

Orlando Sentinel

Tuesday, July 26, 2005

Existing homes selling faster, and for more Sales are up nationwide, and so are median prices

By JACK SNYDER
SENTINEL STAFF WRITER

The nation's hot housing market continued to set records in June, with existing homes selling at the fastest rate in 25 years and the median price reaching a new high of \$219,000, the National Association of Realtors reported Monday.

The pace surprised many experts who had expected sales to ease because mortgage rates — though still historically low — have been inching higher.

"Just when you think sales activity is ready to settle into a more sustainable pace, the housing market continues to surprise," said David Lereah, the Realtors' chief economist.

In Florida, last month's statewide median — half the homes were higher, half were lower — was a record \$248,700. That's a 31 percent increase over June of last year, even as total sales dropped year over year. It was the first year-over-year sales decline for the state this year.

David Scott, an economics professor at the University of Central Florida, said some briskness left the market last month, but the single-month dip is not an alarm bell for a major decline. June sales, though down, were still a healthy number, he said.

Nationally, existing homes sold last month at a seasonally adjusted annual rate of 7.33 million homes, up 2.7 percent from May and 4.4 percent from June of last year.

Though mortgage rates have edged up in the past couple weeks, the 30-year loan rate still is below 6 percent. Lereah noted that jobs and general economic growth continue to support housing sales, though inventory is getting

PLEASE SEE **HOMES, A7**

tighter in many markets.

"The irony is that housing inventory is tight enough to boost prices, but not enough to curb overall sales," said Al Mansell, a Salt Lake City Realtor and president of the national trade group.

That's the story in the Miami area, according to Jay Chernoff, chairman of the Realtor Association of Greater Miami.

"There's no supply, and demand is greater than ever," he said.

The Tallahassee market also has supply problems, said Mike Ferrie, president of the Tallahassee Board of Realtors.

"The biggest issue driving our housing market is inventory, specifically the lack of homes for sale," he said. "Developers can't build new construction fast enough to meet demand."

Metropolitan Orlando showed some signs of cooling last month with sales off 2.3 percent from June of last year.

Yet, the median price of the homes sold set another record at \$240,000, a 37 percent increase from June of last year.

Area Realtors report anecdotal evidence the market might be tempering a bit from the recent torrid pace. Some overpriced houses aren't selling, and fewer bidding wars are occurring, brokers reported.

Inventory might be increasing a bit, but the number of houses available still is near record-low levels.

The Orlando Regional Realtor Association reported 3,253

EXISTING-HOME SALES*

Region	June 2004	June 2005**	Change
National	7.02 million	7.33 million	4.4%
Northeast	1.14 million	1.23 million	7.9%
Midwest	1.63 million	1.63 million	0%
South	2.59 million	2.74 million	5.8%
West	1.67 million	1.73 million	3.6%

* seasonally adjusted ** preliminary

SOURCE: National Association of Realtors

Across U.S., existing homes selling fast, for more

EXISTING-HOME SALES IN FLORIDA AND ORLANDO

Region	June 2004	June 2005	Change
Statewide	26,112	25,455	-2.5%
Orlando	2,952	2,883	-2.3%

MEDIAN SALES PRICE IN FLORIDA AND ORLANDO

Region	June 2004	June 2005	Change
Statewide	\$189,200	\$248,700	31.4%
Orlando	\$175,000	\$240,000	37.1%

SOURCES: Florida Association of Realtors, Orlando Regional Realtor Association

houses for sale at the end of June, unchanged from the end-of-May figure, despite an active sales month.

Regionally, the South's total existing-home sales edged up just 1.1 percent from May to June, but that was enough to reach a record level of 2.74 million homes, 5.8 percent above a year ago.

If mortgage rates continue

to bump up, sales and price increases should slow, according to Lawrence Yun, senior economist for the national Realtors' group.

Some areas of the country, such as Las Vegas and San Diego, already have seen a slowing of price gains, Yun said.

The Denver market, rocked by the loss of thousands of tele-

com jobs, has seen some price declines.

Even so, the West last month led the country in median sales price at \$317,000, up 17.4 percent from a year ago. The rate exceeded each region's and the national appreciation rate of 14.7 percent, the strongest increase since November 1980 when annual appreciation hit 15.6 percent.

Many experts say they expect the housing market to cool slowly.

Scott, the UCF economist, thinks Florida's statewide sales dip in June might be "a step forward towards economic reality as double-digit gains are impossible to sustain in the real-estate market, just as they are impossible to sustain in the domestic economy."