

CHARLESTON WEATHERS THE ECONOMIC STORM: REAL ESTATE MARKET PROMISES SUNSHINE



Even though, the housing industry is nowhere near their record highs, the current scenario is the best they have had in a long time and home-sales in the Charleston region are picking up and the indicators are pointing towards a continued resurgence. The Charleston Trident Association of Realtors, in its last monthly report said, that sales volume showed an increase of 7 percent, by the first 10 days of April and was up by 4 percent, from where it was at this time of the year. Total sales aggregated 2,064 homes at a nucleus price of \$177,500. This boom is also reflected in the sale of apartments. Information from Charlotte-based Real Data, reveal that around 1,600 units are under construction and around 3,000 have been proposed to be built. This is more than at any other point in the past three and half years, an indication that builders are responding positively to the demand for houses. Building-permits for constructing apartments have increased by 68 percent to 285,000. Even though this is highly encouraging, during better days, the number was close to 400,000 per year. The main contributors that are driving the housing market are rising rents, increasing jobs and banks willing to approve home-loans. Banks are willingly sanctioning loans. Two of the biggest banks, JPMorgan Chase and Wells Fargo have approved more mortgage applications than before. Karen Mayfield, senior vice-president of Bank of the West said, "The ones buying now are older, they've saved up for a while, they have good jobs, they are not risky." Ed Kopal, owner of a construction company in East Texas, said that his revenue had doubled this year, when compared to the dismal last year. "We're doing so much more business than we have in years." There are many who share Kopal's optimism. Jeff Meyer, of J. Meyer Homes and chairman of the Charleston Trident Home Builders Association said, "People are starting to feel a little bit of excitement, and they are cautiously optimistic. It's almost funny. I look at other builders and they look at me and we ask, 'Are you doing as well as I am?' You're afraid to jinx it." Meyer said that buyers seemed less fearful and that his company had sold five houses in the past seven weeks, which he admits, "is good for someone like us." "Job growth is the key," he said. "I think we're lucky here in Charleston that we're seeing some job growth." Rents are also increasing, so there are incentives of both types of housing. Some builders are chasing high rents, where renters, unwilling to pay higher rents, prefer to invest and buy. Kennon Reinard, after living in a rented two-room accommodation for the past 6 years, purchased a four-bedroom house for nearly \$260,000. A delighted Reinard said, "We've always wanted a house, but we never thought we could afford one. But we started noticing friends buying houses last summer, and when we checked it out, we realized we could own a whole home with a backyard without paying that much more than what we're paying in rent." The strengthened job market also makes it easier to go for a mortgage and say goodbye to rent payments. Reports say that the unemployment rate has fallen from 9.1 percent in August to 8.2 percent last month. Employers have added an average of 212,000 jobs a month from January through March. This is the first time since 2008 that the housing industry has added to the growth, not subtracted from it. The most common financing option is the 30-year loan. Mortgage buyer Freddie Mac said that the 30-year loan rose to 3.90 percent from 3.88 percent. As more and more families join their friends and other buyers, the trend will hopefully continue its upsurge. Looking for Charleston jobs? [Click here](#).

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