

## Home Sales – Sept 25 2007

### Florida's existing home sales ease in August

ORLANDO, Fla. – Sept. 25, 2007 – Low mortgage rates, low unemployment rates and strong demographics continued to reflect positive economic signs in Florida in August. Statewide, sales of existing single-family homes totaled 11,279 last month and were closer to activity in August 2001 and 2002 – before the peak of the housing boom years – than the August 2006 figures, when 15,252 homes sold for a 26 percent decrease in the year-to-year comparison, according to the Florida Association of Realtors® (FAR).

Florida's median sales price for existing single-family homes last month was \$231,900; a year ago, it was \$246,800 for a 6 percent decrease. The median is the midpoint; half the homes sold for more, half for less. In August 2002, the statewide median sales price for single-family homes was \$141,200, for an increase of 64.2 percent over the five-year-period, according to FAR records.

In July 2007, the national median sales price for existing single-family homes was \$228,600, down 1 percent from the previous year, according to the National Association of Realtors® (NAR). In California, the statewide median resale price was \$586,030 in July; in Massachusetts, it was \$365,775; in Maryland, it was \$323,838; and in New York, it was \$249,700.

NAR's latest market outlook notes that disruptions in the mortgage market are dampening the forecast for home sales, particularly in August and September. However, the mortgage markets will calm in the months ahead, says NAR Senior Economist Lawrence Yun. "The volume of existing-home sales this year will be better than 2002, which was the second year of the housing boom," he says. "Conventional loans – the vast majority of available financing – are available to creditworthy borrowers. Buyers in most areas who do their homework will recognize that housing remains a good long-term investment."

Sales of existing condominiums in Florida also decreased last month, with a total of 3,380 condos sold statewide compared to 4,522 in August 2006 for a 25 percent decline, according to FAR. The statewide median sales price for condos last month was \$196,800, down 3 percent from August 2006's condo median price of \$201,900. NAR reported the national median existing condo price was \$230,600 in July 2007.

Last month, interest rates for a 30-year fixed-rate mortgage averaged 6.57 percent, according to Freddie Mac, close to the average rate of 6.52 percent in August 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 West Palm Beach-Boca Raton Metropolitan Statistical Area (MSA) reported 568 existing homes sold last month compared to 655 homes sold a year ago for a 13 percent decrease. The market's median sales price for

homes was \$366,200; it was \$386,000 in August 2006 for a 5 percent decrease. A total of 435 existing condos changed hands in the MSA last month, down 16 percent from the 515 condos sold the previous year. The existing condo median sales price in August was \$209,000; a year ago, it was \$220,300 for a 5 percent decrease.

“Palm Beach offers a unique lifestyle, with beautiful beaches, cultural amenities and other wonderful opportunities,” says Norma Mirsky, president of the Palm Beach Board of Realtors and president of Mirsky Realty Group. “Mortgage rates continue to be very favorable and this is a great time to buy a home in the area, especially if you’re looking for a place to live in and call home.”

Among the state’s smaller markets, the Fort Walton Beach MSA reported a total of 219 homes sold in August compared to 255 homes a year ago for a 14 percent decrease. The existing home median sales price was \$227,300; a year ago, it was \$229,200 for a 1 percent decrease. A total of 51 existing condos sold in the MSA last month compared to 47 condos the previous August for a 9 percent increase. The market’s existing condo median price was \$311,500; a year ago, it was \$356,300 for a decrease of 13 percent.

Harry Millsaps, president of the Emerald Coast Association of Realtors and a Realtor with Prudential Coastal Properties Inc., says that home sales are returning to a more normal pace in the area, with buyers attracted by the laid-back, friendly lifestyle. “The Federal Reserve Board’s recent cut in a key interest rate could make it easier for many people to find an affordable mortgage that’s right for them,” he says. “It is especially good news for homeowners with adjustable-rate mortgages; now, as many ARMs reset their rates, those borrowers could see some savings as a result of the lower interest rates. Buyers seeking to make a long-term investment in a home of their own have more options now.”

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