

BUSINESS

State's existing home sales rise

Quarterly volume surges 22.8 percent over '10 in Greater Greenville market

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South Carolina saw a quarterly spike in sales of existing homes as more households nationwide are shifting toward rentals.

Sales of previously owned homes throughout the state were up nearly 10 percent in the year's third quarter.

September sales were down 10.4 percent from a year ago and 5.1 percent year-to-date, according to

statistics from South Carolina Realtors.

Eleven of the state's 15 markets, including Greater Greenville, saw a jump in sales during the third quarter. The increases ranged from 2.2 percent in Greater Columbia, to 40.8 percent in Aiken, statewide Multiple Listing Statistics show.

Home sales in Greater Greenville were up 22.8 percent from third quarter 2010.

Brian Reed, vice president of client services at

CB Richard Ellis/The Furman Co., told Greenville-Online.com that there are two variables at play — employment and housing choice.

"Although employment growth has been lower than expected, with only a few exceptions, employment is higher now than it was 12 months ago. That's a good thing from a home sales standpoint," he said.

Based on preliminary data for August, employment in the Upstate is up 1.2 percent over this time last year.

"The average rate of growth over the last thirty years is 0.7 percent. So the

rate of growth is higher than average, but not as high as is needed to offset the loss of jobs over the past three years, where year-over-year employment dropped by 7.8 percent between June of 2008 and June 2009," Reed said.

In terms of housing choice, he said, "more people, for a variety of reasons, are choosing to live in multi-family housing units. This decreases the number of people who are entering the home-buying market."

Homes are the most affordable that they've been in decades. The national average commitment rate

for a 30-year, fixed-rate mortgage fell to 4.11 percent in September, according to Freddie Mac. The rate was 4.35 percent in September 2010.

The shift from owning to renting reflects financially stressed households and "demand from young and newly formed households who have decided to postpone homeownership in favor of renting during unsettled economic times," said Frank Nothafft, chief economist for Freddie Mac.

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