Greenville home sales tick up

Realtors worry proposed down payment rule could hurt progress

By Angelia Davis
STAFF WRITER
davisa@greenvilleonline.com

The number of homes sold in Greater Greenville continued to inch up last month, but real estate leaders fear any progress made could be halted by a proposal in Washington.

Locally, home sales in June were the best for any month since June 2010, said Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors.

Since the beginning of this year, sales have ticked up from 338 homes sold in January to 626 existing residences sold in June.

Still, sales in Greater Greenville were down 17.8 percent last month compared to June 2010, when 726 houses were sold. Home sales were also down 14 percent year to date, according to local Multiple Listing Service statistics released Tuesday.

Sabatine expects sales to continue a slow and steady climb, but says a proposal by Congress to raise the down payment requirement to 20 percent could hurt any progress made.

"That would just kill everything," he said. "There aren't a whole lot of buyers out there with 20 percent down and if that becomes a requirement, any gain seen over the summer is going to end up being a rehearsal of what we're looking at."

Greater Greenville and other associations affiliated with the National Association of Realtors (NAR) are urging regulators to reconsider the down payment requirement being considered under the Qualified Residential Mortgage provision in the Dodd-Frank Act.

"As the leading advocate for home ownership, NAR firmly believes Congress intended to create a broad QRM exemption. Strong evidence shows that responsible lending standards and ensuring a borrower's ability to repay have the greatest impact on reducing lender risk, and not high down payments," said NAR President Ron Phipps.

Realtor associations are sending letters to Congress asking them to vote against the proposal.

Sabatine said the NAR has also sent letters to six million homeowners nationwide urging them to express their displeasure with the proposal.

State and national home sales figures for June haven't yet been released, but Wells Fargo economists expect sales and new home construction to remain slow. "Unfortunately, we still believe there are at least another couple of years of unusually tough sledding for the housing market and look for sales and new home construction to only gradually trudge higher," they said.