

Florida's existing home sales slow, median price edges down in Feb. 2007

ORLANDO, Fla. – March 23, 2007 – Florida's housing sector continued to show a more sustainable pace of sales in February, while still-low mortgage rates sparked buyer interest, according to the Florida Association of Realtors (FAR). Statewide, sales of single-family existing homes totaled 10,779 last month compared to 14,080 homes sold in February 2006 for a 23 percent decrease.

Real estate industry experts across the state think the outlook for Florida's single-family residential housing market has brightened, according to a quarterly survey conducted by the University of Florida. The survey shows that a growing number of those polled find home prices are staying even with inflation.

"If you're thinking of buying a house, there's probably not much to be gained by holding out at this point," says Wayne Archer, director of UF's Bergstrom Center for Real Estate Studies. "It doesn't look like prices are going to fall anymore. We see that as a benchmark. When prices maintain the same level as inflation, then we're probably in some kind of equilibrium. It indicates the market is stabilizing."

Florida's median sales price for existing single-family homes in February was \$235,500; a year ago, it was \$242,500 for a 3 percent decrease. The median is the midpoint; half the homes sold for more, half for less. In February 2002, the statewide median sales price for single-family homes was \$131,800, for an increase of about 78.7 percent over the five-year-period, according to FAR records.

In January 2007, the national median sales price for existing single-family homes was \$209,200, down 3.5 percent from the previous year, according to the National Association of Realtors® (NAR). In California, the statewide median resale price was \$559,640 in January; in Massachusetts, it was \$340,000; in Maryland, it was \$303,842; and in New York, it was \$300,000.

Existing home sales likely will gradually rise this year and into 2008, according to NAR's latest housing outlook. "Underlying trends point to a housing recovery in 2007, but it will take a couple months for us to get a better handle on it," says NAR Chief Economist David Lereah. "Existing-home sales are expected to slowly improve from what appears to be the cyclical low last fall."

Sales of existing condominiums in Florida also decreased last month, with a total of 3,172 condos sold statewide compared to 4,397 in February 2006 for a 28 percent decline, according to FAR. The statewide median sales price for condos last month remained flat at \$212,200; a year ago, it was \$213,000. NAR reported the national median existing condo price was \$222,200 in January 2007.

Last month, interest rates for a 30-year fixed-rate mortgage averaged 6.29 percent, up slightly from the average rate of 6.25 percent in February 2006. FAR's sales

figures reflect closings, which typically occur 30 to 90 days after sales contracts are written.

Among the state's larger markets, the Sarasota-Bradenton Metropolitan Statistical Area (MSA) reported more sales of existing homes and condos in February. A total of 598 existing homes sold last month compared to 568 homes sold a year ago for a 5 percent increase. The market's median sales price for homes was \$294,500; it was \$324,200 in February 2006 for a 9 percent decrease. A total of 278 existing condos changed hands in the MSA last month, a 31 percent increase over the 212 condos sold the previous year. The existing condo median sales price in February was \$357,500; a year ago, it was \$255,200 for an increase of 40 percent.

"People who were simply looking (at homes) before are now starting to make offers," says May Aston, president of the Manatee County Association of Realtors and a founding Realtor with RE/MAX Gulfstream Realty in Bradenton. "Why wouldn't you buy now? Mortgage rates are still incredibly low and buyers are able to consider a range of inventory. People are drawn to Manatee County for a number of reasons, including our relaxed lifestyle, yet we're conveniently located near the hustle and bustle of Sarasota and Tampa."

Among the state's smaller markets, the Melbourne-Titusville-Palm Bay MSA reported a total of 474 homes sold in February compared to 484 homes a year ago for a 2 percent decrease. The existing home median sales price was \$201,100; a year ago, it was \$232,700 for a 14 percent decline. A total of 103 existing condos sold in the MSA last month compared to 156 condos the previous February for a 34 percent decline. The market's existing condo median price was \$168,800; a year ago, it was \$206,300 for a decrease of 18 percent.

Lance VandeBerg, president of the Spacecoast Association of Realtors and broker-owner of VandeBerg Real Estate & Investment Inc. in Merritt Island, agrees the pace of home sales is starting to pick up as buyers show renewed interest in the housing market. "The Space Coast has a strong high-tech business climate and offers great values for housing opportunities, especially for coastal properties," he says. "And, with mortgage rates continuing to be so favorable, right now is a great time to buy."