

Home Sales Update

Florida's existing home median price rises; sales ease in April 2006

ORLANDO, Fla. -- May 25, 2006 – Florida's housing sector continued to show signs of market adjustments in April as mortgage rates edged up and the inventory of homes available for sale remained at higher levels in many markets. Statewide, the existing-home median price rose 13 percent to \$249,700 last month; a year ago, it was \$221,100, according to the Florida Association of Realtors (FAR). A total of 16,392 existing single-family homes sold statewide last month, a decrease of 31 percent from the 23,844 homes that changed hands during the previous April, according to FAR.

In 2001, the statewide median sales price was \$127,100, which is an increase of about 96.4 percent over the five-year-period, according to FAR records. The median is a typical market price where half the homes sold for more, half sold for less.

Nationally, the median sales price for existing single-family homes was \$217,300 in March, up 7.8 percent from a year earlier, according to the National Association of Realtors (NAR). In California, the statewide median resales price was \$561,350 in March; in Massachusetts, it was \$344,000; in Maryland, it was \$298,617; and in New York, it was \$260,000.

Most of the U.S. is entering a period of equilibrium in the housing market, which is good for the long-term health of the sector, according to NAR housing industry analysts. NAR notes that sales overall remain historically strong and are providing a solid foundation for the overall economy.

Looking to Florida's existing condominium market, sales of existing condos also decreased in April, with a total of 5,556 condos sold statewide compared to 8,775 in April 2005 for a 37 percent decline, according to FAR. The statewide median sales price for condos rose 4 percent to \$222,900 last month; a year ago, it was \$213,400. The national median existing condo price was \$225,500 in March 2006.

The interest rate for a 30-year fixed-rate mortgage in April averaged 6.51 percent, up from the 5.86 percent averaged during the same month a year ago. 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 Orlando metropolitan statistical area (MSA) reported 2,491 existing homes sold last month compared to 3,375 homes sold in April 2005 for a decrease of 26 percent. The market's median existing home price rose 24 percent to \$263,100; a year ago, it was \$211,500. A total of 486 existing condos changed hands in Orlando last month for a 61 percent gain over the 302 condos sold in April 2005. The market's median existing condo price rose 10 percent to \$166,100; a year ago, it was \$150,800.

"The single-family existing-home market has eased its pace, but the market is returning to a more normal balance after a long run of record sales and low inventory," says Beverly Pindling, president of the Orlando Regional Realtor Association and broker-partner of Orlando Real Estate Professionals. "With economists predicting the national housing market to be the third-best ever (below 2005 and 2004), by comparison this confirms that Orlando remains a very strong local market. Our condo market offers many homeownership opportunities priced under \$200,000, which helps to meet the challenge of getting more people into their first home."

Of the state's smaller markets, the Tallahassee MSA reported a 5 percent gain in existing home sales in April, with a total of 436 homes changing hands compared to 415 homes sold last year. The area's median existing home sales price rose 11 percent to \$172,000; a year ago, it was \$154,800. Thirty-six existing condos sold in Tallahassee last month for an increase of 112 percent over the 17 condos sold a year ago. The market's median existing condo price rose 11 percent to \$152,900; a year ago, it was \$137,500.

Tallahassee Board of Realtors President Kenny Ayers says the area offers a range of housing options at attractive prices, which helps to drive demand. "People are still coming to North Florida and employment is strong -- they like the Florida atmosphere and the convenience of only being about 30 minutes away from beaches," says Ayers, a new-home specialist with Heritage Homes Realty, representing Turner Heritage Homes of Tallahassee. "The Tallahassee area also offers a variety of housing opportunities, from downtown living to more rural development."

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