BUSINESS

Home prices, sales up in June

Foreclosures, distressed properties make up chunk of Greenville sales

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Foreclosures and short sales may have pulled up home sales up in June.

Year-to-date homes sales for Greater Greenville were up 14.6 percent, according to Multiple Listing Service figures released Monday.

The statistics from the Greater Greenville Association of Realtors also showed home sales were 13.2 percent higher last month when compared to June 2009.

Mark Nichols, a mortgage banker and vice president of Ameris Bank, said there are some sales from corporate relocations and a good many new purchases of manufactured homes.

But, he said, it appears that a lot of the sales in this area are purchases of foreclosed properties or properties where sellers are doing short sales to get out from under their mortgages.

Wells Fargo economists also said that with "distressed sales likely counting for a larger proportion of home sales during the second half of this year," there will likely be some renewed pressure on home prices.

"When people become confident about the economy, it will spur them to buy homes," Nichols said. "And once we get all these foreclosures out of our system bought, and disposed of, prices can start going back again."

Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, said he hopes that because it is such a strong buying season from now until September that "any loss that we see as a result of the first-time homebuyer money being gone will be absorbed by that time of the year."

The average home price in Greater Greenville was up 3.8 percent year-to-date in June, while the median home price was up 3.3 percent from the year before.

On average, 23.4 percent of all first-quarter residential sales in Greenville County and nearly 21 percent of those statewide were foreclosures — properties in default, scheduled for auction, or bank-owned, according to a RealtyTrac foreclosure sales report.

Rick Sharga, senior vice president for RealtyTrac, said the company anticipates an increased number of both bank-owned property purchases and short sales throughout the rest of the year "as the most active buying segments — first-time home buyers and investors — continue to look for bargains."

Nichols also said a good many of the people who had a home under contract as of April 30 for the federal home buyer tax credit were buying foreclosures.

He believes there was a "big surge" of loan closings last month. Once the Sept. 30 deadline passes, Nichols predicts sales will flatten just a bit.