Home sales surge on low rates, tax break

Improved jobs picture called key to sustained real estate recovery

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A rush by buyers to take advantage of government incentives and low mortgage rates in April gave the state and nation its biggest boost in existing home sales in five months.

Sales statewide rose 36.3 percent last month, according to statistics from the South Carolina Association of Realtors. Nationwide, sales of previously owned homes rose 7.6 percent to a seasonally adjusted annual rate of 5.77 million, the National Association of Realtors reported Monday.

Regionally, sales were up 33 percent in Greater Greenville, 20.3 percent in Spartanburg, 72.7 percent in the Hilton Head area, 48.7 percent in Coastal Carolinas, and 20.1 percent in Greater Columbia.

Lawrence Yun, NAR chief economist, said the gain was "widely anticipated" due to the tax credit deadline.

Sales were up in all parts of the country except the West, where sales dropped by 6.2 percent from March. The gains were led by a 21.1 percent jump in the Northeast. Sales rose 8.6 percent in the South.

Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, expects local home sales up until July to reflect the tax credit.

Yun said there will be some temporary fallback in the months immediately after the tax credit expires. ."

Mortgage rates fell last week to the lowest level for the year and close to 50-year lows.

Patrick Newport, an economist at IHS Global Insight, said what will really drive sales forward after July will be the job market.

"Having a good mortgage rate helps affordability, but we've had low mortgage rates for a long time now," he said.