Home sales surge in July

Prices, interest rates pull buyers off sidelines

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A general belief that home prices and interest rates are about as low as they're going to get seems to be pulling prospects off the sidelines.

That is what buyers are telling the agents at Joy Real Estate, says Craig Bailey, the firm's managing broker. And that's part of the reason why his company saw a nearly 50 percent increase in buyer traffic and closed sales year-over-year last month, Bailey said.

"It's been phenomenal," he said.

The sentiment may well be shared throughout the Greenville metro area, which had the best month for existing home sales since February 2011, according to Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors.

The Greenville region, which includes Pickens and Laurens counties, saw sales jump 13.1 percent year-to-date last month and 17.6 percent from July a year ago, statistics from the Greater Greenville Association of Realtors show.

Sabatine said the increase in sales is a reflection of the spring activity. Properties sold last month typically went under contract around April and May, he said.

There were 722 residences sold in July compared with 614 sold the same month last year.

Sales could be even higher if credit wasn't so tight, Bailey said. Presently, "the only folks

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BY THE NUMBERS

» Sales jumped **13.1 PERCENT** year-to-date in July

» **722 RESIDENCES SOLD** in July compared with 614 same time last year

» **MEDIAN HOME PRICE $149,000** from Jan. through July this year, up from $141,150 from same period last year

SOURCES: Greater Greenville Association of Realtors; Joy Real Estate broker

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that are able to get credit are the most creditworthy," he said.

Rick Quinn of Quinn Satterfield Inc., a Greenville-based homebuilder, said many buyers he's seeing have sold their home somewhere else. Others live in Greenville and are simply ready to improve or change locations.

Bailey said a lot of his purchasers are downsizers. Some are buyers moving in from out of town, he said.

"I know this from personal experience talking to these buyers," Bailey said. "Many are coming from the North, the Midwest and the Northeast. They come literally sight unseen. We drive them around and Greenville sells itself."

The rise in home sales is affecting home prices and inventory. Greater Greenville also saw a 5.6 percent year-to-date increase in its median home price — $141,150 from January through July 2011 to $149,000 the same period this year.

Median home sale prices were also up 6 percent from a year ago to $156,000 last month.

Inventory has dropped 15.4 percent, from 6,585 Aug. 10, 2011, to 5,684 Aug. 10, 2012.

Bailey said some of that price appreciation is due to a better quality of buyers.

"Folks that are in the lower price range are having a tough time getting credit so most of our sales tend to be in a higher price bracket," he said.

The drop in inventory is putting an "upward" pressure on home prices, and that's good, in a sense, Quinn said.

"Builders have been building for numbers that were unreasonable for a while, just making things work for the last three or four years, taking prices that were dangerously low," he said. "To get a little bit of profit built back into the job — not a lot — but just enough to survive and have a little bit left at the end of a job is what we all want."