISLAND SCHOOLS

Following is a comparison of the student enrollment on day 45 of the 2009/2010 school year in each of the public schools on Lady's Island as compared to the previous year and their individual facility capacity.

School	Capacity	2008/9	2009/10	Enrollment/Capacity
Coosa Elementary	476	660	535	59 over capacity
Lady's Island Elementary	420	421	361	59 under capacity
Lady's Island Middle	897	577	750	147 under capacity
Beaufort High	1,595	1,661	1,730	135 over capacity
Total		3,319	3,376	

A REVIEW OF THE 2009 REAL ESTATE MARKET

- DÉJÀ VU ALL OVER AGAIN-

By Everett Ballenger, Owner/B.I.C Ballenger Realty. 2008 President Beaufort County Association of Realtors

“I know and talk to a lot of people, and I can honestly say, I do not know anyone who has a good word to say about 2008” That quote is from the article I wrote for the February 2008 newsletter. After looking at a statistical review of the 2009 northern Beaufort County real estate market I found that last year’s words are right on target this year. In other words, the overall feeling, performance and perception of the Northern Beaufort County real estate market have changed very little over the last twelve months. Our annual review is a bit more comprehensive than is usually provided in the monthly check of the local market. For example the annual review is based on data from the entire real estate market for Northern Beaufort County, instead of just Beaufort, Mossy Oaks, Port Royal, Burton and Lady’s Island.

To give an idea of what the total real estate market looked like last year when compared to the previous year, the following comparison of all sales (residential and property) is provided.

2008/2009 Total (Property & Residential) Real Estate Sales (Northern Beaufort County)

Category	2008	2009	Percentage Change
Units Sold	831	794	- 4.5%.
Total (Combined) Asking Price	\$237 Million	\$207 Million	-13%
Total (Combined) Selling Price	\$222 Million	\$194 Million	- 7%
Median Price	\$199,000	\$185, 500	-7%
Average Price	\$267,978	\$244,305	- 9%

As can be seen when the whole market in northern Beaufort County is looked at, there was “only” a 4.5% drop in the total number of sales, a 7% decrease in the total volume and a reduction of less than 10% in median sale price. To put this in some perspective the 2008 market saw a 27% drop in the number of units sold and a 35% drop in the total selling price/ volume.

However, as can be seen by the following chart the Lady’s Island market when looked at in isolation is a good news/bad news type of story. 2008/2009 Total (Property & Residential) Real Estate Sales (Lady’s Island)

Category	2008	2009	Percentage Change
Units Sold	207	141	-32%
Total (Combined) Asking Price	\$61 Million	\$43 Million	-30%
Total (Combined) Selling Price	\$57 Million	\$39 Million	-31%
Median Price	\$224,900	\$220,500	- 2%
Average Price	\$278,366	\$279,117	+04%

The good news is that the price of property and homes on Lady’s Island that sold in 2009 held their value exceptionally well. The bad news is there was significant reduction (32%) in the number of sales and accompanying volume.

If we look strictly at the residential portion of the real estate market in northern Beaufort County in 2009, as can be seen from the following chart again there are mixed signals.

2008/2009 Residential Sales (Northern Beaufort County)

Category	2008	2009	Percentage Change
Units Sold	667	677	+1.5%
Total (Combined) Asking Price	\$199 Million	\$190 Million	- 4.5%
Total (Combined) Selling Price	\$188 Million	\$177 Million	- 6%
Median Price	\$207,000	\$198,000	-5.4%
Average Price	\$282,957	\$262,918	-7%

The total residential market for northern Beaufort County did provide some encouraging signs in 2009. For example more homes sold in 2009 than were sold in 2008. The 2008 local market saw a 28% reduction from the previous year. The value of the median home which sold in northern

Beaufort County in 2009 fell by 5% which is not good but better than the 8% drop experienced in 2008. Residential prices do seem to be stabilizing, or at least the rate of decline has certainly slowed down.

Lady’s Island which is a significant force on the northern Beaufort County residential real estate market sent mixed signals in 2009 as can be seen from the following data.

