

Florida's existing home sales soft, median price edges down in March 2007

ORLANDO, Fla. – April 24, 2007 – Sales of existing homes in Florida remained at a sustainable pace in March, with buyers continuing to see favorable mortgage rates and a range of housing options available across the state, according to the Florida Association of Realtors® (FAR). Statewide, sales of single-family existing homes totaled 13,469 last month compared to 18,751 homes sold in March 2006 for a 28 percent decrease.

Florida's median sales price for existing single-family homes in March was \$236,000; a year ago, it was \$244,600 for a 4 percent decrease. The median is the midpoint; half the homes sold for more, half for less. In March 2002, the statewide median sales price for single-family homes was \$134,100, for an increase of 75.9 percent over the five-year-period, according to FAR records.

In February 2007, the national median sales price for existing single-family homes was \$211,100, down 1.5 percent from the previous year, according to the National Association of Realtors® (NAR). In California, the statewide median resales price was \$564,700 in February; in Massachusetts, it was \$325,000; in Maryland, it was \$308,275; and in New York, it was \$265,000.

Rising foreclosures are impacting inventories in some markets, according to housing industry analysts, who predict that tighter lending standards and the fallout from subprime loans will slow the housing sector's recovery. NAR Chief Economist David Lereah noted that most local markets are demonstrating healthy economic activity and thus can absorb the increases in foreclosures.

In fact, 2007 is expected to be the fourth highest year on record for existing-home sales, according to NAR's latest housing market outlook. "Housing remains a great long-term investment," Lereah said. "As home sales moderate, overall home prices will be essentially flat this year. The good news is that inventories remain well below the levels experienced during the last housing downturn in the early 1990s, and supplies are close to balance in many areas."

Sales of existing condominiums in Florida also decreased last month, with a total of 4,236 condos sold statewide compared to 6,193 in March 2006 for a 32 percent decline, according to FAR. The statewide median sales price for condos last month was \$208,800, up 2 percent from March 2006's condo median price of \$203,900. NAR reported the national median existing condo price was \$225,400 in February 2007.

Last month, interest rates for a 30-year fixed-rate mortgage averaged 6.13 percent, a drop from the average rate of 6.32 percent in March 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 725 existing homes sold last month compared to 929 homes sold a year ago for a 22 percent decrease. The market's median sales price for homes was \$375,100; it was \$393,700 in March 2006 for a 5 percent decrease. A total of 650 existing condos changed hands in the MSA last month, down 8 percent from the 706 condos sold the previous year. The existing condo median sales price in March was \$211,800; a year ago, it was \$224,600 for a 6 percent decrease.

"The wide selection and diversity of housing choices in the Palm Beach area is a boon for buyers," says John Mike, president-elect of the Realtors Association of the Palm Beaches and a Realtor sales associate with Prudential Florida WCI Inc. in West Palm Beach. "Historically, this area is—and continues to be—an appealing getaway destination for many people, especially in the winter."

Among the state's smaller markets, the Tallahassee MSA reported a total of 360 homes sold in March compared to 499 homes a year ago for a 28 percent decrease. The existing home median sales price was \$188,800; a year ago, it was \$173,500 for a 9 percent increase. A total of 29 existing condos sold in the MSA last month compared to 30 condos the previous March for a 3 percent decline. The market's existing condo median price was \$150,000; a year ago, it was \$161,800 for a decrease of 7 percent.

Robby Turner, president of the Tallahassee Board of Realtors and broker-owner of Robby Turner Realty in Tallahassee, says that area Realtors feel they're dealing with a more normalized market. "Interest rates still are favorable to buyers, and we're starting to see buyers return to take advantage of the many housing options open to them. Our two universities, a community college and the state government here in Tallahassee are a stabilizing factor for our economy and for the local housing market."