

Upstate dominates lake house market



This home was intentionally designed and constructed to aesthetically improve with age. Centuries-old, European style meets new construction on this Lake Keowee home. JOANN BENZINGER/CONTRIBUTOR

Report: Real estate values have increased by 15% since 2017

Anna B. Mitchell Greenville News
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Rule No. 1: If you want to sell your lake house for more than \$1 million, install a wine cellar.

Real estate values on the state's lakes have bumped up 15 percent since spring 2017, according to a new report out from the multistate real estate firm Lake Homes Realty. And Upstate lake properties — complete with wine cellars, wraparound back porches, billiards rooms and outdoor fireplaces — are leading the way.

Total current value of the state's lakeside real estate, including homes and undeveloped parcels: \$1.48 billion. It was \$1.28 billion a year ago.

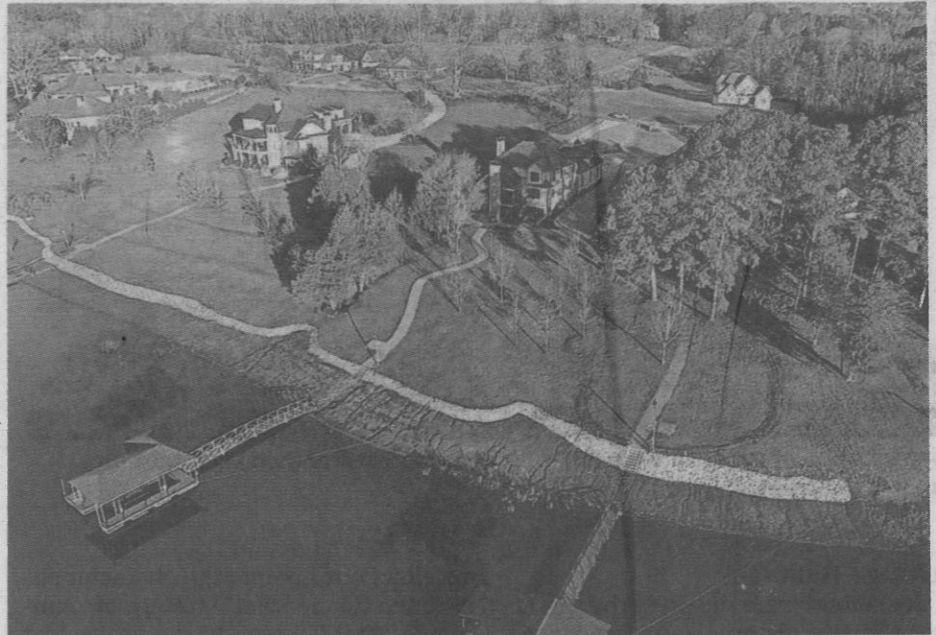
Lake Keowee is at the top of the watery heap with a \$355 million lake market — nearly a quarter of the state's lakeside inventory. Not far behind is Lake Hartwell at \$326 million, or about 22 percent of the state's inventory.

Falling in line after the Upstate lakes, according to the report, are Murray (\$217 million), Wylie (\$213 million), Marion (\$72.5 million), Greenwood (\$59 million), Thurmond (\$49.8 million), Wateree (\$33 million), Carolina (\$21.9 million) and Robinson (\$20 million).

"Everything seems to be active this year," said Jordan Smith, a Realtor with Parker Quigley Real Estate in Anderson. "It's stayed strong coming into this year, and a lot of people are coming in from out of state — the North and the Midwest. They are looking for a simpler life-style."

Glenn Phillips, CEO and founder of Lake Homes Realty, said the Southeast in general is doing well compared with properties in the Midwest and New England, where his company also operates.

"Some of that is tax related," Phillips



Listed at \$1.3 million, this home at 102 Ambassador Drive in Anderson is among the most expensive on Hartwell Lake. COURTESY OF LAKE HOMES REALTY

said.

So why do Hartwell and Keowee dominate the state's lakeside housing market? Here is a summary of what experts said:

1. Location, location, location

Interstate 85 splits Lake Hartwell, making it accessible from four exits in Anderson County alone. Smith said that makes Hartwell convenient both for people who use it as their primary residence and for people looking for a quick, low-key weekend getaway from Atlanta, Greenville or Charlotte.

