

## Chamber issues upbeat '08 home sales forecast

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Is this the year that the local real estate market will begin to recover?

The Charleston Metro Chamber of Commerce thinks it will be, at least for sales of existing homes.

The chamber's economic forecast for 2008 calls for those sales to increase 6 percent this year to 12,972 transactions.

The increase would signal a turnaround from a local housing slump that's entering its third year.

The chamber said activity is poised to pick up thanks to attractive mortgage rates, a relatively healthy local economy and demand from out-of-town buyers.

One of the biggest obstacles to a turnaround is that potential buyers from outside the region or state are struggling to sell their current homes so they can relocate, based on agents' reports, said Mary Graham, the chamber's senior vice president of public policy.

But that could start to change by midyear, thanks partly to cheaper mortgages, according to the forecast. The chamber is calling for home loan rates to average 5.78 percent in 2008 before edging up slightly next year.

A market turnaround will have to materialize pretty quickly for the forecast to hit its target. Existing home sales this year are off about 25 percent compared to 2007, according to the Charleston Trident Association of Realtors.

Pam Bishop, a Mount Pleasant-based agent with Prudential Carolina Real Estate and a member of the chamber's economic outlook board, said she has seen an uptick in activity with sales contracts and property showings.

"I know that in my office ... everyone seems to be busy," she said. "I have to work this weekend, and you don't complain."

The upbeat housing outlook does not extend to builders. The number of construction permits that will be issued for new homes this year is projected to slip 8 percent from 2007. But that's still a marked improvement from the 20 percent decline between 2006 and 2007.

Like any forecast, the chamber outlook is not infallible. Last year it predicted that homes sales would be off slightly when they actually fell 19 percent. "I don't think we can say much except 'We blew it,' " Graham said.

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