Economic pain



MARCIO JOSE SANCHEZ / The Associated Press

Real estate agent Debbie Wong tours a home in Burlingame, Calif. Existing-home sales nationwide fell to a 10-year low.

Existing-home sales fall here, nationally

Experts expect prices to turn down again

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Sales of existing homes plunged last month to the lowest level in more than 10 years, despite the lowest mortgage rates in decades.

July's sales fell by more than 27 percent to a seasonally adjusted annual rate of 3.83 million when compared with June, the National Association of Realtors said Tuesday. Sharp declines were recorded in all regions of the country.

Sales were 25.5 percent below July 2009.

In South Carolina, existing home sales have dropped in 12 of 15 local markets, as well as statewide, compared with a year earlier.

The drop in sales ranged from 0.35 percent in the coastal Carolinas to 34.21 percent in the Greater Pee Dee area, according to Multiple Listing Service (MLS) statistics from the state Association of Realtors.

Year-over-year sales in the Greater Greenville, Spartanburg, and Anderson areas were down 17 percent, 15.11 percent, and 20.45 percent, respectively. Sales were down 16.06 statewide, MLS data show.

Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, said the drop is near what he expected with the end of the federal homebuyer tax credit.

But he believes it's the overall economy that's really hurting the housing market.

"The bottom line is that it's the job market, the unemployment level, that's really hurting everything," Sabatine said.

Economists with Wells Fargo Securities said first-time homebuyers accounted for 38 percent of home sales in July and distressed transactions accounted for 32 percent of existing home sales.

They said the combination of high inventories, distressed transactions and declining home sales means prices should turn down again in coming months. Homebuilding, however, will be restrained even further, they said.

The drop in July's sales was led by a 35 percent plunge in the Midwest. Sales were down 30 percent in the Northeast, 25 percent in the West and 23 percent in the South.

The weakness in sales follows a strong spring, when now-expired government tax credits sparked sales, especially among first-time buyers.