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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 Housing Market for 1Q 2006: Median Price Up, Sales Ease**

**ORLANDO, Fla., May 15, 2006** -- In first quarter 2006, Florida's housing sector followed the national trend, demonstrating signs of a market adjusting to rising mortgage rates, higher inventory levels and a better balance between buyers and sellers. Statewide sales of single-family existing homes totaled 45,864 during the three-month period, a decrease of 20 percent compared to 57,532 homes sold during the same quarter a year ago, according to the Florida Association of Realtors® (FAR).

"Sales of existing single-family homes in Florida behaved like much of the U.S. across the 2006 first quarter," says Dr. 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). "The stress points on unit sales come from two key sources: One, rising inventories of dwellings for sale and two, rising mortgage rates. On the latter, conventional mortgage rates closed the 2006 initial quarter at 6.35 percent and are trending up."

The statewide existing-home median sales price rose 20 percent to reach \$248,000 in the first quarter; a year ago, it was \$206,700. In 2001, the first-quarter statewide median sales price was \$119,500, which is an increase of about 107.5 percent over the five-year period.

"The rate of increase in unit prices continued on the upswing, albeit at a pace that is beginning to more closely reflect underlying economic trends and capabilities," Scott says. "Median sales prices were still up a strong 20 percent in the first quarter; but, this was down from the 29 percent pace that ended with the fourth quarter of 2005." He notes that inflationary pressures are beginning to register with the state's economy as the price of gasoline at the retail level is at about \$3.00 per gallon and the price of oil per barrel is in the \$68 to \$72 range.

Looking to Florida's existing condominium market, sales of existing condos also decreased during the quarter, with a total of 15,386 condos sold statewide compared to 19,657 in first quarter 2005 for a 22 percent decline, according to FAR. The statewide median sales price for condos rose 8 percent to \$217,700 for the three-month period; a year ago, it was \$201,800.

The latest economic outlook from the National Association of Realtors® (NAR) notes that while the housing market is adjusting, it should experience its third best year in 2006 with

job creation and a growing economy offsetting some of the effects of rising interest rates. According to Freddie Mac, the national commitment rate for a 30-year conventional fixed-rate mortgage averaged 6.24 percent in first quarter 2006; last year, it was 5.76 percent.

Among the state's larger markets, the **Jacksonville** metropolitan statistical area (MSA) reported 3,987 existing homes sold for the quarter, a 5 percent increase over the 3,795 homes sold a year ago. The market's median sales price increased 17 percent to \$200,000; a year ago, it was \$171,400. The median is a typical market price where half the homes sold for more, half for less.

The **Ocala** MSA, one of the smaller market's in the state, had a 5 percent increase in resales for the quarter, with 1,464 homes changing hands compared to 1,395 homes sold a year ago. Over the same period, the market's median home price rose 32 percent to \$161,400; a year ago, it was \$122,100.

"A strong sense of community and friendly way of living are part of what attracts people to our area," says Gregory Lord, president-elect of the Ocala-Marion County Association of Realtors and co-owner of Homes To Ranches Realty Inc. in Ocala. "This is just a beautiful place to live, with horse farms, rural areas and the Ocala National Forest."

Another smaller market reporting an increase in existing-home sales for the first quarter was **Tallahassee**, where 1,161 homes sold for a gain of 11 percent. The market's existing-home median sales price rose 12 percent to \$176,800.

*A chart showing statistics for Florida and its MSAs is attached. The chart compares the volume of existing, single-family home sales and median sales prices in the first quarter of 2006 to the first quarter of 2005, based on Realtor closed transactions from local Realtor boards/associations within the MSAs.*

*The Florida Association of Realtors (FAR), the voice for real estate in Florida, provides programs, services, continuing education, research and legislative representation to its nearly 155,000 members in 68 boards/associations.*

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