More homes being sold

Supply of existing houses starting to shrink

By Angelia Davis
Staff writer
davisal@greenvilleonline.com

It's not quite a seller's market for home sales in the state, but it's starting to lean in that direction, real estate experts said after May numbers generally improved from last year.

Sales "looked very good" last month, said Nick Kremydas, chief executive officer of the state realtors association.

Coupled with the shrinking inventory of homes on the sales block — 10,000 fewer than last year — the outlook for residential real estate continues to improve, he said.

"We knew going into this year that we were looking at some possible ups and downs as the market kind of finds its bottom," Kremydas said.

"But I think the numbers are still encouraging and are continuing to show a growth trend, even though it is a slight growth trend. That is kind of what we were predicting in the beginning of the year."

BY THE NUMBERS

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jump year to date

Greenville MLS statistics show

Only four of the state's 16 markets — Cherokee, Greenwood, Spartanburg and Sumter-Clarendon counties — had a worse May than last year.

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Greater Columbia topped the state among the larger markets with a 20.3 percent gain in May, while the Charleston Trident region reported an 18.3 percent increase.

SALES

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Kremydas said statewide statistics are on track with those of 2011, with shrinking inventory being among the biggest changes. The levels have dropped from 63,342 in May 2010 to 49,308 in May 2012. Inventory in Greater Greenville fell 17.5 percent, from 6,987 in May 2011 to the current 5,672.

Michael Dey, executive vice president of the Home Builders Association of Greenville, said local builders are responding to the drop in inventory here, and housing starts are increasing to meet the rising demand.

The concern, he said, is the diminishing supply of "buildable" lots in the Greenville area.

It's difficult to get financing right now to start a residential real estate development, he said, so "we're not adding new lots as the inventory of existing lots disappears."

There is still a healthy supply of inventory in the state, Kremydas said, but if the market doesn't react to the demand and with population growth estimates, "It's not hard to imagine a situation in a few years where we do have a shortage in supply which drives prices up and gives buyers fewer choices when they're out there looking."

A shortage would also make the area less attractive for economic development, Dey said.

"Companies that locate here need to feel assured that, among other things, their employees will have affordable places to live," he said.