BUSINESS

Home sales increase in May

Tax credit keeps numbers strong

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A strong buying season, low mortgage rates, and the federal homebuyer credit helped the Greenville market continue its streak of increased home sales in May.

But Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, said the streak could slow in July, the first month to show sales that are not induced by federal incentives.

"The $75,000 to $150,000 price range has been extremely active because of the first time homebuyer program," he said. "We might see a slight slowdown in that price range."

There were 673 residences sold in this region last month, accounting for a 15.4 percent year-over-year increase in area home sales, according to Greater Greenville Multiple Listing Service statistics.

Year-to-date sales were up 15 percent, statistics show.

Real estate experts have credited the federal homebuyer tax credit for improvements to the housing market locally and nationwide.

Homebuyers had to have a contract signed by April 30 and must close their transaction by June 30 top qualify for the credit.

A new effort is underway by Congress to extend that closing deadline to September 30.

That would be good, Sabatine said, "but it's not going to change sales at all. You won't be able to put a house under contract and get the tax credit."

The proposed extension applies solely to the closing date, not the tax credit program itself.

"What's happening is a lot of the mortgage processing has been delayed by appraisals or credit checks being late. Even though the house may be under contract, there may be issues with home inspections and that kind of thing that's delaying the closing date," Sabatine said.

The National Association of Realtors said the number of home buyers who have qualified for the tax credit and met the contract deadline, but would not be able to close by June 30, could exceed 180,000.

The association also said about one third of qualified applicants have been notified by lenders that their mortgages will not close before June 30 due to the volume of applications in the pipeline.