According to the Lake Homes Realty Report, Atlanta is the No. 1 metro area outside of the state where buyers are

See MARKET, Page 4A

Lakeside real estate value

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Market

Continued from Page 1A

looking to buy South Carolina lake houses. No. 2 is Charlotte and No. 3 is New York City.

"Hartwell seems to be a lot more of your everyday livers," Smith said. "They want a lake in their backyard or have the simplicity of their situation without the planned neighborhood. There's more freedom on that end."

Keowee, he said, benefits from its remoteness — people go there looking for pristine water in a planned community. The Duke Energy-operated lake boasts three Cliffs gated communities complete with golf courses and club houses. But with that comes a higher price tag. Seventy Keowee homes on the market this spring had price tags in excess of \$1 million.

"Keowee is more expensive," Smith said. "The entry line with good water on Hartwell, you are looking at the \$325,000 range. Sometimes you find them for \$300,000, but \$350,000 gets you a good house on good water in a good area. On Keowee, you're closer to \$500,000."

2. Size matters

Lake Hartwell is enormous, with 962 miles of shoreline, which has helped bump it over other lake markets by sheer volume. Among all the state's lakes, Hartwell has the most listings with 1,373 — about 24 percent of all lakeside homes and undeveloped parcels for sale across the state, according to the Lake Homes Realty report. For its part, Keowee has nearly 1,100 for sale, second most in the state.

The next closest is Lake Murray with 672 listings.

3. It's the economy, stupid

Jason Pate, head of media relations for Lake Home Realty, put it simply: "You don't need to buy a lake home," he said. "You're not homeless. People who are looking at lake homes, they are wanting to buy these."

All economic indicators for housing are up, according to the state Department of Commerce's most recent economic outlook: The median home price in April was \$201,000, 7 percent higher than in April 2017; and the value of building permits from January through

April (\$2.8 billion) was up 14 percent compared with the same period in 2017.

The upward trajectory has carried over to lake properties, local real estate experts say, though they acknowledge values will likely never recover to pre-2008 levels. Longtime lake Realtor Bill Brissey in Anderson said he had lots selling for \$300,000 in the early 2000s.

"We're talking just lots," Brissey said, "and we don't see as many selling for that. We had a big downturn in 2008, and lakefront properties still have not gained back what they lost."

Before the 2008 crash, many people bought lakefront property just to flip it, Phillips said.

"They lost money the day they bought those lots," Phillips said. "The market will never recover to help those people."

Still, new construction is now evident on lakes across the state and lot sales have picked up. On Keowee, 805 lots are currently for sale; another 799 are for sale on Hartwell, according to the report. And for existing homes that are priced appropriately, sales are happening fast, Phillips said.

"Homes that are hot are between

\$350,000 and \$400,000," he said.

Lake Hartwell resident Herb Burnham said four new houses are under construction in his neighborhood, Teakwood Plantation off Exit 14.

"The construction had almost died off," Burnham said.

"Then all of a sudden about a year ago, we started seeing more new homes going up in the neighborhood. There's one across from me that will be three-quarters of a million dollars. And there's another one going up two blocks down from it."

4. Water, water everywhere

A statewide drought in 2008 saw Lake Hartwell fall to historic lows — about 22 feet below full pool by December of that year. Keowee didn't drop much because its waters cool the Oconee Nuclear Station, but Jocassee upstream dropped more than 20 feet.

"It was pretty pitiful looking," Burnham said.

Muddy banks made marketing lake-side homes difficult, and another, if less severe, drought in 2011-12 did not help matters.

"We've got a lake that's at least full," Burnham said. "As long as it's pretty close to full, everybody's happy."

5. The view

Another thing Hartwell and Keowee have going for them: the view. Keowee is at the foot of the Blue Ridge Mountains, while the shoreline of Hartwell is protected as a natural resource by the U.S. Army Corps of Engineers. Homeowners cannot touch the land within about 60 or 70 feet of the shoreline.

"A good half of my backyard is corps property," Burnham said. "My dog can't even go down there and relieve himself without corps approval."

Burnham, president of the Lake Hartwell Association, had previously lived on Lake Norman north of Charlotte — a Duke Energy lake where homes are built right on the shoreline. Fertilizer from manicured lawns spilled into the water and weeds grew too thick for him to navigate his sailboat on the lake.

"I think (Duke) learned a lot from that and they have done a good job with Keowee — it's a very clean lake," Burnham said.