

Homes sales yet to see slump hurting rest of state

BEA QUIRK
CONTRIBUTING WRITER

York County is a hidden gem in the housing market for the Charlotte region.

Because its statistics are usually included in data for the Charlotte region as a whole, York's healthy market can be overlooked. Even within the state, the S.C. Association of Realtors combines stats from York and Lancaster counties and doesn't break them out separately.

According to the association, sales of single-family houses and condominiums in the two counties — including new and existing properties — increased 8.1% last year to 3,909 from 3,617 in 2006. Statewide, there was a 10.5% drop to 61,678 from 68,900, which included a 29% decline in Myrtle Beach and a 22% drop in Beaufort.

Statewide, the average sales price was unchanged at \$159,000 in 2007. The York/Lancaster average of \$161,000 rose 0.2% from the 2006 average.

That sales performance is a standout in the region. According to Carolina Multiple Listing Services Inc., the Charlotte region saw 39,984 home sales in 2007, a drop of 8.6% from 2006. For the region, the average sales price rose almost 5% to \$231,170.

Most home sales in York and Lancaster occur in York County.

Allen Tate Co. has 80 Realtors in its Rock Hill office and 45 in Fort Mill, both in York County, compared with 20 in Lancaster.

However, recent results show home sales dropped 18.4% in York and Lancaster in the fourth quarter from the corresponding period in 2006.

David Poole, a Realtor for Allen Tate in Rock Hill, says the market doesn't appear as bleak as the fourth quarter suggests. In January, Poole says, "Sales were brisk, although flat compared to January 2006. Still, we feel blessed to have flat sales. And I won't say we won't see a surge come the spring."

Curt Sieck, president of the Home Builders Association of York County and president of Jeff Carey Homes, a custom home builder in Lake Wylie, also expects sales to improve with the weather. "I expect to see things blossom when the trees start budding. I don't think we'll see a slowdown like the rest of the country. I don't think we'll see much of a slide."

The biggest factor he sees in the slowing pace of sales stems from would-be buyers from out of state who are having trouble selling their homes, which impedes their ability to buy. But he cites several factors that will overcome that: York County's proximity to Charlotte, the inexpensive cost of real estate compared with Mecklenburg County and lower property-tax rates. "A lot of my former customers are smiling," he says.

Others are not sure the lower taxes make that much of a difference. "Consumers make the decision to buy a home based on a lot of things," Poole says. "It's schools, it's quality of life, it's how close it is to work. It doesn't hurt that taxes are lower. But I can't

say there's a mass rush to the border because of that."

Virtually all buyers ask about schools and taxes, "but we don't pit one county or state against the other," Poole says. Many Realtors have dual licensure to sell homes in the Carolinas so they can work both sides of the state line.

Property-tax rates are generally lower in South Carolina because of a state law passed in October 2006. Before the legislation's passage, school systems had taxing authority and could set their own rate on homes within a district. School funding, Poole says, accounted for about 60% of homeowners' property taxes.

That part of the property tax has been eliminated, and the statewide tax

on food was cut to 3% from 5%. In its place, the state sales tax was hiked by one percentage point to 6% in June. York's rate is 7% because of its Penalties for Progress program that funds road construction. The new sales-tax receipts support the state's schools and are distributed to systems based on enrollment.

S.C. homeowners saw the drop when 2008 tax bills were mailed in October. In January, they also received reimbursements on their 2007 property taxes.

Poole says property taxes on a \$154,000 home in York County totals about \$1,300 in Mecklenburg, that figure is \$1,900.

That may give comfort to long-term owners and newcomers, but some observers wonder if school funding

will suffer. Mark Nix, executive director of the Home Builders Association of South Carolina, is concerned about the tax scheme's long-term impact on schools and the state's attractiveness to newcomers.

"People with children buy homes based on the school systems, and property values — and taxes — tend to be higher where the schools are strong," Nix says. "Now, some poor schools are getting more money, but others are getting less. People move to South Carolina because of the schools. Will they continue to do that with this new system?"

Bea Quirk is a Charlotte-based freelance writer who can be reached at beawrites@aol.com.