

Florida home sales, prices gain in August

ORLANDO, Fla. -- Sept. 26, 2005 -- Sales of single-family existing homes in Florida rose 4 percent in August, following a dip in statewide resales activity reported for each of the previous two months, according to the Florida Association of Realtors® (FAR). Statewide, a total of 21,318 homes changed hands in August 2005 compared to 20,491 homes a year ago.

The statewide median sales price rose 31 percent last month to \$246,500; a year ago, it was \$188,700. In 2000, the statewide median sales price for single-family existing homes was \$117,100, which translates to an increase of about 97.8 percent over the five-year period, according to FAR records.

"A gentle slowing in growth rates associated with the Florida market for existing single-family homes is evident in the August 2005 data (latest available)," says David Scott, executive director of the Dr. Phillips Institute for the Study of American Business Activity and professor of finance at the University of Central Florida (UCF). "But consider that for the first eight months of 2005, unit sales have expanded by a respectable 2.48 percent over the comparable eight months of 2004, while for all of 2004 vs. 2003 the growth rate in sales hit double digits at 10.74 percent."

He notes that just as double-digit rates of growth are impossible to sustain in the overall economy, such gains also are not sustainable in the home resale market. It appears that "a mild -- and mild is emphasized -- pullback in the overall robustness of the state existing real estate market is in place," Scott says.

The national median sales price for existing single-family homes was \$217,900 in July, up 14.6 percent from July 2004, according to the National Association of Realtors® (NAR). In California, the statewide median resales price was \$540,900 in July; in Maryland, it was \$308,888; in New York, the median price was \$279,900; and in North Carolina, the average price was \$212,600.

Interest rates remained at favorable low levels last month, with the 30-year fixed-rate mortgage averaging 5.82 percent; a year ago, it averaged 5.87 percent, according to Freddie Mac. FAR's sales figures reflect closings, which typically occur 30 to 90 days after sales contracts are written.

Among the state's larger metropolitan statistical areas (MSAs), Orlando reported strong sales last month, with a total of 3,418 homes changing hands compared to 3,141 homes last year for a 9 percent gain. The market's median sales price increased 43 percent to \$248,600; a year ago, it was \$174,000.

Continued low mortgage rates are encouraging people to buy homes, says Lydia Pisano, president of the Orlando Regional Realtor Association and team leader with Keller Williams of Orlando. "Inventory is rising and mortgage rates are stable and still low," she says. "It's still a really good time to buy, homeowners can be proud of their investment and yet it's also a good time for sellers who are getting their asking prices. The market remains healthy."

Other larger markets reporting higher sales last month compared to August 2004 include: Jacksonville, where 1,796 homes sold for a 15 percent increase; and West

Palm Beach-Boca Raton, where 1,319 homes sold for a 5 percent gain. The median sales price also rose in both markets: in West Palm Beach-Boca Raton, 27 percent to \$411,400; and in Jacksonville, 18 percent to \$197,200.

Among the state's smaller MSAs, the Gainesville market reported an 11 percent boost in home sales in August, with 352 homes changing hands compared to 316 homes a year ago. The area's median sales price rose 10 percent to \$190,000; a year ago, it was \$173,100.

Bonnie Mott, president of the Gainesville-Alachua County Association of Realtors and broker/president of Prudential Preferred Properties of Gainesville, says that the area appeals to a wide range of buyers with its college-town atmosphere, cultural activities and educational opportunities. "Gainesville has excellent health care and a strong labor force and employment outlook," she says. "Our businesses offer a lot of job opportunities and are even having a hard time finding workers."

Other smaller MSAs reporting strong resales activity last month include: Fort Pierce-Port St. Lucie, where 741 homes sold for a 16 percent increase; and Tallahassee, where 570 homes sold for a 39 percent gain. The median sales price in those markets also rose: in Fort Pierce-Port St. Lucie, 33 percent to \$267,600; and in Tallahassee, 4 percent to \$163,800.