BUSINESS

Local home sales get boost

Optimism, low rates spark 13.4% increase

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Consumer confidence and low interest rates helped local sales remain positive for another month.

Statistics released Wednesday by the Greater Greenville Association of Realtors showed home sales increased 13.4 percent last month compared to sales in October 2012. They were also up 25.8 percent higher year-to-date.

Dan Hamilton, CEO and team leader at Hamilton & Co of Keller Williams, said interest rates are creeping up a little bit. People are trying to taking advantage of the rates while they're still low, he said.

And, he said, 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 GGAR, 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.

Home sales every month this year have shown an improvement over sales in 2012. October sales were the lowest they've been in the past three months.

Buyers closed on 721 residences last month, compared to 749 in September, 899 in August and 955 in July.

The total number of residences sold in October 2012 was 636.

"We're coming into the time of the year when it's traditionally slower and that will have its normal effect," Sabatine said. "But I just look at where we are compared to 2012 and what an improvement there has been."

October statistics show the average sales price in this region increased 4.6 percent, while the median sales price rose 4.5 percent. The average days on the market dropped 11 percent.

As of Nov. 10, there were 5,429 active residences on the market, which represents a 2.0 percent increase from the same period last year.

Hamilton said the inventory now is actually at a "pretty good proper balance."

"Over the past year, inventory has been going down. Now we're starting to see it level out a little bit," he said.

"We actually break it down a little further by price point so if you're looking at the $100,00 to $200,000 price range, there's about three and a half months of inventory, which is a very balanced market," he said.

The number of homes sold from January 1 to October 31, 2013 was 7,788 -- more than the 7,433 total number of homes sold in 2012.

Sabatine believes sales for 2013 will reach 2008 level of 8,021 and probably pass it, which is another "good sign."

Going forward, Hamilton said he does worry about the impact of the Affordable Care Act on home sales. When you see the cost of healthcare really go up, it's going to make a significant impact on disposable income, money that could be spent on such things as housing, Hamilton said.

"I do think that as long as we're in a flux for that, there is cause for concern," he said.