Interest rates spark sales

Realtor: Hikes push home buyers to act

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Rising interest rates may be pushing more prospective buyers off the fence toward deciding to buy a home.

That almost weekly inching up of interest rates, coupled with improving economic conditions, are likely behind a boost in home sales across the region, the state and the nation, real estate experts told GreenvilleOnline.com.

"Buyers are looking at the interest rates rising, realizing that they're still very low," said Nick Sabatine, CEO of the Greater Greenville Association of Realtors. "If they're on the fence about making an offer on a property, I think now is the time they're going to do it."

Greenville-area home sales rose 31 percent year-over-year in June, with 917 residences sold. Year-to-date sales were up 28 percent, with 4,385 units sold.

The number of residences sold statewide last month was 13.5 percent higher than the total sold in June 2012, according to Multiple Listing Service statistics from S.C. Realtors Association.

The total units sold from January to June 2013 was 30,351 — an 18.8 percent increase from the 25,538 sold during the same period last year.

According to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage rose to 4.07 percent in June from 3.54 percent in May. It was 3.68 percent in June 2012.

Mark Vitner, senior economist for Wells Fargo Securities, said the rise in interest rates is primarily being driven by an improving economy.

He expects home sales and housing starts to continue to "steadily improve even as interest rates edge higher, provided that mortgage rates do not increase at a faster pace than underlying economic conditions improve."

The state realtors' group said its statewide market report for June shows "the housing recovery is on its way."

The report says new listings in the state increased 4.2 percent to 8,867 and pending sales grew 12.1 percent to 5,544. While the inventory levels dropped 8.5 percent, the median sales price went up 4.4 percent to $164,900, the report said.

Statewide, the days-on-market number was down 16.3 percent to 112 days in June. The average days-on-market in the Greenville area dropped 15.5 percent to 142 days and the inventory fell .17 percent, from 5,692 to 5,682 units.

The inventory is low because of activity in the market, Sabatine said. He said real estate agents here are getting multiple offers on properties and "it's keeping the market active."

"I think we're leaning toward a seller's market now," Sabatine said.

The median sales price rose 5.7 percent this month to $187,000 and the average sales price increased to $263,588.

National June home sales statistics are expected on July 22.