Home sales hold their ground

State's gains suggest more growth, experts say; nation lags behind

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The word recovery may no longer apply to the housing market in South Carolina.

Sales of existing homes here have been positive throughout the year, with October showing a 5.2 percent gain from a year ago and year-to-date numbers up 19.4 percent.

Nick Kremydas, CEO of the South Carolina Realtors, told *The Greenville News* that statewide sales should end "on a positive note" this year and "I think we've got a good chance for continued good, moderate-paced growth."

"I do think we can stop using the word recovery and just start talking about housing again," Kremydas said.

The same cannot be said for sales across the country.

Nationwide, total existing-home sales — completed transactions that include single-family homes, townhomes, condominiums and co-ops — fell 3.2 percent in October from September, but were 6 percent

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higher than the level in October 2012, the National Association of Realtors said.

Lawrence Yun, NAR chief economist, said the "erosion in buying power is dampening home sales" and "low inventory is holding back sales while at the same time pushing up home prices in most of the country."

"More new home construction is needed to help relieve the inventory pressure and moderate price gains," Yun said.

Sales, particularly in the West, are being hurt by limited inventory, said Walter Molony, spokesman for the national real estate trade group.

The market also is being affected by factors such as tight credit, issues involving flood insurance, transaction delays due to the recent federal government shutdown, and uncertainty about the impact of new Qualified Mortgage rules that go into effect in January, he said.

"The market still has a ways to go. Some areas have not recovered yet," Molony said. "We think we're still underperforming, given the population growth. The market should be continuing to improve, but right now it's looking like 2014 is going to be flat."

South Carolina now is benefiting from the factors that contribute to a healthy housing market — an improving job market, historically low interest rates, industry and businesses moving in and expanding in the state, consumer confidence, rising home prices, and shrinking foreclosure rates, Kremydas said.

Year-to-date sales in every market across the state were greater than those in 2012. The increases ranged from 6.3 percent in the Southern Midlands market to 48 percent in Cherokee County. In the Greater Greenville market, year-to-date sales improved by 25.8 percent.

Dan Hamilton, CEO and team leader at Hamilton & Co. of Keller Williams, told *The News* that while there may not be optimism about the overall economy, "There is a higher level of optimism about what's happening in Greenville."

Nick Sabatine, CEO of the Greater Greenville Association of Realtors, said activity in the local housing market has been good all year, thanks in part to the influx of new money, employment and interest rates remaining low.

Statewide, inventory levels fell 4.5 percent to 46,528 units and prices moved higher as the median sales price increased 3.3 percent to $154,900.

The housing market here faces similar challenges cited by Molony, Kremydas said.

Additionally, there was a little bump in mortgage rates this summer and "we're waiting to see if they'll bump up again and what impact they could have," Kremydas said.

Long-term, South Carolina Realtors also is watching out for inflation's impact on mortgage rates, Fannie and Freddie Mac reform, possible action on the mortgage interest deduction, a bill known as PATH Act which some say could eliminate 30-year mortgages, and property taxes on the state level.

"But the primary focus for us is to continue improving the South Carolina economy and to advocate for the elimination of these potential barriers," Kremydas said.