

'It's insane': Local realtor reflects on 2015-20 home, property sales

By the numbers

Property sales

Lake Keowee land and residential	
2015	\$148M
2020	\$370M

Oconee County land and residential	
2015	\$271M
2020	\$602M

FROM PAGE A1

BY RILEY MORNINGSTAR
THE JOURNAL

SENECA — The wave of property sales throughout Oconee County in 2020 compared to 2015 will require the total operating millage to be lowered this fall to avoid tax increases, according to one local real estate broker.

The broker, who requested anonymity due to business deals in the area, told The Journal this week people leaving states with high taxes and COVID-19 restrictions in 2020 was a "huge driver" in the real estate market.

"People who could afford to come to the area with a second home — they're in downtown Atlanta and Atlanta is shut down — they'd much rather work from their

nice second home lake house than they would downtown Atlanta," the realtor said. "That was a huge driver that helped push demand. Then what's also helped push demand is there's a natural turnover.

"People come to the area and they buy some-

thing, use it strong for a season or two or move here permanently, love the lake but they don't

get to see their grandkids enough so they own it for four or five years and

then put it back on the market and move closer to their kids."

The realtor said COVID has reduced the natural turnover because, "what if that happens again?"

"So now there's a

SEE INSANE, PAGE A5



OUR VIEW

TO READ A RELATED
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TO PAGE A4.

At the end of March, there were 65,672 commercial and residential parcels being evaluated. That figure was approximately 62,000 in 2017 and 62,292 in 2010, according to Robinson.

KEY FACTORS IN ASSESSMENT

Market value, according to state law, is defined as the amount that a property can reasonably be expected to sell for on the open market with a willing buyer and a willing seller. The appraised or fair market value of real and personal property multiplied by the appropriate corresponding assessment ratio equals the assessed value, according to the Oconee County Auditor's Office. Assessed value

multiplied by the millage rate equals the amount of property tax due, according to the office.

Millage is the number of mills levied to meet the budget of the county, city, school district or special purpose district. A unit of monetary value, one mill is equal to one one-thousandth of a dollar per \$1 of assessed property value.

Millage is based on assessed values for real estate, aircraft, boats, business personal property, manufacturing, vehicles and other items. The total county millage dropped to 226 last September.

Millage is calculated by dividing the prior year property taxes levied as adjusted by

abatements and additions by the adjusted total assessed value — taken from a countywide equalization and reassessment program. Assessed value is formulated by the taxable value multiplied by the assessment ratio. Taxes are then calculated by the assessed value multiplied by the millage rate, subtracting any exemptions.

Data from reassessment is passed on to the auditor, who consults with county council on the assessed value of property in the county. From there, county council votes on establishing a millage rate to fund county operations. County operations currently totals 77.4 mills, with the current value of a mill at

APPRAISAL CAN BE C

If one di
assessor's
property
state law allows for that. Within 90 days of the assessment notice, the taxpayer must file a written objection with the assessor on one or more of the following grounds — the fair market value, the special use value, the assessment ratio or the assessment.

THE JOURNAL STAFF

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INSANE: 'Once upon a time, Keowee wasn't on the map'

FROM PAGE A1

scarcity, which also helps drive price points up," the realtor said. "A lot of companies are still allowing people to work from home. You've got executives that have figured they can do a tremendous amount of work from the office in their lake house."

PROPERTY SALES AND REASSESSMENT

Reassessment is currently ongoing, which is mandated by state law to have all properties reappraised every four years with a one-year lag for implementation. This assessment period is based on 2020 sales, which dwarfed the last one that happened based on 2015 sales.

While admitting they had a "limited knowledge" of how reassessment worked, the realtor did say the county millage would have to be dropped.

"As property values go up, unless they lower millage, taxes are going to go up," the person said.

What also boomed were sales for land and homes

in the Lake Keowee area, where Oconee County Councilman John Elliott represents District 1 and faces challenger Kay Keehn Knapp in next month's Republican primary.

The total sales increased by more than \$220 million around Lake Keowee in 2020 compared to 2015.

"I would say it's a stronger market than the regular housing market in Oconee County," the realtor said of lake sales.

PREDICTIONS OF A RECESSION?

At a council meeting earlier this month, Elliott said "It looks like we're

going into a deep recession."

"We go into a deep recession, fuel prices will go down,"

he said. "Historically."

The realtor interviewed for this report said they just

"don't see the values dropping" on the lake in a recession, which the person "absolutely" sees looming.

"I just don't," the realtor said. "Once upon a time, Keowee wasn't on the map, but it suddenly is. South Carolina is the second most inbound state in the union, just behind Arizona (according to the National Association of Realtors). ... I think (a

'South Carolina is the second most inbound state in the union, just behind Arizona. ... I think (a recession) will slow us down, and all it honestly would do is return us to a normal market. It's insane.'

Local realtor

recession) will slow us down, and all it honestly would do is return us to a normal market. It's insane."

It's not a shock to have nine offers — in all cash — above asking price for homes in Oconee now, the realtor added.

"If interest rates continue to rise, it will definitely affect the lake market, but not as much as most, because I have

never in my entire life seen so many offers that are coming in full cash. A lot of cash offers," the realtor said. "It suggests to me there's a lot of higher income — again, the market is strong everywhere. They're selling off in New York, Ohio and California. They're tired of the politics and cost of living."

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