HOME SALES, PRICES CLIMB

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Last month, Upstate region saw 38.6 percent increase from a year ago



Construction is almost complete at a newly built 7,152-square-foot, single-family home in Greenville. MYKAL MCELDOWNEY /STAFF

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As the inventory of existing homes shrinks, sales and prices are going up.

That's one reason cited for increased home sales in October on the local, state and national levels.

Last month, sales of previously owned homes in Greenville, Pickens and Laurens counties were up 14.2 percent year-to-date and 38.6 percent from a year ago. Inventory has shrunk 12 percent, while the median sales price has risen 5.3 percent.

Statewide, home sales increased 11 percent year-to-date in October and 24 percent from a year ago. Sales nationwide rose 2.1 percent last month and were 10.9 percent greater than the level seen in October 2011.

October is the 10th consecutive month for increased home sales in Greenville, Pickens and Laurens counties, and the fact that inventory is dropping has been a factor, said Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors.

Sabatine said banks have relaxed their lending requirements some so there are more people applying for mortgages and getting them. "People are looking at this, seeing a flurry of activity and saying, 'There aren't as many houses for sale, so we'd better act now,'" he said.

Joy Real Estate in Greenville is seeing multiple offers on properties on a much more frequent basis than it did this time last year because the inventory has dropped, said Craig Bailey, the firm's vice president for development.

"We're even getting some properties that have six or seven offers on it at one time," Bailey said. "It's unbelievable."

Inventory levels in Greenville, Pickens and Laurens counties are down to 5,322 units from 6,047 units in November 2011. Across South Carolina, levels shrank 13.4 percent to 46,776 units in October.

Nationwide, housing inventory at the end of October fell 1.4 percent to 2.14 million existing homes available for sale, which represents a 5.4-month supply at the current sales pace, down from 5.6 months in September, the National Associated of Realtors said.

Michael Dey, executive vice president of the Home Builders Association of Greenville, has said

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home builders here are building considerably more homes now than they were this time last year because the demand is higher and there isn't that much inventory.

"We have absorbed the excess inventory that was in the market. Now we're back to a more normal supply-and-demand situation where there isn't an excess of supply and the demand is rising," he said.

Lawrence Yun, NAR chief economist, said growing demand for homes with limited inventory is pressuring home prices in much of the country.

The national median existing home price for all housing types was $178,600 in October, which is 11.1 percent above a year ago. This marks eight consecutive monthly year-over-year increases, which last occurred from October 2005 to May 2006, the NAR said.

NAR President Gary Thomas said even with rising home prices, "We'll continue to see favorable housing affordability conditions over the coming year, but they won't last forever.

"Inflationary pressures are expected to build during the next two years. As a result, mortgage interest rates will also rise with inflation," he said.

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage fell to a record low 3.38 percent in October from 3.47 percent in September. The rate was 4.07 percent in October 2011.

It is very clear that there has been an uptick in prices and consumers are seeing that as well, Bailey said.

"They are anxious to go ahead and purchase now while the getting is good before the prices continue to rise," he said.

Fritzi Barbour, vice president and broker-in-charge at Coldwell Banker Caine in Greenville, said it is clicking with people that it's unknown what the interest rates will be a year from now, inventory is diminishing, and "it certainly looks like the houses will be more expensive."

Like Bailey, Barbour said more multiple offers are creeping back, which is "a great, healthy sign in the market place."

Those multiple offers aren't being limited to just in-town ZIP codes or areas that seem to be the most insulated, but lots of lower, more affordable price ranges and the suburbs are having the same kind of demand, she said.