

Existing Homes Sales: 24 October 2007

ORLANDO, Fla., Oct. 24, 2007 – Mirroring the national trend, turmoil in the mortgage market impacted Florida's housing sector in September, despite continued low unemployment rates and other positive economic activity. Statewide, sales of existing single-family homes totaled 8,688 last month while 14,044 homes sold in September 2006 for a decrease of 38 percent in the year-to-year comparison, according to the Florida Association of Realtors® (FAR).

Housing industry analysts previously predicted that mortgage disruptions would affect home sales in September. The National Association of Realtors'® (NAR) latest market outlook expects conditions for the mortgage industry to improve in the coming months and that widening credit availability will help homebuyers. Keeping the current housing market in perspective, 2007 will be the fifth highest year on record for existing-home sales, says NAR Senior Economist Lawrence Yun. "Although sales are off from an unsustainable peak in 2005, there is a historically high level of home sales taking place this year," he says. "One out of 16 American households is buying a home this year."

Florida's median sales price for existing single-family homes last month was \$221,200; a year ago, it was \$243,300 for a 9 percent decrease. The median is the midpoint; half the homes sold for more, half for less. In September 2002, the statewide median sales price for single-family homes was \$139,600, for an increase of 58.5 percent over the five-year-period, according to FAR records.

The national median sales price for existing single-family homes in August 2007 was \$223,900, essentially even with the year-ago figure, according to NAR. In California, the statewide median resales price was \$588,970 in August; in Massachusetts, it was \$357,000; in Maryland, it was \$315,850; and in New York, it was \$255,000.

Sales of existing condominiums in Florida also decreased last month, with a total of 2,557 condos sold statewide compared to 4,032 in September 2006 for a 37 percent decline, according to FAR. The statewide median sales price for condos last month was \$194,200, down 4 percent from September 2006's condo median price of \$202,800. NAR reported the national median existing condo price was \$228,500 in August 2007.

Last month, interest rates for a 30-year fixed-rate mortgage averaged 6.38 percent, according to Freddie Mac, which was lower than the average rate of 6.40 percent in September 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 Jacksonville Metropolitan Statistical Area (MSA) reported 878 existing homes sold last month compared to 1,191 homes sold a year ago for a 26 percent decrease. The market's median sales price for homes was \$194,800; it was \$190,800 in September 2006 for a 2 percent increase. A total of 113 existing condos changed hands in the MSA last month, down 14 percent from the 132 condos sold the previous year. The existing condo median sales price in September was \$162,700; a year ago, it was \$185,500 for a 12 percent decrease.

"Northeast Florida is a wonderful place to live," says Hank Oltmanns, president of the Northeast Florida Association of Realtors and broker-owner of A Broker's Choice Realty. "The unemployment rate in Jacksonville is between 3 to 4 percent, and new business is always coming into the area and generating jobs. The St. Johns River offers access to anywhere in the world. Jacksonville offers all the amenities of a big city, yet the lifestyle here is relaxed and laid-back."

Among the state's smaller markets, the Panama City MSA reported a total of 102 homes sold in September compared to 113 homes a year ago for a 10 percent decrease. The existing home median sales price was \$184,000; a year ago, it was \$203,000 for a 9 percent decrease. A total of 38 existing condos sold in the MSA last month compared to 32 condos the previous September for a 19 percent increase. The market's existing condo median price was \$250,000; a year ago, it was \$262,500 for a decrease of 5 percent.

Scott Bowman, president of the Bay County Association of Realtors and a broker-sales manager with Prudential Shimmering Sands Realty, says that the area's investment in new infrastructure is attracting buyers' interest. "A lot of things have been happening in our market over the past few years: We've widened our roads, built a new bridge and had a new airport site approved," he says. "The injection of new infrastructure is having a good impact on the market, along with expanding industries. For example, there's a company wanting to use the Panama City port facility for a wood pellet [a renewable energy source] plant they're planning in the northern part of our county."