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**Editor's Note: You may wish to use this information with today's release from the National Association of Realtors.**

## **Florida's Home Median Prices Continue to Rise in June, While Sales Appear to Slow**

**ORLANDO, Fla., July 25, 2005** – A continuing tight supply of homes available for sale, low mortgage rates and high demand impacted Florida's housing market in June, helping to push the statewide median price of existing single-family homes up 31 percent to \$248,700; a year ago, it was \$189,200, according to the Florida Association of Realtors® (FAR). In June 2000, Florida's median sales price was \$119,600, according to FAR records, resulting in an increase of nearly 108 percent over the five-year period.

Statewide, resales activity slowed slightly from the blistering pace of recent months, with a total of 25,455 homes sold compared to 26,112 homes a year ago, for a 3 percent drop.

"Some briskness left the pace of sales of existing single-family homes across Florida during June," 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). "Actually, this is 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. This single (monthly) outcome is not an alarm bell for a major contraction as the June unit sales are still a healthy number. The June results represented the first month over month decline in 2005."

According to Freddie Mac, the 30-year fixed mortgage rate averaged 5.58 percent last month, compared to a rate of 6.29 percent in June 2004. FAR's sales figures reflect closings, which typically occur 30 to 90 days after sales contracts are written.

The national median sales price for existing single-family homes was \$204,600 in May, up 12.2 percent from a year ago. In California, the statewide median resales price was \$522,590 in May; in Maryland, it was \$287,439; in New York, it was \$245,000; and in North Carolina, the average resales price was \$200,889.

The trend of rising real estate values in Florida's existing-homes market suggests no imminent slowing, according to Scott. "Eventually, rising interest rates will curtail this situation, but long-term rates are still advancing at a slow pace," he explains.

"Substantiating the case for slowing rising long-term rates, including mortgage rates, is the fact that recent inflation rate data contained no negative surprises. As an example, the consumer price index for June stands 2.5 percent higher than a year ago. No thud has yet been heard related to the torrid pace of rising home prices."

Among Florida's larger markets, the **Miami** Metropolitan Statistical Area (MSA) reported a total of 1,317 homes sold last month compared to 1,293 homes sold a year ago for a 2 percent increase. The area's median sales price rose 27 percent to \$363,100; a year ago, it was \$285,900.

"The story in Miami's housing market is supply and demand: There's no supply and demand is greater than ever," says Jay Chernoff, chairman of the Realtor Association of Greater Miami and the Beaches and district sales manager with Keyes Company Realtors in Aventura. "Homes sell quickly and usually receive multiple offers. Globally, Miami continues to grow in popular appeal -- South Beach is a strong draw, Miami Beach is a tremendous tourist hub and the area offers a strong international business climate."

Other larger markets reporting higher home sales in June compared to a year ago include: **Tampa-St. Petersburg-Clearwater**, where 5,230 homes sold for a 2 percent increase; and **Jacksonville**, where 1,798 homes changed hands, also for a 2 percent gain. The median sales price in both markets rose by 23 percent last month: reaching \$211,100 in **Jacksonville** and \$208,700 in **Tampa-St. Petersburg-Clearwater**.

In the state's smaller MSAs, **Tallahassee** had a 14 percent gain in the number of home sales last month, with a total of 552 homes changing hands compared to 486 homes sold a year ago. The market's median sales price rose 11 percent to \$169,800; a year ago, it was \$152,400.

"The biggest issue driving our housing market is inventory; specifically, the lack of homes for sale. Developers also can't build new construction fast enough to meet demand," says Mike Ferrie, president of the Tallahassee Board of Realtors and sales associate with Blue Chip Realty Inc. in Tallahassee. "Mortgage rates are still low and that is helping to keep buyer demand high as well. Plus, since Tallahassee is the state's capital, there are a lot of job opportunities here."

Other smaller MSAs reporting gains in home sales last month include: **Punta Gorda**, where 490 homes sold for a 22 percent increase; and **Gainesville**, where 450 homes changed hands for a 15 percent gain. The median sales price in those markets also rose: in **Punta Gorda**, 16 percent to \$216,500; and in **Gainesville**, 10 percent to \$192,000.