Local housing market still on the skids

Double-digit home sales declines rock Oconee, Pickens

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WALHALLA — The housing industry in Oconee and Pickens counties was rocked by a one-two punch in the second quarter — high double-digit declines in home sales and residential building- permit activity.

Together, the latest statistics for the three-month period ending June 30 is cause for concern to real estate professionals, homebuilders and government officials as the important housing engine that helps drive the overall economy continues to sputter badly.

According to a recently released residential building trend report, Oconee and Pickens issued more than 50 percent fewer permits combined during the months of April, May and June than during the same period in 2008. The number of such permits is a strong indicator of future economic activity in a county.

Oconee recorded 52 permits in the second quarter

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afterissuing 66 in the first quarter. The second quarter total also is down almost 53 percent from the 109 permits posted at the same time last year.

Pickens didn't fare any better with 46 permits issued in the second quarter, or 165 percent less than the 122 issued during the same period in 2008.

The results are troubling given that residential-building activity usually picks up in the spring.

Dale Akins, who compiles the residential building trend report for selected markets in the Southeast, said all markets except the Upstate of South Carolina had a significant increase in building permits from the first to the second quarter.

"The Q2 totals this year are the first upward trend in many markets since 2006," Akins said.

Equally disappointing for Oconee and Pickens is skidding home sales.

According to the latest housing market information released by the South Carolina Association of Realtors, 697 homes were sold during the second quarter in the Tri-County area that also includes Anderson County. That marks a 17.3 percent drop from the 843 homes sold during the second quarter of 2008.

Year-to-date, 1,195 homes have sold in the area, which is 21.2 percent less than a year ago.

The one saving grace in the local housing market is that the median price of homes has remained fairly stable unlike many markets across the country where prices have plummeted. Year-to-date, the area's median price of homes is $120,000, which is down 1.6 percent from the $122,000 median price during the same time a year ago.

The median price is the point where half of homes sell for more and the other half for less.

Most experts expect the local housing industry to rebound when the economy picks up early in 2010.