BUSINESS

Upstate home sales decline

Greater Greenville market saw first pullback in 13 months in July

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Home sales in Greater Greenville dipped for the first time in 13 months in July, following a weak economy and the expiration of the federal tax credit.

Year-to-date home sales increased 9.3 percent last month, according to statistics released by the Greater Greenville Multiple Listing Service. But the number of homes sold was down 17 percent in July, when compared to the same time last year.

Nick Sabatine, chief executive officer of the Greater Greenville Association of Realtors, said the drop is close to what he expected with the close of federal homebuyer tax credit.

But he said it's the overall economy that's really hurting the housing market.

"The economy is driving the housing market, where normally the housing market drove the economy," Sabatine said. "The reason for that, I think, is the unemployment level."

C. Dan Joyner, founder, president and chief executive officer of Prudential C. Dan Joyner Real Estate Co., attributes the drop in sales mostly to the time of the year. July, he said, is when a lot of families go away for vacations.

Joyner said his company had "several pretty big closings" that were supposed to close out in July but will instead close in August.

"A lot of people didn't close because they were out of town, so we're hoping August is going to make up the difference," he said.

Fritzi Barbour, vice president and broker-in-charge at Coldwell Banker Caine, said consumer confidence does seem to have cooled over the summer, but she believes the year-over-year drop in sales was "heavily influenced by sales that fell through due to low appraisals."

"When the appraisal comes in low, the buyer automatically has feeling of doubt that they didn't have before. We have seen a pretty fair number of sales fall through," she said.

The Greater Greenville housing market remains stable and continues to fare better than most markets in the country, real estate leaders said.

Statistics show the volume of sales year to date was up 13 percent in July to more than $706,000. Both the average and median sales prices were also up by 3.5 and 2.6 percent respectively.

The homes that sold continue to reflect the first time homebuyer tax credit, which expired in April, Sabatine said.

But with the close of that tax credit, sales of homes priced primarily in the $100,000 to more than $200,000 have become "stagnant," he said.

Members of the local realtors association are now seeing an increase in sales of homes priced above $300,000, Sabatine said.

"I think the reason for that is the interest rates are so low," he said.

The average rate for 30-year-fixed loans fell this week to 4.42 percent, mortgage buyer Freddie Mac said.

Joyner said his company is among those seeing a rise in sales of homes priced $400,000 and up.

He said people are buying homes now because they believe their jobs are stable and they want to take advantage of the historically low interest rates.

"That has kind of stimulated the market more than anything. People know that interest rates are not going to stay at this level. It's just incredible," Joyner said.