2008/2009 Residential Real Estate Sales (Lady’s Island)

Category	2008	2009	Percentage Change
Units Sold	169	138	-19%
Total (Combined) Asking Price	\$52 Million	\$42 Million	-20%
Total (Combined) Selling Price	\$50 Million	\$39 Million	- 22%
Median Price	\$231,500	\$224,250	- 3%
Average Price	\$296,260	\$282,950	- 5%

Unlike the overall residential market in northern Beaufort County which saw a rise in the number of individual sales Lady’s Island experienced a 19% drop from the previous year with a similar accompanying reduction in total selling price. However, the price of homes on Lady’s Island held their value better than the average home in Northern Beaufort

County. So does the 2009 data, with all of its mixed signals give us any hint as to the future of the local real estate market? First, dealing with mixed signals in the real estate market is probably going to continue to be part of the “new reality”. Today...a recovery in our area would be a stabilization of price and inventory. To see any ascension in home values in the Beaufort area some major pieces need to fall into place. The job market has to improve; folks can’t buy a house if they don’t have a job! Even those with a job, face an uphill battle to find financing. The Point of Sale property tax issue has to be resolved, if we are to see our second home, commercial and investment real estate markets return to any semblance of normality. Foreclosures will continue to have a major depressing effect on values for some time to come. The truth is there are no clear signals (hints maybe) contained in the 2009 data and admittedly it is possible we could be in a recovery mode now. But, if we are, we will probably not realize it for some time to come. At least for the short term - I expect us to continue to “bob” along the bottom.

LIBPA MEMBERSHIP

As part of the annual membership drive the Lady’s Island Business and Professional Association extends a special invitation for membership to residents and businesses on Lady’s Island. You are eligible to be a member if you live on Lady’s Island, work on Lady’s Island or simply care about the future of Lady’s Island. You should consider membership if you desire to stay informed about what is happening or going to happen on our island and want to have a voice in the direction our community is going.

WHAT DOES LIBPA DO? LIBPA serves as the voice of Lady’s Island. As such, it maintains an active community information web site (www.libpa.org), publishes a monthly newsletter, conducts a monthly meeting with guest speakers of community interest and represents Lady’s Island on numerous committees and at various governmental meetings. In the past, LIBPA developed and sponsored the present zoning for Lady’s Island and currently monitors all requests for major new development.

WHAT ARE LIBPA’S PRESENT PROJECTS? To serve as community liaison for the construction of a new bridge, widening of Lady’s Island Drive and the study of a Northern Bypass. Promote development of a community park at Crystal Lake and Springfield Road. Provide assistance to existing businesses and new businesses desiring to establish a presence on Lady’s Island.

YOU CAN JOIN BY FILLING OUT THE FOLLOWING FORM AND RETURNING IT WITH YOUR MEMBERSHIP FEE (\$45) OR JOIN THROUGH OUR WEB SITE AND WE WILL BILL YOU.

MEMBERSHIP APPLICATION

Name/Company: _____

Attn: _____

Address: _____

Phone: _____ Web Site _____

Newsletter preference: U. S. Mail E-Mail E-mail Address: _____

Type of membership: Business Residential Civic Org.

Please mail along with your membership fee of \$45 to:

LIBPA
182-D Sea Island Parkway
Lady’s Island, S. C. 29907

The Lady’s Island Business and Professional Association, organized in 1981, is a state chartered, nonprofit organization with the objective of promoting the planned, orderly development and growth of Lady’s Island. It also will sponsor such projects and events that contribute to the general welfare of the island, its residents, its businesses and its professional offices. Membership eligibility embraces businesses, professional practices, island residents and other such individuals having an interest in the welfare of Lady’s Island. Annual dues are \$45. All correspondence should be forwarded to LIBPA, 182-D Sea Island Pkwy, Lady’s Island, SC.29907. You can now join through our web site at www.LIBPA.org. Comments regarding the content of this newsletter should be forwarded to Jim Hicks at jbhicks@hargray.com.



LADY’S ISLAND BUSINESS & PROFESSIONAL ASSOCIATION
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