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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 Sales Up 7 Percent in May; Median Price Continues to Rise

ORLANDO, Fla., June 23, 2005 -- 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 resale 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 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.

"It's a strong market, and the reason for it is that the Tampa area is a great place to live with a good job base, a convenient location and a world-class airport," says George Bodmer, president of the Greater Tampa Association of Realtors and co-owner of Brandon-based Bayside Realty Group Inc.

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.

"Sales have been going strong -- the still very low mortgage rates are encouraging people to buy now rather than wait," says Kenny Ayers, president elect of the Tallahassee Board of Realtors and a new-home specialist with Heritage Homes Realty of Tallahassee. "The universities and community college are bringing new residents in for jobs and school, along with the hospitals. People are discovering that the Tallahassee area has a lot to offer in terms of lifestyle, cultural events and educational activities."

Other smaller MSAs reporting strong sales in May include: **Gainesville**, where 461 homes sold for a 39 percent increase; and **Naples**, where 476 homes changed hands for a 14 percent rise. The median sales price also rose in those markets during the same period: in **Naples**, 34 percent to \$488,900; and in **Gainesville**, 6 percent to \$169,600.

A chart showing statistics for Florida and its 20 MSAs is attached. The chart compares the volume of existing, single-family home sales and median sales prices in May 2005 to May 2004, based on Realtor transactions.

The Florida Association of Realtors, the voice for real estate in Florida, provides programs, services, continuing education, research and legislative representation to its more than 125,000 members in 70 boards/associations.

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Florida Sales Report - May 2005

Single-Family, Existing Homes

Statewide & Metropolitan Statistical Areas (MSAs)	Realtor Sales			Median Sales Price		
	May 2005	May 2004	% Chge	May 2005	May 2004	% Chge
STATEWIDE	24,069	22,496	7%	\$230,800	\$181,900	27%
STATEWIDE-YEAR-TO-DATE	105,835	100,006	6	\$215,900	\$170,400	27
Daytona Beach	1,445	1,261	15	\$197,900	\$157,800	25
Fort Lauderdale	1,067	1,347	-21	\$367,000	\$273,800	34
Fort Myers-Cape Coral	1,309	1,011	29	\$273,500	\$195,300	40
Fort Pierce-Port St. Lucie	662	647	2	\$253,200	\$187,800	35
Fort Walton Beach	466	474	-2	\$261,600	\$189,600	38
Gainesville	461	331	39	\$169,600	\$160,300	6
Jacksonville	1,671	1,527	9	\$181,700	\$161,800	12
Lakeland-Winter Haven	545	554	-2	\$137,400	\$113,200	21
Melbourne-Titusville-Palm Bay (1)	401	410	-2	\$222,100	\$160,400	38
Miami	1,189	1,147	4	\$354,900	\$264,900	34
Naples	476	416	14	\$488,900	\$356,600	34
Ocala	526	530	-1	\$137,100	\$108,800	26
Orlando	3,657	3,495	5	\$218,600	\$162,000	35
Panama City (2)	N/A	N/A	N/A	N/A	N/A	N/A
Pensacola	582	542	7	\$158,600	\$130,300	22
Punta Gorda	398	444	-10	\$216,200	\$177,200	22
Sarasota-Bradenton	1,234	1,352	-9	\$316,600	\$240,800	31
Tallahassee	513	384	34	\$164,700	\$155,800	6
Tampa-St. Petersburg-Clearwater	5,482	4,330	27	\$196,100	\$156,800	25
West Palm Beach-Boca Raton	1,335	1,551	-14	\$390,900	\$290,200	35

(1) Data was not available from the Space Coast Association of Realtors.

(2) Data was not available.

This information is based on a survey of MLS sales levels from Florida's Realtor boards/associations. MSAs are defined by the 2000 Census. Source: Florida Association of Realtors® and the University of Florida Real Estate Research Center.