BUSINESS

Rates help spur August sales

Buyers rush to get homes before interest rises

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Buyers trying to beat rising interest rates helped push home sales up in August to the highest level in more than six years.

Sales of existing family homes surged 13.2 percent from a year ago and were 1.7 percent higher than last month, the National Association of Realtors (NAR) said Thursday.

Nationwide, sales are at the highest pace since February 2007, when they hit 5.79 million, and have remained above year-ago levels for the past 26 months, NAR said. The pace of sales is above what the NAR is projecting for 2014, which is 5.2 million, said NAR spokesman Walter Molony.

"When interest rates were rising quickly, people that were in the market decided to move quickly to take advantage of the condition before the rates rose higher, so we saw a spike in sales," Molony said.

According to Fannie Mae chief economist Doug Duncan, mortgage rates have increased more than 100 basis points since early May. The trend is expected to continue gradually during the next year, he said.

"Despite the rise in mortgage rates, we expect the housing recovery to continue, with the mortgage market shifting away from refinance activity and more toward purchase activity," Duncan said.

Molony said the sales spike in August may have borrowed some sales from future months. Sales may not hold at the current level.

"It's likely to come down, but stay at year ago levels," Molony said.

Sales in Greater Greenville home have also been trending above year-ago levels, though month-to-month sales dropped slightly from July to August.

Year-to-date sales in the Greenville metro area were up 27 percent. The region also had a 21 percent year-over-year increase in home sales last month.

The August statistics released by South Carolina Realtors (SCR) show statewide increases of 15 percent year-over-year, 23 percent from the previous quarter and 20 percent year-to-date.

The Beaufort area was the only market to show a decline in sales, with a year-over-year drop of 6.5 percent. Sales in Greenwood remained unchanged from August 2012 to August 2013.

The national median home price for all housing types was $212,100 in August, up 14.7 percent from August 2012. It is the strongest year-over-year price gain since October 2005 when the median rose 16.6 percent, and marks 18 consecutive months of year-over-year price increases, NAR said. The median sales price for South Carolina was $164,950 in August.