

Myrtle Beach area real estate revives

November real estate sales shot up more than 60 percent from last year and marked a three-month trend of increased sales in the Grand Strand market.

In November, single-family home sales were up 65 percent, and condominium sales were up 69 percent, when compared with the same month last year, according to statistics compiled Thursday from the Multiple Listing Service.

"We've got a trend here," said Tom Maeser, a real estate analyst for the Coastal Carolinas Association of Realtors. "It's very encouraging ... certainly a definite improvement. Last year was just such a terrible year, it's good to see some rebound."

- The real estate market has seen some positive growth in sales in part of the market since June, but until November sales, increases hadn't been consistent for three consecutive months in more than two years.
- "We've been looking for some uptick for a long time, and we've seen it in the last few months," said Rod Smith of Coldwell Banker Chicora.

Business has slowly and steadily been picking up since June, he said.

There are a number of factors driving up sales, Smith said, including pent-up demand, the first-time home buyer tax credit and increasing consumer confidence.

The first-time home buyer tax credit, which was originally set to expire at the end of November, was extended through April 30 and expanded to add a \$6,500 credit for most people who buy a new primary residence. People who have owned a home for at least five consecutive years in the past eight years are eligible for the \$6,500 credit, and people who have not owned a home in the past three years are considered first-time buyers.

As first-time home buyers started buying, other people who had been waiting to purchase a home decided to buy as well, he said.

Smith said that the looming expiration date of the tax credit likely did push some buyers who wanted to take advantage of the benefit.

Some critics say that the tax credit is propping up the weak housing market, but Smith disagrees. He said it merely encourages people who may have wanted to buy but were reticent.

"I really do believe we're at the bottom now, and we're stomping along in the mud," Smith said. "I don't think you're out of the bottom until values start increasing, and I think the values are going to remain constant for a while."

The median home price dropped 12 percent to \$170,000, and the median condo price dropped 19 percent to \$121,450 in November, when compared with the same month last year.

Maeser said a several-months trend of price increases would signal that the market is coming out of the strong buyer's market the downturn has created.

"The prices are just so good, and because we're such a heavy investor market, we're getting people to commit their cash to buying houses ... and that's what's driving the market," he said.

Radha Herring, of the Watermark Real Estate Group, said that she is mainly selling condos priced at less than \$150,000 to cash buyers.

"We've continued to see the investors come into Myrtle Beach looking for these kinds of opportunities," she said.

With prices so low, investors who had been sitting on the sidelines are taking advantage of the good values, Herring said, adding that she thought business would be slow in November and December but has been surprised to find that it isn't.

She is also seeing properties sell faster than they have in at least a year, with desirable properties moving quickly.

Herring is telling buyers that there will still be the opportunity to buy in 2010 but that the deals and features they are looking for may start to dwindle.

"There will still be tons of inventory into 2010, just maybe not at the price you want," she said.

Inventories are starting to draw down from last year, and as properties sell, the market will eventually see home values rise, said Penny Boling of Century 21 Boling and Associates.

Foreclosures and short sales - a sale when a seller negotiates with the lender to sell a house for less than what is owed on the mortgage - continue to drive prices down, and until most of those properties have been sold, prices will not start to gain value. Foreclosures and short sales made up about 25 percent of total sales last month on the Grand Strand.

"We are cleaning up the market that needs to be cleaned up," Boling said.

Sales at her business have been good, and she is seeing increased consumer confidence, with buyers making decisions more quickly.

"People have got cash, they want to put it in something, so they put it in real estate," she said.

Boling said she thinks sales increases will continue through December and into next year.

"I'll be happy to say goodbye to 2009," she said, "and look for a continuation of an increasing in sales and getting our market where we'll see appreciation again."

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