

# Sales dive blamed on end of tax credit

## Foreclosure sales off across state, nation

By **Angelia Davis**

STAFF WRITER  
adavis@greenvillenews.com

The expiration of the federal homebuyer tax credit may be responsible for a slowdown in sales of foreclosed properties in the state and nation during the year's third quarter.

RealtyTrac, an online marketplace for foreclosure properties, said 19.4 percent or 1,918 of the homes sold in South Carolina during the third quarter were foreclosures. That's a 26 percent drop from the year's second quarter and an 8.5 decline from the same time last year.

Nationwide, foreclosure homes accounted for 25 percent of the home sales in the third quarter, amounting to a decrease of 25 percent from the previous quarter and a decrease of nearly 31 percent from the third quarter of 2009.

James J. Saccacio, chief executive officer of RealtyTrac, said the dive in demand in foreclosures was created by the expired homebuyer tax credit in the third quarter. He said the "foreclosure-processing controversy, which was brought to light at the very end of the third quarter, could chill demand even further — particularly for foreclosure properties."

The extended homebuyer tax credit required homebuyers to have a signed, written, binding contract by April 30 and close by June 30. Congress extended the closing deadline to Sept. 30.

Local and national real estate experts said they expected to see a drop in sales when the tax credit expired.

"We've had a decline in overall sales because of the expiration of the tax credit although they may be trending back up," said Walter Molony, spokesman for the National Association of Realtors. "But it's been an even tide floating all boats, the foreclosure sales declined proportionately with non distressed sales."

According to RealtyTrac's report, sales on foreclosures in the Greenville-Mauldin-Easley metropolitan area were down 14.2 percent year-over-year. Anderson, Columbia, Spartanburg, Charleston-North Charleston, and the Myrtle Beach area had year-over-year percent drops of 9.6, 40.8, 28.2, 32.9 and 89.2, respectively.