

Florida's home sales up 7 percent in May

A strong labor market, continued low mortgage rates and a growing economy set the stage for a 7 percent increase in existing single-family home sales in Florida in May, with a total of 24,069 homes sold statewide compared to last year's level of 22,496 homes sold, according to the Florida Association of Realtors® (FAR).

"Sales of existing single-family homes across Florida are maintaining a healthy pace," 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). "Such sales rates are sustainable in an expanding national economy and Florida posts some of the strongest business conditions indicators in the U.S. Florida's labor market, for example, is one of the firmest in the country."

The statewide median sales price climbed 27 percent to \$230,800; a year ago, it was \$181,900. In May 2000, the statewide median sales price was \$115,100 — a dramatic increase of about 100 percent over the five-year period, according to FAR records. In comparison, in California, the statewide median resales price in April was \$509,230; in Maryland, it was \$275,846; in New York, it was \$242,000.

Keeping in mind the history of interest rates and mortgage rates, Scott took a look at their impact on median sales prices in the state. "The acceleration in median sales prices (both for the May comparison and for the 2005 year) of approximately 27 percent is not sustainable," he says. "Such price increases are being driven by a once-in-a-lifetime low interest rate environment and opportunity. Thus, this is more of an 'interest rate bubble' than a 'housing bubble.' Most investors and consumers do not have a long-term perspective on the behavior of interest rates.

"But for comparison purposes, back in October 1981, conventional mortgage rates hit 18.45 percent compared to the rates of today, which are in the vicinity of 5.63 percent. In addition, at that same time in 1981, inflation at the consumer level was in the vicinity of 10.3 percent compared to the

most-recent observation of 2.8 percent. The key point is that observed inflation and expected inflation rates drive long-term interest rates. It is, therefore, interest rate changes in the final analysis that will help determine the robustness of the Florida and national housing markets," he says.

According to Freddie Mac, the average rate for a 30-year fixed-rate mortgage was 5.72 percent last month, up from 6.27 percent in May 2004. FAR's sales figures

In Sarasota, the median sales price for a single-family home in May 2005 was \$350,000, compared to \$272,000 in May 2004. The number of single-family homes sold in May 2005 was 683, compared to 666 in May 2004.

reflect closings, which typically occur 30 to 90 days after sales contracts are written.

Among the state's larger markets, the **Tampa-St. Petersburg-Clearwater** metropolitan statistical area (MSA) had the largest number of resales last month with 5,482 homes changing hands, a 27 percent increase over the 4,330 homes sold in May 2004. The market's median sales price rose 25 percent to \$196,100; a year ago, it was \$156,800.

Other larger Florida MSAs reporting higher home sales in May include: **Jacksonville**, where 1,671 homes sold for a 9 percent increase; and **Orlando**, where 3,657 homes changed hands for a 5 percent gain. The median sales price in those markets also rose last month: in **Orlando**, 35 percent to \$218,600; and in **Jacksonville**, 12 percent to \$181,700. Among the smaller markets across the state, **Tallahassee** had a strong double-digit increase in the percentage of resales last month with 513 homes changing hands for a 34 percent jump over the 384 homes sold a year ago. The market's median sales price increased 6 percent to \$164,700; a year ago it was \$155,800.

— Florida Association of REALTORS®

Sales Price vs. List Price Rates

Single Family

	2004	2005
January	95.7%	96.9%
February	96.5%	97.5%
March	96.1%	97.9%
April	96.8%	97.8%
May	96.9%	97.5%
June	97.1%	
July	97.2%	
August	97.2%	
September	97.0%	
October	97.2%	
November	97.4%	
December	97.6%	

Condominium

	2004	2005
January	96.5%	97.6%
February	96.2%	97.7%
March	96.1%	97.5%
April	96.6%	97.5%
May	96.8%	97.8%
June	96.6%	
July	96.8%	
August	97.4%	
September	97.2%	
October	97.7%	
November	97.7%	
December	97.0%	

Sales and Listings for May 2005

Residential Sales Summary

PRICE	May 1 to May 31, 2005				SARASOTA ONLY SALES as of June 6 '05 TOTAL UNITS
	2- BDRMS	3 BDRMS	4+ BDRMS	CONDO CO-OP	
\$99,999 OR UNDER	2	0	0	1	3
\$100,000-119,999	3	0	0	4	7
\$120,000-139,999	3	2	0	10	15
\$140,000-159,999	6	2	0	17	25
\$160,000-179,999	7	2	1	16	26
\$180,000-199,999	9	14	2	12	37
\$200,000-249,999	28	44	4	43	119
\$250,000-299,999	12	37	3	25	77
\$300,000-399,999	25	59	18	46	148
\$400,000-499,999	10	32	18	19	79
\$500,000-749,999	10	52	29	51	142
\$750,000-999,999	4	11	16	29	60
OVER \$1,000,000	3	20	20	26	69
**TOTALS	122	275	111	299	807
**MEDIAN PRICE (in thousands)	\$254	\$350	\$599	\$350	\$357
**AVERAGE PRICE (in thousands)	\$341	\$487	\$812	\$503	\$513
TOTAL DOLLAR VOLUME SINGLE FAMILY	TOTAL DOLLAR VOLUME CONDOMINIUM		TOTAL HOME SALES DOLLAR VALUE		
\$265,948,000	\$150,614,000		\$416,562,000		

