State home sales cool off in March

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Slow growth was the common denominator in March for home sales on local, state and national levels.

Nationwide, existing home sales slid 0.2 percent to 4.59 million in March from 4.60 million in February, the National Association of Realtors (NAR) said Tuesday. Sales were 7.5 percent below the 4.96 million-unit pace in March 2013, the NAR said.

South Carolina as a whole saw home sales dip 2.5 percent from February to March, and 0.3 for the quarter, according to SC Realtors, the state trade group.

March numbers from the Greater Greenville Association of Realtors show a 3.6 percent jump in home sales for the year's first quarter and a 9.5 percent rise in average selling price.

There was a slight fall in monthly sales for March, after 15 straight months of year-over-year gains. Experts attributed the 2.8 percent decline to February's chill that made for a horrible month to show houses.

Lawrence Yun, NAR chief economist, said there should be stronger levels of home sales given the population growth. Instead, he said, "price growth is rising faster than historical norms because of inventory shortages."

Existing home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, were weak for the entire first quarter of 2014, said Walter Molony, NAR spokesman.

He said the contributing factors were weather, frictions of tight credit and limited inventory, particularly for first-time home buyers.

"There's very few, relatively speaking, choices in the lower price ranges. That's where it's tightest," Molony said. "So there's just not a lot of opportunities particularly for first-time home buyers who continue to underperform."

Molony said, "Hopefully, with ongoing job creation, we will have some more pickup from the weather delays and shopping activity."

He also said the second quarter should be stronger. "But because we started the year so weak, we think the year as a whole is going to be down a little bit — maybe about 2 percent below 2013," he said.

With the ongoing tight inventory situation, home prices are still rising above normal, Molony said.

The median existing-home price for all housing types in March was $198,500, up 7.9 percent from March 2013, NAR said. Statewide, the median sales price was up 3 percent, from $151,500 to $156,000.

Total housing inventory nationwide at the end of March rose 4.7 percent to 1.99 million existing homes available for sale, which represents a 5.2-month supply at the current sales pace, up from 5.0 months in February, NAR said. Unsold inventory is 3.1 percent above a year ago, when there was a 4.7-month supply.

Inventory across South Carolina dropped 2.5 percent.