

Florida's existing home sales pace slows in January 2007

ORLANDO, Fla. – Feb. 27, 2007 – The pace for Florida's existing home sales remained slow in January, though the inventory of homes began to drop in many markets across the state, according to the Florida Association of Realtors® (FAR). Statewide, sales of single-family existing homes totaled 9,382 last month compared to 12,906 homes sold in January 2006 for a 27 percent decrease.

Existing home sales likely will gradually rise this year and into 2008, according to the latest housing outlook from the National Association of Realtors® (NAR). "Home sales may appear weak in comparison with the record surge in 2005, but they will be sustained at historically high levels that are in line with long-term demand," says NAR Chief Economist David Lereah. As inventory levels become more balanced over the next few months, analysts also expect to see some modest price gains.

Florida's median sales price for existing single-family homes in January was \$239,300; a year ago, it was \$243,200 for a 2 percent decrease. The median is the midpoint; half the homes sold for more, half for less. In January 2002, the statewide median sales price for single-family homes was \$128,900, which represents an increase of about 85.6 percent over the five-year-period, according to FAR records.

In December 2006, the national median sales price for existing single-family homes was \$221,600, unchanged from the previous year, according to NAR. In California, the statewide median resale price was \$567,690 in December; in Massachusetts, it was \$335,000; and in Maryland, it was \$304,789.

Sales of existing condominiums in Florida also decreased last month, with a total of 3,007 condos sold statewide compared to 4,279 in January 2006 for a 30 percent decline, according to FAR. The statewide median sales price for condos last month remained stable at \$209,000; a year ago, it was \$212,000 for a 1 percent dip. NAR reported the national median existing condo price was \$227,000 in December 2006.

Last month, interest rates for a 30-year fixed-rate mortgage averaged 6.22 percent, up slightly from the average rate of 6.15 percent in January 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 slower sales of single-family homes in January, though more existing condos changed hands. A total of 783 existing homes sold last month compared to 938 homes sold a year ago for a 17 percent decrease. The market's median sales price for homes was \$185,000; it was \$194,100 in January 2006 for a 5 percent decline. A total of 152 existing condos changed hands in Jacksonville last month, a 10 percent increase over the 138 condos sold the previous year. The existing condo median sales price in January was \$147,600; a year ago, it was \$170,000 for a 13 percent decrease.

"The Jacksonville area continues to offer some of the best values in the state for housing opportunities – what buyers can get for their dollar is a strong draw for our market," says Hank Oltmanns, president of the Northeast Florida Association of Realtors and broker-owner of A Broker's Choice Realty. "We're the largest geographic city in the lower 48 states, the land prices here are better than in many other areas and we still have room to grow; all of these factors give us a depth of market variety. Plus, our strong diversified labor market and business base is a definite asset."

Among the state's smaller markets, the Pensacola MSA reported a total of 279 homes sold in January compared to 317 homes a year ago for a decrease of 12 percent. The existing home median sales price rose 1 percent to \$159,200; a year ago, it was \$158,100. A total of 27 existing condos sold in Pensacola last month compared to 43 condos the previous January for a 37 percent decline. The market's existing condo median price rose 13 percent to \$195,000; a year ago, it was \$172,500.

Doug Gooch, president of the Pensacola Association of Realtors and office manager for Palm Realty of Pensacola, says people are drawn to the area's scenic beauty and more relaxed lifestyle. "We have some of the most beautiful and pristine beaches in the state," he says. "Plus, we offer buyers a variety of housing options in different price ranges to suit their budgets. It's a great place to live, and with mortgage rates continuing to be so favorable, right now is a great time to buy."