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Falling home sales rebound

With jobs still scarce, some wonder whether the good news will last

SENECA — After many agonizing months of wondering when the falling housing market would finally hit bottom, local real estate professionals are at the point where many think the worst of the horrific economic downturn is over.

More listing agents are reporting a bounce in home sales over a year ago, and are embracing a good start to 2010.

Bob Hill of Bob Hill Realty in Seneca welcomes the positive shift.

"It appears it's over," Hill said of the market's rough ride over the past two years. "The trends are upward and sales are upward."

While Hill is touting the positive shift, others are cautious.

Lorraine Harding said she has seen the bounce in sales along with everyone else, but she's not ready to declare the housing doldrums over quite yet.

Harding said a big factor fueling home sales was the generous federal tax credit for first-time homebuyers. She said now that the credit has expired, she wonders whether the housing market will remain upbeat or slow down again.



Many first-time homebuyers taking advantage of federal tax credits have helped spike sales in recent months. Now that the tax credits have expired, real estate professionals are hoping low mortgage interest rates will help keep the local market busy.

"The tax credit helped everyone," Harding said. "We fear that because the tax credit is gone we might be in for a slower market."

The once red-hot local housing market peaked in 2005 when 4,209 sales were registered and the median price of homes rose to $127,000.

At the end of 2009, 2,584 tri-county home sales were posted, a precipitous drop of more than 41 percent since 2005. Last year ended with the median price of homes also down to $120,000.

Although the tax credit is gone, Harding hopes that highly attractive mortgage rates will keep buyers interested.

Ultimately, Harding and others think the only permanent cure for the housing market is a vibrant economy that creates jobs.

"We don't have enough jobs," she said. "What we need are jobs to sustain things."

Nick Kremydas, chief executive officer of the South Carolina Realtors Association, also cautions that although the recession might officially be over, there might be bumps along the road through the remainder of 2010.

Kremydas said the banking industry is just beginning to absorb the losses from defaulting commercial real estate loans, which likely would make future loans more difficult to acquire.

Also, Kremydas sees additional foreclosures continuing to glut the market because of stubborn high unemployment throughout South Carolina.

In the meantime, everyone is eager to enjoy the respite from the brutal slump of the past few years.

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