Sales Data*

May 2005				
Class	Sales	Average Sale Price	Median Sale Price	Sold Volume
Residential	683	\$489,384	\$350,000	\$312,227,291
Condo	340	\$486,672	\$333,250	\$165,468,694

May 2004

Class	Sales	Average Sale Price	Median Sale Price	Sold Volume
Residential	666	\$397,561	\$272,000	\$264,776,246
Condo	371	\$412,014	\$240,000	\$152,857,407

Listings Data*

May 2005

Class	New	Average List Price	Median List Price	Volume Listed
Residential	791	\$658,754	\$399,500	\$521,074,734
Condo	408	\$579,108	\$359,450	\$236,276,387

May 2004

Class	New	Average List Price	Median List Price	Volume Listed
Residential	746	\$454,460	\$279,450	\$339,027,172
Condo	330	\$475,288	\$268,062	\$156,845,054

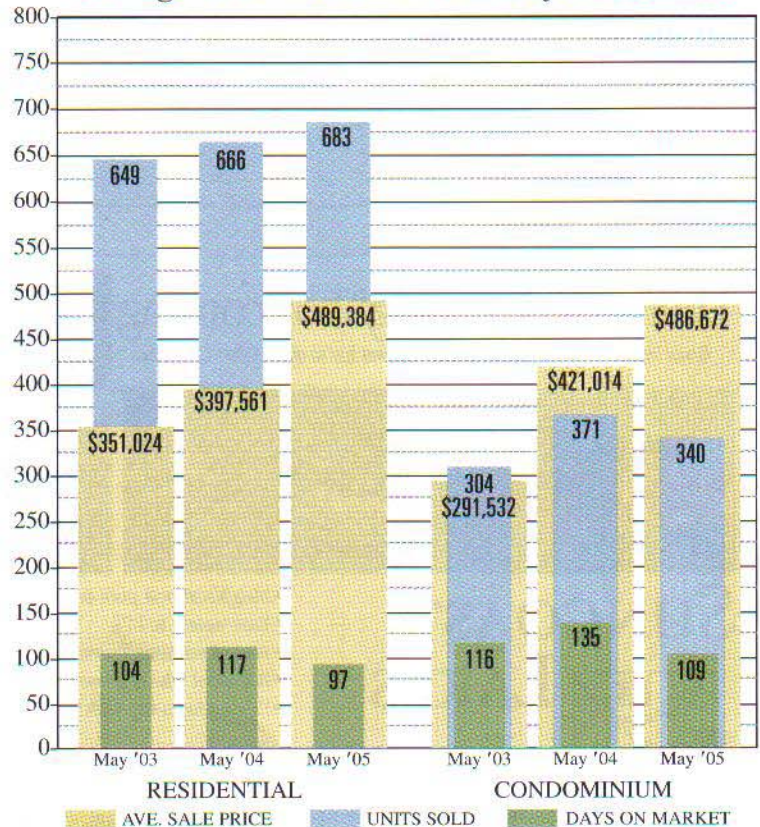
*Figures represent all listings reported in the Sarasota Association of Realtors MLS. Figures include some Manatee, Englewood and Venice listings.

Residential Sales Summary

PRICE	Year to Date				SARASOTA ONLY SALES as of June 6 '05 TOTAL UNITS
	2- BDRMS	3 BDRMS	4+ BDRMS	CONDO CO-OP	
\$99,999 OR UNDER	25	1	0	4	30
\$100,000-119,999	8	0	0	5	13
\$120,000-139,999	8	1	0	16	25
\$140,000-159,999	5	6	0	20	31
\$160,000-179,999	7	5	1	45	58
\$180,000-199,999	18	16	2	33	69
\$200,000-249,999	54	93	6	120	273
\$250,000-299,999	32	116	15	96	259
\$300,000-399,999	84	191	40	115	430
\$400,000-499,999	36	108	45	78	267
\$500,000-749,999	42	170	105	178	495
\$750,000-999,999	25	96	86	161	368
OVER \$1,000,000	41	202	288	288	819
**TOTALS	385	1005	588	1159	3137
**MEDIAN PRICE (in thousands)	\$350	\$474	\$995	\$575	\$566
**AVERAGE PRICE (in thousands)	\$584	\$770	\$1862	\$932	\$995
TOTAL DOLLAR VOLUME SINGLE FAMILY	TOTAL DOLLAR VOLUME CONDOMINIUM		TOTAL HOME SALES DOLLAR VALUE		
\$2,094,816,000	\$1,080,851,000		\$3,175,667,000		

May 2005

Average Sale Price/Units Sold/Days On Market



These statistics were gathered from Sarasota Association of Realtors MLS on June 6, 2005.