

# Floods cool housing market

BY CARLOS GALARZA-VEVE  
THE JOURNAL

SENECA — As expected, the 1,000-year flooding event in October that crippled parts of South Carolina cooled what had been a sizzling housing market, data released this week shows.

Although statewide home sales last month topped 5,500, the number of closings marked a 5.5-percent drop from a year ago, according to S.C. Realtors market information.

Sales in the western Upstate market that includes Oconee, Pickens and Anderson counties, which were among the counties least affected by last month's record rainfall event, also slowed down from earlier in the year.

October home sales in the western Upstate reached 333, a decline of almost 11 percent from the 373 sales recorded on average through the first 10 months of 2015.

Nick Kremydas, the chief executive at S.C. Realtors, is not surprised home sales took a hit last month.

"South Carolinians are still contending with the aftermath of the October floods," Kremydas said.

Also, new Truth in Lending Disclosure rules and forms that took effect Oct. 3 may have accounted for the hic-

cup in home sales, Kremydas added.

New home-sale closing rules came about when the Consumer Financial Protection Bureau integrated the Real Estate Settlement Procedures Act and Truth in Lending Act disclosures and regulations. Any new mortgage transaction must use new CFPB forms.

"We expected the numbers to look different," Kremydas said. "There are many variables at play right now."

A major variable looming over the real estate market heading into 2016 is tied to what the impact will be when the Federal Reserve raises short-term rates in the coming weeks for the first time in nine years, as is expected.

Kiplinger, a leader in personal finance news and business forecasting, predicts 30-year fixed rate mortgages will wind up at 4 percent by the end of the year.

Kremydas and other market experts tend to believe buyers will get off the fence and make offers, knowing that rates will not remain this low in the coming year.

Kiplinger is forecasting two more Fed rate increases in 2016 that would push the 30-year mortgage rate to 4.4 percent by the end of next year.

carlos@upstatetoday.com | (864) 973-7784  
Follow on Twitter @cgvnewsupstate